

December 11, 2008

To whom it may concern:

Company name Kenedix Inc.  
Representative President and Representative  
Director : Atsushi Kawashima  
(Code: 4321 Tokyo Stock Exchange, First Section)  
Contact Taiji Yoshikawa, Director and  
General Manager  
Telephone +81-3-3519-2530

Notice of Partial Share Transfer of Kenedix REIT Management, Inc.

Described below is an abstract in English of the company announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only. All of readers are strongly recommended to refer to the original version in Japanese of the news release for complete and accurate information.

Kenedix, Inc. (the "Company") today announced an agreement between the company and ITOCHU Corporation ("ITOCHU Corp."), the transfer of 10% of the outstanding shares ("the share transfer") of Kenedix REIT Management, Inc. ("KDRM"), the asset management company of KENEDIX Realty Investment Corporation.

1. Objectives of the share transfer

Exchanges of information concerning domestic and overseas property markets and trends of investors have been taking place continuously between the Company and ITOCHU Corp. Consequently, ITOCHU Corp. has taken an equity stake in KDRM, which is the asset management company of KENEDIX Realty Investment Corporation. ITOCHU Corp., taking advantage of its superb product planning capabilities due to its broad network of business clients, made the assessment to contribute to the development of KENEDIX Realty Investment Corporation, which led to the above decision.

In addition, the Company and ITOCHU Corp. have been undertaking joint activities taking maximum advantage of each partner's investor networks, including exchanges of information and marketing activities aimed at investors, in areas outside of listed real estate investment companies (so-called J-REIT). The goal here has been to examine areas that would benefit from cooperative efforts, such as arranging private funds for investment into real estate.

## 2. Transfer of shareholder composition regarding KDRM

Prior to the share transfer (as of December 11, 2008)

Shareholder	Address	Number of shares owned	Ownership ratio
Kenedix, Inc.	2-2-9, Shimbashi, Minato-ku, Tokyo	6,450	100.0%
Total		6,450	100.0%

After the share transfer

Shareholder	Address	Number of shares owned	Ownership ratio
Kenedix, Inc.	2-2-9, Shimbashi, Minato-ku, Tokyo	5,805	90.0%
ITOCHU Corp.	2-5-1, Kitaaooyama, Minato-ku, Tokyo	645	10.0%
Total		6,450	100.0%

## 3. Profile of ITOCHU Corp. (as of December 11, 2008)

- (1) Paid-in capital: ¥202,241 million
- (2) Date established: December 1, 1949
- (3) President and CEO: Eizo Kobayashi
- (4) Main lines of business: General trading company

## 4. Schedule

December 11, 2008: Conclusion of agreement regarding stock transfer (\*1)  
Conclusion of agreement regarding equity investment (\*2)

December 19, 2008 (scheduled): Execution of this transfer of stocks

\*1: This agreement entered into between the Company and ITOCHU Corp.

\*2: Entered into respectively between the Company and KDRM, and between ITOCHU Corp. and KDRM.

## 5. Outlook

The effect of the share transfer to our financial results is indeterminate; however, it will likely have only negligible effect on financial results for the year 2008.

## 6. Others

The "Memorandum regarding the Provision of Real Estate Information," which was entered into on April 9, 2007 between the Company, KDRM, KENEDIX Realty Investment Corporation, and Kenedix Advisors, Inc., will continue to remain in force after the execution of the share transfer.

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