

Translation Purpose Only

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 the Acquisition of Property (KDX Monzen-Nakacho Building)

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision today to acquire the KDX Monzen-Nakacho Building. Details are provided as follows.

1. Outline of the Acquisition

- (1) Type of Acquisition : Real estate (Office Building)
- (2) Property Name : KDX Monzen-Nakacho Building (Note)
- (3) Acquisition Price : ¥1,400,000,000 (excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.)
- (4) Date of Contract : January 19, 2007
- (5) Scheduled Date of Acquisition : January 19, 2007
- (6) Seller : Tokyu Corporation (Refer to Item 4. Seller’s Profile for details)
- (7) Acquisition Funds : Debt financing and cash on hand
- (8) Settlement Method : Payment in full on settlement
- (9) Source of Acquisition : Original network of the Asset Management Company (Direct Acquisition)

Note: The current name of the KDX Monzen-Nakacho Building is the “Tokyu Monzen-Nakacho Building.” Plans are in place to change the name of the “Tokyu Monzen-Nakacho Building” to the “KDX Monzen-Nakacho Building” on April 1, 2007.

The aforementioned KDX Monzen-Nakacho Building shall hereafter be referred to as “the Property.”

2. Reason for Acquisition

The acquisition was made to raise the investment ratio of office buildings in the Tokyo Metropolitan Area, and to further enhance and stabilize the Investment Corporation’s overall investment portfolio, in accordance with its Articles of Incorporation and fundamental investment policies.

Prior to its decision, the Investment Corporation undertook due diligence, considering a number of factors including the following.

(1) Area

This property is located three minutes on foot from the Tokyo Metro's Monzen-Nakacho Station on the Tozai Line and the Toei Oedo Line, five minutes on foot from Etchu-jima Station on the JR Keiyo Line, and is situated in a highly visible location facing Kiyosumi Dori, a main thoroughfare.

Eitai Dori and Kiyosumi Dori are lined with office buildings and shops, but the neighborhood still retains the old Shitamachi charm, evolving as it has from the Edo Period as Temple City, home of the Tomiokahachiman Temple, and has a warm and tranquil atmosphere.

There is a convenient access to the nearby business centers of Nihonbashi, Otemachi, and Marnouchi which is only two or three stations away (about three to five minutes) on the Tozai Line, and to the Roppongi and Shinjuku areas on the Oedo Line. Therefore, comparatively moderate rent levels are expected to keep office demand stable.

(2) Building

The property was renovated in the year 2004 and contains a variety of tenant requested amenities including individual air conditioning, security system, and special flooring to conceal office wiring (in some offices only). Rental offices are almost all open space column-free design with built-in convenience.

In addition, the building entrance area has granite tiling and the building exterior is fitted with aluminum panels and an aluminum curtain wall. The building has a high quality design that is competitive with surrounding properties.

(3) Tenants

Currently, all offices from the first floor to the seventh floor are fully occupied by corporate tenants including firms in construction engineering, information technology, and networking, and the Property is capable of ensuring a stable future income.

3. Property Details

Property Name		KDX Monzen-Nakacho Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		Tokyu Corporation / January 27, 1962 (Note 1)
Previous Owner / Acquisition Date		Tokyu Kurogane Jidosha Hanbai Kabushikigaisha / November 16, 1959 (Note 1)
Location (Address)		1-14-1 Botan, Koto-ku, Tokyo
Usage		Offices, Retail Shops
Type of Structure		Flat-roofed steel-reinforced concrete structure; eight above-ground floors
Site Area	Land	580.99 m ²
	Building	2,668.91 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		September 18, 1986
Architect		Tokyu Corporation
Construction Company		Tokyu Construction
Construction Confirmation Authority		Koto-ku, Tokyo

