

**Kenedix Residential NEXT Investment Corporation
Financial Results for the Period Ended in July 2021
(19th Fiscal Period)**

September 2021

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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. 19th Financial Results

Executive Summary

Steady growth measures continue to be implemented for both investment management and fund procurement amidst the prolongment of the COVID-19 pandemic and bearish trends continuing in parts of the rental market

Acquisitions and dispositions

- ◆ Acquisition : **9** residential and **2** healthcare facilities (Sep. 2020~Aug. 2021)

Residential facilities + ¥ **15,272** mln

Healthcare facilities + ¥ **4,492** mln

AUM
expanded

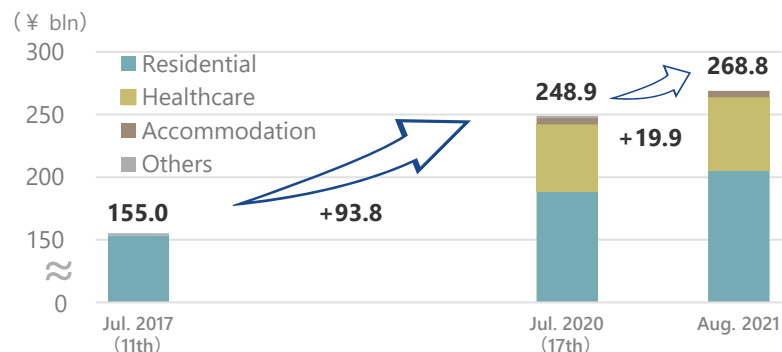
- ◆ Disposition : KDX Residence Sendagaya (within Shibuya wards, Tokyo) (Feb. 2021)

Disposition price ¥ **1,110** mln

Selling NOI yield ⁽¹⁾ **2.9** %

Gain on sales
¥ **437** mln

Growth in AUM



Occupancy

Entire portfolio (period-average) Residential facilities (period-average)

97.1 % (vs 2H 2020 +1.2 pts)

95.9 % (vs 2H 2020 +1.8 pts)

Occupancy
improved

Loans・Investment corporation bonds

- ◆ Acquired ¥ 17.0 bln in new loans and Refinancing (Feb. 2021~Aug. 2021)
- ◆ Issued **Social bond** (10yrs / ¥ 1.7 bln) (May 2021)

Interest-bearing Liabilities (As of Jul. 31, 2021)

Number of Lenders ⁽²⁾ **17** lenders (vs Jan. 2021 +5 lenders)

LTV **50.1** % (vs Jan. 2021 ▲1.2 pts)

Average remaining term **4.1**yrs (vs Jan. 2021 ± 0.0yrs)

Average interest rate **0.93** % (vs Jan. 2021 ▲0.01 pts)

Better
financing

Public offering

- ◆ Secured ¥ **7,772** mln in public offering, etc. (Feb, March 2021)

Market capitalization

| | 2021 Jan. | 2021 Jul. |
|-----------------------------|-----------|-----------|
| Number of outstanding units | 951,258 | 995,883 |
| Market cap (¥ bln) | 173.2 | 236.3 |

Achieved
mid-term goal

Market cap
increased

Distribution・NAV

DPU (1H 2021) ¥ **4,117** (vs 2H 2020 + ¥ 51)

DPU
increased

NAV per unit (1H 2021) ¥ **191,620** (vs 2H 2020 + ¥ 5,755)

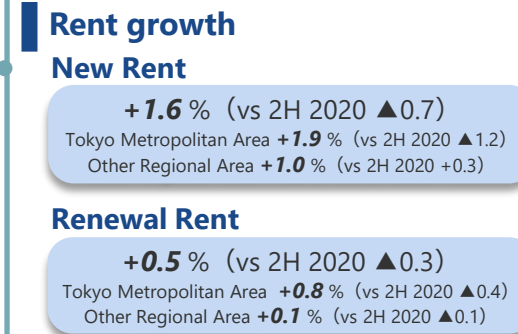
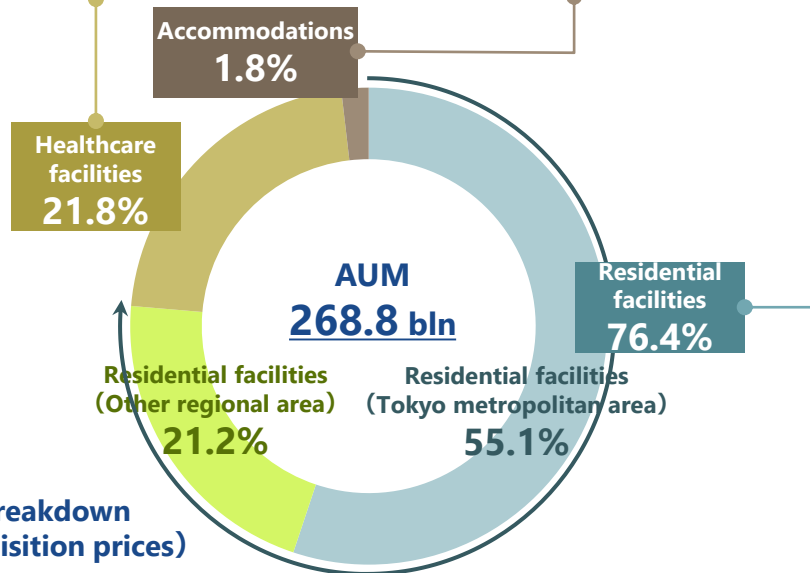
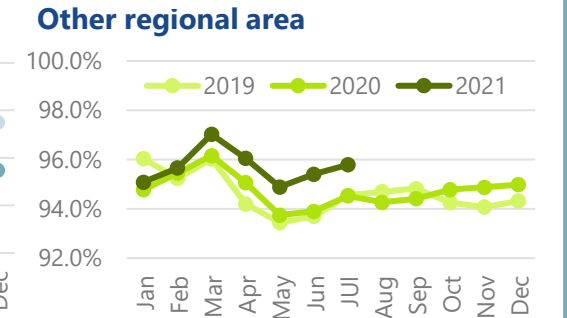
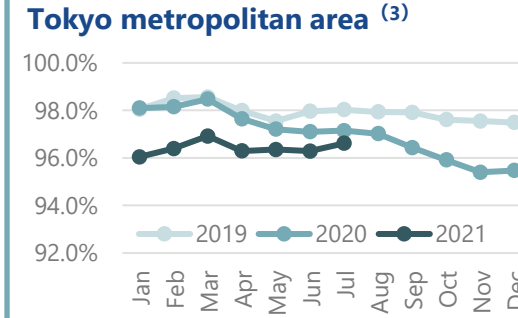
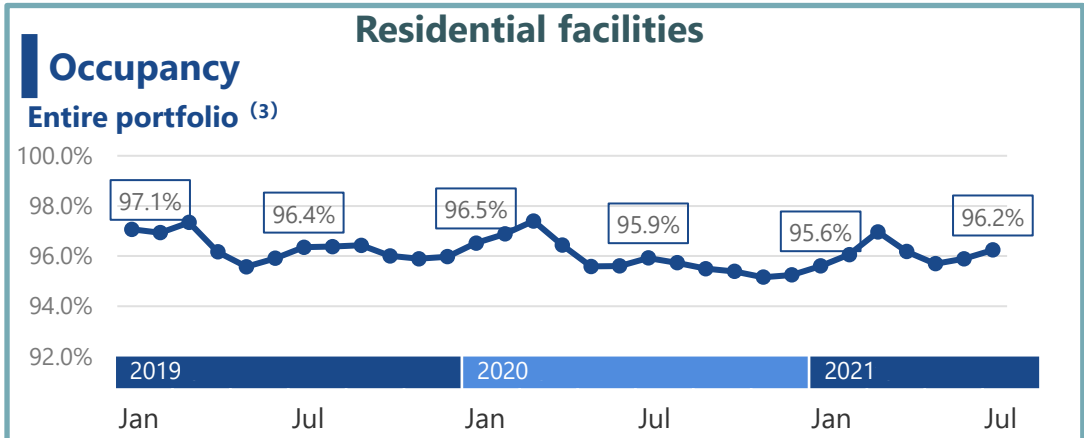
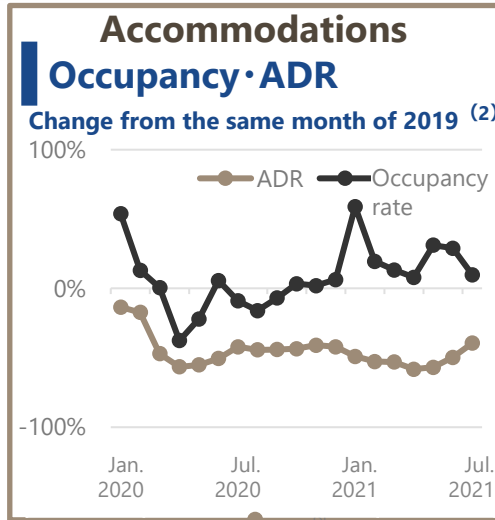
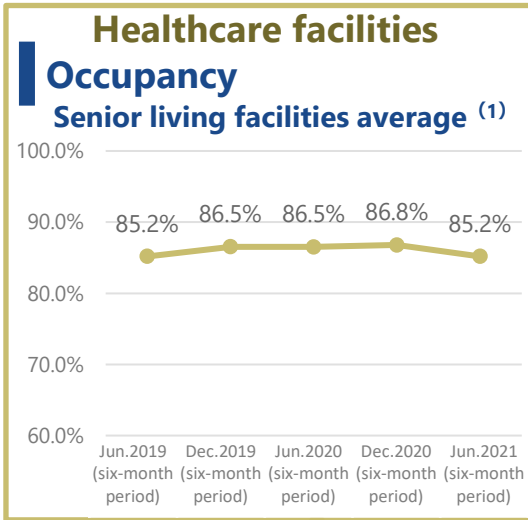
NAV
increased

Note 1 : Actual NOI in 1H2021 divided by disposition price

Note 2 : As of August 31, 2021

Performance Highlights

- The occupancy rate recovered to the level prior to the pandemic through management which focused mainly on increasing the occupancy rate. Rent increase was ongoing albeit the rate fell
- Healthcare facilities have maintained a high occupancy rate even during the pandemic. The ADR of accommodations remain sluggish due to the downturn of accommodation demand



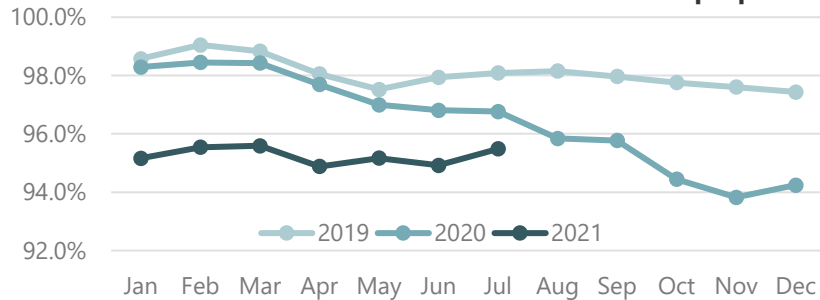
Note 1 : The figures are based on the senior living facilities owned by KDR as of the end of July 2021. However, the data related to "Rihabili-home Granda Mondoyakujin", "Anesis Teradacho", "Orange Suma", "Tsukui Sun-shine Machida", "Arute Ishiyagawa" was excluded from the aggregation
 Note 2 : The figures in the graph of Occupancy · ADR for Accommodations show the change of average of the occupancy · ADR of the two properties owned by KDR ("Hotel LiVMAX Tokyo Otsuka Ekimae" and "Hotel LiVMAX Yokohamaeki Nishiguchi").
 Note 3 : the occupancy are calculated without the newly-constructed properties acquired after 2020 which were not operated or began to be operated at acquisition

Asset Management Environment for Residential Facilities amid Pandemic

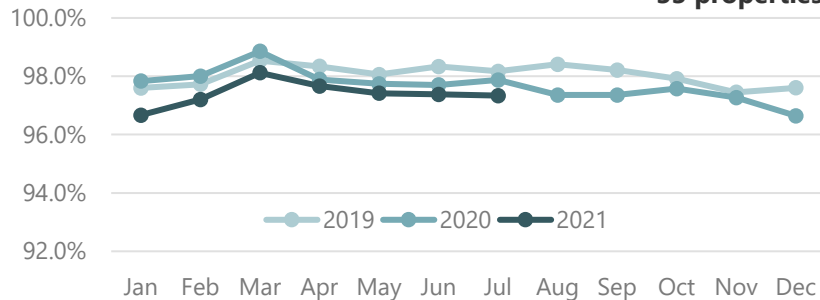
- While the population continues to flow into the Tokyo metropolitan area, there is an increase in movements from urban centers to their surrounding suburban areas. Demographic changes can be observed in the Tokyo metropolitan area
- The impact of the pandemic on the suburbs of the city center is minor. In urban areas, the occupancy rate had been on a downward trend since March 2020, but recovery was seen in 2021 and occupancy rates have been stable since

Occupancy in Tokyo Metropolitan Area

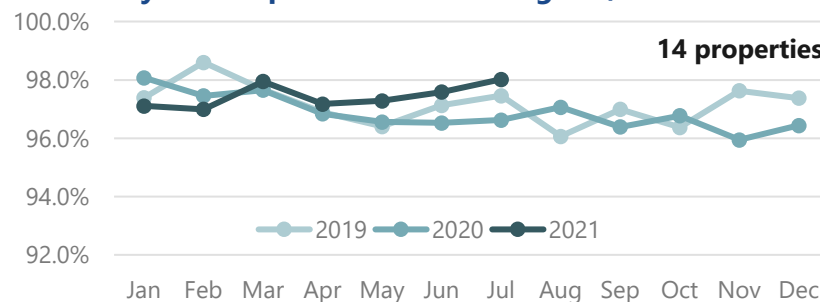
Tokyo Central 8 wards (1) 43 properties



Other Tokyo (1) 33 properties



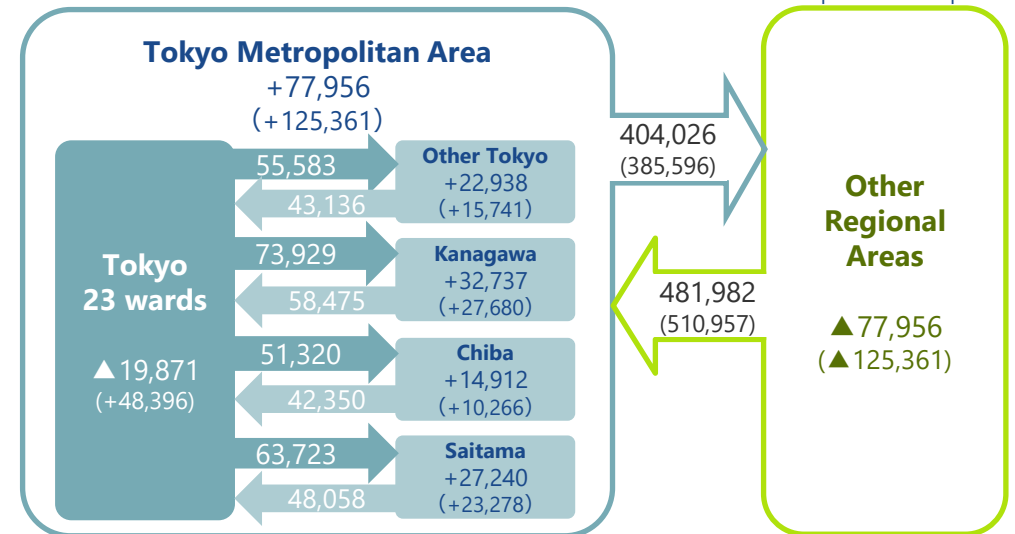
Other Tokyo Metropolitan Area (Kanagawa, Chiba and Saitama) 14 properties



Note 1 : the occupancy are calculated without the newly-constructed properties acquired after 2020 which were not operated or began to be operated at acquisition

Population changes in Tokyo Metropolitan Area

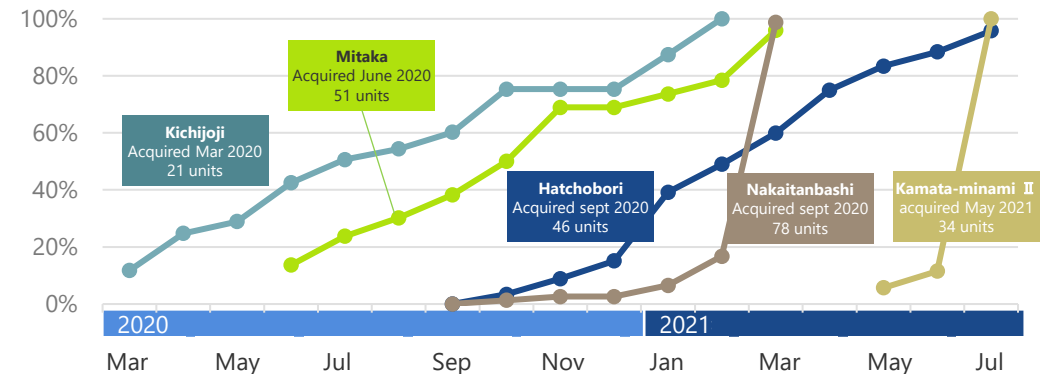
Net population inflow (Aug 2020~July 2021) ※Figures in Bracket Indicates those from the same period of the previous year



Unit : person
Source : KFM, based on Monthly report on Internal Migration in Japan published by statistic bureau of Japan

Near-complete new construction lease up

Occupancy after acquiring new buildings



Results for the Period Ended July 2021 (19th Fiscal Period)

| (in millions of yen) | 2H 2020 | | 1H 2021 | | Period on Period | | Major Components ⁽¹⁾ | | Major Components ⁽¹⁾ | |
|--|--------------|--------------|--------------|------------|------------------|--|---|-------------|--|---|
| | Actual | Forecast | Actual | | | | Actual vs Forecast | | | |
| | | | | | | | (R) Average occupancy rate in 2H 2020: 94.1% | | (R) Anticipated occupancy rate in 1H 2021: 95.5% | |
| | | | | | | | (R) Average occupancy rate in 1H 2021: 95.9% | | (R) Average occupancy rate in 1H 2021: 95.9% | |
| Rent revenue – real estate | 7,834 | 8,097 | 8,145 | 310 | 4.0% | <Rent revenue> | (R)Existing properties +66 | 47 | 0.6% | <Rent revenue> |
| Other lease business revenue | 548 | 595 | 612 | 64 | 11.8% | (R)Reshuffle of properties in 2H 2020 and 1H 2021 +167 | 17 | 2.9% | (R)Existing Properties +63 | |
| Gain on sale of real estate property | - | 435 | 437 | 437 | - | (H)Properties acquired in 1H 2021 +74 | 1 | 0.4% | (R)Properties acquired in 2H 2020 and 1H 2021 -15 | |
| Operating revenues | 8,382 | 9,129 | 9,195 | 813 | 9.7% | <Other lease business revenue> | (R)Key money and renewal fee for existing properties +42 | 66 | 0.7% | <Other lease business revenue> |
| Expenses related to rent business (ex. depreciation) | 1,556 | 1,715 | 1,787 | 230 | 14.8% | (R)Reshuffle of properties in 2H 2020 and 1H 2021 +15 | 71 | 4.2% | (R) Key money and renewal fee for existing properties -7 | |
| Depreciation | 1,504 | 1,545 | 1,546 | 42 | 2.8% | <Gain on Sale> | (R)KDX Residence Sendagaya sold in 1H 2021 +437 | 1 | 0.1% | (R)Tenant renewal related income such as a burden of restoring expenses at existing properties +6 |
| Other operating Expenses | 977 | 1,022 | 1,039 | 62 | 6.4% | <Expenses related to rent business> | (R)Leasing related fees for existing properties +61 | 17 | 1.7% | (R)Parking lots, space for mobile antennas, insurance etc. at existing properties +12 |
| Operating expenses | 4,038 | 4,282 | 4,373 | 335 | 8.3% | (R)Repair and restoration expenses for existing properties +71 | (R)Property, city planning and other taxes on properties acquired in 2020 +15 | 90 | 2.1% | <Expenses related to rent business> |
| Operating income | 4,344 | 4,846 | 4,822 | 478 | 11.0% | (R)Reshuffle of properties in 2H 2020 and 1H 2021 +55 | (H)Repair expenses for existing properties +11 | -23 | -0.5% | (R) Leasing related fees for existing properties +43 |
| Non-operating income | 0 | 0 | 43 | 43 | - | (A)Property, city planning and other taxes on properties acquired in 2020 +8 | 43 | - | (R)Repair and restoration expenses for existing properties +40 | |
| Non-operating expenses | 712 | 717 | 718 | 6 | 0.9% | <Depreciation> | 1 | 0.1% | (R)Leasing related fee for properties acquired in 2H 2020 and 1H 2021 +4 | |
| Ordinary income | 3,632 | 4,128 | 4,147 | 515 | 14.2% | Reshuffle of properties in 2H 2020 and 1H 2021 +34 | 18 | 0.5% | (H)Repair expenses for existing properties -6 | |
| Net income | 3,631 | 4,128 | 4,146 | 515 | 14.2% | <Other operating Expenses> | Asset management fees +23 | 18 | 0.5% | <Other operating Expenses> |
| RTA compensation | 20 | 20 | 20 | - | - | Consumption tax +21 | - | - | Site inspection fees such as appraisal fees +10 | |
| Earnings surplus compensation (accumulation) | 216 | (65) | (66) | -282 | -130.9% | Site inspection fees such as appraisal fees +16 | -1 | 2.6% | <Non-operating expenses> | |
| Dividends | 3,867 | 4,083 | 4,100 | 232 | 6.0% | <Non-operating income> | Refund of consumption tax for prior periods +43 | 16 | 0.4% | Refund of consumption tax for prior periods +43 |
| Distribution per unit (yen) | 4,066 | 4,100 | 4,117 | 51 | 1.3% | <Non-operating expenses> | Investment unit issuance costs +5 | 17 | 0.4% | |
| NOI | 6,825 | 6,977 | 6,971 | 145 | 2.1% | <Internal reserves> | Maximum internal reserves within the extent of non-taxation 66 | -6 | -0.1% | |

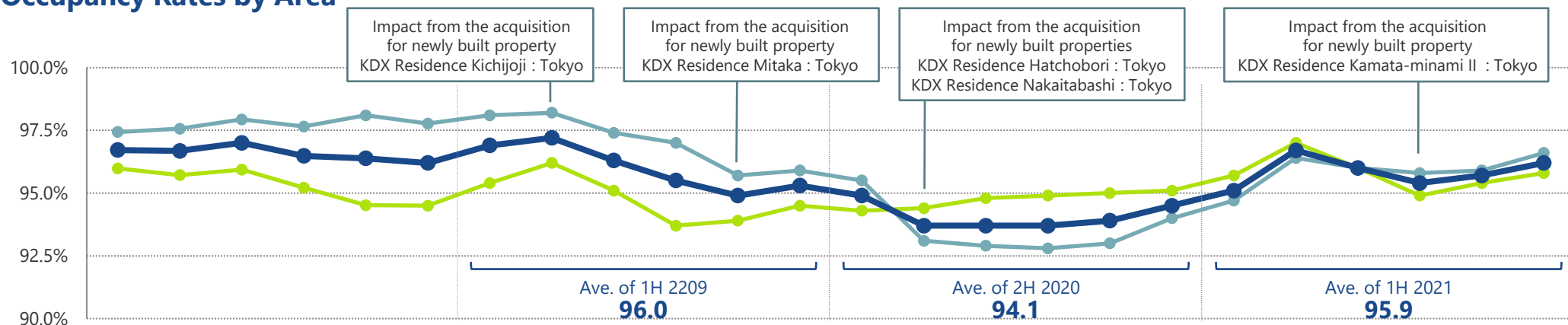
Note 1:(R) is components that are only for residential facilities, (H) is components that are only for healthcare facilities and (A) is components that are only for accommodations.



