



Financial Results for the Period Ended January 2020 (16th Fiscal Period)

March 17, 2020

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Revised editions of our annual reports will be posted on our website if there should be major corrections going forward.

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1. Aiming for More Growth

Progress toward Targets

Initial Targets and Progress

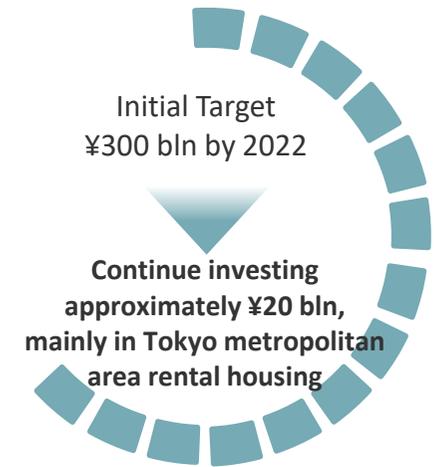
DPU (Stabilized)



Market Capitalization



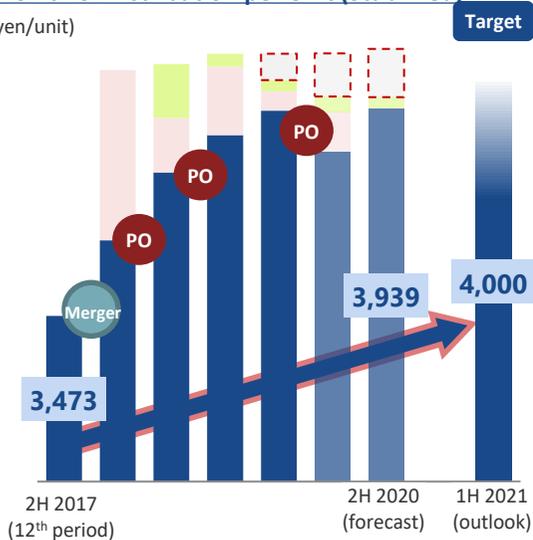
Asset Size



Aiming for a stabilized DPU of **¥4,000**
by 1H 2021

Growth of Distribution per Unit (Stabilized)

(yen/unit)



Aiming for a market capitalization consistently more than **¥200 bln**

Increase in Market Capitalization

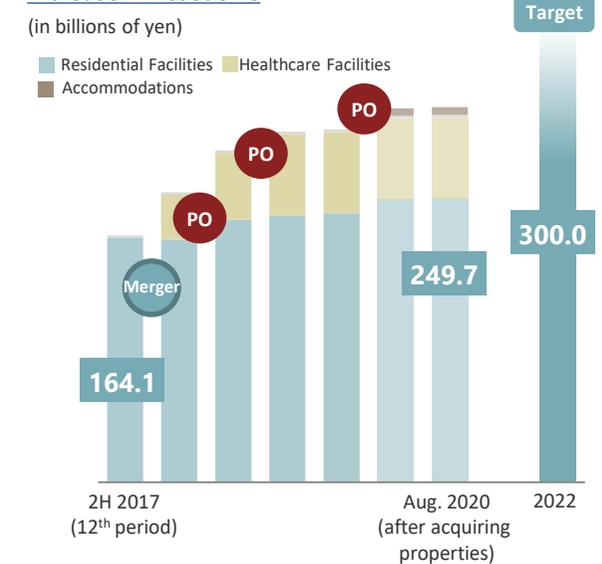
(in billions of yen)



Aiming for assets of **¥300 bln** by 2022

Increase in Asset Size

(in billions of yen)



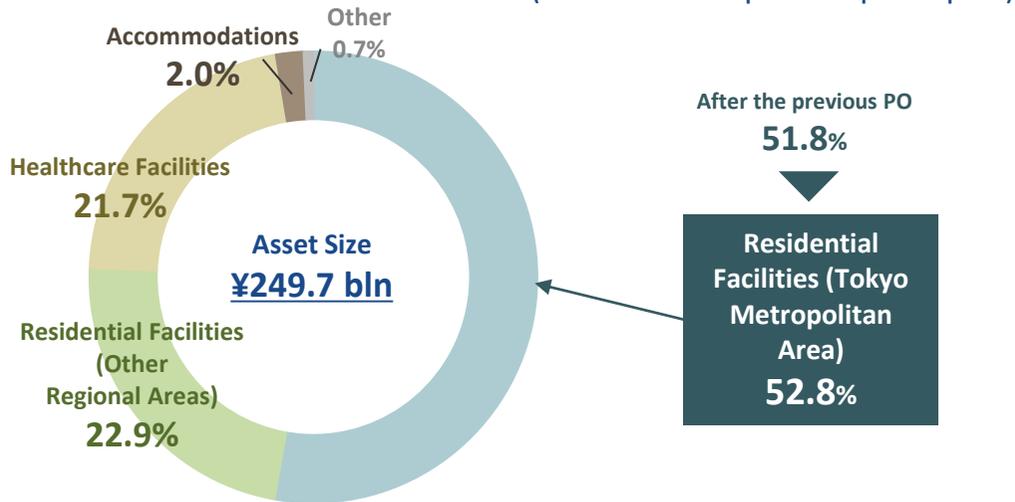
Portfolio Composition and Structuring Policy

■ Continue building a highly stable portfolio centered on Tokyo metropolitan area rental housing

Portfolio Composition (including assets to be acquired) ⁽¹⁾

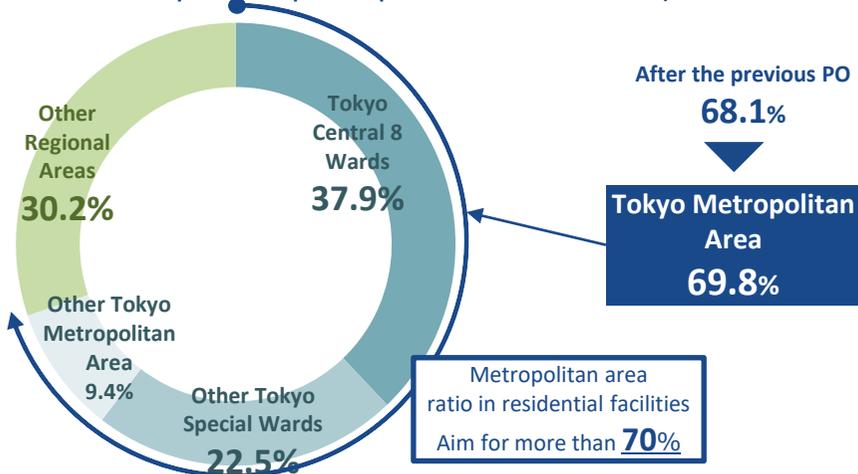
Ratio of Tokyo metropolitan area residential facilities

(based on actual and planned acquisition prices)



Increase in Tokyo metropolitan area ratio

(based on actual and planned acquisition prices of residential facilities)



Targets for Portfolio Weighting Based on Use

Use	Asset Size ⁽¹⁾	Investment Ratio ⁽¹⁾	Target Investment Ratio When Asset Size Reaches ¥300 bln ⁽²⁾
Residential Facilities	¥188.8 bln	75.6%	Approx. 70-75%
Healthcare Facilities	¥54.1 bln	21.7%	Approx. 20-25%
Accommodations	¥4.9 bln	2.0%	Approx. 0-10%
Other	¥1.7 bln	0.7%	Approx. 0-5%

Note 1: Percentages use prices of properties that include assets to be acquired by August 2020, which are already scheduled for as of the date of this presentation.

Note 2: This is a rough estimate for target investment ratio. The actual investment ratio may differ from the above ratio depending on the future market environment and other factors.

Overview of Public Offerings and Newly (To-be) Acquired Properties

Use various acquisition routes and methods to buy properties at competitive prices, mainly in the Tokyo metropolitan area, which is capable of internal growth

Summary of Newly (To-be) Acquired Properties

Newly Acquired Properties (Residential Facilities)		
No. of properties acquired:	9	Total acquisition price: ¥12.4 bln
		Average appraisal NOI cap rate: 4.7 %

	KDX Residence Nishi-Funabashi (Funabashi-shi, Chiba)	KDX Residence Asagaya II (Suginami-ku, Tokyo)	KDX Residence Hatagaya (Shibuya-ku, Tokyo)	KDX Residence Gakugeidaigaku (Meguro-ku, Tokyo)	KDX Residence Sendai Station East (Sendai-shi, Miyagi)	KDX Residence Kamata-minami (Ota-ku, Tokyo)	KDX Residence Kichijoji (Musashino-shi, Tokyo)	KDX Residence Mitaka (Mitaka-shi, Tokyo)	KDX Residence Nakanobu (Shinagawa-ku, Tokyo)
									
Acquisition price	¥975 mln	¥939 mln	¥2,500 mln	¥750 mln	¥1,340 mln	¥1,918 mln	¥621 mln	¥2,530 mln	¥830 mln
Appraisal NOI cap rate ⁽¹⁾	5.0%	4.6%	4.6%	4.6%	5.0%	4.5%	4.5%	4.8%	4.6%
Date of acquisition	September 17, 2019	October 29, 2019	February 27, 2020	February 27, 2020	February 27, 2020	March 2, 2020	March 13, 2020	June 30, 2020 (scheduled)	August 3, 2020 (scheduled)
Construction completion	January 2011	August 2006	January 2002	April 2003	February 2019	February 2020	February 2020	May 2020 (scheduled)	May 2008
Occupancy rate ⁽²⁾	100%	90.5%	94.8%	91.5%	98.9%	— ⁽³⁾	—	—	86.8%

Note 1: "Appraisal NOI cap rate" for (to-be) acquired properties is the net operating income (NOI) using the direct capitalization method in the appraisal reports divided by the (planned) acquisition price (before taxes).

Note 3: KDR has concluded lease agreements with companies in Japan for 69 units of 80 rentable units of this property. The occupancy rate based on these agreements is 79.6%.

Note 2: The above "occupancy rate" is figures as of January 31, 2020.

Selective Investments in Accommodations

	HOTEL LIVEMAX Tokyo-Otsuka-Ekimae (Toshima-ku, Tokyo)	HOTEL LIVEMAX Yokohamaeki-Nishiguchi (Yokohama-shi, Kanagawa)
		
Acquisition price	¥2,390 mln	¥2,570 mln
Appraisal NOI cap rate	4.2%	4.3%
Date of acquisition	March 2, 2020	March 2, 2020
Construction completion	October 2018	November 2018
Occupancy rate	100%	100%

Stance regarding Accommodations



- The goal is stable rental income based on a fixed rent contract and long-term contract
- Carefully select operators able to generate consistent revenue where properties are located
- These two LIVEMAX hotels are largely unaffected by changes in the number of foreign visitors in Japan

Overview of Public Offerings (PO)

	1st Public Offering After Merger (August 2018)	2nd Public Offering After Merger (February 2019)	Current PO February 2020
Date of resolution for issuance	July 13, 2018	February 4, 2019	February 10, 2020
Date when the issue price was determined	July 24, 2018	February 13, 2019	February 19, 2020
Issue price /Paid-in amount	¥157,047 /¥151,892	¥175,500 /¥169,740	¥208,065 /¥201,342
Total paid-in amount ⁽⁴⁾	Approx. ¥12.47 bln	Approx. ¥6.19 bln	Approx. ¥8.81 bln

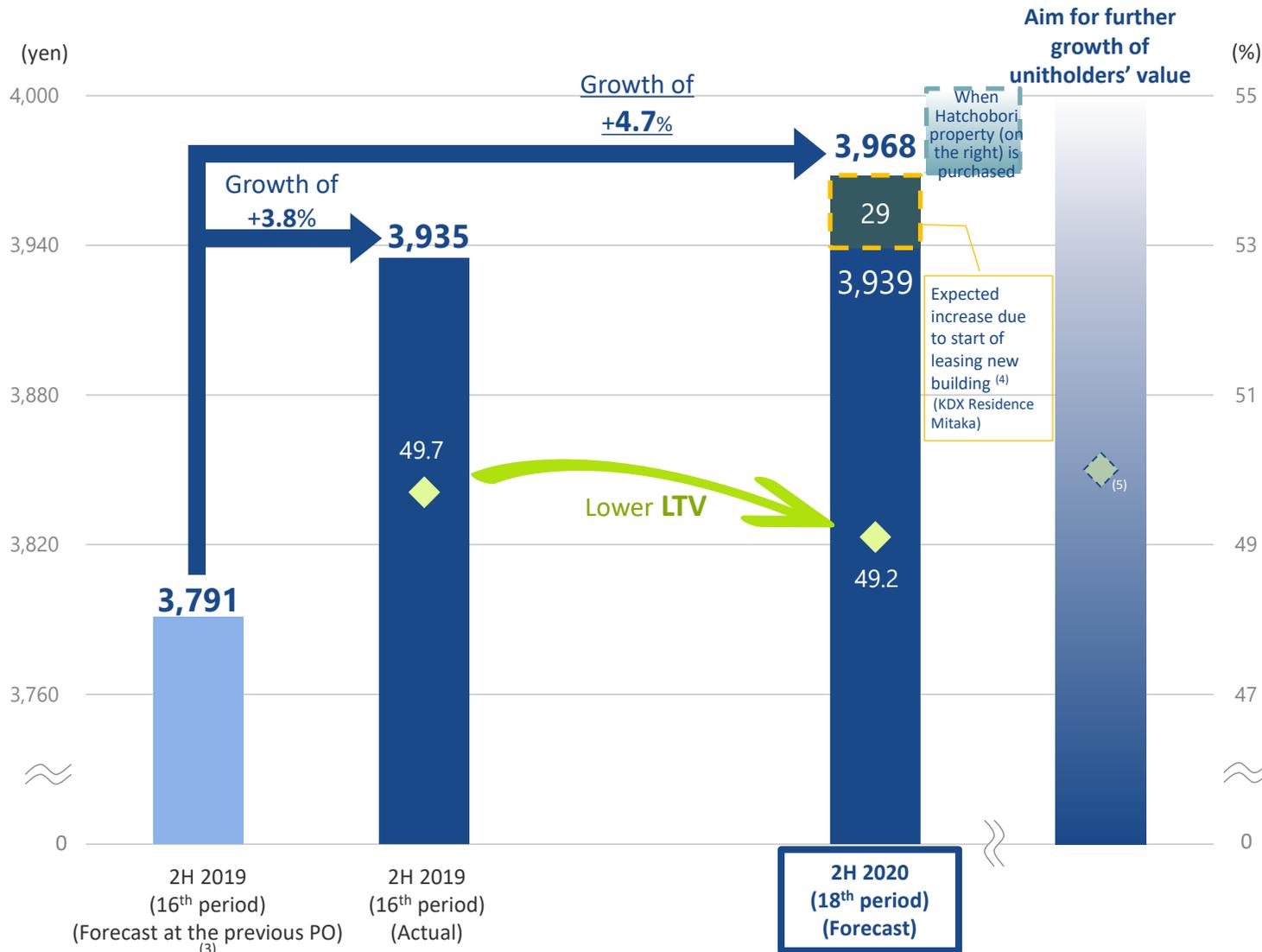
Note 4: Excludes offerings with a third-party allotment.

1. Aiming for More Growth

Stabilized DPU Growth

- Steady growth of the DPU (stabilized), excluding one-time factors, backed by internal and external growth
- The goal is more DPU growth due to internal growth and by using public offering proceeds for more acquisitions

DPU Excluding One-time Factors (including leasing of new building) ⁽¹⁾ and Loan to Value (LTV) Ratio ⁽²⁾



- Steady DPU growth, excluding one-time factors, backed by internal growth and external growth using public offering proceeds
- Expect a lower LTV because of the public offerings (ability to make more acquisitions)
- Controlling LTV while using the ability to acquire more properties is expected to result in further DPU growth

Pipeline for Residential Facilities

Sponsor Support		
	Tokyo Metropolitan Area	Tokyo Metropolitan Area
	Preferential Negotiation Rights	
	(Tentative name) Hatchobori Project	(Tentative name) Kamishakujii Project
Location	Chuo-ku, Tokyo	Nerima-ku, Tokyo
Rentable units	About 40 to 50	About 110 to 120
Construction completion (scheduled)	Mid-September 2020	Mid-November 2020

Note: Please refer to page 30 for notes on this page.

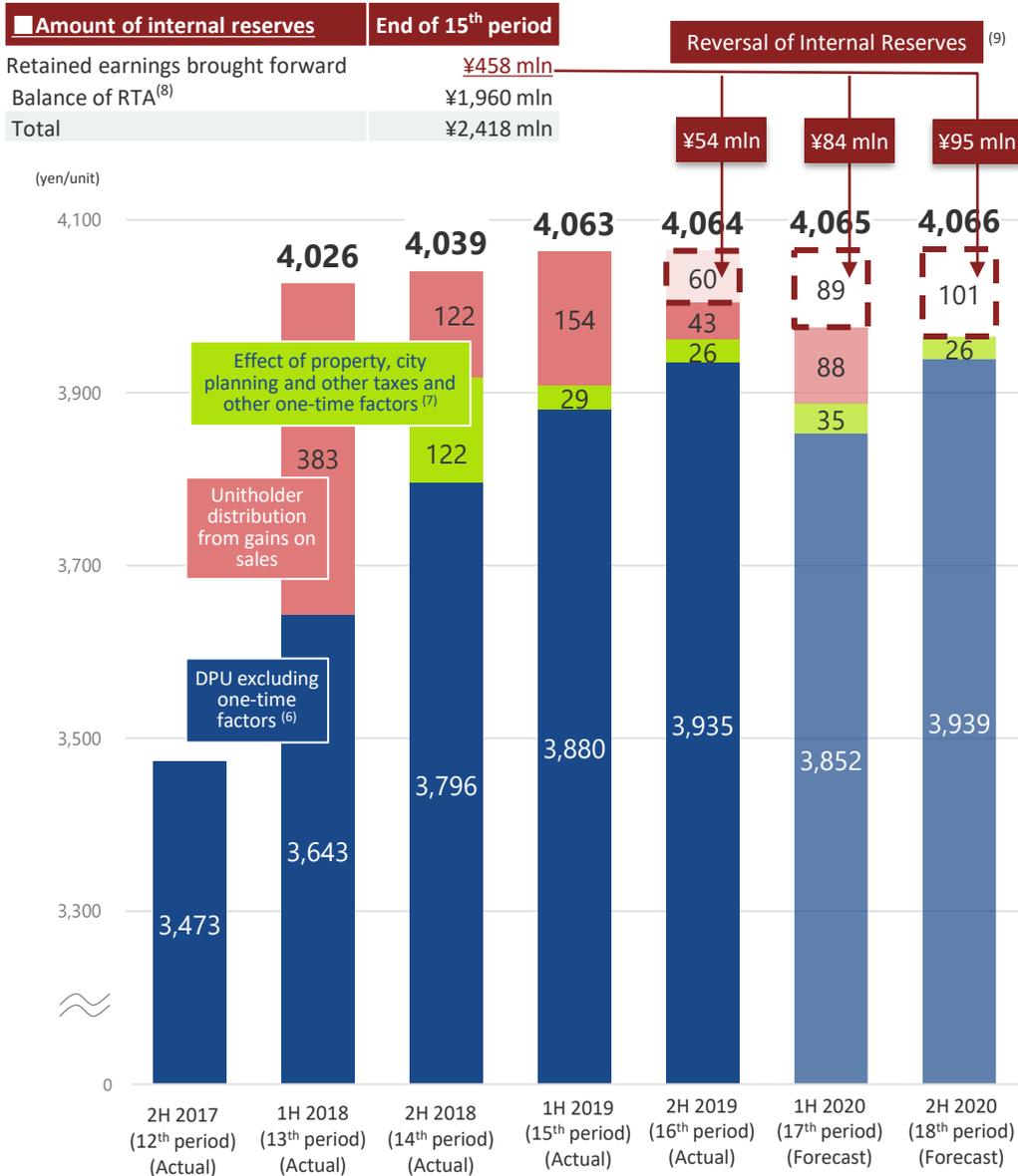
1. Aiming for More Growth

Strategic Asset Replacements and Management of Distributions

Use gain on sales resulting from asset replacements for distribution consistency and increases

Sold 2 properties located in other regional areas to improve the quality of the portfolio

Management of Distributions (Trend of DPU)



Strategic Asset Replacements

Melody Heim Gotenyama (Sold in 2H 2019)



Selling Price ¥480 mln
Book Value ¥420 mln

Reason for sale

- A more distant suburban location than for the 2 properties sold
- The oldest property in KDR's residential facility portfolio
- Due to building age, expected increase in capital expenditures and repair expenses, such as new elevators

About 31 years old when sold



Sold in 1H 2018
KDX Shimmachi Residence

About 11 years old when sold

Sold in 1H 2019
KDX Residence Shin-Osaka

About 12 years old when sold

KDX Residence Izumi Chuo (Sold in 1H 2020)

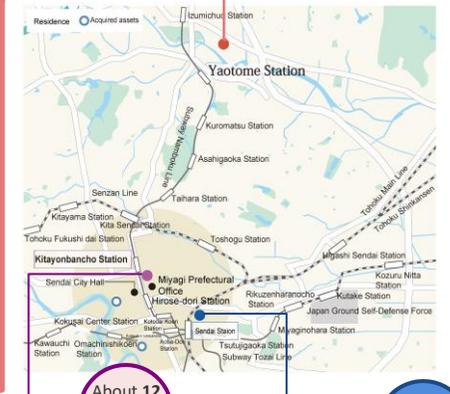


Selling Price ¥540 mln
Book Value ¥450 mln
(Assumed value on February 28, 2020)

Reason for sale

- Strategic replacement of a suburban property with a new apartment building for single people that is near Sendai Station
- The most distant suburban location among KDR's properties in Sendai-shi and had become less competitive

About 13 years old when sold



Sold in 2H 2018
KDX Residence Kotodai

About 12 years old when sold

Acquired in 1H 2020
KDX Residence Sendai Station East

About 1 yr old when acquired

Note: Please refer to page 30 for notes on this page.

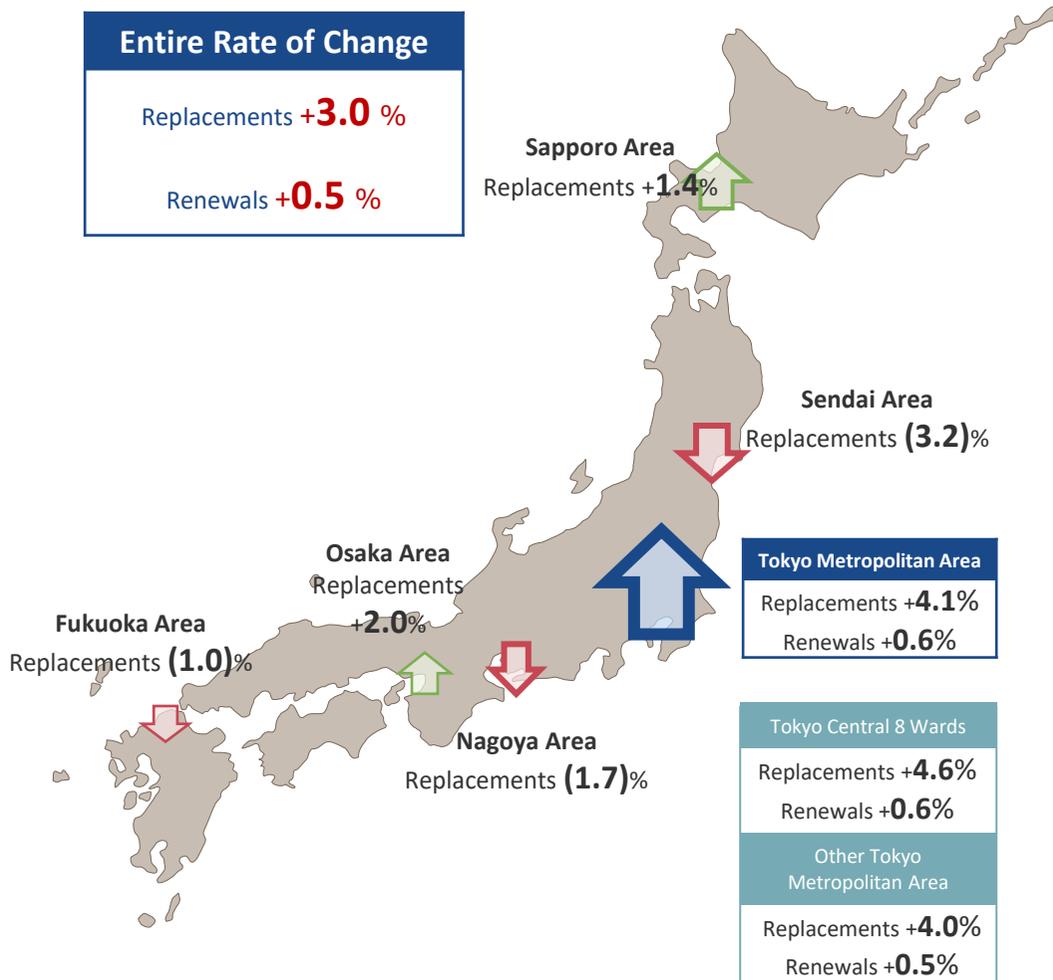
2. Operational Status and Internal Growth

Rent Trends of Residential Facilities

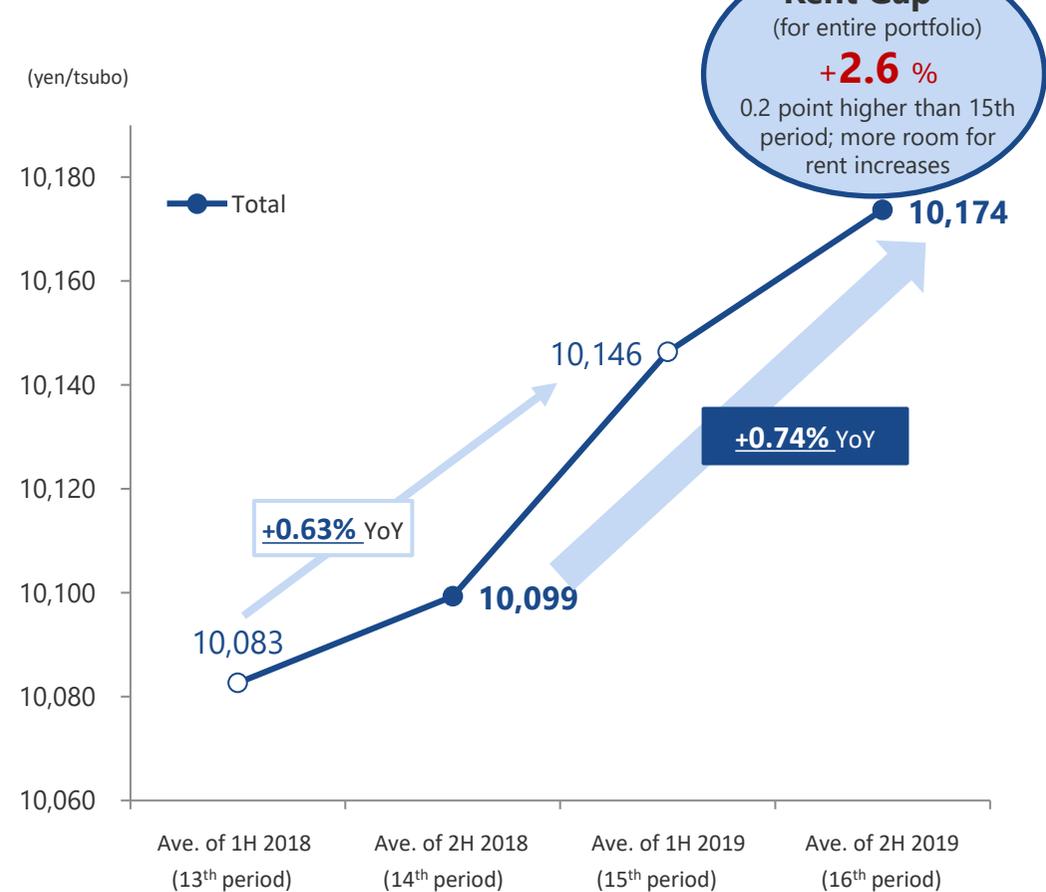
- The rental housing market environment is favorable in the Tokyo metropolitan area
- Rent for the entire portfolio is increasing

- Increase in new rental income raised rent per tsubo of the entire portfolio
- **Rent per tsubo for the entire portfolio was 0.74% higher than one year earlier**

Map for Rate of Changes in Rent (January 31, 2020)



Trends in Rent per Tsubo of Residential Unit ⁽¹⁾



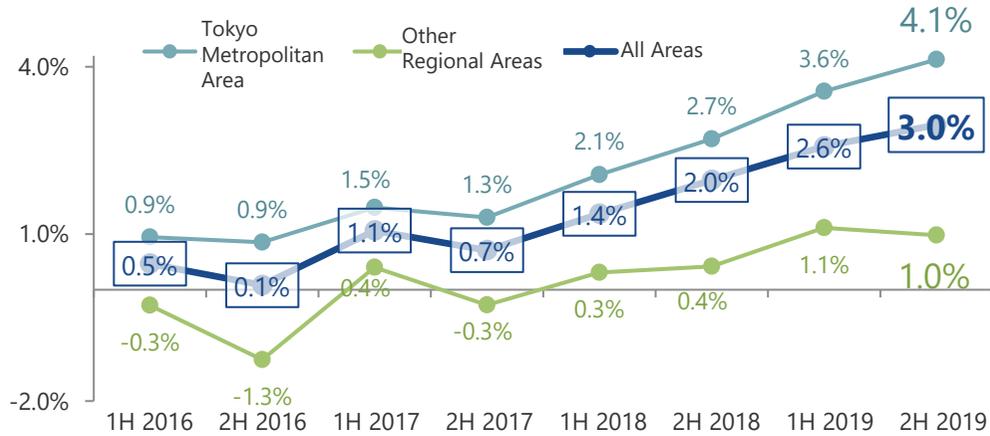
Note 1: "Rent per Tsubo of Residential Unit" is calculated for residential units of pass through contract (excluding contract for whole building) of 110 properties operated from February 1, 2018 to January 31, 2020. (1Tsubo = 35.5832 sq. ft.)

