KENEDIX
Office Investment Corporation

Translation of Japanese Original

December 1, 2016

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
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(Securities Code: 8972)

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Notice Concerning Acquisition of Property (ARK Mori Building) and Sale of Property (BUREX Toranomon)

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 acquire and sell the following properties (respectively "the Acquisition" and "the Sale", and collectively "the Transaction").

1. Outline of the Transaction

(1) Outline of the Acquisition

① Property Name	:	ARK Mori Building (Note)
② Type of Property	:	Trust beneficiary interest in real estate (compartmentalized ownership for the 34th and 35th floors of ARK Mori Building) (40% of quasi co-ownership interest)
③ Acquisition Price	:	¥4,169,000 thousand (Acquisition costs, adjustment of property tax and city-planning tax, and consumption tax, etc. are excluded.)
④ Seller	:	Mori Building Co., Ltd. (Not related party) Please refer to "5. Seller's and Buyer's Profile" for the details.
⑤ Date of Contract	:	December 1, 2016
⑥ Date of Acquisition	:	December 1, 2016
⑦ Acquisition Funds	:	Proceeds from the Sale and cash on hand
⑧ Settlement Method	:	Payment in full on settlement

(Note) "ARK Mori Building" is the office building in ARK Hills, the first large-sized complex facility (including offices, residences, a hotel, concert hall, etc.) with proximity between work and home, projected by the private sector in Japan, completed in 1986.

The aforementioned property shall hereinafter be referred to as "the Acquired Property".

(2) Outline of the Sale

① Property Name	:	BUREX Toranomon
② Type of Property	:	Real estate
③ Sale Price	:	¥2,440,000 thousand (Transfer costs, adjustment of property tax and city-planning tax, and consumption tax, etc. are excluded.)
④ Assumed Book Value		¥1,734,000 thousand (The assumed book value as of the date of sale is shown. Figure is rounded down to the nearest ¥1 million.)
⑤ Difference between Sale Price and Assumed Book Value		¥706,000 thousand (Figure is rounded down to the nearest ¥1 million and is referential amount, calculated as a difference between sale price and assumed book value, and different from profit or loss on sale.)
⑥ Buyer	:	Mori Building Co., Ltd. (Not related party) Please refer to "5. Seller's and Buyer's Profile" for the details.
⑦ Date of Contract	:	December 1, 2016
⑧ Date of Sale	:	December 1, 2016
⑨ Use of Proceeds	:	Acquisition funds for the Acquired Property
⑩ Settlement Method	:	Payment in full on settlement
⑪ Method of Buyer Selection		Please refer to "2. Reason for the Transaction".

The aforementioned property shall hereinafter be referred to as "the Sale Property".

2. Reason for the Transaction

Toranomon, where the Sale Property is located, currently has several urban redevelopment project plans. Particularly in Toranomon 1-chome and 2-chome district, where the Sale Property stands, a redevelopment preparatory union has been established to discuss the redevelopment project.

Under such circumstances, the Investment Corporation joined the redevelopment preparatory union to grasp the information such as progress status, etc. of the redevelopment project. At the same time, the Investment Corporation reviewed the management policy of the Sale Property while holding talks with Mori Building Co., Ltd. which promotes the redevelopment project, concerning a mutual transaction.

We conducted a comprehensive comparative assessment that included, on the one hand, an expectation of the floor area, etc. that can be obtained, the various other presumed risks, the financial impact, etc., for if we participated in the redevelopment project rather than carrying out the Transaction, and on the other hand, the rarity of and the duration and conditions of the fixed-rent master lease agreement for the Acquired Property that was presented to us in discussions and negotiations with Mori Building Co., Ltd., the price of the Transaction and other factors. As a result, the Investment Corporation decided to proceed with the Transaction rather than participating in the redevelopment project.

In addition, while the Acquired Property is mainly used as an office building, it corresponds to a non-mid-sized office building as defined by the management guidelines of the Office REIT Division of the Asset Management Company. However, the Investment Corporation has a policy of selective investment in non-mid-sized office buildings within the range of 20% of the investment ratio target, and decided to make the Acquisition after evaluating the points below.

