

July 15, 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. This 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.

Announcement of Business Alliance with ITOCHU Corporation and Issuance of New Shares through Third Party Allotment

Kenedix, Inc. ("Kenedix") hereby announces that Kenedix and ITOCHU Corporation ("ITOCHU") today agreed on the Business Alliance (collectively with the Third Party Allotment, the "Capital and Business Alliance") subject to the Third Party Allotment (to be defined below), and that Kenedix resolved to issue new shares through the third party allotment to ITOCHU (the "Third Party Allotment") as set forth below.

Kenedix resolved, at the meeting of its board of directors held today, to (i) issue new shares by way of public offering, (ii) make a secondary offering of shares, and (iii) withdraw the shelf registration for issuances of new shares. The Capital and Business Alliance is subject to the completion of payments for the total number of shares of our common stock (904,000 shares) in the global offering of Kenedix placed for public offering in domestic market and overseas markets (the "Global Offering of Shares"), and other customary conditions generally attached to similar transactions. For details of the Global Offering of Shares, please refer to the "Notice Regarding Issuance of New Shares by way of Public Offering, Secondary Offering of Shares, and Withdrawal of Shelf Registration Statement for Issuance of New Shares" announced today.

I. The Business Alliance

1. Reasons for the Business Alliance

Kenedix is a real estate asset management company that has operated since real estate securitization first appeared in Japan, and as of the end of May 2010 had more than ¥1 trillion in assets under management. Kenedix obtained new real estate asset management agreements not only from domestic investors but also from overseas investors, in countries such as Germany and Singapore in 2008; the United States, Korea, Singapore, and Australia in 2009; and the United States, Hong Kong, and Korea in 2010; and is steadily increasing assets under management. Currently, Kenedix is working to further strengthen its asset management business with the aim of continuously increasing assets under management, by striving to identify quality properties and provide investment opportunities to domestic and overseas investors which have interest in investing in Japanese real estate.

ITOCHU, on the other hand, has a track record of success in the development of domestic and overseas real estates, asset utilization, maintenance and operational management, and brokerage and lease management and the like, by using its network ability, information ability, and know-how in broad

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range of business realm as a major general trading company.

Under these circumstances, Kenedix and ITOCHU have established a cooperative relationship, such as ITOCHU's equity investment in Kenedix REIT Management, Inc., the asset manager for Kenedix Realty Investment Corporation on December 2008, and joint real estate investments.

On this occasion, Kenedix considered that the Capital and Business Alliance with ITOCHU, with which Kenedix can share synergy effect, would further improve Kenedix's corporate value in flexibly responding to drastic environmental changes surrounding the real estate investment market, meeting the diversified needs of customer investors, expanding the scale and contents of businesses for the future. In light of these circumstances, we entered into the agreement relating to the Capital and Business Alliance with ITOCHU. Through the Capital and Business Alliance, Kenedix and ITOCHU will mutually share synergy effects by making use of the management resources of both of the companies.

2. Details of the Business Alliance

(1) Details of the Business Alliance

Kenedix and ITOCHU will exchange information and jointly conduct marketing activities to investors, by making the best use of their respective investors' networks with an aim to forming real estate funds. The details of the business alliance are as described below, and specifics thereto are planned to be further determined through discussions hereafter. The business alliance, however, is subject to the payment by ITOCHU of an amount payable for the common shares of Kenedix issued with respect to the Third Party Allotment.

- Jointly seek opportunities to form new real estate funds, including those to acquire assets for "warehousing" purposes primarily for Kenedix Realty Investment Corporation and those to be formed to acquire land for the purpose of receiving stable leasing income from the lessee holding a leasehold interest in the acquired land.

(Note) Realization of the formation and other details of the real estate funds will be determined hereafter through discussions. It is possible that all or part of the real estate funds formed through the business alliance may not be realized due to future market conditions.

- Promotion of personnel exchanges in the asset management related business; and
- Information sharing concerning networks of domestic and overseas investors.

(2) Outline of ITOCHU

Please see "II. Issuance of New Shares through Third Party Allotment - 6. Reason for Selecting ITOCHU and Other Related Matters - (1) Outline of ITOCHU" below for an outline of ITOCHU, the business alliance partner.