Note 2: "Rent gap" is the difference between the rent of new lease agreements and rent of lease agreements for current tenants as of the end of each fiscal period.

Operational Status of Residential Facilities (1)

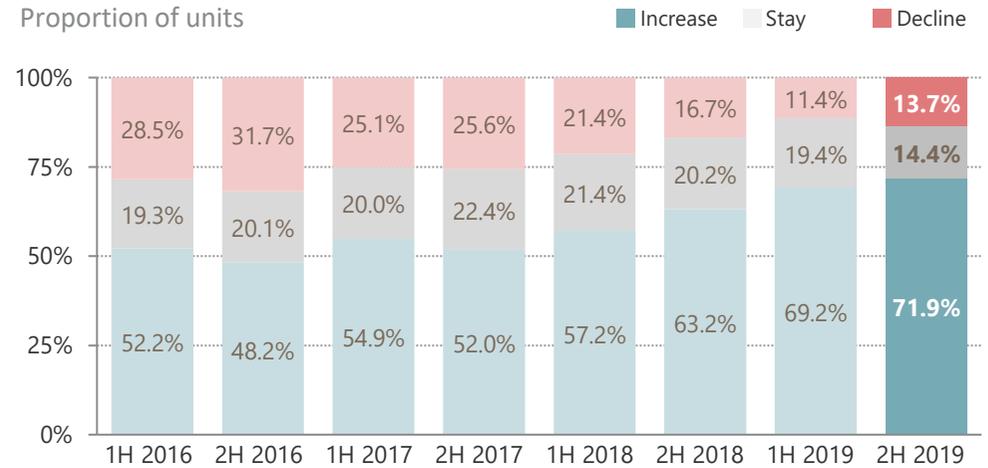
Percentage of Increase/Decline of rent of new tenants (1)

Increase/Decline of monthly rent by area



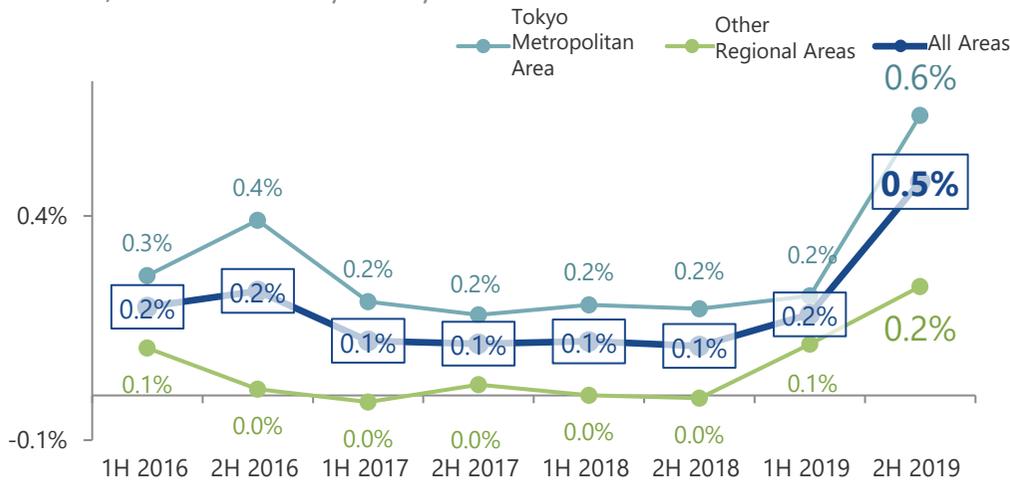
Rent Increase/Decline (units) of new tenants

Proportion of units



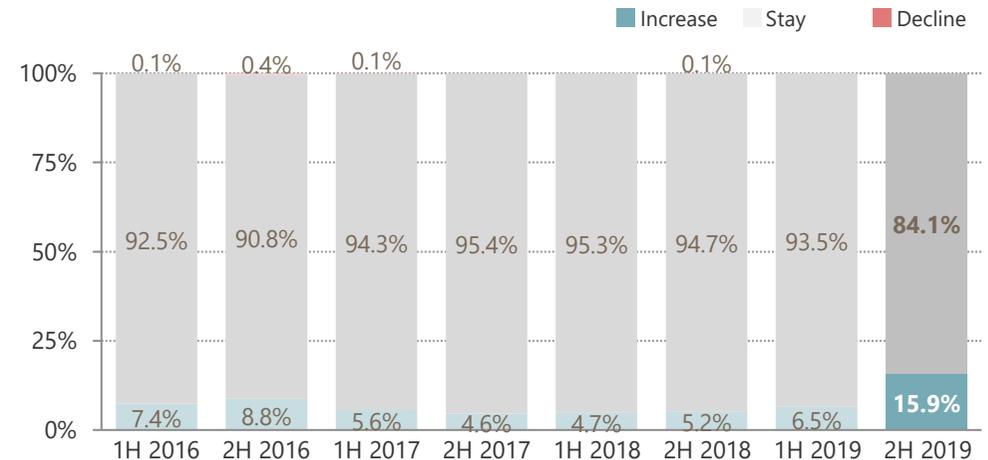
Percentage of Increase/Decline of rent of Renewal tenants (2)

Increase/Decline of monthly rent by area



Rent Increase/Decline (units) of Renewal tenants

Proportion of units



Note 1: "Percentage of Increase/Decline of rent of new tenants" = Total Amount of Increase/Decline of rent of new tenants / Total amount of rent before revisions.

Note 2: "Percentage of Increase/Decline of rent of renewal tenants" = Total Amount of Increase/Decline of rent of renewal tenants / Total amount of rent before revisions.

Operational Status of Residential Facilities (2)

Rent Increase/Decline of rent of new tenants

Increase/Decline of monthly rent



Average Downtime/Turnover Rate⁽¹⁾



Peak Season		Average downtime					
64 days	80 days	64 days	69 days	56 days	70 days	65 days	73 days

Rent Increase/Decline of rent of Renewal tenants

Increase/Decline of monthly rent



Renewal Rate⁽²⁾

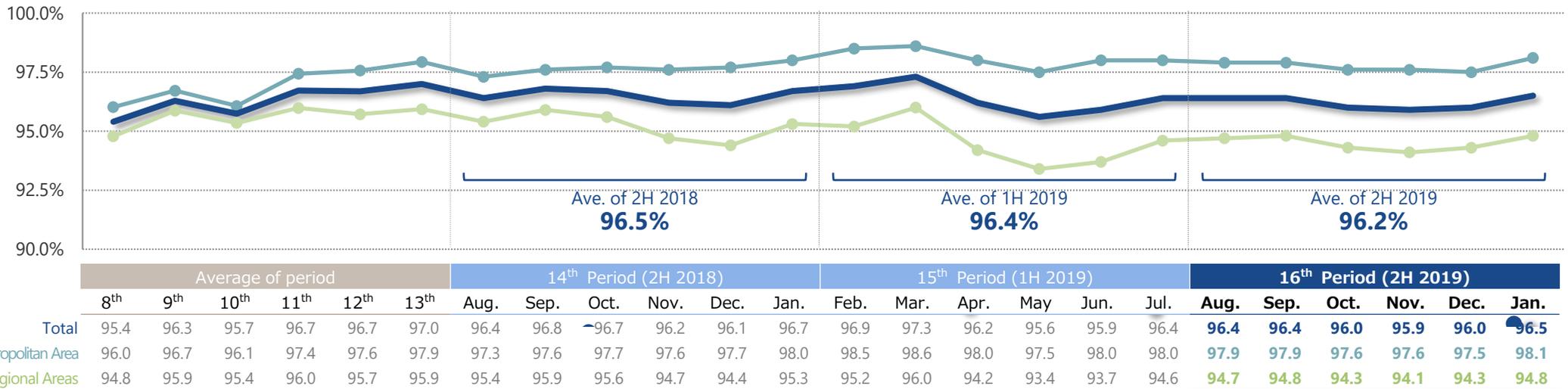


Note 1: "Turnover Rate" = Exiting tenants during the period / Rentable units at the End of Period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

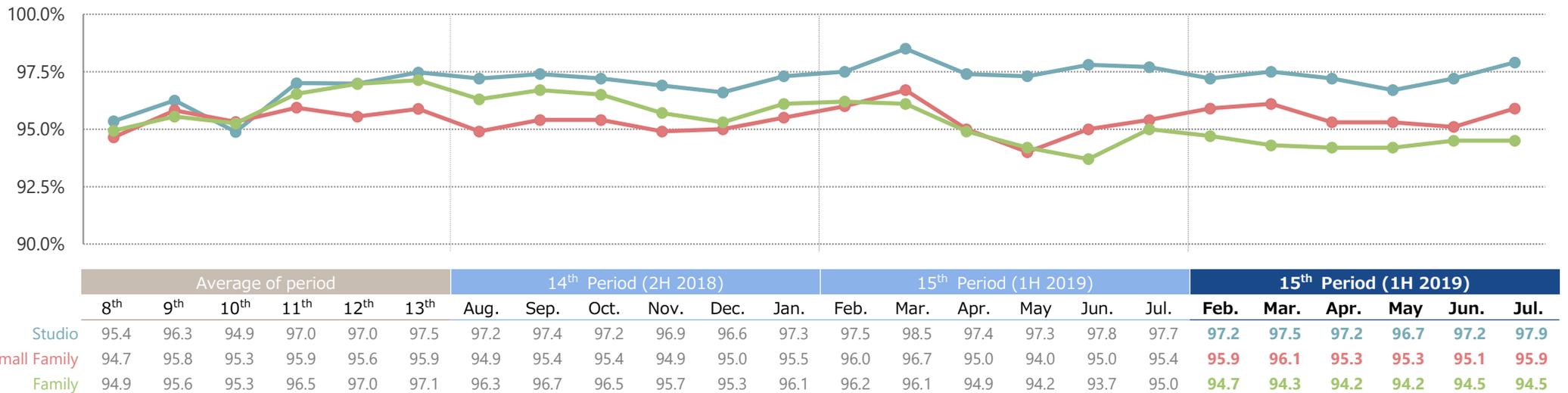
Note 2: "Renewal rate" = Renewal tenants during the period / Ending contracts during the period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

Occupancy Rates of Residential Facilities

Occupancy Rates by Area⁽¹⁾



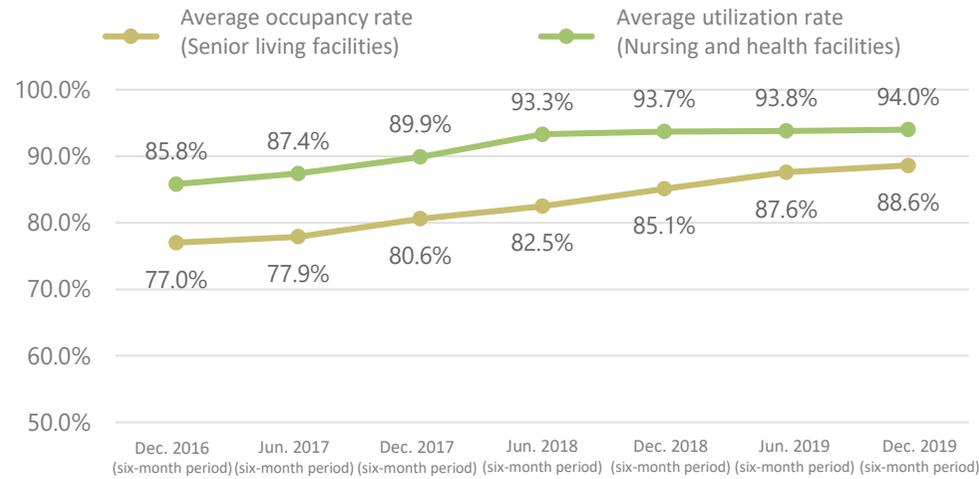
Occupancy Rates by Room Type⁽¹⁾



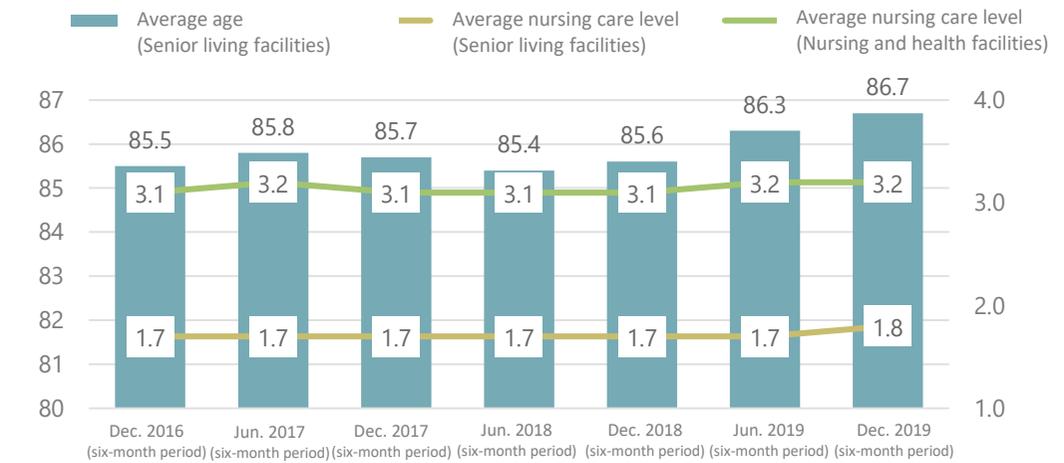
Note 1: Occupancy Rates by Area include those from stores and offices. Occupancy Rates by Room Type are calculated for residential units of pass through contract (excluding contract for whole building).

Operational Status of Healthcare Facilities

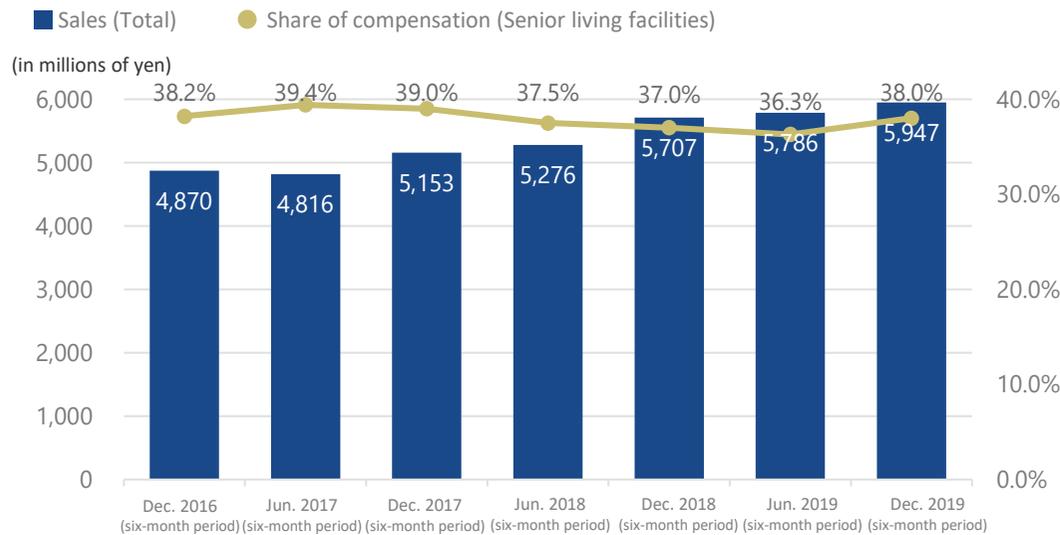
Occupancy Trend (1, 2, 3)



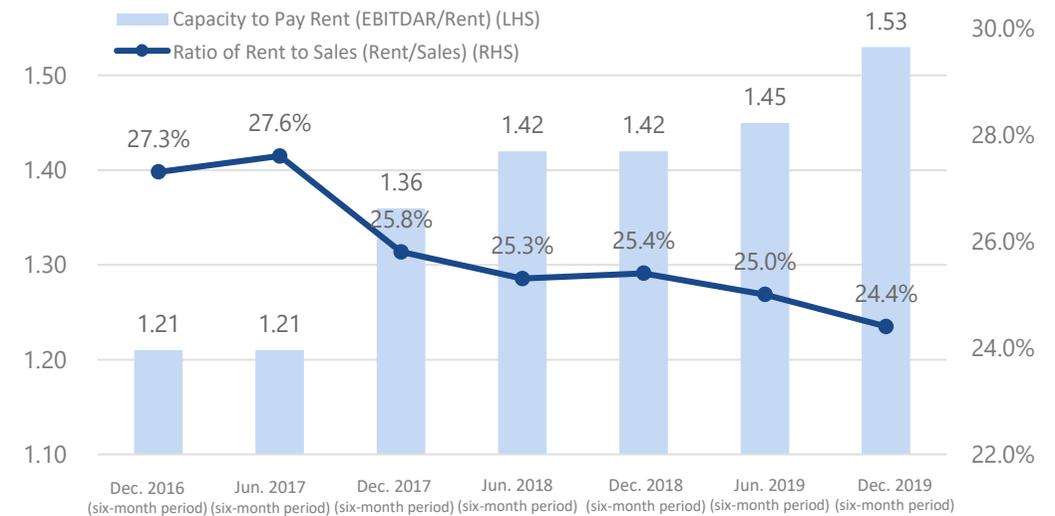
Average Age and Nursing Care Level (1, 2)



Sales and Share of Compensation (1, 2, 4)



Capacity to Pay Rent and Ratio of Rent to Sales (1, 2, 5)



Note 1: Figures are based on materials submitted by operators. "Senior living facilities" include private senior home with nursing care, residential private nursing homes, and serviced senior housing held by KDR at the end of the 16th period, excluding "Granda Mondo Yakujin" (undisclosed property). "Nursing and health facilities" include nursing and health facilities held by KDR at the end of the 16th period. For "Plaisant Grand Ota tamagawa", "Serabi Ebisu", "Arute Ishiyagawa", and "Tsukui Sun-shine Machida" those figures from the time when the operator's approval was obtained are reflected in the calculation.

Note 2: "Average occupancy rate," "Average utilization rate," "Sales," "Share of compensation," "Capacity to pay rent," and "Ratio of rent to sales" are calculated using cumulative figures for each six-month period. "Average age" and "average nursing care level" are figures at the end of respective month.

Note 3: "Average occupancy rate" is the number of residents divided by number of capacity and simple average of occupancy rate at the end of month for each period. "Average utilization rate" is the total number of users in the fiscal period divided by the total rated capacity.

Note 4: "Share of compensation" is the ratio of compensation to sales at senior living facilities.

Note 5: "Capacity to pay rent" is EBITDAR (= Operating Income + Depreciation + Rent) divided by the Rent.

Internal Growth

Contract Revision for Internal Growth

- Following the termination of a lease agreement, KDR concluded a new fixed-term lease agreement to increase rent.

B-Site Akihabara



KDR and Space Design agreed on a rent increase to reflect trends in nearby areas of Tokyo and on higher rent during the Tokyo Olympics, when strong demand is expected

Lessee	Space Design Inc.
Rental Period	February 5, 2020 to February 4, 2022
Rent	¥4,140,000 per month (Rent is about 4% higher than the current lease agreement) The rent for the nine-month period from March 2020 to November 2020 will be ¥4,590,000 per month.
Contract format	Fixed-term Building Lease Agreement

Switch from Fixed-rate to Master Lease Agreement with Pass Through Structure

KDX Residence Nihombashi Hamacho



- To increase rental revenue, fixed-rent lease agreements with current ML and PM companies were terminated and converted to pass-through master leases (as of November 1, 2019)
- Due to the strong rental housing market in the Tokyo metropolitan area, the switch to a pass-through master lease is expected to increase rental revenue at this property too. (NOI: Approx. +7.7%) (Note)

Consolidation of MLs and PMs

KDX Jozenji Dori Residence



KDX Residence Ichiban-cho

KDX Residence Izumi Chuo



- Changed the ML and PM to strengthen the effective operation and the leasing of our properties, and to improve our profitability through consolidation of MLs and PMs in residential properties located in the same area (as of November 1, 2019)
Expect administrative expenses to decrease approx. ¥4.7 mln annually (NOI: Approx. +3.2%) (Note)

Healthcare Facility Internal Growth



Internal Growth



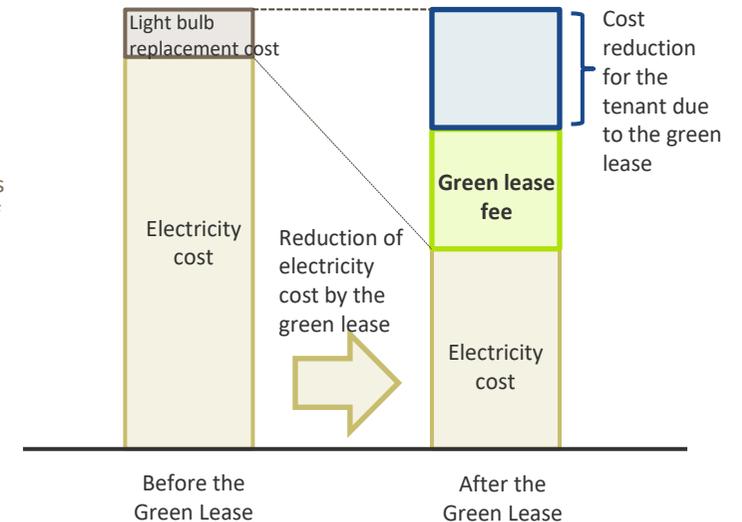
The Environment

- KDR (the property owner) converted lights to LED fixtures
- Due to use of **a green lease**, KDR raised the rent to benefit from part of resulting decline in the cost of electricity for the tenant (the operator)
- An example of achieving both internal growth for healthcare facilities while protecting the environment
- A fixed amount of green lease fee has been added to the rent under the lease agreement since February 1, 2020

Overview of Green Lease

- A green lease is where building owners and tenants collaborate to reach voluntary agreements with regards to energy saving and other measures to reduce environmental burdens of real estate as well as improvements of indoor environments through contracts, memorandums of understanding and such and implement the contents of these agreements.

- Based on the green lease at the KDR-owned Ten healthcare facility, KDR conducted LED lighting implementation work for energy-saving at the KDR's expense. A certain part of the tenant's benefits of reduction in electricity charges for the lighting equipment and bulb replacement costs resulting from such renovations are paid to KDR as green lease fees.



3. Financial Results

(Actual Results for 16th Period and Outlook for 17th and 18th Period)

2. Financial Results (Actual Results for 16th Period and Outlook for 17th and 18th Period)

Results for the Period Ended January 2020 (16th Fiscal Period)

(in millions of yen)	1H 2019	2H 2019		Actual	Period on Period		Major Components ⁽¹⁾		Actual vs Initial Forecast		Major Components ⁽¹⁾	
	Actual	Initial Forecast	Recent Forecast		Change	%	(R)	(H)	Change	%	(R)	(H)
Rent revenue – real estate	7,342	7,440	7,473	7,472	129	1.8%	Full fiscal-period contribution of 6 properties acquired in 1H 2019	+93	31	0.4%	(R) Increase in rent revenue due to higher rent and occupancy rate	+15
Other lease business revenue	590	512	545	555	-35	-6.0%	(R) Increase due to acquisition of Nishifunabashi and Asagaya II properties	+30	42	8.3%	(R) Increase due to acquisition of Asagaya II property	+10
Gain on sale of real estate property	203	-	38	39	-164	-80.8%	(R) Increase due to higher rent at existing properties	+5	39	-	(R) key money and renewal fees, etc.	+8
Dividends received	-	-	-	-	-	-	(R) Decrease in key money and renewal fees, etc. in off-peak season	-39	-	-	Insurance, compensation and other income	+34
Operating revenues	8,136	7,953	8,057	8,066	-69	-0.9%	(R) Revenue from restoration	-10	113	1.4%	Gain on sale of Gotenyama property	+39
Expenses related to rent business (ex. depreciation)	1,524	1,484	1,477	1,482	-41	-2.8%	(R) Insurance, compensation and other income	+14	-1	-0.1%		
Depreciation	1,391	1,426	1,428	1,428	37	2.7%	(R) Decrease in leasing-related fees	-32	2	0.2%		
Other operating Expenses	861	898	904	894	33	3.9%	Decrease in restoration expenses	-20	-3	-0.4%		
Operating expenses	3,777	3,808	3,810	3,806	28	0.8%	Increase due to acquisition of properties	+27	-2	-0.1%		
Operating income	4,358	4,144	4,246	4,260	-98	-2.3%	Increase in asset management fees mainly due to increased assets	+14	115	2.8%		
Non-operating income	1	0	0	1	0	13.2%	Increase in consumption tax due to the consumption tax rate hike	+23	1	288.1%		
Non-operating expenses	618	644	648	647	29	4.8%			3	0.6%		
Ordinary income	3,741	3,500	3,598	3,614	-127	-3.4%	Increase in interest expenses and borrowing related expenses mainly due to the difference in the number of applicable days and new borrowings	+26	113	3.2%		
Net income	3,741	3,500	3,598	3,613	-127	-3.4%			113	3.2%		
RTA compensation	20	20	20	20	-	-			-	-		
Earnings surplus compensation (accumulation)	(74)	167	69	54	128	-			-113	-	Reversal of retained earnings (¥54 mln) to partially fund unitholder distributions	
Dividends	3,687	3,687	3,687	3,687	0	0.0%			-	-		
Distribution per unit (yen) ⁽²⁾	4,063	4,064	4,064	4,064	1	0.0%			-	-		
NOI	6,408	6,468	6,541	6,545	136	2.1%			76	1.2%		

Note 1: (R) is components that are only for residential facilities and (H) is components that are only for healthcare facilities.

Note 2: "Distribution per unit" is calculated based on the number of investment units issued and outstanding totaled 907,458 as of July 31, 2019.

Note 3: "Initial forecast" and "recent forecast" are figures announced on September 12, 2019 and February 10, 2020, respectively.

