

Translation of Japanese Original

September 30, 2014

To All Concerned Parties

REIT Issuer:  
Kenedix Office Investment Corporation  
Naokatsu Uchida, Executive Director  
(Securities Code: 8972)

Asset Management Company:  
Kenedix Real Estate Fund Management, Inc.  
Ryosuke Homma, CEO and President

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**Notice Concerning Acquisition of Property (Conclusion of Agreement) and Lease**  
**(Senri Life Science Center 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 acquire the following property and the lease. Details are provided as follows.

**1. Outline of the Acquisition**

- (1) Type of Planned Acquisition : Trust beneficiary interest in real estate
- (2) Property Name : Senri Life Science Center Building
- (3) Anticipated Acquisition Price : ¥13,000,000,000  
(Excluding acquisition costs, adjustment amount of property tax and city-planning tax, and consumption tax, etc.)
- (4) Seller : Please refer to Item 4. Seller’s Profile for details
- (5) Date of Contract : September 30, 2014
- (6) Scheduled Date of Acquisition : October 15, 2014
- (7) Acquisition Funds : Debt financing (Note) and cash on hand
- (8) Settlement Method : Payment in full on delivery
- (9) Source of Acquisition : Acquisition from a party that does not fall under the category of an interested party

Note: For the details of new debt financing, please refer to the press release “Notice Concerning Debt Financing (Series 110)” dated today.

The aforementioned Senri Science Center Building shall hereinafter be referred to as “the Property.”

**2. Reasons for Acquisition and the Lease**

The acquisition is made to raise the ratio of investment in the office buildings, and to further enhance and stabilize the Investment Corporation’s overall investment portfolio, in accordance with its Articles of Incorporation and fundamental investment policies.

The Investment Corporation owns preferred securities (Note) backed by the Property, and the acquisition taking place as a result of an agreement reached on transaction of the Property with the seller. The transaction is beneficial from the standpoint of management that aims to increase the portfolio’s asset size and attain a certain level of regional

diversification.

With the acquisition of the Property, the portfolio of the Investment Corporation will expand to 93 properties (total (anticipated) acquisition price: ¥362.7 billion). The investment ratio of office buildings in the portfolio (based on (anticipated) acquisition price) will be 91.1%, and the investment ratio in the Tokyo Metropolitan Area will be 81.3% (based on (anticipated) acquisition price).

Note: For the details of preferred securities, please refer to the press release “Notice Concerning Refund of Senri Property TMK Preferred Securities and Acquisition of Property (Toyonaka Property TMK Preferred Securities)” dated July 8, 2014. Through the acquisition of the Property, Toyonaka Property TMK (“Toyonaka TMK”) will be liquidated and the Investment Corporation is scheduled to receive a refund of preferred securities.

In the decision to acquire the Property, the following characteristics of the Property were evaluated.

(1) Area

The Property is located an approximate one-minute walk from Senri-Chuo Station on the Kita-Osaka Kyuko Railway Namboku Line and is directly connected to the station with a pedestrian deck. Shin-Osaka Station and Umeda Station on the Midosuji subway line are an approximate 13-minute ride and an approximate 25-minute ride respectively from the station. At Shin-Osaka Station is possible to transfer to the JR Tokaido Sanyo Shinkansen and at Umeda Station it is possible to transfer to the Osaka Municipal Subway Line as well to JR, Hankyu and Hanshin lines. Thus, access to all directions in Osaka City is possible. The area surrounding the Property has a concentration of store buildings and department stores directly connected to the station, office buildings and condominiums.

(2) Building

The Property is a multi-use office building comprising offices, retail shops, a rental hall and rental conference rooms. The office section, which represents approximately 70% of the leasable area, has a ceiling height of 2,650mm, automated security and six elevators (passenger use), and can be divided for leasing into a variety of smaller and larger spaces, meeting the needs of a diverse range of tenants. The retail compartment, which represents approximately 30% of the leasable area, is designed to accommodate clinics, restaurants, retail storefronts and sales offices, sports clubs and other businesses and there is also mechanical and flat parking spaces (for 405 vehicles in total) that can be used both for the offices and shops. The common areas were renovated between 2008 and 2009, and in terms of both grade and convenience, the Property is situated competitively in the area.

(3) Tenant

Currently, the Property is occupied with tenants from a variety of industries including the manufacture and sale of pharmaceuticals, education service business, sports club and clinics, and many other sectors.