3. Schedule

(1) Meeting of the board of directors	July 15, 2010
(2) Execution date of the business alliance agreement	July 15, 2010
(3) Date of commencement of business alliance	Commence after the completion of payments for the Third Party Allotment.

4. Future outlook

Kenedix expects that implementing this business alliance will contribute to the development of its

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business; however, the specific calculation of the specific figures has not yet been completed. After the implementation of the Capital and Business Alliance, the effect of implementation on Kenedix's future business results will be incorporated into the business results expectation in accordance with the progress of the Capital and Business Alliance.

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II. Issuance of New Shares through Third Party Allotment

1. Outline of offering

(1) Issue date	The issue date will be a date within the period from Wednesday, August 4, 2010 to Friday, August 6, 2010, that is the sixth (6th) business day immediately following the Determination Date defined in (3) below.
(2) Number of shares to be newly issued	60,000 shares of common stock (Note 1)
(3) Method of determining the amount to be paid	<p>The amount to be paid shall be the same price as the issue price (offer price) of new shares to be offered in a public offering on the domestic market in the Global Offering of Shares (the “Domestic Public Offering”), which will be determined on a date within the period from Tuesday, July 27, 2010 to Thursday, July 29, 2010 (the “Determination Date”).</p> <p>The issue price (offer price) for the Domestic Public Offering will be determined on the Determination Date based on the preliminary pricing terms that are calculated by multiplying the closing price of the shares of common stock of Kenedix on the First Section of the Tokyo Stock Exchange, Inc. on the Determination Date (or, if no closing price is quoted on the Determination Date, the closing price of the immediately preceding date) by 0.90-1.00 (any fraction less than one (1) yen that results from such calculation will be rounded down) pursuant to the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. established by the Japan Securities Dealers Association, taking into account market demand and other conditions.</p>
(4) Amount of funds to be raised	950,110,644 yen (estimated net proceeds calculated based on the closing price of the shares of common stock of Kenedix on the First Section of the Tokyo Stock Exchange, Inc. as of July 9, 2010 on the assumption that all of the new shares as described in (2) above will be issued) (Note 1)
(5) Method of offering or allotment (Party to which shares will be allotted)	Third party allotment (ITOCHU Corporation)
(6) Others	Payment by ITOCHU shall be subject to the completion of payment for the total number of new shares (904,000 shares) expected to be purchased and underwritten in the Global Offering of Shares and other customary conditions generally attached to similar transactions.
(7) Each of the items above will be subject to the effectiveness of the securities registration statement to be filed under the Financial Instruments and Exchange Act of Japan.	

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Note 1. ITOCHU, the party to which shares will be allotted, will subscribe the new shares as described in (2) above with limits of not more than the number of shares obtained by dividing 1,000,000,000 yen by the amount to be paid that is determined as described in (3) above (with any fractional shares being disregarded). Shares that ITOCHU will not subscribe will not be issued.

2. Purpose of and reason for the issuance of new shares through third party allotment

In order to further strengthen the relationship of mutual trust and cooperation in conducting the business alliance described in I. 1. above, new shares will be allotted to ITOCHU.

3. Amount, use and scheduled expenditure of funds to be raised

(1) Amount of funds to be raised

Aggregate amount to be paid in:	964,200,000 yen
Estimated cost of issuance (Note 1):	14,089,356 yen
Estimated net proceeds:	950,110,644 yen

Note 1. Costs of issuance include costs related to the commercial registration and the listing fees.

Note 2. The aggregate amount to be paid in above is the estimated amount that was calculated (i) based on the closing price of the shares of Kenedix's common stock on the First Section of the Tokyo Stock Exchange, Inc. on July 9, 2010, and (ii) based on the assumption that all of the Number of shares to be newly issued as set forth in 1. (2) above are issued. ITOCHU shall be obligated to subscribe the maximum number of shares, to the extent that the aggregate amount to be paid in does not exceed 1,000,000,000 yen. The maximum estimated cost of issuance and the maximum estimated net proceeds will be 14,454,565 yen and 985,545,435 yen, respectively.