(i) Area

In the Akasaka/Roppongi area where the Acquired Property is located, many large-sized complex facilities have been developed, with ARK Hills, to which the Acquired Property belongs, leading the way. As an attractive area that enables people to live close to their workplace, it is very popular with foreign-based and IT- and media-related companies, and there is also a high concentration of offices including law offices, accounting offices, etc., since it is close to the government buildings of Kasumigaseki.

The Acquired Property is an office building with high traffic convenience, located approximately two minutes on foot from Roppongi-itchome Station on the Tokyo Metro Namboku Line and approximately three minutes on foot from Tameike-sanno Station on the Tokyo Metro Ginza and Namboku Lines, having accessibility to Roppongi Station on the Toei Oedo Line, Roppongi Station and Kamiyacho station on the Tokyo Metro Hibiya Line and Akasaka Station on the Tokyo Metro Chiyoda Line.

(ii) Building

ARK Mori Building, a landmark within ARK Hills is an office building with thirty seven aboveground floors and four belowground floors. It was built around 30 years ago, but the elevator halls and other common areas were upgraded through large-scale renovations in 2005; in addition, the security system was revamped. A series of renovations have been made to meet the needs of the times over time, including renovation of the area around the first floor entrance lobby in 2016 as part of ARK Hills' 30th anniversary renovations, so that today, this renowned building maintains a strong competitive advantage as one of Japan's leading office buildings.

Furthermore, in terms of third-party certification, the Acquired Property has received "S-rank certification" under Certification for CASBEE for Real Estate.

The Acquired Property has leasable floor areas of about 3,066 m^2 (about 927 tsubos) on the 34th floor and about 3,040 m^2 (about 920 tsubos) on the 35th floor with ceiling height of 2.59 m, and is equipped with security system that can be controlled at the individual leased area level, grid system ceilings that enhance layout flexibility, individual air conditioning systems and OA floors (50 mm). The Acquired Property is a compartment with high appeal to tenants among buildings in ARK Mori Building due to good views from the upper floors.

3. Details of the Acquired Property

ARK Mori Building

Property Name		ARK Mori Building
Type of Specified Asset		Trust beneficiary interest in real estate (compartmentalized ownership for the 34th and 35th floors of ARK Mori Building) (40% of quasi co-ownership interest)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust Term		November 11, 2016 to December 28, 2026
Current Owner (Current Beneficiary)		Mori Building Co., Ltd.
Location (Address)		1-12-32 Akasaka, Minato-ku, Tokyo
Usage		Office, Retail shop, Conference room, Parking, Warehouse, Waiting room, Cold heat supply station (Note 1)
Type of Structure		Flat-roofed, Reinforced concrete, Steel-framed reinforced concrete and Steel-framed structure; four underground and thirty seven aboveground floors (Note 1)
Site Area	Land	39,602.42 m^2 (Note 2)
	Building (total floor area)	177,486.95 m^2 (Note 3)
Type of Ownership	Land	Proprietary ownership (right of site for the 34th and 35th floors) (Note 4)
	Building	Compartmentalized ownership (for office on the 34th and 35th floors) (Note 5)

