KENEDIX
Office Investment Corporation

Translation of Japanese Original

February 28, 2014

To All Concerned Parties

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

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Notice Concerning the Sale of Property (KDX Niigata Building) and conclusion of agreement of the sales of properties (Kabutocho Nikko Building II ·Court Mejiro)

Kenedix Office Investment Corporation ("the Investment Corporation") announced its decision to sell following properties. Details are provided as follows.

1. Outline

	①	②	③
(1) Property Name	KDX NiigataBuilding (Office Building)	Kabutocho Nikko Building II (Office Building)	Court Mejiro (Residential)
(2) Type of Asset for Sale (Planned)	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate
(3) Sale Price (Planned) (Note 1)	¥630,000,000	¥1,600,000,000	¥1,329,105,000
(4) Assumed Book Value (Note 2)	¥1,427,000,000 (As of end of February, 2014)	¥1,263,000,000 (As of end of March, 2014)	¥1,140,000,000 (As of end of March, 2014))
(5) Difference between Sale Price and Assumed Book Value:(3)-(4) (Note 2) (Note3)	¥(797,000,000)	¥337,000,000	¥189,000,000
(6) Purchase and Sale Agreement Execution Date	February 28, 2014	February 28, 2014	February 28, 2014
(7) Settlement Date (Planned)	February 28, 2014	March 28, 2014	March 26, 2014
(8) Buyer (Note 4)	Please refer to 5. "Buyer's Profile①" for details	Please refer to 5. "Buyer's Profile②" for details	Please refer to 5. "Buyer's Profile③" for details
(9) Settlement Method	Trust beneficiary interest will be transferred to the buyer.	Trust beneficiary interest will be transferred to the buyer.	Trust beneficiary interest will be transferred to the buyer.
(10) Method of Buyer Selection	The buyer was selected after interested buyers for the property were introduced by a domestic major brokerage firm and the prices and conditions of the sale, etc. were confirmed.	The buyer offered the purchase and the Investment Corporation then confirming the price, conditions of sale, etc.	The buyer was selected after interested buyers for the property were introduced by several domestic brokerage firms, and the prices and conditions of the sale, etc. were confirmed.

Notes:

1. Excluding acquisition costs, adjustment of property tax and city-planning tax, amount, and consumption tax, etc.
2. Assumed book values are truncated to millions of yen.

3. Amount is a referential figure calculated as the difference between (planned) sale price and assumed book value, and differs from the profit/loss on the sale of the property.
4. ①·②·③ buyers are defferent corporate respectively

The aforementioned assets ("the Properties") for sale (Planned) shall hereafter be referred to collectively as "the three Properties."

2. Reasons for Sale

The decision to sell the three Properties is part of the strategy of property replacement that is in line with the Investment Corporation's management policy. The sales of ①KDX Niigata Building, an office building located in Other Regional Areas, ②Kabutocho Nikko Building II, a small-sized office building, and ③Court Mejiro, a residential property, will be conducted during the current fiscal period (ending April 30, 2014) respectively by comprehensively taking into consideration the Investment Corporation's current and future portfolio development policy, real estate market trends, the characteristics of individual properties and other factors.

① KDX Niigata Building is an office building located in Niigata City with a building age of approximately 30 years. The sale was decided by taking into consideration the Investment Corporation's portfolio development policy to conduct investment primarily focused on mid-sized office buildings in the Tokyo Metropolitan Area and comprehensively judging the property's scale and competitiveness, market trends and other factors. The sale price of this property falls below the assumed book value at the time of the sale and the most recent appraisal value. However, it was decided that it is an appropriate market price when taking into account its leasing history with tenants, leasing market trends in the vicinity as well as future cash flow trends.

② Kabutocho Nikko Building II is one of the several properties located in Nihonbashi area and owned by the Investment Corporation, and has a relatively small scale within the portfolio (acquisition price: 1.28 billion yen). The (planned) sale price of the property is higher than the assumed book value at the time of the sale and the most recent appraisal value, and the Investment Corporation will be able to secure a commensurate profit through the sale.

