

October 11, 2012

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

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 Assets Under Management at the End of September 2012

As noted below, there was a net decrease of 13.6 billion yen in the assets under management (AUM) at the Kenedix Group (the "Group") during the third quarter of 2012 (July 1 to September 30, 2012). This resulted in the total AUM balance of 1,103.8 billion yen as of September 30, 2012.

Growth in AUM

(Billions of Yen)

	Acquisitions	Dispositions	Net Increase (Decrease)	AUM
FY2011	-	-	-	1,111.3
Q1 FY2012	14.2	15.8	(1.5)	1,109.8
Q2 FY2012	31.5	23.8	7.6	1,117.5
Q3 FY2012	41.5	55.1	(13.6)	1,103.8
Cumulative Total	87.3	94.8	(7.5)	1,103.8

In the third quarter of 2012, the Group succeeded in increasing AUM by 41.5 billion yen. Properties purchased by J-REITs (19.8 billion yen), establishment of new funds (10 billion yen) and properties added due to changes of asset management contracts (11.7 billion yen) contributed to this significant growth. On the other hand, there were decreases of 22.5 billion yen mainly due to the sales of owned real estate, 23.3 billion yen resulting from sales by private and other funds, and 9.2 billion yen in AUM following the completion of corporate rehabilitation for Pacific Holdings and other companies and end of our sponsorship. The result was a decrease of 55.1 billion yen representing a net decrease of 13.6 billion yen in AUM in the third quarter.

As was announced in the press release titled "Notice of Forecast Revision, Extraordinary Losses and Sale of Subsidiary" on August 9, 2012, the Company is working on increasing financial soundness by downsizing the balance sheet as it considers this to be one of the important management issues and has released estimates of sales of owned real estate. As for the current fiscal year, there was a decrease of 38.9 billion yen in AUM as of the end of the third quarter mainly due to the sales of owned real estate.

The Group will continue to respond with flexibility to changes in market conditions with the goal of even more aggressively expanding its asset management business.

Note: The Group uses the following standards for calculating the balance of AUM.

- AUM includes all real estate properties where the Group performs asset management services.
- The balance of AUM is calculated based on the acquisition cost of properties (net of taxes). Costs associated with acquisitions, capital expenditures to enhance property's value and other related items, which are typically included in the book value of properties for accounting purposes, are not included in the calculation of AUM.
- AUM includes properties that the Group holds itself for a short period of time and provides asset management services to. AUM also includes properties held by J-REITs (Kenedix Realty Investment Corporation, Kenedix Residential Investment Corporation and Japan Logistics Fund, Inc.) who are managed by Kenedix affiliates.
- The balance of AUM may potentially decrease as a result of the Group's activities which include disposition of properties.