

Translation Purpose Only

April 26, 2007

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation
2-2-9 Shimbashi, Minato-ku, Tokyo
Taisuke Miyajima, Executive Director
(Securities Code: 8972)

Asset Management Company:

Kenedix REIT Management, Inc.
Taisuke Miyajima, CEO and President

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Notice Concerning the Acquisition of Properties

**(Toranomom Toyo Building, KDX Shinjuku 286 Building, KDX Kyoto Karasuma Building,
KDX Hakata Building, KDX Sendai Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision today to acquire five properties. Details are provided as follows.

1. Outline of the Acquisition

- (1) Type of Acquisition : Trust beneficiary interests in real estate (Total of 5 office buildings)
 (2) Property Name : Details are provided as follows.
 (3) Acquisition Price : Total for 5 properties is ¥22,000,000,000 (excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.)

< Anticipated Acquisition >

Usage	Property No.	Property Name	Acquisition Price (Millions in Yen)
Office Building	A-40	Toranomom Toyo Building	9,850
	A-41	KDX Shinjuku 286 Building (Note)	2,300
	A-42	KDX Kyoto Karasuma Building (Note)	5,400
	A-43	KDX Hakata Building (Note)	2,350
	A-44	KDX Sendai Building (Note)	2,100
Total of 5 Office Buildings			22,000

- (4) Seller : Y.K. KWO Fourth
 (5) Date of Contract : April 26, 2007
 (6) Scheduled Date of Acquisition : June 1, 2007
 (7) Settlement Method : Payment in full on settlement
 (8) Source of Acquisition : Support-line (Acquisition from Kenedix Group)

Note: The current name of the KDX Shinjuku 286 Building is the “Aquisis Building,” KDX Kyoto Karasuma Building is the “Karasuma Building,” KDX Hakata Building is the “Hakata Ekimae Building,” and KDX

Sendai Building is the “Sendai Honcho Park Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the buildings.

Each aforementioned building shall hereafter be referred to as “the Property” or collectively, the “five Properties.”

2. Reason for Acquisition

The acquisition of the five Properties are made to raise the investment ratio of office buildings in the overall portfolio, and to further enhance and stabilize the Investment Corporation’s overall investment portfolio, in accordance with its Articles of Incorporation and fundamental investment policies.

3. Property Details

A-40 Toranomom Toyo Building

Property Name		Toranomon Toyo Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		September 27, 2004 to September 17, 2014
Current Owner / Acquisition Date		Y.K. KWO Fourth / November 9, 2004
Previous Owner / Acquisition Date		KW Property Y.K. / September 27, 2004
Location (Address)		1-4-2 Toranomom, Minato-ku, Tokyo
Usage		Bank, Offices, Retail shops, Storage (Note 1)
Type of Structure		Flat-roofed, steel reinforced concrete structure; one underground and nine above-ground floors (Note 2)
Site Area	Land	869.01 m ²
	Building	8,346.83 m ² (Note 2)
Type of Ownership	Land	Proprietary ownership
	Building	Compartmentalized ownership (Note 3)
Completion Date		August 23, 1962
Architect		Taisei Corporation
Construction Company		Taisei Corporation
Construction Confirmation Authority		Tokyo
Probable Maximum Loss		14.65% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥9,850,000,000
Appraisal	Appraisal Value	¥9,870,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		12 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		6,231.95 m ²
Total Leased Floor Area		6,231.95 m ²

Occupancy Ratio	100.0%
Monthly Rental Income (Excluding Consumption Tax)	¥46,115,123 (Note 4)
Security and Guarantee Deposit	¥515,881,713 (Note 4)
Forecast Net Operating Income	Please refer to Reference Material 2.
Special Considerations	<p>(1) The building was constructed prior to the implementation of new earthquake-resistance standards. However, based on the report prepared by Taisei Corporation dated February 2005, Taisei Corporation completed the earthquake-resistant reinforcement construction in October 2005, and its earthquake resistance has improved.</p> <p>(2) Due to the newly established Article 52 of the Buildings Standards Law concerning volume-to-lot-ratio standards after the completion of the building, the Property's volume-to-lot-ratio (994.06%) exceeds the current standard.</p> <p>(3) A certificate of inspection is yet to be received for a portion of the signboards (two side signboards) on the building following their completion. Moreover, building certification procedures stipulated by the Building Standards Law have not been followed for certain of these signboards. Plans are in place by the seller to take appropriate steps (including the fees) related to these signboards before the acquisition.</p>
Other	<p>Notes:</p> <ol style="list-style-type: none"> The Property is a compartmentalized ownership building with different applications registered for each compartment. The total floor area and type of structure for the entire building. The Property is a compartmentalized ownership building. However, the trustee owns the entire property. Monthly rental income and guarantee deposit information is exclusive of parking facility and advertising amounts.
Characteristics of the Property	<p>(1) Area The Property is approximately one minute on foot from Toranomom Station on the Tokyo Metro Ginza Line. The Toranomom area, where the Property is located, is one of the most well-known business districts in central Tokyo, with a number of large- and medium-sized offices, particularly on Sakurada-dori and Sotobori-dori. The Property is situated at a highly recognizable location facing Sotobori-dori, a Toranomom area in which there is a particularly high demand for office space.</p> <p>(2) Building Though the Property was constructed 45 years ago in 1962, it has been well maintained, receiving regular repair and maintenance of air conditioning systems, the external facade and structure, as well as undergoing earthquake resistance retrofitting. Additionally, with a standard floor area of 625 m², a comparatively substantial size for the Toranomom area, the building is an attractive property that continues to retain its competitive edge.</p> <p>(3) Tenants Currently, all nine above-ground floors, as well as the underground floor, are fully occupied with tenants, which include a restaurant on the underground floor, and a major bank, a real estate company, a law firm, and a human resources consulting company on the aboveground floors. The Investment Corporation aims to maintain and improve both revenue and the occupancy ratio by fully exploiting the benefits of the Property's convenient location.</p>

