

Translation Purpose Only

February 1, 2008

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:

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### Notice Concerning the Change of Property Management Structure

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision today to change the structure of property management (“the Change”), effective March 1, 2008. Details are provided as follows.

#### 1. Outline of the Change

The property management company and master lease company for the Investment Corporation’s portfolio will change as outlined in the following tables, effective March 1, 2008.

(1) Trust beneficiary interest of real estate (Total of 54 properties)

No.	Property Name	Property Management Company		Master Lease Company	
		Current	New	Current	New
A-1	KDX Nihonbashi 313 Building	Kenedix Advisors Co., Ltd. (“KDA”)	Kenedix REIT Management, Inc. (“the Asset Management Company” or “KRM”)	KDA	The Investment Corporation
A-2	KDX Hirakawa-cho Building				
A-3	Higashi-KayabachoYuraku Building				
A-4	KDX Hatchobori Building				
A-5	KDX Nakano-Sakaue Building				
A-6	Harajuku F.F. Building				
A-7	FIK Minami Aoyama				
A-8	Kanda Kihara Building				
A-9	KDX Shinjuku-Gyoen Building				
A-10	KDX Koishikawa Building				
A-11	Hakata-Ekimae Dai-2 Building				
A-12	Portus Center Building				
A-13	KDX Kojimachi Building				
A-15	KDX Hamacho Building				
A-16	Toshin 24 Building				
A-17	Ebisu East 438 Building				

A-18	KDX Omori Building	KDA	KRM	KDA	The Investment Corporation
A-19	KDX Hamamatsucho Building				
A-20	KDX Kayabacho Building				
A-21	KDX Shinbashi Building				
A-22	KDX Shin-Yokohama Building				
A-23	KDX Yotsuya Building				
A-24	KDX Minami Semba Dai-1 Building				
A-25	KDX Minami Semba Dai-2 Building				
A-26	KDX Kiba Building				
A-27	KDX Kajicho Building				
A-29	KDX Higashi-Shinjuku Building				
A-32	KDX Shiba-Daimon Building				
A-34	KDX Hon-Atsugi Building				
A-35	KDX Hachioji Building				
A-36	KDX Niigata Building				
A-37	KDX Ochanomizu Building				
A-39	KDX Toranomom Building				
A-40	Toranomon Toyo Building				
A-41	KDX Shinjuku 286 Building				
A-42	Karasuma Building				
A-43	KDX Hakata Building				
A-44	KDX Sendai Building				
A-46	Hiei Kudan-Kita Building				
A-47	KDX Shin-Yokohama 381 Building				
A-49	Nissou Dai-17 Building				
A-50	Ikejiri Oohashi Building				
A-51	KDX Hamacho Nakano-hashii Building				
A-54	KDX Kitahama Building				
B-3	Court Mejiro				
B-4	Apartments Motoazabu				
B-5	Apartments Wakamatsu-Kawada				
B-18	Venus Hibarigaoka				
B-25	Court Shin-Okachimachi				
B-34	Gradito Kawaguchi				
C-2	KDX Yoyogi Building				
B-19	Residence Charmante Tsukishima	KDA	KRM	Sekiwa Real Estate, Ltd.	No Change
C-1	Frame Jinnan-zaka			- (Note 1)	- (Note 1)
C-3	ZARA Tenjin-dori			- (Note 1)	- (Note 1)

(2) Real Estate (Total of 10 properties)

No.	Property Name	Property Management Company		Master Lease Company	
		Current	New	Current	New
A-14	KDX Funabashi Building	KDA	KRM	KDA	— (Note 2)
A-28	KDX Nogizaka Building				
A-30	KDX Nishi-Gotanda Building				

A-31	KDX Monzen-Nakacho Building	KDA	KRM	KDA	— (Note 2)
A-33	KDX Okachimachi Building				
A-38	KDX Nishi-Shinjuku Building				
A-45	KDX Roppongi 228 Building				
A-48	KDX Kawasaki-Ekimae Honcho Building				
A-52	KDX Kanda Misaki-cho Building				
A-53	KDX Hakata-Minami Building				

Notes:

1. The trustee leases directly to end tenants and will continue to lease directly even after the Change.
2. The Investment Corporation will lease directly to end tenants after the Change.

## 2. Reasons of the Changes

The Investment Corporation has been entrusting KDA, a subsidiary of KRM's sponsor company, Kenedix, Inc. as its sole property management company for the entire portfolio. However, in view of the following matters, the structure is being shifted to which KRM will independently conduct the property management duties.

