

Translation of Japanese Original

July 27, 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 74)

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake 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 repayment of Series 60-A (total of ¥1,500 million) with a repayment date of July 31, 2012.

Note: For details, please refer to the press release “Notice Concerning Debt Financing (Series 60),” dated July 27, 2011 for Series 60-A.

2. Details of Debt Financing

Short-Term Borrowing (Series 74)

- | | | |
|---------------------------|---|--|
| (1) Lender | : | Mitsubishi UFJ Trust and Banking Corporation |
| (2) Amount | : | ¥1,500 million |
| (3) Interest Rate | : | Base rate (JPY TIBOR for 3-month in JBA) + 0.50% (Note) |
| (4) Drawdown Date | : | July 31, 2012 |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on July 27, 2012 |
| (6) Interest Payment Date | : | First interest payment on October 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 July 31, 2013. |
| (7) Repayment Date | : | July 31, 2013 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

Note: The interest rate for the period commencing July 31, 2012 through October 31, 2012 is 0.82833%.
(As of July 27, 2012, Japanese Yen TIBOR for three months is 0.32833%)

Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for three months which Japanese Bankers Association (JBA) releases two business days before each interest payment date.

You can find Japanese Yen TIBOR of JBA on website of JBA (<http://www.zenginkyo.or.jp/en/tibor/>)

3. Use of Funds

Debt financing shall be used for repayment of Series 60-A

4. Total Debt Financing Balance after Additional Borrowing and Status of Investment Corporation Bonds (as of July 31, 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)	116.6725	116.6325	-0.04*
	Total Borrowings Balance	131.3725	131.3325	-0.04*
	Investment Corporation Bonds	6.0	6.0	+0
	Total of Debt Financing	137.3725	137.3325	-0.04*

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.

* These figures are the partial repayment of borrowings based on the debt financing agreement other than the aforementioned borrowings.

5. 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 July 27, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.