



Translation Purpose Only

April 26, 2007

To All Concerned Parties

REIT Issuer:
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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 Issue of Additional New Investment Units and Secondary Offering

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced that it resolved at the Board of Directors Meeting on April 26, 2007 to issue additional new investment units and to conduct a secondary offering. Details are provided as follows.

1. Primary Offering of the Issue of Additional New Investment Units

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|----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Total number of units to be issued | 40,900 units |
| (2) Offer Price | To be determined
After taking into account demand conditions and other factors, the offer price is determined by multiplying the closing price (if there was no closing price on said day, then the closing price of the day immediately preceding that day) of the Tokyo Stock Exchange on any of the days (“the Offer Price Determination Date”) from May 14, 2007 (Monday) to May 16, 2007 (Wednesday) by between 0.90 to 1.00, and taking the resulting price (rounding all fractions down to the nearest yen) as a tentative figure. |
| (3) Issue Price | To be determined
(The issue price for new investment units shall be determined by a resolution of the Board of Directors, scheduled on the Offer Price Determination Date). |
| (4) Gross Proceeds | To be determined |
| (5) Offering method | The units are being offered jointly and simultaneously in Japan and overseas (see 2. Secondary Offering, below) in a combined offering (“the Global Offering”) by a syndicate jointly led by UBS Securities Japan Ltd. and Nomura Securities Co., Ltd. (“the Joint Global Coordinators”).
Japanese offering |

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For the offering in Japan (“the Japanese Offering”), the units are being offered in a public offering by a syndicate jointly led by UBS Securities Japan Ltd. and Nomura Securities Co., Ltd. The syndicate is comprised of the following underwriters:

Daiwa Securities SMBC Co., Ltd.
Nikko Citigroup Limited
Mitsubishi UFJ Securities Co., Ltd.
Mizuho Securities Co., Ltd.

(together with UBS Securities Japan Ltd. and Nomura Securities Co., Ltd., hereinafter referred to as “the Japanese Underwriters”).

Overseas offering

For the overseas offering (“the Overseas Offering”), the units are being offered (in the United States as a private offering to qualified institutional buyers only, in accordance with Rule 144A of the 1933 U.S. Securities Act) in public offerings primarily in European overseas markets by the following underwriters:

UBS Limited
Nomura International PLC
Deutsche Bank Aktiengesellschaft

(hereinafter referred to as “the Overseas Underwriters,” and collectively with “the Japanese Underwriters” as “the Underwriters”), by whom the overseas portion of the total number of investment units will be underwritten for purchase separate from the aggregate amount.

With regard to the number of investments units involved in both the Japanese and Overseas Offerings, the Investment Corporation has planned to offer 26,710 units for the Japanese Offering and 14,190 for the Overseas Offering, but the final breakdown will be concluded on the Offer Price Determination Date, taking into account demand and other factors.

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|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (6) Underwriting agreement details | The Underwriters shall pay to the Investment Corporation the full underwritten proceeds (offer price amount) on the payment date. Underwriting fees applicable to the issue shall be the difference between the offer price and the issue price. The Investment Corporation shall not pay an underwriting commission. |
| (7) Application unit | More than one unit in multiples of one unit |
| (8) Japanese Offering application period | May 17, 2007 (Thursday) to May 21, 2007 (Monday).
Depending on demand, this may be brought forward to between May 15, 2007 (Tuesday) and May 17, 2007 (Thursday), at the earliest. |
| (9) Payment Date | May 24, 2007 (Thursday)
Depending on demand, this may be brought forward to May 22, 2007 (Tuesday), at the earliest. |
| (10) Investment unit certificates delivery date | Next business day after the Japanese offering payment date |
| (11) The offer price, issue price and other matters relating to the issue of new investment units shall be determined at future meetings of the Board of Directors. | |

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(12) The aforementioned items shall be subject to the validity of the securities registration statement based on the Securities and Exchange Law of Japan.

2. Secondary Offering (Over-Allotment) (Refer to Reference 1 below)

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|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Seller and the total number of units to be issued | Nomura Securities Co., Ltd. 2,100 units
The secondary offering (over-allotment) in connection with Nomura Securities Co., Ltd. is subject to demand related to the Japanese Offering. The total number of 2,100 units is the maximum limit and may differ depending on demand. Accordingly, the number of units to be issued may be zero or less than the maximum limit. The total number of units to be offered will be decided at a Board of Directors' meeting to be held on the Offer Price Determination Date. |
| (2) Offer price | To be determined
(To be decided on the Offer Price Determination Date. The offer price is to be the same as the primary Japanese Offering offer price.) |
| (3) Gross Proceeds | To be determined |
| (4) Offering method | In connection with the Japanese Offering and after considering demand conditions, Nomura Securities Co., Ltd. shall undertake a secondary offering of borrowed Investment Corporation investment units with 2,100 units as the upper limit. |
| (5) Application unit | More than one unit in multiples of one unit |
| (6) Application period | To be the same as the Japanese Offering application period. |
| (7) Delivery and settlement date | Next business day after the Japanese offering payment date |
| (8) The offer price and other matters relating to the secondary offering shall be determined at future meetings of the Board of Directors. | |
| (9) The aforementioned items shall be subject to the validity of the securities registration statement based on the Securities and Exchange Law of Japan. | |

