KENEDIX
Office Investment Corporation

Translation of Japanese Original

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To All Concerned Parties

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Notice Concerning the Announcement of the Revisions of Operating Forecasts and Distribution Forecasts for the Fiscal Period Ended October 31, 2014 and Operating Forecasts for the Fiscal Period Ending April 30, 2015

Kenedix Office Investment Corporation (the "Investment Corporation") announced today the revisions of its operating forecasts and distributions forecasts for the fiscal period ended October 31, 2014, our nineteenth fiscal period (May 1, 2014 to October 31, 2014) previously announced on July 8, 2014, and operating forecasts for the fiscal period ending April 30, 2015, our twentieth fiscal period (November 1, 2014 to April 30, 2015).
Details are as follows:

1. Revised Operating Forecast and Distribution Forecast for the Nineteenth Fiscal Period Ended 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 Forecasts (A)	12,800	4,996	3,517	3,515	(Note) 9,900	0
Revised Forecasts (B)	12,913	5,040	3,576	3,574	(Note) 10,060	0
Net Change (B - A)	112	43	59	59	160	-
Change	0.9%	0.9%	1.7%	1.7%	1.6%	-

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

This press release is not an offer to sell or a solicitation of any offer to buy the securities of Kenedix Office Investment Corporation in the United States or elsewhere. Investment units may not be offered or sold in the United States without registration or an exemption from registration under the United States Securities Act of 1933 (the "Securities Act"). Any public offering of investment units to be made in the United States will be made by means of an English language prospectus prepared in accordance with the Securities Act that may be obtained from the Investment Corporation and that will contain detailed information about the Investment Corporation and its management, as well as the Investment Corporation's financial statements. However, the Investment Corporation will not undertake a public offering and sale of investment units in the United States, and the investment units have not been and will not be registered under the Securities Act.

2. Forecasts for the twentieth Fiscal Period Ending April 30, 2015.

(Millions of yen unless otherwise stated)

Fiscal Period Ending	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit (Yen)	Distributions in Excess of Earnings per Unit (Yen)
April 30, 2015	13,412	5,934	4,456	4,454	(Note) 11,000	0

Note: Forecast is based on the assumption that distributions will be roughly 100% of net income.
[Reference]
Forecast number of the investment units issued and outstanding as of April 30, 2015: 404,885 units

3. Reasons for Revision and Announcement

At the Investment Corporation's meeting held today, the board of directors of the Investment Corporation resolved to issue new investment units (the "Offering") and to acquire new properties and lease. Accordingly, the Investment Corporation decided to announce its operating forecasts.

As for the operating forecasts and distribution forecasts for the fiscal period ended October 31, 2014, our nineteenth fiscal period, significant changes such as a difference of 5% or more from the distribution forecast for the nineteenth fiscal period previously announced on July 8, 2014 are not expected. However, the main factors for the revision by the Investment Corporation are that the preconditions and assumptions for the forecast had changed after the announcement on July 8, 2014, up to today due to the acquisition of new properties (Note 1) and such.

(Note 1) Please refer to "Notice Concerning Acquisition of Properties (Conclusion of Agreements) (Hiroshima Ekimae-dori Mark Building・Tosen Ikebukuro Building)", dated August 25, 2014, "Notice Concerning Acquisition of Property (Conclusion of Agreement) and Lease (Senri Life Science Center Building) (including "(Correction) Notice Concerning Acquisition of Property (Conclusion of Agreement) and Lease (Senri Life Science Center Building)" dated October 8, 2014.)", dated September 30, 2014, and "Notice Concerning Acquisition of Property (Conclusion of Agreement) (Urban Square Yokohama)", dated October 15, 2014 for acquisition of properties in more details.

[Notes]

1. Forecasted figures are calculated based on the "Preconditions and Assumptions for the Fiscal Period Ended October 31, 2014 and for the Fiscal Period Ending April 30, 2015" (attached) as of the date of this press release. Readers are advised that actual operating revenues, operating income, ordinary income, net income, distributions and distributions in excess of earnings per unit may differ significantly from the forecasts due to a variety of reasons, including future acquisitions or sales of properties, trends in the real estate market in Japan or changes in other circumstances surrounding the Investment Corporation. In addition, forecasts set forth herein should not be construed as a guarantee of the amount of future distributions.
2. If the Investment Corporation expects significant changes to the aforementioned forecasts, it may further revise its forecasts in accordance with the rules of the Tokyo Stock Exchange.
3. Figures are rounded down to millions of Japanese yen.

