

Translation of Japanese Original

September 11, 2013

To All Concerned Parties

REIT Issuer:
Kenedix Realty Investment Corporation

Naokatsu Uchida, Executive Director
(Securities Code: 8972)

Asset Management Company:
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Notice Concerning Debt Financing (Series 88)

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing (total of ¥1,900 million). Details are provided as follows.

1. Rationale

The Investment Corporation has decided to execute debt financing agreements to support the acquisition of trust beneficiary interest in real estate (Trust Beneficiary Interest) (1 property), and payment of associated costs.

Note: For details, please refer to the press release “Notice Concerning Acquisition of Property (Welship Higashi-Shinjuku),” dated September 11, 2013 regarding the acquisition of the Trust Beneficiary Interest (1 property).

2. Details of Debt Financing

Short-Term Borrowing (Series 88)

- | | | |
|---------------------------|---|---|
| (1) Lender | : | (1) Bank of Tokyo-Mitsubishi UFJ, Ltd.
(2) Aozora Bank, Ltd. |
| (2) Amount | : | (1) ¥1,000 million
(2) ¥ 900 million |
| (3) Interest Rate | : | Base rate (JPY TIBOR for 1-month in JBA) + 0.42% (Note) |
| (4) Drawdown Date | : | September 13, 2013 |
| (5) Debt Financing Method | : | The Investment Corporation executed individual debt financing agreements with the aforementioned lenders on September 11, 2013. |
| (6) Interest Payment Date | : | First interest payment on September 30, 2013, and at the end of every 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 March 13, 2014. |
| (7) Repayment Date | : | March 13, 2014 |
| (8) Repayment Method | : | Principal repayment in full on maturity |
| (9) Collateral | : | Unsecured, unguaranteed |

Note: The base rate for the period commencing September 13, 2013 through September 30, 2013 is 0.57%.
(As of September 11, 2013, Japanese Yen TIBOR for 1-month is 0.15%)

Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 1-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

The abovementioned debt financing (total of ¥1,900 million) shall be used as a portion of source of funds to acquire the Trust Beneficiary Interest (1 property), and payment of associated costs. Furthermore, the Investment Corporation plans to pay the remaining amount using cash on hands.

4. Total Debt Financing Balance after Additional Borrowing and Status of Investment Corporation Bonds (as of September 13, 2013)

(Millions of yen)				
	Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change	
Short-Term Borrowings (Note 1)	7,200.0	9,100.0	+1,900.0	
Long-Term Borrowings (Note 2)	135,482.0	135,482.0	0	
Total Borrowings Balance	142,682.0	144,582.0	+1,900.0	
Investment Corporation Bonds (Note 3)	7,800.0	6,300.0	-1,500.0	
Total of Debt Financing	150,482.0	150,882.0	+400.0	

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.
3. The balance of Investment Corporation Bonds excludes the Investment Corporation's Third Series Unsecured Investment Corporation Bonds (¥1,500 million in total), which will mature on September 13, 2013,

5. Other

Risks related to the repayment of the aforementioned borrowing will have no material impact on "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 September 11, 2013. However, no assurance or warranties are given for the completeness or accuracy of this English translation.