

August 28, 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 Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreement to support the acquisition of real estate (KDX Hamamatsucho Dai-2 Building), and payment of associated costs. (Note)

Note: For details, please refer to the press release “Notice Concerning the Acquisition of Property (Conclusion of Agreement) (KDX Hamamatsucho Dai-2 Building),” dated June 25, 2008 regarding the acquisition of real estate (KDX Hamamatsucho Dai-2 Building).

2. Details of Debt Financing

Long-term Debt (Series 29)

- | | | |
|---------------------------|---|---|
| (1) Lender | : | The Chuo Mitsui Trust and Banking Co., Limited |
| (2) Amount | : | ¥1,000 million |
| (3) Interest Rate | : | 1.77500% fixed rate of interest |
| (4) Drawdown Date | : | September 1, 2008 |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on August 28, 2008. |
| (6) Interest Payment Date | : | First interest payment on November 30, 2008, and at the end of February, May and August each year thereafter. However, the last payment on September 1, 2011, and no payment at the end of August 2011. |
| (7) Repayment Date | : | September 1, 2011 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

3. Use of Funds

Debt financing shall be used to support the acquisition of real estate (KDX Hamamatsucho Dai-2 Building), and payment of associated costs.

4. Total Debt Financing Balance after Additional Borrowings 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	81.5	+1.0
Total Borrowings Balance	87.25	88.25	+1.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	99.25	100.25	+1.0

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 September 1, 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 August 28, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.