

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 (Series 93) 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 ¥200 million in borrowing and the execution of an interest rate swap agreement. Please see below for additional details.

1. Purpose

The Investment Corporation has decided to execute a debt financing agreement to apply funds toward the part of repayment of Series 86-A (a total of ¥2,000 million) with a repayment date of November 29, 2013.

(Note) For additional details, please refer to the press release “Notice Concerning Debt Financing (Series 86) and Interest-Rate Swap Agreement,” dated August 15, 2013.

2. Details

Long-Term Borrowings (Series 93)

- ① Lender : Mizuho Bank, Ltd.
- ② Amount : ¥200 million
- ③ Interest Rate : Base rate (JPY TIBOR for 3 months) + 0.45% (Note)
- ④ Drawdown Date : November 29, 2013
- ⑤ Debt Financing : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on November 27, 2013.
- ⑥ Interest Payment Date : The first interest payment is due at the end of January 2014, and on the last day of every third month thereafter, with the last interest payment due on November 30, 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.)
- ⑦ Repayment Date : November 30, 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)
- ⑧ Repayment Method : Repayment of principal in full on maturity date.
- ⑨ Collateral : Unsecured, unguaranteed

(Note) The interest rate for the period commencing November 29, 2013 through January 31, 2014 is 0.67091% (as of November 27, 2013, Japanese Yen TIBOR for 3 months is 0.22091%). Thereafter, the interest

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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/>).

3. Use of Funds

The Series 93 borrowing will be used for part of the Series 86-A repayment.

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 aforementioned long-term borrowing (Series 93).

(2) Details of the Interest Rate Swap Agreement

Interest Rate Swap Agreement (Series 93)

- (a) Counterparty : Daiwa Securities Co. Ltd.
- (b) Notional Amount : ¥200 million
- (c) Interest Rate : Fixed interest rate for payment: 0.3936%
Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) (Note)
- (d) Commencement Date : November 29, 2013
- (e) Termination Date : November 30, 2018
- (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, 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 93 is essentially fixed at 0.8436%.

5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of November 29, 2013)

(Millions of yen)

	Debt Financing Before Borrowings	Debt Financing After Borrowings	Difference
Short-Term Borrowings (Note 1)	7,200.0	5,200.0	-2,000.0
Long-Term Borrowings (Note 2)	137,058.0	137,258.0	+200.0
Total Borrowings	144,258.0	142,458.0	-1,800.0
Corporate Bonds	6,300.0	6,300.0	0.0
Total Borrowings and Corporate Bonds	150,558.0	148,758.0	-1,800.0

(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, borrowings for a period that has 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

Regarding the risks concerning the repayment of the aforementioned borrowing, 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 assurance or warranties are given for the completeness or accuracy of this English translation.

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