

Translation Purpose Only

April 13, 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
 General Manager, Financial Planning Division
 TEL.: +81-3-3519-3491

**Notice Concerning the Acquisition of Property
 (KDX Toranomom Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision today to acquire the following property. Details are provided as follows.

1. Outline of the Acquisition

- (1) Type of Acquisition : Trust beneficiary interest in real estate
- (2) Property Name : KDX Toranomom Building (Note)
- (3) Acquisition Price : ¥4,400,000,000 (excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.)
- (4) Date of Contract : April 17, 2007
- (5) Scheduled Date of Acquisition : April 17, 2007
- (6) Seller : Azalea Owan Special Purpose Company
(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 Toranomom Building is the “Toranomom Ohtori Building.” Plans are in place to change the name of the “Toranomom Ohtori Building” to the “KDX Toranomom Building” on April 17, 2007.

The aforementioned KDX Toranomom Building shall hereafter be referred to as “the Property.”

2. Reason for Acquisition

The acquisition is 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

The Property is an office building approximately one minute on foot from Toranomom Station on the Tokyo Metro Ginza Line. The Toranomom area, where the Property is located, is one of the most well-known business districts in central Tokyo, with a number of large- and medium-sized offices, particularly on Sakurada-dori and Sotobori-dori. Based on the easy accessibility (within walking distance of office centers such as the Toranomom, Kasumigaseki, Hibiya, Uchisaiwaicho and Shinbashi areas) and excellent transportation convenience, the Toranomom area has established itself as a mature office market containing various types of offices. In the area, there is brisk demand not only from private-sector companies, but also from the government-affiliated firms, extragovernmental organizations, law offices, accounting offices, and patent offices, due to its location adjacent to the Kasumigaseki area, where government and other public offices are concentrated. The Property is situated at a highly recognizable location facing Sotobori-dori, a Toranomom area in which there is a particularly high demand for office space. Due to an environment that is very suitable for offices, the Property is expected to maintain stable occupancy.

(2) Building

The Property provides individual air-conditioning systems for each floor. With a ceiling height of 2.5m, the office spaces in the Property are roughly symmetrical and astylar. Because the building has become outdated, the Investment Corporation is currently planning to conduct large-scale renovations of the Property. The leasing spaces will be provided with new OA functions, carpet tiles, lighting and wallpaper after the renovations. In addition, the layout of spaces from the underground floor up to the second floor, which was used as a private area by the previous owner, will be altered. Through these initiatives, the Investment Corporation aims to improve the Property's competitiveness. At the same time, security systems and amenity spaces will be renovated for greater comfort within the building.

(3) Tenants

Currently, the Property is completely vacant. Through the aforementioned renovations, the Investment Corporation will enhance the competitiveness of the Property, which is located in an area that contains relatively old buildings. Taking full advantage of the Property's competitiveness after the renovations, the Investment Corporation will work to secure and maximize revenues through vigorous leasing activities targeted at potential tenants.

3. Property Details

Property Name		KDX Toranomom Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust Term		November 17, 2005 to August 1, 2015 (Planned)
Current Owner / Acquisition Date		Azalea Owan Special Purpose Company / November 17, 2005
Previous Owner / Acquisition Date		Yugengaisha Ohtori-Shouji, One individual / April 8, 1971 (Note 1)
Location (Address)		1-4-3 Toranomom, Minato-ku, Tokyo
Usage		Recreation hall, Office
Type of Structure		Flat-roofed steel-reinforced concrete structure; one underground and nine above-ground floors
Site Area	Land	288.20 m ²
	Building	2,277.38 m ²
Type of Ownership	Land	Proprietary ownership

	Building	Proprietary ownership
Completion Date		April 28, 1988
Architect		Kajima Corporation
Construction Company		Kajima Corporation
Construction Confirmation Authority		Minato-ku, Tokyo
Probable Maximum Loss		14.77% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Anticipated Acquisition Price		¥4,400,000,000
Appraisal	Appraisal Value	¥4,020,000,000
	Base Date for Appraisal	March 1, 2007
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Master Lease Company and Property Management Company after Acquisition		Kenedix Advisors Co., Ltd.
Number of End Tenants		0 (As of April 13, 2007. The same applies below.)
Total Leasable Floor Area		2,064.45 m ² (Note 2)
Total Leased Floor Area		0 m ²
Occupancy Ratio		0.0%
Monthly Rental Income (Excluding Consumption Tax)		¥0
Security and Guarantee Deposit		¥0
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	None	
Other	Notes: 1. The oldest property land acquisition date is shown. 2. This figure is based on assumptions made as of the date of the press release. Total leasable floor area may change due to future modifications in renovation plans.	

