KENEDIX
Office Investment Corporation

Translation of Japanese Original

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To All Concerned Parties

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Notice Concerning the Revisions of Operating Forecast and Distribution Forecast for the Fiscal Period Ending April 30, 2016 (the Twenty-second Fiscal Period)

Kenedix Office Investment Corporation ("the Investment Corporation") today announced revisions of its operating forecast and distribution forecast for the twenty-second fiscal period (November 1, 2015 to April 30, 2016) previously announced on December 14, 2015. Details are provided as follows.

1. Revised Operating Forecast and Distribution Forecast for the Twenty-second Fiscal Period Ending April 30, 2016

(Millions of yen unless otherwise stated)

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit (Yen) (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit (Yen)
Previous Forecast (A)	12,841	5,175	3,908	3,906	10,400	0
Revised Forecast (B)	14,371	5,896	4,622	4,620	10,500	0
Net Change (B - A)	1,529	721	714	714	100	-
Change	11.9%	13.9%	18.3%	18.3%	1.0%	-

[Reference] The investment units issued and outstanding as of fiscal period ending April 30, 2016: 404,885 units

Note: Distributions per unit for the fiscal period ending April 30, 2016 is calculated by dividing the amount remaining after deducting provision of reserve for reduction entry (¥369 million) from net income by the number of investment units issued and outstanding

2. Reasons for Revisions

The Investment Corporation decided acquisition of Nittochi Toranomon Building dated March 30, 2016 and Nichigin-mae KD Building dated March 15, 2016, and sale of KDX Toranomon Building and Toranomon Toyo Building dated March 30, 2016 as described in the today's press releases "Notice Concerning Acquisition of Property (Nittochi Toranomon Building) and Sale of Properties (KDX Toranomon Building･Toranomon Toyo Building)" and "Notice Concerning Acquisition of Property (Nichigin-mae KD Building)". Along with these, a difference of 10% or more is expected for the operating revenues for the fiscal period ending April 30, 2016 previously announced on December 14, 2015. Accordingly, the Investment Corporation has made revisions of the operating forecast as well as the distribution forecast as indicated in the above table.

Moreover, although ¥304 million of the reversal of reserve for reduction entry was scheduled at the time of announcement on December 14, 2015, the Investment Corporation does not plan to conduct the reversal of reserve for

reduction entry as it expects to post ¥768 million in loss on sale of real estate, etc. from the sale of KDX Toranomon Building and ¥1,508 million in gain on sale of real estate, etc. from the sale of Toranomon Toyo Building (¥740 million in gain on sale of real estate is expected after totaling the sales of the two properties). For the purpose of the future stabilization of distribution, provision of reserve for reduction entry of ¥369 million from net income is planned, which falls within the scope of application of provisions in Article 66-2 and Article 67-15 of the Special Taxation Measures Law. Also, forecasted distributions per unit are revised from ¥10,400 to ¥10,500.

[Notes]

1. Forecasted figures are calculated based on the "Preconditions and Assumptions for the Fiscal Period Ending April 30, 2016" (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.
3. Figures are rounded down to millions of yen.

[Attachment]

Preconditions and Assumptions for the Fiscal Period Ending April 30, 2016

	Preconditions and Assumptions
Calculation Period	• The twenty-second fiscal period: November 1, 2015 to April 30, 2016 (182 days)
Property Portfolio	• Forecasts are based on the 97 properties and trust beneficiary interest in real estate held as of March 1, 2016, acuisitions of two investment assets and sales of two investment assets as follows. ・ Nichigin-mae KD Building (planned acquisition date: March 15, 2016) ・ Nittochi Toranomon Building (planned acquisition date: March 30, 2016) ・ KDX Toranomon Building (planned sale date: March 30, 2016) ・ Toranomon Toyo Building (planned sale date: March 30, 2016) • The Investment Corporation also holds the TK equity other than above. It assumes the refund of the TK equity will not occur by the end of the twenty-second fiscal period. The actual results may fluctuate due to changes in the property portfolio.
Operating Revenues	• Rental revenues are estimated based on valid leasing agreements as of March 1, 2016 and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as leasing conditions, such as the recent real estate market conditions, in addition to the difference in number of operating days due to changes in existing investment assets. • Dividends received of ¥33million have been assumed. • The sale of Toranomon Toyo Building is expected to be completed on March 30, 2016 and the Investment Corporation expects to post ¥1,508 million in gain on sale of real estate, etc. from the said sale. • Forecast is based on the assumption that there will be no rent in arrears or non-payments from tenants.
Operating Expenses	• Expenses related to rent business other than depreciation are based on the historic expenses, adjusted to reflect expense variables including seasonal factors. • An amount of ¥1,254 million has been assumed for property management fees and facility management fees (property management and building maintenance fees, etc.). • An amount of ¥1,083 million has been assumed for taxes and public dues (property tax and city-planning tax, etc.). • An amount of ¥2,240 million has been assumed for depreciation expense. • An amount of ¥541 million has been assumed for repairs, maintenance and renovation expenses. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the Asset Management Company for each property and amounts considered essential for the period. Actual repairs, maintenance and renovation expenses for the fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. • The sale of KDX Toranomon Building is expected to be completed on March 30, 2016 and the Investment Corporation expects to post ¥768 million in loss on sale of real estate, etc. from the said sale. • In general, property tax and city planning tax are allocated to the seller and purchaser 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 purchaser is included in the acquisition price of the property.
Non-Operating Expenses	• The Investment Corporation is amortizing unit issuance costs over a period of three years using the straight-line method. • Interest payable (including financing related expenses etc.) of ¥1,175 million is assumed.
Extraordinary gain or loss	• Extraordinary profit/loss is not assumed.

Borrowings and Investment Corporation Bonds	• The balance of the borrowings and the investment corporation bonds as of March 1, 2016 is ¥165,800 million and ¥8, 300 million, respectively. • Of the borrowings as of March 1, 2016, a total of ¥8,500 million in borrowings is due for repayment during the twenty-second fiscal period. However, it is assumed that all borrowings will be refinanced. • Forecasts are based on the assumption that there will be no maturity for investment corporation bonds during the twenty-second fiscal period.
Investment Units Issued and Outstanding	• Forecasts are based on the assumption that the number of investment units issued and outstanding as of March 1, 2016 is 404,885 units. • Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged until the end of the twenty-second fiscal period.
Distributions per Unit	• Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation's Articles of Incorporation. • Distributions per unit are calculated based on the assumption that the amount remaining after deducting provision of reserve for reduction entry (¥369 million) from net income is distributed. • Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including changes in investment assets, rental revenues impacted by tenant movements or the incidence of major unforeseen renovation expense.
Distributions in Excess of Earnings per Unit	• The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.
Other	• Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan and other regulations will not impact forecast figures. • Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

This notice is the English translation of the Japanese announcement on our web site released on March 1, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.