

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

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Notice Concerning the Acquisition of Property (Conclusion of Agreement)
(KDX Hamamatsucho Dai-2 Building)

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on June 25, 2008 to conclude an agreement to acquire the KDX Hamamatsucho Dai-2 Building. Details are provided as follows.

1. Outline of the Acquisition

- | | | |
|-----------------------------------|---|---|
| (1) Type of Acquisition | : | Real estate |
| (2) Property Name | : | KDX Hamamatsucho Dai-2 Building (Note) |
| (3) Acquisition Price | : | ¥2,200,000,000
(excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.) |
| (4) Date of Contract | : | June 25, 2008 |
| (5) Scheduled Date of Acquisition | : | September 1, 2008 |
| (6) Seller | : | GE Real Estate Corporation
(Refer to Item 4. Seller’s Profile for details) |
| (7) Acquisition Funds | : | Debt financing and cash on hand (planned) |
| (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 Hamamatsucho Dai-2 Building” is the “Hamamatsucho Daiwa Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.

The aforementioned KDX Hamamatsucho Dai-2 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.

The Investment Corporation will continue to maintain its investment policy of mainly investing in mid-sized office buildings in the Tokyo Metropolitan Area and will aim to construct a stronger portfolio.

Prior to its decision, the Asset Management Company undertook due diligence, considering a number of factors including the following.

(1) Area

The rent levels in the Hamamatsucho/Tamachi area where the Property is located are comparatively moderate, and the district features excellent access to train stations, main thoroughfares and the airport. Therefore, tenant demand from various areas and industries can be expected.

The Property is located approximately five minutes on foot from Hamamatsucho Station on the JR Yamanote Line, Keihin Tohoku Line and Tokyo Monorail, and approximately one minute on foot from Daimon Station on the Toei Asakusa Line and Toei Oedo Line. The Property combines transit convenience with access to two train stations and five train lines and superior visibility with its location facing the main thoroughfare Dai-ichi Keihin.

(2) Building

The lease space of the Property is rectangular shaped and has a high degree of usability for tenants. A typical floor has a leasable floor area of approximately 244m², and features such facilities as individual air-conditioning systems for each floor, OA floors (excluding one floor) and an automatic security system, facility specifications which meet tenant needs.

(3) Tenants

Currently, the Property is occupied by various tenants, including an office and print service center, a machinery and appliance manufacturer, a food company and a law office. The Investment Corporation aims to maintain both revenue and the occupancy ratio by maintaining and improving property management levels.

3. Property Details

Property Name		KDX Hamamatsucho Dai-2 Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		GE Real Estate Corporation / March 25, 2002
Previous Owner / Acquisition Date		Yamato Tochi Tatemono Kabushikigaisha / July 1, 1998
Location (Address)		2-4-7 Shibadaimon, Minato-ku, Tokyo
Usage		Offices
Type of Structure		Flat-roofed, steel reinforced · steel-frame reinforced concrete structure; one underground and eight above-ground floors
Site Area	Land	368.28 m ²
	Building	2,478.90 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		April 2, 1992
Architect		Mitsubishi Estate Co., Ltd.
Construction Company		Hazama Corporation
Construction Confirmation Authority		Minato-ku, Tokyo

Probable Maximum Loss		2.01%(SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥2,200,000,000
Appraisal	Appraisal Value	¥2,230,000,000
	Base Date for Appraisal	June 1, 2008
	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Master Lease Company after Acquisition		None
Property Management Company after Acquisition		Kenedix REIT Management, Inc.
Number of End Tenants		8 (As of June 25, 2008. The same applies below.)
Total Leasable Floor Area		1,953.50 m ²
Total Leased Floor Area		1,953.50 m ²
Occupancy Ratio		100.0%
Monthly Rental Income (Excluding Consumption Tax)		¥10,921,905 (Note 1)
Security and Guarantee Deposit		¥105,374,055 (Note 1)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	<ol style="list-style-type: none"> 1. A portion of the street on the property's west side (about 34mm) includes an undetermined public-private border. An agreement has been reached, however, that the seller of the Property will assume responsibility for the settlement of the boundary and related costs. 2. One side signboard is mounted on the Property's wall surface, and building certification procedures have not been completed for this side signboard. An agreement has been reached, however, that the seller of the Property will assume responsibility to take corrective measures for said status by the time of settlement date and related costs. 	
Other	Note: Monthly rental income and guarantee deposit information is exclusive of parking facility amounts.	

