Translation of Japanese Original

January 8, 2014

To All Concerned Parties

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

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Ryosuke Homma, CEO and President
Inquiries:
Hikaru Teramoto
General Manager of Planning Department
KRI Fund Division
TEL: +81-3-3519-3491

Notice Concerning Debt Financing (Series 94) 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 ¥4,300 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 the acquisition of real estate (Aplus Tokyo Building) and a part of payment of associated costs.

Note: For details regarding the acquisition of Aplus Tokyo Building, please refer to the press release "Notice Concerning Acquisition of Property (Conclusion of Agreement) (Aplus Tokyo Building)," dated December 20, 2013

2. Details

(1) Short-Term Borrowing (Series 94-A)

①	Lender	:	Sumitomo Mitsui Banking Corporation, Ltd.
②	Amount	:	¥3,000 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1month) + 0.43% (Note)
④	Drawdown Date	:	January 10, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on January 8, 2014.
⑥	Interest Payment Date	:	The first interest payment is due on February 10, 2014, and on the 10th day of every month thereafter, with the last interest payment due on July 10, 2014. (If the 10th day of the month is a non-business day, then the interest payment will be due on the next business day.)
⑦	Repayment Date	:	July 10, 2014 (If this date of the month is a non-business day, then the repayment will be due on the next 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 January 10, 2014 through February 10, 2014 is 0.57818% (as of January 8, 2014, Japanese Yen TIBOR for 1 month is 0.14818%). Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 1 month, 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 Borrowing (Series 94-B)

①	Lender	:	Sumitomo Mitsui Banking Corporation, Ltd.
②	Amount	:	¥1,300 million
③	Interest Rate	:	Base rate (JPY TIBOR for 3 months) + 0.55% (Note)
④	Drawdown Date	:	January 10, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on January 8, 2014.
⑥	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 January 31, 2021. (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	:	January 31, 2021 (If this date of the month is a non-business day, then the repayment 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 January 10, 2014 through January 31, 2014 is 0.77091% (as of January 8, 2014, 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. 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 abovementioned debt financing (total of ¥4,300 million) shall be used as a source of funds to acquire the real estate (Aplus Tokyo Building), and a part of payment of associated costs.

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 94-B long-term borrowing.

(2) Details of the Interest Rate Swap Agreement (Series 94-B)

(a)	Counterparty	:	Daiwa Securities Co. Ltd.
(b)	Notional Amount	:	¥1,300 million
(c)	Interest Rates	:	Fixed interest rate for payment: 0.6549%. Floating interest rate for receipt: base rate (JPY TIBOR for 3 months) (Note)
(d)	Commencement Date	:	January 10, 2014
(e)	Termination Date	:	January 31, 2021 (If this date of the month is a non-business day, then the repayment will be due on the next business day.)
(f)	Payment Date	:	The first payment is due on January 31, 2014, and on the last day of every third month thereafter, with the last interest payment on January 31, 2021. (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 94-B is essentially fixed at 1.2049%.

5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of January 10, 2014)

(Millions of yen)

		Debt Financing Before Borrowings	Debt Financing After Borrowings	Difference
	Short-Term Borrowings (Note 1)	5,200.0	8,200.0	+3,000.0
	Long-Term Borrowings (Note 2)	137,258.0	138,558.0	+1,300.0
	Total Borrowings	142,458.0	146,758.0	+4,300.0
	Corporate Bonds	6,300.0	6,300.0	0.0
Total Borrowings and Corporate Bonds		148,758.0	153,058.0	+4,300.0

Notes:

1. 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.
2. 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 January 8, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.