

Translation of Japanese Original

December 2, 2021

To All Concerned Parties

REIT Issuer:
Kenedix Office Investment Corporation
Hiroaki Momoi, Executive Director
(Securities Code: 8972)

Asset Management Company:
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Notice Concerning Partial Sale of Asset Pertaining to Land Expropriation
(KDX Toranomom 1chome Building)

Kenedix Office Investment Corporation (“the Investment Corporation”) has announced today, that Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”), the asset management company for the Investment Corporation, decided to partially sell the following property (“the Sale”).

1. Outline of the Sale

- (1) Property Name : KDX Toranomom 1chome Building (“the Property”)
- (2) Type of Property to Be Sold : Real estate (part of land, “the Asset to Be Sold”)
(Note 1)
- (3) Sale Price (Note 2) : 1,702 million yen
- (4) Assumed Book Value (Note 3) : 943 million yen
- (5) Difference between
Sale Price and Assumed Book : 759 million yen
Value: (3)-(4) (Note 4)
- (6) Buyer : Tokyo Metropolitan Government (non-related party)
- (7) Date of Contract : December 2, 2021
- (8) Date of Sale : December 2, 2021
- (9) Use of Proceeds : Cash on hand
- (10) Settlement Method : The payment is scheduled to be made after the completion of the registration of the ownership transfer by the Tokyo Metropolitan Government, which is the buyer.

Note 1: The Property is owned as trust beneficiary interest, and Mitsubishi UFJ Trust and Banking Corporation, which is the trustee, sell only the Asset to Be Sold as real estate in kind in the Sale.

Note 2: In addition to the sale price, 24 million yen is scheduled to be paid as compensation for property transfer pertaining to the transfer of part of the ancillary structure on the Asset to Be Sold, and will be used as the cost of the construction work to eliminate the structure. (Amounts are truncated to the nearest unit. The same applies below.)

Note 3: The amount is calculated by prorating the book value of the land of the Property as of the end of the 33rd fiscal period (October 31, 2021) for the land area pertaining to the Sale.

Note 4: The figure is the referential amount, calculated as the difference between the sale price and assumed book value, and differs from gain or loss on sale.

2. Reason for the Sale

The frontal road on the east side of the Property has been targeted in the “Tokyo Urban Planning Arterial Radial Road No. 21 Development Project” since before and was approved as an urban planning project by the Ministry of Land, Infrastructure, Transport and Tourism on March 20, 2019. Implementation of the Sale was decided following discussions for land expropriation held between Tokyo Metropolitan Government, which intends to acquire the targeted project site, and the Investment Corporation, as the land subject to the sale is not included in the land portion of the building of the Property and has no impact on the leasing business.

3. Details of the Property to be Sold

Type of Specified Asset	Real estate (Land)
Location (Address)	1-10-5 Toranomom, Minato-ku, Tokyo
Land Category	Residential Land
Site Area	114.30 m ² of the 1,564.12 m ² site area
Type of Ownership	Proprietary ownership
Sale Price	1,702 million yen
Appraisal Value (Note)	1,350 million yen

Note: The appraisal value with November 15, 2021, as the date of value estimate calculated by Japan Real Estate Institute is indicated.

4. Buyer's Profile

Buyer	Tokyo Metropolitan Government
Relationship between the Investment Corporation/Asset Management Company and the buyer	There is no special capital relationship between the Investment Corporation or the Asset Management Company. Also, the buyer is not a related party, etc. as defined in the Act on Investment Trusts and Investment Corporations and not a related party as defined in the Office REIT Department Related-party Transaction Rules of the Asset Management Company.

5. Details of Brokerage

Not applicable for the Sale.

6. Impact of the Sale

(1) Appraisal Value for the Property

The Asset to Be Sold is part of the land of the Property and is not included in the land portion where the building stands. Therefore, the Sale will have no impact on the rental revenue and the payments of taxes and public dues will decrease, resulting in an increase in the appraisal value of the Property after the Sale.