Completion Date		March 31, 1986
Architect		Mori Building First Class Registered Architect Office and others
Construction Company		Kajima Corporation and others
Construction Confirmation Authority		Minato-ku, Tokyo
Probable Maximum Loss		0.78% (Sompo Risk Management & Health Care Inc.)
Acquisition Price		¥4,169,000 thousand
Appraisal	Appraisal Value	¥4,310,000 thousand
	Base Date for Appraisal	October 31, 2016
	Appraiser	Daiwa Real Estate Appraisal Co.,Ltd.
	Details	Please refer to “11. Summary of Appraisal Report”.
Existence of Secured Interests after Acquisition		None
Master Lease Company		Mori Building Co., Ltd. (Note 6)
Master Lease Type		Fixed rent type (Note 6)
Property Management Company		Mori Building Co., Ltd.
Details of Tenant		As of December 1, 2016
	Number of End Tenants	1 (Note 6)
	Total Leasable Area	6,106.50 m^2
	Total Leased Area	6,106.50 m^2 (Note 6)
	Occupancy Rate	100.0% (Note 6)
	Monthly Rent and Common Area Charge (Excluding Consumption Tax, etc.)	Not disclosed (Note 7)
	Security and Guarantee Deposit	Not disclosed (Note 7)
Forecast Income and Expenditure (Annual Amount)		Please refer to “Reference Material 1 for the details”.
	Forecast Net Operating Income	¥166 million
	Forecast Net Operating Income after Depreciation	¥158 million
Special Considerations		Wet sprayed rock wool containing asbestos is used in some parts of ARK Mori Building (ceilings, boundary wall columns, beams and walls, etc.). Asbestos treatment works have been completed in various 34th and 35th floor offices of the Acquired Property, but they have not yet been completed in some parts of the common areas. At present, in the areas where they have not been completed, no asbestos dispersal has been observed, and regular inspections are being conducted to ensure dispersal is not a concern.
Other		(Note 1) Usage and type of structure for the entire ARK Mori Building are shown. (Note 2) The total land area of ARK Hills, where the Acquired Property is located, is shown. The land is shared with other compartmental owners. For approximately 64.19% of the land, right of site is specified for three buildings: ARK Mori Building, ARK Towers East & West, and ARK Towers South. (Note 3) Total floor area for the entire ARK Mori Building is shown. (Note 4) For the total land area of ARK Hills, where the Acquired Property is located, the right of site ratio of the 34th and 35th floors is approximately 3.05%, while the Acquired Property’s right of site ratio multiplied by the 40% of quasi co-ownership interest is approximately 1.22%. In addition, the right of site ratio for ARK Mori Building as a whole is approximately 52.43%. (Note 5) According to the real estate register, the area occupied by ARK Mori Building as a whole is 138,703.31 m^2 in total. Of this, the area occupied by the 34th and 35th floors is approximately 5.04% (occupied area: 6,993.50 m^2), while the Acquired Property’s occupied area ratio multiplied by the 40% of quasi co-ownership interest is approximately 2.02%.

	(Note 6)	Since a fixed-rent master lease agreement has been agreed between Mori Building Co., Ltd. and the trustee for the Acquired Property, Mori Building Co., Ltd. is shown as the end tenant. The lease period is from November 11, 2016 to December 28, 2026 (the same as the trust term), and the rent will be revised every two years according to the average unit rent for tenants subleasing from Mori Building Co., Ltd., which is the master lessee company.
	(Note 7)	This information is not disclosed because the master lessee company has not given consent.

4. Details of the Sale Property

BUREX Toranomon

Property Name		BUREX Toranomon
Type of Specified Asset		Real estate
Location (Address)		2-7-5 Toranomon, Minato-ku, Tokyo
Usage		Office
Type of Structure		Flat-roofed, Steel-framed structure; thirteen above-ground floors
Site Area	Land	466.96 m^2
	Building (Total Floor Area)	2,808.24 m^2
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		July 27, 2011
Acquisition Date		December 3, 2014
Acquisition Price		¥1,750,000 thousand
Appraisal	Appraisal Value	¥2,440,000 thousand
	Base Date for Appraisal	October 31, 2016
	Appraiser	Japan Real Estate Institute
	Details	Please refer to “11. Summary of Appraisal Report”.
Details of Tenant		As of October 31, 2016
Security and Guarantee Deposit		¥24,998 thousand (Figure is truncated to thousands of yen.)
Number of End Tenants		1
Total Leasable Area		1,900.93 m^2
Total Leased Area		1,900.93 m^2
Occupancy Rate		100.0%
Operating Results		The total of the actual amounts for fiscal periods ended October 31, 2015 and April 30, 2016
Rent Revenue		¥99 million
Net Operating Income		¥83 million
Rental Operating Income (Net Operating Income after Depreciation)		¥58 million