2. Operational Status

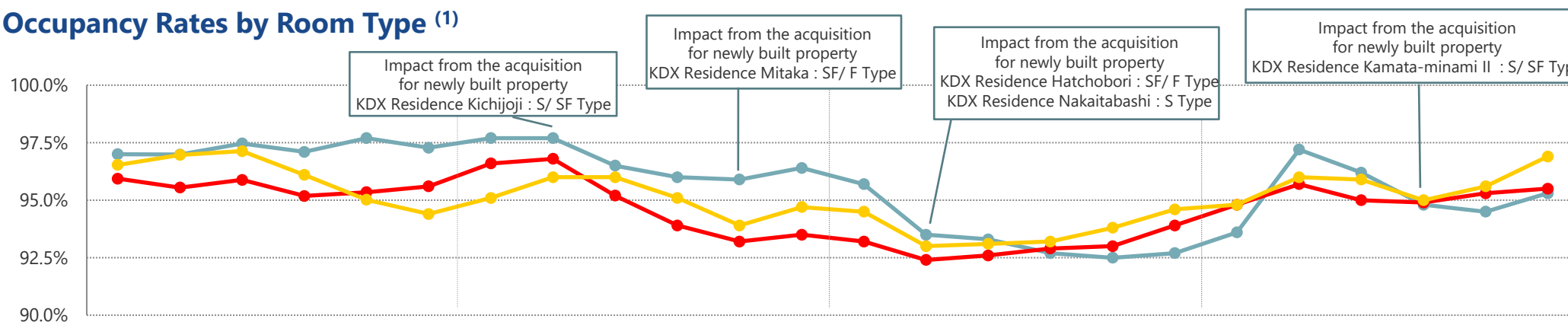
Occupancy Rates of Residential Facilities

Occupancy Rates by Area⁽¹⁾



| | Average of period | | | | | | 17 th Period (1H 2020) | | | | | | 18 th Period (2H 2020) | | | | | | 19 th Period (1H 2021) | | | | | |
|-------------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------------|------|------|------|------|------|-----------------------------------|------|------|------|------|------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 11 th | 12 th | 13 th | 14 th | 15 th | 16 th | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. |
| Total | 96.7 | 96.7 | 97.0 | 96.5 | 96.4 | 96.2 | 96.9 | 97.2 | 96.3 | 95.5 | 94.9 | 95.3 | 94.9 | 93.7 | 93.7 | 93.7 | 93.9 | 94.5 | 95.1 | 96.7 | 96.0 | 95.4 | 95.7 | 96.2 |
| Tokyo Metropolitan Area | 97.4 | 97.6 | 97.9 | 97.7 | 98.1 | 97.8 | 98.1 | 98.2 | 97.4 | 97.0 | 95.7 | 95.9 | 95.5 | 93.1 | 92.9 | 92.8 | 93.0 | 94.0 | 94.7 | 96.4 | 96.0 | 95.8 | 95.9 | 96.6 |
| Other Regional Areas | 96.0 | 95.7 | 95.9 | 95.2 | 94.5 | 94.5 | 95.4 | 96.2 | 95.1 | 93.7 | 93.9 | 94.5 | 94.3 | 94.4 | 94.8 | 94.9 | 95.0 | 95.1 | 95.7 | 97.0 | 96.0 | 94.9 | 95.4 | 95.8 |

Occupancy Rates by Room Type⁽¹⁾

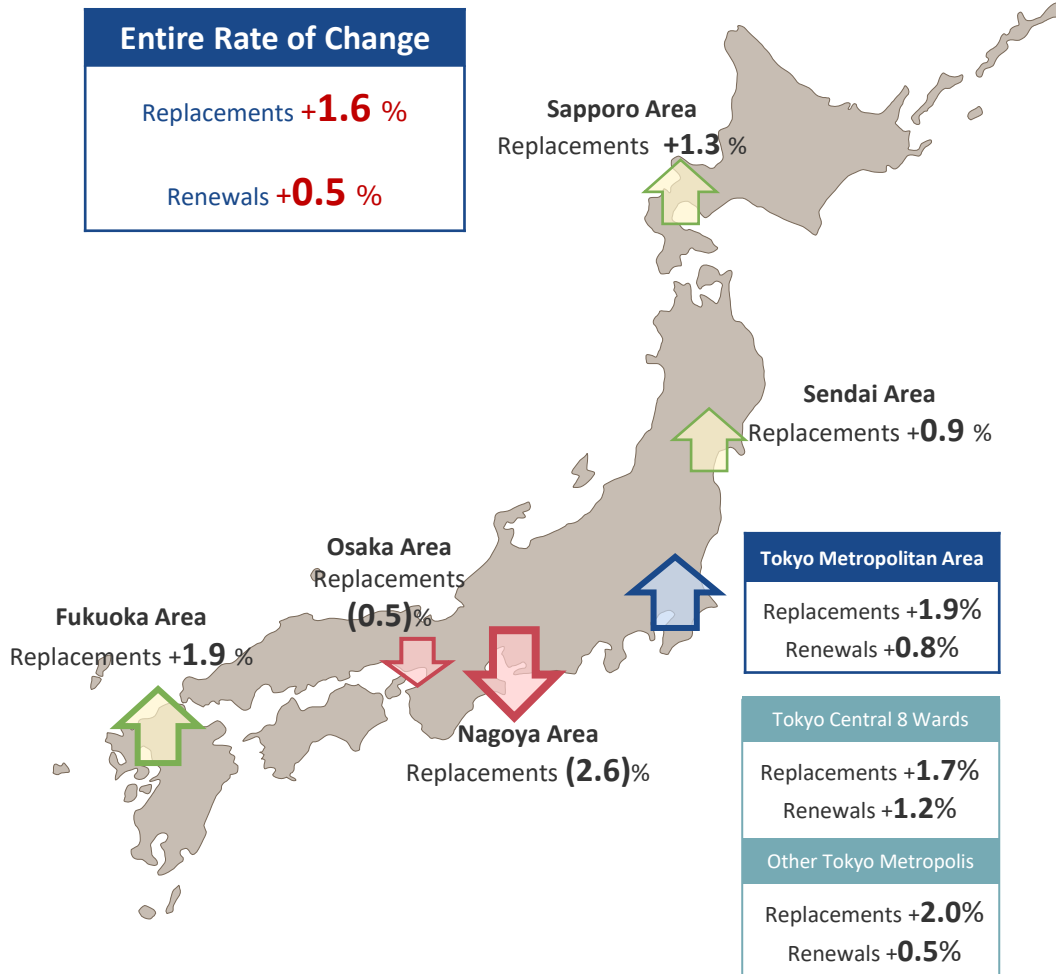


| | Average of period | | | | | | 17 th Period (1H 2020) | | | | | | 18 th Period (2H 2020) | | | | | | 19 th Period (1H 2021) | | | | | |
|--------------|-------------------|------------------|------------------|------------------|------------------|------------------|-----------------------------------|------|------|------|------|------|-----------------------------------|------|------|------|------|------|-----------------------------------|-------------|-------------|-------------|-------------|-------------|
| | 11 th | 12 th | 13 th | 14 th | 15 th | 16 th | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. |
| Studio | 97.0 | 97.0 | 97.5 | 97.1 | 97.7 | 97.3 | 97.7 | 97.7 | 96.5 | 96.0 | 95.9 | 96.4 | 95.7 | 93.5 | 93.3 | 92.7 | 92.5 | 92.7 | 93.6 | 97.2 | 96.2 | 94.8 | 94.5 | 95.3 |
| Small Family | 95.9 | 95.6 | 95.9 | 95.2 | 95.4 | 95.6 | 96.6 | 96.8 | 95.2 | 93.9 | 93.2 | 93.5 | 93.2 | 92.4 | 92.6 | 92.9 | 93.0 | 93.9 | 94.8 | 95.7 | 95.0 | 94.9 | 95.3 | 95.5 |
| Family | 96.5 | 97.0 | 97.1 | 96.1 | 95.0 | 94.4 | 95.1 | 96.0 | 96.0 | 95.1 | 93.9 | 94.7 | 94.5 | 93.0 | 93.1 | 93.2 | 93.8 | 94.6 | 94.8 | 96.0 | 95.9 | 95.0 | 95.6 | 96.9 |

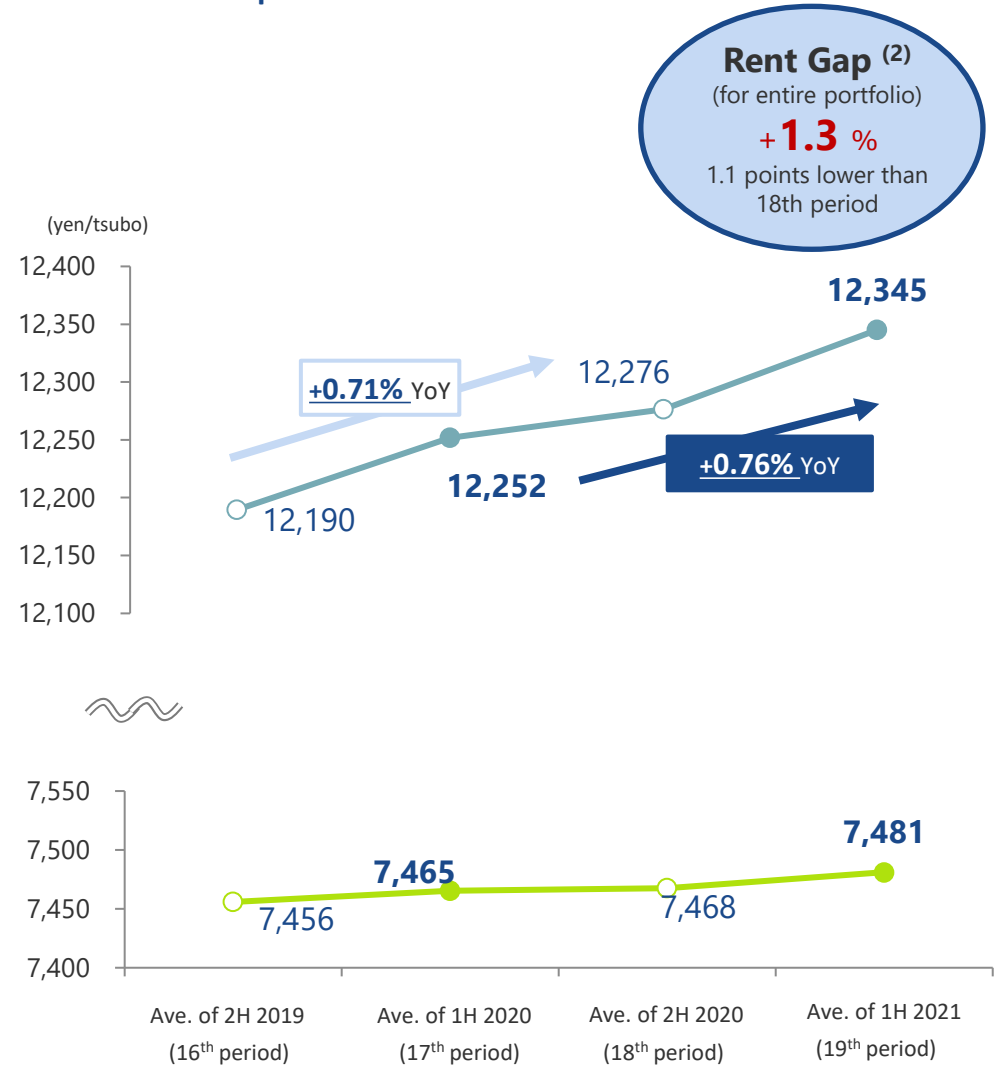
Note 1: Occupancy Rates by Area include those from stores and offices. Occupancy Rates by Room Type are calculated for residential units of pass through contract (excluding contract for whole building).

Rent of Residential Facilities (1)

Map for Rate of Changes in Rent (July 31, 2021)



Trends in Rent per Tsubo of Residential Unit ⁽¹⁾



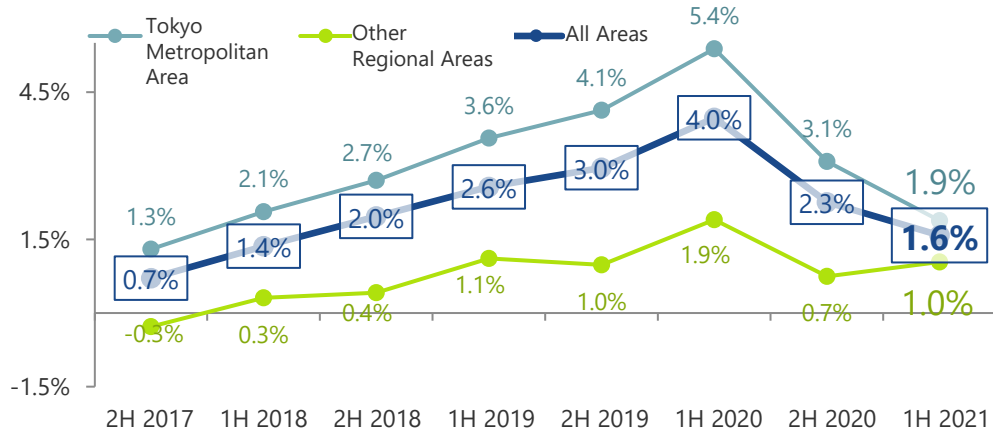
Note 1: "Rent per Tsubo of Residential Unit" is calculated for residential units of pass through contract (excluding contract for whole building) of 115 properties operated from August 1, 2019 to July 31, 2021. (1Tsubo = 35.5832 sq. ft.)

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.

Rent of Residential Facilities (2)

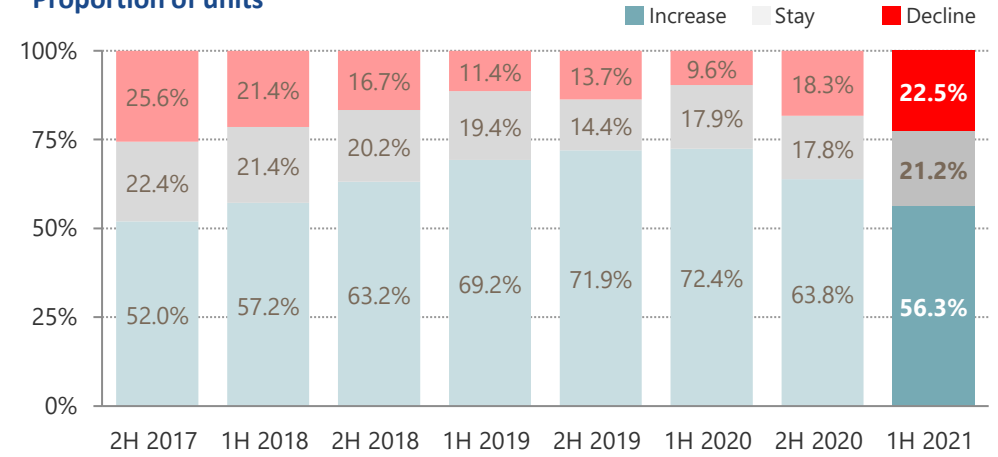
Percentage of Increase/Decline of Rent of New Tenants (1)

Increase/Decline of monthly rent by area



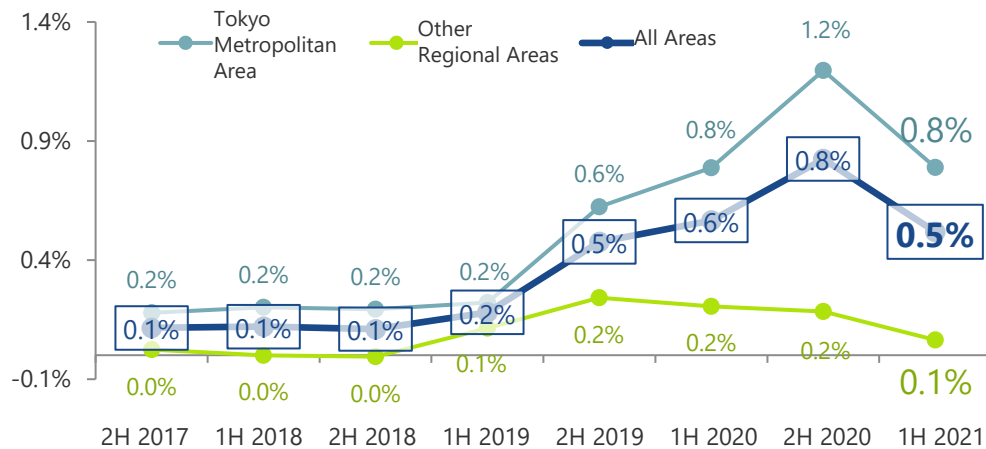
Rent Increase/Decline (units) of New Tenants

Proportion of units



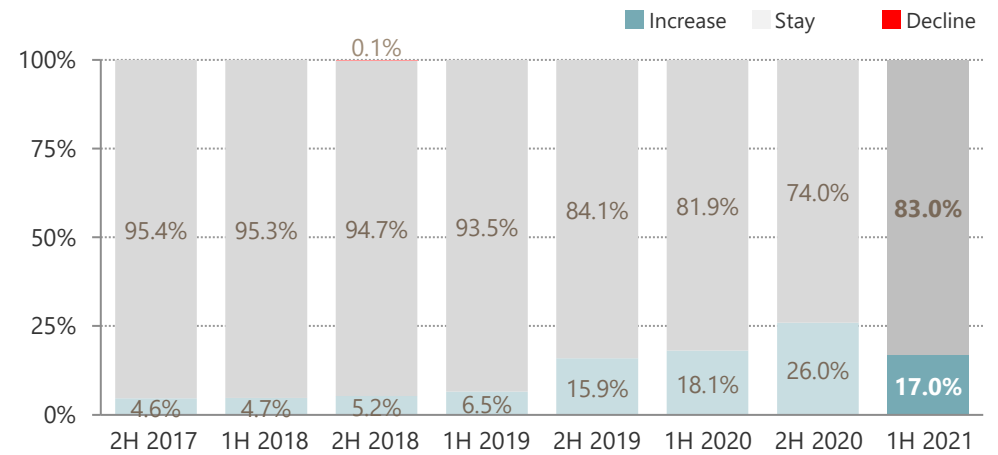
Percentage of Increase/Decline of Rent of Renewal Tenants (2)

Increase/Decline of monthly rent by area



Rent Increase/Decline (units) of Renewal Tenants

Proportion of units



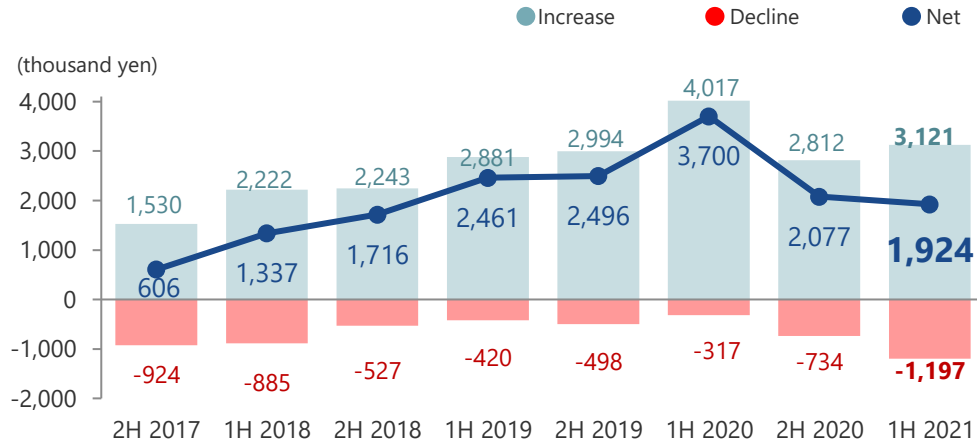
Note 1: "Percentage of Increase/Decline of rent of new tenants" = Total Amount of Increase/Decline of rent of new tenants / Total amount of rent before revisions.

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.

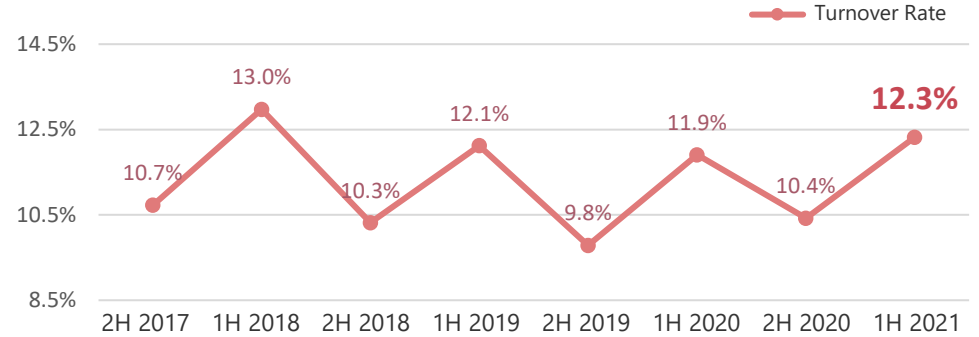
Rent of Residential Facilities (3)

Rent Increase/Decline of Rent of New Tenants

Increase/Decline of monthly rent



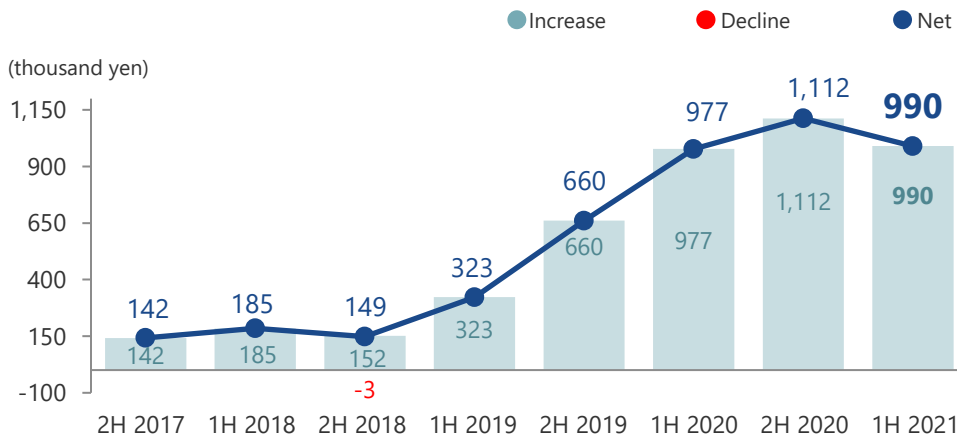
Average Downtime/Turnover Rate (1)



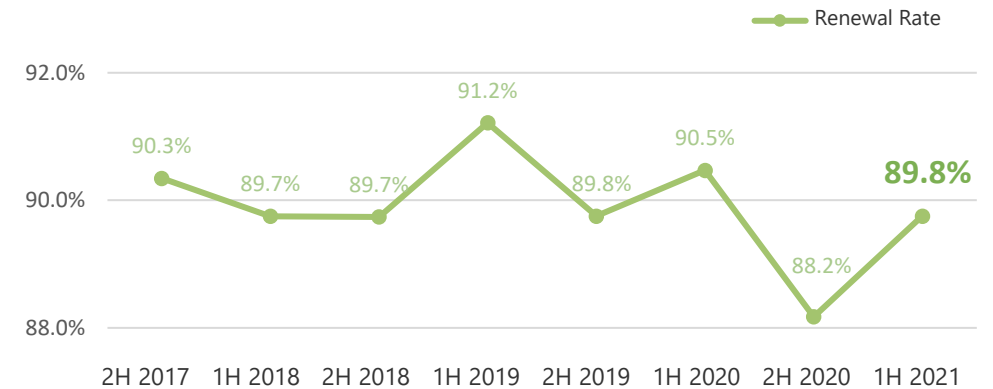
| Peak Season | Average downtime | | | | | | |
|-------------|------------------|---------|---------|---------|---------|---------|----------------|
| 69 days | 56 days | 70 days | 65 days | 73 days | 67 days | 89 days | 81 days |

Rent Increase/Decline of Rent of Renewal Tenants

Increase/Decline of monthly rent



Renewal Rate (2)

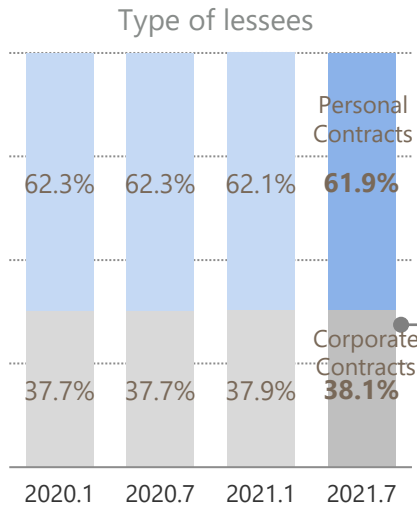


Note 1: "Turnover Rate" = Exiting tenants during the period / Rentable units at the End of Period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

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).

Tenant Demographics Analysis of Residential Facilities

Type of Lessees ⁽¹⁾

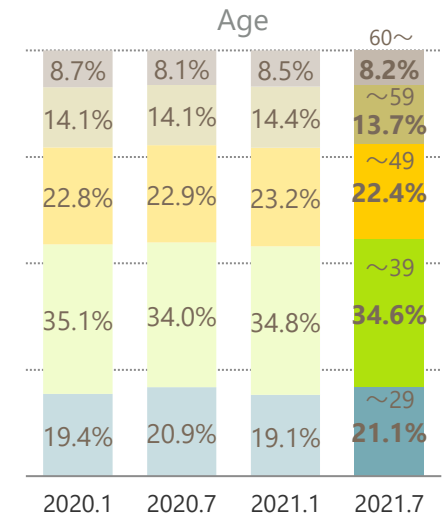
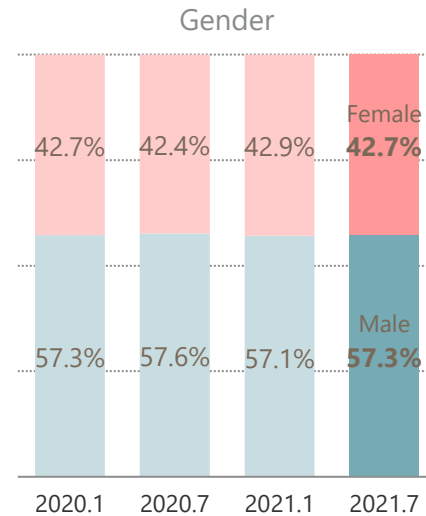


Large corporate contracts in rental housing⁽²⁾

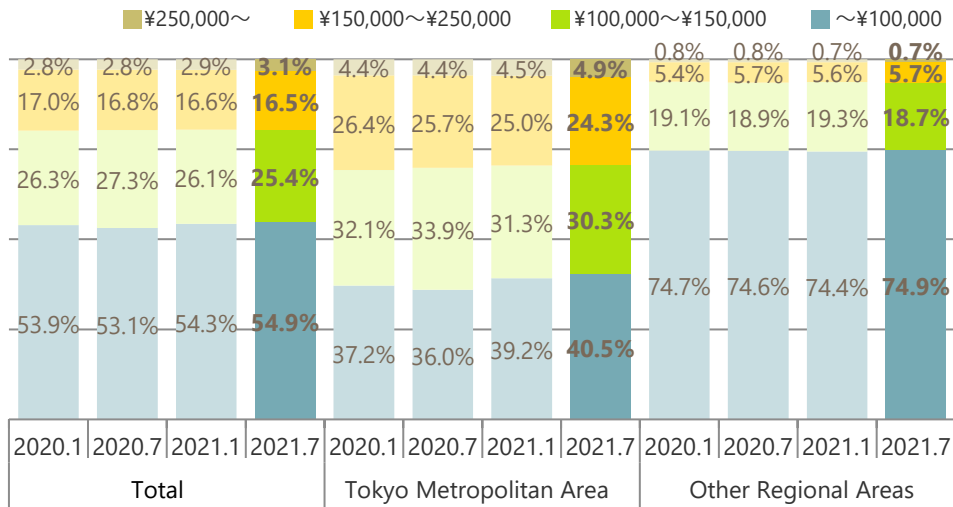
| Property Name | Number of Contracts | % in a property |
|--------------------------------|---------------------|-----------------|
| KDX Residence Kamata-minami II | 31 units | 91.2% |
| KDX Residence Kamata-minami | 69 units | 86.3% |
| KDX Residence Nishi-Funabashi | 42 units | 73.7% |
| KDX Residence Nakaitabashi | 49 units | 62.8% |
| 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 | 10 units | 35.7% |
| KDX Residence Shonandai | 33 units | 31.7% |

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 30% 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)



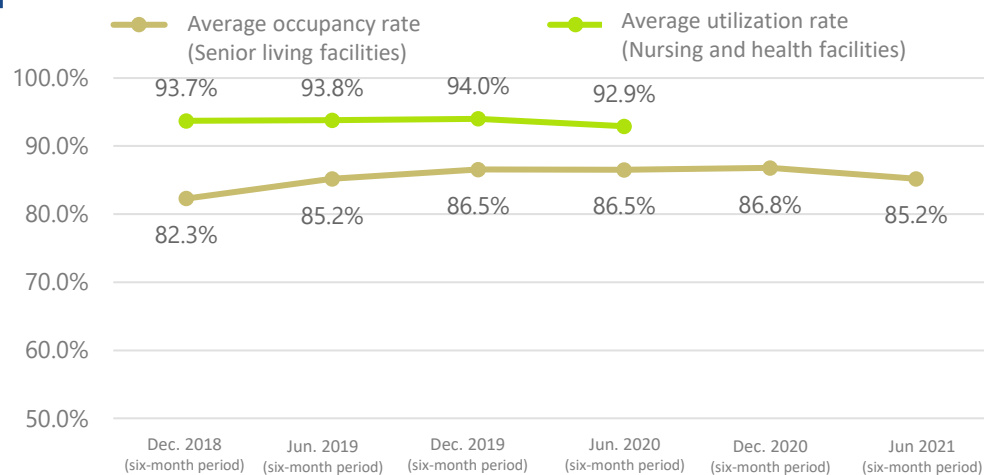
Average Rent per Residential Unit ⁽¹⁾ (as of January 31, 2021)

| Room Type \ Area | Tokyo Metropolitan Area | Other Regional Areas | Total |
|------------------|-------------------------|-----------------------|------------------------|
| Studio | ¥94,438 (+55) | ¥72,126 (+104) | ¥87,441 (+236) |
| Small Family | ¥166,137 (+788) | ¥85,443 (+347) | ¥124,939 (+586) |
| Family | ¥217,579 (+5,066) | ¥157,404 (+146) | ¥186,798 (+3,124) |
| Total | ¥133,960 (+851) | ¥94,046 (+267) | ¥117,153 (+816) |

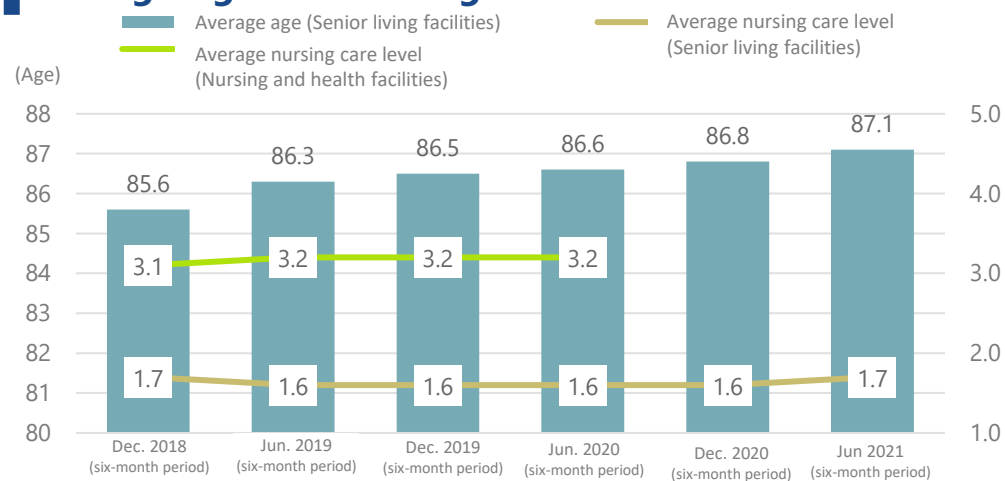
Note1: "(+)" Shows the amount of increase or decrease compared to the previous period.