	Base Date for Appraisal	Appraisal Value
Before the Sale	October 31, 2021	23,300 million yen
After the Sale	November 15, 2021	23,500 million yen

Note: The above figure is the appraisal value before and after the Sale for the entire land and building of KDX Toranomom 1chome Building calculated by Japan Real Estate Institute.

(2) Profitability and Legal Compliance

The Sale will have no impact on the leasing business and business performance.

In addition, due to the decrease in land area with the Sale, the Property is expected to exceed the stipulated floor-area ratio and become an existing non-conforming building. Therefore, there is a possibility that buildings with the same size as the current building cannot be constructed when conducting extension work in the future and that there may be an impact upon property sales.

7. Related-party Transaction

The Sale does not constitute the related-party transaction.

8. Date of the Sale

Determination Date of the Sale, Transaction Agreement Execution Date and Sale Date	December 2, 2021
Settlement Date	After completion of registration of the ownership transfer by the buyer

9. Outlook

The date of the Sale is in the fiscal period ending April 30, 2022 (November 1, 2021 to April 30, 2022) and there was no impact of the Sale on the financial results for the fiscal period ended October 31, 2021 (May 1, 2021 to October 31, 2021). Therefore, the forecast of financial results for the fiscal period ended October 31, 2021 remains unchanged. Though a gain from the Sale is expected to occur, the forecast of financial results for the fiscal period ending April 30, 2022 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, 2021.

10. Summary of Appraisal Report

Name of the Property	KDX Toranomom 1chome Building (Note 1)	
Appraisal Value	1,350,000,000 yen	
Appraiser	Japan Real Estate Institute	
Appraisal Date	November 15, 2021	
Combined Land Area	1,564.12 m ²	
Type of Structure and Number of Floors	Flat-roofed, Steel-framed reinforced concrete structure; 11 aboveground floors with 1 basement floor	
Usage	Office · Retail shop · Parking lot	
Total Floor Area	11,212.05 m ²	
	Item	Content
① : Investment amount of buildings, etc. (Note 2)		3,810,000,000 yen (340,000 yen / m ²)
② : Income capitalization approach value of the building and site		23,700,000,000 yen
③ : Current value of ② (②×compound present value rate (Note 3))		22,064,700,000 yen
④ : Current value of the investment amount of buildings, etc. (①×compound present value rate (Note 4))		3,591,687,000 yen
⑤ : Value calculated using the capitalization method for the integrated land (③－④)		18,500,000,000 yen (11,800,000 yen / m ²)
⑥ : Appraised quantity		114.30 m ²
⑦ : Value calculated using the capitalization method (⑤unit price × ⑥)		1,350,000,000 yen

Note 1: Of the Property, the appraisal value for the targeted site in the Sale is indicated.

Note 2: The re-procurement cost of building is assessed at 310,000 yen/m²

Note 3: Compound present value rate corresponding to a discount rate of 3.8% when considering that it takes 23 months until the completion and operation of the assumed buildings is 0.9310.

Note 4: Compound present value rate corresponding to a discount rate of 3.8% when assuming that the average expenditure period of the investment amount of buildings, etc. is in the nineteenth month is 0.9427.

Attached Material

Reference Material : Property Portfolio after the Sale

The Investment Corporation's website: <https://www.kdo-reit.com/en/>

This notice is the English translation of the Japanese announcement on our website released on December 2, 2021. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference Material

