

**Translation Purpose Only**

July 1, 2009

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 Property Acquisition Settlement and  
Amendments Regarding Property Details (KDX Nagoya Sakae Building)**

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced that it completed settlement for the acquisition of the following property on July 1, 2009.

**1. Acquired Property**

The building portion of KDX Nagoya Sakae Building (“the Building”)

Property No.	Property Name	Type	Area	Acquisition Price (Millions of Yen) (Note)	Type of Acquisition
A-58	KDX Nagoya Sakae Building	Office Building	Other Regional Areas	3,550	Real estate

Note: Excluding acquisition costs, property tax, city-planning tax and consumption tax, etc.

Moreover, the total acquisition price, including the land acquired on April 25, 2008 (“the Land”), is 7,550 million yen.

Please refer to the press releases, “Notice Concerning Acquisition of Land and Conclusion of Agreement for Acquisition of Building: Sakae 4-chome Office Building (Tentative Name),” dated April 23, 2008 and “Notice Concerning Conclusion of Change Agreement for Acquisition Price, etc. of Building: Sakae 4-chome Office Building (Tentative Name),” dated June 11, 2009, for the details of the property.

The aforementioned the Building and the Land shall hereafter be collectively referred to as “the Property.”

**2. Outline of the Building Acquisition**

- (1) Date of Acquisition : July 1, 2009
- (2) Seller : Wood Friends Co., Ltd.
- (3) Acquisition Funds : Cash on hand

### 3. Details of the Property

The Investment Corporation has updated “3. Property Details” disclosed in the press release, “Notice Concerning Acquisition of Land and Conclusion of Agreement for Acquisition of Building: Sakae 4-chome Office Building (Tentative Name)” dated April 23, 2008. Details are as follows.

Property Name		KDX Nagoya Sakae Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		Wood Friends Co., Ltd. / March 1, 2006 (Note 1)
Previous Owner / Acquisition Date		Taiho Holdings Kabushikigaisha, others / April 13, 1981, others (Note 1)
Location (Address)		4-5-3 Sakae, Naka-ku, Nagoya, Aichi
Usage		Offices and Retail Shops (Note 2)
Type of Structure		Steel-frame structure; eleven above-ground floors (Note 2)
Site Area	Land	1,192.22 m <sup>2</sup> (Note 2)
	Building	9,594.00 m <sup>2</sup> (Note 2)
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		April 27, 2009 (Note 2)
Architect		Keiplan Co., Ltd.
Construction Company		Takenaka Corporation
Construction Confirmation Authority		Japan ERI Co., Ltd.
Probable Maximum Loss		2.87% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		Land: ¥4,000,000,000 Building: ¥3,550,000,000 Total: ¥7,550,000,000
Appraisal	Appraisal Value	¥6,000,000,000
	Base Date for Appraisal	June 11, 2009
	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Details	Please refer to Reference Material 1.
Existence of Collateralization after Acquisition		None
Masterlease Company after Acquisition		None
Property Management Company after Acquisition		Kenedix REIT Management, Inc.
Number of End Tenants		4 (As of July 1, 2009. The same applies below.) (Note 3)
Total Leasable Floor Area		6,923.12 m <sup>2</sup>
Total Leased Floor Area		1,247.03 m <sup>2</sup> (Note 3)
Occupancy Ratio		18.0% (Note 3)
Monthly Rental Income (Excluding Consumption Tax)		¥5,955,780 (Note 3) (Note 4) (Note 5)
Security and Guarantee Deposit		¥40,694,720 (Note 3) (Note 4)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	None	
Other	Notes: 1. The oldest property land acquisition date is shown. 2. The figure is based on what is written in the real estate register. 3. The figure is based on the leasehold agreement concluded as of July 1, 2009.	

	<p>4. Monthly rental income and guarantee deposit information is exclusive of parking facility amounts.</p> <p>5. The monthly rental income (excluding consumption tax) is based on the leasehold agreement after the period of rent absolution.</p>
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#### **4. Outlook**

There are no revisions to the forecast for the fiscal period ending October 31, 2009, as a result of the acquisition of the Building.

This notice is the English translation of the Japanese announcement on our Web site released on July 1, 2009. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

#### **Attached Materials**

- ① Outline of Property Appraisal
- ② Projected Cash Flow
- ③ Building Condition Investigation Report
- ④ Property Photographs
- ⑤ Property Portfolio after Acquisition of the Building

**Reference Material 1**

**Outline of Property Appraisal**

<b>Unit : Yen</b>	
Appraisal Value	6,000,000,000
Base Date for Appraisal	June 11, 2009
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Value Calculated Using the Direct Capitalization Method	6,290,000,000
Gross Operating Revenue	405,407,994
Maximum Gross Operating Revenue	439,240,896
Shortfall Attributed to Vacancies	33,832,902
Operating Expenses	88,460,412
Administrative and Maintenance Expense	48,477,112
Taxes and Dues	39,122,700
Other Expenses	860,600
Net Operating Income (NOI)	316,947,582
Capital Expenditure	7,629,000
Gain on Guarantee Deposit Investment (Note)	5,139,774
Net Cash Flow (NCF)	314,458,356
Overall Capitalization Rate (NCF)	5.0%
Value Calculated Using the Discounted Cash Flow Method	5,880,000,000
Discount Rate	4.8%
Terminal Capitalization Rate	5.2%
Value Calculated Using the Cost Method	6,220,000,000
Land	56.2%
Building	43.8%

Note: Gain on guarantee deposit investment is calculated, based on a property guarantee deposit operating yield of 2.0%.

