

**Summary of Consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending December 31, 2010  
(Nine Months Ended September 30, 2010)**

[Japanese GAAP]

Described below is an abstract in English of the financial result for the nine months ended September 30, 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.	Listing: First Section, Tokyo Stock Exchange
Stock code: 4321	URL: <a href="http://www.kenedix.com">http://www.kenedix.com</a>
President: Atsushi Kawashima	
Contact: Taiji Yoshikawa, Director, Member of the Board	Tel: +81-3-3519-2530
Scheduled date of filing of Quarterly Report: November 12, 2010	
Scheduled date of payment of dividend: -	
Preparation of supplementary materials for quarterly financial results: Yes	
Holding of quarterly financial results meeting: No	

(Amounts rounded off to million yen)

**1. Consolidated Financial Results (Jan. 1, 2010 – Sep. 30, 2010)**

(1) Consolidated results of operations

(Percentage represent year-on-year changes)

	Revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Sep. 30, 2010	27,931	(60.1)	7,143	(37.3)	3,356	(41.1)	(522)	-
Nine months ended Sep. 30, 2009	69,940	-	11,389	-	5,702	-	(10,094)	-

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Nine months ended Sep. 30, 2010	(366.16)	-
Nine months ended Sep. 30, 2009	(15,857.76)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2010	205,218	71,023	30.3	27,166.32
As of Dec. 31, 2009	218,603	54,525	21.4	38,577.82

Reference: Shareholders' equity (million yen)

As of Sep. 30, 2010: 62,243

As of Dec. 31, 2009: 46,741

**2. Dividends**

	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	-	0.00	-	-	-
Year ending Dec. 31, 2010 (forecast)	-	-	-	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
Full year	31,500	(59.5)	7,900	(6.3)	2,200	876.2	(2,400)	-	(1,980.22)

(Note) Revision of consolidated forecast during the period: None

#### 4. Others

(1) Changes in significant consolidated subsidiaries during the period: None

Newly added:-

Excluded: -

Note: Changes in specified subsidiaries (*Tokutei Kogaisha*) affecting the scope of consolidation during the period

(2) Application of simplified accounting methods and special accounting methods: Yes

Note: Application of simplified accounting methods and special accounting methods in the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures, presentation methods, etc.

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

Note: Changes in accounting principles, procedures, presentation methods, etc. for preparation of quarterly consolidated financial statements described in "Changes in Basis of Preparation of Quarterly Consolidated Financial Statements"

(4) Number of shares outstanding (common shares)

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

As of Sep. 30, 2010:	2,291,186 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 Sep. 30, 2010:	- shares	As of Dec. 31, 2009:	365 shares
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3) Average number of shares outstanding

Nine months ended Sep. 30, 2010:	1,427,677 shares	Nine months ended Sep. 30, 2009:	635,582 shares
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#### \* Cautionary statement

- The current quarterly financial statements are exempted from quarterly review procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, we have completed the review process for these consolidated statements.

- 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)*

	Third quarter of 2010 (As of Sep. 30, 2010)	Year 2009 Summary (As of Dec. 31, 2009)
<b>Assets</b>		
Current assets		
Cash and deposits	14,605	18,291
Deposits held in trust	3,411	4,916
Accounts receivable-trade	1,751	1,128
Real estate for sale	54,237	63,909
Real estate for sale in process	-	2,461
Acquired non-performing loans	1,779	3,210
Income taxes refundable	277	1,191
Deferred tax assets	308	299
Other	1,987	3,265
Allowance for doubtful accounts	(171)	(137)
<b>Total current assets</b>	<b>78,186</b>	<b>98,536</b>
Fixed assets		
Property and equipment		
Buildings and structures	43,963	45,131
Accumulated depreciation	(1,513)	(877)
Buildings and structures, net	42,449	44,253
Land	59,085	53,461
Other	531	530
Accumulated depreciation	(97)	(101)
Other, net	433	428
<b>Total property and equipment</b>	<b>101,969</b>	<b>98,143</b>
Intangible assets		
Goodwill	-	236
Other	64	38
<b>Total intangible assets</b>	<b>64</b>	<b>275</b>
Investments and other assets		
Investment securities	20,234	19,047
Investment in capital	442	300
Long-term loans receivable	849	869
Deferred tax assets	146	160
Other	3,592	1,570
Allowance for doubtful accounts	(266)	(300)
<b>Total investment and other assets</b>	<b>24,999</b>	<b>21,647</b>
<b>Total fixed assets</b>	<b>127,032</b>	<b>120,066</b>
<b>Total assets</b>	<b>205,218</b>	<b>218,603</b>