Property Portfolio after the Sale

As of December 2, 2021

Type of Use	Area	Property Name	Location	(Anticipated) Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	(Scheduled) Date of Acquisition (Note 2)
Office Buildings (Mid-size)	5 Central Wards of Tokyo	KDX Hamamatsucho Place	Minato-ku, Tokyo	20,700	4.7%	July 2, 2018
		KDX Shinbashi Ekimae Building	Minato-ku, Tokyo	16,300	3.7%	June 30, 2020
		KDX Toranomon 1chome Building	Minato-ku, Tokyo	14,616	3.3%	March 30, 2016
		KDX Harumi Building	Chuo-ku, Tokyo	10,250	2.3%	June 30, 2008
		KDX Nishi-Shinbashi Building	Minato-ku, Tokyo	8,400	1.9%	February 1, 2017
		Hiei Kudan-Kita Building	Chiyoda-ku, Tokyo	7,600	1.7%	February 1, 2008
		KDX Shinjuku Building	Shinjuku-ku, Tokyo	6,800	1.5%	February 18, 2010
		KDX Ochanomizu Building	Chiyoda-ku, Tokyo	6,400	1.4%	April 2, 2007
		KDX Shiba-Daimon Building	Minato-ku, Tokyo	6,090	1.3%	March 1, 2007
		KDX Kojimachi Building	Chiyoda-ku, Tokyo	5,950	1.3%	November 1, 2005
		KDX Nihonbashi 313 Building	Chuo-ku, Tokyo	5,940	1.3%	August 1, 2005
		KDX Takanawadai Building	Minato-ku, Tokyo	5,250	1.1%	November 19, 2013
		KDX Iidabashi Building	Shinjuku-ku, Tokyo	4,670	1.0%	July 22, 2011
		KDX Ebisu Building	Shibuya-ku, Tokyo	4,640	1.0%	May 1, 2006
		Higashi-Kayabacho Yuraku Building	Chuo-ku, Tokyo	4,450	1.0%	August 1, 2005
		KDX Iidabashi Square	Shinjuku-ku, Tokyo	4,350	0.9%	January 10, 2014
		KDX Ginza 1chome Building	Chuo-ku, Tokyo	4,300	0.9%	November 12, 2010
		KDX Hamamatsucho Center Building	Minato-ku, Tokyo	3,950	0.8%	September 1, 2015
		KDX Shin-Nihonbashi Ekimae Building	Chuo-ku, Tokyo	3,829	0.8%	August 2, 2016
		KDX Shinbashi Building (Note 2)	Minato-ku, Tokyo	3,728	0.8%	May 1, 2006
		KDX Hatchobori Building	Chuo-ku, Tokyo	3,680	0.8%	August 1, 2005
		KDX Ginza East Building	Chuo-ku, Tokyo	3,600	0.8%	March 13, 2015
		KDX Shibuya Nanpeidai Building	Shibuya-ku, Tokyo	3,500	0.7%	August 10, 2017
		KDX Hamamatsucho Building	Minato-ku, Tokyo	3,460	0.7%	May 1, 2006
		KDX Kanda Ekimae Building	Chiyoda-ku, Tokyo	3,300	0.7%	February 7, 2020
		KDX Mita Building	Minato-ku, Tokyo	3,180	0.7%	November 18, 2013
		KDX Higashi-Shinjuku Building	Shinjuku-ku, Tokyo	2,950	0.6%	September 1, 2006
		KDX Kayabacho Building	Chuo-ku, Tokyo	2,780	0.6%	May 1, 2006
		KDX Jimbocho Building	Chiyoda-ku, Tokyo	2,760	0.6%	March 31, 2008
		KDX Hakozaki Building	Chuo-ku, Tokyo	2,710	0.6%	July 22, 2011
		KDX Akihabara Building	Chiyoda-ku, Tokyo	2,600	0.5%	November 19, 2013
		KDX Yoyogi Building	Shibuya-ku, Tokyo	2,479	0.5%	September 30, 2005
		Harajuku F.F. Building	Shibuya-ku, Tokyo	2,450	0.5%	August 1, 2005
		KDX Kajicho Building	Chiyoda-ku, Tokyo	2,350	0.5%	July 3, 2006
		KDX Hamacho Nakanohashi Building	Chuo-ku, Tokyo	2,310	0.5%	February 1, 2008
		KDX Shinjuku 286 Building	Shinjuku-ku, Tokyo	2,300	0.5%	June 1, 2007
		KDX Minami Aoyama Building	Minato-ku, Tokyo	2,270	0.5%	August 1, 2005
		Nihonbashi Horidomecho First	Chuo-ku, Tokyo	2,200	0.5%	August 19, 2013
		Shin-toshin Maruzen Building	Shinjuku-ku, Tokyo	2,110	0.4%	February 29, 2008
		KDX Nihonbashi 216 Building	Chuo-ku, Tokyo	2,010	0.4%	December 1, 2009
KDX Kanda Kitaguchi Building	Chiyoda-ku, Tokyo	1,950	0.4%	August 1, 2005		
KDX Shinjuku 6-chome Building	Shinjuku-ku, Tokyo	1,900	0.4%	September 13, 2013		
KDX Iwamoto-cho Building	Chiyoda-ku, Tokyo	1,864	0.4%	May 1, 2008		
KDX Nishi-Shinjuku Building	Shinjuku-ku, Tokyo	1,500	0.3%	April 2, 2007		

