

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending December 31, 2012
(Three Months Ended March 31, 2012)**

[Japanese GAAP]

Described below is an abstract in English of the financial result for the first three months of the fiscal year ended December 31, 2012 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.

Stock code: 4321

President: Atsushi Kawashima

Contact: Taiji Yoshikawa, Director

Scheduled date of filing of Quarterly Report: May 11, 2012

Scheduled date of payment of dividend: -

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: No

Listing: First Section, Tokyo Stock Exchange

URL: <http://www.kenedix.com>

Tel: +81-3-3519-2530

(Amounts rounded off to million yen)

1. Consolidated Financial Results (Jan. 1, 2012 – Mar. 31, 2012)

(1) Consolidated results of operations

(Percentage figures for revenue, operating income, ordinary income and net income represent year-on-year changes)

	Revenue		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Mar. 31, 2012	4,719	(5.2)	1,411	(9.1)	589	(8.0)	(607)	-
Three months ended Mar. 31, 2011	4,980	(4.1)	1,552	8.2	640	-	(105)	-

Note: Comprehensive income (million yen)

Mar. 2012: (293) (-%)

Mar. 2011: 46 (-%)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Three months ended Mar. 31, 2012	(265.08)	-
Three months ended Mar. 31, 2011	(45.87)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2012	188,663	70,558	32.0
As of Dec. 31, 2011	190,426	71,435	32.0

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2012: 60,410

As of Dec. 31, 2011: 60,917

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2011	-	0.00	-	0.00	0.00
Year ending Dec. 31, 2012	-	-	-	-	-
Year ending Dec. 31, 2012 (forecast)	-	-	-	-	-

Note: Revision of dividend forecast most recently announced: None

Dividend forecast for the year ending December 31, 2012 has not been determined at this time.

3. Forecast of Consolidated Income for the Year Ending December 31, 2012 (Jan. 1, 2012 – Dec. 31, 2012)

(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
First half	-	-	-	-	-	-	-	-	-
Full year	17,300	(11.2)	6,700	(3.3)	3,400	37.9	1,700	29.4	741.97

Note: Revision of earnings forecast most recently announced: None

The Company has decided not to announce forecasts for the first half of 2012.

4. Others

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

Newly added: -

Excluded: -

(2) Application of special accounting methods in the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles, accounting estimates, and restatements

1) Changes in accounting principles caused by revision of accounting standards: None

2) Changes in accounting principles other than 1): None

3) Changes in accounting estimates: None

4) Restatements: None

(4) Number of shares outstanding (common stock)

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

As of Mar. 31, 2012:	2,291,186 shares	As of Dec. 31, 2011:	2,291,186 shares
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2) Number of shares of treasury stock at end of period

As of Mar. 31, 2012:	- shares	As of Dec. 31, 2011:	- shares
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3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2012:	2,291,186 shares	Three months ended Mar. 31, 2011:	2,291,186 shares
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* Information regarding the implementation of quarterly review procedures

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.

* Cautionary statement with respect to forward-looking 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)*

	Year 2011 (As of Dec. 31, 2011)	First quarter of 2012 (As of Mar. 31, 2012)
Assets		
Current assets		
Cash and deposits	7,706	7,918
Deposits held in trust	2,375	2,230
Accounts receivable-trade	2,041	1,860
Real estate for sale	15,306	14,689
Acquired non-performing loans	1,587	1,583
Income taxes refundable	380	279
Deferred tax assets	61	61
Other	1,207	1,128
Allowance for doubtful accounts	(506)	(252)
Total current assets	30,161	29,499
Fixed assets		
Property and equipment		
Buildings and structures	57,245	57,039
Accumulated depreciation	(2,587)	(2,984)
Buildings and structures, net	54,658	54,054
Land	82,957	82,586
Other	241	185
Accumulated depreciation	(120)	(123)
Other, net	120	62
Total property and equipment	137,707	136,703
Intangible assets		
Goodwill	117	114
Other	48	45
Total intangible assets	165	159
Investments and other assets		
Investment securities	16,524	16,455
Investment in capital	422	434
Long-term loans receivable	548	548
Deferred tax assets	472	465
Other	4,624	4,711
Allowance for doubtful accounts	(201)	(314)
Total investment and other assets	22,391	22,300
Total fixed assets	160,264	159,163
Total assets	190,426	188,663

