

(Securities Code: 8972)  
(Date of Notice) August 1, 2023  
(Commencement Date of Electronic Provision Measures) July 20, 2023

To Our Unitholders

Hiroaki Momoi  
Executive Director  
Kenedix Office Investment Corporation  
2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo

### Notice Concerning the Twelfth General Meeting of Unitholders

You are cordially invited to attend the Twelfth General Meeting of Unitholders of Kenedix Office Investment Corporation (“the Investment Corporation”). The Meeting will be held as described below.

You can also exercise your voting rights in writing. Please review the “Reference Material for the General Meeting of Unitholders” set forth below, vote on the proposals in the enclosed Voting Rights Exercise Form, and return it by no later than 5:00 p.m. Monday, August 21, 2023.

In addition, the Investment Corporation has established a “deemed approval” provision in Article 15 of its current Articles of Incorporation pursuant to Article 93, paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended, “the Investment Trusts Act”).

**Accordingly, if you are unable to attend the Meeting and are unable to vote using the Voting Rights Exercise Form, please note that you will be deemed as having attended the meeting and approved each of the agenda.**

(Excerpt from the Investment Corporation’s Current Articles of Incorporation)

#### Article 15 (Deemed Approval)

1. A unitholder’s non-attendance at the General Meeting of Unitholders and non-voting shall be deemed as the unitholder’s approval of the agenda items submitted to the General Meeting of Unitholders (provided that when submitted agenda items contradict each other, such agenda items shall be omitted).

2. Unitholder votes that are deemed as having approved agenda items pursuant to the preceding Paragraph will be added to the votes cast by attending unitholders.

In holding the Meeting, the Investment Corporation has taken measures to electronically provide reference materials for the Meeting and has uploaded

“Notice Concerning General Meeting of Unitholders” on the “General Meeting of Unitholders” page on its website. Please visit and refer to the link below.

Investment Corporation’s website:

<https://www.kdo-reit.com/en/>

The Investment Corporation has also uploaded its reference materials for the Meeting on the Tokyo Stock Exchange (“TSE”) website. To access the reference materials, please visit the TSE website and search the entity name “Kenedix Office Investment Corporation” or the security code “8972,” go to “Basic Information” and select “Documents for Public Inspection/PR information” tabs.

TSE’s website (Listed Company Information Service)

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show>

1. Date and Time

2:30 p.m., Tuesday, August 22, 2023

(Attendees will be allowed into the venue from 2:00 p.m.)

2. Place

2-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo

Iino Hall and Conference Center Room A1+A2+A3, Iino Building 4F

3. Agenda of the Meeting

Resolution Agenda:

Agenda Item No. 1: Approval of the Merger Agreement

Agenda Item No. 2: Partial amendments to the Articles of Incorporation

Agenda Item No. 3: Election of One (1) Executive Director

Agenda Item No. 4: Election of One (1) Alternate Executive Director

Agenda Item No. 5: Election of Four (4) Supervisory Directors

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Note:

(Requests)

- For those attending the Meeting, please present the enclosed Voting Rights Exercise Form at the reception desk.
- Unitholders voting by proxy can vote by having another individual unitholder who holds voting rights attend the Meeting and act as their proxies. In such a case, please submit a Power of Representation Form and a Voting Rights Exercise Form at the reception desk.
- Unitholders are reminded to bring this notice when attending the Meeting, so as to enable us to save our resources.

(Information)

- If neither approval nor disapproval of a proposal is indicated in a Voting Rights Exercise Form returned to the Investment Corporation, it shall be counted as a vote for approval of the proposal.
- Please note that, should there be any corrections to the reference materials up to the day before the Meeting, the Investment Corporation will post the relevant sections before and after the corrections on the Investment Corporation and TSE websites above.
- Please kindly note that no gifts will be handed out to unitholders attending the Meeting.
- Please note that, in light of the COVID-19 infections in Japan, the Investment Corporation may take measures in order to prevent the COVID-19 infections at the Meeting.

## Reference Material for the General Meeting of Unitholders

### Agenda and Reference Matter

#### **Agenda Item No. 1: Approval of the Merger Agreement**

On June 13, 2023, the Investment Corporation, Kenedix Residential Next Investment Corporation (“KDR”) and Kenedix Retail REIT Corporation (“KRR”); and the Investment Corporation, KDR and KRR are individually or collectively referred to as “Each REIT”) resolved to undertake an absorption-type merger, with November 1, 2023 as the effective date, whereby the Investment Corporation will be the surviving corporation and KDR and KRR will be the dissolving corporations in the merger (the “Merger”), and executed a merger agreement (the “Merger Agreement”) to that effect. All unitholders are requested to agree to the purpose for the Merger as described below and approve the Merger Agreement.

#### 1. Reason for the absorption-type merger

The Japanese economy is making a moderate recovery as movement restrictions to prevent the spread of COVID-19 infections was removed, and its economic and social activities are being normalized. However, there are uncertain factors in the economic conditions in and outside Japan such as changes in the global affairs, emergence of geopolitical risks and effects of economic sanctions related to these risks as a result of the invasion of Ukraine by Russia, continuous global inflation related to rising commodity prices and fuel costs, increase of the policy interest rates by major countries, and bankruptcies of overseas financial institutions.

In such environment, the current real estate investment trust securities market (the “J-REIT market”) is unstable and affected by the concern for rising operational costs due to inflation and the fear for the rise in the long-term interest rates due to future changes of the monetary policies by the Bank of Japan.

The asset management company of Each REIT, Kenedix Real Estate Fund Management, Inc. (“KFM”), was established as follows: Kenedix Residential Partners, Inc. established in March 2011 merged with Kenedix Office Partners, Inc. and Kenedix Advisors, Inc. (both established in November 2003) in October 2013 in an absorption-type merger, and changed its corporate name to the current name of the asset management company. Each REIT has received sponsor support from Kenedix, Inc., the parent company of KFM, and its group companies and has achieved operational results.

The Investment Corporation was listed on the J-REIT market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) in July 2005, as

“Kenedix Realty Investment Corporation” which conducted diversified investment in office buildings, residential properties, and retail facilities, etc. and began operation with a portfolio of 29 properties and a total acquisition price of 61 billion yen. Subsequently, the Investment Corporation amended its management guidelines to convert its diversified REIT into office specialized REIT in December 2006. Moreover, the Investment Corporation clarified its plan to build a portfolio centered on mid-sized office buildings and amended its articles of incorporation to change the corporate name to the current name of the investment corporation in February 2014.

The Investment Corporation has increased the size of its assets to 97 properties and the total acquisition price of 453.3 billion yen (excluding the silent partnership equity interest whose underlying asset is Shinjuku Sanei Building) (as of April 30, 2023) through a period of approximately 18 years after it was listed by mainly investing in and managing mid-sized office buildings in Tokyo Metropolitan Area where economic activities are densely integrated with abundant tenant demand and rich stocks of properties.

KDR was listed in April 2012, as “Kenedix Residential Investment Corporation” which mainly invests in residential properties such as rental housing, and began operation with a portfolio of 20 properties and a total acquisition price of 30.4 billion yen. In March 2018, KDR undertook an absorption-type merger, whereby KDR became the surviving corporation and Japan Senior Living Investment Corporation became the dissolving corporation in the merger, and changed its corporate name to the current name of the investment corporation and amended its articles of incorporation in order to add healthcare facilities and hotels to its main investment target in addition to the existing residential properties.

KDR mainly invests in residential properties and healthcare facilities which are spaces where people live and stay. KDR has increased the size of its assets to 182 properties and a total acquisition price of 304.2 billion yen (as of April 30, 2023) through a period of approximately 11 years after it was listed, by investing in and managing the real estates which are expected to have a strong demand from tenants or users and gain stable and lasting profits in accordance with regional analysis and separate analysis based on characteristic features or site locations of each real estate property.

KRR was listed in February 2015, as “Kenedix Retail REIT Corporation” which focuses its investments in “shopping centers for daily needs” that are located within residential districts or adjacent to major roads or streets and provide daily goods and services, and began operations with a portfolio of 18 properties and a total acquisition of 80.8 billion yen. In June 2018, KRR amended its articles of incorporation to, from the perspective of keeping pace with the changing trends of supply chain such as the growth of e-commerce, add distribution centers that provide products that complements

shopping centers in its investment target in addition to the existing shopping centers.

KRR has increased the size of its assets to 70 properties and the total acquisition price of 270.3 billion yen (as of April 30, 2023) through a period of approximately 8 years after it was listed, by investing in and managing shopping centers and distribution centers that are expected to contribute to improve the profit stability and the profitability of the portfolio based on its policy to focus its investment in shopping centers for daily needs.

Each REIT has implemented various measures to ensure the acquisition of stable profits and the continued growth of investment assets by leveraging each characteristic.

However, the real estate market's evaluations of the mid-sized office buildings, which are the Investment Corporation's main investment target, have not changed because of their scarcity and liquidity. Thus, the capitalization rate remains low and it remains hard to acquire mid-sized office buildings. Moreover, recently, unit prices of the Investment Corporation are significantly below NAV per unit due to the concern for the market outlook regarding secondary vacancies and rent decline due to large supplies of large office buildings, and there are limited opportunities for external growth that involve public offering. Therefore, there are issues with ensuring continued future growth. As for KDR, although KDR has conducted public offerings for five consecutive years, there is the possibility that the acquisition competition may escalate and the acquisition opportunities may decrease due to the relatively stable profitability of residential properties, and recently unit price is below NAV per unit. Moreover, KDR's LTV is relatively high in the J-REIT market, and KDR has concerns regarding the increase in costs when interest rates are rising. As for KRR, although KRR has a rich real estate pipeline, it has been increasingly difficult to acquire shopping centers for daily needs since the COVID-19 pandemic. In addition, there are concerns over increase in costs caused by inflation, and there are issues such as limited room for the future internal growth as a whole due to the long-term fixed rents.

Moreover, Each REIT is watching the trends of interest levels and price levels such as costs of utilities, which may have an impact on the profitability of their portfolios in the future, and Each REIT recognizes this situation as their common issues.

In such circumstances, Each REIT agreed to start negotiation for merger and carefully deliberated on the issues in order to deal with the issues described above, respond flexibly to environmental changes and attain continued growth. As a result, Each REIT came to the same conclusion that the Merger will contribute to maximize unitholders' value by leading to the continued growth by expanding investment target sectors, improving their presence and

stability in the market by increasing the sizes of their assets, and enabling more commitment for sustainability. Therefore, the Merger Agreement was made and entered into by and among Each REIT.

Each REIT considers that the Merger has the following rationale:

i) Sustainable growth driven by expansion of investment target sectors

The New REIT (defined below) will continue to focus on their main investment target, i.e. mid-sized office buildings, residential properties, healthcare facilities, and shopping centers for daily needs, and it will start to additionally focus on logistics facilities and hotels, in which Each REIT has conducted only limited investments until now, to increase opportunities for acquisitions. In addition, the Merger will enable asset reshuffling among different asset types, disposing of properties with less competitiveness or profitability, allow flexibly to the changes of the external environment surrounding the real estate market, and activate the investments in the investment target sectors that are expected to grow, and thus leading to the improvement of portfolio profitability. As described above, the New REIT aims to attain continued growth beyond the boundary of the strategic management for the existing specialized REIT through a strategic management that ensures a wide range of opportunities for acquisitions and flexibility related to the expansion of the investment target sectors.

ii) Improvement in the market presence and ability

Through the Merger, the asset size of the investment corporation after the Merger (the “New REIT”) will be ranked third in the J-REIT market (Note 1) and this will significantly improve the presence in the market and liquidity of investment units, and the portfolio is expected to own a total of 350 properties (Note 2) after the Merger. Having the largest expected number of properties in the J-REIT market will enhance diversification and contribute to improve the stability of the portfolio. In addition, a property manager that leverages the advantage of its scale will contribute to increase resilience against the pressure of the rising costs.

iii) Further commitment to sustainability

Each REIT has recognized sustainability as a significant issue and has taken the initiative in implementing various initiatives. Specifically, the Investment Corporation has become the first investment corporation in the J-REIT market to participate in GRESB Real Estate Assessment, KDR was the first J-REIT to issue social bonds, and KRR was the first J-REIT to introduce investment unit performance fee. The New REIT plans to integrate and elevate expertise accumulated by Each REIT through the Merger and aims to be a leading company in the sustainability initiatives. Moreover, the

New REIT plans to further enforce the sustainability initiatives under the management system with a high degree of specialization and diversity by introducing a new management fee structure that is linked to unitholder value and sustainability metric, improving governance through the enhancement of supervisory officers, and promoting diversity.

