KENEDIX
Office Investment Corporation

Translation of Japanese Original

March 28, 2016

To All Concerned Parties

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Notice Concerning Debt Financing (Series 127 and 128) 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 ¥3,500 million) and the execution of interest rate swap agreements.
Please see below for additional details.

1. Purpose of Debt Financing

Series 127 is to apply the fund towards a part of acquisition funds and related costs for the acquisition of Nittochi Toranomon Building, planned to acquire on March 30, 2016 (Note 1) and Series 128 is to apply the fund towards the repayment of borrowings (total of ¥2,500 million) (Note 2) with the repayment date of March 31, 2016.

Note 1: For the outline of the acquisition of Nittochi Toranomon Building, please refer to the press release "Notice Concerning Acquisition of Property (Nittochi Toranomon Building) and Sale of Properties (KDX Toranomon Building・Toranomon Toyo Building)" dated March 1, 2016.

Note 2: For the outline of the borrowings, please refer to the following.

Series 56	¥1,000 million	"Notice Concerning Debt Financing (Series 56) and Prepayment of Debt Financing" dated March 29, 2011
Series 118	¥1,500 million	"Notice Concerning Debt Financing (Series 117 and 118) and the Execution of an Interest Rate Swap Agreement" dated March 27, 2015

2. Details of Debt Financing

Long-Term Borrowing (Series 127)

①	Lender	:	Resona Bank, Limited
②	Amount	:	¥1,000 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.225% (Note)
④	Drawdown Date	:	March 30, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes an individual debt financing agreement with the aforementioned lender on March 28, 2016.
⑥	Interest Payment Date	:	The first interest payment is due at the end of April 2016, and on the last day of every month thereafter, with the last interest payment due on March 31, 2019. (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	:	March 31, 2019 (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 March 30, 2016 through the end of April, 2016 is 0.29864% (as of March 28, 2016, the Japanese Yen TIBOR for 1 month is 0.07364%). 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/).

Short-Term Borrowing (Series 128-A)

①	Lender	:	Sumitomo Mitsui Banking Corporation
②	Amount	:	¥1,500 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.38% (Note)
④	Drawdown Date	:	March 31, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes an individual debt financing agreement with the aforementioned lender on March 29, 2016.
⑥	Interest Payment Date	:	The first interest payment is due at the end of April 2016, and on the last day of every month thereafter, with the last interest payment due on March 31, 2017. (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	:	March 31, 2017 (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 128-B)

①	Lender	:	Resona Bank, Limited
②	Amount	:	¥1,000 million
③	Interest Rate	:	Base rate (JPY TIBOR for 1 month) + 0.65% (Note)
④	Drawdown Date	:	March 31, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes an individual debt financing agreement with the aforementioned lender on March 29, 2026.
⑥	Interest Payment Date	:	The first interest payment is due at the end of April 2016, and on the last day of every month thereafter, with the last interest payment due on March 31, 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	:	March 31, 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 base rate for the period commencing March 31, 2016 through the end of April, 2016 will be the Japanese Yen TIBOR for 1 month which the JBATA releases on March 29, 2016. Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 1 month, which 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 127 (¥1,000 million) is to apply the fund towards a part of acquisition funds and related costs for the acquisition of Nittochi Toranomon Building and Series 128 (total of ¥2,500 million) is to apply all the fund towards the repayment of Series 56 and Series 118.

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 127 and Series 128-B).

(2) Details of the Interest Rate Swap Agreements

Interest Rate Swap Agreement (Series 127)

Counterparty	:	SMBC Nikko Securities Inc.
Notional Amount	:	¥1,000 million
Interest Rates	:	Fixed interest rate for payment: -0.05600% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	March 30, 2016
Termination Date	:	March 31, 2019
Payment Date	:	The first payment is due at the end of April 2016, and on the last day of every month thereafter, with the last interest payment due on March 31, 2019. (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 agreement, the interest rate for Series 127 is essentially fixed at 0.16900%.

Interest Rate Swap Agreement (Series 128-B)

Counterparty	:	To be determined (Note)
Notional Amount	:	¥1,000 million
Interest Rates	:	Fixed interest rate for payment: To be determined (Note) Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	March 31, 2016
Termination Date	:	March 31, 2026
Payment Date	:	The first payment is due at the end of April 2016, and on the last day of every month thereafter, with the last interest payment due on March 31, 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: Any undecided matters shall be determined on March 29, 2016 and will be announced after decision is made.

5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of March 31, 2016)

(Millions of yen)

		Debt Financing Before the Borrowings	Debt Financing After the Borrowings	Difference
	Short-Term Borrowings (Note 1)	2,500.0	2,500.0	0.0
	Long-Term Borrowings (Note 2)	163,300.0	164,300.0	+1,000.0
	Total Borrowings	165,800.0	166,800.0	+1,000.0
	Corporate Bonds	8,300.0	8,300.0	0.0
Total Borrowings and Corporate Bonds		174,100.0	175,100.0	+1,000.0

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, etc. of the aforementioned borrowings, there are no significant changes to the "Investment Risks" as described in the Securities Report (submitted on January 29, 2016).

The Investment Corporation's web site: http://www.kdo-reit.com/en/

This notice is the English translation of the Japanese announcement on our web site released on March 28, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.