

Translation Purpose Only

August 26, 2010

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

Inquiries:  
Masahiko Tajima  
Director / General Manager, Financial Planning Division  
TEL.: +81-3-3519-3491

**Notice Concerning Change in the Company Regulations (Management Guidelines, etc.)  
of the Asset Management Company**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced today that the Board of Directors of Kenedix REIT Management, Inc. (“the Asset Management Company”), the asset management company for the Investment Corporation, has resolved to change the management guidelines, etc. contained in its company regulations. Details are as follows.

**1. Overview of the Change**

- (1) A new provision concerning “Investment in equity in *tokumei-kumiai* (Japanese silent partnership) or securities backed by real estate” will be added.
- (2) “Investment ratio target by type of asset use” will partially be revised (Ratio of “Others” type of asset use was revised).

**2. The Major Changes in the Management Guideline**

- (1) Newly established provision concerning “Investment in equity in *tokumei-kumiai* or securities backed by real estate”  
The below provision will be added.

Article 15 (Investment in equity in *tokumei-kumiai* or securities backed by real estate)

In the event of investing in equity in *tokumei-kumiai* pertaining to real estate or securities backed by real estate, mainly the following shall serve as criteria.

- (1) After said investments, the total amount invested in equity in *tokumei-kumiai* pertaining to real estate and securities backed by real estate shall be up to 10% of total assets.
- (2) Properties, etc. targeted for management by the equity in *tokumei-kumiai* pertaining to real estate or the securities backed by real estate shall meet the investment policy and investment criteria of the Investment Corporation.
- (3) When disposing the properties, etc. targeted for management by the equity in *tokumei-kumiai* pertaining to real estate or the securities backed by real estate, opportunity to acquire such properties, etc. shall be granted to the Investment Corporation.

Note: “Total assets” shall be the amount as set forth under “Assets” of the balance sheets of the most recent fiscal period. The difference between the appraisal value and book value at end of the fiscal period of “Property, plant and equipment” shall be adjusted in the book value at end of the fiscal period of said “Property, plant and equipment.”

(2) “Investment ratio target by type of asset use” will partially be revised (Ratio of “Others” type of asset use was revised).

Before the Change in Management Guideline	After the Change in Management Guideline
Article 11 (Type of use) 2. The investment ratio targets by type of asset use are as follows. Office Buildings : 50%-100% Central Urban Retail Properties : 0%- 20% Residential Properties : 0%- 30% Others : <u>0% for now</u>	Article 11 (Type of use) 2. The investment ratio targets by type of asset use are as follows. Office Buildings : 50%-100% Central Urban Retail Properties : 0%- 20% Residential Properties : 0%- 30% Others : <u>0%- 5%</u>

(Note) Office Buildings: Office buildings for leasing purposes as their principal use  
 Central Urban Retail Properties: Central urban retail properties located in highly flourishing districts  
 Residential Properties: Residential properties for leasing purposes as their principal use  
 Others: Amusement parks, business hotels, parking, educational, medical and health care-related facilities, low-lying leasehold land and other

### 3. Reasons for the Change

(1) Concerning newly established provision “Investment in equity in *tokumei-kumiai* or securities backed by real estate”

In order to secure investment properties at an early stage in the future, while keeping in mind the balance of fund procurement, and in order to diversify investment methods to secure profits of the portfolio, the Investment Corporation thinks that bringing into view investment in equity in *tokumei-kumiai* or securities backed by real estate is meaningful. Consequently, the purpose is to establish main criteria in the event of conducting this type of investment in the Management Guidelines beforehand.

(2) Concerning partially revised “Investment ratio target by type of asset use”

The Investment Corporation is building a portfolio primarily comprised of mid-sized office buildings and had earlier set the investment ratio for properties of “Others” type of asset use as “0% for now.”

On the other hand, the asset size of the Investment Corporation in terms of total acquisition price has grown to 235.7 billion yen (70 properties as of July 31, 2010) and portfolio diversification has been secured to a substantial degree. Therefore, the Investment Corporation is of the thinking that going forward, it is meaningful to also strive to acquire portfolio properties that partially include properties of “Others” type of asset use, in the event that such will contribute to the overall growth of the Investment Corporation.

Consequently, the purpose is to establish an investment framework with up to a certain ratio for properties of “Others” type of asset use.

Moreover, there are no changes to the basic policy of “Development of portfolio that focuses on mid-sized office buildings in Tokyo Metropolitan Area.”

Reporting and notifications with regard to the appointment of the auditor will be conducted in accordance with the Financial Instruments and Exchange Law and other applicable laws and regulations.

This notice is the English translation of the Japanese announcement on our Web site released on August 26, 2010. However, no assurance or warranties are given for the completeness or accuracy of this English translation.