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To whom it may concern:

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Concerning the Establishment of a Private Fund for Investment in Commercial Facilities

The Kenedix Group (“the Company”) hereby announces that it has established a private fund investing mainly in suburban commercial facilities. The details are as follows.

1. Outline of the fund

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| (1) Asset size | Approximately ¥28 billion |
| (2) Equity investor | German investor (Closed-end fund) |
| (3) Period for management | 10 years |
| (4) Investment Target | Nine properties mainly of suburban commercial facilities. Areas for investment are dispersed nationwide. Assets in each area are preferred and relatively new with tenants operating in a substantial and profitable trading area. Stable cash flows based on long-term rental contracts are expected. |

2. Background for the establishment of the fund

Due to the financial market turmoil caused by the subprime mortgage issue, the financial environment has been changing radically and the real estate investment market has experienced uncertainty. In such an environment, the Company has aggressively developed marketing activities targeting overseas investors to acquire new investment funds, resulting in the establishment of a fund for commercial facilities using nonrecourse financing from a German financial institution and German investor’s equity. This is a closed-end fund that involves German investor who desires long-term stable returns. The management period is approximately 10 years. The Company actually manages and operates the properties as an asset manager. To flexibly and quickly address changes in the market environment, we intend to establish more funds of a similar kind.