

Translation of Japanese Original

November 8, 2013

To All Concerned Parties

REIT Issuer:

Kenedix Realty Investment Corporation  
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(Securities Code: 8972)

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### **Notice Concerning Debt Financing (Series 91) 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 Term loan 51-A (total of ¥2,700 million) and Term loan 51-B (total of ¥800 million) with a repayment date of November 12, 2013.

Note: For details, please refer to the press release “Notice Concerning Debt Financing (Term Loan 51) and Conclusion of Agreements for Posting Additional Collateral,” dated November 10, 2010.

#### **2. Details**

##### **(1) Long-Term Borrowings (Series 91-A)**

- (a) Lender : Sumitomo Mitsui Trust Bank, Limited.
- (b) Amount : ¥1,000 million
- (c) Interest Rate : Base rate (JPY TIBOR for 3 months) + 0.45% (Note)
- (d) Drawdown Date : November 12, 2013
- (e) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on November 8, 2013.
- (f) Interest Payment Date : The first interest payment is due on January 31, 2014, and on the last day of every third month thereafter, with the last interest payment due on November 12, 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 : November 12, 2018  
(If this date is a non-business day, then the repayment will be due on the next 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 November 12, 2013 through January 31, 2014 is

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0.67091% (as of November 8, 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 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 91-B)**

- (a) Lender : (a) Bank of Tokyo-Mitsubishi UFJ, Ltd.  
(b) Aozora Bank, Ltd.
- (b) Amount : (a) ¥2,000 million  
(b) ¥500 million
- (c) Interest Rate : Base rate (JPY TIBOR for 3 months) + 0.55% (Note)
- (d) Drawdown Date : November 12, 2013
- (e) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lenders on November 8, 2013 respectively.
- (f) Interest Payment Date : The first interest payment is due on January 31, 2014, and on the last day of every third month thereafter, with the last interest payment due on November 12, 2020.  
(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 : November 12, 2020  
(If this date is a non-business day, then the repayment will be due on the next 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 November 12, 2013 through January 31, 2014 is 0.77091% (as of November 8, 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 91 borrowings shall be used for the repayment of Term loan 51-A and Term loan 51-B.

**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 91 long-term borrowings.

**(2) Details of the Interest Rate Swap Agreement**

**① Interest Rate Swap Agreement (Series 91-A)**

- (a) Counterparty : Daiwa Securities Co. Ltd.
- (b) Notional Amount : ¥1,000 million
- (c) Interest Rates : Fixed interest rate for payment: 0.3695%  
Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) (Note)
- (d) Commencement Date : November 12, 2013
- (e) Termination Date : November 12, 2018
- (f) Payment Date : The first payment is due on end of January 2014, and on the last day of every third month thereafter, with the last interest payment on November 12, 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 91-A is essentially fixed at

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0.8195%

② Interest Rate Swap Agreement (Series 91-B)

- (a) Counterparty : Diwa Securities Co. Ltd.
- (b) Notional Amount : ¥2,500 million
- (c) Interest Rates : Fixed interest rate for payment: 0.5235%  
Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) (Note)
- (d) Commencement Date : November 12, 2013
- (e) Termination Date : November 12, 2020
- (f) Payment Date : The first payment is due on end of January 2014, and on the last day of every third month thereafter, with the last interest payment on November 12, 2020.  
(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 91-B is essentially fixed at 1.0735%

**5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of November 12, 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)	135,158.0	135,158.0	0.0
Total Borrowings	144,258.0	144,258.0	0.0
Corporate Bonds	6,300.0	6,300.0	0.0
Total Borrowings and Corporate Bonds	150,558.0	150,558.0	0.0

Notes:

- 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.
- Long-term borrowings refer to debt financing with a period more than one year from the drawdown date to the repayment date.

**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 November 8, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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