September 13, 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 Change in Subsidiary

The Board of Directors of Kenedix, Inc. approved a resolution on September 13, 2018 to make a subordinated silent partnership (tokumei kumiai) investment in Godo Kaisha KRF73 (the SPC), which is expected to become a consolidated subsidiary.

1. Overview

The real estate trust beneficiary rights of a trust that owns an office building in Tokyo will be acquired by the SPC established by Kenedix with funds raised through borrowings from financial institutions, investment by co-investors in a privileged silent partnership and investment in a subordinated silent partnership by Kenedix.

2. Reason for the investment

Through this investment, Kenedix expects to earn a real estate investment return while at the same time use this property as a seed asset for establishing a new core fund. The investment will boost assets under management (AUM) and contribute to increasing stable earnings mainly through the growth of the Asset Management Business.

3. Summary of the SPC

(1)	Name	Godo Kaisha KRF73	
(2)	Address	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo	
(3)	Representative	Representative Partner: Ippan Shadan Hojin KRF73 Executor: Masao Kasuga	
(4)	Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights	
(5)	Established	March 8, 2018	
(6)	Capital	1 million yen	
(7)	Relationships between Kenedix and the SPC	Capital	No significant items.
		Personnel	No significant items.
		Business	No significant items.
(8)	Shareholder and Shareholding ratio	Ippan Shadan Hojin KRF73: 100%	

(9)	Results of operations and financial condition for the last three years	No figures are shown because the SPC was established in March 2018.

4. Amount and ratio of investments in the SPC

Subordinated TK investments (Investment ratio)	1,890 million yen (100%)

5. Summary of real estate in trust

(1) Name	Not disclosed according to the agreement with the seller
(2) Location	Tokyo
(3) Category	Office building

6. Schedule

Resolution date	September 13, 2018
Payment date	September 27, 2018 (tentative)
Asset purchase date	September 28, 2018 (tentative)

7. Outlook

In association with this investment, there is no change in the 2018 consolidated forecast announced on August 10, 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.