

December 7, 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.

### Purchase and Cancellation of Zero Coupon Convertible Bonds due 2011

The Board of Directors of Kenedix, Inc. (the "Company") resolved at its meeting held on December 7, 2010, to cancel the remaining outstanding Zero Coupon Convertible Bonds due 2011, as follows:

1. Reason of bond purchase and cancellation

To reduce the funding costs and management expenses through maturity.

2. Terms of bond purchase and cancellation

- |                                                                        |                                                         |
|------------------------------------------------------------------------|---------------------------------------------------------|
| (1) Name of bonds to be purchased and canceled:                        | Zero Coupon Convertible Bonds due 2011<br>Kenedix, Inc. |
| (2) Effective date of purchase and cancellation:                       | December 10, 2010                                       |
| (3) Total face amount to be purchased and canceled:                    | ¥110 million                                            |
| (4) Remaining face amount outstanding after purchase and cancellation: | ¥ 0 million                                             |

3. Impact on Kenedix financial results

A small amount of redemption profit is anticipated from the aforementioned purchase and cancellation. However, its impact on the forecasts of Kenedix financial results for the current fiscal year is negligible.

[Reference]

#### Original terms of Zero Coupon Convertible Bonds due 2011

- |                         |                                 |
|-------------------------|---------------------------------|
| (1) Issue date:         | December 15, 2006 (London time) |
| (2) Total issue amount: | ¥20,000,000,000                 |
| (3) Maturity:           | December 15, 2011               |
| (4) Interest rate:      | Zero                            |
| (5) Conversion price:   | ¥274,496.0                      |

#### 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.