

**Summary of Financial Results for the Third Quarter  
of the Fiscal Year Ending December 31, 2009  
(Nine Months Ended September 30, 2009)**

Described below is an abstract in English of the financial result for the nine months ended September 30, 2009 that was released today 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.

Company name: Kenedix, Inc.

Stock code: 4321

President: Atsushi Kawashima

Contact: Taiji Yoshikawa, Director, Member of the Board

Scheduled date of filing of Quarterly Report: November 13, 2009

Listing: First Section, Tokyo Stock Exchange

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*(Amounts rounded off to million yen)*

**1. Consolidated Financial Results (Jan. 1, 2009 – Sep. 30, 2009)**

(1) Consolidated results of operations

*(Percentage figures represent year-on-year changes)*

	Revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Jun. 30, 2009	69,940	-	11,389	-	5,702	-	(10,094)	-
Nine months ended Jun. 30, 2008	124,651	0.2	19,553	(29.4)	13,348	(44.1)	5,653	(56.7)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Nine months ended Jun. 30, 2009	(15,857.76)	-
Nine months ended Jun. 30, 2008	8,892.53	8,174.64

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2009	206,884	43,192	17.7	57,659.02
As of Dec. 31, 2008	273,149	57,558	17.1	73,438.21

(Reference) Shareholders' equity (million yen) As of Sep. 30, 2009: 36,706

As of Dec. 31, 2008: 46,739

**2. Dividends**

(Record date)	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2008	-	0.00	-	0.00	0.00
Year ending Dec. 31, 2009	-	0.00	-	-	-
Year ending Dec. 31, 2009 (forecast)	-	0.00	-	0.00	0.00

(Note) Revision of dividend forecast during the period: None

**3. Forecast of Consolidated Income for the Year Ending December 31, 2009 (Jan. 1, 2009 – Dec. 31, 2009)**

*(Percentage figures represent year-on-year changes)*

	Revenue		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	105,700	(23.1)	14,900	(8.4)	8,800	65.5	(8,000)	-	(12,559.22)

(Note) Revision of consolidated forecast during the period: None

**4. Other**

(1) Changes in significant consolidated subsidiaries (*Tokutei Kogaisha*) during the period (changes in scope of consolidation): None

Newly added: -                      Excluded: -

(2) Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, procedures and presentation methods for preparation of quarterly consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

(4) Number of shares outstanding (common shares)

1) Number of shares outstanding at end of period (including treasury stock)

As of Sep. 30, 2009:	636,982 shares	As of Dec. 31, 2008:	636,982 shares
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2) Number of treasury stock at end of period

As of Sep. 30, 2009:	365 shares	As of Dec. 31, 2008:	539 shares
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3) Average number of shares outstanding

Nine months ended Sep. 30, 2009:	636,582 shares	Nine months ended Sep. 30, 2008:	635,734 shares
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\* Cautionary statement with respect to forward-looking statements

1. Forecasts of future performance in this report are based on assumptions judged to be valid and information currently available to the Company. Actual results are affected by various factors and may differ substantially.

2. Effective from the current fiscal year, the Company has adopted "Accounting Standards for Quarterly Financial Statements" (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and "Guidance on Accounting Standards for Quarterly Financial Statements" (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with "Regulations for Quarterly Consolidated Financial Statements."

**5. Quarterly Consolidated Financial Statements****(1) Consolidated Balance Sheets***(Millions of yen)*

	Third quarter of 2009 (As of Sep. 30, 2009)	Year 2008 Summary (As of Dec. 31, 2008)
Assets		
Current assets		
Cash and deposits	6,015	11,872
Deposits held in trust	4,289	8,958
Accounts receivable-trade	1,095	979
Real estate for sale	82,121	178,115
Real estate for sale in process	7,753	31,139
Acquired non-performing loans	7,828	5,259
Income taxes refundable	781	5,304
Deferred tax assets	380	499
Other	2,472	3,037
Allowance for doubtful accounts	(156)	(125)
Total current assets	112,581	245,041
Fixed assets		
Property and equipment		
Buildings and structures	37,777	147
Accumulated depreciation	(803)	(49)
Buildings and structures, net	36,974	97
Land	34,565	-
Other	443	166
Accumulated depreciation	(95)	(79)
Other, net	347	86
Total property and equipment	71,887	184
Intangible assets		
Goodwill	550	1,490
Other	40	20
Total intangible assets	591	1,510
Investments and other assets		
Investment securities	19,430	23,646
Investment in capital	320	320
Long-term loans receivable	1,017	1,153
Deferred tax assets	115	0
Other	972	1,323
Allowance for doubtful accounts	(32)	(32)
Total investment and other assets	21,823	26,412
Total fixed assets	94,302	28,108
Total assets	206,884	273,149

