KENEDIX
Office Investment Corporation

Translation of Japanese Original

April 26, 2016

To All Concerned Parties

REIT Issuer:
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(Securities Code: 8972)

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Notice Concerning Debt Financing (Series 129) 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 ¥5,000 million) and the execution of an interest rate swap agreement.
Please see below for additional details.

1. Purpose of Debt Financing

Series 129 is to apply the fund towards the repayment of the borrowings (total of ¥6,000 million) (Note) with the repayment date of April 28, 2016.

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

Series 7-D	¥5,000 million	"Notice Concerning Debt Financing and Interest-Rate Swap Agreement" dated April 27, 2006
Series 84	¥1,000 million	"Notice Concerning Debt Financing (Series 84) and Purchase of Interest-Rate Cap" dated April 25, 2013

2. Details of Debt Financing

Long-Term Borrowings (Series 129-A)

①	Lender	:	Development Bank of Japan Inc.
②	Amount	:	¥2,000 million
③	Interest Rate	:	0.65380% (fixed interest rate)
④	Drawdown Date	:	April 28, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes an individual debt financing agreement with the aforementioned lender on April 26, 2016.
⑥	Interest Payment Date	:	The first interest payment is due at the end of October 2016, and on the last day of every 6 months thereafter, with the last interest payment due on April 30, 2024. (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	:	April 30, 2024 (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 Borrowings (Series 129-B)

①	Lender	:	(1) Development Bank of Japan Inc. (2) Mitsubishi UFJ Trust and Banking Corporation
②	Amount	:	(1) ¥2,000 million (2) ¥1,000 million
③	Interest Rate	:	(1) 0.83500% (fixed interest rate) (2) Base rate (JPY TIBOR for 1 month) + 0.60% (Note)
④	Drawdown Date	:	April 28, 2016
⑤	Debt Financing Method	:	The Investment Corporation executes individual debt financing agreements with each aforementioned lender on April 26, 2016.
⑥	Interest Payment Date	:	(1) The first interest payment is due at the end of April 2016, and on the last day of every 6 months thereafter, with the last interest payment due on April 30, 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.) (2) The first interest payment is due at the end of May 2016, and on the last day of every month thereafter, with the last interest payment due on April 30, 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	:	April 30, 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 April 28, 2016 through the end of May 2016 will be 0.63545% (As of April 26, 2016, the Japanese Yen TIBOR for 1 month is 0.03545%). 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 129 (total of ¥5,000 million) is to apply the fund towards the repayment of Series 7-D and Series 84. Furthermore, ¥1,000 million of borrowings with the Series 7-D is repaid by proceeds of the Seventh Series Unsecured Investment Corporation Bonds (Note).

Note: For the detail of outline of the Seventh Series Unsecured Investment Corporation Bonds, please refer to the press release "Notice Concerning the Issuance of the Investment Corporation Bonds" dated April 22, 2016.

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 rate for Series 129-B (2) with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

Interest Rate Swap Agreement (Series 129-B (2))

Counterparty	:	SMBC Nikko Securities Inc.
Notional Amount	:	¥1,000 million
Interest Rates	:	Fixed interest rate for payment: 0.26500% Floating interest rate for receipt: base rate (JPY TIBOR for 1 month)
Commencement Date	:	April 28, 2016
Termination Date	:	April 30, 2026

Payment Date : The first payment is due at the end of May 2016, and on the last day of every month thereafter, with the last interest payment due on April 30, 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 agreement, the interest rate for Series 129-B (2) is essentially fixed at 0.86500%.

5. Status of Debt Financing and Corporate Bonds after the Borrowings and the Issuance of the Investment Corporation Bonds

(as of April 28, 2016)

(Millions of yen)

		Balance Before the Borrowings and the Issuance of the Investment Corporation Bonds	Balance After the Borrowings and the Issuance of the Investment Corporation Bonds	Difference
	Short-Term Borrowings (Note 1)	2,500	2,500	0
	Long-Term Borrowings (Note 2)	164,300	163,300	-1,000
	Total Borrowings	166,800	165,800	-1,000
	Corporate Bonds	8,300	9,300	+1,000
Total Borrowings and Corporate Bonds		175,100	175,100	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).

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 April 26, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.