2. Financial Results (Actual Results for 16th Period and Outlook for 17th and 18th Period)

Outlook for the Period Ending July 2020 (17th Fiscal Period) and the Period Ending January 2021 (18th Fiscal Period)

(in millions of yen)	2H 2019	1H 2020	Period on Period		Major Components ⁽¹⁾	2H 2020	Period on Period		Major Components ⁽¹⁾
	Actual	Forecast			Forecast	Forecast			(R) Anticipated occupancy rate in 18 th period: 96.7%
Rent revenue – real estate	7,472	7,769	297	4.0%	(R) Anticipated occupancy rate in 17 th period: 96.5% Contribution of properties acquired in 1H and 2H 2019 +252	7,905	136	1.8%	Contribution of properties acquired in 1H and 2H 2019 +120
Other lease business revenue	555	555	0	0.0%	(R) Decrease due to sale of Gotenyama and Izumi Chuo properties -35	514	-41	-7.5%	(R) Increase due to higher rent +18
Gain on sale of real estate property	39	83	44	114.9%	(R) Increase mainly due to higher rent and occupancy rate +79	-	-83	-100%	(R) Decrease in key money and renewal fees, etc. in off-peak season -30
Dividends received	-	-	-	-	(R) Increase in key money and renewal fees, etc. in peak season +35	-	-	-	(R) Revenue from restoration -4
Operating revenues	8,066	8,408	342	4.2%	(R) Revenue from restoration +11	8,419	11	0.1%	Insurance, compensation and other income -6
Expenses related to rent business (ex. depreciation)	1,482	1,568	86	5.8%	(R) Increase in administrative expenses due to acquisition of properties +15	1,538	-30	-1.9%	Decrease in repair expenses mainly due to a decrease in restoration expenses, etc. -22
Depreciation	1,428	1,467	38	2.7%	Start of recording expenses for property, city planning and other taxes on the properties acquired in 2019 +23	1,480	13	0.9%	(R) Decrease in leasing-related fees -12
Other operating Expenses	894	942	47	5.3%	Increase in repair expenses mainly due to an increase in restoration expenses +7	962	19	2.1%	Increase due to acquisition of new properties +11
Operating expenses	3,806	3,978	172	4.5%	(R) Increase in leasing-related fees +37	3,981	2	0.1%	Increase in asset management fees +16
Operating income	4,260	4,429	169	4.0%	Increase due to acquisition of new properties +39	4,438	8	0.2%	
Non-operating income	1	0	-1	-74.2%	Increase in asset management fees +21	0	-	-%	
Non-operating expenses	647	667	19	3.0%	Increase in consumption tax mainly due to the consumption tax rate hike +10	685	18	2.8%	Increase in interest expenses and borrowing related expenses mainly due to the difference in the number of applicable days and new borrowings +17
Ordinary income	3,614	3,763	149	4.1%	Expenses for periodic engineering and other reports +16	3,752	-10	-0.3%	
Net income	3,613	3,762	149	4.1%	Increase in interest expenses and borrowing related expenses mainly due to new borrowings +12	3,751	-10	-0.3%	
RTA compensation	20	20	-	-	Increase in investment unit issuance costs associated with capital increase +8	20	-	-	
Earnings surplus compensation (accumulation)	54	84	29	-	Reversal of retained earnings (¥84 mln) to partially fund unitholder distributions	95	11	-	Reversal of retained earnings (¥95 mln) to partially fund unitholder distributions
Dividends	3,687	3,866	178	4.9%		3,867	0	0.0%	
Distribution per unit (yen) ⁽²⁾	4,064	4,065	1	0.0%		4,066	1	0.0%	
NOI	6,545	6,755	210	3.2%		6,881	125	1.9%	

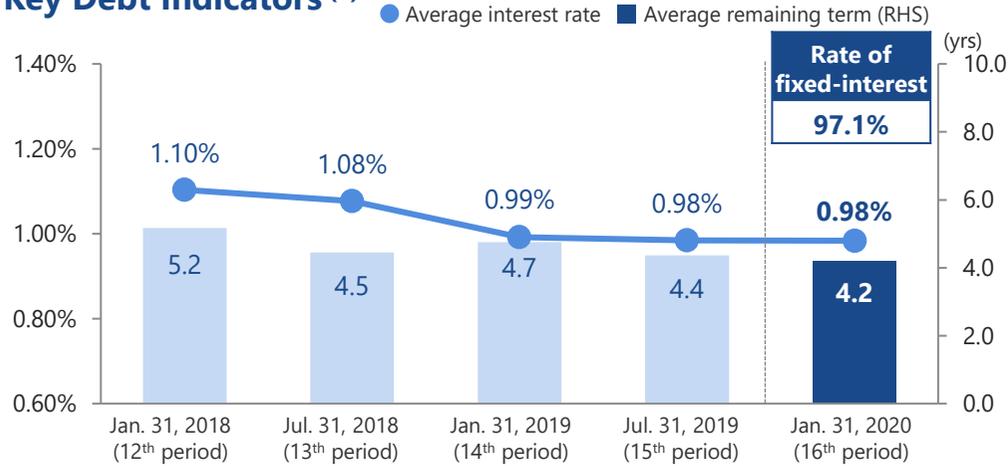
Note 1: (R) is components that are only for residential facilities, (H) is components that are only for healthcare facilities and (A) is components that are only for accommodations.

Note 2: "Distribution per unit" for 2H 2019 is calculated based on the number of investment units issued and outstanding totaled 907,458, and distribution per unit for 1H 2020 and 2H 2020 is calculated based on the number of investment units issued and outstanding totaled 951,258.

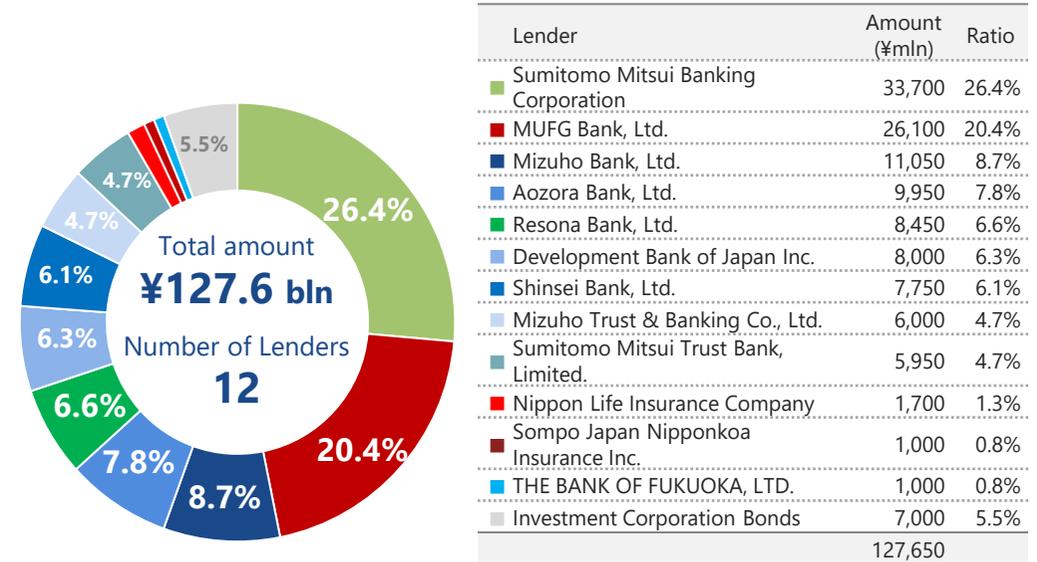
Note 3: "Forecast" is figures announced on February 10, 2020.

4. Finance

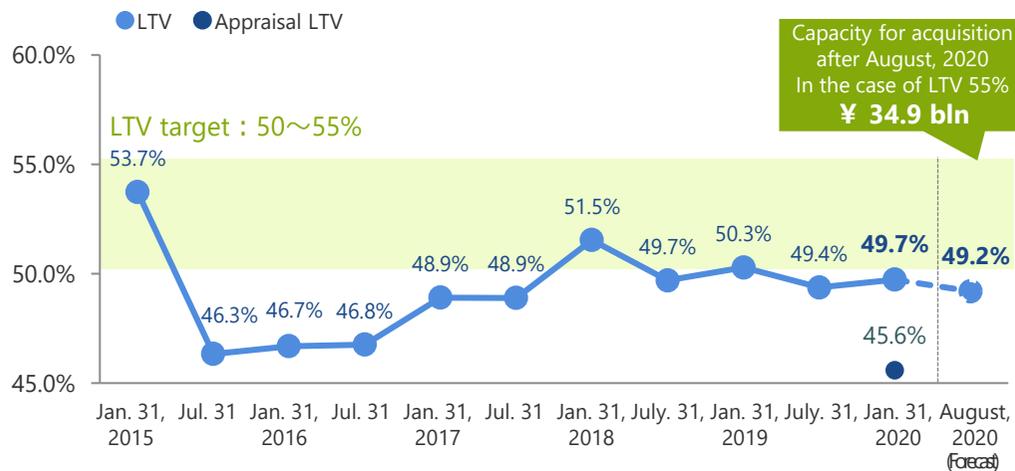
Key Debt Indicators ⁽¹⁾



Status of Interest-bearing Liabilities (as of January 31, 2020)



LTV (based on total assets) ⁽²⁾



Credit Rating

A+
(Outlook : Stable)
(Japan Credit Rating Agency, Ltd. (JCR))

Note 1: "Average interest rate" calculated by weighted average interest rate at the end of the period that took into consideration up-front fee (per year) and the effect of the interest rate swap. "Average remaining term" calculated by weighted average remaining term of interest-bearing liabilities at the end of the period. "Rate of fixed-interest" calculated the percentage of fixed interest rate loans of total amount of loans at the July 31, 2019. The floating loans which are substantially fixed with interest rate swap are included in the fixed-rate.

Note 2: "LTV" = Interest-bearing Liabilities / Total Assets. "Appraisal LTV" = Interest-bearing Liabilities / Total Appraisal Value.

Issuance of the Investment Corporation Bonds

Issue the **first Social Bond** of a J-REIT in Dec, 2019. (Investment Corporation Bonds)

6th Series Unsecured Investment Corporation Bonds

Total Amount

¥ **2.0** bln

Term

10 years

Interest rate

0.750%

Outline of Commitment Line Agreement

To secure flexibility and stability in financing method, **execute new commitment line agreement**

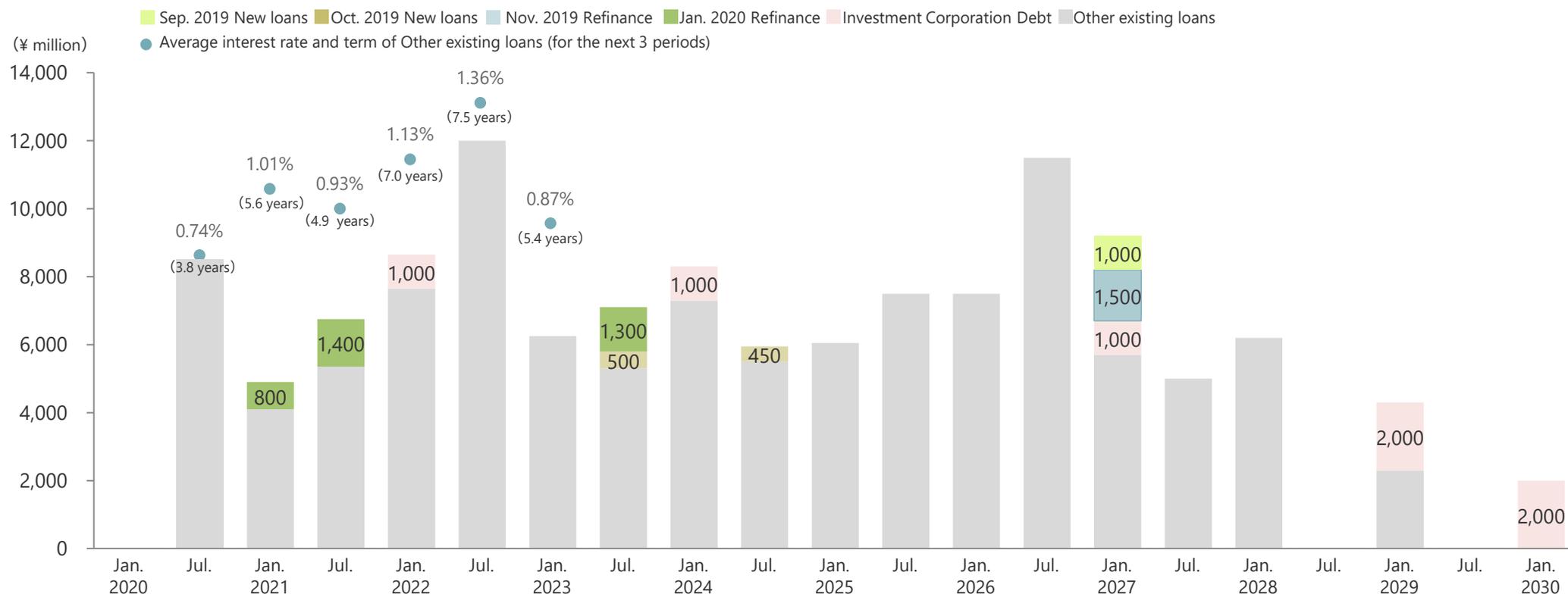
Counterparty	Limit of maximum amount	Contract period
Sumitomo Mitsui Banking Corporation	¥1.5 bln	August 1, 2019 to July 31, 2020
MUFG Bank, Ltd	¥1.5 bln	
Mizuho Bank, Ltd	¥1.5 bln	

Repayment Terms

Latest New Loans and Refinance

Classification	Amount	Term ⁽¹⁾	Average interest rate ⁽²⁾
New Loans in Sep. 2019	¥1.0 bln	5.4 yrs	0.60%
New Loans in Oct. 2019	¥0.95 bln		
Refinance in Nov. 2019	¥1.5 bln	3.5 yrs	0.54%
Refinance in Jan. 2020	¥3.5 bln		

Maturity Ladder

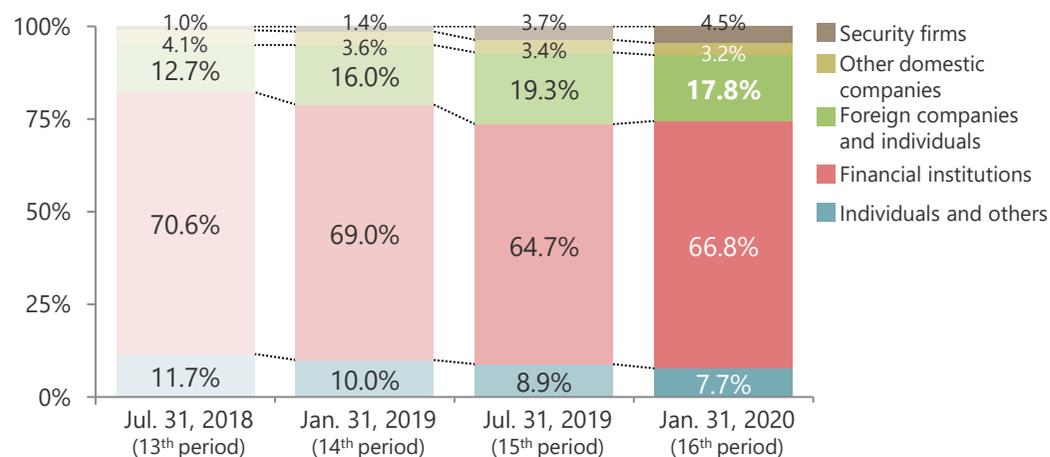


Note 1: "Average interest rate" calculated by weighted average interest rate at the end of the period for the each loans.

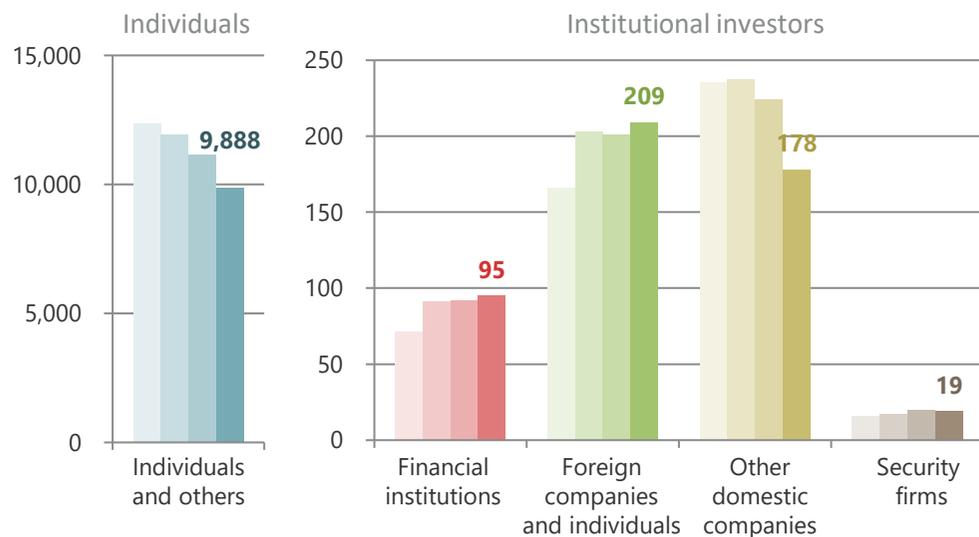
Note 2: "Interest rate" calculated that took into consideration up-front fee (per year) and the effect of the interest rate swap.

Unitholders

Composition of Unitholders (based on number of units)



Number of Unitholders (last 4 fiscal periods)



Major Unitholders (as of January 31, 2020)

	Name	Units	Ratio ⁽¹⁾
1	Japan Trustee Services Bank, Ltd. (Trust Acct.)	250,737	27.63%
2	The Master Trust Bank of Japan Ltd. (Trust Acct.)	173,619	19.13%
3	The Nomura Trust Banking Co., Ltd. (Trust Acct.)	42,658	4.70%
4	Trust and Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	21,889	2.41%
5	Mitsubishi UFJ Trust and Banking Corporation	17,223	1.89%
6	Kenedix, Inc.	16,570	1.82%
7	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	15,225	1.67%
8	The Gunma Bank, Ltd.	13,412	1.47%
9	STATE STREET BANK WEST CLIENT-TREATY 505234	12,675	1.39%
10	BNYM AS AGT/CLTS 10 PERCENT	11,440	1.26%
Total		575,448	63.41%

Note 1: Ratio means the percentage for total units owned to total units issued. (Rounded down to the nearest three decimal places)

5. Sustainability

Sustainability (1) - Initiatives for Environment -



DBJ Green Building Certification⁽¹⁾

7 residential properties are certificated.

Properties certificated DBJ Green Building

Serenite Kobe Motomachi



New
Jan. 2019



DBJ Green Building
2018

KDX Residence Shukugawa Hills



New
Jan. 2019



DBJ Green Building
2018

KDX Residence Ebisu



Update
Jul. 2019



DBJ Green Building
2018

KDX Residence Hanzomon



Update
Jul. 2019



DBJ Green Building
2018

KDX Residence Yotsuya





DBJ Green Building
2017

Ashiya Royal Homes





DBJ Green Building
2017

KDX Residence Toyosu





DBJ Green Building
2017

Certification for the healthcare assets. BELS Certification




Plaisant Grand Ota tamagawa

BELS (Building-Housing Energy-efficiency Labeling System) is the third-party certification system to rate houses and buildings in accordance with duty to make effort to label energy saving performance in the Act on Improving Energy Consumption Performance for Architectural Structures.

CASBEE Certification



Excellent Nishinomiya

Self-assessment based on CASBEE was carried out in November 2015, and notification was submitted to Nishinomiya City.

Comprehensive Assessment System for Built Environment Efficiency (CASBEE) is a method for evaluating and rating the environmental performance of buildings and the built environment.

GRESB Real Estate Assessment

The Investment Corporation participates in GRESB Real Estate Assessment from 2016 and acquired "Green Star" rating in 2019. (Rating is "2 Stars")



GRESB (Global Real Estate Sustainability Benchmark) is a benchmark to evaluate sustainability performance of private and listed real estate portfolio, etc. from environmental and social perspectives.

Green Lease

Ten (Healthcare Facility)



- ❑ LED lighting implementation work for energy-saving shall be conducted by the Investment Corporation who is the owner of the facility.
- ❑ Part of the tenant's benefits of reduction in electricity charges for the lighting equipment and bulb replacement costs resulting from such renovations shall be paid to the Investment Corporation as green lease fees.

Others

Reduction of the amount of Energy used

	Reduction Targets	FY2018 (YoY change)
Energy Consumption	5 year/5% total in intensity	Rate of change -6.4%

The Asset Management Company has set long-term goals concerning reduction of the amount of energy used and promotes initiatives leading to reduction of environmental burden while continuously monitoring its efforts.

LED Lights in Common Areas⁽²⁾



	Total (after 2015)
Property (props)	59
Expense (mln yen)	95.8
Annual reduction (mln yen)	26.0

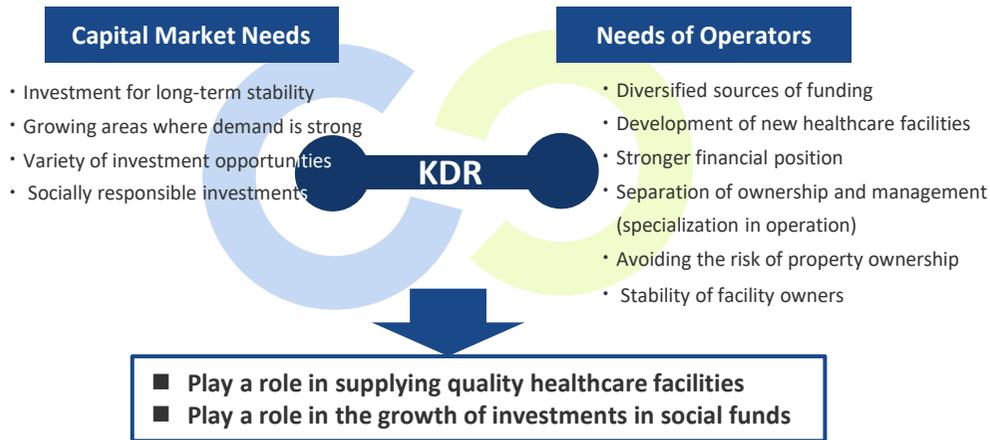
Note 1: "DBJ Green Building Certification" is a system established by Development Bank of Japan in April 2011 to support real estate that meets environmental and social conditions.

Note 2: "Annual reduction" is calculated based on the presentation materials from construction company as of exchanging construction.

Sustainability (2) - Initiatives for Social -

Significant Social Contribution as an REIT Investing in Healthcare Facilities

In Japan, a super-aging society, the shortage of healthcare facilities are urgent social issues. KDR believes that there is a growing need in society for REITs to purchase and manage healthcare facilities. By continuing to acquire these properties, KDR aims to meet this need. KDR also believes that the growth of ESG investments will create more opportunities for healthcare facilities to attract new investments.



Investments in Childcare Facilities

■ Revision of the Management Guidelines (Sep. 2019)

- As Japan is facing issues related to population structure, as part of its response to the declining birthrate and aging population, **the need for childcare facilities is expected to continue**. KFM believes that childcare facilities are asset classes with good prospects for growth. These properties can generate stable rental income that is reflected in the medium to long-term asset value of these facilities.
- KFM revised its management guidelines to **create social value** through investments in childcare facilities that meet this need and **to increase flexibility for targeting investment opportunities**.

Usage	Asset Type Examples
Residential Facilities	Rental housing Serviced apartments, etc.
Healthcare Facilities	Private senior homes, serviced housing for the elderly, Nursing and health facilities, etc.
Accommodation	Hotels, etc.
Other	Land with leasehold interest, Childcare facilities , etc.

Issuance of Social Bonds



- KDR became **the first J-REIT** to issue social bonds
- Received **“Social 1 (F),” the highest rating** of the “JCR Social Finance Framework Assessment”
- 14 investors **have expressed their intention to invest** in the social bonds
- Providing an opportunity for investors who want to make ESG investments has attracted a broader range of investors **and diversified fund procurement channels**

Summary of the Investment Corporation Bonds (Social Bonds)	
(1) Maturity	10 years
(2) Issue size	¥2.0 bln
(3) Yield	0.750%
(4) Month of issue	December 2019
(5) Social finance framework assessment	JCR
(6) Social finance framework rating	Social 1 (F)



Assets eligible for social finance

KDR will allocate the funds procured through social finance to the acquisition of assets eligible for social finance, repayment of borrowings required for such acquisition and redemption of investment corporation bonds (including refinance).

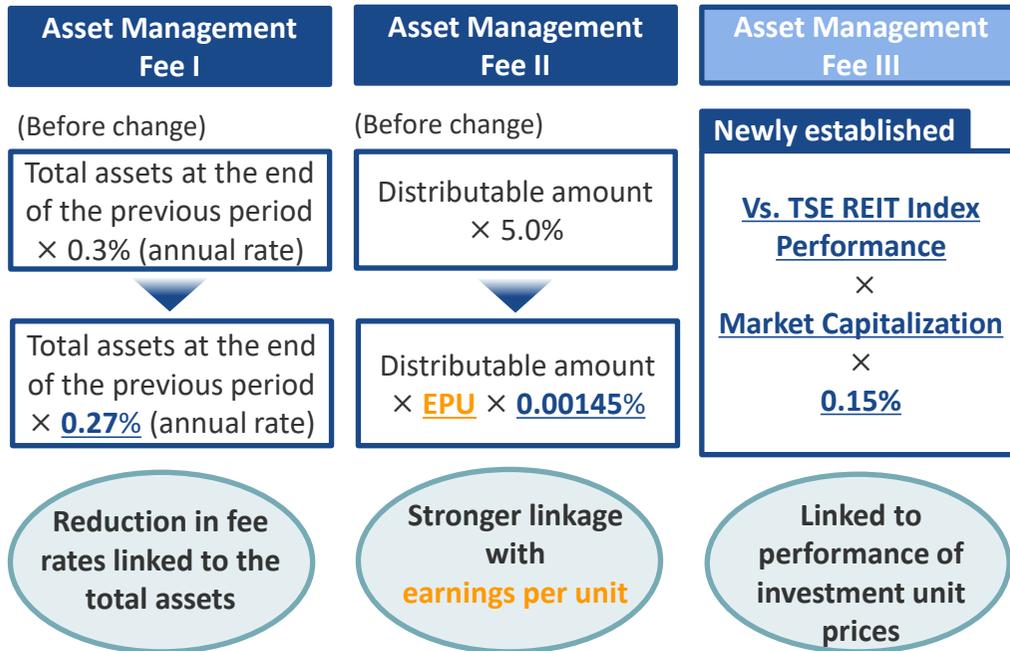
Senior Living Facilities	<ul style="list-style-type: none"> Private senior homes Serviced senior housing Apartments for the elderly Memory care group homes Small multi-function facilities Daycare facilities, etc.
Medical Facilities	<ul style="list-style-type: none"> Hospitals Clinics Medical malls Nursing and health facilities, etc.

