

Translation of Japanese Original

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To All Concerned Parties

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Notice Concerning Establishment of Green Bond Framework for Green Bonds Issuance, etc.

Kenedix Office Investment Corporation (“the Investment Corporation”) has announced that the Investment Corporation has established, in preparation for issuance of green bonds (Note 1) (unsecured investment corporation bonds) (“the Green Bonds”) for the first time, “Green Bond Framework,” which specifies a basic policy on green bonds (“the Framework”), and that the Framework has obtained a second-party opinion from Sustainalytics, a third-party ESG and corporate governance research agency, and the Green Bonds has obtained a preliminary evaluation of “Green 1”, the highest evaluation from Japan Credit Rating Agency, Ltd. (“JCR”) as of today.

1. Purposes and Backgrounds of Efforts toward Issuance of Green Bonds

The Investment Corporation recognizes the importance of consideration for Environment, Social and Governance (ESG) issues in real estate investment management, and regards initiatives for improvement in sustainability to fulfill our corporate social responsibility and contribute to sustainable society as our important business challenges.

As part of our environment-conscious initiatives, we have continued efforts to promote environment-friendliness and energy conservation, improve energy utilization and achieve sustainability at properties in our portfolio, by participating in GRESB (Global Real Estate Sustainability Benchmark) Real Estate Assessment, in which the Investment Corporation received a “Green Star” rating for the seven consecutive years, and proactively acquiring environmental certification and assessment from external certification/evaluation systems, including DBJ Green Building Certification, Certification for CASBEE for Real Estate and BELS Certification (Note 2).

The Investment Corporation has established the Green Bond Framework for issuance of green bonds, the promotion of which is supported by Ministry of the Environment, since we consider that such issuance enable us to be more committed to our efforts to improve sustainability and also to make 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.

2. Eligibility of the Green Bonds and the Framework

The second-party opinion which was given from Sustainalytics, a third-party ESG and corporate governance research agency, stated that “The Framework conforms to the Green Bond Principles 2018 and the Green

Bond Guidelines, 2017” (Note 3). Also, the Green Bonds have obtained a preliminary evaluation of “Green 1” from JCR, the highest evaluation in its “JCR Green Bond Evaluation.”

For details of the opinion and evaluation, please refer to the websites below:

*Second-party opinion given by Sustainalytics:

<https://www.sustainalytics.com/green-bond-second-party-opinions/#>

*JCR Green Bond Evaluation:

<https://www.jcr.co.jp/en/greenfinance/green/>

In addition, with regard to the Investment Corporation Bonds’ obtainment of third-party evaluations, issuance supporters Sustainalytics and JCR have received a notice from Green Finance Organisation Japan, General Incorporate Association, regarding the fact 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 4).

Note 1: Green bonds are bonds that are issued to raise funds for domestic and overseas green projects: to be specific, (i) those the proceeds of which are allocated exclusively to green projects, (ii) those the proceeds of which are tracked and managed in a reliable manner, and (iii) the transparency of such proceeds is ensured by reporting after the issuance of the bonds.

Note 2: For details of certification and assessment obtained from external systems, please refer to the Investment Corporation’s website, “Initiatives for Sustainability” as below:

<https://www.kdo-reit.com/en/feature/environment.html>

Note 3: Green Bond Principles 2018 is the 2018 version of the internationally-recognized guidelines for issuance of green bonds, stipulated by Green Bond Principles Executive Committee, a private organization administered by the International Capital Market Association (ICMA). “Green Bond Guidelines, 2017” is guidelines established and announced by Ministry of the Environment in March 2017 in consideration of consistency with Green Bond Principles, provide issuers, investors and other market participants with illustrative examples of specific approaches and interpretations which are tailored to Japan’s bond market to aid with decision-making regarding green bonds, for the purpose of further increase in issuance of green bonds in the domestic market.

Note 4: For FY2018 Financial Support Programme for Green Bond Issuance, please refer to the website “Financial Support Programme for Green Bond Issuance (Subsidy Project)” as below:

<http://greenbondplatform.env.go.jp/en/support/subsidy.html>

Issuance and terms of issuance of the Green Bonds, etc. are not decided as of today, and will be announced upon determination.

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 January 9, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.