Translation Purpose Only

October 8, 2013

To All Concerned Parties

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

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Notice Concerning Acquisition of Property (Conclusion of Agreement)
(KDX Shinbashi Building: Additional Acquisition)

Kenedix Realty Investment Corporation (the "Investment Corporation") announced its decision to acquire an additional portion (the "Additional Acquisition") of the KDX Shinbashi Building (the "Property"). Please refer to "Notice Concerning the Acquisition of Properties (Conclusion of Agreements) (Office, Residential and Retail Properties Total: 25 Properties)", dated April 3, 2006, and "Notice Concerning the change of Property Name", dated March 29, 2007, regarding the initial acquisition of the Property and the change of Property Name, respectively.

1. Outline of the Acquisition

(1)	Type of Planned Acquisition	:	Trust beneficiary interest in real estate
(2)	Property Name	:	KDX Shinbashi Building (Additional Acquisition) (Note)
(3)	Planned Acquisition Price	:	¥1,038 million (excluding acquisition costs, property tax, adjusted city-planning tax amount, and consumption tax)
(4)	Seller	:	Japanese general business corporation and individual (Please refer to Item 4. "Seller Profile" for details)
(5)	Date of Contract	:	October 8, 2013
(6)	Scheduled Date of Acquisition	:	December 2, 2013
(7)	Acquisition Funds	:	Debt financing and cash on hand (planned)
(8)	Settlement Method	:	Deposit ¥150 million at Conclusion of Agreement Pay the balance at the time of delivery to the Seller
(9)	Source of Acquisition	:	Acquire from other than related parties (Note): The asset (the "Additional Acquisition Portion") that the Investment Corporation plans to acquire through the Additional Acquisition is comprised of ① a compartmentalized ownership of the Property, ② a shared compartmentalized ownership of the Property and ③ a portion of the land the Property is located on as trust beneficiary interest in trust asset.

2. Reason for Acquisition

The Investment Corporation already owns a trust beneficiary interest in trust asset of a compartmentalized ownership of the Property (total exclusively owned area: 2,071.86m^2; area ratio: approximately 61.73%) and a portion of the land the Property is located on (322.96m^2; area ratio: 60.24%) (the "Acquired Portion"), but it recently became possible to acquire the remaining compartmentalized ownership. Following the Additional Acquisition, the Investment Corporation will own all of the compartmentalized ownership and land of the Property, and expects improvements in liquidity and asset value of the Property in addition to enhancing the management and operation, etc. of the Property.

3. Property Details

Property Name		KDX Shinbashi Building (Additional Acquisition)	
Type of Specified Asset		Trust beneficiary interest in real estate (Note 1)	
Current Owner / Acquisition Date		(1) Japanese general business corporation / October 8, 2007 (2) Individual A / January 30, 2009 and September 16, 2013	
Previous Owner / Acquisition Date		(1) Individual B / March 30, 1963 (Note 2) (2) Individual C / October 8, 2007 Individual D / January 30, 2009	
Location (address)		2-2-9, Shinbashi, Minato-ku, Tokyo	
Usage		Offices, Retail, Parking (Note 3)	
Type of Structure		Flat-roofed, steel-frame reinforced concrete structure; one underground and eight above-ground floors (Note 3)	
Site Area	Land	Total Site Area	536.11 m^2
		Acquired Portion of Site Area	322.96 m^2
		Additional Acquisition Portion of Site Area	213.15 m^2
	Building	Total Floor Area	3,960.22 m^2 (Note 4)
		Acquired Portion of exclusively owned area Floor Area	2,071.86 m^2 (Note 4)
		Additional Acquisition Portion of Floor Area	1,284.42 m^2 (Note 4)
Type of Ownership	Land	Proprietary ownership	
	Building	Compartmentalized ownership and shared compartmentalized ownership	
Completion Date		February 5, 1992	
Architect		TODA Corporation	
Construction Company		TODA Corporation	
Construction Confirmation Authority		Tokyo	
Probable Maximum Loss		6.84% (Sompo Japan Nipponkoa Risk Management Inc.) (Note3)	
Planned Acquisition Price		¥1,038,000,000	
Appraisal	Appraisal Value	¥1,150,000,000	
	Base Date for Appraisal	September 1, 2013	
	Appraiser	Japan Real Estate Institute	
	Details	Please refer to Reference Material 1.	
Existence of Secured Interests after Acquisition		None	

