

Translation Purpose Only

April 7, 2009

To All Concerned Parties

REIT Issuer:  
 Kenedix Realty Investment Corporation  
 2-2-9 Shimbashi, Minato-ku, Tokyo  
 Taisuke Miyajima, Executive Director  
 (Securities Code: 8972)

Asset Management Company:  
 Kenedix REIT Management, Inc.  
 Taisuke Miyajima, CEO and President

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**Notice Concerning the Sales of Properties (Conclusion of Agreement)**  
**(KDX Koishikawa Building, KDX Hakata Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on April 7, 2009 to conclude an agreement to sell KDX Koishikawa Building and KDX Hakata Building. Details are provided as follows.

**1. Outline**

- |      |  |   |   |
|------|--|---|---|
| (1)  | Type of Assets for Sale                          | : | Trust beneficiary interests in real estate  |
| (2)  | Property Names                                   | : | ① KDX Koishikawa Building<br>② KDX Hakata Building  |
| (3)  | Sales Prices                                     | : | ① ¥670,000,000<br>② ¥2,000,000,000<br>(Excluding sales costs, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax, etc. for both ①&②.) |
| (4)  | Book Values                                      | : | ① ¥676,120,991<br>② ¥2,441,111,023<br>(Book values as of October 31, 2008 for both ①&②)   |
| (5)  | Differences between Sales Prices and Book Values | : | ① ▲¥6,120,991<br>② ▲¥441,111,023  |
| (6)  | Purchase and Sale Agreement Execution Date       | : | ① April 7, 2009<br>② April 7, 2009  |
| (7)  | Settlement Date                                  | : | ① April 30, 2009 (planned)<br>② April 22, 2009 (planned)  |
| (8)  | Buyer  | : | ① Please refer to 5. “Buyer’s Profile” ① for details<br>② Please refer to 5. “Buyer’s Profile” ② for details  |
| (9)  | Settlement Method                                | : | The aforementioned trust beneficiary interests in ①&② will be transferred to the buyer, respectively.   |
| (10) | Method of Buyer Selection                        | : | Buyers were selected after interested buyers for each property were introduced by domestic brokerage firms, and prices and conditions of sales, etc. were confirmed.              |

Each aforementioned building shall hereafter be referred to as “the Property” or “the two Properties” collectively.

## 2. Reasons for Sale

By taking into consideration the recent severe financial environment and conditions of the real estate investment trust market and with the main goals of maintaining and strengthening our financial base, which would contribute to the future stability of asset management and building up cash on hand of the Investment Corporation, we decided to sell the following: (1) KDX Koishikawa Building, which is the smallest-sized office building in the portfolio, and (2) KDX Hakata Building, which is an office building located in Other Regional Areas.

Although the planned sales prices of the two Properties fall below both the book value as of the end of the 7th fiscal period (October 31, 2008), and the appraisal value as of April 2009, it was decided that as market prices, these are of an appropriate level in light of the recent severely cooling conditions surrounding the real estate purchase and sales market. Furthermore, our perception is that the sales of the two Properties will have comparatively little effect on portfolio development, due to the following reasons: (1) KDX Koishikawa Building is a small-sized office building that is less than the minimum investment size set out in our portfolio development policy\* and (2) KDX Hakata Building is one of the office buildings the Investment Corporation owns in the Hakata area.

(\*)Portfolio Development Policy: the minimum investment size of an office building (acquisition price) = more than 1.0 billion yen per investment. Moreover, the policy states that “When acquiring several investment properties at once, which includes an investment property (or properties) whose price range falls below the minimum investment size, then said investment properties may be acquired.” The Investment Corporation acquired KDX Koishikawa Building on August 1, 2005 in line with this standard.

Moreover, based on the management policy for the eighth fiscal period (November 1, 2008 to April 30, 2009) and on the Investment Corporation’s belief that it is important to continue to conduct conservative financial management more than ever before by building up cash on hand through fund procurement, which includes the sales of properties, and promoting the soundness of its financial position through conservative control of interest-bearing debt ratio.

## 3. Use of Funds

The Investment Corporation plans to allocate the payment from the sales of the two Properties for funds to the planned acquisition of Sakae 4-chome Office Building (Tentative Name) on July 1, 2009, as was announced in the press release, “Notice Concerning Acquisition of Land and Conclusion of Agreement for Acquisition of Building: Sakae 4-chome Office Building (Tentative Name)” dated April 23, 2008, among other uses.