5. Seller’s and Buyer’s Profile

Company Name	Mori Building Co., Ltd.
Location	6-10-1 Roppongi, Minato-ku, Tokyo
Title and Name of Representative	Shingo Tsuji, President and CEO
Description of Business	Every aspect of the urban landscape development
Amount of Capital	¥67,000 million (as of March 31, 2016)
Date of Incorporation	June 2, 1959
Major Shareholder	Morikiyo Co., Ltd. and others (as of March 31, 2016)
Net Assets	¥474,126 million (as of March 31, 2016)

Total Assets		¥1,819,556 million (as of March 31, 2016)
Relationship with the Investment Corporation or the Asset Management Company		
	Capital Relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company.
	Personnel Relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company.
	Business Relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company.
	Applicability of Related Party Relationships	The company that is both a seller and a buyer in the Transaction is not a related party, etc. as defined in the Investment Trusts and Investment Corporations Law and not a related party as defined in the Office REIT Division Related-party Transaction Rules of the Asset Management Company.

*As of November 28, 2016

6. Acquirer's Profile

It is omitted because the seller of the Acquired Property is not a special related party of the Investment Corporation or the Asset Management Company.

7. Details of Brokerage

Not applicable for the Transaction

8. Related-party Transaction

(1) Transactions with the related party, etc. in the Acquisition

The Acquisition does not constitute the related-party transaction.

(2) Transactions with the related party, etc. in the Sale

The Sale does not constitute the related-party transaction, but the Investment Corporation shall pay Kenedix Property Management, Inc. the management transfer fee under the property management agreement with Kenedix Property Management, Inc.

Management Transfer Fee (At the Time of Disposition)	¥2.0 million (excluding consumption tax, etc.)

9. Date of the Transaction

Determination Date of the Acquisition and the Sale Acquisition and Sale Agreement Execution Date Payment Date Settlement Date	December 1, 2016

10. Outlook

The date of acquisition and sale in the Transaction is in the fiscal period ending April 30, 2017 (November 1, 2016 to April 30, 2017) and there was no impact of the Transaction on the financial results for the fiscal period ended October 31, 2016 (May 1, 2016 to October 31, 2016). Therefore, the forecast of financial results for the fiscal period ended October 31, 2016 remains unchanged.
Though a gain from the Sale is expected to occur, the forecast of financial results for the fiscal period ending April 30, 2017 together with handling of the gain is scheduled to be disclosed at the time of announcement on financial results for the fiscal period ended October 31, 2016.

11. Summary of Appraisal Report

Property Name	ARK Mori Building

Appraisal Value	¥4,310,000,000 (Note 1)
Appraiser	Daiwa Real Estate Appraisal Co.,Ltd.
Appraisal Date	October 31, 2016

