

Translation of Japanese Original

March 27, 2012

To All Concerned Parties

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Notice Concerning Out-of-Court Settlement of Lawsuit

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the out-of-court settlement of a lawsuit (“the Lawsuit”) by a third party requesting payment from the Investment Corporation of a suitable amount of money as remuneration for brokerage services which was announced in the press release “Notice Concerning Lawsuit” dated May 19, 2010.

Please refer to the press release “Notice Concerning Lawsuit” dated May 19, 2010 for the background of the lawsuit.

1. Details of the Lawsuit

- (1) Filing day of the Lawsuit : March 30, 2010
(Date of service of complaint to the Investment Corporation: April 28, 2010)
- (2) Plaintiffs : Company A (“the Plaintiff”)
- (3) Defendant : The Investment Corporation
- (4) Claim : Request for payment of brokerage fee related to the sale of Apartments Motoazabu (“the Property”)
- (5) Amount of Claim : Approximately ¥32 million

2. Background of Lawsuit to Out-of-Court Settlement

The Plaintiff filed the Lawsuit dated March 30, 2010 requesting payment of the brokerage fee related to the sale of the Property conducted on June 23, 2009 based on the “Brokerage Agreement for Trust Beneficiary Rights in Real Estate” between the Investment Corporation and the Plaintiff dated March 24, 2009 (cancellation of the agreement was completed on April 14, 2009).

The Investment Corporation responded to the Lawsuit based on its assertion that there is no reason why it should pay the brokerage fee, etc. related to the sale to the Plaintiff, but after about two years since the filing of the lawsuit it has decided to settle out of court after comprehensively considering the impact on operations of the Investment Corporation if it was to continue on with the lawsuit.

3. Details of Out-of-Court Settlement

The Investment Corporation will pay the Plaintiff 10 million yen (“Settlement”) as settlement money concerning the Lawsuit.

4. Outlook

The Settlement is scheduled to be recorded as extraordinary losses in the 14th fiscal period (November 1, 2011 to April 30, 2012) of the Investment Corporation. The impact of the settlement on the financial results for the 14th fiscal period is minimal. Therefore, the forecast of financial results for the period remain unchanged.

This notice is the English translation of the Japanese announcement on our Web site released on March 27, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.