Operational Status of Healthcare Facilities

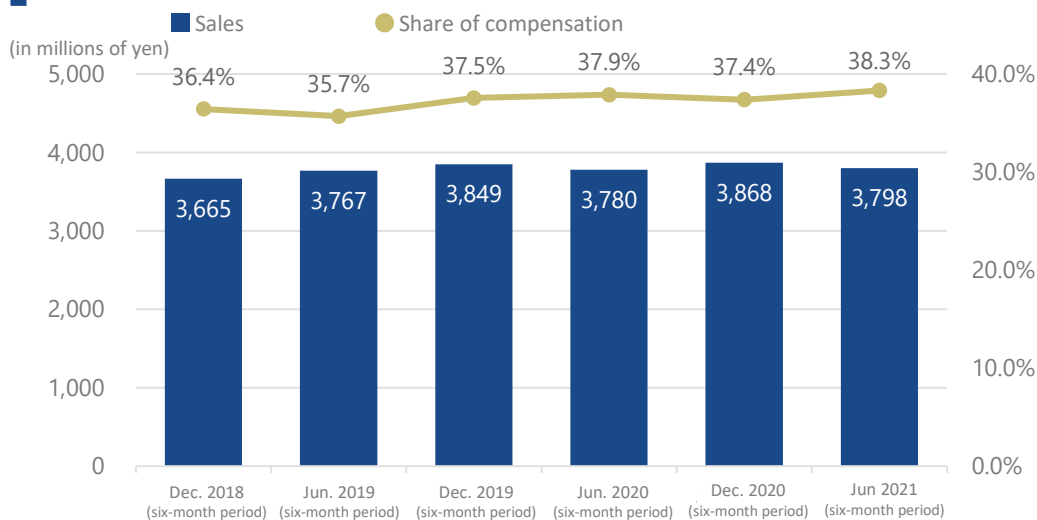
Occupancy Trend (1, 2, 3)



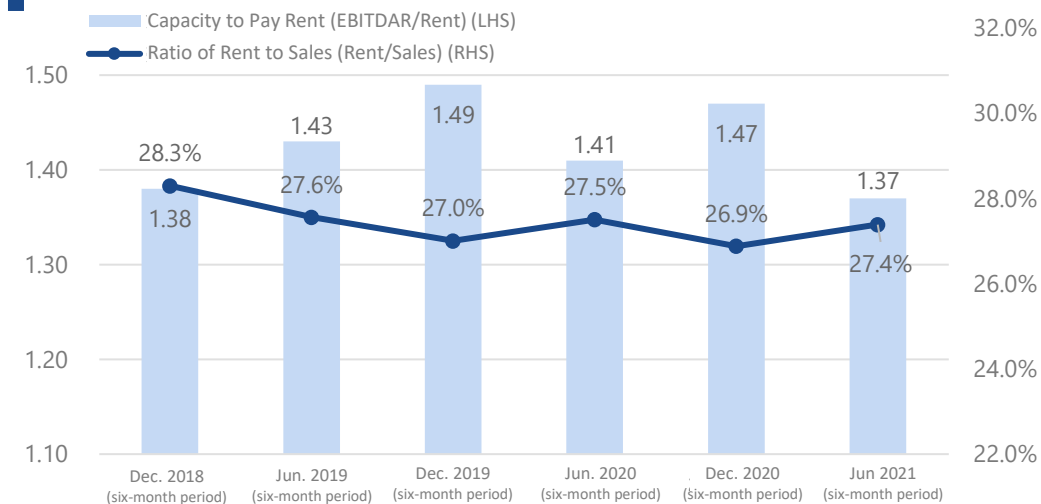
Average Age and Nursing Care Level (1, 2)



Sales and Share of Compensation (Senior living facilities)(1, 2, 4)



Capacity to Pay Rent and Ratio of Rent to Sales (Senior living facilities)(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 19th period, excluding "Rihabili-home Granda Mondo Yakuin" (undisclosed), "Anesis Teradacho", "Orange Suma", "Tsukui Sun-shine Machida", "Arute Ishiyagawa", "Rihabili-home Granda Kurakuen" (undisclosed) and "Medical-home Granda Kobe Kitano" (undisclosed). "Serabi Ebisu" is excluded only from "Average age" and "Average nursing care level". "Nursing and health facilities" include nursing and health facilities held by KDR at the end of the 19th period.

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.

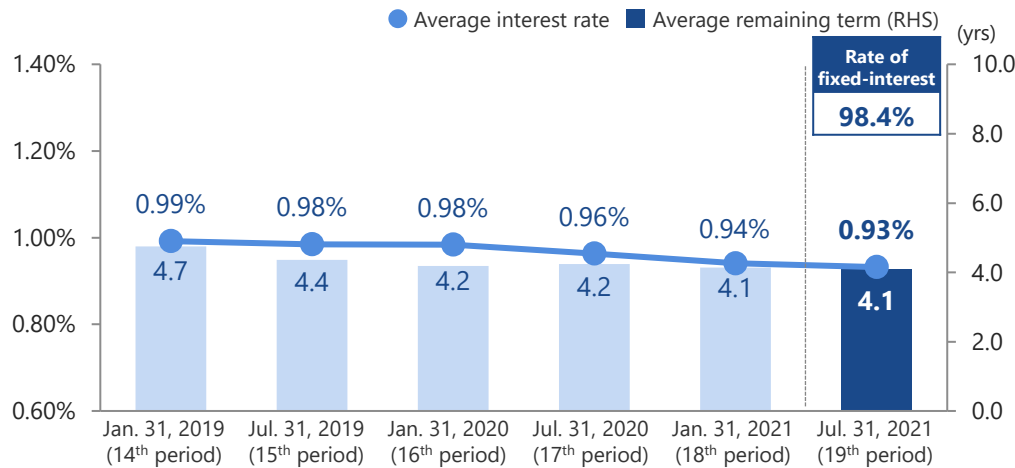
Note 4: "Share of compensation" is the ratio of compensation to sales at senior living facilities.

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

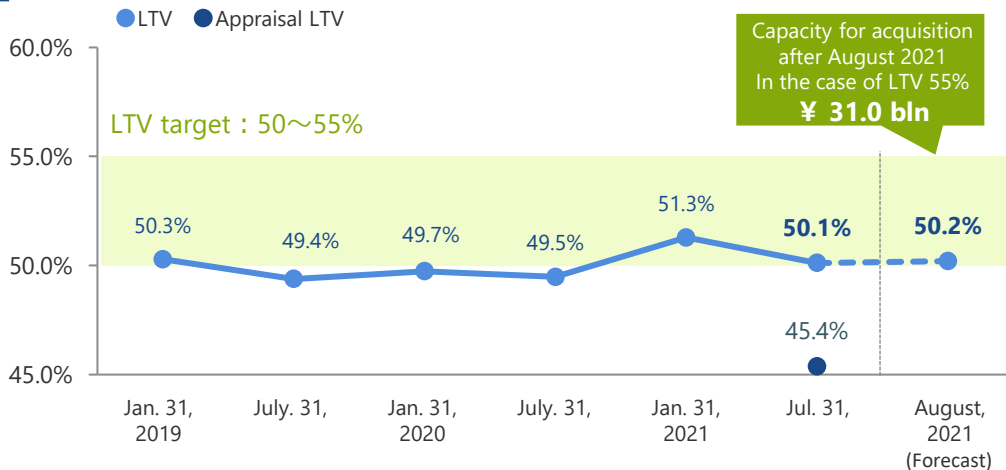


3. Finance

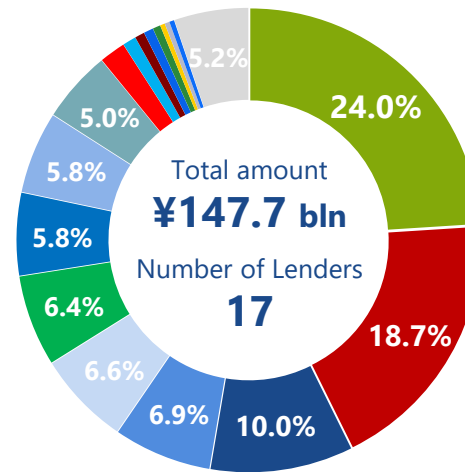
Key Debt Indicators (1)



LTV (based on total assets) (2)



Status of Interest-bearing Liabilities (as of Aug. 31, 2021)



| Lender | Amount (¥mln) | Ratio |
|--------------------------------------|---------------|-------|
| Sumitomo Mitsui Banking Corporation | 35,440 | 24.0% |
| MUFG Bank, Ltd. | 27,600 | 18.7% |
| Mizuho Bank, Ltd. | 14,780 | 10.0% |
| Aozora Bank, Ltd. | 10,150 | 6.9% |
| Mizuho Trust & Banking Co., Ltd. | 9,700 | 6.6% |
| Resona Bank, Ltd. | 9,450 | 6.4% |
| Shinsei Bank, Ltd. | 8,550 | 5.8% |
| Development Bank of Japan Inc. | 8,500 | 5.8% |
| Sumitomo Mitsui Trust Bank, Limited. | 7,450 | 5.0% |
| Nippon Life Insurance Company | 2,700 | 1.8% |
| THE BANK OF FUKUOKA, LTD. | 1,400 | 0.9% |
| Sompo Japan Insurance Inc. | 1,000 | 0.7% |
| The Bank of Yokohama, Ltd. | 1,000 | 0.7% |
| The Yamaguchi Bank, Ltd. | 800 | 0.5% |
| Daishi Hokuetsu Bank, Ltd. | 500 | 0.3% |
| The Chugoku Bank, Ltd. | 500 | 0.3% |
| The 77 Bank, Ltd. | 500 | 0.3% |
| Investment Corporation Bonds | 7,700 | 5.2% |
| | 147,720 | |

Credit Rating

A+
(Outlook : Positive)
(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, 2021. 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 second Social Bond in May 2021

7th Series Unsecured Investment Corporation Bonds

| Total Amount | Term | Interest rate |
|--------------|--------|---------------|
| ¥ 1.7 bln | 10 yrs | 0.720 % |

Outline of Commitment Line Agreement

To secure flexibility and stability in financing method, commitment line agreement has been concluded

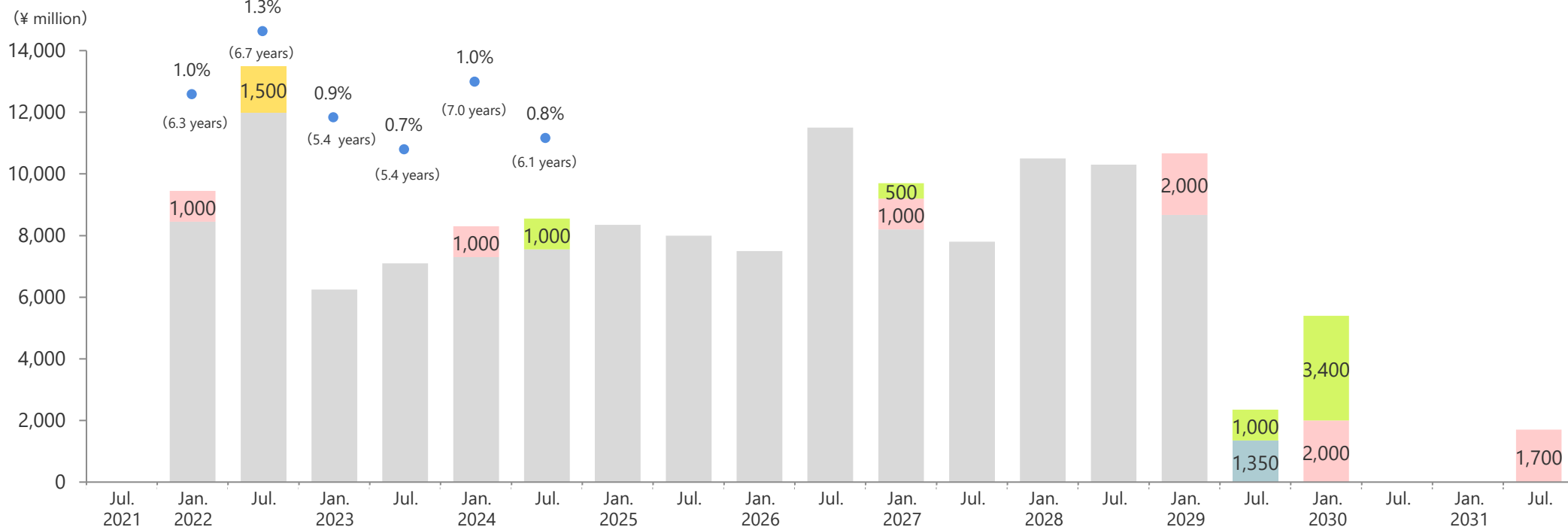
| Counterparty | Limit of maximum amount | Contract period |
|-------------------------------------|-------------------------|---------------------------------|
| Sumitomo Mitsui Banking Corporation | ¥1.5 bln | August 1, 2021 to July 31, 2022 |
| MUFG Bank, Ltd | ¥1.5 bln | |
| Mizuho Bank, Ltd | ¥1.5 bln | |

Latest New Loans and Refinance

| Classification | Amount | Term ⁽¹⁾ | Average interest rate ⁽²⁾ |
|------------------------|-----------|---------------------|--------------------------------------|
| Refinance in Feb. 2021 | ¥1.5 bln | 3.4 yrs | 0.74% |
| Refinance in Mar. 2021 | ¥1.35 bln | (Refinance) | (Refinance) |
| Refinance in Jul. 2021 | ¥5.9 bln | 6.3 yrs | 0.63% |

Maturity Ladder

■ Feb. 2021 Refinance
 ■ Mar. 2021 Refinance
 ■ Jul. 2021 Refinance
 ■ Investment Corporation Debt
 ■ Other existing loans
● Average interest rate and term of the existing Debt (for the next 6 periods)

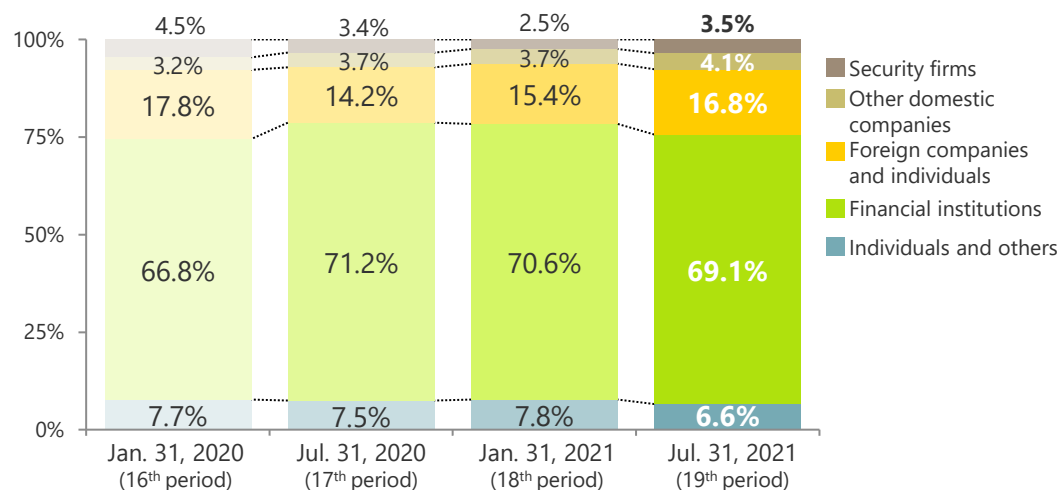


Note 1: "Average interest rate" calculated by weighted average interest rate at the end of the period for each loans.

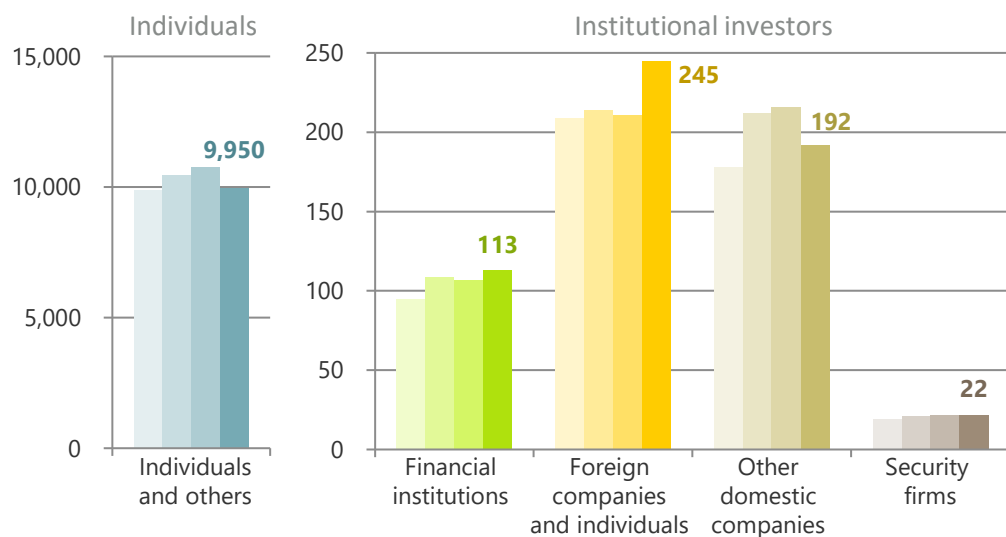
Note 2: "Interest rate" calculated that took into consideration up-front fee (per year) and the effect of the interest rate swap.

Unitholders

Composition of Unitholders (based on number of units)



Number of Unitholders (last 4 fiscal periods)



Major Unitholders (as of July 31, 2021)

| | Name | Units | Ratio ⁽¹⁾ |
|----|--|----------------|----------------------|
| 1 | Custody Bank of Japan, Ltd. (Trust Acct.) ⁽²⁾ | 244,845 | 24.58% |
| 2 | The Master Trust Bank of Japan Ltd. (Trust Acct.) | 216,918 | 21.78% |
| 3 | The Nomura Trust Banking Co., Ltd. (Trust Acct.) | 51,213 | 5.14% |
| 4 | Kenedix, Inc. | 29,515 | 2.96% |
| 5 | Custody Bank of Japan, Ltd. (Securities Investment Trust Acct.) ⁽²⁾ | 22,078 | 2.21% |
| 6 | Mitsubishi UFJ Trust and Banking Corporation | 18,813 | 1.88% |
| 7 | Japan Securities Finance Co., Ltd. | 16,278 | 1.63% |
| 8 | STATE STREET BANK WEST CLIENT-TREATY 505234 | 15,024 | 1.50% |
| 9 | The Gunma Bank, Ltd. | 12,863 | 1.29% |
| 10 | SSTBC CLIENT OMNIBUS ACCOUNT | 10,136 | 1.01% |
| | Total | 637,683 | 64.03% |

Note 1: Ratio means the percentage for total units owned to total units issued. (Rounded down to two decimal places)
 Note 2: Japan Trustee Services Bank, Ltd. and Trust and Custody Services Bank, Ltd. merged with their parent company, JTC Holdings, Ltd. on July 27, 2020, and changed their name to Custody Bank of Japan, Ltd. on the same date.

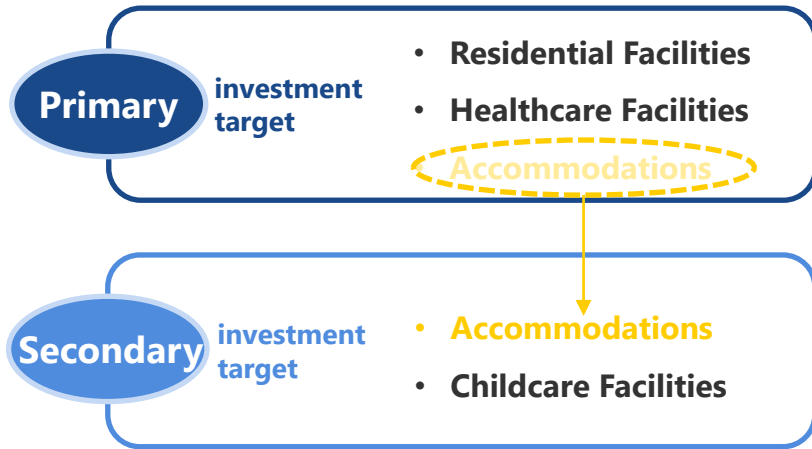


4. Growth Strategy

Change of Investment Policy

- Change **the classification of accommodation facilities** in the portfolio construction policy of the Investment Corporation from the primary investment target to **the secondary investment target** in order to the primary target to residential facilities and healthcare facilities.
- Aim to gain stable rental income and to achieve steady growth in the asset size through investment in two primary investment target, residential facilities and healthcare facilities.

Revised investment policy



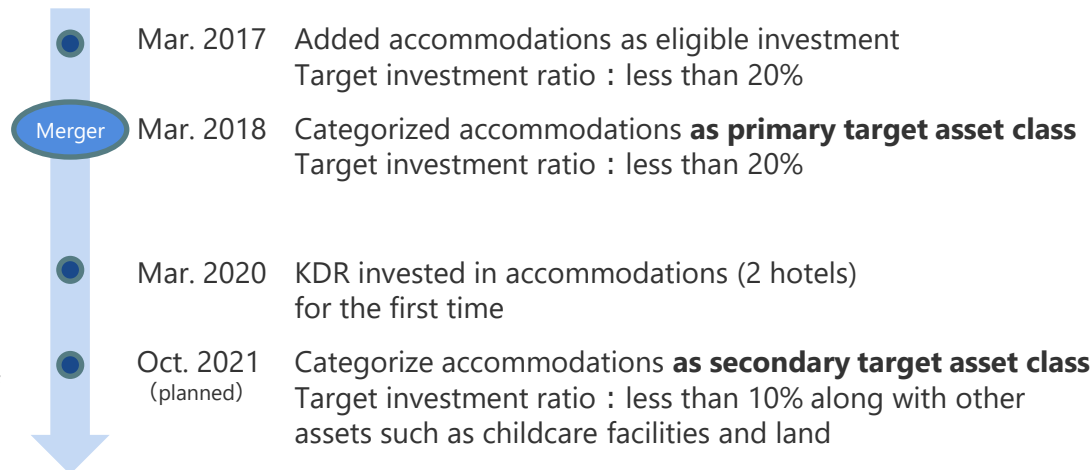
Target portfolio in the management guidelines

| Current | | Revised | | 1H 2021 |
|--------------------------------------|---------------|---|---------------|---------|
| Usage | Ratios | Usage | Ratios | Ratios |
| Residential facilities | At least 60% | Residential facilities | At least 60% | 76.4% |
| Healthcare facilities | Less than 30% | Healthcare facilities | Less than 30% | 21.8% |
| Accommodations | Less than 20% | Others (Accommodations · Childcare facilities · Land) | Less than 10% | 1.8% |
| Others (Childcare facilities · Land) | Less than 10% | | | |

Reason to revise investment policy

- KDR have initially planned to make investments in order to expand the opportunities for property acquisition and gain stable income, but so far, we have not been able to acquire properties that contributes to the enhancement of the profitability of KDR continuously due to the competitive market. Furthermore, recently, taking into account the situation in which the operating environment of hotels and other facilities has deteriorated significantly due to the spread of Covid-19, KDR have suspended to consider active investment in accommodation facilities.
- It is believed that the demand for accommodation will recover and accommodation facilities will gradually regain a strong profitability as the pandemic subsides in the future, but we still consider that those are the assets with a relatively large risk of fluctuations in profitability due to economic trends and unexpected external shocking events. On the other hand, residential facilities and healthcare facilities are maintaining their stable profitability supported by the steady actual demand even in the coronavirus pandemic.
- In order to construct the portfolio focusing on stability, KDR will lower the priority of investment in accommodations and from now on, KDR will aim to achieve further stability and AUM growth through investment in residential facilities and healthcare facilities as two primary target.

