

Translation of Japanese Original

October 29, 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

Inquiries:

Hikaru Teramoto

Director / General Manager, Financial Planning Division

TEL.: +81-3-3519-3491

Notice Concerning Debt Financing (Series 77)

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing (total of ¥10,500 million). Details are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreements to apply the funds toward the repayment of Series 64 (total of ¥4,500 million) and a portion of repayment of Term Loan 65-A (¥6,000 million) with a repayment date of October 31, 2012.

Note: For details, please refer to the press releases “Notice Concerning Debt Financing (Series 64),” dated October 27, 2011 for Series 64 and “Notice Concerning Debt Financing (Term Loan 65) and Interest-Rate Swap Agreement,” dated December 19, 2011 for Term Loan 65-A.

2. Details of Debt Financing

(a) Short-Term Borrowing (Series 77-A)

- (1) Lender : Mitsubishi UFJ Trust and Banking Corporation
- (2) Amount : ¥3,000 million
- (3) Interest Rate : Base rate (JPY TIBOR for 3-month in JBA) + 0.45% (Note)
- (4) Drawdown Date : October 31, 2012
- (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2012
- (6) Interest Payment Date : First interest payment on January 31, 2013, 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 October 31, 2013.
- (7) Repayment Date : October 31, 2013
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

Note: The base rate for the period commencing October 31, 2012 through January 31, 2013 is 0.77833%.
(As of October 29, 2012, Japanese Yen TIBOR for 3-month is 0.32833%)

Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 3-month 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/>)

(b) Long-Term Borrowing (Series 77-B)

- (1) Lender : Aozora Bank, Ltd.
- (2) Amount : ¥2,500 million
- (3) Interest Rate : Fixed interest rate: 1.00755%
- (4) Drawdown Date : October 31, 2012
- (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2012
- (6) Interest Payment Date : First interest payment on January 31, 2013, 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 April 30, 2015.
- (7) Repayment Date : April 30, 2015
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

(c) Long-Term Borrowing (Series 77-C)

- (1) Lender : Aozora Bank, Ltd.
- (2) Amount : ¥2,500 million
- (3) Interest Rate : Fixed interest rate: 1.06125%
- (4) Drawdown Date : October 31, 2012
- (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2012
- (6) Interest Payment Date : First interest payment on January 31, 2013, 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 October 31, 2016.
- (7) Repayment Date : October 31, 2016
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

(d) Long-Term Borrowing (Series 77-D)

- (1) Lender : Aozora Bank, Ltd.
- (2) Amount : ¥2,500 million
- (3) Interest Rate : Fixed interest rate: 1.25250%
- (4) Drawdown Date : October 31, 2012
- (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2012
- (6) Interest Payment Date : First interest payment on January 31, 2013, 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 October 31, 2018.
- (7) Repayment Date : October 31, 2018
- (8) Repayment Method : Principal repayment in full on maturity
- (9) Collateral : Unsecured, unguaranteed

3. Use of Funds

Debt financing shall be used for repayment of Series 64 and a portion of repayment of Term Loan 65-A.

4. Total Debt Financing Balance after Additional Borrowing and Status of Investment Corporation Bonds (as of October 31, 2012)

(Billions of yen)

	Balance Prior to Additional Debt Financing (Note 1)	Balance After Additional Debt Financing	Change
Short-Term Borrowings (Note 2)	13.2	5.7	- 7.5
Long-Term Borrowings (Note 3)	121.381	128.881	+7.5
Total Borrowings Balance	134.581	134.581	+0
Investment Corporation Bonds	6.0	6.0	+0
Total of Debt Financing	140.5817tobers 73d t Corporation	140.5817tobers 73d t Corporation	+0

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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 prepayment of borrowings which were disclosed in “Notice Concerning Prepayment of Debt Financing,” dated October 24, 2012 and the partial repayment of borrowing (which will occur on October 31, 2012) based on the debt financing agreement other than the aforementioned prepayment are deducted.
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.

5. Other

For the risks concerning repayment 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 29, 2012. However, no assurance or warranties are given for the completeness or accuracy of this English translation.