

November 7, 2011

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 of Recording of Non-operating Expense (Loss of Investment at Equity)

Kenedix, Inc. (the "Company") hereby announces that it is scheduled to record a non-operating expense in the fiscal period starting on January 1, 2011 and ending on September 30, 2011 as follows:

1. Recording of a non-operating expense caused by asset disposition of an equity method affiliate:

In the third quarter of Fiscal Year ending in December, 2011, the Company is scheduled to record a non-operating expense of 776 million yen that consists of losses on asset disposals by the Company's equity method affiliate special purpose vehicle, with whom the Company has an asset management contract and minority equity investments.

2. Effect on Kenedix business result forecast:

The Company does not expect that its full-year business result forecast for the Fiscal Year 2011 need to be revised due to the subject recording of non-operating expense. In case the revision becomes necessary to reflect changes in its operating performances in the future, the Company will immediately announce it, reflecting developments in its business environment and the trends in real estate market.

Reference: Full-year Forecast of the Company's consolidated results for the Fiscal Year 2011  
(originally announced on February 14, 2011)

	Revenues	Operating Income	Ordinary Income	Net Income
Forecast of Consolidated Results (January 1 to December 31, 2011)	21,900	7,600	3,700	2,000

(Unit: millions of yen)

**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.