

Translation of Japanese Original

February 8, 2019

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 Issuance of Investment Corporation Bonds (Green Bonds)

Kenedix Office Investment Corporation (“the Investment Corporation”) has announced today, that the Investment Corporation decided to issue investment corporation bonds (green bonds) as below, based on the comprehensive resolution concerning the issuance of investment corporation bonds passed at the board of directors’ meeting held on November 30, 2018.

1. Outline of Investment Corporation Bonds (Green Bonds)

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|------|----------------------------|--|
| (1) | Name | Kenedix Office Investment Corporation Tenth Series Unsecured Investment Corporation Bonds (Ranking pari passu among specified investment corporation bonds) (Green Bonds) (“the Investment Corporation Bonds”) |
| (2) | Total issue amount | 2,000 million yen |
| (3) | Form of bond certificate | Subject to the provisions of the Act on Book-Entry Transfer of Corporate Bonds and Shares, bond certificates will not be issued. |
| (4) | Issue price | 100 yen per 100 yen of each bond |
| (5) | Redemption price | 100 yen per 100 yen of each bond |
| (6) | Interest rate | 0.390% per annum |
| (7) | Denomination price | 100 million yen |
| (8) | Offering method | Public Offering |
| (9) | Subscription date | February 8, 2019 (Friday) |
| (10) | Payment date | February 15, 2019 (Friday) |
| (11) | Collateral and guarantee | Neither collateral nor guarantee is provided for the Investment Corporation Bonds, and no asset has been particularly secured for the Investment Corporation Bonds. |
| (12) | Redemption method and date | The total amount of the principal of the Investment Corporation Bonds will be redeemed on February 15, 2024 (Thursday).
Redemption by purchase will be available any time on and after the following days of the payment date except for the case separately provided by law or specified in operational rules and other rules of book-entry transfer institution. If the date of redemption of the Investment Corporation Bonds (“the Redemption Date”) falls under a bank holiday, the bank business day preceding it shall be deemed as the Redemption Date. |

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| (13) | Interest payment date | The first interest payment date will be August 31, 2019, and thereafter the last day of February and August of each year, and the Redemption Date will be the interest payment date. (If the interest payment date falls under a bank holiday, the bank business day preceding it shall be deemed as the interest payment date.) |
| (14) | Bond credit rating | AA- (Japan Credit Rating Agency, Ltd.) |
| (15) | Financial covenant | Negative pledge is set. |
| (16) | Book-entry transfer institution | Japan Securities Depository Center, Inc. |
| (17) | Fiscal agent, issuing agent and payment agent | MUFG Bank, Ltd. |
| (18) | Underwriter | Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Nomura Securities Co., Ltd.
Daiwa Securities Co., Ltd.
SMBC Nikko Securities Inc. |

2. Purpose and Reason for the Issuance

The Investment Corporation has positioned sustainability improvement initiatives aimed at realizing a sustainable society as an important business management issue to fulfill its corporate social responsibility, and decided to issue the Investment Corporation Bonds as green bonds from the thought that the issuance enables more committed efforts to improve sustainability and further contribution to development of the domestic green bond market by offering opportunities to the universe of investors who take active stance towards ESG investment.

The Investment Corporation Bonds are issued as green bonds according to “Green Bond Framework” (Note), which obtained the second-party opinion from Sustainalytics, a third-party evaluator (“the Framework”). Also, the Investment Corporation Bonds obtained “Green 1” from Japan Credit Rating Agency, Ltd. (“JCR”), the highest evaluation in its “JCR Green Bond Evaluation”. In addition, with regard to the Investment Corporation Bonds’ obtainment of third-party evaluations, Sustainalytics and JCR as issuance supporters have received a notice from Green Finance Organisation Japan, General Incorporate Association, regarding that subsidies would be granted to them under the Ministry of the Environment’s framework of FY2018 Financial Support Programme for Green Bond Issuance.

Note: For details, please refer to “Notice Concerning Establishment of Green Bond Framework for Green Bonds Issuance, etc.” dated January 9, 2019.

3. Amount of Funds to be Raised, Use of Proceeds and Scheduled Timing of Expenditure

- (1) Amount of funds to be raised (estimated net proceeds)

1,986 million yen

- (2) Specific use of proceeds and scheduled timing of expenditure

The Investment Corporation plans to use the estimated net proceeds of 1,986 million yen, calculated by deducing the estimated cost of issuance of 14 million yen from the total issue amount of 2,000 million yen, for repayment of the borrowings (including the borrowings for refinancing of such borrowings) that were made for the purpose of allocation to the acquisition funds for KDX Kobayashi-Doshomachi Building and KDX Toranomon 1chome Building, which are both eligible green assets (Note 1) (“the Repayment”) (Note 2). Proceeds will be managed in cash or cash equivalents until they are allocated to the Repayment.

