KENEDIX
Office Investment Corporation

Translation of Japanese Original

December 26, 2016

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
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# Notice Concerning Debt Financing (Series 135)

Kenedix Office Investment Corporation ("the Investment Corporation") today announced its decision to undertake debt financing (total of ¥2,000 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 |
|---|---|---|---|---|---|---|---|
| 135-A | Development Bank of Japan Inc. | ¥500 million | Base rate (JPY TIBOR for 1 month) + 0.30000% | December 26, 2016 | December 28, 2016 | December 28, 2017 | Unsecured, unguaranteed・Repayment of principal in full on maturity date |
| 135-B | | ¥1,500 million | 0.95000% (Fixed interest rate) | | | December 28, 2026 | |

Note 1: The first interest payment of Series 135-A is due at the end of January 2017, and on the last day of every month thereafter with the principal repayment day, and the first interest payment of Series 135-B is due at the end of June 2017, and on the last day of every 6 months 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 of Series 135-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/rate/).

## 2. Purpose of Debt Financing

Series 135 is to apply the fund towards the repayment of Series 79-A (¥2,000 million) with the principal repayment date of December 28, 2016.

## 3. Status of Debt Financing and Corporate Bonds after the Borrowings (as of December 28, 2016)

(Millions of yen)

| | Classification | Balance Before the Borrowings | Balance After the Borrowings | Difference |
|---|---|---|---|---|
| | Short-Term Borrowings (Note 1) | 3,500 | 4,000 | +500 |
| | Long-Term Borrowings (Note 2) | 165,300 | 164,800 | -500 |
| | Total Borrowings | 168,800 | 168,800 | 0 |
| | Corporate Bonds | 9,300 | 9,300 | 0 |
| Total Borrowings and Corporate Bonds | | 178,100 | 178,100 | 0 |

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 website: http://www.kdo-reit.com/en/

This notice is the English translation of the Japanese announcement on our website released on December 26, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.