*(Millions of yen)*

	Third quarter of 2010 (As of Sep. 30, 2010)	Year 2009 Summary (As of Dec. 31, 2009)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	430	436
Short-term borrowings	7,346	16,898
Long-term borrowings-due within one year	31,339	48,970
Corporate bonds-due within one year	3,550	18,086
Accrued income taxes	1,018	502
Security deposits	1,550	2,294
Accrued employees' bonuses	53	-
Deferred tax liabilities	-	1,722
Other	3,117	2,575
Total current liabilities	48,406	91,488
Long-term liabilities		
Bonds payable	6,903	8,553
Long-term borrowings	73,591	60,529
Deferred tax liabilities	1,841	7
Allowance for employees' retirement benefits	44	34
Long-term lease deposited	3,079	3,067
Other	329	395
Total long-term liabilities	85,789	72,588
Total liabilities	134,195	164,077
<b>Net assets</b>		
Shareholders' equity		
Common stock	31,322	23,787
Additional paid-in capital	31,581	24,046
Retained earnings	(574)	5
Treasury stock	-	(88)
Total shareholders' equity	62,329	47,751
Valuation and translation adjustments		
Net unrealized holding gains/losses on other securities	53	31
Deferred gains (losses) on hedges	-	(3)
Foreign currency translation adjustments	(139)	(1,038)
Total valuation and translation adjustments	(85)	(1,009)
Minority interests in consolidated subsidiaries	8,779	7,784
Total net assets	71,023	54,525
Total liabilities and net assets	205,218	218,603

**(2) Consolidated Statements of Income**  
**(For the Nine-month Period)**

*(Millions of yen)*

	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)
Revenue	69,940	27,831
Cost of revenue	54,803	17,951
Gross profit	15,136	9,979
Selling, general and administrative expenses		
Provision for doubtful accounts	-	97
Directors' and corporate auditors' salaries	149	179
Salaries and bonuses	838	798
Provision for accrued employees' bonuses	53	53
Commissions paid	858	529
Amortization of goodwill	921	206
Other	926	970
Total selling, general and administrative expenses	3,747	2,835
Operating income	11,389	7,143
Non-operating income		
Interest income	45	63
Interest on refund	52	-
Dividends income	55	42
Equity in earnings of non-consolidated subsidiaries and affiliates	-	40
Consumption taxes differential (after being offset by suspense payments and receipt)	-	325
Gain on bond retirement	-	58
Other	52	56
Total non-operating income	205	587
Non-operating expenses		
Interest expense	3,276	3,412
Equity in losses of non-consolidated subsidiaries and affiliates	1,700	-
Commissions paid	755	469
Stock issue expenses	-	331
Other	159	161
Total non-operating expenses	5,892	4,374
Ordinary income	5,702	3,356
Extra-ordinary income		
Gain on liquidation of affiliate stock	81	-
Gain on sale of investment securities	106	0
Gain on sale of fixed assets	-	43
Gain on negative goodwill	-	30
Other	2	0
Total extra-ordinary income	191	74
Extra-ordinary losses		
Loss on sale of investment securities	1,041	-
Loss on valuation of investment securities	106	9
Loss on valuation of inventories	12,827	-
Loss on sale of fixed assets	-	435
Impairment loss	-	1,068
Loss on liquidation of subsidiaries and affiliates	-	554
Other	333	91
Total extra-ordinary losses	14,308	2,160
Income (loss) before income taxes and profit distribution to silent partners	(8,414)	1,271

*(Millions of yen)*

	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)
Profit distribution to silent partners	(6)	16
Income (loss) before provision for income taxes	(8,408)	1,254
Income taxes	839	1,390
Minority interests in income	846	387
Net loss	(10,094)	(522)

**(For the Three-month Period)***(Millions of yen)*

	Third quarter of 2009 (Jul. 1, 2009 – Sep. 30, 2009)	Third quarter of 2010 (Jul. 1, 2010 – Sep. 30, 2010)
Revenue	9,606	4,754
Cost of revenue	7,765	2,211
Gross profit	1,840	2,542
Selling, general and administrative expenses		
Directors' and corporate auditors' salaries	48	66
Salaries and bonuses	224	229
Provision for accrued employees' bonuses	53	53
Commissions paid	309	149
Amortization of goodwill	307	-
Other	270	341
Total selling, general and administrative expenses	1,213	839
Operating income	627	1,703
Non-operating income		
Interest income	16	47
Equity in earnings of non-consolidated subsidiaries and affiliates	-	46
Consumption taxes differential (after being offset by suspense payments and receipt)	-	67
Gain on bond retirement	-	49
Other	19	42
Total non-operating income	35	253
Non-operating expenses		
Interest expense	1,030	1,103
Equity in losses of non-consolidated subsidiaries and affiliates	181	-
Commissions paid	57	75
Stock issue expenses	-	331
Other	243	7
Total non-operating expenses	1,513	1,518
Ordinary income (losses)	(849)	438
Extra-ordinary income		
Gain on liquidation of affiliate stock	10	-
Reversal of provision for loss on liquidation of subsidiaries and affiliates	-	16
Other	0	0
Total extra-ordinary income	11	17
Extra-ordinary losses		
Loss on valuation of investment securities	2	-
Exit penalty	195	-
Dilution losses from changes in equity interest	-	38
Other	10	3
Total extra-ordinary losses	208	41
Income (loss) before income taxes and profit distribution to silent partners	(1,047)	414
Profit distribution to silent partners	0	2
Income (loss) before provision for income taxes	(1,047)	412
Income taxes	314	271
Minority interests in income	(107)	127
Net income	(1,254)	12

