KENEDIX
Office Investment Corporation

Translation of Japanese Original

October 23, 2015

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 Nogizaka 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 to sell the following property. Details are provided as follows.

1. Outline

(1)	Type of Asset for Planned Sale	:	Real estate
(2)	Property Name	:	KDX Nogizaka Building
(3)	Planned Sale Price	:	¥960,000,000 (Excluding transferred costs, adjustments of property tax and city-planning tax and, consumption tax, etc.)
(4)	Assumed Book Value	:	¥1,094,000,000 (Assumed book value is as of planned settlement date. Figure is truncated to nearest millions of yen)
(5)	Difference between Sale Price (Planned) and Assumed Book Value: (3)-(4)	:	¥(134,000,000) (Figure is truncated to nearest millions of yen. The 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	:	October 23, 2015
(7)	Planned Settlement Date	:	October 29, 2015
(8)	Buyer	:	Please refer to "5. Buyer's Profile"
(9)	Settlement Method	:	Real estate will be transferred to the buyer
(10)	Method of Buyer Selection	:	The buyer was selected after interested buyers were introduced by several domestic brokerage firms, 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 Minato-ku, Tokyo with a building age of approximately 24 years and a minimal size (acquisition price: ¥1,065 million) in the Investment Corporation's portfolio. The sale was decided by comprehensively considering 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.), in accordance with the strategy of property replacement that is in line with the Investment Corporation's management policy.
The planned sale price of the Property falls below the assumed book value at the time of the sale. However, it is higher than the latest 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 proceeds 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 Nogizaka Building
Type of Specified Asset		Real estate
Location (Address)		7-2-29 Roppongi, Minato-ku, Tokyo
Usage		Office, Retail Shops, Residential
Type of Structure		Flat-roofed, reinforced concrete structure; one underground and five above-ground floors
Site Area	Land	409.36 m^2 With east side private road 713.78 m^2 (Co-ownership portion 1/14)
	Building (total floor area)	1,695.07 m^2
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		May 27, 1991
Acquisition Date		July 14, 2006
Acquisition Price		¥1,065,000,000
Appraisal Value		¥715,000,000 Appraisal date: September 30, 2015 Appraiser: Japan Real Estate Institute
Rent Revenue		¥24,854 thousand (fiscal period ended April 30, 2015)
Leasehold･Security Deposits		¥25,984 thousand (as of October 23, 2015. The same applies below)
Number of End Tenants		6
Total Leasable Floor Area		1,251.40 m^2
Total Leased Floor Area		1,251.40 m^2
Occupancy Ratio		100.0%

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 or the Asset Management Company and the buyer. Furthermore, the buyer is not a related 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

October 23, 2015	Decision to sell the Property Execution of real estate purchase and sale agreement Receive the deposit (¥30,000,000) (Note)
October 29, 2015 (Planned)	Settlement (remaining balance) Sale of real estate

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 Asset Management Agreement.

Sales fee : An amount (¥4.8 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 detail of the brokerage firm and the brokerage fee is as follows.

Company Name		Tokyu Livable, Inc.
Location		1-9-5 Dougenzaka, Shibuya-ku, Tokyo
Title and Name of Representative		President and CEO Shinji Sakaki
Description of Business		1. Real estate brokerage 2. Seller agency 3. Property sales, etc.
Amount of Capital		¥1,396.3 million
Date of Incorporation		March 10, 1972
Brokerage fee		Disclosure of the fee was not approved by the brokerage firm
Relationship with the Investment Corporation/the Asset Management Company		
	Capital Relationship	There is no capital relationship between the Investment Corporation or the Asset Management Company and the brokerage firm.
	Personnel Relationship	There is no personnel relationship between the Investment Corporation or the Asset Management Company and the brokerage firm.
	Business Relationship	There is no business relationship between the Investment Corporation or the Asset Management Company and the brokerage firm.
	Applicability of Related Party Relationships	The brokerage firm is not a related company as defined under the Investment Trust Law and the Office REIT Division's internal regulations of the Asset Management Company.

*As of October 19, 2015

9. Interested-Party Transactions

The sale of the Property does not constitute a related-party transaction.
The Investment Corporation shall pay fees (¥1.8 million) to Kenedix Property Management, Inc. (the "KPM") pursuant to the Property Management Agreement 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 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. The fee shall be paid promptly after settlement date.