Accommodations in our target portfolio



Future Investment Policies

- Continue to **focus investment on residential facilities in the Tokyo metropolitan area**, in particular **further focus on rental housing in the suburbs of central Tokyo**, grasping diversifying demand for rental housing area
- With **diversification of operators** in mind, invest in healthcare facilities managed by operators with stable financial positions and excellent management capabilities

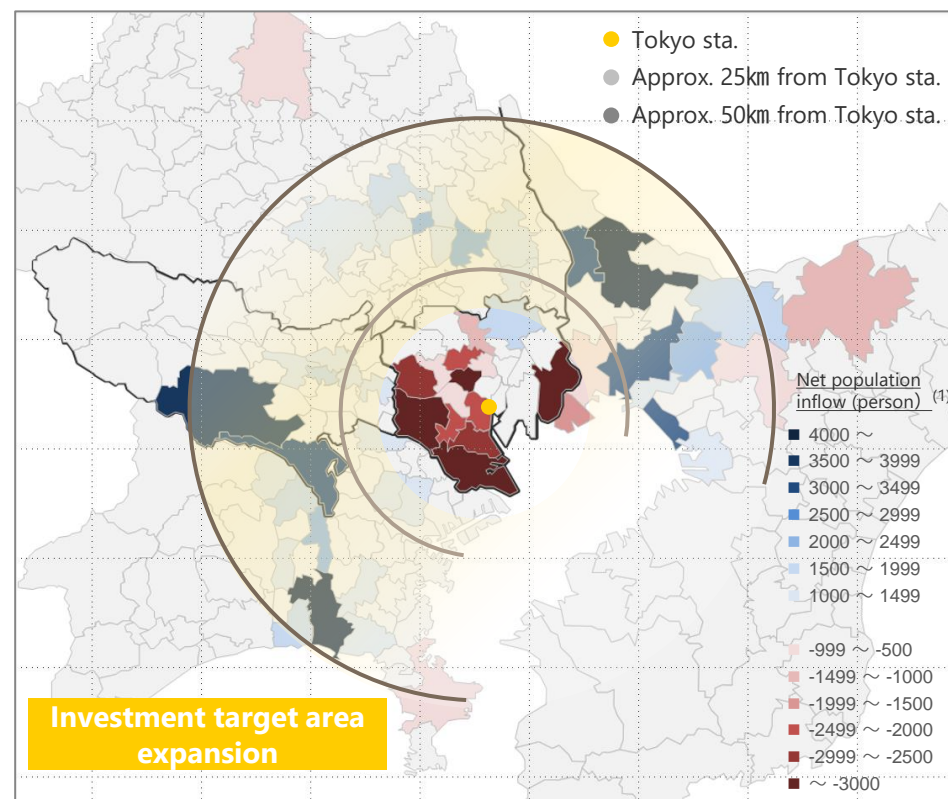
Investment policy

| Category | Investment Policy |
|--|--|
| Residential Facilities  | <ul style="list-style-type: none"> Focus on investment in Tokyo Metropolitan Area Accelerate to acquire <u>in suburban areas of central Tokyo</u> |
| Healthcare facilities  | <ul style="list-style-type: none"> Geographically diversified mainly into 3 major metropolitan area Aim to acquire facilities managed by reputable operators, <u>while diversifying operators</u> |

Investment target area for residential facilities (Tokyo Metropolitan Area)

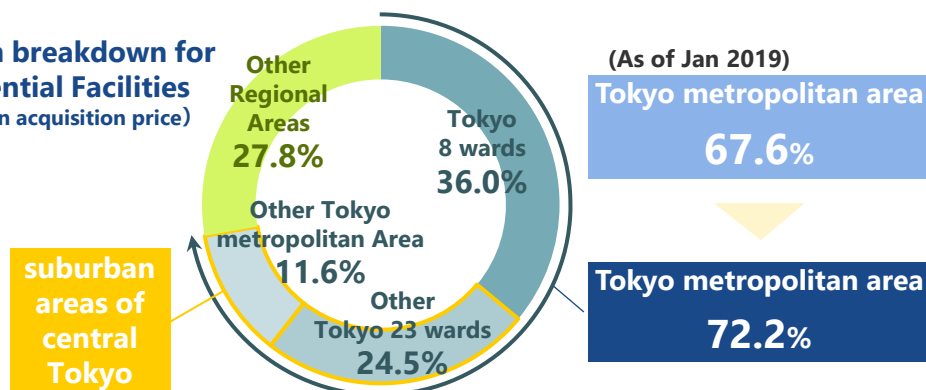
Strategy

Use the expansion of areas targeted for investment to incorporate the spread of rental demand from central to peripheral areas as well as to increase investment opportunities.

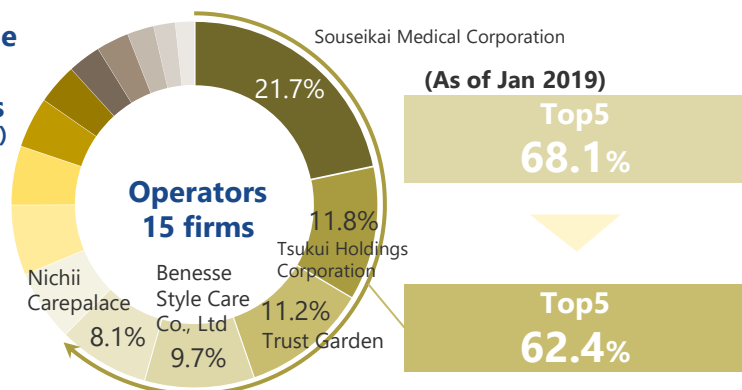


Note 1 : During the period between August 2020 till July 2021
 Source : KFM, based on the data published by each municipality

Location breakdown for Residential Facilities (based on acquisition price)



Diversification for the Operators for Healthcare Facilities (based on acquisition price)

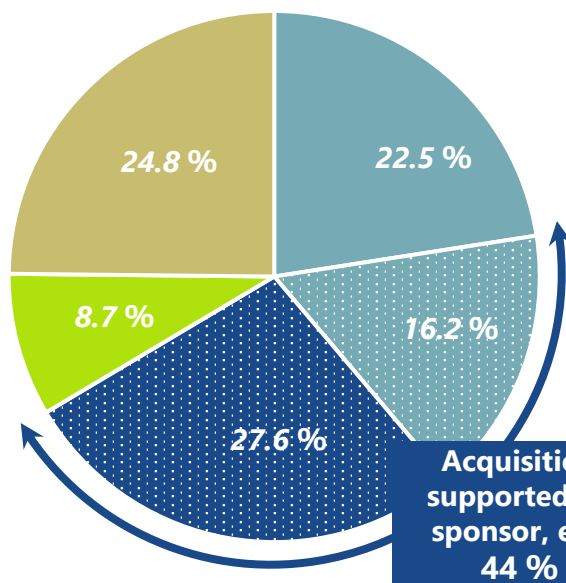


External Growth Strategy

- Continue to utilize diverse property acquisition channels and aim for sustainable growth
- With the capital and business partnership of Kenedix, the sponsor, and the SMFL Group, a further degree of support is expected to be received from the sponsor and others

Various acquisition channels

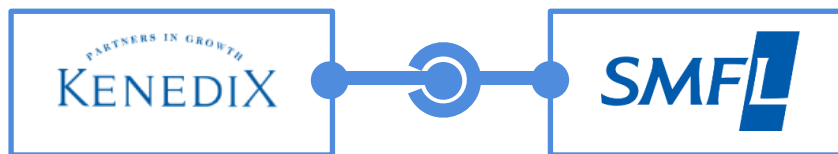
Breakdown for acquisition channels
(acquired after Aug. 2017)
(based on acquisition price)



- Original route of the Asset Management Company
- Original route of the Asset Management Company + Use warehousing function provided by sponsor, etc. (1)
- Sponsor route
- Supporting company
- Merger

External growth utilizing continuous support from the sponsor, etc.

- Provide information on properties which meet KDR's investment criteria
- Provide warehousing function such as establishing bridge fund, etc.



Note 1 : Kenedix or SMFL group provides warehousing function such as 1) establishing bridge fund 2) acquiring and temporarily owning the properties

Pipelines

| | Residential | | Healthcare | | |
|-------------------------|--------------------------------|------------------------------|---|-------------------------------|--|
| | Bridge funds (Sponsor support) | | | | |
| | Support company | Priority Negotiation Right | Priority Negotiation Right | Priority Negotiation Right | SMFL |
| | | | | | |
| | | | | | |
| | KDX Residence Umejima | Serenite Koshien plie | Excellent Takarazuka Gardenhills | Irise Koberokko | Excellent Hanayashiki Gardenhills |
| Location | Adachi ward, Tokyo | Nishinomiya-shi, Hyogo | Takarazuka-shi, Hyogo | Kobe-shi, Hyogo | Takarazuka-shi, Hyogo |
| Number of units / rooms | 90 (planned) | 49 | 130 | 53 | 87 |
| Completion | Mid-Sep. 2021 (planned) | Jul. 2021 | Jun. 2021 | Feb. 2017 | Apr. 2017 |
| Operator | — | — | Excellent Care System Co., Ltd. | HITOWA Care Service Co., Ltd. | Excellent Care System Co., Ltd. |

Sponsor's activities

Invests in rental detached housing

Covid 19 pandemic alters rental housing demand. KDX has started investing in rental detached housing in Tokyo metropolitan area to create and expand its market.



KDR's action

In order to diversify portfolio and to grow in AUM, **We are considering rental detached housing as new target asset class**

Expands renewable energy business

New department of renewable energy business launched. KDX Group is eager to contribute to achieving SDGs and realizing sustainable society through its activities.

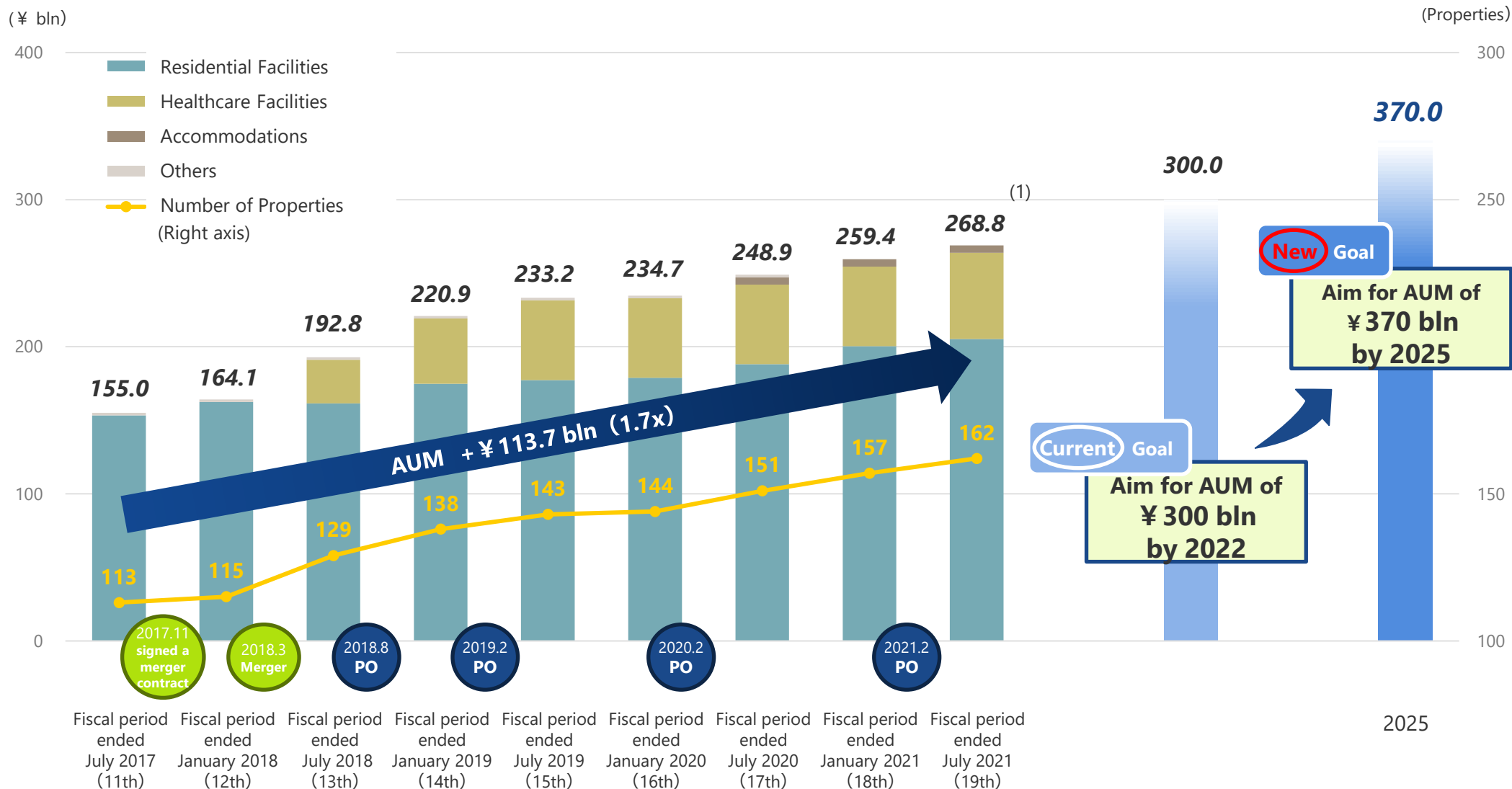


KDR's action

To accelerating our efforts to create a more sustainable society, **Now assessing the potential for Renewable Energy on our portfolio**

AUM

- ▣ The asset size grew by about **1.7 times** in the last 4 years due to the merger and ongoing property acquisitions
- ▣ Continually procure funds through public offerings, etc. and aim to grow the asset size by **100 billion** yen by 2025



Note 1 : AUM in 19th fiscal period ended July 2021 includes a property "KDX Residence Kamishakujii II" acquired August 2021

Distribution Management

- Aim to increase distributions (stabilized level) through internal growth, external growth and financial management
- Deliberate property sales for the purpose of increasing the quality of the portfolio and aim to add to distributions through gain on sale of properties
- Set the lower bound of distributions to **4,101 yen** (= initial forecast) and realize distributions higher than the lower bound by utilizing internal reserves from gain on sale of properties or RTA

Utilize gains on property sales to increase DPU

- ◆ Use gain on sales for distribution increases
- ◆ Upon realizing a large amount of capital gain, a portion of realized gain will be kept within the extent of non-taxation

Disposition (Jul. 2018~Jul. 2021)



Gain on sales total ¥ **1,404** mln

Retained earnings of part of the gain on sale

Utilize internal reserves to maintain DPU level

- ◆ In order to maintain current level in DPU, internal reserves will be used to pay a distribution

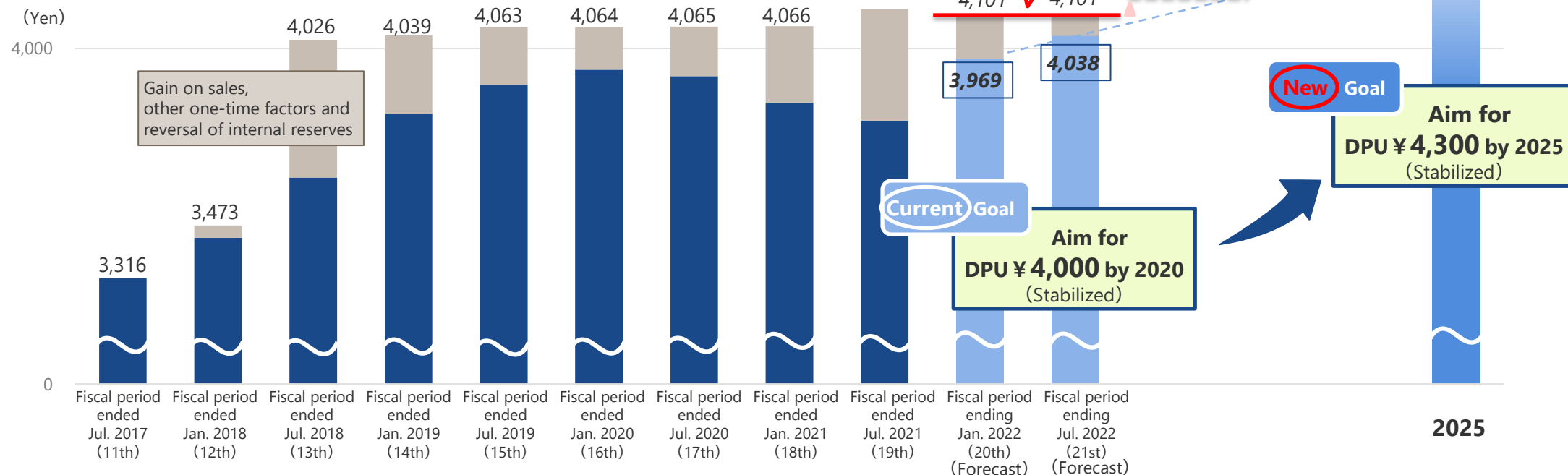
Amount of Internal Reserves (As of July 2021)

Gain on sales, etc. to internal reserve
¥ **216** mln

Balance of RTA
¥ **1,880** mln

Management of DPU

Appropriated the gain on sale to distributions





5. Earnings Forecast

Outlook for the Period Ending January 2022 (20th Fiscal Period) and the Period Ending July 2022 (21st Fiscal Period)

| (in millions of yen) | 1H 2021 | 2H 2021 | Period on Period | | Major Components ⁽¹⁾ | 1H 2022 | Period on Period | | Major Components ⁽¹⁾ |
|--|--------------|--------------|------------------|--------------|---|--------------|------------------|-------------|---|
| | Actual | Forecast | | | Forecast | Forecast | | | |
| Rent revenue – real estate | 8,145 | 8,412 | 266 | 3.3% | <Rent revenue> (R) Existing Properties +63 (R) Properties acquired in 2H 2020 and 2021 +166 (H) Properties acquired in 1H 2021 +43 | 8,440 | 28 | 0.3% | <Rent revenue> (R) Existing Properties +31 |
| Other lease business revenue | 612 | 529 | -83 | -13.6% | <Other lease business revenue> (R) Key money and renewal fees -51 (R) Tenant renewal related fees such as a burden of restoring expenses -13 (R) Compensation and insurance etc. -17 | 572 | 43 | 8.2% | <Other lease business revenue> (R) Key money and renewal fees +38 |
| Gain on sale of real estate property | 437 | - | -437 | -100.0% | | - | - | - | <Expenses related to rent business> (R) Leasing related fees +29 (R) Property, city planning and other taxes on properties acquired in 2021 (Start of registering expenses) +14 (R) Repair and restoring expenses -11 (R) Trust fees (for renewal of trust term) +14 (H) Property, city planning and other taxes on properties acquired in 2021 (Start of registering expenses) +7 |
| Dividends received | - | - | - | - | | 2 | 2 | - | <Other operating expenses> Expert fees such as legal fees -11 |
| Operating revenues | 9,195 | 8,941 | -254 | -2.8% | | 9,015 | 73 | 0.8% | <Non-operating expenses> Interest expenses and financing related fees -20 Investment unit issuance costs -6 |
| Expenses related to rent business (ex. depreciation) | 1,787 | 1,665 | -121 | -6.8% | <Expenses related to rent business> (R) Leasing related expenses -78 (R) Repair and restoring expenses -65 | 1,722 | 56 | 3.4% | <Internal reserves> Reversal of internal reserves to maintain DPU 63 |
| Depreciation | 1,546 | 1,578 | 31 | 2.1% | <Depreciation> (R) Properties acquired in 2H 2020 and 2021 +16 (H) Properties acquired in 1H 2021 +8 | 1,586 | 7 | 0.5% | |
| Other operating expenses | 1,039 | 1,028 | -11 | -1.1% | <Other operating expenses> Asset management fees -8 Consumption tax -6 Expert fees such as legal fees +12 Site inspection fees such as appraisal fees -7 | 1,016 | -11 | -1.2% | |
| Operating expenses | 4,373 | 4,272 | -100 | -2.3% | | 4,324 | 52 | 1.2% | |
| Operating income | 4,822 | 4,668 | -153 | -3.2% | | 4,690 | 21 | 0.5% | |
| Non-operating income | 43 | 0 | -43 | -99.1% | <Non-operating expenses> Interest expenses and financing related fees +4 Investment unit issuance costs -7 | 0 | - | - | |
| Non-operating expenses | 718 | 716 | -2 | -0.3% | <Internal reserves> Reversal of internal reserves to maintain DPU 112 | 689 | -27 | -3.8% | |
| Ordinary income | 4,147 | 3,952 | -194 | -4.7% | | 4,001 | 49 | 1.2% | |
| Net income | 4,146 | 3,952 | -194 | -4.7% | | 4,001 | 49 | 1.2% | |
| RTA compensation | 20 | 20 | - | - | | 20 | - | - | |
| Earnings surplus compensation (accumulation) | (66) | 112 | 178 | -267.8% | | 63 | -49 | -43.8% | |
| Dividends | 4,100 | 4,084 | -15 | -0.4% | | 4,084 | 0 | - | |
| Distribution per unit (yen)⁽²⁾ | 4,117 | 4,101 | -16 | -0.4% | | 4,101 | 0 | - | |
| NOI | 6,971 | 7,275 | 304 | 4.4% | | 7,290 | 15 | 0.2% | |

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 2020 is calculated based on the number of Investment units issued and outstanding totaled 951,258 and "Distribution per unit" for 1H 2021 and 2H 2021 are calculated based on the number of investment units issued and outstanding totaled 995,883.



6. Sustainability

Sustainability (1) - Initiatives for Environment -

DBJ Green Building Certification⁽¹⁾

12 residential properties are certificated

| | | | | | |
|--|---|--|---|--|--------------------------------|
|  <p>KDX Residence Toyosu DBJ Green Building 2020 </p> | <p>Reacquisition Jan. 2021</p> |  <p>KDX Residence Yotsuya DBJ Green Building 2020 </p> | <p>Reacquisition Jan. 2021</p> |  <p>Ashiya Royal Homes DBJ Green Building 2020 </p> | <p>Reacquisition Jan. 2021</p> |
|  <p>KDX Daikanyama Residence DBJ Green Building 2019 </p> |  <p>KDX Residence Higashi-sakura I DBJ Green Building 2019 </p> |  <p>KDX Residence Ohori Harbor View Tower DBJ Green Building 2019 </p> |  <p>KDX Sakaisuji Hommachi Residence DBJ Green Building 2019 </p> |  <p>KDX Residence Hommachibashi DBJ Green Building 2019 </p> | |
|  <p>KDX Residence Ebisu DBJ Green Building 2018 </p> |  <p>KDX Residence Hanzomon DBJ Green Building 2018 </p> |  <p>Serenite Kobe Motomachi DBJ Green Building 2018 </p> |  <p>KDX Residence Shukugawa Hills DBJ Green Building 2018 </p> | <p>% of the certified assets in the residential portfolio (area base)</p> <p>25.0%</p> <p>(as of July 2021)</p> | |

Certification for the healthcare assets

BELS Certification



Plaisant Grand Ota tamagawa



CASBEE Certification



Excellent Nishinomiya

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

GRESB Real Estate Assessment

ESG

The Investment Corporation participates in GRESB Real Estate Assessment acquired "Green Star" rating for three consecutive years and "3 Stars" rating in 2020. (upgraded from "2 Stars" in 2019)



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 in January 2020.
- 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

LED Lights in Common Areas⁽²⁾



| | Total (after 2015) |
|--|--------------------|
| Property (props) | 66 |
| Expense (mln yen) | 132.4 |
| Cumulative annual cost savings (mln yen) | 31.4 |

Bicycle Stations for Rent

Location

8 Residential Properties.

A part of the site of the property is provided as a base for electric bicycles for rent for the purpose of reducing the environmental load and servicing residents and surrounding residents.



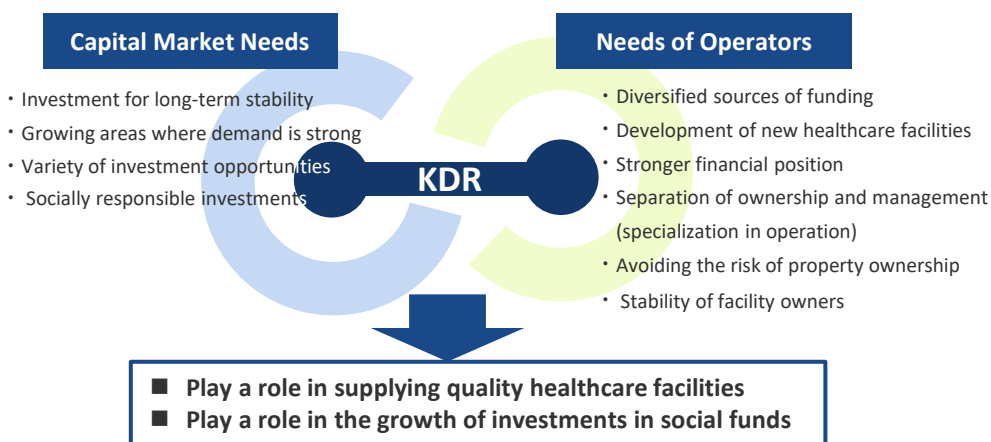
Note 1: "DBJ Green Building Certification" is a system established by Development Bank of Japan to support real estate that meets environmental and social conditions.

Note 2: "Annual reduction" is calculated based on the presentation materials from construction company as of exchanging construction. And it includes reductions in electricity charges paid by lessees (operator) at healthcare facilities.

