

August 11, 2008

To whom it may concern:

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**Revisions on First-Half and Full-Year Earnings Forecast
 for the Year Ending December 31, 2008**

Kenedix, Inc. (the "Company") would like to notify you that, in light of recent profit performance, the following revisions have been made to the first-half and full-year earnings forecast for the period ending December 31, 2008 (January 1, 2008 to December 31, 2008) released on the occasion of the profit announcement of February 15, 2008.

1. Revisions on First-Half Earnings Forecast (January 1, 2008 to June 30, 2008)

(1) Consolidated

(Units: Millions of yen)

	Revenue	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	78,600	17,400	14,800	7,900
Revised Forecast (B)	80,200	15,400	12,000	5,500
Changes in Amount (B - A)	1,600	-2,000	-2,800	-2,400
Percentage of Change (%)	2.0	-11.5	-18.9	-30.4

Reference:

Results for the First-Half Year Ended December 31, 2007	99,670	20,088	17,471	9,949
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(2) Non-consolidated

(Units: Millions of yen)

	Revenue	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	14,800	12,800	13,000	8,400
Revised Forecast (B)	13,300	11,300	12,000	7,900
Changes in Amount (B - A)	-1,500	-1,500	-1,000	-500
Percentage of Change (%)	-10.1	-11.7	-7.7	-6.0

Reference:

Results for the First-Half Year Ended December 31, 2007	16,721	14,895	14,940	9,375
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2. Reason for Revisions

(1) Consolidated

For the real estate and real estate financing sector where the Company belongs, fluctuations have been focused on the financing environment resulting from the disorder in the financial markets that originated in the subprime mortgage crisis, and a situation has arisen where the real estate investment market is significantly lacking in liquidity. In these harsh business conditions, the Company's group has, for the most part, smoothly accumulated a record even in this period by establishing a private fund for pension funds specialized for housing and by making continuous contributions to the external growth of the Kenedix Realty Investment Corporation.

However, the establishment of a private fund targeting investment in commercial facilities, planned for June, was carried back to the second half; this led to a greater reduction in sale profits than was originally forecast. Furthermore, approximately 700 million yen in extraordinary loss was posted due to the impairment loss of the listed shares in our possession and the amortization of stock, etc., due to the debtors' application for the Civil Rehabilitation Law in the non-performing loans (NPL) investment management business.

As a result, because the operating income, ordinary income and net income fell below predictions, revisions were made on the first-half business forecasts.

(2) Non-consolidated

As in the Reason for Revisions on the consolidated business forecasts, initially, the establishment of a private fund to serve as the investment choice of a commercial facility planned for the first half was carried back to the second half of the period. In the non-consolidated amount, of the net amount from which cost and expenses are subtracted from the sale earnings of property accompanying the establishment of a fund, the investment amount by the Company is posted, as investment income in a silent partnership, under operating income.

As a result of the above, because the revenue, operating income, ordinary income and net income fell below predictions, revisions were made on the first-half business forecasts.

3. Revisions on Full-year Earnings Forecast (January 1, 2008 to December 31, 2008)

(1) Consolidated

(Units: Millions of yen)

	Revenue	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	164,400	34,800	29,000	15,300
Revised Forecast (B)	188,100	31,800	24,300	12,500
Changes in Amount (B - A)	23,700	-3,000	-4,700	-2,800
Percentage of Change (%)	14.4	-8.6	-16.2	-18.3

Reference:

Results for the Year Ended December 31, 2007	138,025	30,863	26,120	14,662
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(2) Non-consolidated

(Units: Millions of yen)

	Revenue	Operating Income	Ordinary Income	Net Income
Previous Forecast (A)	31,800	27,700	26,100	15,900
Revised Forecast (B)	28,900	24,000	23,000	14,200
Changes in Amount (B - A)	-2,900	-3,700	-3,100	-1,700
Percentage of Change (%)	-9.1	-13.4	-11.9	-10.7

Reference:

Results for the Year Ended December 31, 2007	26,674	23,106	21,686	13,352
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4. Reason for Revisions

In addition to the private fund established to serve as the investment for commercial facilities planned in the first half of the period, the establishment of a new private fund, and the continued sales of properties held by the Company on its own accounts, including external sales will be promoted in the second half of the period. In addition to the real estate sales earnings, increases in the acquisition fees are also expected and asset management fees associated with acquiring property through the establishment of these funds and the accompanying property sales. The Company especially anticipates profits through the sales of large properties under development to property funds, and forecasts the continued smooth overall growth for the second half of the period. However, considering the adjustment to the current real estate value, and making a conservative estimate on sales earnings, revisions were made because operating income, ordinary income and net income were expected to fall below the initial forecast.