KENEDIX
Office Investment Corporation

Translation of Japanese Original

July 8, 2014

To All Concerned Parties

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

Asset Management Company:
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Notice Concerning the Sales of Properties (KDX Minami Semba Dai-1 Building·Nissou Dai-17 Building)

Kenedix Office Investment Corporation ("the Investment Corporation") announced today, that Kenedix Real Estate Fund Management, Inc. ("the Asset Management Company"), the asset management company for the Investment Corporation, has decided its decision to sell the following properties. Details are provided as follows.

1. Outline

	①	②
(1) Property Name	KDX Minami Semba Dai-1 Building (Office Building)	Nissou Dai-17 Building (Office Building)
(2) Type of Asset for Planned Sale	Trust beneficiary interest in real estate	Trust beneficiary interest in real estate
(3) Sale Price (Planned) (Note 1)	¥950,000,000	¥1,650,000,000
(4) Assumed Book Value (Note 2) (As of end of July, 2014)	¥1,479,000,000	¥2,559,000,000
(5) Difference between Sale Price and Assumed Book Value: (3)-(4) (Note3)	¥(529,000,000)	¥(909,000,000)
(6) Purchase and Sale Agreement Execution Date	July 8, 2014	July 15, 2014(Planned)
(7) Planned Settlement Date	July 31, 2014	August 19, 2014
(8) Buyer	Please refer to 5. "Buyer's Profile ①" for details	Please refer to 5. "Buyer's Profile ②" for details
(9) Settlement Method	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 several domestic brokerage firms, and the prices and conditions of the sale, etc. were confirmed.	The buyer was selected after interested buyer for the property was introduced by a domestic brokerage firm, and the prices and conditions of the sale, etc. were confirmed.

Notes:

1. Excluding acquisition costs, adjustments of property tax and city-planning tax 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.

The aforementioned assets ("the Properties") for planned sales shall hereafter be referred to collectively as "the two Properties."

2. Reasons for Sale

The decision to sell the two Properties is part of the strategy of property replacement that is in line with the Investment Corporation's management policy. The sale of the two Properties comprehensively takes 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 Minami Semba Dai-1 Building is an office building located in Chuo-ku, Osaka City with a building age of approximately 21 years. The sale was decided by 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 Nissou Dai-17 Building is an office building located in Kouhoku-ku, Yokohama City with a building age of approximately 23 years. The sale price of this property falls below the assumed book value at the time of the sale. However, it is higher than the most recent appraisal value and 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.

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 two Properties for property acquisition or to accumulate cash on hand.

4. Details of the Property for Planned Sale

① KDX Minami Semba Dai-1 Building

Property Name		KDX Minami Semba Dai-1 Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Resona Bank, Limited.
Trust Term		November 25, 2005 to August 1, 2015
Location (Address)		2-1-10 Minami Semba, Chuo-ku, Osaka, Osaka
Usage		Offices, Parking
Type of Structure		Steel-reinforced concrete structure, reinforced-concrete, steel structure, flat-roofed, galvanized sheet iron reed; one underground and nine above ground floors
Site Area	Land	715.44 ㎡
	Building (total floor area)	4,236.59 ㎡
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership

Completion Date	March 25, 1993
Acquisition Date	May 1, 2006
Acquisition Price	¥1,610,000,000
Appraisal Value	¥983,000,000 Base date of appraisal: April 30, 2014 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate	¥48,024 thousand (fiscal period ended April 2014)
Leasehold･Security Deposits	¥70,572 thousand (as of April 30, 2014. The same applies below)
Number of End Tenants	13 (Note)
Total Leasable Floor Area	3,106.73 ㎡
Total Leased Floor Area	2,834.08 ㎡ (Note)
Occupancy Ratio	91.2% (Note)
Other	As of April 30, 2014, the end-tenant occupying the eighth floor (312.43 m^2) of the Property, has cancelled the lease agreement. The Investment Corporation received the cancellation notice (Cancellation date: October 31, 2014) from the end-tenant occupying fourth floor (187.70m^2) dated April 30, 2014. Regarding the eighth floor, the Investment Corporation has concluded lease agreement with a new end-tenant starting from August 1, 2014.