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

ESG

- KDR became **the first J-REIT** to issue social bonds in December 2019
- Received **“Social 1 (F),” the highest rating** of the “JCR Social Finance Framework Assessment”
- 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)

| | 6th Bond | 7th Bond |
|--------------------|---|---|
| (1) Maturity | 10 years | 10 years |
| (2) Issue size | ¥2.0 bln | ¥1.7 bln |
| (3) Yield | 0.750% | 0.720% |
| (4) Month of issue | December 2019 | May 2021 |
| (5) Use of funds | To repay loans borrowed for the acquisition of assets eligible for social finance | To acquire an asset eligible for social finance |

Employees Support Program Related to COVID-19

Vaccination Leave

When employees (including contract workers) get vaccinated during working hours, they are regarded as working during working hours. If employees themselves have difficulty working due to the occurrence of side effects after vaccination, they may be allowed to take special paid leave from the date of vaccination or the next day

Support for PCR Testing Costs

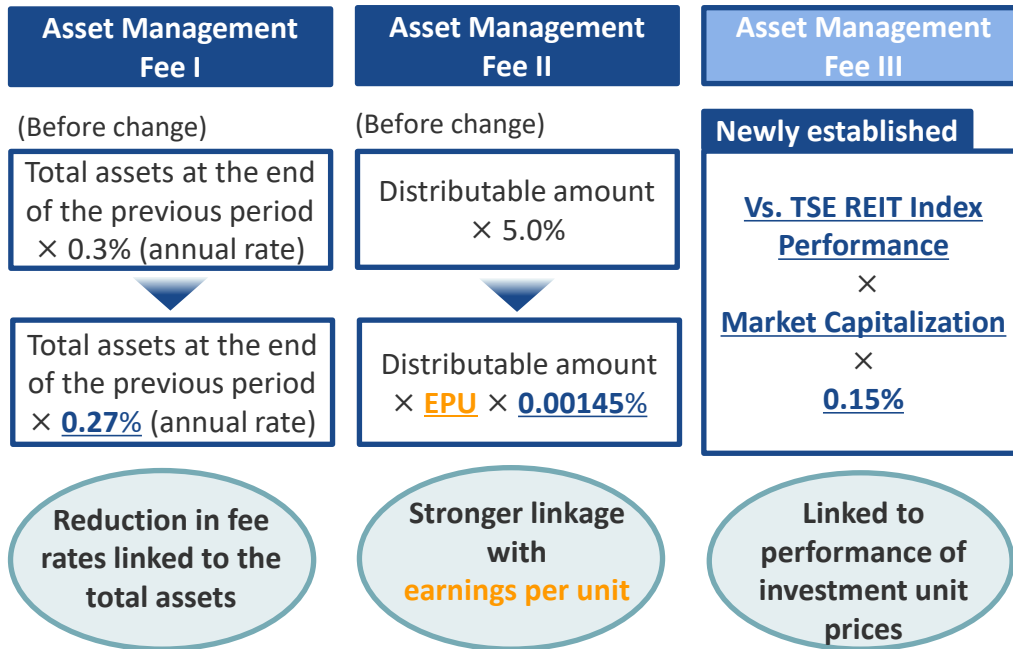
In case that an employee (including contract workers) has subjective symptoms of suspected infectious disease, or PCR testing is required for work, or a person in attendance at an internal or external meeting tests positive, the company will cover the cost of PCR testing.

Remote Work and Staggered Working Hours

Employees (including contract workers) are allowed to work from home to a certain extent depending on the situation of the spread of COVID-19. KFM also allow employees to adjust their starting time between 7:00 and 11:00 to avoid commuting during busy traffic hours.

Sustainability (3) - Initiatives for Governance -

Asset management fee structure where fees and unitholder returns are strongly linked



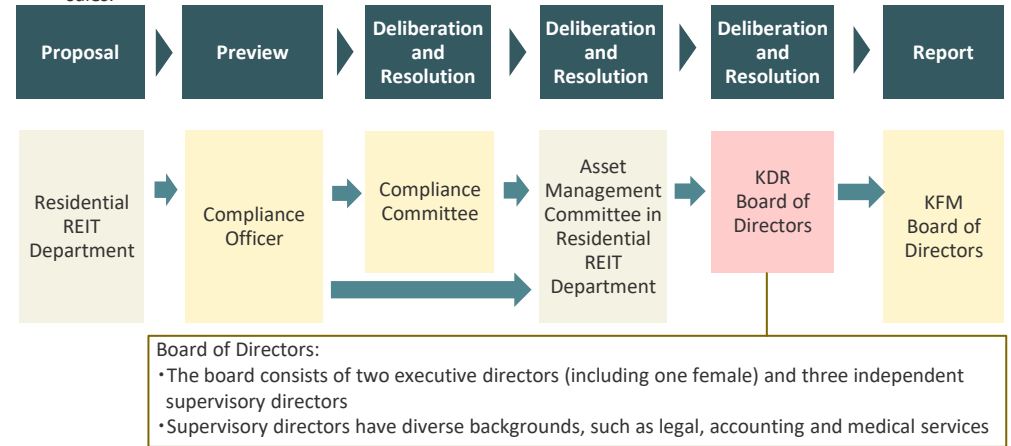
Asset Management Fee III Calculation Method and Amount

- Performance of KDR stock relative to the TSE REIT index** (end of January 2021 to end of July 2021)
 Increase in KDR stock price including the DPU: +32.6%
 Increase in TSE REIT index including DPU: +19.1%
 ⇒ KDR outperformance: +13.5%
- Performance after consideration of negative performance deferred from the previous period (2H 2020)**
 $+13.5\% + (-17.0\%) = -3.4\% < 0$
 ① Negative performance deferred from the previous period
- Expected asset management fee III for 2H 2021**
 ¥0
- Negative performance deferred to the next period (The deferral is to only one period.)**
 N.A

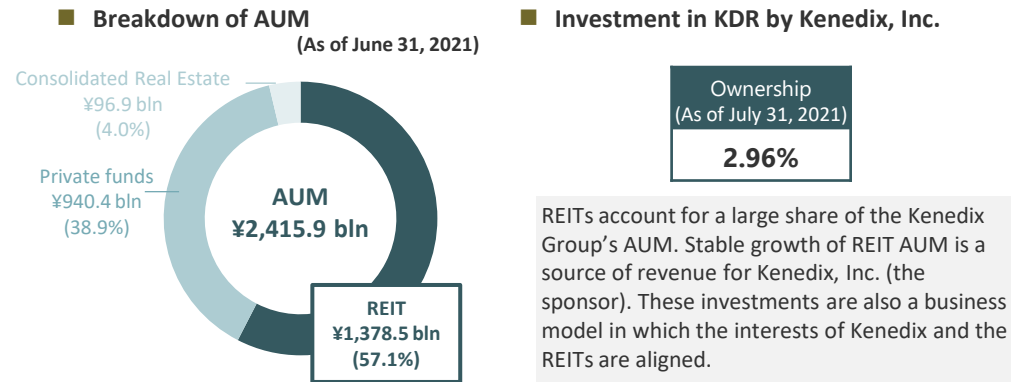
Decision-making Process with Transparency & Checks and Balances



- 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



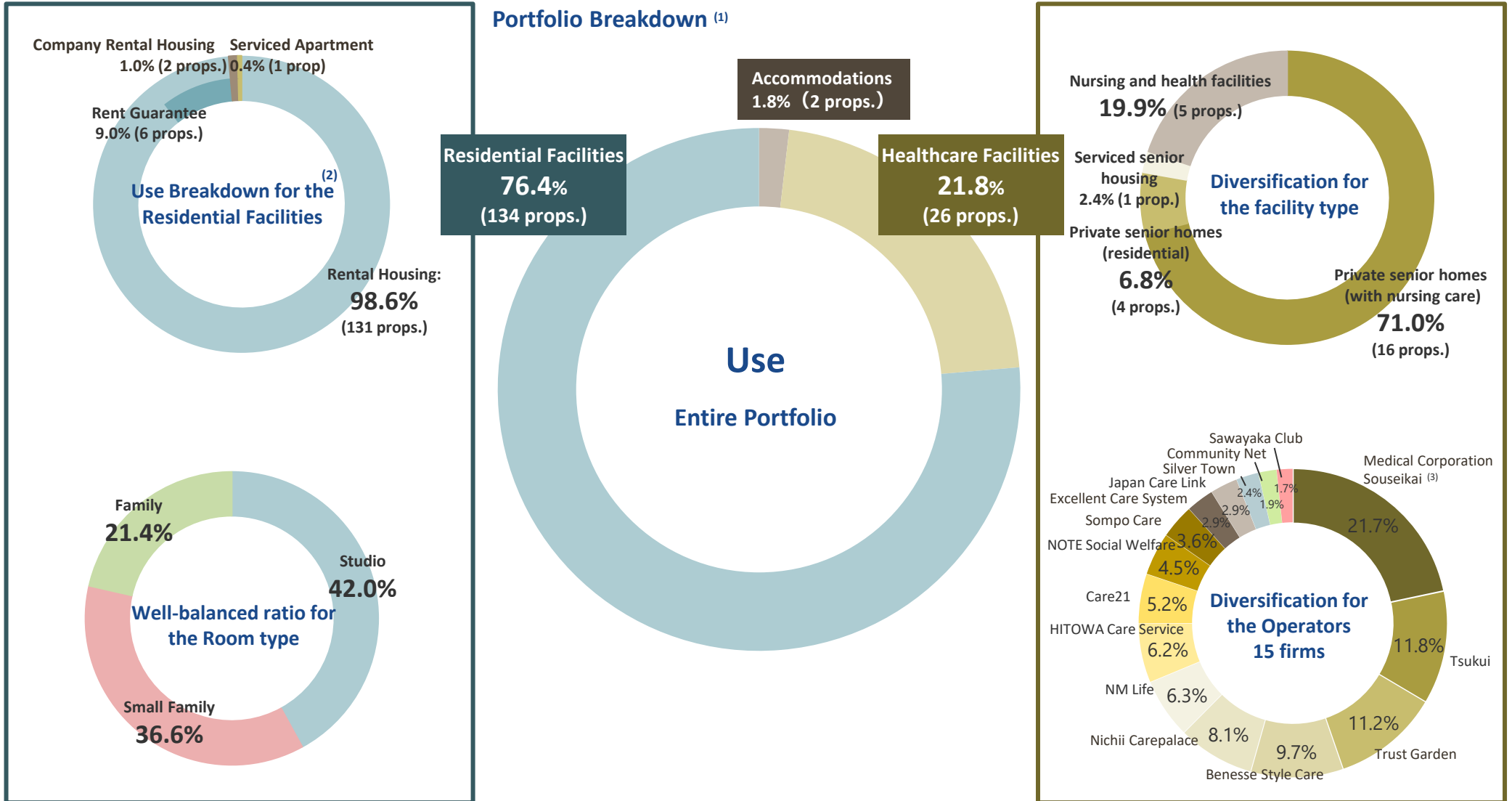


Appendices

Portfolio Breakdown (1)

■ Total Asset Size : ¥268.8 bln (162 props.), Residential facilities : ¥205.2 bln (134 props.), Healthcare facilities : ¥58.6 bln (26 props.), Accommodations : ¥4.9 bln (2 props.), and build a strong portfolio through diversified investments

Portfolio Breakdown ⁽¹⁾

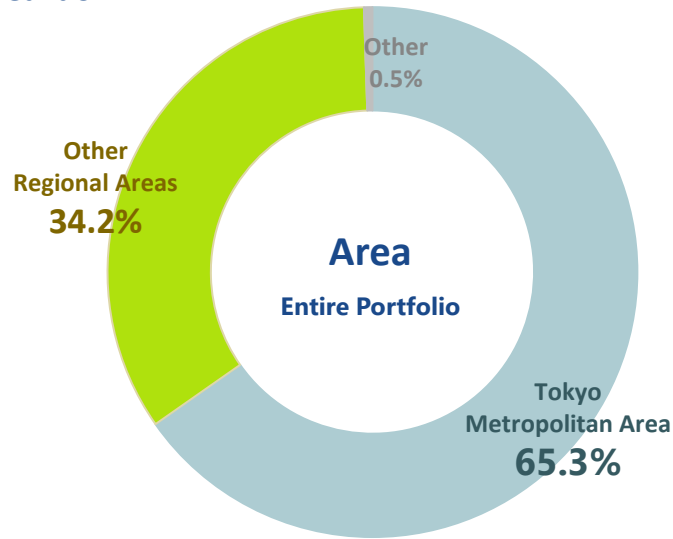


Note 1: Breakdown of the portfolio as of September 14, 2021 based on acquisition prices. the same shall apply hereinafter.

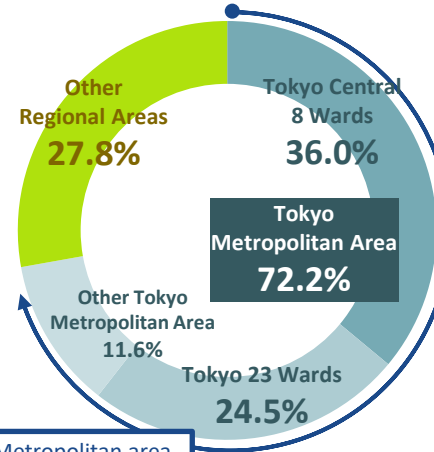
Note 2: "Rent guarantee" is contract with rent guarantee structure in part of whole residence.

Portfolio Breakdown (2)

Portfolio Breakdown ⁽¹⁾

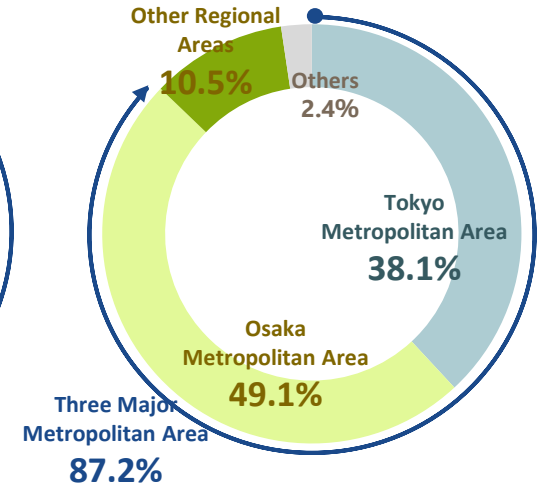


Residential Facilities

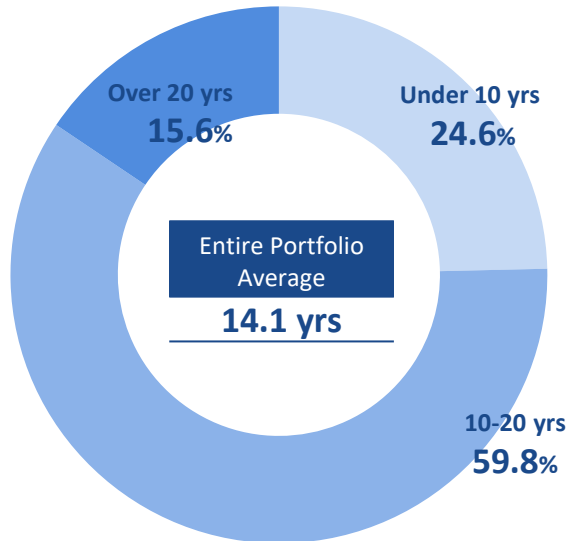


Tokyo Metropolitan area ratio in residential facilities
Aim for more than **70%**

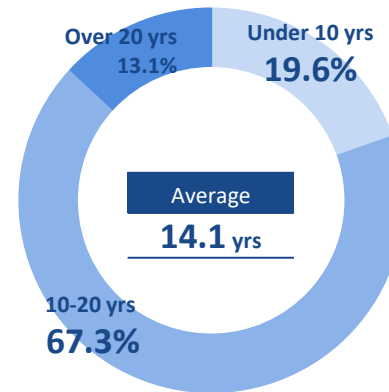
Healthcare Facilities



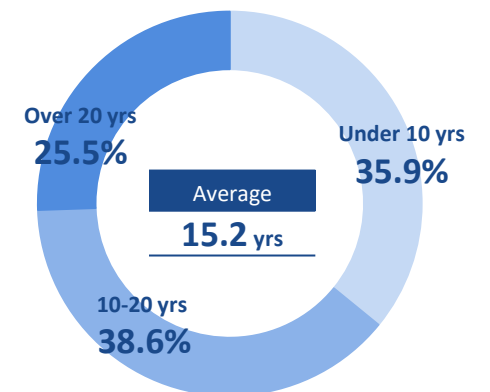
Break down of Property Age ⁽²⁾



Residential Facilities



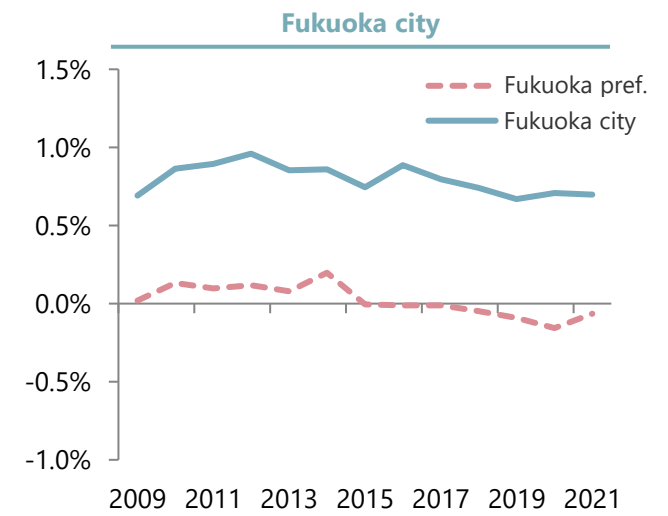
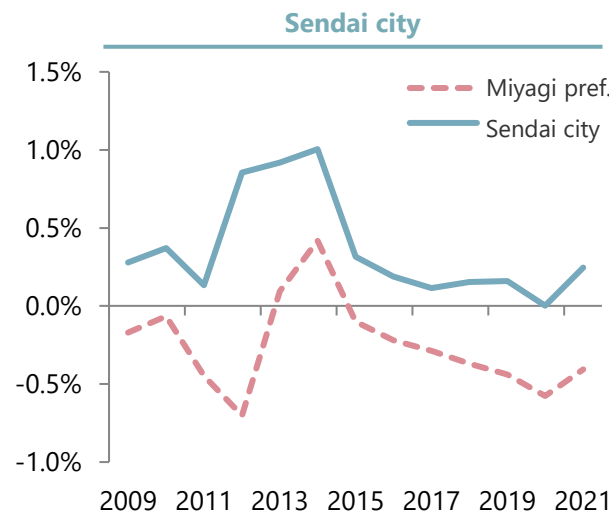
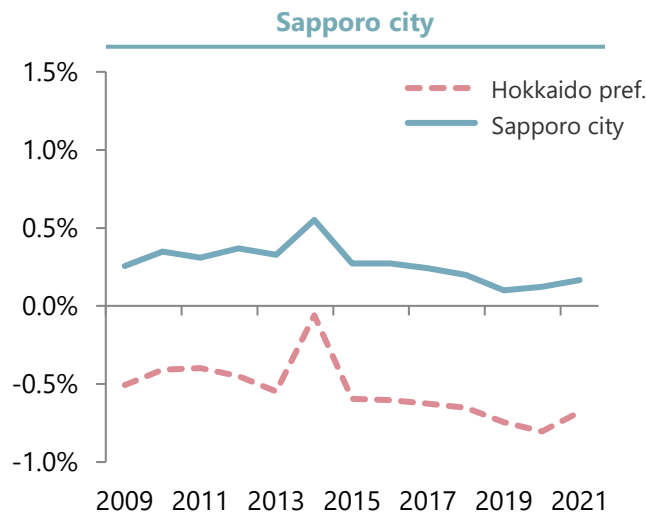
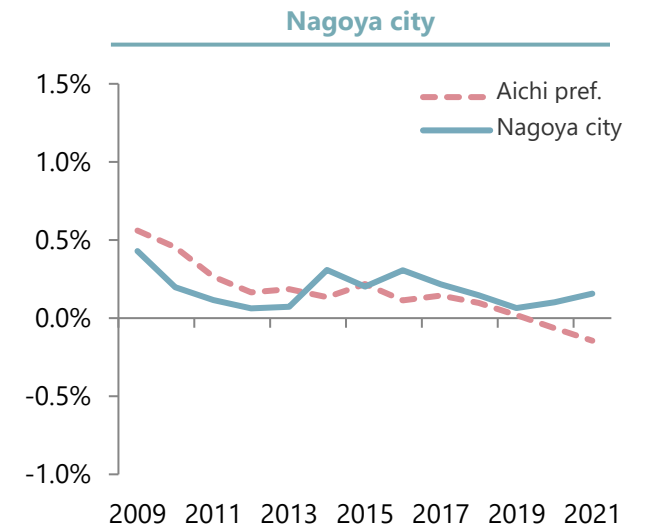
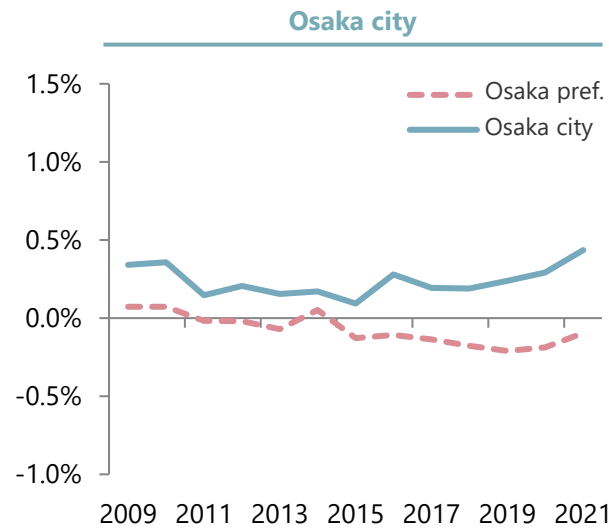
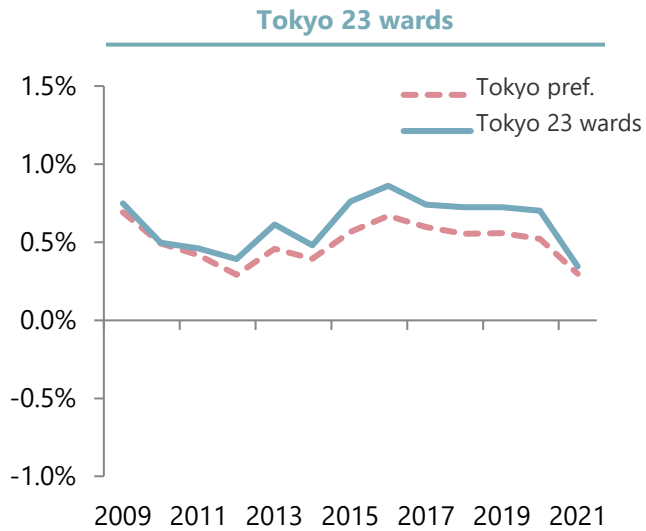
Healthcare Facilities



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 July 31, 2021.

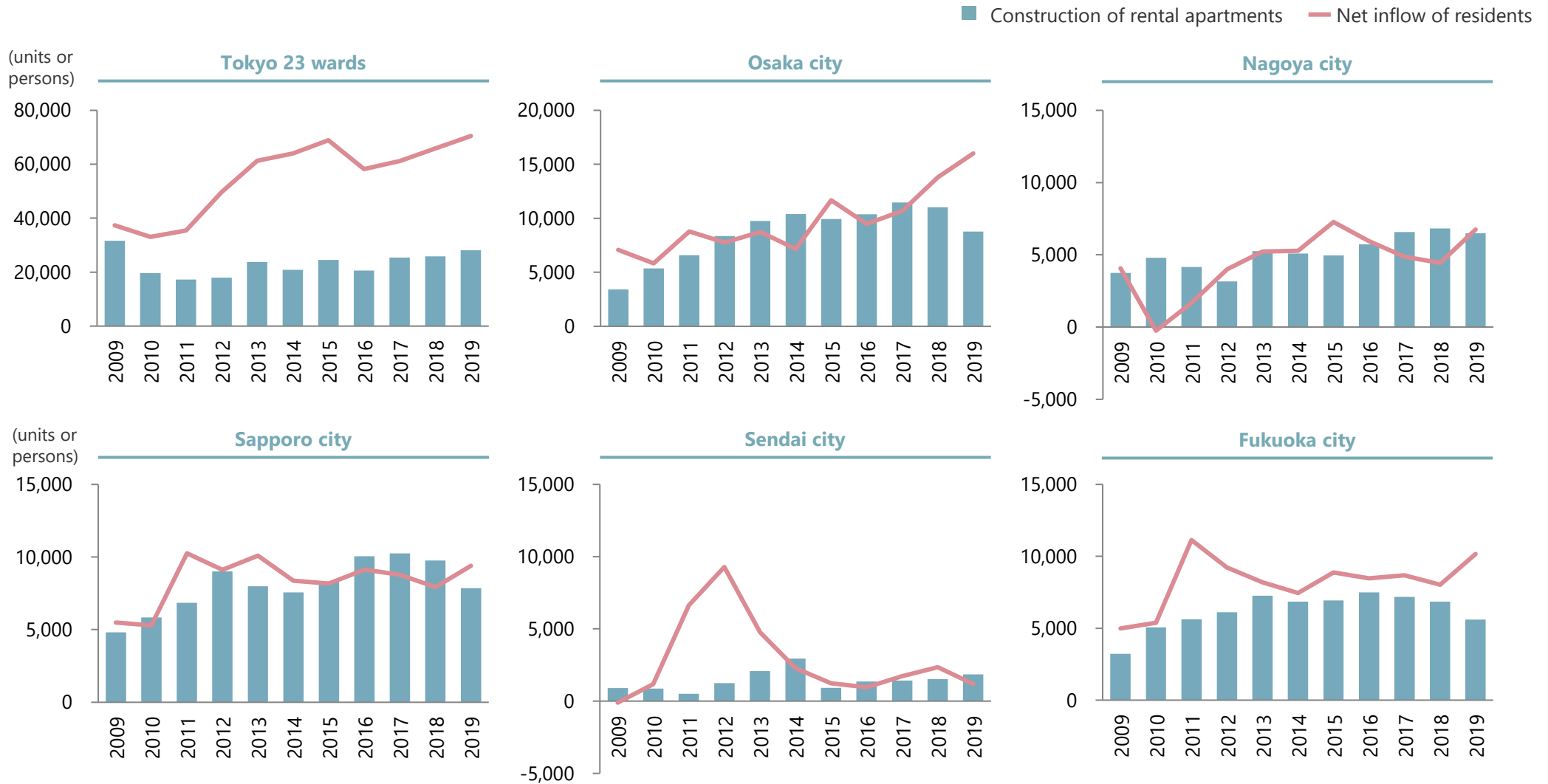
Residents growth rate in Tokyo 23 wards and major cities in Japan(YoY)



Source : Ministry of Internal Affairs and Communications "Survey on Population, Demography and household based on the Basic Resident Register"

