

Summary of Consolidated Financial Results for the First Quarter of 2009 (January 1, 2009 – March 31, 2009)

Described below is an abstract in English of the financial result for the First quarter of 2009 ended March 31, 2009 that was released today in Tokyo. The translation is prepared and provided for the purpose of the readers convenience only. All of readers are strongly recommended to refer to the original version in Japanese of the news release for complete and accurate information.

Company name: Kenedix, Inc.	Listing: First Section, Tokyo Stock Exchange
Stock code: 4321	URL: http://www.kenedix.com
President: Atsushi Kawashima	
Contact: Taiji Yoshikawa, Director	
Tel: +81-3-3519-2530	

(Amounts rounded off to million yen)

1. Consolidated Financial Results (Jan. 1, 2009 – March. 31, 2009)

(1) Consolidated results of operations

(Percentage figures represent year-on-year changes)

	Revenue		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
First Quarter of 2009	12,762	—	1,227	—	(1,333)	—
First Quarter of 2008	44,767	477.1	6,927	26.8	5,088	16.0

	Net income		Net income per share, (basic)	Net income per share, (diluted)
	Million yen	%	Yen	Yen
First Quarter of 2009	(15,490)	—	(24,336.37)	—
First Quarter of 2008	2,558	(1.1)	4,029.43	3,708.22

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2009	248,938	41,535	12.6	49,191.19
As of December 31, 2008	273,149	57,558	17.1	73,438.21

Reference: Shareholders' equity (million yen) Mar. 2009: 31,315 Dec. 2008: 46,739

2. Dividends

	Dividend per share (Yen)				
	First quarter	Mid term	Third quarter	Term end	Full-year total
Year ended December 2008	—	0.00	—	0.00	0.00
Year ended December 2009	—	—	—	—	—
Year ending December 2009(Forecast)	—	0.00	—	0.00	0.00

Note: The forecast above has not been revised since they were originally released on February 13, 2009

3. Forecast of Consolidated Income for the Year Ending December 31, 2009 (Jan. 1, 2009 – Dec. 31, 2009)

(Percentage figures represent year-on-year changes)

	Revenue		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Half year	69,300	—	13,900	—	10,900	—	(1,200)	—	(1,883.88)
Full year	108,400	(21.1)	18,000	10.6	13,200	148.3	200	—	313.98

Note: The forecast above has not been revised since they were originally released on February 13, 2009

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): No

(2) Changes in accounting principles, procedures and presentation methods for preparation of consolidated financial statements

- 1) Changes caused by revision of accounting standards: Yes
- 2) Other changes: No

(3) Number of shares outstanding (common shares)

1) Number of shares outstanding at end of period (including treasury stock)

March 2009: 636,982 shares December 2008: 636,982 shares

2) Number of treasury stock at end of period

March 2009: 365 shares December 2008: 539 shares

3) Average number of outstanding shares

March 2009: 636,530 shares March 2008: 634,948 shares

* Cautionary statement with respect to forward-looking statements

- 1) Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results are affected by various factors and may differ substantially.
- 2) Commencing with the current fiscal year, the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No.12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No.14) are applied. Also, quarterly consolidated financial statements are prepared in accordance with the “Regulation for Quarterly Consolidated Financial Statements.”

Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

Account title	First Quarter of 2009 (As of March. 31, 2009)	(Summary) Year 2008 (As of Dec. 31, 2008)
Assets		
I Current assets		
1. Cash and deposits	8,860	11,872
2. Deposits held in trust	6,855	8,958
3. Accounts receivable-trade	923	979
4. Real estate for sale	102,195	178,115
5. Real estate for sale in process	22,110	31,139
6. Acquired non-performing loans	4,299	5,259
7. Income taxes refundable	5,701	5,304
8. Deferred tax assets	383	499
9. Other	3,817	3,037
10. Allowance for doubtful accounts	(125)	(125)
Total current assets	155,021	245,041
II Fixed assets		
1. Property and equipment		
(1) Buildings and structures	35,413	147
Accumulated depreciation	(301)	(49)
Buildings and structures,net	35,112	97
(2) Land	34,174	—
(3) Other	413	166
Accumulated depreciation	(85)	(79)
Other,net	328	86
Total property and equipment	69,615	184
2. Intangible assets		
(1) Goodwill	1,177	1,490
(2) Other	37	20
Total intangible assets	1,214	1,510
3. Investments and other assets		
(1) Investment securities	19,990	23,646
(2) Investment in capital	320	320
(3) Long-term loans receivable	991	1,153
(4) Deferred tax assets	115	0
(5) Other	1,701	1,323
(6) Allowance for doubtful accounts	(32)	(32)
Total investment and other assets	23,087	26,412
Total fixed assets	93,917	28,108
Total assets	248,938	273,149

(Millions of yen)

Account title	First Quarter of 2009 (As of March. 31, 2009)	(Summary) Year 2008 (As of Dec. 31, 2008)
Liabilities		
I Current liabilities		
1. Accounts payable-trade	3,462	554
2. Short-term borrowings	41,094	63,712
3. Long-term borrowings-due within one year	26,975	20,117
4. Corporate bonds-due within one year	4,398	5,558
5. Accrued income taxes	393	558
6. Security deposits	5,454	7,252
7. Accrued employee's bonuses	58	—
8. Deferred tax liabilities	1,723	1,725
9. Other	2,558	2,103
Total current liabilities	86,119	101,582
II Long-term liabilities		
1. Bonds payable	39,186	40,236
2. Long-term borrowings	79,837	73,181
3. Deferred tax liabilities	—	1
4. Allowance for employees' retirement benefits	27	25
5. Other	2,231	564
Total long-term liabilities	121,283	114,009
Total liabilities	207,402	215,591
Net Assets		
I Shareholders' equity		
1. Common stock	14,591	14,591
2. Additional paid-in capital	14,850	14,850
3. Retained earnings	2,935	18,439
4. Treasury stock	(88)	(130)
Total shareholders' equity	32,289	47,751
II Valuation and translation adjustments		
1. Net unrealized holding gains/losses on other securities	13	(24)
2. Foreign currency translation adjustments	(987)	(988)
Total valuation and translation adjustments	(973)	(1,012)
III Minority interests in consolidated subsidiaries	10,219	10,819
Total net assets	41,535	57,558
Total liabilities and net assets	248,938	273,149

(2) Consolidated Statement of Income*(Millions of yen)*

Account title	First Quarter of 2009 (As of March. 31, 2009)	(Summary) First Quarter of 2008 (As of March. 31, 2008)
I Revenue	12,762	44,767
II Cost of revenue	10,200	36,335
Gross profit	2,561	8,431
III Selling, general and administrative expenses		
1. Directors' and corporate auditors' salaries	52	77
2. Salaries and bonuses	268	236
3. Provision for accrued employees' bonuses	58	198
4. Provision for accrued directors' and corporate auditors' bonuses	—	115
5. Provision for employees' retirement benefits	3	1
6. Commissions paid	310	297
7. Amortization of goodwill	306	161
8. Other	332	416
Total selling, general and administrative expenses	1,333	1,504
Operating income	1,227	6,927
IV Non-operating income		
1. Interest income	22	73
2. Foreign currency transaction gain	58	—
3. Other	32	43
Total non-operating income	113	116
V Non-operating expenses		
1. Interest expense	1,053	1,128
2. Equity in losses of non-consolidated subsidiaries and affiliates	1,135	243
3. Commissions paid	455	369
4. Other	31	213
Total non-operating expenses	2,675	1,955
Ordinary income(loss)	(1,333)	5,088

(Millions of yen)

