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Company name: Kenedix, Inc.
Representative: Atsushi Kawashima, President
Stock code: 4321
Listing: First Section, Tokyo Stock Exchange
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Please note that this document is a translation of the announcement that was released on our website. 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 December 2012

As noted below, there was a net increase of 13.8 billion yen in the assets under management (AUM) at the Kenedix Group (the "Group") during the fourth quarter of 2012 (October 1 to December 31, 2012). This resulted in the total AUM balance of 1,117.7 billion yen as of December 31, 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
Q4 FY2012	67.3	53.4	13.8	1,117.7
Cumulative Total	154.7	148.3	6.3	1,117.7

In the fourth quarter of 2012, additions to AUM a large office building development project (for more information, see the December 6, 2012 news release "Announcement concerning Acquisition and Reconstruction of Office Building in Uchisaiwaicho, Chiyoda-ku"), where the Group will provide asset management services, and new development and a conversion project for logistics facilities. The establishment of private funds that invest in office buildings and other properties as well as other activities further contributed to growth in AUM. The result was an increase of 67.3 billion yen in AUM. There was also a decrease of 53.4 billion yen in AUM during the fourth quarter because of ongoing property sales primarily by private funds.

The Group 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 information about decisions concerning sales of owned real estate and the estimates for these sales. Accordingly, the Group sold owned real estate totaling 59.4 billion yen in 2012.

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.