

June 25, 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.

### Notice for Recording of Extraordinary Loss and Revision of Forecast

In light of its recent performance, Kenedix, Inc. (the "Company") hereby announces the following revisions to its forecast for the first half and full year consolidated results for the fiscal year ending December 31, 2010 (January 1 to December 31, 2010). These forecasts were originally announced on February 12, 2010.

#### 1. Forecast revisions

(Unit: millions of yen)

Revision of Forecast for Consolidated Results for the First Half of the Fiscal Year Ending December 31, 2010 (January 1 to June 30, 2010)

	Revenue	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	13,000	3,500	500	-800	-660.07yen
Revised Forecast (B)	22,700	5,000	2,000	-1,600	-1,320.15yen
Change in Amount (B-A)	9,700	1,500	1,500	-800	
Percentage Change(%)	74.6	42.9	300.0	—	
Reference: Results For Previous Year First Half (January 1 to June 30, 2009)	60,334	10,761	6,552	-8,840	- 13,887.30yen

Revision of Forecast for Consolidated Results for the Fiscal Year Ending December 31, 2010 (January 1 to December 31, 2010)

	Revenue	Operating income	Ordinary income	Net income	Net income per share
Previous Forecast (A)	44,900	8,600	3,300	400	330.03yen
Revised Forecast (B)	31,500	7,900	2,200	-2,400	-1,980.22yen
Change in Amount (B-A)	-13,400	-700	-1,100	-2,800	
Percentage Change(%)	-29.8	-8.1	-33.3	—	
Reference: Results For Previous Year (January 1 to December 31, 2009)	77,831	8,433	225	-18,438	- 23,968.93yen

This announcement contains forward-looking statements regarding estimates, forecasts, targets and plans in relation to the results of operations, financial conditions and other overall management of the company and/or the group as a whole (the "forward-looking statements"). The forward-looking statements are made based upon, among other things, the company's current estimates, perceptions and evaluations. In addition, in order for the company to adopt such estimates, forecasts, targets and plans regarding future events, certain assumptions have been made. Accordingly, due to various risks and uncertainties, the statements and assumptions are inherently not guarantees of future performance, may be considered differently from alternative perspectives and may result in material differences from the actual result. For the main factors that may effect the current forecasts, please see the latest disclosures that the company has announced.

## 2. Reasons for forecast revision and recording of extraordinary loss:

### (First half forecast of consolidated results)

In order to respond flexibly to the significant changes in the business environment, the Kenedix Group (the “Group”) has been steadily implementing plans in accordance with its medium-term management plan, the main goals of which are increasing assets under management (“AUM”), downsizing the balance sheet and establishing a stable revenue structure. In this regard, the Group has experienced a certain level of success. In February 2010, the Group revised its medium-term management plan to reflect the changes to the Group and the business environment, and has since worked toward implementing its revised plans, such as maintaining the main objective of focusing on the asset management business and revising the target growth rate for AUM upward. As a result, the Group’s AUM exceeded JPY1 trillion as of May 31, 2010.

As AUM increases, a steady income of asset management fees is expected. In May 2010, the Company established a private real estate fund with an asset value of JPY10 billion from Korean investors such as pension funds. The Company also succeeded in selling assets from its own account to this private real estate fund, ahead of what was originally scheduled for the second half of this year. As a result, it is expected that revenue, operating income and ordinary income will increase significantly compared to the initial estimates.

However, in order to downsize its balance sheet, the Group sold consolidated subsidiaries which hold foreign real estate assets and sold other fixed assets, resulting in a total extraordinary loss of JPY2.2 billion being recorded. As a result, it is expected that net income for the first half will fall short of initial estimates.

Given the above developments, the forecast for revenue, operating income, ordinary income and net income for the first half results have been revised accordingly.

### (Fiscal year forecast of consolidated results)

Beginning in the third quarter of this fiscal year, the Company plans to continue to actively seek opportunities to establish new private funds and to expand its asset management business.

On the other hand, under its initial plan, the Company was expecting revenue arising from the sale of properties it owns in establishing the private funds. Although the Company continues to aim to establish such funds, in light of the current outlook on such opportunities, the Company has formulated a conservative revenue plan and decided to not include such expected revenue from property sales in the consolidated revenue forecast for the fiscal year. As a result, the Company expects revenue to be significantly less than initially estimated. In addition, as a result of a partial review of the fee revenue and distribution income loss from silent partnerships (*tokumei kumiai*), ordinary income is expected to be less than initially estimated. Furthermore, due to the impact of the extraordinary loss from the first half, therefore it is expected that the results be significantly lower than initially estimated and we expect to record net losses for the fiscal year.

As a result of the above, the forecast for revenue, operating income, ordinary income and net income for the fiscal year consolidated results have been revised accordingly.

Note: The preceding forecasts are based on the information currently available and certain assumptions, deemed reasonable by the Company, have been made. Various factors may lead to significant differences in actual results.

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