## 4. Details of Properties for Planned Sale

### ① KDX Koishikawa Building

Property Name	KDX Koishikawa Building
Type of Specified Asset	Trust beneficiary interest in real estate
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Trust Term	August 26, 2004 to August 1, 2015
Location (Address)	1-21-14 Koishikawa, Bunkyo-ku, Tokyo
Usage	Retail Shops, Offices

Type of Structure	Flat-roofed, steel-frame reinforced concrete structure; one underground and nine above-ground floors	
Site Area	Land	404.89 m <sup>2</sup>
	Building	1,866.58 m <sup>2</sup>
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date	October 5, 1992	
Acquisition Date	August 1, 2005	
Acquisition Price	¥704,000,000	
Appraisal Value	¥711,000,000 (as of April 1, 2009) Appraiser: Japan Real Estate Institute	
Number of End Tenants	4 (As of February 28, 2009. The same applies below.)	
Total Leasable Floor Area	1,594.18 m <sup>2</sup>	
Total Leased Floor Area	1,594.18 m <sup>2</sup>	
Occupancy Ratio (Total Leased Floor Area Basis)	100.0%	

② KDX Hakata Building

Property Name	KDX Hakata Building	
Type of Specified Asset	Trust beneficiary interest in real estate	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust Term	September 10, 2004 to August 1, 2015	
Location (Address)	1-2-3 Hakata-eki Minami, Hakata-ku, Fukuoka, Fukuoka	
Usage	Offices, Mechanical room, Multilevel Parking	
Type of Structure	Flat-roofed, steel-frame reinforced concrete structure; nine above-ground floors	
Site Area	Land	1,130.86 m <sup>2</sup>
	Building	6,537.33 m <sup>2</sup>
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date	July 16, 1982	
Acquisition Date	June 1, 2007	
Acquisition Price	¥2,350,000,000	
Appraisal Value	¥2,060,000,000 (as of April 1, 2009) Appraiser: Japan Real Estate Institute	
Number of End Tenants	33 (As of February 28, 2009. The same applies below.)	
Total Leasable Floor Area	4,934.53 m <sup>2</sup>	
Total Leased Floor Area	4,934.53 m <sup>2</sup>	
Occupancy Ratio (Total Leased Floor Area Basis)	100.0%	

**5. Buyer's Profile**

① KDX Koishikawa Building

The buyer of the Property is a domestic business company, and the details concerning the buyer will not be disclosed due to the duty of confidentiality as stipulated in the trust beneficiary interest purchase and sale agreement. The buyer of the Property is not special related party of Kenedix REIT Management, Inc. ("the Asset Management Company").

② KDX Hakata Building

Company Name	Fukuoka Standard Sekiyu Kabushikigaisha
Head Office Address	26-36 Hiyoshimachi, Kurume-shi, Fukuoka
Representative	Masahiro Shigeno, Representative Director
Capital	¥21 million
Main Shareholders	Individuals
Business Activities	Oil products, retail and wholesale sales, real estate leasing business
Relationship with the Investment Corporation	None
Special Considerations	None

\*As of March 31, 2009

**6. Sale Schedule**

① KDX Koishikawa Building

April 7, 2009	Decision to sell the Properties Execution of trust beneficiary interest purchase and sale agreements
April 30, 2009 (planned)	Settlement Sale of trust beneficiary interests

② KDX Hakata Building

April 7, 2009	Decision to sell the Properties Execution of trust beneficiary interest purchase and sale agreements
April 22, 2009 (planned)	Settlement Sale of trust beneficiary interests

**7. Asset Management Fees**

The Investment Corporation shall pay a sales commission to the Asset Management Company in connection with the sale of subject trust beneficiary interests in real estate in accordance with the Asset Management Agreement.

Sales fee: An amount equivalent to 0.5% of the sales prices identified in 1 (3) above.

Date of payment: Within one month after the settlement date.

**8. Details of Brokerage**

The details of the brokerage firms and the brokerage fees are as follows.

① KDX Koishikawa Building

Name of brokerage firm	PLAZA SERVICE Co., Ltd.
Brokerage fee	Disclosure of the fee was not approved by the brokerage firm.
Relationship with the Investment Corporation or the Asset Management Company	None

② KDX Hakata Building

Name of brokerage firm	Disclosure of the name was not approved by the brokerage firm.
Brokerage fee	¥24,000,000 (excluding consumption tax and city-planning tax)
Relationship with the Investment Corporation or the Asset Management Company	None

## **9. Interested-Party Transactions**

The subject sale of trust beneficiary interests in real estate does not constitute an interested-party transaction.

The Investment Corporation shall pay a fee to Kenedix REIT Management, Inc. pursuant to the Property Management Agreements executed between the parties in connection with the sale of the subject trust beneficiary interests in real estate and the subsequent transfer in management control. (①KDX Koishikawa Building: ¥1.8 million, KDX Hakata Building: ¥2.0 million). This fee relates to the transfer of management control and serves as a notice to the lessee regarding the transfer of leasing and management responsibilities and also relates to the handover of property management duties. Fees shall be paid promptly after settlement date.

## **10. Outlook**

For details, please refer to the press release “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending April 30, 2009,” dated April 7, 2009 for revised forecasts for the fiscal period ending April 30, 2009.

## **Attached Material**

Property Portfolio after Sales of the Two Properties

This notice is the English translation of the Japanese announcement on our Web site released on April 7, 2009. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material

Property Portfolio after the Sales of the Two Properties

\* Total number of properties, total acquisition price, ratio and total PML does not include the sales of the two Properties.

