

December 14, 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

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

**Progress of Measures for Strengthening of Asset Management Business  
(Supplementary Information Regarding Press Release Dated September 17, 2009)**

The following is a summary of the progress to date with regard to "Section 2 (2) Supervisory company for asset management business" of the press release titled "Status of Progress under Medium Term Management Plan and Strengthening of Asset Management Business," issued by Kenedix, Inc. on September 17, 2009.

1. Overview of supervisory company for asset management business

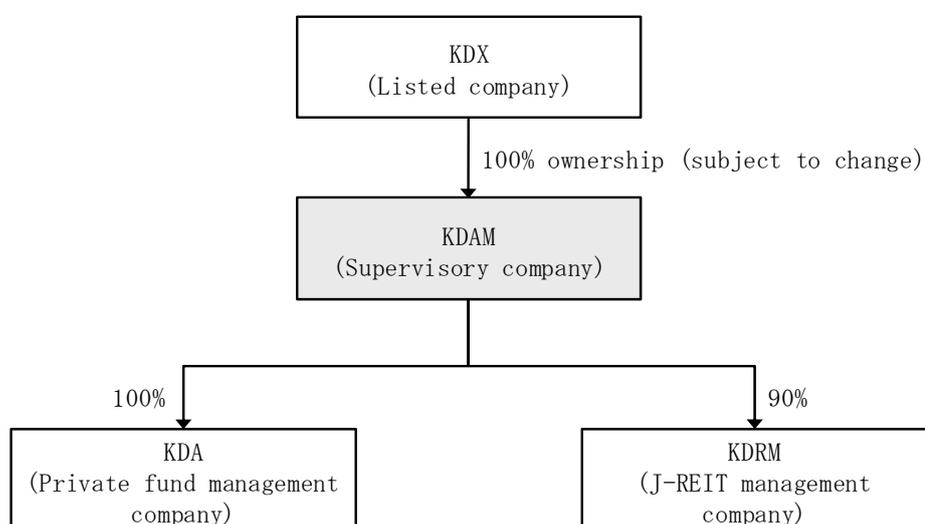
As part of the reorganization of the Kenedix Group's (the "Group's") operations to strengthen its asset management business, Kenedix Asset Management, Inc. ("KDAM"), has been established as the supervisory company for asset management business. Two subsidiaries, Kenedix REIT Management, Inc. ("KDRM"), the asset manager for Kenedix Realty Investment Corporation, and Kenedix Advisors, Inc. ("KDA"), which primarily manages private funds for pension funds, are scheduled to be made subsidiaries of KDAM. This is intended to create a structure that specializes in asset management business, clearly differentiated from the wide range of operations including real estate ownership, leasing, brokerage, consulting, development and the non-performing loan (NPL) investment management carried out by Kenedix, Inc. ("KDX"). KDAM will be responsible for supporting risk management, internal controls and financial strategies, as well as the fund procurement function, of both KDRM and KDA operations. The specific structure with regard to the fund procurement function is currently being formulated, and further details will be announced when they are finalized.

KDAM has been established as a wholly-owned subsidiary of KDX. Nevertheless, if an appropriate partner were to emerge for the further strengthening of the asset management business, there is a possibility that a certain portion (envisioned at roughly 15%) of the KDAM shares owned by KDX could be sold to that partner. This would be conditional, however, on KDAM remaining a consolidated subsidiary of KDX and KDX continuing to have decision-making authority over important matters related to KDAM.

## Overview of Kenedix Asset Management, Inc.

(1) Company name	Kenedix Asset Management, Inc.
(2) Address	2-2-9, Shinbashi, Minato-ku, Tokyo
(3) Representative	Atsushi Kawashima, President (tentative)
(4) Business	Supervisory operations for asset management
(5) Paid-in capital	¥10 million (as of December 14, 2009)
(6) Established	October, 2009
(7) Fiscal year end	December 31
(8) Net assets	¥10 million (as of December 14, 2009)
(9) Total assets	¥10 million (as of December 14, 2009)
(10) Ownership	100% owned by Kenedix, Inc. (as of December 14, 2009)

## Structure of asset management business (tentative)



\* The above structure is as currently envisioned, and is subject to change.

### 2. Schedule (tentative)

Sale of KDA and KDRM shares to KDAM will be executed by the end of December, 2009.

### 3. Future outlook

The sale of the shares of KDA and KDRM owned by KDX to KDAM will be recorded as extra-ordinary profit (gain on sale of equity shares) in the parent results of KDX, but there is to be no impact on consolidated results. The impact on the parent results forecast will be announced when the details are finalized.