Unit: Yen

Item	Content	Basis
Income Capitalization Approach Value	4,310,000,000	Assess an amount by verifying the Value Calculated Using the Direct Capitalization Method as well as handling Value Calculated Using the Discounted Cash Flow Method as a standard
Value Calculated Using the Direct Capitalization Method	4,480,000,000	Assess an amount by using the cap rate based on medium to long-term stable net cash flow
(1) Gross Operating Revenue	241,306,044	
Maximum Gross Operating Revenue	241,306,044	Assess an amount based on the master lease rent after considering the ownership ratio that are believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	0	Not recognize an amount due to an expectation of stable rent revenue based on the master lease agreement
(2) Operating Expenses	60,161,290	
Maintenance Expenses	-	(Note 2)
Utility Expenses	-	(Note 2)
Repair Expenses	-	(Note 2)
Property Management Fee	-	(Note 2)
Tenant Recruitment Expenses, etc.	-	(Note 2)
Taxes and Dues	16,337,300	Recognize an amount after considering the ownership ratio based on the fiscal 2016 tax statement, etc.
Damage Insurance Fee	-	(Note 2)
Other Expenses	-	(Note 2)
(3) Net Operating Income (NOI= (1)-(2))	181,144,754	
(4) Gain on Guarantee Deposit Investment	4,826,121	Assess income from investments by using an investment return of 2.0%
(5) Capital Expenditure	11,137,867	Add assessed renewal expenses on common area of ARK Hills after considering the ownership ratio to a value assessed by verifying the level of renewal expenses at similar properties and other factors based on the engineering report
(6) Net Cash Flow (NCF=(3)+(4)-(5))	174,833,008	
(7) Capitalization Rate	3.9%	Assess an amount by comprehensively considering transaction cases, etc. at similar properties, and the property's location, the characteristics of the building, the rights, the terms of the contract and other factors
Value Calculated Using the Discounted Cash Flow Method	4,240,000,000	
Discount Rate	3.7%	Assess an amount by considering a comparison with transaction cases at similar properties and the property's unique characteristics
Terminal Capitalization Rate	4.1%	Assess an amount by considering nature of net cash flow for calculation of the capitalization rate, future uncertainty, liquidity, marketability and other factors
Value Calculated Using the Cost Method	3,910,000,000	
Land	94.4%	
Building	5.6%	

Items Applied to Adjustments in Approaches to the Value and the Determination of the Appraisal Value	Use the Income Capitalization Approach Value as the decision is made that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced from the aspect of income, while referring to the Value Calculated Using the Cost Method

(Note 1) The amount for the Acquired Property (trust beneficiary interest in 40% of quasi co-ownership interest of compartmentalized ownership for the 34th and 35th floors) is shown.
(Note 2) The information is not disclosed because the company that is the master lessee and the property manager has not given consent for disclosure.

*Reference

Appraisal NOI Yield (Note)	4.3%

Note: Appraisal NOI yield is calculated by dividing net operating income (NOI) based on the direct capitalization method described in the above appraisal report by the acquisition price of the Acquired Property (¥4,169,000 thousand), rounded to the first decimal place.

Property Name	BUREX Toranomon

Appraisal Value	¥2,440,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	October 31, 2016

Unit: Yen

Item	Content	Basis
Income Capitalization Approach Value	2,440,000,000	Estimate an amount 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	2,460,000,000	Assess an amount by using the cap rate based on medium to long-term stable net cash flow
(1) Gross Operating Revenue	110,064,000	
Maximum Gross Operating Revenue	110,064,000	Assess an amount based on a level of fair rent that is believed to remain stable over the medium and long term after considering a lease agreement
Shortfall Attributed to Vacancies	0	Not recognize an amount due to an expectation of stable rent revenue based on a lease agreement
(2) Operating Expenses	15,487,000	
Maintenance Expenses	0	Not recognize an amount based on a lease agreement
Utility Expenses	0	Not recognize an amount based on a lease agreement
Repair Expenses	640,000	Assess an amount by considering future administrative operation plan, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors
Property Management Fee	2,201,000	Assess an amount by referring to compensation rates based on the terms of the contract and at similar properties and other factors
Tenant Recruitment Expenses, etc.	0	Not recognize an amount based on the master lease agreement
Taxes and Dues	12,507,000	Recognize an amount based on the fiscal 2016 tax statement, etc.
Damage Insurance Fee	139,000	Recognize an amount by considering the insurance premium based on the insurance policy and the insurance premium rate, etc. at similar properties
Other Expenses	0	Not recognize an amount due to no special expenses
(3) Net Operating Income (NOI= (1)-(2))	94,577,000	
(4) Gain on Guarantee Deposit Investment	275,000	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	1,530,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess an amount 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))	93,322,000	
(7) Capitalization Rate	3.8%	Assess an amount by comprehensively taking into account the property's location, the characteristics of the building and other factors
Value Calculated Using the Discounted Cash Flow Method	2,410,000,000	
Discount Rate	3.5%	While referring to investment yield, etc. of similar property transactions, assess an amount by comprehensively taking into account the property's unique characteristics
Terminal Capitalization Rate	3.9%	While referring to yield, etc. associated with transactions of similar properties, assess an amount by comprehensively taking into account upcoming changes in investment yield, risks associated with the property to be invested, general prediction of economic growth rate, trends in real estate prices and rent trends, and other factors
Value Calculated Using the Cost Method	2,170,000,000	
Land	65.9%	
Building	34.1%	