A-41 KDX Shinjuku 286 Building

Property Name	KDX Shinjuku 286 Building
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Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust Term		April 19, 2005 to April 19, 2015
Current Owner / Acquisition Date		Y.K. KWO Fourth / April 19, 2005
Previous Owner / Acquisition Date		Kihara Shouten / August 31, 1992 (Note 1) One Individual / May 2, 2000 (Note 1)
Location (Address)		2-8-6 Shinjuku, Shinjuku-ku, Tokyo
Usage		Offices, Parking
Type of Structure		Flat-roofed, steel-frame reinforced concrete reinforced concrete structure; one underground and nine above-ground floors
Site Area	Land	421.70 m ²
	Building	3,432.04 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		August 31, 1989
Architect		Kabushikigaisha Meikenchiku-Sekkei Jimusho
Construction Company		Shimizu Corporation and others
Construction Confirmation Authority		Shinjuku-ku, Tokyo
Probable Maximum Loss		8.75% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥2,300,000,000
Appraisal	Appraisal Value	¥2,340,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		9 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		2,447.80 m ²
Total Leased Floor Area		2,447.80 m ²
Occupancy Ratio		100.0%
Monthly Rental Income (Excluding Consumption Tax)		¥12,290,119 (Note 2)
Security and Guarantee Deposit		¥105,044,542 (Note 2)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	None	
Other	Notes: 1. The oldest property land acquisition date is shown. 2. Monthly rental income and guarantee deposit information is exclusive of parking facility and advertising amounts.	
Characteristics of the Property	(1) Area The building is surrounded by a variety of mid- to high-rise office and retail buildings that run along Shinjuku Dori in a bustling commercial district. Facing Shinjuku Dori in a high visibility location, the building is approximately two minutes on foot from Shinjuku Gyoenmae Station on the Tokyo Metro Marunouchi Line and four minutes on foot from	

	<p>Shinkuju Sanhome Station on the Toei Shinjuku Line.</p> <p>(2) Building Leased portions of the building offer features that enhance comfort and ease of use for tenants, with rectangular-shaped, pillar-free standard floors of 300 m² and individual air conditioning systems.</p> <p>(3) Tenants Currently, all nine floors are fully occupied with tenants, including companies engaged in software development, translation, finance and condominium management. The Investment Corporation aims to maintain and improve both revenue and the occupancy ratio by fully exploiting the benefits of the Property's convenient location.</p>
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A-42 KDX Kyoto Karasuma Building

Property Name		KDX Kyoto Karasuma Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		March 30, 2004 to March 30, 2014
Current Owner / Acquisition Date		Y.K. KWO Fourth / January 31, 2005
Previous Owner / Acquisition Date		Y.K. Kyoto Karasuma Holdings / March 30, 2004
Location (Address)		85-1 Mikuracho Nishiiru Karasuma, Sanjyodori, Nakagyoku-ku, Kyoto-shi, Kyoto (Note 1)
Usage		Offices
Type of Structure		Flat-roofed, steel-frame reinforced concrete structure; one underground and eight above-ground floors
Site Area	Land	1,788.67 m ²
	Building	12,632.68 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		October 20, 1982
Architect		Kabushikigaisha Matsuda Hirata Sakamoto Sekkei Jimusho
Construction Company		Takenaka Corporation
Construction Confirmation Authority		Kyoto-shi, Kyoto
Probable Maximum Loss		13.81% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥5,400,000,000
Appraisal	Appraisal Value	¥5,440,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Daiwa Real Estate Appraisal Corporation
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		25 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		7,780.43 m ²
Total Leased Floor Area		7,556.94 m ²
Occupancy Ratio		97.1%
Monthly Rental Income (Excluding Consumption Tax)		¥29,280,433 (Note 2)