Examples of Qualified Properties (Healthcare Facilities)

Private senior homes			
Plaisant Grand Ota Tamagawa	Tsukui Sun-shine Machida	Serabi Ebisu	Arute Ishiyagawa
Nursing and health facilities			
Anesis Teradacho	Rococo-riha	Orange Suma	Canadian Hill
Anesis Hyogo			

Sustainability (2) - Initiatives for Governance -

Asset management fee structure where fees and unitholder returns are strongly linked ^(Note)



Asset Management Fee III Calculation Method and Amount ^(Note)

1) Performance of KDR stock relative to the TSE REIT index (end of July 2019 to end of January 2020)

Increase in KDR stock price including the DPU: 13.8%
 Increase in TSE REIT index including DPU: 11.9%
 ⇒ KDR outperformance: 2.0%

2) KDR's market capitalization on July 31, 2019

¥192,600 × 907,458 units ≒ ¥174,776 mln

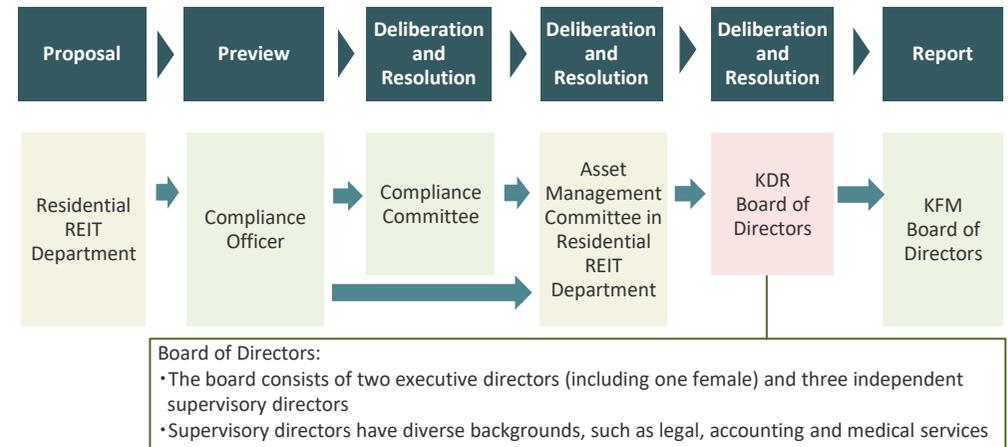
3) Expected asset management fee III for 1H 2020

$\frac{2.0\%}{1)} \times \frac{¥174,776 \text{ mln}}{2)} \doteq ¥5,211,000$

Decision-making Process with Transparency & Checks and Balances

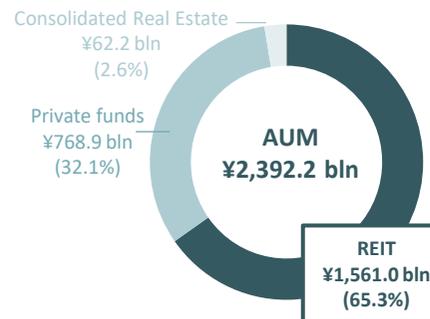
ESG

- KFM creates guidelines for the management of KDR's assets. The guidelines set forth basic policies on asset management, including the investment policy, related party transaction rules, the distribution policy and the disclosure policy.
- Based on the management guidelines, KFM creates asset management plans and other plans (ex. medium-term plans, annual business plans). KFM makes decisions about property acquisitions in accordance with the investment policy and related party transaction rules in the management guidelines.
- The following process is used in principle to make decisions about establishing and revising the management guidelines, asset management plan and other items as well as about asset acquisitions and sales.



The Kenedix Group's Commitment to J-REITs

■ Breakdown of AUM (As of Dec. 31, 2019)



■ Investment in KDR by Kenedix, Inc.

- At the timing of the PO in February 2020, sponsor newly invested 6,570 units

Number of Units owned	Ownership
18,760 units	2.42%

(the number of units and ratio : after public offering in Feb. 2020)
 REITs account for a large share of the Kenedix Group's AUM. Stable growth of REIT AUM is a source of revenue for Kenedix, Inc. (the sponsor). These investments are also a business model in which the interests of Kenedix and the REITs are aligned.

Appendices

Explanation of Notes

Note 1:

- “DPU excluding one-time factors (including leasing of new building)” is DPU forecast for the fiscal period + an adjustment for the expected increase in the 2H 2020 (18th period) from the leasing of a new building (defined below) – Gains from property sales used for distributions (forecast) – The effect of property, city planning and other taxes and other one-time factors (defined below). Those for the 1H 2020 (17th fiscal period) and afterward are estimates as of the date of this presentation. KDR makes no guarantee that these funds will be distributed to unitholders. The same applies hereafter. Precautions concerning the DPU forecast are in Note 6.

Note 2:

- The “LTV” ratio is interest-bearing liabilities (loans and investment corporation bonds) divided by total assets. The estimate of the LTV at the 2H 2020 (18th period) was calculated using the following method.

LTV on January 31, 2021: The total of interest-bearing liabilities at the end of the 16th period (January 31, 2020) and new debt planned for March 2, March 13 and August 3, 2020 (the sum of the change in interest-bearing liabilities and planned new debt is the following increase/decrease in interest-bearing liabilities in the 16th period and afterward) divided by the sum of total assets at the end of the 16th period (January 31, 2020), the increase/decrease in interest-bearing liabilities in the 16th period and afterward, and the total value of units issued (¥8,818 million) for the public offering on February 10, 2020.

Note 3:

- The “forecast at the previous PO” is the initial forecast for the 2H 2019 (16th period) that was announced in the supplementary information for this offering, which took place on February 4, 2019.

Note 4:

- The “expected increase due to start of leasing new building” refers to KDX Residence Mitaka, which KDR plans to purchase in the 1H 2020 (17th period). As of the date of this presentation, this building is still under construction. The building will be leased during the 17th period, so this expected increase is for revenue from new leases at this building. The amount is the estimate as of the date of this presentation and KDR makes no guarantee that this revenue will be distributed to unitholders.

Note 5:

- The bottom of KDR’s 50-55% target range for the LTV ratio.

Note 6:

- “DPU excluding one-time factors” = DPU forecast – Gains from property sales used for distributions (forecast) – The effect of property, city planning and other taxes and other one-time factors (defined below). Those for the 1H 2020 (17th fiscal period) and afterward are estimates as of the date of this presentation. KDR makes no guarantee that these funds will be distributed to unitholders. The same applies hereafter.

Precautions concerning DPU forecast

- Distribution per unit for the 2H 2019 (16th period) is calculated based on the total number of investment units issued and outstanding of 907,458 as of January 31, 2020.
- Distribution per unit forecasts for the 1H 2020 (17th period) and afterward include the 43,800 units of new investment units issued for the February 10, 2020 public offering.

Note 7:

- The “effect of property, city planning and other taxes and other one-time factors” is a benefit resulting from the delay in the recognition of these taxes as an expense to the fiscal period following the acquisition of a property and fluctuations in asset management fees in each fiscal period caused by changes in total assets.

Note 8:

- “RTA” is a reserve for temporary difference adjustments of internal reserves resulting from negative goodwill recorded due to the merger. The basic policy is to reverse this reserve over a period of not more than 50 years (100 fiscal periods). KDA’s policy is to reverse at least 1% of the initial amount of the RTA every fiscal period and distribute this amount to unitholders.

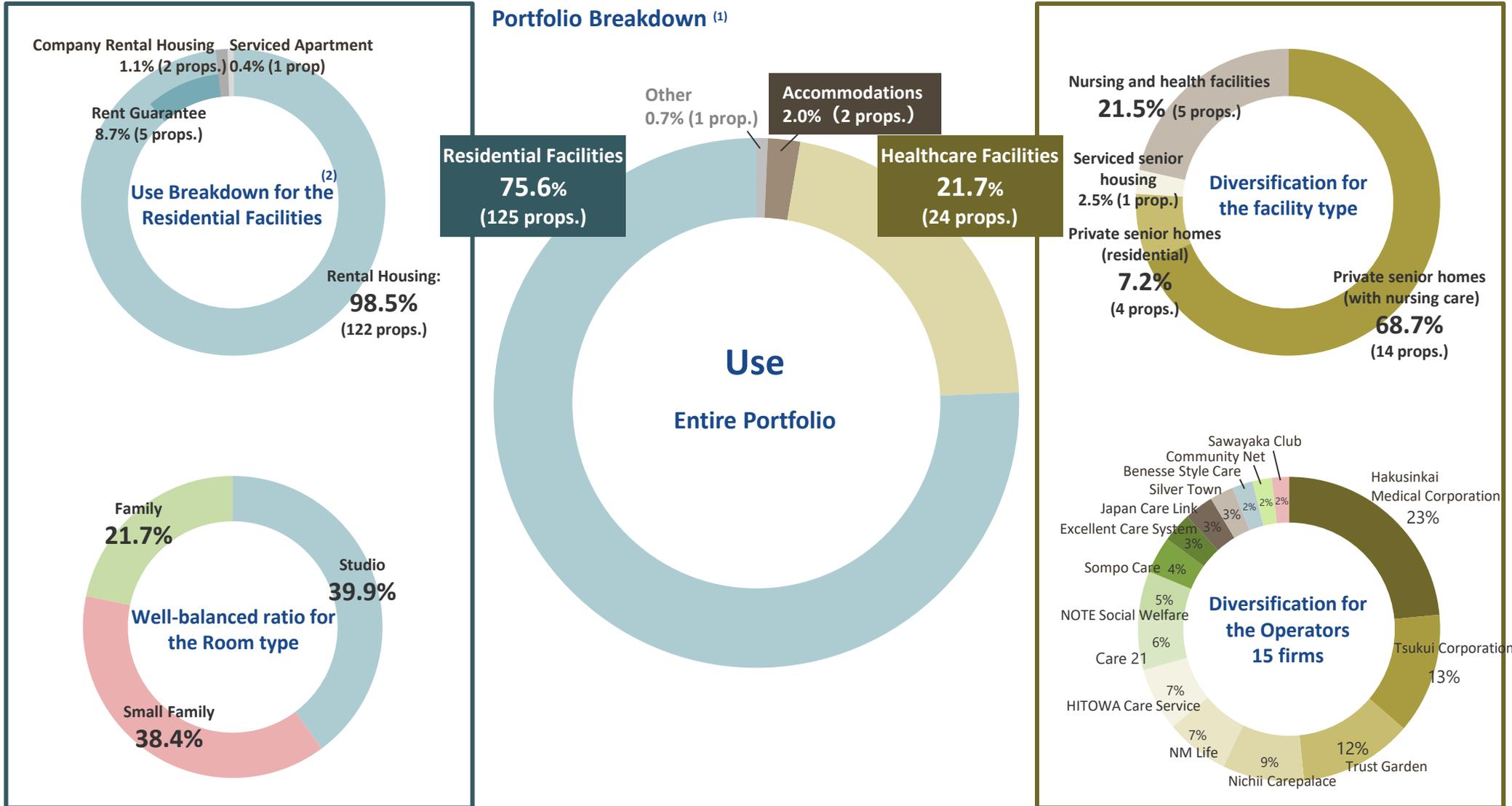
Note 9:

- “Reversal of internal reserves” for the 1H 2020 (17th period) afterward is the estimated amount as of the date of this presentation and the actual amount may differ from the estimate.

Portfolio Breakdown (1)

■ Total Asset Size : ¥249.7 bln (152 props.), Residential facilities : ¥188.8 bln (125 props.), Healthcare facilities : ¥54.1 bln (24 props.), Accommodations : ¥4.9 bln (2 props.), Others : ¥1.7 bln (1 prop.), and build a strong portfolio through investments with diversified portfolio

Portfolio Breakdown (1)

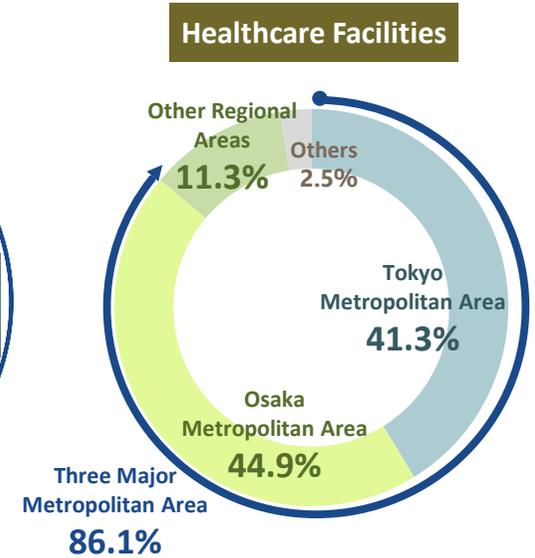
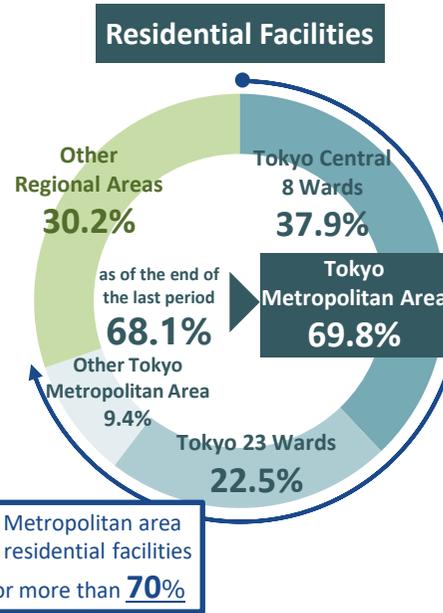
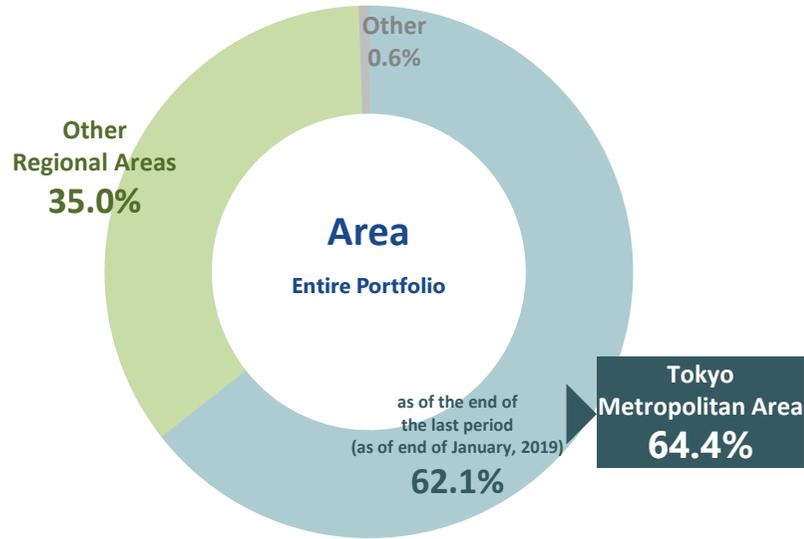


Note 1: Including the ratio of the to-be acquired assets by August 2020, which are already scheduled for as of the date of this material. the same shall apply hereinafter.

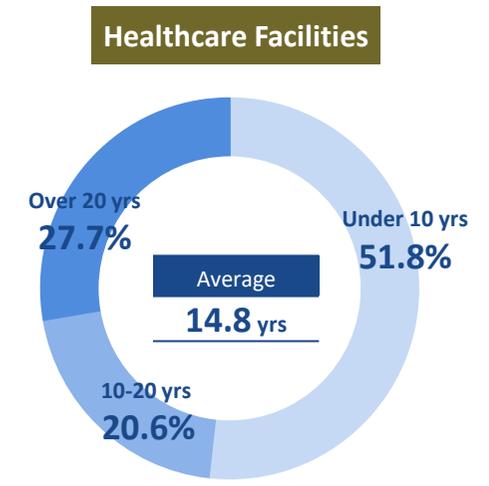
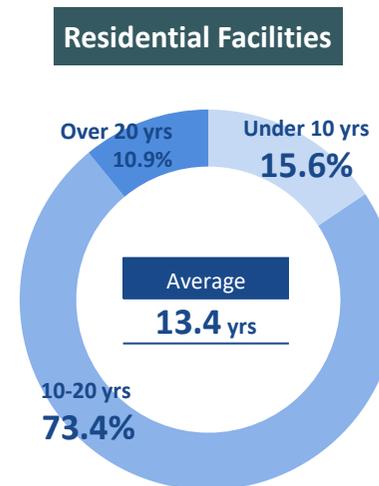
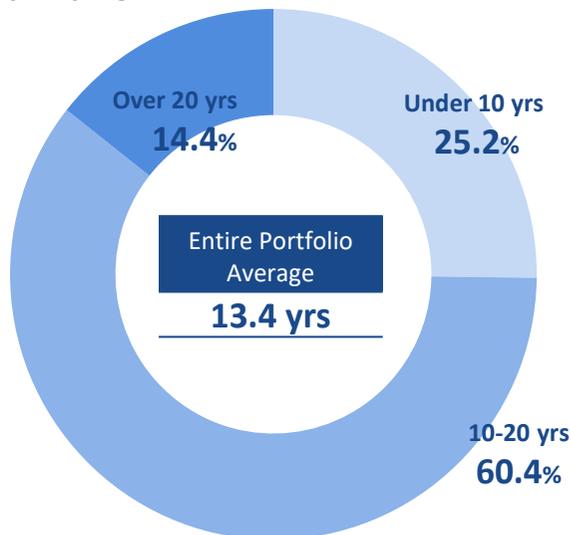
Note 2: "Rent guarantee" is contract with rent guarantee structure in part of whole residence.

Portfolio Breakdown (2)

Portfolio Breakdown ⁽¹⁾



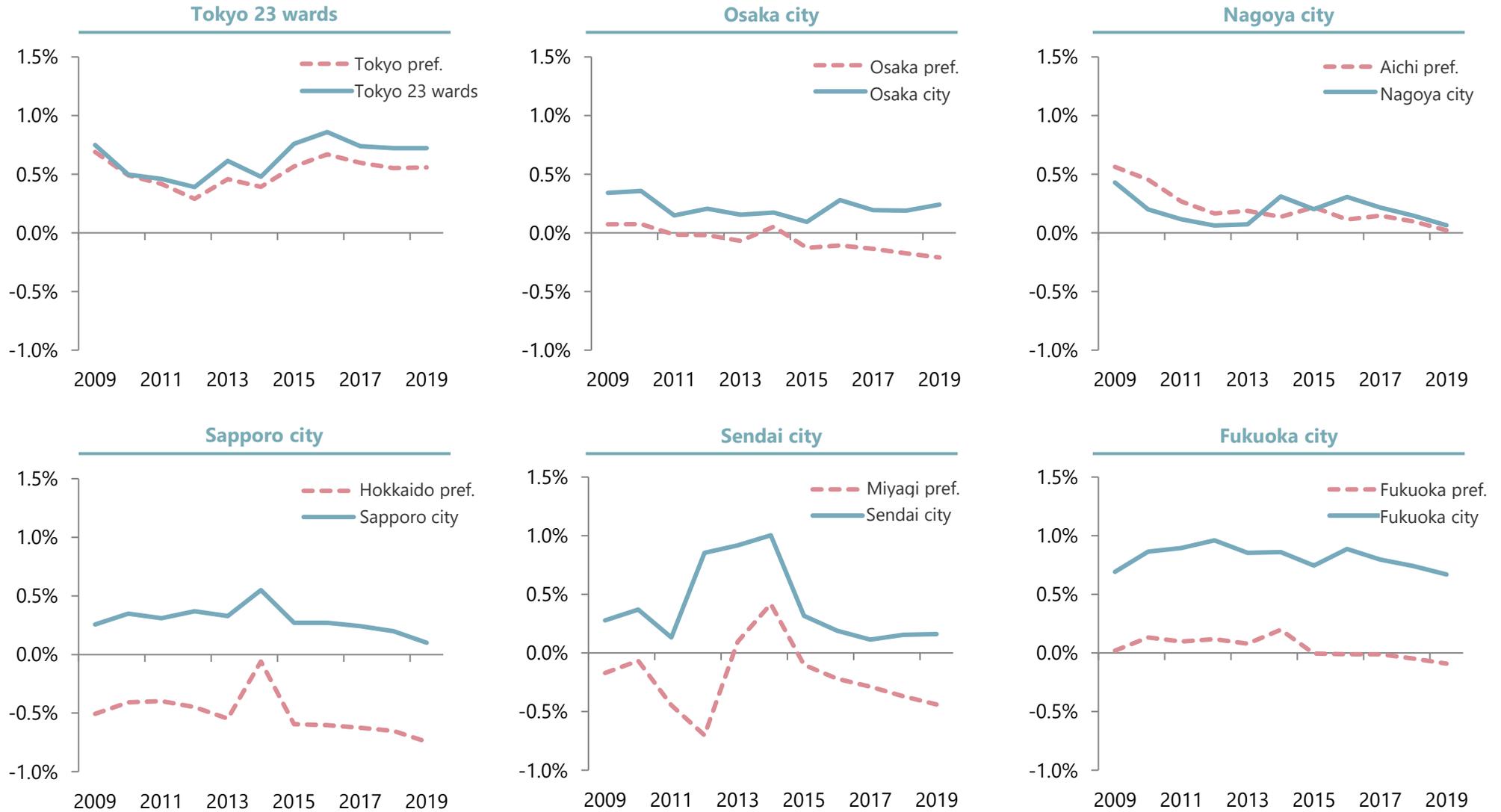
Break down of Property Age ⁽²⁾



Note 1: "Tokyo Metropolitan Area" includes Tokyo, Kanagawa, Saitama and Chiba. "Other Regional Areas" include government-designed municipalities and other regional cities. "Tokyo Central 8 Wards" include Minato-ku, Shibuya-ku, Chuo-ku, Chiyoda-ku, Shinjuku-ku, Meguro-ku, Setagaya-ku and Shinagawa-ku. "Osaka Metropolitan Area" includes Osaka, Kyoto, Nara, Hyogo and Shiga. "Three Major Metropolitan Area" includes Tokyo Metropolitan Area, Osaka Metropolitan Area and Nagoya Metropolitan Area. "Other Regional Areas" include regional cities excluding the three major metropolitan area.

Note 2: "Property age" is calculated by the weighted average by the acquisition price of the periods from completion dates to January 31, 2020.

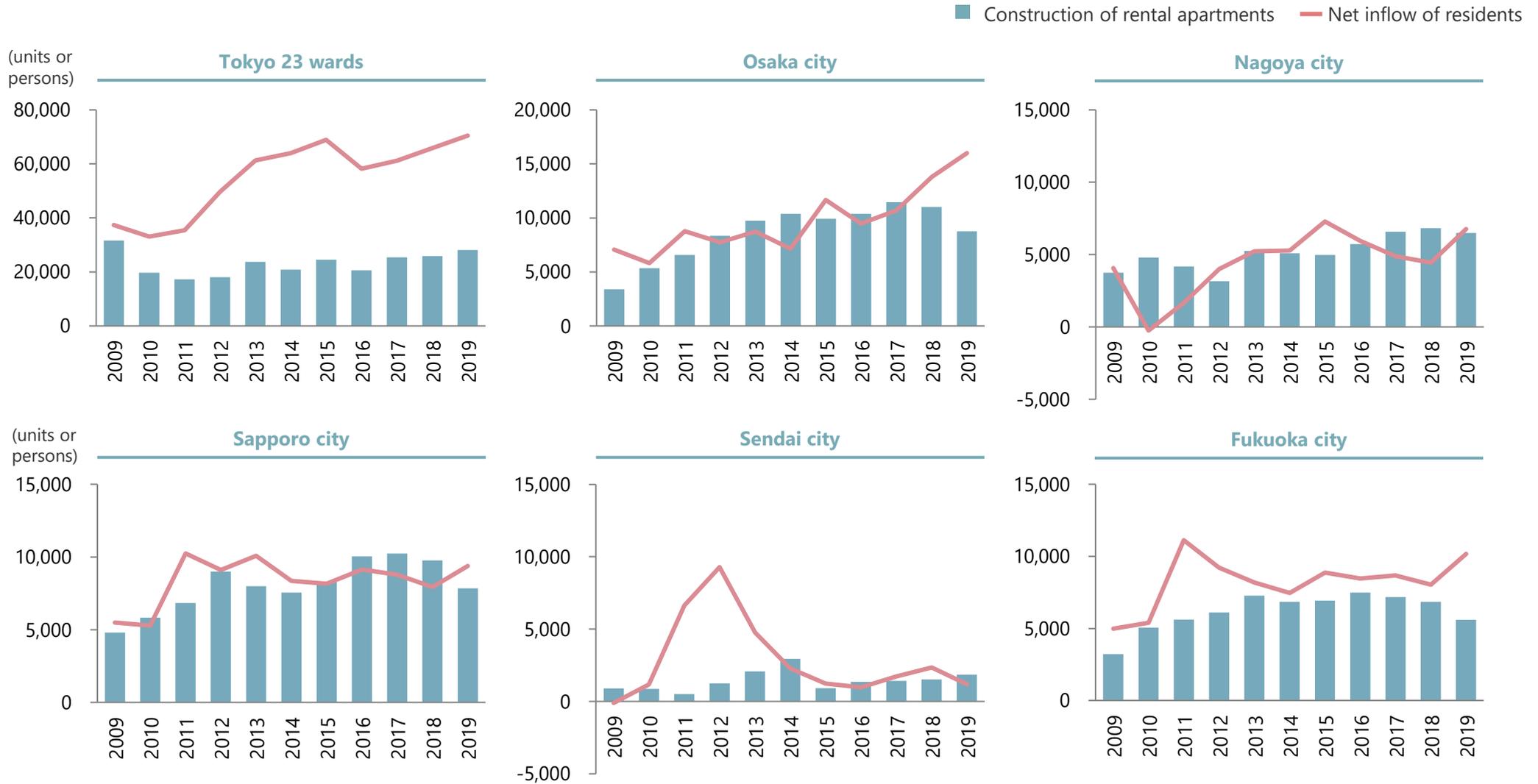
Residents growth rate in Tokyo 23 wards and major cities in Japan(YoY)



Source : Ministry of Internal Affairs and Communications. Report on Population Movement based on the Basic Resident Register.

Note : Residential population growth rate is calculated based on comparison with the previous fiscal year ended March 31. Methods for calculating statistics have been revised in 2006. The foreigners subject to the basic resident registration law have been included in the statistics since 2013, but this analysis indicates the transition related to Japanese only.

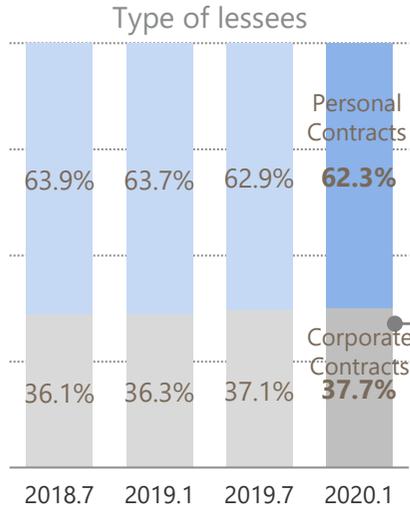
Construction of rental apartments and net inflow of residents into Tokyo 23 wards and major cities in Japan



Source : Ministry of land, Infrastructure, Transport and Tourism. Statistics for the Construction of New Housing. Ministry of Internal Affairs and Communications. Report on Population Movement based on the Basic Resident Register.
 Note : The total number for each year includes concrete, steel, reinforced concrete and steel reinforced concrete buildings. The net inflow of residents is calculated by subtracting the total number of residents moving out of the relevant city from the total number of residents moving into the relevant city.

Tenant Demographics Analysis (Residential Facilities)

Type of Lessees⁽¹⁾

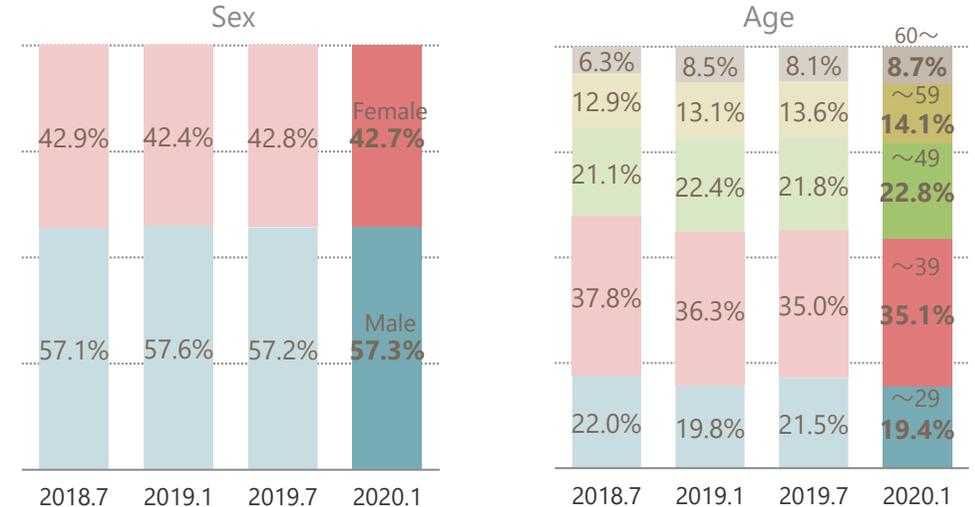


Large corporate contracts in rental housing⁽²⁾

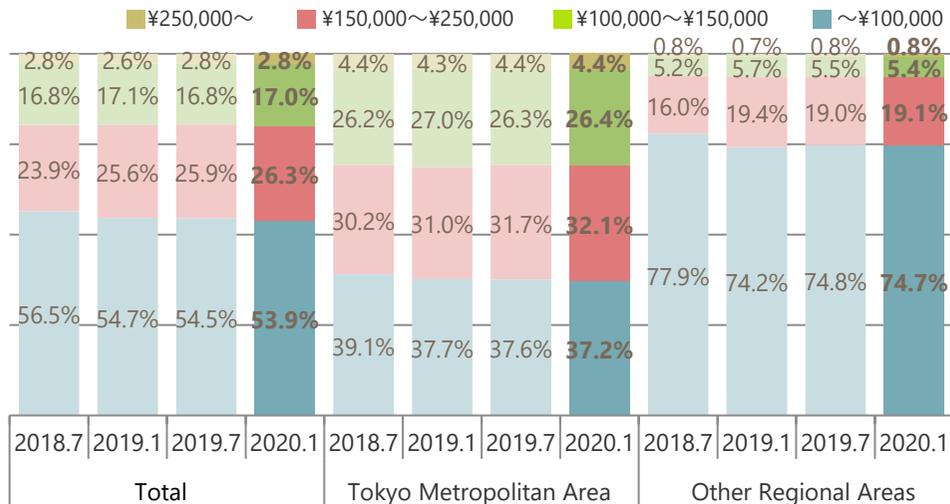
Property Name	Number of Contracts	% in a property
KDX Residence Nishi-Funabashi	42 units	73.7%
KDX Residence Higashi-Asakusa	21 units	58.3%
KDX Residence Okachimachi	27 units	52.9%
KDX Residence Yoga	18 units	47.4%
KDX Residence Higashi-shinjuku	75 units	41.9%
KDX Residence Moriguchi	8 units	28.6%

Note 1: Lessees of units at the end of each period include stores and offices.
 Note 2: Large corporate contracts are those that lease over 20% of the units in a certain property. However, properties which have rent guaranteed master lease contracts are excluded.