Masterlease Company after Acquisition	The Investment Corporation
Property Management Company after Acquisition	Kenedix Real Estate Fund Management, Inc. (the "Asset Management Company")
Number of End Tenants	2 (as of October 1, 2013. The same applies below.) (Note 5)
Total Leasable Floor Area	1,113.56 m^2 (Note 5)
Total Leased Floor Area	1,113.56 m^2 (Note 5)
Occupancy Ratio	100.0% (Note 5)
Monthly Rental and Common Area Income (excluding Consumption Tax)	¥7,128 thousand (Note 5) (Note 6)
Security and Guarantee Deposit	¥54,276 thousand (Note 5) (Note 6)
Forecast Net Operating Income	Please refer to Reference Material 2.
Special Considerations	None
Other	Notes: 1. The Seller shall entrust to Sumitomo Mitsui Trust Bank, Limited as of the date of the execution of the settlement, and the Investment Corporation shall acquire the trust beneficiary interest in trust asset of Additional Acquisition Portion from the Seller. Furthermore, the Acquired Portion is a trust beneficiary interest with Sumitomo Mitsui Trust Bank, Limited as the trustee (the trust term is from March 27, 2003 to August 1, 2015). 2. The acquisition date of the land of the Additional Acquisition Portion (the oldest date for the acquisition of the land). 3. The Usage, type of structure, number of floors and figures apply for the entire building. The Additional Acquisition Portion is from the first basement to the first floor co-ownership parking area (the ownership ratio is 1/10) and office portions on floors six through eight. 4. Total area for the compartmentalized exclusive area as in an entire building is 3,356.28 m^2. An exclusive area for co-ownership parking area is 197.97 m^2 and prorated as shared compartmentalized ownership ratio. Figures are rounded down to two decimal places. The Additional Acquisition Portion has the following attached structures. These attached structures are not included in the total floor area and exclusive floor area. Type of building: machine room; Building structure: steel-reinforced concrete structure, one floor; Floor space: 6.21 m^2 Type of building: machine room; Building structure: steel-reinforced concrete structure, one floor; Floor space: 7.01 m^2 5. Tenants for the Additional Acquisition Portion are the Asset Management Company and Kenedix, Inc, the parent company of the Asset Management Company. Both companies are scheduled to terminate the lease contract on November 30, 2013. Furthermore, the occupancy ratio for the Property is 16.2% (tentative) as of December 1, 2013. 6. Monthly rental income and guarantee deposit information is exclusive of parking amounts, utilities and other revenues. Also, figures of less than one thousand yen are rounded off.
Characteristics of the Property	(1) Area The Property is located approximately one minute on foot from Uchisaiwaicho Station on the Toei Mita Line, approximately four minutes on foot from Shinbashi Station serviced by multiple JR lines, the Tokyo Metro Ginza Line, Toei Asakusa Line and Yurikamome Line and faces an intersection at Hibiya-dori, an arterial roadway. Accordingly, the Property offers significantly high visibility. The Shinbashi area is one of Tokyo's primary office districts and has enjoyed prosperity over a lengthy period. The area boasts a concentration of various

	companies and governmental and professional offices. (2) Buildings The Property's standard floor has a leasable floor area of about 371m^2 (about 112 tsubo) and the ceiling height is 2.6m, and is equipped with individual air-conditioning systems, OA floors, automated security and a mechanical parking lot for 20 automobiles.

4. Seller Profile

Names and other information of the Sellers (including Japanese general business corporations and individuals) are not disclosed because the Sellers have not given consent. There are no significant capitals, personnel or business relationships of note between the Investment Corporation / Asset Management Company and the Sellers. In addition, no Sellers meet the definition of an interested party under the Investment Trust Law and KRI Fund Division regulations of the Asset Management Company.