4. Seller's Profile

Company Name	GE Real Estate Corporation
Head Office Address	1-12-32 Akasaka, Minato-ku, Tokyo
Representative	Tomoyuki Yoshida, Representative Director
Capital	¥21,241,000,000
Principal Shareholder	GE Japan Holdings Ltd. 100%
Business Activities	<ol style="list-style-type: none"> 1. Acquisition, holding, leasing, management and utilization of real estate 2. Purchase and sale of real estate, and intermediary, appraisal for said real estate 3. Money lending business 4. Investment Advisor/Agent 5. Type II Financial Instruments Business and others
Relationship with the Investment Corporation or the Asset Management Company	None
Special Considerations	None

*As of June 19, 2008

5. Acquirer's (Seller) Profile

The seller (the current owner) of the Property is not special related parties of Kenedix REIT Management, Inc. ("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	The name of the broker has not been disclosed due to a duty of confidentiality as stipulated in the brokerage agreement.
Brokerage fee	¥22,000,000 (excluding taxes)
Relationship with the Investment Corporation or the Asset Management Company	None

7. Interested-Party Transactions

Related to the acquisition of the Property, transaction between the Investment Corporation and the Asset Management Company are as follows.

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 aforementioned transactions.

Appointment of a Property Management Company

The Investment Corporation plans to execute property management agreements with the Asset Management Company on September 1, 2008.

Fees relating to property management remain at the same level as current properties.

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)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million

8. Outlook

There are no revisions to the forecast for the fiscal period ending October 31, 2008, as a result of the acquisition of the Property.

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.

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 and Sale of One Office Building and One Central Urban Retail Property

Reference Material 1

Outline of Property Appraisal

Unit : Yen	
Appraisal Value	¥2,230,000,000
Base Date for Appraisal	June 1, 2008
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Value Calculated Using the Direct Capitalization Method	2,320,000,000
Gross Operating Revenue	147,087,900
Maximum Gross Operating Revenue	154,829,368
Shortfall Attributed to Vacancies	7,741,468
Operating Expenses	39,824,300
Administrative and Maintenance Expense	21,422,467
Taxes and Dues	17,988,700
Other Expenses	413,133
Net Operating Income (NOI)	107,263,600
Capital Expenditure	4,766,417
Gain on Guarantee Deposit Investment (Note)	1,892,411
Net Cash Flow (NCF)	104,389,594
Overall Capitalization Rate (NCF)	4.5%
Value Calculated Using the Discounted Cash Flow Method	2,190,000,000
Discount Rate	4.3%
Terminal Capitalization Rate	4.7%
Value Calculated Using the Cost Method	2,320,000,000
Land	87.6%
Building	12.4%

Note: Gain on guarantee deposit investment is calculated, based on a property guarantee deposit operating yield of 2.0%.

Reference Material 2

Projected Cash Flow

Unit : Millions of Yen	
A. Projected Operating Revenues	150
B. Projected Operating Expenses (excluding depreciation)	40
C. Projected NOI (A-B)	110

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	June 2008
Repairs, maintenance and renovation expenses required over the next year (Note 1)	1,550,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	80,160,000
Unit-in-Place	573,000,000

- * 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 and
Sale of One Office Building and One Central Urban Retail Property**

* Total number of properties, total acquisition price, ratio and total PML does not include the sales of 2 properties, which were disclosed today in the press release, "Notice Concerning the Sale of Property (ZARA Tenjin Nishi-dori)" and "Notice Concerning the Sale of Property (Conclusion of Agreement) (Hakata Ekimae Dai-2 Building)".

Type of Use	Area	Property Name	Acquisition Price (Millions of yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Harumi Building	10,250	4.5%	June 30, 2008
		Toranomon Toyo Building	9,850	4.3%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	3.3%	February 1, 2008
		KDX Ochanomizu Building	6,400	2.8%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.6%	March 1, 2007
		KDX Kojimachi Building	5,950	2.6%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.6%	August 1, 2005
		Toshin 24 Building	5,300	2.3%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.2%	August 1, 2005
		KDX Shin-Yokohama 381 Building	4,700	2.0%	February 1, 2008
		Ebisu East 438 Building	4,640	2.0%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	1.9%	August 1, 2005
		KDX Toranomon Building	4,400	1.9%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	1.8%	December 1, 2006
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.6%	February 1, 2008
		KDX Hatchobori Building	3,680	1.6%	August 1, 2005
		KDX Omori Building	3,500	1.5%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.5%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.4%	January 10, 2008
		KDX Higashi-Shinjuku Building	2,950	1.3%	September 1, 2006
		KDX Kayabacho Building	2,780	1.2%	May 1, 2006
		KDX Jimbocho Building	2,760	1.2%	March 31, 2008
		Nissou Dai-17 Building	2,710	1.1%	February 1, 2008
		KDX Shinbashi Building	2,690	1.1%	May 1, 2006
		KDX Nakano-Sakaue Building	2,533	1.1%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.1%	May 1, 2006
		Harajuku F.F. Building	2,450	1.0%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	1.0%	February 1, 2008
		KDX Kajicho Building	2,350	1.0%	July 3, 2006
		KDX Hamacho Nakanohashi Building (Note 2)	2,310	1.0%	February 1, 2008
		KDX Hamacho Building	2,300	1.0%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	1.0%	June 1, 2007
FIK Minami Aoyama	2,270	1.0%	August 1, 2005		