Total number of end tenants as of July 31, 2014 is 64 (Occupancy rate is 99.3%) and tenants are widely diversified.

The Investment Corporation has established tenant selection standards to determine a tenant’s occupancy after comprehensively considering its attributes, credibility, line of business, purpose of use, lease terms and conditions, and possible turnover, etc. The Investment Corporation has determined that the lessee of the Property meets the tenant selection standards stipulated by the Investment Corporation.

**3. Property Details**

**A-100 Senri Life Science Center Building**

Property Name	Senri Life Science Center Building
Type of Specified Asset	Trust beneficiary interest in real estate
Trustee	Mitsubishi UFJ Trust and Banking Corporation
Trust Term	April 20, 2007 to July 31, 2024 (Note 1)
Current Owner (Current Beneficiary)	Toyonaka Property TMK / July 22, 2014

/Acquisition Date		
Previous Owner (Previous Beneficiary) /Acquisition Date		Senri Property TMK / April 27, 2012
Location (Address)		1-4-2 Shin-senri Higashimachi, Toyonaka-shi, Osaka
Usage		Offices, Retail, Parking
Type of Structure		Flat-roofed, steel-frame reinforced concrete·steel-frame concrete structure; three underground and twenty-one above-ground floors
Site Area	Land	5,911.08 m <sup>2</sup>
	Building (Total floor area)	49,260.78 m <sup>2</sup>
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		June 30, 1992
Architect		Tohata Architects & Engineers, Inc.
Construction Company		Obayashi Corporation, others
Construction Confirmation Authority		Toyonaka-shi, Osaka
Probable Maximum Loss		1.34% (rated by Sompo Japan Nipponkoa Risk Management, Inc.)
Anticipated Acquisition Price		¥13,000,000,000
Appraisal	Appraisal Value	¥13,200,000,000
	Base Date for Appraisal	September 1, 2014
	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Details	Please refer to Reference Material 1
Existence of Secured Interests after Acquisition		None
Property Management Company after Acquisition		Kenedix Property Managemen, Inc.
Number of End Tenants		64 (As of July 31, 2014. The same applies below) (Note 2)
Total Leasable Area		17,220.91 m <sup>2</sup> (Note 2)
Total Leased Area		17,099.29 m <sup>2</sup> (Note 2) (Note 3)
Occupancy Ratio		99.3% (Note 2) (Note 3)
Monthly Rent and Common Area Charge (Excluding Consumption Tax)		¥77 million (Note 4)
Security and Guarantee Deposit		¥1,132 million (Note 4)
Forecast Net Operating Income		Please refer to Reference Material 2.
Special Considerations	None	
Other	<p>Notes:</p> <ol style="list-style-type: none"> <li>The Investment Corporation plans to change the trust term to August 1, 2025 at the time of acquisition.</li> <li>Figures for number of end tenants, total leasable area, total leased area, and occupancy ratio do not include rental hall, rental conference rooms, or parking</li> <li>The end-tenant currently occupying the tenth floor (157.58 m<sup>2</sup>) of the Property submitted a termination notice of the lease agreement on May 13, 2014 (date of termination: November 30, 2014). Furthermore, the occupancy rate after the termination will be 98.4%.</li> <li>Monthly rental income and guarantee deposit information is exclusive of parking fees, revenue from rental hall and rental conference rooms, cost of utilities and other associated revenues. Amounts shown are rounded down to the nearest million yen.</li> </ol>	

#### 4. Seller's Profile

Company Name	Toyonaka Property TMK
Location	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
Title and Name of Representative	Director Takeshi Miyazato
Description of Business	Operations related to the acquisition, management, and disposal of specified assets under the Asset Liquidation Plan, based on the Asset Liquidation Act
Amount of Capital	¥3,522,200 thousand
Date of Incorporation	January 23, 2008
Net Assets	Not disclosed due to the seller's request
Total Assets	Not disclosed due to the seller's request
Relationship with the Investment Corporation/the Asset Management Company	
Capital Relationship	The Investment Corporation owns about 47.39% in total of the seller's preferred shares. There is no special capital relationship with 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 seller is not a related company as defined under the Investment Trust and Investment Corporation Law ("the Investment Trust Law") or the Office REIT Division's internal regulations of the Asset Management Company.

\*As of September 19, 2014

#### 5. Acquirer's (Previous Owners of Current Owner) Profile

Description is omitted as the seller (the current beneficiary) of the Property does not fall under the definition of a special related party of the Asset Management Company.

