

March 29, 2023

To All Concerned Parties

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

Asset Management Company:  
Kenedix Real Estate Fund Management, Inc.  
Hikaru Teramoto, President & CEO  
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### **Notice Concerning Sale of Property (KDX Kawasaki-Ekimae Hon-cho 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, decided to sell the following property (“the Sale”).

#### **1. Outline of the Sale**

- |   |   |
|---|---|
| (1) Property Name   | : KDX Kawasaki-Ekimae Hon-cho Building (“the Property”) |
| (2) Type of Property to be Sold   | : Real estate   |
| (3) Anticipated Sale Price <sup>(Note 1)</sup>  | : 4,508 million yen                                     |
| (4) Assumed Book Value <sup>(Note 2)</sup>  | : 3,189 million yen                                     |
| (5) Difference between Anticipated Sale Price and Assumed Book Value: (3)-(4) <sup>(Note 3)</sup> | : 1,318 million yen                                     |
| (6) Buyer   | : Not disclosed (non-related party)                     |
| (7) Brokerage   | : Yes   |
| (8) Date of Contract  | : March 29, 2023  |
| (9) Scheduled Date of Sale  | : March 30, 2023  |
| (10) Use of Proceeds  | : Cash on hand  |
| (11) Settlement Method  | : Payment in full on settlement                         |

Note 1: Transfer costs, adjustment of property tax and city-planning tax, consumption tax, etc. are excluded. (Amounts are truncated to the nearest unit. The same applies below.)

Note 2: Assumed book value is as of scheduled date of sale.

Note 3: Figures are referential amount, calculated as a difference between anticipated sale price and assumed book value, and different from gain or loss on sale.

#### **2. Reason for the Sale**

The Investment Corporation seeks to enhance the quality of the portfolio by arranging reshuffles and sales of properties before potential deterioration in asset profitability. Moreover, a comprehensive consideration of the present and future portfolio structural objectives, the real estate market trends, and the characteristic assessment of properties within the portfolio are conducted, while engaging in acquisitions of properties according to management strategies.

The Property is a mid-sized office building which is 38 years in age.

While the Property has excellent accessibility, located 4 minutes on foot from Keikyu Kawasaki Station on the Keihin Kyuko Line and 8 minutes on foot from Kawasaki Station on the JR Tokaido Line, Keihin Tohoku Line and Nambu Line, it is some distance from the center of the Kawasaki district and the surrounding area is lined mainly

with housing complexes. The Property was being used by a tenant which leased the entire building; however, the lease agreement with the tenant was expected to end on February 28, 2022 and the Investment Corporation had been considering measures for enhancing unitholder value, including the sale of the Property, whilst at the same time seeking a successor tenant. After taking into consideration factors such as the Property's competitiveness as an office building and future potential, the Investment Corporation decided on the Sale because the price offered was far higher than the book value and the appraisal value.

Through the Sale, the portfolio of the Investment Corporation will stand at 97 properties (total: 453.3 billion yen). The investment proportions of office buildings in the portfolio will be 99.4%, and the investment proportions of the Tokyo Metropolitan Area <sup>(Note)</sup> in the portfolio will be 79.7% (As of March 30, 2023. Based on acquisition price).

Note: Tokyo Metropolitan Area refers to major cities in Tokyo Metropolitan, Kanagawa, Saitama, and Chiba Prefectures.

### 3. Details of the Property to be Sold

Property Name		KDX Kawasaki-Ekimaie Hon-cho Building
Type of Specified Asset		Real estate
Location (Address)		25-1 Ekimaie-Honcho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Usage		Office
Type of Structure		Flat-roofed steel-reinforced concrete structure; 1 underground and 9 above-ground floors
Site Area	Land	1,968.13 m <sup>2</sup>
	Building (Total Floor Area)	7,420.87 m <sup>2</sup>
Type of Ownership	Land	Proprietary ownership
	Building	Proprietary ownership
Completion Date		February 27, 1985
Acquisition Date		February 1, 2008
Acquisition Price		3,760 million yen
Appraisal	Appraisal Value	3,220 million yen
	Base Date for Appraisal	October 31, 2022
	Appraiser	Japan Real Estate Institute
	Details	Please refer to "9. Summary of Appraisal Report" below.
Details of Tenant		As of March 29, 2023
Security and Guarantee Deposit		0 million yen
Number of End Tenants		0
Total Leasable Area		5,126.69 m <sup>2</sup>
Total Leased Area		0 m <sup>2</sup>
Occupancy Rate		0%
Operating Results		The total of the actual amounts for fiscal periods ended April 30, 2022 and October 31, 2022
Rent Revenue		213 million yen
Net Operating Income		141 million yen
Rental Operating Income (Net Operating Income after Depreciation)		72 million yen

