

May 6, 2010

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.

### Notification of Petition for Commencement of Civil Rehabilitation Proceedings at Equity-Method Affiliate

Kenedix, Inc. (the "Company") hereby announces that the Board of Directors of its equity-method affiliate Commercial RE Co.,Ltd. resolved at its meeting held today to file a petition for the commencement of civil rehabilitation proceedings, and the petition was filed and accepted by the Tokyo District Court on the same day. Details are as follows:

#### 1. Overview of affiliate carrying out civil rehabilitation proceedings

##### 1) Background leading up to petition

The Board of Directors of Commercial RE Co.,Ltd., the Company's equity-method affiliate, resolved at its meeting held on May 6, 2010, to file a petition for the commencement of civil rehabilitation proceedings, and the petition was filed and accepted by the Tokyo District Court on the same day. Please refer to the news release (available in Japanese only), "Notification of Petition for Commencement of Civil Rehabilitation Proceedings," issued today by Commercial RE Co.,Ltd., for an overview of the petition.

##### 2) Overview of affiliate filing petition for the commencement of civil rehabilitation proceedings

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| (1) Trade name:           | Commercial RE Co.,Ltd.   |
| (2) Address:              | 1-5-4, Yaesu, Chuo-ku, Tokyo   |
| (3) Representative:       | Keiji Kaida, President   |
| (4) Established:          | June 7, 1980   |
| (5) Businesses:           | Property management and asset management for commercial and investment-use real estate   |
| (6) Capital:              | ¥3,254.2 million (as of December 31, 2009)   |
| (7) No. of shares issued: | 11,820,963 (as of February 15, 2010)   |
| (8) Major shareholders:   | Goldman Sachs International 29.76%<br>(with Goldman Sachs Japan Co. Ltd. as standing proxy)<br>Kenedix, Inc. 29.10%<br>Tenko Owners Shareholding Association 4.87% |
| (9) No. of employees:     | 353 (consolidated basis, as of March 31, 2010)   |
| (10) Total liabilities:   | Approximately ¥15.0 billion (as of March 31, 2010)   |

## 2. Future outlook

The consolidated business results forecast of the Company for the fiscal year ending December 2010, announced on February 12, 2010, included an equity-method investment loss corresponding to the entire outstanding book value of Commercial RE Co.,Ltd. on the consolidated balance sheet. In addition, none of the assets of the Company or its consolidated subsidiaries represent claims against Commercial RE Co.,Ltd., so there will be no other related losses in the Kenedix Group's consolidated results in addition to the estimated ¥99 million equity-method investment loss noted above.

Therefore, the consolidated business results forecast of the Company for the fiscal year ending December 2010, announced on February 12, 2010, is unchanged.