

February 5, 2008

To whom it may concern

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**Notice of the Revisions to the Forecast Full-Year Financial Results
 for the Year Ended December 31, 2007**

In view of recent trends in operating results and other factors, the Company hereby announces that it has revised the forecast financial results for the year ended December 31, 2007 (January 1, 2007, through December 31, 2007), which were publicly released on August 6, 2007, as shown below.

1. Revisions to the full-year financial results (from January 1, 2007, to December 31, 2007)

(1) Consolidated (Millions of yen)

	Revenue	Operating income	Ordinary income	Net income
Previous projections (A)	¥132,500	¥27,600	¥22,200	¥11,900
Revisions to the above projections (B)	¥138,000	¥30,800	¥26,100	¥14,600
Increase/decrease (B – A)	¥5,500	¥3,200	¥3,900	¥2,700
Rate of change (%)	4.2	11.6	17.6	22.7

Reference: Operating results for the previous fiscal year (from January 1, 2006, to December 31, 2006)

Operating results for the previous fiscal year (A)	¥27,044	¥18,637	¥16,461	¥9,015
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(2) Non-consolidated (Millions of yen)

	Revenue	Operating income	Ordinary income	Net income
Previous projections (A)	¥23,700	¥19,700	¥18,000	¥11,200
Revisions to the above projections (B)	¥26,600	¥23,100	¥21,600	¥13,300
Increase/decrease (B – A)	¥2,900	¥3,400	¥3,600	¥2,100
Rate of change (%)	12.2	17.3	20.0	18.8

Reference: Operating results for the previous fiscal year (from January 1, 2006, to December 31, 2006)

Operating results for the previous fiscal year (A)	¥17,694	¥14,701	¥13,769	¥8,303
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2. Reason for the revisions

(1) Consolidated

Acquisition of properties favorably advanced during the year under review. Consequently, the balance of assets under management amounted to ¥734.9 billion as of December 31, 2007, excluding those for uncompleted development projects, and asset management fees were higher than expected.

In addition to the better-than-projected acquisition fees, earnings from the sale of properties under the Company's own account sold to the funds operated by the Kenedix Group and income from the rental of properties while such properties were held are also expected to exceed the projections.

Moreover, as for the overseas business regarding investment in rental residential properties, the sale of properties in the United States advanced steadily in the second half, thereby resulting in considerable earnings. Consequently, equity in earnings of non-consolidated subsidiaries and affiliates under non-operating income is expected to considerably exceed that for the previous fiscal year.

As full-year revenue, ordinary income and net income are expected to be more than the respective previous projections on a consolidated basis given the above circumstances, the Company has decided to revise its previously released forecast financial results for the year ended December 31, 2007.

(2) Non-consolidated

As stated in the reason for the revisions for consolidated financial results, earnings from the sale and income from the rental of properties under the Company's own account were favorable during the year under review. On a non-consolidated basis, the amount corresponding to the Company's equity investment within the net amount after costs and expenses from said revenue are deducted, is included in revenue as returns on investments in Tokumei-Kumiai (common law limited partnership). Such returns on investments involved in Tokumei-Kumiai are expected to exceed the projections.

Furthermore, various kinds of remuneration such as asset management fees gained from the Company's investment vehicles (i.e., subsidiaries), which are eliminated as components of intragroup transactions on a consolidated basis, are recorded in the non-consolidated business results, and such fee income from subsidiaries is expected to surpass the projection.

As full-year revenue, ordinary income and net income are expected to be more than the respective previous projections on a non-consolidated basis given the above circumstances, the Company has decided to revise its previously released forecast financial results for the year ended December 31, 2007.