

Translation of Japanese Original

March 26, 2019

To All Concerned Parties

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**Notice Concerning Debt Financing (Series 162 and 163) 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 5,850 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
162	Sumitomo Mitsui Banking Corporation	1,400 million yen	Base rate (JPY TIBOR for 1 month) +0.60000%	March 26, 2019	March 28, 2019	March 31, 2029	Unsecured, unguaranteed · Repayment of principal in full on maturity date
163-A	Sumitomo Mitsui Banking Corporation	1,000 million yen	Base rate (JPY TIBOR for 1 month) +0.30000%		March 29, 2019	March 31, 2020	
	Resona Bank, Limited	500 million yen	Base rate (JPY TIBOR for 1 month) +0.25000%				
163-B	Sumitomo Mitsui Trust Bank, Limited	2,950 million yen	Base rate (JPY TIBOR for 1 month) +0.60000%			March 31, 2029	

Note 1: The first interest payment is due at the end of April 2019, 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 162 is to apply the fund towards the repayment of Series 70-B (1,400 million yen) with the principal repayment date of March 28, 2019. Series 163-A is to apply the fund towards the partial repayment of Series 127 (500 out of 1,000 million yen) and the repayment of series 154 (1,000 million yen), and Series 163-B is to apply the fund towards the repayment of Series 97-B (450 million yen) and Series 99 (2,500 million yen) with the principal repayment date of March 29, 2019.

In addition, Series 127 is a borrowing that was financed for the purpose of allocation to the acquisition funds for KDX Toranomon 1chome Building and the remainder after partial repayment by Series 163-A (500 million yen) is planned to be funded from partial proceeds of “Kenedix Office Investment Corporation Tenth Series Unsecured Investment Corporation Bonds (Ranking pari passu among specified investment corporation bonds) (Green Bonds)” (Note) issued on February 15, 2019.

Note: For details on the investment corporation bonds, please refer to the press release, “Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds)” dated February 8, 2019.

## 3. Interest Rate Swap Agreement

### (1) Purpose

For a hedge against possible increases in future interest rate of Series 162 and 163-B.

### (2) Details of the Interest Rate Swap Agreement

Series		162	163-B
Counterparty		Nomura Securities Co., Ltd.	
Notional Amount		1,400 million yen	2,950 million yen
Interest Rate	Fixed Interest Rate for Payment (Note)	0.23800%	0.23900%
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 1 month)	
Commencement Date		March 28, 2019	March 29, 2019
Termination Date		March 31, 2029	
Payment Date		The first payment is due at the end of April 2019, and on the last day of every month thereafter with March 31, 2029. (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 162 and 163-B are essentially fixed at 0.83800% and 0.83900%, respectively.

## 4. Status of Borrowings and Investment Corporation Bonds after the Debt Financing (as of March 29, 2019)

(Millions of yen)

Classification	Balance before the Debt Financing	Balance after the Debt Financing (Note 3)	Difference
Short-Term Borrowings (Note 1)	5,200	4,200	-1,000
Long-Term Borrowings (Note 2)	170,350	169,850	-500
Total Borrowings	175,550	174,050	-1,500
Investment Corporation Bonds	8,000	8,000	0
Total Borrowings and Investment Corporation Bonds	183,550	182,050	-1,500

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.

Note 3: The repayment amount of long-term borrowings due by cash on hand is reflected.

**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, 2019).

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 March 26, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.