

August 7, 2014

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

In light of recent earnings trends, Kenedix Inc. has decided to revise its forecast for 2014 (from January 1 to December 31, 2014) on August 7, 2014. The previous forecast was announced on February 14, 2014.

1. Revision to the consolidated forecast for 2014 (from January 1 to December 31, 2014)

(Millions of yen)	Revenue	Operating income	Ordinary income	Net income	Net income per share
Previous forecast (A)	21,000	5,200	4,100	3,000	11.29 yen
Revised forecast (B)	25,000	7,400	5,500	4,000	15.06 yen
Change in amount (B – A)	4,000	2,200	1,400	1,000	
Percentage change (%)	19.0	42.3	34.1	33.3	
Reference: Results for the previous fiscal year (January 1 – December 31, 2013)	22,456	6,914	4,878	1,985	8.29 yen

2. Reasons for revisions

The consolidated forecasts have been revised as shown above because of the outlook for greater than anticipated gains on sales of properties, which is primarily a reflection of the recovery of the real estate market. The major reasons for the forecast revisions are as follows.

(1) Revenue

Kenedix has increased the revenue forecast by 4 billion yen from 21 billion yen to 25 billion yen because the purchase of assets in 2014 has increased consolidated assets and properties are being sold at prices that are higher than anticipated.

(2) Operating income

- i. Gross operating income in the real estate investment business is expected to benefit from larger than anticipated gains on sales due to the recovery of the real estate market. Kenedix has raised the forecast for gross operating income in this business by 0.9 billion yen from 1.2 billion yen to 2.1 billion yen.

- ii. Kenedix has raised the forecast for gross operating income in the real estate leasing business by 1.4 billion yen from 2.4 billion yen to 3.8 billion yen because of growth in consolidated assets resulting from the purchase of assets in 2014.

Due to the revisions in these two gross operating income forecasts, Kenedix has raised the operating income forecast by 2.2 billion yen from 5.2 billion yen to 7.4 billion yen.

(3) Ordinary income

The purchases of consolidated assets mentioned in the revision to real estate leasing gross operating income (section (2), ii. above) is expected to cause interest expenses, which are a non-operating expense, to be 1 billion yen higher than initially planned. Despite this increase, Kenedix has raised the ordinary income forecast by 1.4 billion yen from 4.1 billion yen to 5.5 billion yen.

(4) Net income

The net income forecast revision includes an increase of 1 billion yen in the extraordinary income forecast from 3 billion yen to 4 billion yen to factor in the real estate market recovery and an increase of 1.8 billion yen in the extraordinary loss forecast from 2.8 billion yen to 4.6 billion yen, which is a reflection of the large volume of asset sales amid this trend.

* The above forecasts are based on information available as of the announcement date of this press release. Actual results are affected by various factors and may differ substantially.