

Translation of Japanese Original

October 1, 2013

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation
Naokatsu Uchida, Executive Director
(Securities Code: 8972)

Asset Management Company:

Kenedix Real Estate Fund Management, Inc.
Ryosuke Homma, CEO and President

Inquiries:

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KRI Fund Division
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**Notice Concerning Various Changes in Relation to
the Merger of the Asset Management Company**

Kenedix Realty Investment Corporation (the “Investment Corporation”) announced that, in relation to the merger and other items announced in the press releases, “Notice Concerning Conclusion of Memorandum of Reorganization by Kenedix Office Partners, Inc., the Asset Management Company” dated May 28, 2013 and “Notice Concerning Conclusion of a Memorandum of Agreement for Reorganization, Merger Agreements and related agreements by Kenedix Advisors, Kenedix Residential Partners and Kenedix Office Partners, the Asset Management Company” dated July 10, 2013 (the “merger, etc.”), its Asset Management Company, Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), has met all preconditions for the merger agreements, completing the merger and other arrangements as of October 1, 2013, and finalizing the changes described below.

Furthermore, in relation to the merger, etc., Kenedix Residential Partners, Inc. (which changed its corporate name to Kenedix Real Estate fund Management, Inc. as of October 1, 2013, to which it shall hereafter be referred) succeeded to the business of Kenedix Advisors, Inc. and Kenedix Office Partners, Inc.

1. Change of the Asset Management Company

As of today, the Asset Management Company for the Investment Corporation changed as below.

Previously: Kenedix Office Partners, Inc.

Afterward: Kenedix Real Estate Fund Management, Inc.

2. Change of Directors, etc., in the Asset Management Company

The current Directors and Auditors for Kenedix Residential Partners, the surviving entity in the merger, etc., resigned as of September 30, 2013 and four directors and three auditors have newly taken office, as of today.

(1) New Appointment of Directors

Director: Ryosuke Homma

Director: Akira Tanaka

Director: Naokatsu Uchida
Director: Masahiko Tajima

(2) Retirement of Directors

Director: Akira Tanaka
Director: Naoto Kojima
Director: Akihiro Nakao

(3) New Appointment of Statutory Auditors

Statutory Auditor (part-time): Shintaro Kanno
Statutory Auditor (part-time): Ninji Hayashi
Statutory Auditor (part-time): Haruo Funabashi

(4) Retirement of Statutory Auditor

Statutory Auditor (part-time): Moyuru Watanabe

(5) Brief Personal History of the Newly Appointed Directors and Statutory Auditors

Brief personal history of the newly appointed directors and statutory auditors is described in the exhibit.

(6) Assignment of President etc.,

The Board of Directors of the Asset Management Company has resolved to approve the appointment of Ryosuke Homma as CEO and President, Naokatsu Uchida as Director and COO, KRI General Manager of Fund Division and Akira Tanaka as Director and COO, KDR General Manager of Fund Division respectively dated October 1, 2013.

3. Adoption of Allocation Rules

Following effectiveness of the reorganization, the Asset Management Company is to preform asset management services for the Investment Corporation and Kenedix Residential Investment Corporation ("KDR"), as well as for other real estate funds etc. Moreover, it may in the future perform asset management for entities other than these real estate funds etc.. Therefore, the Investment Corporation and KDR may faces conflicts of interest among managed funds when acquisition opportunities arise. To address potential conflicts of interests among such funds, as announced under "3. Conflict of Interest Approach (Preferential right to study property information)" in the press release "Notice Concerning Conclusion of Memorandum of Reorganization by Kenedix Office Partners, Inc., the Asset Management Company" dated May 28, 2013, the Asset Management Company established today new rules with respect to the allocation of opportunities to consider acquisitions based on the "use" of a property, which is defined by the Building Standards Law, the "gross floor area" as listed in the building registration, and other information.