Furthermore, the New REIT sets the following growth strategies: capturing new opportunities for growth through the expansion of its investment target sectors, strengthening its earnings power through the reshuffling of its assets which adapt to environmental changes and acquiring upside earnings through active management.

Under these growth strategies, as described in the press releases “Notice Concerning Acquisition of Properties (River City 21 East Towers II and 2 Other Properties) and Disposition of Properties (Harajuku F.F. Building and 1 Other Property)” dated June 13, 2023 by Each REIT, and “Notice Concerning Acquisition of Property (York Mart Higashi-Michinobe)” dated the same day by KRR, the New REIT aims to strengthen its earning power by acquiring a total of four properties: residential property, hotel, distribution center (land) and shopping center for daily needs, and by disposing of two office buildings.

(Note 1) The amount of asset size after the Merger is calculated by totaling the asset size of Each REIT. The asset size of the Investment Corporation is assumed to be the total of acquisition price of the properties in the portfolio as of April 30, 2023, plus the acquisition (scheduled) price reflecting the acquisitions and sales (including one that are scheduled) of the properties from May 1, 2023 to the effective date of the Merger. The asset size of KDR and KRR is considered to be the appraisal values of the properties as of the end of the latest fiscal period (relating to KDR, as of January 31, 2023 (provided, however, that, this includes the acquisitions of Sunny Life Tachikawa and Rehabili-home Bon Sejour Minamisenzoku; relating to KRR, as of March 31, 2023)). The asset sizes of the other investment corporations in the J-REIT market are calculated based on the asset sizes including any properties that the other investment corporations announced the acquisition and sale thereof in the J-REIT market as of April 30, 2023 (acquisition (scheduled) price basis). Therefore, it is not guaranteed that the New REIT will have the third largest asset size in the J-REIT market as of the effective date of the Merger. In regard to the asset size after the Merger, because it is planned that assets of KDR and KRR will be succeeded at market price based on the purchase method by the Investment Corporation as the acquiring corporation, the asset size will not be a simple sum of the total (scheduled) acquisition price of the Investment Corporation and the total appraisal values of KDR and KRR as of the end of the latest accounting period.

(Note 2) The number of properties of the portfolio after the Merger is based on the number of properties of the Investment Corporation, KDR and KRR as of



June 13, 2023 and reflecting the change in the number of the acquisitions and sales of the properties (including ones that are scheduled) by the effective date of the Merger. KDX Chofu Building is treated as one property in the calculation of the number of properties of the portfolio after the Merger though the Investment Corporation owns its office tower and KRR owns its retail wing respectively as of June 13, 2023. The numbers of the properties of the other investment corporations in the J-REIT market is calculated based on the number of properties including those that the other investment corporations announced acquisition and sale thereof in the J-REIT market as of April 30, 2023. Therefore, it is not guaranteed that the portfolio of the New REIT will have the largest number of properties in the J-REIT market as of the effective date of the Merger.

2. Summary of the contents of the Merger Agreement  
As described in Attachment 1 hereto.
3. Summary of the contents of the matters set forth in Items 1 to 3, Article 194 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations
  - (1) Matters regarding appropriateness of provisions for number of investment units of the surviving corporation delivered to the unitholders of the dissolving corporation in lieu of their investment units by the surviving corporation for the absorption-type merger or calculation method of number of such investment units and total amount of unitholders' capital of the surviving corporation and allocation of investment units of the surviving corporation to unitholders of the dissolving corporation
    - (i) Matters regarding appropriateness of provisions for number of investment units of the surviving corporation delivered to the unitholders of the dissolving corporation in lieu of their investment units by the surviving corporation for the absorption-type merger or calculation method of number of such investment units and allocation of investment units of the surviving corporation to unitholders of the dissolving corporation
      - (a) Number of investment units of the Investment Corporation or amount of money to be allocated for each investment unit of KDR and KRR

	Investment Corporation (Surviving corporation in the absorption-type merger)	KDR (Dissolving corporation in the absorption-type merger)	KRR (Dissolving corporation in the absorption-type merger)
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Allocation of investment units under the Merger	1	1.34	1.68
		(Reference) Before the Investment Unit Split (defined in (Note 2) below; hereinafter the same) 0.67	(Reference) Before the Investment Unit Split 0.84

(Note 1) The number of new Investment Corporation's investment units to be issued as a result of the Merger (the number of units taking into account the Investment Unit Split of the Investment Corporation): 2,446,037

(Note 2) The Investment Corporation plans to split one investment unit into 2 investment units with October 31, 2023 as the record date for splitting the investment units and November 1, 2023 as the effective date of the split (the "Investment Unit Split"); the allocation ratio shown above and the number of the new investment units, which the Investment Corporation will allocate and deliver, are subject to the Investment Unit Split taking effect. If 0.67 Investment Corporation's investment units are allocated and delivered against 1 KDR investment unit and 0.84 Investment Corporation's investment units are allocated and delivered against 1 KRR investment unit on the basis of the merger ratio before the Investment Unit Split, there will be many unitholders of KDR and KRR being allocated fractions of less than one Investment Corporation's investment unit. To make it possible for unitholders of KDR and KRR to continue holding the Investment Corporation's investment units after the Merger, a split of the Investment Corporation's investment units will be carried out before the allocation towards unitholders of KDR and KRR, in the ratio of two Investment Corporation investment units to one Investment Corporation's investment unit for the purpose of delivering to all unitholders of KDR and KRR at least one Investment Corporation's investment unit, and 1.34 Investment Corporation's investment unit post- Investment Unit Split will be allocated and delivered for every one KDR investment unit and 1.68 Investment Corporation's investment unit post- Investment Unit Split will be allocated and delivered every one KRR investment unit.

(Note 3) In addition to the above mentioned investment units, the Investment Corporation intends to pay unitholders of KDR and KRR (the unitholders stated or recorded in the final unitholders' registers of KDR and KRR on the day before the effective date of the Merger (excluding Each REIT and unitholders of KDR and KRR who has demanded the purchase of their investment units pursuant to Article 149-3 of the Investment Trusts Act) (excluding those who have withdrawn such demand for purchase) (hereinafter referred to as the "Unitholders Subject to Allocation")), in lieu of cash distributions (distributions of profits) for the last fiscal period of KDR and KRR which ends the day before the effective date of the Merger, the Payment

upon the Merger in the form of cash distributions based on distributable income of KDR and KRR for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of distributable income of KDR and KRR on the day before the effective date of the Merger by the number of issued investment units of KDR and KRR on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The Payment upon the Merger will be paid within a reasonable period from the effective date of the Merger. KRR is planning to submit a proposal for the change of the articles of incorporation to the general meeting of unitholders scheduled on August 21, 2023 on the condition that the Merger Agreement is approved at Each REIT's General Meeting of Unitholders. The proposal is to change the current fiscal year end from March 31 and September 30 to April 30 and October 31 and change the last day of 17th fiscal period which starts from April 1, 2023 from September 30, 2023 to October 31, 2023. If this proposal for the change of the articles of incorporation is approved at the general meeting of unitholders, the last fiscal period of KRR before the effective date of the Merger, the 17th fiscal period will last for 7 months, from April 1, 2023 to October 31, 2023, and cash distribution will not be made with a record date of September 30, 2023 (as written above, the Payment upon the Merger that meets the distributions amount for the same period will be paid).

(b) Basis for Calculation

The Investment Corporation has appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), KDR has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), and KRR has appointed Nomura Securities Co., Ltd. ("Nomura Securities") respectively, as their financial advisors for the Merger. Each REIT has requested their respective financial advisors to conduct financial analysis with regard to the merger ratio used in the Merger in order to calculate the merger ratio used in the Merger in a fair manner.

The summaries of the analyses respectively conducted by SMBC Nikko Securities, Mitsubishi UFJ Morgan Stanley Securities, and Nomura Securities indicate figures prior to taking into consideration the Investment Unit Split, by the Investment Corporation, of one investment unit into two investment units as mentioned above in "(a) Number of investment units of the Investment Corporation or amount of money to be allocated for each investment unit of KDR and KRR".

(SMBC Nikko Securities)

SMBC Nikko Securities has determined to adopt four individual valuation methods to calculate the merger ratio based on its own analysis on the financial information of Each REIT as well as the terms and

conditions of the Merger. Because the investment units of Each REIT are respectively listed on the Tokyo Stock Exchange and the market prices are available, SMBC Nikko Securities conducted the historical unit price analysis. Because there are multiple listed investment corporations comparable to Each REIT and analogical estimates of the investment unit values based on the comparable investment corporations are possible, SMBC Nikko Securities also conducted the comparable trading multiple analysis. In addition, SMBC Nikko Securities conducted the dividend discount model analysis (“DDM”) as a method of valuation and analysis of the investment unit values based on dividends that unitholders of Each REIT are expected to receive in the future, and for the purpose of reflecting the market values of the properties held by Each REIT, SMBC Nikko Securities also conducted the adjusted net asset value analysis. The calculated ranges of the merger ratio shown below are those of KDR and KRR with the investment unit value for each investment unit of the Investment Corporation as one (1).

In the historical unit price analysis, the simple average of the closing prices of investment units for the one month period, three-month period and six-month period from June 12, 2023, which is set as the base date for calculation, has been adopted, after taking into account the recent status of market transactions of the investment units of Each REIT.

In the future profit plans of Each REIT assumed in DDM by SMBC Nikko Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT’s profit plan.

For details concerning the supplemental explanation regarding the assumptions and disclaimers of SMBC Nikko Securities’ analysis, please refer to (Note 1) at the end of this this section.

Valuation Approach	KDR	KRR
Historical Unit Price Analysis	0.66~0.69	0.79~0.82
Comparable Trading Multiple Analysis	0.57~0.95	0.70~1.16
DDM Analysis	0.45~0.96	0.68~1.20
Adjusted Net Asset Value Analysis	0.56	0.66

(Mitsubishi UFJ Morgan Stanley Securities)

Mitsubishi UFJ Morgan Stanley Securities conducted the analyses of the merger ratio by comprehensively taking into account the results of the analyses based on the following four valuation approaches. Because the investment units of Each REIT are respectively listed on the Tokyo Stock

Exchange, Mitsubishi UFJ Morgan Stanley Securities conducted the historical unit price analysis as a method of evaluation based on the unit prices formed in the securities market. In addition, Mitsubishi UFJ Morgan Stanley Securities conducted the comparable trading multiple analysis as a method of evaluation based on investment unit values of other listed investment corporations which operate business similar to that of Each REIT. Moreover, Mitsubishi UFJ Morgan Stanley Securities conducted the discounted cash flow analysis (“DCF”) as an intrinsic method of evaluation of the investment unit values based on medium-and-long term future business activities of Each REIT. Furthermore, Mitsubishi UFJ Morgan Stanley Securities conducted the net asset value approach as a static method of evaluation of the investment unit values reflecting the market values of Each REIT’s assets. The summary of the analyses conducted by Mitsubishi UFJ Morgan Stanley Securities is as follows. The calculated ranges of the merger ratio shown below are those of KDR and KRR with the investment unit value for each investment unit of the Investment Corporation as one (1).