Type of Use	Area	Property Name	Location	(Anticipated) Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	(Scheduled) Date of Acquisition (Note 2)
Office Buildings (Mid-size)	Tokyo Metropolitan Area (excluding 5 Central Wards)	KDX Musashi-Kosugi Building	Kawasaki, Kanagawa	12,000	2.7%	March 20, 2014
		KDX Yokohama Kannai Building	Yokohama, Kanagawa	9,500	2.1%	January 31, 2018
		KDX Yokohama Building	Yokohama, Kanagawa	7,210	1.6%	October 29, 2014
		KDX Fuchu Building	Fuchu, Tokyo	6,120	1.3%	September 21, 2012
		Toshin 24 Building	Yokohama, Kanagawa	5,300	1.2%	May 1, 2006
		KDX Higashi-Shinagawa Building	Shinagawa-ku, Tokyo	4,590	1.0%	July 22, 2011
		KDX Nishi-Gotanda Building	Shinagawa-ku, Tokyo	4,200	0.9%	December 1, 2006
		KDX Ikebukuro Building	Toshima-ku, Tokyo	3,900	0.8%	November 18, 2013
		KDX Kawasaki-Ekimae Hon-cho Building	Kawasaki, Kanagawa	3,760	0.8%	February 1, 2008
		KDX Takadanobaba Building	Toshima-ku, Tokyo	3,650	0.8%	May 30, 2014
		Koishikawa TG Building	Bunkyo-ku, Tokyo	3,080	0.7%	November 18, 2009
		KDX Kasuga Building	Bunkyo-ku, Tokyo	2,800	0.6%	September 21, 2012
		KDX Yokohama Nishiguchi Building	Yokohama, Kanagawa	2,750	0.6%	December 2, 2014
		KDX Gotanda Building	Shinagawa-ku, Tokyo	2,620	0.5%	November 18, 2009
		KDX Nakano-Sakae Building	Nakano-ku, Tokyo	2,533	0.5%	August 1, 2005
		KDX Shin-Yokohama Building	Yokohama, Kanagawa	2,520	0.5%	May 1, 2006
		KDX Funabashi Building	Funabashi, Chiba	2,252	0.5%	March 1, 2006
		BR Gotanda	Shinagawa-ku, Tokyo	2,200	0.5%	April 5, 2017
		KDX Omiya Building	Saitama, Saitama	2,020	0.4%	March 26, 2013
		KDX Okachimachi Building	Taito-ku, Tokyo	2,000	0.4%	March 1, 2007
		KDX Ikebukuro West Building	Toshima-ku, Tokyo	1,934	0.4%	September 3, 2014
		KDX Nakameguro Building	Meguro-ku, Tokyo	1,880	0.4%	September 21, 2012
	KDX Kiba Building	Koto-ku, Tokyo	1,580	0.3%	June 20, 2006	
	KDX Monzen-Nakacho Building	Koto-ku, Tokyo	1,400	0.3%	January 19, 2007	
	KDX Tachikawa Ekimae Building	Tachikawa, Tokyo	1,267	0.2%	December 26, 2011	
	KDX Hachioji Building	Hachioji, Tokyo	1,155	0.2%	March 1, 2007	
	Other Regional Areas	KDX Nagoya Sakae Building (Note 2)	Nagoya, Aichi	7,550	1.7%	April 25, 2008
		KDX Nagoya Ekimae Building	Nagoya, Aichi	7,327	1.6%	December 26, 2011
		KDX Sakura-dori Building	Nagoya, Aichi	5,900	1.3%	January 9, 2015
		KDX Karasuma Building	Kyoto, Kyoto	5,400	1.2%	June 1, 2007
		KDX Tosabori Building	Osaka, Osaka	5,000	1.1%	January 31, 2020
		KDX Hakata-Minami Building	Fukuoka, Fukuoka	4,900	1.1%	February 1, 2008
		KDX Shin-Osaka Building	Osaka, Osaka	4,550	1.0%	September 1, 2015
		KDX Nagoya Nichigin-mae Building	Nagoya, Aichi	3,500	0.7%	March 15, 2016
		KDX Kobayashi-Doshomachi Building	Osaka, Osaka	2,870	0.6%	December 1, 2010
		KDX Higashi Umeda Building	Osaka, Osaka	2,770	0.6%	March 28, 2012
		KDX Utsunomiya Building	Utsunomiya, Tochigi	2,350	0.5%	May 30, 2014
KDX Kitahama Building		Osaka, Osaka	2,220	0.5%	February 1, 2008	
KDX Minami-Honmachi Building		Osaka, Osaka	2,200	0.5%	December 2, 2014	
KDX Sendai Building		Sendai, Miyagi	2,100	0.4%	June 1, 2007	
KDX Sapporo Building		Sapporo, Hokkaido	2,005	0.4%	March 25, 2011	
KDX Sapporo Kitaguchi Building	Sapporo, Hokkaido	1,800	0.4%	July 20, 2017		
KDX Hiroshima Building	Hiroshima, Hiroshima	1,300	0.2%	September 1, 2014		
Total of 87 Office Buildings (Mid-size)				368,391	83.8%	-

