

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending December 31, 2013
(Three Months Ended March 31, 2013)**

[Japanese GAAP]

Described below is an abstract in English of the financial result for the first three months of the fiscal year ended December 31, 2013 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>

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Scheduled date of filing of Quarterly Report: May 13, 2013

Preparation of supplementary materials for financial results: Yes

Holding of financial results meeting: No

(Amounts rounded off to million yen)

1. Consolidated Financial Results (Jan. 1, 2013 – Mar. 31, 2013)

(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	%
Three months ended Mar. 31, 2013	4,645	(1.6)	1,843	30.6	1,398	137.3	1,148	-
Three months ended Mar. 31, 2012	4,719	(5.2)	1,411	(9.1)	589	(8.0)	(607)	-

Note: Comprehensive income (million yen)

Mar. 2013: 1,537 (-%)

Mar. 2012: (293) (-%)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Three months ended Mar. 31, 2013	501.29	-
Three months ended Mar. 31, 2012	(265.08)	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Mar. 31, 2013	124,457	57,532	42.0
As of Dec. 31, 2012	126,270	56,071	40.2

Reference: Shareholders' equity (million yen)

As of Mar. 31, 2013: 52,327

As of Dec. 31, 2012: 50,823

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Dec. 31, 2012	-	0.00	-	0.00	0.00
Year ending Dec. 31, 2013	-	-	-	-	-
Year ending Dec. 31, 2013 (forecast)	-	-	-	-	-

Note: Revision of dividend forecast most recently announced: None

Dividend forecast for the year ending December 31, 2013 has not been determined at this time.

3. Forecast of Consolidated Income for the Year Ending December 31, 2013 (Jan. 1, 2013 – Dec. 31, 2013)

(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	16,800	(19.8)	4,550	(22.0)	2,900	24.5	1,000	-	436.46

Note: Revision of earnings forecast most recently announced: None

4. Others

(1) Changes in significant consolidated subsidiaries (*Tokutei Kogaisha*) during the period: None

Newly added: -

Excluded: -

(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 Mar. 31, 2013:	2,291,186 shares	As of Dec. 31, 2012:	2,291,186 shares
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2) Number of shares of treasury stock at end of period

As of Mar. 31, 2013:	- shares	As of Dec. 31, 2012:	- shares
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3) Average number of shares outstanding during the period

Three months ended Mar. 31, 2013:	2,291,186 shares	Three months ended Mar. 31, 2012:	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 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 2012 (As of Dec. 31, 2012)	First quarter of 2013 (As of Mar. 31, 2013)
Assets		
Current assets		
Cash and deposits	13,813	13,110
Deposits held in trust	827	713
Accounts receivable-trade	1,505	1,777
Real estate for sale	9,953	9,106
Acquired non-performing loans	1,628	1,887
Income taxes refundable	733	545
Deferred tax assets	41	41
Other	319	388
Allowance for doubtful accounts	(286)	(298)
Total current assets	28,536	27,272
Fixed assets		
Property and equipment		
Buildings and structures	29,842	29,413
Accumulated depreciation	(2,686)	(2,713)
Buildings and structures, net	27,156	26,699
Land	53,721	53,676
Other	157	155
Accumulated depreciation	(98)	(100)
Other, net	59	55
Total property and equipment	80,937	80,431
Intangible assets		
Goodwill	105	102
Other	65	61
Total intangible assets	170	163
Investments and other assets		
Investment securities	12,316	12,212
Investment in capital	360	362
Long-term loans receivable	548	548
Deferred tax assets	256	255
Other	3,480	3,515
Allowance for doubtful accounts	(337)	(304)
Total investment and other assets	16,625	16,589
Total fixed assets	97,733	97,184
Total assets	126,270	124,457

(Millions of yen)

	Year 2012 (As of Dec. 31, 2012)	First quarter of 2013 (As of Mar. 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	134	160
Short-term borrowings	2,192	1,192
Long-term borrowings-due within one year	16,552	11,074
Corporate bonds-due within one year	19	19
Accrued income taxes	412	252
Accrued employees' bonuses	-	72
Other	1,543	1,411
Total current liabilities	20,855	14,182
Long-term liabilities		
Bonds payable	3,428	3,424
Long-term borrowings	41,429	44,747
Deferred tax liabilities	1,156	1,261
Allowance for employees' retirement benefits	83	89
Long-term lease deposited	3,012	2,990
Other	233	228
Total long-term liabilities	49,343	52,742
Total liabilities	70,199	66,924
Net assets		
Shareholders' equity		
Common stock	31,322	31,322
Additional paid-in capital	31,581	31,581
Retained earnings	(11,593)	(10,444)
Total shareholders' equity	51,310	52,458
Accumulated other comprehensive income		
Net unrealized holding gains/losses on other securities	(57)	231
Foreign currency translation adjustments	(429)	(362)
Total accumulated other comprehensive income	(486)	(130)
Minority interests in consolidated subsidiaries	5,247	5,204
Total net assets	56,071	57,532
Total liabilities and net assets	126,270	124,457

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

	First three months of 2012 (Jan. 1, 2012 – Mar. 31, 2012)	First three months of 2013 (Jan. 1, 2013 – Mar. 31, 2013)
Revenue	4,719	4,645
Cost of revenue	2,428	1,913
Gross profit	2,290	2,732
Selling, general and administrative expenses	879	889
Operating income	1,411	1,843
Non-operating income		
Interest income	7	9
Foreign currency transaction gain	11	20
Equity in earnings of non-consolidated subsidiaries and affiliates	104	4
Consumption taxes differential (after being offset by suspense payments and receipt)	0	1
Other	43	15
Total non-operating income	166	50
Non-operating expenses		
Interest expense	900	386
Commissions paid	70	99
Other	17	9
Total non-operating expenses	988	495
Ordinary income	589	1,398
Extra-ordinary losses		
Impairment loss	778	-
Loss on sale of investment securities	0	-
Other	2	-
Total extra-ordinary losses	781	-
Income (loss) before income taxes and profit distribution to silent partners	(191)	1,398
Profit distribution to silent partners	0	(0)
Income (loss) before provision for income taxes	(191)	1,398
Income taxes	246	233
Income before minority interests	(438)	1,165
Minority interests in income	168	16
Net loss	(607)	1,148

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

	First three months of 2012 (Jan. 1, 2012 – Mar. 31, 2012)	First three months of 2013 (Jan. 1, 2013 – Mar. 31, 2013)
Income (loss) before minority interests	(438)	1,165
Other comprehensive income		
Net unrealized holding gains/losses on other securities	127	306
Foreign currency translation adjustments	17	66
Share of other comprehensive income of associates accounted for using equity method	(0)	-
Total other comprehensive income	145	372
Comprehensive income	(293)	1,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(480)	1,504
Comprehensive income attributable to minority interests	186	33

(3) Segment Information

Year 2012 (Jan. 1, 2012 – Mar. 31, 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	1,217	1,088	2,617	(203)	4,719
Segment operating income	627	203	741	(161)	1,411

Year 2013 (Jan. 1, 2013 – Mar. 31, 2013)

(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	1,273	2,088	1,427	(144)	4,645
Segment operating income	561	1,005	478	(201)	1,843