In the historical unit price analysis, each closing price of investment units for the one month period, three-month period, six-month period and twelve-month period from June 12, 2023, which is set as the base date for calculation, has been used for the analyses, after taking into account the recent status of market transactions of the investment units of Each REIT. In the future profit plans of Each REIT assumed in DCF by Mitsubishi UFJ Morgan Stanley Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT’s profit plan.

For details concerning the supplemental explanation regarding the assumptions and disclaimers of Mitsubishi UFJ Morgan Stanley Securities’ analysis, please refer to (Note 2) at the end of this section.

Valuation Approach	KDR	KRR
Historical Unit Price Analysis	0.61~0.71	0.76~0.86
Comparable Trading Multiple Analysis	0.62~0.83	0.74~1.03
DCF Analysis	0.51~0.72	0.56~0.78
Valuation Approach	0.56	0.66

(Nomura Securities)

Nomura Securities adopted the following four valuation approaches to make calculations of the Merger ratio. Because the investment units of Each REIT are respectively listed on the Tokyo Stock Exchange and the

market prices are available, Nomura Securities conducted the average historical unit price analysis. Because there are multiple listed investment corporations comparable to Each REIT and analogical estimates of the investment unit values based on the comparable investment corporations are possible, Nomura Securities also conducted the comparable trading multiple analysis. In addition, Nomura Securities conducted DCF to reflect the status of the future business activities in the calculations. Moreover, Nomura Securities conducted the adjusted market value of net asset value analysis to reflect the effects of selling the investment units at the market price on the net assets in the calculations. The summary of the analyses conducted by Nomura Securities is as follows and the calculated ranges of the merger ratio shown below are those of KDR and KRR with the investment unit value for each investment unit of the Investment Corporation as one (1).

In the average historical unit price analysis, the base date for calculation is June 12, 2023. The simple average of the closing prices for the base date for calculation, the period of five business days from the base date for calculation, the one-month period, three-month period and six-month period from the base date for calculation has been adopted.

In the future profit plans of Each REIT assumed in DCF by Nomura Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT's profit plan.

For details concerning the supplemental explanation regarding the assumptions and disclaimers of Nomura Securities' analysis, please refer to (Note 3) at the end of this section.

Valuation Approach	KDR	KRR
Average Historical Unit Price Analysis	0.66~0.69	0.79~0.82
Comparable Trading Multiple Analysis	0.57~0.72	0.57~0.95
DCF Analysis	0.57~0.70	0.79~1.13
Adjusted Market Value of Net Asset Value Analysis	0.56	0.66

(Note 1) In analyzing the above merger ratio, SMBC Nikko Securities has relied on the information provided by Each REIT and publicly available information assuming that all such materials and information are accurate and complete, without independent verification of the accuracy or completeness of those materials and information. In addition, SMBC Nikko Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including off-balance-sheet assets and liabilities and any other contingent liabilities) of Each REIT, nor has SMBC Nikko Securities requested any such appraisal or assessment from a third-party institution. Further, SMBC Nikko Securities has assumed that

the financial projections provided by Each REIT have been prepared in a reasonable manner to reflect the best currently available estimates and judgments by the management of Each REIT. The analysis of the above merger ratio by SMBC Nikko Securities was based on the above information that was available as of June 12, 2023. SMBC Nikko Securities has prepared its analysis solely for the Board of Directors of the Investment Corporation for the purpose of deliberating the Merger, and the analysis may not be relied upon or used for any other purpose or by any other third party. In addition, SMBC Nikko Securities will not provide any opinion or recommendation on voting by any of the unitholders of Each REIT with respect to the Merger or any other proposed transaction.

(Note 2) In analyzing the above merger ratio, Mitsubishi UFJ Morgan Stanley Securities has relied on the information provided by Each REIT and publicly available information assuming that all such materials and information are accurate and complete, without independent verification of the accuracy or completeness of those materials and information. In addition, Mitsubishi UFJ Morgan Stanley Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including off-balance-sheet assets and liabilities and any other contingent liabilities) of Each REIT, nor has Mitsubishi UFJ Morgan Stanley Securities requested any such appraisal or assessment from a third-party institution. Further, Mitsubishi UFJ Morgan Stanley Securities has assumed that the financial projections provided by Each REIT have been prepared in a reasonable manner to reflect the best currently available estimates and judgments by the management of Each REIT. The analysis of the above merger ratio by Mitsubishi UFJ Morgan Stanley Securities was based on the above information that was available as of June 12, 2023.

Mitsubishi UFJ Morgan Stanley Securities has prepared its analysis solely for the Board of Directors of KDR for the purpose of deliberating the Merger, and the analysis may not be relied upon or used for any other purpose or by any other third party. In addition, Mitsubishi UFJ Morgan Stanley Securities will not provide any opinion or recommendation on voting by any of the unitholders of Each REIT with respect to the Merger or any other proposed transaction.

(Note 3) In calculating the merger ratio, Nomura Securities has assumed that the publicly available information and all information provided to Nomura Securities are accurate and complete. Nomura Securities has not independently verified the accuracy or completeness of such information. Nomura Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including derivative products, off-balance-sheet assets and liabilities, and any other contingent liabilities) of Each REIT (including analysis and valuation of individual assets or liabilities), nor has Nomura Securities requested any such appraisal or assessment from a third-party institution. Nomura Securities assumed that respective financial projections of Each REIT (including profit plans and other information) have been considered or prepared in a reasonable manner based on the best currently available good-faith estimates and judgments by the management of Each REIT. The calculations of Nomura Securities reflect the information and economic terms and conditions obtained by Nomura Securities as of June 12, 2023. Nomura Securities has prepared its calculations for the sole purpose of serving as a reference for the governing body of KRR to deliberate the

merger ratio.

(c) Background to Calculations

As a result of discussions and negotiations over an extended period comprehensively taking into consideration such factors as the financial performance and state of the assets and liabilities of Each REIT, each future business prospect, the merits of the Merger and the result of the financial analyses performed by respective financial advisors of Each REIT, Each REIT determined that the above merger ratios are fair and executed the Merger Agreement.

The names of the financial advisors appointed by Each REIT are as described in “(b) Basis for Calculation” above, and none of Each REIT obtained an opinion from its own financial advisor.

(d) Relationships with the Financial Advisors

None of SMBC Nikko Securities, Mitsubishi UFJ Morgan Stanley Securities and Nomura Securities is deemed a related party of Each REIT pursuant to (i) Article 8, Paragraph 17 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of November 27, 1963; including subsequent amendments); and (ii) Article 67, Paragraph 4 of the Ordinance on Accounting at Investment Corporations (Cabinet Office Ordinance No. 47 of 2006; including subsequent amendments, “the Investment Corporations Accounting Ordinance”) and none of them has any material interests to be disclosed with respect to the Merger.

(e) Measures to Ensure Fairness

i) Measures to ensure fairness in assessing the propriety of the Merger and the merger ratio

Each REIT is entrusting its asset management functions to KFM. KFM has organized the responsible managers (the Investment Corporation: Head of Office REIT Department / KDR: Head of Residential REIT Department / KRR: Head of Retail REIT Department) and asset management departments (the Investment Corporation: Office REIT Department / KDR: Residential REIT Department / KRR: Retail REIT Department) consisting of different members for Each REIT individually in assessing the Merger and providing advice and support to the Board of Directors of Each REIT, and established a complete system to block transmission of information by setting up an appropriate information wall between each of the asset management department. In addition, when it is necessary to communicate information causing concerns over conflict of interest between each of the asset management



department in the course of assessing the Merger, such information is communicated through each of the abovementioned financial advisors appointed by Each REIT individually, in order to prevent asset management departments from having direct contact with each other.

In the course of assessing the Merger, each responsible manager and each of the asset management department reported on a timely basis the status of its assessment to the Board of Directors of Each REIT each composed of one executive director and supervisory directors (the Investment Corporation: three persons / KDR: three persons / KRR: two persons), whose independence from the asset management company is ensured in terms of the Investment Trusts Act, and all material matters of its assessments were deliberated and approved by the Board of Directors of Each REIT.

In addition, since executive directors of Each REIT concurrently serve as directors of KFM and have a conflict of interest with KFM, they have not participated in resolutions for approval of the Merger Agreement at meetings of the Board of Directors of Each REIT regarding the approval of the conclusion of the Merger Agreement.

In connection with the Merger, KFM will receive management fees for the Merger and management fees relating to the management after the Merger takes effect from the Investment Corporation, which will be the surviving corporation in the Merger, pursuant to the provisions of the Investment Corporation's articles of incorporation and the asset management agreement with the Investment Corporation, but the amount of both fees will not be affected by the merger ratio of the Merger.

Furthermore, the Investment Corporation appointed Anderson Mori & Tomotsune, KDR appointed Miura & Partners, and KRR appointed Morrison & Foerster Law Offices, respectively, as its legal advisor for the Merger, and received advice concerning the methodology and process relating to the procedures and decision-making process for the Merger.

ii) Measures to ensure fairness in the calculation of the merger ratio

As described in (a) through (c) above, Each REIT has requested its respective financial advisor to perform financial analysis in regard to the merger ratio, and the merger ratio was determined by comprehensively taking into account the results of such analyses together with other factors.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, the Investment Corporation obtained from SMBC Nikko Securities, an independent third-party financial advisor, a merger ratio

calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, the Investment Corporation's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, KDR obtained from Mitsubishi UFJ Morgan Stanley Securities, an independent third-party financial advisor, a merger ratio calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, KDR's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, KRR obtained from Nomura Securities, an independent third-party financial advisor, a merger ratio calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, KRR's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

Each REIT did not, however, obtain written opinions (so-called "fairness opinions") from their respective financial advisors to the effect that the merger ratio is reasonable from a financial perspective for their respective unitholders.

(ii) Matters regarding appropriateness of provisions for unitholders' capital of the surviving corporation in the absorption-type merger

The amount of the total unitholders' capital and the capital surplus of the Investment Corporation to be increased upon the Merger shall be as follows; provided, however, that Each REIT may change such amount upon agreement through consultation, taking into consideration the financial conditions of Each REIT on the day before the effective date.

(a) Unitholders' Capital: 0 yen

(b) Capital Surplus: The amount obtained by deducting the amount set forth in (a) above from the amount of increase or decrease in the unitholders' equity, etc., set forth in Article 22, Paragraph 1 of the Investment Corporations Accounting Ordinance)

(2) Matters concerning the dissolving corporation in the absorption-type merger (KDR)

- (i) Details of financial statements, asset management reports, and financial statements of cash distributions pertaining to the final fiscal period  
As described in Attachment 2 hereto.
  - (ii) Details of material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period
    - (a) Acquisition of assets  
KDR entered into a sale and purchase agreement with KST5 Co., Ltd. dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one residential property (River City 21 East Towers II), with November 1, 2023 as the scheduled acquisition date. KDR also entered into a sale and purchase agreement with G.K. RRB dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one hotel (remm roppongi building), with November 1, 2023 as the scheduled acquisition date. The execution of these acquisitions is subject to the effectiveness of the Merger and other conditions being met.
- (3) Matters concerning the dissolving corporation in the absorption-type merger (KRR)
- (i) Details of financial statements, asset management reports, and financial statements of cash distributions pertaining to the final fiscal period  
As described in Attachment 3 hereto.
  - (ii) Details of material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period
    - (a) Change of the fiscal period  
In connection with the Merger, KRR has decided to submit to the general meeting of unitholders scheduled on August 21, 2023 a proposal to amend its articles of incorporation to change the fiscal period-ends from March 31 and September 30 (current) to April 30 and October 31. If the aforementioned amendment is approved in the general meeting of unitholders, the last fiscal period of KRR before the effective date of the Merger is expected to be from April 1, 2023 to October 31, 2023.
    - (b) Acquisition of assets  
KRR entered into a sale and purchase agreement with SMFL MIRAI Partners Company, Limited dated June 13, 2023 with respect to the

acquisition of trust beneficiary interest in real estate pertaining to one retail facility (York Mart Higashi-Michinobe), with September 25, 2023 as the scheduled acquisition date.

