

Translation of Japanese Original

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To All Concerned Parties

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**Notice Concerning Debt Financing (Series 164) 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
164-A	Sumitomo Mitsui Trust Bank, Limited	500 million yen	Base rate (JPY TIBOR for 3 month) +0.27000%	June 12, 2019	June 14, 2019	June 30, 2023	Unsecured, unguaranteed · Repayment of principal in full on maturity date
164-B	Resona Bank, Limited	500 million yen	Base rate (JPY TIBOR for 3 month) +0.46000%			December 28, 2026	
164-C	Sumitomo Life Insurance Company	1,000 million yen	0.60500% (Fixed interest rate)			April 30, 2027	
164-D	Sumitomo Mitsui Banking Corporation	1,000 million yen	Base rate (JPY TIBOR for 3 month) +0.59000%			March 31, 2029	

Note 1: The first interest payment for debt financing with floating interest rate in Series 164 is due at the end of June 2019, and on the last day of every 3 months thereafter with the principal repayment day. The first interest payment of Series 164-C is due at the end of October 2019, and on the last day of every 6 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 rate that is applied during interest period for the interest due on each interest payment date for debt financing with floating interest rate shall be calculated based on Japanese Yen TIBOR for 3 months, while Japanese Yen TIBOR for 1 months rate only for the first interest payment, 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 164 is to apply the fund towards a part of acquisition funds and related costs for Chofu Center Building to be acquired on June 14, 2019. In addition, The Investment Corporation intends to newly undertake the debt financing from Sumitomo Life Insurance Company as a new lender to diversify and expand its lenders.

Note: For details on the acquisition, please refer to the press release, “Notice Concerning Acquisition of Property (Chofu Center Building)” dated June 12, 2019.

3. Interest Rate Swap Agreement

(1) Purpose

For a hedge against possible increases in future interest rate of Series 164.

(2) Details of the Interest Rate Swap Agreement

Series		164-A	164-B	164-D
Counterparty		Sumitomo Mitsui Trust Bank, Limited		
Notional Amount		500 million yen	500 million yen	1,000 million yen
Interest Rate	Fixed Interest Rate for Payment (Note)	-0.02410%	0.05660%	0.13450%
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 3 month, JPY TIBOR for 1 months for the first payment)		
Commencement Date		June 14, 2019		
Termination Date		June 30, 2023	December 28, 2026	March 31, 2029
Payment Date		The first payment is due at the end of June 2019, 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 164-A, 164-B and 164-D are essentially fixed at 0.24590%, 0.51660% and 0.72450%, respectively.

4. Status of Borrowings and Investment Corporation Bonds after the Debt Financing (as of June 14, 2019)

(Millions of yen)

Classification	Balance before the Debt Financing	Balance after the Debt Financing (Note 3)	Difference
Short-Term Borrowings (Note 1)	4,200	4,200	0
Long-Term Borrowings (Note 2)	169,850	172,850	+3,000
Total Borrowings	174,050	177,050	+3,000
Investment Corporation Bonds	8,000	8,000	0
Total Borrowings and Investment Corporation Bonds	182,050	185,050	+3,000

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 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 June 12, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.