Note : This is a year-on-year comparison of the population as of January 1 of each year (March 31 of each calendar year for 2013 and earlier) in the Basic Resident Ledger Population, Ministry of Internal Affairs and Communications. 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

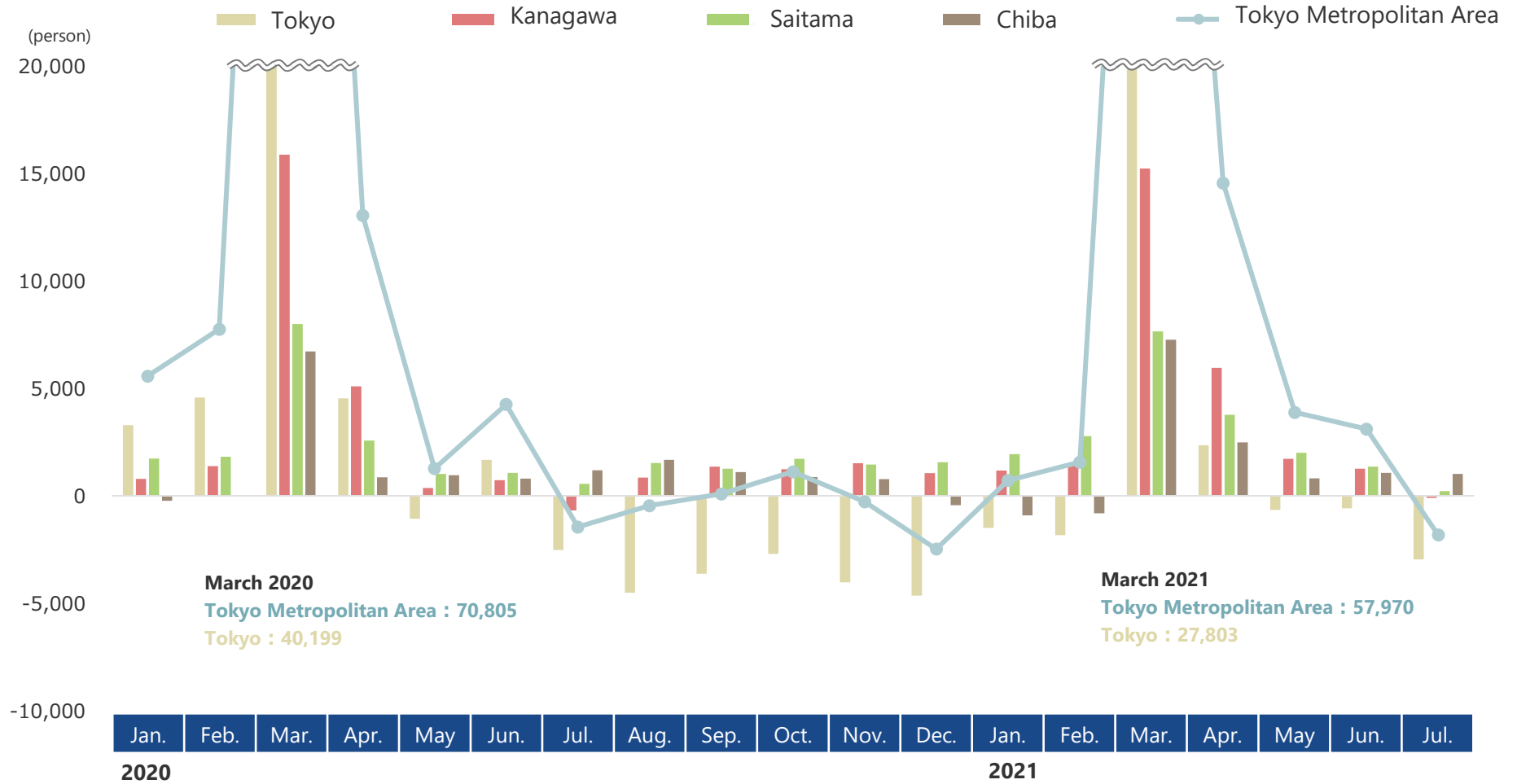


Source : Ministry of land, Infrastructure, Transport and Tourism. Statistics for the Construction of New Housing. Ministry of Internal Affairs and Communications. Report on Population Movement based on the Basic Resident Register.

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.

Demographics of Tokyo Metropolitan Area

Net Population Inflows into Tokyo Metropolitan Area

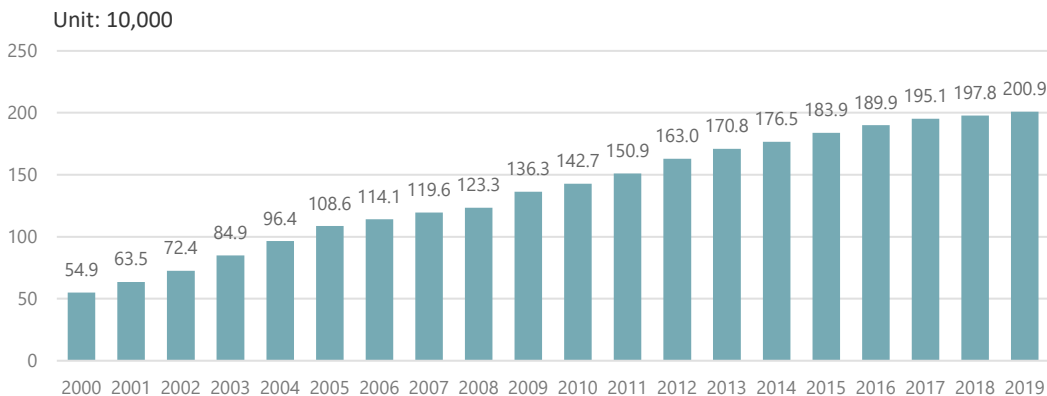


Source : Created by the Asset Management Company based on the Statistics Bureau, Ministry of Internal Affairs and Communications "Basic Resident Register Population Migration Report Monthly Report"

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 1.45 million people (about 3.7 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

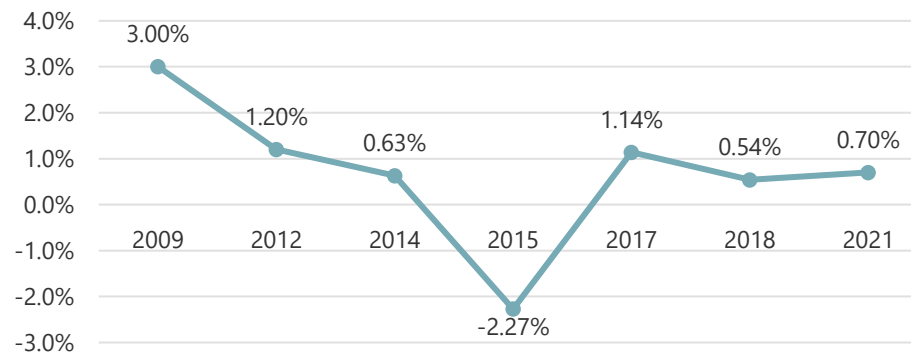
Measures to Recruit Nursing Care Workers

| | Significant Measures Implemented | Additional Significant Measures to be Implemented |
|---|--|--|
| Improving the treatment of nursing care staff | (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) | ○ From October 2019, further treatment improvements will be implemented, with a focus on experienced and skilled nursing care workers, with the aim of achieving wage levels that are comparable to those in other industries for leader-level nursing care workers |
| Recruit and train many types of people | ○ Loans for care worker training and outplacement ○ Integrated support for middle-aged and older people with no experience in nursing care, from introductory training to post-training experience support and matching | ○ Implement of seminars to promote the entry of active elderly people into the nursing care sector ○ Promote of work-related activities in the nursing care field using volunteer points |
| Increasing retention and raising productivity | ○ Promote the use of nursing care robots and ICT ○ Support for establishing and operating 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 | ○ Develop leader-level nursing care workers and improve practical skills through team care ○ Accelerate introduction of nursing care robots and ICT ○ Popularize productivity improvement guidelines ○ Establish of a consultation service for concerns and promote of interaction among young employees |
| Make nursing care jobs more appealing | ○ Promote the understanding of nursing care work among students, their guardians and career guidance staff ○ Organize events to learn about nursing care | ○ Disseminate information on the appeal of nursing careers to young people, people who have finished raising children, and active elderly people |
| Improvement of the acceptance environment for foreign workers | ○ Support for international students aiming to become nursing care workers (Promotion of loans for care worker training, consultation support for daily life, etc.) | ○ Improve the acceptance environment for foreign nursing care workers with special skills, etc. (Promote Japanese nursing care through local information sessions, etc. Group training to improve nursing care skills. Support for learning Japanese for nursing care. Consultation support and patrol visits for nursing care work, etc.) |

Source: Ministry of Health, Labour and Welfare

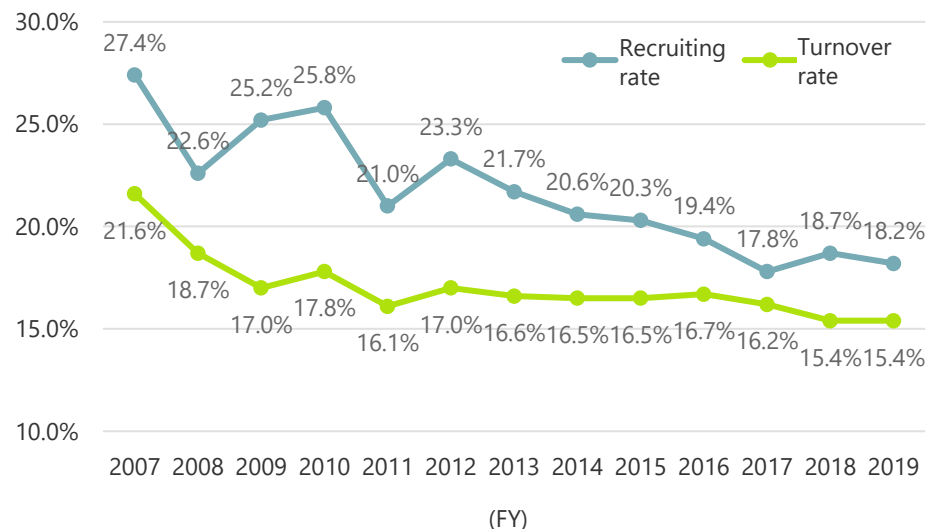
- Revisions to public-sector nursing care payments since 2009 have been generally positive; payments were raised 0.70% in FY2019.
- Recruiting rate and turnover rate for nursing care workforce are downward trend

Revisions to Public-sector Nursing Care Payments



Source: Ministry of Health, Labour and Welfare

Recruiting rate and Turnover rate for Nursing Care Workforce



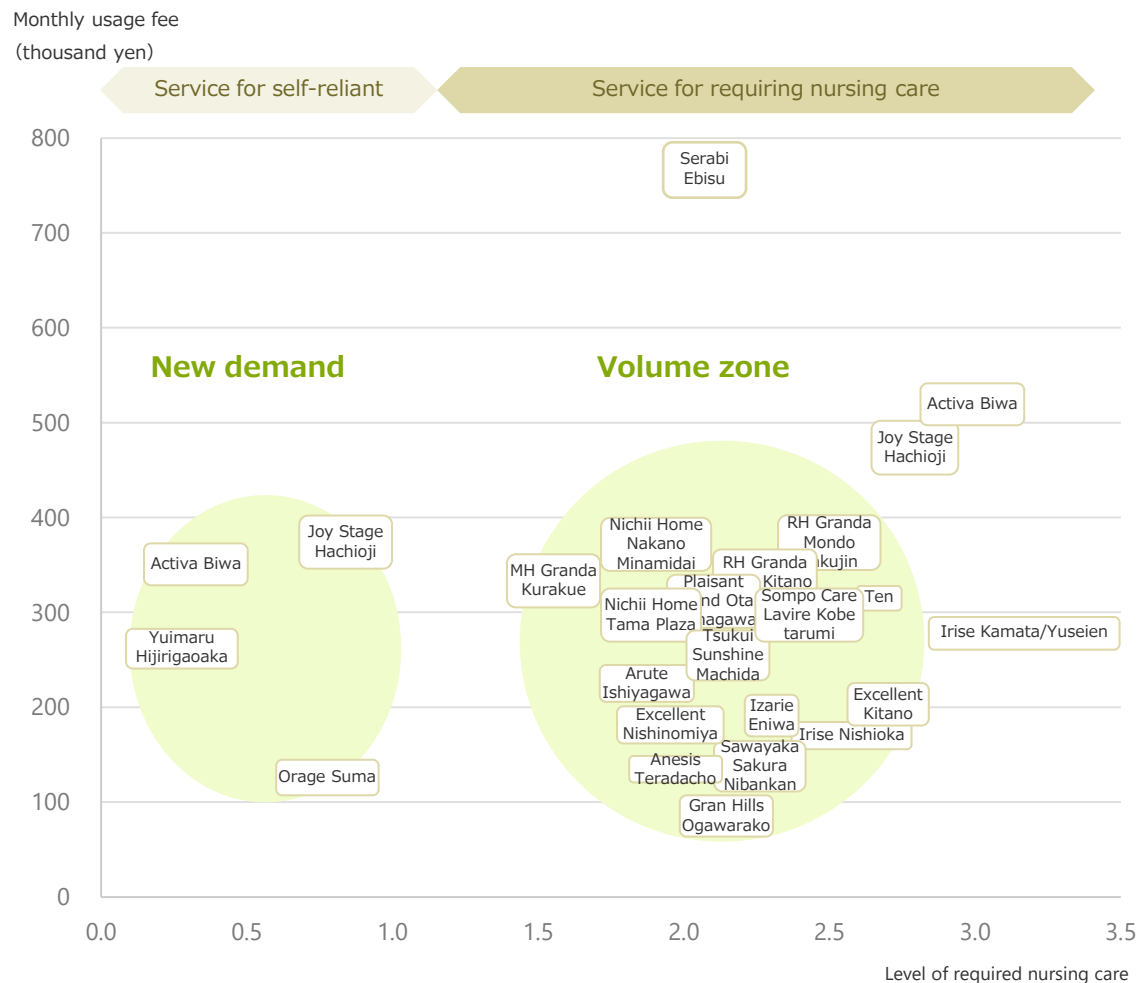
Source: Survey of Nursing care labor situation 2019, Care Work Foundation

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.

Overview of Operators

Operators of KDR Owned Properties

| Operator (Parent company, etc.) | Established | Facilities operated (1) | Capacities (1) | Listed/Unlisted | Locations owned by KDR (Property name) |
|---|----------------|----------------------------|----------------|---|--|
| Sompo Care Inc. (Sompo Holdings, Inc.) | May 1997 | 452 | 27,907 | 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 | 341 | 19,477 | Consolidated subsidiary of Benesse Holdings, Inc. (TSE 1st section listed) | Rihabili-home Granda Mondo Yakujin Medical-home Granda Kurakuen Rihabili-home Granda Kobe Kitano |
| HITOWA Care Service Co., Ltd. (HITOWA Holdings Co., Ltd.) | November 2006 | 121 | 7,396 | Unlisted company | Irise Kamata/Yuseien Irise Nishioka Izarie Eniwa building (Irise Eniwa) |
| Nichii Carepalace Company (NICHII GAKKAN CO., LTD.) | June 1964 | 433 | 14,244 | Unlisted company | Nichii Home Nakano Minamidai Nichii Home Tama Plaza |
| Sawayaka Club Co., Ltd. (Uchiyama Holdings Co., Ltd.) | December 2004 | 91 | 5,329 | Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd. (TSE 1st section listed) | Sawayaka Sakura Nibankan |
| Tsukui Holdings Corporation (2) | June 1969 | 81 | 3,549 | TSE 1st section listed | Tsukui Sun-shine Machida |
| Care 21 Corporation | November 1993 | 120 | 4,086 | TSE JASDAQ listed | Plaisant Grand Ota tamagawa |
| Trust Garden Co., Ltd. (Resorttrust, Inc.) | August 2007 | 23 | 2,598 | Consolidated subsidiary of Resorttrust, Inc. (TSE 1st section listed) | Activa Biwa |
| NOTE Social Welfare Corporation | June 1983 | 24 | 1,320 | Unlisted organization | Ten |
| Excellent Care System Co., Ltd. | August 2004 | 52 | 2,446 | Unlisted company | Excellent Nishinomiya Excellent Kitano |
| Community Net Inc. | June 1998 | 23 | 828 | Unlisted company | Yuimaru Hijirigaoka |
| Medical Corporation Souseikai (3) | November 1999 | 157 | 10,379 | Unlisted organization | Anesis Teradacho, Rococo-riha, Orage Suma, Canadian Hill, Anesis Hyogo, Arute Ishiyagawa |
| Japan Care Link Co.,Ltd (Solasto Corporation) | November 2000 | 132 | 4,124 | 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 |

Note1: Facilities operated and capacities are based on Shukan Koreisha Jutaku Shimbun (“Weekly Senior Housing Newspaper”), August 4 and 11, 2021 (Issue 637) and these figures are the number and the capacity of the facilities operated by the company’s group the operator belongs to. However, some figures are based on information obtained from operators, etc. (as of the end of June 2021) and these are figures for the relevant operator alone.

Note2: As of October 1, 2020, the name has been changed from Tsukui Corporation.

Note3: As of June 12, 2020, the name has been changed from the Medical Corporation Hakushinkai.

Welfare Facility and Senior Housing Facility Operators Ranked by Capacities

Capacities of Welfare Facilities and Senior Housing Facilities

| Rank | Company | Major brands | Locations owned by KDR | Total ^(note) | |
|------|---|--|------------------------|-------------------------|------------|
| | | | | Facilities | Capacities |
| 1 | Sompo Group | Sompo Care Lavire, Sompo Care Sompo no ie, Sompo no ie S | 1 | 452 | 27,907 |
| 2 | Benesse Style Care | Aria, Kurara, Granny & Granda, Madoka, Bonsejour, Kokochi, Li-Re | 3 | 341 | 19,477 |
| 3 | Gakken Group | Cocofan, Ai no ie, Faminew, Ensemble | | 444 | 15,058 |
| 4 | NICHII Group | Nichii no Kirameki, Nichii no Hohoemi, Nichii Home, Iris Garden | 2 | 433 | 14,244 |
| 5 | Kawashima Corporation | Sunny Life, Yawaragien | | 138 | 12,935 |
| 6 | BestLife | BestLife | | 182 | 11,809 |
| 7 | KOYAMA Healthcare Group | (No specific brand) | | 199 | 10,669 |
| 8 | Souseikai Group | Good Time Home, Good Time Club, Good Care, Sonorous Court, Calmecourt | 6 | 157 | 10,379 |
| 9 | Aoikai Medical Corporation | Aoi no sono, Aoi no sato | | 95 | 8,424 |
| 10 | Kinoshita Care | Life commune, Lien Reve, Ouen Kazoku | | 127 | 7,761 |
| 11 | HITOWA Care Service | Irise | 3 | 121 | 7,396 |
| 12 | Half Century More | SunCity | | 17 | 7,108 |
| 13 | Social Welfare Organization Saiseikai Imperial Gift Foundation | (No specific brand) | | 104 | 7,065 |
| 14 | ALSOK Group | Minna no ie, Sukoyaka, Amica no Sato | | 184 | 6,687 |
| 15 | Fuji Amenity Service | Fuji Palace Senior | | 201 | 6,429 |
| 16 | Tokushukai Group | Tokushuen | | 77 | 5,868 |
| 17 | VATI | Anshin Home, Furusato Home | | 147 | 5,462 |
| 18 | Uchiyama Holdings | Sawayaka | 1 | 91 | 5,329 |
| 19 | UNIMAT Retirement Community | Soyokaze | | 170 | 4,828 |
| 20 | Seirei Social Welfare Community | Eden no sono, Aikoen | | 34 | 4,772 |
| 24 | Solasto Group | Solasto, Nagoyaka, Gracemate, Ayame, Serabi | 1 | 132 | 4,124 |
| 25 | Care 21 | Plaisant maison, Plaisant Grand, Tanoshii ie | 1 | 120 | 4,086 |
| 30 | TSUKUI | TSUKUI Sunshine, TSUKUI Sunforest | 1 | 81 | 3,549 |
| 40 | Resorttrust Group | Trust Garden, Felio | 1 | 23 | 2,598 |
| 46 | Excellent Care System | Excellent, Grand Home, Suite | 2 | 52 | 2,446 |
| 102 | NOTE Social Welfare Corporation | NOTE | 1 | 24 | 1,320 |
| 178 | Community Net | Yuimaru | 1 | 23 | 828 |

Source: Shukan Koreisha Jutaku Shimbun (“Weekly Senior Housing Newspaper”), August 4 and 11, 2021 (Issue 637)

Note: The number of facilities and capacities are based on information in Shukan Koreisha Jutaku Shimbun, August 4 and 11, 2021 (Issue 637). For corporate groups, the number of facilities and number of rooms are for all senior care facilities, such as private senior homes, serviced senior housings and special nursing homes for the elderly, of affiliated companies.

Status of Lease Agreements (Healthcare Facilities)

| No. | Name | Operator ^(1,2) | Facility Type | Remaining Term ⁽³⁾ | | | Revision Period | Date of Next Revision |
|----------------|--------------------------------------|---------------------------------|--------------------|-------------------------------|--|--|-----------------|---|
| | | | | (yrs) | | | | |
| H-1 | Irise Kamata/Yuseien | HITOWA Care Service Co., Ltd. | Nursing Care | | | | 20.9 | Each 5 years 2022/7/1 |
| H-2 | Nichii Home Nakano Minamidai | Nichii Carepalace Company | Nursing Care | | | | 5.6 | Each 3 years 2022/4/1 |
| H-3 | Joy Stage Hachioji | NM LIFE Co., Ltd. | Nursing Care | | | | 14.5 | Not allowed ⁽⁴⁾ - |
| H-4 | Yuimaru Hijirigaoka | Community Net Inc. | Residential | | | | 43.3 | Not allowed ⁽⁵⁾ - |
| H-5 | Nichii Home Tama Plaza | Nichii Carepalace Company | Nursing Care | | | | 11.0 | Each 3 years 2027/9/1 |
| H-6 | Ten | NOTE Social Welfare Corporation | Nursing Care | | | | 16.5 | Not allowed ⁽⁵⁾ - |
| H-7 | Irise Nishioka | HITOWA Care Service Co., Ltd. | Residential | | | | 22.8 | Not allowed ⁽⁴⁾ - |
| H-8 | Izarie Eniwa Building ⁽⁶⁾ | HITOWA Care Service Co., Ltd. | Nursing Care | | | | 23.6 | Not allowed ⁽⁴⁾ - |
| H-9 | Sawayaka Sakura Nibankan | Sawayaka Club Co., Ltd. | Nursing Care | | | | 11.6 | Not allowed ⁽⁴⁾ - |
| H-10 | Active Biwa | Trust Garden Co., Ltd. | Nursing Care | | | | 6.0 | Each 3 years 2024/1/29 |
| H-11 | Sompo Care LAVIERE Kobe Tarumi | Sompo Care Inc. | Nursing Care | | | | 8.8 | Not allowed ⁽⁷⁾ - |
| H-12 | Rihabili-home Granda Mondo Yakujin | Benesse Style Care Co., Ltd. | Residential | | | | 16.0 | Not allowed ⁽⁷⁾ - |
| H-13 | Excellent Nishinomiya | Excellent Care System Co., Ltd. | Nursing Care | | | | 13.1 | Not allowed ⁽⁸⁾ - |
| H-14 | Gran Hills Ogawarako | Silver Town Ltd. | Serviced | | | | 8.2 | Each 3 years ⁽⁹⁾ 2023/11/12 |
| H-15 | Excellent Kitano | Excellent Care System Co., Ltd. | Residential | | | | 14.0 | Not allowed ⁽⁸⁾ - |
| H-16 | Anesis Teradacho | Souseikai Medical Corporation | Nursing and health | | | | 14.6 | Each 5 years 2026/3/29 |
| H-17 | Rococo-riha | Souseikai Medical Corporation | Nursing and health | | | | 14.6 | Each 5 years 2026/3/29 |
| H-18 | Orage Suma | Souseikai Medical Corporation | Nursing and health | | | | 14.6 | Each 5 years 2026/3/29 |
| H-19 | Canadian Hill | Souseikai Medical Corporation | Nursing and health | | | | 14.6 | Each 5 years 2026/3/29 |
| H-20 | Anesis Hyogo | Souseikai Medical Corporation | Nursing and health | | | | 14.6 | Each 5 years 2026/3/29 |
| H-21 | Plaisant Grand Ota tamagawa | Care 21 Corporation | Nursing Care | | | | 16.5 | Not allowed ⁽⁷⁾ - |
| H-22 | Tsukui Sun-shine Machida | (West) | Nursing Care | | | | 20.6 | Each 5 years 2022/4/1 |
| | | (East) | | | | | 22.8 | Each 5 years 2025/6/1 |
| H-23 | Serabi Ebisu | Japan Care Link Co.,Ltd | Nursing Care | | | | 6.0 | Each 3 years 2022/5/1 |
| H-24 | Arute Ishiyagawa | Souseikai Medical Corporation | Nursing Care | | | | 27.0 | Each 5 years 2027/7/1 |
| H-25 | Medical-home Granda Kurakuen | Benesse Style Care Co., Ltd. | Nursing Care | | | | 29.3 | Not allowed ⁽⁷⁾ - |
| H-26 | Rihabili-home Granda Kobe Kitano | Benesse Style Care Co., Ltd. | Nursing Care | | | | 24.6 | Not allowed ⁽⁷⁾ - |
| Average | | | | | | | 15.7 | |

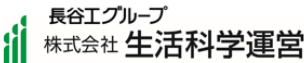
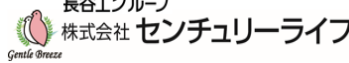





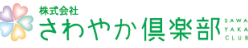

Note 1: In the case there are multiple tenants in each facility, status is referred based on lease agreements with operators which are main tenants.
 Note 2: Types of lease agreements are all ordinary lease agreements excluding "Gran Hills Ogawarako" "Arute Ishiyagawa". The type of lease agreement of "Gran Hills Ogawarako" "Arute Ishiyagawa" are a fixed-term lease agreement.
 Note 3: "Remaining Term" is calculated from July 31, 2021 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



Unitholders' benefit programs

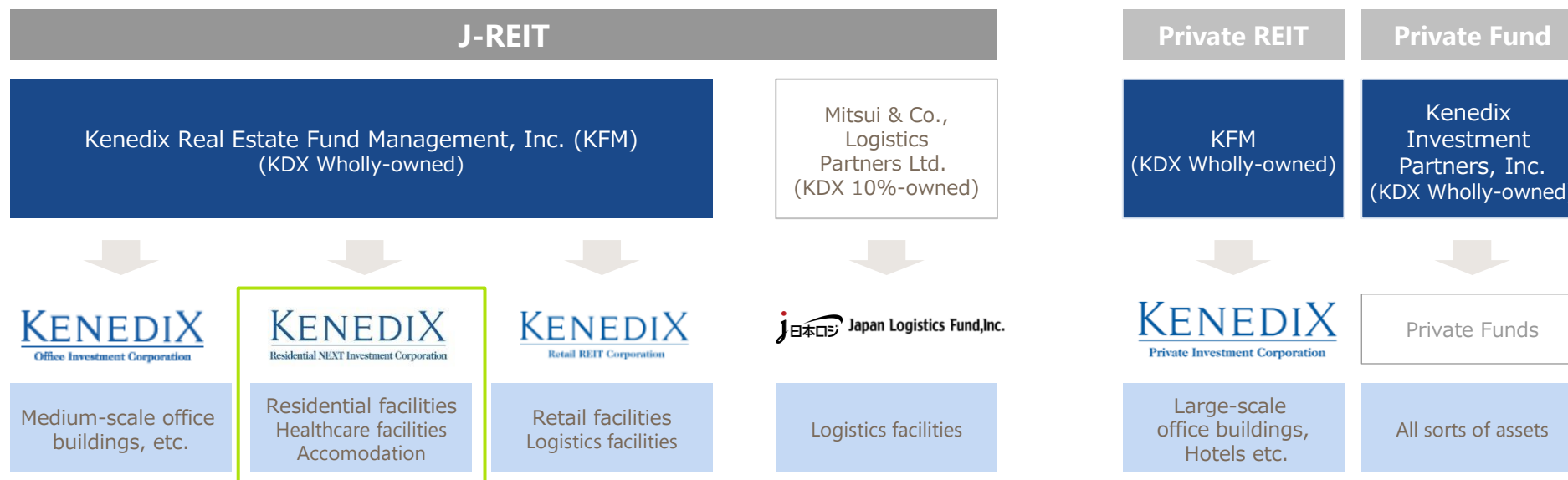
Breakdown for the Unitholders' benefits at approx. 812 facilities

| | | |
|--|---|---|
| <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>433 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> HITOWA GROUP イリーゼ</p> <p>117 facilities</p> <p>Hokkaido, Miyagi, Saitama, Chiba, Tokyo, Kanagawa, Nagano, Aichi, Shiga, Hyogo, Okinawa</p> <ul style="list-style-type: none"> Discount on usage charge for two-month equivalent | <p>CARE TWENTYONE CORPORATION</p> <p> ケア21</p> <p>44 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> <ul style="list-style-type: none"> Discount on initial move-in fee Nichii Home : ¥100,000 (including tax) Iris Garden : ¥50,000 (including tax) <p>81 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Shizuoka</p> | <p>Excellent Care System Co., Ltd.</p> <p> 株式会社エクセレントケアシステム EXCELLENT CARE SYSTEM Co.,Ltd.</p> <p>19 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> <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>77 facilities</p> <p>Hokkaido, Akita, Tochigi, Saitama, Chiba, Kanagawa, Niigata, Shizuoka, Aichi, Mie, Kyoto, Osaka, Hyogo, Ehime, Wakayama, Fukuoka, Oita</p> | <p>NM LIFE Co., Ltd.</p> <p> 株式会社 ジョイステージ八王子 介護付有料老人ホーム 公益社団法人全国有料老人ホーム協会会員</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) <p>1 facility</p> <p>Tokyo</p> | |

(Note 1) The unitholders' benefit programs are applied private nursing homes that are managed by above companies as of July 31, 2021. Other Facilities Available for Century Life Corporation 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.

