

## Summary of Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending December 31, 2013 (Nine Months Ended September 30, 2013)

[Japanese GAAP]

Described below is an abstract in English of the financial result for the first nine 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: <a href="http://www.kenedix.com">http://www.kenedix.com</a>
President: Taisuke Miyajima	
Contact: Taiji Yoshikawa, Director	Tel: +81-3-5623-8400
Scheduled date of filing of Quarterly Report: November 14, 2013	
Scheduled date of payment of dividend: -	
Preparation of supplementary materials for quarterly financial results: Yes	
Holding of quarterly financial results meeting: No	

(Amounts rounded off to million yen)

### 1. Consolidated Financial Results (Jan. 1, 2013 – Sep. 30, 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	%
Nine months ended Sep. 30, 2013	12,081	(11.4)	4,975	(4.7)	3,426	57.4	2,273	-
Nine months ended Sep. 30, 2012	13,631	(7.8)	5,219	(7.8)	2,177	5.2	(6,639)	-

Note: Comprehensive income (million yen) Sep. 2013: 2,881 (-%) Sep. 2012: (6,443) (-%)

	Net income per share, (basic)	Net income per share, (diluted)
	Yen	Yen
Nine months ended Sep. 30, 2013	9.85	-
Nine months ended Sep. 30, 2012	(28.98)	-

Note: Kenedix, Inc. made a 100-for-1 stock split for shares of its common stock on July 1, 2013. Basic Earnings per Share was calculated under the assumption that the stock split took effect at the beginning of the previous fiscal year.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of Sep. 30, 2013	158,064	77,772	45.1
As of Dec. 31, 2012	126,270	56,071	40.2

Reference: Shareholders' equity (million yen) As of Sep. 30, 2013: 71,342 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	-	0.00	-	-	-
Year ending Dec. 31, 2013 (forecast)	-	-	-	0.00	0.00

Note: Revision of dividend forecast most recently announced: None

### 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	25,400	21.2	7,000	19.9	4,900	110.4	1,500	-	6.26

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 Sep. 30, 2013:	265,658,200 shares	As of Dec. 31, 2012:	229,118,600 shares
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2) Number of shares of treasury stock at end of period

As of Sep. 30, 2013:	- shares	As of Dec. 31, 2012:	- shares
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3) Average number of shares outstanding during the period

Nine months ended Sep. 30, 2013:	230,674,789 shares	Nine months ended Sep. 30, 2012:	229,118,600 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)	Third quarter of 2013 (As of Sep. 30, 2013)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	13,813	32,068
Deposits held in trust	827	1,540
Accounts receivable-trade	1,505	1,210
Real estate for sale	9,953	32,092
Acquired non-performing loans	1,628	376
Income taxes refundable	733	211
Deferred tax assets	41	54
Other	319	759
Allowance for doubtful accounts	(286)	(124)
<b>Total current assets</b>	<b>28,536</b>	<b>68,191</b>
<b>Fixed assets</b>		
<b>Property and equipment</b>		
Buildings and structures	29,842	25,368
Accumulated depreciation	(2,686)	(2,677)
<b>Buildings and structures, net</b>	<b>27,156</b>	<b>22,691</b>
Land	53,721	47,530
Other	157	221
Accumulated depreciation	(98)	(68)
<b>Other, net</b>	<b>59</b>	<b>152</b>
<b>Total property and equipment</b>	<b>80,937</b>	<b>70,374</b>
<b>Intangible assets</b>		
Leasehold right	-	2,588
Goodwill	105	423
Other	65	54
<b>Total intangible assets</b>	<b>170</b>	<b>3,066</b>
<b>Investments and other assets</b>		
Investment securities	12,316	11,819
Investment in capital	360	472
Long-term loans receivable	548	548
Deferred tax assets	256	251
Other	3,480	3,574
Allowance for doubtful accounts	(337)	(235)
<b>Total investment and other assets</b>	<b>16,625</b>	<b>16,431</b>
<b>Total fixed assets</b>	<b>97,733</b>	<b>89,873</b>
<b>Total assets</b>	<b>126,270</b>	<b>158,064</b>

