KENEDIX
Office Investment Corporation

Translation of Japanese Original

January 27, 2016

To All Concerned Parties

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Notice Concerning Debt Financing (Series 125) and the Execution of Interest Rate Swap Agreements

Kenedix Office Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥6,800 million) and the execution of interest rate swap agreements.
Please see below for additional details.

1. Purpose of Debt Financing

Series 125 is to apply the fund towards the repayments of the borrowings (total of ¥6,800 million) (Note) with the repayment date of January 29, 2016.

Note: For outlines of the borrowings, please refer to the following.

Series 52-C	¥800 million	"Notice Concerning Debt Financing (Series 52)" dated January 27, 2011
Series 52-D	¥500 million	
Series 52-E	¥2,000 million	
Series 52-F	¥1,000 million	
Series 67	¥2,500 million	"Notice Concerning Debt Financing (Series 67)" dated January 5, 2012

2. Details of Debt Financing

Long-Term Borrowing (Series 125-A)

①	Lender	:	(1) The Bank of Tokyo-Mitsubishi UFJ, Ltd. (2) Sumitomo Mitsui Banking Corporation
②	Amount	:	(1) ¥2,500 million (2) ¥500 million
③	Interest Rate	:	(1) Base rate (JPY TIBOR for 1 month) + 0.40% (Note) (2) Base rate (JPY TIBOR for 1 month) + 0.45% (Note)
④	Drawdown Date	:	January 29, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes individual debt financing agreements with the aforementioned lenders on January 27, 2016.
⑥	Interest Payment Date	:	The first interest payment is due at the end of February 2016, and on the last day of every month thereafter, with the last interest payment due on January 31, 2022. (If the last date of the month is a non-business day, then the interest payment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)
⑦	Repayment Date	:	January 31, 2022 (If this day is a non-business day, then the repayment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)

⑧	Repayment Method	:	Repayment of principal in full on maturity date
⑨	Collateral	:	Unsecured, unguaranteed

Long-Term Borrowing (Series 125-B)

①	Lender	:	(1) Sumitomo Mitsui Banking Corporation (2) The Bank of Tokyo-Mitsubishi UFJ, Ltd.
②	Amount	:	(1) ¥2,000 million (2) ¥1,800 million
③	Interest Rate	:	(1) Base rate (JPY TIBOR for 1 month) + 0.65% (Note) (2) Base rate (JPY TIBOR for 1 month) + 0.60% (Note)
④	Drawdown Date	:	January 29, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes individual debt financing agreements with the aforementioned lenders on January 27, 2016.
⑥	Interest Payment Date	:	The first interest payment is due at the end of February 2016, and on the last day of every month thereafter, with the last interest payment due on January 29, 2026. (If the last date of the month is a non-business day, then the interest payment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)
⑦	Repayment Date	:	January 29, 2026 (If this day is a non-business day, then the repayment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)
⑧	Repayment Method	:	Repayment of principal in full on maturity date
⑨	Collateral	:	Unsecured, unguaranteed

Note: The interest rate for the period commencing January 29, 2016 through the end of February 2016 will be 0.53000% for Series 125-A (1) and 0.58000% for Series 125-A (2), and 0.78000% for Series 125-B (1) and 0.73000% for Series 125-B (2) (As of January 27, 2016, The Japanese Yen TIBOR for 1 month is 0.13000%). Thereafter, the interest rate shall be calculated based on Japanese Yen TIBOR for 1 month, which the JBA TIBOR Administration (the "JBATA") releases two business days before each interest payment date. The Japanese Yen TIBOR of the JBATA is available on the JBATA website (http://www.jbatibor.or.jp/english/).

3. Use of the Fund

Series 125-A and 125-B (total of ¥6,800 million) are to apply the fund towards the repayments of Series 52-C through F and Series 67.

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 rate for the abovementioned debt financing with floating interest rates.

(2) Details of the Interest Rate Swap Agreement

Interest Rate Swap Agreement (Series 125-A (1) (2))

Counterparty	:	SMBC Nikko Securities Inc.
Notional Amount	:	Total amount ¥3,000 million ((1) ¥2,500 million (2) ¥500 million)
Interest Rates	:	Fixed interest rate for payment: 0.18975% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	January 29, 2016
Termination Date	:	January 31, 2022
Payment Date	:	The first payment is due at the end of February 2016, and on the last day of every month thereafter, with the last interest payment due on January 31, 2022. (If the last date of the month is a non-business day, then the interest payment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)

Note: By entering into the interest rate swap agreements, the interest rates for Series 125-A (1) and (2) are essentially fixed at 0.58975% and 0.63975%, respectively.

Interest Rate Swap Agreement (Series 125-B (1) (2))

Counterparty	:	Nomura Securities Co., Ltd.
Notional Amount	:	Total amount ¥3,800 million ((1) ¥2,000 million (2) ¥1,800 million)
Interest Rates	:	Fixed interest rate for payment: 0.42350% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	January 29, 2016
Termination Date	:	January 29, 2026
Payment Date	:	The first payment is due at the end of February 2016, and on the last day of every month thereafter, with the last interest payment due on January 29, 2026. (If the last date of the month is a non-business day, then the interest payment will be due on the next business day and if that next business day is in the next month, then previous business day will be applied.)

Note: By entering into the interest rate swap agreements, the interest rates for Series 125-B (1) and (2) are essentially fixed at 1.07350% and 1.02350%, respectively.

5. Status of Debt Financing and Corporate Bonds after the Borrowings and the Repayments

(as of January 29, 2016)

(Millions of yen)

	Debt Financing Before the Borrowings	Debt Financing After the Borrowings	Difference
Short-Term Borrowings (Note 1)	2,500	2,500	0
Long-Term Borrowings (Note 2)	163,300	163,300	0
Total Borrowings	165,800	165,800	0
Corporate Bonds	8,300	8,300	0
Total Borrowings and Corporate Bonds	174,100	174,100	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 July 30, 2015, and including the subsequent revisions by the revised report of the Securities Report).

This notice is the English translation of the Japanese announcement on our web site released on January 27, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.