3. Issue of New Investment Units by way of Third-Party Allotment (Refer to Reference 1, below)

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|-------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Total number of units to be issued | 2,100 units |
| (2) Issue Price | To be determined
(To be decided at a Board of Directors' meeting to be held on the Offer Price Determination Date. The issue price is to be the same as the primary offering issue price.) |
| (3) Gross proceeds | To be determined |
| (4) Allottee/Number of units to be issued | Nomura Securities Co., Ltd. / 2,100 units |
| (5) Application unit | More than one unit in multiples of one unit |
| (6) Application period | June 21, 2007 (Thursday)
Depending on whether the application period for the Japanese Offering is brought forward, this may be brought forward to June 18, 2007 (Monday) at the earliest. In any event, it is to commence the next business day after the 30th day following the day after the application period for the Japanese Offering. |

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(7) Payment date

June 22, 2007 (Friday)

Depending on whether the application period for the Japanese Offering is brought forward, this may be brought forward to June 19, 2007 (Friday) at the earliest. In any event, it is to commence two business days after the 30th day following the day after the end of the application period for the Japanese Offering.

(8) Investment unit certificates
delivery date

The next business day mentioned in above (7) payment date

(9) In the event there are no applications for the aforementioned issue described in (6) application period, above, the third-party allotment shall be terminated.

(10) The offer price and other necessary matters relating to the third-party allotment shall be determined at future meetings of the Board of Directors.

(11) The aforementioned items shall be subject to the effectiveness of the securities registration statement in accordance with the Securities and Exchange Law of Japan.

[Reference]

1. Over-Allotment

(1) The secondary offering through over-allotment shall be effected by Nomura Securities Co., Ltd. on the occasion of the Japanese Offering, subject to demand, to an upper limit of 2,100 units borrowed from Kenedix, Inc. The number of investment units to be offered is subject to an upper limit of 2,100 units, and may be reduced or suspended due to demand conditions.

In addition, in order to effect reimbursement of investment units (“borrowed investment units”) borrowed from Kenedix, Inc., on the occasion of the secondary offering (“over-allotment of investment units”), by Nomura Securities Co., Ltd., the Investment Corporation has approved an allotment of 2,100 units to Nomura Securities Co., Ltd. by way of third-party allotment, following a Board of Directors’ meeting held on April 3, 2006 (Monday). The aforementioned 2,100 units (refer to 3. Issue of New Investment Units by way of Third-Party Allotment, above) will be resolved two business days after the 30th day following the day after the end of the application period for the Japanese Offering (“delivery and settlement date for this third-party allocation”)

Furthermore, from the day after the end of the application period for the Japanese Offering and over-allotment, Nomura Securities Co., Ltd. may, for the period up to five business days after the delivery and settlement date for this third-party allocation (the “Syndicate Cover Transaction Period”), purchase up to the maximum limit of investment units as sold in the secondary offering through over-allotment on the Tokyo Stock Exchange (“Syndicated Cover Transactions”), with the aim of procuring and reimbursing the borrowed investment units. The investment units purchased by Nomura Securities Co., Ltd. by way of syndicated cover transaction shall be used in full as reimbursement for the borrowed investment units. Moreover, Nomura Securities Co., Ltd., at its discretion, may choose not to enter into any Syndicated Cover Transactions during the Syndicate Cover Transaction Period, or to terminate such transactions without purchasing the maximum number of investment units through over-allotment. In the event the secondary offering (over-allotment) is less than the maximum, and a Syndicated Cover Transaction is undertaken, Nomura Securities Co., Ltd. plans to purchase investment units through third-party allotment. In this case, application for all or part of the third-party allotment may not be made. As a result, the maximum limit of investment units to be issued under third-party allotment shall be reduced and rights shall be forfeited, or the issue itself shall not be made.

Furthermore, Nomura Securities Co., Ltd. will undertake stabilizing transactions in accordance with the Japanese

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Offering and over-allotment, and such stabilizing transactions may involve the allocation of all or part of the investment securities purchased to the return of the investment securities borrowed.

Concerning the number of units subtracted for allocation to the return of borrowed investment securities, Nomura Securities Co., Ltd. plans to acquire these according to the quotas allotted to related parties from the number of units sold in the over-allotment and purchased by stabilization transactions or Syndicated Cover Transactions. In this case, the application for all or part of the third-party allotment may not be made and as a result, the maximum limit of investment units to be issued under third-party allotment shall be reduced and rights shall be forfeited, or the issue itself shall not be made.

- (2) Actions to be taken by Nomura Securities Co., Ltd. described in (1), above, shall be subject to discussion between it and UBS Securities Japan Co., Ltd.