② Nissou Dai-17 Building

Property Name		Nissou Dai-17 Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust Term		October 31, 2006 to August 1, 2015
Location (Address)		2-14-30 Shin-Yokohama, Kouhoku-ku, Yokohama, Kanagawa
Usage		Offices, Parking
Type of Structure		Flat-roofed steel-reinforced concrete structure; one underground and eight above ground floors
Site Area	Land	629.00 ㎡
	Building (total floor area)	4,016.61 ㎡
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		July 31, 1991
Acquisition Date		February 1, 2008
Acquisition Price		¥2,710,000,000
Appraisal Value		¥1,570,000,000 Base date of appraisal: April 30, 2014 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥50,496 thousand (fiscal period ended April 2014)
Leasehold･Security Deposits		¥68,274 thousand (as of April 30, 2014. The same applies below.)
Number of End Tenants		9
Total Leasable Floor Area		2,730.85 ㎡
Total Leased Floor Area		2,730.85 ㎡
Occupancy Ratio (Total Leased Floor Area Basis)		100.0%

5. Buyer's Profile

① KDX Minami Semba Dai-1 Building

Company Name	Fujikouei, Inc.
Location	5-9-25 Nishibori, Sakura-ku, Saitama, Saitama
Title and Name of Representative	President and CEO Takayoshi Koinuma
Description of Business	1. Designing and constructing buildings and civil engineering 2. Sale and purchase, rental of land and property, intermediary management.
Amount of Capital	¥48 million

Date of Incorporation	June 12, 1978
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・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 June 30, 2014

② Nissou Dai-17 Building

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 Law and the Office REIT Division internal regulations of the Asset Management Company.

6. Sale Schedule

① Minami Semba Dai-1 Building

July 8, 2014	Decision to sell the Property Execution of trust beneficiary interest purchase and sale agreement
July 31, 2014 (Planned)	Settlement Sale of trust beneficiary interest

② Nissou Dai-17 Building

July 8, 2014	Decision to sell the Property
July 15, 2014 (Planned)	Execution of trust beneficiary interest purchase and sale agreement Receive the deposit (¥100,000,000) (Note 1)
August 19, 2014 (Planned)	Settlement (remaining balance) (Note 2) Sale of trust beneficiary interest (Note 2)

Notes:

1. The deposit shall be interest free and be credited to a portion of the trading value at the time of settlement.
2. The compensation for terminating the agreement based on the breach of the agreement is, set to be equivalent to 20 % (¥330,000,000) of the purchase and sale price.

7. Asset Management Fees

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

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

① KDX Minami Semba Dai-1 Building: ¥4.75 million

② Nissou Dai-17 Building: ¥8.25 million

Date of payment: Within one month after the settlement date

8. Details of Brokerage

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

① KDX Minami Semba Dai-1 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・the Asset Management Company		
	Capital Relationship	There is no special capital relationship between the Investment Corporation・the Asset Management Company and the brokerage firm.
	Personnel Relationship	There is no special personnel relationship between the Investment Corporation・the Asset Management Company and the brokerage firm.
	Business Relationship	There is no special business relationship between the Investment Corporation・the Asset Management Company and the brokerage firm.
	Whether or not to be the Related Parties	The brokerage firm is not a related company 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 June 30, 2014

② Nissou Dai-17 Building

Name of brokerage firm		Largo Corporation
Location		2-14-3 Nagatacho, Chiyoda-ku, Tokyo
Title and Name of Representative		President & Representative Director Haruo Yamamoto
Description of Business		1. Solution business in real estate 2. Real estate asset management business 3. Real estate development business 4. Real estate renovation business 5. Real estate leasing business
Amount of Capital		¥100 million
Date of Incorporation		August 20, 2003
Relationship with the Investment Corporation・the Asset Management Company		
	Capital Relationship	There is no special capital relationship between the Investment Corporation・the Asset Management Company and the brokerage firm. The parent company of the Asset Management Company, Kenedix, Inc. holds about 1.4% of the brokerage firm share.
	Personnel Relationship	There is no special personnel relationship between the Investment Corporation・the Asset Management Company and the brokerage firm.
	Business Relationship	There is no special business relationship between the Investment Corporation・the Asset Management Company and the brokerage firm.
	Whether or not to be the Related Parties	The brokerage firm is not a related company 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 June 30, 2014

