

January 4, 2011

To Our Investors

Taisuke Miyajima  
Executive Director  
Kenedix Realty Investment Corporation  
2-2-9 Shimbashi, Minato-ku, Tokyo

### Notice Concerning the Fifth General Meeting of Unitholders

You are cordially invited to attend the Fifth General Meeting of Unitholders of Kenedix Realty Investment Corporation. The Meeting will be held as described below.

If you are unable to attend the Meeting, you can exercise your voting rights in writing. Please review the "Reference Documents for the Fifth General Meeting of Unitholders" mentioned below, vote on the proposals in the enclosed Voting Rights Exercise Form, and return it by no later than 5:00 p.m. January 19, 2011 (Wednesday).

In addition, the Investment Corporation established the provision of "deemed approval" in Article 15 of the current Articles of Incorporation pursuant to Article 93.1, of the Investment Trust and Investment Corporation Law. Accordingly, if you are unable to attend the Meeting and are unable to vote using the Voting Rights Exercise Form, please be aware that you will be deemed as having attended and approved each agenda.

(Excerpt from the Investment Corporation's Current Articles of Incorporation)  
Article 15 (Deemed Approval)

1. Unitholder non-attendance at the General Meeting of Unitholders and non-voting shall be deemed as unitholder approval of agenda items submitted to the General Meeting of Unitholders (when multiple agenda items have been submitted, if any are contradictory, said agenda items shall be omitted).
2. The unitholder votes deemed as having approved agenda items according to the preceding paragraph will be added to the votes cast by attending unitholders.

- 1. Date and Time** 10:00 a.m., January 20, 2011 (Thursday,)  
**2. Place** 2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo  
Tokyo Stock Exchange Group, Inc. 2F, Toshoh Hall  
(Please refer to the map at the end of this notice for directions. Moreover, please note that the venue has changed from last time.)

### 3. Agenda of the Meeting

Resolution Agendas:

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| <b>Agenda No. 1:</b> | Changes to the Articles of Incorporation (1)         |
| <b>Agenda No. 2:</b> | Changes to the Articles of Incorporation (1)         |
| <b>Agenda No. 3:</b> | Election of One (1) Executive Director               |
| <b>Agenda No. 4:</b> | Election of One (1) Non-Statutory Executive Director |
| <b>Agenda No. 5:</b> | Election of Two (2) Supervisory Directors            |

(Requests)

- For those attending the meeting, please present the enclosed Voting Rights Exercise Form at the reception desk.
- For those voting by proxy, a unitholder can vote by having another individual unitholder who holds voting rights attend the General Meeting of Unitholders and act as proxy. In that case, please submit a Power of Representation Form and a Voting Rights Exercise Form at the reception desk.
- Method of Revising the Reference Materials of the General Meeting of Unitholders  
When it is necessary to revise agendas contained in the Reference Materials of the General Meeting of Unitholders, we will post the revisions on the Investment Corporation's website (<http://www.kdx-reit.com/>).
- After the General Meeting of Unitholders, Kenedix REIT Management, Inc., the Investment Corporation's asset management company, plans to present the Asset Management Status Briefing.

Reference Material for the General Meeting of Unitholders

Agenda and Reference Items

**Agenda No. 1:** Changes to the Articles of Incorporation (1)

1. Reasons for the Changes

- (1) Corrections shall be made to the necessary terminology, etc. (Article 35 (1) ②) in line with the fact that the base amount for calculating the requirement associated with the amount of dividend payment was changed to distributable profit amount, which is one of the requirements to be fulfilled in order to receive application of the special tax exceptions for investment corporations. This change was brought about as a result of revisions made to the Special Taxation Measures Law (Law No. 26 of 1957; including subsequent revisions; hereafter the same.).
- (2) Corrections shall be made to the necessary terminology, etc. (Attachment 1, Investment Policy 3.) in line with the changes made to the requirements for receiving a reduced rate in registration and license taxes associated with the registration of transfer for real estate ownership, as a result of revisions made to the Special Taxation Measures Law.
- (3) Provisions shall be newly established (Attachment 1, Investment Policy 4) in line with the newly established requirements for receiving application of the special tax exceptions for investment corporations at the time of a merger, etc. as a result of revisions made to the Special Taxation Measures Law.
- (4) Corrections shall be made to the necessary terminology, etc. (Article 35 (1) ②) so that distributions can be made that are in line with any changes made to the requirement associated with the distributable profit amount stipulated in Article 67-15 of the Special Taxation Measures Law as a result of any revisions of laws, ordinances, etc. made in the future, without having to change the Articles of Incorporation.
- (5) Necessary provisions shall be newly established (Attachment 1, Types, Purposes and Scope of Specified Assets Targeted for Investment, 5. (10)) in order to include as investment targets, emission rights, etc. prescribed by the Law Concerning the Promotion of Measures to Cope with Global Warming (Law No. 117 of 1998; including subsequent revisions.) and other laws and ordinances.
- (6) Other minor changes, such as standardization of terminology in line with the abovementioned changes, changes to the numbering of Articles to match the revisions of laws and ordinances, correction of wording, and other necessary typographical corrections shall also be implemented.

