KENEDIX
Office Investment Corporation

Translation of Japanese Original

February 16, 2016

To All Concerned Parties

REIT Issuer:
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(Securities Code: 8972)

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Notice Concerning Debt Financing (Series 126) 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 ¥1,500 million) and the execution of interest rate swap agreements.
Please see below for additional details.

1. Purpose of Debt Financing

Series 126 is to apply the fund towards the repayment of the borrowings (total of ¥1,500 million) (Note) with the repayment date of February 18, 2016.

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

Series 82	¥1,500 million	"Notice Concerning Debt Financing (Series 82)" dated February 14, 2013

2. Details of Debt Financing

Long-Term Borrowings (Series 126)

①	Lender	:	(1) Sumitomo Mitsui Trust Bank, Limited (2) Aozora Bank, Ltd.
②	Amount	:	(1) ¥1,000 million (2) ¥500 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.65% (Note)
④	Drawdown Date	:	February 18, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes individual debt financing agreements with the aforementioned lenders on February 16, 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 February 18, 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	:	February 18, 2026 (If this day is a non-business day, then the repayment will be due on the next 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 February 18, 2016 through the end of February 2016 will be 0.74091% (As of February 16, 2016, The Japanese Yen TIBOR for 1 month is 0.09091%). 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 126 (total of ¥1,500 million) is to apply the fund towards the repayment of Series 82.

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 rate.

(2) Details of the Interest Rate Swap Agreement

Interest Rate Swap Agreements (Series 126 (1) (2))

Counterparty	:	Nomura Securities Co., Ltd.
Notional Amount	:	Total amount ¥1,500 million ((1) ¥1,000 million (2) ¥500 million)
Interest Rates	:	Fixed interest rate for payment: 0.34750% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	February 18, 2016
Termination Date	:	February 18, 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 February 18, 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 rate for Series 126 is essentially fixed at 0.99750%.

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

(as of February 18, 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 January 29, 2016).

This notice is the English translation of the Japanese announcement on our web site released on February 18, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.