

November 8, 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.

### **Recording of Extraordinary Loss (Incorporated in Forecast Announced August 9, 2012)**

Kenedix, Inc. has recorded the following extraordinary loss in the first nine months of 2012 associated with investment securities as was announced on August 9, 2012 in the press release\* titled "Notice of Forecast Revision, Extraordinary Losses and Sale of Subsidiary."

\* Please refer to the section "2. Extraordinary Losses and Other Charges, (2) Loss Associated with Investment Securities, Mezzanine loan."

#### 1. Recording of Extraordinary Loss

First nine months of 2012: Loss on valuation of investment securities of 2.0 billion yen

#### 2. Overview of Investment Securities

Bonds payable:	Specified bonds "B" issued by a special-purpose company (subordinated bonds)
Amount of subordinated bonds:	2.0 billion yen
Date of issuance:	December 21, 2007
Scheduled date of redemption for principal:	February 1, 2013
Collateral:	Office building located in Tokyo

#### 3. Reason for Extraordinary Loss

The value of the specified bonds has declined sharply after the default by the issuer regarding interest payments. Since there are no prospects for a recovery of the issuer, there was a need to record a loss on valuation of investment securities due to asset impairment.

#### 4. Earnings Outlook

There is no change in the 2012 forecast announced on August 9, 2012 because this extraordinary loss was already incorporated in this forecast. 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.

#### **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.