Security and Guarantee Deposit	¥215,269,022 (Note 2)
Forecast Net Operating Income	Please refer to Reference Material 2.
Special Considerations	None
Other	Notes: 1. The residential address of the Property is yet to be determined. 2. Monthly rental income and guarantee deposit information is exclusive of parking facility and advertising amounts.
Characteristics of the Property	(1) Area Prominently located at the intersection of Sanjyo Dori and Karasuma Dori, which is a main Kyoto district avenue that runs north to south, the Property is a convenient two minutes on foot from the Karasumaoike Station on the Karsuma Line of the Kyoto Municipal Subway. Karasuma Dori and its surrounding area is a renowned Kyoto business district that comprises mainly mid- to high-rise office and retail buildings. (2) Building With a well-maintained air conditioning system, refurbished common areas and a new security system in place, the building's facilities and equipment remain in good standing. In addition, with approximately 1,180 m ² of standard leaseable floor area that can be easily compartmentalized for optimal usability, the building offers a highly attractive structure to meet tenant demands for space, whether large or small. (3) Tenants Currently, the first floor is occupied by a major coffee shop and a large-sized bookstore, and the tenants for the other floors include companies engaged in OA-related equipment sales, real estate, law and finance, and the tenant-mix diversification has been realized. The Investment Corporation aims to maintain and improve both revenue and the occupancy ratio by fully exploiting the benefits of the Property's convenient location and size.

A-43 KDX Hakata Building

Property Name	KDX Hakata Building	
Type of Specified Asset	Trust beneficiary interest in real estate	
Trustee	Mitsubishi UFJ Trust and Banking Corporation	
Trust Term	September 10, 2004 to September 10, 2014	
Current Owner / Acquisition Date	Y.K. KWO Fourth / September 17, 2004	
Previous Owner / Acquisition Date	Y.K. City Residential / September 10, 2004	
Location (Address)	1-2-3 Hakata-eki Minami, Hakata-ku, Fukuoka, Fukuoka	
Usage	Offices, Mechanical room, Multilevel Parking	
Type of Structure	Flat-roofed, steel-frame reinforced concrete structure; nine above-ground floors	
Site Area	Land	1,130.86 m ²
	Building	6,537.33 m ² (Note 1)
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date	July 16, 1982	
Architect	Nikken Sekkei Ltd.	
Construction Company	Sumitomo Mitsui Construction Co., Ltd. others	
Construction Confirmation Authority	Fukuoka-shi, Fukuoka	
Probable Maximum Loss	0.34% (SOMPO JAPAN RISK MANAGEMENT, INC.)	

Acquisition Price		¥2,350,000,000
Appraisal	Appraisal Value	¥2,370,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		32 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		4,934.23 m ²
Total Leased Floor Area		4,782.19 m ²
Occupancy Ratio		96.9%
Monthly Rental Income (Excluding Consumption Tax)		¥16,638,350 (Note 2)
Security and Guarantee Deposit		¥127,356,932 (Note 2)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	The first floor of the building is currently being used as a retail shop, which varies from the usage (office space) stipulated in the building permit. Moreover, building certification procedures stipulated by the Building Standards Law have not been followed for the inspection (signboards). Plans are in place by the seller to take appropriate steps.	
Other	<p>Notes:</p> <p>1. The Property has the following attached structure. This attached structure is not included in the total floor area. (Usage: Storage; Type of Structure: Flat-roofed, steel-reinforced concrete structure; Floor area: 7.26m²)</p> <p>2. Monthly rental income and guarantee deposit information is exclusive of parking facility and advertising amounts.</p>	
Characteristics of the Property	<p>(1) Area The Property is located a five minutes on foot from Hakata Station on the Municipal Subway Airport Line and JR Kagoshima Line, and is in an urban district that is not only vital to the Tenjin area but also to the greater Kyushu island region. Given the area's convenient access to the Hakata Station and Fukuoka Airport, as well as its proximity to a substantial number of government and public offices, major corporations, local businesses, and government-affiliated enterprises, the area is deemed easily capable of maintaining stable occupancy.</p> <p>(2) Building The building meets high facility standards adopting the implementation of value-enhancing repairs and maintenance that include retrofitting of the centralized air conditioning system with an individualized air conditioning system, common area renovations and amenity renewals.</p> <p>(3) Tenants Currently, the first floor is occupied by a cell phone shop and restaurant, and the tenants for the other floors are fully occupied with tenants, including a company engaged in architecture-related business, a travel agency, various types of associations and a recruitment agency. The Investment Corporation aims for steady revenue by maintaining and improving the Property's facilities.</p>	

