

September 26, 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 and Conclusion of Memorandum of Understanding
on Commitment Line Agreement**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing and to conclude the memorandum of understanding on commitment line agreement. 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 repayment of short-term borrowings (Series 26-L (total of ¥2,000 million)). (Note)

Note: For details, please refer to the press releases “Notice Concerning Commitment Line Agreement,” dated March 21, 2008 and “Notice Concerning Debt Financing,” dated June 26, 2008 for Series 26-L.

2. Details of Debt Financing

Long-term Debt (Series 31-L)

- (1) Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Amount : ¥2,000 million
- (3) Interest Rate : 1.81797% fixed rate of interest
- (4) Drawdown Date : September 30, 2008
- (5) Debt Financing Method : Debt financing is based on the commitment line agreement dated March 21, 2008 and memorandum of understanding dated September 26, 2008 with the aforementioned lender. (Note)
- (6) Interest Payment Date : First interest payment on December 30, 2008, and at the end of March, June, September and December each year thereafter, and the last interest payment on March 31, 2011.
- (7) Repayment Date : March 31, 2011
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

Note: For details, please refer to the press release “Notice Concerning Commitment Line Agreement” dated March 21, 2008.

3. Use of Funds

Debt financing shall be used for repayment of Series 26-L.

4. Details of Memorandum of Understanding on Commitment Line Agreement (Note)

- (1) Lender : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
 (2) Commitment Period : March 21, 2008 through March 31, 2011 (including the stated dates)
 (3) Repayment Date : March 31, 2011
 (4) Collateral : Unsecured, Unguaranteed

Note: The memorandum of understanding applies only to the borrowing mentioned above (Series 31-L) and does not impact other borrowings based on the commitment line agreement.

5. Total Debt Financing Balance after Additional Borrowing 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)	5.5	3.5	-2.0
Long-Term Borrowings (Note2)	82.75	84.75	+2.0
Total Borrowings Balance	88.25	88.25	+0.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	100.25	100.25	+0.0

Notes:

- 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.
- 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 30, 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 September 26, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.