

Translation of Japanese Original

September 20, 2019

To All Concerned Parties

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(Securities Code: 8972)

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**Notice Concerning Debt Financing (Series 168) and
Execution of Interest Rate Swap Agreement**

Kenedix Office Investment Corporation (“the Investment Corporation”) has announced today, that the Investment Corporation decided to undertake the debt financing (total of 2,700 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
168-A	Aozora Bank, Ltd.	1,000 million yen	Base rate (JPY TIBOR for 3 months) +0.45000%	September 20, 2019	September 30, 2019	September 30, 2026	Unsecured, unguaranteed · Repayment of principal in full on maturity date
168-B	MUFG Bank, Ltd.	900 million yen	Base rate (JPY TIBOR for 3 months) +0.47500%			March 31, 2027	
	The Norinchukin Bank	800 million yen	To be determined (Note 3) (Fixed interest rate)				

Note 1: The first interest payment is due at the end of December 2019, 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 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, 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/>).

Note 3: The undecided matter will be announced upon determination.

2. Purpose of Debt Financing

Series 168 is to apply the fund towards the repayment of Series 89 (2,700 million yen) with the principal repayment date of September 30, 2019. In addition, for the purpose of diversifying and expanding the financial institutions that we deal with, we newly borrow from The Norinchukin Bank as a new lender.

3. Interest Rate Swap Agreement

(1) Purpose

For a hedge against possible increases in future interest rate of the debt financing (Series 168) with floating interest rate.

(2) Details of Interest Rate Swap Agreement

Series		168-A	168-B
Counterparty		To be determined and announced upon determination	
Notional Amount		1,000 million yen	900 million yen
Interest Rate	Fixed Interest Rate for Payment	To be determined and announced upon determination	
	Floating Interest Rate for Receipt	Base rate (JPY TIBOR for 3 months)	
Commencement Date		September 30, 2019	
Termination Date		September 30, 2026	March 31, 2027
Payment Date		The first payment is due at the end of December 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.)	

4. Status of Borrowings and Investment Corporation Bonds after the Debt Financing (as of September 30, 2019)

(Millions of yen)

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

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 July 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 September 20, 2019. However, no assurance or warranties are given for the completeness or accuracy of this English translation.