Note 1: “Eligible green assets” are green buildings set forth in “Eligibility Criteria 1” of Eligibility Criteria below, which are defined in the Framework:

- Eligibility Criteria 1

New or existing investments in or spending for green buildings that have acquired within two years prior to the payment date

of green bonds or the reporting date based on the Framework, or are expected to acquire, one of the following green building certifications:

- (i) Three stars or more of DBJ Green Building Certification (Note 3)
- (ii) B+ or higher rank of Certification for CASBEE for Real Estate (Note 4)
- (iii) 3 stars or more of BELS Certification (Note 5)

• Eligibility Criteria 2

Spending for facilities refurbishment of owned properties for the purpose of achieving one of the following criteria within two years prior to the payment date of green bonds or after the payment date, or expected to be spent post issuance:

- (i) At least 10% reduction in energy consumption
- (ii) At least 10% reduction in water consumption
- (iii) Other environmentally beneficial refurbishment achieving at least 10% reduction in consumption.

Note 2: The breakdown of the borrowings to be repaid by the Repayment is as follows:

Series	Lender	Balance (million yen)	Principal repayment date *
127	Resona Bank, Limited	1,000	March 31, 2019
159	Sumitomo Mitsui Trust Bank, Limited	1,000	November 30, 2019
160	Sumitomo Mitsui Banking Corporation	2,000	November 30, 2019

* If the principal repayment date falls under any date other than business days, the next business day shall be the principal repayment date. If such next business day is contained in the next month, the preceding business day shall be the principal repayment date.

Note 3: “DBJ Green Building Certification” is a five-star scale evaluation system launched by Development Bank of Japan Inc. (“DBJ”), giving certifications to properties with proper care to environment and society (Green Building), based on the comprehensive scoring model developed by DBJ.

Note 4: “Certification for CASBEE (Comprehensive Assessment System for Built Environment Efficiency) for Real Estate” is an evaluation system (from Rank C to Rank S) for rating the overall environmental performance of buildings on energy-conservation, resource-saving, recyclability and other aspects for reducing environmental burdens, as well as landscape preservation.

Note 5: “BELS (Building-Housing Energy-efficiency Labeling System) Certification” is a public certification system, the evaluation standards of which are provided by Ministry of Land, Infrastructure, Transport and Tourism, for rating energy-conservation performance of buildings on a five-point scale basis (the number of stars, 1-5) based on the primary energy consumption of architectural structures.

4. Investors Who Declared Investment in the Investment Corporation Bonds

Listed below are investors who declared investment in the Investment Corporation Bonds and agreed to disclose their names as of today (companies are listed in Japanese syllabary order).

- THE SUGAMO SHINKIN BANK
- Daitokyo shinkumi credit cooperative

5. Status of Borrowings and Investment Corporation Bonds after the Issuance of the Investment Corporation Bonds and the Repayment (as of November 30, 2019)

(Millions of yen)

Classification	Before issuance of the Investment Corporation Bonds and the Repayment	After issuance of the Investment Corporation Bonds and the Repayment (Note 1)	Difference
Short-term borrowings (Note 2)	6,200	5,200	-1,000
Long-term borrowings (Note 3)	170,850	169,850	-1,000
Total borrowings	177,050	175,050	-2,000
Investment corporation bonds	6,000	8,000	+2,000
Total borrowings and investment corporation bonds	183,050	183,050	0

Note 1: Figures for “After issuance of the Investment Corporation Bonds and the Repayment” are based on the assumption that the issuance of the Investment Corporation Bonds and the Repayment are implemented and that there are no other new debt financing, repayment of the existing borrowings, and issuance and redemption of investment corporation bonds by November 30, 2019, when

the Repayment is planned to be completed. However, besides the issuance of the Investment Corporation Bonds and the Repayment, in the event of new borrowings, repayment of existing loans and issuance and redemption of investment corporation bonds, status of borrowings and investment corporation bonds as of November 30, 2019 may differ from the above.

Note 2: 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 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 3: Long-term borrowings refer to debt financing with a period more than one year from the drawdown date to the principal repayment date.

6. Other

For risks concerning the issuance, redemption and others of the Investment Corporation Bonds, there are no significant changes to “the Investment Risks” described in the 27th Securities Report (submitted on January 30, 2019).

【Reference】

The Investment Corporation has submitted a Shelf Registration Supplements with regard to the issuance of the Investment Corporation Bonds to the Director of the Kanto Local Finance Bureau as of today.

*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 February 8, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.