March 28, 2018

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, President & CEO
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
Contact: Hikaru Teramoto,
Head of Corporate Planning Department

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only.
All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

Establishment of Alliance with SQUEEZE

Kenedix, Inc. and SQUEEZE Inc. signed an agreement on March 28, 2018 to establish an equity and business alliance. On the same day, Kenedix purchased SQUEEZE stock through a third-party allotment.

1. Reason for equity and business alliance

Starting and expanding a business for the operation of hotels, *minpaku* (vacation rentals), serviced apartments and other types of accommodations is one of the goals of Partners in Growth, Next 2020, the Kenedix medium-term management plan that was announced on February 9, 2018. SQUEEZE has expertise in the use of information technology and crowdsourcing for the efficient operation of the above-mentioned accommodation facilities. By establishing this business alliance with SQUEEZE and purchasing SQUEEZE stock, Kenedix expects to gain opportunities for growth in two business sectors. One is the serviced apartment business of subsidiary Space Design, Inc. The other is the operation of "smart" hotels* with SQUEEZE.

* A "smart" hotel is a next-generation hotel that uses information technology to reduce operating expenses through the use of automation and other labor-saving processes.

2. Summary of equity and business alliance

(1) Business alliance

At this time, Kenedix and SQUEEZE have reached an agreement concerning the following points for the business alliance.

1) Joint development of hybrid hotels combining the characteristics of serviced apartments and *minpaku*

2) Acquisition of "smart" hotels operated by SQUEEZE and investments in these hotels

3) Provision by Kenedix of a non-executive director to SQUEEZE

(2) Equity alliance

By using a third-party allotment, Kenedix will make an equity investment of approximately 0.8 billion yen in SQUEEZE. This will make SQUEEZE an equity-method affiliate of Kenedix.

3. About SQUEEZE

Name	SQUEEZE Inc.
Location	3-3-7, Kitaaoyama, Minato-ku, Tokyo
Representative	Shinichi Tatebayashi, CEO
Business	Support services to attract guests and outsourced services for, and direct operation of accommodation facilities; provision of crowd management tools for these facilities
Established	September 2014
Employees	30 (as of March 28, 2018)
Capital	1,317 million yen (after the Kenedix investment, including capital reserve)

Reference:

■ SQUEEZE Inc.

Dedicated to "creating a society squeezed full of value," SQUEEZE started operations in 2014 by offering the "mister suite" crowdsourcing service for hotels, *minpaku* and other accommodation facilities. SQUEEZE subsequently added the "suitebook" crowd management tool, the smart lock, a *minpaku* data analysis tool, and other products and services. As a result, SQUEEZE has become a one-stop source of services and other support required by the accommodation business. In 2017, SQUEEZE opened its first directly operated "smart" hotel, which uses the new Minn brand.

4. Schedule

Contract signing	March 28, 2018
Stock acquisition date	March 28, 2018

5. Outlook

There is no change in the 2018 consolidated forecast announced on February 9, 2018. An announcement will be made promptly if a forecast is revised due to changes in the operating environment, real estate market or results of operations.

Cautionary Statement Concerning Forward-Looking Information
This press release contains forward-looking statements that may include "intends," "will" and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of Kenedix. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. Kenedix has no obligation to update forward-looking statements, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.