(2) Specific use and scheduled expenditure of funds to be raised

Of the maximum total amount of the estimated proceeds, 16,315,578,640 yen that is obtained by adding the maximum estimated proceeds of the Global Offering of Shares, in the amount of 15,064,600,590 yen, and the maximum estimated proceeds of the issuance of shares of Kenedix's common stock through the Third Party Allotment conducted in connection with the over-allotment for the Global Offering of Shares (hereinafter referred to as the "Green Shoe Third Party Allotment"), in the amount of 300,867,406 yen, to the maximum estimated net proceeds of the Third Party Allotment, in the amount of 950,110,644 yen, we plan to use approximately 7.5 billion yen in connection with the repayment of an aggregate principal amount of 14.9 billion yen of bonds of Kenedix scheduled to mature on November 9, 2010. The remaining amount is expected to be used to further our strategies, including acquiring minority interests in funds and newly acquiring real estate assets with the goal of reselling to funds. In addition, until the proceeds are actually used, they will be held at a deposit account. The above amounts are estimated amounts calculated based on the closing price of the shares of common stock of Kenedix on the First Section of the Tokyo Stock Exchange, Inc. as of July 9, 2010.

4. View concerning rationale for the use of funds to be raised

Kenedix believes that applying the proceeds to be raised to the funds, etc. required for ensuring the progress of a strengthened business alliance with ITOCHU will contribute to the enhancement of the corporate value of Kenedix, and, therefore, is a reasonable use.

5. Rationale for the conditions of issuance and other related matters

(1) Basis of the calculation of the amount to be paid in and the details thereof

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The amount to be paid in with respect to the Third-Party Allotment shall be the same price as the issue price (offer price) for the Domestic Public Offering. Such issue price (offer price) for the Domestic Public Offering will be determined in accordance with the method set forth in Article 25 of the Regulations Concerning Underwriting, etc. of Securities established by the Japan Securities Dealers Association.

Kenedix has determined that the aforementioned method of determining the amount to be paid in with respect to the Third-Party Allotment is appropriate, because such method comes under “the method for determining the amount to be paid in that is appropriate to realize payment at a fair value,” which is set forth in Article 201, Paragraph 2 of the Companies Act. Furthermore, regarding the legality of the method for determining the amount to be paid in, all five (5) auditors (of which three (3) auditor(s) are outside company auditors) represented their opinion at today’s meeting of Kenedix’s board of directors that the method of determining the amount to be paid in is legitimate.

- (2) Grounds for the judgment that the number of shares to be issued and the level of dilution of shares are reasonable

The maximum total number of shares to be newly issued through the Third-Party Allotment is 60,000 shares. The maximum ratio to the total number of issued shares of Kenedix as of June 30, 2010 which number is 1,211,982 shares is 4.95 %, and the maximum ratio to the total number of issued shares of Kenedix’s common stock, 2,251,582 shares, after the issuance of 1,039,600 shares (the maximum number) of Kenedix’s common stock to be issued through the Public Offering of Shares and the Green Shoe Third Party Allotment, is 2.66 %. Therefore, Kenedix has decided that the level of dilution of shares is reasonable.

6. Reason for selecting ITOCHU and other related matters

(1) Company name	ITOCHU Corporation
(2) Address	1-3, Kyutaromachi 4-chome, Chuo-ku, Osaka
(3) Representative	Masahiro Okafuji, President and Chief Executive Officer
(4) Main businesses	ITOCHU is developing a wide range of business by conducting domestic transactions, import/export transactions and tri-national trade transactions in the fields of textile; machinery; ICT information and communications technology, aerospace and electronics; energy, metals and minerals; chemicals, forest products and general merchandise; food; finance, realty, insurance and logistics services as well as business investments in Japan and overseas.
(5) Paid-in capital	202,241 million yen
(6) Date of incorporation	December 1, 1949
(7) Total number of issued shares	1,584,889,504 shares