10. Outlook

Although a loss is expected from the sale of the Property, there will be no revision to the operating forecasts for the fiscal period ending October 31, 2015 (May 1, 2015 to October 31, 2015) since the impact is minimal. Moreover, a reserve for reduction entry is planned for part of gain on sales, which is expected after totaling the concerned loss from the sale and the profit expected from capital gain from the sale of Nagoya Nikko Shoken Building described in "Notice Concerning the Sale of Property (Nagoya Nikko Shoken Building)" announced on July 6, 2015.

11. Summary of Appraisal Report

Property Name	KDX Nogizaka Building

Appraisal Value	¥715,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	September 30, 2015

Item	Content	Basis
Income Capitalization Approach Value	715,000,000	Estimate by treating equally the values calculated using the Direct Capitalization method and the Discounted Cash Flow method
Value Calculated using the Direct Capitalization Method	718,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	58,972,000	
Maximum Gross Operating Revenue	61,507,000	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	2,535,000	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	20,910,000	
Maintenance Expenses	4,860,000	Assess by reflecting the current administrative and maintenance expenses, the level of expenses at similar properties, and other factors
Utility Expenses	6,050,000	Assess by reflecting based on the performance in prior years and the performance of occupancy rate for the lease area
Repair Expenses	1,249,000	Assess using expenses in prior years, future operating management plan, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors
Property Management Fees	1,072,000	Assess by reflecting the current compensation rate, compensation rates at similar properties, and other factors
Tenant Recruit Expenses, etc.	439,000	Recognize the average annual amount that was determined based on the anticipated turnover period of the tenant
Taxes and Dues	7,051,000	Recognize an amount based on the fiscal 2015 tax base amount, etc.
Damage Insurance Fees	72,000	Assess by reflecting the current insurance premium rate, the insurance premium rate at similar properties and other factors
Other Expenses	117,000	Communication charge, etc.
(3) Net Operating Income (NOI= (1)-(2))	38,062,000	
(4) Gain on Guarantee Deposit Investment	792,000	Assess income from investments by using an investment return of 2.0%
(5) Capital Expenditure	2,970,000	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))	35,884,000	
(7) Capitalization Rate	5.0%	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	712,000,000	
Discount Rate	4.7%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics
Terminal Capitalization Rate	5.1%	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	773,000,000	
Land	82.1%	
Building	17.9%	

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, decided that the Income Capitalization Approach Value would be more persuasive because the price determination process has been accurately reproduced with respect to earnings.

Attached Material

Reference Material　Property Portfolio after the sale of the Property

This notice is the English translation of the Japanese announcement on our web site released on October 23, 2015. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material

Property Portfolio after the sale of the Property

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	KDX Musashi-Kosugi Building	12,000	3.0%	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
		KDX Yokohama Building	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	1.4%	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	1.1%	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
		Hamamatsucho Center Building	3,950	1.0%	September 1, 2015
		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
		35 Sankyo Building	3,600	0.9%	March 13, 2015
		KDX Hamamatsucho Building	3,460	0.8%	May 1, 2006
		Pentel Building (Note 4)	3,350	0.8%	March 26, 2015
		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	0.7%	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
		KDX Yokohama Nishiguchi Building	2,750	0.7%	December 2, 2014
		KDX Hakozaki Building	2,710	0.6%	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	0.5%	February 1, 2008
		KDX Shinjuku 286 Building	2,300	0.5%	June 1, 2007
		KDX Shin-Nihonbashi Building	2,300	0.5%	July 22, 2011
		KDX Minami Aoyama Building	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
		KDX 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
		KDX Ikebukuro West Building	1,934	0.4%	September 3, 2014
		KDX Shinjuku 6-chome Building	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	0.2%	March 1, 2007
		KDX Nogizaka Building	-	-	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	1.8%	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	1.3%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.2%	February 1, 2008
		Shin Osaka Center Building	4,550	1.1%	September 1, 2015
		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 Hiroshima Building	1,300	0.3%	September 1, 2014
	Total of 92 Office Buildings		357,958	92.1%	-
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 Property	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.3%	May 1, 2006
	Total of 1 Residential Property		5,353	1.3%	-
Others	Tokyo Metropolitan Area	Shinjuku 6-chome Building (Land)	2,880	0.7%	April 18, 2014
	Total of 1 Others Property		2,880	0.7%	-
Total of 97 Properties			388,371	100.0%	Portfolio PML 2.40 %

Investment Securities	G. K. KRF43 Silent Partnership Equity Interest	1,107	-	March 28, 2014
	Total of 1 Investment Security	1,107	-	-

Notes:

1. The acquisition prices and ratios are rounded down to the nearest million and first decimal place respectively.
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. Building and site, and the land for Pentel Building counted as one property.