

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 Related-Party Transaction

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision to undertake a transaction with a related party. Details of the aforementioned transaction are provided as follows.

1. Outline of the Related-Party Transaction

(1) Conclusion of new lease agreement for KDX Shinbashi Building with Kenedix, Inc. and its subsidiary, etc. (each constitutes as an interested party)

	①	②	③
Name of Related Party	Kenedix, Inc.	Kenedix Asset Management, Inc.	Kenedix Property, Inc.
Name of Leased Property	KDX Shinbashi Building	KDX Shinbashi Building	KDX Shinbashi Building
Leased Area	4F portions 104.37 m ²	4F portions 204.41 m ²	4F portions 60.85 m ²
Contract Rental Rate (Monthly) (Note)	¥662,970 (¥21,000 per tsubo)	¥1,298,430 (¥21,000 per tsubo)	¥386,400 (¥21,000 per tsubo)
Leasing Contract Term	March 1, 2012 to February 28, 2014	March 1, 2012 to February 28, 2014	March 1, 2012 to February 28, 2014

Note: The contract rental rate (monthly) is the amount including common area maintenance charges and excluding consumption tax, etc. Furthermore, for the period from March 1, 2012 to August 31, 2012, only the amount equivalent to common area maintenance charges (¥5,000 per tsubo) will be incurred. The contract rental rate (monthly) above will apply from September 1, 2012.

(Reason for conclusion of agreement)

A new lease agreement will be concluded with the parties above for the 4F portion of KDX Shinbashi Building that was vacated in January 2012.

(2) Change of terms and conditions of existing lease agreement for 2F and 5F portions of KDX Shinbashi Building concluded with Kenedix, Inc. and its subsidiary (each constitutes an interested party)

	①	②
Name of Related Party	Kenedix, Inc.	Kenedix Advisors, Inc.
Name of Leased Property	KDX Shinbashi Building	KDX Shinbashi Building
Terms and Conditions Before Change	Leased Floor Area Total of 2 nd floor 371.13 m ² Contract Rental Rate (Monthly) (Note) Total of 2 nd floor ¥2,647,010 (¥23,577 per tsubo)	Leased Floor Area Total of 5 th floor 371.13 m ² Contract Rental Rate (Monthly) (Note) Total of 5 th floor ¥3,199,410 (¥28,500 per tsubo)
Terms and Conditions After Change	Leased Floor Area Total of 2 nd floor 369.64 m ² Contract Rental Rate (Monthly) (Note) Total of 2 nd floor ¥2,348,010 (¥21,000 per tsubo)	Leased Floor Area Total of 5 th floor 371.13 m ² (no change) Contract Rental Rate (Monthly) (Note) Total of 5 th floor ¥2,750,370 (¥24,500 per tsubo)
Date of Change	March 1, 2012	March 1, 2012

Note: The contract rental rate (monthly) is the amount including common area maintenance charges and excluding consumption tax, etc.

(Reason for change of agreement)

In light of the current real estate leasing market, a request to change the terms and conditions of the existing lease agreement was received from the parties above and talks resulted in an agreement being reached.

2. Profile of the Related Party

Company Name	Kenedix, Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	President and Representative Director: Atsushi Kawashima
Capital	Approximately 31,300 million yen
Business Activities	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
Principal Shareholders	Goldman Sachs and Company Regular Account, UBS SECURITIES LLC-HFS CUSTOMER SEGREGATED ACCOUNT, Japan Trustee Services Bank, Ltd. (As of December 31, 2011)
Relationship with the Investment Corporation or the Asset Management Company	Kenedix, Inc. is a parent company as defined in the Financial Instruments and Exchange Law of Kenedix REIT Management, Inc. (“the Asset Management Company”), the asset management company of the Investment Corporation, and is a related party as defined under the Investment Trust and Investment Corporation Law and an interested party as set forth in the interested party transaction rules of the Asset Management Company.

*As of February 23, 2012

Company Name	Kenedix Asset Management, Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	President and Representative Director: Atsushi Kawashima
Capital	405 million yen
Business Activities	Asset management business
Principal Shareholders	Kenedix, Inc.: 85%, MAX-REALTY INC.: 15%
Relationship with the Investment Corporation or the Asset Management Company	Kenedix Asset Management, Inc. is a parent company of the Asset Management Company and is a related party as defined under the Investment Trust and Investment Corporation Law and an interested party as set forth in the interested party transaction rules of the Asset Management Company.

*As of February 23, 2012

Company Name	Kenedix Property Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	President and Representative Director: Shinichi Tominaga
Capital	10 million yen
Business Activities	Real estate leasing business
Principal Shareholders	Kenedix, Inc.: 100%
Relationship with the Investment Corporation or the Asset Management Company	Kenedix Property Inc. is a wholly owned subsidiary of Kenedix, Inc., which is a parent company, as defined in the Financial Instruments and Exchange Law, of the Asset Management Company, and is a related party as defined under the Investment Trust and Investment Corporation Law and an interested party as set forth in the interested party transaction rules of the Asset Management Company.

*As of February 23, 2012

Company Name	Kenedix Advisors, Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	President and Representative Director: Keizou Katayama
Capital	50 million yen
Business Activities	Asset management business
Principal Shareholders	Kenedix Asset Management, Inc.: 100%
Relationship with the Investment Corporation or the Asset Management Company	Kenedix Advisors, Inc. is a wholly owned subsidiary of Kenedix Asset Management, Inc., which is a parent company of the Asset Management Company, and is a related party as defined under the Investment Trust and Investment Corporation Law and an interested party as set forth in the interested party transaction rules of the Asset Management Company.

*As of February 23, 2012

3. Interested-Party Transactions

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.

4. Outlook

There are no revisions to forecasts for the fiscal period ended April 30, 2012, as a result of this related-party transaction

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.