

**Summary of Consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending December 31, 2011  
(Nine Months Ended September 30, 2011)**

**[Japanese GAAP]**

Described below is an abstract in English of the financial result for the first nine months of the fiscal year ended December 31, 2011 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: <a href="http://www.kenedix.com">http://www.kenedix.com</a>
President: Atsushi Kawashima	
Contact: Taiji Yoshikawa, Director	Tel: +81-3-3519-2530
Scheduled date of filing of Quarterly Report: November 11, 2011	
Scheduled date of payment of dividend: -	
Preparation of supplementary materials for quarterly financial results: Yes	
Holding of quarterly financial results meeting: No	

*(Amounts rounded off to million yen)*

**1. Consolidated Financial Results (Jan. 1, 2011 – Sep. 30, 2011)**

**(1) Consolidated results of operations**

*(Percentage represent year-on-year changes)*

	Revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 30, 2011	14,786	(47.1)	5,663	(20.7)	2,069	(38.4)	1,052	-
Nine months ended Sep. 30, 2010	27,931	(60.1)	7,143	(37.3)	3,356	(41.1)	(522)	-

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Nine months ended Sep. 30, 2011	459.20	457.36
Nine months ended Sep. 30, 2010	(366.16)	-

**(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2011	194,102	71,823	31.3	26,479.78
As of Dec. 31, 2010	206,228	71,147	29.1	26,216.42

Reference: Shareholders' equity (million yen)      As of Sep. 30, 2011: 60,670      As of Dec. 31, 2010: 60,066

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2010	-	0.00	-	0.00	0.00
Year ending Dec. 31, 2011	-	0.00	-	-	-
Year ending Dec. 31, 2011 (forecast)	-	-	-	0.00	0.00

Note: Revision of dividend forecast during the period: None

**3. Forecast of Consolidated Income for the Year Ending December 31, 2011 (Jan. 1, 2011 – Dec. 31, 2011)**

*(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
Full year	21,900	(43.2)	7,600	3.7	3,700	68.0	2,000	-	872.79

Note: Revision of earnings forecast during the period: None

#### 4. Others

(1) Changes in significant consolidated subsidiaries (*Tokutei Kogaisha*) during the period: None

Newly added: -

Excluded: -

Note: Changes in specified subsidiaries (*Tokutei Kogaisha*) affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures, presentation methods, etc. for preparation of quarterly consolidated financial statements described in "Changes in Basis of Preparation of Quarterly Consolidated Financial Statements"

(4) Number of shares outstanding (common stock)

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

As of Sep. 30, 2011:	2,291,186 shares	As of Dec. 31, 2010:	2,291,186 shares
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2) Number of shares of treasury stock at end of period

As of Sep. 30, 2011:	- shares	As of Dec. 31, 2010:	- shares
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3) Average number of shares outstanding

Nine months ended Sep. 30, 2011:	2,291,186 shares	Nine months ended Sep. 30, 2010:	1,427,677 shares
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\* Information regarding the implementation of quarterly review procedures

The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have completed the review process for these consolidated statements.

\* Cautionary statement with respect to forward-looking statements

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.

## 5. Quarterly Consolidated Financial Statements

### (1) Consolidated Balance Sheets

(Millions of yen)

	Third quarter of 2011 (As of Sep. 30, 2011)	Year 2010 Summary (As of Dec. 31, 2010)
Assets		
Current assets		
Cash and deposits	10,779	10,913
Deposits held in trust	2,961	3,327
Accounts receivable-trade	2,073	1,642
Real estate for sale	41,263	43,006
Acquired non-performing loans	1,599	1,618
Income taxes refundable	301	319
Deferred tax assets	108	99
Other	1,385	2,200
Allowance for doubtful accounts	(396)	(414)
Total current assets	60,076	62,712
Fixed assets		
Property and equipment		
Buildings and structures	46,557	48,716
Accumulated depreciation	(2,290)	(1,828)
Buildings and structures, net	44,267	46,887
Land	67,716	71,511
Other	161	534
Accumulated depreciation	(108)	(103)
Other, net	53	430
Total property and equipment	112,037	118,830
Intangible assets		
Other	52	59
Total intangible assets	52	59
Investments and other assets		
Investment securities	16,850	19,442
Investment in capital	435	429
Long-term loans receivable	569	672
Deferred tax assets	324	343
Other	3,796	3,991
Allowance for doubtful accounts	(42)	(252)
Total investment and other assets	21,934	24,626
Total fixed assets	134,025	143,515
Total assets	194,102	206,228