Items Applied to Adjustments in Approaches to the Value and the Determination of the Appraisal Value	Use the Income Capitalization Approach Value as the decision is made that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced from the aspect of income, while referring to the Value Calculated Using the Cost Method

Attached Materials

Reference Material 1	Summary of Projected Revenue and Expense for the Acquired Property
Reference Material 2	Summary of Building Condition Investigation Report on the Acquired Property
Reference Material 3	Property Photographs
Reference Material 4	Property Portfolio after the Transaction, Acquisition of Nishi-Shinbashi TS Building and Sale of KDX Nihonbashi Kabutocho Building

The Investment Corporation's website: http://www.kdo-reit.com/en/

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

Reference Material 1

Summary of Projected Revenue and Expense for the Acquired Property

	Unit: Millions of Yen
A. Projected Operating Revenue	Not disclosed (Note)
B. Projected Operating Expense (Excluding Depreciation Expense)	Not disclosed (Note)
C. Projected NOI (A-B)	166
D. Projected Depreciation Expense	8
E. Projected NOI after Depreciation (C-D)	158
F. Occupancy Rate	100.0%

(Note) The Projected Operating Revenue and Expense are not disclosed because the company that is the master lessee and the property manager has not given consent.

Underlying assumptions:

1. The above projected revenue and expense are estimates for one year and are exclusive of extraordinary factors from the year of acquisition.
2. Projected NOI is calculated on the basis that Revenue assumes lease terms based on the master lease agreement and Expense includes property management fee, tax and due, repairs and maintenance expense, and insurance premium, etc.

Reference Material 2

Summary of Building Condition Investigation Report on the Acquired Property

	Unit: Yen
Investigation Company	Tokyo Bldg-Tech Center Co.,Ltd
Date of Investigation	September 2016
Repairs, maintenance and renovation expenses required over the next year	0
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	137,750,000
Unit-in-Place	799,118,000

* The abovementioned investigation company undertakes building condition evaluations such as
  - ・A diagnosis of building deteriorations
  - ・Formulation of a short- and long-term repair and maintenance plans
  - ・Assessment of legal compliance with the Building Standards Act, etc.
  - ・Analyses of the existence of hazardous substances
  - ・Analyses of the soil environment

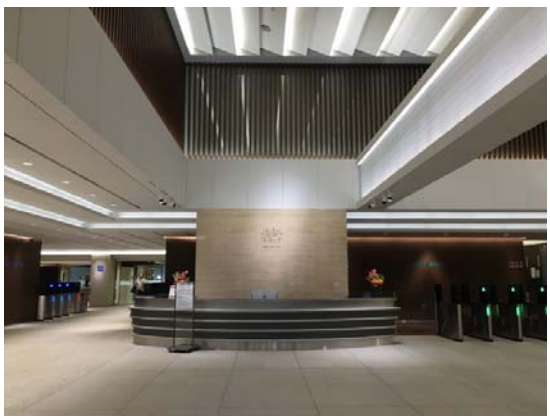
  and submits a building condition investigation report to the Investment Corporation.

