

February 27, 2008

To All Concerned Parties

REIT Issuer:
Kenedix Realty Investment Corporation
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Taisuke Miyajima, Executive Director
(Securities Code: 8972)

Asset Management Company:
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Notice Concerning Debt Financing and Prepayment of Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing and to prepay debt financing. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreement to support the acquisition of trust beneficiary interest in real estate (Shin-toshin Maruzen Building), and payment of associated costs, repayment of Series 15-B with a repayment date of February 29, 2008, and Series 18 with a repayment date of July 31, 2008. (Note)

Note: For details, please refer to the press releases “Notice Concerning the Acquisition of Property (Shin-toshin Maruzen Building),” dated February 27, 2008 regarding the acquisition of trust beneficiary interest in real estate (Shin-toshin Maruzen Building), “Notice Concerning Debt Financing,” dated February 27, 2007 for Series 15-B, and “Notice Concerning Debt Financing,” dated July 27, 2007 for Series 18 and refer to Item 4. Details of Prepayment Debt Financing described below.

2. Details of Debt Financing

① Short-term Debt (Series 22-L)

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|---------------------------|---|--|
| (1) Lender | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Amount | : | ¥500 million |
| (3) Interest Rate | : | 1.20167% floating rate of interest (Note 1) |
| (4) Drawdown Date | : | February 29, 2008 |
| (5) Debt Financing Method | : | Debt financing is based on the commitment line agreement dated March 23, 2007 with the aforementioned lender. (Note 2) |
| (6) Interest Payment Date | : | First interest payment on May 31, 2008, and at the end of August, November 2008 and February 28, 2009. |
| (7) Repayment Date | : | February 28, 2009 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

Notes:

1. The interest rate covers the period commencing February 29, 2008 through May 31, 2008. Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.35%. The interest rate after May 31,

2008, shall be disclosed as and when determined.

2. For details, please refer to the press release “Notice Concerning the Commitment Line Agreement” dated March 23, 2007,

② Long-term Debt (Series 22-A)

- (1) Lender : Aozora Bank, Ltd.
 (2) Amount : ¥2,000 million
 (3) Interest Rate : 1.36625% fixed rate of interest
 (4) Drawdown Date : February 29, 2008
 (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on February 27, 2008.
 (6) Interest Payment Date : First interest payment on May 31, 2008, and at the end of August, November, and February each year thereafter.
 (7) Repayment Date : February 28, 2011
 (8) Repayment Method : Principal repayment in full on maturity
 (9) Collateral : Unsecured, unguaranteed

③ Long-term Debt (Series 22-B)

- (1) Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
 (2) Amount : ¥1,500 million
 (3) Interest Rate : 1.42921% fixed rate of interest
 (4) Drawdown Date : February 29, 2008
 (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on February 27 2008.
 (6) Interest Payment Date : First interest payment on May 31, 2008, and at the end of August, November, and February each year thereafter, and the last interest payment on August 31, 2011.
 (7) Repayment Date : August 31, 2011
 (8) Repayment Method : Principal repayment in full on maturity
 (9) Collateral : Unsecured, unguaranteed

3. Use of Funds

Debt financing shall be used to support the acquisition of trust beneficiary interest in real estate (Shin-toshin Maruzen Building), and payment of associated costs, and repayment of Series 15-B and prepayment of Series 18.

4. Details of Prepayment Debt Financing

(1) Short-Term Debt (Series 18)

- ① Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
 ② Amount : ¥1,000 million
 ③ Interest Rate : 1.10167% floating rate of interest (Note)
 ④ Drawdown Date : July 31, 2007
 ⑤ Repayment Date : July 31, 2008
 ⑥ Collateral : Unsecured, unguaranteed

Note: The interest rate covers the period commencing January 31, 2008 to April 30, 2008.

- (2) Planned Date for Prepayment
 February 29, 2008

Total Debt Financing Balance after Additional Borrowings and Repayment
 and Status of Investment Corporation Bonds

(Billions of yen)

	Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change
Short-Term Borrowings (Note1)	7.5	5.75	-1.75
Long-Term Borrowings (Note2)	59.5	63.0	+3.5
Total Borrowings Balance	67.0	68.75	+1.75
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	79.0	80.75	+1.75

Notes:

1. Short-term borrowings refer 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 borrowings refer to debt financing with a period of more than one year from the drawdown date to the repayment date.

<p>This notice is the English translation of the Japanese announcement on our Web site released on February 27, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.</p>