2. Details of the Amendments

Details of the amendments are as follows. (Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;">CHAPTER 9 – CALCULATION</p> <p>Article 35 (Cash Distribution Policies) The Investment Corporation shall, in principle, pay distributions based on the following policies: (1) Distribution of earnings ① (Details Omitted) ②The amount of the distribution shall be in excess of an amount equivalent to 90% of the distributable <u>income amount</u> (hereafter, “<u>distributable income amount</u>”) of the Investment Corporation as stipulated in Article 67-15 of the Special Taxation Measures Law.</p> <p>(Details Omitted) (2) Distribution of Money in Excess of Earnings <u>When the Investment Corporation’s distributable amount is less than 90% of distributable earnings, or</u> when the Investment Corporation determines that it is appropriate, the Investment Corporation shall, using the amount established under the rules of the Investment Trust Association, Japan (hereafter, the “Investment Trust Association”) as a limit, be able to distribute a self-determined amount of money in excess of earnings.</p>	<p style="text-align: center;">CHAPTER 9 – CALCULATION</p> <p>Article 35 (Cash Distribution Policies) The Investment Corporation shall, in principle, pay distributions based on the following policies: (1) Distribution of earnings ① (No Change) ②The amount of the distribution shall be in excess of an amount equivalent to 90% of the distributable <u>profit amount</u> of the Investment Corporation <u>(if a change is made to the calculation of the amount as a result of revisions of laws, ordinances, etc., then the amount after the change)</u> as stipulated in Article 67-15, <u>Paragraph 1</u> of the Special Taxation Measures Law <u>(hereafter, “Special Tax Exception for Investment Corporations.”)</u>.</p> <p>(No Change) (2) Distribution of Money in Excess of Earnings When the Investment Corporation determines that it is appropriate, the Investment Corporation shall, using the amount established under the rules of the Investment Trust Association, Japan (hereafter, the “Investment Trust Association”) as a limit, be able to distribute a self-determined amount of money in excess of earnings. However, in such cases, and if the amount of the cash distribution does not fulfill the requirements of the</p>

