

July 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 Debt Financing and Prepayment of Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision 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 agreement to apply the funds toward the prepayment of Series 18 with a repayment date of July 31, 2008. (Note)

Note: For details, please refer to the press release “Notice Concerning Debt Financing,” dated July 27, 2007 for Series 18 and refer to Item 4. Details of Prepayment Debt Financing described below.

2. Details of Debt Financing

Long-term Debt (Series 27)

- | | | |
|---------------------------|---|-----------------------------------------------------------------------------------------------------------------------------|
| (1) Lender | : | The Aozora Bank,Ltd. |
| (2) Amount | : | ¥2,000 million |
| (3) Interest Rate | : | 1.86680% fixed rate of interest |
| (4) Drawdown Date | : | July 15, 2008 |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on July 11, 2008. |
| (6) Interest Payment Date | : | First interest payment on September 30, 2008, and at the end of December, March and July each year thereafter. |
| (7) Repayment Date | : | March 31, 2011 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

3. Use of Funds

Debt financing shall be used for prepayment of Series 18.

4. Details of Prepayment Debt Financing

(1) Short-Term Debt (Series 18)

- ① Lender : The Aozora Bank, Ltd.
- ② Amount : ¥2,000 million
- ③ Interest Rate : 1.11667% floating rate of interest (Note)
- ④ Drawdown Date : July 31, 2007
- ⑤ Repayment Date : July 31, 2008
- ⑥ Collateral : Unsecured, unguaranteed

Note: The interest rate covers the period commencing April 30, 2008 to July 31, 2008.

- (2) Planned Date for Prepayment
July 15, 2008

5. Total Debt Financing Balance after Additional Borrowing and Prepayment 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)	8.75	6.75	-2.0
Long-Term Borrowings (Note2)	78.5	80.5	+2.0
Total Borrowings Balance	87.25	87.25	+0.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	99.25	99.25	+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.

【Attachment】

Status of Debt Financing Balance based on Commitment Line Agreements

(Billions of yen)

	Balance as of July 15, 2008
Total Borrowings Available under Commitment Line Agreements	5.0
Total Borrowings Balance based on Commitment Line Agreements	3.5

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