

March 18, 2014

Company name: Kenedix, Inc.  
Representative: Taisuke Miyajima, CEO & President  
Stock code: 4321  
Listing: First Section, Tokyo Stock Exchange  
Contact: Masahiko Tajima, Executive Officer,  
General Manager of Corporate  
Planning Department

Please note that this document is a translation of the official announcement that was released in Tokyo. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version of the news release for complete and accurate information.

### Notice of Sales of Fixed Assets

The Board of Directors of Kenedix, Inc. approved a resolution on March 18, 2014 to sell the TKS Musashikosugi Building, which is owned by consolidated subsidiary Godo Kaisha KRF41 (SPC) as follows.

#### 1. Reason for sale

Kenedix has succeeded in raising the value of the TKS Musashikosugi Building because constant measures to improve this property have increased the initially low occupancy rate to 86% as of March 10. As a result, the decision has been made to sell this property to Kenedix Office Investment Corporation (KDO), which is managed by the Kenedix Group. Kenedix believes that this sale will contribute to growth at REITs as well as to the expansion of the asset management business.

#### 2. Overview of the SPC

(1) Name	Tokumei Kumiai KRF41 Operator: Godo Kaisha KRF41
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo (address of operator)
(3) Representative	Representative Partner: Ippan Shadan Hojin Atlas Executor: Tadatsugu Ishimoto
(4) Business	Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights
(5) Established	June 3, 2013
(6) Capital	1 million yen

#### 3. Overview of the sale of the property

Description and location	Selling price (Million yen)	Book value (Million yen)	Gain or loss on sales* (Million yen)	Category
TKS Musashikosugi Building (Nakahara-ku, Kawasaki City, Kanagawa)	12,000	8,822	3,126	Office Building

\* Gain on sales (net of expenses)

#### 4. Change in the sub-leasing agreement

The sub-leasing agreement signed by the trustee of the real estate trust and Kenedix is expected to be amended for a portion of the property and continue even after sale of the property. As a result of the aforementioned change in the sub-leasing agreement, total expenses of approximately 0.4 billion yen is expected to be recorded.

## 5. Summary of the purchaser

(1) Name	Kenedix Office Investment Corporation (KDO)	
(2) Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo	
(3) Jurisdiction	Investment Corporation established based on the Investment Trust and Investment Corporation Act	
(4) Activities	Management of assets in accordance with the Investment Trust and Investment Corporation Act	
(5) Established	May 6, 2005	
(6) Total capitalization	166,261 million yen (as of January 30, 2014)	
(7) Profile of the asset management company	Name	Kenedix Real Estate Fund Management, Inc. (KFM)
	Address	6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo
	Representative	Ryosuke Homma, President and Representative Director
	Business	Investment management business, administration of the operation of the Investment Corporation, investment advisory and agency operations, etc.
	Capital	100 million yen
(8) Relationships between Kenedix and KDO	Investments	The Kenedix Group holds 2,190 units (0.7%) of all investment units issued by KDO.
	Other significant items	Asset management company (KFM) of KDO is a wholly owned consolidated subsidiary of Kenedix.
(9) Relationships between Kenedix and KFM	Capital	KFM is a wholly owned consolidated subsidiary of Kenedix.
	Personnel	An executive officer of Kenedix is a part-time director of KFM. In addition, three corporate auditors of Kenedix are part-time corporate auditors of KFM.
	Business	No significant items.

## 6. Schedule

Resolution date	March 18, 2014
Date of sale	March 20, 2014 (planned)

## 7. Outlook

Kenedix expects to record an extraordinary income of approximately 2.7 billion yen in 2014. There is no change in the 2014 consolidated forecast announced on February 14, 2014. An announcement will be made promptly if a forecast is revised due to changes in the operating environment, real estate market or results of operations.

### Cautionary Statement Concerning Forward-Looking Information

This press release contains forward-looking statements that include “intends,” “will” and other similar words and phrases, statements regarding the intent, belief, strategy, plans or current expectations of the Company. Such forward-looking statements are not guarantees of future performance or events and involve risks and uncertainties. Actual results may differ materially from those described in such forward-looking statements as a result of various factors. The Company does not undertake any obligation to update the forward-looking statements contained herein, or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law.