A-44 KDX Sendai Building

Property Name		KDX Sendai Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		June 30, 2004 to June 30, 2014
Current Owner / Acquisition Date		Y.K. KWO Fourth / September 30, 2004
Previous Owner / Acquisition Date		KW Realty Y.K. / June 30, 2004
Location (Address)		1-2-20 Honcho, Aoba-ku, Sendai-shi, Miyagi
Usage		Offices
Type of Structure		Flat-roofed, steel-frame reinforced concrete structure; one underground and ten above-ground floors
Site Area	Land	987.78 m ²
	Building	5,918.30 m ² (Note 1)
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		February 24, 1984
Architect		Mitsubishi Estate Co., Ltd.
Construction Company		Taisei Corporation and others
Construction Confirmation Authority		Sendai-shi, Miyagi
Probable Maximum Loss		3.49% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥2,100,000,000
Appraisal	Appraisal Value	¥2,130,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Daiwa Real Estate Appraisal Corporation
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		27 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		3,955.02 m ²
Total Leased Floor Area		3,862.16 m ²
Occupancy Ratio		97.7%
Monthly Rental Income (Excluding Consumption Tax)		¥14,516,667 (Note 2)
Security and Guarantee Deposit		¥213,742,510 (Note 2)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	A certificate of inspection is yet to be received for a portion of the signboards (one side signboards and one advertising board on the roof) on the building following their completion. Moreover, building certification procedures stipulated by the Building Standards Law have not been followed for certain of these signboards. Plans are in place by the seller (including the fees) to take appropriate steps related to these signboards.	
Other	1. The Property has the following attached structures. These attached structures are not included in the total floor area. (Usage: Parking; Type of Structure: Steel-frame one-story structure with steel-sheet roofing; Floor area: 35.20m ²) (Usage: Garbage room; Type of Structure: Flat-roofed, steel-reinforced concrete structure;	

	<p>Floor area: 7.40m² (Usage: Gas storage; Type of Structure: Flat-roofed, steel-reinforced concrete structure; Floor area: 5.40 m²) 2. Monthly rental income and guarantee deposit information is exclusive of parking facility and advertising amounts.</p>
Characteristics of the Property	<p>(1) Area The Property is an office building located approximately three minutes on foot from Hirose-Dori Station on the Sendai Municipal Subway Line and approximately eight minutes on foot from JR Sendai Station in the West Exit area, which is the largest commercial and business district in the Tohoku Region. The Property is highly visible and faces Atago-Kamisugi Dori, the main thoroughfare running north to south in front of Sendai Station.</p> <p>(2) Building The Property features a flexible floor plan that can be easily compartmentalized to meet a wide variety of tenant needs. In addition, the central air conditioning system for the entire building was retrofitted with an individualized air conditioning system along with other equipment upgrades, raising the building standards to a competitive level.</p> <p>(3) Tenants Currently, all floors are almost fully occupied with branches and sales offices of major corporations and local businesses, and the tenant-mix diversification has been realized. The Investment Corporation aims for steady revenue by maintaining and improving the Property's facilities.</p>

4. Seller's Profile

Company Name	Y.K. KWO Fourth
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	Naoto Kasuya
Capital	¥3 million
Principal Shareholder	Yugen Sekinin Chukan Hojin KWO Fourth
Business Activities	A special purpose company established to acquire, manage and dispose of trust beneficiary interests in real estate and a wholly owned subsidiary of a limited intermediary for the purpose of establishing a pension fund.
Relationship with the Investment Corporation	A related company as defined under the internal regulations of the Asset Management Company.
Special Considerations	None

*As of April 26, 2007

5. Acquirer's (Seller) Profile

A-40 Toranomom Toyo Building

The Investment Corporation	Current Owner• Trustee	Previous Owner• Trustee	Ex-Previous Owner• Trustee
<p><Background• Reasons for Acquisition> In accordance with its basic investment principles, the Investment Corporation</p>	<p><Company Name/Relationship to Specified Interested Party> Please refer to above 4.</p>	<p><Company Name/Relationship to Specified Interested Party> KW Property Y.K.</p>	<p>Excluding the specified interested party</p>

shall obtain the Property following its determination as a competitive property that will contribute to the Investment Corporation's medium- to long-term profitability. The acquisition price was determined to be appropriate, as it is below the appraisal price determined by Japan Real Estate Institute.	Seller's Profile. <Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.	Related party refers to those related parties defined under the Investment Trust Law and the internal regulations of the Asset Management Company. <Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.	
<Acquisition Price> ¥9,850 millions (excluding tax)	<Acquisition Price> Omitted owing to the fact that the current trust beneficiary has owned the Property for more than one year.	-	-
<Date of Acquisition> June 1, 2007	<Date of Acquisition> November 9, 2004	<Date of Acquisition> September 27, 2004	-

