

October 29, 2009

To All Concerned Parties

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Notice Concerning Announcement of Operating Forecasts for the Fiscal Period Ending April 30, 2010

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its operating forecasts for the tenth fiscal period (November 1, 2009 to April 30, 2010). Details are provided as follows.

Forecasts for the Tenth Fiscal Period Ending April 30, 2010 (November 1, 2009 to April 30, 2010)

(Millions of yen unless otherwise stated)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distribution per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Tenth Fiscal Period (November 1, 2009 to April 30, 2010)	7,965	3,456	2,355	2,354	10,000	—

[Reference] Forecasted number of investment units issued and outstanding as of April 30, 2010: 235,000 units

[Explanatory Notes]

- Forecast figures are calculated based on the “Preconditions and Assumptions for the Fiscal Period Ending April 30, 2010” (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 Ninth Fiscal Period Ending October 31, 2009 (May 1, 2009 to October 31, 2009) previously announced on August 27, 2009 in the press release

(Millions of yen unless otherwise stated)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distribution per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Ninth Fiscal Period (May 1, 2009 to October 31, 2009)	7,838	2,963	1,841	1,840	9,200	—

[Reference] Forecasted number of investment units issued and outstanding as of October 31, 2009: 200,000 units

Disclaimer : This document is a public announcement regarding the forecasts for the tenth fiscal period ending April 30, 2010 (November 1, 2009 to April 30, 2010) 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 refer to the Investment Corporation’s Prospectus and Notice of Amendments thereto and to undertake investment decisions subject to individual determination.

Preconditions and Assumptions for the Fiscal Period Ending April 30, 2010

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> The tenth fiscal period: November 1, 2009 to April 30, 2010 (181 days)
Property Portfolio	<ul style="list-style-type: none"> The number of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of October 29, 2009 is 65 properties. As described in the press releases “Notice Concerning Issue of New Investment Units and Secondary Offering” and “Notice Concerning Acquisition of Domestic Trust Beneficiary Interests in Real Estate (Conclusion of Agreements)(Total of 4 Office Buildings),” dated October 29, 2009, the Investment Corporation plans to acquire the following four properties on November 19, 2009 and December 1, 2009 by net proceeds from a public offering of new investment units. <ul style="list-style-type: none"> Anticipated properties acquisition on November 19, 2009 <ul style="list-style-type: none"> Koishikawa TG Building Gotanda TG Building KDX Shin-Yokohama 381 Building Annex Tower Anticipated property acquisition on December 1, 2009 <ul style="list-style-type: none"> KDX Nihonbashi 216 Building Forecasts are based on the number of properties remaining unchanged (no new properties will be acquired and no existing properties sold) up to and including the end of the tenth fiscal period after the abovementioned anticipated property acquisition. The property portfolio may change, however, due to a variety of factors.
Operating Revenues	<ul style="list-style-type: none"> Rental revenues from the current properties held as of October 29, 2009 are estimated based on historical performance and a variety of factors including leasing market conditions. Rental revenues from the anticipated property acquisitions are estimated based on valid lease agreements as of the day nearest to the present day, information from existing property owners regarding leasing conditions etc., and a variety of factors including each property’s competitive standing and market conditions.
Operating Expenses	<ul style="list-style-type: none"> Property-related expenses other than depreciation are estimated for the current properties held as of October 29, 2009 based on historic expenses, adjusted to reflect the expenses variables. Property-related expenses other than depreciation are estimated for the properties anticipated property acquisitions based on documentation for each property received from existing owners, adjusted to reflect expense variables. For the tenth fiscal period, an amount of ¥817 million has been estimated for property management and building maintenance fees. For the tenth fiscal period, an amount of ¥637 million has been estimated for taxes and public dues (property tax and city-planning tax, etc.). For the tenth fiscal period, an amount of ¥1,487 million has been estimated for depreciation expense. For the tenth fiscal period, an amount of ¥104 million has been estimated for repairs and maintenance expense. 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

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	Preconditions and Assumptions
	renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.
Non-Operating Expenses	<ul style="list-style-type: none"> • A temporary expense of approximately ¥70 million is estimated for the Investment Corporation's issuance of new investment units and secondary offering of investment units. • 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 etc.) of ¥1,074 million is forecasted for the tenth fiscal period.
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> • The balance of the borrowings and the investment corporation bonds as of October 29, 2009 are ¥86.72 billion and ¥12.0 billion, respectively, and the balance will remain unchanged up to and including the end of the tenth fiscal period, excluding the following. • Borrowings as of October 29, 2009 include ¥1.5 billion in short-term borrowings that mature on October 30, 2009, as well as ¥1.0 billion in short-term borrowings that mature on November 2, 2009 to be repaid by cash on hand. All other borrowings are presupposed to be refinanced.
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> • The issuance of investment units is based on the premise of 235,000 investment units. In addition to the 200,000 investment units outstanding as of October 29, 2009, these include 35,000 investment units comprised of: (1) 33,550 investment units newly issued by a capital increase through public offering in accordance with a resolution made at the Board of Directors' Meeting convened on October 29, 2009 and (2) a maximum of 1,450 units scheduled to be issued through the issuance of new investment units offered in a Third-Party Allotment available through the over-allotment. • Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the tenth fiscal period, excluding the abovementioned issuance of 35,000 investment units.
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.
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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