

Translation of Japanese Original  
To All Concerned Parties

May 21, 2013

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 Related-Party Transaction (KDX Nihonbashi Kabutocho Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision to conclude a new lease agreement for KDX Nihonbashi Kabutocho Building with a related party. Details are provided as follows.

**1. Outline of the Related-Party Transaction**

Conclusion of new lease agreement for KDX Nihonbashi Kabutocho Building with Kenedix, Inc. (constitutes an interested party)

|                         |  |
|-------------------------|--|
| Name of Related Party   | Kenedix, Inc.  |
| Name of Leased Property | KDX Nihonbashi Kabutocho Building  |
| Leased Area             | 4F portions: 425.87 m <sup>2</sup> , 3F: 996.73 m <sup>2</sup> , 2F: 973.65 m <sup>2</sup><br>B1 storage: 336.39 m <sup>2</sup> total: 2,732.64 m <sup>2</sup> |
| Leasing Contract Term   | September 1, 2013 to February 29, 2016   |

**2. Profile of the Related-Party**

|  |   |
|--|---|
| Company Name   | Kenedix, Inc.   |
| Head Office Address  | 2-2-9 Shimbashi, Minato-ku, Tokyo   |
| Representative   | CEO & President: Taisuke Miyajima   |
| Capital  | Approximately 31,300 million yen  |
| Business Activities  | 1. Consulting business related to real estate transactions and usage as well as asset management<br>2. Transaction, leasing, brokerage and appraisal for real estate<br>3. Management of real estate  |
| Principal Shareholders   | Japan Trustee Services Bank, Ltd., The Master Trust Bank of Japan, Ltd., THE CHASE MANHATTAN BANK, N.A.LONDON SECS LENDING OMNIBUS ACCOUNT, etc. (as of December 31, 2012)  |
| 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 Office Partners, 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 April 30, 2013

### **3. Interested-Party Transactions**

The Asset Management Company, as 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 will provide a report to the Investment Corporation relating to the interested-party transactions.

### **4. Others**

The Investment Corporation today received a notice of cancellation from Kenedix, Inc., Kenedix Asset Management, Inc., Kenedix Property, Inc. and Kenedix Advisors, Inc. for the 2F, 4F and 5F (total 1,110.40 m<sup>2</sup>) of KDX Shinbashi Building, with a scheduled termination date of November 30, 2013.

### **5. Outlook**

There are no revisions to the forecasts for the fiscal period ending October 31, 2013 (May 1, 2013 to October 31, 2013), as a result of this related-party transaction

This notice is the English translation of the Japanese announcement on our Web site released on May 21, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

# 【Attached Material】 Leasing status of KDX Nihonbashi Kabutocho Building

- Achieved contract rate of 69.3% as of disclosure date
- Received additional lease applications of multiple floors and currently negotiating towards early lease-up

## Leasing status (as of May 21, 2013)

|     |   |  |   |                                   |   |
|-----|---|--|---|-----------------------------------|---|
| 8F  | Tenant A  |  |   |                                   |   |
|     | 780.21m <sup>2</sup>  |  |   |                                   |   |
|     | Occupied  |  |   |                                   |   |
| 7F  | Candidate tenant  |  |   |                                   |   |
|     | 926.11m <sup>2</sup>  |  |   |                                   |   |
|     | Application received<br>(Currently negotiating specific terms and conditions of lease contract)                       |  |   |                                   |   |
| 6F  | Candidate tenant  |  |   |                                   |   |
|     | 929.20m <sup>2</sup>  |  |   |                                   |   |
|     | Application received<br>(Currently negotiating specific terms and conditions of lease contract)                       |  |   |                                   |   |
| 5F  | Tenant B  |  |   |                                   |   |
|     | 914.50m <sup>2</sup><br>Contract concluded on 2013/5/10 with contract start date being 2013/10/1                      |  |   |                                   |   |
| 4F  | Tenant B  |  | Kenedix   |                                   |   |
|     | 526.51m <sup>2</sup><br>Contract concluded on 2013/5/10<br>with contract start date being 2013/10/1                   | 425.87m <sup>2</sup><br>Contract concluded on 2013/5/21<br>with contract start date being 2013/9/1 |   |                                   |   |
| 3F  | Kenedix   |  |   |                                   |   |
|     | 996.73m <sup>2</sup><br>Contract concluded on 2013/5/21 with contract start date being 2013/9/1                       |  |   |                                   |   |
| 2F  | Kenedix   |  |   |                                   |   |
|     | 973.65m <sup>2</sup><br>Contract concluded on 2013/5/21 with contract start date being 2013/9/1                       |  |   |                                   |   |
| 1F  | Tenant C  | Tenant D   | Candidate tenant  |                                   |   |
|     | 62.51m <sup>2</sup>   | 247.66m <sup>2</sup>   | 188.55m <sup>2</sup>  |                                   |   |
|     | Occupied  | Occupied   | Application received<br>(Currently negotiating specific terms and conditions of lease contract) |                                   |   |
| B1F | Candidate tenant  | -  | -   | -                                 | Kenedix   |
|     | 7.43m <sup>2</sup><br>Application received<br>(Currently negotiating specific terms and conditions of lease contract) | 13.58m <sup>2</sup><br>For lease   | 103.06m <sup>2</sup><br>For lease   | 162.01m <sup>2</sup><br>For lease | 336.39m <sup>2</sup><br>Contract concluded on 2013/5/21 with contract start date being 2013/9/1 |

|  |   |
|--|---|
|  | Occupied                                      |
|  | Contract concluded (contract to be initiated) |
|  | Application received (not contracted)         |
|  | For lease                                     |

## Actual results and forecasts for leasing data (Note 1)

|                              | As of the end of 16th period (2013/4) | 2013/5/21 (as of disclosure date) | As of the end of 17th period (2013/10) |
|------------------------------|---------------------------------------|-----------------------------------|--|
|                              | Actual                                | Actual                            | Forecast                               |
| Occupancy ratio (%) (Note 2) | 13.4                                  | 14.2                              | 69.3                                   |
| Contract rate (%) (Note 3)   | 14.2                                  | 69.3                              | 69.3                                   |
| Number of tenants            | 2                                     | 3                                 | 5                                      |

Note 1: Figures are based on the lease contracts concluded as of disclosure date of this material with an assumption that no tenant would move out until the end of 17th period. All data are subject to change depending on actual performance.

Note 2: Occupancy ratio for the contract that has started is calculated by dividing leased floor area by leasable floor area and is rounded to the first decimal place.

Note 3: Contract rate is calculated by dividing contracted area by total leasable area based on lease contracts which are already concluded for each period and are rounded to the first decimal place. The occupancy ratio may differ because the figures could include contracted area of which lease contract has not initiated.