Breakdown of Personal Contracts



Breakdown of Rent Range (based on unit)



Average Rent per Residential Unit⁽¹⁾ (as of January 31, 2020)

Room Type \ Area	Tokyo Metropolitan Area	Other Regional Areas	Total
Studio	¥95,227 (+18)	¥71,234 (+149)	¥87,217 (+229)
Small Family	¥165,195 (+523)	¥84,891 (+157)	¥122,353 (+600)
Family	¥208,928 (+1,187)	¥156,698 (+4,289)	¥181,461 (+3,878)
Total	¥134,916 (+283)	¥93,547 (+299)	¥116,387 (+573)

Note1: "(+)" Shows the amount of increase or decrease compared to the previous period.

About Seismic Isolation Materials

Failure of Toyo Tire & Rubber Seismic Isolation Materials to Meet the Certification Requirements and Subsequent Actions

March, 2015		April, 2015		September, 2015	May, 2019	August, 2019
<p>Toyo Tire announced that its seismic isolation materials do not comply with certification requirements of the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT).</p>	<p>One portfolio building uses Toyo Tire seismic isolation materials, but Toyo Tire stated that these materials complied with the certification requirements.</p>	<p>Toyo Tire announced a new incident involving seismic isolation material fraud.</p>	<p>The MLIT and Toyo Tire measured the seismic isolation properties of the affected KDR owned building and concluded that the building is structurally sound up to a seismic intensity of 6-upper to 7.</p>	<p>KDR, KFM and a trust bank who is the trustee of the building signed a Compensation Agreement with Toyo Tire and Toyo Chemical Industrial Products.</p>	<p>An agreement was reached concerning replacement of the Rubber to respond to the problem and compensation for losses, etc. incurred by the Investment Corporation due to said replacement. Accordingly, the Concerned parties concluded an agreement on replacement of the Seismic Isolation Rubber and an additional compensation agreement.</p>	<p>Replacement construction for Seismic Isolation Rubber was started.</p>
<p>Start of examination to determine if any portfolio buildings use these materials.</p>		<p>Toyo Tire notified KDR that the seismic isolation materials in the portfolio building are included in this newly disclosed incident.</p>				<p>January, 2021 (planned)</p>
						<p>Replacement construction for Seismic Isolation Rubber will be completed.</p>

Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd.

October, 2018		January, 2019		January, 2020	January, 2020	
<p>“Non-compliance with the standards under the certification of the Minister of Land, Infrastructure, Transport and Tourism of the seismic isolation/mitigation oil dampers manufactured by KYB Corporation (“KYB”) and Kayaba System Machinery Co., Ltd. (“KSM”) announced by the Ministry of Land, Infrastructure, Transport and Tourism</p>	<p>One portfolio building uses the seismic isolation oil dampers manufactured by KYB and KSM with product certification number(s) for which the performance inspection data was considered to be falsified. KDR has received a report from KYB and KSM that seismic isolation oil dampers used for the Property meet the performance standards of MLIT, but a part of the seismic isolation oil dampers fail to meet the performance standard based on the contract with the customers.</p>	<p>KYB announced a new incident.</p>	<p>KDR has received a new notification by KYB and KSM that all seismic isolation oil dampers installed in the Property fall into the products for which it is unknown whether falsification was made.</p>	<p>KYB has also reported to KDR that it will promptly replace nonconforming products that fail to meet the performance standards of MLIT and products for which it is unknown whether falsification was made.</p>	<p>An agreement was reached concerning replacement of the Seismic Isolation Oil Dampers to new ones comply with the performance assessment standards certified by the Minister of Land, Infrastructure, Transportation and Tourism. Accordingly, the Concerned parties concluded an agreement on replacement of the Seismic Isolation Oil Dampers.</p>	<p>Replacement construction for Seismic Isolation Oil Dampers was started.</p>
						<p>January, 2021(planned)</p>
						<p>Replacement construction for Seismic Isolation Oil Dampers will be completed.</p>

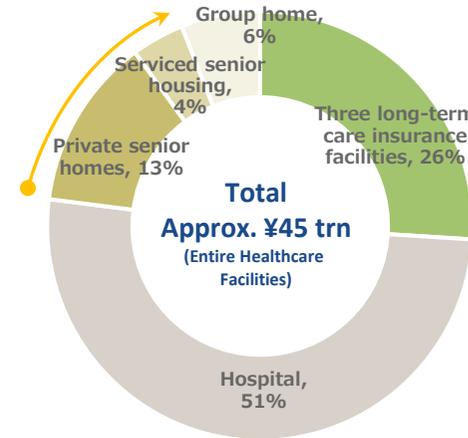
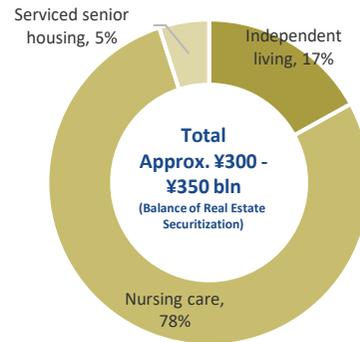
Market expansion and Strong Demand for Healthcare Facilities

- The market size of private senior homes and serviced senior housing has a total value of approx. **¥7.5 trn**. Only about **¥350 bln** of these properties have been securitized (4% to 5% of all properties), leaving an enormous volume of potential growth.
- The ratio of Healthcare Facilities by J-REIT market sector (approx. ¥174.4 bln) is still small, and **there is much room for expansion**.
- Strong demand for Healthcare Facilities is expected in Japanese market for super-aging societies.

Expansion of Healthcare Facility Real Estate Market and Securitization Market in Japan

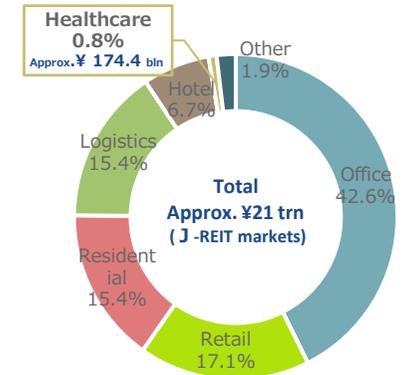
The Real Estate Market for Healthcare Facilities

Securitization of Private Senior Homes and Serviced Senior Housing



Source: KPMG Healthcare Japan (as of June 2016)

Real Estate Owned by J-REITs and Private REITs (May 2019)

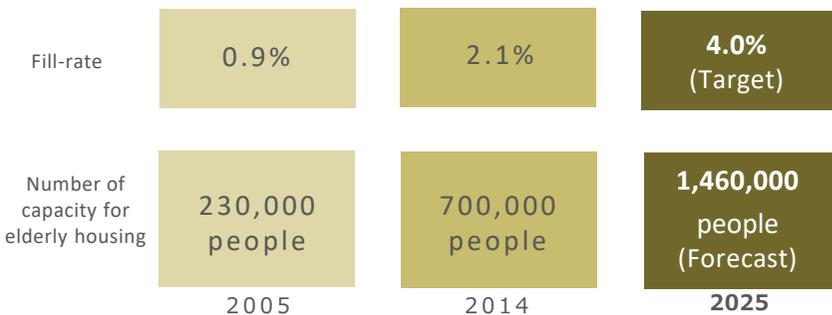


Source: "ARES J REIT Database, etc." The Association for Real Estate Securitization

Promotion of policies for a super-aging society

Target for fill-rate of elderly housing to the elderly population

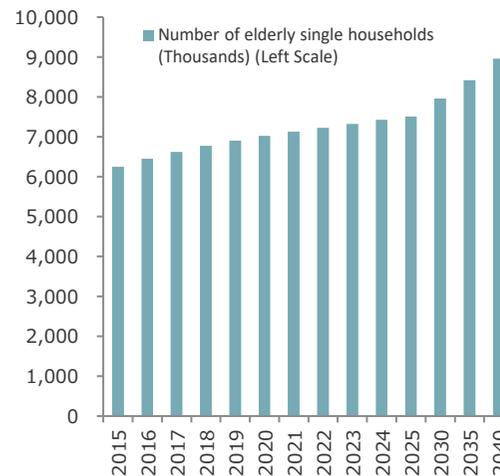
In the Basic Plan for Living (National Plan), the Government has set a target for the rate of sufficiency of elderly housing for the elderly population, and aim to increase the supply volume as a policy.



Source: Ministry of Land, Infrastructure, Transport and Tourism, Basic Plan for Living (National Plan) (Cabinet decision on March 15, 2011), (Cabinet decision on March 18, 2011)
 Statistics Bureau, Ministry of Internal Affairs and Communications, "2015 Population Census" and the National Institute of Population and Social Security Research.
 [Population Projections for Japan (2017)]

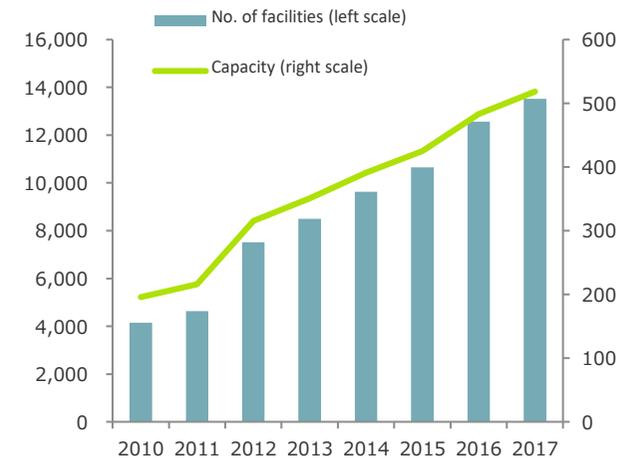
Increase in demand for Healthcare Facilities due to progress in super-aging societies

Trends in the number of single elderly households



Source: National Institute of Population and Social Security Research, "Number of Households in Japan" Future Projections (National Estimate) (January 2018 Estimates)

Trends in the Number of Facilities and capacity in Private senior homes

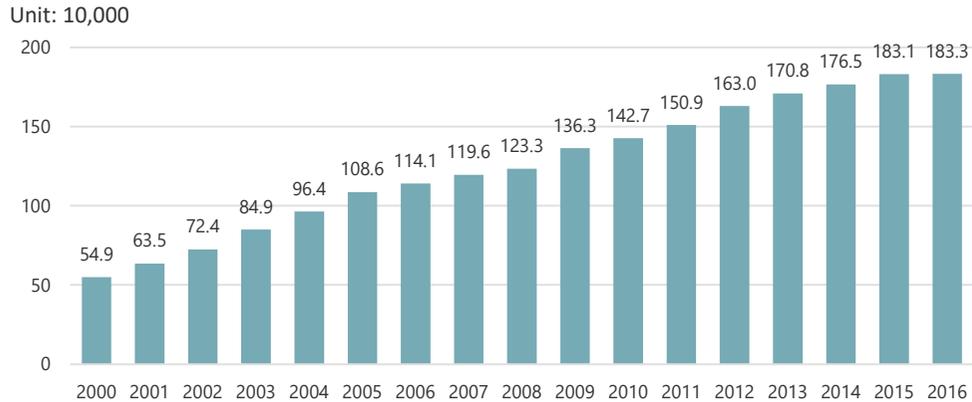


Source: Ministry of Health, Labour and Welfare, "Survey of Social Welfare Facilities, etc."

The Business Climate for Healthcare Facilities in Japan

- Since the FY2000 start of the nursing care insurance system, the nursing care workforce in Japan has increased by 1.28 million people (about 3.3 times).
- Recruit and train many types of people, using robots and taking other actions will be being introduced.

Growth of Japan's Nursing Care Workforce



Source: Survey of Institutions and Establishments for Long-term Care, Ministry of Health, Labour and Welfare

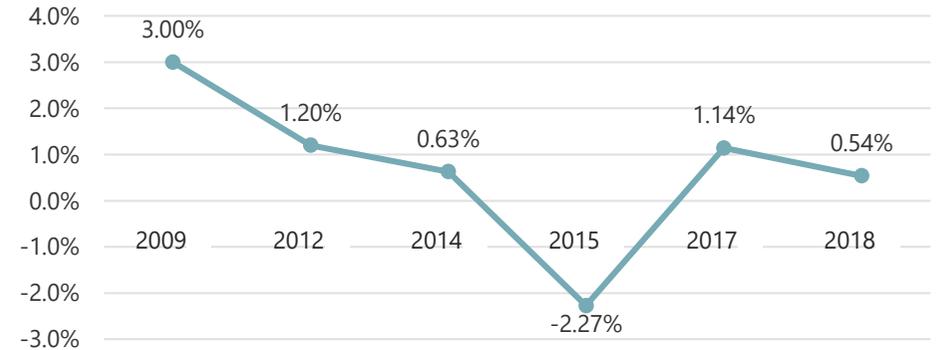
Measures to Recruit Nursing Care Workers

	Significant Measures Implemented	Additional Significant Measures Scheduled to be Implemented
Increase salaries and other benefits	(Actual) Average monthly wage increased by an amount equivalent to ¥57,000 Monthly wage increased by ¥14,000 (FY2017) Monthly wage increased by ¥13,000 (FY2015) Monthly wage increased by ¥6,000 (FY2012) Monthly wage increased by ¥24,000 (FY2009)	◎ Wage increase simultaneously with the hike in the consumption tax rate scheduled for October 2019
Recruit and train many types of people	○ Education loans to students wanting to train as care workers ○ Loans to care workers wanting to return to jobs in the nursing care sector (to prepare for taking up jobs again). (The loan ceiling is doubled in regions where it is difficult to recruit care workers)	◎ Establish an integrated service from induction courses for middle-age and elderly persons with no experience in nursing care to job matching after completion of training courses ◎ Support measures for recruitment at care workers education facilities
Measures to increase retention and raise productivity	○ Promote the use of nursing care robots and ICT ○ Support for establishing childcare facilities in nursing care facilities and offices ○ Reduce the financial burden of taking training seminars for career advancement and support for substitute care workers	◎ Accelerate introduction of nursing care robots and ICT, through support of the introduction of nursing care robots and provision of guidance for improving productivity. ◎ Popularization of the accreditation system and drawing up of guidelines
Make nursing care jobs more appealing	○ Promote the understanding of nursing care work among students, their guardians and career guidance staff	◎ Hands-on learning events to get a better understanding of nursing care service (improve the image of nursing care jobs)
Measures to increase the use of foreign workers	◎ Following the establishment of the "Nursing Care" visa status, provide support for foreign students wanting to obtain Care Worker National Certificate. (Promote student loans for studying nursing care and provide consultation on everyday life issues.)	

Source: Ministry of Health, Labour and Welfare

- Revisions to public-sector nursing care payments since 2009 have been generally positive; payments were raised 0.54% in FY2018.
- Recruiting rate and turnover rate for nursing care workforce are downward trend

Revisions to Public-sector Nursing Care Payments



Source: Ministry of Health, Labour and Welfare

Recruiting rate and Turnover rate for Nursing Care Workforce



Source: Survey of Nursing care labor situation 2018, Care Work Foundation

Overview of Operators

Operators of KDR Owned Properties

Operator (Parent company, etc.)	Established	Facilities operated (note)	No. of rooms (note)	Listed/Unlisted	Locations owned by KDR (Property name)
Sompo Care Inc. (Sompo Holdings, Inc.)	May 1997	434	25,804	Consolidated subsidiary of Sompo Holdings, Inc. (TSE 1st section listed)	Sompo Care Lavire Kobe Tarumi
Benesse Style Care Co., Ltd. (Benesse Holdings, Inc.)	September 1995	326	17,662	Consolidated subsidiary of Benesse Holdings, Inc. (TSE 1st section listed)	Granda Mondo Yakujin
HITOWA Care Service Co., Ltd. (HITOWA Holdings Co., Ltd.)	November 2006	116	7,041	Unlisted company	Irise Kamata/Yuseien Irise Nishioka Izarie Eniwa building (Irise Eniwa)
Nichii Carepalace Company (NICHII GAKKAN CO., LTD.)	June 1964	80	5,119	Consolidated subsidiary of NICHII GAKKAN CO., LTD. (TSE 1st section listed)	Nichii Home Nakano Minamidai Nichii Home Tama Plaza
Sawayaka Club Co., Ltd. (Uchiyama Holdings Co., Ltd.)	December 2004	85	5,008	Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd. (TSE 1st section listed)	Sawayaka Sakura Nibankan
Tsukui Corporation	June 1969	90	4,263	TSE 1st section listed	Tsukui Sun-shine Machida
Care 21 Corporation	November 1993	115	3,816	TSE JASDAQ listed	Plaisant Grand Ota tamagawa
Trust Garden Co., Ltd. (Resorttrust, Inc.)	August 2007	23	2,100	Consolidated subsidiary of Resorttrust, Inc. (TSE 1st section listed)	Activa Biwa
NOTE Social Welfare Corporation	June 1983	23	1,117	Unlisted organization	Ten
Excellent Care System Co., Ltd.	August 2004	31	1,144	Unlisted company	Excellent Nishinomiya Excellent Kitano
Community Net Inc.	June 1998	14	706	Unlisted company	Yuimaru Hijirigaoka
Hakusinkai Medical Corporation	November 1999	11	621	Unlisted organization	Anesis Teradacho, Rococo-riha, Orage Suma, Canadian Hill, Anesis Hyogo
Japan Care Link Co.,Ltd (Solasto Corporation)	November 2000	22	500	Consolidated subsidiary of Solasto Corporation (TSE 1st section listed)	Serabi Ebisu
NM LIFE Co., Ltd. (Iriscare Co., Ltd.)	October 1995	1	232	Unlisted company	Joy Stage Hachioji
Silver Town Ltd. (Iriscare Co., Ltd.)	February 2002	3	181	Unlisted company	Gran Hills Ogawarako

Note: Facilities operated and capacity are based on information received from operators and other sources and are current as of December 31, 2019. All figures for operators are non-consolidated. Private senior homes, Serviced senior housing, Group homes, Special nursing home for the elderly, Nursing and health facilities and Care Homes are counted.

Senior Housing and Senior Care Facility Operators Ranked by Number of Rooms

Senior Housing and Senior Care Facilities

Rank	Company	Major brands	Locations owned by KDR	Total ^(note)	
				Buildings	Rooms
1	Sompo Care	Sompo no ie, Sompo no ie S, Sompo Care Lavire	1	433	25,574
2	Benesse Style Care	Aria, Kurara, Granny & Granda, Madoka, Bonsejour, Kokochi, Li-Re	1	324	17,520
3	NICHIIGAKKAN	Nichii no Kirameki, Nichii no Hohoemi, Nichii Home, Iris Garden	2	428	13,945
4	Gakken Group	Cocofan, Ai no ie, Ensemble, Faminew		413	12,246
5	BestLife	BestLife		174	11,003
6	Kawashima Corporation	Sunny Life, Yawaragien		121	10,339
7	KOYAMA Healthcare Group	(No specific brand)		191	8,332
8	Souseikai Group	Good Time Home		98	7,946
9	HITOWA Care Service	Irise	3	116	7,041
10	Kinoshita Care	Lien Reve, Life commune, Ouen Kazoku		115	6,672
11	VATI	Furusato Home, Anshin Home, Care station Asahi		146	5,420
12	Uchiyama Holdings	Sawayaka	1	84	4,973
13	Half Century More	SunCity		17	4,911
14	Fuji Amenity Service	Fuji Palace Senior		151	4,753
15	Genkimura Group	Shoyouen		134	4,636
16	TSUKUI	TSUKUI Sunshine, TSUKUI Sun Forest	1	89	4,272
17	SHIP Healthcare Holdings	Green Life, Well House		68	4,195
18	UNIMAT Retirement Community	Soyokaze, Mazeran		160	4,190
19	ALSOK Group	Minna no ie, Sukoyaka, Amica, Katakuri		136	4,097
20	Nakagin Group	Nakagin Life Care		22	3,831
21	Care 21	Plaisant Grand, Plaisant maison, Tanoshii ie	1	112	3,708
36	Excellent Care System	Excellent, Suite, Grand Home	2	60	1,932
46	Resorttrust Group	Trust Garden, Trust Grace	1	19	1,710
69	NOTE Social Welfare Corporation	Yuyujiteki, Gokigen	1	26	1,185
133	Community Net	Yuimaru	1	12	634
200	Iriscare	Gran Hills, Joy Stage	2	4	420

Source: Shukan Koreisha Jutaku Shimbun (“Weekly Senior Housing Newspaper”), August 7 and 14, 2019 (Issue 551)

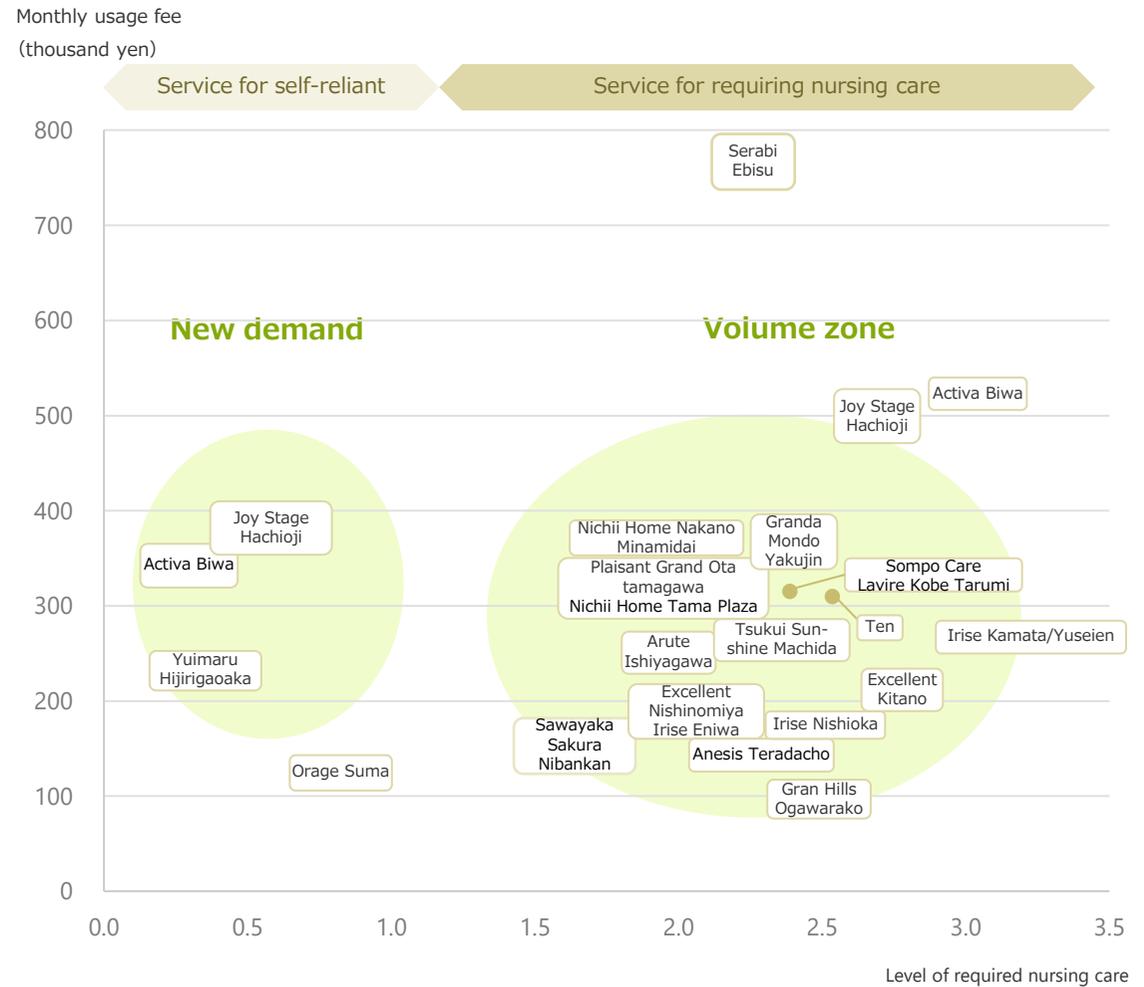
Note: The number of buildings and number of rooms are as of August 31, 2019 and based on information in Shukan Koreisha Jutaku Shimbun, August 7 and 14, 2019 (Issue 551). For corporate groups, the number of buildings and number of rooms are for all private senior homes, memory care group homes and senior care facilities of affiliated companies.

Classification of Senior Living Facilities

Classification of Senior Living Facilities by Type ⁽¹⁾

	For persons living on their own (self-reliant)		For persons requiring nursing care	
	Mid-price range	High price range	Mid-price range	High price range
Market demand	◎ (Potential demand)	△ (Price)	◎ (Volume zone)	○ (Price)
Monthly housing charge	¥ 0.1~0.3 million	¥ 0.3 million ~	¥ 0.1~0.3 million	¥ 0.3 million ~
Unit size	25~50m ²	50~100m ²	15~25m ²	18~25m ²
Room amenities	Washroom, bathroom, air conditioner, etc		bathroom, kitchen, etc.	
Shared amenities	Dining room, kitchen, lounge, etc.		public bathroom, Leisure facilities, etc.	
			bathroom (for individual, public bath room and mechanical bathroom), helper station, health management room, rehabilitation room, etc.	

Average Required Level of Nursing and Monthly Paid Fee by Facilities ⁽²⁾



Note 1: The above chart shows, in a simplified manner, the general features of market demand, monthly housing charge, unit size, room amenities and shared amenities assumed by KDR to pertain to the mentioned types of senior living facilities. "The monthly usage fee" indicates the monthly usage fee for single person room for the general public shown in the explanatory documents of important matter(excluding the co-payment of nursing care insurance service, In cases the lump-sum payment is received, added the amount of prorating the lump-sum payment to the anticipated period of residence stipulated in the explanatory documents of important matters, etc.)

Note 2: This diagram is a simplified analysis of attributes of senior living facilities in the portfolio. The averages of both service for self-reliant and service for requiring nursing care are calculated for Joy Stage Hachioji and Active Biwa.

