KENEDIX
Office Investment Corporation

Translation of Japanese Original

February 25, 2015

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 Sale of Property (KDX Minami Semba Dai-2 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 property. Details are provided as follows.

1. Outline

(1)	Type of Asset for Planned Sale	:	Trust beneficiary interest in real estate
(2)	Property Name	:	KDX Minami Semba Dai-2 Building
(3)	Planned Sale Price	:	¥1,050,000,000 (Excluding acquisition costs, adjustments of property tax and city-planning tax and, consumption tax, etc.)
(4)	Assumed Book Value	:	¥1,308,000,000 (Assumed book value is on the planned settlement date. Figure is truncated to millions of yen.)
(5)	Difference between Sale Price and Assumed Book Value	:	¥(258,000,000) (Figure is truncated to millions of yen. Above amount is a referential figure calculated as the difference between (3) and (4), and differs from the profit/loss on the sale of the property.
(6)	Purchase and Sale Agreement Execution Date	:	February 26, 2015.
(7)	Planned Settlement Date	:	March 23, 2015.
(8)	Buyer	:	Please refer to 5. "Buyer's Profile" for details.
(9)	Settlement Method	:	Trust beneficiary interest will be transferred to the buyer.
(10)	Method of Buyer Selection	:	The buyer was selected after an interested buyer for the property was introduced by a domestic brokerage firm, and the prices and conditions of the sale, etc. were confirmed.

The aforementioned asset for planned sale shall hereafter be referred to as "the Property."

2. Reasons for Sale

The Property is an office building located in Chuo-ku, Osaka City with a building age of approximately 21 years. The sale was decided by comprehensively taking into consideration the Investment Corporation's current and future portfolio development policy, real estate market trends, the characteristics of the property (yieldability, building age, scale and area, etc.) and the decision to sell the Property is part of the strategy of property replacement that is in line with the Investment Corporation's management policy.

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 sale of the Property 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 in Tokyo metropolitan area.

3. Use of Funds

The Investment Corporation plans to utilize the payment from the sale of the Property to allocate acquisition funds for new properties, etc.

4. Details of the Property for Planned Sale

Property Name		KDX Minami Semba Dai-2 Building
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited.
Trust Term		January 23, 2006 to August 1, 2015
Location (Address)		2-11-26 Minami Semba, Chuo-ku, Osaka, Osaka
Usage		Parking, Retail Shops, Offices, Residential
Type of Structure		Steel-reinforced concrete structure, Steel flat roof; one underground and nine above ground floors
Site Area	Land	606.45 m^2
	Building (total floor area)	3,315.93 m^2
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		September 9, 1993
Acquisition Date		May 1, 2006
Acquisition Price		¥1,560,000,000
Appraisal Value		¥970,000,000 Base date of appraisal: February 1, 2015 Appraiser: Japan Real Estate Institute
Rent Revenue-Real Estate		¥37,441 thousand (fiscal period ended October 2015)
Leasehold・Security Deposits		¥37,665 thousand (as of December 31, 2014. The same applies below)
Number of End Tenants		17 (Note)
Total Leasable Floor Area		2,698.57 m^2
Total Leased Floor Area		1,711.34 m^2 (Note)
Occupancy Ratio		63.4% (Note)
Other		The Investment Corporation received the cancellation notices from the end-tenants occupying seventh floor (96.67 m^2) dated October 28, 2014 (Cancellation date: April 28, 2015) and second floor (77.00 m^2) dated December 20, 2014 (Cancellation date: June 21, 2015) respectively.

5. Buyer's Profile

Name and other information of the buyer, a domestic general business corporation is not disclosed because the buyer has not given consent. In addition, There is no special capital relationship, no special personnel relationship or no special business relationship between the Investment Corporation・the Asset Management Company and the buyer. Furthermore, the buyer is not an interested party 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.

6. Sale Schedule

February 25, 2015	Decision to sell the Property
February 26, 2015 (Planned)	Execution of trust beneficiary interest purchase and sale agreement Receive the deposit (¥100,000,000) (Note)
March 23, 2015 (Planned)	Settlement (remaining balance) Sale of trust beneficiary interest

Note: The deposit shall be interest free and be credited to a portion of the trading value at the time of settlement.

7. Asset Management Fees

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

Sales fee: An amount (¥5.25 million) equivalent to 0.5% of the planned sale price identified in 1 (3) above.
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.

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・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 February 13, 2015

9. Interested-Party Transactions

The sale of the Property does not constitute an interested-party transaction.
The Investment Corporation shall pay fee (¥2 million) to Kenedix Property Management, Inc. (the "KPM") pursuant to the Property Management Agreements executed between the Investment Corporation and the KPM in connection with the sale of the Property and the subsequent transfer in management control.
The fee is 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

Overall, a loss is expected from the selling of the Property and there will be no revision to the operating forecasts for the fiscal period ending April 30, 2015 (November 1, 2014 to April 30, 2015) since a reversal of reserve for reduction entry is planned and the impact on the distribution is minimal.

