KENEDIX
Office Investment Corporation

Translation of Japanese Original

July 8, 2014

To All Concerned Parties

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Notice Concerning the Revisions of Operating Forecast and Distribution Forecast for the Fiscal Period Ending October 31, 2014

Kenedix Office Investment Corporation (the "Investment Corporation") today announced revisions of its operating forecast and distribution forecast for the nineteenth fiscal period (May 1, 2014 to October 31, 2014) previously announced on May 8, 2014.
Details are as follows:

1. Revised Operating Forecast and Distribution Forecast for the Nineteenth Fiscal Period Ending October 31, 2014

(Millions of yen unless otherwise stated)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit (Yen) (excluding excess of earnings per unit)	Distributions in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	11,249	4,972	3,484	3,482	9,810	0
Revised Forecast (B)	12,800	4,996	3,517	3,515	9,900	0
Net Change (B - A)	1,551	23	32	32	90	-
Change	13.8%	0.5%	0.9%	0.9%	0.9%	-

[Reference]
The investment units issued and outstanding as of fiscal period ending October 31, 2014: 355,010 units
Note: Forecast is based on the assumption that distributions will be roughly 100% of net income.

2. Reasons for Revisions

The Senri Property TMK (the "Senri TMK"), in which the Investment Corporation has a preferred equity investment, today decided to sell Senri Life Science Center Building, the specified asset owned by the Senri TMK, to Toyonaka Property TMK (the "Toyonaka TMK"). Accordingly, a refund of the Senri TMK preferred equity securities is planned around September 2014. As the result, the final profit distribution from the Senri TMK to the Investment Corporation is planning to take place around October 2014 with ¥1,644 million. (Note 1)
In addition, on July 8, 2014, the Investment Corporation is decided to sell KDX Minami Semba Dai-1 Building on July 31, 2014 and Nissou Dai-17 Building on August 19, 2014. As the result, total of ¥1,538 million for loss on sales is planned to be recorded. (Note 2)
After reflecting revision of above mentioned final profit distribution of the Senri TMK and the loss on sales, status of rental revenues, review on various expenses, a difference of 10% or more is expected for the operation revenues for the fiscal period ending October 31, 2014, our nineteenth fiscal period previously announced on May 8, 2014. Accordingly,

the Investment Corporation has made revision as in the table above and revision to the operating forecast as well as distribution forecast.

(Note 1) Please refer to "Notice Concerning Refund of Senri Property TMK Preferred Securities and Acquisition of Property (Toyonaka Property TMK Preferred Securities)", dated July 8, 2014, for refund of TMK Preferred Securities and acquisition of property in more details.

(Note 2) Please refer to "Notice Concerning the Sales of Properties (KDX Minami Semba Dai-1 Building•Nissou Dai-17 Building)" dated July 8, 2014, for sales of properties in more details.

[Notes]

1. Forecasted figures are calculated based on the "Preconditions and Assumptions for the Fiscal Period Ending October 31, 2014" (separate document attached) as of the date of this release. Readers are advised that actual operating revenues, operating income, ordinary income, net income and distributions per unit may differ significantly from forecasts due to a variety of reasons including the future acquisition or sale of real estate and changes in the Investment Corporation's operating environment including the real estate market. Accordingly, the Investment Corporation does not guarantee payment of the forecasted distributions per unit.
2. If the Investment Corporation expects significant changes to the aforementioned forecast, it may further revise its forecast in accordance with the rules of the Tokyo Stock Exchange.
3. Figures are rounded down to millions of Japanese yen.