5. Acquirer (Owners prior to Current Owners) Profile

Omitted because the Sellers (the current owners) of the Additional Acquisition Portions are not related parties of the Asset Management Company.

6. Details of Brokerage

No relevant information regarding this Additional Acquisition.

7. Interested-Party Transactions

Regarding the Additional Acquisition, transactions between the Investment Corporation, the Asset Management Company and any interested parties shall fall under the following category.

The Asset Management Company, pursuant to the KRI Fund Division 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 Compliance Committee. Subject to approval, the transaction was then submitted to the KRI Fund Division Asset Management Committee for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the interested-party transactions.

Appointment of a Property Management Company

The Investment Corporation plans to execute a property management agreement with Kenedix Office Partners, Inc. on the acquisition date of the Property. Other parties to the agreement include the trustee.

Fees relating to property management are at the same level as the current properties.

Outline of Property Management Fees:

- Leasing management fees
  Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%
- Management transfer fees
  Management transfer fee is set based on the property sale price, as shown in the table below.

Property (Trust Beneficiary Interest) Price	Management Transfer Fee (at the Time of Purchase)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million

8. Acquisition Schedule

Date of Determination of Acquisition	October 8, 2013
Date of Execution of Purchase Agreement	
Scheduled Deposit Date (Note 1)	
Scheduled Balance Payment Date	December 2, 2013 (planned)
Scheduled Delivery Date	

Notes:

1. The deposit shall be interest free and be credited to a portion of the trading value at the time of settlement. The Investment Corporation may terminate the agreement by the abandonment of the deposit before the assignment date. The Seller is not able to terminate of the agreement by the abandonment of the deposit or by the return of the deposit at double the amount.
2. Forward commitment

The trust beneficiary interest purchase and sale agreement with the Seller (the "Purchase Agreement") falls under the category of forward commitment made by investment corporations as stipulated in the "Annual Supervisory Policies for Financial Instruments Business Operators" determined by the Financial Services Agency of Japan. In the event of a violation of the Purchase Agreement made by the Investment Corporation or the seller, the penalty is stipulated to be an amount equivalent to 20% of the acquisition price for the property (¥207,600,000) in the Purchase Agreement.

9. Outlook

The impact of the acquisition of the Property on the financial results for the fiscal period ending October 31, 2013 (May 1, 2013 to October 31, 2013) is minimal. Therefore, the forecast of financial results for the period remain unchanged.

Furthermore, the Investment Corporation immediately commences the leasing activities to attract new tenants for the Additional Acquisition portion after the acquisition.

Attached Materials

1. Outline of Property Appraisal
2. Projected Cash Flow for the Property
3. Building Condition Investigation Report
4. Property Photograph
5. Property Portfolio after Acquisition of the Property

Reference Material 1

Outline of Property Appraisal

			Unit: Yen
Appraiser			Japan Real Estate Institute.
Base Date for Appraisal			September 1, 2013
Appraisal Value			1,150,000,000
Value Calculated Using the Direct Capitalization Method			1,160,000,000
	Gross Operating Revenue		87,258,000
		Maximum Gross Operating Revenue	91,094,000
		Shortfall Attributed to Vacancies	3,836,000
	Operating Expenses		29,473,000
		Administrative and Maintenance Expense	17,208,000
		Taxes and Dues	12,112,000
		Other Expenses	153,000
	Net Operating Income (NOI)		57,785,000
	Capital Expenditure		2,940,000
	Gain on Guarantee Deposit Investment (Note)		1,038,000
	Net Cash Flow (NCF)		55,883,000
	Overall Capitalization Rate (NCF)		4.8%
Value Calculated Using the Discounted Cash Flow Method			1,140,000,000
	Discount Rate		4.1%
	Terminal Capitalization Rate		4.9%
Value Calculated Using the Cost Method (Note 2)			1,250,000,000
	Land (Note 3)		87.5%
	Building (Note 3)		12.5%

Notes:

1. Gain on guarantee deposit investment calculated based on an operating yield of 2.0%
2. Value is calculated by the total land and building price for entire the Property multiplied by the marketability modified rate of the land and building as a unit, allocation rate and depreciation by compartmentalized ownership.
3. Land Ratio and Building Ratio for the entire the Property.