Current Articles of Incorporation	Proposed Amendments
<p>However, in such cases, and if the amount of the cash distribution does not fulfill the requirements of the special tax exception for investment corporations, the Investment Corporation shall be able to distribute a self-determined amount with the objective of fulfilling said requirements.            (3)~(5) (Details Omitted)</p> <p style="text-align: right;">(Attachment 1)</p> <p style="text-align: center;">Asset Management Targets and Policies            Basic Asset Management Policies            (Details Omitted)            Investment Policies</p> <p>1. When the Investment Corporation invests in real estate-related assets, real estate serving as the main body of real estate-related assets and real estate backing such assets shall be primarily used for office buildings, residential properties and retail properties. Targeted investment areas shall primarily be the Tokyo Metropolitan Area (principal urban areas in Tokyo, Kanagawa, Saitama and Chiba Prefectures) and Other Regional Areas (<u>key cities throughout Japan</u>, including government-designated cities).            2. (Details Omitted)            3. The Investment Corporation shall manage its assets so that specified real estate (refers to real estate, real estate leasehold rights <u>and</u> land rights, or to trust beneficiary interests in entrusted real estate, land leasehold rights and land rights) accounts for more than 75% of the total value of specified assets acquired by the Investment Corporation.            (New Addition)</p> <p style="text-align: center;">Types, Purposes and Scope of Specified Assets Targeted for Investment</p> <p>1.-4. (Details Omitted)            5. In addition to the specified assets detailed in Paragraphs 2. through 4. above, the Investment Corporation shall be able to invest in assets or securities backed by real estate in the following items as necessary when investing in real estate.            (1)~(9) (Details Omitted)            (New Addition)</p> <p>Investment Limitations            (Details Omitted)            Purposes and Scope of Leasing of Portfolio Assets            (Details Omitted)</p> <p style="text-align: right;">(Attachment 3)</p>	<p>special tax exception for investment corporations, the Investment Corporation shall be able to distribute a self-determined amount with the objective of fulfilling said requirements.            (3)~(5) (No Change)</p> <p style="text-align: right;">(Attachment 1)</p> <p style="text-align: center;">Asset Management Targets and Policies            Basic Asset Management Policies            (No Change)            Investment Policies</p> <p>1. When the Investment Corporation invests in real estate-related assets, real estate serving as the main body of real estate-related assets and real estate backing such assets shall be primarily used for office buildings, residential properties and retail properties. Targeted investment areas shall primarily be the Tokyo Metropolitan Area (principal urban areas in Tokyo, Kanagawa, Saitama and Chiba Prefectures) and Other Regional Areas (<u>major urban cities throughout local regions</u>, including government-designated cities).            2. (No Change)            3. The Investment Corporation shall manage its assets so that specified real estate (refers to real estate, real estate leasehold rights <u>or</u> land rights, or to trust beneficiary interests in entrusted real estate <u>ownership</u>, land leasehold rights and land rights) accounts for more than 75% of the total value of specified assets acquired by the Investment Corporation.  <u>4. The Investment Corporation shall manage its assets so that real estate, etc. prescribed by Article 22-19 of the Ordinance for Enforcement for the Special Taxation Measures Law (Ministry of Finance Ordinance No. 15 of the year 1957, including subsequent revisions) accounts for more than 70% of the total value of its assets.</u></p> <p style="text-align: center;">Types, Purposes and Scope of Specified Assets Targeted for Investment</p> <p>1.-4. (No Change)            5. In addition to the specified assets detailed in Paragraphs 2. through 4. above, the Investment Corporation shall be able to invest in assets or securities backed by real estate in the following items as necessary when investing in real estate.            (1)~(9) (No Change)  <u>(10) Carbon dioxide equivalent quotas, other similar objects, or emission rights (including emission rights associated with greenhouse gases) stipulated by the Law Concerning the Promotion of Measures to Cope with Global Warming (Law No. 117 of the year 1998; including subsequent revisions).</u></p> <p>Investment Limitations            (No Change)            Purposes and Scope of Leasing of Portfolio Assets            (No Change)</p> <p style="text-align: right;">(Attachment 3)</p>

Current Articles of Incorporation	Proposed Amendments
<p style="text-align: center;"><b>ASSET MANAGEMENT FEES TO THE ASSET MANAGEMENT COMPANY</b></p> <p>(Details Omitted)</p> <p>(1) Asset Management Fee I            Asset Management Fee I shall be the amount arrived at when the amount of total assets is multiplied by 0.15% (amounts of less than ¥1 are rounded down). Total assets shall be the amount recorded in the Investment Corporation's balance sheets (limited only to those approved by Article 131.1 of the Investment Trust Law,) for the fiscal period of the Investment Corporation immediately preceding the first day of the relevant fiscal period. The payment date of Asset Management Fee I shall be within the relevant fiscal period.</p> <p>(2)~(4) (Details Omitted)</p>	<p style="text-align: center;"><b>ASSET MANAGEMENT FEES TO THE ASSET MANAGEMENT COMPANY</b></p> <p>(No Change)</p> <p>(1) Asset Management Fee I            Asset Management Fee I shall be the amount arrived at when the amount of total assets is multiplied by 0.15% (amounts of less than ¥1 are rounded down). Total assets shall be the amount recorded in the Investment Corporation's balance sheets (limited only to those approved by Article 131.2 of the Investment Trust Law,) for the fiscal period of the Investment Corporation immediately preceding the first day of the relevant fiscal period. The payment date of Asset Management Fee I shall be within the relevant fiscal period.</p> <p>(2)~(4) (No Change)</p>

**Agenda No. 2:** Changes to the Articles of Incorporation (2)

1. Reasons for the Changes

- (1) One of the requirements of the Special Taxation Measures Law for investment corporations to be able to deduct distributions paid as expenses (so-called conduit requirements) is the requirement concerning the offering of investment units mainly in the domestic market (hereafter, the ‘More than 50% Domestic Offering Requirement for Investment Units’). A new provision will be added in order to enable us to offer investment units in a manner that satisfies the More than 50% Domestic Offering Requirement for Investment Units after revisions have been made to tax laws, in the event that, the tax laws are revised with the objective to make it unnecessary to offer more than 50% of the issue price in Japan each time investment units are offered, to mean that more than 50% of the sum of the issue price of investment units issued and outstanding and the issue price of the investment units to be newly issued at the concerned offering are to be offered within Japan.
- (2) Other necessary typographical corrections in line with the abovementioned changes shall also be implemented.

