

February 7, 2013

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 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 Expected Gain on Redemption of Investment Securities**

Kenedix, Inc. expects to post a gain as follows on the redemption of commercial mortgage backed securities (CMBS), which are included in investment securities.

#### 1. Overview

Kenedix expects to post a redemption gain of about 700 million yen in March 2013 because of the redemption of the following CMBS that was purchased in May 2012. The redemption is due primarily to the collection of the mortgage collateral loans that backed these securities.

This is part of the secondary market CMBS investments that Kenedix has been making since 2012.

#### Summary of the CMBS holding

Face value (portion owned by Kenedix):	2,100 million yen
Acquisition price:	1,016 million yen (including costs associated with acquisitions)
Collateral:	Mainly non-recourse loans collateralized by office buildings in Japan
Expected amount of redemption:	1,733 million yen

#### 2. Explanation of the Background

We have received a notice of the estimated payment amount from the CMBS trustee as of the date of this release. The expected amount of redemption is based on this estimated payment which may vary.

#### 3. Impact on Operating Results

This redemption will have no effect on results of operations in FY2012.

Due to this redemption gain, Kenedix expects to record revenue and operating income of about 700 million yen each in the first quarter of FY2013 (January 1, 2013 to March 31, 2013). Kenedix plans to announce the forecast for FY2013 with the announcement of FY2012 results of operations (scheduled for February 14, 2013).

#### **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.