

**Summary of Financial Results for the First Quarter
of the Fiscal Year Ending December 31, 2010
(Three Months Ended March 31, 2010)**

Described below is an abstract in English of the financial result for the three months ended March 31, 2010 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: May 14, 2010

Listing: First Section, Tokyo Stock Exchange

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(Amounts rounded off to million yen)

1. Consolidated Financial Results (Jan. 1, 2010 – Mar. 31, 2010)

(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	%
Three months ended Mar. 31, 2010	5,193	(59.3)	1,434	16.9	53	-	(652)	-
Three months ended Mar. 31, 2009	12,762	-	1,227	-	(1,333)	-	(15,490)	-

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Three months ended Mar. 31, 2010	(538.25)	-
Three months ended Mar. 31, 2009	(24,336.37)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2010	216,225	55,096	21.4	38,107.12
As of Dec. 31, 2009	218,603	54,525	21.4	38,577.82

(Reference) Shareholders' equity (million yen) As of Mar. 31, 2010: 46,171 As of Dec. 31, 2009: 46,741

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, 2009	-	0.00	-	0.00	0.00
Year ending Dec. 31, 2010	-	-	-	-	-
Year ending Dec. 31, 2010 (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, 2010 (Jan. 1, 2010 – Dec. 31, 2010)

(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
First half	13,000	(78.5)	3,500	(67.5)	500	(92.4)	(800)	-	(660.07)
Full year	44,900	(42.3)	8,600	2.0	3,300	-	400	-	330.03

(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): Yes

Newly added: 1 company (Name: KRF35 Silent Partnership) 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: No

2) Other changes: No

(4) Number of shares outstanding (common shares)

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

As of Mar. 31, 2010:	1,211,982 shares	As of Dec. 31, 2009:	1,211,982 shares
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2) Number of treasury stock at end of period

As of Mar. 31, 2010:	365 shares	As of Dec. 31, 2009:	365 shares
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3) Average number of shares outstanding

Three months ended Mar. 31, 2010:	1,211,617 shares	Three months ended Mar. 31, 2009:	636,530 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.

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

	First quarter of 2010 (As of Mar. 31, 2010)	Year 2009 Summary (As of Dec. 31, 2009)
Assets		
Current assets		
Cash and deposits	12,046	18,291
Deposits held in trust	4,420	4,916
Accounts receivable-trade	1,403	1,128
Real estate for sale	63,204	63,909
Real estate for sale in process	2,471	2,461
Acquired non-performing loans	3,067	3,210
Income taxes refundable	1,198	1,191
Deferred tax assets	306	299
Other	2,794	3,265
Allowance for doubtful accounts	(233)	(137)
Total current assets	90,680	98,536
Fixed assets		
Property and equipment		
Buildings and structures	45,264	45,131
Accumulated depreciation	(1,166)	(877)
Buildings and structures, net	44,098	44,253
Land	57,534	53,461
Other	532	530
Accumulated depreciation	(91)	(101)
Other, net	441	428
Total property and equipment	102,074	98,143
Intangible assets		
Goodwill	-	236
Other	39	38
Total intangible assets	39	275
Investments and other assets		
Investment securities	20,023	19,047
Investment in capital	306	300
Long-term loans receivable	790	869
Deferred tax assets	157	160
Other	2,441	1,570
Allowance for doubtful accounts	(286)	(300)
Total investment and other assets	23,432	21,647
Total fixed assets	125,545	120,066
Total assets	216,225	218,603

	<i>(Millions of yen)</i>	
	First quarter of 2010 (As of Mar. 31, 2010)	Year 2009 Summary (As of Dec. 31, 2009)
Liabilities		
Current liabilities		
Accounts payable-trade	452	436
Short-term borrowings	13,697	16,898
Long-term borrowings-due within one year	53,876	48,970
Corporate bonds-due within one year	17,686	18,086
Accrued income taxes	490	502
Security deposits	2,389	2,294
Accrued employees' bonuses	60	-
Deferred tax liabilities	1,722	1,722
Other	2,471	2,575
Total current liabilities	92,847	91,488
Long-term liabilities		
Bonds payable	7,803	8,553
Long-term borrowings	57,018	60,529
Deferred tax liabilities	6	7
Allowance for employees' retirement benefits	38	34
Long-term lease deposited	3,034	3,067
Other	380	395
Total long-term liabilities	68,281	72,588
Total liabilities	161,128	164,077
Net Assets		
Shareholders' equity		
Common stock	23,787	23,787
Additional paid-in capital	24,046	24,046
Retained earnings	(650)	5
Treasury stock	(88)	(88)
Total shareholders' equity	47,094	47,751
Valuation and translation adjustments		
Net unrealized holding gains	43	31
Deferred gains (losses) on hedges	-	(3)
Foreign currency translation adjustments	(967)	(1,038)
Total valuation and translation adjustments	(923)	(1,009)
Minority interests in consolidated subsidiaries	8,925	7,784
Total net assets	55,096	54,525
Total liabilities and net assets	216,225	218,603

