

July 11, 2012

Company name: Kenedix, Inc.  
Representative: Atsushi Kawashima, President  
Stock code: 4321  
Listing: First Section, Tokyo Stock Exchange  
Contact: Masahiko Tajima, Executive Officer,  
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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.

### **Notice of Extraordinary Loss on Sale of Investment in Silent Partnership**

Kenedix, Inc. expects to record an extraordinary loss of 900 million yen in the second quarter of 2012 (April 1 to June 30) as follows.

#### 1. Description of extraordinary loss

The extraordinary loss is mainly the result of a loss on the sale in silent partnership (Tokumei Kumiai "TK") investment in a Kenedix consolidated subsidiary (special-purpose company) that was established to hold real estate assets, in accordance with the decision taken today.

#### 2. Earnings outlook

There is no change in the 2012 forecast due to this extraordinary loss. An announcement will be made promptly if a forecast revision is needed because of changes in the operating environment, real estate market, results of operations or other items.

#### 3. Reference

The special-purpose company held the following real estate assets.

Property name	Location	Gross floor area (m <sup>2</sup> )
Yokkaichi Suwacho Building	4-5 Suwacho, Yokkaichi-shi, Mie	8,496
Aomori Yanagimachi Building	1-2-20 Honcho, Aomori-shi, Aomori	8,473
Takasaki Miyamotocho Building	38-10 Miyamotocho, Takasaki-shi, Gunma	11,885

#### **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.