

Translation of Japanese Original

February 23, 2012

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation
2-2-9 Shimbashi, Minato-ku, Tokyo
Taisuke Miyajima, Executive Director
(Securities Code: 8972)

Asset Management Company:

Kenedix REIT Management, Inc.
Naokatsu Uchida, CEO and President

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Notice Concerning the Conclusion of Agreement of the Sale of Property (KDX Omori Building)

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on February 23, 2012 to conclude an agreement to sell KDX Omori Building. Details are provided as follows.

1. Outline

- | | | | |
|------|---|---|---|
| (1) | Type of Assets for Planned Sale | : | Trust beneficiary interest in real estate |
| (2) | Property Name | : | KDX Omori Building |
| (3) | Planned Sales Price | : | ¥4,200,000,000
(Excluding sales costs, air-conditioning system upgrading costs identified in (11) below, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax, etc.) |
| (4) | Assumed Book Value | : | ¥3,357,000,000 (As of the end of April 2012. Rounded down to the nearest million yen) |
| (5) | Difference between Planned Sales Price and Assumed Book Value | : | ¥843,000,000 (Rounded down to the nearest million yen)
(Amount is a referential figure calculated as the difference between (3) and (4), and differs from the profit/loss of the sale of property) |
| (6) | Purchase and Sales Agreement Execution Date | : | February 23, 2012 |
| (7) | Planned Settlement Date | : | May 11, 2012 planned |
| (8) | Buyer | : | Please refer to 5. “Buyer’s Profile” for details |
| (9) | Settlement Method | : | The aforementioned trust beneficiary interest will be transferred to the buyer. |
| (10) | Method of Buyer Selection | : | The buyer was selected after an interested buyer for the property was introduced by a domestic brokerage firm, and the prices and conditions of the sale, etc. were confirmed. |
| (11) | Other | : | The air-conditioning system upgrading costs (construction costs are 146,000,000 yen under the contract agreement, excluding consumption tax and regional consumption tax) shall be borne by the Investment Corporation, the seller, and the payment will be settled separately with the buyer. The construction costs are expected to be treated as part of the sales costs of the property. However, the accounting method may be changed by instruction of auditors or tax accountants. |

The aforementioned asset for sale shall hereafter be referred to as “the Property.”

2. Reasons for Sale

The decision to sell the Property is part of the strategy of property replacement that is in line with the Investment Corporation's management policy. The sale of the Property comprehensively takes into consideration the Investment Corporation's current and future portfolio development policy, real estate market trends, the characteristics (profitability, building age, area, etc.) of individual properties and other factors.

Judging from the conditions of the sale and timing in the recent environment, the Investment Corporation believes that the sale of the Property will be beneficial to the Investment Corporation. We also believe this sale is significant as it will contribute to increasing cash on hand for future property acquisitions.

The Investment Corporation will consider retaining a portion of the capital gains from the sale of land as a reserve for reduction entry based on the "Exceptional Handling of Taxation in the Event of In-Advance Acquisition of Land, etc. in 2009 and 2010 for Future Use" for the fifteenth fiscal period (ending October 2012).

3. Use of Funds

The Investment Corporation plans to utilize the payment from the sale of the Property for property acquisition or to accumulate cash on hand.

4. Details of Property for Planned Sale

Property Name		KDX Omori Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		The Chuo Mitsui Trust and Banking Co., Ltd.
Trust Term		September 30, 2002 to August 1, 2015
Location (Address)		1-6-8 Omori-kita, Ohta-ku, Tokyo
Usage		Offices, Retail Shops, Parking
Type of Structure		Flat-roofed, steel reinforced concrete structure; one underground and nine above-ground floors
Site Area	Land	1,123.93 m ²
	Building	7,334.77 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		October 23, 1990
Acquisition Date		May 1, 2006
Acquisition Price		¥3,500,000,000
Appraisal Value		¥3,800,000,000 Base date of appraisal: February 1, 2012 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥164,908 thousand (Fiscal period ended October 2011)
Leasehold・Security Deposits		¥227,454 thousand (As of October 31, 2011)
Number of End Tenants		10 (As of February 1, 2012. The same applies below.)
Total Leasable Floor Area		4,945.03 m ²
Total Leased Floor Area		4,676.07 m ²
Occupancy Ratio (Total Leased Floor Area Basis)		94.6%
Collateralized / Uncollateralized Asset		None

5. Buyer's Profile

Company Name	OOIKOUGYOU CO., LTD.
Location	2-1-2 Katsushima, Shinagawa-ku, Tokyo
Title and Name of Representative	President Shigeru Konno
Description of Business	Operation of ancillary business associated with horse racing and commercial facilities
Amount of Capital	¥100 million
Date of Incorporation	November 28, 1951
Net Assets	Not disclosed due to the seller's request.
Total Assets	Not disclosed due to the seller's request.

