

Translation of Japanese Original

March 2, 2012

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.
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Notice Concerning the Issuance of the Investment Corporation Bonds

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the decision to issue investment corporation bonds through public offering based on the comprehensive resolution adopted at the board of directors’ meeting held on February 23, 2012. Details are provided as follows.

Note: For details concerning the issuance of the investment corporation bonds through public offering based on the comprehensive resolution, please refer to the press release “Notice Concerning General Resolution for the Issue of Investment Corporation Bonds,” dated February 23, 2012.

1. Outline of the Investment Corporation Bonds

(1) Name of investment corporation bond

Kenedix Realty Investment Corporation Fourth Series Unsecured Investment Corporation Bonds
(ranking *pari passu* among the specified investment corporation bonds)

The aforementioned investment corporation bond shall hereafter be referred to as “the Fourth Series Bond.”

(2) Total amount of the bond

1.5 billion yen

(3). Form of bond certificate

The Bonds Transfer Act is applicable to the Fourth Series Bond, thus investment corporation bond certificates will not be issued.

(4) Issue price

100 per yen value of 100 yen for each bond

(5) Redemption price

100 per yen value of 100 yen for each bond

(6) Interest rate

2.0% per annum

(7) Denomination of each bond

0.1 billion yen

(8) Offering method

Public offering

(9) Offering period

March 2, 2012 (Friday)

(10) Payment date

March 8, 2012 (Thursday)

(11) Collateral

No secured mortgage or guarantee is applicable, and no assets are specifically reserved as collateral for the Fourth Series Bond.

(12) Redemption method and maturity

(a) The total amount of the Fourth Series Bond shall be redeemed on September 8, 2017.

(b) The Fourth Series Bond may be purchased and cancelled at any time after the payment date, except for the case the Depository otherwise stipulates.

(c) If the maturity date of the Fourth Series Bond falls on the non-bank business day, the payment will be brought forward to the previous bank business day.

(13) Interest payment dates

March 8 and September 8, every year and maturity date

(14) Financial covenants

The negative pledge is applicable to the Fourth Series Bond.

(15) Ratings

A (The Japan Credit Rating Agency, Ltd.)

(16) Depository

Japan Securities Depository Center, Inc.

(17) Fiscal agent, issuing agent and paying agent

Sumitomo Mitsui Banking Corporation

(18) Underwriting securities companies

Barclays Capital Japan Limited

2. Reason for Bond Issuance

To repay the Investment Corporation's First Series Unsecured Investment Corporation Bonds (¥9 billion in total), which will mature on March 15, 2012,

3. Total Amount to be Procured, Use of Funds and Scheduled Outlay Period

(1) Total amount to be procured (approximate net balance)

1.487 billion yen

(2) Specific use of funds and scheduled outlay period

The proceeds from the bond issuance are planned to use as a portion of source of funds for the repayment of the Investment Corporation's First Series Unsecured Investment Corporation Bonds (¥9 billion in total), which will mature on March 15, 2012. (The Investment Corporation plans to repay the remaining amount using debt financing, etc. described in the press release "Notice Concerning Conclusion of Agreement for Term Loan Commitments (Term Loan 66-L)," dated December 19, 2011.)

4. Status of Debt Financing and Investment Corporation Bonds after Issuance of the Fourth Series Bond (as of March 8, 2012)

(Billions of yen)			
	Balance Prior to Issuance of the Fourth Series Bond	Balance After Issuance of the Fourth Series Bond	Change
Short-Term Borrowings (Note 1)	14.7	14.7	+0
Long-Term Borrowings (Note 2)	106.9965	106.9965	+0
Total Borrowings Balance	121.6965	121.6965	+0
Investment Corporation Bonds (Note 3)	13.5	15.0	+1.5
Total of Debt Financing	135.1965	136.6965	+1.5

Notes:

1. 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. However, the borrowings whose period until repayment date have surpassed one year because the repayment date 1 year from the drawdown date is not a business day and for which the repayment date has been moved to the following business day, are included in short-term borrowings.
2. Long-term borrowings refer to debt financing with a period of more than one year from the drawdown date to the repayment date.
3. The balance after issuance of the Fourth Series Bond includes the Investment Corporation's First Series Unsecured Investment Corporation Bonds (¥9 billion in total), which will mature on March 15, 2012,

5. Other

Risks related to the repayment of the Fourth Series Bond will have no material impact on "Investment Risks" described in the Securities Report (submitted January 30, 2012) for the 13th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on March 2, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

【Reference】

The Investment Corporation has submitted Shelf Registration Document Supplement to the Kanto Local Finance Bureau concerning the Fourth Series Bond.