

July 13, 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 Sale of Private Nursing Home Portfolio and Signing of Asset Management Contract

Kenedix, Inc. (the "Company") hereby announces that the Kenedix Group (the "Group") has sold a portion of the Group's private nursing home portfolio owned as fixed assets to an overseas health care REIT (the "Sale"), and at the same time concluded a long-term asset management (AM) contract for the ongoing management of the sold portfolio.

1. Fund overview

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|-----------------------|--|
| (1) Amount:           | Approximately ¥3 billion   |
| (2) Properties:       | Five private nursing homes located in the Tokyo metropolitan area and the Kansai area  |
| (3) Purchaser:        | A Japanese SPC making a silent partnership investment via an SPV locally set up by Parkway Life REIT (Singapore's largest listed health care REIT) |
| (4) AM contract term: | Approximately 3 years  |

2. Background

The Group is carrying out proactive marketing activities with various domestic and overseas investors to attract funds from new investors, with the aim of further growth for the asset management business. Attracting new funds from overseas investors is a particularly important management strategy, and the Group has therefore been aggressively marketing overseas. As part of these activities, we have established a transactional relationship with Parkway Life REIT ("Parkway"), Singapore's largest listed health care REIT. The Group has carried out several transactions with this REIT since 2008, in which nursing home properties are sold to Parkway and at the same time AM operations for the properties are undertaken by the Group. As a result, the Group is currently undertaking AM operations for Parkway for a total of 20 properties, representing approximately ¥15.9 billion in assets (initial acquisition amount basis). This transaction was concluded as part of the Group's ongoing transactional relationship with Parkway and is consistent with the Group's Medium-Term Management Plan, which aims to streamline the balance sheet of the Company.

The Group currently undertakes AM operations for nursing home portfolios of

approximately ¥37.3 billion in total, including those for Parkway. In light of the aging of Japanese society, the Group intends to gain experience in nursing home portfolio management and fund formation, and accumulate health care real estate-related expertise without increasing the size of the Company's balance sheet, to further strengthen its competitiveness and capabilities as a real estate asset manager.

### 3. Impact on business results

The anticipated impact of the Sale on business results was included in the extraordinary loss for the second quarter announced in the June 25, 2010, press release titled "Notice for Recording of Extraordinary Loss and Revision of Forecast." The Sale will therefore have no impact on the consolidated business results forecast for the first half ended June 30, 2010 and full fiscal year ending December 31, 2010, announced on June 25, 2010.

#### **Cautionary Statement Concerning Forward-Looking Information**

This press release contains forward-looking statements that include "intends," "will" and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of the Group. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. The Group does not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.