

Translation Purpose Only

August 8, 2006

To All Concerned Parties

Kenedix Realty Investment Corporation
1-8-2 Marunouchi, Chiyoda-ku, Tokyo
Taisuke Miyajima, Executive Director
(Securities Code: 8972)

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Notice Concerning Related-Party Transaction

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision to undertake a transaction with a related party. Details of the aforementioned transaction are provided as follows.

1. Outline of the Related-Party Transaction

Kenedix Inc. (Related Party) has become an end-tenant of the NTB• M Building

Name of Related Party : Kenedix Inc.
Name of Building : NTB• M Building (5th floor)
Leased Floor Area : 371.13 m²
Contract Rental Rate (Monthly) : ¥3,087,150 (excluding consumption tax, including
common area maintenance charge, ¥27,500 per *tsubo*
(monthly))
Leasing Contract Term : From August 8, 2006 to July 31, 2007
Security Deposit : ¥25,258,500

Note: Kenedix Advisors Co., Ltd. is the lessee of NTB• M building under an existing pass-through master lease agreement.

2. Profile of the Related Party

Company Name	Kenedix Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	Ryosuke Homma, President
Capital	¥9,507,752 thousand
Principal Shareholders	The Master Trust Bank of Japan (Trust Account), Japan Trustee Services Bank (Trust Account) and others
Relationship with the Investment Corporation	A related company as defined under the Investment Trust Law (a company that holds 100% of the voting rights in the Asset Management Company, Kenedix REIT Management, Inc.).

* As of December 31, 2005.

3. Procedures Concerning Related-Party Transaction

The decision that the terms and conditions of the related-party transaction were fair and appropriate was made by the Asset Management Company based on rules outlined for related-party transactions and consideration of market prices, and analysis of peripheral market conditions and the written opinion (as of August 2006) of K.K. Ikoma Data Service System, a third-party.

In connection with the aforementioned, the Asset Management Company has discussed and obtained ratification of the Compliance Committee at a meeting held on August 2, 2006 and received the ratification of the Investment Management Committee and the Board of Directors at meetings held on August 8, 2006.

This notice is the English translation of the Japanese announcement on our Web site released on August 8, 2006. However, no assurance or warranties are given for the completeness or accuracy of this English translation.