KENEDIX
Office Investment Corporation

Translation of Japanese Original

November 28, 2017

To All Concerned Parties

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Notice Concerning Debt Financing (Series 147 and 148) 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 9,000 million yen) and the execution of interest rate swap agreements.
Please see below for the 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
147	Sumitomo Mitsui Banking Corporation	2,000 million yen	Base rate (JPY TIBOR for 1 month) + 0.30000%	November 28, 2017	November 30, 2017	November 30, 2018	Unsecured, unguaranteed・Repayment of principal in full on maturity date
148	Sumitomo Mitsui Banking Corporation	1,400 million yen	Base rate (JPY TIBOR for 1 month) + 0.60000%		December 7, 2017	November 30, 2027	
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,200 million yen	To be determined (Note 3) (Fixed interest rate)				
	Development Bank of Japan Inc.	1,000 million yen	To be determined (Note 3) (Fixed interest rate)				
	Resona Bank, Limited	1,000 million yen	To be determined (Note 3) (Fixed interest rate)				
	Mizuho Trust & Banking Co., Ltd.	1,000 million yen	To be determined (Note 3) (Fixed interest rate)				
	Sumitomo Mitsui Trust Bank, Limited	800 million yen	Base rate (JPY TIBOR for 1 month) + 0.60000%				
	Mitsubishi UFJ Trust and Banking Corporation	600 million yen	To be determined (Note 3) (Fixed interest rate)				

Note 1: The first interest payment of Series 147 and 148 excluding the debt from Development Bank of Japan Inc. is due at the end of December 2017, and on the last day of every month thereafter with the principal repayment day. The first interest payment of the debt from Development Bank of Japan Inc. in Series 148 is due at the end of May 2018, 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 that is applied during interest period for the interest due on each interest payment date for debt financing with floating interest rate in Series 148 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/).
Note 3: The undecided matters will be announced upon determination.

2. Purpose of Debt Financing

Series 147 is to apply the fund towards the repayment of Series 133 (total of 2,000 million yen) with the principal repayment date of November 30, 2017 and Series 148 is to apply the fund towards a part of acquisition funds and related costs for Mitsubishijuko Yokohama Building to be acquired on December 7, 2017.

Note: For outlines of the acquisition, please refer to the press release, "Notice Concerning Acquisition of Property (Mitsubishijuko Yokohama Building)" dated October 30, 2017.

3. Interest Rate Swap Agreement

(1) Purpose

For a hedge against possible increases in future interest rate for the aforementioned debt financing with floating interest rate in Series 148.

(2) Details of the Interest Rate Swap Agreements

Series		148	
Counterparty		To be determined (Note)	
Notional Amount		1,400 million yen	800 million yen
Interest Rate	Fixed interest rate for payment	To be determined (Note)	
	Floating interest rate for receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		December 7, 2017	
Termination Date		November 30, 2027	
Payment Date		The first payment is due at the end of December 2017, and on the last day of every month thereafter with November 30, 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: The undecided matters will be announced upon determination.

4. Status of Borrowings and Corporate Bonds after the Debt Financing (as of December 7, 2017)

(Millions of yen)

Classification	Balance before the Debt Financing	Balance after the Debt Financing	Difference
Short-Term Borrowings (Note 1)	6,000	6,000	0
Long-Term Borrowings (Note 2)	165,800	172,800	+7,000
Total Borrowings	171,800	178,800	+7,000
Corporate Bonds	7,800	7,800	0
Total Borrowings and Corporate Bonds	179,600	186,600	+7,000

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.

5. Other

For risks concerning the repayment, etc. of the aforementioned debt financing, there are no significant changes to the "Investment Risks" as described in the Securities Report (submitted on July 28, 2017).

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 November 28, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.