Summary of Kenedix Group

Main Funds Kenedix Group Involves in Operation

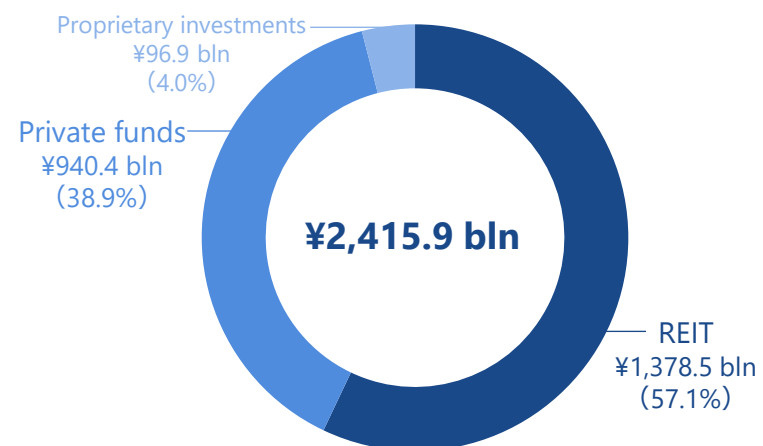


Priority Rights of Consideration for Real Estate Sale Information in Asset Management Company

| 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 the end of June 2021)

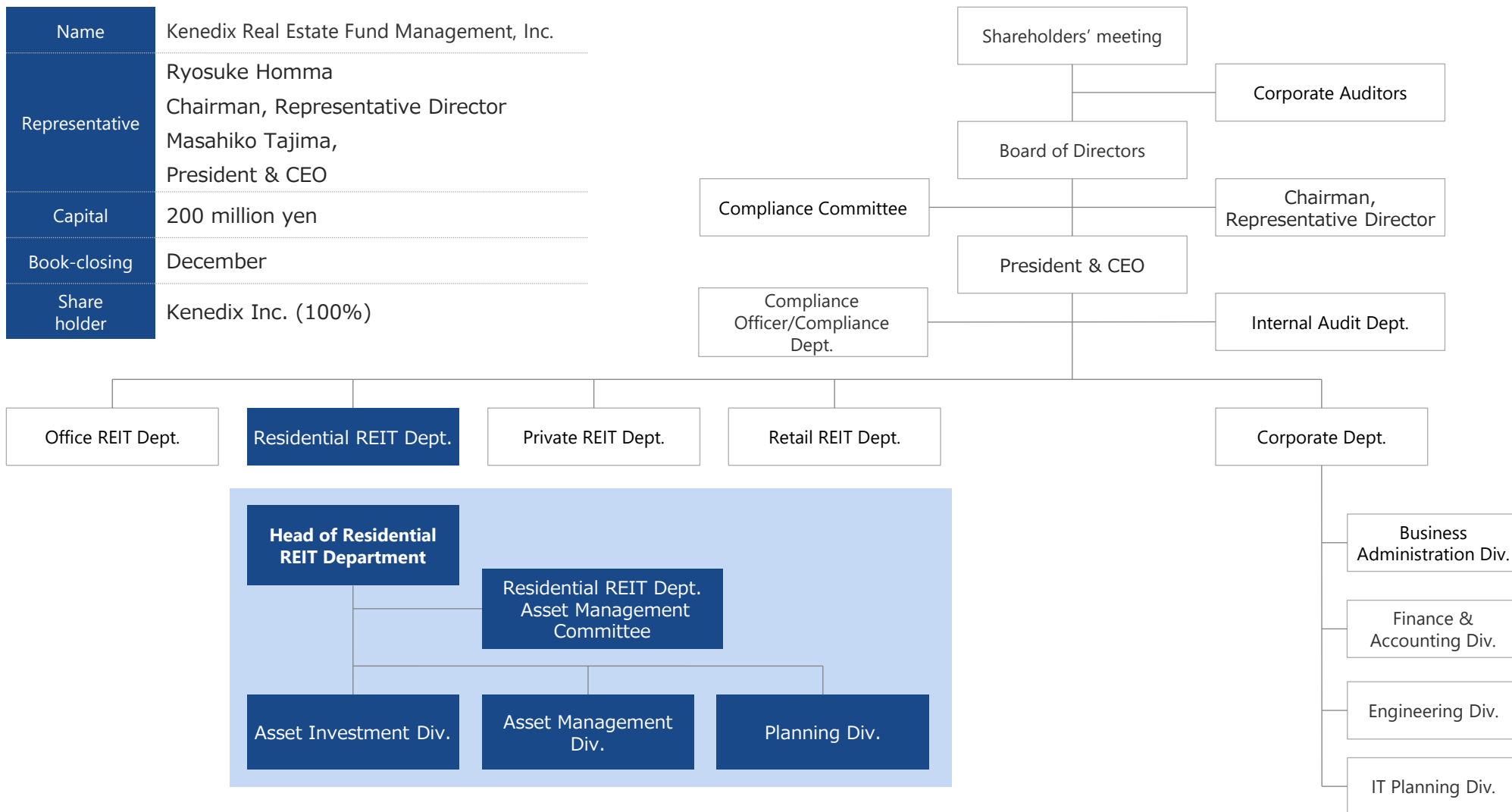


Organization Chart of KFM (KDR)

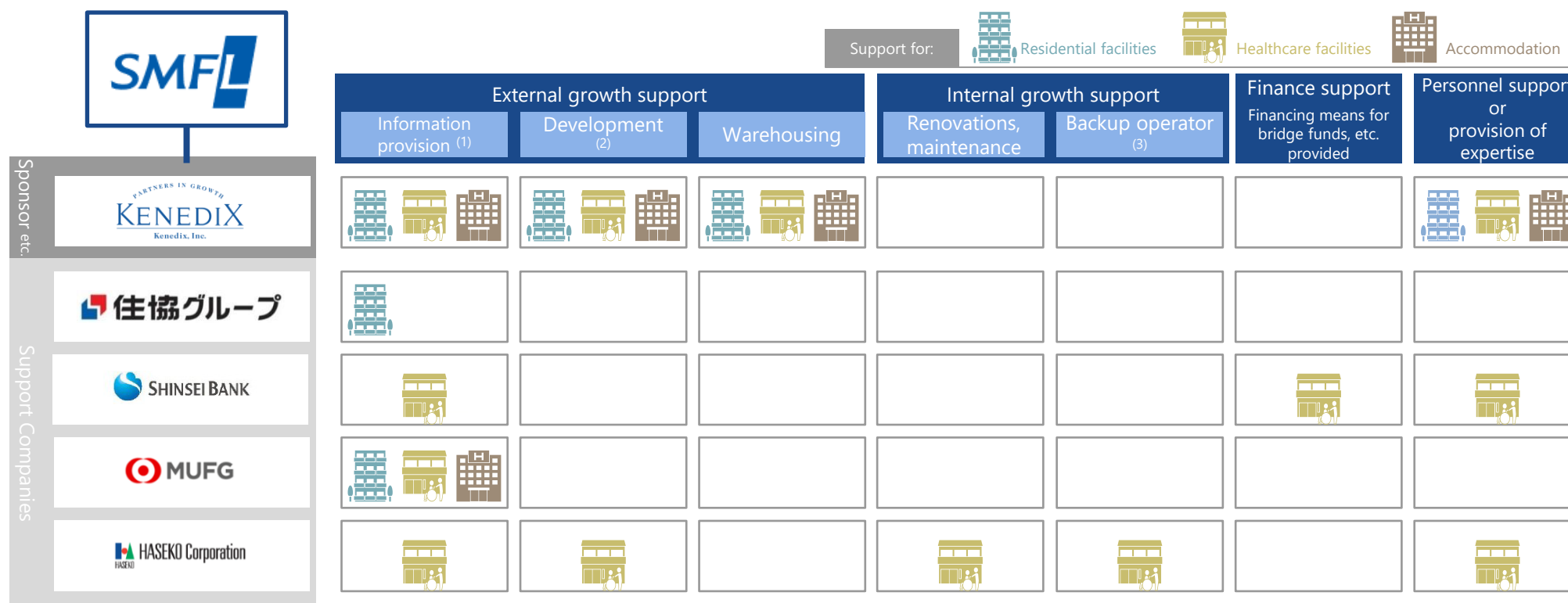
Overview of Asset Management Company

| | |
|----------------|---|
| 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



Support System by Sponsor and Support Companies



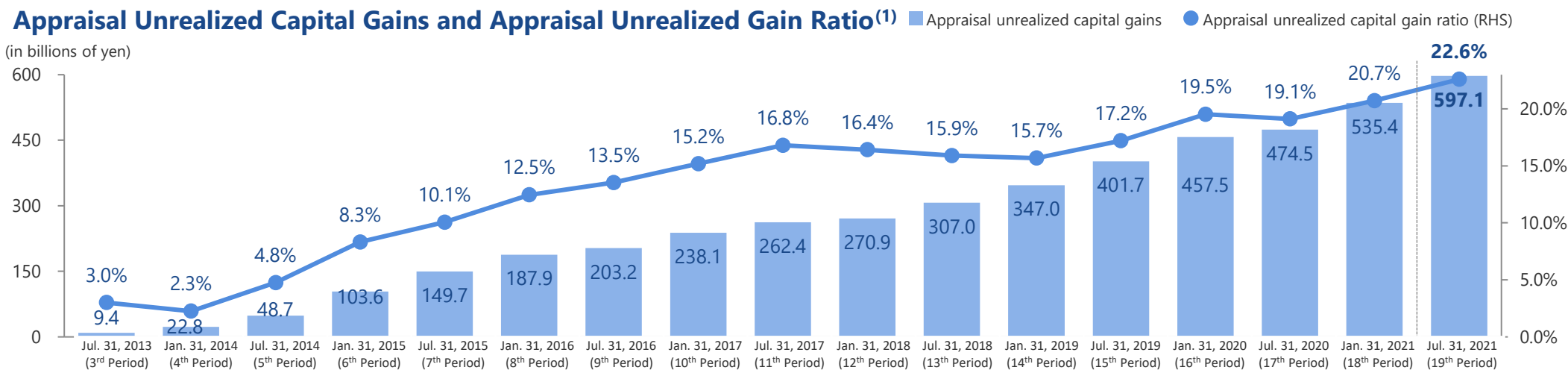
Note 1: "Information provision" means support to provide, to KDR or KFM under certain conditions, information on sales of third parties' real properties, etc. that Sponsor or individual Support Companies obtain on their own or information on sales of real properties that Sponsor, individual Support Companies 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.

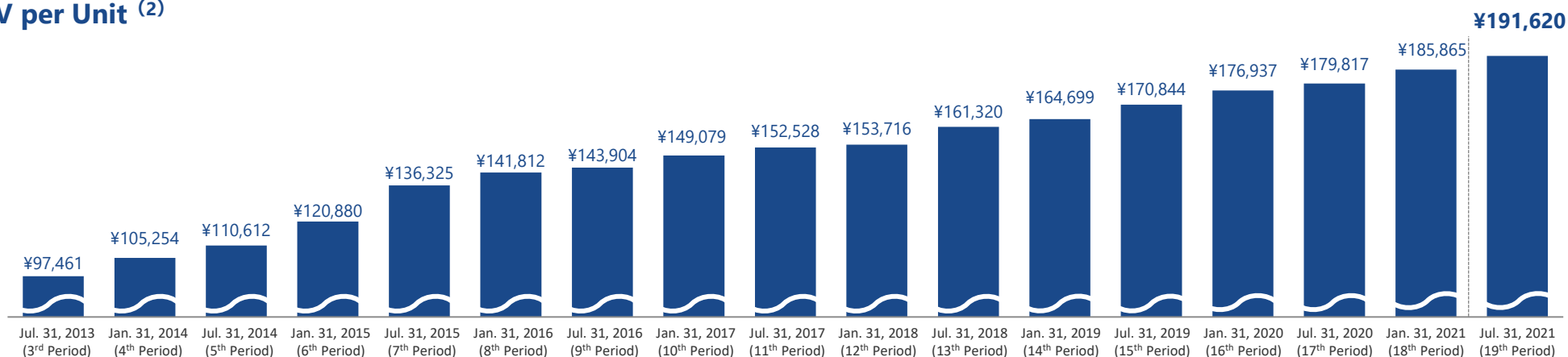
Note 3: "Backup operator" means support to consider to be backup operators for existing operators who are managing facilities which are located on real properties, etc. that KDR possesses or considers to acquire when KDR requests.

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.

Appraisal Unrealized Capital Gains and NAV per Unit



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 Unrealized Capital Gain Ratio" = Total Appraisal Unrealized Capital Gains at the End of the Period / Total Book Value at the End of the Period.

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

As the investment units were split in two on March 1, 2018, NAV per unit at the end of January 2018 (end of the 12th fiscal period) and prior periods are prorated by two to reflect the impact of the unit split.

Financial Statements

Balance Sheets

| | (in thousands of yen) | |
|---|--|---|
| | 18 th fiscal period (as of Jan 31, 2021) | 19 th fiscal period (as of Jul. 31, 2021) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 12,947,764 | 16,724,647 |
| Cash and deposits in trust | 10,469,429 | 10,811,226 |
| Operating accounts receivable | 90,961 | 168,096 |
| Prepaid expenses | 9,576 | 15,823 |
| Other | 7,224 | 25,296 |
| Total current assets | ¥23,524,958 | ¥27,745,090 |
| Noncurrent assets | | |
| Property, plant and equipment | | |
| Land | 172,666 | 172,666 |
| Building in trust | 93,740,151 | 95,271,394 |
| Structures in trust | 890,101 | 930,419 |
| Machinery and equipment in trust | 1,073,553 | 1,048,567 |
| Tools, furniture and fixtures in trust | 676,213 | 794,202 |
| Land in trust | 160,714,888 | 164,872,506 |
| Total property, plant and equipment, net | ¥257,267,575 | ¥263,089,757 |
| Intangible assets | | |
| Land leasehold in trust | 1,116,755 | 1,115,030 |
| Other | 3,234 | 2,458 |
| Total intangible assets | ¥1,119,989 | ¥1,117,488 |
| Investments and other assets | | |
| Lease and guarantee deposits | 89,381 | 89,381 |
| Long-term prepaid expenses | 1,056,412 | 998,658 |
| Other | 14,478 | 12,758 |
| Total investments and other assets | ¥1,160,272 | ¥1,100,798 |
| Total noncurrent assets | ¥259,547,837 | ¥265,308,044 |
| Deferred assets | | |
| Investment corporation bond issuance costs | 41,066 | 52,037 |
| Investment unit issuance costs | 58,549 | 71,778 |
| Total deferred assets | ¥99,616 | ¥123,816 |
| Total assets | ¥283,172,411 | ¥293,176,951 |

| | (in thousands of yen) | |
|--|--|---|
| | 18 th fiscal period (as of Jan 31, 2021) | 19 th fiscal period (as of Jul. 31, 2021) |
| Liabilities | | |
| Current liabilities | | |
| Operating accounts payable | 603,335 | 671,687 |
| Short-term loans payable | 2,000,000 | — |
| Current portion of Investment corporation bonds | 1,000,000 | 1,000,000 |
| Current portion of long-term loans payable | 15,200,000 | 21,950,000 |
| Accounts payable-other | 364,045 | 424,095 |
| Accrued expenses | 49,658 | 49,510 |
| Income taxes payable | 605 | 605 |
| Accrued consumption taxes | 35,929 | 66,020 |
| Advances received | 1,147,437 | 1,203,553 |
| Deposits received | 90,588 | 76,116 |
| Other | 111,402 | 12,261 |
| Total current liabilities | ¥20,603,002 | ¥25,453,849 |
| Noncurrent liabilities | | |
| Investment corporation bonds | 6,000,000 | 7,700,000 |
| Long-term loans payable | 121,020,000 | 116,270,000 |
| Tenant leasehold and security deposits in trust | 3,176,031 | 3,396,104 |
| Trust tenants lump sum deposits | 4,618,929 | 4,570,534 |
| Asset retirement obligations | 67,892 | 68,078 |
| Other | 554,484 | 499,957 |
| Total noncurrent liabilities | ¥135,437,338 | ¥132,504,674 |
| Total liabilities | ¥156,040,341 | ¥157,958,524 |
| Net Assets | | |
| Unitholders' equity | | |
| Unitholders' capital | 108,550,294 | 116,322,630 |
| Surplus | | |
| Investment surplus | 13,187,100 | 13,187,100 |
| Reserve for temporary difference adjustment | 1,920,000 | 1,900,000 |
| Unappropriated retained earnings (undisposed loss) | 3,997,276 | 4,296,284 |
| Total surplus | ¥19,104,376 | ¥19,383,384 |
| Total unitholders' equity | ¥127,654,670 | ¥135,706,015 |
| Valuation and translation adjustments | | |
| Deferred gains or losses on hedges | △522,600 | △487,588 |
| Total valuation and translation adjustments | ¥△522,600 | ¥△487,588 |
| Total net assets | ¥127,132,070 | ¥135,218,427 |
| Total liabilities and net assets | ¥283,172,411 | ¥293,176,951 |

Financial Statements

Statements of Income and Retained Earnings

| | (in thousands of yen) | |
|---|---|---|
| | 18 th fiscal period from: Aug. 1, 2020 to: Jan. 31, 2021 | 19 th fiscal period from: Feb. 1, 2021 to: Jul. 31, 2021 |
| Operating revenues | | |
| Rent revenues-real estate | 7,834,662 | 8,145,546 |
| Other lease business revenue | 548,002 | 612,776 |
| Gain on sales of real estate, etc. | - | 437,537 |
| Total operating revenues | ¥8,382,664 | ¥9,195,861 |
| Operating expenses | | |
| Expenses related to rent business | 3,060,925 | 3,333,440 |
| Asset management fees | 645,144 | 668,991 |
| Asset custody fees | 14,600 | 15,034 |
| Administrative service fees | 48,792 | 50,368 |
| Directors' compensation | 8,100 | 8,100 |
| Other operating expenses | 260,792 | 297,440 |
| Total operating expenses | ¥4,038,356 | ¥4,373,375 |
| Operating Income | ¥4,344,308 | ¥4,822,485 |
| Non-operating income | | |
| Interest income | 41 | 43 |
| Dividends and redemption-prescription | 323 | 397 |
| Consumption tax refund, etc. | - | 43,287 |
| Interest on tax refund | 114 | 76 |
| Total non-operating income | ¥479 | ¥43,805 |
| Non-operating expenses | | |
| Interest expenses | 531,956 | 529,613 |
| Interest expenses on Investment corporation bonds | 21,702 | 23,359 |
| Borrowing expenses | 129,966 | 130,855 |
| Investment corporation bond issuance costs | 4,118 | 4,505 |
| Amortization of investment unit issuance costs | 24,697 | 30,528 |
| Total non-operating expenses | ¥712,440 | ¥718,862 |
| Ordinary Income | ¥3,632,346 | ¥4,147,428 |

| | (in thousands of yen) | |
|---|---|---|
| | 18 th fiscal period from: Aug. 1, 2020 to: Jan. 31, 2021 | 19 th fiscal period from: Feb. 1, 2021 to: Jul. 31, 2021 |
| Income before income taxes | ¥3,632,346 | ¥4,147,428 |
| Income taxes-current | 605 | 605 |
| Total income taxes | ¥605 | ¥605 |
| Net Income | ¥3,631,741 | ¥4,146,823 |
| Retained earnings brought forward | 365,534 | 149,461 |
| Unappropriated retained earnings (undisposed loss) | ¥3,997,276 | ¥4,296,284 |

Distributions

| | 18 th fiscal period from: Aug. 1, 2020 to: Jan. 31, 2021 | 19 th fiscal period from: Feb. 1, 2021 to: Jul. 31, 2021 |
|--|---|---|
| I. Retained earnings at the end of period | 3,997,276,406 yen | 4,296,284,882 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 | 3,867,815,028 yen | 4,100,050,311 yen |
| (Distributions per unit) | (4,066 yen) | (4,117 yen) |
| IV. Retained earnings brought forward to the next period | 149,461,378 yen | 216,234,571 yen |

Statements of Cash Flows

| | (in thousands of yen) | |
|---|---|---|
| | 18 th fiscal period from: Aug. 1, 2020 to: Jan. 31, 2021 | 19 th fiscal period from: Feb. 1, 2021 to: Jul. 31, 2021 |
| Net cash provided by (used in) operating activities | 5,336,171 | 6,295,079 |
| Net cash provided by (used in) investing activities | △11,605,805 | △7,721,844 |
| Net cash provided by (used in) financing activities | 6,302,761 | 5,545,445 |
| Net increase (decrease) in Cash and Cash Equivalents | ¥33,127 | ¥4,118,679 |
| Cash and cash equivalents at the beginning of period | 23,384,067 | 23,417,194 |
| Cash and cash equivalents at the End of Period | ¥23,417,194 | ¥27,535,874 |

Appraisal Values 1/6

(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 19 th Period b | Difference c [b-a] | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | |
| T-1 | KDX Daikanyama Residence | F | 6,800 | 6,890 | 90 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 4,700 | 2,190 | 4,732 | 2,157 |
| T-3 | KDX Odemma Residence | F | 2,410 | 2,490 | 80 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 1,775 | 715 | 1,671 | 818 |
| T-4 | KDX Iwamoto-cho Residence | F | 1,090 | 1,120 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 822 | 298 | 766 | 353 |
| T-5 | KDX Bunkyo Sengoku Residence | F | 1,950 | 1,980 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 1,488 | 492 | 1,436 | 543 |
| T-6 | KDX Azumabashi Residence | F | 973 | 1,070 | 97 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 650 | 420 | 599 | 470 |
| T-7 | KDX Shimura Sakaue Residence | F | 3,690 | 3,800 | 110 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 2,830 | 970 | 2,587 | 1,212 |
| T-9 | Cosmo Heim Motosumiyoshi | F | 2,390 | 2,410 | 20 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 2,087 | 323 | 2,159 | 250 |
| T-10 | KDX Musashi Nakahara Residence | F | 778 | 778 | - | 4.4% | 4.4% | 4.2% | 4.2% | 4.6% | 4.6% | 637 | 141 | 643 | 134 |
| 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 | 1,257 | 572 |
| T-12 | KDX Kawaguchi Saiwai-cho Residence | F | 1,530 | 1,580 | 50 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 1,150 | 430 | 1,169 | 410 |
| T-13 | KDX Residence Shirokane I | F | 3,810 | 3,920 | 110 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 3,000 | 920 | 3,073 | 846 |
| T-15 | KDX Residence Shirokane II | F | 3,790 | 3,900 | 110 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 2,800 | 1,100 | 2,843 | 1,056 |
| T-16 | KDX Residence Minami-aoyama | F | 2,580 | 2,650 | 70 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 2,230 | 420 | 2,258 | 391 |
| T-17 | KDX Residence Minami-azabu | F | 2,860 | 2,950 | 90 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 2,080 | 870 | 2,124 | 825 |
| T-18 | KDX Residence Shiba Koen | F | 2,510 | 2,580 | 70 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 1,781 | 799 | 1,796 | 783 |
| T-19 | KDX Residence Azabu East | F | 2,150 | 2,260 | 110 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 1,560 | 700 | 1,571 | 688 |
| T-20 | KDX Residence Takanawa | F | 1,110 | 1,160 | 50 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 770 | 390 | 787 | 372 |
| T-21 | KDX Residence Nishihara | F | 1,990 | 2,040 | 50 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,450 | 590 | 1,487 | 552 |
| T-22 | KDX Residence Daikanyama II | F | 1,040 | 1,090 | 50 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 730 | 360 | 785 | 304 |
| T-24 | KDX Residence Nihombashi Suitengu | D | 4,210 | 4,310 | 100 | 4.0% | 3.9% | 4.0% | 3.9% | 4.2% | 4.1% | 3,240 | 1,070 | 3,157 | 1,152 |
| T-25 | KDX Residence Nihombashi Hakozaeki | D | 1,470 | 1,490 | 20 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 1,147 | 343 | 1,137 | 352 |
| T-26 | KDX Residence Higashi-shinjuku | F | 4,350 | 4,490 | 140 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 3,270 | 1,220 | 3,202 | 1,287 |
| T-27 | KDX Residence Yotsuya | F | 3,080 | 3,190 | 110 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 2,260 | 930 | 2,302 | 887 |
| T-28 | KDX Residence Nishi-shinjuku | F | 1,470 | 1,510 | 40 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 1,000 | 510 | 1,016 | 493 |
| T-29 | KDX Residence Kagurazaka | F | 1,010 | 1,030 | 20 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 720 | 310 | 700 | 329 |
| T-30 | KDX Residence Futako Tamagawa | F | 1,560 | 1,600 | 40 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 1,250 | 350 | 1,269 | 330 |
| T-31 | KDX Residence Komazawa Koen | F | 1,200 | 1,240 | 40 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 920 | 320 | 895 | 344 |

