

October 29, 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

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### **Notice Concerning Debt Financing and Prepayment of Debt Financing**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on October 29, 2007, to undertake debt financing and to prepay debt financing. Details of the aforementioned are provided as follows.

#### 1. Rationale

The Investment Corporation has decided to execute debt financing agreements to apply the funds toward the repayment of Series 3-B (total of ¥1,500 million) and Series 12 (total of ¥1,000 million) with a repayment date of October 31, 2007, and Series 13-A (total of ¥500 million) with a repayment date of November 30, 2007. (Note)

Note: For details, please refer to the press releases “Notice Concerning Debt Financing and Interest Rate Swap Agreement,” dated October 28, 2005 for Series 3-B, “Notice Concerning Debt Financing,” dated October 27, 2006 for Series 12, and “Notice Concerning Debt Financing and Interest Rate Swap Agreement,” dated November 29, 2006 for Series 13-A and refer to Item 4. Details of Prepayment Debt Financing described below.

#### 2. Details of Debt Financing

##### Short-Term Debt (Series 20-A)

- |                           |   |  |
|---------------------------|---|--|
| (1) Lender                | : | Mitsubishi UFJ Trust and Banking Corporation   |
| (2) Amount                | : | ¥1,000 million   |
| (3) Interest Rate         | : | 1.10000% floating rate of interest (Note)  |
| (4) Drawdown Date         | : | October 31, 2007   |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2007. |
| (6) Interest Payment Date | : | First interest payment on January 31, 2008, and at the end of April, July and October 2008.                                    |
| (7) Repayment Date        | : | October 31, 2008   |
| (8) Repayment Method      | : | Principal repayment in full on maturity  |
| (9) Collateral            | : | Unsecured, unguaranteed  |

Note: The interest rate covers the period commencing October 31, 2007 through January 31, 2008.

Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.25%. The interest rate after January 31, 2008 shall be disclosed as and when determined.

Long-Term Debt (Series 20-B)

- (1) Lender : Sumitomo Mitsui Banking Corporation
- (2) Amount : ¥2,000 million
- (3) Interest Rate : 1.33875% fixed rate of interest
- (4) Drawdown Date : October 31, 2007
- (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2007.
- (6) Interest Payment Date : First interest payment on January 31, 2008, and at the end of April, July, October and January each year thereafter.
- (7) Repayment Date : October 31, 2009
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

3. Use of Funds

Debt financing shall be used for repayment of Series 3-B and 12, and prepayment of Series 13-A.

4. Details of Prepayment Debt Financing

(1) Short-Term Debt (Series 13-A)

- Lender : Sumitomo Mitsui Banking Corporation
- Amount : ¥500 million (Note 1)
- Interest Rate : 1.08583% floating rate of interest (Note 2)
- Drawdown Date : December 1, 2006
- Repayment Date : November 30, 2007
- Collateral : Unsecured, unguaranteed

Notes:

- 1. On March 15, 2007 the Investment Corporation had prepaid ¥1,000 million out of ¥1,500 million which was originally borrowed.
- 2. The interest rate covers the period commencing August 31, 2007 to November 30, 2007.

(2) Planned Date for Prepayment

October 31, 2007

Total Debt Financing Balance after Additional Borrowings  
 and Status of Investment Corporation Bonds

(Billions of yen)

	Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change
Short-Term Borrowings (Note1)	7.0	6.5	-0.5
Long-Term Borrowings (Note2)	56.5	57.0	+0.5
Total Borrowings Balance	63.5	63.5	+0.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	75.5	75.5	+0.0

Notes:

1. Short-term borrowings refer to debt financing with a period of less than or equal to one year from the drawdown date to the repayment date.
2. Long-term borrowings refer to debt financing with a period of more than one year from the drawdown date to the repayment date.

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