Probable Maximum Loss		6.39% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥1,400,000,000
Appraisal	Appraisal Value	¥1,410,000,000
	Base Date for Appraisal	January 1, 2007
	Appraiser	Daiwa Real Estate Appraisal Corporation
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		5 (As of December 31, 2006. The same applies below.)
Total Leasable Floor Area		2,012.22 m ²
Total Leased Floor Area		2,012.22 m ²
Occupancy Ratio		100.0%
Monthly Rental Income (Excluding Consumption Tax)		¥7,127,055 (Note 2)
Security and Guarantee Deposit		¥57,072,350 (Note 2)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	<p>(1) For adjacent land owner next to the northeast side of the property, portion of the property (approximately 3.9m²) on the northeast side is put to use (temporary land use) as free parking space.</p> <p>(2) A transformer containing polychlorinated biphenyl (PCB) is installed and currently in use at the Property. Application for its use has been lodged with the Kanto Tohoku Industrial Safety and Inspection Department of the Ministry of Economy, Trade and Industry, and the Governor of Tokyo. The Investment Corporation intends to continue lawful management of the transformer.</p>	
Other	<p>Notes:</p> <p>1. The oldest property land acquisition date is shown.</p> <p>2. Monthly rental income and guarantee deposit information is exclusive of parking facility amounts.</p>	

4. Seller's Profile

Company Name	Tokyu Corporation
Head Office Address	5-6 Nanpeidai-cho, Shibuya-ku, Tokyo
Representative	Toshiaki Koshimura, Representative Officer
Capital	¥110,610,800,965 (As of December 31, 2006)
Principal Shareholder	<p>The Dai-ichi Mutual Life Insurance Company, Nippon Life Insurance Company, Japan Trustee Services Bank, Ltd. (trust account), The Master Trust Bank of Japan, Ltd. (trust account) The Chuo Mitsui Trust and Banking Co., Ltd., Taiyo Life Insurance Company, The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mizuho Corporate Bank, Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust & Banking Co., Ltd. (As of September 30, 2006)</p>

Business Activities	Railway business, real estate business, and other businesses
Relationship with the Investment Corporation or the Asset Management Company	None
Special Considerations	None

5. Acquirer's (Seller) Profile

The seller (the current owner) of this property is not a special related party of the Asset Management Company.

6. Details of Brokerage

The details of the brokerage firm and the brokerage fee are as follows.

Name of brokerage firm	A domestic major intermediary company
Brokerage fee	¥42,060,000 (excluding consumption tax)
Relationship with the Investment Corporation or the Asset Management Company	None

* The brokerage firm is not a special related party of the Investment Corporation.

7. Interested-Party Transactions

Related to the acquisition of the Property, transactions between the Investment Corporation and interested parties, or between the Investment Corporation and interested-parties as defined under the Asset Management Company's internal rules and regulations, shall fall under the two categories of transactions (1) and (2) below.

Kenedix REIT Management, Inc., bound by its rules as they relate to interested-party transactions, worked to ensure strict compliance with statutory and other regulatory requirements. Furthermore, in order to ensure that the transactions were conducted in an open and fair manner and that the Investment Corporation was not disadvantaged, the Asset Management Company submitted all transactions for deliberation and approval by the Compliance Committee and the Asset Management Committee. Subject to approval, each transaction was then submitted to the Board of Directors for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the interested-party transactions.

(1) Appointment of a Property Management Company

The Investment Corporation plans to execute a property management agreement with Kenedix Advisors Co., Ltd. ("KDA") on January 19, 2007. Other parties to the agreement include the property trust trustee and the Asset Management Company.

KDA qualifies as an interested-party as defined under the Investment Trust Law and the internal rules and regulations of the Asset Management Company. Fees relating to property management remain at the same level as a current property.

Outline of Property Managements Fees:

- Leasing management fees
 - Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%

- Management transfer fees

Property (Trust Beneficiary Interest) Price	Management Transfer Fee (At the Time of Purchase and Sale)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million

(2) Master Lease of the Property

The Investment Corporation plans to execute a master lease agreement with KDA on January 19, 2007. Other parties to the agreement include the Asset Management Company.

【Principal agreement terms and conditions】

- Agreement term: From the date of agreement execution through August 1, 2015
- Type of master lease: Pass-through

8. Outlook

There are no revisions to the forecast for the fiscal period ending April 30, 2007, as a result of the acquisition of the Property.

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.

