KENEDIX
Office Investment Corporation

Translation of Japanese Original

May 14, 2018

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
Jiro Takeda, Executive Director
(Securities Code: 8972)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Masahiko Tajima, President & CEO
Inquiries:
Hiroaki Momoi
Head of Planning Division
Office REIT Department
TEL: +81-3-5157-6010

Notice Concerning Issuance of New Investment Units and Secondary Offering of Investment Units

Kenedix Office Investment Corporation ("the Investment Corporation") today announced that it resolved at the board of directors held on May 14, 2018, to issue new investment units and to conduct a secondary offering of investment units. Details are as follows.

1. Issuance of New Investment Units through Offering ("the Public Offering")

(1)	Number of Investment Units to be Offered	22,500 units
(2)	Issue Price (Offer Price)	To be determined After taking into account demand conditions and other factors, the issue price (offer price) will be determined by multiplying the closing price (if there was no closing price on this day, then the closing price of the day immediately preceding that day) of the investment units of the Investment Corporation (the "Investment Units") in regular trading on the Tokyo Stock Exchange on any of the days ("the Pricing Date") from May 21, 2018 (Monday) to May 23, 2018 (Wednesday) by between 0.90 to 1.00, and taking the resulting price (rounding all fractions down to the nearest yen) as a tentative price range in accordance with the method provided for in Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the Japan Securities Dealers Association.
(3)	Paid-in Value (Issue Amount)	To be determined The issue amount will be determined at the board of directors to be held on the Pricing Date in accordance with the method provided for in Article 25 of the Regulations Concerning Securities Underwriting, etc. stipulated by the Japan Securities Dealers Association.
(4)	Aggregate Paid-in Value (Total Issue Amount)	To be determined.
(5)	Offering Method	The Investment Units are being offered in the Public Offering by underwriters jointly led by Nomura Securities Co., Ltd., Mitsubishi UFJ Morgan Stanley

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Securities Co., Ltd. and SMBC Nikko Securities Inc. (hereinafter referred to as the "Joint Lead Managers"), who will underwrite (hereinafter referred to as the "Underwriters") the total number of Investment Units for the whole portion of the purchase.

(6) Details of Underwriting Agreement: No underwriting commission shall be paid, rather, the underwriting fee shall be the difference between the total issue price (offer price) for the Public Offering and the aggregate paid-in value (total issue amount) consisting of the amount to be paid by the Underwriters to the Investment Corporation.

(7) Subscription Unit: One or more units as a single unit.

(8) Subscription Period: Beginning on the business day immediately following the Pricing Date and ending on the second business day immediately following the Pricing Date.

(9) Payment Date: The fifth business day immediately following the Pricing Date, which falls on a day between May 28, 2018 (Monday) and May 30, 2018 (Wednesday).

(10) The issue price (offer price), paid-in value (issue amount) and other matters relating to the issuance of new investment units will be determined at the future board of directors. However, the executive director is entrusted to make any necessary changes before making a final decision.

(11) Each of the provisions above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary Offering of Investment Units (Over-Allotment) (See Reference 1. below)

(1) Seller and the Total Number of Investment Units to be Sold: Nomura Securities Co., Ltd.: 1,125 units
Note that the number of Investment Units to be sold is indicated here as the maximum limit and may decrease depending on the demand conditions of the Public Offering and other factors, or the sale by the Over-Allotment itself may not take place. The number of Investment Units to be sold will be determined at a board of directors to be held on the Pricing Date, taking into account the demand conditions of the Public Offering and other factors.

(2) Selling Price: To be determined.
The selling price will be determined on the Pricing Date. The selling price is to be the same as the issue price (offer price) in the Public Offering.

(3) Total Selling Price: To be determined.

(4) Selling Method: In the Public Offering, Nomura Securities Co., Ltd. will conduct a secondary offering with the Investment Units to be borrowed from Kenedix, Inc. with 1,125 units as the maximum, taking into account demand conditions and other factors.

(5) Subscription Unit: One or more units as a single unit.

(6) Subscription Period: Same as the subscription period for the Public Offering.

(7) Delivery Date: Next business day after the payment date for the Public Offering.

(8) The selling price and other matters relating to the secondary offering of the Investment Units will be determined at a future board of directors. However, the executive director is entrusted to make any necessary changes before making a final decision.

