

September 18, 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 Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on September 18, 2007, to undertake debt financing. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute a debt financing agreement to apply the funds toward the repayment of Series 11 (total of ¥1,250 million). (Note)

Note: For details regarding Series 11, please refer to the press release “Notice Concerning Debt Financing,” dated September 15, 2006.

2. Details of Debt Financing

Short-Term Debt (Series 19)

- | | | |
|---------------------------|---|--|
| (1) Lender | : | The Chuo Mitsui Trust and Banking Co., Ltd. |
| (2) Amount | : | ¥1,250 million |
| (3) Interest Rate | : | 1.03452% floating rate of interest (Note) |
| (4) Drawdown Date | : | September 20, 2007 |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on September 18, 2007. |
| (6) Interest Payment Date | : | First interest payment on October 31, 2007, and at the end of January, April, and July 2008 and September 20, 2008. |
| (7) Repayment Date | : | September 20, 2008 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

Note: The interest rate covers the period commencing September 20, 2007 through October 31, 2007.

Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.28% (excluding the interest rate for the period August 1, 2008 to September 20, 2008). The interest rate after October 31, 2007, shall be disclosed as and when determined.

3. Use of Funds

Debt financing shall be used for repayment of Series 11.

[Attachment]

Total Debt Financing Balance after Additional Borrowings
 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)	7.0	7.0	+0.0
Long-Term Borrowings (Note2)	56.5	56.5	+0.0
Total Borrowings Balance	63.5	63.5	+0.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	75.5	75.5	+0.0

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.

This notice is the English translation of the Japanese announcement on our Web site released on September 18, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.