Translation of Japanese Original

April 25, 2013

To All Concerned Parties

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Naokatsu Uchida, Executive Director
(Securities Code: 8972)

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# Notice Concerning Debt Financing (Series 84) and Purchase of Interest-Rate Cap

Kenedix Realty Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥1,000 million) and purchase the interest-rate cap. Details are provided as follows.

## 1. Rationale

The Investment Corporation has decided to execute debt financing agreement to apply the funds toward the repayment of Series 58 (total of ¥1,000 million) with a repayment date of April 30, 2013.

Note: For details, please refer to the press release "Notice Concerning Debt Financing (Series 58) and Interest-Rate Swap Agreement," dated April 26, 2011 for Series 58.

## 2. Details of Debt Financing

Long-Term Borrowing (Series 84)

| | | | |
|---|---|---|---|
| (1) | Lender | : | Mitsubishi UFJ Trust and Banking Corporation |
| (2) | Amount | : | ¥1,000 million |
| (3) | Interest Rate | : | Base rate (JPY TIBOR for 3-month in JBA) + 0.50% (Note) |
| (4) | Drawdown Date | : | April 30, 2013 |
| (5) | Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on April 25, 2013 |
| (6) | Interest Payment Date | : | First interest payment on July 31, 2013, and at the end of every three month (on the last business day of each month, if the end of each month is a non-business day) thereafter, and last interest payment on April 30, 2016. |
| (7) | Repayment Date | : | April 30, 2016 |
| (8) | Repayment Method | : | Principal repayment in full on maturity |
| (9) | Collateral | : | Unsecured, unguaranteed |

Note: The interest rate for the period commencing April 30, 2013 through July 31, 2013 is 0.73%.
(As of April 25, 2013, Japanese Yen TIBOR for 3-month is 0.23%)
Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 3-month which Japanese Bankers Association (JBA) releases two business days before each interest payment date.
You can find Japanese Yen TIBOR of JBA on website of JBA (http://www.zenginkyo.or.jp/en/tibor/)

## 3. Use of Funds

Debt financing shall be used for repayment of Series 58.

**4. Purchase of Interest-Rate Cap**

(1) Purpose

The Investment Corporation has decided to purchase an interest-rate cap as a hedge against possible increases in future interest rates for the aforementioned Long-term borrowing (Series 84).

(2) Summary of an Interest-Rate Cap

| | | | |
|---|---|---|---|
| (a) | Seller | : | Daiwa Securities Co., Ltd. |
| (b) | Notional Principal | : | ¥1,000 million |
| (c) | Commencement Date | : | April 30, 2013 |
| (d) | Termination Date | : | April 30, 2016 |
| (e) | Capped Interest Rate | : | JPY TIBOR for 3-month in JBA |
| (f) | Interest Rate Reset Date | : | First reset date on July 31, 2013, and at the end of every three month (on the last business day of each month, if the end of each month is a non-business day) thereafter, and on April 30, 2016. |
| (g) | Strike Rate | : | 0.10% |
| (h) | Cap fee | : | ¥6,250,000 (0.625% of the notional principal) |

【Reference】

After purchasing the interest rate cap, when the capped interest rate exceeds the strike rate, the seller shall pay the Investment Corporation an amount corresponding to the difference between the capped interest rate and the strike rate. The Investment Corporation will be able to expect to achieve practically the same effect as setting a cap on the interest payments for the subject loan (Series 84).

**5. Total Debt Financing Balance after Additional Borrowing and Status of Investment Corporation Bonds (as of April 30, 2013)**

(Billions of yen)

| | | Balance Prior to Additional Debt Financing | Balance After Additional Debt Financing | Change |
|---|---|---|---|---|
| | Short-Term Borrowings (Note 1) | 5.7 | 5.7 | +0 |
| | Long-Term Borrowings (Note 2) | 130.6935 | 130.6695 | -0.024* |
| | Total Borrowings Balance | 136.3935 | 136.3695 | -0.024* |
| | Investment Corporation Bonds | 6.0 | 6.0 | +0 |
| Total of Debt Financing | | 142.3935 | 142.3695 | -0.024* |

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.

* These figures are the partial repayment of borrowings based on the debt financing agreement other than the aforementioned borrowings.

**6. Other**

For the risks concerning repayment of the aforementioned borrowing, there are no significant changes in the "Investment Risks" described in the Securities Report (submitted January 30, 2013) for the 15th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on April 25, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.