

April 23, 2008

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 Announcement of Operating Forecasts for the Fiscal Period Ending October 31, 2008

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its operating forecast for the seventh fiscal period (May 1, 2008 to October 31, 2008). Details are provided as follows.

1. Forecasts for the Seventh Fiscal Period Ending October 31, 2008 (May 1, 2008 to October 31, 2008)

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Seventh Fiscal Period	7,951	3,001	3,000	15,000	—

[Reference]

Forecasted number of investment units issued and outstanding as of April 30, 2008: 200,000 units

[Explanatory Notes]

- Forecast figures are calculated based on the “Preconditions and Assumptions for the Fiscal Period Ending October 31, 2008” (separate document attached) as of the date of this release. Readers are advised that actual operating revenues, ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons including the future acquisition or sale of real estate and changes in the Investment Corporation’s operating environment including the real estate market. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distribution per unit.
- In the event that significant changes to the aforementioned forecasts are expected, the Investment Corporation may revise its forecasts.
- Figures are rounded down.

(Reference) Forecasts for the Sixth Fiscal Period Ending April 30, 2008 (November 1, 2007 to April 30, 2008) previously announced on December 11, 2007 in the FINANCIAL REPORT for the Fifth Fiscal Period

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	7,935	3,288	3,287	16,400	-

Disclaimer : This document is a public announcement regarding the forecasts for the seventh fiscal period ending October 31, 2008 (May 1, 2008 to October 31, 2008) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.

Preconditions and Assumptions for the Fiscal Period Ending October 31, 2008

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> The seventh fiscal period: May 1, 2008 to October 31, 2008 (184 days)
Property Portfolio	<ul style="list-style-type: none"> Forecasts are based on the 67 properties held as of April 23, 2008 plus the Sakae 4-chome Office Building (Tentative Name) expected to be acquired on April 25, 2008, which was mentioned in the press release dated April 23, 2008, totaling 68 properties. This will remain unchanged (no new properties will be acquired and no existing properties will be sold) up to and including the end of the seventh fiscal period. The property portfolio may change, however, due to a variety of factors.
Operating Revenues	<ul style="list-style-type: none"> Rental revenues are estimated based on historical performance and a variety of factors including leasing market conditions.
Operating Expenses	<ul style="list-style-type: none"> Property-related expenses other than depreciation are estimated based on historic expenses, adjusted to reflect the expenses variables. In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the asset management company for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. For the seventh fiscal period, an amount of ¥1,361 million has been estimated for depreciation expense.
Non-Operating Expenses	<ul style="list-style-type: none"> The Investment Corporation is amortizing unit issuance costs over a period of three years using the straight-line method. Interest payable of ¥736 million is forecasted for the seventh fiscal period.
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> The balance of the borrowings as of April 23, 2008 is ¥73.7B plus the ¥4B of borrowings expected to occur on April 25, 2008 which is mentioned in the press release dated April 23, 2008, totaling ¥77.7B, and ¥12B of investment corporation bonds. Forecasts are based on the assumption that the balance of borrowings and investment corporation bonds will remain unchanged up to and including the end of the seventh fiscal period.
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> The number of investment units issued and outstanding as of April 23, 2008 is 200,000 units. Forecasts are based on the assumption that the number of investment units issued and outstanding will remain unchanged.
Distributions per Unit	<ul style="list-style-type: none"> Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or the incidence of major unforeseen renovation expense.

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	Preconditions and Assumptions
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will have no impact on forecasted figures. Forecasts are based on the assumption that there will be no major unforeseen changes in economic trends or in real estate and other markets

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