*(Millions of yen)*

	Year 2012 (As of Dec. 31, 2012)	Third quarter of 2013 (As of Sep. 30, 2013)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	134	516
Short-term borrowings	2,192	4,544
Long-term borrowings-due within one year	16,552	7,030
Corporate bonds-due within one year	19	19
Accrued income taxes	412	388
Other	1,543	2,058
Total current liabilities	20,855	14,557
Long-term liabilities		
Bonds payable	3,428	3,469
Long-term borrowings	41,429	58,131
Deferred tax liabilities	1,156	1,263
Allowance for employees' retirement benefits	83	101
Long-term lease deposited	3,012	2,580
Other	233	187
Total long-term liabilities	49,343	65,734
Total liabilities	70,199	80,291
<b>Net assets</b>		
Shareholders' equity		
Common stock	31,322	40,237
Additional paid-in capital	31,581	40,496
Retained earnings	(11,593)	(9,318)
Total shareholders' equity	51,310	71,415
Accumulated other comprehensive income		
Net unrealized holding gains/losses on other securities	(57)	257
Foreign currency translation adjustments	(429)	(330)
Total accumulated other comprehensive income	(486)	(72)
Subscription rights to shares	-	27
Minority interests in consolidated subsidiaries	5,247	6,402
Total net assets	56,071	77,772
Total liabilities and net assets	126,270	158,064

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

	First nine months of 2012 (Jan. 1, 2012 – Sep. 30, 2012)	First nine months of 2013 (Jan. 1, 2013 – Sep. 30, 2013)
Revenue	13,631	12,081
Cost of revenue	5,896	4,374
Gross profit	7,735	7,706
Selling, general and administrative expenses	2,516	2,731
Operating income	5,219	4,975
Non-operating income		
Interest income	19	21
Equity in earnings of non-consolidated subsidiaries and affiliates	-	51
Consumption taxes differential (after being offset by suspense payments and receipt)	78	5
Other	63	104
Total non-operating income	161	183
Non-operating expenses		
Interest expense	2,312	1,152
Equity in losses of non-consolidated subsidiaries and affiliates	106	-
Commissions paid	765	435
Other	18	144
Total non-operating expenses	3,203	1,732
Ordinary income	2,177	3,426
Extra-ordinary income		
Gain on sale of fixed assets	711	134
Other	29	1
Total extra-ordinary income	741	136
Extra-ordinary losses		
Loss on sale of fixed assets	374	215
Impairment loss	1,475	48
Loss on sale of investment securities	767	0
Loss on valuation of investment securities	2,003	0
Office transfer expenses	-	95
Loss on liquidation of subsidiaries and affiliates	3,826	-
Other	106	0
Total extra-ordinary losses	8,553	360
Income (loss) before income taxes and profit distribution to silent partners	(5,635)	3,202
Profit distribution to silent partners	0	(0)
Income (loss) before provision for income taxes	(5,635)	3,202
Income taxes	788	744
Income (loss) before minority interests	(6,423)	2,457
Minority interests in income	215	184
Net income (loss)	(6,639)	2,273

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

	First nine months of 2012 (Jan. 1, 2012 – Sep. 30, 2012)	First nine months of 2013 (Jan. 1, 2013 – Sep. 30, 2013)
Income (loss) before minority interests	(6,423)	2,457
Other comprehensive income		
Net unrealized holding gains/losses on other securities	15	324
Foreign currency translation adjustments	(34)	98
Share of other comprehensive income of associates accounted for using equity method	0	-
Total other comprehensive income	(19)	423
Comprehensive income	(6,443)	2,881
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	(6,668)	2,687
Comprehensive income attributable to minority interests	225	194

**(3) Segment Information**

Year 2012 (Jan. 1, 2012 – Sep. 30, 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	4,641	2,427	7,145	(583)	13,631
Segment operating income	2,677	512	2,524	(495)	5,219

Year 2013 (Jan. 1, 2013 – Sep. 30, 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	5,424	2,881	4,259	(485)	12,081
Segment operating income	3,047	1,114	1,438	(625)	4,975