

Translation Purpose Only

March 27, 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

Notice Concerning the Acquisition of Properties
(KDX Jimbocho Building and KDX Gobancho Building)

Kenedix Realty Investment Corporation (“the Investment Corporation”) announced its decision on March 27, 2008 to acquire the KDX Jimbocho Building and KDX Gobancho Building. Details are provided as follows.

1. Outline of the Acquisition

- | | | |
|-----------------------------------|---|---|
| (1) Type of Acquisition | : | Real estate |
| (2) Property Name | : | (1) KDX Jimbocho Building (Note 1)
(2) KDX Gobancho Building (Note 2) |
| (3) Acquisition Price | : | (1) ¥2,760,000,000
(2) ¥1,951,000,000
(excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc.) |
| (4) Date of Contract | : | March 31, 2008 |
| (5) Scheduled Date of Acquisition | : | March 31, 2008 |
| (6) Seller | : | (1) Taisei Tochi Kabushikigaisha
(2) Oriental Shiraishi Corporation
(Refer to Item 4. Seller’s Profile for details) |
| (7) Acquisition Funds | : | Debt financing and cash on hand |
| (8) Settlement Method | : | Payment in full on settlement |
| (9) Source of Acquisition | : | Original network of the Asset Management Company
(Direct Acquisition) |

Notes:

1. The current name of the “KDX Jimbocho Building” is the “Taisei Yoshimoto (Jimbocho) Building.” Plans are in place to change the name of the “Taisei Yoshimoto (Jimbocho) Building” to the “KDX Jimbocho Building” on March 31, 2008.
2. The current name of the “KDX Gobancho Building” is the “ORIKEN Gobancho Building.” Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building.

Each aforementioned building shall hereafter be referred to as “the Property” or the “two Properties” collectively.

2. Reason for Acquisition

The acquisition is made to raise the investment ratio of office buildings in the Tokyo Metropolitan Area, and to further enhance and stabilize the Investment Corporation’s overall investment portfolio, in accordance with its Articles of Incorporation and fundamental investment policies.

3. Property Details

(1) KDX Jimbocho Building

Property Name		KDX Jimbocho Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		Taisei Tochi Kabushikigaisha / May 28, 2004
Previous Owner / Acquisition Date		Trustee UFJ Trust and Banking Corporation / April 26, 2002
Location (Address)		1-14-1 Jimbocho, Kanda, Chiyoda-ku, Tokyo (Note 1)
Usage		Offices
Type of Structure		Flat-roofed, steel-frame reinforced concrete structure; one underground and eight above-ground floors (Note 2)
Site Area	Land	465.92 m ² (Note 3)
	Building	3,292.13 m ² (Note 2)
Type of Ownership	Land	Proprietary ownership (Portion of co-ownership based on site area: approximately 88.94%) (Note 3)
	Building	Compartmentalized ownership (Note 4)
Completion Date		May 30, 1994
Architect		Kitano Construction Corporation
Construction Company		Kitano Construction Corporation
Construction Confirmation Authority		Chiyoda-ku, Tokyo
Probable Maximum Loss		7.25%(SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥2,760,000,000
Appraisal	Appraisal Value	¥2,770,000,000
	Base Date for Appraisal	March 1, 2008
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company after Acquisition		None
Property Management Company after Acquisition		Kenedix REIT Management, Inc.
Number of End Tenants		0 (Note 5)
Total Leasable Floor Area		2,320.69 m ² (Note 6)
Total Leased Floor Area		—
Occupancy Ratio		—
Monthly Rental Income (Excluding Consumption Tax)		—
Security and Guarantee Deposit		—