*(Millions of yen)*

	Third quarter of 2011 (As of Sep. 30, 2011)	Year 2010 Summary (As of Dec. 31, 2010)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	399	348
Short-term borrowings	5,328	7,577
Long-term borrowings-due within one year	15,880	21,216
Corporate bonds-due within one year	300	1,750
Accrued income taxes	405	1,031
Security deposits	1,278	1,449
Accrued employees' bonuses	62	-
Provision for loss on disaster	174	-
Other	1,743	3,135
Total current liabilities	25,572	36,508
Long-term liabilities		
Bonds payable	3,693	6,793
Long-term borrowings	87,580	86,288
Deferred tax liabilities	1,785	1,880
Allowance for employees' retirement benefits	63	48
Long-term lease deposited	3,208	3,207
Other	372	354
Total long-term liabilities	96,705	98,571
Total liabilities	122,278	135,080
<b>Net assets</b>		
Shareholders' equity		
Common stock	31,322	31,322
Additional paid-in capital	31,581	31,581
Retained earnings	(1,550)	(2,594)
Total shareholders' equity	61,352	60,308
Valuation and translation adjustments		
Net unrealized holding gains/losses on other securities	(184)	(84)
Foreign currency translation adjustments	(498)	(157)
Total valuation and translation adjustments	(682)	(242)
Minority interests in consolidated subsidiaries	11,153	11,080
Total net assets	71,823	71,147
Total liabilities and net assets	194,102	206,228

**(2) Consolidated Statements of Income**  
**(For the Nine-month Period)**

(Millions of yen)

	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)
Revenue	27,931	14,786
Cost of revenue	17,951	6,746
Gross profit	9,979	8,039
Selling, general and administrative expenses		
Provision for doubtful accounts	97	62
Directors' and corporate auditors' salaries	179	225
Salaries and bonuses	798	789
Provision for accrued employees' bonuses	53	62
Commissions paid	529	359
Amortization of goodwill	206	-
Other	970	876
Total selling, general and administrative expenses	2,835	2,376
Operating income	7,143	5,663
Non-operating income		
Interest income	63	41
Dividends income	42	19
Equity in earnings of non-consolidated subsidiaries and affiliates	40	-
Consumption taxes differential (after being offset by suspense payments and receipt)	325	218
Refunded consumption taxes	-	238
Gain on bond retirement	58	-
Other	56	87
Total non-operating income	587	606
Non-operating expenses		
Interest expense	3,412	3,089
Equity in losses of non-consolidated subsidiaries and affiliates	-	776
Commissions paid	469	258
Stock issue expenses	331	-
Other	161	75
Total non-operating expenses	4,374	4,200
Ordinary income	3,356	2,069
Extra-ordinary income		
Gain on sale of fixed assets	43	372
Gain on sale of investment securities	0	-
Reversal of allowance for doubtful accounts	-	155
Gain on negative goodwill	30	-
Other	0	31
Total extra-ordinary income	74	559
Extra-ordinary losses		
Loss on sale of fixed assets	435	-
Loss on sale of investment securities	-	190
Loss on valuation of investment securities	9	-
Impairment loss	1,068	83
Loss on liquidation of subsidiaries and affiliates	554	-
Loss on disaster	-	323
Other	91	27
Total extra-ordinary losses	2,160	625
Income before income taxes and profit distribution to silent partners	1,271	2,003

(Millions of yen)

	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)
Profit distribution to silent partners	16	0
Income before provision for income taxes	1,254	2,003
Income taxes	1,390	499
Income before minority interests	-	1,503
Minority interests in income	387	451
Net income (loss)	(522)	1,052

**(For the Three-month Period)***(Millions of yen)*

	Third quarter of 2010 (Jul. 1, 2010 – Sep. 30, 2010)	Third quarter of 2011 (Jul. 1, 2011 – Sep. 30, 2011)
Revenue	4,754	5,061
Cost of revenue	2,211	2,188
Gross profit	2,542	2,873
Selling, general and administrative expenses		
Directors' and corporate auditors' salaries	66	75
Salaries and bonuses	229	216
Provision for accrued employees' bonuses	53	62
Commissions paid	149	98
Other	341	285
Total selling, general and administrative expenses	839	737
Operating income	1,703	2,135
Non-operating income		
Interest income	47	10
Equity in earnings of non-consolidated subsidiaries and affiliates	46	-
Consumption taxes differential (after being offset by suspense payments and receipt)	67	96
Gain on bond retirement	49	-
Other	42	29
Total non-operating income	253	136
Non-operating expenses		
Interest expense	1,103	964
Equity in losses of non-consolidated subsidiaries and affiliates	-	740
Commissions paid	75	78
Stock issue expenses	331	-
Other	7	11
Total non-operating expenses	1,518	1,795
Ordinary income	438	476
Extra-ordinary income		
Gain on sale of fixed assets	-	292
Reversal of provision for loss on liquidation of subsidiaries and affiliates	16	-
Other	0	14
Total extra-ordinary income	17	307
Extra-ordinary losses		
Dilution losses from changes in equity interest	38	-
Loss on disaster	-	12
Other	3	1
Total extra-ordinary losses	41	13
Income before income taxes and profit distribution to silent partners	414	769
Profit distribution to silent partners	2	0
Income before provision for income taxes	412	769
Income taxes	271	241
Income before minority interests	-	528
Minority interests in income	127	138
Net income	12	389

