

Translation of Japanese Original

September 5, 2013

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation  
Naokatsu Uchida, Executive Director  
(Securities Code: 8972)

Asset Management Company:

Kenedix Office Partners, Inc.  
Naokatsu Uchida, CEO and President

Inquiries:

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### **Notice Concerning the Issuance of the Investment Corporation Bonds**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the decision to issue investment corporation bonds through public offering based on the comprehensive resolution adopted at the board of directors’ meeting held on February 28, 2013. Details are provided as follows.

Note: For details concerning the issuance of the investment corporation bonds through public offering based on the comprehensive resolution, please refer to the press release “Notice Concerning General Resolution for the Issue of Investment Corporation Bonds,” dated February 28, 2013.

#### **1. Outline of the Investment Corporation Bonds**

(1) Name of investment corporation bonds

Kenedix Realty Investment Corporation Fifth Series Unsecured Investment Corporation Bonds

(ranking *pari passu* among the specified investment corporation bonds)

The aforementioned investment corporation bonds shall hereafter be referred to as “the Fifth Series Bonds.”

(2) Total amount of the bonds

1.8 billion yen

(3) Form of bonds certificate

The Bonds Transfer Act is applicable to the Fifth Series Bonds, thus investment corporation bond certificates will not be issued.

(4) Issue price

100 per yen value of 100 yen for each bond

(5) Redemption price

100 per yen value of 100 yen for each bond

(6) Interest rate

1.00% per annum

(7) Denomination of each bond

0.1 billion yen

(8) Offering method

Public offering

(9) Offering period

September 5, 2013 (Thursday)

(10) Payment date

September 12, 2013 (Thursday)

(11) Collateral

No secured mortgage or guarantee is applicable, and no assets are specifically reserved as collateral for the Fifth Series Bonds.

(12) Redemption method and maturity

(a) The total amount of the Fifth Series Bonds shall be redeemed on September 12, 2018.

(b) The Fifth Series Bonds may be purchased and cancelled at any time after the payment date, except for the case of service regulations and other rules for the Statutory or Depository otherwise stipulates.

(c) If the maturity date of the Fifth Series Bonds falls on the bank holiday, the payment will be brought forward to the previous bank business day.

(13) Interest payment dates

March 12 and September 12, every year and maturity date

(14) Financial covenants

The negative pledge is applicable to the Fifth Series Bonds.

(15) Ratings

A+ (The Japan Credit Rating Agency, Ltd.)

(16) Depository

Japan Securities Depository Center, Inc.

(17) Fiscal agent, issuing agent and paying agent

Sumitomo Mitsui Banking Corporation

(18) Underwriting securities companies

SMBC Nikko Securities Inc.

Nomura Securities Co., Ltd.

## 2. Reason for Bonds Issuance

To repay part of the Investment Corporation's Third Series Unsecured Investment Corporation Bonds (¥1.5 billion in total), which will mature on September 13, 2013, and existing borrowings.

## 3. Total Amount to be Procured, Use of Funds and Scheduled Outlay Period

(1) Total amount to be procured (approximate net balance)

1,784 million yen

(2) Specific use of funds and scheduled outlay period

The proceeds from the bonds issuance are planned to use as a portion of source of funds for the repayment of the Investment Corporation's Third Series Unsecured Investment Corporation Bonds (¥1.5 billion in total), which will mature on September 13, 2013, and existing borrowings.

#### 4. Status of Debt Financing and Investment Corporation Bonds after Issuance of the Fifth Series Bonds (as of September 12, 2013)

| (Millions of yen) |                                       |  |   |         |
|-------------------|---------------------------------------|--|---|---------|
|                   |                                       | Balance Prior to Issuance<br>of the Fifth Series Bonds | Balance After Issuance of<br>the Fifth Series Bonds | Change  |
|                   | Short-Term Borrowings (Note 1)        | 7,200.0  | 7,200.0   | 0       |
|                   | Long-Term Borrowings (Note 2)         | 135,482.0  | 135,482.0   | 0       |
|                   | Total Borrowings Balance              | 142,682.0  | 142,682.0   | 0       |
|                   | Investment Corporation Bonds (Note 3) | 6,000.0  | 7,800.0   | 1,800.0 |
|                   | Total of Debt Financing               | 148,682.0  | 150,482.0   | 1,800.0 |

#### 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.
3. The balance after issuance of the Fifth Series Bonds includes the Investment Corporation's Third Series Unsecured Investment Corporation Bonds (¥1.5 billion in total), which will mature on September 13, 2013,

#### 5. Other

Risks related to the repayment of the Fifth Series Bonds will have no material impact on "Investment Risks" described in the Securities Report (submitted July 30, 2013) for the 16th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on September 5, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

#### 【Reference】

The Investment Corporation has submitted Shelf Registration Document Supplement to the Kanto Local Finance Bureau concerning the Fifth Series Bond.