Status of Lease Agreements (Healthcare Facilities)

No.	Name	Operator ^(1,2)	Facility Type	Remaining Term ⁽³⁾ (yrs)	Revision Period	Date of Next Revision
H-1	Irise Kamata/Yuseien	HITOWA Care Service Co., Ltd.	Nursing Care	22.4	Each 5 years	2022/7/1
H-2	Nichii Home Nakano Minamidai	Nichii Carepalace Company	Nursing Care	7.1	Each 3 years	2022/4/1
H-3	Joy Stage Hachioji	NM LIFE Co., Ltd.	Nursing Care	16.0	Not allowed ⁽⁴⁾	-
H-4	Yuimaru Hijirigaoka	Community Net Inc.	Residential	44.8	Not allowed ⁽⁵⁾	-
H-5	Nichii Home Tama Plaza	Nichii Carepalace Company	Nursing Care	12.5	Each 3 years	2027/9/1
H-6	Ten	NOTE Social Welfare Corporation	Nursing Care	18.0	Not allowed ⁽⁵⁾	-
H-7	Irise Nishioka	HITOWA Care Service Co., Ltd.	Residential	24.3	Not allowed ⁽⁴⁾	-
H-8	Izarie Eniwa Building ⁽⁶⁾	HITOWA Care Service Co., Ltd.	Nursing Care	25.1	Not allowed ⁽⁴⁾	-
H-9	Sawayaka Sakura Nibankan	Sawayaka Club Co., Ltd.	Nursing Care	13.1	Not allowed ⁽⁴⁾	-
H-10	Active Biwa	Trust Garden Co., Ltd.	Nursing Care	7.5	Each 3 years	2021/1/29
H-11	Sompo Care LAVIERE Kobe Tarumi	Sompo Care Inc.	Nursing Care	10.3	Not allowed ⁽⁷⁾	-
H-12	Granda Mondo Yakujin	Benesse Style Care Co., Ltd.	Residential	17.5	Not allowed ⁽⁷⁾	-
H-13	Excellent Nishinomiya	Excellent Care System Co., Ltd.	Nursing Care	14.6	Not allowed ⁽⁸⁾	-
H-14	Gran Hills Ogawarako	Silver Town Ltd.	Serviced	9.7	Each 3 years ⁽⁹⁾	2020/11/12
H-15	Excellent Kitano	Excellent Care System Co., Ltd.	Residential	15.5	Not allowed ⁽⁸⁾	-
H-16	Anesis Teradacho	Hakusinkai Medical Corporation	Nursing and health	16.1	Each 5 years	2026/3/29
H-17	Rococo-riha	Hakusinkai Medical Corporation	Nursing and health	16.1	Each 5 years	2026/3/29
H-18	Orage Suma	Hakusinkai Medical Corporation	Nursing and health	16.1	Each 5 years	2026/3/29
H-19	Canadian Hill	Hakusinkai Medical Corporation	Nursing and health	16.1	Each 5 years	2026/3/29
H-20	Anesis Hyogo	Hakusinkai Medical Corporation	Nursing and health	16.1	Each 5 years	2026/3/29
H-21	Plaisant Grand Ota tamagawa	Care 21 Corporation	Nursing Care	18.0	Not allowed ⁽⁷⁾	-
H-22	Tsukui Sun-shine Machida (West) (East)	Tsukui Coroporation	Nursing Care	22.1	Each 5 years	2022/4/1
				24.3	Each 5 years	2020/6/1
H-23	Serabi Ebisu	Japan Care Link Co.,Ltd	Nursing Care	7.5	Each 3 years	2022/5/1
H-24	Arute Ishiyagawa	Hakusinkai Medical Corporation	Nursing Care	28.6	Each 5 years	2027/7/1
Average				16.3		

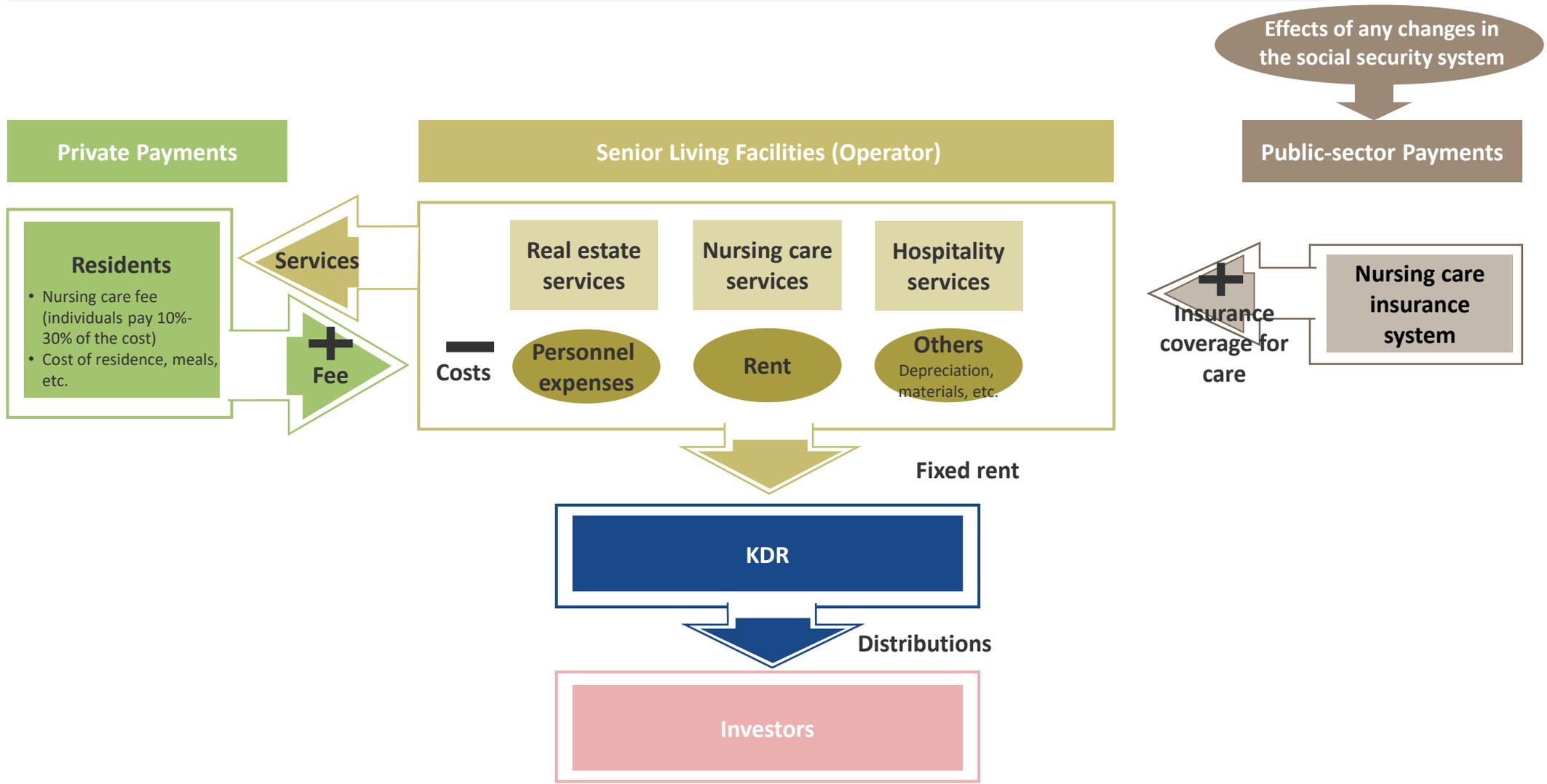
- Note 1: In the case there are multiple tenants in each facility, status is referred based on lease agreements with operators which are main tenants.
- Note 2: Types of lease agreements are all ordinary lease agreements excluding "Gran Hills Ogawarako" "Arute Ishiyagawa". The type of lease agreement of "Gran Hills Ogawarako" "Arute Ishiyagawa" are a fixed-term lease agreement.
- Note 3: "Remaining Term" is calculated from January 31, 2020 to the termination date of agreements with operators.
- Note 4: As a rule, no revision is allowed in term of agreements. Discussion is allowed about increase in rent by inflation and rising interest rates.
- Note 5: As a rule, no revision is allowed in term of agreements. Discussion is allowed by each three years in the case conditions are highly unreasonable because of the changes of economic climate but if the discussion is failed, tenants are needed to pay current rent.
- Note 6: Contents of lease agreements about "Irisie Eniwa" occupying from 4F to 6F of "Izarie Eniwa Building".
- Note 7: As a rule, no revision is allowed in term of agreements. Discussion is allowed in the case conditions are highly unreasonable because of the changes of economic climate.
- Note 8: As a rule, no revision is allowed in term of agreements. Discussion is allowed by each three years in the case conditions are highly unreasonable because of the changes of economic climate and invested by the lessor to add to the real estate (including repair and extra renovation)
- Note 9: Requests of rent reduction aren't allowed except the case that the facility has defects or is unable to be used.

Revision Period



Typical Profit Structure for Senior Living Facilities

- KDR receives **steady fixed rents** from the operators of senior living facilities.
- The performance of senior living facilities is vulnerable to revisions to Japan’s social security system due to their reliance on **public-sector insurance and other coverage**.
- Although changes in the earnings of operators does not directly impact KDR’s performance, monitoring and other activities are used to be vigilant about any potential long-term effects.



Note: The typical senior living facility profit structure in this diagram is based on analysis performed by KDR.

Unitholders' benefit programs

Breakdown for the Unitholders' benefits at approx. 781 facilities

<p>Seikatsu Kagaku Un-Ei Co., Ltd.</p> <p> 長谷エグループ 株式会社 生活科学運営</p> <p>25 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Shizuoka, Aichi, Kyoto, Hyogo, Osaka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge 	<p>CENTURY LIFE CORPORATION</p> <p> 長谷エグループ 株式会社 センチュリーライフ</p> <p>10 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Osaka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge 	<p>LIXIL SENIOR LIFE COMPANY</p> <ul style="list-style-type: none"> «On the condition of lump sum payment»Discount on lump sum payment for resident (¥ 300,000 discount) Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit (with lunch) free of charge <p>5 facilities</p> <p>Tokyo, Fukuoka</p>
<p>Sompo Care Inc.</p> <p> Innovation for Wellbeing SOMPOケア</p> <p>I . Sompo Care LAVIERE</p> <ul style="list-style-type: none"> «On the condition of lump sum payment»3% discount from the initial lump sum payment for resident «On the condition of monthly payment»3% discount of the amount equivalent to the rent out of the monthly payment (Until the contract ends) <p>II . Sompo Care Sompo no ie, Sompo no ie S, Sompo no ie GH, Private senior homes (residential), Serviced senior housing, Group homes</p> <ul style="list-style-type: none"> 3% discount of the amount equivalent to the rent out of the monthly payment or of the rent (Until the contract ends) <p>426 facilities</p> <p>Hokkaido, Iwate, , Miyagi, Akita, Saitama, Chiba, Tokyo, Kanagawa, Shizuoka, Aichi, Kyoto, Osaka, Hyogo, Nara, Okayama, Hiroshima, Fukuoka, Kumamoto</p>	<p>HITOWA Care Service Co., Ltd.</p> <p> イリーゼ</p> <p>112 facilities</p> <p>Hokkaido, Miyagi, Saitama, Chiba, Tokyo, Kanagawa, Nagano, Aichi, Hyogo, Okinawa</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge Discount on usage charge for two-month equivalent 	<p>CARE TWENTYONE CORPORATION</p> <p> ケア21</p> <p>41 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, Hyogo, Hiroshima</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge
<p>Nichii Carepalace Company</p> <p> ニチイ</p> <p>74 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Shizuoka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge Trial residence free of charge (1-night, 2-day stay, with dinner, lunch and breakfast) 	<p>Excellent Care System Co., Ltd.</p> <p> 株式会社エクセレントケアシステム</p> <p>15 facilities</p> <p>Tokyo, Kanagawa, Kyoto, Hyogo, Tokushima</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge 	
<p>Sawayaka Club Corporation</p> <p> さわやか倶楽部</p> <p>72 facilities</p> <p>Hokkaido, Akita, Tochigi, Saitama, Chiba, Kanagawa, Niigata, Shizuoka, Aichi, Mie, Kyoto, Osaka, Hyogo, Ehime, Wakayama, Fukuoka, Oita</p> <ul style="list-style-type: none"> 10% discount on usage charge for first month Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit(with lunch) free of charge 	<p>NM LIFE Co., Ltd.</p> <p> 株式会社 ジョイステージ八王子</p> <p>1 facility</p> <p>Tokyo</p> <ul style="list-style-type: none"> Discount on one-time payment for resident (¥ 200,000 discount) Trial residence free of charge, up to three times (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit(with lunch) free of charge (up to three times) 	

(Note 1) The unitholders' benefit programs are applied private nursing homes that are managed by above companies as of January 31, 2020. Other Facilities Available for Century Life Corporation and Hitowa Care Service Co., Ltd. are serviced housing for the elderly operated, Senior Life Company is apartment for the elderly, and Sompo Care Inc. is serviced housing for the elderly, Group homes.

Support System by Sponsor and Support Companies

		Support for:  Residential facilities			 Healthcare facilities	 Accommodation			
		External growth support			Internal growth support		Finance support	Personnel support or provision of expertise	
		Information provision (1)	Development (2)	Warehousing	Renovations, maintenance	Backup operator (3)	Financing means for bridge funds, etc. provided		
Sponsor etc.									
	Support Companies								
									
									
									

Note 1: "Information provision" means support to provide, to KDR or KFM under certain conditions, information on sales of third parties' real properties, etc. that Sponsor or individual Support Companies obtain on their own or information on sales of real properties that Sponsor, individual Support Companies or their group companies, etc. possess (with respect to Shinsei Bank and Mitsubishi UFJ Trust and Banking Corporation among other Support Companies, only information on sales of third parties' real properties, etc. that they obtain on their own).

Note 2: "Development" means support to provide cooperation to the extent practically reasonable and under practically reasonable conditions when KDR requests support for new development of investable assets or redevelopment of real properties, etc. that KDR possesses or considers to acquire.

Note 3: "Backup operator" means support to consider to be backup operators for existing operators who are managing facilities which are located on real properties, etc. that KDR possesses or considers to acquire when KDR requests.

Note 4: The chart above shows a summary of support set forth in each support agreement executed by and among Sponsor, Kenedix Investment Partners Inc. (KIP), each of the Support Companies and KDR/KFM or agreeing succession resulting from the merger. Neither the Sponsor nor the individual Support Companies are necessarily contractually obligated to provide the support above, and Sponsor, KIP and the individual Support Companies have not guaranteed or promised to provide the support above.

Summary of Kenedix Group

Main Funds Kenedix Group Involves in Operation

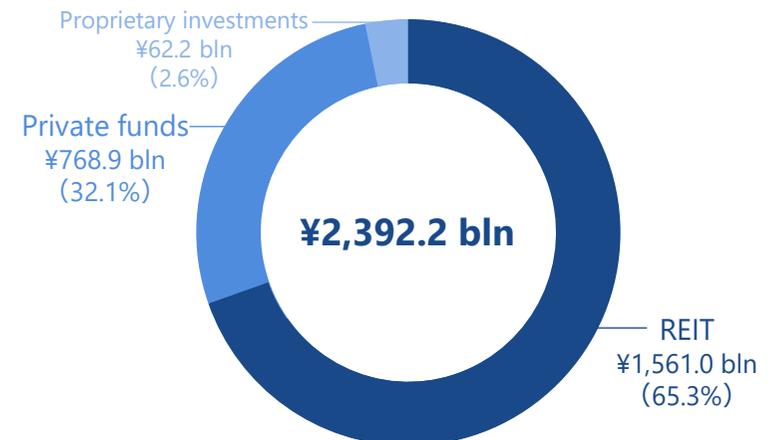


Priority Rights of Consideration for Real Estate Sale Information in Asset Management Company

Property type	Total floor area per investment property (m ²)	Primary	2nd
Residential	All	KDR	KPI ⁽¹⁾
Healthcare	All	KDR	—
Accommodation	All	KPI ⁽¹⁾	KDR
Childcare facilities	All	KDR	—

Note 1: "KPI" indicates Kenedix Private Investment Corporation.

Breakdown of AUM (as of end of December 2019)

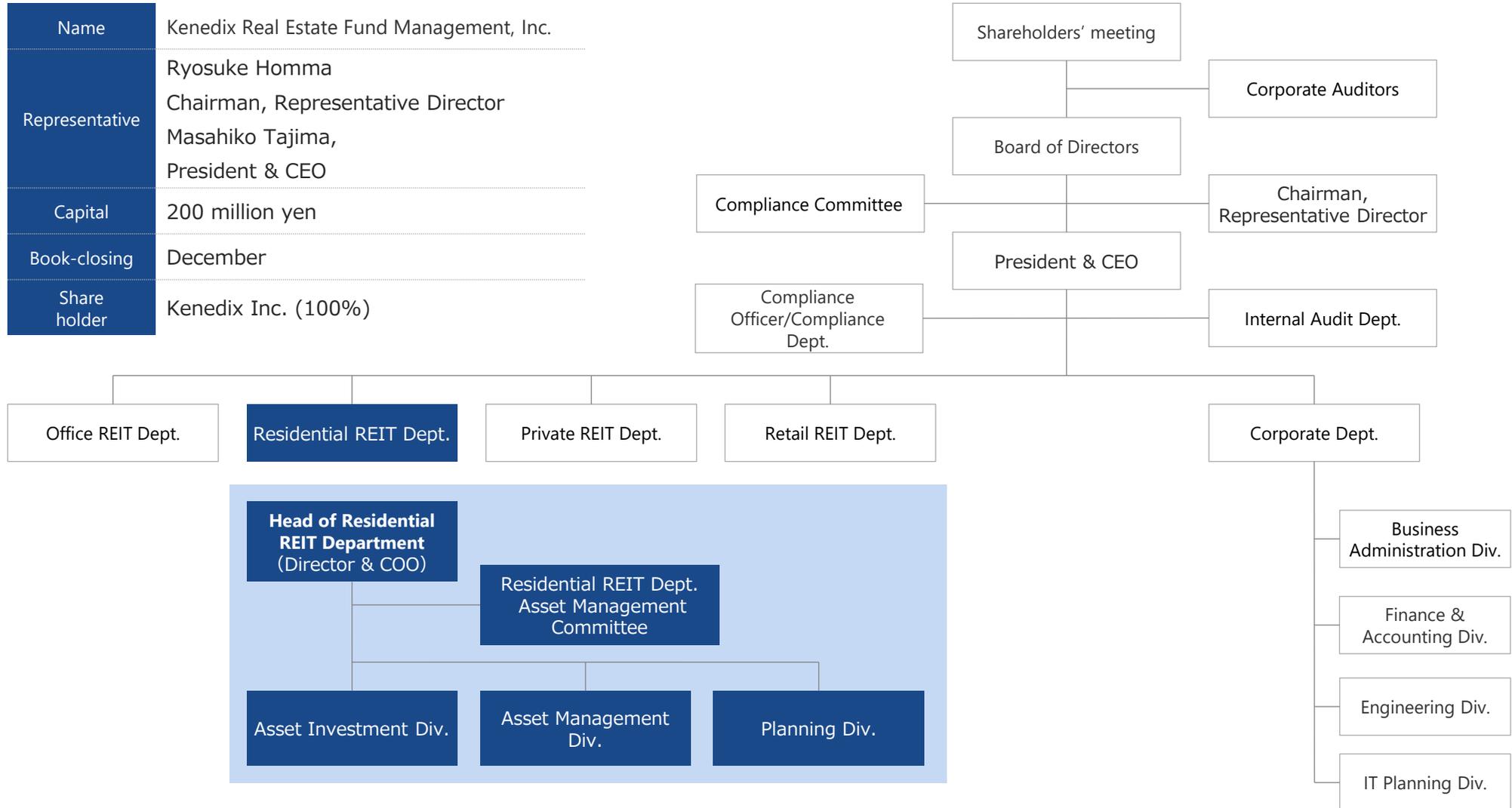


Organization Chart of KFM (KDR)

Overview of Asset Management Company

Name	Kenedix Real Estate Fund Management, Inc.
Representative	Ryosuke Homma Chairman, Representative Director Masahiko Tajima, President & CEO
Capital	200 million yen
Book-closing	December
Share holder	Kenedix Inc. (100%)

Organizational chart



Financial Statements

Balance Sheets

(in thousands of yen)

	15 th fiscal period (as of Jul 31, 2019)	16 th fiscal period (as of Jan 31, 2020)
Assets		
Current assets		
Cash and deposits	10,296,548	10,978,807
Cash and deposits in trust	9,903,118	10,187,104
Operating accounts receivable	36,005	37,373
Prepaid expenses	12,815	8,640
Other	856	589
Total current assets	¥20,249,344	¥21,212,515
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Building in trust	89,530,077	89,101,264
Structures in trust	881,774	865,561
Machinery and equipment in trust	1,115,184	1,094,407
Tools, furniture and fixtures in trust	457,614	489,387
Land in trust	138,484,736	139,731,924
Total property, plant and equipment, net	¥232,267,430	¥233,080,586
Intangible assets		
Land leasehold in trust	1,228,912	1,227,187
Other	5,563	4,787
Total intangible assets	¥1,234,475	¥1,231,974
Investments and other assets		
Investment securities	2,398	-
Lease and guarantee deposits	89,097	89,097
Long-term prepaid expenses	1,014,728	945,375
Other	-	338
Total investments and other assets	¥1,106,223	¥1,034,810
Total noncurrent assets	¥234,608,129	¥235,347,371
Deferred assets		
Investment corporation bond issuance costs	35,327	49,303
Investment unit issuance costs	72,944	56,620
Total deferred assets	¥108,272	¥105,924
Total assets	¥254,965,747	¥256,665,810

(in thousands of yen)

	15 th fiscal period (as of Jul 31, 2019)	16 th fiscal period (as of Jan 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	772,751	595,433
Short-term loans payable	2,500,000	3,300,000
Current portion of long-term loans payable	13,200,000	10,100,000
Accounts payable-other	305,806	294,697
Accrued expenses	27,560	35,152
Income taxes payable	605	605
Accrued consumption taxes	21,474	53,827
Advances received	1,148,654	1,173,813
Deposits received	58,742	59,879
Other	10,098	4,090
Total current liabilities	¥18,045,693	¥15,617,497
Noncurrent liabilities		
Investment corporation bonds	5,000,000	7,000,000
Long-term loans payable	105,200,000	107,250,000
Tenant leasehold and security deposits in trust	3,099,642	3,059,671
Trust tenants lump sum deposits	4,493,753	4,689,541
Asset retirement obligations	67,338	67,522
Other	517,915	481,213
Total noncurrent liabilities	¥118,378,649	¥122,547,949
Total liabilities	¥136,424,343	¥138,165,447
Net Assets		
Unitholders' equity		
Unitholders' capital	99,731,514	99,731,514
Surplus		
Investment surplus	13,187,100	13,187,100
Reserve for temporary difference adjustment	1,980,000	1,960,000
Unappropriated retained earnings (undisposed loss)	4,125,881	4,072,277
Total surplus	¥19,292,981	¥19,219,377
Total unitholders' equity	¥119,024,495	¥118,950,891
Valuation and translation adjustments		
Deferred gains or losses on hedges	△483,092	△450,527
Total valuation and translation adjustments	¥△483,092	¥△450,527
Total net assets	¥118,541,403	¥118,500,363
Total liabilities and net assets	¥254,965,747	¥256,665,810

Financial Statements

Statements of Income and Retained Earnings

	(in thousands of yen)	
	15 th fiscal period from: Feb. 1, 2019 to: Jul. 31, 2019	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020
Operating revenues		
Rent revenues-real estate	7,342,246	7,472,039
Other lease business revenue	590,778	555,566
Gain on sales of real estate, etc.	203,392	39,013
Total operating revenues	¥8,136,417	¥8,066,618
Operating expenses		
Expenses related to rent business	2,915,721	2,911,303
Asset management fees	562,274	576,676
Asset custody fees	13,404	13,836
Administrative service fees	45,950	46,625
Directors' compensation	8,100	8,100
Other operating expenses	231,968	249,665
Total operating expenses	¥3,777,419	¥3,806,207
Operating Income	¥4,358,998	¥4,260,411
Non-operating income		
Interest income	38	41
Dividends and redemption-prescription	765	1,394
Interest on refund	463	-
Total non-operating income	¥1,268	¥1,435
Non-operating expenses		
Interest expenses	485,799	498,295
Interest expenses on Investment corporation bonds	13,825	15,857
Borrowing expenses	100,264	112,332
Investment corporation bond issuance costs	3,243	3,534
Amortization of investment unit issuance costs	15,269	16,324
Other	-	1,500
Total non-operating expenses	¥618,402	¥647,845
Ordinary Income	¥3,741,863	¥3,614,002

	(in thousands of yen)	
	15 th fiscal period from: Feb. 1, 2019 to: Jul. 31, 2019	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020
Income before income taxes	¥3,741,863	¥3,614,002
Income taxes-current	605	605
Total income taxes	¥605	¥605
Net Income	¥3,741,258	¥3,613,397
Retained earnings brought forward	384,622	458,879
Unappropriated retained earnings (undisposed loss)	¥4,125,881	¥4,072,277

Distributions

	15 th fiscal period from: Feb. 1, 2019 to: Jul. 31, 2019	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020
I. Retained earnings at the end of period	4,125,881,528 yen	4,072,277,167 yen
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments	20,000,000 yen	20,000,000 yen
III. Total distributions	3,687,001,854 yen	3,687,909,312 yen
(Distributions per unit)	(4,063 yen)	(4,064 yen)
IV. Retained earnings brought forward to the next period	458,879,674 yen	404,367,855 yen

Statements of Cash Flows

	(in thousands of yen)	
	15 th fiscal period from: Feb. 1, 2019 to: Jul. 31, 2019	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020
Net cash provided by (used in) operating activities	5,947,236	5,685,950
Net cash provided by (used in) investing activities	△13,427,488	△2,764,521
Net cash provided by (used in) financing activities	5,601,986	△1,955,184
Net increase (decrease) in Cash and Cash Equivalents	¥△1,878,264	¥966,243
Cash and cash equivalents at the beginning of period	22,077,932	20,199,667
Cash and cash equivalents at the End of Period	¥20,199,667	¥21,165,911

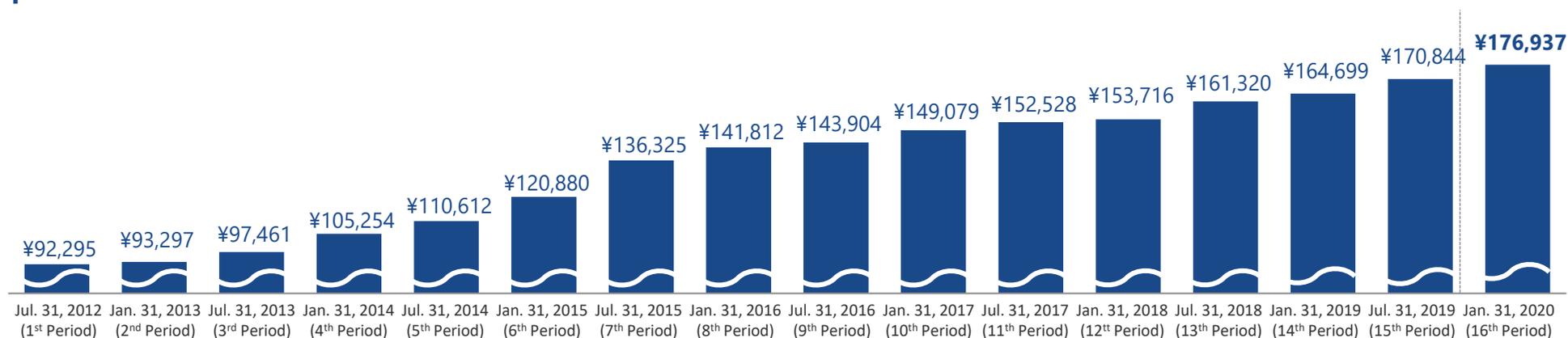
Appraisal Unrealized Capital Gains and NAV per Unit

Appraisal Unrealized Capital Gains and Appraisal Unrealized Gain Ratio⁽¹⁾ ■ Appraisal unrealized capital gains ● Appraisal unrealized capital gain ratio (RHS)

(in billions of yen)



NAV per Unit (2)



Note 1: "Appraisal Unrealized Capital Gains" = Total Appraisal Value at the End of the Period – Total Book Value at the End of the Period (Appraisal Value for Healthcare facilities after the merger). "Appraisal Unrealized Capital Gain Ratio" = Total Appraisal Unrealized Capital Gains at the End of the Period / Total. After the merger of "Appraisal Unrealized Capital Gains" and "Appraisal Unrealized Gain Ratio" are estimated figure calculated under premise assumptions as of March 1, 2018.

note2: "NAV per unit" has been changed as follows, including for past figures

Calculation method up until the 11th fiscal period: NAV per unit = (end of period total assets - unappropriated retained earnings + end of period appraisal value - property, plant and equipment)/number of outstanding units

Calculation method from the 12th fiscal period: NAV per unit = (end of period total assets - total distribution amount + end of period appraisal value - property, plant and equipment - land leasehold in trust) /number of outstanding units

Further, considering the 2-for-1 investment unit split on March 1, 2018, NAV per unit from January 31, 2018 (end of 12th fiscal period) onward reflects the split by being prorated by 2. Post-merger NAV per unit is estimated figure calculated as of March 1, 2018 based on certain assumptions.