Forecast Net Operating Income	Please refer to Reference Material 2.
Special Considerations	None
Other	<p>Notes:</p> <ol style="list-style-type: none"> 1. The Property's residential address is yet to be determined. 2. The type of structure and total floor area for the entire building. 3. The total site area (include third party's ownership area of 51.53 m²) is for the entire building. The rights of the land is as follows: Registered address: 14-1, 14-21 and 14-22 (site area: 414.39 m²) Tenancy in severalty with current owner Registered address: 14-20 (site area: 51.53 m²) Tenancy in severalty with a third party (Tokyo Municipal Government) 4. The Property refers to eight of the nine total units that comprise this compartmentalized ownership building. One of the unit (offices on the 8th floor) that comprise this compartmentalized ownership building are owned by a third party (Tokyo Municipal Government). Of the total compartmentalized ownership portion of the entire building of 2,300.05 m², the Property's exclusive compartmentalized ownership portion totals 2,004.52 m² (approximately 87.15%). 5. Current tenant who have leased on a bulk basis (companies affiliated to the current owner) will be vacating on March 31, 2008. 6. The total leasable floor area (not including compartmentalized area owned by the third party).
Characterstics of the Property	<p>(1) Area The Property is approximately one minute on foot from Jimbocho Station on the Toei Mita and Toei Shinjuku Subway Lines and the Tokyo Metro Hanzomon Line. In addition to the mid- to high-rise office buildings that line Yasukuni-dori, a street that runs from east to west, the Kanda area in which the Property is situated features small-, medium- and large-scale office buildings along Hakusan-dori, an arterial road that runs from north to south. Based on its proximity to the Otemachi area (one subway station), which established itself as a mature office market containing various types of offices, and the excellent transportation convenience, the Property meets the needs of diverse range of tenants. The Property is situated at a highly recognizable location facing Hakusan-dori, an area in which there is particularly high demand for office space. Due to an environment that is very suitable for offices, the Property is expected to maintain stable occupancy.</p> <p>(2) Building The Property provides individual air-conditioning systems for each floor with a ceiling height of 2.6m, OA floors and other facilities and specifications that accommodate to tenant needs. In addition, the Investment Corporation plans to renovate (total of ¥80 million planned) the lease space, the elevator hall, restrooms and hot-water service rooms and will contribute to the leasing activities.</p> <p>(3) Tenants Tenant who have leased on a bulk basis is to vacate the Property on March 31, 2008. The medium-scale office market in the central business district, which is currently experiencing a supply shortage, is characterized by the scarcity of both leasable space to meet the needs of major tenants and properties in the central Tokyo area. Taking these conditions into consideration, priority will be placed on marketing activities that offer the Property for leasing purposes as a whole in an effort to maximize earnings.</p>

(2) KDX Gobancho Building

Property Name		KDX Gobancho Building
Type of Specified Asset		Real estate
Current Owner / Acquisition Date		Oriental Shiraishi Corporation / July 14, 1958 (Note 1)
Previous Owner / Acquisition Date		One individual / September 4, 1929 (Note 1)
Location (Address)		5-5 Gonbancho, Chiyoda-ku, Tokyo (Note 2)
Usage		Offices, Parking
Type of Structure		Steel-frame structure; eight above-ground floors
Site Area	Land	335.70 m ²
	Building	1,893.11 m ²
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		August 7, 2000
Architect		Ohken Architects Engineers, Inc.
Construction Company		Kajima Corporation
Construction Confirmation Authority		Chiyoda-ku, Tokyo
Probable Maximum Loss		9.06% (SOMPO JAPAN RISK MANAGEMENT, INC.)
Acquisition Price		¥1,951,000,000
Appraisal	Appraisal Value	¥1,970,000,000
	Base Date for Appraisal	March 1, 2008
	Appraiser	Japan Real Estate Institute
	Details	Please refer to Reference Material 1.
Existence of Secured Interests after Acquisition		None
Masterlease Company after Acquisition		None
Property Management Company after Acquisition		Kenedix REIT Management, Inc.
Number of End Tenants		7 (As of March 1, 2008. The same applies below.)
Total Leasable Floor Area		1,651.72 m ²
Total Leased Floor Area		1,651.72 m ² (Note 3)
Occupancy Ratio		100.0% (Note 3)
Monthly Rental Income (Excluding Consumption Tax)		¥8,555,410 (Note 4)
Security and Guarantee Deposit		¥62,926,200 (Note 4)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	None	
Other	Notes: 1. The property land acquisition date is shown. 2. The Property's residential address is yet to be determined. 3. The tenant on the eighth floor (approximately 236 square meters, 71 tsubo) will vacate on April 30, 2008. 4. Monthly rental income and guarantee deposit information is exclusive of parking facility amounts.	
Characteristics of the Property	(1) Area The Ichigaya area, where the Property is located, thrives as a business and commercial	