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[Attachment]

Preconditions and Assumptions for the Fiscal Period Ended October 31, 2014 and for the Fiscal Period Ending April 30, 2015

	Preconditions and Assumptions
Calculation Period	• The nineteenth fiscal period: May 1, 2014 to October 31, 2014 (184 days) • The twentieth fiscal period: November 1, 2014 to April 30, 2015 (181 days)
Property Portfolio	• Although the number of real estate and trust beneficiary interests in real estate held by the Investment Corporation as of November 6, 2014 is 94 properties, the forecasts are based on the assumption that the Investment Corporation will acquire the following five properties through issuance of new investment units as stated in the press release "Notice Concerning Acquisition of Properties (Conclusion of Agreement) and Lease (total of 5 Office buildings)" dated November 6, 2014. ・ Yokohama Nishiguchi SIA Building (office building) (Anticipated Acquisition Date: December 2, 2014) ・ Shin-Yokohama 214 Building (office building) (Anticipated Acquisition Date: December 2, 2014) ・ KDX Minami-Honmachi Building (office building) (Anticipated Acquisition Date: December 2, 2014) ・ BUREX Toranomon (office building) (Anticipated Acquisition Date: December 3, 2014) ・ Chugai Tokio Marine Building (office building) (Anticipated Acquisition Date: January 9, 2015) Furthermore, regarding Chugai Tokio Marine Building, the property name will be changed to KDX Sakura-dori Building before the acquisition made by the Investment Corporation. • Forecasts are based on the assumption that the number of properties will remain unchanged (no sale or acquisition of new properties, etc.) until the end of the twentieth fiscal period, other than the above mentioned anticipated acquisitions. • The Investment Corporation also holds each of TMK preferred equity securities and TK equity. It assumes the refund of Toyonaka Property TMK preferred securities will occur by the end of the twentieth fiscal period as announced in the press release "Notice Concerning Acquisition of Property (Conclusion of Agreement) and Lease (Senri Life Science Center Building)", dated September 30, 2014. • 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 November 6, 2014 and other factors, including expectations based on the historical performance of properties, seasonal effects and the recent trends in real estate market conditions. • Dividends received of ¥1,679 million and ¥595 million have been assumed for the nineteenth fiscal period and twentieth fiscal period, respectively. Furthermore, nineteenth fiscal period dividend received includes the final distribution of profit from Senri Properties TMK. Also, twentieth fiscal period dividend received includes the final distribution of profit from Toyonaka Property TMK. • Forecasts are 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 historic 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 ¥1,073 million and ¥1,249 million have been assumed for the nineteenth fiscal period and twentieth fiscal period, respectively. • Taxes and public dues (property taxes and city-planning taxes, etc.) of ¥914 million and ¥965 million have been assumed for the nineteenth fiscal period and twentieth fiscal

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	period, respectively. • Depreciation expenses of ¥2,017 million and ¥2,209 million have been assumed for the nineteenth fiscal period and the twentieth fiscal period, respectively. • 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 ¥190 million and ¥539 million have been assumed for the nineteenth fiscal period and twentieth fiscal period, respectively. 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 completed settlement of the sale of KDX Minami Semba Dai-1 Building on July 31, 2014, and loss on sale of such real estate property is estimated to be ¥566 million for the nineteenth fiscal period. • The Investment Corporation completed settlement of the sale of Nissou Dai-17 Building on August 19, 2014, and loss on sale of such real estate property is estimated to be ¥972 million for the nineteenth fiscal period.
Non-Operating Expenses	• A one-time expense of approximately ¥125 million is assumed for the Investment Corporation's issuance of new investment units and secondary offering of investment units. The Investment Corporation will amortize these costs over a period of three years using the straight-line method. • Interest payable (including financing-related expenses, etc.) in the amount of ¥1,408 million and ¥1,400 million is assumed for the nineteenth and the twentieth fiscal period, respectively.
Extraordinary gains or losses	• Not calculated on extraordinary gains or losses.
Borrowings and Investment Corporation Bonds	• The balance of borrowings and corporate bonds as of November 6, 2014 are ¥179,385 million and ¥8,300 million, respectively. • The forecasts are based on the assumption that the funds raised through the issuance of new investment units will be credited to the acquisition funds for five properties provided in the Property Portfolio section above and residuals of ¥9,417 million will be credited to repay part of the existing borrowings. However, the amount of the prepayment may change depending on the investment unit issuance price. • Of the total amount of borrowings as of November 6, 2014, other than aforementioned part of prepayment of ¥9,417 million, ¥15,635 million is due during twentieth fiscal period and the Investment Corporation assumes all borrowings will be refinanced excluding ¥50 million of scheduled repayments. • The forecasts are based on the assumption that there is no corporate bond refund during the twentieth fiscal period.
Investment Units Issued and Outstanding	• The Investment Corporation assumes the aggregate number of its investment units issued and outstanding to be 404,885 units, consisting of 355,010 units issued and outstanding as of November 6, 2014, ① up to 47,685 new investment units to be issued and ②up to 2,190 units that may be issued through a third-party allotment in connection with a secondary offering of units by way of over-allotment in the Japanese offering. • Above mentioned ①number of new investment units issued consists of (a) 47,500 units purchased through Japanese Offering and International Offering by Japanese and international managers, and (b) up to 185 additional units that the international managers are granted as an option to purchase in connection with over allotment in the International Offering. • It is assumed that the maximum number of additional units will be issued in connection ①(b) with an option to purchase the Investment Corporation units in connection with over

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	allotments in the International Offering and ②with the new issuance of the third-party allotment in which up to185 units and 2,190 units may be issued, respectively. • The forecasts are based on the assumption that there will be no additional changes to the issued and outstanding investment units for the twentieth fiscal period other than the abovementioned issuance of 49,875 investment units.
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	• Forecasts are 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. • Forecasts are 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 November 6, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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