

Translation of Japanese Original

October 24, 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 Office Partners, Inc.
Naokatsu Uchida, CEO and President

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Notice Concerning Prepayment of Debt Financing

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

1. Details of Debt Financing Prepayment

(a) Long-term Borrowings (Series 39-B)

- | | | |
|-----------------------|---|---|
| (1) Lender | : | Sumitomo Mitsui Banking Corporation |
| (2) Borrowing Balance | : | ¥880 million |
| (3) Prepayment Amount | : | ¥880 million |
| (4) Interest Rate | : | Fixed rate of interest: 2.42375% |
| (5) Drawdown Date | : | October 26, 2009 |
| (6) Repayment Date | : | First repayment on February 28, 2010, and at the end of February and August each year thereafter, and last repayment on October 26, 2013. |
| (7) Repayment Method | : | Feb. 28, 2010 to Aug. 31, 2013: repayment of ¥20 million, respectively Oct. 26, 2013: repayment of ¥840 million |
| (8) Collateral | : | Unsecured, unguaranteed |

(b) Long-term Borrowings (Series 40-B)

- | | | |
|-----------------------|---|---|
| (1) Lender | : | Sumitomo Mitsui Banking Corporation |
| (2) Borrowing Balance | : | ¥1,760 million |
| (3) Prepayment Amount | : | ¥1,760 million |
| (4) Interest Rate | : | Fixed rate of interest: 2.445% |
| (5) Drawdown Date | : | October 30, 2009 |
| (7) Repayment Date | : | First repayment on January 29, 2010, and at the end of January and July each year thereafter, and last repayment on October 30, 2013. |
| (6) Repayment Method | : | Jan. 29, 2010 to Jul. 31, 2013: repayment of ¥40 million, respectively Oct. 30, 2013: repayment of ¥1,680 million |
| (7) Collateral | : | Unsecured, unguaranteed |

Note: For details concerning long-term borrowings (Series 39-B and Series 40-B), please refer to the press releases “Notice Concerning Debt Financing (Series 39),” dated October 22, 2009 and “Notice Concerning Debt Financing (Series 40),” dated October 28, 2009, respectively.

2. Planned Date for Prepayment

October 31, 2012

3. Funds for Prepayment

Cash on hands

4. Outlook

Due to the prepayment, temporal expenses such as break funding costs, etc. will occur. However, the impact on the financial results for the 15th fiscal period (May 1, 2012 to October 31, 2012) is minimal. Therefore, the forecast of financial results for the period remain unchanged.

5. Total Debt Financing Balance after Prepayment of Borrowings and Status of Investment Corporation Bonds (as of October 31, 2012)

(Billions of yen)

		Balance Prior to Prepayment of Borrowings (Note 1)	Balance After Prepayment of Borrowings	Change
	Short-Term Borrowings (Note 2)	13.2	13.2	+0
	Long-Term Borrowings (Note 3)	124.021	121.381	-2.64
	Total Borrowings Balance	137.221	134.581	-2.64
	Investment Corporation Bonds	6.0	6.0	+0
	Total of Debt Financing	143.221	140.581	-2.64

Notes:

1. The borrowings which were disclosed in “Notice Concerning Debt Financing (Series 76) and Interest-Rate Swap Agreement,” dated September 28, 2012 are included. In addition, the partial repayment of borrowing (which will occur on October 31, 2012) based on the debt financing agreement other than the aforementioned prepayment is deducted. Furthermore, repayment of ¥10.5 billion short-term borrowings are expected on October 31, 2012.
2. 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.
3. 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

For the risks concerning prepayment of the aforementioned borrowings, there are no significant changes in the “Investment Risks” described in the Securities Report (submitted July 30, 2012) for the 14th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on October 24, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.