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

Transfer of Premier REIT Advisors Stock to NTT Urban Development Corporation

Premier REIT Advisors Co., Ltd. (PRA) held an extraordinary shareholders meeting today where shareholders approved a contract for an exchange of stock with a cash payment that was signed on September 15, 2020 by PRA and NTT Urban Development Corporation (NTTUD). This exchange of stock will make PRA a wholly owned subsidiary of NTTUD. Kenedix, Inc. is today announcing its agreement with this exchange of stock.

1. Overview and reason for transfer

Kenedix has owned PRA stock equivalent to 30% of the company's voting rights and, as the sponsor of Premier Investment Corporation (PIC) has with NTTUD operated PRA, including through the provision of external directors to PRA, and provided support for the operations of PIC. NTTUD submitted a proposal for this exchange of stock to Kenedix in order to make PRA a wholly owned subsidiary with the goals of strengthening the NTT Group's ability to support PIC as its sponsor as well as contributing to the external and internal growth of PIC. Kenedix concluded that this is fairly reasonable and voted its PRA stock in favor of approving the contract for the exchange of stock in order to enable NTTUD to provide support for PIC's internal and external growth as it proposed.

2. Outlook

Following this exchange of stock, PRA, which manages the assets of PIC, will be a wholly owned subsidiary of NTTUD. Consequently, the assets under management (AUM) of 246.7 billion yen (As of the end of June 2020) at PIC, which had been treated as reference data in the Kenedix sub-sponsor REIT category, will no longer be included in the Kenedix Group's AUM. The exclusion of these assets will have only a negligible effect on the profit structure of Kenedix, which is centered on base AUM. As a result, there is no change in the forecast for 2020 consolidated results of operations that was announced on February 12, 2020. In addition, this transaction will not have a material effect on earnings in subsequent years*1.

*1. In 2019, Kenedix recorded as non-operating income equity in earnings of affiliates of 40 million yen due to its PRA investment.

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