③ Court Mejiro falls under one of the asset types for which replacements are preferentially considered (residential properties) in line with the Investment Corporation's management policy. It is a family-type residential property with a building age of approximately 17 years. The (planned) sale price of the property is higher than the assumed book value at the time of the sale and the most recent appraisal value, and the Investment Corporation will be able to secure a commensurate profit through the sale.

The Investment Corporation will utilize proceeds obtained through the sales of the three Properties as funds for making new investments in the future and other purposes, and the Investment Corporation will continue building a portfolio primarily comprised of mid-sized office buildings.

3. Use of Funds

The Investment Corporation plans to utilize the payment from the sales of the three Properties to allocate acquisition funds for new properties, etc.

4. Details of Property for Planned Sales

① KDX Niigata Building

Property Name		KDX Niigata Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		March 1, 2007 to August 1, 2015
Location (Address)		2-5-1 Higashi-Odori, Chuo-ku, Niigata-shi, Niigata
Usage		Offices, Retail shops
Type of Structure		Flat-roofed, reinforced concrete structure; two underground and thirteen above-ground floors
Site Area	Land	1,110.56 ㎡
	Building	6,810.29 ㎡
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		July 13, 1983
Acquisition Date		March 1, 2007
Acquisition Price		¥1,305,000,000
Appraisal Value		¥870,000,000 Base date of appraisal: February 1, 2014 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥49,603 thousand (fiscal period ended October 2013)
Leasehold･Security Deposits		¥53,592 thousand (as of October 31, 2013)
Number of End Tenants		22 (As of January 31, 2014. The same applies below.)
Total Leasable Floor Area		4,069.53 ㎡
Total Leased Floor Area		2,643.74 ㎡
Occupancy Ratio (Total Leased Floor Area Basis)		65.0%

② Kabutocho Nikko Building II

Property Name		Kabutocho Nikko Building II
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		September 6, 2002 to August 1, 2020
Location (Address)		8-1 Nihombashi Kabutocho, Chuo-ku, Tokyo
Usage		Offices
Type of Structure		Flat-roofed, steel-frame concrete structure; eight above-ground floors
Site Area	Land	350.63 ㎡
	Building	2,016.03 ㎡
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		October 26, 2001
Acquisition Date		December 26, 2012
Acquisition Price		¥1,280,000,000
Appraisal Value		¥1,560,000,000 Base date of appraisal: February 1, 2014 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥54,579 thousand (fiscal period ended October 2013)
Leasehold･Security Deposits		¥82,526 thousand (as of October 31, 2013)
Number of End Tenants		4 (As of January 31, 2014. The same applies below.)
Total Leasable Floor Area		1,395.78 ㎡
Total Leased Floor Area		1,395.78 ㎡
Occupancy Ratio (Total Leased Floor Area Basis)		100.0%

③ Court Mejiro

Property Name		Court Mejiro
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		April 7, 2004 to August 1, 2015
Location (Address)		4-19-25 Shimo-Ochiai, Shinjuku-ku, Tokyo
Usage		Residential complex
Type of Structure		Flat-roofed, reinforced concrete structure; one underground and three above-ground floors
Site Area	Land	1,581.91 ㎡
	Building	3,326.07 ㎡
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		March 5, 1997
Acquisition Date		August 1, 2005
Acquisition Price		¥1,250,000,000
Appraisal Value		¥973,000,000 Base date of appraisal: February 1, 2014 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥38,814 thousand (fiscal period ended October 2013)
Leasehold・Security Deposits		¥15,857 thousand (as of October 31, 2013)
Number of End Tenants		19 (As of January 31, 2014. The same applies below.)
Total Leasable Floor Area/ Total Leasable Units		2,046.79 ㎡/20 units
Total Leased Floor Area/ Total Leased Units		1,967.66 ㎡/19 units
Occupancy Ratio (Total Leased Floor Area Basis)		96.1%