#### 4. Buyer's Profile

The buyer is not disclosed because the consent of the buyer has not been obtained regarding the company name and other information. In addition, there is no special capital relationship, no special personnel relationship or no special business relationship between the Investment Corporation or the Asset Management Company and the buyer. Furthermore, the buyer is neither a related party, etc. as defined in the Investment Trusts and Investment Corporations Law ("the Investment Trust Law") nor a related party as defined in the Office REIT Department Related-party Transaction Rules of the Asset Management Company.

#### 5. Details of Brokerage

The brokerage firm for the Property is not a related party, etc. as defined in the Investment Trust Law and not a related party as defined in the Office REIT Department Related-party Transaction Rules of the Asset Management Company.

#### 6. Related-party Transaction

The sale of the Property does not constitute the related-party transaction.

#### 7. Date of the Sale

Determination Date of the Sale Date of Contract	March 29, 2023
Settlement and Sale Date	March 30, 2023 (Scheduled)

#### 8. Outlook

The difference between the anticipated sale price in the Sale and the assumed book value is 1,318 million yen, and even taking other expenses related to the Sale into consideration, a gain on the sale of real estate is expected to occur. The Investment Corporation plans to announce details of the impact on distributions and internal reserves, etc. from the fiscal period ending April 30, 2023 (from November 1, 2022 to April 30, 2023) in "Financial Report for The Fiscal Period Ended April 30, 2023 (REIT)" dated June 13, 2023.

## 9. Summary of Appraisal Report

Property Name	KDX Kawasaki-Ekimae Hon-cho Building
Appraisal Value	3,220,000,000 yen
Appraiser	Japan Real Estate Institute
Appraisal Date	October 31, 2022

Unit: Yen

Item	Content	Basis
Income Capitalization Approach Value	3,220,000,000	Estimate an amount by treating equally the Value Calculated Using the Direct Capitalization Method and the Value Calculated Using the Discounted Cash Flow Method
Value Calculated Using the Direct Capitalization Method	3,280,000,000	Assess an amount by using the cap rate based on medium to long-term stable net cash flow
(1) Gross Operating Revenue	213,517,000	
Maximum Gross Operating Revenue	213,517,000	Assess an amount based on the premise of the rent revenue, common area charge revenue, parking revenue and other revenue, etc. that are believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	0	Not recognized because the Property is leased as a whole building
(2) Operating Expenses	60,800,000	
Maintenance Expenses	20,780,000	Assess an amount in consideration of the actual amounts in the prior years, maintenance expenses of similar properties and unique characteristics of the property
Utility Expenses	17,500,000	Assess an amount in consideration of the actual amounts in the prior years, utility expenses of similar properties, occupancy rate of leased area, etc.
Repair Expenses	2,745,000	Assess an amount in consideration of the actual amounts in the prior years, future administrative operation plan, expenses at similar properties, annual average repair, maintenance and renewal expenses, etc. in the engineering report
Property Management Fee	4,270,000	Assess an amount in consideration of compensation rates based on terms of contract and compensation rates, etc. at similar properties
Tenant Recruitment Expenses, etc.	0	Not recognized because the Property is leased as a whole building
Taxes and Dues	15,184,000	Recognize an amount based on the fiscal 2022 tax statement, etc., taking into account the contents of burden adjustment measures, etc.
Damage Insurance Fee	321,000	Assess an amount in consideration of the estimated insurance premium rate and insurance premiums at similar properties, etc.
Other Expenses	0	No particular expenses
(3) Net Operating Income (NOI=(1)-(2))	152,717,000	
(4) Gain on Guarantee Deposit Investment	1,597,000	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	6,720,000	Assess an amount by taking into account the level of capital expenditures at similar properties, the age of the property, and the average annual repair, maintenance and renewal expenses in the engineering report, etc. assuming that an equal amount is added to a reserve in each fiscal period
(6) Net Cash Flow (NCF=(3)+(4)-(5))	147,594,000	
(7) Capitalization Rate	4.5%	Assess an amount by comprehensively taking into account comparison with transaction cases, etc. at similar properties, the property's location, the characteristics of the building, the rights, the terms of contract, etc.
Value Calculated Using the Discounted Cash Flow Method	3,160,000,000	
Discount Rate	4.0%	Assess an amount by comprehensively taking into account the property's unique characteristics, by reference to investment yields, etc. of similar properties
Terminal Capitalization Rate	4.6%	Assess an amount by taking into account future uncertainty, liquidity, etc. based on capitalization rate
Value Calculated Using the Cost Method	2,240,000,000	
Land	74.6%	
Building	25.4%	

