KENEDIX
Office Investment Corporation

Translation of Japanese Original

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To All Concerned Parties

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Notice Concerning Debt Financing (Series 98) and the Execution of Interest Rate Swap Agreements

Kenedix Office Investment Corporation ("the Investment Corporation") today announced its decision to undertake a total of ¥12,000 million in borrowings and the execution of interest rate swap agreements.
Please see below for additional details.

1. Purpose of Debt Financing

The Investment Corporation has decided to execute debt financing agreements to apply the fund towards the acquisition of trust beneficiary interest in real estate (Trust Beneficiary Interest) (One Property), and part of payment of associated costs.

Note: For additional details, please refer to the press release "Notice Concerning Acquisition of Property and DBJ Green Building Certification (TKS Musashi-Kosugi Building)," dated today for acquisition of Trust Beneficiary Interest (One Property)..

2. Details of Debt Financing

(1) Long-Term Borrowing (Series 98-A)

①	Lender	:	Sumitomo Mitsui Banking Corporation
②	Amount	:	¥3,000 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.50% (Note)
④	Drawdown Date	:	March 20, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 18, 2014.
⑥	Interest Payment Date	:	The first interest payment is due on end of March, 2014, and on the last day of every month thereafter, with the last interest payment due on March 12, 2020. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)
⑦	Repayment Date	:	March 12, 2020 (If the last day of the month is a non-business day, then the interest payment 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 March 20, 2014 through end of March, 2014 is 0.64636% (as of March 18, 2014, Japanese Yen TIBOR for 1 month is 0.14636%). 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 98-B)

①	Lender	:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
②	Amount	:	¥4,000 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.44% (Note)
④	Drawdown Date	:	March 20, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 18, 2014.
⑥	Interest Payment Date	:	The first interest payment is due on end of March 2014, and on the last day of every month thereafter, with the last interest payment due on September 20, 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	:	September 20, 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 March 20, 2014 through end of March, 2014 is 0.58636% (as of March 18, 2014, Japanese Yen TIBOR for 1 month is 0.14636%). Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 1 month, 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) Long-Term Borrowing (Series 98-C)

①	Lender	:	Development Bank of Japan Inc.
②	Amount	:	¥3,000 million
③	Interest Rate	:	1.19875% (Fixed interest rate)
④	Drawdown Date	:	March 20, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 18, 2014.
⑥	Interest Payment Date	:	The first interest payment is due on end of September 2014, and on the last day of every sixth month thereafter, with the last interest payment due on March 20, 2022. (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	:	March 20, 2022 (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

(4) Long-Term Borrowing (Series 98-D)

①	Lender	:	Development Bank of Japan Inc.
②	Amount	:	¥2,000 million
③	Interest Rate	:	1.34875% (Fixed interest rate)
④	Drawdown Date	:	March 20, 2014
⑤	Debt Financing Method	:	The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 18, 2014.
⑥	Interest Payment Date	:	The first interest payment is due on end of September 2014, and on the last day of every sixth month thereafter, with the last interest payment due on March 12, 2023. (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	:	March 12, 2023 (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

3. Use of Funds

The abovementioned debt financing (total of ¥12,000 million) will be used for the acquisition of Trust Beneficiary Interest (One Property) and part of associated costs.

4. Interest Rate Swap Agreement

(1) Purpose

The Investment Corporation has decided to execute interest rate swap agreements as a hedge against possible increases in future interest rates for the abovementioned debt financing (Series 98-A and 98-B).

(2) Details of the Interest Rate Swap Agreements

① Interest Rate Swap Agreement (Series 98-A)

Counterparty	:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount	:	¥3,000 million
Interest Rates	:	Fixed interest rate for payment: 0.4115% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	:	March 20, 2014
Termination Date	:	March 12, 2020
Payment Date	:	The first payment is due on end of March 2014, and on the last day of every month thereafter, with the last interest payment on March 12, 2020. (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 98-A is essentially fixed at 0.9115%.

② Interest Rate Swap Agreement (Series 98-B)

Counterparty	:	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Notional Amount	:	¥4,000 million
Interest Rates	:	Fixed interest rate for payment: 0.5730% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	:	March 20, 2014
Termination Date	:	September 20, 2021
Payment Date	:	The first payment is due on end of March 2014, and on the last day of every month thereafter, with the last interest payment on September 20, 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 98-B is essentially fixed at 1.0130%.

5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of March 20, 2014)

(Millions of yen)

		Debt Financing Before Borrowings	Debt Financing After Borrowings	Difference
	Short-Term Borrowings (Note 1)	6,000.0	6,000.0	0.0
	Long-Term Borrowings (Note 2)	140,570.5	152,570.5	+12,000.0
	Total Borrowings	146,570.5	158,570.5	+12,000.0
	Corporate Bonds	6,300.0	6,300.0	0.0
Total Borrowings and Corporate Bonds		152,870.5	164,870.5	+12,000.0

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 January 30, 2014) for the 17th fiscal period and any amendments thereto.

This notice is the English translation of the Japanese announcement on our Web site released on March 18, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.