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(8) Fiscal year end	March 31	
(9) Number of employees	62,379 (on a consolidated basis)	
(10) Major business partners	ITOCHU is engaging in various commercial transactions with domestic and overseas business partners.	
(11) Major bank references	Mizuho Corporate Bank, Ltd.; Sumitomo Mitsui Banking Corporation; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Shinsei Bank, Ltd.; Aozora Bank, Ltd.; Resona Bank, Limited; The Sumitomo Trust and Banking Co., Ltd.; The Chuo Mitsui Trust and Banking Company, Limited.; Mizuho Trust & Banking Co., Ltd.; Mitsubishi UFJ Trust and Banking Corporation; Japan Bank for International Cooperation; Development Bank of Japan Inc.; The Norinchukin Bank; and Shinkin Central Bank.	
(12) Major shareholders and stockholding ratio	Japan Trustee Services Bank, Ltd.(trust account)	6.76%
	The Master Trust Bank of Japan, Ltd.(trust account)	5.61%
	Japan Trustee Services Bank, Ltd.(trust account 9)	2.77%
	Mitsui Sumitomo Insurance Company, Limited	2.60%
	Nippon Life Insurance Company	2.59%
	NIPPONKOA Insurance Company, Limited	2.38%
	Tokio Marine & Nichido Fire Insurance Co., Ltd.	2.34%
	Asahi Mutual Life Insurance Company	1.74%
	Mizuho Corporate Bank, Ltd.	1.31%
	Sumitomo Mitsui Banking Corporation	1.30%
(13) Relationships between ITOCHU and Kenedix	Capital	ITOCHU holds 10% of Kenedix REIT Management, Inc., a consolidated subsidiary of Kenedix.
	Personal	There are no significant personal relationships between the two companies, and there are no significant personal relationships between persons or companies affiliated with Kenedix and persons or companies affiliated with ITOCHU.
	Transactions	ITOCHU has made a joint investment, etc. with Kenedix before.

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	Related parties	ITOCHU is not related to Kenedix, and no persons or companies affiliated with ITOCHU are related to Kenedix.	
(14) Results of operations and financial conditions for the last three (3) years			
	Fiscal year end/as of March 31		
	2008	2009	2010
Consolidated stockholders' equity	973,545	849,411	1,098,419
Consolidated total assets	5,274,199	5,192,092	5,476,847
Consolidated stockholders' equity per share (yen)	615.89	537.43	694.98
Consolidated trading transactions	11,729,082	12,065,109	10,306,799
Consolidated gross trading profit	994,547	1,060,521	924,366
Consolidated trading income	265,167	275,664	147,414
Income before income taxes and equity in earnings of associated companies	280,531	208,258	154,986
Net income attributable to ITOCHU	217,301	165,390	128,153
Net income attributable to ITOCHU per share (basic) (yen)	137.46	104.64	81.09
Dividend distribution per share (yen)	18.00	18.50	15.00

(Unit: Million yen, excluding the figures specifically indicated in other units)

(2) Reason for selecting ITOCHU

Kenedix considered ITOCHU is a general trading company which has numerous instances of success in the development of domestic and overseas real estates, asset utilization, retention management and operating management, and brokerage management and lease management and the like, by using its network ability, information ability, and know-how in broad range of business realm as, and the joint implementation of operations by Kenedix and ITOCHU through a business alliance would produce enormous synergy effects on each other. In addition, Kenedix considered that, upon the execution of the business alliance, the further strengthening of the relationship based on trust and cooperation between the two companies through the allotment of shares of Kenedix common stock to ITOCHU, its business alliance partner, by way of a third party allotment would be the best way to improve Kenedix's corporate value.

(3) Policy of ITOCHU for holding shares of Kenedix

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Although there is no particular arrangement regarding the policy for holding shares of Kenedix, ITOCHU has agreed with Kenedix that ITOCHU shall not assign or dispose of all or a part of the shares acquired through the allotment to third parties without prior written consent of Kenedix for the six (6) months period after the acquisition of the allotment shares. Kenedix shall not provide such consent without obtaining prior written consent of the joint global coordinators for the Global Offering of Shares.

In addition, Kenedix will request of ITOCHU a written confirmation agreeing and/or acknowledging that, if ITOCHU assigns all or a part of the new shares to be allotted within two years of the closing date, (i) ITOCHU will immediately report to Kenedix, in writing, the name of the assignee, the number of shares assigned and other related matters, (ii) Kenedix will report such assignment to the Tokyo Stock Exchange, Inc., and (iii) ITOCHU will consent to the substance of such report being available for public inspection.