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
T-1	KDX Daikanyama Residence	F	6,200	6,530	330	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	4,700	1,830	4,768	1,761
T-3	KDX Odemma Residence	F	2,170	2,250	80	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	1,775	475	1,698	551
T-4	KDX Iwamoto-cho Residence	F	1,010	1,060	50	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	822	238	782	277
T-5	KDX Bunkyo Sengoku Residence	F	1,810	1,910	100	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	1,488	422	1,443	466
T-6	KDX Azumabashi Residence	F	914	943	29	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	650	293	611	331
T-7	KDX Shimura Sakaue Residence	F	3,510	3,590	80	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	2,830	760	2,646	943
T-9	Cosmo Heim Motosumiyoshi (land with leasehold interest)	F	1,840	1,860	20	-	-	4.4%	4.4%	4.6%	4.5%	1,750	110	1,798	61
T-10	KDX Musashi Nakahara Residence	F	741	758	17	4.6%	4.5%	4.4%	4.3%	4.8%	4.7%	637	121	632	125
T-11	KDX Chiba Chuo Residence	D	1,830	1,830	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,480	350	1,299	530
T-12	KDX Kawaguchi Saiwai-cho Residence	F	1,450	1,500	50	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	1,150	350	1,103	396
T-13	KDX Residence Shirokane I	F	3,590	3,700	110	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	3,000	700	3,078	621
T-15	KDX Residence Shirokane II	F	3,550	3,690	140	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	2,800	890	2,848	841
T-16	KDX Residence Minami-aoyama	F	2,530	2,580	50	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	2,230	350	2,268	311
T-17	KDX Residence Minami-azabu	F	2,720	2,790	70	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	2,080	710	2,132	657
T-18	KDX Residence Shiba Koen	F	2,370	2,430	60	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	1,781	649	1,756	673
T-19	KDX Residence Azabu East	F	2,000	2,120	120	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	1,560	560	1,585	534
T-20	KDX Residence Takanawa	F	1,060	1,090	30	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	770	320	760	329
T-21	KDX Residence Nishihara	F	1,900	1,940	40	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,450	490	1,498	441
T-22	KDX Residence Daikanyama II	F	1,000	1,030	30	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	730	300	759	270
T-23	KDX Residence Sendagaya	F	844	854	10	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	650	204	635	218
T-24	KDX Residence Nihombashi Suitengu	D	4,020	4,060	40	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	3,240	820	3,203	856
T-25	KDX Residence Nihombashi Hakozaki	D	1,430	1,450	20	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,147	303	1,157	292
T-26	KDX Residence Higashi-shinjuku	F	4,090	4,210	120	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	3,270	940	3,224	985
T-27	KDX Residence Yotsuya	F	2,870	2,970	100	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	2,260	710	2,291	678
T-28	KDX Residence Nishi-shinjuku	F	1,330	1,380	50	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	1,000	380	993	386
T-29	KDX Residence Kagurazaka	F	930	968	38	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	720	248	707	260
T-30	KDX Residence Futako Tamagawa	F	1,480	1,520	40	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	1,250	270	1,271	248

Note 1: Regarding Appraisers, "F" means Japan Real Estate Institute, "D" means Daiwa Real Estate Appraisal co., Ltd., "M" means JLL Morii Valuation & Advisory K.K. and "T" means The Tanizawa Sogo Appraisal Co., Ltd. Appraisal values are rounded down to the nearest ¥mln. Contents of the real estate appraisal are opinions and judgements at the time of evaluation(Previous; July 31, 2019,16th Period; January 31, 2020), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values. Subtotal and Total of "Cap Rate", "Discount Rate" and "Terminal Cap Rate" are calculated by the weighted average by the appraisal value. For properties for which multiple discount rates are set per fiscal period, the value for the first fiscal period in which a discount rate was applied is shown above.

Appraisal Values 2/6

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
T-31	KDX Residence Komazawa Koen	F	1,120	1,150	30	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	920	230	901	248
T-32	KDX Residence Misyuku	F	958	985	27	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	760	225	749	235
T-33	KDX Residence Yoga	F	864	915	51	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	700	215	693	221
T-34	KDX Residence Shimouma	F	765	785	20	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	600	185	597	187
T-35	Raffine Minami-magome	F	1,450	1,460	10	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,250	210	1,239	220
T-36	KDX Residence Yukigaya Otsuka	F	1,340	1,370	30	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	1,050	320	1,019	350
T-37	KDX Residence Denen Chofu	D	1,280	1,280	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	1,000	280	1,065	214
T-38	KDX Residence Tamagawa	F	942	977	35	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	776	201	733	243
T-39	KDX Residence Monzennakacho	F	1,010	1,040	30	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	773	267	762	277
T-40	KDX Residence Okachimachi	F	1,060	1,090	30	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	850	240	867	222
T-41	KDX Residence Moto-asakusa	F	1,010	1,040	30	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	800	240	811	228
T-42	KDX Residence Itabashi Honcho	F	767	790	23	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	620	170	595	194
T-43	KDX Residence Azusawa	F	654	666	12	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	550	116	549	116
T-44	KDX Residence Tobu Nerima	F	522	538	16	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	420	118	392	145
T-45	KDX Residence Yokohama Kannai	F	985	1,010	25	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	800	210	771	238
T-46	KDX Residence Miyamaedaira	F	1,140	1,170	30	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	999	171	1,002	167
T-47	KDX Residence Machida	F	2,080	2,120	40	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	1,800	320	1,697	422
T-48	KDX Residence Kinshicho	F	1,690	1,690	-	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,350	340	1,334	355
T-49	KDX Residence Nihombashi Hamacho	F	1,250	1,350	100	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	996	354	1,040	309
T-50	KDX Residence Nihombashi Ningyocho	F	682	680	-2	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	530	150	558	121
T-51	KDX Residence Jiyugaoka	F	1,620	1,620	-	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	1,268	352	1,319	300
T-52	KDX Residence Togoshi	F	4,800	4,810	10	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	3,745	1,065	3,731	1,078
T-53	KDX Residence Shinagawa Seaside	F	3,340	3,340	-	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	2,593	747	2,564	775
T-54	KDX Residence Ojima	F	2,370	2,390	20	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	1,857	533	1,823	566
T-55	KDX Residence Oyama	F	3,310	3,350	40	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	2,679	671	2,622	727
T-56	KDX Residence Hanzomon	F	5,650	5,800	150	4.0%	3.9%	3.7%	3.6%	4.1%	4.0%	4,832	968	4,947	852
T-57	B-Site Akihabara	F	1,010	1,060	50	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	850	210	860	199

Note 1: Regarding Appraisers, "F" means Japan Real Estate Institute, "D" means Daiwa Real Estate Appraisal co., Ltd., "M" means JLL Morii Valuation & Advisory K.K. and "T" means The Tanizawa Sogo Appraisal Co., Ltd. Appraisal values are rounded down to the nearest ¥mln. Contents of the real estate appraisal are opinions and judgements at the time of evaluation(Previous; July 31, 2019,16th Period; January 31, 2020), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values. Subtotal and Total of "Cap Rate", "Discount Rate" and "Terminal Cap Rate" are calculated by the weighted average by the appraisal value. For properties for which multiple discount rates are set per fiscal period, the value for the first fiscal period in which a discount rate was applied is shown above.

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
T-58	KDX Residence Kagurazaka Dori	F	1,940	2,010	70	3.7%	3.6%	3.5%	3.4%	3.9%	3.8%	1,360	650	1,376	633
T-59	KDX Residence Sendagi	F	2,510	2,550	40	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	2,200	350	2,346	203
T-60	KDX Residence Seijo	F	1,600	1,700	100	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,400	300	1,418	281
T-61	KDX Residence Akihabara	F	1,560	1,610	50	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,250	360	1,243	366
T-62	KDX Residence Iriya	F	1,400	1,440	40	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	1,062	378	1,056	383
T-63	KDX Residence Tachikawa	F	3,650	3,710	60	4.2%	4.1%	4.0%	3.9%	4.4%	4.3%	3,026	683	2,976	733
T-64	KDX Residence Tsurumi	F	1,500	1,530	30	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	1,050	480	1,155	374
T-65	KDX Residence Morishita Chitose	M	1,300	1,350	50	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,100	250	1,102	247
T-66	KDX Residence Akasaka	F	1,760	1,830	70	3.6%	3.5%	3.4%	3.3%	3.8%	3.7%	1,150	680	1,186	643
T-67	KDX Residence Kanda	F	1,110	1,140	30	3.8%	3.7%	3.6%	3.5%	4.0%	3.9%	700	440	718	421
T-68	KDX Residence Ebisu	F	4,320	4,450	130	3.6%	3.5%	3.4%	3.3%	3.8%	3.7%	2,845	1,605	2,928	1,521
T-69	KDX Residence Nishi-magome	F	1,260	1,300	40	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	1,130	170	1,165	134
T-70	KDX Residence Nishi-azabu	F	1,710	1,750	40	3.7%	3.6%	3.5%	3.4%	3.9%	3.8%	1,224	526	1,239	510
T-71	KDX Residence Azabu Sendaizaka	F	1,090	1,150	60	3.7%	3.6%	3.5%	3.4%	3.9%	3.8%	792	357	804	345
T-72	KDX Residence Waseda Tsurumaki	F	834	862	28	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	561	301	563	298
T-73	KDX Residence Bunkyo Yushima	F	975	986	11	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	695	291	699	286
T-74	KDX Residence Kamishakujii	F	820	837	17	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	648	189	654	182
T-75	KDX Residence Shin-otsuka	F	993	1,020	27	4.0%	3.9%	3.8%	3.7%	4.2%	4.1%	764	256	772	247
T-76	KDX Residence Sakurajosui	F	1,160	1,190	30	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	894	296	902	287
T-77	KDX Residence Ryogoku	F	1,130	1,190	60	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	842	348	850	339
T-78	KDX Residence Toyosu	T	7,640	7,730	90	4.1%	4.0%	4.3%	4.2%	4.3%	4.2%	7,500	230	7,706	23
T-79	KDX Residence Asagaya	F	2,170	2,230	60	3.9%	3.8%	3.7%	3.6%	4.1%	4.0%	1,930	300	1,965	264
T-80	KDX Residence Hiyoshi	F	2,730	2,740	10	4.6%	4.5%	4.3%	4.2%	4.7%	4.6%	2,635	104	2,697	42
T-81	KDX Residence Kamikitazawa	F	1,410	1,420	10	4.3%	4.3%	4.0%	4.0%	4.4%	4.4%	1,360	60	1,398	21
T-82	KDX Residence Kaminoge	F	1,230	1,260	30	4.0%	3.9%	3.7%	3.6%	4.1%	4.0%	1,111	149	1,138	121
T-83	KDX Residence Higashi-Asakusa	F	737	748	11	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	687	60	707	40
T-83	KDX Residence Nishi-Funabashi	F	-	1,060	-	-	4.4%	-	4.2%	-	4.6%	975	84	1,023	36
T-83	KDX Residence Asagaya II	F	-	982	-	-	4.2%	-	3.9%	-	4.3%	939	42	977	4
Subtotal / Average			151,397	157,264	3,825	4.0%	3.9%	3.9%	3.8%	4.3%	4.2%	124,420	32,843	124,986	32,277

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
R-2	KDX Jozenji Dori Residence	D	1,320	1,340	20	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	1,015	325	926	413
R-3	KDX Izumi Residence	F	1,380	1,410	30	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	1,120	290	1,041	368
R-4	KDX Chihaya Residence	F	1,400	1,430	30	4.6%	4.5%	4.4%	4.3%	4.8%	4.7%	1,080	350	987	442
R-5	KDX Sakaisuji Hommachi Residence	F	3,420	3,550	130	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	2,910	640	2,694	855
R-7	KDX Takarazuka Residence	F	1,930	1,970	40	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	1,510	460	1,338	631
R-8	KDX Shimizu Residence	F	2,020	2,030	10	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,680	350	1,545	484
R-9	KDX Residence Odori Koen	F	968	996	28	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	765	231	771	224
R-10	KDX Residence Kikusui Yojo	F	1,020	1,050	30	5.0%	4.9%	4.8%	4.7%	5.2%	5.1%	830	220	780	269
R-11	KDX Residence Toyohira Koen	F	549	559	10	5.1%	5.0%	4.9%	4.8%	5.3%	5.2%	445	114	462	96
R-13	KDX Residence Ichiban-cho	D	706	721	15	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	530	191	498	222
R-15	KDX Residence Izumi Chuo	D	613	613	-	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	480	133	451	161
R-16	KDX Residence Higashi-sakura I	F	2,540	2,590	50	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	2,350	240	2,232	357
R-17	KDX Residence Higashi-sakura II	F	1,020	1,050	30	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	900	150	858	191
R-18	KDX Residence Jingumae	F	1,030	1,040	10	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	840	200	790	249
R-19	KDX Residence Nishi-oji	D	938	938	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	813	125	774	163
R-20	KDX Residence Saiin	D	512	513	1	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	440	73	415	97
R-21	KDX Residence Namba	F	1,650	1,700	50	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,410	290	1,353	346
R-22	KDX Residence Namba-minami	F	1,570	1,600	30	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	1,350	250	1,270	329
R-24	KDX Residence Ibaraki I・II	F	1,424	1,439	15	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	1,275	164	1,283	155
R-25	KDX Residence Toyonaka-minami	F	860	874	14	4.9%	4.8%	4.7%	4.6%	5.1%	5.0%	740	134	674	199
R-26	KDX Residence Moriguchi	F	666	680	14	4.8%	4.7%	4.6%	4.5%	5.0%	4.9%	551	129	512	167
R-27	KDX Residence Sannomiya	F	1,210	1,230	20	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	1,080	150	1,071	158
R-28	Ashiya Royal Homes	F	1,920	1,940	20	4.3%	4.2%	4.1%	4.0%	4.5%	4.4%	1,360	580	1,457	482

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
R-29	KDX Residence Funairi Saiwai-cho	F	703	716	13	5.4%	5.3%	5.2%	5.1%	5.6%	5.5%	588	128	548	167
R-30	KDX Residence Tenjin-higashi II	F	873	895	22	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	680	215	641	253
R-32	KDX Residence Nishi Koen	F	876	895	19	4.7%	4.6%	4.5%	4.4%	4.9%	4.8%	763	132	723	171
R-33	KDX Residence Hirao Josui-machi	F	913	933	20	4.5%	4.4%	4.3%	4.2%	4.7%	4.6%	760	173	734	198
R-35	Leopalace Flat Shin-sakae	M	4,490	4,590	100	4.4%	4.3%	4.3%	4.2%	4.6%	4.5%	3,500	1,090	3,464	1,125
R-36	KDX Residence Konan Yamate	F	1,130	1,160	30	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	973	187	964	195
R-37	KDX Residence Hommachibashi	F	3,620	3,700	80	4.4%	4.3%	4.2%	4.1%	4.6%	4.5%	3,201	499	3,137	562
R-38	KDX Residence Minami-kusatsu	D	2,410	2,430	20	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	1,974	455	1,971	458
R-39	KDX Residence Ohori Harbor View Tower	D	5,220	5,220	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	4,606	613	4,508	711
R-40	KDX Residence Minami-sanjo	F	1,690	1,700	10	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	915	785	908	791
R-41	Serenite Kita-kyuhoji	M	1,580	1,620	40	4.1%	4.0%	3.9%	3.8%	4.3%	4.2%	1,290	329	1,268	351
R-42	Serenite Nishinomiya Hommachi	T	744	748	4	4.8%	4.7%	4.9%	4.8%	5.0%	4.9%	617	130	638	109
R-43	KDX Residence Nishijin	T	1,690	1,720	30	4.7%	4.6%	4.8%	4.7%	4.9%	4.8%	1,600	120	1,742	-22
R-44	Serenite Kobe Motomachi	T	2,600	2,600	-	4.6%	4.5%	4.7%	4.6%	4.8%	4.7%	2,390	210	2,477	122
R-45	KDX Residence Shukugawa Hills	D	7,300	7,320	20	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	6,884	435	7,298	21
Subtotal / Average			66,505	67,510	1,005	4.6%	4.5%	4.4%	4.4%	4.8%	4.7%	56,217	11,292	55,221	12,288
Residential Facilities total / Average			217,902	224,774	4,830	4.2%	4.1%	4.1%	4.0%	4.4%	4.3%	180,637	44,136	180,207	44,566

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 16 th Period b	Difference c [b-a]	Previous	End of the 16 th Period	Previous	End of the 16 th Period	Previous	End of the 16 th Period				
H-1	Irise Kamata/Yuseien	D	1,120	1,120	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,120	-	1,082	37
H-2	Nichii Home Nakano-Minamidai	D	1,780	1,780	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,780	-	1,769	10
H-3	Joy Stage Hachioji	T	3,760	3,760	-	5.2%	5.2%	5.1%	5.1%	5.4%	5.4%	3,690	70	3,781	-21
H-4	Yuimaru Hijirigaoka	F	1,120	1,120	-	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	1,120	-	1,085	34
H-5	Nichii Home Tama Plaza	D	2,940	2,940	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	2,940	-	2,832	107
H-6	Ten	T	2,660	2,660	-	6.0%	6.0%	6.1%	6.1%	6.2%	6.2%	2,630	30	2,633	26
H-7	Irise Nishioka	F	857	857	-	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	858	-1	825	31
H-8	Izarie Eniwa Building	F	1,740	1,740	-	5.9%	5.9%	5.7%	5.7%	6.1%	6.1%	1,660	80	1,590	149
H-9	Sawayaka Sakura Nibankan	D	991	993	2	5.6%	5.6%	5.4%	5.4%	5.8%	5.8%	989	4	945	47
H-10	Activa Biwa	T	6,560	6,580	20	5.7%	5.7%	5.8%	5.8%	5.9%	5.9%	6,560	20	6,386	193
H-11	Sompo Care LAVIERE Kobe Tarumi	T	2,110	2,110	-	4.9%	4.9%	4.9%	4.9%	5.1%	5.1%	2,110	-	2,066	43
H-12	Granda Mondo Yakujin	F	1,190	1,190	-	4.9%	4.9%	4.6%	4.6%	5.1%	5.1%	1,190	-	1,152	37
H-13	Excellent Nishinomiya	T	975	975	-	5.0%	5.0%	5.0%	5.0%	5.2%	5.2%	971	4	935	39
H-14	Gran Hills Ogawarako	T	1,380	1,380	-	7.2%	7.2%	7.1%	7.1%	7.4%	7.4%	1,380	-	1,311	68
H-15	Excellent Kitano	T	780	780	-	4.7%	4.7%	4.7%	4.7%	4.9%	4.9%	737	43	759	20
H-16	Anesis Teradacho	D	3,630	3,640	10	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	3,490	150	3,528	111
H-17	Rococo-riha	D	2,170	2,170	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	2,100	70	2,080	89
H-18	Orage Suma	T	2,810	2,830	20	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	2,810	20	2,803	26
H-19	Canadian Hill	T	1,870	1,870	-	4.7%	4.7%	4.6%	4.6%	4.9%	4.9%	1,830	40	1,838	31
H-20	Anesis Hyogo	T	1,440	1,440	-	4.8%	4.8%	4.7%	4.7%	5.0%	5.0%	1,420	20	1,410	29
H-21	Plaisant Grand Ota tamagawa	F	3,180	3,180	-	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	3,057	122	3,231	-51
H-22	Tsukui Sun-shine Machida	F	7,070	7,070	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	6,934	135	7,149	-79
H-23	Serabi Ebisu	M	1,700	1,700	-	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,690	10	1,719	-19
H-24	Arute Ishiyagawa	T	1,410	1,400	-10	5.4%	5.4%	5.1%	5.1%	5.2%	5.2%	1,061	339	1,181	218
Subtotal / Average			55,243	55,285	42	5.0%	5.0%	4.9%	4.9%	5.2%	5.2%	54,128	1,156	54,099	1,185
Grand total			273,145	280,059								234,766		234,307	45,751

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Summary of Portfolio Performance

Trends in Portfolio Performance

	11 th fiscal period (as of Jul. 31, 2017)	12 th fiscal period (as of Jan. 31, 2018)	13 th fiscal period (as of Jul. 31, 2018)	14 th fiscal period (as of Jan. 31, 2019)	15 th fiscal period (as of Jul. 31, 2019)	16 th fiscal period (as of Jan. 31, 2020)
Number of Properties	113 props	115 props	129 props	138 props	143 props	144 props
Properties Acquired during the period	0 props	2 props	1 props	10 props	6 props	2 props
Properties Transferred during the period	0 Props	0 Props	1 Props	1 Props	1 Props	1 Props
Total Acquisition Price	155,069 million	164,169 million	192,889 million	220,916 million	233,251 million	234,766 million
Total Book Value	156,161 million	165,040 million	193,148 million	221,356 million	233,496 million	234,307 million
Total Appraisal Value	182,410 million	192,137 million	223,857 million	256,062 million	273,676 million	280,059 million
Rentable Units ⁽¹⁾	7,518 units	7,888 units	7,794 units	8,280 units	8,346 units	8,399 units
Rentable Area ⁽¹⁾	292,324.33 m ²	303,608.43 m ²	301,462.41 m ²	329,477.93 m ²	335,406.34 m ²	335,344.55 m ²
Leasing Business Revenues	5,574 million	5,671 million	6,655 million	7,605 million	7,933 million	8,027 million
Leasing Business Expenses (ex. Depreciation)	1,239 million	1,185 million	1,410 million	1,451 million	1,524 million	1,482 million
NOI (Net Operating Income) ⁽²⁾	4,335 million	4,486 million	5,245 million	6,154 million	6,408 million	6,545 million
NOI Cap Rate (per year)	5.6 %	5.4 %	5.4 %	5.5 %	5.5 %	5.5 %
Capital Expenditure	241 million	286 million	436 million	614 million	612 million	656 million
Depreciation	884 million	921 million	1,144 million	1,343 million	1,391 million	1,428 million
Depreciation Rate (per acquisition price, year)	1.2 %	1.1 %	1.2 %	1.2 %	1.2 %	1.2 %
NOI Cap Rate after Depreciation (per year)	4.5 %	4.3 %	4.2 %	4.3 %	4.3 %	4.3 %

Note 1: "Rentable Units" and "Rentable Area" don't include healthcare facilities.

Note 2: NOI=Operating Revenues – Operating Expenses(ex. Depreciation) (Rounded down to the nearest one decimal places)

Portfolio Performance in 2H 2019 1/6

																	(in thousands of yen)	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
T-1	KDX Daikanyama Residence	4,700,000	4,768,610	6,530,000	SF	86	5,338.99	5,178.88	97.0%	184	161,346	25,757	135,588	17,391	118,197	5.7%	5.0%	
T-3	KDX Odemma Residence	1,775,000	1,698,727	2,250,000	SF	54	2,353.23	2,310.78	98.2%	184	58,273	11,380	46,892	10,911	35,980	5.2%	4.0%	
T-4	KDX Iwamoto-cho Residence	822,000	782,371	1,060,000	SF	36	1,131.24	1,131.24	100.0%	184	28,670	7,306	21,363	5,278	16,085	5.2%	3.9%	
T-5	KDX Bunkyo Sengoku Residence	1,488,000	1,443,546	1,910,000	S	77	2,054.10	2,002.81	97.5%	184	51,812	10,379	41,433	6,527	34,906	5.5%	4.7%	
T-6	KDX Azumabashi Residence	650,000	611,565	943,000	S	41	1,054.83	1,031.09	97.7%	184	25,951	5,507	20,443	4,998	15,445	6.2%	4.7%	
T-7	KDX Shimura Sakaue Residence	2,830,000	2,646,009	3,590,000	F	85	6,117.48	5,980.05	97.8%	184	106,075	17,992	88,083	21,719	66,363	6.2%	4.7%	
T-9	Cosmo Heim Motosumiyoshi (land)	1,750,000	1,798,041	1,860,000	-	-	-	-	-	184	43,749	1,354	42,395	-	42,395	4.8%	4.8%	
T-10	KDX Musashi Nakahara Residence	637,000	632,900	758,000	F	35	2,123.46	2,062.98	97.2%	184	25,282	6,009	19,273	3,765	15,508	6.0%	4.8%	
T-11	KDX Chiba Chuo Residence	1,480,000	1,299,634	1,830,000	S	106	3,546.91	3,438.51	96.9%	184	63,224	12,886	50,337	17,296	33,041	6.7%	4.4%	
T-12	KDX Kawaguchi Saiwai-cho Residence	1,150,000	1,103,003	1,500,000	SF	61	2,491.66	2,449.77	98.3%	184	47,676	11,241	36,434	7,367	29,066	6.3%	5.0%	
T-13	KDX Residence Shirokane I	3,000,000	3,078,425	3,700,000	SF	50	3,617.32	3,617.32	100.0%	184	113,340	31,629	81,711	8,887	72,823	5.4%	4.8%	
T-15	KDX Residence Shirokane II	2,800,000	2,848,252	3,690,000	S	85	2,889.66	2,804.24	97.0%	184	90,066	18,442	71,624	7,342	64,281	5.1%	4.6%	
T-16	KDX Residence Minami-aoyama	2,230,000	2,268,968	2,580,000	SF	20	1,680.79	1,498.42	89.1%	184	61,420	17,405	44,014	3,458	40,556	3.9%	3.6%	
T-17	KDX Residence Minami-azabu	2,080,000	2,132,335	2,790,000	SF	62	2,785.42	2,648.80	95.1%	184	75,079	19,866	55,213	7,310	47,902	5.3%	4.6%	
T-18	KDX Residence Shiba Koen	1,781,000	1,756,309	2,430,000	SF	64	2,507.52	2,441.35	97.4%	184	65,444	12,543	52,900	5,816	47,083	5.9%	5.2%	
T-19	KDX Residence Azabu East	1,560,000	1,585,623	2,120,000	S	76	1,849.00	1,849.00	100.0%	184	58,257	11,358	46,898	6,663	40,235	6.0%	5.1%	
T-20	KDX Residence Takanawa	770,000	760,591	1,090,000	SF	27	1,034.27	1,034.27	100.0%	184	29,118	5,407	23,711	2,787	20,923	6.1%	5.4%	
T-21	KDX Residence Nishihara	1,450,000	1,498,311	1,940,000	SF	39	2,310.08	2,310.08	100.0%	184	52,342	12,645	39,696	6,616	33,080	5.4%	4.5%	
T-22	KDX Residence Daikanyama II	730,000	759,708	1,030,000	F	17	985.10	922.10	93.6%	184	28,307	4,816	23,490	1,286	22,204	6.4%	6.0%	
T-23	KDX Residence Sendagaya	650,000	635,184	854,000	SF	16	748.96	748.96	100.0%	184	23,038	4,262	18,776	2,816	15,959	5.7%	4.9%	
T-24	KDX Residence Nihombashi Suitengu	3,240,000	3,203,920	4,060,000	F	79	5,534.86	5,534.86	100.0%	184	97,822	15,676	82,146	18,024	64,122	5.0%	3.9%	
T-25	KDX Residence Nihombashi Hakozaeki	1,147,000	1,157,354	1,450,000	S	60	1,537.38	1,516.87	98.7%	184	41,190	9,730	31,459	7,047	24,412	5.4%	4.2%	
T-26	KDX Residence Higashi-shinjuku	3,270,000	3,224,947	4,210,000	S	179	4,358.43	4,358.43	100.0%	184	112,192	18,096	94,095	11,794	82,300	5.7%	5.0%	
T-27	KDX Residence Yotsuya	2,260,000	2,291,111	2,970,000	F	42	3,101.16	3,033.12	97.8%	184	80,481	17,395	63,085	10,127	52,957	5.5%	4.6%	
T-28	KDX Residence Nishi-shinjuku	1,000,000	993,002	1,380,000	S	54	1,345.92	1,345.92	100.0%	184	35,984	6,619	29,365	4,023	25,341	5.8%	5.0%	
T-29	KDX Residence Kagurazaka	720,000	707,437	968,000	S	34	890.93	890.93	100.0%	184	25,139	4,292	20,847	3,373	17,473	5.7%	4.8%	
T-30	KDX Residence Futako Tamagawa	1,250,000	1,271,585	1,520,000	F	38	2,339.62	2,270.58	97.0%	184	43,234	7,165	36,068	4,760	31,308	5.7%	5.0%	