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

	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)
<b>Operating activities</b>		
Income (loss) before provision for income taxes	(8,408)	1,254
Depreciation and amortization	762	944
Impairment loss	-	1,068
Amortization of goodwill	921	206
Loss (gain) on sales and collection of acquired non-performing loans	529	(87)
Loss (gain) on investments in silent partnership	(75)	(3)
Increase (decrease) in allowance for doubtful accounts	30	(5)
Increase (decrease) in accrued employees' bonuses	53	53
Increase (decrease) in allowance for employees' retirement benefits	7	-
Interest income	(45)	(63)
Interest expense	3,276	3,412
Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	1,700	(40)
Loss (gain) on sales of investment securities	934	-
Loss (gain) on valuation of investment securities	106	-
Decrease (increase) in notes and accounts receivable-trade	(116)	(638)
Increase (decrease) in notes and accounts payable-trade	2,391	6
Decrease (increase) in inventories	49,817	11,433
Proceeds from sale and collection of acquired non-performing loans	1,750	1,418
Purchase of acquired non-performing loans	(5,400)	-
Distributions from silent partnerships	643	750
Other, net	1,018	(371)
Subtotal	49,897	19,339
Interests and dividends received	107	133
Interests paid	(3,295)	(2,462)
Income taxes paid	(1,671)	(944)
Income taxes refund	5,258	1,060
Net cash provided by operating activities	50,296	17,126
<b>Investing activities</b>		
Payment for purchase of property and equipment	(2,906)	(6,230)
Proceeds from sale of property and equipment	2	6,926
Payment for purchase of intangible assets	(27)	(35)
Payment for loans receivable	(240)	(46)
Proceeds from repayment of loans receivable	723	-
Payment for purchase of investment securities	-	(1,054)
Proceeds from sales of investment securities	1,803	-
Payment for purchase of stocks of subsidiaries and affiliates	-	(499)
Payments for investments in capital of subsidiaries and affiliates	(869)	-
Proceeds from sales of stocks of subsidiaries and affiliates	376	-
Payment for purchase of investment in subsidiaries involving change in scope of consolidation	-	(1,120)
Other, net	154	(1,835)
Net cash used in investing activities	(982)	(3,894)



*(Millions of yen)*

	First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 2009)	First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 2010)
Financing activities		
Proceeds from short-term borrowings	26,948	5,128
Repayment of short-term borrowings	(61,504)	(14,680)
Proceeds from long-term borrowings	20,800	22,795
Repayment of long-term borrowings	(32,640)	(31,099)
Proceeds from issuance of new shares	-	14,738
Proceeds from issuance of bonds	-	100
Payment for redemption of bonds	(4,707)	(16,227)
Proceeds from minority interest	1,946	1,252
Dividends to minority interest	(78)	(15)
Distributions to minority interest	(7,302)	(637)
Dividends paid	(3)	-
Other, net	-	60
Net cash used in financing activities	(56,541)	(18,585)
Effect of exchange rate changes on cash and cash equivalents	(43)	65
Increase (decrease) in cash and cash equivalents	(7,270)	(5,287)
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	(275)	(19)
Cash and cash equivalents at end of period	8,734	16,358

**(4) Segment Information**

First nine months of 2009 (Jan. 1, 2009 – Sep. 30, 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	1,100	64,246	2,524	2,069	69,940	-	69,940
(2) Inter-segment sales and transfers	7	-	1,124	-	1,131	( 1,131)	-
Subtotal	1,107	64,246	3,648	2,069	71,072	( 1,131)	69,940
Operating income (loss)	604	10,137	2,465	(934)	12,272	( 883)	11,389

First nine months of 2010 (Jan. 1, 2010 – Sep. 30, 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	1,492	23,086	2,755	596	27,931	-	27,931
(2) Inter-segment sales and transfers	188	-	968	-	1,157	( 1,157)	-
Subtotal	1,681	23,086	3,724	596	29,088	( 1,157)	27,931
Operating income	858	4,611	2,390	83	7,943	( 799)	7,143