

Translation of Japanese Original

August 25, 2014

To All Concerned Parties

REIT Issuer:  
Kenedix Office Investment Corporation  
Naokatsu Uchida, Executive Director  
(Securities Code: 8972)

Asset Management Company:  
Kenedix Real Estate Fund Management, Inc.  
Ryosuke Homma, CEO and President  
Inquiries:  
Hikaru Teramoto  
General Manager of Planning Department  
Office REIT Division  
TEL: +81-3-5623-8979

**Notice Concerning Debt Financing (Series 105, 106 and 107) and the Interest Rate Swap Agreements**

Kenedix Office Investment Corporation (“the Investment Corporation”) today announced its decision to undertake debt financing (total of ¥4,250 million) and the interest rate swap agreements. Please see the below for additional details.

**1. Purpose of Debt Financing**

The Investment Corporation has decided to execute the Series 105 debt financing agreement to apply the fund towards the payment of Series 62 (total of ¥1,000 million) with a repayment date of August 29, 2014. Series 106 and 107 are to apply the funds towards the acquisition of real estate assets (2 Properties) and a part of associated costs.

Note: For additional details, please refer to the press release “Notice Concerning Debt Financing (Series 62)” dated August 30, 2011 for Series 62. Furthermore, please refer to the press release “Notice Concerning Acquisition of Properties (Conclusion of Agreements) (Hiroshima Ekimae-dori Mark Building·Tosen Ikebukuro Building)” dated today for details of the acquisition of real estate assets (2 Properties).

**2. Details of Debt Financing**

Long-Term Borrowing (Series 105)

- |   |                       |   |
|---|-----------------------|---|
| ① | Lender                | : Sumitomo Mitsui Trust Bank Limited  |
| ② | Amount                | : ¥1,000 million  |
| ③ | Interest Rate         | : Base rate (JPY TIBOR for 1 month) + 0.40% (Note)  |
| ④ | Drawdown Date         | : August 29, 2014   |
| ⑤ | Debt Financing Method | : The Investment Corporation executed an individual debt financing agreement with the aforementioned lender on August 27, 2014.   |
| ⑥ | Interest Payment Date | : The first interest payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment due on July 31, 2019.<br>(If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.) |
| ⑦ | Repayment Date        | : July 31, 2019<br>(If this day is a non-business day, then the repayment will be due on the previous business day.)  |
| ⑧ | Repayment Method      | : Repayment of principal in full on maturity date   |
| ⑨ | Collateral            | : Unsecured, unguaranteed   |

Note: The base rate for the period commencing August 29, 2014 through the end of September, 2014 will be the Japanese Yen TIBOR for 1 month which JBA TIBOR Administration (the “JBATA”) release on August 27, 2014. Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 1 month, which 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/>).

(2) Long-Term Borrowing (Series 106)

- ① Lender : (1) Mizuho Trust & Banking Co., Ltd.  
(2) The Bank of Fukuoka, Ltd.
- ② Amount : (1) ¥800 million  
(2) ¥500 million
- ③ Interest Rate : Base rate (JPY TIBOR for 1 month) + 0.50% (Note)
- ④ Drawdown Date : September 1, 2014
- ⑤ Debt Financing Method : The Investment Corporation executed individual debt financing agreements with the aforementioned lenders on August 25, 2014.
- ⑥ Interest Payment Date : The first interest payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment due on August 31, 2021  
(If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)
- ⑦ Repayment Date : August 31, 2021  
(If this day is a non-business day, then the repayment will be due on the previous business day.)
- ⑧ Repayment Method : Repayment of principal in full on maturity date
- ⑨ Collateral : Unsecured, unguaranteed

Note: The base rate for the period commencing September 1, 2014 through the end of September, 2014 will be the Japanese Yen TIBOR for 1 month which JBATA release on August 28, 2014. Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 1 month, which 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/>).

(3) Long-Term Borrowing (Series 107)

- ① Lender : (1) The Bank of Tokyo-Mitsubishi UFJ, Ltd.  
(2) Resona Bank, Limited
- ② Amount : (1) ¥1,000 million  
(2) ¥950 million
- ③ Interest Rate : Base rate (JPY TIBOR for 1 month) + 0.50% (Note)
- ④ Drawdown Date : September 3, 2014
- ⑤ Debt Financing Method : The Investment Corporation executed individual debt financing agreements with the aforementioned lenders on August 25, 2014.
- ⑥ Interest Payment Date : The first interest payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment due on August 31, 2022.  
(If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)
- ⑦ Repayment Date : August 31, 2022  
(If this day is a non-business day, then the repayment will be due on the previous business day.)
- ⑧ Repayment Method : Repayment of principal in full on maturity date
- ⑨ Collateral : Unsecured, unguaranteed

Note: The base rate for the period commencing September 3, 2014 through the end of September, 2014 will be the Japanese Yen TIBOR for 1 month which JBATA release on September 1, 2014. Thereafter, the base rate shall be calculated based on Japanese Yen TIBOR for 1 month, which 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/>).