Relationship with the Investment Corporation・the Asset Management Company	
Capital Relationship	There is no special capital relationship between the Investment Corporation・the Asset Management Company.
Personnel Relationship	There is no special personnel relationship between the Investment Corporation・the Asset Management Company.
Business Relationship	There is no special business relationship between the Investment Corporation・the Asset Management Company.
Whether or not to be the Related Parties	The seller is not a related company as defined under the Investment Trust and Investment Corporation Law (“the Investment Trust Law”) and the internal regulations of the Asset Management Company.

*As of February 1, 2012

6. Sale Schedule

February 23, 2012	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreements Receive deposit (¥420,000,000) (*1)
May 11, 2012 (planned)	Settlement (remainder) (*2) Sale of trust beneficiary interest (*2) Settlement of air-conditioning system upgrading costs (*3)

*1 No interest will be applied to the deposit and it will be allocated to part of the sales price at the time of payment.

Termination of the contract by abandonment of the deposit or return of the deposit at double the amount may be made by March 31, 2012.

*2 The penalty for breach of contract is set as 10% of the sale price (420,000,000 yen).

*3 The air-conditioning system upgrading costs (construction costs are 146,000,000 yen under the contract agreement, excluding consumption tax and regional consumption tax) shall be borne by the Investment Corporation, the seller, and the payment will be settled separately with the buyer.

7. Asset Management Fees

The Investment Corporation shall pay the sales commission to the Asset Management Company in connection with the sale of the Property in accordance with the Asset Management Agreement.

Sales fee: An amount equivalent to 0.5% of the planned sales price identified in 1 (3) above. (21 million yen)

Date of payment: Within one month after the settlement date.

8. Details of Brokerage

The details of the brokerage firm and the brokerage fee are as follows.

Name of brokerage firm	Kenedix, Inc.
Location	2-2-9, Shimbashi, Minato-ku, Tokyo
Title and Name of Representative	President and Representative Director: Atsushi Kawashima
Description of Business	1. Consulting business related to real estate transactions and usage as well as asset management 2. Transaction, leasing, brokerage and appraisal for real estate 3. Management of real estate
Amount of Capital	Approximately 31,300 million yen
Date of Incorporation	April 17, 1995
Relationship with the Investment Corporation or the Asset Management Company	Kenedix, Inc. is the parent company of the Asset Management Company and is a related company as defined under the Investment Trust Law and the internal regulations of the Asset Management Company.
Brokerage Fee	¥73,000,000 (Excluding consumption tax and regional consumption tax)

*As of February 1, 2012

9. Interested-Party Transactions

The sale of the Property constitutes an interested-party transaction as described below:

[Brokerage Consignment]

The Investment Corporation executed a brokerage agreement with Kenedix, Inc. on February 23, 2012 with regard to the sale of the Property. Details of brokerage are provided in 8. above.

The Asset Management Company bound by its rules as they relate to interested-party transactions, worked to ensure strict compliance with statutory and other regulatory requirements. Furthermore, in order to ensure that the transactions were conducted in an open and fair manner and that the Investment Corporation was not disadvantaged, the Asset Management Company submitted all transactions for deliberation and approval by the Asset Management Committee and the Compliance Committee. Subject to approval, each transaction was then submitted to the Board of Directors for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the interested-party transactions.

The Investment Corporation shall pay a fee to Kenedix REIT Management, Inc. pursuant to the Property Management Agreement executed between the parties in connection with the sale of the Property and the subsequent transfer in management control (2.2 million yen). This fee relates to the transfer of management control and serves as a notice to the lessee regarding the transfer of leasing and management responsibilities and also relates to the handover of property management duties. Fees shall be paid promptly after settlement date.

10. Outlook

There is no impact on the financial results for the period ending April 30, 2012 (November 1, 2011 to April 30, 2012) since the planned settlement date is May 11, 2012.

Attached Material

Property Portfolio after Sale of the Property

This notice is the English translation of the Japanese announcement on our Web site released on February 23, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material

Property Portfolio after Sale of the Property

* Total number of properties, total acquisition price, ratio and total PML does not include the sale of the Property.

