

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

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**Notice Concerning the Change of Organization and Operating Procedures
of Asset Management Company**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced that the Board of Directors of Kenedix REIT Management, Inc. (“the Asset Management Company”), the asset management company for the Investment Corporation, resolved today to change its organization and operation procedures on March 1, 2008. In line with the changes, the Investment Corporation decided to make filings based on the Financial Instruments and Exchange Law and to change the Asset Management Company’s company regulations. Details are provided as follows.

1. Details of the Change of Organization and Operating Procedures

(1) Change of Organization

The Asset Management Company’s organization will be changed as follows to enable the Asset Management Company to conduct the property management business (operational management business) on its own for properties owned by the Investment Corporation.

- The “Property Management Division” will be newly established as a dedicated department to conduct the operation and management for properties owned by the Investment Corporation. In addition, the “Property Management Group” and the “Engineering Group” will be established under the “Property Management Division.”
- The “Real Estate Investment Group” under the “Investment Management Division” will change its name to the “Asset Investment Group.” This will be done from the perspective of creating uniformity among group names under each division.

A majority of the members of the dedicated division at Kenedix Advisors Co., Ltd. (REIT Management Division) that has been handling the operation and management of properties in the Investment Corporation’s 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.

For the change of the Property Management Structure, please refer to the press release “Notice Concerning the Change of Property Management Structure,” dated February 1, 2008. In addition, for further details on the change of Director, please refer to the press release “Notice Concerning the Change for Asset Management Company Director,” dated February 1, 2008.

(2) Change of Operating Procedures

In addition to (1) noted above, ③ and ④ below will be added to the responsibilities of the Asset Management Company.

【Existing Business】

① Investment management operations	(based on the Articles 28-4-1 and 2-8-12-a of the Financial Instruments and Exchange Law)
② Administration associated with the operation of the Investment Corporation	(based on Articles 35-2-7 of the Financial Instruments and Exchange Law and Article 68-18 of the Cabinet Office Ordinance concerning financial instruments business)

【Additional Business】

③ Real estate property management Business	(based on Article 35-2-7 of the Financial Instruments and Exchange Law and Article 68-14 of the Cabinet Office Ordinance concerning financial instruments business)
④ Business related to leasing building land or buildings	(based on Article 35-2-4 of the Financial Instruments and Exchange Law)

(3) Organization Chart after the Change

Please refer to “Reference Material 1.”

(4) Separation of Duties after the Change

Please refer to “Reference Material 2.”

(5) Effective Date

March 1, 2008

2. Various Filings based on Laws and Ordinances

In relation to changes in organization and operation procedures noted in 1 above, the Investment Corporation will submit the following filings regarding the Asset Management Company to the Commissioner of the Financial Services Agency as of February 1, 2008.

- “Filing for side business” based on Article 35-3 of the Financial Instruments and Exchange Law
- “Filing to change registration items of the financial products transaction operator” based on Article 31-1 of

the Financial Instruments and Exchange Law

- “Filing to change business content or operational procedure” based on Article 31-3 of the Financial Instruments and Exchange Law

*The filings will be made as of February 1, 2008 on the assumption that the changes will be made on March 1, 2008.

3. Changes in Company Regulations

In relation to changes in organization and operation procedures noted in 1 above, the Company Regulations of the Asset Management Company will be revised on March 1, 2008.

【Major rules to be revised】

- Statement of operation procedures (Note 1)
- Organizational rules (Note 1)
- Rules on job responsibility and authority (Note 1)
- Asset management rules (Note 1)
- Related party transaction rules (Note 2)
- Compliance Committee rules (Note 1&2)
- Asset Management Committee rules (Note 1)
- Risk management rules (Note 1)
- Asset management guidelines (Note 1&2)

