

Translation of Japanese Original

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To All Concerned Parties

REIT Issuer:

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Notice Concerning Debt Financing Based on SMBC's Business Continuity Assessment Loan

Kenedix Realty Investment Corporation (the "Investment Corporation") announced today that it has become the first J-REIT to undertake debt financing (the "Debt Financing") based on the business continuity assessment loan program provided by Sumitomo Mitsui Banking Corporation ("SMBC"). Details are as follows.

1. Overview of SMBC's Business Continuity Assessment Loan Program

SMBC's business continuity assessment loan program is a financing product developed by SMBC together with InterRisk Research Institute & Consulting, Inc.^{*1} Based on proprietary assessment standards, the program assesses the design and operational status of a company's business continuity plan (BCP^{*2}) and business continuity management system (BCMS^{*3}), and establishes financing conditions based on the results of that assessment. At the same time, the program provides diagnostic feedback to the business owner regarding future areas of possible improvement in its business continuity.

2. Overview of Debt Financing and Assessment

Under this program, Series 70-B (total of 1.4 billion yen) was borrowed from SMBC today. (Note)

The debt financing was based on a strong assessment of the aggressive business continuity initiatives of the Investment Corporation and Kenedix REIT Management, Inc. (the "Asset Management Company"), which manages its assets, including:

- (1) A panoramic approach to planning and management of initiatives involving business continuity that includes alliances with outside institutions that support the business;
- (2) The companies' efforts to clarify the lessons learnt from the Great East Japan Earthquake, and resolve the issues involved, by promoting improvements in the effectiveness of business continuity-related initiatives not only individually, but as one with the management of all Group companies; and
- (3) The fact that alternative business continuity strategies, exemplified by a thin client system that enables employees to work from home, are functioning properly.

Note: For further details of the Debt Financing, please refer to the press release "Notice Concerning Debt Financing (Series 70)" dated March 26, 2012.

3. Future Measures

As a pioneering J-REIT involved in the management of mid-sized office buildings, the Investment Corporation and the Asset Management Company continue to put in place and manage a variety of rules and push ahead to build a BCMS focused on overall system continuity in the event of an emergency, with an approach to business continuity measures

that takes into consideration the need to swiftly provide information to investors and tenants and ensure the rapid recovery of essential business infrastructure.

<Reference>

- *1 InterRisk Research Institute & Consulting, Inc.
A consulting company responsible for the risk management operations of the MS&AD Insurance Group. The company has a rich track record in consulting in the areas of enterprise business continuity and risk management, and has been certified as a representative of the Japanese arm of the Business Continuity Institute (BCI), an international association of the business continuity field.
- *2 Business Continuity Plan (BCP)
Written plans, procedures, and other information that document how a company will continue to do business, or resume its business within a predetermined time frame, in the event of an accident, disaster, or other contingency.
- *3 Business Continuity Management System (BCMS)
A framework and structure for making ongoing improvements in an organization's ability to recover from, or respond to, certain events based on the BCP. The BCMS refers to the overall system for formulating, managing, and reevaluating a company's BCP.

For further details of SMBC's announcement and a description of the system, please visit the following website:
SMBC website (Japanese only): <http://www.smbc.co.jp/news>

<p>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.</p>
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