*(Millions of yen)*

	Third quarter of 2009 (As of Sep. 30, 2009)	Year 2008 Summary (As of Dec. 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	901	554
Short-term borrowings	29,156	63,712
Long-term borrowings-due within one year	45,806	20,117
Corporate bonds-due within one year	3,137	5,558
Accrued income taxes	444	558
Security deposits	3,003	7,252
Accrued employees' bonuses	53	-
Deferred tax liabilities	1,723	1,725
Other	2,118	2,103
Total current liabilities	86,343	101,582
Long-term liabilities		
Bonds payable	37,949	40,236
Long-term borrowings	37,344	73,181
Deferred tax liabilities	16	1
Allowance for employees' retirement benefits	33	25
Other	2,004	564
Total long-term liabilities	77,348	114,009
Total liabilities	163,691	215,591
<b>Net Assets</b>		
Shareholders' equity		
Common stock	14,591	14,591
Additional paid-in capital	14,850	14,850
Retained earnings	8,351	18,439
Treasury stock	(88)	(130)
Total shareholders' equity	37,705	47,751
Valuation and translation adjustments		
Net unrealized holding gains/losses on other securities	33	(24)
Foreign currency translation adjustments	(1,031)	(988)
Total valuation and translation adjustments	(998)	(1,012)
Minority interests in consolidated subsidiaries	6,485	10,819
Total net assets	43,192	57,558
Total liabilities and net assets	206,884	273,149

**(2) Consolidated Statements of Income**  
**(For the Nine-month Period)**

	<i>(Millions of yen)</i>
	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)
Revenue	69,940
Cost of revenue	54,803
Gross profit	15,136
Selling, general and administrative expenses	
Directors' and corporate auditors' salaries	149
Salaries and bonuses	838
Provision for accrued employees' bonuses	53
Commissions paid	858
Amortization of goodwill	921
Other	926
Total selling, general and administrative expenses	3,747
Operating income	11,389
Non-operating income	
Interest income	45
Interest on refund	52
Dividends income	55
Other	52
Total non-operating income	205
Non-operating expenses	
Interest expense	3,276
Equity in losses of non-consolidated subsidiaries and affiliates	1,700
Commissions paid	755
Other	159
Total non-operating expenses	5,892
Ordinary income	5,702
Extra-ordinary income	
Gain on liquidation of affiliate stock	81
Gain on sale of investment securities	106
Other	2
Total extra-ordinary income	191
Extra-ordinary losses	
Loss on sale of investment securities	1,041
Loss on valuation of investment securities	106
Loss on valuation of inventories	12,827
Other	333
Total extra-ordinary losses	14,308
Loss before income taxes and profit distribution to silent partners	(8,414)
Profit distribution to silent partners	(6)
Loss before provision for income taxes	(8,408)
Income taxes	839
Minority interests in income	846
Net Loss	(10,094)

**(For the Three-month Period)**

	<i>(Millions of yen)</i>
	Third quarter of 2009 (Jul. 1, 2009 – Sep. 30, 2009)
Revenue	9,606
Cost of revenue	7,765
Gross profit	1,840
Selling, general and administrative expenses	
Directors' and corporate auditors' salaries	48
Salaries and bonuses	224
Provision for accrued employees' bonuses	53
Commissions paid	309
Amortization of goodwill	307
Other	270
Total selling, general and administrative expenses	1,213
Operating income	627
Non-operating income	
Interest income	16
Other	19
Total non-operating income	35
Non-operating expenses	
Interest expense	1,030
Equity in losses of non-consolidated subsidiaries and affiliates	181
Commissions paid	57
Other	243
Total non-operating expenses	1,513
Ordinary loss	(849)
Extra-ordinary income	
Gain on liquidation of affiliate stock	10
Other	0
Total extra-ordinary income	11
Extra-ordinary losses	
Loss on valuation of investment securities	2
Exit penalty	195
Other	10
Total extra-ordinary losses	208
Loss before income taxes and profit distribution to silent partners	(1,047)
Profit distribution to silent partners	0
Loss before provision for income taxes	(1,047)
Income taxes	314
Minority interests in loss	(107)
Net loss	(1,254)