KRR also entered into a sale and purchase agreement with SMFL MIRAI Partners Company, Limited dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one logistics facility (Akishima Distribution Center (Land)), with November 1, 2023 as the scheduled acquisition date. The execution of this acquisition is subject to the effectiveness of the Merger and other conditions being met.

- (4) Matters concerning the surviving corporation in the absorption-type merger
  - (i) Details of the material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period

- (a) Split of investment units

The Investment Corporation decided at the Board of Directors Meeting held on June 13, 2023, to conduct the Investment Unit Split as follows.

- i) Purpose of the Investment Unit Split

The Merger will be effected by way of an absorption-type merger with the Investment Corporation as the surviving corporation, with KDR and KRR having a merger ratio of 0.67 and 0.84, respectively, against one for the Investment Corporation, before taking into account the Investment Unit Split. However, with this merger ratio, 0.67 Investment Corporation's investment units will be allotted against one KDR investment unit and 0.84 Investment Corporation's investment units will be allotted against one KRR investment unit, resulting in a number of KDR and KRR unitholders that will receive Investment Corporation's investment units of less than one unit. For this reason, in order to enable the unitholders of KDR and KRR to continue to hold the Investment Corporation's investment units after the Merger, the Investment Corporation decided to split the Investment Corporation's investment units at a ratio of two investment units per one investment unit, for the purpose of providing at least one Investment Corporation's investment unit to all unitholders of KDR and KRR.

- ii) Method of the Investment Unit Split

The Investment Corporation will implement a two for one split of the investment units held by unitholders of the Investment Corporation stated or recorded on the registry of unitholders as of October 31, 2023, which is the day before the effective date of the Merger. The Investment Unit Split

will take effect immediately before the Merger taking effect on November 1, 2023, which is the effective date of the Merger, provided that the merger agreement pertaining to the Merger has not been terminated or expired by the day before the effective date of the Merger.

(b) Disposition of assets

The Investment Corporation entered into a sale and purchase agreement with Kenedix, Inc. dated June 13, 2023 with respect to the disposition of trust beneficiary interest in real estate pertaining to one office building (Harajuku F.F. Building), with November 1, 2023 as the scheduled disposition date. The Investment Corporation also entered into a sale and purchase agreement with Kenedix, Inc. dated June 13, 2023 with respect to the disposition of trust beneficiary interest in real estate pertaining to one office building (KDX Nagoya Sakae Building), with November 1, 2023 as the scheduled disposition date. The execution of these dispositions is subject to the effectiveness of the Merger and other conditions being met.

**Agenda Item No. 2: Partial Amendments to the Articles of Incorporation**

1. Reasons for the Amendments

- (1) Following the Merger, the corporate name of the Investment Corporation shall be changed (Concerning Article 1 of the current Articles of Incorporation).
- (2) In relation to the Merger, the Investment Corporation plans to split its investment units at a ratio of two investment units per one investment unit for the purpose of providing at least one Investment Corporation's investment units to all unitholders of KDR and KRR. Since the total number of investment units issued and outstanding will increase as a result of the unit split and the Merger, the Investment Corporation will increase the total number of issuable investment units (Concerning Article 5, Paragraph 1 of the current Articles of Incorporation).
- (3) The Investment Corporation will newly establish a provision to convene the General Meeting of Unitholders on July 1, 2025 or after such date without delay, and thereafter, on July 1 of every other year or after such date without delay, as well as a provision to convene it at any time as required by laws and regulations or otherwise necessary (Concerning Article 9, Paragraphs 1 and 2 of the current Articles of Incorporation).
- (4) The Investment Corporation will make the necessary changes following the enforcement of the amendment provisions set forth in Item 3 of the Supplementary Provisions of the "Act on Arrangement of Relevant Acts Incidental to Enforcement of the Act Partially Amending the Companies Act" (Act No. 71 of 2019) which took effect on September 1, 2022, and the introduction of measures for electronic provision of reference materials for the General Meeting of Unitholders and other information subject to the electronic provision measures on the same date (Concerning Article 9, Paragraphs 4 and 5 of the Proposed Amendments).
- (5) The Investment Corporation will newly establish a provision to the effect that a public notice of the date of the General Meeting of Unitholders which will be held before the elapse of 25 months from the date of the immediately preceding General Meeting of Unitholders which was held pursuant to the provisions of Article 9, Paragraph 1 of the Proposed Amendments will not be required (Concerning the proviso to Article 9, Paragraph 6 of the Proposed

- Amendments).
- (6) In order to more directly reflect the intention of the unitholders, the Investment Corporation will newly establish a provision to the effect that, agenda to be resolved at the General Meeting of Unitholders that have a significant impact on the management structure of the Investment Corporation and may affect the interests of the unitholders, shall not be subject to the deemed approval set forth in Article 93, Paragraph 1 of the Investment Trusts Act and Article 15, Paragraph 1 of the Articles of Incorporation (Concerning Article 15, Paragraph 2 of the Proposed Amendments).
  - (7) The Investment Corporation will newly establish a provision to the effect that the term of office of executive directors and supervisory directors may be extended or shortened to the extent provided by laws and regulations by resolution of the General Meeting of Unitholders (Concerning Article 20, Paragraph 2 of the current Articles of Incorporation).
  - (8) In light of the fact that the audit work will increase as the size of assets under management expands with the implementation of the Merger, while the role and responsibility of accounting auditor are further increasing, the Investment Corporation will change the upper limit of the amount of compensation for the accounting auditor in order to make it possible to adjust the amount of compensation for the accounting auditor to a reasonable level corresponding to the audit work for which the accounting auditor is requested (Concerning Article 29 of the current Articles of Incorporation).
  - (9) The Investment Corporation will make changes to increase the maximum amount of debt financing and issuance of investment corporation bonds as the asset size, and the outstanding balance of debt financing and investment corporation bonds of the Investment Corporation thereby will expand due to the Merger (Concerning Article 33, Paragraph 4 of the current Articles of Incorporation).
  - (10) Following the Merger, the Investment Corporation will make changes to the asset types and targeted investment area of the real estate serving as the main body of real estate-related assets and the real estate backing such assets as set forth in Attachment 1 of the Articles of Incorporation, which are the investment targets of the Investment Corporation (Concerning “Investment Policies”, Attachment 1 of the

- current Articles of Incorporation).
- (11) In order to further expand investment opportunities and diversify investment methods for the Investment Corporation, the Investment Corporation will make changes to enable investment in the rights under the investment limited partnership agreements as provided in Article 3, Paragraph 1 of the Limited Partnership Act for Investment (Act No. 90 of 1998; as amended), and will make necessary amendments to the investment limitations and the methods of asset evaluation in line with such changes (Concerning “Types, Purposes and Scope of Specified Assets Targeted for Asset Management” and “Investment Limitations” of Attachment 1, and Attachment 2 of the current Articles of Incorporation).
  - (12) In order to establish an asset management fee structure that is more closely linked to the interests of unitholders and sustainability indicators in connection with the Merger, with respect to the fee structure of the Asset Management Company, the Investment Corporation will (i) reduce the rate of the Asset Management Fee I, which is a total assets based fee, (ii) change the calculation method of the Asset Management Fee II, which is linked to the interests of unitholders, and establish the Investment Unit Performance Fee and abolish the Asset Management Fee III, and (iii) establish the ESG Performance-Linked Fee, which is linked to sustainability indicators, and amend the Adjustment Provisions and make other necessary changes accordingly (Concerning Attachment 3 of the current Articles of Incorporation).
  - (13) Since the amendments to the Articles of Incorporation set forth in (1), (2), (8), (9), (10) and (12) above shall take effect subject to the Merger taking effect, the Investment Corporation will provide to that effect in the Supplementary Provisions (Concerning Article 39 of the Proposed Amendments).
  - (14) In addition to above amendments, the Investment Corporation will make other revisions to the wording and provisions.



2. Details of Amendments

Details of the amendments are as follows.

(Underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
<p>Article 1 (Corporate Name) The Investment Corporation shall be named <u>Kenedix Office</u> Investment Corporation.</p>	<p>Article 1 (Corporate Name) The Investment Corporation shall be named <u>KDX Realty</u> Investment Corporation.</p>
<p>Article 5 (Total Number of Issuable Investment Units) 1. The total number of issuable investment units of the Investment Corporation shall be <u>4</u> million units. 2.~3. (Details Omitted)</p>	<p>Article 5 (Total Number of Issuable Investment Units) 1. The total number of issuable investment units of the Investment Corporation shall be <u>20</u> million units. 2.~3. (No Change)</p>
<p>Article 9 (Convocation) 1. The General Meeting of Unitholders of the Investment Corporation shall be <u>held more than once every two years in principle.</u>  (Newly Established)  2. Unless otherwise provided by laws and regulations, and with the approval of the Board of Directors, when there is one executive director, said executive director shall convene the General Meeting of Unitholders. When there are two or more executive directors, the General Meeting of Unitholders shall be convened by a single executive director in accordance with the order predetermined by the Board of Directors.</p>	<p>Article 9 (Convocation) 1. The General Meeting of Unitholders of the Investment Corporation shall be <u>convened on July 1, 2025 or after such date without delay, and thereafter, on July 1 of every other year or after such date without delay.</u> <u>2. In addition to the preceding Paragraph, the General Meeting of Unitholders shall be convened at any time as required by laws and regulations or otherwise necessary.</u> 3. Unless otherwise provided by laws and regulations, and with the approval of the Board of Directors, when there is one executive director, said executive director shall convene the General Meeting of Unitholders. When there are two or more executive directors, the General Meeting of Unitholders shall be convened by a single executive director in accordance with the order predetermined by the Board of Directors.</p>
<p>(Newly Established)</p>	<p><u>4. When convening the General Meeting of Unitholders, the Investment Corporation shall take measures for electronic provision for the reference materials for the General Meeting of Unitholders and other information subject to the electronic provision measures.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>(Newly Established)</p> <p>3. In order to convene the General Meeting of Unitholders, the date of the General Meeting of Unitholders shall be announced by two months prior to the date of the General Meeting of Unitholders and <u>each unitholder shall be notified in writing</u> by two weeks prior to the date of said General Meeting of Unitholders.</p>	<p>5. <u>The Investment Corporation may omit all or part of the matters for which the electronic provision measures are taken, which are stipulated in the Regulation for Enforcement of the Investment Trusts Act from the documents to be delivered to the unitholders who have requested the delivery by the record date for the voting rights.</u></p> <p>6. In order to convene the General Meeting of Unitholders, the date of the General Meeting of Unitholders shall be announced by two months prior to the date of the General Meeting of Unitholders and <u>each unitholder shall be notified in writing or by electromagnetic means as required by laws and regulations</u> by two weeks prior to the date of said General Meeting of Unitholders. Provided, however, that such announcement shall not be required for the General Meeting of Unitholders to be held before the elapse of 25 months from the date of the immediately preceding General Meeting of Unitholders which was held pursuant to the provisions of Paragraph 1 above.</p>
<p>Article 15 (Deemed Approval) 1. (Details Omitted)</p>	<p>Article 15 (Deemed Approval) 1. (No Change)</p>
<p>(Newly Established)</p>	<p>2. <u>Notwithstanding the provisions of the preceding Paragraph, deemed approval in the provisions of the preceding Paragraph shall not apply to the resolutions on agenda items under Article 104, Paragraph 1 (Dismissal of Officers and Accounting Auditors), Article 140 (Revising the Articles of Incorporation) (limited to the formulation, revision or abolition of provisions concerning deemed approval), Article 143, item 3 (Dissolution), Article 205, Paragraph 2 (Consent to Cancellation of Entrustment Contracts for Asset Management) or Article 206, Paragraph 1 (Cancellation of Entrustment Contracts for Asset Management) of the Investment Trusts Act.</u></p>