4. Seller's Profile

Company Name	Azalea Owan Special Purpose Company
Head Office Address	1-11-44 Akasaka, Minato-ku, Tokyo
Representative	Tetsuya Isozaki
Capital	Special capital fund ¥100 thousand, Preferential capital fund ¥3,950 million
Principal Shareholder	Yugen Sekinin Chukan Hojin Kirishima Kanzai
Business Activities	<ul style="list-style-type: none"> - Operations relating to assignment, management and disposal of specified assets, pursuant to its own registered asset liquidation plan formulated in compliance with the Asset Liquidation Law of Japan. - Operations that occur in conjunction with liquidation of the such specified assets.
Relationship with the Investment Corporation or the Asset Management Company	None
Special Considerations	None

*As of April 13, 2007

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 real estate company
Brokerage fee	¥132,060,000 (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 three categories of transactions (1) through (3) below.

Kenedix REIT Management, Inc. ("the Asset Management Company"), 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 April 17, 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)
¥3.0 billion and more, and less than ¥5.0 billion	¥2.2 million

(2) Master Lease of the Property

The Investment Corporation plans to execute a master lease agreement with KDA on April 17, 2007. Other parties to the agreement include the property trust trustee and 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

(3) Concurrent Liability Assumption Memorandum

The Investment Corporation plans to execute a concurrent liability assumption memorandum with KDA on April 17, 2007. Under the memorandum, the Investment Corporation agrees to assume a concurrent commitment together with KDA to refund security and guarantee deposits which KDA as Master lessee had received from subtenants in connection with the master lease agreement. As compensation for this liability assumption, KDA shall provide to the Investment Corporation an amount equivalent to the total of security and guarantee deposits received.

8. Outlook

Revised forecasts for the fiscal period ending April 30, 2007 and forecasts for the fiscal period ending October 31, 2007, which will reflect potential effects from the acquisition of the Property and sales of 2 properties that were disclosed in the press release “Notice Concerning the Sales of Properties (Court Shinbashi and Court Suitengu)” dated April 13, 2007, shall be disclosed upon their finalization after sufficient examination of such effects.

This notice is the English translation of the Japanese announcement on our Web site released on April 13, 2007. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Attached Materials

1. Outline of Property Appraisal
2. Projected Cash Flow
3. Building Condition Investigation Report
4. Property Photographs
5. Property Portfolio after Acquisition of the Property

Reference Material 1

Outline of Property Appraisal

Unit : Yen	
Appraisal Value (Note 1)	4,020,000,000
Base Date for Appraisal	March 1, 2007
Appraiser	Japan Real Estate Institute
Value Calculated Using the Direct Capitalization Method after the Large-Scale Renovation	4,250,000,000
Gross Operating Revenue	215,037,000
Maximum Gross Operating Revenue	221,584,000
Shortfall Attributed to Vacancies	6,547,000
Operating Expenses	32,217,000
Administrative and Maintenance Expense	11,905,000
Taxes and Dues	19,085,000
Other Expenses	1,227,000
Net Operating Income (NOI)	182,820,000
Capital Expenditure	3,673,000
Gain on Guarantee Deposit Investment (Note 2)	3,718,000
Net Cash Flow (NCF)	182,865,000
Overall Capitalization Rate (NCF)	4.3%
Value Calculated Using the Discounted Cash Flow Method after the Large-Scale Renovation	4,120,000,000
Discount Rate	4.1%
Terminal Capitalization Rate	4.5%
Value Calculated Using the Cost Method after the Large-Scale Renovation	3,860,000,000
Land	90.5%
Building	9.5%

Notes:

1. Above appraisal value has been calculated based on: (a) the Property's assumed value after the renovations (¥4,190,000,000), which is determined according to such value that is calculated using the Direct Capitalization and Cost Methods; (b) renovation expenses; and (c) lost revenues over the renovation period.
2. 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	237
B. Projected Operating Expenses (excluding depreciation)	54
C. Projected NOI (A-B)	183

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	HI International Consultant Co., LTD.
Date of Investigation	March 2007
Repairs, maintenance and renovation expenses required over the next year	15,740,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	54,660,000
Unit-in-Place	495,400,000

* 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

*Total number of properties, total acquisition price, ratio and total PML does not include the sales of properties which were disclosed on April 13, 2007 in the press release "Notice Concerning the Sales of Properties (Court Shinbashi and Court Suitengu)".

Type of Use	Area	No.	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	A-37	KDX Ochanomizu Building (Note 2)	6,400	3.6%	April 2, 2007
		A-32	KDX Shiba-Daimon Building (Note 3)	6,090	3.4%	March 1, 2007
		A-13	KDX Koujimachi Building	5,950	3.3%	November 1, 2005
		A-1	KDX Nihonbashi 313 Building	5,940	3.3%	August 1, 2005
		A-16	Toshin 24 Building	5,300	3.0%	May 1, 2006
		A-2	KDX Hirakawacho Building	5,180	2.9%	August 1, 2005
		A-17	Ebisu East 438 Building	4,640	2.6%	May 1, 2006
		A-3	Higashi-Kayabacho Yuraku Building	4,450	2.5%	August 1, 2005
		A-39	KDX Toranomom Building (Note4)	4,400	2.5%	April 17, 2007
		A-30	KDX Nishi-Gotanda Building	4,200	2.3%	December 1, 2006
		A-4	KDX Hatchobori Building	3,680	2.1%	August 1, 2005
		A-18	KDX Omori Building	3,500	1.9%	May 1, 2006
		A-19	KDX Hamamatsucho Building	3,460	1.9%	May 1, 2006
		A-29	KDX Higashi-Shinjuku Building	2,950	1.6%	September 1, 2006
		A-20	Dai-ichi Kayabacho Building	2,780	1.5%	May 1, 2006
		A-21	KDX Shinbashi Building	2,690	1.5%	May 1, 2006
		A-5	KDX Nakano-Sakaue Building	2,533	1.4%	August 1, 2005
		A-22	KDX Shin-Yokohama Building	2,520	1.4%	May 1, 2006
		A-6	Harajuku F.F. Building	2,450	1.3%	August 1, 2005
		A-27	KDX Kajicho Building	2,350	1.3%	June 3, 2006
		A-15	KDX Hamacho Building	2,300	1.3%	March 16, 2006
		A-7	FIK Minami Aoyama	2,270	1.2%	August 1, 2005
		A-14	KDX Funabashi Building	2,252	1.2%	March 1, 2006
		A-33	KDX Okachimachi Building (Note5)	2,000	1.1%	March 1, 2007
		A-8	Kanda Kihara Building	1,950	1.1%	August 1, 2005
		A-23	KDX Yotsuya Building	1,950	1.1%	May 1, 2006
		A-9	KDX Shinjuku-Gyoen Building	1,610	0.9%	August 1, 2005
		A-26	KDX Kiba Building	1,580	0.9%	June 20, 2006
		A-38	KDX Nishi-Shinjuku Building (Note 6)	1,500	0.8%	April 2, 2007
		A-31	KDX Monzen-Nakacho Building	1,400	0.7%	January 19, 2007
		A-34	KDX Hon-Atsugi Building (Note 7)	1,305	0.7%	March 1, 2007
		A-35	KDX Hachioji Building (Note 8)	1,155	0.6%	March 1, 2007
		A-28	KDX Nogizaka Building	1,065	0.6%	July 14, 2006
	A-10	KDX Koishikawa Building	704	0.4%	August 1, 2005	
	Other Regional Areas	A-12	Portus Center Building	5,570	3.1%	September 21, 2005
		A-24	KDX Minami Semba Dai-1 Building	1,610	0.9%	May 1, 2006
		A-25	KDX Minami Semba Dai-2 Building	1,560	0.8%	May 1, 2006
		A-11	Hakata Ekimae-Dai2 Building	1,430	0.8%	August 1, 2005
		A-36	KDX Niigata Building	1,305	0.7%	March 1, 2007
Total of 39 Office Buildings				115,979	66.2%	-

Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	3.0%	May 1, 2006	
		B-20	Regalo Ochanomizu I&II	3,600	2.0%	May 1, 2006	
		B-1	Storia Sirokane	3,150	1.7%	August 1, 2005	
		B-2	Tre di Casa Minami Aoyama	2,460	1.4%	August 1, 2005	
		B-21	Regalo Shiba-Kouen	2,260	1.2%	May 1, 2006	
		B-3	Court Mejiro	1,250	0.7%	August 1, 2005	
		B-4	Apartments Motoazabu	1,210	0.6%	August 1, 2005	
		B-5	Apartments Wakamatsu-Kawada	1,180	0.6%	August 1, 2005	
		B-22	Chigasaki Socie Ni-bankan	1,160	0.6%	May 1, 2006	
		B-6	Court Nihonbashi Hakozaeki	1,130	0.6%	August 1, 2005	
		B-23	Court Nishi-Shinjuku	1,130	0.6%	May 1, 2006	
		B-7	Side Denenchofu	1,110	0.6%	August 1, 2005	
		B-34	Gradito Kawaguchi	1,038	0.5%	June 30, 2006	
		B-8	S-court Yokohama Kannai II	945	0.5%	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	0.4%	August 1, 2005	
		B-13	Human Heim Okachimachi	830	0.4%	August 1, 2005	
		B-26	Primo Regalo Kagurazaka	762	0.4%	May 1, 2006	
		B-14	Court Shinbashi	-	-	August 1, 2005	
		B-27	Primo Regalo Youga	730	0.4%	May 1, 2006	
		B-15	Court Suitengu	-	-	August 1, 2005	
		B-28	Court Shimouma	638	0.3%	May 1, 2006	
		Other Regional Areas	B-29	Ashiya Royal Homes	2,330	1.3%	May 1, 2006
			B-18	Venus Hibarigaoka	1,800	1.0%	December 8, 2005
			B-30	Regalo Ibaraki I& II	1,600	0.9%	May 1, 2006
			B-31	Collection Higashi-Sakura	1,264	0.7%	May 1, 2006
	B-32		Renaissance 21 Hirao Jousui-machi	900	0.5%	May 1, 2006	
	B-33		Montore Nishikouen Bay Court	826	0.4%	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 30 Residential Properties				43,052	24.5%	-	
Central Urban-Type Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka (Note 9)	9,900	5.6%	August 1, 2005	
		C-2	KDX Yoyogi Building	2,479	1.4%	September 30, 2005	
	Other Regional Areas	C-3	ZARA Tenjin Nishi-dori	3,680	2.1%	May 1, 2006	
	Total of 3 Central Urban-Type Retail Properties				16,059	9.1%	-
Total of 72 Properties				175,090	100.0%	Portfolio PML 7.15%	

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 “Kenkyusha Building.” Plans are in place to change the name of the property to the “KDX Ochanomizu Building” on October 1, 2007.
3. The current name of the property is the “Shuwa Dai-san Shiba Park Building.” Plans are in place to change the name of the property to the “KDX Shiba-Daimon Building” on September 1, 2007.
4. The current name of the property is the “Toranomom Otori Building.” Plans are in place to change the name of the property to the “KDX Toranomom Building” on April 17, 2007.

5. The current name of the property is the “Kairaku Building.” Plans are in place to change the name of the property to the “KDX Okachimachi Building” on June 1, 2007.
6. The current name of the “KDX Nishi-Shinjuku Building” is the “N.S. EXCEL Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
7. The current name of the “KDX Hon-Atsugi Building” is the “Sumisei Atsugi Dai-2 Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
8. The current name of the “KDX Hachioji Building” is the “Sumisei Hachioji Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.
9. The current name of the property is the “Jinnan-zaka Frame.” Plans are in place to change the name of the property to the “Frame Jinnan-zaka” on April 20, 2007.