Translation of Japanese Original

August 28, 2013

To All Concerned Parties

REIT Issuer:
Kenedix Realty Investment Corporation
2-2-9 Shimbashi, Minato-ku, Tokyo
Naokatsu Uchida, Executive Director
(Securities Code: 8972)

Asset Management Company:
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Notice Concerning Debt Financing (Term Loan 87)

Kenedix Realty Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥3,000 million). 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 10 (total of ¥3,000 million) with a repayment date of August 30, 2013.

Furthermore, the Investment Corporation is working to diversify debt providers through conducting debt financing with a period of 5 years from The Nishi-Nippon City Bank, Ltd., The 77 Bank, Ltd, The Higashi-Nippon Bank, Ltd., new lenders for the Investment Corporation. In addition, the Investment Corporation is working to diversify debt repayment dates and extend borrowing periods through such efforts as conducting other debt financing with a period of 7 years from Development Bank of Japan Inc..

Note: For details, please refer to the press release "Notice Concerning Debt Financing," dated August 30, 2006 for Series 10.

2. Details of Debt Financing

Long-Term Borrowing

		Term Loan 87-A	Term Loan 87-B
(a)	Lender	The Nishi-Nippon City Bank, Ltd. The 77 Bank, Ltd. The Higashi-Nippon Bank, Limited.	Development Bank of Japan Inc.
(b)	Amount	¥1,500 million	¥1,500 million
(c)	Interest Rate	1.08% (Fixed interest rate)	1.42% (Fixed interest rate)
(d)	Drawdown Date	August 30, 2013	
(e)	Debt Financing Method	Syndicated loans with Development Bank of Japan Inc., as the individual agent. The Investment Corporation executed individual debt financing agreements with the aforementioned lenders on August 28, 2013	
(f)	Interest Payment Date	First interest payment on November 29, 2013, and at the end of every 3-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 August 31, 2018.	First interest payment on November 29, 2013, and at the end of every 3-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 August 31, 2020.
(g)	Repayment Date	August 31, 2018	August 31, 2020
(h)	Repayment Method	Principal repayment in full on maturity	

(i)	Collateral	Unsecured, unguaranteed

3. Use of Funds

Debt financing shall be used for repayment of Series 10.

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

(Millions of yen)

		Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change
	Short-Term Borrowings (Note 1)	7,200.0	7,200.0	0
	Long-Term Borrowings (Note 2)	135,669.5	135,482.0	-187.5*
	Total Borrowings Balance	142,869.5	142,682.0	-187.5*
	Investment Corporation Bonds	6,000.0	6,000.0	0
Total of Debt Financing		148,869.5	148,682.0	-187.5*

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 represent the partial repayment of borrowings based on the debt financing agreements other than the aforementioned borrowings.

5. 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 July 30, 2013) for the 16th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on August 28, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.