(4) Details of the confirmation of the payment capacity of ITOCHU in respect of the payment for the Third Party Allotment

After confirming the financial condition and operating results described in the latest Annual Securities Report of ITOCHU (filed on June 25, 2010), Kenedix has confirmed that ITOCHU has sufficient funds needed for payment of the Third Party Allotment.

7. Major shareholders and their shareholding ratio

Before offering (As of December 31, 2009)		After offering	
Goldman Sachs & Company Regular Account (Standing proxy: Goldman Sachs Japan Co., Ltd.)	5.42 %	Goldman Sachs & Company Regular Account (Standing proxy: Goldman Sachs Japan Co., Ltd.)	2.84 %
JP Morgan Chase Oppenheimer JASDEC Lending Account (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	4.95 %	JP Morgan Chase Oppenheimer JASDEC Lending Account (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	2.59 %
The Chase Manhattan Bank 385036 (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Clearing Services Division)	3.98 %	ITOCHU Corporation	2.59 %
The Master Trust Bank of Japan ,Ltd. (Trust account)	3.95 %	The Chase Manhattan Bank 385036 (Standing proxy: Mizuho Corporate Bank, Ltd., Settlement & Clearing Services Division)	2.08 %
UBS AG London Account, IPB Segregated Client Account (Standing proxy: Citibank Japan Ltd.)	3.39 %	The Master Trust Bank of Japan ,Ltd. (Trust account)	2.07 %
JAPAN SECURITIES FINANCE CO., LTD.	3.32 %	UBS AG London Account, IPB Segregated Client Account (Standing proxy: Citibank Japan Ltd.)	1.78 %
Bank of New York GCM Client Account JPRD ISG (FE-AC) (Standing proxy: The Bank of Tokyo-Mitsubishi	3.02 %	JAPAN SECURITIES FINANCE CO., LTD.	1.74 %

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UFJ, Ltd.)			
Japan Trustee Services Bank, Ltd. (Trust account)	2.92 %	Bank of New York GCM Client Account JPRD ISG (FE-AC) (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.58 %
Rabobank International Equity Finance Account (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.74 %	Japan Trustee Services Bank, Ltd. (Trust account)	1.53 %
Melon Bank N.A. Treaty Client Omnibus (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	1.56 %	Rabobank International Equity Finance Account (Standing proxy: The Bank of Tokyo-Mitsubishi UFJ, Ltd.)	0.91 %

Note The major shareholders and their shareholding ratios after the offering have been calculated by adding (i) the sum of (a) the maximum number of shares of common stock to be issued through the Third-Party Allotment (the maximum number of shares to be newly issued: 60,000 shares) and (b) the maximum number of shares of common stock to be issued by the Global Offering of Shares and by the Green Shoe Third Party Allotment (the maximum number of shares to be newly issued: total of 1,039,600 shares) to (ii) the total number of issued shares as of December 31, 2009. The actual shareholders and their shareholding ratios after the offering may differ from the information above due to shares to be issued through the Green Shoe Third Party Allotment, etc.

8. Future outlook

It is expected that the execution of the Capital and Business Alliance will contribute to the business development of Kenedix; however, the specific calculations of the figures have not yet been completed. After the implementation of the Third Party Allotment, the effect of this matter on Kenedix's future business results will be incorporated into the expectation of the business results in accordance with the progress.

9. Matters concerning Procedures in the Code of Corporate Conduct

Kenedix is not required to obtain the opinion of an independent third party or to confirm the intent of each shareholder concerning the Third-Party Allotment, as provided for in Rule 432 of the Securities Listing Regulations by the Tokyo Stock Exchange, Inc., since (i) the dilution rate of the Third-Party Allotment is less than 25% and (ii) the Third-Party Allotment does not involve any change in the controlling shareholder(s).

