

October 27, 2008

To All Concerned Parties

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

Asset Management Company:  
Kenedix REIT Management, Inc.  
Taisuke Miyajima, CEO and President

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### Notice Concerning Debt Financing

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing. Details of the aforementioned are provided as follows.

#### 1. Rationale

The Investment Corporation has decided to execute debt financing agreements to apply the funds toward the repayment of Series 3-C (total of ¥3,500 million) and Series 20-A (total of ¥1,000 million) with a repayment date of October 31, 2008. (Note)

Note: For details, please refer to the press releases “Notice Concerning Debt Financing and Interest Rate Swap Agreement,” dated October 28, 2005 for Series 3-C and “Notice Concerning Debt Financing and Prepayment of Debt Financing,” dated October 29, 2007 for Series 20-A.

#### 2. Rationale

##### ① Short-Term Borrowing (Series 32-A)

- |                           |   |  |
|---------------------------|---|--|
| (1) Lender                | : | Mitsubishi UFJ Trust and Banking Corporation   |
| (2) Amount                | : | ¥1,000 million   |
| (3) Interest Rate         | : | Floating rate of interest: Six-month yen TIBOR +0.60% (Note)   |
| (4) Drawdown Date         | : | October 31, 2008   |
| (5) Debt Financing Method | : | The Investment Corporation plans to execute an individual debt financing agreement with the aforementioned lender on October 28, 2008. |
| (6) Interest Payment Date | : | April 30, 2009 and October 31, 2009  |
| (7) Repayment Date        | : | October 31, 2009   |
| (8) Repayment Method      | : | Principal repayment in full on maturity  |
| (9) Collateral            | : | Unsecured, unguaranteed  |

Note: The interest rate for October 31, 2008 through April 30, 2009 will be determined on October 29, 2008. The interest rate after April 30, 2009 shall be disclosed as and when determined.

② Short-Term Borrowing (Series 32-L)

- (1) Lender : Citibank Japan, Ltd.  
 (2) Amount : ¥1,500 million  
 (3) Interest Rate : Floating rate of interest: Three-month yen TIBOR +0.35% (Note 1)  
 (4) Drawdown Date : October 31, 2008  
 (5) Debt Financing Method : Debt financing is based on the commitment line agreement dated January 11, 2008 with the aforementioned lender. (Note 2)  
 (6) Interest Payment Date : First interest payment on January 31, 2009, and at the end of April and July, and October 30, 2009.  
 (7) Repayment Date : October 30, 2009  
 (8) Repayment Method : Principal repayment in full on maturity  
 (9) Collateral : Unsecured, unguaranteed

Notes:

- The interest rate for October 31, 2008 through January 31, 2009 will be determined on October 29, 2008. The interest rate after January 31, 2009 shall be disclosed as and when determined.
- For details, please refer to the press release “Notice Concerning (Planned) Commitment Line Agreement” dated December 11, 2007.

③ Long-Term Borrowing (Series 32-B)

- (1) Lender : Resona Bank, Ltd.  
 (2) Amount : ¥500 million  
 (3) Interest Rate : Fixed rate of interest: (Note)  
 (4) Drawdown Date : October 31, 2008  
 (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 27, 2008.  
 (6) Interest Payment Date : First interest payment on January 31, 2009, and at the end of April, July, October and January each year thereafter.  
 (7) Repayment Date : October 31, 2010  
 (8) Repayment Method : Principal repayment in full on maturity  
 (9) Collateral : Unsecured, unguaranteed

Note: The interest rate for October 31, 2008 through October 31, 2010 will be determined on October 29, 2008.

The aforementioned borrowings shall hereafter be referred to as “the Borrowings.”

**3. Use of Funds**

The Borrowings shall be used for repayment of Series 3-C and Series 20-A. In addition, the Investment Corporation plans to repay a portion, ¥1.5 billion, of the long-term debt (series 3-C), using cash on hand.

**4. Total Debt Financing Balance after Additional Borrowings and Status of Investment Corporation Bonds**

(Billions of yen)

	Balance Prior to Additional Debt Financing	Balance After Additional Debt Financing	Change
Short-Term Borrowings (Note1)	3.5	5.0	+1.50
Long-Term Borrowings (Note2)	84.75	81.75	-3.00
Total Borrowings Balance	88.25	86.75	-1.50
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	100.25	98.75	-1.50

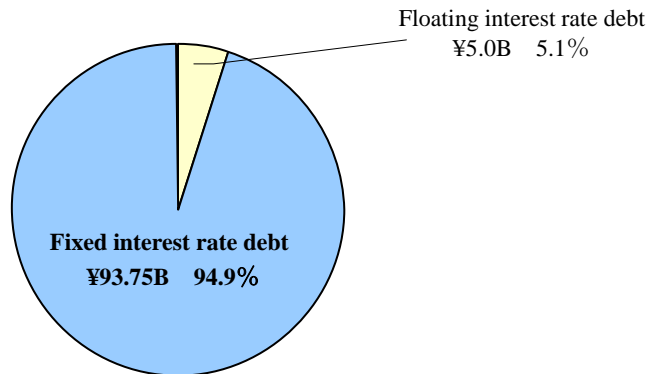
Notes:

- 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.
- Long-term borrowings refer to debt financing with a period of more than one year from the drawdown date to the repayment date.

