

Translation of Japanese Original

April 8, 2013

To All Concerned Parties

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Notice Concerning Revisions of Operating Forecasts for the Fiscal Period Ending April 30, 2013

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced revisions of its operating forecasts for the sixteenth fiscal period (November 1, 2012 to April 30, 2013) previously announced on December 12, 2012. Details are as follows:

1. Revised Forecasts for the Sixteenth Fiscal Period Ending April 30, 2013 (November 1, 2012 to April 30, 2013)

(Millions of yen unless otherwise stated)

| | Operating Revenues | Operating Income | Ordinary Income | Net Income | Distributions per Unit (Yen) (excluding excess of earnings per unit) | Distributions in Excess of Earnings per Unit (Yen) |
|------------------------|--------------------|------------------|-----------------|------------|--|--|
| Previous Forecasts (A) | 9,365 | 3,944 | 2,547 | 2,545 | (Note 1) 8,880 | 0 |
| Revised Forecasts (B) | 9,799 | 4,380 | 2,983 | 2,982 | (Note 2) 9,360 | 0 |
| Net Change (B - A) | 434 | 435 | 436 | 436 | 480 | - |
| Change (%) | 4.6% | 11.0% | 17.2% | 17.2% | 5.4% | - |

[Reference]

Forecasted number of investment units issued and outstanding as of April 30, 2013: 286,550 units

Notes:

1. Forecasts are based on the assumption that distributions will be roughly 100% of net income.
2. Assumes that the distributions will be the amount remaining after deducting the reserve for reduction entry of ¥298 million (planned) from net income.

2. Reasons for Revision

On April 8, 2013, the Investment Corporation decided to sell KDX Yotsuya Building as of April 24, 2013. The capital gains from the sale are estimated to be ¥380 million (planned). The Investment Corporation assumes to post a reserve for reduction entry in the amount of ¥298 million (planned) for the fiscal period ending April 2013 based on the application of the “Exceptional Handling of Taxation in the Event of In-Advance Acquisition of Land, etc. in 2009 and 2010” (Article 66-2 of the Special Taxation Measures Act).

After reflecting the estimated capital gains from the sale above, status of rental revenues, reviews on various expenses and other factors, a difference of 5% or more is expected between the forecasted cash distributions for the sixteenth fiscal period ending April 2013 and the forecasted cash distributions announced on December 12, 2012. Accordingly, the Investment Corporation has made revision as in the table above and revision to the operating forecasts as well.

Disclaimer: This document is a public announcement regarding the forecasts for the sixteenth fiscal period ended April 30, 2013 (November 1, 2012 to April 30, 2013) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.

[Explanatory Notes]

Figures above are forecasts for the fiscal period ending April 2013 as of the date of this release. Readers are advised that actual distributions per unit may differ significantly depending on changes in circumstances and audit results performed by auditors, etc. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distributions per unit.

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[Attachment 1]

“Preconditions and Assumptions for the Fiscal Period Ending April 30, 2013”

| | Preconditions and Assumptions |
|---|---|
| Calculation Period | <ul style="list-style-type: none"> The sixteenth fiscal period: November 1, 2012 to April 30, 2013 (181 days) |
| Property Portfolio | <ul style="list-style-type: none"> The number of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of April 8, 2013 is 84 properties. However, the sale of KDX Yotsuya Building is expected on April 24, 2013 so the forecasts are based on 83 properties and that the number of properties will remain unchanged up to and including the end of the sixteenth fiscal period. The Investment Corporation owns TMK preferred equity securities other than the abovementioned properties. The property portfolio may change due to a variety of factors in the future. |
| Operating Revenues | <ul style="list-style-type: none"> Rental revenues are estimated based on valid leasing agreements as of April 8, 2013 and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as leasing conditions, such as the recent deterioration of real estate market conditions, in addition to the difference in number of operating days due to movements in existing investment assets. As announced in the press release “Notice Concerning Change of Major End-Tenant” dated May 31, 2012, SMBC Nikko Securities Inc. which was a tenant at KDX Nihonbashi Kabutocho Building, terminated its lease agreement as of November 30, 2012, and rent is not generated after December 1, 2012. Consequently, a decrease in operating revenues is expected. The Investment Corporation has completed settlement of the sale of Kanazawa Nikko Building on November 1, 2012, and capital gains from the sale are estimated to be ¥80 million. The Investment Corporation will complete settlement of the sale of KDX Yotsuya Building on April 24, 2013, and capital gains from the sale are estimated to be ¥380 million. Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants. |
| Operating Expenses | <ul style="list-style-type: none"> Property-related expenses other than depreciation are based on the difference in number of operating days due to movements in existing investment assets and historic expenses, adjusted to reflect expense variables including seasonal factors. An amount of ¥949 million has been assumed for property management fees and facility management fees (property management and building maintenance fees, etc.). An amount of ¥809 million has been assumed for taxes and public dues (property tax and city-planning tax, etc.). An amount of ¥1,676 million has been assumed for depreciation expense. An amount of ¥290 million has been assumed for repairs, maintenance and renovation expenses. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the asset management company for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property. |
| Non-Operating Expenses | <ul style="list-style-type: none"> The Investment Corporation is amortizing unit issuance costs over a period of three years using the straight-line method. Interest payable (including financing related expenses etc.) of ¥1,361 million is assumed for the sixteenth fiscal period. |
| Extraordinary Profit/Loss | <ul style="list-style-type: none"> Extraordinary profit/loss is not assumed. |
| Debt Financing and Investment Corporation Bonds | <ul style="list-style-type: none"> The balance of the borrowings and the investment corporation bonds as of April 8, 2013 are ¥136,393.5 million and ¥6,000 million, respectively. Of the borrowings as of April 8, 2013, a total of ¥1,000 million in borrowings are due during the sixteenth fiscal period. However, all borrowings are presupposed to be refinanced excluding ¥24 million of the partial payment. |

