

**Summary of Consolidated Financial Results for the Third Quarter  
of the Fiscal Year Ending December 31, 2012  
(Nine Months Ended September 30, 2012)**

[Japanese GAAP]

Described below is an abstract in English of the financial result for the first nine 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: <http://www.kenedix.com>

President: Atsushi Kawashima

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Scheduled date of filing of Quarterly Report: November 9, 2012

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: No

(Amounts rounded off to million yen)

**1. Consolidated Financial Results (Jan. 1, 2012 – Sep. 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	%
Nine months ended Sep. 30, 2012	13,631	(7.8)	5,219	(7.8)	2,177	5.2	(6,639)	-
Nine months ended Sep. 30, 2011	14,786	(47.1)	5,663	(20.7)	2,069	(38.4)	1,052	-

Note: Comprehensive income (million yen)

Sep. 2012: (6,443) (-%)

Sep. 2011: 1,038 (-%)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Nine months ended Sep. 30, 2012	(2,897.79)	-
Nine months ended Sep. 30, 2011	459.20	457.36

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2012	143,785	59,271	37.6
As of Dec. 31, 2011	190,426	71,435	32.0

Reference: Shareholders' equity (million yen)

As of Sep. 30, 2012: 54,072

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: No

#### 4. Others

(1) Changes in significant consolidated subsidiaries (*Tokutei Kogaisha*) during the period: Yes

Newly added: -

Excluded: 1 company (Name: Silver Wave Silent Partnership)

(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 Sep. 30, 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 Sep. 30, 2012:	- shares	As of Dec. 31, 2011:	- shares
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3) Average number of shares outstanding during the period

Nine months ended Sep. 30, 2012:	2,291,186 shares	Nine months ended Sep. 30, 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 not 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)	Third quarter of 2012 (As of Sep. 30, 2012)
<b>Assets</b>		
Current assets		
Cash and deposits	7,706	11,077
Deposits held in trust	2,375	950
Accounts receivable-trade	2,041	1,973
Real estate for sale	15,306	14,121
Acquired non-performing loans	1,587	1,635
Income taxes refundable	380	535
Deferred tax assets	61	70
Other	1,207	402
Allowance for doubtful accounts	(506)	(260)
Total current assets	30,161	30,506
Fixed assets		
Property and equipment		
Buildings and structures	57,245	34,957
Accumulated depreciation	(2,587)	(2,734)
Buildings and structures, net	54,658	32,223
Land	82,927	62,717
Other	241	163
Accumulated depreciation	(120)	(105)
Other, net	120	58
Total property and equipment	137,707	95,000
Intangible assets		
Goodwill	117	108
Other	48	70
Total intangible assets	165	178
Investments and other assets		
Investment securities	16,524	13,084
Investment in capital	422	444
Long-term loans receivable	548	548
Deferred tax assets	472	413
Other	4,624	3,954
Allowance for doubtful accounts	(201)	(345)
Total investment and other assets	22,391	18,099
Total fixed assets	160,264	113,278
Total assets	190,426	143,785

*(Millions of yen)*

	Year 2011 (As of Dec. 31, 2011)	Third quarter of 2012 (As of Sep. 30, 2012)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	492	177
Short-term borrowings	6,489	4,719
Long-term borrowings-due within one year	32,121	23,869
Corporate bonds-due within one year	300	-
Accrued income taxes	520	447
Other	1,741	1,374
Total current liabilities	41,665	30,589
Long-term liabilities		
Bonds payable	1,600	3,453
Long-term borrowings	69,256	45,170
Deferred tax liabilities	1,564	1,590
Allowance for employees' retirement benefits	65	77
Long-term lease deposited	4,472	3,395
Other	364	236
Total long-term liabilities	77,324	53,924
Total liabilities	118,990	84,513
<b>Net assets</b>		
Shareholders' equity		
Common stock	31,322	31,322
Additional paid-in capital	31,581	31,581
Retained earnings	(1,289)	(8,105)
Total shareholders' equity	61,613	54,798
Accumulated other comprehensive income		
Net unrealized holding gains/losses on other securities	(206)	(201)
Foreign currency translation adjustments	(490)	(524)
Total accumulated other comprehensive income	(696)	(726)
Minority interests in consolidated subsidiaries	10,518	5,199
Total net assets	71,435	59,271
Total liabilities and net assets	190,426	143,785

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

	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)	First nine months of 2012 (Jan. 1, 2012 – Sep. 30, 2012)
Revenue	14,786	13,631
Cost of revenue	6,746	5,896
Gross profit	8,039	7,735
Selling, general and administrative expenses	2,376	2,516
Operating income	5,663	5,219
Non-operating income		
Interest income	41	19
Consumption taxes differential (after being offset by suspense payments and receipt)	218	78
Refunded consumption taxes	238	-
Other	107	63
Total non-operating income	606	161
Non-operating expenses		
Interest expense	3,089	2,312
Equity in losses of non-consolidated subsidiaries and affiliates	776	106
Commissions paid	258	765
Other	75	18
Total non-operating expenses	4,200	3,203
Ordinary income	2,069	2,177
Extra-ordinary income		
Gain on sale of fixed assets	372	711
Reversal of allowance for doubtful accounts	155	-
Other	31	29
Total extra-ordinary income	559	741
Extra-ordinary losses		
Impairment loss	83	1,475
Loss on sale of investment securities	190	767
Loss on valuation of investment securities	-	2,003
Loss on disaster	323	-
Loss on liquidation of subsidiaries and affiliates	-	3,826
Other	27	480
Total extra-ordinary losses	625	8,553
Income (loss) before income taxes and profit distribution to silent partners	2,003	(5,635)
Profit distribution to silent partners	0	0
Income (loss) before provision for income taxes	2,003	(5,635)
Income taxes	499	788
Income (loss) before minority interests	1,503	(6,423)
Minority interests in income	451	215
Net income (loss)	1,052	(6,639)

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

	First nine months of 2011 (Jan. 1, 2011 – Sep. 30, 2011)	First nine months of 2012 (Jan. 1, 2012 – Sep. 30, 2012)
Income (loss) before minority interests	1,503	(6,423)
Other comprehensive income		
Net unrealized holding gains/losses on other securities	(124)	15
Foreign currency translation adjustments	(341)	(34)
Share of other comprehensive income of associates accounted for using equity method	0	0
Total other comprehensive income	(465)	(19)
Comprehensive income	1,038	(6,443)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	611	(6,668)
Comprehensive income attributable to minority interests	426	225

**(3) Segment Information**

Year 2011 (Jan. 1, 2011 – Sep. 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	4,257	5,386	5,837	(696)	14,786
Segment operating income	2,674	1,306	2,183	(501)	5,663

Year 2012 (Jan. 1, 2012 – Sep. 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	4,641	2,427	7,145	(583)	13,631
Segment operating income	2,677	512	2,524	(495)	5,219