9. Interested-Party Transactions

The sales of the two Properties do 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 two Properties and the subsequent transfer in management control.

(① KDX Minami Semba Dai-1 Building: ¥1.8million, ② Nissou Dai-17 Building: ¥2.0 million).

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

10. Outlook

Please refer to the press release "Notice Concerning the Revisions of Operating Forecast and Distribution Forecast for the Fiscal Period Ending October 31, 2014" dated today for the operating forecast for the fiscal period ending October 31, 2014 (May 1, 2014 to October 31, 2014)

Attached Materials

Reference Material 1 Property Portfolio after sales of the two Properties

This notice is the English translation of the Japanese announcement on our Web site released on July 8, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material 1

Property Portfolio after sales of the two Properties

Type of Use	Area	Property Name	Acquisition Price (Anticipated) (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition (Anticipated) Date
Office Buildings	Tokyo Metropolitan Area	KDX Musashi-Kosugi Building	12,000	3.4%	March 20, 2014
		KDX Nihonbashi Kabutocho Building	11,270	3.2%	December 26, 2011
		KDX Harumi Building	10,250	2.9%	June 30, 2008
		Toranomon Toyo Building	9,850	2.8%	June 1, 2007
		KDX Toyosu Grand Square	8,666	2.5%	May 30, 2014
		Hiei Kudan-Kita Building	7,600	2.1%	February 1, 2008
		KDX Shinjuku Building	6,800	1.9%	February 18, 2010
		KDX Ochanomizu Building	6,400	1.8%	April 2, 2007
		KDX Fuchu Building	6,120	1.7%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	1.7%	March 1, 2007
		KDX Kojimachi Building	5,950	1.7%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.7%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	1.6%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.5%	May 1, 2006
		KDX Takanawadai Building	5,250	1.5%	November 19, 2013
		KDX Iidabashi Building	4,670	1.3%	July 22, 2011
		KDX Ebisu Building	4,640	1.3%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.3%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.2%	August 1, 2005
		KDX Toranomon Building	4,400	1.2%	April 17, 2007
		Aplus Tokyo Building	4,350	1.2%	January 10, 2014
		KDX Ginza 1chome Building	4,300	1.2%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.2%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.1%	November 12, 2010
		KDX Ikebukuro Building	3,900	1.1%	November 18,2013
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.0%	February 1, 2008
		KDX Shinbashi Building (Note 3)	3,728	1.0%	Acquired Portion: May 1, 2006 Additionally Acquired Portion: December 2, 2013
		KDX Hatchobori Building	3,680	1.0%	August 1, 2005
		Grace Building Takadanobaba	3,650	1.0%	May 30, 2014
		KDX Hamamatsucho Building	3,460	0.9%	May 1, 2006
		KDX Roppongi 228 Building	3,300	0.9%	January 10, 2008
		KDX Mita Building	3,180	0.9%	November 18, 2013
		Koishikawa TG Building	3,080	0.8%	November 18, 2009
		KDX Higashi-Shinjuku Building	2,950	0.8%	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	0.7%	March 31, 2008
		Nissou Dai-17 Building	-	-	February 1, 2008
		KDX Hakozaki Building	2,710	0.7%	July 22, 2011
		Gotanda TG Building	2,620	0.7%	November 18, 2009
		KDX Akihabara Building	2,600	0.7%	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