**【Reference Materials】**

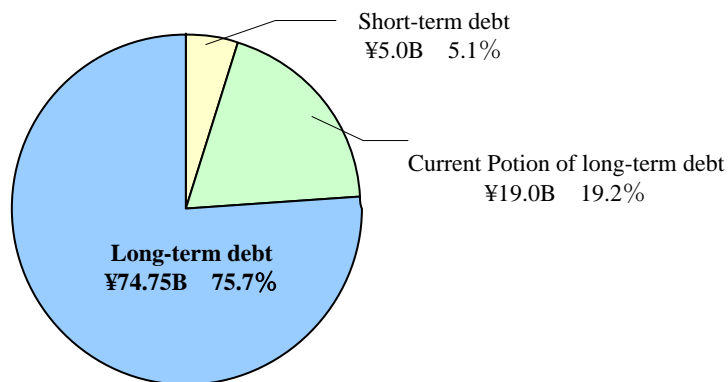
For the following reference materials, borrowings and the investment corporation bonds shall referred to as “debt.” Data as of October 31, 2008 includes the Borrowings.

1. Ratio of Floating Interest Rate Debt and Fixed Interest Rate Debt (As of October 31, 2008)



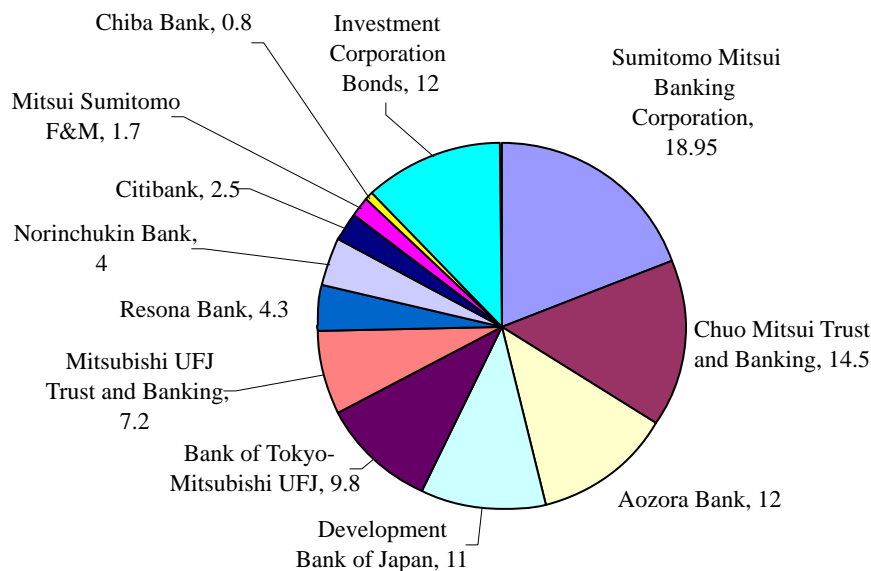
The Investment Corporation has entered into interest-rate swap agreements to fix cost levels on floating rate long-term borrowings to avoid the risk of future increase in interest rates.

