

May 23, 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 Prepayment of Debt Financing**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on May 23, 2007, to undertake prepayment of debt financing. Details are provided as follows.

**1. Details of Prepayment of Debt Financing**  
**Short-Term Debt**

Lender	Series	Borrowed Amount	Interest Rate ( Floating Rate of Interest )	Drawdown	Repayment Date
		Prepayment Amount		Date	Prepayment Date
Sumitomo Mitsui Banking Corporation	15-B	¥1,750 million	0.96091% ( March 1, 2007 to May 31, 2007 )	March 1, 2007	February 29, 2008
		¥1,000 million			May 30, 2007
The Chuo Mitsui Trust and Banking Company, Limited	11	¥3,000 million	0.90250% ( April 30, 2007 to July 31, 2007 )	September 20, 2006	September 20, 2007
		¥1,750 million			June 13, 2007
	15-B	¥250 million	0.96091% ( March 1, 2007 to May 31, 2007 )	March 1, 2007	February 29, 2008
		¥250 million			May 30, 2007
Mitsubishi UFJ Trust and Banking Corporation	9	¥500 million	0.88250% ( April 30, 2007 to July 31, 2007 )	July 31, 2006	July 31, 2007
		¥500 million			June 13, 2007
	15-B	¥1,000 million	0.96091% ( March 1, 2007 to May 31, 2007 )	March 1, 2007	February 29, 2008
		¥1,000 million			May 30, 2007

	16-B	¥1,500 million	0.96545% ( April 2, 2007 to July 2, 2007 )	April 2, 2007	April 2, 2008
		¥1,500 million			May 30, 2007
Aozora Bank, Ltd.	16-A	¥2,000 million	0.94545% ( April 2, 2007 to July 2, 2007 )	April 2, 2007	October 2, 2007
		¥2,000 million			May 30, 2007
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16-L	¥1,000 million	1.01545% ( April 2, 2007 to July 2, 2007 )	April 2, 2007	April 2, 2008
		¥1,000 million			May 30, 2007
Resona Bank, Ltd.	9	¥500 million	0.88250% ( April 30, 2007 to July 31, 2007 )	July 31, 2006	July 31, 2007
		¥500 million			June 13, 2007
	11	¥1,000 million	0.90250% ( April 30, 2007 to July 31, 2007 )	September 20, 2006	September 20, 2007
		¥1,000 million			June 13, 2007
	14	¥500 million	0.90909% ( February 28, 2007 to May 31, 2007 )	January 19, 2007	January 18, 2008
		¥500 million			June 13, 2007
The Chiba Bank, Ltd.	14	¥500 million	0.90909% ( February 28, 2007 to May 31, 2007 )	January 19, 2007	January 18, 2008
		¥500 million			June 13, 2007

Note: All of the abovementioned debt financing is unsecured without any outstanding guarantees.

## 2. Planned Date for Prepayment Dates

May 30, 2007: ¥6,750 million

June 13, 2007: ¥4,750 million

## 3. Funds for Prepayment

Funds for prepayment of debt financing are provided by the cash on hand from the issue of additional new investment units. Payments for the purchase of new investment units closed on May 22, 2007.

【Reference Material】

Total Debt Financing Balance after Prepayment of Debt Financing  
and Status of Investment Corporation Bonds

(Billions of yen)

	Balance Prior to Prepayment of Debt Financing (As of May 23, 2007)	Balance After Prepayment of Debt Financing (As of June 13, 2007)	Change
Short-Term Debt Financing (Note1)	18.5	7.0	-11.5
Long-Term Debt Financing (Note2)	58.0	58.0	+0.0
Total Debt Financing Balance	76.5	65.0	-11.5
Investment Corporation Bonds	12.0	12.0	+ 0.0
Total of Debt Financing and Investment Corporation Bonds	88.5	77.0	-11.5

Notes:

1. Short-term debt refers to debt financing with a period of less than or equal to one year from the drawdown date to the repayment date.
2. Long-term debt refers to debt financing with a period of more than one year from the drawdown date to the repayment date.

This notice is the English translation of the Japanese announcement on our Web site released on May 23, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.