4. Signing of New Sponsor Support Memorandum with Kenedix, Inc.

As announced under "10. Status of contracts, etc. with the sponsor concerning the supply of properties and provision of information" in the "Notice of Signing of Memorandum Concerning the Reorganization, etc. of Kenedix Office Partners, Inc., an Asset Management Company" dated May 28, 2013, a new "Memorandum Concerning the Provision of Real Estate Information, etc." was concluded between the sponsor, Kenedix, Inc., the Investment Corporation and the Asset Management Company (hereinafter "New Sponsor Support Memorandum") on October 1, 2013. The New Sponsor Support Memorandum is valid for one year from October 1, 2013, the date of its signing. The New Sponsor Support Memorandum shall automatically renew under the same terms and conditions unless one of the parties has given written notice of its intention not to renew the term to the other parties to the Memorandum at least 30 days prior to its expiry date (and the same procedure shall apply in subsequent years).

Furthermore, the "Memorandum Concerning the Provision of Real Estate Information, etc." signed by

Kenedix, Inc., the Investment Corporation, and Kenedix Office Partners, Inc. on August 26, 2010 terminated upon the signing of the New Sponsor Support Memorandum.

Summarizing the New Sponsor Support Memorandum, the following are amendments (Additional) to the content published under "10. Status of contracts, etc. with the sponsor concerning the supply of properties and provision of information" of the "Notice of Signing of Memorandum Concerning the Reorganization, etc. of Kenedix Office Partners, Inc., an Asset Management Company" dated May 28, 2013, applicable in the case the Investment Corporation decides to defer an acquisition based on property information given pursuant to the New Sponsor Support Memorandum, which may be used by real estate funds other than the Investment Corporation.

<Amendments (Additional)>

With regard to real estate and other sales information provided by the sponsor company based on the New Sponsor Support Memorandum, and warehoused real estate, etc., in the event that the Asset Management Company, faithfully and with the care of a good administrator, decides to defer acquisition by the Investment Corporation after due consideration of the acquisition (the real estate, etc. for which such acquisition is deferred is hereinafter referred to as "real estate, etc. subject to acquisition deferral"), it is agreed beforehand that the real estate, etc. subject to acquisition deferral may be considered by other funds (including, but not limited to, investment corporations) for which the Asset Management Company provides asset management operations, and said other funds may acquire the real estate, etc. subject to acquisition deferral on this basis (however, if another fund acquires the real estate, etc. subject to acquisition deferral, and the real estate, etc. subject to acquisition deferral is real estate, etc. for which the Investment Corporation has provided a purchase certificate, the Asset Management Company shall report this without delay to the Investment Corporation).

Profile for the Appointed Directors

Title	Name	Main Profile (Former Names for Company, etc.,)	
President and Representative Director	Ryosuke Homma	April 1968 April 1973 February 1979 June 1986 June 1992 September 1994 October 1996 November 2003 March 2007 March 2010 March 2013 October 2013	Mitsubishi Corporation Mitsubishi Company (Thailand) Ltd. Baghdad Office, Mitsubishi Corporation Overseas Construction Department Los Angeles Office, Mitsubishi International Corporation President & CEO, MC Realty, Inc. CEO and President, Kennedy-Wilson Japan Co., Ltd. CEO and President, KW Pension Fund Advisors Co., Ltd. Chairman and Representative Director, Kenedix, Inc. Chairman and Director, Kenedix, Inc. Adviser, Kenedix, Inc. President and Representative Director, Kenedix Real Estate Fund Management, Inc. (Current Position)
Director and COO, KRI General Manager of Fund Division	Naokatsu Uchida	April 1990 April 1995 April 1998 April 2005 October 2007 November 2007 June 2009	Kyoto Branch, The Mitsubishi Trust Banking Corporation. Business Development Division Real Estate Division Real Estate Project Origination Division MAC Advisers Inc. CEO, MAC Investment Management Inc. CEO, Joint Asset Management Co., Ltd.