#### 6. Details of Brokerage

No relevant information regarding the transactions for the Property.

#### 7. Interested-Party Transactions

Related to the acquisition of the Property, transactions between the Investment Corporation and an interested party shall fall under the categories of transactions below.

The Asset Management Company, pursuant to the Office REIT Division rules as they relate to interested-party transactions, worked to ensure strict compliance with statutory and other regulatory requirements. Furthermore, the Asset Management Company submitted all transactions for deliberation and approval by the Compliance Committee. Subject to approval, the transactions were then submitted to the Office REIT Division Asset Management Committee for resolution.

In accordance with the Investment Trust Law, the Asset Management Company shall provide a report to the Investment Corporation relating to the interested-party transactions.

#### Appointment of a Property Management Company

The Investment Corporation plans to execute property management agreements for the Properties with Kenedix Property Management, Inc. on the acquisition date for the Property.

Fees relating to property management remain at the same level as the current properties.

Outline of Kenedix Property Management, Inc.

Name of Company	Kenedix Property Management, Inc.
Location	2-6-1 Nihombashi Kayabacho, Chuo-ku, Tokyo
Title and Name of Representative	CEO & President Keizo Katayama
Description of Business	Real estate trading, building management and operation related consulting business Maintenance for building and various attached facility, cleaning, security service contract Real estate transaction, leasing brokerage, management and appraisalment Class II Financial Instrument Business Operator
Amount of Capital	¥100,000 thousand
Date of Incorporation	January 31, 2014
Relationship with the Investment Corporation or the Asset Management Company	The property management company is the subsidiary company of Kenedix, Inc., the parent company, etc. of the Asset Management Company under the Financial Instruments and Exchange Act and is 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 September 22, 2014

Outline of Property Management Fees:

①Leasing management fees

Rental income × 2% + Real estate operating income after management overhead expenses and before depreciation × 2%

②Management transfer fees

Property Price	Management Transfer Fee (At the Time of Purchase)
More than ¥10.0 billion	¥2.5 million

**8. Acquisition Schedule**

Date of Determination of Acquisition	September 30, 2014
Date of Execution of Purchase Agreement	
Scheduled Payment Date	October 15, 2014 (planned)
Scheduled Delivery Date	

**9. Outlook**

The impact of the acquisition of the Property on the financial results for the period ending October 31, 2014 (May 1, 2014 to October 31, 2014) is minimal. Therefore, the forecast of financial results for the period remains unchanged.

**Attached Materials**

- Reference Material 1 Outline of the Property Appraisal
- Reference Material 2 Summary of Projected Cash Flow for the Property
- Reference Material 3 Summary of Building Condition Investigation Report
- Reference Material 4 Property Photographs
- Reference Material 5 Property Portfolio after Acquisition of the Property

This notice is the English translation of the Japanese announcement on our Web site released on September 30, 2014. However, no assurance or warranties are given for the completeness or accuracy of this English translation.
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**Reference Material 1**

**Outline of the Property Appraisal**

<b>Unit: Yen</b>	
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Base Date for Appraisal	September 1, 2014
Appraisal Value	13,200,000,000
Value Calculated Using the Direct Capitalization Method	13,300,000,000
Gross Operating Revenue	1,312,434,466
Maximum Gross Operating Revenue	1,370,355,858
Shortfall Attributed to Vacancies	57,921,392
Operating Expenses	536,792,596
Administrative and Maintenance Expense	401,591,564
Taxes and Dues	122,506,080
Other Expenses	12,694,952
Net Operating Income (NOI)	775,641,870
Capital Expenditure	111,829,840
Gain on Guarantee Deposit Investment (Note)	16,714,629
Net Cash Flow (NCF)	680,526,659
Overall Capitalization Rate (NCF)	5.1%
Value Calculated Using the Discounted Cash Flow Method	13,100,000,000
Discount Rate	4.9%
Terminal Capitalization Rate	5.3%
Value Calculated Using the Cost Method	10,700,000,000
Land	42.0%
Building	58.0%

Note: Gain on guarantee deposit investment calculated based on an operating yield of 2.0%

\*Reference (Appraised NOI Yield)

6.0% (rounded down to the first decimal place) = Net Operating Income (NOI) in the aforementioned Value Calculated Using the Direct Capitalization Method ÷ Anticipated Acquisition Price (¥13,000,000,000)

**Reference Material 2**

**Summary of Projected Cash Flow for the Property**

<b>Unit : Millions of Yen</b>	
A. Projected Operating Revenues	1,453
B. Projected Operating Expenses (excluding depreciation)	674
C. Projected NOI (A-B)	778
D. Occupancy	95.5%

Underlying assumptions:

1. The above projected cash flow is an estimate for one year and is exclusive of extraordinary factors of the year of acquisition.
2. Revenues are based on an occupancy ratio in the above chart “D. Occupancy Ratio”, which is based on the current occupancy ratio and future changes of occupancy.
3. Expenses include property management fees, taxes and dues, repairs and maintenance expenses, and insurance.