2. Details of the Amendments

Details of the amendments are as follows. (Underlined parts are amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER 2 – INVESTMENT UNITS	CHAPTER 2 – INVESTMENT UNITS
<p>Article 5 (Total Number of Issuable Investment Units)</p> <p>(1) (Details Omitted)</p> <p>(2) The ratio of the total issue price of authorized investment units in Japan to the total issue price of investment units issued by the Investment Corporation shall exceed 50%.</p> <p>(3) (Details Omitted)</p>	<p>Article 5 (Total Number of Issuable Investment Units)</p> <p>(1) (No Change)</p> <p>(2) The ratio of the total issue price of authorized investment units in Japan to the total issue price of investment units issued by the Investment Corporation shall exceed 50%. <u>Moreover, in the event that the requirement stipulated by Special Taxation Measures Law (Law No. 26 of 1957; including subsequent revisions) (hereafter “Special Taxation Measures Law”), which states that a majority of an offering of investment units needs to be made in Japan, is revised, the Investment Corporation shall re-interpret this paragraph in line with the articles and paragraphs if and after the said revisions have been made.</u></p> <p>(3) (No Change)</p>
CHAPTER 8 – DEBT FINANCING AND INVESTMENT CORPORATION BOND ISSUES	CHAPTER 8 – DEBT FINANCING AND INVESTMENT CORPORATION BOND ISSUES
<p>Article 33 (Debt Financing and Investment Corporation Bond Issue Limit)</p> <p>(1) With the goal of securing stable profits and the sustained growth of managed assets, the Investment Corporation shall be able to execute debt financing and issue Investment Corporation bonds (includes short-term investment corporation bonds, the same shall apply hereafter). When the Investment Corporation borrows funds, lenders shall be limited to qualified institutional investors (However, it will be limited to those stipulated in Article 67-15 of the Special Taxation Measures Law <u>(Law No. 26 of 1957, including subsequent revisions) (hereafter “Special Taxation Measures Law”).</u>) as defined in Article 2, Paragraph 3.1 of the Financial Instruments and Exchange Law.</p> <p>(2)-(4) (Details Omitted)</p>	<p>Article 33 (Debt Financing and Investment Corporation Bond Issue Limit)</p> <p>(1) With the goal of securing stable profits and the sustained growth of managed assets, the Investment Corporation shall be able to execute debt financing and issue Investment Corporation bonds (includes short-term investment corporation bonds, the same shall apply hereafter). When the Investment Corporation borrows funds, lenders shall be limited to qualified institutional investors (However, it will be limited to those stipulated in Article 67-15 of the Special Taxation Measures Law.) as defined in Article 2, Paragraph 3.1 of the Financial Instruments and Exchange Law.</p> <p>(2)-(4) (No Change)</p>

**(3) Agenda No. 3: Election of One (1) Executive Director**

This is to request an appointment of 1 executive director as of February 1, 2011 since Executive Director Taisuke Miyajima's term of office expires on January 31, 2011.

Concerning Agenda No. 2, the term of office of Executive Directors shall be two years, commencing February 1, 2011, the date of election, as stipulated under Article 20.2 of the current Articles of Incorporation. Agenda No. 2 was unanimously approved for submission by all Supervisory Directors of the Investment Corporation at a Board of Directors meeting held on December 13, 2010. In addition, the candidate for one Executive Director position has accepted the appointment as of December 13, 2010.

The candidate for the Executive Director position is as follows.

Name (Birth Date)	Brief Personal History	
Taisuke Miyajima (April 17, 1962)	Apr. 1985	Joined Mitsubishi UFJ Trust and Banking Corporation (formerly The Mitsubishi Trust Banking Corporation)
	Apr. 1992	Transferred to Los Angeles Branch
	Apr. 1997	Joined Miyajima Shoukai
	Apr. 1998	Joined Kenedix, Inc. (formerly Kennedy-Wilson Japan Co., Ltd.) Real Estate Investment Advisory Division
	Oct. 2004	External assignment as CEO and President, Kenedix REIT Management, Inc. (formerly KW REIT Management, Inc.)
	Apr. 2005	Transferred as CEO and President, Kenedix REIT Management, Inc. (current position)
	May 2005	Executive Director of Kenedix Realty Investment Corporation (current position)

1. The abovementioned executive director candidate holds 20 of the Investment Corporation's investment units.
2. The abovementioned executive director candidate is currently the President and CEO of the Kenedix REIT Management, Ltd., which the Investment Corporation has concluded an Asset Management Agreement.
3. The abovementioned executive director candidate is currently executing the overall business of the Investment Corporation as an executive director of the Investment Corporation.

