

Translation of Japanese Original

March 28, 2012

To All Concerned Parties

REIT Issuer:
 Kenedix Realty Investment Corporation
 2-2-9 Shimbashi, Minato-ku, Tokyo
 Naokatsu Uchida, Executive Director
 (Securities Code: 8972)

Asset Management Company:
 Kenedix REIT Management, Inc.
 Naokatsu Uchida, CEO and President

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Notice Concerning Debt Financing (Series 71) and Prepayment of Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing and to prepay debt financing. Details are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreement to apply the funds toward the prepayment of Series 16-D (total of ¥2,000 million) with a repayment date of April 2, 2012.

Note: For details, please refer to the press release “Notice Concerning Debt Financing and Interest-Rate Swap Agreement,” dated March 29, 2007 for Series 16-D.

2. Details of Debt Financing

Long-Term Borrowing (Series 71)

- | | | |
|---------------------------|---|---|
| (1) Lender | : | The Chuo Mitsui Trust and Banking Co., Limited |
| (2) Amount | : | ¥2,000 million |
| (3) Interest Rate | : | Fixed interest rate: 1.21125% |
| (4) Drawdown Date | : | March 30, 2012 |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 28, 2012 |
| (6) Interest Payment Date | : | First interest payment on May 31, 2012, and at the end of every three month (on the last business day of each month, if the end of each month is a non-business day) thereafter, and last interest payment on September 30, 2015. |
| (7) Repayment Date | : | September 30, 2015 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

3. Use of Funds

Debt financing shall be used for prepayment of Series 16-D.

4. Details of Debt Financing Prepayment

(1) Long-term Borrowings (Series 16-D)

- | | | |
|--------------------|---|--|
| (a) Lender | : | The Chuo Mitsui Trust and Banking Co., Limited |
| (b) Amount | : | ¥2,000 million |
| (c) Interest Rate | : | 0.78643% (floating interest rate)(Note) |
| (d) Drawdown Date | : | April 2, 2007 |
| (e) Repayment Date | : | April 2, 2012 |

(f) Collateral : Unsecured • unguaranteed

Note: The interest rate covers the period commencing January 4, 2012 to April 2, 2012.

(2) Summary of an Interest-Rate Swap Agreement

(a) Lender : The Chuo Mitsui Trust and Banking Co., Limited

(b) Amount : ¥2,000 million

(c) Interest Rate : Pay a fixed rate of interest of 1.875%

Receive a floating rate of interest: Base rate (JPY TIBOR for 3-month in JBA) + 0.45%

(d) Commencement Date : April 2, 2007

(e) Termination Date : April 2, 2012

(f) Collateral : Unsecured • unguaranteed

(3) Planned Date for Prepayment

March 30, 2012

5. Total Debt Financing Balance after Additional Borrowing and Status of Investment Corporation Bonds (as of March 30, 2012)

(Billions of yen)

	Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change
Short-Term Borrowings (Note 1)	14.7	14.7	+0
Long-Term Borrowings (Note 2)	117.1965	117.1965	+0
Total Borrowings Balance	131.8965	131.8965	+0
Investment Corporation Bonds	6.0	6.0	+0
Total of Debt Financing	137.8965	137.8965	+0

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.

6. Other

Risks related to the repayment of the aforementioned borrowing 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 28, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.