

January 21, 2009

To whom it may concern

Company name Kenedix, Inc.
Representative Atsushi Kawashima, President
Stock code 4321
Listing First Section, Tokyo Stock Exchange
Contact Taiji Yoshikawa, Director,
Corporate Planning & Strategy

Notice of the Organizational Change of a Subsidiary

Described below is an abstract in English of the company announcement that was released 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.

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

1. Reason for the organizational change

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

2. Outline of the subsidiary subject to the organizational change

(1) Tokumei-Kumiai Fairy Castle One

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| (i) | Designation | Tokumei-Kumiai Fairy Castle One |
| | Operator | Fairy Castle One Limited Liability Company |
| (ii) | Representative | Takeshi Morita |
| (iii) | Address | 19-2, Yotsuya 1-chome, Shinjuku-ku, Tokyo |
| (iv) | Establishment | June 30, 2005 |
| (v) | Business | Real estate investment |
| (vi) | Accounting term | May 31 |
| (vii) | Total amount of the investment in the Tokumei-Kumiai | ¥1,783 million |
| (viii) | Financial Highlight (May 2008) | |
| | Revenue | ¥706 million |
| | Operating Income | ¥437 million |
| | Ordinary Income | ¥111 million |
| | Net Income | ¥111 million |
| | Net Assets | ¥1,785 million |
| | Total Assets | ¥6,409 million |
| (ix) | Date of organizational change | December 25, 2008 |
| (x) | Reason for organizational change | Transfer of Tokumei-Kumiai equity (¥2 million) |
| (xi) | Ratio of the Company's investment in the <i>Tokumei-Kumiai</i> | Before the organizational change: 60%
After the organizational change: 48% |

(2) Tokumei-Kumiai Wonderland Operation

- (i) Designation Tokumei-Kumiai Wonderland Operation
Operator Wonderland Operation Limited Liability Company
- (ii) Representative Takeshi Morita
- (iii) Address 4, Yotsuya 1-chome, Shinjuku-ku, Tokyo
- (iv) Establishment October 12, 2008
- (v) Business Real estate investment
- (vi) Accounting term October 31
- (vii) Total amount of the investment in the Tokumei-Kumiai ¥7,528 million
- (viii) Financial Highlight (Oct 2008)

Revenue	¥575 million
Operating Income	¥570 million
Ordinary Income	¥568 million
Net Income	¥568 million
Net Assets	¥7,528 million
Total Assets	¥7,530 million

- (ix) Date of organizational change December 25, 2008
- (x) Reason for organizational change Transfer of Tokumei-Kumiai equity (¥28 million)
- (xi) Ratio of the Company's investment in the *Tokumei-Kumiai* Before the organizational change: 60%
After the organizational change: 48%

(3) Tokumei-Kumiai Wonderland Five

- (i) Designation Tokumei-Kumiai Wonderland Five
Operator Wonderland Five Limited Liability Company
- (ii) Representative Representative Partner, Wonderland Operation Limited Liability Company
Executor Takeshi Morita
- (iii) Address 4, Yotsuya 1-chome, Shinjuku-ku, Tokyo
- (iv) Establishment September 18, 2007
- (v) Business Real estate investment
- (vi) Accounting term October 31
- (vii) Total amount of the investment in the Tokumei-Kumiai ¥1,842 million
- (viii) Financial Highlight (Oct 2008)

Revenue	¥227 million
Operating Income	¥195 million
Ordinary Income	¥200 million
Net Income	¥200 million
Net Assets	¥1,842 million
Total Assets	¥1,854 million

- (ix) Date of organizational change December 25, 2008
- (x) Reason for organizational change Transfer of Tokumei-Kumiai equity (¥10 million)
- (xi) Ratio of the Company's investment in the *Tokumei-Kumiai* Before the organizational change: 60%
After the organizational change: 48%

(4) Tokumei-Kumiai KDX 9

- (i) Designation Tokumei-Kumiai KDX9
Operator KDX9 Limited Liability Company
- (ii) Representative Representative Partner, KDX9 Limited Liability

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| | | Intermediate Corporation |
| | Executor | Takeharu Nakajima |
| (iii) | Address | 2-9, Shinbashi 2-chome, Minato-ku, Tokyo |
| (iv) | Establishment | June 27, 2007 |
| (v) | Business | Real estate investment |
| (vi) | Accounting term | April 30 |
| (vii) | Total amount of the investment in the Tokumei-Kumiai | ¥13,029 million |
| (viii) | Financial Highlight (Apr 2008) | |
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| | Revenue | ¥2,521 million |
| | Operating Income | ¥1,385 million |
| | Ordinary Income | ¥780 million |
| | Net Income | ¥780 million |
| | Net Assets | ¥13,020 million |
| | Total Assets | ¥49,704 million |
| (ix) | Date of organizational change | December 19, 2008 |
| (x) | Reason for organizational change | Transfer of Tokumei-Kumiai equity (¥58 million) |
| (xi) | Ratio of the Company's investment in the <i>Tokumei-Kumiai</i> | Before the organizational change: 14.06%
After the organizational change: -% |

(5) Tokumei-Kumiai KDX 10

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| (i) | Designation | Tokumei-Kumiai KDX10 |
| | Operator | KDX10 Limited Liability Company |
| (ii) | Representative | Representative Partner, KDX10 Limited Liability
Intermediate Corporation |
| | Executor | Takeharu Nakajima |
| (iii) | Address | 2-9, Shinbashi 2-chome, Minato-ku, Tokyo |
| (iv) | Establishment | February 1, 2008 |
| (v) | Business | Real estate investment |
| (vi) | Accounting term | January 31 |
| (vii) | Total amount of the investment in the Tokumei-Kumiai | ¥12,190million |
| (viii) | Date of organizational change | December 19, 2008 |
| (ix) | Reason for organizational change | Transfer of Tokumei-Kumiai equity (¥58 million) |
| (x) | Ratio of the Company's investment in the <i>Tokumei-Kumiai</i> | Before the organizational change: 35%
After the organizational change: -% |

3. Perspective

Profit distribution (based on Tokumei-Kumiai agreement) to the Company gained from the beneficiary interest in the real estate trust held by the operator of the Tokumei-Kumiai should contribute to the Company's consolidated and non-consolidated operating results.

The effects on our operating results are reflected on the financial results forecast publicly released on December 11, 2008.