

Translation Purpose Only

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To All Concerned Parties

REIT Issuer:
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**Notice Concerning Debt Financing Interest Rate Determination and
Concluding Interest-Rate Swap Agreement**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the details of interest rates and applicable periods for debt financing outlined in the following table. At the same time, the Investment Corporation decided to execute an interest-rate swap agreement concerning the debt financing (Series 17) announced on April 13, 2007, “Notice Concerning the Debt Financing”. Details of the aforementioned are provided as follows.

2. Details of Interest-Rates for Debt Financing

Lender	Classification (Note 1)	Balance (Billions of Yen)	Interest Rate (Interest Payment Period)	Drawdown Date	Repayment Date
Sumitomo Mitsui Banking Corporation	Series 13-A (Short-Term)	0.5	1.08583% (Note 2) (August 31, 2007 to November 30, 2007)	December 1, 2006	November 30, 2007
Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 15-B (Short-Term)	1.25	1.13583% (Note 3) (August 31, 2007 to November 30, 2007)	March 1, 2007	February 29, 2008
The Chiba Bank, Ltd., Aozora Bank, Ltd.	Series 5-B (Long-Term)	1.3	1.28583% (Note 4 & 7) (August 31, 2007 to November 30, 2007)	March 1, 2006	February 28, 2009
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 6 (Long-Term)	2.5	1.28583% (Note 4 & 8) (August 31, 2007 to November 30, 2007)	March 16, 2006	March 16, 2009
The Norinchukin Bank	Series 13-B (Long-Term)	2.5	1.33583% (Note 5 & 9) (August 31, 2007 to November 30, 2007)	December 1, 2006	November 30, 2011
The Norinchukin Bank	Series 17 (Long-Term)	1.5	1.25583% (Note 6 & 10) (August 31, 2007 to November 30, 2007)	April 17, 2007	April 16, 2011

Notes:

1. Short-term debt financing refers to debt financing with a period of less than or equal to one year from the drawdown date to the repayment date. Long-term debt financing refers to debt financing with a period of more than one year from the drawdown date to the repayment date.
2. Three-month yen TIBOR + 0.25%
3. Three-month yen TIBOR + 0.30%
4. Three-month yen TIBOR + 0.45%
5. Three-month yen TIBOR + 0.50%
6. Three-month yen TIBOR + 0.42%
7. The Investment Corporation has entered into an interest-rate swap transaction for a notional principal of ¥1.3 billion. As a result, the interest rate applicable through February 28, 2009 is 1.44875%.
8. The Investment Corporation has entered into an interest-rate swap transaction for a notional principal of ¥2.5 billion. As a result, the interest rate applicable through March 16, 2009 is 1.47625%.
9. The Investment Corporation has entered into an interest-rate swap transaction for a notional principal of ¥2.5 billion. As a result, the interest rate applicable through November 30, 2011 is 1.96375%.
10. The Investment Corporation has entered into an interest-rate swap transaction for a notional principal of ¥1.5 billion. As a result, the interest rate applicable through April 16, 2011 is 1.64593%.

2. Interest-Rate Swap Agreement

(1) Purpose

The debt financing (Series 17) is undertaken on a floating rate of interest basis. Accordingly, the Investment Corporation has decided to execute an interest-rate swap agreement as a hedge against possible increases in future interest rates.

(2) Summary of Interest-Rate Swap Agreement

Counterparty	: The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount	: ¥1,500 million
Interest Rate	: Pay a fixed rate of interest of 1.64593% Receive a floating rate of interest: three-month yen TIBOR+0.42%
Commencement Date	: August 31, 2007
Termination Date	: April 16, 2011
Payment Date	: First payment on, November 30, 2007, and at the end of February, May, August, and November every year thereafter, and the last payment on April 16, 2011.

Note: A floating rate of interest received (1.25583%) covers the period commencing August 31, 2007 through November 30, 2007.

This notice is the English translation of the Japanese announcement on our Web site released on August 29, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.