5. Buyer's Profile

① KDX Niigata Building

Company Name	YK Ooizumi Shouten
Location	5-9-25 Nishibori, Sakura-ku, Saitama, Saitama
Title and Name of Representative	Director Takayoshi Koinuma
Description of Business	1. Sell commodities and sundry goods 2. Non-life insurance agent 3. Sale and purchase, rental of land and property, intermediary management.
Amount of Capital	¥32.5 million
Date of Incorporation	January 21, 1982
Net Assets	Not disclosed due to the buyer's request
Total Assets	Not disclosed due to the buyer's request
Relationship with the Investment Corporation・the Asset Management Company	
Capital Relationship	There is no special capital relationship between the Investment Corporation・Kenedix Real Estate Fund Management, Inc ("the Asset Management Company") and the buyer.
Personnel Relationship	There is no special personnel relationship between the Investment Corporation・the Asset Management Company and the buyer.
Business Relationship	There is no special business relationship between the Investment Corporation・the Asset Management Company and the buyer.
Whether or not to be the Related Parties	The buyer is not a related company as defined under the Investment Trust and Investment Corporation Law ("the Investment Trust Law") and the Office REIT Division internal regulations of the Asset Management Company.

*As of February 28, 2014

② Kabutocho Nikko Building II

Name and other information of the buyer, a domestic general business corporation is not disclosed because the buyer has not given consent. The buyer is not an interested party as defined under the Investment Trust and the Investment Trust Law and the Office REIT Division internal regulations of the Asset Management Company.

③ Court Mejiro

Name and other information of the buyer, a domestic general business corporation is not disclosed because the buyer has not given consent. The buyer is not an interested party as defined under the Investment Trust and the Investment Trust Law and the Office REIT Division internal regulations of the Asset Management Company.

6. Sales Schedule

① KDX Niigata Building

February 28, 2014	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreement Settlement Sale of trust beneficiary interest

② Kabutocho Nikko Building II

February 28, 2014	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreement
March 28, 2014 (Planned)	Settlement Sale of trust beneficiary interest

③ Court Mejiro

February 28, 2014	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreement
March 26, 2014 (Planned)	Settlement Sale of trust beneficiary interest

7. Asset Management Fees

The Investment Corporation shall pay the sales commission to the Asset Management Company in connection with the sales of the Properties in accordance with the Asset Management Agreement.

Sales fee: An amount equivalent to 0.5% of the planned sales price identified in 1 (3) above. (Note)

① KDX Niigata Building: ¥3.15 million

② Kabutocho Nikko Building II: ¥8.00 million

③ Court Mejiro: ¥6.64 million

Date of payment: Within one month after the settlement date

Note: Figures are truncated to ten thousand of yen and excluding consumption tax. Thousands

8. Details of Brokerage

The details of the brokerage firm and the brokerage fee are as follows.

① KDX Niigata Building

Name of brokerage firm	Tokyu Livable, INC
Location	1-9-5 Dougenzaka, Shibuya-ku, Tokyo
Title and Name of Representative	President and CEO Yoshihiro Nakajima
Description of Business	1. Real estate brokerage business 2. Sales consignment business 3. Real estate leasing business 4. Real estate sales business
Amount of Capital	¥1,396.3 million
Date of Incorporation	March 10, 1972

Relationship with the Investment Corporation or the Asset Management Company	The brokerage firm is not an interested party as defined under the Investment Trust Law and the Office REIT Division internal regulations of the Asset Management Company.
Brokerage Fee	Disclosure of the fee was not approved by the brokerage firm.

*As of February 28, 2014

② Kabutocho Nikko Building II

No relevant items for this transaction

③ Court Mejiro

Name of brokerage firm	Nomura Real Estate Urban Net CO., Ltd.
Location	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Title and Name of Representative	President Seishi Miyajima
Description of Business	1. Brokerage of residential real estate 2. Brokerage of commercial real estate 3. Consignment sales business 4. Insurance agency business 5. Information website on real estate operation
Amount of Capital	¥1,000 million
Date of Incorporation	November 6, 2000
Relationship with the Investment Corporation or the Asset Management Company	The brokerage firm is not an interested party as defined under the Investment Trust Law and the Office REIT Division internal regulations of the Asset Management Company.
Brokerage Fee	Disclosure of the fee was not approved by the brokerage firm.

