

February 14, 2013

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.

**Recording of Valuation Losses on Inventories and Investment Securities**  
**(Incorporated in Forecast Announced August 9 and December 25, 2012)**

Kenedix, Inc. hereby announces that it will record the following valuation losses on inventories and investment securities in the fourth quarter of FY2012.

1. Recording of Valuation Loss of Inventories

The Board of Directors of Kenedix approved a resolution today to record a valuation loss of inventories as follows:

(1) Overview

In accordance with the Accounting Standards for Measurement of Inventories, Kenedix plans to record a valuation loss of inventories of 773 million yen for gas stations (inventories) across Japan held by a consolidated subsidiary.

(2) Summary of Consolidated Subsidiary

(a) Name	Tokumei Kumiai Chateldon Investors One Operator: Chateldon Investors One Co., Ltd.
(b) Address	2-9 Shinbashi 2-chome, Minato-ku, Tokyo
(c) Representative of operator	Director: Tadatsugu Ishimoto
(d) Business	Purchasing, holding, disposing of and lending real estate or real estate trust beneficiary interests
(e) Capital of operator	3 million yen

(3) Outlook

Kenedix will record a valuation loss of 773 million yen as the cost of revenue in the fourth quarter of FY2012. Impact on its business results was incorporated in the Summary of Consolidated Financial Results for the Year Ended December 31, 2012 disclosed today.

## 2. Recording of Loss on Valuation of Investment Securities

The Board of Directors of Kenedix approved a resolution today to record a loss on valuation of investment securities as follows:

### (1) Overview

Real estate owned by a specific-purpose company (*Tokutei Mokuteki Kaisha, TMK*) in which Kenedix has made a preferred equity investment was evaluated carefully regarding its market value and profitability. An examination to determine the amount that can be recovered revealed that the actual value of the real estate owned by TMK had declined significantly. As a result, the decision was made to record a loss on valuation of investment securities of 550 million yen in accordance with the Accounting Standard for Financial Instruments.

### (2) Outlook

Kenedix will record a valuation loss of 550 million yen as an extraordinary loss in the fourth quarter of FY2012. Impact on its business results was incorporated in the Summary of Consolidated Financial Results for the Year Ended December 31, 2012 disclosed today.

### **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.