Type of Use	Area	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Harumi Building	10,250	4.5%	June 30, 2008
		Toranomon Toyo Building	9,850	4.4%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	3.4%	February 1, 2008
		KDX Ochanomizu Building	6,400	2.8%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.7%	March 1, 2007
		KDX Kojimachi Building	5,950	2.6%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.6%	August 1, 2005
		Toshin 24 Building	5,300	2.3%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.3%	August 1, 2005
		KDX Shin-Yokohama 381 Building	4,700	2.1%	February 1, 2008
		Ebisu East 438 Building	4,640	2.0%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	1.9%	August 1, 2005
		KDX Toranomon Building	4,400	1.9%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	1.8%	December 1, 2006
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.6%	February 1, 2008
		KDX Hatchobori Building	3,680	1.6%	August 1, 2005
		KDX Omori Building	3,500	1.5%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.5%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.4%	January 10, 2008
		KDX Higashi-Shinjuku Building	2,950	1.3%	September 1, 2006
		KDX Kayabacho Building	2,780	1.2%	May 1, 2006
		KDX Jimbocho Building	2,760	1.2%	March 31, 2008
		Nissou Dai-17 Building	2,710	1.2%	February 1, 2008
		KDX Shinbashi Building	2,690	1.2%	May 1, 2006
		KDX Nakano-Sakaue Building	2,533	1.1%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.1%	May 1, 2006
		Harajuku F.F. Building	2,450	1.0%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	1.0%	February 1, 2008
		KDX Kajicho Building	2,350	1.0%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	1.0%	February 1, 2008
		KDX Hamacho Building	2,300	1.0%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	1.0%	June 1, 2007
		FIK Minami Aoyama	2,270	1.0%	August 1, 2005
		KDX Funabashi Building	2,252	1.0%	March 1, 2006
KDX Hamamatsucho Dai-2 Building	2,200	0.9%	September 1, 2008		
Shin-toshin Maruzen Building	2,110	0.9%	February 29, 2008		
KDX Okachimachi Building	2,000	0.8%	March 1, 2007		
KDX Gobancho Building	1,951	0.8%	March 31, 2008		
Kanda Kihara Building	1,950	0.8%	August 1, 2005		
KDX Yotsuya Building	1,950	0.8%	May 1, 2006		

Office Buildings	Tokyo Metropolitan Area	KDX Iwamoto-cho Building	1,864	0.8%	May 1, 2008
		KDX Shinjuku-Gyoen Building	1,610	0.7%	August 1, 2005
		KDX Kiba Building	1,580	0.7%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.6%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.6%	January 19, 2007
		KDX Kanda Misaki-cho Building	1,380	0.6%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.5%	March 1, 2007
		KDX Hachioji Building	1,155	0.5%	March 1, 2007
		KDX Nogizaka Building	1,065	0.4%	July 14, 2006
		KDX Koishikawa Building	-	-	August 1, 2005
	Other Regional Areas	Sakae 4-chome Office Building (Tentative Name)(Note 2)	8,325 (Note 3)	3.7%	Land: April 25, 2008 Building: July 1, 2009 (planned)
		Portus Center Building	5,570	2.4%	September 21, 2005
		Karasuma Building	5,400	2.4%	June 1, 2007
		KDX Hakata-Minami Building	4,900	2.1%	February 1, 2008
		KDX Hakata Building	-	-	June 1, 2007
		KDX Kitahama Building	2,220	0.9%	February 1, 2008
		KDX Sendai Building	2,100	0.9%	June 1, 2007
		KDX Minami Semba Dai-1 Building	1,610	0.7%	May 1, 2006
	KDX Minami Semba Dai-2 Building	1,560	0.6%	May 1, 2006	
KDX Niigata Building	1,305	0.5%	March 1, 2007		
Total of 58 Office Buildings		198,236	88.7%	-	
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	4.4%	August 1, 2005
		KDX Yoyogi Building	2,479	1.1%	September 30, 2005
	Total of 2 Central Urban Retail Properties		12,379	5.5%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.3%	May 1, 2006
		Court Mejiro	1,250	0.5%	August 1, 2005
		Apartments Motoazabu	1,210	0.5%	August 1, 2005
		Apartments Wakamatsu-Kawada	1,180	0.5%	August 1, 2005
		Gradito Kawaguchi	1,038	0.4%	June 30, 2006
		Court Shin-Okachimachi	878	0.3%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.8%	December 8, 2005
Total of 7 Residential Properties		12,709	5.6%	-	
Total of 67 Properties		223,324	100.0%	Portfolio PML 5.39% (Note 4)	

Notes:

1. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
2. The property name has not yet been decided as of today, as the building is still under construction. The property name will be decided by the date the Investment Corporation acquires the building.
3. Acquisition Price of ¥8,325 million is the total of the Land acquired on April 25, 2008 (¥4,000 million) and the Building planned to be acquired on July 1, 2009 (¥4,325 million).
4. Sakae 4-chome Office Building (Tentative Name) is not included in the Portfolio PML.