

**Summary of Consolidated Financial Results for the Second Quarter  
of the Fiscal Year Ending December 31, 2012  
(Six Months Ended June 30, 2012)**

[Japanese GAAP]

Described below is an abstract in English of the financial result for the first six 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.	Listing: First Section, Tokyo Stock Exchange
Stock code: 4321	URL: <a href="http://www.kenedix.com">http://www.kenedix.com</a>
President: Atsushi Kawashima	
Contact: Taiji Yoshikawa, Director	Tel: +81-3-3519-2530
Scheduled date of filing of Quarterly Report: August 10, 2012	
Scheduled date of payment of dividend: -	
Preparation of supplementary materials for quarterly financial results: Yes	
Holding of quarterly financial results meeting: Yes (for institutional investors and securities analysts)	

(Amounts rounded off to million yen)

**1. Consolidated Financial Results (Jan. 1, 2012 – Jun. 30, 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	%
Six months ended Jun. 30, 2012	9,886	1.7	3,656	3.7	1,671	4.9	(1,161)	-
Six months ended Jun. 30, 2011	9,724	(58.0)	3,527	(35.0)	1,593	(45.4)	662	-

Note: Comprehensive income (million yen) Jun. 2012: (1,010) (-%) Jun. 2011: 636 (-%)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Six months ended Jun. 30, 2012	(507.15)	-
Six months ended Jun. 30, 2011	289.06	288.23

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2012	174,787	68,644	34.0
As of Dec. 31, 2011	190,426	71,435	32.0

Reference: Shareholders' equity (million yen) As of Jun. 30, 2012: 59,477 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	-	0.00	-	-	-
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
Full year	16,900	(13.3)	4,600	(33.6)	1,000	(59.4)	(10,200)	-	(4,451.84)

Note: Revision of earnings forecast most recently announced: Yes

#### 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 Jun. 30, 2012:	2,291,186 shares	As of Dec. 31, 2011:	2,291,186 shares
----------------------	------------------	----------------------	------------------

2) Number of shares of treasury stock at end of period

As of Jun. 30, 2012:	- shares	As of Dec. 31, 2011:	- shares
----------------------	----------	----------------------	----------

3) Average number of shares outstanding during the period

Six months ended Jun. 30, 2012:	2,291,186 shares	Six months ended Jun. 30, 2011:	2,291,186 shares
---------------------------------	------------------	---------------------------------	------------------

\* 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)	Second quarter of 2012 (As of Jun. 30, 2012)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	7,706	10,199
Deposits held in trust	2,375	1,927
Accounts receivable-trade	2,041	1,792
Real estate for sale	15,306	14,372
Acquired non-performing loans	1,587	1,621
Income taxes refundable	380	246
Deferred tax assets	61	70
Other	1,207	1,124
Allowance for doubtful accounts	(506)	(277)
<b>Total current assets</b>	<b>30,161</b>	<b>31,078</b>
<b>Fixed assets</b>		
<b>Property and equipment</b>		
Buildings and structures	57,245	48,054
Accumulated depreciation	(2,587)	(2,951)
<b>Buildings and structures, net</b>	<b>54,658</b>	<b>45,103</b>
Land	82,927	76,511
Other	241	189
Accumulated depreciation	(120)	(127)
<b>Other, net</b>	<b>120</b>	<b>61</b>
<b>Total property and equipment</b>	<b>137,707</b>	<b>121,676</b>
<b>Intangible assets</b>		
Goodwill	117	111
Other	48	74
<b>Total intangible assets</b>	<b>165</b>	<b>185</b>
<b>Investments and other assets</b>		
Investment securities	16,524	15,991
Investment in capital	422	441
Long-term loans receivable	548	548
Deferred tax assets	472	426
Other	4,624	4,745
Allowance for doubtful accounts	(201)	(306)
<b>Total investment and other assets</b>	<b>22,391</b>	<b>21,846</b>
<b>Total fixed assets</b>	<b>160,264</b>	<b>143,708</b>
<b>Total assets</b>	<b>190,426</b>	<b>174,787</b>

*(Millions of yen)*

	Year 2011 (As of Dec. 31, 2011)	Second quarter of 2012 (As of Jun. 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	492	274
Short-term borrowings	6,489	4,659
Long-term borrowings-due within one year	32,121	33,940
Corporate bonds-due within one year	300	-
Accrued income taxes	520	536
Provision for loss on liquidation of subsidiaries and affiliates	-	920
Other	1,741	1,650
Total current liabilities	41,665	41,980
Long-term liabilities		
Bonds payable	1,600	3,460
Long-term borrowings	69,256	54,548
Deferred tax liabilities	1,564	1,580
Allowance for employees' retirement benefits	65	73
Long-term lease deposited	4,472	4,268
Other	364	231
Total long-term liabilities	77,324	64,162
Total liabilities	118,990	106,142
<b>Net assets</b>		
Shareholders' equity		
Common stock	31,322	31,322
Additional paid-in capital	31,581	31,581
Retained earnings	(1,289)	(2,714)
Total shareholders' equity	61,613	60,188
Accumulated other comprehensive income		
Net unrealized holding gains/losses on other securities	(206)	(205)
Foreign currency translation adjustments	(490)	(505)
Total accumulated other comprehensive income	(696)	(710)
Minority interests in consolidated subsidiaries	10,518	9,166
Total net assets	71,435	68,644
Total liabilities and net assets	190,426	174,787