Current Articles of Incorporation	Proposed Amendments
<p>2. Unitholder votes that are deemed as having approved agenda items pursuant to <u>the preceding Paragraph</u> will be added to the votes cast by attending unitholders.</p> <p>Article 20 (Directors' Election and Term of Office)</p> <p>1. (Details Omitted)</p> <p>2. The term of office of the Directors shall not exceed two years from the time of their election. <u>However</u>, the term of office of a Director elected to fill a vacancy or to increase the number of Directors shall be the same as the remaining term of the predecessor or the other incumbents.</p> <p>3. (Details Omitted)</p>	<p>3. Unitholder votes that are deemed as having approved agenda items pursuant to <u>the provisions of Paragraph 1</u> will be added to the votes cast by attending unitholders.</p> <p>Article 20 (Directors' Election and Term of Office)</p> <p>1. (No Change)</p> <p>2. The term of office of the Directors shall not exceed two years from the time of their election. <u>Provided, however, this shall not preclude the shortening or extension of the term of office by a resolution of the General Meeting of Unitholders to the extent prescribed by laws and regulations. In addition</u>, the term of office of a Director elected to fill a vacancy or to increase the number of Directors shall be the same as the remaining term of the predecessor or the other incumbents.</p> <p>3. (No Change)</p>
<p>Article 29 (Basis of the Accounting Auditor's Compensation)</p> <p>The compensation of the accounting auditor shall not exceed <u>15 million</u> yen for each fiscal period that is subject to audit and shall be an amount approved by the Board of Directors. The compensation shall be paid no later than the last day of the month following the month including receiving date of all audit reports required by the Investment Trusts Act and other laws and regulations for the relevant fiscal period.</p> <p>Article 33 (Debt Financing and Investment Corporation Bond Issue Limit)</p> <p>1.~3. (Details Omitted)</p> <p>4. The maximum amount of debt financing and issuance of investment corporation bonds shall be <u>1</u> trillion yen each, and the total amount thereof shall not exceed <u>1</u> trillion yen.</p>	<p>Article 29 (Basis of the Accounting Auditor's Compensation)</p> <p>The compensation of the accounting auditor shall not exceed <u>30 million</u> yen for each fiscal period that is subject to audit and shall be an amount approved by the Board of Directors. The compensation shall be paid no later than the last day of the month following the month including receiving date of all audit reports required by the Investment Trusts Act and other laws and regulations for the relevant fiscal period.</p> <p>Article 33 (Debt Financing and Investment Corporation Bond Issue Limit)</p> <p>1.~3. (No Change)</p> <p>4. The maximum amount of debt financing and issuance of investment corporation bonds shall be <u>2</u> trillion yen each, and the total amount thereof shall not exceed <u>2</u> trillion yen.</p>

Current Articles of Incorporation	Proposed Amendments
<p>Article 35 (Cash Distributions Policies)  The Investment Corporation shall, in principle, make distributions based on the following policies:  (1)~(4) (Details Omitted)  (5) Regulations of the Investment Trusts Association  In addition to Items (1) through (4), the Investment Corporation shall comply with the regulations of the Investment Trusts Association and other rules and regulations when distributing cash.</p> <p style="text-align: center;">(Newly Established)</p>	<p>Article 35 (Cash Distributions Policies)  The Investment Corporation shall, in principle, make distributions based on the following policies:  (1)~(4) (No Change)  (5) Regulations of the Investment Trusts Association  In addition to Items (1) through (4), the Investment Corporation shall comply with the regulations of the Investment Trusts Association, and other rules and regulations when distributing cash.  [Note] Due to a minor amendment in Japanese, there is no effect in English.  <u>Article 39 (Effect of Amendments of the Articles of Incorporation)</u></p>
<p>Attachment 1  Asset Management Target and Policies  Investment Policies</p>	<p><u>The amendments to the Articles of Incorporation pertaining to Articles 1, 5, 29 and 33, the “Investment Policies” in Exhibit 1, and Exhibit 3 shall take effect on the effective date of the absorption-type merger pursuant to the merger agreement dated June 13, 2023 between the Investment Corporation, Kenedix Residential Next Investment Corporation and Kenedix Retail REIT Corporation, in which the Investment Corporation shall be the surviving corporation, and Kenedix Residential Next Investment Corporation and Kenedix Retail REIT Corporation shall be the dissolving corporations. Such amendments shall be subject to the merger taking effective. This Paragraph shall be deleted after the amendments to the Articles of Incorporation will take effect pursuant to this Paragraph.</u></p> <p>Attachment 1  Asset Management Target and Policies  Investment Policies</p>

Current Articles of Incorporation	Proposed Amendments
<p>1. When the Investment Corporation invests in Real Estate-related Assets (as defined in Paragraph 4 under the subheading “Types, Purposes and Scope of Specified Assets Targeted for Asset Management” below; the same shall apply hereafter), real estates serving as the main body of Real Estate-related Assets and real estate backing such assets shall be <u>primarily used for office buildings</u>. Targeted investment areas shall <u>primarily be the Tokyo Metropolitan Area (refers to principal urban areas in Tokyo, Kanagawa, Saitama and Chiba Prefectures) and Other Regional Areas (refers to major urban cities throughout local regions, including government-designated cities)</u>.</p>	<p>1. When the Investment Corporation invests in Real Estate-related Assets (as defined in Paragraph 4 under the subheading “Types, Purposes and Scope of Specified Assets Targeted for Asset Management” below; the same shall apply hereafter), the real estates serving as the main body of Real Estate-related Assets and real estate backing such assets shall <u>be used for various purposes such as office buildings, residential properties, retail facilities, healthcare facilities, logistics facilities, hotels and others without limiting the use</u>. The targeted investment area shall <u>be in Japan</u>.</p>
<p>2.~3. (Details Omitted)</p>	<p>2.~3. (No Change)</p>
<p>Types, Purposes and Scope of Specified Assets Targeted for Asset Management</p> <p>1.~3. (Details Omitted)</p> <p>4. In addition to the Real Estate Equivalents and Securities Backed by Real Estate (These assets and Real Estate, etc. shall hereafter be collectively referred to as “Real Estate-related Assets.”) detailed in the preceding two paragraphs, the Investment Corporation shall also be able to invest in the Specified Assets listed in the following items:</p> <p>(1)~(8) (Details Omitted) (Newly Established)</p>	<p>Types, Purposes and Scope of Specified Assets Targeted for Asset Management</p> <p>1.~3. (No Change)</p> <p>4. In addition to the Real Estate Equivalents and Securities Backed by Real Estate (These assets and Real Estate, etc. shall hereafter be collectively referred to as “Real Estate-related Assets.”) detailed in the preceding two paragraphs, the Investment Corporation shall also be able to invest in the Specified Assets listed in the following items:</p> <p>(1)~(8) (No Change)</p> <p><u>(9) Rights pursuant to the investment limited partnership agreements stipulated in Article 3, Paragraph 1 of the Limited Partnership Act for Investment (Act No. 90 of 1998, as amended) (“LPS Equity Interest”)</u></p>
<p>5. (Details Omitted)</p>	<p>5. (No Change)</p>
<p>Investment Limitations</p>	<p>Investment Limitations</p>

Current Articles of Incorporation	Proposed Amendments
<p>1. The Investment Corporation shall invest in the securities and monetary claims listed in Paragraph 4 of “Types, Purposes and Scope of Specified Assets Targeted for Asset Management” above with an emphasis on safety and liquidity, and shall not invest solely for the purpose of actively acquiring investment profits.</p> <p>2.~4. (Details Omitted)</p> <p>Purposes and Scope of Lease of Incorporated Assets</p>	<p>1. The Investment Corporation shall invest in the securities <u>(excluding LPS Equity Interest)</u> and monetary claims listed in Paragraph 4 of “Types, Purposes and Scope of Specified Assets Targeted for Asset Management” above with an emphasis on safety and liquidity, and shall not invest solely for the purpose of actively acquiring investment profits.</p> <p>2.~4. (No Change)</p> <p>Purposes and Scope of Lease of Incorporated Assets</p>
<p>(Details Omitted)</p> <p>Attachment 2 Method, Standard and Reference Date for Asset Evaluation</p> <p>1. The method and standard for asset evaluation of the Investment Corporation shall be set out for each type of investment assets, as follows:</p> <p>(1)~(3) (Details Omitted)</p> <p>(4) Equity in <i>tokumei-kumiai</i> relating to real estate</p> <p>Equity in <i>tokumei-kumiai</i> consisting of assets falling in the category of the preceding items above shall be appraised in accordance with the methods specified in each item. If the assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the equity in the relevant <i>tokumei-kumiai</i> share, and that amount shall be the valuation.</p>	<p>(No Change)</p> <p>Attachment 2 Method, Standard and Reference Date for Asset Evaluation</p> <p>1. The method and standard for asset evaluation of the Investment Corporation shall be set out for each type of investment assets, as follows:</p> <p>(1)~(3) (No Change)</p> <p>(4)Equity in <i>tokumei-kumiai</i> relating to real estate <u>and LPS Equity Interest</u></p> <p>Equity in <i>tokumei-kumiai</i> <u>or LPS Equity Interest</u> consisting of assets falling in the category of the preceding items above shall be appraised in accordance with the methods specified in each item. If the assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the equity in the relevant <i>tokumei-kumiai</i> share <u>or the amount in proportion to the equity in the relevant LPS Equity Interest share,</u> and that amount shall be the valuation.</p>

Current Articles of Incorporation	Proposed Amendments
<p>(5) Beneficial interest in a money trust whose purpose is to invest the trust property mainly in Equity in <i>tokumei-kumiai</i> relating to real estate Equity in <i>tokumei-kumiai</i> that are trust assets shall be appraised in accordance with the preceding item. If the trust assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the share of the relevant trust beneficiary interests, and that amount shall be the valuation.</p>	<p>(5) Beneficial interest in a money trust whose purpose is to invest the trust property mainly in Equity in <i>tokumei-kumiai</i> relating to real estate <u>or LPS Equity Interest</u> Equity in <i>tokumei-kumiai</i> <u>or LPS Equity Interest</u> that are trust assets shall be appraised in accordance with the preceding item. If the trust assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the share of the relevant trust beneficiary interests, and that amount shall be the valuation.</p>
<p>(6)~(10) (Details Omitted)</p>	<p>(6)~(10) (No Change)</p>
<p>2. If an evaluation is made using a method different from the preceding Paragraph for the purpose of stating the value in the asset management reports, etc., the evaluation shall be made as follows.</p>	<p>2.If an evaluation is made using a method different from the preceding Paragraph for the purpose of stating the value in the asset management reports, etc., the evaluation shall be made as follows.</p>
<p>(1) (Details Omitted)</p>	<p>(1) (No Change)</p>

