

December 20, 2013

Company name: Kenedix, Inc.
Representative: Taisuke Miyajima, CEO & 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.

Notice of Extraordinary Loss on Sale of Fixed Assets

Kenedix has decided on December 20, 2013 to sell fixed assets owned by consolidated subsidiaries as follows.

1. Reason for sale

Altering the composition of assets held by selling real estate is one of the major initiatives of the medium-term management plan that Kenedix announced on February 14, 2013 (and subsequently partially revised on August 9).

2. Assets to be sold

	Description and location	Selling price (Million yen)	Book value ^{*1} (Million yen)	Gain or loss on sales ^{*2} (Million yen)	Category
(1)	Socio Konan Wakatakecho (Konan City, Shiga)	450	533	(84)	Residential
(2)	Socio Kariya Toshincho / Socio Kariya Imaokacho / Socio Susono (Kariya City, Aichi / Susono City, Shizuoka)	2,180	2,385	(229) ^{*3}	Residential
	Total	2,630	2,918	(313)	-

*1: As of November 30, 2013

*2: Gain or loss on sales (net of expenses)

*3: Since Kenedix has a 70% equity stake in the consolidated subsidiary that owns the aforementioned assets, 70% of the gain or loss on sales (approximately 160 million yen of loss on sales) will be included in Kenedix's consolidated net income.

3. Overview of the consolidated subsidiary selling the fixed assets

(1) Socio Konan Wakatakecho

(1) Name	Y.K. KW Property 9
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
(3) Representative	Director: Tadatsugu Ishimoto
(4) Business	Purchasing, holding, disposing of, lending and managing real estate; Purchasing, holding, disposing of real estate trust beneficiary interests; Planning, research and design for effective utilization of real estate; All businesses related to the above items
(5) Established	July 22, 2005
(6) Capital	3 million yen

(2) Socio Kariya Toshincho / Socio Kariya Imaokacho / Socio Susono

(1) Name	Tokumei Kumiai Enshu Capital II Operator: Godo Kaisha Enshu Capital II
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
(3) Representative	Representative Partner: Ippan Shadan Hojin Wing One Executor: Tadatsugu Ishimoto
(4) Business	Purchasing, holding, disposing of, lending and managing real estate; Purchasing, holding, disposing of real estate trust beneficiary interests; All businesses related to the above items
(5) Established	September 11, 2007
(6) Capital	1 million yen

4. Summary of purchaser

Information about the purchaser cannot be disclosed due to the request of the purchaser. There are no financial, personnel or business relationships between Kenedix, persons or companies affiliated with Kenedix, and the purchaser. The purchaser is not related to Kenedix.

5. Schedule

(1) Resolution date	December 20, 2013
(2) Contract signing	December 20, 2013
(3) Closing date	December 20, 2013

6. Outlook

Kenedix expects to record an extraordinary loss of approximately 0.3 billion yen as loss on sales of properties in 2013. There is no change in the 2013 consolidated forecast announced on October 24, 2013 because the forecast already incorporated this loss. An announcement will be made promptly if a forecast is revised due to changes in the operating environment, real estate market or results of operations.

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.