

March 9, 2012

To whom it may concern:

Company name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock code: 4321
Listing: First Section,
Tokyo Stock Exchange
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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.

**Supplementary Information Concerning Proposal at
the 17th Ordinary General Meeting of Shareholders of Kenedix**

On March 7, 2012, Kenedix, Inc. (the "Company") sent a Notice of the 17th Ordinary General Meeting of Shareholders and supplementary materials, including a Business Report and Reference Documents for General Meeting of Shareholders (collectively, "Shareholder Meeting Notification"), to shareholders of record on December 31, 2011. Although these documents provided information about proposals to be resolved at this meeting, the Company has received a number of questions and comments concerning the third proposal. In response to these inquiries, the Company is providing the following additional explanation concerning the background and reasons for submitting the third proposal.

Supplementary information concerning "Proposal No. 3: Election of One (1) Corporate Statutory Auditor"

This proposal is for the election (reelection) of one Corporate Statutory Auditor.

First, some shareholders said that it is difficult to reach a decision about the independence of Corporate Statutory Auditor candidate Shintaro Kanno because the Shareholder Meeting Notification materials did not include information about Mr. Kanno's background prior to becoming a Kenedix Corporate Statutory Auditor in June 2001. Mr. Kanno's background has been listed in the Kenedix Securities Report each year. This information is once again provided below.

Although this is not a correction to the Shareholder Meeting Notification materials that you have already received, the items that are underlined are provided as supplementary information for the table on page 52.

Name (Date of Birth)	Career history, status and important concurrent positions	Number of shares of the Company held	Conflict of interest in the Company
Shintaro Kanno (July 1, 1970)	<u>October 1994</u> <u>Joined Deloitte Touche Tohmatsu LLC</u>	2 shares	None
	<u>March 2001</u> <u>Joined Akasaka Houwa Accounting Firm</u>		
	June 2001 Corporate Statutory Auditor (present post)		
	March 2003 Opened CPA Shintaro Kanno Office (present post)		
	April 2004 Corporate Auditor, KW Pension Fund Advisors Co., Ltd. (present Kenedix Advisors Co., Ltd.) (present post)		
	[Important concurrent positions] Representative, CPA Shintaro Kanno Office Corporate Statutory Auditor, Kenedix Advisors Co., Ltd.		

Second, the Company is providing additional information concerning its compliance system, which is part of its corporate governance framework.

The Kenedix Board of Auditors has five members, two Full-time Corporate Statutory Auditors and three Outside Statutory Corporate Auditors. The terms of office of Corporate Statutory Auditors Tamon Ohmura and Shintaro Kanno will expire at the close of this General Meeting. Only Mr. Kanno is a candidate for reelection. Consequently, if shareholders approve the third resolution in its present form, the number of Outside Corporate Statutory Auditors will decrease by one.

Regarding this point, the Company is providing the following additional explanation concerning the ability to preserve its current compliance framework. Mr. Ohmura was named a Corporate Statutory Adviser of the Company in October 2007. He was subsequently elected a Corporate Statutory Auditor at the General Meeting held in March 2008, a position that is still holds. During his term of office, Mr. Ohmura has contributed to further upgrading the Company's compliance framework by providing much assistance and advice. He provided assistance in determining a corporate mission in order to establish a philosophy for the Kenedix Group, establishing and effectively utilizing a Compliance Department, formulating a procedure for submitting proposals to the Board of Directors, establishing a system for the oversight of internal rules and compliance with laws and regulations, and for other activities. Having fulfilled these important roles, he will retire at the close of this General Meeting, when his term of office expires. As a result, the Company will have two Full-time Corporate Statutory Auditors and two Outside Corporate Statutory Auditors. However, the Company is confident that it can preserve the current compliance framework for a number of reasons. First, all four remaining Corporate Auditors have outstanding expertise. Second, Mr. Kanno, who is a candidate for reelection, has an extensive knowledge of auditing tasks required by his position that is backed by his many years of experience as an Outside Corporate Statutory Auditor at the Company and his specialized skills as a CPA. Third, the Company believes that its Internal Audit Department and other auditing oversight systems are functioning well and that these systems are maintaining sound lines of communication with the Corporate Statutory Auditors.

Of course, the Company remains firmly committed to continuing to maintain and upgrade internal control systems in order to make its corporate governance even stronger.

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 Company. 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 Company 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.