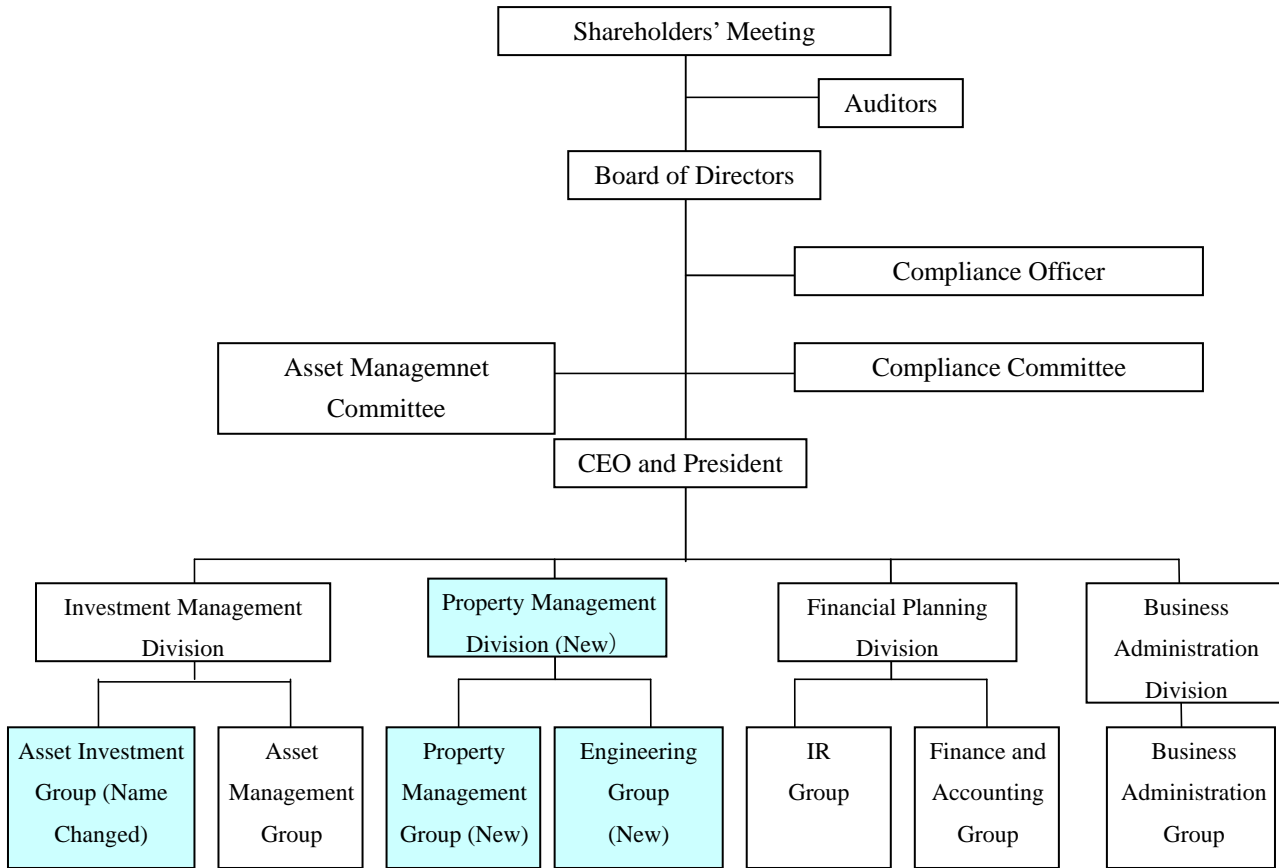
Notes:

1. Changes centered on amendments of words, etc. due to new establishment of departments and additional business in the Asset Management Company and Financial Instruments and Exchange Law.
2. Changes centered on applying certain transactions between the Asset Management Company and the Investment Corporation to the regulations in addition to certain transactions between related parties of the Asset Management Company and the Investment Corporation. This is conducted in relation to changes to the Property Management Structure to enable the Asset Management Company to conduct the property management business (operational management business) on its own for properties owned by the Investment Corporation.

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.