(9) Each provision above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issuance of New Investment Units through Third-Party Allotment (See Reference 1. below)

(1) Number of Investment Units to be Offered: 1,125 units

(2) Paid-in Value (Issue Amount): To be determined at a board of directors to be held on the Pricing Date. The paid-in value (issue amount) is to be the same as the paid-in value of the Public

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		Offering.
(3)	Aggregate Paid-in Value (Total Issue Amount)	To be determined.
(4)	Allottee and Number of Investment Units Allotted	Nomura Securities Co., Ltd. 1,125 units
(5)	Subscription Unit	One or more units as a single unit.
(6)	Subscription Period (Subscription Date)	June 14, 2018 (Thursday)
(7)	Payment Date	June 15, 2018 (Friday)

(8) If some or all of the Investment Units are not subscribed for by the end of the subscription period (subscription date) as set forth in (6) above, the issuance will be cancelled.

(9) The paid-in value (issue amount) and other necessary matters relating to the issuance of new Investment Units will be determined at a future board of directors. However, the executive director is entrusted to make any necessary changes before making a final decision.

(10) Each provision above is subject to the effectiveness of the filing of the securities registration document in accordance with the Financial Instruments and Exchange Act of Japan.

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【Reference】

1. Over-Allotment

(1) The secondary offering by the Over-Allotment consists of a sale of Investment Units that Nomura Securities Co., Ltd. will borrow from Kenedix, Inc. in an amount not exceeding 1,125 units, in conjunction with, but separate from, the Public Offering. Although 1,125 units are planned to be offered by the Over-Allotment, this is the maximum number of units to be offered and, depending on the demand conditions and other factors, may decrease, or the secondary offering by the Over-Allotment may be cancelled.

In connection with the secondary offering by the Over-Allotment, the Investment Corporation's board of directors resolved at the meeting held on May 14, 2018 (Monday), that the Investment Corporation will issue by third-party allotment 1,125 units necessary for Nomura Securities Co., Ltd. to return the borrowed Investment Units (the "Borrowed Investment Units") to Kenedix, Inc. and that the payment date is June 15, 2018 (Friday), and the allottee is Nomura Securities Co., Ltd. (the "Third-Party Allotment").

Furthermore, Nomura Securities Co., Ltd. may also purchase the Investment Units on the Tokyo Stock Exchange up to the number of Investment Units to be sold by the Over-Allotment (the "Syndicate Cover Transactions") to return the Borrowed Investment Units. All Investment Units purchased through Syndicate Cover Transactions will be used to return the Borrowed Investment Units. Such Syndicate Cover Transactions would be made during the period beginning on the date immediately following the last day of the subscription period for the Public Offering and secondary offering by the Over-Allotment and ending on June 8, 2018 (Friday) (the "Syndicate Cover Transaction Period"). At its discretion during the Syndicate Cover Transaction Period, Nomura Securities Co., Ltd. may choose not to conduct any Syndicate Cover Transactions or to terminate Syndicate Cover Transactions before the number of Investment Units purchased reaches the number of Investment Units of the secondary offering by the Over-Allotment.

In addition, Nomura Securities Co., Ltd. may conduct stabilizing transactions in connection with the Public Offering and secondary offering by the Over-Allotment. The Investment Units purchased through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Investment Units.

Nomura Securities Co., Ltd. plans to subscribe the new Investment Units by the Third-Party Allotment by deducting the number of Investment Units purchased through stabilizing transactions and Syndicate Cover Transactions that are to be used to return the Borrowed Investment Units from the number of Investment Units to be offered in the Over-Allotment. Accordingly, all or part of the Investment Units to be issued by the Third-Party Allotment may not be subscribed for, which may result in a decrease in the number of Investment Units planned to be issued by the Third-Party Allotment, or may result in the cancellation of the entire issuance due to forfeiture.

(2) Nomura Securities Co., Ltd. will conduct the transaction in (1) above upon consultation with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. and SMBC Nikko Securities Inc.

2. Change in the Number of Investment Units Issued and Outstanding after the Issuance of New Investment Units

Total number of Investment Units Issued and Outstanding at present:	404,885 units
Number of new Investment Units to be Issued (the Public Offering):	22,500 units
Total number of Investment Units Issued and Outstanding following the Public Offering:	427,385 units
Number of new Investment Units to be issued (the Third-Party Allotment):	1,125 units (Note)
Total number of Investment Units Issued and Outstanding following the Third-Party Allotment:	428,510 units (Note)

Notes: These figures are based on the assumption that the new Investment Units to be issued by the Third-Party Allotment are all applied for by Nomura Securities Co., Ltd.

3. Purpose and Reasons for Issuance

The issuance of new Investment Units was determined after consideration of market trends and the level of

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distributions per unit and NAV per unit, etc. in order to increase our asset size and the profitability of our portfolio by acquiring new specified assets (as defined under Article 2.1 of the Act on Investment Trusts and Investment Corporations; the same shall apply hereinafter) as well as to continuously acquire specified assets flexibly with the aim to strengthen the stability of our financial base.