	<p>district from years ago with many samurai houses lining the streets. The environment combines the energy of a thriving district with history and character. The Property is three minutes on foot from Ichigaya Station on the Toei Shinjuku Subway Line and Tokyo Metro Nanboku and Yurakucho Lines and four minutes on foot from Ichigaya Station on the JR Line giving the Property excellent accessibility.</p> <p>(2) Buildings The lease space of the Property is rectangle and astylar with a ceiling height of 2.5m. A typical floor has a leasable floor area of approximately 236m², and features individual air-conditioning systems for each floor, OA floors and other facilities and specifications that accommodate to tenant needs.</p> <p>(3) Tenants Currently, the Property is occupied by securities business, incorporated foundation, chemical products manufacutuer, publishing business and law firms. The Investment Corporation conducts leasing activities with the aim of increasing revenues with the Property by fully exploiting the benefits of the Property's located area.</p>
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4. Seller`s Profile

(1) KDX Jimbocho Building

Company Name	Taisei Tochi Kabushikigaisha
Head Office Address	3-15 Sennichimae, Namba, Chuo-ku, Osaka, Osaka
Representative	Kouichi Yoshimoto
Capital	¥96 million
Principal Shareholder	Yoshimoto Kogyo Co., Ltd., others
Business Activities	<ol style="list-style-type: none"> 1. Real estate sales intermediary, intermediary management of cash or real estate leases 2. Management of owned real estate, full management of share equity trading 3. Nonlife insurance agency services 4. Parking space leasing and management 5. Finance business 6. Buying and selling of second-hand goods 7. General lease business 8. Activities related to (1.) to (7.) above
Relationship with the Investment Corporation or the Asset Management Company	None
Special Considerations	None

*As of March 12, 2008

(2) KDX Gobancho Building

Company Name	Oriental Shiraishi Corporation
Head Office Address	2-1-1 Hirakawacho, Chiyoda-ku, Tokyo
Representative	Teruaki Kakitsuka
Capital	¥300,000,000
Principal Shareholder	Taiheiyo Cement Corporation. others
Business Activities	Building enterprise
Relationship with the Investment Corporation or the Asset Management Company	None

Special Considerations	None
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*As of March 11, 2008

5. Acquirer's (Seller) Profile

The sellers (the current owners) of two Properties are not special related parties of Kenedix REIT Management, Inc. ("the Asset Management Company").

6. Details of Brokerage

The details of the brokerage firms and the brokerage fees are as follows.

(1) KDX Jimbocho Building

Name of brokerage firm	Mitsui Real Estate Sales, Co., Ltd.
Brokerage fee	Brokerage firm has not granted approval to disclose the brokerage fee.
Relationship with the Investment Corporation or the Asset Management Company	None

* The brokerage firm is not a special related party of the Asset Management Company.

(2) KDX Gobancho Building

Name of brokerage firm	Sumitomo Real Estate Sales, Co., Ltd.
Brokerage fee	Brokerage firm has not granted approval to disclose the brokerage fee.
Relationship with the Investment Corporation or the Asset Management Company	None

*The brokerage firm is not a special related party of the Asset Management Company.

7. Interested-Party Transactions

Related to the acquisition of two Properties, transaction between the Investment Corporation and the Asset Management Company are as follows.

The Asset Management Company, bound by its rules as they relate to interested-party transactions, worked to ensure strict compliance with statutory and other regulatory requirements. Furthermore, in order to ensure that the transactions were conducted in an open and fair manner and that the Investment Corporation was not disadvantaged, the Asset Management Company submitted all transactions for deliberation and approval by the Compliance Committee and the Asset Management Committee. Subject to approval, each transaction was then submitted to the Board of Directors for ratification.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the aforementioned transactions.

Appointment of a Property Management Company

The Investment Corporation plans to execute property management agreements with the Asset Management Company on March 31, 2008.

Fees relating to property management remain at the same level as current properties.

Outline of Property Managements Fees:

- Leasing management fees

Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%

- Management transfer fees

Property (Trust Beneficiary Interest) Price	Management Transfer Fee (At the Time of Purchase and Sale)
¥1.0 billion and more, and less than ¥3.0 billion	¥2.0 million

8. Outlook

There are no revisions to the forecast for the fiscal period ending April 30, 2008, as a result of the acquisition of two Properties.

