

November 6, 2014

Company name: Kenedix, Inc.  
Representative: Taisuke Miyajima, CEO & President  
Stock code: 4321  
Listing: First Section, Tokyo Stock Exchange  
Contact: Masahiko Tajima, Director,  
Head 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 Assets

On November 6, 2014, Kenedix, Inc. and its subsidiaries have decided to sell the following assets held by subsidiaries.

#### 1. Reason for sale

Supporting the growth of Kenedix-affiliated J-REITs and altering the composition of assets held by selling real estate are one of the major initiatives of the medium-term management plan that Kenedix announced on February 14, 2013 (and subsequently partially revised on August 9, 2013).

#### 2. Assets to be sold

|     | Description and location   | Selling price<br>(Million yen,<br>net of taxes) | Book value<br>(Million yen) | Gain or loss<br>on sales*1<br>(Million yen) | Effect on<br>consolidated<br>results | Category           |
|-----|--|---|-----------------------------|---|--------------------------------------|--------------------|
| (1) | BUREX Toranomom<br>(Minato-ku, Tokyo)                            | 1,750   | 1,731 <sup>*2</sup>         | +18   | Extraordinary<br>income              | Serviced<br>office |
| (2) | Chugai Tokyo Kaijyo<br>Building<br>(Nagoya City, Aichi)          | 5,900   | 5,208 <sup>*3</sup>         | +688  | Operating<br>income <sup>*6</sup>    | Office             |
| (3) | Yokohama Nishiguchi SIA<br>Building<br>(Yokohama City, Kanagawa) | 2,750   | 2,689 <sup>*4</sup>         | +59   | Extraordinary<br>income              | Office             |
| (4) | Shin-yokohama 214 Building<br>(Yokohama City, Kanagawa)          | 2,200   | 2,893 <sup>*4</sup>         | -702  | Extraordinary<br>loss                | Office             |
| (5) | KDX Minamihonmachi<br>Building<br>(Chuo-ku, Osaka)               | 2,200   | 3,694 <sup>*4</sup>         | -1,495 <sup>*5</sup>                        | Extraordinary<br>loss                | Office             |
|     | Total  | 14,800  | 16,159                      | -1,432                                      | -                                    | -                  |

\*1: Estimated gain or loss on sales (net of expenses)

The above figures are estimates and may be revised.

\*2: As of August 31, 2014

\*3: As of September 30, 2014 (inclusive of estimated taxes)

\*4: As of September 30, 2014

\*5: A deferred tax liability has been posted for this building due to advanced depreciation based on the special tax treatment for repurchases of specified assets. Consequently, the sale of this building is expected to result in a gain of approximately 0.7 billion yen on the reversal of deferred income taxes due to the elimination of this deferred tax liability. Therefore the impact of this sale on the consolidated net income will be a loss of approximately 0.7 billion yen after allowing for the aforementioned factors.

\*6: The operating income will be recorded in the 2015 fiscal year.

### 3. Outline of subsidiaries selling assets

#### (1) BUREX Toranomom

|                |   |
|----------------|---|
| Name           | Space Design, Inc.  |
| Address        | 2-9 Shinbashi 2-chome, Minato-ku, Tokyo   |
| Representative | President: Atsushi Kawashima  |
| Business       | 1. Selling, buying, leasing of real estate<br>2. Brokerage and arrangement for real estate<br>3. Finance business<br>4. Non-life insurance agent<br>5. Management operations for real estate including office buildings and rental apartments |
| Established    | May 1, 1978   |
| Capital        | 90 million yen  |

#### (2) Chugai Tokyo Kaijyo Building

|                |   |
|----------------|---|
| Name           | KRF53 Tokutei Mokuteki Kaisha   |
| Address        | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo  |
| Representative | Director: Tadatsugu Ishimoto  |
| Business       | Receipt of specified assets in accordance with an asset securitization plan based on the Act on Securitization of Assets, administrative and disposal operations involving these assets |
| Established    | June 4, 2014  |
| Capital        | 300,000 yen   |

#### (3) Yokohama Nishiguchi SIA Building

|                |   |
|----------------|---|
| Name           | Godo Kaisha KDX 11  |
| Address        | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo  |
| Representative | Representative Partner: Ippan Shadan Hojin KDX 11<br>Executor: Naoto Kasuya                 |
| Business       | Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights |
| Established    | January 24, 2011  |
| Capital        | 1 million yen   |

#### (4) Shin-yokohama 214 Building

|                |   |
|----------------|---|
| Name           | Y.K. KW Property 6  |
| Address        | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo  |
| Representative | Director: Tadatsugu Ishimoto  |
| Business       | Purchasing, holding, disposing, etc. of real estate or real estate trust beneficiary rights |
| Established    | February 2, 2005  |
| Capital        | 3 million yen   |

#### (5) KDX Minamihonmachi Building

|                |   |
|----------------|---|
| Name           | Kenedix Development, Inc.   |
| Address        | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo                                |
| Representative | President: Nobuko Ishimoto  |
| Business       | Selling, buying, leasing, brokerage and management, etc. of real estate |
| Established    | January 18, 2002  |
| Capital        | 10 million yen  |

#### 4. Outline of purchaser

|   |   |   |
|---|---|---|
| Name                                    | Kenedix Office Investment Corporation (KDO)   |   |
| Address                                 | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo  |   |
| Jurisdiction                            | Investment Corporation established based on the Investment Trust and Investment Corporation Act |   |
| Activities                              | Management of assets in accordance with the Investment Trust and Investment Corporation Act     |   |
| Established                             | May 6, 2005   |   |
| Total capitalization                    | 176,632 million yen (as of July 30, 2014)   |   |
| Profile of the asset management company | Name  | Kenedix Real Estate Fund Management, Inc. (KFM)   |
|   | Address   | 6-5 Nihonbashi Kabutocho, Chuo-ku, Tokyo  |
|   | Representative  | President and Representative Director: Ryosuke Homma  |
|   | Business  | Investment management business, administration of the operation of the Investment Corporation, etc.   |
|   | Capital   | 100 million yen   |
| Relationships between Kenedix and KDO   | Investments   | The Kenedix Group holds 2,190 units (approximately 0.6%) of all investment units issued by KDO.   |
|   | Other significant items   | Asset management company (KFM) of KDO is a wholly owned consolidated subsidiary of Kenedix.   |
| Relationships between Kenedix and KFM   | Capital   | KFM is a wholly owned consolidated subsidiary of Kenedix.   |
|   | Personnel   | A director 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.   |

#### 5. Schedule

##### (1) BUREX Toranomon

|                  |                              |
|------------------|------------------------------|
| Contract signing | November 6, 2014             |
| Closing date     | December 3, 2014 (tentative) |

##### (2) Chugai Tokyo Kaijyo Building

|                  |                             |
|------------------|-----------------------------|
| Contract signing | November 6, 2014            |
| Closing date     | January 9, 2015 (tentative) |

##### (3) Yokohama Nishiguchi SIA Building, (4) Shin-yokohama 214 Building, (5) KDX Minamihonmachi Building

|                  |                              |
|------------------|------------------------------|
| Contract signing | November 6, 2014             |
| Closing date     | December 2, 2014 (tentative) |

#### 6. Outlook

There is no change in the 2014 consolidated forecast announced on August 7, 2014. An announcement will be made promptly if a forecast revision is needed 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.