[Attachment]

Preconditions and Assumptions for the Fiscal Period Ending October 31, 2014

	Preconditions and Assumptions
Calculation Period	• The nineteenth fiscal period: May 1, 2014 to October 31, 2014 (184 days)
Property Portfolio	• Although the number of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of July 8, 2014 is 92 properties, as announced on the press release "Notice Concerning the Sales of Properties (KDX Minami Semba Dai-1 Building•Nissou Dai-17 Building)" dated July 8, 2014, based on the assumption that the settlement of two operating properties stated below, ・ KDX Minami Semba Dai-1 Building (planned settlement date: July 31, 2014) ・ Nissou Dai-17 Building (planned settlement date: August 19, 2014) • The Investment Corporation also holds each of TMK preferred equity securities and TK equity other than mentioned in above. As announced on the press release "Notice Concerning Refund of Senri Property TMK Preferred Securities and Acquisition of Property (Toyonaka Property TMK Preferred Securities)", dated July 8, 2014, based on assumption that the refund of the TMK preferred securities and acquisition of the property. ・ Senri TMK Preferred Securities (planned refund date: around September, 2014) ・ Toyonaka TMK Preferred Securities (planned acquisition date: July 18, 2014) • Forecast is based on the assumption that the number of properties will remain unchanged (no disposition or acquisition of new properties, etc.) until the end of the nineteenth fiscal period, other than the above mentioned anticipated refund and acquisition. • The actual results may fluctuate due to changes in the property portfolio.
Operating Revenues	• Rental revenues are calculated based on lease agreements in effect as of July 8, 2014 and other factors, including expectations based on the historical performance of properties, seasonal effects and the recent trends in real estate market conditions. • Expected Senri TMK final profit distribution of ¥1,644 million on around October 2014. Furthermore, the result of the actual final profit distribution might fluctuate. • Forecast is based on the assumption that there will be no rent in arrears or non-payments by the tenants.
Operating Expenses	• Property-related expenses other than depreciation are calculated based on historical data and other factors, including seasonal effects that may cause fluctuations in expenses. • Property management fees and facility management fees (property management and building maintenance fees, etc.) of ¥1,060 million have been assumed. • Taxes and public dues (property taxes and city-planning taxes, etc.) of ¥914 million have been assumed. • Depreciation expenses of ¥1,988 million have been assumed. • Based on the amount of repairs and maintenance that the Asset Management Company considers to be necessary for each property, repairs and maintenance expenses of ¥188 million have been assumed for the nineteenth fiscal period. The actual amount of repairs and maintenance expenses may, however, differ significantly from the forecasted amounts due to unforeseen circumstances. • In general, property taxes and city planning taxes are allocated to the previous owners and purchasers on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchasers is included in the acquisition prices of the properties. • The Investment Corporation assumes complete the settlement of the sale of KDX Minami Semba Dai-1 Building on July 31, 2014, and loss on sale of real estate property is estimated to be ¥566 million. • The Investment Corporation assumes complete the settlement of the sale of Nissou Dai-17 Building on August 19, 2014, and loss on sale of real estate property is estimated to be ¥972 million.
Non-Operating Expenses	• The Investment Corporation will amortize issuance of new investment units and secondary offering of investment units costs over a period of three years using the straight-line method. • Interest payable (including financing-related expenses, etc.) in the amount of ¥1,416 million.

	Preconditions and Assumptions
Extraordinary gain or loss	• Not calculated on extraordinary gain or loss.
Borrowings and Investment Corporation Bonds	• The balance of borrowings and corporate bonds as of July 8, 2014 are ¥163,946.5 million and ¥6,300 million, respectively. • Of the total amount of borrowings as of July 8, 2014, ¥26,611.5 million is due by the end of October, 2014. However, the Investment Corporation assumes all borrowings will be refinanced after excluding ¥211.5 million of scheduled repayment. • The forecast is based on the assumption that there is no corporate bond refund by the end of October, 2014.
Investment Units Issued and Outstanding	• The number of investment units issued and outstanding as of July 8, 2014 is 355,010 units. Forecast is based on the assumption that the number of investment units issued and outstanding shall remain unchanged.
Distributions per Unit	• Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. • Actual distributions per unit may fluctuate due to various factors including movements in investment assets, fluctuation in rental revenues caused by tenant replacements or unexpected repairs.
Distributions in Excess of Earnings per Unit	• The Investment Corporation does not currently anticipate cash distributions in excess of earnings per unit.
Other	• Forecast is based on the assumption that there will be no amendments to the law, taxation system, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan, that may affect the aforementioned forecasted figures. • Forecast is based on the assumption that there will be no unexpected significant changes in general economic trends and real estate market trends and other conditions.

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.