* Reference (Appraised NOI Yield)

5.6% (rounded down to the first decimal place), calculated by dividing the aforementioned Net Operating Income (NOI) under the Direct Capitalization Method by the anticipated acquisition price of the Additional Acquisition (¥1,038,000,000).

Reference Material 2

Projected Cash Flow for the Property

	Unit：Millions of Yen
A. Projected Operating Revenues	68
B. Projected Operating Expenses (excluding depreciation)	17
C. Projected NOI (A-B)	51

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors during the year of acquisition.
2. Revenues are based on an occupancy ratio of approximately 93.1%, based on the current occupancy ratio and future changes of occupancy.
3. Expenses include property management fees, taxes and dues, repairs and maintenance expenses, and insurance.
4. Figures of less than one million yen are rounded off.

Reference Material 3

Building Condition Investigation Report

	Unit: Yen
Investigation Company	HI International Consultant Co., LTD.
Date of Investigation	September 2013
Repairs, maintenance and renovation expenses required over the next year (Note)	22,660,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years (Note)	110,680,000
Unit-in-Place (Note)	1,111,500,000

Note: Repairs, maintenance and renovation expenses and Unit-in-Place are for entire the building.

* The abovementioned investigation company undertakes building assessments for the property such as
  - review of building deterioration
  - formulation of short- and long-term repair and maintenance plans
  - assessment of legal compliance with the Building Standards Law
  - analysis of hazardous substances and the soil environment and the submission of a building assessment report to the Investment Corporation

Reference Material 4

Property Photograph

KDX Shinbashi Building



Reference Material 5

Property Portfolio after Acquisition of the Property

Type of Use	Area	Property Name	Acquisition (Planned) Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition (Planned) Date
Office Buildings	Tokyo Metropolitan Area	KDX Kabutocho Building	11,270	3.6%	December 26, 2011
		KDX Harumi Building	10,250	3.3%	June 30, 2008
		Toranomon Toyo Building	9,850	3.2%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	2.4%	February 1, 2008
		KDX Shinjuku Building	6,800	2.2%	February 18, 2010
		KDX Ochanomizu Building	6,400	2.0%	April 2, 2007
		Fuchu South Building	6,120	2.0%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	1.9%	March 1, 2007
		KDX Kojimachi Building	5,950	1.9%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.9%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	1.8%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.7%	May 1, 2006
		KDX Iidabashi Building	4,670	1.5%	July 22, 2011
		KDX Ebisu Building	4,640	1.5%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.5%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.4%	August 1, 2005
		KDX Toranomon Building	4,400	1.4%	April 17, 2007
		KDX Ginza 1chome Building	4,300	1.4%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.3%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.3%	November 12, 2010
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.2%	February 1, 2008
		KDX Shinbashi Building (Acquired Portion) (Note 3)	2,690	0.8%	May 1, 2006
		KDX Shinbashi Building (Additional Acquisition Portion) (Note 3)	1,038	0.3%	December 2, 2013 (Planned)
		KDX Hatchobori Building	3,680	1.2%	August 1, 2005
		KDX Hamamatsucho Building	3,460	1.1%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.0%	January 10, 2008
		Koishikawa TG Building	3,080	1.0%	November 18, 2009
		KDX Higashi-Shinjuku Building	2,950	0.9%	September 1, 2006
		Kasuga Business Center Building	2,800	0.9%	September 21, 2012
		KDX Kayabacho Building	2,780	0.9%	May 1, 2006
		KDX Jimbocho Building	2,760	0.9%	March 31, 2008
		Nissou Dai-17 Building	2,710	0.8%	February 1, 2008
		KDX Hakozaki Building	2,710	0.8%	July 22, 2011
		Gotanda TG Building	2,620	0.8%	November 18, 2009
		KDX Nakano-Sakaue Building	2,533	0.8%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	0.8%	May 1, 2006