Current Articles of Incorporation	Proposed Amendments
<p>(2) Beneficial interest in a trust in which real estate, real estate leasehold rights, land rights, or easements are entrusted, <u>and</u> Equity in <i>tokumei-kumiai</i> relating to real estate</p> <p>In the case where the constituent assets of the trust property <u>or</u> Equity in <i>tokumei-kumiai</i> consisting of assets falling in the category of the preceding items above shall be appraised in accordance with the methods specified in the preceding item. If the assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the share of the relevant trust beneficiary interests <u>or</u> the amount in proportion to the equity in the relevant <i>tokumei-kumiai</i> share, and that amount shall be the valuation.</p> <p>Attachment 3 Asset Management Fees Payable to the Asset Management Company</p>	<p>(2) Beneficial interest in a trust in which real estate, real estate leasehold rights, land rights or easements are entrusted, Equity in <i>tokumei-kumiai</i> relating to real estate, <u>and LPS Equity Interest</u></p> <p>In the case where the constituent assets of the trust property, Equity in <i>tokumei-kumiai</i> <u>or LPS Equity Interest</u> consisting of assets falling in the category of the preceding items above shall be appraised in accordance with the methods specified in the preceding item. If the assets are financial assets, they shall be evaluated based upon generally accepted corporate accounting practices. After these measures are taken, liabilities shall be deducted from the total value of these assets to calculate the amount in proportion to the share of the relevant trust beneficiary interests, the amount in proportion to the equity in the relevant <i>tokumei-kumiai</i> share <u>or amount in proportion to the equity in the relevant LPS Equity Interest share</u>, and that amount shall be the valuation.</p> <p>Attachment 3 Asset Management Fees Payable to the Asset Management Company</p>
<p>The asset management fees that the Investment Corporation pays to the Asset Management Company for the management of assets comprise Asset Management Fees I, II <u>and III</u>, Acquisition Fees, Disposition Fees and Merger Fees. The actual amount or calculation method, and date of payment of the aforementioned fees shall be as follows. The Investment Corporation shall transfer the amount of the aforementioned fees (including consumption tax and local consumption tax) to the account specified by the Asset Management Company.</p> <p>(1) Asset Management Fee I</p>	<p>The asset management fees that the Investment Corporation pays to the Asset Management Company for the management of assets comprise Asset Management Fees I <u>and II</u>, <u>ESG Performance-Linked Fees</u>, <u>Investment Unit Performance Fees</u>, Acquisition Fees, Disposition Fees and Merger Fees. The actual amount or calculation method, and date of payment of the aforementioned fees shall be as follows. The Investment Corporation shall transfer the amount of the aforementioned fees (including consumption tax and local consumption tax) to the account specified by the Asset Management Company.</p> <p>(1) Asset Management Fee I</p>



Current Articles of Incorporation	Proposed Amendments
<p>The Asset Management Fee I shall be the amount arrived at when the amount of total assets is multiplied by <u>0.13%</u> (rounded down to the nearest one yen).</p> <p>The payment date of the Asset Management Fee I shall be within the relevant fiscal period.</p> <p>(2) Asset Management Fee II</p> <p>The Asset Management Fee II shall be obtained by <u>multiplying the distributions per unit before the deduction of Asset Management Fees II and III by 23,000</u> (rounded down to the nearest one yen).</p> <p>The payment date of the Asset Management Fee II shall be within one month from the date when the Board of Directors approved the financial statements, etc. for the relevant fiscal period.</p>	<p>The Asset Management Fee I shall be the amount arrived at when the amount of total assets is multiplied by <u>0.12%</u> (rounded down to the nearest one yen).</p> <p>The payment date of the Asset Management Fee I shall be within the relevant fiscal period.</p> <p>(2) Asset Management Fee II</p> <p>The Asset Management Fee II shall be obtained by <u>multiplying (i) the distributable amount after the deduction of gain on sale calculated for each Settlement Date by (ii) earnings per unit after the deduction of gain on sale and (iii) 0.002%</u> (rounded down to the nearest one yen).</p> <p>The payment date of the Asset Management Fee II shall be within one month from the date when the Board of Directors approved the financial statements, etc. for the relevant fiscal period.</p>

Current Articles of Incorporation	Proposed Amendments
<p data-bbox="261 517 587 546"><u>(3) Asset Management Fee III</u></p> <p data-bbox="261 546 778 1122"><u>The Asset Management Fee III shall be obtained by subtracting (ii) simple average of distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods from (i) the distributions per unit before the deduction of Asset Management Fees II and III, and multiplying by (iii) the number of outstanding investment units for the relevant fiscal period, and then multiplying by (iv) 10.0% (rounded down to the nearest one yen); provided, however, that if the amount calculated by subtracting (ii) simple average of distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods from (i) the distributions per unit before the deduction of Asset Management Fees II and III does not exceed zero, the Asset Management Fee III shall be zero.</u></p> <p data-bbox="261 1122 778 1272"><u>The payment date of the Asset Management Fee III shall be within one month from the date when the Board of Directors approved the financial statements, etc. for the relevant fiscal period.</u></p> <p data-bbox="405 1272 628 1308">(Newly Established)</p>	<p data-bbox="1018 517 1118 546">(Deleted)</p> <p data-bbox="794 1272 1158 1308"><u>(3) ESG Performance-Linked Fee</u></p>

Current Articles of Incorporation	Proposed Amendments																																										
	<p data-bbox="794 517 1348 1211"> <u>The ESG Performance-Linked Fee shall be obtained by multiplying the amount of total assets by a multiplying factor determined based on the table below and 0.004% (rounded down to the nearest one yen). Provided, however, that if a multiplying factor cannot be obtained because the assessment is not carried out or the assessment criteria, etc. is changed at the discretion of the assessment organization, the multiplying factor shall be 1.0. On the other hand, if the multiplying factor cannot be obtained due to the circumstance of the Investment Corporation such as not participating in the assessment, the multiplying factor shall be 0.8. Even if the GRESB Real Estate Assessment is abolished, if there are indicators that can be objectively judged as replacement, including the case where the name of the assessment is only changed, the multiplying factor shall be determined using such indicators, and if there are not such indicators, the multiplying factor shall be 1.0 in the calculation for the time being. The payment date of the ESG Performance-Linked Fee shall be within the relevant fiscal period.</u> </p> <table border="1" data-bbox="810 1218 1342 1451"> <tbody> <tr> <td data-bbox="810 1218 963 1249"><u>GRESB</u></td> <td data-bbox="963 1218 1038 1249">★</td> <td data-bbox="1038 1218 1114 1249">★</td> <td data-bbox="1114 1218 1189 1249">★</td> <td data-bbox="1189 1218 1264 1249">★</td> <td data-bbox="1264 1218 1342 1249">★</td> </tr> <tr> <td data-bbox="810 1249 963 1281"><u>Real Estate</u></td> <td></td> <td data-bbox="1038 1249 1114 1281">★</td> <td data-bbox="1114 1249 1189 1281">★</td> <td data-bbox="1189 1249 1264 1281">★</td> <td data-bbox="1264 1249 1342 1281">★</td> </tr> <tr> <td data-bbox="810 1281 963 1312"><u>Assessment</u></td> <td></td> <td></td> <td data-bbox="1114 1281 1189 1312">★</td> <td data-bbox="1189 1281 1264 1312">★</td> <td data-bbox="1264 1281 1342 1312">★</td> </tr> <tr> <td data-bbox="810 1312 963 1344"></td> <td></td> <td></td> <td></td> <td data-bbox="1189 1312 1264 1344">★</td> <td data-bbox="1264 1312 1342 1344">★</td> </tr> <tr> <td data-bbox="810 1344 963 1375"></td> <td></td> <td></td> <td></td> <td data-bbox="1189 1344 1264 1375">★</td> <td data-bbox="1264 1344 1342 1375">★</td> </tr> <tr> <td data-bbox="810 1375 963 1406"><u>Multiplying</u></td> <td data-bbox="963 1375 1038 1406">0.8</td> <td data-bbox="1038 1375 1114 1406">0.9</td> <td data-bbox="1114 1375 1189 1406">1.0</td> <td data-bbox="1189 1375 1264 1406">1.1</td> <td data-bbox="1264 1375 1342 1406">1.2</td> </tr> <tr> <td data-bbox="810 1406 963 1438"><u>Factor</u></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> <p data-bbox="794 1458 1348 1547"> <u>*The multiplying factor is determined based on the GRESB Real Estate Assessment on the Settlement Date of the immediately preceding fiscal period.</u> </p>	<u>GRESB</u>	★	★	★	★	★	<u>Real Estate</u>		★	★	★	★	<u>Assessment</u>			★	★	★					★	★					★	★	<u>Multiplying</u>	0.8	0.9	1.0	1.1	1.2	<u>Factor</u>					
<u>GRESB</u>	★	★	★	★	★																																						
<u>Real Estate</u>		★	★	★	★																																						
<u>Assessment</u>			★	★	★																																						
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<u>Multiplying</u>	0.8	0.9	1.0	1.1	1.2																																						
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Current Articles of Incorporation	Proposed Amendments
(Newly Established)	<p><u>(4) Investment Unit Performance Fee</u>  <u>The Investment Unit Performance Fee shall be an amount calculated for each Settlement Date in accordance with the following formula (rounded down to the nearest one yen).</u>  <u>The payment date of the Investment Unit Performance Fee shall be within the relevant fiscal period.</u>  <u>&lt;Formula&gt;</u>  <u>total assets x (1+ excess return on investment units of the Investment Corporation) x 0.001%</u>  <u>Provided, however, that with respect to the Investment Unit Performance Fee for the fiscal period that includes the effective date of the absorption-type merger pursuant to the merger agreement dated June 13, 2023 between the Investment Corporation, Kenedix Residential Next Investment Corporation and Kenedix Retail REIT Corporation, in which the Investment Corporation shall be the surviving corporation, and Kenedix Residential Next Investment Corporation and Kenedix Retail REIT Corporation shall be the dissolving corporations (the “Merger”), 0 shall be multiplied in lieu of 0.001%.</u></p>
(4) Acquisition Fee (Details Omitted)	(5) Acquisition Fee (No Change)
(5) Disposition Fee (Details Omitted)	(6) Disposition Fee (No Change)
(6) Merger Fee (Details Omitted)	(7) Merger Fee (No Change)
(7) Adjustment Provisions	(8) Adjustment Provisions

Current Articles of Incorporation	Proposed Amendments
<p>① When the Investment Corporation has acquired treasury investment units and holds treasury investment units that are not disposed of or are not retired at the Settlement Date pertaining to the fiscal period in which the Investment Corporation has acquired such treasury investment units, in calculating <u>the distributions per unit before the deduction of Asset Management Fees II and III</u>, the number of outstanding investment units for the relevant Settlement Date shall be calculated as the number calculated by subtracting the treasury investment units held by the Investment Corporation.</p> <p>② When the Investment Corporation's investment units have been split and the number of outstanding investment units has increased, in calculating <u>the distributions per unit before the deduction of Asset Management Fees II and III</u> on and after the effective date of such split of investment units, it shall be adjusted by multiplying by the split ratio.</p>	<p>① When the Investment Corporation has acquired treasury investment units and holds treasury investment units that are not disposed of or are not retired at the Settlement Date pertaining to the fiscal period in which the Investment Corporation has acquired such treasury investment units, in calculating <u>the earnings per unit after the deduction of gain on sale</u>, the number of outstanding investment units for the relevant Settlement Date shall be calculated as the number calculated by subtracting the treasury investment units held by the Investment Corporation.</p> <p>② When the Investment Corporation's investment units have been split and the number of outstanding investment units has increased, in calculating <u>the earnings per unit after the deduction of gain on sale</u> on and after the effective date of such split of investment units, it shall be adjusted by multiplying by the split ratio.</p>
<p>③ <u>When the Investment Corporation's investment units have been split and the number of outstanding investment units has increased, in calculating the simple average of distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods on and after the effective date of such split of investment units, the distributions per unit before the deduction of Asset Management Fees II and III for each fiscal period shall be adjusted pursuant to the provisions of the above ② on the assumption that the investment unit split conducted during the most recent four fiscal periods including the fiscal period in which the effective date falls has come into effect on the first day of the first fiscal period of the relevant four fiscal periods.</u></p>	<p>(Deleted)</p>