Reference Material 1

Organization Chart after the Change



Reference Material 2

Name of Division	Separation of Duties
Investment Management Division	a. Asset Investment Group <ul style="list-style-type: none"> • Items related to the acquisition and disposal of assets concerning the asset management business of the Investment Corporation • Items related to individual management of real estate investment risks (acquisition and disposal of assets) • Research and analysis on the real estate market and retail, and other industry trends • Other incidental items b. Asset Management Group <ul style="list-style-type: none"> • Items related to asset management concerning the asset management business of investment firms • Items related to development and changes of the asset management guidelines • Items related to development and changes of the asset management plan • Items related to individual management of real estate investment risks (asset management) • Other incidental items
Property Management Division (New)	a. Property Management Group <ul style="list-style-type: none"> • Items related to management of leases for real estate, etc. owned by the Investment Corporation • Items related to management of buildings concerning real estate, etc. owned by the Investment Corporation • Other incidental items b. Engineering Group <ul style="list-style-type: none"> • Items related to construction management for real estate, etc. owned by the Investment Corporation • Other incidental items
Financial Planning Division	a. IR Group <ul style="list-style-type: none"> • Items related to IR activities of the Investment Corporation • Items related to disclosures of the Investment Corporation • Items related to research and analysis on the real estate investment trust market • Items related to the Investment Corporations' responses to investors (except items related to general unitholders' meetings) • Items related to negotiations, etc. between regulatory authorities (those concerning the Investment Corporation) • Items related to responses, etc. to related organizations • Other incidental items b. Finance and Accounting Group <ul style="list-style-type: none"> • Items related to fund procurement of the Investment Corporation • Items related to development and changes of the medium-term business plan of the Investment Corporation • Items related to development and changes of the annual business plan of the Investment Corporation • Items related to development of the budget of the Investment Corporation • Items related to financial results of the Investment Corporation • Items related to individual management of financial risks • Other incidental items

<p>Business Administrative Division</p>	<p>Business Administrative Group</p> <ul style="list-style-type: none"> • Items related to operation of general unitholders’ meetings and the board of directors’ meetings of the Investment Corporation • Items related to operation of shareholders’ meetings, board of directors’ meetings, and various committees of the Asset Management Company • Items related to Compliance Officer assistant work • Items related to general affairs, accounting and human resources • Items related to negotiations, etc. between regulatory authorities (those concerning the Asset Management Company) • Items related to individual management of system risks and business continuity risks • Other incidental items
<p>Compliance Officer</p>	<ul style="list-style-type: none"> • Items related to overall control of compliance, including drafting compliance programs and compliance manuals • Items related to establishment, amendment and abolishment of various company regulations, rules, etc. and verification of the observance status • Items related to verification of the observance status for laws, regulations and ordinances concerning overall business • Items related to overall control of handling of complaints • Items related to management of important information related to firms, insider trading, etc. • Items related to overall control of the information management • Items related to individual management of compliance risks and administrative risks • Items related to internal audits • Other incidental items
<p>Compliance Committee</p>	<ul style="list-style-type: none"> • Discussions and resolutions related to transactions between related parties (according to definition in related party transaction rules) or the Asset Management Company and the Investment Corporation which fall under asset management business of investment corporations • Items related to transactions approved in asset management guidelines with some conditions or transactions that do not match the rules in the asset management guidelines • Discussions and resolutions related to management policies concerning the asset management business of investment corporations (development, changes, etc. of asset management guidelines, asset management plans, medium-term business plans and annual business plans) • Discussions and resolutions related to transactions that exceed the acquisition amount range stipulated in the annual business plan • Discussions and resolutions related to internal compliance and the compliance system • Discussions and resolutions related to the acquisition of investment units by executives, employees, etc. stipulated in the management rules on insider trading, etc. • Discussions and resolutions related to establishment, amendment and abolishment of various company regulations, rules, etc. • Discussions and resolutions related to compliance concerning other items stipulated by compliance officer as needed • Discussions and resolutions related to other incidental items

<p>Asset Management Committee</p>	<ul style="list-style-type: none"> • Discussions and resolutions related to management policies concerning the asset management business of investment corporations (development, changes, etc. of asset management guidelines, asset management plans, medium-term business plans and annual business plans) • Discussions and resolutions related to acquisition and disposal of assets concerning the asset management business of investment corporations • Discussions and resolutions related to management of assets concerning the asset management business of investment corporations • Discussions and resolutions related to development of budgets and financial results of the Investment Coporations • Discussions and resolutions on items related to fund procurement and ALM of the Investment Coporation • Discussions and resolutions related to disclosures of the Investment Corporation • Discussions and resolutions related to risk management concerning the asset management business of investment corporations • Discussions and resolutions related to other incidental items
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