Office Buildings	Tokyo Metropolitan Area	Harajuku F.F. Building	2,450	0.8%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	0.7%	February 1, 2008
		KDX Kajicho Building	2,350	0.7%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	0.7%	February 1, 2008
		KDX Hamacho Building	2,300	0.7%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	0.7%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.7%	July 22, 2011
		FIK Minami Aoyama	2,270	0.7%	August 1, 2005
		KDX Funabashi Building	2,252	0.7%	March 1, 2006
		KDX Hamamatsucho Dai-2 Building	2,200	0.7%	September 1, 2008
		Itopia Nihonbashi SA Building	2,200	0.7%	August 19, 2013
		Shin-toshin Maruzen Building	2,110	0.6%	February 29, 2008
		KDX Omiya Building	2,020	0.6%	March 26, 2013
		KDX Nihonbashi 216 Building	2,010	0.6%	December 1, 2009
		KDX Okachimachi Building	2,000	0.6%	March 1, 2007
		KDX Gobancho Building	1,951	0.6%	March 31, 2008
		Kanda Kihara Building	1,950	0.6%	August 1, 2005
		Welship Higashi-Shinjuku	1,900	0.6%	September 13, 2013
		Nakameguro Business Center Building	1,880	0.6%	September 21, 2012
		KDX Iwamoto-cho Building	1,864	0.6%	May 1, 2008
		KDX Kiba Building	1,580	0.5%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.4%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.4%	January 19, 2007
		KDX Kanda Misaki-cho Building	1,380	0.4%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.4%	March 1, 2007
		Kabutocho Nikko Building II	1,280	0.4%	December 26, 2011
		Tachikawa Ekimae Building	1,267	0.4%	December 26, 2011
		KDX Hachioji Building	1,155	0.3%	March 1, 2007
		KDX Nogizaka Building	1,065	0.3%	July 14, 2006
	Other Regional Areas	KDX Nagoya Sakae Building	7,550	2.4%	Land: April 25, 2008 Building: July 1, 2009
		Nagoya Ekimae Sakura-dori Building	7,327	2.3%	December 26, 2011
		Portus Center Building	5,570	1.8%	September 21, 2005
		Karasuma Building	5,400	1.7%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.6%	February 1, 2008
		Nagoya Nikko Shoken Building	4,158	1.3%	December 26, 2011
		KDX Kobayashi-Doshomachi Building	2,870	0.9%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.9%	March 28, 2012
		KDX Kitahama Building	2,220	0.7%	February 1, 2008
		KDX Sendai Building	2,100	0.6%	June 1, 2007
		Kitananajo SIA Building	2,005	0.6%	March 25, 2011
		KDX Minami Semba Dai-1 Building	1,610	0.5%	May 1, 2006
		KDX Minami Semba Dai-2 Building	1,560	0.5%	May 1, 2006
		KDX Niigata Building	1,305	0.4%	March 1, 2007

		Sendai Nikko Building	950	0.3%	December 26, 2011
Total of 79 Office Buildings			275,256	90.0%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	3.2%	August 1, 2005
		Ginza 4-chome Tower	9,800	3.2%	August 19, 2013
		KDX Yoyogi Building	2,479	0.8%	September 30, 2005
Total of 3 Central Urban Retail Properties			22,179	7.2%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.7%	May 1, 2006
		Court Mejiro	1,250	0.4%	August 1, 2005
	Other Regional Areas	Venus Hibarigaoka	1,800	0.5%	December 8, 2005
Total of 3 Residential Properties			8,403	2.7%	-
Total of 85 Properties			305,838	100.0%	Portfolio PML 4.79 %

Investment Securities	Senri Property TMK Preferred Securities	891	-	April 26, 2012
	Godo Kaisha KRF31 Silent Partnership Equity Investment	200	-	May 23, 2013
	Total of 2 Investment Securities	1,091	-	-

Notes:

1. Figures of less than one million yen are rounded off from acquisition (planned) prices, and ratios are rounded off to the first decimal place.
2. The acquisition price of the existing tower acquired on February 1, 2008 was 4,700 million yen, and the acquisition price of the annex tower acquired on November 18, 2009 was 1,100 million yen.
3. The total Acquisition (planned) price for the Acquired Portion and the Additional Acquisition Portion is ¥3,728 million, and ratio is 1.2% of the total Acquisition Price for the entire portfolio.