

January 17, 2007

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation
1-8-2 Marunouchi, Chiyoda-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 Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on January 17, 2007, to undertake debt financing. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreements to support the acquisition of real estate (KDX Monzen-Nakacho Building) and payment of associated costs.

Note: For details regarding the acquisition of real estate (KDX Monzen-Nakacho Building), please refer to the press release, “Notice Concerning the Acquisition of Property (KDX Monzen-Nakacho Building),” dated January 17, 2007.

2. Details of Debt Financing

Short-term Debt (Series 14)

- | | | |
|---------------------------|---|---|
| (1) Lender | : | Resona Bank, Ltd., The Chiba Bank, Ltd. |
| (2) Amount | : | ¥1,000 million |
| (3) Interest Rate | : | 0.72633% floating rate of interest (Note) |
| (4) Drawdown Date | : | January 19, 2007 |
| (5) Debt Financing Method | : | The Investment Corporation executed individual debt financing agreements with the aforementioned lenders on January 17, 2007. |
| (6) Interest Payment Date | : | First interest payment on February 28, 2007, and at the end of May, August, November 2007 and January 18, 2008. |
| (7) Repayment Date | : | January 18, 2008 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

Note: The interest rate covers the period commencing January 19, 2007 through February 28, 2007. Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.25%. The interest rate after February 28, 2007, shall be disclosed as and when determined.

3. Use of Funds

Debt financing shall be used to support the acquisition of real estate (KDX Monzen-Nakacho Building) and payment of associated costs.

[Attachment]

Total Debt Financing Balance after Additional Debt Financing

(Billions of yen)

| | Debt Financing Balance Prior to Additional Debt Financing | Debt Financing Balance After Additional Debt Financing | Change |
|------------------------------|--|---|--------|
| Short-Term Debt Financing | 15.0 | 16.0 | + 1.0 |
| Long-Term Debt Financing | 51.0 | 51.0 | + 0.0 |
| Total Debt Financing Balance | 66.0 | 67.0 | + 1.0 |

Note: Debt financing is classified as either short- or long-term debt. Short-term debt is defined as debt financing with a repayment date of less than or equal to one year.

This notice is the English translation of the Japanese announcement on our Web site released on January 17, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.