April 26, 2018

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

Notice of Establishment of Subsidiary

The Board of Directors of Kenedix, Inc. approved a resolution on April 26, 2018 to establish a wholly owned subsidiary to serve as a company to succeed the Kenedix private fund business.

1. Purpose of establishing a subsidiary

Kenedix anticipates more growth in the demand for investments in private funds. As a result, Kenedix believes there is a need to establish a framework for its private fund business that can facilitate greater expertise as well as more flexibility and creativity. To accomplish this, Kenedix plans to establish a subsidiary that will be responsible solely for the real estate private fund business.

2. Profile of the subsidiary to be established

(1) Name	Kenedix Investment Partners, Inc	
(2) Address	Hibiya Parkfront, 2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo	
(3) Representative	Naokatsu Uchida, President & CEO	
(4) Business	(1) Investment management business, investment advisory and agency operations, etc. (2) Building lots and buildings transaction business (3) Real estate investment advisory business (4) Type 2 financial instruments dealer business (5) Management of an organization of a special purpose company (6) Transactions of real estate and asset-backed securities mainly involving real estate, real estate leasing and brokerage, and real estate management and appraisals (7) Specified real estate joint operator business (8) Consulting business regarding management and usage of real estate and other assets (9) All business incidental to the preceding activities	
(5) Capital	90 million yen	
(6) Establishment	May 2018 (tentative)	
(7) Fiscal year	December	
(8) Shareholder	Kenedix, Inc. (100%)	
(9) Relationships between Kenedix Investment Partners and Kenedix	Capital	Kenedix Investment Partners will be established as wholly owned subsidiary of Kenedix.
	Personnel	Kenedix will dispatch a director to Kenedix Investment Partners.
	Business	Not applicable because business operations have not started.

3. Schedule

Kenedix has started a study concerning an absorption-type divesture to establish Kenedix Investment Partners to succeed our private fund business with Kenedix as splitting company.

4. Outlook

Kenedix Investment Partners will start its operations after obtaining the required regulatory licenses. 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.

5. Other

Kenedix will announce other information about this divestiture and business operations following the divestiture promptly as additional items are determined.

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.