**(3) Consolidated Statement of Cash Flows***(Millions of yen)*

	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)
<b>Operating activities</b>	
Loss before provision for income taxes	(8,408)
Depreciation and amortization	762
Amortization of goodwill	921
Loss(gain) on sales and collection of acquired non-performing loans	529
Purchase of acquired non-performing loans	(5,400)
Loss (gain) on investments in silent partnership	(75)
Increase (decrease) in allowance for doubtful accounts	30
Increase (decrease) in allowance for employees' retirement benefits	7
Increase (decrease) in accrued employees' bonuses	53
Interest income	(45)
Interest expense	3,276
Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	1,700
Loss (gain) on sales of investment securities	934
Loss (gain) on valuation of investment securities	106
Decrease (increase) in notes and accounts receivable-trade	(116)
Increase (decrease) in notes and accounts payable-trade	2,391
Decrease (increase) in inventories	49,817
Proceeds from sale and collection of acquired non-performing loans	1,750
Distributions from silent partnerships	643
Other, net	1,018
Subtotal	49,897
Interests and dividends received	107
Interests paid	(3,295)
Income taxes paid	(1,671)
Income taxes refund	5,258
Net cash provided by (used in) operating activities	50,296
<b>Investing activities</b>	
Payment for purchase of property and equipment	(2,906)
Proceeds from sale of property and equipment	2
Payment for purchase of intangible assets	(27)
Payment for loans receivable	(240)
Proceeds from repayment of loans receivable	723
Proceeds from sales of investment securities	1,803
Payments for investments in capital of subsidiaries and affiliates	(869)
Proceeds from sales of stocks of subsidiaries and affiliates	376
Other, net	154
Net cash provided by (used in) investing activities	(982)

	<i>(Millions of yen)</i>
	First nine months of 2009
	(Jan. 1, 2009 – Sep. 30, 2009)
Financing activities	
Proceeds from short-term borrowings	26,948
Repayment of short-term borrowings	(61,504)
Proceeds from long-term borrowings	20,800
Repayment of long-term borrowings	(32,640)
Payment for redemption of bonds	(4,707)
Proceeds from minority interest	1,946
Dividends to minority interest	(78)
Distributions to minority interest	(7,302)
Dividends paid	(3)
Net cash provided by (used in) financing activities	<u>(56,541)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>(43)</u>
Increase (decrease) in cash and cash equivalents	<u>(7,270)</u>
Cash and cash equivalents at beginning of period	<u>16,281</u>
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	<u>(275)</u>
Cash and cash equivalents at end of period	<u>8,734</u>



Effective from the current fiscal year, the Company has adopted “Accounting Standards for Quarterly Financial Statements” (ASBJ Statement No. 12) and “Guidance on Accounting Standards for Quarterly Financial Statements” (ASBJ Guidance No. 14). In addition, the quarterly consolidated financial statements are prepared in accordance with “Regulations for Quarterly Consolidated Financial Statements.”

#### (4) Segment Information

First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)

(Millions of yen)

	Real Estate Investment Advisory Business	Real Estate Investment Business	Asset Management Business	NPL Investment Management Business	Total	Adjusts and Elimination	Consolidated
Revenue							
(1) External sales	1,100	64,246	2,524	2,069	69,940	-	69,940
(2) Inter-segment sales and transfers	7	-	1,124	-	1,131	(1,131)	-
Subtotal	1,107	64,246	3,648	2,069	71,072	(1,131)	69,940
Operating income (loss)	604	10,137	2,465	(934)	12,272	(883)	11,389

**Reference Material****Financial Statements, etc of the Previous Quarter**

## (1) Summary Consolidated Statements of Income

*(Millions of yen)*

Account title	First nine months of 2008 (Jan. 1, 2008 – Sep. 30, 2008)	
	Amount	%
I Revenue	124,651	100.0
II Cost of revenue	99,723	
Gross profit	24,927	
III Selling, general and administrative expenses	5,374	
Operating income	19,553	15.7
IV Non-operating income	376	
1. Interest income	245	
2. Other	131	
V Non-operating expenses	6,581	
1. Interest expense	4,301	
2. Equity in losses of non-consolidated subsidiaries and affiliates	457	
3. Stock issue expenses	1	
4. Commissions paid	1,244	
5. Other	574	
Ordinary income	13,348	10.7
VI Extra-ordinary income	126	
1. Gain on sale of affiliate stock	17	
2. Gain on cancellation of derivative contracts	87	
3. Gain on sale of investment securities	21	
VII Extra-ordinary losses	1,024	
1. Loss on sale of investment securities	22	
2. Loss on valuation of investment securities	313	
3. Provision for doubtful accounts	413	
4. Dilution losses from changes in equity interest	275	
Income before provision for income taxes and profit distribution to silent partners	12,450	
Profit distribution to silent partners	(12)	
Income before provision for income taxes	12,463	10.0
Current income taxes	5,168	
Deferred income taxes	351	
Minority interests in income	1,290	
Net income	5,653	4.5

**(2) Segment Information**

First nine months of 2008 (Jan. 1, 2008 – Sep. 30, 2008)

*(Millions of yen)*

	Real Estate Investment Advisory Business	Real Estate Investment Business	Asset Management Business	NPL Investment Management Business	Total	Adjusts and Elimination	Consolidated
Revenue							
(1) External sales	1,887	120,043	2,439	282	124,651	-	124,651
(2) Inter-segment sales and transfers	534	-	2,277	-	2,811	(2,811)	-
Subtotal	2,421	120,043	4,716	282	127,463	(2,811)	124,651
Costs and expenses	1,003	102,872	2,231	408	106,515	(1,417)	105,098
Operating income(loss)	1,418	17,170	2,485	(125)	20,947	(1,394)	19,553