**Reference Material 2**

**Projected Cash Flow**

<b>Unit : Millions of Yen</b>	
A. Projected Operating Revenues	3 8 5
B. Projected Operating Expenses (excluding depreciation)	1 1 3
C. Projected NOI (A-B)	2 7 1

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors of the year of acquisition.
2. Revenues are based on an occupancy ratio of approximately 96%, based on the current occupancy ratio and future changes of occupancy.
3. Expenses include property management fees, taxes and dues, repairs and maintenance expenses, and insurance.

**Reference Material 3**

**Building Condition Investigation Report**

<b>Unit: Yen</b>	
Investigation Company	HI International Consultant Co., LTD.
Date of Investigation	May 2009
Repairs, maintenance and renovation expenses required over the next year	0
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	94,270,000
Unit-in-Place	2,645,200,000

- \* The abovementioned investigation company undertakes building assessments for this property such as
- a diagnosis of building deterioration
  - formulation of a short- and long-term repair and maintenance plan
  - assessment of legal compliance with the Building Standards Law
  - analyses of the existence of hazardous substances and the soil environment and submits a building assessment report to the Investment Corporation.

Moreover, in regards to the analyses of the existence of hazardous substances and the soil environment, Tokyo Kantei Co., Ltd. has submitted a Phase II Environmental Site Assessment to Wood Friends Co., Ltd. on March 2008.

**Reference Material 4**

**Property Photographs**



Reference Material 5

Property Portfolio after Acquisition of the Building

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Harumi Building	10,250	4.6%	June 30, 2008
		Toranomon Toyo Building	9,850	4.4%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	3.4%	February 1, 2008
		KDX Ochanomizu Building	6,400	2.8%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.7%	March 1, 2007
		KDX Kojimachi Building	5,950	2.6%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.6%	August 1, 2005
		Toshin 24 Building	5,300	2.3%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.3%	August 1, 2005
		KDX Shin-Yokohama 381 Building	4,700	2.1%	February 1, 2008
		Ebisu East 438 Building	4,640	2.0%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	2.0%	August 1, 2005
		KDX Toranomon Building	4,400	1.9%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	1.8%	December 1, 2006
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.6%	February 1, 2008
		KDX Hatchobori Building	3,680	1.6%	August 1, 2005
		KDX Omori Building	3,500	1.5%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.5%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.4%	January 10, 2008
		KDX Higashi-Shinjuku Building	2,950	1.3%	September 1, 2006
		KDX Kayabacho Building	2,780	1.2%	May 1, 2006
		KDX Jimbocho Building	2,760	1.2%	March 31, 2008
		Nissou Dai-17 Building	2,710	1.2%	February 1, 2008
		KDX Shinbashi Building	2,690	1.2%	May 1, 2006
		KDX Nakano-Sakaue Building	2,533	1.1%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.1%	May 1, 2006
		Harajuku F.F. Building	2,450	1.1%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	1.0%	February 1, 2008
		KDX Kajicho Building	2,350	1.0%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	1.0%	February 1, 2008
		KDX Hamacho Building	2,300	1.0%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	1.0%	June 1, 2007
		FIK Minami Aoyama	2,270	1.0%	August 1, 2005
KDX Funabashi Building	2,252	1.0%	March 1, 2006		
KDX Hamamatsucho Dai-2 Building	2,200	0.9%	September 1, 2008		
Shin-toshin Maruzen Building	2,110	0.9%	February 29, 2008		
KDX Okachimachi Building	2,000	0.9%	March 1, 2007		

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Gobancho Building	1,951	0.8%	March 31, 2008
		Kanda Kihara Building	1,950	0.8%	August 1, 2005
		KDX Yotsuya Building	1,950	0.8%	May 1, 2006
		KDX Iwamoto-cho Building	1,864	0.8%	May 1, 2008
		KDX Shinjuku-Gyoen Building	1,610	0.7%	August 1, 2005
		KDX Kiba Building	1,580	0.7%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.6%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.6%	January 19, 2007
		KDX Kanda Misaki-cho Building	1,380	0.6%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.5%	March 1, 2007
		KDX Hachioji Building	1,155	0.5%	March 1, 2007
		KDX Nogizaka Building	1,065	0.4%	July 14, 2006
	Other Regional Areas	KDX Nagoya Sakae Building (Note 2)	7,550	3.4%	Land: April 25, 2008 Building: July 1, 2009
		Portus Center Building	5,570	2.5%	September 21, 2005
		Karasuma Building	5,400	2.4%	June 1, 2007
		KDX Hakata-Minami Building	4,900	2.2%	February 1, 2008
		KDX Kitahama Building	2,220	1.0%	February 1, 2008
		KDX Sendai Building	2,100	0.9%	June 1, 2007
KDX Minami Semba Dai-1 Building		1,610	0.7%	May 1, 2006	
KDX Minami Semba Dai-2 Building	1,560	0.7%	May 1, 2006		
KDX Niigata Building	1,305	0.5%	March 1, 2007		
Total of 58 Office Buildings			197,461	89.2%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	4.4%	August 1, 2005
		KDX Yoyogi Building	2,479	1.1%	September 30, 2005
	Total of 2 Central Urban Retail Properties			12,379	5.5%
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.4%	May 1, 2006
		Court Mejiro	1,250	0.5%	August 1, 2005
		Apartments Wakamatsu-Kawada	1,180	0.5%	August 1, 2005
		Gradito Kawaguchi	1,038	0.4%	June 30, 2006
		Court Shin-Okachimachi	878	0.3%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.8%	December 8, 2005
Total of 6 Residential Properties			11,499	5.1%	-
Total of 66 Properties			221,339	100.0%	Portfolio PML 5.24%

Notes:

- Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded down to the first decimal place.
- Acquisition Price of ¥7,550 million is the total of the Land acquired on April 25, 2008 (¥4,000 million) and the Building acquired on July 1, 2009 (¥3,550 million).