A-41 KDX Shinjuku 286 Building

The Investment Corporation	Current Owner• Trustee	Previous Owner• Trustee
<Background• Reasons for Acquisition> In accordance with its basic investment principles, the Investment Corporation shall obtain the Property following its determination as a competitive property that will contribute to the Investment Corporation's medium- to long-term profitability. The acquisition price was determined to be appropriate, as it is below the appraisal price determined by Japan Real Estate Institute.	<Company Name/Relationship to Specified Interested Party> Please refer to above 4. Seller's Profile. <Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.	Excluding the specified interested party
<Acquisition Price> ¥2,300 millions (excluding tax)	<Acquisition Price> Omitted owing to the fact that the current trust beneficiary has owned the Property for more than one year.	-
<Date of Acquisition> June 1, 2007	<Date of Acquisition> April 19, 2005	-

A-42 KDX Kyoto Karasuma Building

The Investment Corporation	Current Owner• Trustee	Previous Owner• Trustee	Ex-Previous Owner• Trustee
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<p><Background• Reasons for Acquisition> In accordance with its basic investment principles, the Investment Corporation shall obtain the Property following its determination as a competitive property that will contribute to the Investment Corporation’s medium- to long-term profitability. The acquisition price was determined to be appropriate, as it is below the appraisal price determined by Daiwa Real Estate Appraisal Corporation.</p>	<p><Company Name/Relationship to Specified Interested Party> Please refer to above 4. Seller’s Profile.</p> <p><Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.</p>	<p><Company Name/Relationship to Specified Interested Party> Y.K. Kyoto Karasuma Holdings Related party refers to those related parties defined under the Investment Trust Law and the internal regulations of the Asset Management Company.</p> <p><Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.</p>	<p>Excluding the specified interested party</p>
<p><Acquisition Price> ¥5,400 millions (excluding tax)</p>	<p><Acquisition Price> Omitted owing to the fact that the current trust beneficiary has owned the Property for more than one year.</p>	-	-
<p><Date of Acquisition> June 1, 2007</p>	<p><Date of Acquisition> January 31, 2005</p>	<p><Date of Acquisition> March 30, 2004</p>	-

A-43 KDX Hakata Building

The Investment Corporation	Current Owner• Trustee	Previous Owner• Trustee	Ex-Previous Owner• Trustee
<p><Background• Reasons for Acquisition> In accordance with its basic investment principles, the Investment Corporation shall obtain the Property following its determination as a competitive property that will contribute to the Investment Corporation’s medium- to long-term profitability. The acquisition price was determined to be appropriate, as it is below the appraisal price determined by Japan Real</p>	<p><Company Name/Relationship to Specified Interested Party> Please refer to above 4. Seller’s Profile.</p> <p><Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.</p>	<p><Company Name/Relationship to Specified Interested Party> Y.K. City Residential Related party refers to those related parties defined under the Investment Trust Law and the internal regulations of the Asset Management Company.</p> <p><Background• Reasons for Acquisition> The Property was acquired for the aim of</p>	<p>Excluding the specified interested party</p>

Estate Institute.		investment management.	
<Acquisition Price> ¥2,350 millions (excluding tax)	<Acquisition Price> Omitted owing to the fact that the current trust beneficiary has owned the Property for more than one year.	-	-
<Date of Acquisition> June 1, 2007	<Date of Acquisition> September 17, 2004	<Date of Acquisition> September 10, 2004	-

A-44 KDX Sendai Building

The Investment Corporation	Current Owner• Trustee	Previous Owner• Trustee	Ex-Previous Owner• Trustee
<Background• Reasons for Acquisition> In accordance with its basic investment principles, the Investment Corporation shall obtain the Property following its determination as a competitive property that will contribute to the Investment Corporation's medium- to long-term profitability. The acquisition price was determined to be appropriate, as it is below the appraisal price determined by Daiwa Real Estate Appraisal Corporation.	<Company Name/Relationship to Specified Interested Party> Please refer to above 4. Seller's Profile. <Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.	<Company Name/Relationship to Specified Interested Party> KW Realty Y.K. Related party refers to those related parties defined under the Investment Trust Law and the internal regulations of the Asset Management Company. <Background• Reasons for Acquisition> The Property was acquired for the aim of investment management.	Excluding the specified interested party
<Acquisition Price> ¥2,100 millions (excluding tax)	<Acquisition Price> Omitted owing to the fact that the current trust beneficiary has owned the Property for more than one year.	-	-
<Date of Acquisition> June 1, 2007	<Date of Acquisition> September 30, 2004	<Date of Acquisition> June 30, 2004	-

6. Details of Brokerage

There are no brokerage firms nor brokerage fee for the Property.

7. Interested-Party Transactions

Related to the acquisition of the five Properties, transactions between the Investment Corporation and interested

parties, or between the Investment Corporation and interested parties as defined under the Asset Management Company’s internal rules and regulations, shall fall under the four categories of transactions (1) through (4) below.