Office Buildings	Tokyo Metropolitan Area	Harajuku F.F. Building	2,450	0.7%	August 1, 2005
		KDX Ikejiri-Oohashi Building	2,400	0.6%	February 1, 2008
		KDX Kajicho Building	2,350	0.6%	July 3, 2006
		KDX Hamacho Nakanohashi Building	2,310	0.6%	February 1, 2008
		KDX Hamacho Building	2,300	0.6%	March 16, 2006
		KDX Shinjuku 286 Building	2,300	0.6%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.6%	July 22, 2011
		FIK Minami Aoyama	2,270	0.6%	August 1, 2005
		KDX Funabashi Building	2,252	0.6%	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	0.5%	March 26, 2013
		KDX Nihonbashi 216 Building	2,010	0.5%	December 1, 2009
		KDX Okachimachi Building	2,000	0.5%	March 1, 2007
		KDX Gobancho Building	1,951	0.5%	March 31, 2008
		Kanda Kihara Building	1,950	0.5%	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	0.3%	February 1, 2008
		KDX Hon-Atsugi Building	1,305	0.3%	March 1, 2007
		KDX 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	2.1%	Land: April 25, 2008 Building: July 1, 2009
		KDX Nagoya Ekimae Building	7,327	2.1%	December 26, 2011
		Portus Center Building	5,570	1.6%	September 21, 2005
		Karasuma Building	5,400	1.5%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.4%	February 1, 2008
		Nagoya Nikko Shoken Building	4,158	1.1%	December 26, 2011
		KDX Kobayashi-Doshomachi Building	2,870	0.8%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.7%	March 28, 2012
		Fumix STM Building	2,350	0.6%	May 30, 2014
		KDX Kitahama Building	2,220	0.6%	February 1, 2008
		KDX Sendai Building	2,100	0.6%	June 1, 2007
		KDX Sapporo Building	2,005	0.5%	March 25, 2011
		KDX Minami Semba Dai-1 Building	-	-	May 1, 2006
		KDX Minami Semba Dai-2 Building	1,560	0.4%	May 1, 2006
		Sendai Nikko Building	950	0.2%	December 26, 2011
	Total of 84 Office Buildings		314,297	90.7%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	2.8%	August 1, 2005
		Ginza 4chome Tower	9,800	2.8%	August 19, 2013
		KDX Yoyogi Building	2,479	0.7%	September 30, 2005

Total of 3 Central Urban Retail Properties			22,179	6.4%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.5%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.5%	December 8, 2005
Total of 2 Residential Properties			7,153	2.0%	-
Others	Tokyo Metropolitan Area	Shinjuku 6chome Building (Land)	2,880	0.8%	April 18, 2014
Total of 1 Others Property			2,880	0.8%	-
Total of 90 Properties			346,510	100.0%	Portfolio PML 4.57 % (Note 4)

Investment Securities	Senri Property TMK Preferred Securities (Note 5)	-	-	April 26, 2012
	G. K. KRF43 Silent Partnership Equity Interest	1,107	-	March 28, 2014
	Toyonaka Property TMK Preferred Securities (Note 5)	1,583		July 18, 2014 (Planned)
	Total of 2 Investment Securities	2,690	-	-

Notes:

1. Figures of less than one million yen are rounded off the acquisition (anticipated) prices, and ratios are rounded down 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 the portion acquired on May 1, 2006 was 2,690 million yen, and the acquisition price of the additional portion acquired on December 2, 2013 was 1,038 million yen.
4. Portfolio PML figure does not include Shinjuku 6chome Building (Land).
5. Senri Property TMK is scheduled to sell its trust beneficiary interest to Toyonaka Property TMK on July 22, 2014. Senri Property TMK will be liquidated and the Investment Corporation is scheduled to receive a refund of the equity interest in the Preferred Securities. For additional details, please refer to the press release “Notice Concerning Refund of Senri Property TMK Preferred Securities and Acquisition of Investment Asset (Toyonaka Property TMK Preferred Securities),” dated today regarding the refund of Senri Property TMK’s preferred equity securities and the acquisition of Toyonaka Property TMK’s preferred equity securities.