

August 1, 2008

To whom it may concern

Company name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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Notice of the Organizational Change of a Subsidiary

The Company hereby announces that the below-mentioned *Tokumei-Kumiai* (Common law limited partnership) has become a consolidated subsidiary of the Company.

1. Reason for the organizational change

The below-mentioned *Tokumei-Kumiai* has become a consolidated subsidiary of the Company as a result of an acquisition by the Company of said *Tokumei-Kumiai* equity.

2. Outline of the subsidiary subject to the organizational change

Outline of the Tokumei-Kumiai “KW5th”

- (i) Designation: Tokumei-Kumiai KW5th, Operator: KW5th Limited Liability Company
- (ii) Representative: Naoto Kasuya
- (iii) Address: 2-9, Shinbashi 2-chome, Minato-ku, Tokyo (Operator’s address)
- (iv) Establishment: March 25, 2005
- (v) Business: Real estate investment
- (vi) Accounting term: October 30
- (vii) Total amount of the investment in the Tokumei-Kumiai: ¥5,300 million
- (viii) Financial highlights:

	2007 Oct.
Revenue	¥1,327 million
Operating Income	¥565 million
Ordinary Income	¥370 million
Net Income	¥370 million
Net Asset	¥5,413 million
Total Asset	¥16,385 million

- (ix) Date of organizational change: March 31, 2008
- (x) Reason for organizational change: Acquisition of Tokumei-Kumiai equity from Japan Trustee Service Bank, Ltd. at ¥2,980 million
- (xi) Investment ratio in the Tokumei-Kumiai:

	Before the organizational change	After the organizational change
Balance of the amount invested by the Company group in the <i>Tokumei-Kumiai</i>	¥450 million	¥2,800 million
Ratio of the Companys’ investment in the <i>Tokumei-Kumiai</i>	8.49 %	52.83 %

3. Perspective

Benefits based on the investment ratio gained from the beneficiary right in the real estate trust

held by the operator of the Tokumei-Kumiai should contribute to improving the Company's consolidated and non-consolidated operating results.

The effects on our operating results are reflected on the forecast financial results publicly released on February 15, 2008.