Kenedix REIT Management, Inc. (“the Asset Management Company”), bound by its 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 and the Asset Management Committee. Subject to approval, each transaction was then submitted to the Board of Directors 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.

(1) Acquisition of Property

The seller of the Property falls under the category of an interested party according to the regulations of the Asset Management Company concerning interested parties. The seller and the overview of the acquisition are as entered above.

(2) Appointment of a Property Management Company

The Investment Corporation plans to execute a property management agreement with Kenedix Advisors Co., Ltd. (“KDA”) on June 1, 2007. Other parties to the agreement include the property trust trustee and the Asset Management Company.

KDA qualifies as an interested-party as defined under the Investment Trust Law and the internal rules and regulations of the Asset Management Company. Fees relating to property management remain at the same level as a current property.

Outline of Property Managements Fees:

- Leasing management fees
Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%
- Management transfer fees

Property (Trust Beneficiary Interest) Price	Management Transfer Fee (At the Time of Purchase and Sale)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million
¥5.0 billion and more, and less than ¥10.0 billion	¥2.4 million

(3) Master Lease of the Property

The Investment Corporation plans to execute a master lease agreement with KDA on June 1, 2007. Other parties to the agreement include the property trust trustee and the Asset Management Company.

【Principal agreement terms and conditions】

- Agreement term: From the date of agreement execution through August 1, 2015
- Type of master lease: Pass-through

(4) Concurrent Liability Assumption Memorandum

The Investment Corporation plans to execute a concurrent liability assumption memorandum with KDA on June 1, 2007. Under the memorandum, the Investment Corporation agrees to assume a concurrent commitment together

with KDA to refund security and guarantee deposits which KDA as Master lessee had received from subtenants in connection with the master lease agreement. As compensation for this liability assumption, KDA shall provide to the Investment Corporation an amount equivalent to the total of security and guarantee deposits received.

8. Outlook

Please refer to “Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending April 30, 2007 and Announcement of Operating Forecasts for the Fiscal Period Ending October 31, 2007” disclosed on April 26, 2007 regarding forecasts for the fiscal periods ending April 30, 2007 and October 31, 2007.

This notice is the English translation of the Japanese announcement on our Web site released on April 26, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Attached Materials

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

Reference Material 1

Outline of Property Appraisal

Unit : Yen					
Property Name	A-40 Toronomon Toyo Building	A-41 KDX Shinjuku 286 Building	A-42 KDX Kyoto Karasuma Building	A-43 KDX Hakata Building	A-44 KDX Sendai Building
Appraisal Value	9,870,000,000	2,340,000,000	5,440,000,000	2,370,000,000	2,130,000,000
Base Date for Appraisal	March 1, 2007	March 1, 2007	March 1, 2007	March 1, 2007	March 1, 2007
Appraiser	Japan Real Estate Institute	Japan Real Estate Institute	Daiwa Real Estate Appraisal Corporation.	Japan Real Estate Institute	Daiwa Real Estate Appraisal Corporation.
Value Calculated Using the Direct Capitalization Method	9,990,000,000	2,370,000,000	5,570,000,000	2,380,000,000	2,160,000,000
Gross Operating Revenue	603,407,000	178,519,000	452,743,605	209,565,000	195,568,837
Maximum Gross Operating Revenue	622,782,000	185,795,000	472,423,624	224,240,000	205,049,892
Shortfall Attributed to Vacancies	19,375,000	7,276,000	19,680,019	14,675,000	9,481,055
Operating Expenses	140,774,000	47,654,000	137,617,210	56,441,000	58,806,079
Administrative and Maintenance Expense	81,079,000	29,015,000	85,191,280	42,807,000	42,340,139
Taxes and Dues	55,862,000	17,468,000	43,870,080	12,981,000	14,741,500
Other Expenses	3,833,000	1,171,000	8,555,850	653,000	1,724,440
Net Operating Income (NOI)	462,633,000	130,865,000	315,126,395	153,124,000	136,762,758
Capital Expenditure	24,480,000	14,500,000	19,098,000	19,680,000	16,033,333
Guarantee Deposit or Lump-sum Investment(Note)	11,450,000	2,330,000	4,697,857	2,351,000	2,248,085
Net Cash Flow (NCF)	449,603,000	118,695,000	300,726,252	135,795,000	122,977,510
Overall Capitalization Rate (NCF)	4.5%	5.0%	5.4%	5.7%	5.7%
Value Calculated Using the Discounted Cash Flow Method	9,740,000,000	2,310,000,000	5,300,000,000	2,350,000,000	2,090,000,000
Discount Rate	4.2%	4.8%	5.3%	5.5%	5.6%
Terminal Capitalization Rate	4.7%	5.2%	5.6%	5.9%	5.9%
Value Calculated Using the Cost Method	12,400,000,000	2,250,000,000	4,190,000,000	2,230,000,000	1,460,000,000
Land	96.7%	82.1%	71.4%	71.6%	59.3%
Building	3.3%	17.9%	28.6%	28.4%	40.7%