2. Ratio of Short-Term Debt, Current Portion of Long-Term Debt and Long-Term Debt (As of October 31, 2008)



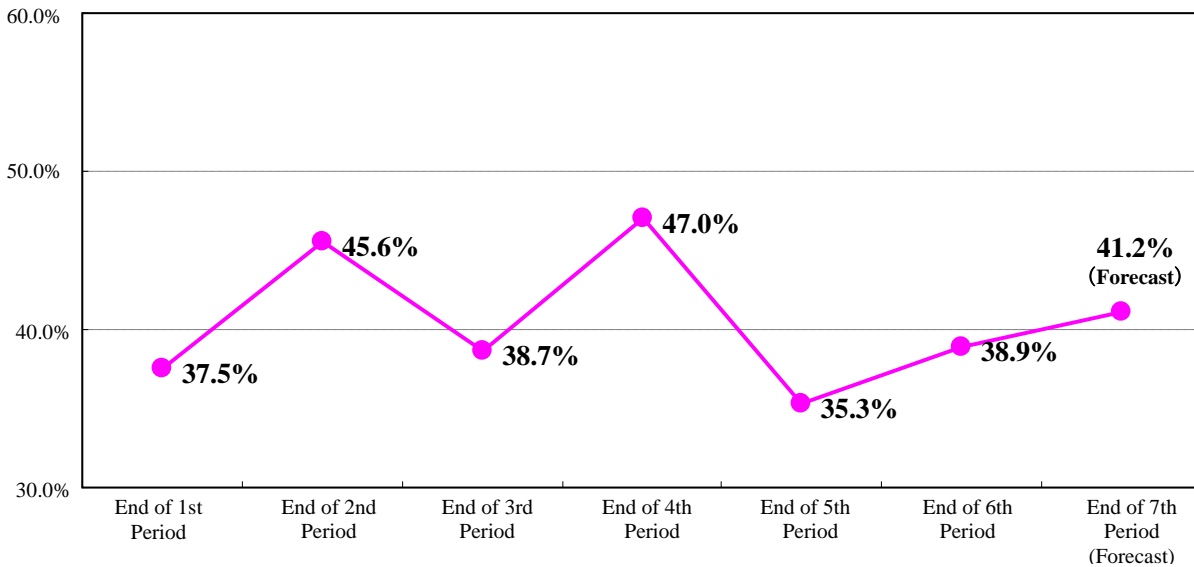
The Investment Corporation will seek to diversify its debt repayment period to reduce refinancing risk, maintain long-term debt ratios at or above prudent levels and issue investment corporation bonds with the aim of extending the average repayment period of its liabilities.

3. Breakdown of Debt Providers (As of October 31, 2008) (Unit: ¥ Billion)



The Investment Corporation procures funds from Sumitomo Mitsui Banking Corporation and the Chuo Mitsui Trust and Banking Co., Ltd, and nine other lenders (excluding the investment corporation bonds).

#### 4. Changes in Interest-Bearing Debt Ratio



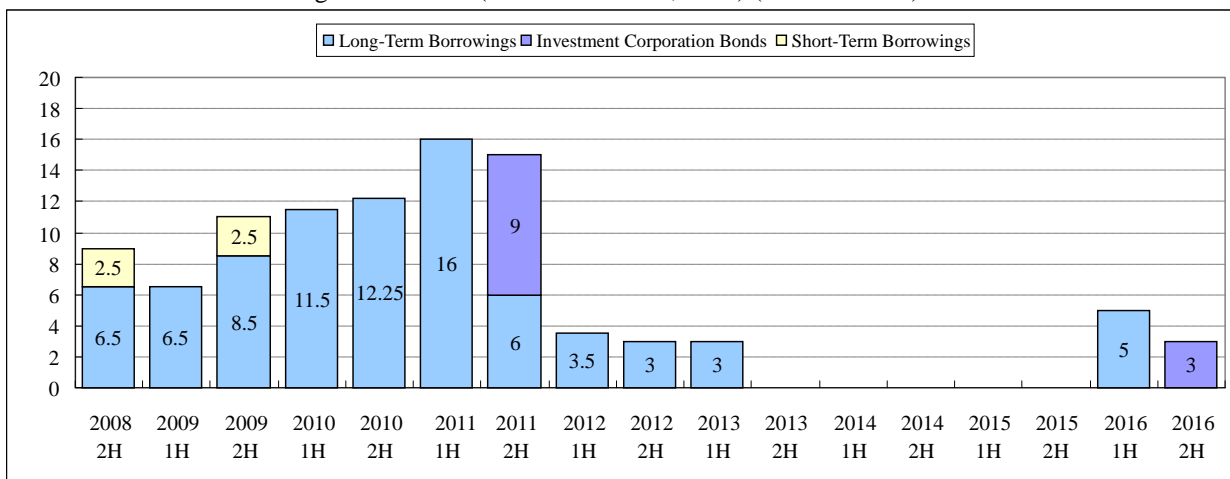
Note: The forecast interest-bearing debt ratio as of the end of the seventh fiscal period is calculated based on the following preconditions:

Total assets: Consisting of total assets as of the end of the sixth fiscal period and the acquisition prices of the properties acquired during the seventh fiscal period (KDX Iwamoto-cho Building, KDX Harumi Building and KDX Hamamatsucho Dai-2 Building) and excluding the book values of the properties sold during the seventh fiscal period (Hakata Ekimae Dai-2 Building and ZARA Tenjin Nishi-dori).

Balance of Interest-Bearing Debt: Estimated balance of borrowings as of the end of seventh fiscal period

The Investment Corporation is conscious of maintaining a conservative financial strategy together with an appropriate interest-bearing debt ratio (a balance between total assets and interest-bearing debt). Currently, the target ratio is set between 30 to around 50%.

