

Translation of Japanese Original

November 27, 2013

To All Concerned Parties

REIT Issuer:

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

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**Notice Concerning Debt Financing Interest Rate Determination and  
the execution of an Interest Rate Swap Agreement (Series 92)**

Kenedix Realty Investment Corporation (the “Investment Corporation”) today announced details regarding the interest rate and applicable period for debt financing outlined in the following table. In addition, the Investment Corporation decided to execute an interest rate swap agreement. Please see below for additional details.

**1. Borrowing Interest Rate**

Classification (Note 1)	Lender	Balance (Billions of Yen)	Interest Rate (Note 2)	Drawdown Date	Repayment Date
Series 92 (Long-Term)	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1.0	Base rate (JPY TIBOR for 3 months) + 0.55%	November 29, 2013	November 30, 2020
	Aozora Bank, Ltd.	0.9			

(Notes)

- Long-term borrowings refer to debt financing with a period of more than one year from the drawdown date to the repayment date.
- The base rate for the period commencing November 29, 2013 through January 31, 2014 is 0.77091% (as of November 27, 2013, Japanese Yen TIBOR for 3 months is 0.22091%). Thereafter, the base rate will 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/>).
- The above mentioned borrowings are unsecured and unguaranteed.

For further details, please refer to the press release “Notice Concerning Debt Financing (Series 92) and Prepayment (Series 88) of Debt Financing,” dated November 22, 2013.

**2. 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 aforementioned long-term borrowing (Series 92).

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.

(2) Details of the Interest Rate Swap Agreement

Interest Rate Swap Agreement (Series 92)

- (a) Counterparty : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (b) Notional Amount : ¥1,900 million
- (c) Interest Rate : Fixed interest rate for payment: 1.1215%  
Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) + 0.55%  
(Note)
- (d) Commencement Date : November 29, 2013
- (e) Termination Date : November 30, 2020
- (f) Payment Date : The first payment is due at the end of January 2014, and on the last day of every third month thereafter, with the last interest payment on November 30, 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 92 is essentially fixed at 1.1215%.

**3. Others**

Regarding the 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 released November 27, 2013 on our website. However, no assurances or warranties are given for the completeness or accuracy of this English translation.

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