11. Summary of Appraisal Report

Property Name	KDX Minami Semba Dai-2 Building

Appraisal Value	¥970,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	February 1, 2015

Item	Content	Basis
Income Capitalization Approach Value	970,000,000	Estimate by treating equally the value calculated using the Direct Capitalization method and the Value Calculated Using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	981,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	96,162,000	
Maximum Gross Operating Revenue	102,889,000	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	6,727,000	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	33,903,000	
Maintenance Expenses	7,536,000	Assess by reflecting the current administrative and maintenance expenses, the level of expenses at similar properties, and other factors
Utility Expenses	9,720,000	Assess by reflecting performance in prior years and the performance of similar properties
Repair Expenses	3,070,000	Assess using expenses in prior years, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors
Property Management Fees	2,079,000	Assess by reflecting the current compensation rate, compensation rates at similar properties, and other factors
Tenant Recruit Expenses, etc.	659,000	Recognize the average annual amount that was determined based on the anticipated turnover period of the tenant
Taxes and Dues	10,585,000	Recognize an amount based on the fiscal 2014 tax base amount, etc.
Damage Insurance Fees	173,000	Recognize an amount that reflects the insurance premium rate at similar properties and other factors
Other Expenses	81,000	Booked communication expenses, etc.
(3) Net Operating Income (NOI= (1)-(2))	62,259,000	
(4) Gain on guarantee deposit investment	1,001,000	Assess income from investments by using an investment return of 2.0%
(5) Capital Expenditure	7,340,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property, and the average annual repair, maintenance and renewal expenses in the engineering report
(6) Net Cash Flow (NCF=(3)+(4)-(5))	55,920,000	
(7) Capitalization Rate	5.7%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value Calculated Using the Discounted Cash Flow Method	959,000,000	
Discount Rate	5.5%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics

	Terminal Capitalization Rate	5.9%	While reflecting returns associated with acquisitions of similar properties, assess by taking into account upcoming changes in investment returns, risks associated with the property to be acquired, general prediction of economic growth rate, trends in real estate prices and rent rates, and all other applicable factors
Value Calculated Using the Cost Method		965,000,000	
	Land	53.0%	
	Building	47.0%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the Income Capitalization Approach Value with the Value Calculated Using the Cost Method used only for reference if the decision is made that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

Attached Materials

Reference Material 1 Property Portfolio after sale of the Property

This notice is the English translation of the Japanese announcement on our Web site released on February 25, 2015. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material 1

Property Portfolio after sale of the Property

Type of Use	Area	Property Name	Acquisition Price (Anticipated) (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Musashi-Kosugi Building	12,000	3.1%	March 20, 2014
		KDX Nihonbashi Kabutocho Building	11,270	2.9%	December 26, 2011
		KDX Harumi Building	10,250	2.6%	June 30, 2008
		Toranomon Toyo Building	9,850	2.5%	June 1, 2007
		KDX Toyosu Grand Square	8,666	2.2%	May 30, 2014
		Hiei Kudan-Kita Building	7,600	1.9%	February 1, 2008
		Urban Square Yokohama	7,210	1.8%	October 29, 2014
		KDX Shinjuku Building	6,800	1.7%	February 18, 2010
		KDX Ochanomizu Building	6,400	1.6%	April 2, 2007
		KDX Fuchu Building	6,120	1.5%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	1.5%	March 1, 2007
		KDX Kojimachi Building	5,950	1.5%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.5%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	1.5%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.3%	May 1, 2006
		KDX Takanawadai Building	5,250	1.3%	November 19, 2013
		KDX Iidabashi Building	4,670	1.2%	July 22, 2011
		KDX Ebisu Building	4,640	1.2%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.1%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.1%	August 1, 2005
		KDX Toranomon Building	4,400	1.1%	April 17, 2007
		Aplus Tokyo Building	4,350	1.1%	January 10, 2014
		KDX Ginza 1chome Building	4,300	1.1%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.0%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.0%	November 12, 2010
		KDX Ikebukuro Building	3,900	1.0%	November 18,2013
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	0.9%	February 1, 2008
		KDX Shinbashi Building (Note 3)	3,728	0.9%	Acquired Portion: May 1, 2006 Additionally Acquired Portion: December 2, 2013
		KDX Hatchobori Building	3,680	0.9%	August 1, 2005
		KDX Takadanobaba Building	3,650	0.9%	May 30, 2014
		KDX Hamamatsucho Building	3,460	0.9%	May 1, 2006
		KDX Roppongi 228 Building	3,300	0.8%	January 10, 2008
		KDX Mita Building	3,180	0.8%	November 18, 2013
		Koishikawa TG Building	3,080	0.8%	November 18, 2009
		KDX Higashi-Shinjuku Building	2,950	0.7%	September 1, 2006
		KDX Kasuga Building	2,800	0.7%	September 21, 2012
		KDX Kayabacho Building	2,780	0.7%	May 1, 2006
		KDX Jimbocho Building	2,760	0.7%	March 31, 2008
		Yokohama Nishiguchi SIA Building	2,750	0.7%	December 2, 2014
		KDX Hakozaki Building	2,710	0.7%	July 22, 2011
		Gotanda TG Building	2,620	0.6%	November 18, 2009
		KDX Akihabara Building	2,600	0.6%	November 19, 2013
		KDX Nakano-Sakaue Building	2,533	0.6%	August 1, 2005
		KDX Shin-Yokohama Building	2,520	0.6%	May 1, 2006
		Harajuku F.F. Building	2,450	0.6%	August 1, 2005
		KDX Ikejiri-Oohashi Building	2,400	0.6%	February 1, 2008