#### 5. Amount of Debt Maturing in Each Year (As of October 31, 2008) (Unit: ¥Billion)



Notes:

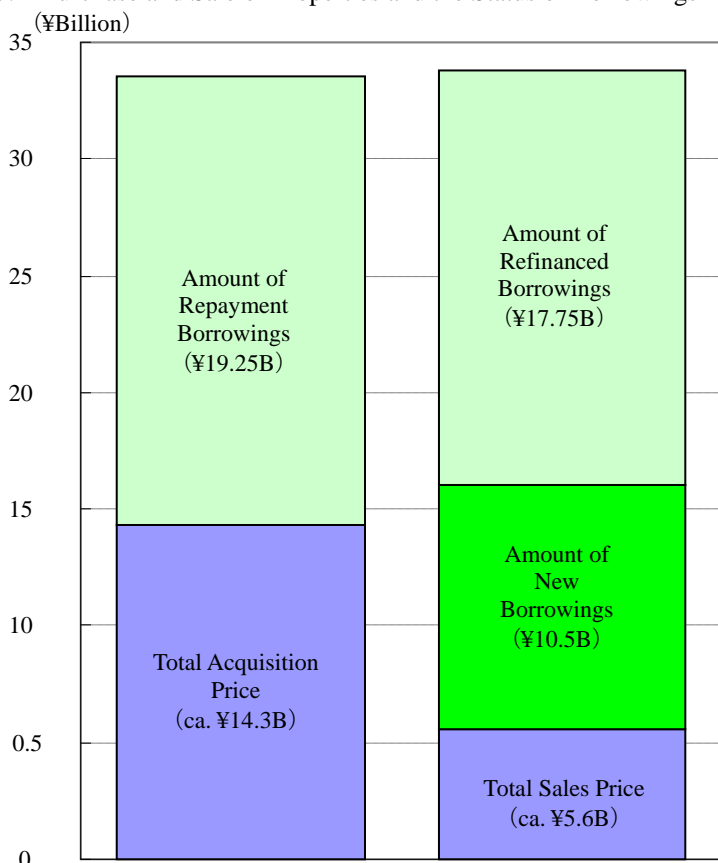
- Shows the amounts of debt maturing in each Half.
- 1H is from April 1 to September 30, 2H is from October 1 to March 31 of the following year and are not identical with the fiscal period of the Investment Corporation (e.g. 2008, 2H is from October 1, 2008 to March 31, 2009)

The Investment Corporation strives to diversify repayment dates for its debt financing in an effort to reduce refinancing risk.

#### 6. Ratio of Unsecured Borrowings

Since its public listing through to the end of the seventh fiscal period, the Investment Corporation has undertaken flexible debt funding on both unsecured and unguaranteed basis.

7. Purchase and Sale of Properties and the Status of Borrowings During the Seventh Fiscal Period



The breakdown of new borrowings to support the acquisition of additional assets and refinanced borrowings are as follows.

① New Borrowings

Classification	Borrowing Amount (¥ Billion)	Drawdown Date	Borrowing Period (Year)
Series 25-A	1.0	May 1, 2008	3.5
Series 25-L (Note )	1.0	May 1, 2008	0.5
Series 26-A	1.0	June 30, 2008	2.7
Series 26-B	1.5	June 30, 2008	4.0
Series 26-C	3.0	June 30, 2008	4.5
Series 26-L (Note)	2.0	June 30, 2008	0.3
Series 29	1.0	September 1, 2008	3.0
Total	10.5	-	-

Note: Borrowing is based on the commitment line agreements.

② Refinanced Borrowings

Classification	Borrowing Amount (¥ Billion)	Drawdown Date	Borrowing Period (Year)	Borrowing Classification Before Refinance
Series 27	2.0	July 15, 2008	2.7	Short-Term
Term Loan 28-A	2.5	July 31, 2008	1.5	Long-Term
Term Loan 28-B	3.5	July 31, 2008	2.5	Long-Term
Term Loan 28-C	3.5	July 31, 2008	3.0	Long-Term
Series 30	1.25	September 22, 2008	2.5	Short-Term
Series 31-L (Note)	2.0	September 30, 2008	2.5	Short-Term
Series 32-A	1.0	October 31, 2008	1.0	Short-Term
Series 32-B	0.5	October 31, 2008	2.0	Long-Term
Series 32-L (Note)	1.5	October 31, 2008	1.0	Long-Term
Total	17.75	-	-	-

Note: Borrowing is based on the commitment line agreements.

8. Status of Debt Financing Balance based on Commitment Line Agreements

(Billions of yen)

Balance as of October 31, 2008	
Total Borrowings Available under Commitment Line Agreements	5.0
Total Borrowings Balance based on Commitment Line Agreements	5.0

This notice is the English translation of the Japanese announcement on our Web site released on October 27, 2008. However, no assurance or warranties are given for the completeness or accuracy of this English translation.