KENEDIX
Office Investment Corporation

Translation of Japanese Original

July 29, 2016

To All Concerned Parties

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

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Ryosuke Homma, CEO and President
Inquiries:
Hikaru Teramoto
General Manager of Planning Department
Office REIT Division
TEL: +81-3-5623-8979

# Notice Concerning Debt Financing (Series 131)

Kenedix Office Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥3,000 million).
Please see below for additional details.

## 1. Outline of Debt Financing

| Series | Lender | Amount | Interest Rate (Note 1) (Note 2) | Contract Date | Drawdown Date | Principal Repayment Date (Note 1) | Collateral・Repayment Method |
|---|---|---|---|---|---|---|---|
| 131-A | Sumitomo Mitsui Banking Corporation | ¥1,000 million | Base rate (JPY TIBOR for 1 month) + 0.3500% | July 29, 2016 | August 2, 2016 | August 31, 2017 | Unsecured, unguaranteed・Repayment of principal in full on maturity date |
| | Mizuho Bank, Ltd. | ¥1,000 million | Base rate (JPY TIBOR for 1 month) + 0.2000% | | | | |
| 131-B | Mizuho Bank, Ltd. | ¥1,000 million | 0.5438% (fixed interest rate) | | | July 31, 2026 | |

Note 1: The first interest payment is due at the end of August 2016, and on the last day of every month thereafter, with the principal repayment day. (If each interest payment day or the principal repayment day is a non-business day, then the interest payment or the principal 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.)
Note 2: The base rate for 131-A that is applied during interest period for the interest due on each interest payment date 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/).

## 2. Purpose of Debt Financing

Series 131 is to apply the fund towards a part of acquisition funds and related costs for the acquisition of KDX Shin-Nihonbashi Ekimae Building and KDX Nihonbashi Edo-dori Building that are anticipated to be acquired on August 2, 2016.

Note: For outline of the acquisition of the two properties, please refer to the press release "Notice Concerning Acquisition of Properties (KDX Shin-Nihonbashi Ekimae Building・KDX Nihonbashi Edo-dori Building)" dated July 29, 2016.

**3. Status of Debt Financing and Corporate Bonds after the Borrowings (as of August 2, 2016)**

(Millions of yen)

| | Classification | Balance Before the Borrowings | Balance After the Borrowings | Difference |
|---|---|---|---|---|
| | Short-Term Borrowings (Note 1) | 1,500 | 1,500 | 0 |
| | Long-Term Borrowings (Note 2) | 164,300 | 167,300 | +3,000 |
| | Total Borrowings | 165,800 | 168,800 | +3,000 |
| | Corporate Bonds | 9,300 | 9,300 | 0 |
| Total Borrowings and Corporate Bonds | | 175,100 | 178,100 | +3,000 |

Note 1: Short-term borrowings refer to debt financing with a period less than or equal to one year from the drawdown date to the principal repayment date. However, the borrowings for which the period until the principal repayment date have surpassed one year because the principal repayment date one year from the drawdown date is not a business day, and for which the principal repayment date has been moved to a different business day, are included in short-term borrowings.

Note 2: Long-term borrowings refer to debt financing with a period more than one year from the drawdown date to the principal repayment date.

**4. 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 28, 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 July 29, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.