

Translation Purpose Only

June 25, 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 the Sale of Property
(ZARA Tenjin Nishi-dori)

Kenedix Realty Investment Corporation (the “Investment Corporation”) today announced the completion of the sale of ZARA Tenjin Nishi-dori ,the central urban retail property, which was previously announced in the press release “Notice Concerning the Conclusion of the Basic Agreement for Sale of Property (ZARA Tenjin Nishi-dori)” dated June 11, 2008. Details are provided as follows.

1. Outline

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|------|---|---|
| (1) | Type of Asset for Sale | : Trust beneficiary interests in real estate |
| (2) | Property Name | : ZARA Tenjin Nishi-dori |
| (3) | Sales Price | : ¥4,108,810,000
(Excluding sales costs, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax and other imposts) |
| (4) | Book Value | : ¥3,668,675,924 (Book values as of April 30, 2008) |
| (5) | Difference between Sales Price and Book Value | : ¥440,134,076 |
| (6) | Purchase and Sale Agreement Execution Date | : June 25, 2008 |
| (7) | Settlement Date | : June 25, 2008 |
| (8) | Buyer | : Godo Kaisha Smile Retail Nine
(Please refer to 4. “Buyer’s Profile” for details) |
| (9) | Settlement Method | : The aforementioned trust beneficiary interest will be transferred to the buyer. |
| (10) | Method of Buyer Selection | : The Investment Corporation has selected the buyer from among multiple candidates introduced through several prominent domestic real estate brokers |

The aforementioned asset for sale shall hereafter be referred to as “the Property.”

2. Reason for Acquisition

The decision 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. Details of Property for Sale

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 ²
	Building	1,445.02 m ²
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
Survey Value (Registered Appraiser)		¥3,810,000,000 Base date of appraisal: April 30, 2008 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 ²
Total Leased Floor Area		1,497.47 m ²
Occupancy Ratio (Total Leased Floor Area Basis)		100.0%

4. Buyer's Profile

Company Name	Godo Kaisha Smile Retail Nine
Head Office Address	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Yugen Kaisha Retail Holdings Nine Office Representative, Shinji Nakazawa
Capital	¥3.0 million
Sponsor Company	Yugen Kaisha Retail Holdings Nine
Business Activities	1. Acquisition, holding and disposing of trust beneficiary interests in real estate 2. Purchase, sale, leasing and management of real estate 3. Accessory or related business concerning the aforementioned business
Relationship with the Investment Corporation	None
Special Considerations	None

*As of June 18, 2008

5. Sale Schedule

June 25, 2008	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreements Settlement Sale of trust beneficiary interests
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6. Asset Management Fees

The Investment Corporation shall pay a sale commission to Kenedix REIT Management, Inc. in connection with the sale of subject trust beneficiary interest in real estate in accordance with the Asset Management Agreement.

Sale commission: An amount equivalent to 0.5% of the sales price identified in 1 (3) preceding.

Date of payment: Within one month after the settlement date.

7. Details of Brokerage

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

Name of brokerage firm	The name of the broker has not been disclosed due to a duty of confidentiality as stipulated in the brokerage agreement.
Brokerage fee	¥123,264,300 (excluding taxes)
Relationship with the Investment Corporation or the Asset Management Company	None

8. Interested-Party Transactions

The subject sale of trust beneficiary interest in real estate does not constitute an interested-party transaction.

The Investment Corporation shall pay a fee to the Asset Management Company pursuant to the Property Management Agreement executed between the parties in connection with the sale of the subject trust beneficiary interest in real estate and the subsequent transfer in management control. The fee is ¥2.2 million

This fee relates to the transfer of management control and serves as a notice to the lessee regarding the transfer of leasing and management responsibilities and also relates to the handover of property management duties. Fee shall be paid promptly after settlement date.

8. Outlook

Capital gains from the sale of the Property have arisen for the fiscal period ending October 31, 2008. As a result of the Investment Corporation's review of the preconditions for its revenue and expenses, etc. together with the sale of the Property, the Investment Corporation has decided not to revise the operating forecasts for the fiscal period ending October 31, 2008.

This notice is the English translation of the Japanese announcement on our Web site released on June 25, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.