KENEDIX
Office Investment Corporation

Translation of Japanese Original

June 26, 2020

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
Jiro Takeda, Executive Director
(Securities Code: 8972)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Masahiko Tajima, President & CEO
Inquiries:
Hiroaki Momoi
Head of Planning Division
Office REIT Department
TEL: +81-3-5157-6010

Notice Concerning Debt Financing (Series 174) and 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 9,700 million yen) and the execution of an 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
174-A	Sumitomo Mitsui Banking Corporation	1,000 million yen	Base rate (JPY TIBOR for 1 months) +0.30000%	June 26, 2020	June 30, 2020	June 30, 2021	Unsecured, unguaranteed・Repayment of principal in full on maturity date
	MUFG Bank, Ltd.	1,000 million yen	Base rate (JPY TIBOR for 1 months) +0.25000%				
	Mizuho Bank, Ltd.	1,000 million yen	Base rate (JPY TIBOR for 1 months) +0.25000%				
174-B	Sumitomo Mitsui Banking Corporation	2,000 million yen	Base rate (JPY TIBOR for 3 months) +0.50000%			June 30, 2028	
	Mizuho Bank, Ltd.	2,000 million yen	Base rate (JPY TIBOR for 3 months) +0.50000%				
	Mizuho Trust & Banking Co., Ltd..	700 million yen	Base rate (JPY TIBOR for 3 month) +0.50000%				
174-C	MUFG Bank, Ltd.	2,000 million yen	0.51000% (Fixed interest rate)				

Note 1: The first interest payment of Series 174-A is due at the end of July 2020, and on the last day of every month thereafter with the principal repayment day. The first interest payment of Series 174-B and 174-C are due at the end of September 2020, and on the last day of every 3 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 rates that are applied during interest period for the interest due on each interest payment date for Series174-A 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 and for Series174-B shall be calculated based on Japanese Yen TIBOR for 3 months, which 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 174 is to apply the fund towards a part of acquisition funds and related costs for Shinbashi M-SQUARE Bright to be acquired on June 30, 2020.

Note: For details on the acquisition, please refer to the press release, "Notice Concerning Acquisition of Property (Shinbashi M-SQUARE Bright) and Sale of Properties(KDX Nihonbashi Honcho Building, KDX Nihonbashi Edo-dori Building and KDX Shin-Nihonbashi Building)" dated June 26, 2020.

3. Interest Rate Swap Agreements

(1)Purpose

For a hedge against possible increases in future interest rate of Series174-B.

(2)Details of Interest Rate Swap Agreements

Series		174-B		
Counterparty		Nomura Securities Co.,Ltd.		
Notional Amount		2,000 million yen	2,000 million yen	700 million yen
Interest Rate	Fixed Interest Rate for Payment (Note)	0.14600%		
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 3 months)		
Commencement Date		July 30, 2020		
Termination Date		July 30, 2028		
Payment Date		The first payment is due at the end of September 2020, and on the last day of every 3 months thereafter with the termination date. (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 rates on Series 174-B is essentially fixed at 0.64600%.

4. Status of Borrowings and Investment Corporation Bonds after the Debt Financing (as of June 30, 2020)

(Millions of yen)

Classification	Balance before the Debt Financing	Balance after the Debt Financing	Difference
Short-Term Borrowings (Note 1)	9,500	12,500	+3,000
Long-Term Borrowings (Note 2)	172,550	179,250	+6,700
Total Borrowings	182,050	191,750	+9,700
Investment Corporation Bonds	10,000	10,000	0
Total Borrowings and Investment Corporation Bonds	192,050	201,050	+9,700

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 after 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 January 30, 2020).

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 June 26, 2020. However, no assurance or warranties are given for the completeness or accuracy of this English translation.