KENEDIX
Office Investment Corporation

Translation of Japanese Original

January 27, 2017

To All Concerned Parties

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Notice Concerning Debt Financing (Series 137) 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 ¥1,200 million) and the execution of an interest rate swap agreement. 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
137-A	Mitsubishi UFJ Trust and Banking Corporation	¥500 million	Base rate (JPY TIBOR for 1 month) + 0.30000%	January 27, 2017	January 31, 2017	January 31, 2018	Unsecured, unguaranteed・Repayment of principal in full on maturity date
137-B		¥700 million	Base rate (JPY TIBOR for 1 month) + 0.55000%			January 31, 2027	

Note 1: The first interest payment is due at the end of February 2017, 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 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 137 is to apply the fund towards the repayment of Series 96-A (¥1,200 million) with the principal repayment date of January 31, 2017.

3. Interest Rate Swap Agreement

(1) Purpose

For a hedge against possible increases in future interest rate for Series 137-B with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

		Series 137-B
Counterparty		Nomura Securities Co., Ltd.
Notional Amount		¥700 million
Interest Rate	Fixed interest rate for payment	0.30250%
	Floating interest rate for receipt	Base rate (JPY TIBOR for 1 month)
Commencement Date		January 31, 2017
Termination Date		January 31, 2027
Payment Date		The first payment is due at the end of February 2017, and on the last day of every month thereafter, with January 31, 2027. (If each payment day is a non-business day, then the 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 137-B is essentially fixed at 0.85250%.

4. Status of Debt Financing and Corporate Bonds after the Borrowings (as of January 31, 2017)

(Millions of yen)

Classification	Balance before the Borrowings	Balance after the Borrowings	Difference
Short-Term Borrowings (Note 1)	4,000	4,500	+500
Long-Term Borrowings (Note 2)	164,800	164,300	-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.

5. 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 January 27, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.