The Appraiser's Points to Consider upon Appraisal Other Than the Above	Use the Income Capitalization Approach Value as the decision is made that the Income Capitalization Approach Value is more persuasive because the price determination process has been accurately reproduced from the aspect of income, while referring to the Value Calculated Using the Cost Method
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**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 March 29, 2023. 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 March 30, 2023

Type of Use	Area	Property Name	Location	Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	Date of Acquisition (Note 2)
Office Buildings (Mid-size)	5 Central Wards of Tokyo	KDX Hamamatsucho Place	Minato-ku, Tokyo	20,700	4.6%	July 2, 2018
		KDX Shinbashi Ekimae Building	Minato-ku, Tokyo	16,300	3.6%	June 30, 2020
		KDX Toranomon 1chome Building	Minato-ku, Tokyo	14,616	3.2%	March 30, 2016
		KDX Harumi Building	Chuo-ku, Tokyo	10,250	2.3%	June 30, 2008
		KDX Edobashi Building	Chuo-ku, Tokyo	9,600	2.1%	June 30, 2022
		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	1.2%	November 19, 2013
		KDX Idabashi 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 Idabashi Square	Shinjuku-ku, Tokyo	4,350	1.0%	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	0.9%	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	0.8%	August 10, 2017
		KDX Hamamatsucho Building	Minato-ku, Tokyo	3,460	0.8%	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	0.7%	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 Hakozaeki Building	Chuo-ku, Tokyo	2,710	0.6%	July 22, 2011
		KDX Akihabara Building	Chiyoda-ku, Tokyo	2,600	0.6%	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	0.5%	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	Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	Date of Acquisition (Note 2)	
Office Buildings (Mid-size)	Tokyo Metropolitan Area (excluding 5 Central Wards)	KDX Musashi-Kosugi Building	Kawasaki, Kanagawa	12,000	2.6%	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	1.4%	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	0.9%	November 18, 2013	
		KDX Kawasaki-Ekimae Hon-cho Building	Kawasaki, Kanagawa	-	-	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	0.6%	November 18, 2009	
		KDX Nakano-Sakaue Building	Nakano-ku, Tokyo	2,533	0.6%	August 1, 2005	
		KDX Shin-Yokohama Building	Yokohama, Kanagawa	2,520	0.6%	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 Monzen-Nakacho Building	Koto-ku, Tokyo	1,400	0.3%	January 19, 2007	
		KDX Tachikawa Ekimae Building	Tachikawa, Tokyo	1,267	0.3%	December 26, 2011	
		KDX Hachioji Building	Hachioji, Tokyo	1,155	0.3%	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 Sendai Honcho Building		Sendai, Miyagi	6,360	1.4%	April 28, 2022	
	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	0.8%	March 15, 2016	
	KDX Kobe Building		Kobe, Hyogo	3,450	0.8%	August 1, 2022	
	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	0.5%	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	0.3%	September 1, 2014	
	<b>Total of 88 Office Buildings (Mid-size)</b>				<b>382,461</b>	<b>84.4%</b>	-

Type of Use	Area	Property Name	Location	Acquisition Price (million yen) (Note 1)	Ratio (Note 1)	Date of Acquisition (Note 2)	
<b>Office Buildings (Other)</b>	5 Central Wards of Tokyo	Ginza 4chome 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	3.2%	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	
	<b>Total of 8 Office Buildings (Other)</b>				<b>67,975</b>	<b>15.0%</b>	-
	<b>Total of 96 Office Buildings</b>				<b>450,436</b>	<b>99.4%</b>	<b>Portfolio PML 3.1%</b>
<b>Others</b>	5 Central Wards of Tokyo	Shinjuku 6chome Building (Land)	Shinjuku-ku, Tokyo	2,880	0.6%	April 18, 2014	
		<b>Total of 1 Others Property</b>				<b>2,880</b>	<b>0.6%</b>
<b>Total of 97 Properties</b>				<b>453,316</b>	<b>100.0%</b>	-	
<b>Investment Security</b>	5 Central Wards of Tokyo	G. K. KRF43 Silent Partnership Equity Interest	Shinjuku-ku, Tokyo	1,107	-	March 28, 2014	
		<b>Total of 1 Investment Security</b>				<b>1,107</b>	-

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.