

February 10, 2010

To whom it may concern:

Company name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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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.

Notification of Privatization of Challenger Kenedix Japan Trust Fund

The Kenedix Group (the "Group") manages the Challenger Kenedix Japan Trust fund ("CKT"), a real estate investment trust listed on the Australian Securities Exchange (a listed property trust ("LPT")), as a joint venture with the Australian company Challenger Financial Service Group Limited ("Challenger"). The Group hereby announces that CKT is to become a non-listed private fund via a cash redemption of CKT units by Challenger's group company Challenger Life Company Limited ("CLC"), while continuing to be managed by the Group.

Kenedix, Inc. (the "Company") believes that the experience gained through this flexible restructuring by privatization of an overseas listed real estate investment trust has strengthened its ability to propose tailored solutions as a real estate asset manager, and will aggressively address real estate fund restructuring needs in Japan going forward.

1. Background of CKT privatization

The global turmoil in financial markets and instability of the real estate investment market have made it difficult for CKT to achieve its growth strategy in the capital markets as an LPT. CLC therefore intends to privatize CKT via a cash redemption with a view toward the long-term, stable earnings represented by the properties held by CKT, and aims to realize the latent value of those properties with a stable investment structure.

The resolution to privatize CKT was approved at the CKT unitholders' meeting held on January 28, 2010, and CKT was delisted as of the close of trading on the same day.

2. Overview of cash redemption

- Announcement: December 9, 2009
- Settlement date: February 8, 2010
- Redemption price: A\$1.05 per unit
- Total redemption amount: Approximately A\$152 million
(Approximately ¥12.2 billion)
* Equivalent to 95% of the total units outstanding
(100% when combined with CLC's existing holdings)

Note: Please refer to the materials released by CKT for more information regarding this matter.

(Please refer to the below web site)

<http://www.challenger.com.au/listed/ckt/CKT.asp>

3. Company's role

Following CKT's privatization, the Company's consolidated subsidiary Kenedix Advisors, Inc. will maintain an asset management contract with the Japanese special purpose company (SPC) created to acquire the properties in which CKT invests, and will continue to be responsible for identifying potential properties for investment and maintaining those in which CKT has invested.

4. Impact on Company's business results

Kenedix Advisors, Inc., the asset manager for CKT (and consolidated subsidiary of the Company), is scheduled to receive a performance fee of A\$1.8 million (approximately ¥140 million) for CKT's privatization.