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Portfolio Performance in 2H 2019 2/6

																	(in thousands of yen)	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
T-31	KDX Residence Komazawa Koen	920,000	901,381	1,150,000	SF	32	1,020.18	997.81	97.8%	184	28,670	5,263	23,406	4,713	18,693	5.0%	4.0%	
T-32	KDX Residence Misyuku	760,000	749,590	985,000	S	39	1,103.82	1,078.03	97.7%	184	27,117	5,227	21,889	3,135	18,754	5.7%	4.9%	
T-33	KDX Residence Yoga	700,000	693,468	915,000	S	38	1,012.80	987.48	97.5%	184	24,664	3,922	20,741	2,657	18,083	5.9%	5.1%	
T-34	KDX Residence Shimouma	600,000	597,439	785,000	S	29	829.05	829.05	100.0%	184	22,110	4,762	17,348	2,286	15,062	5.7%	5.0%	
T-35	Raffine Minami-magome	1,250,000	1,239,806	1,460,000	S	56	2,408.56	2,408.56	100.0%	184	41,292	3,308	37,983	3,412	34,571	6.0%	5.5%	
T-36	KDX Residence Yukigaya Otsuka	1,050,000	1,019,307	1,370,000	S	72	1,526.98	1,485.18	97.3%	184	39,364	9,055	30,309	5,482	24,827	5.7%	4.7%	
T-37	KDX Residence Denen Chofu	1,000,000	1,065,896	1,280,000	F	36	2,359.44	2,293.90	97.2%	184	38,904	7,539	31,365	4,497	26,867	6.2%	5.3%	
T-38	KDX Residence Tamagawa	776,000	733,251	977,000	S	52	1,170.40	1,170.40	100.0%	184	28,925	5,770	23,154	5,916	17,238	5.9%	4.4%	
T-39	KDX Residence Monzennakacho	773,000	762,411	1,040,000	S	49	1,171.41	1,148.63	98.1%	184	28,561	5,237	23,324	4,120	19,203	6.0%	4.9%	
T-40	KDX Residence Okachimachi	850,000	867,425	1,090,000	S	51	1,329.79	1,281.34	96.4%	184	29,820	4,934	24,885	4,101	20,784	5.8%	4.9%	
T-41	KDX Residence Moto-asakusa	800,000	811,507	1,040,000	SF	44	1,314.91	1,281.33	97.4%	184	29,985	8,356	21,628	4,636	16,992	5.4%	4.2%	
T-42	KDX Residence Itabashi Honcho	620,000	595,201	790,000	S	46	1,127.58	1,127.58	100.0%	184	23,901	6,968	16,933	4,238	12,694	5.4%	4.1%	
T-43	KDX Residence Azusawa	550,000	549,175	666,000	S	39	989.82	989.82	100.0%	184	20,409	5,496	14,913	3,395	11,517	5.4%	4.2%	
T-44	KDX Residence Tobu Nerima	420,000	392,585	538,000	S	37	931.82	875.44	93.9%	184	17,539	3,957	13,581	3,782	9,798	6.4%	4.6%	
T-45	KDX Residence Yokohama Kannai	800,000	771,403	1,010,000	S	72	1,602.16	1,580.06	98.6%	184	34,766	9,145	25,620	6,077	19,542	6.4%	4.8%	
T-46	KDX Residence Miyamaedaira	999,000	1,002,078	1,170,000	F	40	2,448.27	2,393.94	97.8%	184	35,916	8,122	27,793	4,961	22,831	5.5%	4.5%	
T-47	KDX Residence Machida	1,800,000	1,697,519	2,120,000	F	52	3,832.53	3,832.53	100.0%	184	64,728	10,018	54,710	15,090	39,619	6.0%	4.4%	
T-48	KDX Residence Kinshicho	1,350,000	1,334,067	1,690,000	F	33	2,024.81	1,959.06	96.8%	184	44,937	7,286	37,650	7,016	30,634	5.5%	4.5%	
T-49	KDX Residence Nihombashi Hamacho	996,000	1,040,195	1,350,000	F	28	1,756.27	1,756.27	100.0%	184	31,979	8,144	23,834	4,291	19,543	4.7%	3.9%	
T-50	KDX Residence Nihombashi Ningyocho	530,000	558,745	680,000	S	27	877.14	877.14	100.0%	184	19,416	3,701	15,715	2,246	13,469	5.9%	5.0%	
T-51	KDX Residence Jiyugaoka	1,268,000	1,319,114	1,620,000	SF	48	1,637.00	1,528.32	93.4%	184	37,892	8,775	29,116	4,277	24,839	4.6%	3.9%	
T-52	KDX Residence Togoshi	3,745,000	3,731,948	4,810,000	SF	144	4,591.76	4,591.76	100.0%	184	122,618	19,964	102,654	17,370	85,283	5.4%	4.5%	
T-53	KDX Residence Shinagawa Seaside	2,593,000	2,564,777	3,340,000	S	127	3,314.75	3,286.56	99.1%	184	89,191	17,756	71,434	12,840	58,593	5.5%	4.5%	
T-54	KDX Residence Ojima	1,857,000	1,823,623	2,390,000	S	117	2,372.67	2,352.30	99.1%	184	64,485	14,033	50,452	11,157	39,294	5.4%	4.2%	
T-55	KDX Residence Oyama	2,679,000	2,622,817	3,350,000	SF	145	4,009.07	3,911.75	97.6%	184	92,357	16,780	75,577	16,653	58,923	5.6%	4.4%	
T-56	KDX Residence Hanzomon	4,832,000	4,947,145	5,800,000	F	85	4,854.23	4,777.96	98.4%	184	132,705	18,800	113,905	14,876	99,028	4.7%	4.1%	
T-57	B-Site Akihabara	850,000	860,972	1,060,000	S	52	1,254.50	1,254.50	100.0%	184	23,882	3,400	20,481	2,542	17,938	4.8%	4.2%	

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Portfolio Performance in 2H 2019 3/6

(in thousands of yen)																	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
T-58	KDX Residence Kagurazaka Dori	1,360,000	1,376,707	2,010,000	S	70	1,809.84	1,784.37	98.6%	184	52,625	9,729	42,896	3,716	39,179	6.3%	5.7%
T-59	KDX Residence Sendagi	2,200,000	2,346,906	2,550,000	F	40	3,159.89	3,035.48	96.1%	184	65,225	11,915	53,309	8,855	44,453	4.8%	4.0%
T-60	KDX Residence Seijo	1,400,000	1,418,380	1,700,000	SF	38	2,198.56	2,198.56	100.0%	184	42,839	9,554	33,284	4,698	28,585	4.7%	4.1%
T-61	KDX Residence Akihabara	1,250,000	1,243,748	1,610,000	SF	32	1,929.61	1,929.61	100.0%	184	41,436	7,618	33,818	6,635	27,182	5.4%	4.3%
T-62	KDX Residence Iriya	1,062,000	1,056,713	1,440,000	S	57	1,899.29	1,899.29	100.0%	184	39,011	7,173	31,837	6,212	25,625	5.9%	4.8%
T-63	KDX Residence Tachikawa	3,026,200	2,976,017	3,710,000	S	174	4,314.87	3,991.88	92.5%	184	98,020	17,467	80,553	21,275	59,278	5.3%	3.9%
T-64	KDX Residence Tsurumi	1,050,000	1,155,089	1,530,000	SF	59	3,499.84	3,499.84	100.0%	184	56,157	10,924	45,232	7,493	37,739	8.5%	7.1%
T-65	KDX Residence Morishita Chitose	1,100,000	1,102,713	1,350,000	S	65	1,614.28	1,562.21	96.8%	184	39,772	7,995	31,776	5,740	26,035	5.7%	4.7%
T-66	KDX Residence Akasaka	1,150,000	1,186,861	1,830,000	SF	28	1,180.71	1,180.71	100.0%	184	40,004	5,245	34,759	4,195	30,563	6.0%	5.3%
T-67	KDX Residence Kanda	700,000	718,336	1,140,000	SF	30	1,031.09	978.91	94.9%	184	28,722	4,256	24,465	3,682	20,782	6.9%	5.9%
T-68	KDX Residence Ebisu	2,845,000	2,928,002	4,450,000	SF	65	2,659.66	2,545.09	95.7%	184	96,561	10,396	86,165	11,269	74,896	6.0%	5.2%
T-69	KDX Residence Nishi-magome	1,130,000	1,165,119	1,300,000	S	47	1,297.27	1,246.76	96.1%	184	32,449	4,932	27,516	4,885	22,631	4.8%	4.0%
T-70	KDX Residence Nishi-azabu	1,224,000	1,239,016	1,750,000	SF	33	1,357.88	1,315.97	96.9%	184	39,618	9,372	30,246	4,213	26,032	4.9%	4.2%
T-71	KDX Residence Azabu Sendaizaka	792,300	804,019	1,150,000	S	30	878.50	878.50	100.0%	184	28,326	6,891	21,434	2,839	18,595	5.4%	4.7%
T-72	KDX Residence Waseda Tsurumaki	561,000	563,343	862,000	S	39	808.54	808.54	100.0%	184	22,654	5,668	16,985	2,976	14,008	6.0%	5.0%
T-73	KDX Residence Bunkyo Yushima	695,000	699,798	986,000	S	38	939.89	939.89	100.0%	184	25,685	5,358	20,326	3,163	17,163	5.8%	4.9%
T-74	KDX Residence Kamishakujii	648,000	654,668	837,000	S	47	1,032.18	1,032.18	100.0%	184	23,996	5,383	18,612	3,853	14,759	5.7%	4.5%
T-75	KDX Residence Shin-otsuka	764,000	772,096	1,020,000	S	40	872.00	872.00	100.0%	184	22,608	1,767	20,840	3,433	17,407	5.4%	4.5%
T-76	KDX Residence Sakurajosui	894,000	902,555	1,190,000	S	43	1,227.16	1,227.16	100.0%	184	29,634	4,648	24,986	4,116	20,870	5.5%	4.6%
T-77	KDX Residence Ryogoku	842,000	850,637	1,190,000	S	36	1,190.53	1,190.53	100.0%	184	29,582	4,543	25,039	4,392	20,647	5.9%	4.9%
T-78	KDX Residence Toyosu	7,500,000	7,706,221	7,730,000	S	242	6,811.38	6,811.38	100.0%	184	180,605	16,375	164,230	28,285	135,944	4.3%	3.6%
T-79	KDX Residence Asagaya	1,930,000	1,965,453	2,230,000	SF	44	1,996.08	1,950.81	97.7%	184	48,435	10,205	38,229	4,193	34,036	3.9%	3.5%
T-80	KDX Residence Hiyoshi	2,635,300	2,697,336	2,740,000	F	92	6,131.93	5,924.71	96.6%	184	77,428	17,744	59,684	10,439	49,245	4.5%	3.7%
T-81	KDX Residence Kamikitazawa	1,360,000	1,398,754	1,420,000	SF	39	1,971.07	1,920.54	97.4%	184	36,191	8,270	27,920	2,643	25,277	4.1%	3.7%
T-82	KDX Residence Kaminoge	1,111,000	1,138,375	1,260,000	S	34	1,224.87	1,224.87	100.0%	184	26,190	2,173	24,016	2,719	21,296	4.3%	3.8%
T-83	KDX Residence Higashi-Asakusa	687,730	707,540	748,000	S	36	1,013.40	988.57	97.5%	184	19,936	3,238	16,697	2,448	14,249	4.8%	4.1%
T-84	KDX Residence Nishi-Funabashi	975,350	1,023,866	1,060,000	S	57	1,277.78	1,277.78	100.0%	137	20,640	3,107	17,533	3,910	13,622	4.8%	3.7%
T-86	KDX Residence Asagaya II	939,400	977,987	982,000	SF	32	957.67	866.98	90.5%	95	11,426	2,667	8,759	1,549	7,209	3.6%	2.9%
Subtotal / Average		124,420,280	124,986,613	157,264,000		4,700	174,885.81	171,551.18	98.1%		4,116,460	767,531	3,348,928	557,014	2,791,914	5.4%	4.5%

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Portfolio Performance in 2H 2019 4/6

																	(in thousands of yen)	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
Other Regional Areas	R-2	KDX JozenjiDori Residence	1,015,000	926,198	1,340,000	S	92	3,330.15	3,270.99	98.2%	184	49,453	10,897	38,555	10,442	28,113	7.5%	5.5%
	R-3	KDX Izumi Residence	1,120,000	1,041,889	1,410,000	F	40	2,798.20	2,798.20	100.0%	184	44,140	6,649	37,491	9,246	28,244	6.6%	5.0%
	R-4	KDX Chihaya Residence	1,080,000	987,283	1,430,000	SF	92	2,936.40	2,728.50	92.9%	184	48,079	13,364	34,715	10,061	24,653	6.4%	4.5%
	R-5	KDX Sakaisuji Hommachi Residence	2,910,000	2,694,469	3,550,000	SF	160	6,385.70	6,216.75	97.4%	184	117,946	26,216	91,730	24,028	67,702	6.3%	4.6%
	R-7	KDX Takarazuka Residence	1,510,000	1,338,711	1,970,000	F	80	4,631.16	4,366.49	94.3%	184	56,384	12,566	43,818	16,597	27,221	5.8%	3.6%
	R-8	KDX Shimizu Residence	1,680,000	1,545,296	2,030,000	SF	148	6,255.16	6,172.17	98.7%	184	74,215	16,910	57,305	14,251	43,053	6.8%	5.1%
	R-9	KDX Residence Odori Koen	765,000	771,088	996,000	SF	78	2,762.76	2,585.66	93.6%	184	33,648	9,279	24,369	8,509	15,859	6.3%	4.1%
	R-10	KDX Residence Kikusui Yojo	830,000	780,168	1,050,000	SF	84	3,413.06	3,276.98	96.0%	184	39,632	9,293	30,339	7,561	22,778	7.3%	5.4%
	R-11	KDX Residence Toyohira Koen	445,000	462,349	559,000	SF	65	2,253.81	2,045.32	90.7%	184	22,759	7,006	15,752	4,859	10,892	7.0%	4.9%
	R-13	KDX Residence Ichiban-cho	530,000	498,391	721,000	SF	45	1,818.09	1,782.41	98.0%	184	25,776	6,845	18,930	5,106	13,824	7.1%	5.2%
	R-15	KDX Residence Izumi Chuo	480,000	451,921	613,000	SF	40	2,159.25	2,023.35	93.7%	184	22,339	5,824	16,515	4,510	12,004	6.8%	5.0%
	R-16	KDX Residence Higashi-sakura I	2,350,000	2,232,012	2,590,000	SF	187	6,221.83	5,989.08	96.3%	184	95,879	30,004	65,875	17,870	48,004	5.6%	4.1%
	R-17	KDX Residence Higashi-sakura II	900,000	858,428	1,050,000	SF	66	2,655.31	2,575.91	97.0%	184	38,482	9,284	29,197	7,037	22,160	6.4%	4.9%
	R-18	KDX Residence Jingumae	840,000	790,756	1,040,000	SF	95	2,724.19	2,561.86	94.0%	184	40,246	10,971	29,274	7,370	21,903	6.9%	5.2%
	R-19	KDX Residence Nishi-oji	813,000	774,135	938,000	S	76	2,353.55	2,353.55	100.0%	184	32,843	8,489	24,353	6,375	17,978	5.9%	4.4%
	R-20	KDX Residence Saiin	440,000	415,886	513,000	S	49	1,094.81	1,094.81	100.0%	184	18,332	6,978	11,354	3,861	7,492	5.1%	3.4%
	R-21	KDX Residence Namba	1,410,000	1,353,314	1,700,000	S	118	3,387.30	3,335.84	98.5%	184	58,528	9,307	49,220	10,061	39,159	6.9%	5.5%
	R-22	KDX Residence Namba-minami	1,350,000	1,270,667	1,600,000	S	131	3,813.31	3,682.36	96.6%	184	56,061	10,911	45,150	11,842	33,307	6.6%	4.9%
	R-24	KDX Residence Ibaraki I・II	1,275,000	1,283,879	1,439,000	F	61	4,701.87	4,625.13	98.4%	184	55,117	12,266	42,850	6,707	36,143	6.7%	5.6%
	R-25	KDX Residence Toyonaka-minami	740,000	674,956	874,000	SF	70	2,024.50	1,963.80	97.0%	184	28,562	7,701	20,861	8,191	12,669	5.6%	3.4%
	R-26	KDX Residence Moriguchi	551,000	512,893	680,000	F	28	1,942.78	1,942.78	100.0%	184	23,989	5,397	18,592	5,474	13,117	6.7%	4.7%
	R-27	KDX Residence Sannomiya	1,080,000	1,071,139	1,230,000	S	86	2,292.72	2,267.46	98.9%	184	39,008	9,907	29,100	8,153	20,947	5.3%	3.8%
	R-28	Ashiya Royal Homes	1,360,000	1,457,417	1,940,000	F	21	3,999.01	3,675.25	91.9%	184	59,493	14,652	44,840	4,939	39,900	6.5%	5.8%

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)

Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]

Portfolio Performance in 2H 2019 5/6

(in thousands of yen)																	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
R-29	KDX Residence Funairi Saiwai-cho	588,000	548,030	716,000	S	64	1,889.53	1,770.55	93.7%	184	27,182	5,970	21,212	5,378	15,833	7.2%	5.3%
R-30	KDX Residence Tenjin-higashi II	680,000	641,412	895,000	SF	63	2,602.53	2,478.60	95.2%	184	30,708	7,198	23,509	6,263	17,246	6.9%	5.0%
R-32	KDX Residence Nishi Koen	763,000	723,467	895,000	F	36	2,522.16	2,188.04	86.8%	184	27,669	9,829	17,840	6,409	11,430	4.6%	3.0%
R-33	KDX Residence Hirao Josui-machi	760,000	734,665	933,000	F	24	2,098.68	1,924.53	91.7%	184	27,804	7,398	20,405	4,816	15,589	5.3%	4.1%
R-34	Melody Heim Gotenyama	-	-	-	-	-	-	-	-	179	20,992	4,932	16,060	2,272	13,787	-	-
R-35	Leopalace Flat Shin-sakae	3,500,000	3,464,062	4,590,000	S	274	11,589.95	11,589.95	100.0%	184	121,557	13,756	107,800	33,323	74,477	6.1%	4.2%
R-36	KDX Residence Konan Yamate	973,000	964,870	1,160,000	SF	55	1,923.22	1,923.22	100.0%	184	32,461	7,214	25,247	4,948	20,298	5.1%	4.1%
R-37	KDX Residence Hommachibashi	3,201,000	3,137,887	3,700,000	SF	134	6,511.88	6,313.61	97.0%	184	108,098	24,497	83,600	22,089	61,511	5.2%	3.8%
R-38	KDX Residence Minami-kusatsu	1,974,666	1,971,271	2,430,000	S	170	5,735.96	5,735.96	100.0%	184	103,061	24,349	78,712	18,449	60,263	7.9%	6.1%
R-39	KDX Residence Ohori Harbor View Tower	4,606,296	4,508,520	5,220,000	SF	212	11,855.63	9,333.11	78.7%	184	177,973	45,223	132,750	42,645	90,104	5.7%	3.9%
R-40	KDX Residence Minami-sanjo	915,000	908,492	1,700,000	SF	114	5,269.39	5,067.65	96.2%	184	56,171	12,339	43,831	11,257	32,574	9.5%	7.1%
R-41	Serenite Kita-kyuhoji	1,290,740	1,268,108	1,620,000	S	85	2,277.14	2,277.14	100.0%	184	43,985	9,588	34,397	10,156	24,240	5.3%	3.7%
R-42	Serenite Nishinomiya Hommachi	617,048	638,437	748,000	S	51	1,351.68	1,351.68	100.0%	184	23,362	4,982	18,380	4,758	13,622	5.9%	4.4%
R-43	KDX Residence Nishijin	1,600,000	1,742,792	1,720,000	SF	128	4,472.72	4,048.70	90.5%	184	56,820	18,182	38,637	7,649	30,987	4.8%	3.8%
R-44	Serenite Kobe Motomachi	2,390,000	2,477,513	2,600,000	S	138	3,787.85	3,602.59	95.1%	184	74,242	13,280	60,961	14,601	46,360	5.1%	3.8%
R-45	KDX Residence Shukugawa Hills	6,884,800	7,298,538	7,320,000	F	239	17,575.39	16,254.23	92.5%	184	203,283	52,642	150,641	31,538	119,102	4.3%	3.4%
Subtotal / Average		56,217,551	55,221,333	67,510,000		3,699	157,418.63	149,194.21	94.8%		2,216,299	522,114	1,694,184	439,622	1,254,562	5.9%	4.4%
Residential facilities total / Average		180,637,831	180,207,946	224,774,000		8,399	332,304.44	320,745.39	96.5%		6,332,759	1,289,646	5,043,113	996,636	4,064,477	5.5%	4.4%

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)

Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]

Portfolio Performance in 2H 2019 6/6

(in thousands of yen)																
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Facility Type ⁽¹⁾	Rentable Area (m ²)	Rentable Units (unit)	Capacity (people)	Occupancy Rate	Actual Occupancy Rate ⁽²⁾ Utilization Rate ⁽³⁾ 2020.12	Operating Days (days)	NOI a	Depreciation b	Leasing Business Income c [a-b]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
H-1	Irise Kamata/Yuseien	1,120,000	1,082,724	1,120,000	Nursing care	2,086.40	48	55	100.0%	92.7%	184	27,551	11,720	15,830	4.9%	2.8%
H-2	Nichii Home Nakano-Minamidai	1,780,000	1,769,017	1,780,000	Nursing care	3,339.00	83	83	100.0%	80.7%	184	44,740	4,386	40,354	5.0%	4.5%
H-3	Joy Stage Hachioji	3,690,000	3,781,195	3,760,000	Nursing care	13,812.27	232	263	100.0%	84.4%	184	101,266	30,153	71,113	5.4%	3.8%
H-4	Yuimaru Hijirigaoka	1,120,000	1,085,580	1,120,000	Residential	4,385.53	70	109	100.0%	70.6%	184	30,302	9,063	21,238	5.4%	3.8%
H-5	Nichii Home Tama Plaza	2,940,000	2,832,237	2,940,000	Nursing care	8,208.65	154	158	100.0%	82.3%	184	80,728	30,606	50,122	5.4%	3.4%
H-6	Ten	2,630,000	2,633,544	2,660,000	Nursing care	6,473.60	85	89	100.0%	91.0%	184	75,335	28,721	46,614	5.7%	3.5%
H-7	Irise Nishioka	858,000	825,586	857,000	Residential	3,140.27	83	83	100.0%	80.7%	184	23,345	9,189	14,156	5.4%	3.3%
H-8	Izarie Eniwa Building	1,660,000	1,590,270	1,740,000	Nursing care	5,343.33	73	73	100.0%	100.0%	184	51,790	18,263	33,527	6.2%	4.0%
H-9	Sawayaka Sakura Nibankan	989,000	945,070	993,000	Nursing care	3,628.51	92	92	100.0%	100.0%	184	29,352	12,302	17,050	5.9%	3.4%
H-10	Activa Biwa	6,560,000	6,386,270	6,580,000	Nursing care	39,649.84	384	445	100.0%	84.0%	184	225,169	62,006	163,162	6.8%	4.9%
H-11	Sompo Care LAVIERE Kobe Tarumi	2,110,000	2,066,192	2,110,000	Nursing care	4,493.35	100	100	100.0%	96.0%	184	51,616	11,829	39,786	4.9%	3.7%
H-12	Granda Mondo Yakujin	1,190,000	1,152,186	1,190,000	Residential	3,287.80	62	63	100.0%	非開示	184	31,486	9,982	21,504	5.2%	3.6%
H-13	Excellent Nishinomiya	971,000	935,910	975,000	Nursing care	2,685.48	67	70	100.0%	90.0%	184	23,881	9,542	14,338	4.9%	2.9%
H-14	Gran Hills Ogawarako	1,380,000	1,311,592	1,380,000	Serviced housing	4,180.28	103	107	100.0%	99.1%	184	50,923	18,081	32,841	7.3%	4.7%
H-15	Excellent Kitano	737,000	759,426	780,000	Residential	1,339.58	41	41	100.0%	97.6%	184	19,833	4,171	15,661	5.3%	4.2%
H-16	Anesis Teradacho	3,490,000	3,528,702	3,640,000	Nursing & health (with Nursing care)	7,856.64	45 100	150 100	100.0%	97.1% 97.0%	184	96,762	31,931	64,831	5.5%	3.7%
H-17	Rococo-riha	2,100,000	2,080,181	2,170,000	Nursing & health	3,860.29	52	100	100.0%	96.4%	184	57,330	16,588	40,742	5.4%	3.8%
H-18	Orange Suma	2,810,000	2,803,783	2,830,000	Nursing & health (with Serviced housing)	5,995.74	100 35	100 40	100.0%	90.6% 87.5%	184	78,803	23,822	54,981	5.6%	3.9%
H-19	Canadian Hill	1,830,000	1,838,946	1,870,000	Nursing & health	3,731.26	40	115	100.0%	95.0%	184	47,373	8,324	39,049	5.1%	4.2%
H-20	Anesis Hyogo	1,420,000	1,410,190	1,440,000	Nursing & health	4,415.16	58	100	100.0%	86.3%	184	37,314	10,431	26,882	5.2%	3.8%
H-21	Plaisant Grand Ota tamagawa	3,057,630	3,231,089	3,180,000	Nursing care	3,175.15	80	80	100.0%	83.8%	184	65,620	9,932	55,687	4.3%	3.6%
H-22	Tsukui Sun-shine Machida	6,934,600	7,149,568	7,070,000	Nursing care	15,553.33	348	348	100.0%	97.1%	184	170,499	38,260	132,238	4.9%	3.8%
H-23	Serabi Ebisu	1,690,000	1,719,073	1,700,000	Nursing care	1,557.73	34	34	100.0%	79.4%	184	37,157	2,903	34,254	4.4%	4.0%
H-24	Arute Ishiyagawa	1,061,000	1,181,484	1,400,000	Nursing care (with Group Home)	3,444.81	54 18	64 18	100.0%	84.4% 100.0%	184	43,867	20,012	23,854	8.2%	4.5%
Subtotal / Average		54,128,230	54,099,827	55,285,000		155,644.00	2,641	3,080	100.0%	88.7% / 93.5% ⁽⁴⁾		1,502,053	432,229	1,069,824	5.5%	3.9%
Grand total / Average		234,766,061	234,307,773	280,059,000		487,948.44						6,545,167	1,428,865	5,116,301	5.5%	4.3%

Note 1: About "Facility Type", "Nursing care" shows Private Senior homes for the elderly (with nursing care), "Residential" shows Private Senior homes for the elderly (residential) and "Serviced housing" shows Serviced housing for the elderly.

Note 2: "Actual Occupancy Rate (based on end-tenants)" = Number of residents / number of Capacity. "Actual Occupancy Rate" is based on documents from operators but that of "Granda Mondo Yakujin" isn't disclosed because KDR isn't admitted to disclose from the operator. If "Actual Occupancy Rate" is over 100.0% by calculation, it is written as 100.0%.

Note 3: "Utilization Rate" = Total amount of users / Extended number of capacity in a month. "Utilization Rate" is based on documents from operators.

Note 4: Average Actual Occupancy Rate is 88.7%, and Average Utilization Rate is 93.5% in the above facility type classification.