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	Kabutocho Nikko Building	11,270	4.0%	December 26, 2011
		KDX Harumi Building	10,250	3.6%	June 30, 2008
		Toranomon Toyo Building	9,850	3.5%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	2.7%	February 1, 2008
		KDX Shinjuku Building	6,800	2.4%	February 18, 2010
		KDX Ochanomizu Building	6,400	2.2%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.1%	March 1, 2007
		KDX Kojimachi Building	5,950	2.1%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.1%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	2.0%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.8%	May 1, 2006
		KDX Iidabashi Building	4,670	1.6%	July 22, 2011
		KDX Ebisu Building	4,640	1.6%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.6%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.5%	August 1, 2005
		KDX Toranomon Building	4,400	1.5%	April 17, 2007
		KDX Ginza 1chome Building	4,300	1.5%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.4%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.4%	November 12, 2010
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.3%	February 1, 2008
		KDX Hatchobori Building	3,680	1.3%	August 1, 2005
		KDX Omori Building	-	-	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.2%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.1%	January 10, 2008
		Koishikawa TG Building	3,080	1.0%	November 18, 2009
		KDX Higashi-Shinjuku Building	2,950	1.0%	September 1, 2006
		KDX Kayabacho Building	2,780	0.9%	May 1, 2006
		KDX Jimbocho Building	2,760	0.9%	March 31, 2008
		Nissou Dai-17 Building	2,710	0.9%	February 1, 2008
		KDX Hakozaeki Building	2,710	0.9%	July 22, 2011
		KDX Shinbashi Building	2,690	0.9%	May 1, 2006
		Gotanda TG Building	2,620	0.9%	November 18, 2009
		KDX Nakano-Sakaue Building	2,533	0.9%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	0.8%	May 1, 2006
		Harajuku F.F. Building	2,450	0.8%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	0.8%	February 1, 2008
		KDX Kajicho Building	2,350	0.8%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	0.8%	February 1, 2008
		KDX Hamacho Building	2,300	0.8%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	0.8%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.8%	July 22, 2011
		FIK Minami Aoyama	2,270	0.8%	August 1, 2005

Office Buildings	Tokyo Metropolitan Area	KDX Funabashi Building	2,252	0.8%	March 1, 2006
		KDX Hamamatsucho Dai-2 Building	2,200	0.7%	September 1, 2008
		Shin-toshin Maruzen Building	2,110	0.7%	February 29, 2008
		KDX Nihonbashi 216 Building	2,010	0.7%	December 1, 2009
		KDX Okachimachi Building	2,000	0.7%	March 1, 2007
		KDX Gobancho Building	1,951	0.6%	March 31, 2008
		Kanda Kihara Building	1,950	0.6%	August 1, 2005
		KDX Yotsuya Building	1,950	0.6%	May 1, 2006
		KDX Iwamoto-cho Building	1,864	0.6%	May 1, 2008
		Ikebukuro Nikko Building	1,653	0.5%	December 26, 2011
		KDX Kiba Building	1,580	0.5%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.5%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.4%	January 19, 2007
		KDX Kanda Misaki-cho Building	1,380	0.4%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.4%	March 1, 2007
		Kabutocho Nikko Building II	1,280	0.4%	December 26, 2011
		Tachikawa Ekimae Building	1,267	0.4%	December 26, 2011
		KDX Hachioji Building	1,155	0.4%	March 1, 2007
		KDX Nogizaka Building	1,065	0.3%	July 14, 2006
		Other Regional Areas	KDX Nagoya Sakae Building	7,550	2.6%
	Nagoya Ekimae Sakura-dori Building		7,327	2.6%	December 26, 2011
	Portus Center Building		5,570	1.9%	September 21, 2005
	Karasuma Building		5,400	1.9%	June 1, 2007
	KDX Hakata-Minami Building		4,900	1.7%	February 1, 2008
	Nagoya Nikko Shoken Building		4,158	1.4%	December 26, 2011
	KDX Kobayashi-Doshomachi Building		2,870	1.0%	December 1, 2010
	KDX Kitahama Building		2,220	0.7%	February 1, 2008
	KDX Sendai Building		2,100	0.7%	June 1, 2007
	Kitananajo SIA Building		2,005	0.7%	March 25, 2011
	KDX Minami Semba Dai-1 Building		1,610	0.5%	May 1, 2006
	KDX Minami Semba Dai-2 Building		1,560	0.5%	May 1, 2006
	KDX Niigata Building		1,305	0.4%	March 1, 2007
	Sendai Nikko Building		950	0.3%	December 26, 2011
	Total of 74 Office Buildings			258,131	91.9%
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	3.5%	August 1, 2005
		KDX Yoyogi Building	2,479	0.8%	September 30, 2005
	Total of 2 Central Urban Retail Properties			12,379	4.4%
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.9%	May 1, 2006
		Court Mejiro	1,250	0.4%	August 1, 2005
		Gradito Kawaguchi	1,038	0.3%	June 30, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.6%	December 8, 2005
	Total of 4 Residential Properties			9,441	3.3%
Other	Other Regional Areas	Kanazawa Nikko Building	645	0.2%	December 26, 2011
	Total of 1 Other		645	0.2%	
Total of 81 Properties			280,596	100.0%	Portfolio PML 5.05 %

Notes:

1. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
2. The acquisition price of the existing tower acquired on February 1, 2008 was 4,700 million yen, and the acquisition price of the annex tower acquired on November 18, 2009 was 1,100 million yen.