10. Business results for and equity finance executed in the last three (3) years

(1) Consolidated business results for the last three (3) years

	Year ended Dec. 31, 2007	Year ended Dec. 31, 2008	Year ended Dec. 31, 2009
Consolidated net sales	138,025 Million yen	137,431 Million yen	77,831 Million yen
Consolidated operating profit	30,863 Million yen	16,267 Million yen	8,433 Million yen
Consolidated ordinary income	26,120 Million yen	5,316 Million yen	225 Million yen
Consolidated net income	14,662 Million yen	Δ10,850 Million yen	Δ18,438 Million yen
Consolidated net income per share	24,833.95 yen	Δ17,062.66 yen	Δ23,968.93 yen
Dividend per share	2,350 yen	—	—
Consolidated net assets per share	95,872.59 yen	73,438.21 yen	38,577.82 yen

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(2) Current Number of Issued Shares and Dilutive Shares (as of June 30, 2010)

	Number of shares	Ratio to total number of issued shares
Total number of issued shares	1,211,982 shares	100 %
Number of dilutive shares at current conversion price (exercise price)	52,655 shares	4.3 %
Number of dilutive shares at minimum conversion price (exercise price)	—	—
Number of dilutive shares at maximum conversion price (exercise price)	—	—

(3) Recent stock prices

(i) Situation over the last three (3) years

	Year ended Dec. 31, 2007	Year ended Dec. 31, 2008	Year ended Dec. 31, 2009
Opening price	540,000 yen □233,000 yen	174,000 yen	26,980 yen
High price	676,000 yen □261,000 yen	189,000 yen	59,900 yen
Low price	466,000 yen □148,000 yen	10,500 yen	5,030 yen
Closing price	466,000 yen □181,000 yen	25,180 yen	29,750 yen

Note 1: The ordinary share of Kenedix was split at a ratio of two (2) shares for each share as of July 1, 2007, and the share price with □ above is ex-rights price of shares after the stock split.

(ii) Situation over the last six months

	January 2010	February 2010	March 2010	April 2010	May 2010	June 2010
Opening price	29,500 yen	28,030 yen	25,540 yen	27,200 yen	31,500 yen	23,500 yen
High price	36,300 yen	28,900 yen	29,660 yen	34,350 yen	31,800 yen	23,950 yen
Low price	27,900 yen	23,780 yen	23,600 yen	26,000 yen	19,460 yen	14,500 yen
Closing price	27,970 yen	25,610 yen	27,400 yen	33,100 yen	23,600 yen	14,890 yen

(iii) Stock price as of the date of the resolution for issuance

	July 14, 2010
Opening price	17,310 yen
High price	17,530 yen
Low price	15,560 yen
Closing price	15,710 yen

(4) Equity finance in the last three (3) years

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▶ Issuance of Euro/Yen Convertible Bonds with Stock Acquisition Rights due 2012

Issue Date	November 9, 2009
Amount of funds raised	Aggregate issue price of the bonds: 2,093,300,000 yen (Note)
Conversion Price	40,020 yen
Number of issued shares at the time of offering	1,211,982 shares
Number of shares to be issued through such offering	-
Total number of issued shares after offering	-
Number of dilutive shares through such offering	Number of dilutive shares at initial conversion price (40,020 yen): 52,306 shares
Current status of conversion (status of exercise)	Number of shares converted (number of shares exercised): 0 shares
Current number of dilutive shares	Current outstanding amount: 2,093,300,000 yen, Current conversion price (exercise price): 40,020 yen Number of dilutive shares at current conversion price (40,020 yen): 52,306 shares
Initial[/Original] use of the funds planned at the time of issuance	- (Note)
Scheduled timing of expenditure at the time of issuance	- (Note)
Current status of application	- (Note)

Note: No cash was obtained through this issuance because the issuance was made by way of an exchange offer to the holders of the Euro/Yen Convertible Bonds with Stock Acquisition Rights due 2011.

▶ Issuance of Shares through Public Offering

Issued Date	September 3, 2007
Amount of funds raised	8,034,000,000 yen (approximate net proceeds)
Issue price	163,680 yen
Number of issued shares at the time of offering	574,226 shares
Number of shares to be issued through such offering	50,000 shares
Total number of issued shares after offering	624,226 shares

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Initial[/Original] use of the funds planned at the time of issuance	Plan to apply investments in confidential partnership for an investment vehicle organized by Kenedix
Scheduled timing of expenditure at the time of issuance	October 2007 through December 2007
Current status of application	Application for the above-mentioned use of the funds has been completed.