**Reference Material 3**

**Summary of Building Condition Investigation Report**

<b>Unit : Yen</b>	
Investigation Company	Tokyo Marine & Nichido Risk Consulting Co., Ltd.
Date of Investigation	August 2014
Repairs, maintenance and renovation expenses required over the next year	76,300,000
Repairs, maintenance and renovation expenses expected to be required within 2-12 years	1,413,269,000
Unit-in-Place	13,822,700,000

- \* The abovementioned investigation company undertakes building assessments for this property such as
- a diagnosis of building deterioration
  - formulation of a short- and long-term repair and maintenance plan
  - assessment of legal compliance with the Building Standards Law
  - analyses of the existence of hazardous substances and the soil environment and submits a building assessment report to the Investment Corporation.



**Reference Material 4**

**Property Photographs**



Reference Material 5

Property Portfolio after Acquisition of the Property

Type of Use	Area	Property Name	Acquisition Price (Anticipated) (Millions of Yen) (Note 1)	Ratio (Note 1)	Acquisition (Anticipated) Date
Office Buildings	Tokyo Metropolitan Area	TKS Musashi-Kosugi Building	12,000	3.3%	March 20, 2014
		KDX Nihonbashi Kabutocho Building	11,270	3.1%	December 26, 2011
		KDX Harumi Building	10,250	2.8%	June 30, 2008
		Toranomon Toyo Building	9,850	2.7%	June 1, 2007
		KDX Toyosu Grand Square	8,666	2.3%	May 30, 2014
		Hiei Kudan-Kita Building	7,600	2.0%	February 1, 2008
		KDX Shinjuku Building	6,800	1.8%	February 18, 2010
		KDX Ochanomizu Building	6,400	1.7%	April 2, 2007
		KDX Fuchu Building	6,120	1.6%	September 21, 2012
		KDX Shiba-Daimon Building	6,090	1.6%	March 1, 2007
		KDX Kojimachi Building	5,950	1.6%	November 1, 2005
		KDX Nihonbashi 313 Building	5,940	1.6%	August 1, 2005
		KDX Shin-Yokohama 381 Building (Note 2)	5,800	1.5%	Existing Tower: February 1, 2008 Annex Tower: November 18, 2009
		Toshin 24 Building	5,300	1.4%	May 1, 2006
		KDX Takanawadai Building	5,250	1.4%	November 19, 2013
		KDX Idabashi Building	4,670	1.2%	July 22, 2011
		KDX Ebisu Building	4,640	1.2%	May 1, 2006
		KDX Higashi Shinagawa Building	4,590	1.2%	July 22, 2011
		Higashi-Kayabacho Yuraku Building	4,450	1.2%	August 1, 2005
		KDX Toranomom Building	4,400	1.2%	April 17, 2007
		Aplus Tokyo Building	4,350	1.1%	January 10, 2014
		KDX Ginza Ichome Building	4,300	1.1%	November 12, 2010
		KDX Nishi-Gotanda Building	4,200	1.1%	December 1, 2006
		KDX Nihonbashi Honcho Building	4,000	1.1%	November 12, 2010
		KDX Ikebukuro Building	3,900	1.0%	November 18, 2013
		KDX Kawasaki-Ekimae Hon-cho Building	3,760	1.0%	February 1, 2008
		KDX Shinbashi Building (Note 3)	3,728	1.0%	Acquired Portion: May 1, 2006 Additionally Acquired Portion: December 2, 2013
		KDX Hatchobori Building	3,680	1.0%	August 1, 2005
		Grace Building Takadanobaba	3,650	1.0%	May 30, 2014
		KDX Hamamatsucho Building	3,460	0.9%	May 1, 2006
		KDX Roppongi 228 Building	3,300	0.9%	January 10, 2008
		KDX Mita Building	3,180	0.8%	November 18, 2013
Koishikawa TG Building	3,080	0.8%	November 18, 2009		
KDX Higashi-Shinjuku Building	2,950	0.8%	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		