(2) Consolidated Statements of Income*(Millions of yen)*

	First three months of 2009 (Jan. 1, 2009 – Mar. 31, 2009)	First three months of 2010 (Jan. 1, 2010 – Mar. 31, 2010)
Revenue	12,762	5,193
Cost of revenue	10,200	2,641
Gross profit	2,561	2,552
Selling, general and administrative expenses		
Provision for doubtful accounts	-	86
Directors' and corporate auditors' salaries	52	50
Salaries and bonuses	268	230
Provision for accrued employees' bonuses	58	60
Provision for employees' retirement benefits	3	-
Commissions paid	310	193
Amortization of goodwill	306	222
Other	332	274
Total selling, general and administrative expenses	1,333	1,117
Operating income	1,227	1,434
Non-operating income		
Interest income	22	9
Consumption taxes differential (after being offset by suspense payments and receipt)	-	147
Foreign currency transaction gain	58	-
Other	32	19
Total non-operating income	113	176
Non-operating expenses		
Interest expense	1,053	1,127
Equity in losses of non-consolidated subsidiaries and affiliates	1,135	175
Commissions paid	455	173
Other	31	81
Total non-operating expenses	2,675	1,558
Ordinary income (loss)	(1,333)	53
Extra-ordinary income		
Gain on liquidation of affiliate stock	70	-
Gain on sale of fixed assets	-	43
Other	2	0
Total extra-ordinary income	73	43
Extra-ordinary losses		
Loss on sale of investment securities	1,041	-
Loss on valuation of inventories	12,827	-
Impairment loss	-	278
Other	139	10
Total extra-ordinary losses	14,008	289
Loss before income taxes and profit distribution to silent partners	(15,268)	(193)
Profit distribution to silent partners	(37)	13
Loss before provision for income taxes	(15,230)	(206)
Income taxes	229	275
Minority interests in income	31	170
Net Loss	(15,490)	(652)

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

	First three months of 2009 (Jan. 1, 2009 – Mar. 31, 2009)	First three months of 2010 (Jan. 1, 2010 – Mar. 31, 2010)
Operating activities		
Loss before provision for income taxes	(15,230)	(206)
Depreciation and amortization	241	321
Impairment loss	-	278
Amortization of goodwill	306	222
Loss(gain) on sales and collection of acquired non-performing loans	(69)	(43)
Loss (gain) on investments in silent partnership	(38)	29
Increase (decrease) in allowance for doubtful accounts	0	82
Increase (decrease) in accrued employees' bonuses	58	60
Increase (decrease) in allowance for employees' retirement benefits	2	-
Interest income	(22)	(9)
Interest expense	1,053	1,127
Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	1,135	175
Loss (gain) on sales of investment securities	1,041	-
Loss (gain) on valuation of investment securities	46	-
Decrease (increase) in notes and accounts receivable-trade	55	(275)
Increase (decrease) in notes and accounts payable-trade	2,923	22
Decrease (increase) in inventories	15,385	792
Proceeds from sale and collection of acquired non-performing loans	115	87
Distributions from silent partnerships	250	247
Other, net	1,608	(1,886)
Subtotal	8,863	1,028
Interests and dividends received	21	7
Interests paid	(997)	(614)
Income taxes paid	(794)	(225)
Net cash provided by (used in) operating activities	7,092	195
Investing activities		
Payment for purchase of property and equipment	(108)	(4,335)
Proceeds from sale of property and equipment	1	922
Payment for purchase of intangible assets	(19)	(3)
Payment for purchase of investment securities	-	(796)
Proceeds from sales of investment securities	1,470	-
Other, net	(377)	(858)
Net cash provided by (used in) investing activities	966	(5,071)

(Millions of yen)

	First three months of 2009 (Jan. 1, 2009 – Mar. 31, 2009)	First three months of 2010 (Jan. 1, 2010 – Mar. 31, 2010)
Financing activities		
Proceeds from short-term borrowings	23,250	2,036
Repayment of short-term borrowings	(45,867)	(5,237)
Proceeds from long-term borrowings	16,619	3,800
Repayment of long-term borrowings	(3,189)	(2,727)
Payment for redemption of bonds	(2,210)	(1,150)
Proceeds from minority interest	-	1,102
Dividends to minority interest	(40)	-
Distributions to minority interest	(509)	(130)
Dividends paid	(0)	-
Other, net	1	(31)
Net cash provided by (used in) financing activities	(11,947)	(2,338)
Effect of exchange rate changes on cash and cash equivalents	0	70
Increase (decrease) in cash and cash equivalents	(3,888)	(7,143)
Cash and cash equivalents at beginning of period	16,281	21,665
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	(254)	(72)
Cash and cash equivalents at end of period	12,138	14,449

(4) Segment Information

First three months of 2009 (Jan. 1, 2009 – Mar. 31, 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	466	11,479	775	40	12,762	-	12,762
(2) Inter-segment sales and transfers	0	-	321	-	321	(321)	-
Subtotal	466	11,479	1,097	40	13,083	(321)	12,762
Operating income (loss)	310	1,525	715	(965)	1,585	(357)	1,227

First three months of 2010 (Jan. 1, 2010 – Mar. 31, 2010)

(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	278	3,936	878	100	5,193	-	5,193
(2) Inter-segment sales and transfers	17	-	338	-	356	(356)	-
Subtotal	295	3,936	1,217	100	5,549	(356)	5,193
Operating income (loss)	92	936	684	(70)	1,642	(207)	1,434