

October 28, 2009

To All Concerned Parties

REIT Issuer:  
Kenedix Realty Investment Corporation  
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Taisuke Miyajima, Executive Director  
(Securities Code: 8972)

Asset Management Company:  
Kenedix REIT Management, Inc.  
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### **Notice Concerning Debt Financing (Series 40)**

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 20-B (total of ¥2,000 million), Series 32-A (total of ¥1,000 million) and Series 38-A (total of ¥2,500 million) with a repayment date of October 30, 2009. (Note)

Note: For details, please refer to the press releases “Notice Concerning Debt Financing and Prepayment of Debt Financing,” dated October 29, 2007 for Series 20-B, “Notice Concerning Debt Financing,” dated October 27, 2008 for Series 32-A and “Notice Concerning Debt Financing (Series 38),” dated April 27, 2009 for Series 38-A.

#### **2. Details of Debt Financing**

##### **① Short-Term Borrowing (Series 40-A)**

- |                           |   |  |
|---------------------------|---|--|
| (1) Lender                | : | (a) The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>(b) Mitsubishi UFJ Trust and Banking Corporation                                   |
| (2) Amount                | : | (a) ¥2,500 million<br>(b) ¥1,000 million   |
| (3) Interest Rate         | : | Floating rate of interest: 1.83545% (Note)   |
| (4) Drawdown Date         | : | October 30, 2009   |
| (5) Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreements with the aforementioned lenders on October 28, 2009. |
| (6) Interest Payment Date | : | First interest payment on January 29, 2010, and on the end of April, July and October 30, 2010.                                  |
| (7) Repayment Date        | : | October 30, 2010   |
| (8) Repayment Method      | : | Principal repayment in full on maturity  |
| (9) Collateral            | : | Secured, unguaranteed  |

Note: The interest rate covers the period commencing October 30, 2009 through January 29, 2010. Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +1.30%. The interest rate after January 29, 2010, shall be disclosed as and when determined.

② Long-Term Borrowing (Series 40-B)

- (1) Lender : Sumitomo Mitsui Banking Corporation  
 (2) Amount : ¥2,000 million  
 (3) Interest Rate : Fixed rate of interest: 2.445%  
 (4) Drawdown Date : October 30, 2009  
 (5) Debt Financing Method : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on October 28, 2009.  
 (6) Interest Payment Date : First interest payment on January 29, 2010, and at the end of January, April, July and October each year thereafter, and last interest payment on October 30, 2013.  
 (7) Repayment Date : First repayment on January 29, 2010, and at the end of January and July each year thereafter, and last repayment on October 30, 2013.  
 (8) Repayment Method : Jan. 29, 2010 to Jul. 31, 2013: repayment of ¥40 million, respectively Oct. 30, 2013: repayment of ¥1,680 million  
 (9) Collateral : Secured, unguaranteed

**3. Use of Funds**

Debt financing shall be used for repayment of Series 20-B, Series 32-A and Series 38-A.

**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) | 11.5                                       | 10.0                                    | -1.5*  |
| Long-Term Borrowings (Note2)  | 75.22                                      | 75.22                                   | +0.0   |
| Total Borrowings Balance      | 86.72                                      | 85.22                                   | -1.5   |
| Investment Corporation Bonds  | 12.0                                       | 12.0                                    | +0.0   |
| Total of Debt Financing       | 98.72                                      | 97.22                                   | -1.5   |

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.

\* The Investment Corporation will repay Series 32-L (total of ¥1,500 million, Lender: Citibank Japan, Ltd. (Note)) with a repayment date of October 30, 2009 by cash on hand.

Note: For details, please refer to the press release "Notice Concerning Debt Financing," dated October 27, 2008 for Series 32-L.

**5. Other**

Risks related to the repayment of the aforementioned borrowings will have no material impact on "Investment Risks" described in the Securities Report (submitted July 27, 2009) for the 8<sup>th</sup> fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on October 28, 2009. However, no assurance or warranties are given for the completeness or accuracy of this English translation.