- A structure which KRM independently conducts property management in a consistent manner by conducting prompt and unified management of multiple investment properties and advancing activities in close relation to properties and tenants is viewed to be a more ideal structure.
- KDA revised its business details internally in effect of enactment of the Financial Instruments and Exchange Law.

Furthermore, in correlation with the above change, the master lease undertaken by KDA (pass-through type of lease for all of its properties) is being shifted to a structure under which the Investment Corporation will independently undertake the master lease.

With these changes, the Asset Management Company will establish "Property Management Division" on March 1, 2008, as a division that will exclusively undertake property management duties for the Investment Corporation's entire portfolio (Note). A majority of the members of the dedicated division at KDA (REIT Management Division) that has been handling the operation and management of properties in the Investment Corporation's entire portfolio are scheduled to be assigned to the Property Management Division. Hereafter, it will be a direct property management structure with the Asset Management Company at the core.

[KRM's Profile]

Company Name	Kenedix REIT Management, Inc.
Head Office Address	2-2-9 Shimbashi, Minato-ku, Tokyo
Representative	CEO and President, Taisuke Miyajima
Capital	¥200 million
Principal Shareholder	Kenedix, Inc.
Business Activities (Note)	Work related to investment management operations Work related to administration associated with the operation of the Investment Corporation

Note: Please refer to the press release, "Notice Concerning the Change of Organization and Operating Procedures of Asset Management Company," dated February 1, 2008, for the details of changes in the organization and method of business of the Asset Management Company and filing of various notices in relation to the Asset Management Company.

### 3. Interested-Party Transactions

Implementation of the Change will lead to the following transaction between the Investment Corporation and the Asset Management Company.

Upon implementation of the Change, the Asset Management Company will change its rules as they relate to interested-party transactions and other company regulations as of March 1, 2008. The changed rules as they relate to interested-party transactions add certain transactions between the Asset Management Company and the Investment Corporation to the scope of application of the rules in the same manner as certain transactions between an interested party of the Asset Management Company and the Investment Corporation.

The Asset Management Company, bound by these changed 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 transaction was conducted in an open and fair manner and that the Investment Corporation was not disadvantaged, the Asset Management Company submitted the following transaction for deliberation and approval by the Compliance Committee and the Asset Management Committee. Subject to approval, the transaction was then submitted to the meeting of the Board of Directors held today for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the following transaction with the Investment Corporation.

Applicable Transaction: Appointment of a Property Management Company

The Investment Corporation plans to execute a property management agreement with the Asset Management Company on March 1, 2008 for the Investment Corporation's entire portfolio (total of 64 properties) as of February 1, 2008. Other parties to the agreement for the 54 properties for which the trust beneficiary interest is to be acquired include the respective trustees.

Fees relating to property management will remain at the same level as the fees set in the property management agreement currently executed with KDA. Details are provided as follows.

Outline of Property Managements Fees:

- ① Leasing management fees  
 $\text{Rental income} \times 2\% + \text{Real estate operating income after management overhead expenses and before depreciation} \times 2\%$
- ② Management transfer fees  
 Set based on the property purchase price or sale price, as shown in the table below.

Property (Trust Beneficiary Interest) Price	Management Transfer Fees (At the time of Purchase and Sale)
Less than ¥1.0 billion	¥1.8 million
¥1.0 billion and more, and less than ¥3.0 billion	¥2 million
¥3.0 billion and more, and less than ¥5.0 billion	¥2.2 million
¥5.0 billion and more, and less than ¥10.0 billion	¥2.4 million
¥10.0 billion or more	¥2.5 million

③ Construction supervision fees: Set based on the construction price, as shown in the table below.

Construction price	Construction Supervision Fees
Less than ¥1 million	None
¥1 million and more, and less than ¥5 million	5% of construction price
¥5 million and more, and less than ¥10 million	¥250,000 + 4% of the amount of construction price that exceeds ¥5 million
¥10 million and more, and less than ¥100 million	¥450,000 + 3% of the amount of construction price that exceeds ¥10 million
¥100 million or more	Negotiated on a case by case basis

#### 4. Outlook

There are no revisions to the forecast for the fiscal period ending April 30, 2008, as a result of the Change.

This notice is the English translation of the Japanese announcement on our Web site released on February 1, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.