

October 23, 2008

To All Concerned Parties

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Notice Concerning Announcement of Operating Forecasts for the Fiscal Period Ending April 30, 2009

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its operating forecasts for the eighth fiscal period (November 1, 2008 to April 30, 2009). Details are provided as follows.

1. Forecasts for the Eighth Fiscal Period Ending April 30, 2009 (November 1, 2008 to April 30, 2009)

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Eighth Fiscal Period (November 1, 2008 to April 30, 2009)	8,251	2,881	2,880	14,400	—

[Reference] Forecasted number of investment units issued and outstanding as of April 30, 2009: 200,000 units

[Explanatory Notes]

- Forecast figures are calculated based on the “Preconditions and Assumptions for the Fiscal Period Ending April 30, 2009” (separate document attached) as of the date of this release. Readers are advised that actual operating revenues, ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons including the future acquisition or sale of real estate and changes in the Investment Corporation’s operating environment including the real estate market. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distribution per unit.
- In the event that significant changes to the aforementioned forecasts are expected, the Investment Corporation may revise its forecasts.
- Figures are rounded down.

(Reference) Forecasts for the Seventh Fiscal Period Ending October 31, 2008 (May 1, 2008 to October 31, 2008) previously announced on June 11, 2008 in the FINANCIAL REPORT for the Sixth Fiscal Period

(Millions of yen unless otherwise stated)

	Operating Revenues	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	8,174	3,003	3,002	15,000	—

Disclaimer : This document is a public announcement regarding the forecasts for the eighth fiscal period ending April 30, 2009 (November 1, 2008 to April 30, 2009) and is not intended to constitute a document for an offer to sell, or seeking an offer to buy, any securities of Kenedix Realty Investment Corporation. We caution readers to undertake any investment decision at their own judgment and responsibility.

Preconditions and Assumptions for the Fiscal Period Ending April 30, 2009

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> The eighth fiscal period: November 1, 2008 to April 30, 2009 (181 days)
Property Portfolio	<ul style="list-style-type: none"> Forecasts are based on the 69 properties held as of October 23, 2008 and will remain unchanged (no new properties will be acquired and no existing properties will be sold) up to and including the end of the eighth fiscal period. The property portfolio may change, however, due to a variety of factors.
Operating Revenues	<ul style="list-style-type: none"> Rental revenues are estimated based on historical performance and a variety of factors including leasing market conditions.
Operating Expenses	<ul style="list-style-type: none"> Property-related expenses other than depreciation are estimated based on historic expenses, adjusted to reflect the expenses variables. In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the asset management company for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. For the eighth fiscal period, an amount of ¥1,413 million has been estimated for depreciation expense.
Non-Operating Expenses	<ul style="list-style-type: none"> The Investment Corporation is amortizing unit issuance costs over a period of three years using the straight-line method. Interest payable (including financing related expenses) of ¥940 million is forecasted for the eighth fiscal period.
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> The balances of the borrowings and investment corporation bonds as of October 23, 2008 are ¥88.2 billion and ¥12 billion, respectively. The Investment Corporation plans to repay a portion, ¥1.5 billion, of the long-term debt (series 3-C), which will mature on October 31, 2008, using cash in hand. Forecasts are based on the assumption that the balances of the resultant borrowings, which total ¥86.7 billion, and the investment corporation bonds will remain unchanged up to and including the end of the eighth fiscal period.
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> The number of investment units issued and outstanding as of October 23, 2008 is 200,000 units. Forecasts are based on the assumption that the number of investment units issued and outstanding will remain unchanged.
Distributions per Unit	<ul style="list-style-type: none"> Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or the incidence of major unforeseen renovation expense.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.

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	Preconditions and Assumptions
Other	<ul style="list-style-type: none"> • Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will have no impact on forecasted figures. • Forecasts are based on the assumption that there will be no major unforeseen changes in economic trends or in real estate and other markets

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