Note: Guarantee deposit or assumed yield rate on lump-sum investment: 2%

Reference Material 2

Projected Cash Flow

Unit : Millions of Yen					
Property Name	A-40 Toronomon Toyo Building	A-41 KDX Shinjuku 286 Building	A-42 KDX Kyoto Karasuma Building	A-43 KDX Hakata Building	A-44 KDX Sendai Building
A. Projected Operating Revenues	582	177	419	201	178
B. Projected Operating Expenses (excluding depreciation)	146	52	145	65	64
C. Projected NOI (A-B)	435	125	273	136	113
D. Occupancy Ratio	96%	96%	96%	92%	93%

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors of the year of acquisition.
2. Revenues are based on an aforementioned occupancy ratio in the column "D. Occupancy Ratio" 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.

Reference Material 3

Building Condition Investigation Report

Unit: Yen					
Investigation Company	HI International Consultant Co., LTD.				
Date of Investigation	February 2007				
Property Name	A-40 Toronomon Toyo Building	A-41 KDX Shinjuku 286 Building	A-42 KDX Kyoto Karasuma Building	A-43 KDX Hakata Building	A-44 KDX Sendai Building
Repairs, maintenance and renovation expenses required over the next year	32,070,000	23,400,000	59,570,000	20,220,000	19,880,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	227,980,000	145,680,000	169,610,000	138,490,000	172,520,000
Unit-in-Place	1,989,700,000	929,100,000	2,942,600,000	1,638,700,000	1,468,900,000

- * The abovementioned investigation company undertakes building assessments for this property such as
- a diagnosis of building deterioration
 - formulation of a short- and long-term repair and maintenance plan
 - assessment of legal compliance with the Building Standards Law
 - analyses of the existence of hazardous substances and the soil environment and submits a building assessment report to the Investment Corporation.

Reference Material 4

Property Photographs

A-40 Toranomom Toyo Building



A-41 KDX Shinjuku 286 Building



A-42 KDX Kyoto Karasuma Building



A-43 KDX Hakata Bulding



A-44 KDX Sndai Building



Reference Material 5

Property Portfolio after Acquisition of the 5 Properties

Type of Use	Area	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	Toranomon Toyo Building	9,850	4.9%	June 1, 2007
		KDX Ochanomizu Building (Note 2)	6,400	3.2%	April 2, 2007
		KDX Shiba-Daimon Building (Note 3)	6,090	3.0%	March 1, 2007
		KDX Koujimachi Building	5,950	3.0%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	3.0%	August 1, 2005
		Toshin 24 Building	5,300	2.6%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.6%	August 1, 2005
		Ebisu East 438 Building	4,640	2.3%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	2.2%	August 1, 2005
		KDX Toranomon Building	4,400	2.2%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	2.1%	December 1, 2006
		KDX Hatchobori Building	3,680	1.8%	August 1, 2005
		KDX Omori Building	3,500	1.7%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.7%	May 1, 2006
		KDX Higashi-Shinjuku Building	2,950	1.4%	September 1, 2006
		Dai-ichi Kayabacho Building	2,780	1.4%	May 1, 2006
		KDX Shinbashi Building	2,690	1.3%	May 1, 2006
		KDX Nakano-Sakaue Building	2,533	1.2%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.2%	May 1, 2006
		Harajuku F.F. Building	2,450	1.2%	August 1, 2005
		KDX Kajicho Building	2,350	1.1%	June 3, 2006
		KDX Hamacho Building	2,300	1.1%	March 16, 2006
		KDX Shinjuku 286 Building (Note 4)	2,300	1.1%	June 1, 2007
		FIK Minami Aoyama	2,270	1.1%	August 1, 2005
		KDX Funabashi Building	2,252	1.1%	March 1, 2006
		KDX Okachimachi Building (Note 5)	2,000	1.0%	March 1, 2007
		Kanda Kihara Building	1,950	0.9%	August 1, 2005
		KDX Yotsuya Building	1,950	0.9%	May 1, 2006
		KDX Shinjuku-Gyoen Building	1,610	0.8%	August 1, 2005
	KDX Kiba Building	1,580	0.8%	June 20, 2006	
	KDX Nishi-Shinjuku Building (Note 6)	1,500	0.7%	April 2, 2007	
	KDX Monzen-Nakacho Building	1,400	0.7%	January 19, 2007	
	KDX Hon-Atsugi Building (Note 7)	1,305	0.6%	March 1, 2007	
KDX Hachioji Building (Note 8)	1,155	0.5%	March 1, 2007		
KDX Nogizaka Building	1,065	0.5%	July 14, 2006		
KDX Koishikawa Building	704	0.3%	August 1, 2005		
Other Regional Areas	Portus Center Building	5,570	2.8%	September 21, 2005	
	KDX Kyoto Karasuma Building (Note 9)	5,400	2.7%	June 1, 2007	
	KDX Hakata Building (Note 10)	2,350	1.1%	June 1, 2007	
	KDX Sendai Building (Note 11)	2,100	1.0%	June 1, 2007	
	KDX Minami Semba Dai-1 Building	1,610	0.8%	May 1, 2006	
	KDX Minami Semba Dai-2 Building	1,560	0.7%	May 1, 2006	

