

Translation of Japanese Original
To All Concerned Parties

September 26, 2013

REIT Issuer:

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

Asset Management Company:

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

Inquiries:

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Notice Concerning Related-Party Transaction (KDX Nihonbashi Kabutocho Building)

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced regarding the lease agreement executed on May 21, 2013 for KDX Nihonbashi Kabutocho Building with a related party. Details are provided as follows.

1. Outline of the Related-Party Transaction

The Investment Corporation gives its consent to Kenedix, Inc (constitutes an interested party) to sublease portion of its leasehold area (973.65 m² out of 2,732.64 m²) to Kenedix Real Estate Fund Management, Inc. (constitutes an interested party) (Note), wholly owned subsidiary company of Kenedix, Inc.,

Name of Tenant	Kenedix, Inc.
Name of Leased Property	KDX Nihonbashi Kabutocho Building
Leased Area	4F portions: 425.87 m ² , 3F: 996.73 m ² , 2F: 973.65 m ² B1 storage: 336.39 m ² total: 2,732.64 m ²
Leasing Contract Term	September 1, 2013 to February 29, 2016
Sublessee	Kenedix Real Estate Fund Management, Inc.
Sublease Area	2F: 973.65 m ²
Sublease Contract Term	October 1, 2013 to February 29, 2016

Note: Kenedix Office Partners, Inc., (“the Asset Management Company”), the asset management company for the Investment Corporation schedule to merge, etc. with Kenedix Residential Partners, Inc and Kenedix Advisors, Inc. and to change its company name to Kenedix Real Estate Fund Management, Inc., on October 1, 2013 (Planned), given the approval, etc. of authorities concerned.

For details of the organizational restructuring, please refer to the press release “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.

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 39,900 million yen
Business Activities	Consulting business related to real estate transactions and usage as well as asset management, transaction, leasing, brokerage and appraisal for real estate,

	management of real estate, type II financial instruments business operations, investment advisory and agency operations
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 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 September 26, 2013

Company Name	Kenedix Real Estate Fund Management, Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	President & Representative Director: Ryosuke Homma
Capital	100 million yen
Business Activities	1. Investment management business 2. Administration of the operation of the Investment Corporation 3. Investment advisory and agency operations, etc.
Principal Shareholders	Kenedix, Inc.
Relationship with the Investment Corporation	Kenedix Real Estate Fund Management, Inc. is scheduled to be the asset management company of the Investment Corporation from October 1, 2013 (Planned), and is a related party as defined under the Investment Corporation Law and an interested party as set forth in the interested party transaction rules of Kenedix Real Estate Fund Management, Inc.

*As of October 1, 2013 (Planned)

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, Kenedix Real Estate Fund Management, Inc. will provide a report to the Investment Corporation relating to the interested-party transactions.

4. 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 September 26, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.