

Kennedy Wilson and Takenaka Corporation Acquire San Francisco Landmark Bank Branch and Office Tower for \$135M

BEVERLY HILLS, Calif.--(BUSINESS WIRE)-- Global real estate investment company Kennedy Wilson (NYSE:KW) today announced that the company has joint-ventured with the Takenaka Corporation ("Takenaka") to acquire 400/430 California Street, a 247,000 sq. ft. office tower and 27,000 sq. ft. bank branch, in the North Financial District submarket of San Francisco, California, for \$135 million. Kennedy Wilson invested \$13.5 million in this transaction. The property is 100% occupied by MUFG Union Bank, who will leaseback the property and vacate the tower over the next 2 years on a staggered basis and the bank branch after 4 years. The property will subsequently undergo a complete interior renovation. Kennedy Wilson and Takenaka's first real estate transaction occurred in 1996 when the company successfully sold an office building in Los Angeles on behalf of Takenaka.

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400 California Street (Photo: Business Wire)

"We are very excited to acquire this iconic office tower in San Francisco's financial district and to create our first joint-venture with Kennedy Wilson, the global real estate investment firm with whom we've established a long-term relationship," said Toichi Takenaka, Chairman and CEO of Takenaka Corporation. "We have tremendous respect for the corporate philosophy that we share and trust we can complete this transaction enhancing both of our firms' expertise." Takenaka

Corporation had their first design/construction project in San Francisco (and in the US) in the late 1960's and has owned Hotel Nikko San Francisco since they developed the hotel in 1987.

William McMorrow, CEO of Kennedy Wilson, added, "We are honored to have our first investment partnership with Takenaka, one of the most established and respected firms in the world, and hope to find future ways to invest together."

Situated in San Francisco's financial district, 400 and 430 California Street is a class-A office tower and bank branch fully leased to Union Bank. The office tower provides excellent views of the San Francisco skyline, with a 10,000 sq. ft. deck over the roof of the bank branch and three additional exterior decks. The bank branch was designated a landmark of San Francisco in 1968. The property has a premiere location with close access to the California Street cable car line, two BART stations, and is a short walk to the Ferry Building. Kennedy Wilson's asset management strategy includes a full-scale repositioning of the property, including a renovation of the lobby and other interior upgrades.

James Andrew International advised the Takenaka Corporation in this transaction.

About Takenaka Corporation

Takenaka Corporation is among Japan's oldest and largest general contractors with a long history rich in tradition that spans over 400 years and includes creating many of Japan's most prominent architectural landmarks. Since 1960, Takenaka has established over twenty offices in many foreign countries and over the years has been the recipient of many design, technique, and quality awards. With annual sales in excess of \$12 billion and a track record of acquiring and owning prime properties in various international locations, the group's existing portfolio includes office buildings and hotels in London, New York, Kauai, and San Francisco. Takenaka Corporation currently has nearly 7,500 employees, including 2,500 architects, and the group offers comprehensive services worldwide across the entire spectrum of space creation from site location and planning to design, engineering and construction, as well as post-completion services such as facilities management and building maintenance.

About Kennedy Wilson

Kennedy Wilson (NYSE:KW) is a global real estate investment company. We own, operate, and invest in real estate both on our own and through our investment management platform. We focus on multifamily and commercial properties located in the Western U.S., UK, Ireland, Spain, Italy and Japan. To complement our investment business, the Company also provides real estate services primarily to financial services clients. For further information on Kennedy Wilson, please visit www.kennedywilson.com.

Special Note Regarding Forward-Looking Statements

Statements in this press release that are not historical facts are “forward-looking statements” within the meaning of U.S. federal securities laws. These forward-looking statements are estimates that reflect our management’s current expectations, are based on assumptions that may prove to be inaccurate and involve known and unknown risks. Accordingly, our actual results or performance may differ materially and adversely from the results or performance expressed or implied by these forward-looking statements, including for reasons that are beyond our control. For example, we may not be able to maintain our current acquisition or disposition pace or identify future properties to acquire on terms we consider attractive, and our current property portfolio may not perform as expected. Furthermore, the capitalization rate of our investments represents the net operating income of an investment for the year preceding its acquisition or disposition divided by the purchase or sale price. Capitalization rates represent historical performance and are not a guarantee of future net operating income. Accordingly, you should not unduly rely on these statements, which speak only as of the date of this press release. We assume no duty to update the forward-looking statements, except as may be required by law.

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