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| | |
|--|--|
| Investment Units Issued and Outstanding | <ul style="list-style-type: none"> The number of investment units issued and outstanding as of April 8, 2013 is 286,550 units. Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the sixteenth fiscal period. |
| Distributions per Unit | <ul style="list-style-type: none"> Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or the incidence of major unforeseen renovation expense. |
| Distributions in Excess of Earnings per Unit | <ul style="list-style-type: none"> The Investment Corporation does not currently anticipate distributions in excess of earnings per unit. |
| Other | <ul style="list-style-type: none"> Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact the forecasted figures. Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets. |

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[Attachment 2]

“Forecasts Comparison of the Sixteenth Fiscal Period (Apr-2013)”

(Millions of Yen)

| Account | | A 16th period Apr-2013 Forecasts announced Dec-12-2012 | B 16th period Apr-2013 Forecasts announced Apr-8-2013 | 16th period (Apr-2013) forecasts comparison (B-A) | | |
|--------------------------------------|-------------------------------|--|---|---|---------------|--|
| | | | | Change | Major factors | |
| Ordinary income / losses | Operating income / losses | Operating revenues | 9,365 | 9,799 | 434 | • Revenues from existing properties +27 • Revenues from portfolio reshuffle +17 (Nomura Fudosan Omiya Kyodo Bldg. +20, KDX Yotsuya Bldg. -3) |
| | | Of which gain on sales of real estate properties | 80 | 460 | 380 | • Dividends from Senri Property TMK +4 • Gain on sale of KDX Yotsuya Bldg. |
| | | Operating expenses | 5,420 | 5,419 | -1 | |
| | | Expenses related to rent business (excluding Depreciation) | 3,015 | 2,993 | -21 | • Expenses from existing properties -25 • Expenses from portfolio reshuffle +4.2 (Nomura Fudosan Omiya Kyodo Bldg. +5, KDX Yotsuya Bldg. -0.8) |
| | | Depreciation | 1,673 | 1,676 | 2 | |
| | Others | 731 | 749 | 17 | | |
| | Operating income | 3,944 | 4,380 | 435 | | |
| | Non-operating income / losses | Non-operating income | 5 | 5 | - | |
| | | Non-operating expenses | 1,402 | 1,401 | -1 | |
| | | Interest expenses, etc. | 1,363 | 1,361 | -1 | • Decrease of interest rate and financing costs -5, • Increase in borrowings +3 |
| Others | | 39 | 39 | - | | |
| Ordinary income | 2,547 | 2,983 | 436 | | | |
| Net income | 2,545 | 2,982 | 436 | | | |
| Leasing NOI (Net Operating Income) * | | 6,175 | 6,246 | | | |
| Number of units issued | | 286,550units | 286,550units | | | |
| Distributions per unit | | 8,880yen | 9,360yen | | | |

| Provision for reserve for reduction entry | Forecasts announced Dec-12-2012 | Forecasts announced Apr-8-2013 |
|--|------------------------------------|-----------------------------------|
| Amount carried over from the previous period | 497 | 497 |
| Transfer | - | 298 |
| Balance | 497 | 795 |
| Provision for reserve for reduction entry per unit | 1,734yen | 2,775yen |

* Leasing NOI = Operating revenues - Gain on sales of real estate properties - Expense related to rent business - Dividends from Senri Property TMK

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