Current Articles of Incorporation	Proposed Amendments
<p>④When the rights offering was made and the number of outstanding investment units has increased, in calculating <u>the distributions per unit before the deduction of Asset Management Fees II and III</u> on and after the issue date related to such rights offering, it shall be adjusted by multiplying the ratio of allocation without contribution.</p> <p>(Newly Established)</p>	<p>③When the rights offering was made and the number of outstanding investment units has increased, in calculating <u>the earnings per unit after the deduction of gain on sale</u> on and after the issue date related to such rights offering, it shall be adjusted by multiplying the ratio of allocation without contribution.</p> <p>④When the split of the investment units of the Investment Corporation was made and the number of outstanding investment units has increased, in calculating the excess return on the investment units of the Investment Corporation on and after the effective date of the split of the investment units, the final price at the time on and after the effective date of the split shall be adjusted by multiplying the split ratio.</p>
<p>⑤When the rights offering was made and the number of outstanding investment units has increased, in calculating <u>the simple average of distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods</u> on and after the issue date related to such rights offering, <u>the distributions per unit before the deduction of Asset Management Fees II and III for each fiscal period</u> shall be adjusted pursuant to the provisions of the above ④ on the assumption that the rights offering made during the most recent four fiscal periods including the fiscal period in which the issue date falls was made on the first day of the first fiscal period of the relevant four fiscal periods.</p>	<p>⑤When the rights offering was made and the number of outstanding investment units has increased, in calculating <u>the excess return on the investment units of the Investment Corporation</u> on and after the issue date related to such rights offering, <u>the final price at the time after the rights offering</u> shall be adjusted by multiplying the ratio of allocation without contribution.</p>

Current Articles of Incorporation	Proposed Amendments
(Newly Established)	<p><u>⑥ When the specific fiscal period of the Investment Corporation exceeds or falls short of 6 months due to a change in the fiscal period set forth in Article 34 or for any other reason, (i) the Asset Management Fee I, ESG Performance-Linked Fee and Investment Unit Performance Fee shall be calculated on an annual basis of 0.24%, 0.008% and 0.002%, respectively, with an adjustment to be calculated on a daily basis based on the actual number of days in the relevant fiscal period with 365 days per year (rounded down to the nearest one yen), and (ii) the earnings per unit after the deduction of gain on sale in the Asset Management Fee II shall be calculated by adjusting it to the amount reasonably calculated as earnings per unit after the deduction of gain on sale on the assumption that the relevant fiscal period is six months, based on the actual number of days in the fiscal period.</u></p>
(8) Meaning of Terms	(9) Meaning of Terms

Current Articles of Incorporation	Proposed Amendments
<p>① “Total assets” means total assets stated in the balance sheet (limited to that approved pursuant to the provisions of Article 131, Paragraph 2 of the Investment Trusts Act) for the Investment Corporation’s Settlement Date immediately prior to the first day of the fiscal period that is subject to Asset Management Fee I for each fiscal period.</p>	<p>① “Total assets” means total assets <u>(less an amount equal to unamortized positive goodwill)</u> stated in the balance sheet (limited to that approved pursuant to the provisions of Article 131, Paragraph 2 of the Investment Trust Act; <u>the same shall apply hereafter</u>) for the Investment Corporation’s Settlement Date immediately prior to the first day of the fiscal period that is subject to Asset Management Fees for each fiscal period. <u>Provided, however, that in relation to the calculation of the Asset Management Fee I for the fiscal period that includes the effective date of the Merger, it shall mean the total amount of assets stated in the balance sheet of the Investment Corporation for the Settlement Date immediately preceding the first day of the relevant fiscal period, plus the appraised value based on the appraisal by a real estate appraiser with the price as of October 31, 2023 for the real estate, etc. owned by Kenedix Residential Next Investment Corporation and Kenedix Retail REIT Corporation.</u></p>
<p>(Newly Established)</p>	<p>② “Distributable amount after the deduction of <u>gain on sale</u>” means the amount after compensating the amount of loss carried forward, if any, in the net income before tax <u>(the amortization of goodwill shall be added and the gain on negative goodwill shall be excluded)</u> before the deduction of the Asset Management Fee II <u>(including non-deductible consumption taxes related to the Asset Management Fee II)</u> after deduction of the final gain on sale for the relevant fiscal period, which is calculated for each fiscal period of the Investment Corporation subject to the Asset Management Fee II, in accordance with generally accepted corporate accounting practices.</p>



Current Articles of Incorporation	Proposed Amendments
<p>② <u>“Distributions per unit before the deduction of Asset Management Fees II and III”</u> means the amount calculated using the following formula for each of the Investment Corporation’s fiscal periods that is subject to Asset Management Fees II <u>or III</u> (rounded down to the nearest one yen):</p> <p>&lt;Formula&gt;  <u>Distributions per unit before the deduction of Asset Management Fees II and III = A/B</u>  A: <u>When there is a loss carried forward, the amount calculated by subtracting the loss carried forward from net income for the period before the deduction of Asset Management Fees II and III for the relevant fiscal period</u>  B: The number of outstanding investment units at the Settlement Date <u>for the relevant fiscal period</u></p>	<p>③ <u>“Earnings per unit after the deduction of gain on sale”</u> means the amount calculated using the following formula for each of the Investment Corporation’s fiscal periods that is subject to Asset Management Fee II (rounded down to the nearest one yen):</p> <p>&lt;Formula&gt;  <u>Earnings per unit after the deduction of gain on sale = A/B</u>  A: <u>Distributable amount after the deduction of gain on sale calculated for each Settlement Date</u>  B: The number of outstanding investment units at the <u>relevant Settlement Date</u></p>
<p>③ <u>“Net income for the period before the deduction of Asset Management Fees II and III”</u> means the net income for the period before taxes and before the deduction of Asset Management Fees II and III of each fiscal period of the Investment Corporation subject to Asset Management Fees II and III, as calculated pursuant to <u>generally accepted corporate accounting practices (including consumption taxes that are not subject to deduction for the relevant fees).</u></p> <p>④ (Details Omitted)</p> <p>⑤ <u>“Simple average of distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods”</u> means the distributions per unit before the deduction of Asset Management Fees II and III for the most recent four fiscal periods including each of the Investment Corporation’s fiscal period that is subject to Asset Management Fee III simply averaged for each of the relevant fiscal periods.</p>	<p>(Deleted)</p> <p>④ (No Change) (Deleted)</p>

Current Articles of Incorporation		Proposed Amendments	
<u>⑥</u>	(Details Omitted)	<u>⑤</u>	(No Change)
<u>⑦</u>	(Details Omitted)	<u>⑥</u>	(No Change)
<u>⑧</u>	(Details Omitted)	<u>⑦</u>	(No Change)
<u>⑨</u>	(Details Omitted)	<u>⑧</u>	(No Change)
<u>⑩</u>	(Details Omitted)	<u>⑨</u>	(No Change)
<u>⑪</u>	(Details Omitted)	<u>⑩</u>	(No Change)
<u>⑫</u>	(Details Omitted)	<u>⑪</u>	(No Change)
<u>⑬</u>	(Details Omitted)	<u>⑫</u>	(No Change)
	(Newly Established)	<u>⑬</u>	<p>“Excess return on the investment units of the Investment Corporation” means the amount calculated in accordance with the following formula for each fiscal period of the Investment Corporation subject to the Investment Unit Performance Fee.</p> <p>&lt;Formula&gt;</p> <p>The excess return on the investment units of the Investment Corporation shall be A-B.</p> <p>A: {(Number of additional investment units purchased through reinvestment of dividends for the fiscal period immediately preceding the first day of the relevant fiscal period of the Investment Corporation +1) x the final price (meaning the closing price, and if there is no closing price, the indicative price (the lowest ask price or the highest bid price published; if both are published, the middle rate of the two prices); hereafter the same shall apply in this ⑬) of the investment units on the last business day of the previous fiscal period / the final price of the investment units as of the last business day of the period before the previous fiscal period -1} x 100</p> <p>B: {The final price of the TSE REIT Index including dividends (“TSE REIT Index (Including Dividends)”) published by Tokyo Stock Exchange, Inc. (“TSE”) on the last business day of the previous fiscal period / TSE REIT Index (Including Dividends) on the last business day of the period before the previous fiscal period -1} x 100</p>

Current Articles of Incorporation	Proposed Amendments
(Newly Established)	<p><u>Provided, however, that if the final price of the TSE REIT Index (Including Dividends) cannot be obtained due to reasons such as the fact that the TSE REIT Index (Including Dividends) is not published by TSE, the final price of the TSE REIT Index (Including Dividends) shall be calculated using the value calculated by the Investment Corporation in accordance with the calculation method of the TSE REIT Index (Including Dividends) published at the latest time of the relevant fiscal period.</u></p> <p><u>⑭“Final price” means the closing price or, if there is no closing price, the indicative price (the lowest ask price or the highest bid price published; if both are published, the middle rate of the two prices).</u></p>

**Agenda Item No. 3: Election of One (1) Executive Director**

This is to request to once again appoint one Executive Director as of the effective date of the Merger subject to the Merger taking effect, because Executive Director Hiroaki Momoi has tendered his resignation as of the end of the day before the effective date of the Merger in order to adjust his term of office subject to the Merger taking effect.

Concerning Agenda Item No. 3, the term of office of an Executive Director shall be from the effective date of the Merger until the end of July, 2025, as stipulated in the proviso of Article 20, Paragraph 2 of the amended Articles of Incorporation. Agenda Item No. 3 was unanimously approved for submission by all Supervisory Directors of the Investment Corporation at a Board of Directors meeting held on July 19, 2023.

The candidate for the Executive Director position is as follows.

Name (Birth Date)	Main Brief Personal History (Corporate names are based on the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
Hiroaki Momoi (December 17, 1975)	April 1999	Nippon Life Insurance Company	0 unit
	May 2008	Secured Capital Japan Co., Ltd.	
	August 2014	Kenedix, Inc. Seconded to Kenedix Real Estate Fund Management, Inc.	
	April 2018	Head of Planning Division, Office REIT Department, Kenedix Real Estate Fund Management, Inc.	
	November 2021	Head of Strategic Planning, Office REIT Department and General Manager (Office REIT) of Strategic Planning Department, Kenedix Real Estate Fund Management, Inc.	
	November 2021	Executive Director, Kenedix Office Investment Corporation	
	May 2022	Head of Strategic Planning, Office REIT Department and Head (Office REIT) of Strategic Planning Department, Kenedix Real Estate Fund Management, Inc.	
	January 2023	Executive Director, Kenedix Office Investment Corporation (current position)	

	January 2023	Director, Chief Operating Officer and Head of Office REIT Department, Kenedix Real Estate Fund Management, Inc. (current position)	
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- Corporate names are in principle based on the names of the relevant corporations at the relevant point in time. The same shall apply hereinafter.
- The abovementioned Executive Director candidate is currently Director, Chief Operating Officer and Head of Office REIT Department of Kenedix Real Estate Fund Management, Inc., with which the Investment Corporation has concluded the Asset Management Agreement.
- There is no special interest between the Investment Corporation and the candidate other than as stated above.
- The abovementioned Executive Director candidate is currently executing overall business operations of the Investment Corporation as the Executive Director of the Investment Corporation.
- The Investment Corporation has concluded an officers' liability insurance contract with an insurance company pursuant to Article 116-3, Paragraph 1 of the Investment Trusts Act, and the Investment Corporation will compensate for damages, litigation expenses, and other damages incurred by the insured as a result of receiving a claim for damages arising from an act performed by the insured in connection with his or her business as an officer of the Investment Corporation to the extent provided in the insurance contract. The abovementioned Executive Director candidate is currently included as an executive director among the insureds under the relevant insurance contract, and in the event that the abovementioned Executive Director candidate is appointed as executive director, such candidate shall be once again included among the insureds under the relevant insurance contract. In addition, it is intended that upon the expiration of the relevant insurance contract, the same type of contract will be entered into again.