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

	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)
<b>Operating activities</b>		
Income before provision for income taxes	1,254	2,003
Depreciation and amortization	944	1,015
Impairment loss	1,068	83
Amortization of goodwill	206	-
Gain on sales and collection of acquired non-performing loans	(87)	-
Loss (gain) on investments in silent partnership	(3)	-
Increase (decrease) in allowance for doubtful accounts	(5)	(27)
Increase (decrease) in accrued employees' bonuses	53	62
Loss on disaster	-	323
Interest income	(63)	(41)
Interest expense	3,412	3,089
Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	(40)	776
Loss (gain) on sales of fixed assets	-	(372)
Loss (gain) on sales of investment securities	-	190
Decrease (increase) in notes and accounts receivable-trade	(638)	(430)
Increase (decrease) in notes and accounts payable-trade	6	51
Decrease (increase) in inventories	11,433	1,743
Decrease (increase) in acquired non-performing loans	-	18
Proceeds from sale and collection of acquired non-performing loans	1,418	-
Decrease (increase) in silent partnership	-	437
Distributions from silent partnerships	750	-
Other, net	(371)	465
Subtotal	19,339	9,389
Interests and dividends received	133	77
Interests paid	(2,462)	(3,512)
Payments for loss on disaster	-	(149)
Income taxes paid	(944)	(1,393)
Income taxes refund	1,060	318
Net cash provided by operating activities	17,126	4,730
<b>Investing activities</b>		
Payment for purchase of property and equipment	(6,230)	(822)
Proceeds from sale of property and equipment	6,926	6,967
Payment for purchase of intangible assets	(35)	(6)
Payment for loans receivable	(46)	-
Proceeds from repayment of loans receivable	-	322
Payment for purchase of investment securities	(1,054)	(95)
Payment for purchase of stocks of subsidiaries and affiliates	(499)	(196)
Payment for purchase of investment in subsidiaries involving change in scope of consolidation	(1,120)	-
Other, net	(1,835)	597
Net cash provided by (used in) investing activities	(3,894)	6,767

(Millions of yen)

	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)
Financing activities		
Proceeds from short-term borrowings	5,128	-
Repayment of short-term borrowings	(14,680)	-
Increase (decrease) in short-term borrowings	-	(2,249)
Proceeds from long-term borrowings	22,795	21,031
Repayment of long-term borrowings	(31,099)	(25,241)
Proceeds from issuance of new shares	14,738	-
Proceeds from issuance of bonds	100	1,498
Payment for redemption of bonds	(16,227)	(6,050)
Proceeds from minority interest	1,252	2
Dividends to minority interest	(15)	(48)
Distributions to minority interest	(637)	(298)
Other, net	60	361
Net cash used in financing activities	(18,585)	(10,995)
Effect of exchange rate changes on cash and cash equivalents	65	(317)
Increase (decrease) in cash and cash equivalents	(5,287)	184
Cash and cash equivalents at beginning of period	21,665	12,616
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	(19)	(99)
Cash and cash equivalents at end of period	16,358	12,700

**(4) Segment Information**

First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)

*(Millions of yen)*

	Real Estate Investment Advisory Business	Real Estate Investment Business	Asset Management Business	NPL Investment Management Business	Total	Adjusts and Elimination	Consolidated
Revenue							
(1) External sales	1,492	23,086	2,755	596	27,931	-	27,931
(2) Inter-segment sales and transfers	188	-	968	-	1,157	(1,157)	-
Subtotal	1,681	23,086	3,724	596	29,088	(1,157)	27,931
Operating income	858	4,611	2,390	83	7,943	(799)	7,143

First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)

*(Millions of yen)*

	Reportable segment			Total	Adjustment	Amount recorded in consolidated statements of income
	Asset Management Business	Real Estate Investment Business	Real Estate Leasing Business			
Revenue						
(1) External sales	3,561	5,386	5,837	14,786	-	14,786
(2) Inter-segment sales and transfers	696	-	-	696	(696)	-
Total	4,257	5,386	5,837	15,482	(696)	14,786
Segment operating income	2,674	1,306	2,183	6,164	(501)	5,663