

July 29, 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:
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Taisuke Miyajima, CEO and President

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Notice Concerning Debt Financing and Interest-Rate Swap Agreement

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing. At the same time, the Investment Corporation decided to execute interest-rate swap agreements. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute a debt financing agreement to apply the funds toward the repayment of Term Loan B 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, 2005 and “Notice Concerning Debt Financing (Interest Rate Determination and Interest-Rate Swap Agreement),” dated July 28, 2005 for Term Loan B.

2. Details of Debt Financing

(1) Amount and Lender

① Term Loan 28-A (Long-Term Debt)

Amount: ¥2,500 million

Lender: Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation

② Term Loan 28-B (Long-Term Debt)

Amount: ¥3,500 million

Lender: Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation,
The Bank of Tokyo-Mitsubishi UFJ, Ltd.

③ Term Loan 28-C (Long-Term Debt)

Amount: ¥3,500 million

Lender: Sumitomo Mitsui Banking Corporation, The Chuo Mitsui Trust and Banking Co., Limited,
The Resona Bank, Ltd.

(2)Details of Debt Financing

	Term Loan 28-A	Term Loan 28-B	Term Loan 28-C
Interest Rate (Note)	1.50500% floating rate of interest	1.55500% floating rate of interest	1.60500% floating rate of interest
Drawdown Date	July 31, 2008	July 31, 2008	July 31, 2008
Repayment Date	January 31, 2010	January 31, 2011	July 31, 2011
Debt Financing Method	Syndicated loan with Sumitomo Mitsui Banking Corporation acting as an agent. The Investment Corporation executed a debt financing agreement with the aforementioned lender on July 29, 2008.		
Interest Payment Date	First interest payment on October 31, 2008, and at the end of January, April, July and October every year thereafter.		
Repayment Method	Principal repayment in full on maturity		
Collateral	Unsecured, unguaranteed		

Note: Interest rates cover the period commencing July 31, 2008 through October 31, 2008. Thereafter, interest rates shall be calculated based on the three-month yen TIBOR +0.65% for Term Loan 28-A, three-month yen TIBOR +0.70% for Term Loan 28-B and three-month yen TIBOR +0.75% for Term Loan 28-C. The interest rates after October 31, 2008, shall be disclosed as and when determined.

3. Use of Funds

Debt financing (¥9,500 million) shall be used for repayment of Term Loan B (¥9,500 million).

4. Interest-Rate Swap Agreements

(1) Purpose

The debt financing (Term Loan 28-B and Term Loan 28-C) identified in 2. above shall be undertaken on a floating rate of interest basis. Accordingly, the Investment Corporation has decided to execute interest-rate swap agreements as a hedge against possible increases in future interest rates.

(2) Summary of Interest-Rate Swap Agreements

① Term Loan 28-B

- (a) Counterparty : Mitsubishi UFJ Trust and Banking Corporation
- (b) Notional Amount : ¥3,500 million
- (c) Interest Rate : Pay a fixed rate of interest of 1.87000%
Receive a floating rate of interest: three-month yen TIBOR + 0.70%
- (d) Commencement Date : July 31, 2008
- (e) Termination Date : January 31, 2011
- (f) Payment Date : First interest payment on October 31, 2008, and at the end of January, April, July and October every year thereafter.

② Term Loan 28-C

- (a) Counterparty : The Chuo Mitsui Trust and Banking Co., Limited
- (b) Notional Amount : ¥3,500 million
- (c) Interest Rate : Pay a fixed rate of interest of 1.99175%
Receive a floating rate of interest: three-month yen TIBOR + 0.75%
- (d) Commencement Date : July 31, 2008
- (e) Termination Date : July 31, 2011
- (f) Payment Date : First interest payment on October 31, 2008, and at the end of January, April, July and October every year thereafter.

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)	6.75	6.75	+0.0
Long-Term Borrowings (Note2)	80.5	80.5	+0.0
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 31, 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 29, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.