

Translation Purpose Only

June 11, 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

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**Notice Concerning the Conclusion of the Basic Agreement  
for Sale of Property (ZARA Tenjin Nishi-dori)**

Kenedix Realty Investment Corporation ("the Investment Corporation") announced its decision to conduct negotiations with a specific party ("the Preferential Negotiation Party") for the sale of one central urban retail property and concluded a basic agreement regarding property transaction negotiations with the Preferential Negotiation Party. Details are provided as follows.

**1. Outline of the Basic Agreement**

- |  |  |
|--|--|
| (1) Type of Asset                            | : Trust beneficiary interests in real estate   |
| (2) Property Name                            | : ZARA Tenjin Nishi-dori (Central Urban Retail Property)<br>The aforementioned asset shall hereafter be referred to as "the Property."   |
| (3) Date of Contract for the Basic Agreement | : June 11, 2008  |
| (4) Schedule                                 | : Please refer to 3. "Sale Schedule" for details   |
| (5) Other                                    | : ① The Preferential Negotiation Party was selected from several candidates introduced from several major domestic brokers.<br>② The sales price is being negotiated at an amount that exceeds the book value.<br>③ The Preferential Negotiation Party has not granted approval to disclose the name of the Preferential Negotiation Party and planned sale price. In addition, the Preferential Negotiation Party is not a special related party of Kenedix REIT Management, Inc. ("the Asset Management Company").<br>④ Details of the sale of the Property will be announced once discussion and approval by the Investment Committee of the Asset Management Company has concluded after completion of negotiations with the Preferential Negotiation Party. |

## 2. Reason for Carrying out the Sale Negotiation

The negotiation to sell the Property, a central urban retail property in Other Regional Areas, is carried out in accordance with the Investment Corporation's investment stance and its fundamental investment policies as outlined in its Articles of Incorporation, and comprehensively takes into consideration its portfolio development policy to invest mainly in mid-sized office buildings in the Tokyo Metropolitan Area as well as specific real estate market trends.

## 3. Sale Schedule

|                               |  |
|-------------------------------|--|
| June 11, 2008                 | Conclusion of the basic agreement  |
| Until June 25, 2008 (planned) | Completion of negotiation and decision to sale between the Preferential Negotiation Party.<br>Execution of trust beneficiary interest purchase and sale agreements |
| June 25, 2008 (planned)       | Settlement, sale of trust beneficiary interests  |

### 【Reference】

#### Property Details

|  |   |                         |
|--|---|-------------------------|
| Property Name                                      | ZARA Tenjin Nishi-dori  |                         |
| Type of Specified Asset                            | Trust beneficiary interest in real estate   |                         |
| Trustee  | Mizuho Trust & Banking Co., Ltd.  |                         |
| Trust Term   | February 23, 2006 to August 1, 2015   |                         |
| Location (Address)                                 | 1-12-64 Daimyo, Chuo-ku, Fukuoka-shi, Fukuoka   |                         |
| Usage  | Retail Shops  |                         |
| Type of Structure                                  | Steel-frame structure; four above-ground floors   |                         |
| Site Area  | Land  | 595.52 m <sup>2</sup>   |
|  | Building  | 1,445.02 m <sup>2</sup> |
| Type of Ownership                                  | Land  | Proprietary ownership   |
|  | Building  | Proprietary ownership   |
| Completion Date                                    | November 30, 2005   |                         |
| Acquisition Date                                   | May 1, 2006   |                         |
| Acquisition Price                                  | ¥3,680,000,000  |                         |
| Book Value   | ¥3,668,675,924 (As of April 30, 2008)   |                         |
| Survey Value<br>(Registered Appraiser)             | ¥3,810,000,000 (As of April 30, 2008)<br>Appraiser: Daiwa Real Estate Appraisal Co., Ltd. |                         |
| Number of End Tenants                              | 1 (As of May 31, 2008. The same applies below.)   |                         |
| Total Leasable Floor Area                          | 1,497.47 m <sup>2</sup>   |                         |
| Total Leased Floor Area                            | 1,497.47 m <sup>2</sup>   |                         |
| Occupancy Ratio<br>(Total Leased Floor Area Basis) | 100.0%  |                         |

This notice is the English translation of the Japanese announcement on our Web site released on June 11, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.