Reference Material 3

Property Photographs

ARK Mori Building







Reference Material 4

Property Portfolio after the Transaction, Acquisition of Nishi-Shinbashi TS Building and Sale of KDX Nihonbashi Kabutocho Building

Type of Use	Area	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition Date
Office Buildings	Tokyo Metropolitan Area	Nittochi Toranomon Building	15,550	3.9%	March 30, 2016
		KDX Musashi-Kosugi Building	12,000	3.0%	March 20, 2014
		KDX Nihonbashi Kabutocho Building (Note 2)	-	-	December 26, 2011
		KDX Harumi Building	10,250	2.5%	June 30, 2008
		KDX Toyosu Grand Square	8,666	2.1%	May 30, 2014
		Nishi-Shinbashi TS Building (Note 2)	8,400	2.1%	February 1, 2017 (Planned)
		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	1.4%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.4%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 3)	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	1.1%	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 Iidabashi Square	4,350	1.0%	January 10, 2014
		KDX Ginza 1chome Building	4,300	1.0%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.0%	December 1, 2006
		ARK Mori Building	4,169	1.0%	December 1, 2016
		KDX Nihonbashi Honcho Building	4,000	1.0%	November 12, 2010
		KDX Hamamatsucho Center Building	3,950	0.9%	September 1, 2015
		KDX Ikebukuro Building	3,900	0.9%	November 18, 2013
		KDX Shin-Nihonbashi Ekimae Building	3,829	0.9%	August 2, 2016
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	0.9%	February 1, 2008
		KDX Shinbashi Building (Note 4)	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 Ginza East Building	3,600	0.9%	March 13, 2015
		KDX Hamamatsucho Building	3,460	0.8%	May 1, 2006
		Pentel Building (Note 5)	3,350	0.8%	March 26, 2015
		KDX Roppongi 228 Building	3,300	0.8%	January 10, 2008
		KDX Mita Building	3,180	0.7%	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	0.6%	May 1, 2006
		KDX Jimbocho Building	2,760	0.6%	March 31, 2008
		KDX Yokohama Nishiguchi Building	2,750	0.6%	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

Office Buildings	Tokyo Metropolitan Area	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
		KDX Kajicho Building	2,350	0.5%	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	0.4%	March 31, 2008
		Kanda Kihara Building	1,950	0.4%	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	-	-	December 3, 2014
		KDX Kiba Building	1,580	0.3%	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 Nihonbashi Edo-dori Building	1,350	0.3%	August 2, 2016
		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
	Other Regional Areas	Senri Life Science Center Building	13,000	3.2%	October 15, 2014
		KDX Nagoya Sakae Building	7,550	1.8%	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	1.4%	January 9, 2015
		Portus Center Building	5,570	1.3%	September 21, 2005
		KDX Karasuma Building	5,400	1.3%	June 1, 2007
		KDX Hakata-Minami Building	4,900	1.2%	February 1, 2008
		KDX Shin-Osaka Building	4,550	1.1%	September 1, 2015
		Nichigin-mae KD Building	3,500	0.8%	March 15, 2016
		KDX Kobayashi-Doshomachi Building	2,870	0.7%	December 1, 2010
		KDX Higashi Umeda Building	2,770	0.6%	March 28, 2012
		KDX Utsunomiya Building	2,350	0.5%	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 94 Office Buildings		367,486	92.3%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	2.4%	August 1, 2005
		Ginza 4chome Tower	9,800	2.4%	August 19, 2013
		KDX Yoyogi Building	2,479	0.6%	September 30, 2005
	Total of 3 Central Urban Retail Properties		22,179	5.5%	-

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 6chome Building (Land)	2,880	0.7%	April 18, 2014
Total of 1 Others Property			2,880	0.7%	-
Total of 99 Properties			397,899	100.0%	Portfolio PML 2.37%

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

Notes:

1. The acquisition prices and ratios are rounded down to the nearest million and first decimal place respectively.
2. For the acquisition of Nishi-Shinbashi TS Building and the sale of KDX Nihonbashi Kabutocho Building, please refer to the press release, “Notice Concerning Acquisition of Property (Nishi-Shinbashi TS Building) and Sale of Property (KDX Nihonbashi Kabutocho Building)” dated November 1, 2016.
3. 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.
4. 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.
5. Building, site and the land for Pentel Building are counted as one property.