

Translation of Japanese Original

April 8, 2013

To All Concerned Parties

REIT Issuer:

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

Asset Management Company:

Kenedix Office Partners, Inc.
Naokatsu Uchida, CEO and President

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

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on April 8, 2013 to conclude an agreement to sell KDX Yotsuya 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 Yotsuya Building |
| (3) | Planned Sales Price | : | ¥2,400,000,000
(Excluding sales costs, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax, etc.) |
| (4) | Assumed Book Value | : | ¥1,963,000,000 (At the time of settlement. Rounded down to the nearest million yen) |
| (5) | Difference between Planned Sales Price and Assumed Book Value | : | ¥437,000,000 (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 | : | April 8, 2013 |
| (7) | Planned Settlement Date | : | April 24, 2013 |
| (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 decided 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. |

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 characteristics (profitability, building age, size, area, etc.) of the individual property 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 that this sale is significant as it will contribute to increasing cash on hand for future property acquisitions.

The capital gains from the sale are estimated to be ¥380 million (planned). The Investment Corporation will consider retaining a portion of the capital gains from the sale of land as a reserve for reduction entry (¥298 million (planned)) 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 sixteenth fiscal period (April 2013).

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 Yotsuya Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust Term		September 30, 2002 to August 1, 2015
Location (Parcel Number)		1-22-4 Yotsuya, Shinjuku-ku, Tokyo and other 7 lots (Note 1)
Usage		Offices, Retail shops, Parking
Type of Structure		Flat-roofed steel-reinforced structure; two underground and four above ground floors
Site Area	Land	996.65 m ² (Note 2)
	Building	3,329.68 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		October 5, 1989
Acquisition Date		May 1, 2006
Acquisition Price		¥1,950,000,000
Appraisal Value		¥2,380,000,000 Base date of appraisal: April 1, 2013 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥94,174 thousand (Fiscal period ended October 2012)
Leasehold・Security Deposits		¥142,123 thousand (As of October 31, 2012)
Number of End Tenants		4 (As of March 31, 2013. The same applies below.) (Note 3)
Total Leasable Floor Area		2,530.71 m ²
Total Leased Floor Area		2,530.71 m ² (Note 3)
Occupancy Ratio (Total Leased Floor Area Basis)		100.0%
Other		Notes: 1. The Property's residential address is yet to be determined. 2. Includes the setback portion of the roadway and the private road portion (total: approximately 30m ²) as identified as a road based on Article 42, Paragraph 2 of the Building Standards Law. 3. With regards to the end tenant currently occupying the first floor portion (519.09m ²) of the Property, it has concluded a termination of the lease agreement (planned date of termination: June 13, 2013) on December 13, 2012.

5. Buyer's Profile

Name, etc. of the Japanese general business corporation which is the buyer is not disclosed because the buyer has not given its consent. There are no significant capitals, personnel or business relationships of note between the Investment Corporation / Asset Management Company and the buyer. In addition, the buyer does not meet the definition of an interested party under the Investment Trust Law and the internal regulations of the Asset Management Company.

6. Sale Schedule

April 8, 2013	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreement Receive deposit (¥100,000,000) (*)
April 24, 2013 (planned)	Settlement (remainder) Sale of trust beneficiary interest

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

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. (12 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	TOKYU LIVABLE, INC
Location	1-9-5 Dogenzaka, Shibuya-ku, Tokyo
Title and Name of Representative	Representative Director Yoshihiro Nakajima
Description of Business	1. Real estate brokerage business 2. Sales consignment business 3. Real estate leasing business 4. Real estate sales business
Amount of Capital	¥1,396.3 million
Date of Incorporation	March 10, 1972
Relationship with the Investment Corporation or the Asset Management Company	The brokerage firm is not an interested party as defined under the Investment Trust Law and the internal regulations of the Asset Management Company.
Brokerage Fee	Disclosure of the fee was not approved by the brokerage firm.

*As of March 31, 2013

9. Interested-Party Transactions

The subject sale of the Property does not constitute an interested-party transaction.

