

November 14, 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.

Notice of Change in Subsidiary due to Investment in Fund

Kenedix, Inc. has decided to invest in KDA CAPITAL SQUARE LIMITED PARTNERSHIP (KDA Fund) via Kenedix Asia Pte Ltd. (KDA), a wholly owned subsidiary in Singapore, to acquire income properties in Southeast Asia. KDA Fund is scheduled to become Kenedix's consolidated subsidiary.

1. Reason for change

Kenedix has decided to invest in KDA Fund through KDA.

Kenedix and KDA will sell their equity interests in KDA Fund to Japanese investors to provide them with investment opportunities. As a result of this sale, KDA Fund will be excluded from the consolidation and become an equity-method affiliate of Kenedix.

2. Summary of KDA Fund

| | | |
|--|--|--|
| (1) Name | KDA CAPITAL SQUARE LIMITED PARTNERSHIP | |
| (2) Address | Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands | |
| (3) Jurisdiction | LPS (Limited Partnership) based on Cayman Island's LPS Act. | |
| (4) Activities | Leasing revenue as well as capital gains on portfolio assets. | |
| (5) Established | October 16, 2018 | |
| (6) Profile of the asset management company | Name | KDA CS INVESTMENT GP LTD |
| | Address | Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands |
| | Representative | KWCA Pte. Ltd. |
| | Business | Operation and business management of KDA Fund |
| | Capital | USD1.00 (JPY113.94 ^{note 1)}) |
| (7) Relationships between Kenedix and KDA Fund | Capital | Kenedix subsidiary KDA makes an investment in KDA Fund. |
| | Personnel | No significant items. |
| | Business | Kenedix subsidiary KDA becomes a fund manager of KDA Fund. |
| (8) Results of operations and financial condition for the last three years | No figures are shown because KDA Fund was established in October 2018. | |

(Note 1) USD1 = JPY113.94 (as of November 12, 2018)

3. Schedule

| | |
|--|------------------------------------|
| Resolution of the Board of Directors | November 9, 2018 ^{note 2} |
| Date of investment decision and investment | November 13, 2018 |
| KDA Fund becomes a Kenedix subsidiary | November 13, 2018 |
| Start of operations at KDA Fund | November 14, 2018 |

(Note 2) When the Board of Directors approved this resolution on November 9, 2018, there was still a possibility of revisions to some of the terms of this investment. The Board of Directors approved a resolution giving the Kenedix representative director the authority to reach decisions concerning the investment.

4. Change in investment and ownership (estimates)

| | Investment | Ownership |
|-------------------|--|-----------|
| Before investment | - | - |
| After investment | SGD93,000,000 (JPY7,683 million ^{note 3}) | 75.6% |

(Note 3) SGD1 = JPY82.62 (as of November 12, 2018)

5. 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.