(Millions of yen)

	Year 2011 (As of Dec. 31, 2011)	First quarter of 2012 (As of Mar. 31, 2012)
Liabilities		
Current liabilities		
Accounts payable-trade	492	453
Short-term borrowings	6,489	6,414
Long-term borrowings-due within one year	32,121	31,576
Corporate bonds-due within one year	300	-
Accrued income taxes	520	460
Security deposits	-	65
Other	1,741	1,456
Total current liabilities	41,665	40,428
Long-term liabilities		
Bonds payable	1,600	3,460
Long-term borrowings	69,256	67,820
Deferred tax liabilities	1,564	1,611
Allowance for employees' retirement benefits	65	68
Long-term lease deposited	4,472	4,360
Other	364	355
Total long-term liabilities	77,324	77,676
Total liabilities	118,990	118,104
Net assets		
Shareholders' equity		
Common stock	31,322	31,322
Additional paid-in capital	31,581	31,581
Retained earnings	(1,289)	(1,923)
Total shareholders' equity	61,613	60,980
Accumulated other comprehensive income		
Net unrealized holding gains/losses on other securities	(206)	(97)
Foreign currency translation adjustments	(490)	(472)
Total accumulated other comprehensive income	(696)	(569)
Minority interests in consolidated subsidiaries	10,518	10,147
Total net assets	71,435	70,558
Total liabilities and net assets	190,426	188,663

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income**Consolidated Statements of Income***(Millions of yen)*

	First three months of 2011 (Jan. 1, 2011 – Mar. 31, 2011)	First three months of 2012 (Jan. 1, 2012 – Mar. 31, 2012)
Revenue	4,980	4,719
Cost of revenue	2,574	2,428
Gross profit	2,405	2,290
Selling, general and administrative expenses	853	879
Operating income	1,552	1,411
Non-operating income		
Interest income	20	7
Equity in earnings of non-consolidated subsidiaries and affiliates	65	104
Consumption taxes differential (after being offset by suspense payments and receipt)	87	0
Refunded consumption taxes	238	-
Other	32	54
Total non-operating income	444	166
Non-operating expenses		
Interest expense	1,165	900
Commissions paid	162	70
Other	28	17
Total non-operating expenses	1,357	988
Ordinary income	640	589
Extra-ordinary income		
Gain on sale of fixed assets	78	-
Other	6	-
Total extra-ordinary income	85	-
Extra-ordinary losses		
Impairment loss	83	778
Loss on sale of investment securities	190	0
Loss on disaster	309	-
Other	20	2
Total extra-ordinary losses	604	781
Income (loss) before income taxes and profit distribution to silent partners	120	(191)
Profit distribution to silent partners	0	0
Income (loss) before provision for income taxes	120	(191)
Income taxes	59	246
Income before minority interests	60	(438)
Minority interests in income	165	168
Net loss	(105)	(607)

Consolidated Statements of Comprehensive Income*(Millions of yen)*

	First three months of 2011 (Jan. 1, 2011 – Mar. 31, 2011)	First three months of 2012 (Jan. 1, 2012 – Mar. 31, 2012)
Income (loss) before minority interests	60	(438)
Other comprehensive income		
Net unrealized holding gains/losses on other securities	(19)	127
Foreign currency translation adjustments	5	17
Share of other comprehensive income of associates accounted for using equity method	(0)	(0)
Total other comprehensive income	(14)	145
Comprehensive income	46	(293)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(111)	(480)
Comprehensive income attributable to minority interests	158	186

(3) Segment Information

Year 2011 (Jan. 1, 2011 – Mar. 31, 2011)

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded in consolidated statements of income
	Asset Management Business	Real Estate Investment Business	Real Estate Leasing Business		
Revenue	1,241	1,971	1,998	(231)	4,980
Segment operating income	754	383	622	(209)	1,552

Year 2012 (Jan. 1, 2012 – Mar. 31, 2012)

(Millions of yen)

	Reportable segment			Adjustment	Amount recorded in consolidated statements of income
	Asset Management Business	Real Estate Investment Business	Real Estate Leasing Business		
Revenue	1,217	1,088	2,617	(203)	4,719
Segment operating income	627	203	741	(161)	1,411