*As of February 28, 2014

9. Interested-Party Transactions

The subject sales of the three Properties, does not constitute an interested-party transaction.

The Investment Corporation shall pay fees to the Asset Management Company pursuant to the Property Management Agreements executed between the Investment Corporation and the Asset Management Company in connection with the sales of the Properties and the subsequent transfer in management control.

(① KDX Niigata Building: ¥1.8million, ② Kabutocho Nikko Building II: ¥2.0 million, ③ Court Mejiro: ¥2.0 million). (Note)

These fees are relates to the service to notice to the lessee regarding the transfer of leasing and management responsibilities and also relates to the handover of property management duties. Fees shall be paid promptly after settlement date.

Note: ①·②·③ are excluding consumption tax respectively

10. Outlook

Overall, a loss is expected from the cumulative profits/losses from the selling of the three Properties. However, there will be no revision to the operating forecasts for the fiscal period ending April 30, 2014 (November 1, 2013 to April 30, 2014) since a reversal of reserve for reduction entry is planned and the impact on the distribution is minimal.

This notice is the English translation of the Japanese announcement on our Web site released on February 28, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material

Property Portfolio after Sales of the three Properties

* Total number of properties, total acquisition price, ratio and total PML does not include the sales of the three Properties.

Type of Use	Area	Property Name	AcquisitionPrice (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Nihonbashi Kabutocho Building	11,270	3.5%	December 26, 2011
		KDX Harumi Building	10,250	3.1%	June 30, 2008
		Toranomon Toyo Building	9,850	3.0%	June 1, 2007
		Hiei Kudan-Kita Building	7,600	2.3%	February 1, 2008
		KDX Shinjuku Building	6,800	2.1%	February 18, 2010
		KDX Ochanomizu Building	6,400	1.9%	April 2, 2007
		Fuchu South Building	6,120	1.9%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	1.8%	March 1, 2007
		KDX Kojimachi Building	5,950	1.8%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.8%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	1.8%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.6%	May 1, 2006
		SIA Takanawadai Building	5,250	1.6%	November 19, 2013
		KDX Iidabashi Building	4,670	1.4%	July 22, 2011
		KDX Ebisu Building	4,640	1.4%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.4%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.3%	August 1, 2005
		KDX Toranomon Building	4,400	1.3%	April 17, 2007
		Aplus Tokyo Building	4,350	1.3%	January 10, 2014
		KDX Ginza 1chome Building	4,300	1.3%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.3%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.2%	November 12, 2010
		Ikebukuro 261 Building	3,900	1.2%	November 18,2013
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.1%	February 1, 2008
		KDX Shinbashi Building (Note 3)	3,728	1.1%	Acquired Portion: May 1, 2006 Additionally Acquired Portion: December 2, 2013
		KDX Hatchobori Building	3,680	1.1%	August 1, 2005
		KDX Hamamatsucho Building	3,460	1.0%	May 1, 2006
		KDX Roppongi 228 Building	3,300	1.0%	January 10, 2008
		DNI Mita Building	3,180	0.9%	November 18, 2013
		Koishikawa TG Building	3,080	0.9%	November 18, 2009
		KDX Higashi-Shinjuku Building	2,950	0.9%	September 1, 2006
		KDX Kasuga Building	2,800	0.8%	September 21, 2012
		KDX Kayabacho Building	2,780	0.8%	May 1, 2006
		KDX Jimbocho Building	2,760	0.8%	March 31, 2008
		Nissou Dai-17 Building	2,710	0.8%	February 1, 2008
		KDX Hakozaki Building	2,710	0.8%	July 22, 2011
		Gotanda TG Building	2,620	0.8%	November 18, 2009
		Akihabara SF Building	2,600	0.8%	November 19, 2013
		KDX Nakano-Sakaue Building	2,533	0.7%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	0.7%	May 1, 2006
		Harajuku F.F. Building	2,450	0.7%	August 1, 2005
		KDX Ikejiri-Oohashi Building	2,400	0.7%	February 1, 2008