		KDX Funabashi Building	2,252	0.9%	March 1, 2006	
		KDX Hamamatsucho Dai-2 Building (Note 2)	2,200	0.9%	September 1, 2008	
		Shin-toshin Maruzen Building	2,110	0.9%	February 29, 2008	
		KDX Okachimachi Building	2,000	0.8%	March 1, 2007	
		KDX Gobancho Building (Note 2)	1,951	0.8%	March 31, 2008	
		Kanda Kihara Building	1,950	0.8%	August 1, 2005	
		KDX Yotsuya Building	1,950	0.8%	May 1, 2006	
		KDX Iwamoto-cho Building	1,864	0.8%	May 1, 2008	
		KDX Shinjuku-Gyoen Building	1,610	0.7%	August 1, 2005	
		KDX Kiba Building	1,580	0.6%	June 20, 2006	
		KDX Nishi-Shinjuku Building	1,500	0.6%	April 2, 2007	
		KDX Monzen-Nakacho Building	1,400	0.6%	January 19, 2007	
		KDX Kanda Misaki-cho Building	1,380	0.6%	February 1, 2008	
		KDX Hon-Atsugi Building	1,305	0.5%	March 1, 2007	
		KDX Hachioji Building	1,155	0.5%	March 1, 2007	
		KDX Nogizaka Building	1,065	0.4%	July 14, 2006	
		KDX Koishikawa Building	704	0.3%	August 1, 2005	
		Other Regional Areas	Sakae 4-chome Office Building (Tentative Name)(Note 3)	8,325 (Note 4)	3.6%	Land: April 25, 2008 Building: July 1, 2009 (planned)
			Portus Center Building	5,570	2.4%	September 21, 2005
			Karasuma Building	5,400	2.3%	June 1, 2007
	KDX Hakata-Minami Building		4,900	2.1%	February 1, 2008	
	KDX Hakata Building		2,350	1.0%	June 1, 2007	
	KDX Kitahama Building		2,220	0.9%	February 1, 2008	
	KDX Sendai Building		2,100	0.9%	June 1, 2007	
	KDX Minami Semba Dai-1 Building		1,610	0.7%	May 1, 2006	
	KDX Minami Semba Dai-2 Building		1,560	0.6%	May 1, 2006	
	Hakata Ekimae-Dai2 Building (Note 5)		—	—	August 1, 2005	
		KDX Niigata Building	1,305	0.5%	March 1, 2007	
	Total of 60 Office Buildings		201,290	88.9%	—	
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	4.3%	August 1, 2005	
		KDX Yoyogi Building	2,479	1.0%	September 30, 2005	
	Other Regional Areas	ZARA Tenjin Nishi-dori (Note 6)	—	—	May 1, 2006	
	Total of 2 Central Urban Retail Properties		12,379	5.4%	—	

Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.3%	May 1, 2006
		Court Mejiro	1,250	0.5%	August 1, 2005
		Apartments Motoazabu	1,210	0.5%	August 1, 2005
		Apartments Wakamatsu-Kawada	1,180	0.5%	August 1, 2005
		Gradito Kawaguchi	1,038	0.4%	June 30, 2006
		Court Shin-Okachimachi	878	0.3%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.7%	December 8, 2005
Total of 7 Residential Properties			12,709	5.6%	-
Total of 69 Properties			226,378	100.0%	Portfolio PML 5.30% (Note 7)

Notes:

- Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
- The current names of the respective buildings are as follows. Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the buildings.
 - “KDX Hamacho Nakanohashi Building” is the “Hamacho Nakanohashi Building”
 - “KDX Gobancho Building” is the “ORIKEN Gobancho Building”
 - “KDX Hamamatsucho Dai-2 Building” is the “Hamamatsucho Daiwa Building”
- The property name has not yet been decided as of today, as the building is still under construction. The property name will be decided by the date the Investment Corporation acquires the building
- Acquisition Price of ¥8,325 million is the total of the Land acquired on April 25, 2008 (¥4,000 million) and the Building planned to be acquired on July 1, 2009 (¥4,325 million).
- The Investment Corporation has made a decision to sell the property on June 25, 2008. The planned settlement date for the property is July 30, 2008.
- The Investment Corporation has decided and completed the sale of the property on June 25, 2008.
- Sakae 4-chome Office Building (Tentative Name) is not included in the Portfolio PML.