The Investment Corporation shall pay a fee to Kenedix Office Partners, Inc. pursuant to the Property Management Agreement executed between the Investment Corporation and the Asset Management Company in connection with the subsequent transfer in management control. (¥2 million). This fee relates to the service to notice to the lessee regarding the transfer of leasing and management responsibilities and also relates to the handover of property management duties. Fee shall be paid promptly after settlement date.

10. Outlook

Please refer to “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending April 30, 2013” disclosed on April 8, 2013 regarding forecasts for the sixteenth fiscal period (November 1, 2012 to April 30, 2013).

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 April 8, 2013. 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

* Figures do not include the sale of the Property and Ikebukuro Nikko Building (Note 1).

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 2)	Ratio (Note 2)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Nihonbashi Kabutocho Building	11,270	3.8%	December 26, 2011
		KDX Harumi Building	10,250	3.5%	June 30, 2008
		Toranomon Toyo Building	9,850	3.3%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	2.6%	February 1, 2008
		KDX Shinjuku Building	6,800	2.3%	February 18, 2010
		KDX Ochanomizu Building	6,400	2.2%	April 2, 2007
		Fuchu South Building	6,120	2.1%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	2.0%	March 1, 2007
		KDX Kojimachi Building	5,950	2.0%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.0%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 3)	5,800	1.9%	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	1.5%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.5%	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	1.4%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.4%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.3%	November 12, 2010
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.2%	February 1, 2008
		KDX Hatchobori Building	3,680	1.2%	August 1, 2005
		KDX Hamamatsucho Building	3,460	1.1%	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
		Kasuga Business Center Building	2,800	0.9%	September 21, 2012
		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 Hakozaki 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	0.8%	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	0.7%	February 1, 2008
		KDX Hamacho Building	2,300	0.7%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	0.7%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.7%	July 22, 2011

Office Buildings	Tokyo Metropolitan Area	FIK Minami Aoyama	2,270	0.7%	August 1, 2005
		KDX Funabashi Building	2,252	0.7%	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
		Nomura Fudosan Omiya Kyodo Building	2,020	0.6%	March 26, 2013
		KDX Nihonbashi 216 Building	2,010	0.6%	December 1, 2009
		KDX Okachimachi Building	2,000	0.6%	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	-	-	May 1, 2006
		Nakameguro Business Center Building	1,880	0.6%	September 21, 2012
		KDX Iwamoto-cho Building	1,864	0.6%	May 1, 2008
		Ikebukuro Nikko Building (Note 1)	-	-	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	0.3%	March 1, 2007
		KDX Nogizaka Building	1,065	0.3%	July 14, 2006
	Other Regional Areas	KDX Nagoya Sakae Building	7,550	2.5%	Land: April 25, 2008 Building: July 1, 2009
		KDX Nagoya Ekimae Building	7,327	2.5%	December 26, 2011
		Portus Center Building	5,570	1.9%	September 21, 2005
		Karasuma Building	5,400	1.8%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.6%	February 1, 2008
		Nagoya Nikko Shoken Building	4,158	1.4%	December 26, 2011
		KDX Kobayashi-Doshomachi Building	2,870	0.9%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.9%	March 28, 2012
		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	0.6%	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 77 Office Buildings		270,118	92.8%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	3.4%	August 1, 2005
		KDX Yoyogi Building	2,479	0.8%	September 30, 2005
	Total of 2 Central Urban Retail Properties		12,379	4.2%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.8%	May 1, 2006
		Court Mejiro	1,250	0.4%	August 1, 2005
	Other Regional Areas	Venus Hibarigaoka	1,800	0.6%	December 8, 2005
Total of 3 Residential Properties			8,403	2.8%	-
Total of 82 Properties			290,900	100.0%	Portfolio PML 4.85 %

Investment Securities	Senri Property TMK Preferred Securities	891	–	April 26, 2012
	Total of 1 Investment Security	891	–	–

Notes:

1. The Investment Corporation plans to sell on May 10, 2013. For details, please refer to the press release “Notice Concerning the Conclusion of Agreement of the Sale of Property (Ikebukuro Nikko Building),” dated March 21, 2013.
2. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
3. 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.