

October 30, 2017

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & President
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 Core Fund for an Office Building

Kenedix, Inc. has decided to establish a core fund that will hold part of the ownership of the Mitsubishi Heavy Industries Yokohama Building, which is in Minato Mirai district of Yokohama. Kenedix will also provide asset management services for this fund. Information about this building was announced in the March 30, 2017 release titled "Notice of Policy for Acquiring Office Building and Land for Development and Establishment of a Land Acquisition Subsidiary".

1. Profile of the Fund

Property held	Partial ownership of Mitsubishi Heavy Industries Yokohama Building *1
Location	3-1 Minatomirai 3-chome, Nishi-ku, Yokohama-shi, Kanagawa
Seller	Hulic Co., Ltd.
Buyer	Godo Kaisha YMM Investment *2
Purchase price	31,360 million yen (net of taxes) *1

Notes: 1. The fund will hold 49% of the quasi co-ownership of the trust beneficiary rights for the Mitsubishi Heavy Industries Yokohama Building. The sale of the other portion of the quasi co-ownership is to take place separately between Hulic Co., Ltd. and Kenedix Private Investment Corporation (28% of trust beneficiary rights) and Kenedix Office Investment Corporation (23% of trust beneficiary rights).

2. This is a Japanese special-purpose company (not consolidated by Kenedix) owned by several Japanese institutional investors. Kenedix is the asset manager for this SPC.

2. Schedule

Agreement signing date	October 30, 2017
Transaction closing date	October 31, 2017

3. Outlook

There is no change in the 2017 consolidated forecast announced on February 13, 2017. An announcement will be made promptly if a forecast revision is needed due to changes in the operating environment, real estate market or results of operations.

Godo Kaisha KRF48, a special-purpose company established by Kenedix, acquired the northern section of the site of the Mitsubishi Heavy Industries Yokohama Building in March 2017. Discussions are under way with a prospective partner concerning the development of this land. An announcement will be made promptly if these discussions result in a definitive agreement to proceed with this project with this partner.

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.