

February 16, 2010

To All Concerned Parties

REIT Issuer:
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**Notice Concerning Debt Financing (Term Loan 44) and
Conclusion of Agreements for Posting Additional Collateral**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing and to conclude an agreement for posting additional collateral. Details of the aforementioned are provided as follows.

1. Rationale

The Investment Corporation has decided to execute a debt financing agreement to support the acquisition of trust beneficiary interest in real estate (Pacific Marks Nishi-Shinjuku), and payment of associated costs. (Note)

Note: For details, please refer to the press release “Notice Concerning Acquisition of Property (Pacific Marks Nishi-Shinjuku),” dated February 16, 2010 regarding the acquisition of trust beneficiary interest in real estate (Pacific Marks Nishi-Shinjuku).

2. Details of Debt Financing

(1) Amount and Lender

①Term Loan 44-A (Long-Term Debt)

Amount: ¥1,500 million

Lender: Aozora Bank, Ltd.

②Term Loan 44-B (Long-Term Debt)

Amount: ¥5,500 million

Lenders: Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc.,
The Chuo Mitsui Trust and Banking Co., Limited, Aozora Bank, Ltd.

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

(2)Details of Debt Financing

	Term Loan 44-A	Term Loan 44-B
Interest Rate	1.89875%(Fixed rate of interest)	2.19%(Fixed rate of interest)
Drawdown Date	February 18, 2010	
Debt Financing Method	Syndicated loan with Sumitomo Mitsui Banking Corporation acting as an agent. The Investment Corporation executed a debt financing agreement with the aforementioned lenders on February 16, 2010.	
Interest Payment Date	First interest payment on February 26, 2010, and at the end of February and August each year thereafter, and last interest payment on February 18, 2013	First interest payment on February 26, 2010, and at the end of February and August each year thereafter, and last interest payment on February 18, 2015
Repayment Date	February 18, 2013	First repayment on February 26, 2010, and at the end of February and August each year thereafter, and last repayment on February 18, 2015.
Repayment Method	Principal repayment in full on maturity	February 26, 2010 to August 31, 2010: repayment of ¥137.5 million, respectively February 18, 2015: repayment of ¥4,125 million
Collateral	Secured, unguaranteed	

3. Use of Funds

Debt financing shall be used to support the acquisition of trust beneficiary interest in real estate (Pacific Marks Nishi-Shinjuku), and payment of associated costs.

4. Conclusion of Agreements for Posting Additional Collateral

(1) Reasons for Conclusion of Agreements for Posting Additional Collateral

The Investment Corporation concluded agreements on April 27, 2009 to post fixed mortgages for real estate and to post fixed pledges for trust beneficiary interests in real estate for the portion of the assets that are owned by the Investment Corporation, with all lenders involved in the Investment Corporation's borrowings as collateral rights holders.

Upon conducting the Borrowings, additional collateral will be posted for the asset to be acquired this time and three properties out of the assets acquired by issuing new investment units in November 2009 (please refer to (2) below). We believe that this posting of collateral will be beneficial for conducting smooth fund procurement and securing stable financial management in the future.

For details, please refer to the press release "Notice Concerning Conclusion of Agreements for Posting Collateral," dated April 22, 2009.

(2) Assets to be Pledged as Additional Collateral

The assets that are to be pledged as additional collateral are the following real estate and trust beneficiary interest in real estate, as well as other contingent assets (right to claim fire insurance proceeds, etc.).

(Unit: Millions of Yen)

Type	Property No.	Property Name	Area	Type of Assets	Appraisal Value at the Time of Acquisition (Reference)
Office	A-62	Koishikawa TG Building	Tokyo Metropolitan Area	Trust beneficiary interest in real estate	3,260
	A-63	Gotanda TG Building	Tokyo Metropolitan Area	Trust beneficiary interest in real estate	2,830

Type	Property No.	Property Name	Area	Type of Assets	Appraisal Value at the Time of Acquisition (Reference)
Office	A-64	KDX Nihonbashi 216 Building	Tokyo Metropolitan Area	Trust beneficiary interest in real estate	2,110
	A-66	Pacific Marks Nishi-Shinjuku	Tokyo Metropolitan Area	Trust beneficiary interest in real estate	7,420

(3) Status after Posting Additional Collateral

Outstanding balance of secured borrowings: 91.18 billion yen

Collateral right holders (including fixed pledge holders and fixed mortgage holders) for all of the collateralized properties are as follows:

Sumitomo Mitsui Banking Corporation, The Chuo Mitsui Trust and Banking Co., Ltd., Aozora Bank, Ltd., Development Bank of Japan Inc., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd., The Norinchukin Bank, Mitsui Sumitomo Insurance Co., Ltd.

5. 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)	8.8	8.8	+0.0
Long-Term Borrowings (Note2)	75.38	82.38	+7.0
Total Borrowings Balance	84.18	91.18	+7.0
Investment Corporation Bonds	12.0	12.0	+0.0
Total of Debt Financing	96.18	103.18	+7.0

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

6. Other

Risks related to the repayment of the aforementioned borrowings will have no material impact on "Investment Risks" described in the Securities Report (submitted January 28, 2010) for the 9th fiscal period.

This notice is the English translation of the Japanese announcement on our Web site released on February 16, 2010. However, no assurance or warranties are given for the completeness or accuracy of this English translation.