Office Buildings	Tokyo Metropolitan Area	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	0.5%	August 1, 2005
		KDX Funabashi Building	2,252	0.5%	March 1, 2006
		KDX Hamamatsucho Dai-2 Building	2,200	0.5%	September 1, 2008
		Itopia Nihonbashi SA Building	2,200	0.5%	August 19, 2013
		Shin-Yokohama 214 Building	2,200	0.5%	December 2, 2014
		Shin-toshin Maruzen Building	2,110	0.5%	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
		Tosen Ikebukuro Building	1,934	0.5%	September 3, 2014
		Welship Higashi-Shinjuku	1,900	0.4%	September 13, 2013
		KDX Nakameguro Building	1,880	0.4%	September 21, 2012
		KDX Iwamoto-cho Building	1,864	0.4%	May 1, 2008
		BUREX Toranomon	1,750	0.4%	December 3, 2014
		KDX Kiba Building	1,580	0.4%	June 20, 2006
		KDX Nishi-Shinjuku Building	1,500	0.3%	April 2, 2007
		KDX Monzen-Nakacho Building	1,400	0.3%	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	0.2%	July 14, 2006
	Other Regional Areas	Senri Life Science Center building	13,000	3.3%	October 15, 2014
		KDX Nagoya Sakae Building	7,550	1.9%	Land: April 25, 2008 Building: July 1, 2009
		KDX Nagoya Ekimae Building	7,327	1.9%	December 26, 2011
		KDX Sakura-dori Building	5,900	1.5%	January 9, 2015
		Portus Center Building	5,570	1.4%	September 21, 2005
		Karasuma Building	5,400	1.4%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.2%	February 1, 2008
		Nagoya Nikko Shoken Building	4,158	1.0%	December 26, 2011
		KDX Kobayashi-Doshomachi Building	2,870	0.7%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.7%	March 28, 2012
		KDX Utsunomiya Building	2,350	0.6%	May 30, 2014
		KDX Kitahama Building	2,220	0.5%	February 1, 2008
		KDX Minami-Honmachi Building	2,200	0.5%	December 2, 2014
		KDX Sendai Building	2,100	0.5%	June 1, 2007
		KDX Sapporo Building	2,005	0.5%	March 25, 2011
		KDX Minami Semba Dai-2 Building	-	-	May 1, 2006
		Hiroshima Ekimae-dori Mark Building	1,300	0.3%	September 1, 2014
		Sendai Nikko Building	950	0.2%	December 26, 2011
	Total of 92 Office Buildings		350,981	91.5%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	2.5%	August 1, 2005
		Ginza 4chome Tower	9,800	2.5%	August 19, 2013

		KDX Yoyogi Building	2,479	0.6%	September 30, 2005
Total of 3 Central Urban Retail Properties			22,179	5.7%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.3%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.4%	December 8, 2005
Total of 2 Residential Properties			7,153	1.8%	-
Others	Tokyo Metropolitan Area	Shinjuku 6chome Building (Land)	2,880	0.7%	April 18, 2014
Total of 1 Others Property			2,880	0.7%	-
Total of 98 Properties			383,194	100.0%	Portfolio PML 2.33 % (Note 4)

Investment Securities	G. K. KRF43 Silent Partnership Equity Interest	1,107	-	March 28, 2014
	Toyonaka Property TMK Preferred Securities (Note 5)	1,583	-	July 18, 2014
	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. With the acquisition of Senri Life Science Center Building, Toyonaka Property TMK will be liquidated and the Investment Corporation is scheduled to receive a refund of preferred securities.