This notice is the English translation of the Japanese announcement on our Web site released on March 27, 2008. 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 Property

Reference Material 1

Outline of Property Appraisal

Unit : Yen		
Property Name	(1) KDX Jimbocho Building (Note 1)	(2) KDX Gobancho Building
Appraisal Value	2,770,000,000	1,970,000,000
Base Date for Appraisal	March 1, 2008	March 1, 2008
Appraiser	Japan Real Estate Institute	Japan Real Estate Institute
Value Calculated Using the Direct Capitalization Method	2,800,000,000	1,990,000,000
Gross Operating Revenue	161,190,000	119,737,000
Maximum Gross Operating Revenue	171,364,000	126,342,000
Shortfall Attributed to Vacancies	10,174,000	6,605,000
Operating Expenses	25,713,000	27,518,000
Administrative and Maintenance Expense	16,002,000	19,067,000
Taxes and Dues	9,367,000	8,051,000
Other Expenses	344,000	400,000
Net Operating Income (NOI)	135,477,000	92,219,000
Capital Expenditure	5,740,000	2,318,000
Gain on Guarantee Deposit Investment (Note 2)	2,094,000	1,570,000
Net Cash Flow (NCF)	131,831,000	91,471,000
Overall Capitalization Rate (NCF)	4.7%	4.6%
Value Calculated Using the Discounted Cash Flow Method	2,730,000,000	1,950,000,000
Discount Rate	4.2%	4.3%
Terminal Capitalization Rate	4.7%	4.7%
Value Calculated Using the Cost Method	2,620,000,000	1,890,000,000
Land	82.5%	78.4%
Building	17.5%	21.6%

Notes:

1. Renovation work (total of ¥80 million) is assumed in the appraisal.
2. Gain on guarantee deposit investment is calculated, based on a property guarantee deposit operating yield of 2.0%.

Reference Material 2

Projected Cash Flow

Unit : Millions of Yen		
Property Name	(1) KDX Jimbocho Building	(2) KDX Gobancho Building
A. Projected Operating Revenues	177	124
B. Projected Operating Expenses (excluding depreciation)	36	30
C. Projected NOI (A-B)	141	94

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

Unit: Yen		
Investigation Company	HI International Consultant Co., LTD.	
Property Name	(1) KDX Jimbocho Building (Note)	(2) KDX Gobancho Building
Date of Investigation	December 2007	February 2008
Repairs, maintenance and renovation expenses required over the next year (Note 1)	2,590,000	1,440,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years (Note 1)	110,280,000	53,790,000
Unit-in-Place (Note 1)	769,900,000	445,900,000

Note: The repairs, maintenance and renovation expenses and unit-in place for the entire building.

* 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
(exclude KDX Gobancho Building)

and submits a building assessment report to the Investment Corporation.

* The analyses of the existence of hazardous substances and the soil environment for KDX Gobancho Building is investigated by SOMPO JAPAN RISK MANAGEMENT, INC.