2. Total Number of Investment Units Issued after the New Issues

Number of investment units currently issued and outstanding:	157,000 units
Number of new investment units to be issued (primary offering):	40,900 units
Subtotal:	197,900 units
Number of investment units (third-party allotment) to be issued	2,100 units (Note)
Total number of new investment units following third-party allotment	200,000 units (Note)

Note: The figures are subject to an application from Nomura Securities Co., Ltd. for the full allotment available and issue of the full allotment under the third-party allotment.

3. Reasons for Issue (use of proceeds procured)

(1) Reasons for issue (use of proceeds procured)

Net proceeds of approximately ¥34,400,000,000 procured through the primary offering and third-party allotment of investment units shall be used for anticipated property acquisitions (¥22,000,000,000) and repayment of debt financing from the remaining proceeds.

(2) Change in use of previously procured funds

None

(3) Outlook

For forecasts for the fiscal periods ending April 30, 2007 and October 31, 2007, please refer to the press release, "Notice Concerning Revisions to Operating Forecasts for the Fiscal Periods Ending April 30, 2007 and October 31, 2007," dated April 26, 2007.

4. Distribution to Unitholders

(1) Basic distribution guidelines

Distributions to unitholders are determined in line with the Investment Corporation's Article of Incorporation and its distribution policy.

(2) Details of Distributions for the Previous Three Business Periods

	First Fiscal Period (As of October 31, 2005)	Second Fiscal Period (As of April 30, 2006)	Third Fiscal Period (October 31, 2006)
Net Income per unit	¥5,302	¥13,884	¥13,575
Distributions per unit	¥3,052	¥13,884	¥13,529
Payout Ratio	99.9%	99.9%	99.9%

Notes:

1. Net income per unit is calculated using the average number of investment units of 45,683 units for the first fiscal period, 79,370 units for the second fiscal period, and 156,460 units for the third fiscal period.

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2. Although the first fiscal period ran from May 6, 2005 to October 31, 2005, the Investment Corporation did not acquire its initial properties until August 1, 2005. Thus, the actual operating period was calculated as 92 days.

5. Others

(1) Designated Buyers

The Japanese Underwriters intend to sell 52 of the Investment Corporation's investment units under the Japanese offering to the following buyer designated by the Investment Corporation: Kenedix REIT Management, Inc., hereafter "the Asset Management Company".

(2) Restrictions on Sale and Additional Issue of Investment Units

The Asset Management Company holds 198 units as of April 26, 2007, and intends to acquire an additional 52 units through the Japanese Offering. However, in connection with the Global Offering between the Joint Global Coordinators for the period from the Offer Price Determination Date to the response date six months after the delivery date related to the Japanese Offering, should the Joint Global Coordinators' preliminary written acceptance not be received, the Asset Management Company too will accordingly assume that the sale, offer of security or loan will not take place.

In connection with the Global Offering between the Joint Global Coordinators for the period from the Offer Price Determination Date to the response date three months after the delivery date related to the Japanese Offering, should the Joint Global Coordinators' preliminary written acceptance not be received, the Investment Corporation will accordingly assume that the issue of additional investment units will not take place (excluding the issue of additional investment units for related parties).

The Joint Global Coordinators, at their discretion, have the right to cancel all or part of the aforementioned terms and conditions and .

(3) Previous Three years of Equity Financing

Equity Financing Status

Date	Issue value (Thousands in Yen)	Post-issue asset total (Thousands in Yen)	Application
May 6, 2005	¥200,000	¥200,000	Private Placement
July 20, 2005	¥41,868,750	¥42,068,750	Public Offering
August 16, 2005	¥2,216,252	¥44,285,002	Third-Party Allocation
May 1, 2006	¥42,171,749	¥86,456,751	Public Offering
May 26, 2006	¥2,272,900	¥88,729,651	Third-Party Allocation

Past Accounting Periods and Trends in Investment Unit Prices

	First Fiscal Period	Second Fiscal Period	Third Fiscal Period	Fourth Fiscal Period
Opening price	¥600,000	¥580,000	¥613,000	¥628,000
Highest price	¥618,000	¥670,000	¥636,000	¥918,000
Lowest price	¥573,000	¥574,000	¥564,000	¥607,000
Final price	¥586,000	¥612,000	¥628,000	¥860,000

Notes:

1. As the Investment Corporation was listed on the Tokyo Stock Exchange's Real Estate Investment Trust market on July 21, 2005, there are no relevant data concerning the aforementioned investment unit prices.

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2. For the fourth fiscal period (November 1, 2006 to April 30, 2007), the investment unit price as at April 25, 2007, is shown.

(4) Others

On April 26, 2007, the Investment Corporation filed an equity shelf registration statement to conduct equity financing. The planned issuance period for the aforementioned equity shelf registration statement is May 7, 2007 to May 6, 2009, and the planned issue amount is ¥100,000,000,000.

The issue of additional new investment units discussed in this notice is not based on the aforementioned self-registration.

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