### 3. Use of Funds

The abovementioned Series 105 (total of ¥1,000 million) will be used for the repayment of Series 62.

Series 106 and 107 are to apply the funds towards the acquisition of real estate assets (2 Properties) and a part of associated costs.

### 4. Interest Rate Swap Agreement

The Investment Corporation has decided to execute interest rate swap agreements as stated below. The more details will be announced when determined.

#### (1) Purpose

To hedge against possible increases in future interest rates for the abovementioned debt financing (Series 105, 106 and 107).

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

##### ①Interest Rate Swap Agreement (Series 105)

Counterparty	: To be determined (Note)
Notional Amount	: ¥1,000 million
Interest Rates	: Fixed interest rate for payment: To be determined Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	: August 29, 2014
Termination Date	: July 31, 2019
Payment Date	: The first payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment on July 31, 2019. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)

Note: Any undecided matters shall be determined on August 27, 2014 and will be announced after decision is made.

##### ②Interest Rate Swap Agreement (Series 106 (1))

Counterparty	: To be determined (Note)
Notional Amount	: ¥800 million
Interest Rates	: Fixed interest rate for payment: To be determined Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	: September 1, 2014
Termination Date	: August 31, 2021
Payment Date	: The first payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment on August 31, 2021. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)

Note: Any undecided matters shall be determined on August 28, 2014 and will be announced after decision is made.

##### ③Interest Rate Swap Agreement (Series 106 (2))

Counterparty	: To be determined (Note)
Notional Amount	: ¥500 million
Interest Rates	: Fixed interest rate for payment: To be determined Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	: September 1, 2014
Termination Date	: August 31, 2021
Payment Date	: The first payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment on August 31, 2021. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)

Note: Any undecided matters shall be determined on August 28, 2014 and will be announced after decision is made.

④Interest Rate Swap Agreement (Series 107 (1))

Counterparty	: To be determined (Note)
Notional Amount	: ¥1,000 million
Interest Rates	: Fixed interest rate for payment: To be determined Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	: September 3, 2014
Termination Date	: August 31, 2022
Payment Date	: The first payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment on August 31, 2022. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)

Note: Any undecided matters shall be determined on September 1, 2014 and will be announced after decision is made.

⑤Interest Rate Swap Agreement (Series 107 (2))

Counterparty	: To be determined (Note)
Notional Amount	: ¥950 million
Interest Rates	: Fixed interest rate for payment: To be determined Floating interest rate for receipt: base rate (JPY TIBOR for 1 month) (Note)
Commencement Date	: September 3, 2014
Termination Date	: August 31, 2022
Payment Date	: The first payment is due at the end of September 2014, and on the last day of every month thereafter, with the last interest payment on August 31, 2022. (If the last date of the month is a non-business day, then the interest payment will be due on the previous business day.)

Note: Any undecided matters shall be determined on September 1, 2014 and will be announced after decision is made.

**5. Debt Financing Before and After the Borrowings with Corporate Bonds (as of September 3, 2014)**

(Millions of yen)

	Debt Financing Before Borrowings	Debt Financing After Borrowings	Difference
Short-Term Borrowings (Note 1)	4,500.0	4,500.0	0.0
Long-Term Borrowings (Note 2)	157,446.5	160,696.5	+3,250.0
Total Borrowings	161,946.5	165,196.5	+3,250.0
Corporate Bonds	8,300.0	8,300.0	0.0
Total Borrowings and Corporate Bonds	170,246.5	173,496.5	+3,250.0

Notes:

1. Short-term borrowings refer to debt financing with a period less than or equal to one year from the drawdown date to the repayment date. However, the borrowings for which the period until the repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day, and for which the repayment date has been moved to a different business day, are included in short-term borrowings.
2. Long-term borrowings refer to debt financing with a period more than one year from the drawdown date to the repayment date.

**6. Other**

For risks concerning the repayment of the aforementioned borrowings, there are no significant changes to the "Investment Risks" as described in the Securities Report (submitted July 30, 2014).

This notice is the English translation of the Japanese announcement on our Web site released on August 25, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.