Issued Date	October 26, 2009
Amount of funds raised	17,854,013,145 yen (approximate net proceeds)
Issue price	31,527 yen
Number of issued shares at the time of offering	636,982 shares
Number of shares to be issued through such offering	575,000 shares
Total number of issued shares after offering	1,211,982 shares
Initial[/Original] use of the funds planned at the time of issuance	Plan to use the funds for acquisition of Euro/Yen Convertible Bonds with Stock Acquisition Rights due 2011 and plan to use a part of the funds for early redemption of Euro/Yen Convertible Bonds with Stock Acquisition Rights due 2011
Scheduled timing of expenditure at the time of issuance	November 2009 through December 2009
Current status of application	Application for the above-mentioned use of the funds has been completed.

▶ Issuance of Shares through Third Party Allotment (Note)

Issued Date	October 3, 2007
Amount of funds raised	1,215,600,000 yen (approximate net proceeds)
Issue price	163,680 yen
Number of issued shares at the time of offering	574,358 shares
Number of shares to be issued through such offering	7,500 shares
Total number of issued shares after offering	581,858 shares
Party to which shares will	Nikko Citigroup Limited

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be allotted	
Initial[/Original] use of the funds planned at the time of issuance	Plan to apply investments in confidential partnership for an investment vehicle organized by Kenedix
Scheduled timing of expenditure at the time of issuance	October 2007 through December 2007
Current status of application	Application for the above-mentioned use of the funds has been completed.

Note: The allotment is a result of the exercise of a greenshoe option in connection with the public offering of shares issued on September 3, 2007.

11. Terms and conditions of issuance

- (1) Number of Shares to Be Newly Issued: 60,000 shares of common stock Note
(2) Method of Determining the Amount to Be Paid:

The amount to be paid shall be the same price as the issue price (offer price) in the Domestic Public Offering on the Determination Date. The offer price for the Domestic Public Offering will be determined on the Determination Date based on the preliminary pricing terms calculated by multiplying the closing price of the shares of common stock of Kenedix on the First Section of the Tokyo Stock Exchange, Inc. on the Determination Date (or, if no closing price is quoted on the Determination Date, the closing price of the immediately preceding date) by 0.90-1.00 (any fraction less than one (1) yen that results from such calculation will be rounded down) in accordance with the method stated in Article 25 of the Regulations concerning Underwriting of Securities, etc. established by the Japan Securities Dealers Association, taking into account market demand and other conditions.

- (3) Aggregate amount to be paid:

The aggregate amount to be paid will be the amount obtained by multiplying (i) the amount to be paid determined as described in (2) above by (ii) the number of shares to be newly issued described in (1) above. (Note)

- (4) Amount to be accounted for as stated capital:

The amount by which stated capital is to be increased will be half of the maximum increased amount of stated capital, as calculated in accordance with the provisions of Article 14, Paragraph 1 of the Rules of

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- Account Settlement of Corporations, with any fraction less than one (1) yen resulting from the calculation being rounded up to the nearest yen. The amount by which the legal capital surplus is to be increased will be the amount obtained by subtracting the amount by which stated capital is to be increased above from the relevant maximum increased amount of stated capital.
- (5) Method of offering or allotment: Third party allotment
- (6) Subscription date: The date of application for the offering will be a date within the period from Thursday, July 29, 2010 to Monday, August 2, 2010, whichever of such date is the second (2nd) business day immediately following the Determination Date.
- (7) Payment date: The payment date will be a date within the period from Wednesday, August 4, 2010 to Friday, August 6, 2010, whichever of such date is the sixth (6th) business day immediately following the Determination Date.
- (8) Party to Which Shares Will Be Allotted and Number of Shares to Be Allotted: ITOCHU Corporation; 60,000 shares of common stock (Note)
- (9) Each of the items stated above shall be subject to the effectiveness of the securities registration statement filed under the Financial Instruments and Exchange Act of Japan.
- (10) Payment by ITOCHU shall be subject to the completion of payment for the total number of new shares (904,000 shares) expected to be purchased and underwritten in the Global Offering of Shares and other customary conditions generally attached to similar transactions.
- (Note) ITOCHU, the party to which shares will be allotted, will subscribe the shares to be offered in the Third-Party Allotment in the amount obtained by dividing 1,000,000,000 yen by the amount to be paid determined as described in (2) above (any fraction less than one (1) share shall be rounded down). Shares that ITOCHU will not subscribe will not be issued.

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