

May 12, 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

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.

Announcement of the Recognition of Extraordinary Losses

Kenedix, Inc (the "Company") announces the recognition of extraordinary losses, as follows, for the first quarter of the Fiscal year ended December 31, 2009 (January 1, 2009 to March 31, 2009).

1. Occurrence of extraordinary loss and details thereof

(1) Loss on valuation of inventories

Following the adoption of the "Accounting Standard for Measurement of Inventories" (ASBJ Statement No. 9; July 5, 2006) from the first quarter consolidated accounting term, the Company recorded a loss on valuation of inventories of 12,827 million yen as an extraordinary loss for inventories at the beginning of the period.

(2) Loss on sales of investment securities

Securities held by the Company were sold during the first quarter consolidated accounting term in order to secure the short-term liquidity of funds and manage those funds effectively. As a result, a loss on sales of investment securities of 1,041 million yen was recorded as an extraordinary loss.

(3) Other extraordinary loss

An extraordinary loss of 139 million yen was recorded consisting of penalties for the suspension of ongoing development projects due to changes in real estate market conditions, a loss on valuation of securities held by the Company, among others.

2. Effect on Earnings

Although the recording of a loss on valuation of inventories was predicted in the forecasts in the "Summary of Financial Results for the Year Ended December 31, 2008" released on February 13, 2009, not only did the recorded amount increase, the total amount of the extraordinary loss recorded as a result of the abovementioned loss on sales of investment securities and other extraordinary loss also increased.

However, from the second quarter onward, the Company expects to record proceeds from sales of real estate consisting mostly of large office buildings held in its principal account, therefore no changes have been made as of yet to the forecasts released on February 13, 2009.

The Company shall disclose immediately any event affecting the financial results.