

Translation of Japanese Original

October 29, 2013

To All Concerned Parties

REIT Issuer:

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

Asset Management Company:

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Notice Concerning Debt Financing (Series 90) and the Execution of an Interest Rate Swap Agreement

Kenedix Realty Investment Corporation (the “Investment Corporation”) today announced its decision to undertake a total of ¥3,500 million in borrowings and the execution of an interest rate swap agreement. Please see below for additional details.

1. Purpose

The Investment Corporation has decided to execute debt financing agreements to apply funds toward the repayment of Series 77-A (total of ¥3,000 million) and Series 50-C (total of ¥500 million) with a repayment date of October 31, 2013.

Note: For details, please refer to the press releases “Notice Concerning Debt Financing (Series 77),” dated October 29, 2012, for Series 77-A and “Notice Concerning Debt Financing (Series 50),” dated October 27, 2010, for Series 50-C.

2. Details

(1) Short-Term Borrowings (Series 90-A)

- (a) Lender : Mitsubishi UFJ Trust and Banking Corporation, Ltd.
- (b) Amount : ¥3,000 million
- (c) Interest Rate : Base rate (JPY TIBOR for 1-month) + 0.40% (Note)
- (d) Drawdown Date : October 31, 2013
- (e) Debt Financing : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2013.
- (f) Interest Payment Date : The first interest payment is due on November 30, 2013, and on the last day of each month thereafter, with the last interest payment due on October 31, 2014.
(If the last day of the month is a non-business day, then the interest payment will be due on the previous business day.)
- (g) Repayment Date : October 31, 2014
(If the last day of the month is a non-business day, then the repayment will be due on the previous business day.)
- (h) Repayment Method : Repayment of principal in full on maturity date.
- (i) Collateral : Unsecured, unguaranteed

This press release is not an offer to sell or a solicitation of any offer to buy the securities of Kenedix Realty Investment Corporation in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the “Securities Act”). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from the Investment Corporation and that will contain detailed information about the Investment Corporation and its management, as well as the Investment Corporation’s financial statements. However, the Investment Corporation will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.

Note: The interest rate for the period commencing October 31, 2013 through November 30, 2013 is 0.54818% (as of October 29, 2013, Japanese Yen TIBOR for 1 month is 0.14818%). Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 1 month, which the Japanese Bankers Association (the “JBA”) releases two business days before each interest payment date. You can find the Japanese Yen TIBOR of the JBA on the JBA website (<http://www.zenginkyo.or.jp/en/tibor/>).

(2) Long-Term Borrowings (Series 90-B)

- (a) Lender : Resona Bank, Limited.
- (b) Amount : ¥500 million
- (c) Interest Rate : Base rate (JPY TIBOR for 3 months) + 0.50% (Note)
- (d) Drawdown Date : October 31, 2013
- (e) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 29, 2013.
- (f) Interest Payment Date : The first interest payment is due on January 31, 2013, and on the last day of every third month thereafter, with the last interest payment due on October 31, 2018.
(If the last day of the month is a non-business day, then the interest payment will be due on the previous business day.)
- (g) Repayment Date : October 31, 2018
(If the last day of the month is a non-business day, then the repayment will be due on the previous business day.)
- (h) Repayment Method : Repayment of principal in full on maturity date.
- (i) Collateral : Unsecured, unguaranteed

Note: The interest rate for the period commencing October 31, 2013 through January 31, 2014 is 0.72091% (as of October 29, 2013, Japanese Yen TIBOR for 3 months is 0.22091%). Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 3 months, which the JBA releases two business days before each interest payment date.

3. Use of Funds

The Series 90 borrowings shall be used for the repayment of Series 77-A and Series 50-C.

4. Interest Rate Swap Agreement

(1) Purpose

The Investment Corporation has decided to execute an interest rate swap agreement as a hedge against possible increases in future interest rates for the Series 90-B long-term borrowings.

(2) Details of the Interest Rate Swap Agreement

- (a) Counterparty : Aozora Bank, Ltd.
- (b) Notional Amount : ¥500 million
- (c) Interest Rates : Fixed interest rate for payment: 0.387%.
Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) (Note)
- (d) Commencement Date : October 31, 2013
- (e) Termination Date : October 31, 2018
- (f) Payment Date : The first payment is due on January 31, 2014, and on the last day of every third month thereafter, with the last interest payment on October 31, 2018.
(If the last day of the month is a non-business day, then the payment will be due on the previous business day.)

Note: By entering into the interest rate swap agreement, the interest rate for Series 90-B is essentially fixed at 0.887%.

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5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of October 31, 2013)

(Millions of yen)

	Debt Financing Before Borrowings	Debt Financing After Borrowings	Difference
Short-Term Borrowings (Note 1)	9,100.0	9,100.0	0.0
Long-Term Borrowings (Note 2)	135,182.0	135,158.0	(24.0)*
Total Borrowings	144,282.0	144,258.0	(24.0)*
Corporate Bonds	6,300.0	6,300.0	0.0
Total Borrowings and Corporate Bonds	150,582.0	150,558.0	(24.0)*

Notes:

1. Short-term borrowings refer to debt financing with a period less than or equal to one year from the drawdown date to the repayment date. However, the borrowings for which the period until the repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day, and for which the repayment date has been moved to a different business day, are included in short-term borrowings.
2. Long-term borrowings refer to debt financing with a period more than one year from the drawdown date to the repayment date.

* Partial amount of payments for amortization based on the debt financing agreements other than Series 90.

6. Other

For risks concerning the repayment of the aforementioned borrowings, there are no significant changes to the “Investment Risks” as described in the Securities Report (submitted October 24, 2013) and any amendments thereto.

This notice is the English translation of the Japanese announcement on our Web site released on October 29, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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