Account title	First Quarter of 2009 (As of March. 31, 2009)	(Summary) First Quarter of 2008 (As of March. 31, 2008)
VI Extra-ordinary income		
1. Gain on sale of affiliate stock	—	17
2. Gain on sale of investment securities	—	21
3. Gain on liquidation of affiliated company	70	—
4. Other	2	—
Total extra-ordinary income	73	38
VII Extra-ordinary losses		
1. Loss on sale of investment securities	1,041	—
2. Loss on valuation of inventories	12,827	—
3. Other	139	—
Total extra-ordinary losses	14,008	—
Income(loss) before income taxes and profit distribution to silent partners	(15,268)	5,127
Profit distribution to silent partners	(37)	(13)
Income(loss) before provision for income taxes	(15,230)	5,140
Income taxes	229	2197
Minority interests	31	384
Net income(loss)	(15,490)	2,558

(3) Consolidated Statement of Cash Flows*(Millions of yen)*

	First Quarter of 2009 (Jan. 1, 2009 – March. 31, 2009)
Account title	Amount
I Operating activities	
1. Income (loss)before provision for income taxes	(15,230)
2. Depreciation and amortization	241
3. Amortization of goodwill	306
4. Gain on sales and collection of acquired non-performing loans	(69)
5. Profit distribution from silent partnerships	(38)
6. Increase (decrease) in allowance for doubtful accounts	0
7. Increase (decrease) in accrued employees' bonuses	58
8. Increase (decrease) in allowance for employees' retirement benefits	2
9. Interest income	(22)
10. Interest expense	1,053
11. Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	1,135
12. Loss (gain) on sales of investment securities	1,041
13. Loss (gain) on valuation of investment securities	46
14. Decrease (increase) in notes and accounts receivable-trade	55
15. Decrease (increase) in notes and accounts payable-trade	2,923
16. Decrease (increase) in inventories	15,385
17. Proceeds from sale and collection of acquired non-performing loans	115
18. Distributions from silent partnerships	250
19. Other, net	1,608
Subtotal	8,863
20. Interests and dividends received	21
21. Interests paid	(997)
22. Income taxes paid	(794)
Net cash provided by operating activities	7,092

(Millions of yen)

	First Quarter of 2009 (Jan. 1, 2009 – March. 31, 2009)
Account title	Amount
II Investing activities	
1. Payment for purchase of property and equipment	(108)
2. Proceeds from sale of property and equipment	1
3. Payment for purchase of intangible assets	(19)
4. Proceeds from sales of investment securities	1,470
5. Other, net	(377)
Net cash used in investing activities	966
III Financing activities	
1. Proceeds from short-term borrowings	23,250
2. Repayment of short-term borrowings	(45,867)
3. Proceeds from long-term borrowings	16,619
4. Repayment of long-term borrowings	(3,189)
5. Payment for redemption of bonds	(2,210)
6. Dividends to minority interest	(40)
7. Distributions to minority interest	(509)
8. Dividends paid	(0)
9. Other, net	1
Net cash provided by (used in) financing activities	(11,947)
IV Effect of exchange rate changes on cash and cash equivalents	0
V Decrease in cash and cash equivalents	(3,888)
VI Cash and cash equivalents at beginning of period	16,281
VII Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	(254)
VIII Cash and cash equivalents at end of period	12,138

(4) Segment Information*(Millions of yen)*

	First Quarter of 2009 (Jan. 1, 2009 – March. 31, 2009)					
	Real Estate Investment Advisory Business	Real Estate Investment Business	Asset Management Business	NPL Investment Management Business	Adjusts and Elimination	Consolidated
Revenue	466	11,479	1,097	40	(321)	12,762
Operating income	310	1,525	715	(965)	(357)	1,227

(Millions of yen)

	First Quarter of 2008 (Jan. 1, 2008 – March. 31, 2008)					
	Real Estate Investment Advisory Business	Real Estate Investment Business	Asset Management Business	NPL Investment Management Business	Adjusts and Elimination	Consolidated
Revenue	1,104	42,959	1,732	128	(1,156)	44,767
Operating income	841	5,573	984	22	(494)	6,927