Type of Use	Area	Property Name	Location	(Anticipated) Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	(Scheduled) Date of Acquisition (Note 2)
Office Buildings (Other)	5 Central Wards of Tokyo	Ginza 4home Tower	Chuo-ku, Tokyo	9,800	2.2%	August 19, 2013
		ARK Mori Building	Minato-ku, Tokyo	4,169	0.9%	December 1, 2016
		Pentel Building (Note 3)	Chuo-ku, Tokyo	3,350	0.7%	March 26, 2015
	Tokyo Metropolitan Area (excluding 5 Central Wards)	Mitsubishijuko Yokohama Building	Yokohama, Kanagawa	14,720	3.3%	December 7, 2017
		KDX Chofu Building	Chofu, Tokyo	8,700	1.9%	July 14, 2019
		KDX Toyosu Grand Square	Koto-ku, Tokyo	8,666	1.9%	May 30, 2014
	Other Regional Areas	Senri Life Science Center Building	Toyonaka, Osaka	13,000	2.9%	October 15, 2014
		Portus Center Building	Sakai, Osaka	5,570	1.2%	September 21, 2005
Total of 8 Office Buildings (Other)				67,975	15.4%	-
Total of 95 Office Buildings				436,366	99.3%	Portfolio PML 3.3%
Others	5 Central Wards of Tokyo	Shinjuku 6home Building (Land)	Shinjuku-ku, Tokyo	2,880	0.6%	April 18, 2014
		Total of 1 Others Property				2,880
Total of 96 Properties				439,246	100.0%	
Investment Security	5 Central Wards of Tokyo	G. K. KRF43 Silent Partnership Equity Interest	Shinjuku-ku, Tokyo	1,107	-	March 28, 2014
		Total of 1 Investment Security				1,107

Note 1: The (anticipated) acquisition prices and ratios are rounded down to the nearest million and first decimal place respectively.

Note 2: For the property with multiple acquisition dates due to additional acquisition, etc., the first acquisition date is shown.

Note 3: Building, site and the land for Pentel Building are counted as one property.