**Agenda No. 4:** Election of One (1) Substitute Executive Director

In order to avoid the case of having fewer executive directors than that stipulated by relevant laws and ordinances, a request has been made to appoint one non-statutory executive director, since the resolution concerning the appointment of Non-Statutory Executive Director Teruo Nozaki will lose effect at the start of this General Meeting of Unitholders.

Agenda No. 3 was unanimously approved for submission by all Supervisory Directors of the Investment Corporation at a Board of Directors meeting held on December 13, 2010. In addition, the candidate for one Substitute Executive Director position has accepted the appointment as of December 13, 2010.

The candidate for the Substitute Executive Director position is as follows.

Name (Birth Date)	Brief Personal History	
Yoshihiro Sogou (September 30, 1965)	Apr. 1988	Joined Mitsubishi UFJ Trust and Banking Corporation (formerly The Mitsubishi Trust Banking Corporation)
	Apr. 1989	Toray Industries, Inc.
	Dec. 1993	INTEC INC.
	Mar. 2003	Right Management Japan Inc. (formerly Right Management Consultants Japan Inc.)
	Dec. 2004	Joined Kenedix, Inc. (formerly Kennedy-Wilson Japan Co., Ltd.) External assignment as a Manager of Business Administration Division, Kenedix REIT Management, Inc.
	Apr. 2005	Transferred to Kenedix REIT Management, Inc. (current position)
	Oct. 2009	Assigned as General Manager, Business Administration Division (current position)

1. The candidate holds two of the Investment Corporation's investment units.
2. There is no conflict of interest between the Investment Corporation and the candidate.

**Agenda No. 5:** Election of Two (2) Supervisory Directors

This is to request an appointment of 2 supervisory directors as of February 1, 2011 since Supervisory Directors Kimio Kodama and Shiro Toba’s term of office expires on January 31, 2011.

Concerning Agenda No. 4, the term of office of Supervisory Directors shall be two years commencing February 1, 2011, the date of election, as stipulated under Article 20.2 of the current Articles of Incorporation.

In addition, the candidates for the two Supervisory Director positions have accepted the appointment as of December 13, 2010.

The candidates for the two Supervisory Director positions are as follows.

Name (Birth Date)	Brief Personal History	
Kimio Kodama (January 24, 1937)	April 1963 April 1966  July 1997 May 2005  July 2008	Admitted to the Japanese bar (general practitioner of Japanese law) Established Hanzomon Sogo Law Office (formerly Towa Law Office) (current position) Director of Kyoritsu Women’s Educational Institution (current position) Supervisory Director of Kenedix Realty Investment Corporation (current position) Selected as a member of Tokyo Metropolitan Public Safety Commission (current position)
Shiro Toba (March 21, 1967)	Oct. 1989 Mar. 1993 Jan. 1997 May 2002 April 2004 Jan. 2005 Mar. 2005 May 2005  Oct. 2005	Joined Misuzu Audit Corporation (formerly Chuo Shinko Audit Corporation) Became a Japanese certified public accountant Established Toba Public Accounting Office (current position) Became a Japanese certified tax accountant Director of Majestec Corporation (current position) Representative Director of Minori Accounting Co., Ltd. (current position) Director of BTK Solution Co., Ltd. (current position) Supervisory Director of Kenedix Realty Investment Corporation (current position) Director of MACC (current position)

1. None of the candidates holds the Investment Corporation’s investment units.
2. There is no conflict of interest between the Investment Corporation and the candidates.

**Reference Material**

Regarding agendas to be submitted to the General Meeting of Unitholders, rules and regulations identified in “Deemed Acceptance,” which are stipulated under Article 93.1 of the Investment Trust Law and Article 15 of the current Articles of Incorporation, shall not be applied to any of the agendas concerned if there are agendas that are, in intent, conflicting with each other. The Investment Corporation believes that Agendas 1 through 5 do not present any conflict in intent.