		Hakata Ekimae-Dai2 Building	1,430	0.7%	August 1, 2005
		KDX Niigata Building	1,305	0.6%	March 1, 2007
		Total of 44 Office Buildings	137,979	70.0%	-
Central Urban-Type Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	5.0%	August 1, 2005
		KDX Yoyogi Building	2,479	1.2%	September 30, 2005
	Other Regional Areas	ZARA Tenjin Nishi-dori	3,680	1.8%	May 1, 2006
		Total of 3 Central Urban-Type Retail Properties	16,059	8.1%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.7%	May 1, 2006
		Regalo Ochanomizu I&II	3,600	1.8%	May 1, 2006
		Storia Sirokane	3,150	1.5%	August 1, 2005
		Tre di Casa Minami Aoyama	2,460	1.2%	August 1, 2005
		Regalo Shiba-Kouen	2,260	1.1%	May 1, 2006
		Court Mejiro	1,250	0.6%	August 1, 2005
		Apartments Motoazabu	1,210	0.6%	August 1, 2005
		Apartments Wakamatsu-Kawada	1,180	0.5%	August 1, 2005
		Chigasaki Socie Ni-bankan	1,160	0.5%	May 1, 2006
		Court Nihonbashi Hakozaki	1,130	0.5%	August 1, 2005
		Court Nishi-Shinjuku	1,130	0.5%	May 1, 2006
		Side Denenchofu	1,110	0.5%	August 1, 2005
		Gradito Kawaguchi	1,038	0.5%	June 30, 2006
		S-court Yokohama Kannai II	945	0.4%	August 1, 2005
		Regalo Komazawa-Kouen	912	0.4%	May 1, 2006
		Court Motoasakusa	880	0.4%	August 1, 2005
		Court Shin-Okachimachi	878	0.4%	May 1, 2006
		Bloom Omotesando	875	0.4%	August 1, 2005
		Human Heim Okachimachi	830	0.4%	August 1, 2005
		Primo Regalo Kagurazaka	762	0.3%	May 1, 2006
	Primo Regalo Youga	730	0.3%	May 1, 2006	
	Court Shimouma	638	0.3%	May 1, 2006	
	Other Regional Areas	Ashiya Royal Homes	2,330	1.1%	May 1, 2006
		Venus Hibarigaoka	1,800	0.9%	December 8, 2005
		Regalo Ibaraki I& II	1,600	0.8%	May 1, 2006
		Collection Higashi-Sakura	1,264	0.6%	May 1, 2006
		Renaissance 21 Hirao Jousui-machi	900	0.4%	May 1, 2006
		Montore Nishikouen Bay Court	826	0.4%	May 1, 2006
		Abreast Hara	444	0.2%	August 1, 2005
	Abreast Hirabari	407	0.2%	August 1, 2005	
		Total of 30 Residential Properties	43,052	21.8%	-
		Total of 77 Properties	197,090	100.0%	Portfolio PML 6.86%

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. The current name of the property is the “Kenkyusha Building.” Plans are in place to change the name of the property to the “KDX Ochanomizu Building” on October 1, 2007.
3. The current name of the property is the “Shuwa Dai-san Shiba Park Building.” Plans are in place to change the name of the property to the “KDX Shiba-Daimon Building” on September 1, 2007.
4. The current name of the “KDX Shinjuku 286 Building” is the “Aquis Building.” Following the acquisition, the Investment

Corporation intends to carry out procedures to change the name of the building.

5. The current name of the property is the “Kairaku Building.” Plans are in place to change the name of the property to the “KDX Okachimachi Building” on June 1, 2007.
6. The current name of the “KDX Nishi-Shinjuku Building” is the “N.S. EXCEL Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
7. The current name of the “KDX Hon-Atsugi Building” is the “Sumisei Atsugi Dai-2 Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
8. The current name of the “KDX Hachioji Building” is the “Sumisei Hachioji Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
9. The current name of the “KDX Kyoto Karasuma Building” is the “Karasuma Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
10. The current name of the “KDX Hakata Building” is the “Hakata Ekimae Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
11. The current name of the “KDX Sendai Building” is the “Sendai Honcho Park Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.