Attached Materials

- Outline of Property Appraisal
- Projected Cash Flow
- Building Condition Investigation Report
- Property Photographs
- Property Portfolio after Acquisition of the Property

Reference Material 1

Outline of Property Appraisal

Unit : Yen	
Appraisal Value	1,410,000,000
Base Date for Appraisal	January 1, 2007
Appraiser	Daiwa Real Estate Appraisal Corporation
Value Calculated Using the Direct Capitalization Method	1,460,000,000
Gross Operating Revenue	106,284,749
Maximum Gross Operating Revenue	111,393,732
Shortfall Attributed to Vacancies	5,108,983
Operating Expenses	26,709,124
Administrative and Maintenance Expense	19,534,464
Taxes and Dues	6,676,400
Other Expenses	498,260
Net Operating Income (NOI)	79,575,625
Capital Expenditure	5,122,500
Gain on Guarantee Deposit Investment (Note)	1,346,223
Net Cash Flow (NCF)	75,799,348
Overall Capitalization Rate (NCF)	5.2%
Value Calculated Using the Discounted Cash Flow Method	1,350,000,000
Discount Rate	5.1%
Terminal Capitalization Rate	5.4%
Value Calculated Using the Cost Method	770,000,000
Land	59.3%
Building	40.7%

Note: Gain on guarantee deposit investment is calculated, based on a property guarantee deposit operating yield of 2%

Reference Material 2

Projected Cash Flow

Unit : Millions of Yen	
A. Projected Operating Revenues	101
B. Projected Operating Expenses (excluding depreciation)	26
C. Projected NOI (A-B)	75

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors of the year of acquisition.
2. Revenues are based on an occupancy ratio of approximately 96%, based on the current occupancy ratio and future changes of occupancy.
3. Expenses include property management fees, taxes and dues, repairs and maintenance expenses, and insurance.

Reference Material 3

Building Condition Investigation Report

Unit: Yen	
Investigation Company	Kabushikigaisha Hikokusai Consultant
Date of Investigation	December 2006
Repairs, maintenance and renovation expenses required over the next year	3,030,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	58,440,000
Unit-in-Place	711,800,000

- * The abovementioned investigation company undertakes building assessments for this property such as
- a diagnosis of building deterioration
 - formulation of a short- and long-term repair and maintenance plan
 - assessment of legal compliance with the Building Standards Law
 - analyses of the existence of hazardous substances and the soil environment and submits a building assessment report to the Investment Corporation.

Reference Material 4

Property Photographs



Reference Material 5

Property Portfolio after Acquisition of the Property

Type of Use	Area	No.	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	A-13	Belles Modes Building	5,950	3.9%	November 1, 2005
		A-1	Nihonbashi 313 Building	5,940	3.8%	August 1, 2005
		A-16	Toshin 24 Building	5,300	3.4%	May 1, 2006
		A-2	Sogo Hirakawacho Building	5,180	3.4%	August 1, 2005
		A-17	Ebisu East 438 Building	4,640	3.0%	May 1, 2006
		A-3	Higashi-Kayabacho Yuraku Building	4,450	2.9%	August 1, 2005
		A-30	KDX Nishi-Gotanda Building (Note2)	4,200	2.7%	December 1, 2006
		A-4	Noir Hatchobori	3,680	2.4%	August 1, 2005
		A-18	KDX Omori Building	3,500	2.2%	May 1, 2006
		A-19	KDX Hamamatsucho Building	3,460	2.2%	May 1, 2006
		A-29	KDX Higashi-Shinjuku Building	2,950	1.9%	September 1, 2006
		A-20	Dai-ichi Kayabacho Building	2,780	1.8%	May 1, 2006
		A-21	NTB・M Building	2,690	1.7%	May 1, 2006
		A-5	K&Y Building (Southern Plaza)	2,533	1.6%	August 1, 2005
		A-22	KDX Shin-Yokohama Building	2,520	1.6%	May 1, 2006
		A-6	Harajuku F.F. Building	2,450	1.6%	August 1, 2005
		A-27	KDX Kajicho Building	2,350	1.5%	June 3, 2006
		A-15	KDX Hamacho Building	2,300	1.5%	March 16, 2006
		A-7	FIK Minami Aoyama	2,270	1.4%	August 1, 2005
		A-14	KDX Funabashi Building	2,252	1.4%	March 1, 2006
		A-8	Kanda Kihara Building	1,950	1.2%	August 1, 2005
		A-23	KDX Yotsuya Building	1,950	1.2%	May 1, 2006
		A-9	NNK Building	1,610	1.0%	August 1, 2005
		A-26	Kiba Ocean Building	1,580	1.0%	June 20, 2006
		A-31	KDX Monzen-Nakacho Building (Note 3)	1,400	0.9%	January 19, 2007
		A-28	KDX Nogizaka Building	1,065	0.6%	July 14, 2006
		A-10	Koishikawa Yoshida Building	704	0.4%	August 1, 2005
		Other Regional Areas	A-12	Portus Center Building	5,570	3.6%
	A-24		KDX Minami Semba Dai-1 Building	1,610	1.0%	May 1, 2006
	A-25		KDX Minami Semba Dai-2 Building	1,560	1.0%	May 1, 2006
	A-11		Hakata Ekimae-Dai2 Building	1,430	0.9%	August 1, 2005
Total of 31 Office Buildings				91,824	60.2%	-
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	3.5%	May 1, 2006
		B-20	Regalo Ochanomizu I&II	3,600	2.3%	May 1, 2006
		B-1	Storia Sirokane	3,150	2.0%	August 1, 2005
		B-2	Tre di Casa Minami Aoyama	2,460	1.6%	August 1, 2005