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

	First six months of 2011 (Jan. 1, 2011 – Jun. 30, 2011)	First six months of 2012 (Jan. 1, 2012 – Jun. 30, 2012)
Revenue	9,724	9,886
Cost of revenue	4,558	4,522
Gross profit	5,166	5,364
Selling, general and administrative expenses	1,638	1,707
Operating income	3,527	3,656
Non-operating income		
Interest income	31	12
Consumption taxes differential (after being offset by suspense payments and receipt)	121	39
Refunded consumption taxes	238	-
Other	78	58
Total non-operating income	470	111
Non-operating expenses		
Interest expense	2,124	1,682
Equity in losses of non-consolidated subsidiaries and affiliates	35	142
Commissions paid	180	266
Other	63	3
Total non-operating expenses	2,404	2,096
Ordinary income	1,593	1,671
Extra-ordinary income		
Gain on sale of fixed assets	79	516
Reversal of allowance for doubtful accounts	141	-
Other	31	29
Total extra-ordinary income	252	545
Extra-ordinary losses		
Impairment loss	83	897
Loss on sale of investment securities	190	382
Loss on disaster	311	-
Loss on liquidation of subsidiaries and affiliates	-	1,172
Other	25	174
Total extra-ordinary losses	611	2,627
Income (loss) before income taxes and profit distribution to silent partners	1,234	(410)
Profit distribution to silent partners	0	0
Income (loss) before provision for income taxes	1,233	(410)
Income taxes	258	593
Income (loss) before minority interests	975	(1,004)
Minority interests in income	312	157
Net income (loss)	662	(1,161)

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

	First six months of 2011 (Jan. 1, 2011 – Jun. 30, 2011)	First six months of 2012 (Jan. 1, 2012 – Jun. 30, 2012)
Income (loss) before minority interests	975	(1,004)
Other comprehensive income		
Net unrealized holding gains/losses on other securities	(37)	8
Foreign currency translation adjustments	(301)	(15)
Share of other comprehensive income of associates accounted for using equity method	(0)	0
Total other comprehensive income	(339)	(6)
Comprehensive income	636	(1,010)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	336	(1,175)
Comprehensive income attributable to minority interests	299	165

**(3) Consolidated Statements of Cash Flows**

	First six months of 2011 (Jan. 1, 2011 – Jun. 30, 2011)	First six months of 2012 (Jan. 1, 2012 – Jun. 30, 2012)
<b>Operating activities</b>		
Income (loss) before provision for income taxes	1,233	(410)
Depreciation and amortization	674	793
Impairment loss	83	897
Increase (decrease) in allowance for doubtful accounts	(33)	(123)
Increase (decrease) in provision for loss on liquidation of subsidiaries and affiliates	-	1,172
Loss on disaster	311	-
Interest income	(31)	(12)
Interest expense	2,124	1,682
Equity in (earnings) losses of non-consolidated subsidiaries and affiliates	35	142
Loss (gain) on sales of fixed assets	(79)	(446)
Loss (gain) on sales of investment securities	190	357
Decrease (increase) in notes and accounts receivable-trade	(263)	132
Increase (decrease) in notes and accounts payable-trade	(14)	(218)
Decrease (increase) in inventories	1,248	933
Decrease (increase) in acquired non-performing loans	13	(34)
Decrease (increase) in silent partnership	316	767
Other, net	549	(29)
Subtotal	6,361	5,606
Interests and dividends received	56	18
Interests paid	(2,793)	(1,754)
Payments for loss on disaster	(0)	(90)
Income taxes paid	(1,020)	(797)
Income taxes refund	318	378
Net cash provided by operating activities	2,922	3,360
<b>Investing activities</b>		
Payment for purchase of property and equipment	(442)	(453)
Proceeds from sale of property and equipment	3,371	15,246
Payment for purchase of intangible assets	(4)	(14)
Proceeds from repayment of loans receivable	257	-
Payment for purchase of investment securities	(7)	(1,316)
Payment for purchase of stocks of subsidiaries and affiliates	(196)	-
Other, net	508	(104)
Net cash provided by (used in) investing activities	3,487	13,356

	First six months of 2011 (Jan. 1, 2011 – Jun. 30, 2011)	First six months of 2012 (Jan. 1, 2012 – Jun. 30, 2012)
<b>Financing activities</b>		
Increase (decrease) in short-term borrowings	(2,531)	(1,829)
Proceeds from long-term borrowings	13,731	8,700
Repayment of long-term borrowings	(15,510)	(21,709)
Proceeds from issuance of bonds	998	1,960
Payment for redemption of bonds	(5,450)	(400)
Proceeds from minority interest	2	13
Dividends to minority interest	(48)	(58)
Distributions to minority interest	(208)	(1,522)
Other, net	247	(767)
Net cash used in financing activities	(8,769)	(15,613)
Effect of exchange rate changes on cash and cash equivalents	(298)	(1)
Increase (decrease) in cash and cash equivalents	(2,658)	1,103
Cash and cash equivalents at beginning of period	12,616	9,595
Increase (decrease) in cash and cash equivalents resulting from changes in scope of consolidation	(99)	174
Cash and cash equivalents at end of period	9,857	10,872



**(4) Segment Information**

Year 2011 (Jan. 1, 2011 – Jun. 30, 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	2,557	3,747	3,885	(465)	9,724
Segment operating income	1,565	905	1,418	(362)	3,527

Year 2012 (Jan. 1, 2012 – Jun. 30, 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	3,250	1,827	5,205	(397)	9,886
Segment operating income	1,873	380	1,724	(322)	3,656