KENEDIX
Office Investment Corporation

Translation of Japanese Original

March 27, 2014

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
Naokatsu Uchida, Executive Director
(Securities Code: 8972)

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# Notice Concerning Debt Financing (Series 99) and the Execution of an Interest Rate Swap Agreement

Kenedix Office Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥2,500 million) and the execution of an interest rate swap agreement.
Please see below for additional details.

## 1. Purpose of Debt Financing

The Investment Corporation has decided to execute a debt financing agreement to apply the fund towards the payment of Series 63-B (total of ¥2,500 million) with a repayment date of March 31, 2014.

Note: For additional details, please refer to the press release "Notice Concerning Debt Financing (Series 63) and Prepayment of Debt Financing," dated September 28, 2011.

## 2. Details of Debt Financing

Long-Term Borrowing (Series 99)

| | | | |
|---|---|---|---|
| ① | Lender | : | Sumitomo Mitsui Trust Bank, Limited |
| ② | Amount | : | ¥2,5000 million |
| ③ | Interest Rate | : | Base rate (JPY TIBOR for 1 month) + 0.45% (Note) |
| ④ | Drawdown Date | : | March 31, 2014 |
| ⑤ | Debt Financing Method | : | The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on March 27, 2014. |
| ⑥ | Interest Payment Date | : | The first interest payment is due on end of April 2014, and on the last day of every month thereafter, with the last interest payment due on March 31, 2019.<br>(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 31, 2019<br>(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 31, 2014 through end of April, 2014 is 0.59636% (as of March 27, 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/).

**3. Use of Funds**

The abovementioned debt financing (total of ¥2,500 million) will be used for the repayment of Series 63-B.

**4. Interest Rate Swap Agreement**

(1) Purpose

The Investment Corporation has decided to execute an interest rate swap agreement as a hedge against possible increases in future interest rates for the abovementioned debt financing (Series 99).

(2) Details of the Interest Rate Swap Agreement

① Interest Rate Swap Agreement (Series 99)

| | | |
|---|---|---|
| Counterparty | : | Nomura Securities Co., Ltd. |
| Notional Amount | : | ¥2,500 million |
| Interest Rates | : | Fixed interest rate for payment: 0.3115%<br>Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note) |
| Commencement Date | : | March 31, 2014 |
| Termination Date | : | March 31, 2019<br>(If this date of the month is a non-business day, then the repayment will be due on the previous business day.) |
| Payment Date | : | The first payment is due on end of April 2014, and on the last day of every month thereafter, with the last interest payment on March 31, 2019. (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 99 is essentially fixed at 0.7615%.

**5. Debt Financing Before and After the Borrowing with Corporate Bonds (as of March 31, 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) | 152,570.5 | 152,570.5 | 0.0 |
| | Total Borrowings | 158,570.5 | 158,570.5 | 0.0 |
| | Corporate Bonds | 6,300.0 | 6,300.0 | 0.0 |
| Total Borrowings and Corporate Bonds | | 164,870.5 | 164,870.5 | 0.0 |

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 27, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.