

March 20, 2006

To All Concerned Parties

Kenedix Realty Investment Corporation
2-6-2 Marunouchi, Chiyoda-ku, Tokyo
Taisuke Miyajima, Executive Director
(Securities Code: 8972)

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**Notice Concerning the Sales of Properties
(Storia Todoroki and Clair Court Rokakouen)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on March 20, 2006 to sell Storia Todoroki and Clair Court Rokakouen. Details are provided as follows.

1. Outline

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|------|--|---|---|
| (1) | Type of Assets for Sale | : | Trust beneficiary interests in real estate |
| (2) | Property Names | : | 1. Storia Todoroki
2. Clair Court Rokakouen |
| (3) | Sales Prices | : | 1. ¥1,015,000,000
2. ¥985,000,000
(Excluding sales costs, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax and other imposts) |
| (4) | Book Values | : | 1. ¥909,498,839
2. ¥862,569,278
(Book values as of October 31, 2005) |
| (5) | Differences between Sales Prices and Book Values | : | 1. ¥105,501,161
2. ¥122,430,722 |
| (6) | Purchase and Sale Agreement Execution Date | : | March 20, 2006 (1 & 2) |
| (7) | Settlement Date | : | May 10, 2006 (1 & 2) |
| (8) | Buyer | : | Y.K. Degas (1 & 2)
(Please refer to 4. “Buyer’s Profile” for details) |
| (9) | Settlement Method | : | The aforementioned trust beneficiary interests in 1 & 2 will be transferred to the buyer. |
| (10) | Method of Buyer | : | A major real estate broker was appointed as intermediary |

Selection

and seller of the subject trust beneficiary interests. This real estate broker selected a buyer from among numerous candidates.

The aforementioned assets for sale shall hereafter be referred to as “the Properties.”

2. Reason for Sales

The decision to sell the Properties is consistent with the Investment Corporation’s basic investment policy and stance outlined in its Articles of Incorporation and fundamental investment policies, and comprehensively takes into consideration its overall current and future portfolio development policy and individual real estate market trends (including conditions for competing properties, leasing and other factors).

3. Details of Properties for Planned Sale

Property Name		Storia Todoroki
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		July 31, 2003 to August 1, 2015
Location (Registered Address)		5-30-16 Todoroki, Setagaya-ku, Tokyo
Usage		Residential and residential complex
Structure		Reinforced concrete, aluminum plated roof, B1/3F
Site Area	Land	999.98 m ²
	Building	1,437.35 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Compartmentalized ownership (Trustee: 100%)
Completion Date		December 20, 2002
Acquisition Date		August 1, 2005
Acquisition Price		¥877,000,000
Survey Value (Registered Appraiser)		¥840,000,000 (As of October 31, 2005) Appraiser : Tanizawa Sogo Appraisal Co., Ltd.
Number of End Tenants		29 (As of February 28, 2006, the same for the following)
Total Leasable Floor Space / Total Number of Leasable Units		1,434.86 m ² / 29 units
Total Leased Floor Space / Total Number of Leased Units		1,434.86 m ² / 29 units
Occupancy Ratio (Total Leased Floor Space Basis)		100.0%

Property Name		Clair Court Rokakouen
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		December 25, 2003 to August 1, 2015
Location (Registered Address)		1-7-17 Kita-Karasuyama, Setagaya-ku, Tokyo
Usage		Residential complex

Structure	Reinforced Concrete, 3F	
Site Area	Land	1,749.87 m ²
	Building	1,727.48 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date	August 4, 1998	
Acquisition Date	August 1, 2005	
Acquisition Price	¥831,000,000	
Survey Value (Registered Appraiser)	¥839,000,000 (As of October 31, 2005) Appraiser : Tanizawa Sogo Appraisal Co., Ltd.	
Number of End Tenants	28 (As of February 28, 2006, the same for the following)	
Total Leasable Floor Space / Total Number of Leasable Units	1,621.06 m ² / 29 units	
Total Leased Floor Space / Total Number of Leased Units	1,550.94 m ² / 28 units	
Occupancy Ratio (Total Leased Floor Space Basis)	95.6%	

4. Buyer's Profile

Company Name	Y.K. Degas
Head Office Address	1-6-1 Roppongi, Minato-ku, Tokyo
Representative	Shigehisa Miyake, Director
Capital	¥3.0 million
Business Activities	Purchase, sale and management of trust beneficiary interests in real estate; Purchase, sale, leasing, brokerage and management of real estate
Relationship with the Investment Corporation	None
Special Items	Y.K. Degas is a wholly owned subsidiary of a limited liability intermediary that manages a fund to which SBI Holdings, Inc. contributes.

*As of March 20, 2006

5. Sale Schedule

March 20, 2006	Decision to sell the Properties
March 20, 2006	Execution of trust beneficiary interest purchase and sale agreements, receipt of deposit*
May 10, 2006	Settlement, sale of trust beneficiary interests

Note: At the time of agreement execution in connection with the purchase and sale of trust beneficiary interests in real estate, an amount equivalent to 5% of the sales prices identified in 1 (3) preceding shall be paid to the seller by the buyer. This payment shall not attract interest and shall be used as partial payment on the settlement date.