	B-21	Regalo Shiba-Kouen	2,260	1.4%	May 1, 2006		
	B-3	Court Mejiro	1,250	0.8%	August 1, 2005		
	B-4	Apartments Motoazabu	1,210	0.7%	August 1, 2005		
	B-5	Apartments Wakamatsu-Kawada	1,180	0.7%	August 1, 2005		
	B-22	Chigasaki Socie Ni-bankan	1,160	0.7%	May 1, 2006		
	B-6	Court Nihonbashi Hakozaki	1,130	0.7%	August 1, 2005		
	B-23	Court Nishi-Shinjuku	1,130	0.7%	May 1, 2006		
	B-7	Side Denenchofu	1,110	0.7%	August 1, 2005		
	B-34	Gradito Kawaguchi	1,038	0.6%	June 30, 2006		
	B-8	S-court Yokohama Kannai II	945	0.6%	August 1, 2005		
	B-24	Regalo Komazawa-Kouen	912	0.5%	May 1, 2006		
	B-9	Court Motoasakusa	880	0.5%	August 1, 2005		
	B-25	Court Shin-Okachimachi	878	0.5%	May 1, 2006		
	B-11	Bloom Omotesando	875	0.5%	August 1, 2005		
	B-13	Human Heim Okachimachi	830	0.5%	August 1, 2005		
	B-26	Primo Regalo Kagurazaka	762	0.5%	May 1, 2006		
	B-14	Court Shinbashi	748	0.4%	August 1, 2005		
	B-27	Primo Regalo Youga	730	0.4%	May 1, 2006		
	B-15	Court Suitengu	659	0.4%	August 1, 2005		
	B-28	Court Shimouma	638	0.4%	May 1, 2006		
	Other Regional Areas	B-29	Ashiya Royal Homes	2,330	1.5%	May 1, 2006	
		B-18	Venus Hibarigaoka	1,800	1.1%	December 8, 2005	
		B-30	Regalo Ibaraki I& II	1,600	1.0%	May 1, 2006	
		B-31	Collection Higashi-Sakura	1,264	0.8%	May 1, 2006	
		B-32	Renaissance 21 Hirao Jousui-machi	900	0.5%	May 1, 2006	
		B-33	Montore Nishikouen Bay Court	826	0.5%	May 1, 2006	
		B-16	Abreast Hara	444	0.2%	August 1, 2005	
		B-17	Abreast Hirabari	407	0.2%	August 1, 2005	
	Total of 32 Residential Properties			44,459	29.1%	-	
	Retail Properties	Tokyo	C-1	Jinnan-zaka Frame	9,900	6.4%	August 1, 2005
		Metropolitan Area	C-2	Yoyogi M Building	2,479	1.6%	September 30, 2005
		Other Regional Areas	C-3	ZARA Tenjin Nishi-dori	3,680	2.4%	May 1, 2006
Total of 3 Retail Properties			16,059	10.5%	-		
Total of 66 Properties			152,342	100.0%	Portfolio PML 7.18%		

Notes:

1. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
2. The current name of the property is the "FSD Building." Plans are in place to change the name of the property to the "KDX Nishi-Gotanda Building" on April 1, 2007.
3. The current name of the KDX Monzen-Nakacho Building is the "Tokyu Monzen-Nakacho Building." Plans are in place to change the name of the Tokyu Monzen-Nakacho Building to the "KDX Monzen-Nakacho Building" on April 1, 2007.