Office Buildings

Tokyo Metropolitan Area	KDX Hakozaki Building	2,710	0.7%	July 22, 2011
	Gotanda TG Building	2,620	0.7%	November 18, 2009
	KDX Akihabara Building	2,600	0.7%	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
	KDX Kajicho Building	2,350	0.6%	July 3, 2006
	KDX Hamacho Nakanohashi Building	2,310	0.6%	February 1, 2008
	KDX Hamacho Building	2,300	0.6%	March 16, 2006
	KDX Shinjuku 286 Building	2,300	0.6%	June 1, 2007
	KDX Shin-Nihonbashi Building	2,300	0.6%	July 22, 2011
	FIK Minami Aoyama	2,270	0.6%	August 1, 2005
	KDX Funabashi Building	2,252	0.6%	March 1, 2006
	KDX Hamamatsucho Dai-2 Building	2,200	0.6%	September 1, 2008
	Itopia Nihonbashi SA Building	2,200	0.6%	August 19, 2013
	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
	Tosen Ikebukuro Building	1,934	0.5%	September 3, 2014
	Welship Higashi-Shinjuku	1,900	0.5%	September 13, 2013
	KDX Nakameguro Building	1,880	0.5%	September 21, 2012
	KDX Iwamoto-cho Building	1,864	0.5%	May 1, 2008
	KDX Kiba Building	1,580	0.4%	June 20, 2006
	KDX Nishi-Shinjuku Building	1,500	0.4%	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	0.3%	March 1, 2007
	KDX Nogizaka Building	1,065	0.3%	July 14, 2006
Other Regional Areas	Senri Life Science Center building	13,000	3.5%	October 15, 2014 (Planned)
	KDX Nagoya Sakae Building	7,550	2.0%	Land: April 25, 2008 Building: July 1, 2009
	KDX Nagoya Ekimae Building	7,327	2.0%	December 26, 2011
	Portus Center Building	5,570	1.5%	September 21, 2005
	Karasuma Building	5,400	1.4%	June 1, 2007
	KDX Hakata-Minami Building	4,900	1.3%	February 1, 2008
	Nagoya Nikko Shoken Building	4,158	1.1%	December 26, 2011
	KDX Kobayashi-Doshomachi Building	2,870	0.7%	December 1, 2010
	KDX Higashi Umeda Building	2,770	0.7%	March 28, 2012
	Fumix STM Building	2,350	0.6%	May 30, 2014
	KDX Kitahama Building	2,220	0.6%	February 1, 2008
	KDX Sendai Building	2,100	0.5%	June 1, 2007

		KDX Sapporo Building	2,005	0.5%	March 25, 2011
		KDX Minami Semba Dai-2 Building	1,560	0.4%	May 1, 2006
		Hiroshima Ekimae-dori Mark Building	1,300	0.3%	September 1, 2014
		Sendai Nikko Building	950	0.2%	December 26, 2011
	Total of 86 Office Buildings		330,531	91.1%	-
Central Urban Retail Properties	Tokyo Metropolitan Area	Frame Jinnan-zaka	9,900	2.7%	August 1, 2005
		Ginza 4chome Tower	9,800	2.7%	August 19, 2013
		KDX Yoyogi Building	2,479	0.6%	September 30, 2005
	Total of 3 Central Urban Retail Properties		22,179	6.1%	-
Residential Properties	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	1.4%	May 1, 2006
	Other Regional Areas	Venus Hibarigaoka	1,800	0.4%	December 8, 2005
	Total of 2 Residential Properties		7,153	1.9%	-
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 93 Properties			362,744	100.0%	Portfolio PML 2.33 % (Note 4)

Investment Securities		G. K. KRF43 Silent Partnership Equity Interest	1,107	-	March 28, 2014
		Toyonaka Property TMK Preferred Securities	1,583	-	July 18, 2014
	Total of 2 Investment Securities		2,690	-	-

Notes:

- Figures of less than one million yen are rounded off the acquisition (anticipated) prices, and ratios are rounded down to the first decimal place.
- 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.
- 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.
- Portfolio PML figure does not include Shinjuku 6chome Building (Land).
- Through the acquisition of the Property, Toyonaka TMK will be liquidated and the Investment Corporation is scheduled to receive a refund of preferred securities.