6. 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 commission: An amount equivalent to 0.5% of the sales prices identified in 1 (3) preceding.

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

7. 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 Advisors Co., Ltd. pursuant to the Property Management Agreement executed between the parties on August 1, 2005 in connection with the sale of the subject trust beneficiary interests in real estate and the subsequent transfer in management control. These fees are ¥2 million for Storia Todoroki and ¥1.8 million for Clair Court Rokakouen. 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.

8. Outlook

There are no changes to forecasts for the second fiscal period, the six-month period ending April 30, 2006 as a result of the execution of subject Purchase and Sale Agreements. An impact on the Investment Corporation's performance and operating conditions may result after settlement and sale of the subject trust beneficiary interests in real estate scheduled in the third fiscal period, the six-month period ending October 31, 2006. The Investment Corporation shall disclose any changes to forecasts separately after full consideration and as and when determined.

This notice is the English translation of the Japanese announcement on our Web site released on March 20, 2006. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Attached Material

1. Reference Material

Investment Portfolio after Sale of Subject Trust Beneficiary Interests in Real Estate

Reference Material

Property Portfolio after Sale of Subject Trust Beneficiary Interests in Real Estate

(As of scheduled settlement date: May 10, 2006)

Type of use	Area	No.	Property Name	Acquisition Price (Millions of yen)	Ratio	Acquisition Date
Office Buildings	Tokyo Metropolitan area	A-13	Belles Modes Building	5,950	7.4%	November 1, 2005
		A-1	Nihonbashi 313 Building	5,940	7.4%	August 1, 2005
		A-2	Sogo Hirakawacho Building	5,180	6.4%	August 1, 2005
		A-3	Higashi-Kayabacho Yuraku Building	4,450	5.5%	August 1, 2005
		A-4	Noir Hatchobori	3,680	4.6%	August 1, 2005
		A-5	K&Y Building (Southern Plaza)	2,533	3.1%	August 1, 2005
		A-6	Harajuku F.F.Building	2,450	3.0%	August 1, 2005
		A-15	Hamacho Hanacho Building	2,300	2.8%	March 16, 2006
		A-7	FIK Minami Aoyama	2,270	2.8%	August 1, 2005
		A-14	Reland Center Building	2,252	2.8%	March 1, 2006
		A-8	Kanda Kihara Building	1,950	2.4%	August 1, 2005
		A-9	NNK Building	1,610	2.0%	August 1, 2005
		A-10	Koishikawa Yoshida Building	704	0.8%	August 1, 2005
	Other Regional areas	A-12	Portus Center Building	5,570	6.9%	September 21, 2005
		A-11	Hakata-Ekimae Dai-2 Building	1,430	1.7%	August 1, 2005
Total of 15 Office Buildings				48,269	60.5%	
Residential Properties	Tokyo Metropolitan area	B-1	Storia Sirokane	3,150	3.9%	August 1, 2005
		B-2	Tre di Casa Minami Aoyama	2,460	3.0%	August 1, 2005
		B-3	Court Mejiro	1,250	1.5%	August 1, 2005
		B-4	Apartments Motoazabu	1,210	1.5%	August 1, 2005
		B-5	Apartments Wakamatsu-Kawada	1,180	1.4%	August 1, 2005
		B-6	Court Nihonbashi-Hakozaki	1,130	1.4%	August 1, 2005
		B-7	Side Denenchofu	1,110	1.3%	August 1, 2005
		B-8	S-court Yokohama-Kannai	945	1.1%	August 1, 2005
		B-9	Court Motoasakusa	880	1.1%	August 1, 2005
		B-10	Storia Todoroki	-	-	August 1, 2005
		B-11	Bloom Omotesando	875	1.0%	August 1, 2005
		B-12	Clair Court Rokakouen	-	-	August 1, 2005
		B-13	Human Heim Okachimachi	830	1.0%	August 1, 2005
		B-14	Court Shinbashi	748	0.9%	August 1, 2005
		B-15	Court Suitengu	659	0.8%	August 1, 2005
	Other Regional areas	B-18	Venus Hibirigaoka	1,800	2.2%	December 8, 2005
		B-16	Abreast Hara	444	0.5%	August 1, 2005
	B-17	Abreast Hirabari	407	0.5%	August 1, 2005	
Total of 16 Residential Properties				19,078	23.9%	
Retail Facilities	Tokyo Metropolitan area	C-1	Jinnan-zaka Frame	9,900	12.4%	August 1, 2005
		C-2	Yoyogi M Building	2,479	3.1%	September 30, 2005
Total of 2 Retail Facilities				12,379	15.5%	
Total of 33 properties				79,726	100.0%	Portfolio PML : 5.89%

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. Collection Higashisakura, which was announced in the Notice Concerning the Acquisition of Property (Conclusion of an Agreement) (Collection Higashi-sakura) on December 9, 2005, is not included in this portfolio because Collection Higashi-sakura is not yet acquired as of March 20, 2006.