(1) KDX Jimbocho Building
Reference Material 4

Property Photographs



(2) KDX Gobancho Building
Reference Material 4

Property Photographs



Reference Material 5

Property Portfolio after Acquisition of the two Properties

Type of Use	Area	Property Name	Acquisition Price (Millions of yen)(Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	Toranomon Toyo Building	9,850	4.7%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	3.6%	February 1, 2008
		KDX Ochanomizu Building	6,400	3.0%	April 2, 2007
		KDX Shiba-Daimon Building	6,090	2.9%	March 1, 2007
		KDX Kojimachi Building	5,950	2.8%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	2.8%	August 1, 2005
		Toshin 24 Building	5,300	2.5%	May 1, 2006
		KDX Hirakawacho Building	5,180	2.4%	August 1, 2005
		KDX Shin-Yokohama 381 Building	4,700	2.2%	February 1, 2008
		Ebisu East 438 Building	4,640	2.2%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	4,450	2.1%	August 1, 2005
		KDX Toranomom Building	4,400	2.1%	April 17, 2007
		KDX Nishi-Gotanda Building	4,200	2.0%	December 1, 2006
		KDX Kawasaki-Ekimae Hon-cho Building (Note 2)	3,760	1.8%	February 1, 2008
		KDX Hatchobori Building	3,680	1.7%	August 1, 2005
		KDX Omori Building	3,500	1.6%	May 1, 2006
		KDX Hamamatsucho Building	3,460	1.6%	May 1, 2006
		KDX Roppongi 228 Building (Note 2)	3,300	1.5%	January 10, 2008
		KDX Higashi-Shinjuku Building	2,950	1.4%	September 1, 2006
		KDX Kayabacho Building	2,780	1.3%	May 1, 2006
		KDX Jimbocho Building (Note 3)	2,760	1.3%	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	1.2%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	1.2%	May 1, 2006
		Harajuku F.F. Building	2,450	1.1%	August 1, 2005
		Ikejiri-Oohashi Building	2,400	1.1%	February 1, 2008
		KDX Kajicho Building	2,350	1.1%	July 3, 2006
		KDX Hamacho Nakanohashi Building (Note 2)	2,310	1.1%	February 1, 2008
		KDX Hamacho Building	2,300	1.1%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	1.1%	June 1, 2007
		FIK Minami Aoyama	2,270	1.0%	August 1, 2005
		KDX Funabashi Building	2,252	1.0%	March 1, 2006
		Shin-toshin Maruzen Building	2,110	1.0%	February 29, 2008
		KDX Okachimachi Building	2,000	0.9%	March 1, 2007
		KDX Gobancho Building (Note 2)	1,951	0.9%	March 31, 2008
Kanda Kihara Building	1,950	0.9%	August 1, 2005		
KDX Yotsuya Building	1,950	0.9%	May 1, 2006		
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	0.7%	April 2, 2007	
		KDX Monzen-Nakacho Building	1,400	0.6%	January 19, 2007	
		KDX Kanda Misaki-cho Building (Note 2)	1,380	0.6%	February 1, 2008	
		KDX Hon-Atsugi Building	1,305	0.6%	March 1, 2007	
		KDX Hachioji Building	1,155	0.5%	March 1, 2007	
		KDX Nogizaka Building	1,065	0.5%	July 14, 2006	
		KDX Koishikawa Building	704	0.3%	August 1, 2005	
	Other Regional Areas		Portus Center Building	5,570	2.6%	September 21, 2005
			Karasuma Building	5,400	2.5%	June 1, 2007
			KDX Hakata-Minami Building	4,900	2.3%	February 1, 2008
			KDX Hakata Building	2,350	1.1%	June 1, 2007
			KDX Kitahama Building (Note 2)	2,220	1.0%	February 1, 2008
			KDX Sendai Building	2,100	1.0%	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
			Hakata Ekimae-Dai2 Building	1,430	0.6%	August 1, 2005
		KDX Niigata Building	1,305	0.6%	March 1, 2007	
	Total of 57 Office Buildings			180,080	86.2%	—
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	4.7%	August 1, 2005	
		KDX Yoyogi Building	2,479	1.1%	September 30, 2005	
	Other Regional Areas	ZARA Tenjin Nishi-dori	3,680	1.7%	May 1, 2006	
	Total of 3 Central Urban Retail Properties			16,059	7.6%	—
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	2.5%	May 1, 2006	
		Court Mejiro	1,250	0.5%	August 1, 2005	
		Apartments Motoazabu	1,210	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	0.4%	May 1, 2006	
	Other Regional Areas	Venus Hibarigaoka	1,800	0.8%	December 8, 2005	
Total of 7 Residential Properties			12,709	6.0%	—	
Total of 67 Properties			208,848	100.0%	Portfolio PML 5.28%	

Notes:

- Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
- The current name of the buildings are as follows, respectively. Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the buildings.
 - “KDX Kawasaki-Ekimae Hon-cho Building” is the “Dai-46 Kowa Building”
 - “KDX Roppongi 228 Building” is the “Cherubim Building”
 - “KDX Hamacho Nakanohashi Building” is the “Hamacho Nakanohashi Building”
 - “KDX Gobancho Building” is the “ORIKEN Gobancho Building”
 - “KDX Kanda Misaki-cho Building” is the “Misaki-cho MMK Building”
 - “KDX Kitahama Building” is the “Doshou Building”
- The current name of the “KDX Jimbocho Building” is the “Taisei Yoshimoto (Jimbocho) Building.” Plans are in place to change the name of the “Taisei Yoshimoto (Jimbocho) Building” to the “KDX Jimbocho Building” on March 31, 2008.