Office Buildings	Tokyo Metropolitan Area	KDX Kajicho Building	2,350	0.7%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	0.7%	February 1, 2008
		KDX Hamacho Building	2,300	0.7%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	0.7%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.7%	July 22, 2011
		FIK Minami Aoyama	2,270	0.7%	August 1, 2005
		KDX Funabashi Building	2,252	0.7%	March 1, 2006
		KDX Hamamatsucho Dai-2 Building	2,200	0.6%	September 1, 2008
		Itopia Nihonbashi SA Building	2,200	0.6%	August 19, 2013
		Shin-toshin Maruzen Building	2,110	0.6%	February 29, 2008
		KDX Omiya Building	2,020	0.6%	March 26, 2013
		KDX Nihonbashi 216 Building	2,010	0.6%	December 1, 2009
		KDX Okachimachi Building	2,000	0.6%	March 1, 2007
		KDX Gobancho Building	1,951	0.6%	March 31, 2008
		Kanda Kihara Building	1,950	0.6%	August 1, 2005
		Welship Higashi-Shinjuku	1,900	0.5%	September 13, 2013
		KDX Nakameguro Building	1,880	0.5%	September 21, 2012
		KDX Iwamoto-cho Building	1,864	0.5%	May 1, 2008
		KDX Kiba Building	1,580	0.4%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.4%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.4%	January 19, 2007
		KDX Kanda Misaki-cho Building	1,380	0.4%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.4%	March 1, 2007
		Kabutocho Nikko Building II	-	-	December 26, 2011
		Tachikawa Ekimae Building	1,267	0.3%	December 26, 2011
		KDX Hachioji Building	1,155	0.3%	March 1, 2007
		KDX Nogizaka Building	1,065	0.3%	July 14, 2006
	Other Regional Areas	KDX Nagoya Sakae Building	7,550	2.3%	Land: April 25, 2008 Building: July 1, 2009
		KDX Nagoya Ekimae Building	7,327	2.2%	December 26, 2011
		Portus Center Building	5,570	1.7%	September 21, 2005
		Karasuma Building	5,400	1.6%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.5%	February 1, 2008
		Nagoya Nikko Shoken Building	4,158	1.2%	December 26, 2011
		KDX Kobayashi-Doshomachi Building	2,870	0.8%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.8%	March 28, 2012
		KDX Kitahama Building	2,220	0.6%	February 1, 2008
		KDX Sendai Building	2,100	0.6%	June 1, 2007
		Kitananajo SIA Building	2,005	0.6%	March 25, 2011
		KDX Minami Semba Dai-1 Building	1,610	0.5%	May 1, 2006
		KDX Minami Semba Dai-2 Building	1,560	0.4%	May 1, 2006
		KDX Niigata Building	-	-	March 1, 2007
		Sendai Nikko Building	950	0.2%	December 26, 2011
	Total of 82 Office Buildings		291,951	90.8%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	3.0%	August 1, 2005
		Ginza 4-chome Tower	9,800	3.0%	August 19, 2013
		KDX Yoyogi Building	2,479	0.7%	September 30, 2005
	Total of 3 Central Urban Retail Properties		22,179	6.9%	-
Pro ial ent	Tokyo	Residence Charmante Tsukishima	5,353	1.6%	May 1, 2006

	Metropolitan Area	Court Mejiro	-	-	August 1, 2005
	Other Regional Areas	Venus Hibarigaoka	1,800	0.5%	December 8, 2005
Total of 2 Residential Properties			7,153	2.2%	-
Total of 87 Properties			321,283	100.0%	Portfolio PML 4.98 %

Investment Security	Senri Property TMK Preferred Securities	891	-	April 26, 2012
	Total of 1 Investment Securities	891	-	-

Notes:

1. Figures of less than one million yen are rounded off from acquisition prices, and ratios are rounded off to the first decimal place.
2. The acquisition price of the existing tower acquired on February 1, 2008 was 4,700 million yen, and the acquisition price of the annex tower acquired on November 18, 2009 was 1,100 million yen.
3. The acquisition price of acquired on May 1, 2006 was 2,690 million yen, and the acquisition price of the additionally acquired on December 2, 2013 was 1,038 million yen.