KENEDIX
Office Investment Corporation

Translation of Japanese Original

October 29, 2018

To All Concerned Parties

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Notice Concerning Debt Financing (Series 158) and the Execution of Interest Rate Swap Agreements

Kenedix Office Investment Corporation ("the Investment Corporation") has announced today, that the Investment Corporation decided to undertake the debt financing (total of 3,000 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
158	Aozora Bank, Ltd.	1,500 million yen	Base rate (JPY TIBOR for 1 month) +0.60000%	October 29, 2018	October 31, 2018	October 31, 2028	Unsecured, unguaranteed・Repayment of principal in full on maturity date
	MUFG Bank, Ltd.	1,000 million yen	0.91000% (Fixed interest rate)				
	Resona Bank, Limited	500 million yen	Base rate (JPY TIBOR for 1 month) +0.60000%				

Note 1: The first interest payment is due at the end of November 2018, 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 for debt financing with floating interest rate in Series 158 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 158 is to apply the fund towards the repayment of Series 90-B (500 million yen), Series 132-A (1,000 million yen) and Series 77-D (2,500 million yen) with the principal repayment date of October 31, 2018.

3. Interest Rate Swap Agreement

(1) Purpose

For a hedge against possible increases in future interest rate of Series 158 among the debt financing with floating interest rate.

(2) Details of the Interest Rate Swap Agreement

Series		158	
Counterparty		Sumitomo Mitsui Trust Bank, Limited	
Notional Amount		1,500 million yen	500 million yen
Interest Rate	Fixed Interest Rate for Payment (Note)	0.41285%	
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		October 31, 2018	
Termination Date		October 31, 2028	
Payment Date		The first payment is due at the end of November 2018, and on the last day of every month thereafter, with October 31, 2028. (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 agreements, the interest rate for debt financing with floating interest rate in Series 158 is essentially fixed at 1.01285%.

4. Status of Borrowings and Corporate Bonds after the Debt Financing (as of October 31, 2018)

(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)	172,050	171,050	-1,000
Total Borrowings	178,050	177,050	-1,000
Corporate Bonds	6,000	6,000	0
Total Borrowings and Corporate Bonds	184,050	183,050	-1,000

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 has 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 30, 2018).

The Investment Corporation's website: https://www.kdo-reit.com/en/

This notice is the English translation of the Japanese announcement on our website released on October 29, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.