**Agenda Item No. 4: Election of One (1) Alternate Executive Director**

This is to request the new appointment of one Alternate Executive Director as of the effective date of the Merger, subject to the Merger taking effect, in order to avoid a situation where there is a vacancy in the office of Executive Director or a situation where there are fewer Executive Directors than the number designated by the relevant regulatory requirements.

Furthermore, the period during which the resolution on the appointment of one Alternate Executive Director under this Agenda Item remains effective shall be from the effective date of the Merger (being the date of appointment of the Executive Director under Agenda Item No. 3) until the end of July, 2025, when the term of office of the said Executive Director expires, pursuant to the provisions in the text of Article 20, Paragraph 3 of the Articles of Incorporation, subject to approval being obtained for Agenda Item No. 3.

The Investment Corporation may cancel the appointment of an Alternate Executive Director by a resolution of the Board of Directors meeting only before the inauguration.

Agenda Item No. 4 was unanimously approved for submission by all Supervisory Directors of the Investment Corporation at a Board of Directors meeting held on July 19, 2023.

The candidate for the Alternate Executive Director position is as follows.

Name (Birth Date)	Main Brief Personal History (Corporate names are based on the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
Moyuru Watanabe (March 23, 1971)	April 1994 December 1997 April 2004 April 2006 December 2008 May 2011 October 2013 March 2014 March 2015 July 2015	The Bank of Tokyo, Ltd. Seconded to Ministry of International Trade and Industry Y's Therapeutics Co., Ltd. New City Corporation Kenedix, Inc. Head of Finance & Accounting Department of Kenedix, Inc. Auditor, Space Design Inc. Auditor, Kenedix Property Management, Inc. Executive Officer, Head of Finance & Accounting Department of Kenedix, Inc. Auditor, Kenedix Engineering, Inc.	0 unit

	June 2017	Auditor, Bit Realty, Inc.	
	June 2018	Auditor, Kenedix Investment Partners, Inc.	
	February 2020	Head of Retail REIT Department, Kenedix Real Estate Fund Management, Inc.	
	February 2020	Executive Director, Kenedix Retail REIT Corporation (current position)	
	March 2020	Director, Chief Operating Officer and Head of Retail REIT Department, Kenedix Real Estate Fund Management, Inc. (current position)	

- The abovementioned Alternate Executive Director candidate is currently Director, Chief Operating Officer and Head of Retail REIT Department of Kenedix Real Estate Fund Management, Inc., with which the Investment Corporation has concluded the Asset Management Agreement.
- There is no special interest between the Investment Corporation and the candidate other than as stated above.
- The abovementioned Alternate Executive Director candidate is currently executing overall business operations of KRR as the Executive Director of KRR.
- The Investment Corporation has concluded an officers' liability insurance contract with an insurance company pursuant to Article 116-3, Paragraph 1 of the Investment Trusts Act, and the Investment Corporation will compensate for damages, litigation expenses, and other damages incurred by the insured as a result of receiving a claim for damages arising from an act performed by the insured in connection with his or her duties as an officer of the Investment Corporation to the extent provided in the insurance contract. In the event that the candidate is appointed as executive director, such candidate shall be newly included among the insureds under the relevant insurance contract. In addition, it is intended that upon the expiration of the applicable insurance contract, the same type of contract will be again entered into again.

**Agenda Item No. 5: Election of Four (4) Supervisory Directors**

This is to request the new appointments of four Supervisory Directors as of the effective date of the Merger, subject to the Merger taking effect, as two Supervisory Directors, Yoshihiro Morishima and Takahiro Seki, have tendered their resignation as of the end of the day before the effective date of the Merger, subject to the Merger taking effect, and also given that Supervisory Director Akiko Tokuma has tendered her resignation as of the end of the day before the effective date of the Merger, subject to the Merger taking effect, in order to adjust her term of office.

In this Agenda Item, the term of office of Supervisory Directors shall be from the effective date of the Merger until the end of July 2025, as stipulated in the proviso of Article 20, Paragraph 2 of the amended Articles of Incorporation.

The candidates for the four Supervisory Director positions are as follows.

Candidate No.	Name (Birth Date)	Main Brief Personal History (Corporate names are based on the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
1	Akiko Tokuma (Name on family register: Akiko Iwasaki) (November 14, 1973)	April 1996	Director, Tokuma Consulting K.K.	0 unit
		October 1998	Chuo Audit Corporation	
		April 2002	Registered as a certified public accountant	
		August 2007	Ernst & Young ShinNihon	
		October 2010	Tokuma Certified Public Accountants' Office (current position)	
		February 2011	Registered as a certified public tax accountant	
		January 2015	Tokuma Tax Accountants' Corporation	
		November 2020	Partner of Tokuma Tax Accountants' Corporation	
		February 2022	Supervisory Director, Kenedix Office Investment Corporation (current position)	



		April 2022	Representative Partner of Tokuma Tax Accountants' Corporation (current position)	
		April 2022	Representative Director, Tokuma Consulting K.K. (current position)	

Candidate No.	Name (Birth Date)	Main Brief Personal History (Corporate names are based on the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
2	Osamu Utsunomiya (September 28, 1960)	April 1986	Technical Official, Ministry of Health and Welfare	0 unit
		May 1986	Registered the license in the medical register	
		June 1996	Director, Programme on Technology Transfer, Western Pacific Regional Office (WPRO), World Health Organization (WHO)	
		August 2002	Director-General, Health and Welfare, Okayama Prefecture	
		July 2004	Director, Clinical training for physicians office, Medical Professions Division, Health Policy Bureau, Ministry of Health, Labour and Welfare	
		April 2009	Visiting Professor, Keio University School of Medicine (current position)	
		September 2009	Director, Division of the Health for the Elderly, Health and Welfare Bureau for the Elderly, Ministry of Health, Labour and Welfare	
		September 2012	Director, Medical Economics Division, Health Insurance Bureau, Ministry of Health, Labour and Welfare	

		July 2014	Director-General, Planning and Strategy Bureau and Director-General, International Health Cooperation, National Center for Global Health and Medicine	
		June 2016	Director-General, Narita Airport Quarantine Station, Ministry of Health, Labour and Welfare	
		July 2017	Minister's Secretariat for Environmental Health and Food Safety, Minister's Secretariat, Ministry of Health, Labour and Welfare	
		July 2018	Director-General of Health Service Bureau, Ministry of Health, Labour and Welfare	
		July 2019	Retired from Ministry of Health and Welfare	
		October 2019	Vice Chairman, Medical Corporation KEN-IKU KAI	
		May 2020	Director, Japan Association of Rehabilitation Hospital and Institution	
		June 2021	Director, Japan Architectural Hygiene Management Education Center	
		November 2021	Supervisory Director, Kenedix Residential Next Investment Corporation (current position)	

		July 2023	Chairman, Japan Architectural Hygiene, Management Education Center (current position)	
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Candidate No.	Name (Birth Date)	Main Brief Personal History (Corporate names are the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
3	Akiko Yamakawa (April 5, 1973)	April 1999	Registered as a lawyer (Dai-ichi Tokyo Bar Association)	0 unit
		April 1999	Komatsu Koma & Nishikawa Law Office	
		April 2000	Freshfields Bruckhaus Deringer LLP	
		July 2017	Member of the Basic Subcommittee of Labour Policy Council, Ministry of Health, Labour and Welfare (current position)	
		September 2017	Partner, Vanguard Lawyers Tokyo (current position)	
		July 2018	Supervisory Director, Kenedix Retail REIT Corporation (current position)	
		June 2020	Outside Auditor, TIS Inc. (current position)	

Candidate No.	Name (Birth Date)	Main Brief Personal History (Corporate names are based on the names of the relevant corporations at the relevant point in time.)		Number of the Investment Corporation's Investment Units Held
4	Satoru Yamanaka (February 13, 1954)	April 1978	Sumitomo Life Insurance Company	0 unit
		July 1987	Seconded to Sumitomo Life Realty (N.Y.), Inc. as Vice President and Los Angeles Branch Manager	
		April 1994	Assistant General Manager, Real Estate Department, Sumitomo Life Insurance Company	
		October 1997	Personal Loan Division Chief, Personal Loan Department (Head Office), the same	
		April 2000	Senior Assistant General Manager, Real Estate Department, the same	
		May 2001	Seconded to Nippon Building Fund Management, Ltd. as Director and Chief Operating Officer	
		April 2006	General Manager, Real Estate Department, Sumitomo Life Insurance Company	
		January 2007	Executive Director and Senior Vice President, New City Corporation	
		September 2008	Representative Director & President, LaSalle Investment Advisors K.K.	
		May 2010	Advisor, Canal Investment Trust Co., Ltd.	
		October 2010	Managing Director, Heiwa Real Estate Asset Management Co., Ltd.	

		June 2016	Managing Director and Investment Management Division General Manager, the same	
		July 2018	President and Representative Director, MUL Realty Advisers Company Limited	
		November 2018	Executive Officer, MUL Private REIT Inc.	

- There is no special interest between the Investment Corporation and the four candidates.
- The abovementioned Supervisory Director candidate, Akiko Tokuma, is currently supervising the overall exercise of duties of the Investment Corporation's Executive Director.
- The abovementioned Supervisory Director candidate, Osamu Utsunomiya, is currently supervising the overall exercise of duties of KDR's Executive Director as Supervisory Director of KDR, which is one of the parties of the Merger.
- The abovementioned Supervisory Director candidate, Akiko Yamakawa, is currently supervising the overall exercise of duties of KRR's Executive Director as Supervisory Director of KRR, which is one of the parties of the Merger.
- The Investment Corporation has concluded an officers' liability insurance contract with an insurance company pursuant to Article 116-3, Paragraph 1 of the Investment Trusts Act, and the Investment Corporation will compensate for damages, litigation expenses, and other damages incurred by the insured as a result of receiving a claim for damages arising from an act performed by the insured in connection with his or her duties as an officer of the Investment Corporation to the extent provided in the insurance contract. The abovementioned Supervisory Director candidate, Akiko Tokuma, is currently included among the insureds under the relevant insurance contract as supervisory director, and in the event such candidate is appointed as supervisory director, she will continue to be included among the insureds under the relevant insurance contract. In addition, in the event that the abovementioned Supervisory Director candidates, Osamu Utsunomiya, Akiko Yamakawa, and Satoru Yamanaka are appointed as supervisory directors, such candidates shall be newly included among the insureds under the relevant insurance contract. It is intended that upon the expiration of the applicable insurance contract, the same type of contract will be entered into again.

**Reference Matter**

Rules and regulations identified under “Deemed Approval,” as stipulated under Article 93, Paragraph 1 of the Investment Trusts Act and Article 15 of the current Articles of Incorporation, will not apply to any agendum submitted to the General Meeting of Unitholders if such agendum conflict in intent with any other agendum. The Investment Corporation believes that Agenda Item No. 1 through No. 5 do not conflict in intent.