

December 11, 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

Inquiries:  
 Masahiko Tajima  
 Director / General Manager, Financial Planning Division  
 TEL.: +81-3-3519-3491

**Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending April 30, 2008**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced a revised operating forecast for the sixth fiscal period (November 1, 2007 to April 30, 2008) which was previously announced on October 26, 2007. Details are provided as follows.

**1. Reasons for Revisions and Announcement**

The Investment Corporation has made a decision to sell 23 residential properties and newly acquire 9 office buildings, mentioned in the press releases “Notice Concerning the Sales of Properties (Conclusion of Agreement) (Total of 23 Residential Properties)” and “Notice Concerning the Acquisition of Properties (Conclusion of Agreements) (Total of 9 Office Buildings)” on December 11, 2007. Accordingly, the Investment Corporation decided to review the preconditions and assumptions that support forecasts for the sixth fiscal period ending April 30, 2008, relating to rental business revenues, operating expenses and non-operating expenses, and to announce revised forecasts.

**2. Revised Forecasts for the Sixth Fiscal Period Ending April 30, 2008 (November 1, 2007 to April 30, 2008)**

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	7,377	2,828	2,827	14,100	—
Revised Forecast (B)	7,935	3,288	3,287	16,400	—
Net Change (B-A)	558	460	460	2,300	—
Change (%)	7.6	16.3	16.3	16.3	—

[Reference]

Forecasted number of investment units issued and outstandings as of April 30, 2008: 200,000 units (unchanged from the previous fiscal period)

Disclaimer: This document is a public announcement regarding the forecasts for the sixth fiscal period ending April 30, 2008 (November 1, 2007 to April 30, 2008) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.

[Explanatory Notes]

1. Forecast figures are calculated based on the “Preconditions and Assumptions for the Fiscal Periods Ending April 30, 2007” (separate document attached) as of the date of this release. Readers are advised that actual operating revenues ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons including the future acquisition or sale of real estate and changes in the Investment Corporation’s operating environment including the real estate market. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distribution per unit.
2. In the event that significant changes to the aforementioned forecasts are expected, the Investment Corporation may revise its forecasts.
3. Figures are rounded down.

Disclaimer: This document is a public announcement regarding the forecasts for the sixth fiscal period ending April 30, 2008 (November 1, 2007 to April 30, 2008) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.

**Preconditions and Assumptions for the Fiscal Period Ending April 30, 2008**

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>• The sixth fiscal period: November 1, 2007 to April 30, 2008 (182 days)</li> </ul>
Property Portfolio	<ul style="list-style-type: none"> <li>• Forecasts for the fiscal period ending April 30, 2008 are based on a property portfolio totaling 77 properties held as of December 11, 2007 up to January 31, 2008. Taking into account the change in the number of properties resulting from a reciprocal purchase and sale (newly purchase 9 office buildings and sell 23 residential properties), the portfolio is assumed to have 63 properties as of February 1, 2008.</li> <li>• The property portfolio may change due to a variety of factors.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>• Rental revenues are estimated based on historic performance and a variety of factors including each property's competitive standing and market and other conditions.</li> <li>• For the sixth fiscal period, the Investment Corporation is anticipating a gain on the sale of 23 residential properties planned on February 1, 2008 totaling ¥496 million.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>• Property expenses other than depreciation are based on historic expenses, adjusted to reflect the variable nature of expenses.</li> <li>• In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property.</li> <li>• Repairs, maintenance and renovation expenses are estimated based on the Asset Management Company budgeted amounts for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>• For the fiscal period ending April 30, 2008, approximately amounts of ¥1,415 million has been estimated for depreciation expense.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>• Amounts for interest payable and investment corporation bond interest of ¥587 million has been forecasted for the fiscal period ending April 30, 2008.</li> </ul>
Debt Financing and Investment Corporation Bonds	<ul style="list-style-type: none"> <li>• Forecasts are based on a total balance of borrowings of ¥63,500 million and total balance of investment corporation bonds of ¥12,000 million as of December 11, 2007. Forecasts are also based on the assumption that the balance of borrowings and investment corporation bonds shall remain unchanged in the sixth fiscal period.</li> </ul>
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>• The number of investment units issued and outstanding as of December 11, 2007 is 200,000 units. Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the sixth fiscal period.</li> </ul>
Distributions per Unit	<ul style="list-style-type: none"> <li>• Distributions per unit of amounts less than ¥1 are omitted. Calculations are based on a 100% distribution of unappropriated retained earnings.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>• Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

Disclaimer: This document is a public announcement regarding the forecasts for the sixth fiscal period ending April 30, 2008 (November 1, 2007 to April 30, 2008) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.