		January 2010 January 2011 February 2012 March 2012 October 2013	Financial Planning Division, Kenedix REIT Management, Inc. General Manager of Financial Planning Division CEO and President Executive Director, Kenedix Realty Investment Corporation (Current Position) Director and COO, KRI General Manager of Fund Division, Kenedix Real Estate Fund Management, Inc. (Current Position)
Director and COO, KDR General Manager of Fund Division	Akira Tanaka	April 1987 September 2000 January 2004 September 2006 April 2008 December 2009 February 2010 March 2010 August 2011 November 2011 October 2013	Yasuda Trust & Banking Co., Ltd. Kennedy-Wilson Japan Co., Ltd. Director and COO, KW Pension Fund Advisors Co., Ltd. Executive Officer and General Manager of Strategic Investment Department, Kenedix, Inc. Senior Executive Officer and General Manager of Strategic Investment Department, Director, Kenedix Asset Management, Inc. President and Representative Director, Kenedix Advisors, Inc. Director, Kenedix, Inc. Representative Director, Kenedix Residential Partners, Inc. Executive Director, Kenedix Residential Investment Corporation (Current Position) Director and COO, KDR General Manager of Fund Division, Kenedix Real Estate Fund Management, Inc. (Current Position)
Director (part-time)	Masahiko Tajima	April 1988 July 1994 October 1996 June 1998 July 2000 May 2005 June 2007 February 2012 October 2013	The Mitsui Trust and Banking Co., Ltd. Business Affairs Department Credit Planning Department Securities Department Structured Finance Department, Sumitomo Life Insurance Company Kenedix, Inc. General Manager of Financial Planning Division, Kenedix REIT Management, Inc. Director and General Manager of Financial Planning Division Executive Officer and General Manager of Corporate Planning Department, Kenedix, Inc. (Current Position) Director (part-time), Kenedix Real Estate Fund Management, Inc. (Current Position)

Profile for the Appointed Statutory Auditors

Title	Name	Main Profile (Former Names for Company, etc.,)	
Statutory Auditor (part-time)	Shintaro Kanno	October 1994 March 2001 June 2001 March 2003 April 2004 October 2013	Tohmatsu & Co. Akasaka Houwa Accounting Firm Statutory Auditor, Kennedy-Wilson Japan Co., Ltd. (Current Position) Shintaro Kanno Accounting Firm (Current Position) Statutory Auditor, KW Pension Fund Advisors Co., Ltd. Statutory Auditor, Kenedix Real Estate Fund Management, Inc. (Current Position)
Statutory Auditor (part-time)	Ninji Hayashi	April 1977 July 1987 August 2001 April 2006 October 2007 February 2010 March 2010 March 2010 April 2010 October 2013	Nippon Sogo Architects / Engineers Mitsubishi Trust and Banking Corporation General Manager of Real Estate Trust and Custodian Service Division Kenedix, Inc. President and Representative Director, Kenedix Advisors, Inc. General Manager of General Administration and Human Resources Department, Kenedix, Inc. Statutory Auditor, (Current Position) Statutory Auditor, Kenedix Advisors, Inc. Statutory Auditor, Kenedix REIT Management, Inc. Statutory Auditor, Kenedix Real Estate Fund Management, Inc. (Current Position)
Statutory Auditor (part-time)	Haruo Funabashi	July 1969 June 1988 May 1989 March 1995 July 1997 June 1998 June 2000 July 2001 February 2003 May 2004 October 2004 October 2004 March 2005 June 2009 October 2013	Ministry of Finance Deputy Financial Commissioner, Ministry of Finance Counselor, Japanese Embassy in France Commissioner, Tokyo Customs Deputy Commissioner, National Tax Administration Secretary General, Securities and Exchange Surveillance Commission Deputy Vice-Minister, National Land Agency Vice-Minister for, Ministry of Land, Infrastructure, Transport and Tourism. Chief Executive Officer, Sirius Institute Inc. (Current Position) Visiting Professor, Graduate School of International Corporate Strategy, Hitotsubashi University Statutory Auditor, KW REIT Management, Inc. Statutory Auditor, KW Pension Fund Advisors Co., Ltd. Statutory Auditor, Kennedy-Wilson Japan Co., Ltd. (Current Position) Director, The Dai-ichi Mutual Life Insurance Company (Current Position) Statutory Auditor , Kenedix Real Estate Fund Management, Inc. (Current Position)

This notice is an English translation of the Japanese announcement on our Web site released on October 1, 2013.
No assurance or warranties are given with respect to the accuracy or completeness of this English translation.