4. Total Amount to be Procured, Use of Proceeds and Scheduled Outlay Period

(1) Total Amount to be Procured (approximate net balance)

¥14,966,343,000 (maximum)

Note 1. The above-mentioned amount is the sum of ¥14,253,660,000 in net proceeds from the Public Offering and ¥712,683,000 (maximum) in net proceeds from the issuance of new Investment Units by the Third-Party Allotment.

Note 2. The above-mentioned amount is the estimate calculated based on the closing price of the Investment Units in regular trading on the Tokyo Stock Exchange as of April 27, 2018 (Friday).

(2) Specific Use of Proceeds and Scheduled Outlay Period

Proceeds from the Public Offering will be allocated as a part of the funds for the acquisition of the property to be acquired which is indicated below, along with the proceeds from the Third-Party Allotment. For details regarding the property to be acquired, please refer to the press release "Notice Concerning Acquisition of Property (CROSS PLACE Hamamatsucho) and Sale of Properties (KDX Hamamatsucho Dai-2 Building・Frame Jinnan-zaka)" dated today.

Property to be Acquired	Anticipated Acquisition Price (Millions of Yen)	Anticipated Acquisition Date
CROSS PLACE Hamamatsucho	20,700	July 2, 2018

5. Designation of Distributees

No relevant information.

6. Future Outlook

Please refer to the press release "Notice Concerning Operating Forecasts for the Fiscal Period Ending October 31, 2018 (the 27th Fiscal Period) and for the Fiscal Period Ending April 30, 2019 (the 28th Fiscal Period)" dated today.

7. Financial Condition during the Three Most Recent Fiscal Periods and Status of Equity Finance

(1) Financial Condition during the Three Most Recent Fiscal Periods

	Fiscal Period Ended October 2016	Fiscal Period Ended April 2017	Fiscal Period Ended October 2017
Net Income per Unit (Yen) (Note 1)	11,365	11,733	11,334
Distribution per Unit (Yen)	11,365	11,733	12,500
Payout Ratio Results (Note 2)	99.9%	99.9%	110.2%
Unitholders' Equity per Unit (Yen)	525,644	526,041	525,708

Note 1: Net income per Unit is calculated using the fiscal period average number of Investment Units (404,885 units for the fiscal period ended October 2016, 404,885 units for the fiscal period ended April 2017 and 404,885 units for the fiscal period ended October 2017).

Note 2: Payout Ratio Results are rounded down to the first decimal place.

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(2) Status of Current Investment Unit Prices

① Status for the most recent three fiscal periods

	Fiscal Period Ended April 2017	Fiscal Period Ended October 2017	Fiscal Period Ended April 2018
Opening price	¥584,000	¥632,000	¥612,000
Highest price	¥679,000	¥653,000	¥718,000
Lowest price	¥572,000	¥574,000	¥585,000
Closing price	¥632,000	¥610,000	¥672,000

② Status for the most recent six months

	December 2017	January 2018	February	March	April	May (Note)
Opening price	¥640,000	¥639,000	¥689,000	¥674,000	¥649,000	¥669,000
Highest price	¥656,000	¥718,000	¥707,000	¥675,000	¥683,000	¥689,000
Lowest price	¥629,000	¥633,000	¥651,000	¥639,000	¥638,000	¥660,000
Closing price	¥640,000	¥689,000	¥676,000	¥653,000	¥672,000	¥683,000

Note: The investment unit price for May 2018 is the price as of May 11, 2018.

③ Investment unit prices on the business day immediately prior to the resolution date of the issuance

	As of May 11, 2018
Opening price	¥679,000
Highest price	¥689,000
Lowest price	¥678,000
Closing price	¥683,000

(3) Status of Equity Finance during the Three Most Recent Fiscal Periods

No relevant information.

8. Others

Restrictions on Sale and Additional Issue of Investment Units

(1) In connection with the Public Offering, the unitholder of the Investment Corporation, Kenedix, Inc has agreed with the Joint Lead Managers that it will not sell, collateralize or loan the Investment Units of the Investment Corporation during the period from the Pricing Date to the corresponding date six months from the delivery and settlement date of the Public Offering (however, excluding Investment Units lent for the purpose of secondary offering by the Over-Allotment) without obtaining prior written consent from the Joint Lead Managers. Furthermore, the Joint Lead Managers have the right to waive all or part of aforementioned restrictions.

(2) In connection with the Public Offering, the Investment Corporation has agreed with the Joint Lead Managers that it will not issue the Investment Units of the Investment Corporation during the period from the Pricing Date to the corresponding date three months from the delivery and settlement date of the Public Offering (however, excluding new Investment Units issued by the Third-Party Allotment) without obtaining prior written consent from the Joint Lead Managers. Furthermore, the Joint Lead Managers have the right to waive all or part of the aforementioned restrictions.

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 May 14, 2018. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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