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; January 31, 2021,19th Period; July 31, 2021), 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 19 th Period b | Difference c [b-a] | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | |
| T-32 | KDX Residence Misyuku | F | 1,020 | 1,050 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 760 | 290 | 780 | 269 |
| T-33 | KDX Residence Yoga | F | 947 | 970 | 23 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 700 | 270 | 685 | 284 |
| T-34 | KDX Residence Shimouma | F | 814 | 841 | 27 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 600 | 241 | 625 | 215 |
| T-35 | Raffine Minami-magome | F | 1,480 | 1,480 | - | 4.6% | 4.6% | 4.4% | 4.4% | 4.8% | 4.8% | 1,250 | 230 | 1,235 | 244 |
| T-36 | KDX Residence Yukigaya Otsuka | F | 1,400 | 1,430 | 30 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 1,050 | 380 | 1,048 | 381 |
| T-37 | KDX Residence Denen Chofu | D | 1,300 | 1,330 | 30 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 1,000 | 330 | 1,061 | 268 |
| T-38 | KDX Residence Tamagawa | F | 996 | 1,030 | 34 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 776 | 254 | 717 | 312 |
| T-39 | KDX Residence Monzennakacho | F | 1,050 | 1,070 | 20 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 773 | 297 | 782 | 287 |
| T-40 | KDX Residence Okachimachi | F | 1,130 | 1,160 | 30 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 850 | 310 | 857 | 302 |
| T-41 | KDX Residence Moto-asakusa | F | 1,060 | 1,080 | 20 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 800 | 280 | 803 | 276 |
| T-42 | KDX Residence Itabashi Honcho | F | 818 | 848 | 30 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 620 | 228 | 583 | 264 |
| T-43 | KDX Residence Azusawa | F | 681 | 702 | 21 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 550 | 152 | 541 | 160 |
| T-44 | KDX Residence Tobu Nerima | F | 552 | 565 | 13 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 420 | 145 | 382 | 182 |
| T-45 | KDX Residence Yokohama Kannai | F | 1,030 | 1,060 | 30 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 800 | 260 | 756 | 303 |
| T-46 | KDX Residence Miyamaedaira | F | 1,180 | 1,210 | 30 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 999 | 211 | 995 | 214 |
| T-47 | KDX Residence Machida | F | 2,210 | 2,260 | 50 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 1,800 | 460 | 1,658 | 601 |
| T-48 | KDX Residence Kinshicho | F | 1,770 | 1,840 | 70 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,350 | 490 | 1,320 | 519 |
| T-49 | KDX Residence Nihombashi Hamacho | F | 1,390 | 1,430 | 40 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 996 | 434 | 1,033 | 396 |
| T-50 | KDX Residence Nihombashi Ningyocho | F | 710 | 734 | 24 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 530 | 204 | 552 | 181 |
| T-51 | KDX Residence Jiyugaoka | F | 1,650 | 1,720 | 70 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 1,268 | 452 | 1,321 | 398 |
| T-52 | KDX Residence Togoshi | F | 4,980 | 5,100 | 120 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 3,745 | 1,355 | 3,696 | 1,403 |
| T-53 | KDX Residence Shinagawa Seaside | F | 3,370 | 3,460 | 90 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 2,593 | 867 | 2,533 | 926 |
| T-54 | KDX Residence Ojima | F | 2,580 | 2,640 | 60 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 1,857 | 783 | 1,791 | 848 |
| T-55 | KDX Residence Oyama | F | 3,430 | 3,530 | 100 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 2,679 | 851 | 2,576 | 953 |
| T-56 | KDX Residence Hanzomon | F | 6,010 | 6,170 | 160 | 3.8% | 3.7% | 3.5% | 3.4% | 3.9% | 3.8% | 4,832 | 1,338 | 4,922 | 1,247 |
| T-57 | B-Site Akihabara | F | 1,070 | 1,090 | 20 | 3.9% | 3.7% | 3.7% | 3.5% | 4.1% | 3.9% | 850 | 240 | 856 | 233 |
| T-58 | KDX Residence Kagurazaka Dori | F | 2,150 | 2,260 | 110 | 3.5% | 3.4% | 3.3% | 3.2% | 3.7% | 3.6% | 1,360 | 900 | 1,367 | 892 |
| T-59 | KDX Residence Sendagi | F | 2,530 | 2,600 | 70 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 2,200 | 400 | 2,324 | 275 |

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; January 31, 2021,19th Period; July 31, 2021), 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 3/6

(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 19 th Period b | Difference c [b-a] | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | |
| T-60 | KDX Residence Seijo | F | 1,640 | 1,690 | 50 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,400 | 290 | 1,451 | 238 |
| T-61 | KDX Residence Akihabara | F | 1,640 | 1,680 | 40 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,250 | 430 | 1,231 | 448 |
| T-62 | KDX Residence Iriya | F | 1,450 | 1,480 | 30 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 1,062 | 418 | 1,041 | 438 |
| T-63 | KDX Residence Tachikawa | F | 3,750 | 3,850 | 100 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 3,026 | 823 | 2,999 | 850 |
| T-64 | KDX Residence Tsurumi | F | 1,540 | 1,590 | 50 | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 1,050 | 540 | 1,151 | 438 |
| T-65 | KDX Residence Morishita Chitose | M | 1,390 | 1,460 | 70 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,100 | 360 | 1,086 | 373 |
| T-66 | KDX Residence Akasaka | F | 1,940 | 2,030 | 90 | 3.4% | 3.3% | 3.2% | 3.1% | 3.6% | 3.5% | 1,150 | 880 | 1,175 | 854 |
| T-67 | KDX Residence Kanda | F | 1,200 | 1,220 | 20 | 3.6% | 3.5% | 3.4% | 3.3% | 3.8% | 3.7% | 700 | 520 | 707 | 512 |
| T-68 | KDX Residence Ebisu | F | 4,630 | 4,770 | 140 | 3.4% | 3.3% | 3.2% | 3.1% | 3.6% | 3.5% | 2,845 | 1,925 | 2,896 | 1,873 |
| T-69 | KDX Residence Nishi-magome | F | 1,340 | 1,390 | 50 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 1,130 | 260 | 1,150 | 239 |
| T-70 | KDX Residence Nishi-azabu | F | 1,820 | 1,870 | 50 | 3.5% | 3.4% | 3.3% | 3.2% | 3.7% | 3.6% | 1,224 | 646 | 1,231 | 638 |
| T-71 | KDX Residence Azabu Sendaizaka | F | 1,190 | 1,230 | 40 | 3.5% | 3.4% | 3.3% | 3.2% | 3.7% | 3.6% | 792 | 437 | 798 | 431 |
| T-72 | KDX Residence Waseda Tsurumaki | F | 897 | 920 | 23 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 561 | 359 | 554 | 365 |
| T-73 | KDX Residence Bunkyo Yushima | F | 1,000 | 1,020 | 20 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 695 | 325 | 690 | 329 |
| T-74 | KDX Residence Kamishakujii | F | 859 | 880 | 21 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 648 | 232 | 646 | 233 |
| T-75 | KDX Residence Shin-otsuka | F | 1,120 | 1,140 | 20 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 764 | 376 | 761 | 378 |
| T-76 | KDX Residence Sakurajosui | F | 1,230 | 1,260 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 894 | 366 | 890 | 369 |
| T-77 | KDX Residence Ryogoku | F | 1,260 | 1,290 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 842 | 448 | 837 | 452 |
| T-78 | KDX Residence Toyosu | T | 7,820 | 7,910 | 90 | 3.9% | 3.8% | 4.1% | 4.0% | 4.1% | 4.0% | 7,500 | 410 | 7,621 | 288 |
| T-79 | KDX Residence Asagaya | F | 2,280 | 2,310 | 30 | 3.7% | 3.6% | 3.5% | 3.4% | 3.9% | 3.8% | 1,930 | 380 | 1,961 | 348 |
| T-80 | KDX Residence Hiyoshi | F | 2,750 | 2,800 | 50 | 4.4% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 2,635 | 164 | 2,678 | 121 |
| T-81 | KDX Residence Kamikitazawa | F | 1,450 | 1,480 | 30 | 4.2% | 4.1% | 3.9% | 3.8% | 4.3% | 4.2% | 1,360 | 120 | 1,395 | 84 |
| T-82 | KDX Residence Kaminoge | F | 1,290 | 1,330 | 40 | 3.8% | 3.7% | 3.5% | 3.4% | 3.9% | 3.8% | 1,111 | 219 | 1,130 | 199 |
| T-83 | KDX Residence Higashi-Asakusa | F | 767 | 774 | 7 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 687 | 86 | 701 | 72 |
| T-84 | KDX Residence Nishi-Funabashi | F | 1,050 | 1,070 | 20 | 4.4% | 4.3% | 4.2% | 4.1% | 4.6% | 4.5% | 975 | 94 | 1,012 | 57 |
| T-85 | KDX Residence Hatagaya | F | 2,730 | 2,790 | 60 | 4.0% | 3.9% | 3.7% | 3.6% | 4.1% | 4.0% | 2,500 | 290 | 2,629 | 160 |
| T-86 | KDX Residence Asagaya II | F | 1,000 | 1,020 | 20 | 4.1% | 4.0% | 3.8% | 3.7% | 4.2% | 4.1% | 939 | 80 | 975 | 44 |
| T-87 | KDX Residence Gakugeidaigaku | T | 828 | 828 | - | 3.8% | 3.8% | 3.9% | 3.9% | 4.0% | 4.0% | 750 | 78 | 771 | 56 |

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Appraisal Values 4/6

(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 19 th Period b | Difference c [b-a] | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | |
| T-88 | KDX Residence Kamata-minami | F | 2,150 | 2,210 | 60 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 1,918 | 291 | 1,968 | 241 |
| T-89 | KDX Residence Kichijoji | T | 650 | 650 | - | 4.1% | 4.1% | 4.2% | 4.2% | 4.3% | 4.3% | 621 | 29 | 655 | -5 |
| T-90 | KDX Residence Mitaka | F | 2,870 | 2,940 | 70 | 4.0% | 3.9% | 3.8% | 3.7% | 4.2% | 4.1% | 2,530 | 410 | 2,687 | 252 |
| T-91 | KDX Residence Nakanobu | T | 901 | 905 | 4 | 4.0% | 3.9% | 4.1% | 4.0% | 4.2% | 4.1% | 830 | 75 | 848 | 56 |
| T-92 | KDX Residence Ichikawa | D | 908 | 909 | 1 | 4.1% | 4.0% | 3.9% | 3.8% | 4.3% | 4.2% | 840 | 69 | 879 | 29 |
| T-93 | KDX Residence Hatchobori | T | 3,530 | 3,560 | 30 | 3.8% | 3.7% | 3.9% | 3.8% | 4.0% | 3.9% | 3,000 | 560 | 3,221 | 338 |
| T-94 | KDX Residence Nakaitabashi | F | 1,850 | 1,870 | 20 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 1,736 | 133 | 1,861 | 8 |
| T-95 | KDX Residence Shonandai | D | 1,610 | 1,630 | 20 | 4.4% | 4.3% | 4.2% | 4.1% | 4.6% | 4.5% | 1,500 | 130 | 1,565 | 64 |
| T-96 | KDX Residence Ikebukuro West | D | 2,450 | 2,500 | 50 | 3.8% | 3.7% | 3.6% | 3.5% | 4.0% | 3.9% | 2,237 | 262 | 2,355 | 144 |
| T-97 | KDX Residence Tennocho | D | - | 913 | - | - | 4.0% | - | 3.8% | - | 4.2% | 843 | 69 | 908 | 4 |
| T-98 | KDX Residence Kawasaki | D | - | 1,010 | - | - | 4.0% | - | 3.6% | - | 4.2% | 910 | 100 | 951 | 58 |
| T-99 | KDX Residence Kamata-minami II | F | - | 856 | - | - | 3.8% | - | 3.6% | - | 4.0% | 780 | 76 | 815 | 40 |
| Subtotal / Average | | | 181,719 | 189,053 | 4,555 | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 145,104 | 43,948 | 146,148 | 42,904 |
| R-2 | KDX Jozenji Dori Residence | D | 1,340 | 1,360 | 20 | 4.9% | 4.9% | 4.7% | 4.7% | 5.1% | 5.1% | 1,015 | 345 | 897 | 462 |
| R-3 | KDX Izumi Residence | F | 1,460 | 1,490 | 30 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 1,120 | 370 | 1,017 | 472 |
| R-4 | KDX Chihaya Residence | F | 1,460 | 1,470 | 10 | 4.4% | 4.3% | 4.2% | 4.1% | 4.6% | 4.5% | 1,080 | 390 | 962 | 507 |
| R-5 | KDX Sakaisuji Hommachi Residence | F | 3,600 | 3,740 | 140 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 2,910 | 830 | 2,633 | 1,106 |
| R-7 | KDX Takarazuka Residence | F | 2,000 | 2,030 | 30 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 1,510 | 520 | 1,296 | 733 |
| R-8 | KDX Shimizu Residence | F | 2,100 | 2,110 | 10 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 1,680 | 430 | 1,507 | 602 |
| R-9 | KDX Residence Odori Koen | F | 1,020 | 1,050 | 30 | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 765 | 285 | 750 | 299 |
| R-10 | KDX Residence Kikusui Yojo | F | 1,060 | 1,090 | 30 | 4.8% | 4.7% | 4.6% | 4.5% | 5.0% | 4.9% | 830 | 260 | 836 | 253 |
| R-11 | KDX Residence Toyohira Koen | F | 595 | 604 | 9 | 4.9% | 4.8% | 4.7% | 4.6% | 5.1% | 5.0% | 445 | 159 | 448 | 155 |
| R-13 | KDX Residence Ichiban-cho | D | 722 | 723 | 1 | 4.9% | 4.9% | 4.7% | 4.7% | 5.1% | 5.1% | 530 | 193 | 485 | 237 |
| R-16 | KDX Residence Higashi-sakura I | F | 2,610 | 2,610 | - | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 2,350 | 260 | 2,189 | 420 |
| R-17 | KDX Residence Higashi-sakura II | F | 1,070 | 1,070 | - | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 900 | 170 | 840 | 229 |
| R-18 | KDX Residence Jingumae | F | 1,040 | 1,050 | 10 | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 840 | 210 | 777 | 272 |
| R-19 | KDX Residence Nishi-oji | D | 940 | 941 | 1 | 4.6% | 4.6% | 4.4% | 4.4% | 4.8% | 4.8% | 813 | 128 | 756 | 184 |
| R-20 | KDX Residence Saiin | D | 513 | 521 | 8 | 4.7% | 4.6% | 4.5% | 4.4% | 4.9% | 4.8% | 440 | 81 | 406 | 114 |

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Appraisal Values 5/6

(in millions of yen)

| No. | Property Name | Appraiser | Appraisal Value | | | Cap Rate | | Discount Rate | | Terminal Cap Rate | | Acquisition Price | Difference | Book Value | Difference |
|---|---------------------------------------|-----------|-----------------|------------------------------------|--------------|-------------|------------------------------------|---------------|------------------------------------|-------------------|------------------------------------|-------------------|---------------|----------------|---------------|
| | | | Previous | End of the 19 th Period | Difference | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | |
| | | | a | b | c [b-a] | | | | | | | d | e [b-d] | f | g [b-f] |
| R-21 | KDX Residence Namba | F | 1,710 | 1,750 | 40 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 1,410 | 340 | 1,327 | 422 |
| R-22 | KDX Residence Namba-minami | F | 1,630 | 1,660 | 30 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 1,350 | 310 | 1,241 | 418 |
| R-24 | KDX Residence Ibaraki I・II | F | 1,439 | 1,459 | 20 | 4.8% | 4.7% | 4.6% | 4.5% | 5.0% | 4.9% | 1,275 | 184 | 1,270 | 188 |
| R-25 | KDX Residence Toyonaka-minami | F | 902 | 940 | 38 | 4.7% | 4.6% | 4.5% | 4.4% | 4.9% | 4.8% | 740 | 200 | 654 | 285 |
| R-26 | KDX Residence Moriguchi | F | 689 | 691 | 2 | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 551 | 140 | 496 | 194 |
| R-27 | KDX Residence Sannomiya | F | 1,240 | 1,260 | 20 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 1,080 | 180 | 1,047 | 212 |
| R-28 | Ashiya Royal Homes | F | 1,980 | 2,000 | 20 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 1,360 | 640 | 1,476 | 523 |
| R-29 | KDX Residence Funairi Saiwai-cho | F | 729 | 759 | 30 | 5.2% | 5.1% | 5.0% | 4.9% | 5.4% | 5.3% | 588 | 171 | 532 | 226 |
| R-30 | KDX Residence Tenjin-higashi II | F | 921 | 944 | 23 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 680 | 264 | 627 | 316 |
| R-32 | KDX Residence Nishi Koen | F | 907 | 927 | 20 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 763 | 164 | 709 | 217 |
| R-33 | KDX Residence Hirao Josui-machi | F | 951 | 962 | 11 | 4.3% | 4.2% | 4.1% | 4.0% | 4.5% | 4.4% | 760 | 202 | 728 | 233 |
| R-35 | Leopalace Flat Shin-sakae | M | 4,580 | 4,620 | 40 | 4.2% | 4.1% | 4.1% | 4.0% | 4.4% | 4.3% | 3,500 | 1,120 | 3,365 | 1,254 |
| R-36 | KDX Residence Konan Yamate | F | 1,140 | 1,170 | 30 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 973 | 197 | 951 | 218 |
| R-37 | KDX Residence Hommachibashi | F | 3,680 | 3,720 | 40 | 4.2% | 4.1% | 4.0% | 3.9% | 4.4% | 4.3% | 3,201 | 519 | 3,093 | 626 |
| R-38 | KDX Residence Minami-kusatsu | D | 2,450 | 2,480 | 30 | 5.3% | 5.3% | 5.1% | 5.1% | 5.5% | 5.5% | 1,974 | 505 | 1,935 | 544 |
| R-39 | KDX Residence Ohori Harbor View Tower | D | 5,170 | 5,190 | 20 | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 4,606 | 583 | 4,390 | 799 |
| R-40 | KDX Residence Minami-sanjo | F | 1,770 | 1,770 | - | 4.6% | 4.5% | 4.4% | 4.3% | 4.8% | 4.7% | 915 | 855 | 877 | 892 |
| R-41 | Serenite Kita-kyuhoji | M | 1,710 | 1,710 | - | 3.9% | 3.8% | 3.7% | 3.6% | 4.1% | 4.0% | 1,290 | 419 | 1,237 | 472 |
| R-42 | Serenite Nishinomiya Hommachi | T | 754 | 754 | - | 4.6% | 4.6% | 4.7% | 4.7% | 4.8% | 4.8% | 617 | 136 | 624 | 129 |
| R-43 | KDX Residence Nishijin | T | 1,750 | 1,780 | 30 | 4.5% | 4.4% | 4.6% | 4.5% | 4.7% | 4.6% | 1,600 | 180 | 1,730 | 49 |
| R-44 | Serenite Kobe Motomachi | T | 2,620 | 2,630 | 10 | 4.4% | 4.4% | 4.5% | 4.5% | 4.6% | 4.6% | 2,390 | 240 | 2,433 | 196 |
| R-45 | KDX Residence Shukugawa Hills | D | 7,330 | 7,380 | 50 | 4.4% | 4.3% | 4.2% | 4.1% | 4.6% | 4.5% | 6,884 | 495 | 7,257 | 122 |
| R-46 | KDX Residence Sendai Station East | F | 1,420 | 1,450 | 30 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 1,340 | 110 | 1,402 | 47 |
| Subtotal / Average | | | 69,002 | 69,865 | 863 | 4.5% | 4.4% | 4.3% | 4.2% | 4.7% | 4.6% | 57,077 | 12,787 | 55,219 | 14,645 |
| Residential Facilities total / Average | | | 250,721 | 258,918 | 5,418 | 4.0% | 3.9% | 3.9% | 3.8% | 4.2% | 4.1% | 202,182 | 56,735 | 201,367 | 57,550 |
| H-1 | Irise Kamata/Yuseien | D | 1,120 | 1,120 | - | 4.7% | 4.7% | 4.5% | 4.5% | 4.9% | 4.9% | 1,120 | - | 1,084 | 35 |
| H-2 | Nichii Home Nakano-Minamidai | D | 1,770 | 1,770 | - | 4.4% | 4.4% | 4.2% | 4.2% | 4.6% | 4.6% | 1,780 | -10 | 1,758 | 11 |
| H-3 | Joy Stage Hachioji | T | 3,760 | 3,790 | 30 | 5.2% | 5.2% | 5.1% | 5.1% | 5.4% | 5.4% | 3,690 | 100 | 3,762 | 27 |

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; January 31, 2021,19th Period; July 31, 2021), 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 6/6

| (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 19 th Period b | Difference c [b-a] | Previous | End of the 19 th Period | Previous | End of the 19 th Period | Previous | End of the 19 th Period | | | | | d |
| H-4 | Yuimaru Hijirigaoka | F | 1,120 | 1,120 | - | 5.0% | 5.0% | 4.8% | 4.8% | 5.2% | 5.2% | 1,120 | - | 1,059 | 60 | |
| H-5 | Nichii Home Tama Plaza | D | 2,980 | 2,980 | - | 5.1% | 5.1% | 4.9% | 4.9% | 5.3% | 5.3% | 2,940 | 40 | 2,778 | 201 | |
| H-6 | Ten | T | 2,660 | 2,660 | - | 6.0% | 6.0% | 6.1% | 6.1% | 6.2% | 6.2% | 2,630 | 30 | 2,550 | 109 | |
| H-7 | Irise Nishioka | F | 858 | 860 | 2 | 5.3% | 5.3% | 5.1% | 5.1% | 5.5% | 5.5% | 858 | 2 | 798 | 61 | |
| H-8 | Izarie Eniwa Building | F | 1,740 | 1,730 | -10 | 5.9% | 5.7% | 5.7% | 5.5% | 6.1% | 5.9% | 1,660 | 70 | 1,535 | 194 | |
| H-9 | Sawayaka Sakura Nibankan | D | 992 | 992 | - | 5.6% | 5.6% | 5.4% | 5.4% | 5.8% | 5.8% | 989 | 3 | 911 | 80 | |
| H-10 | Activa Biwa | T | 6,570 | 6,570 | - | 5.7% | 5.7% | 5.8% | 5.8% | 5.9% | 5.9% | 6,560 | 10 | 6,239 | 330 | |
| 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 | - | 2,039 | 70 | |
| H-12 | Rihabili-home Granda Mondo Yakujin | F | 1,260 | 1,250 | -10 | 4.9% | 4.7% | 4.6% | 4.4% | 5.1% | 4.9% | 1,253 | -3 | 1,188 | 61 | |
| H-13 | Excellent Nishinomiya | T | 975 | 976 | 1 | 5.0% | 5.0% | 5.0% | 5.0% | 5.2% | 5.2% | 971 | 5 | 910 | 65 | |
| H-14 | Gran Hills Ogawarako | T | 1,380 | 1,380 | - | 7.2% | 7.2% | 7.1% | 7.1% | 7.4% | 7.4% | 1,380 | - | 1,263 | 116 | |
| H-15 | Excellent Kitano | T | 780 | 782 | 2 | 4.7% | 4.7% | 4.7% | 4.7% | 4.9% | 4.9% | 737 | 45 | 746 | 35 | |
| 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 | 3,434 | 205 | |
| H-17 | Rococo-riha | D | 2,170 | 2,170 | - | 5.1% | 5.1% | 4.9% | 4.9% | 5.3% | 5.3% | 2,100 | 70 | 2,030 | 139 | |
| H-18 | Orage Suma | T | 2,810 | 2,810 | - | 5.2% | 5.2% | 5.0% | 5.0% | 5.4% | 5.4% | 2,810 | - | 2,735 | 74 | |
| H-19 | Canadian Hill | T | 1,860 | 1,880 | 20 | 4.7% | 4.7% | 4.6% | 4.6% | 4.9% | 4.9% | 1,830 | 50 | 1,815 | 64 | |
| H-20 | Anesis Hyogo | T | 1,440 | 1,440 | - | 4.8% | 4.8% | 4.7% | 4.7% | 5.0% | 5.0% | 1,420 | 20 | 1,388 | 51 | |
| H-21 | Plaisant Grand Ota tamagawa | F | 3,190 | 3,200 | 10 | 4.0% | 4.0% | 3.8% | 3.8% | 4.2% | 4.2% | 3,057 | 142 | 3,201 | -1 | |
| H-22 | Tsukui Sun-shine Machida | F | 7,090 | 7,090 | - | 4.3% | 4.3% | 4.1% | 4.1% | 4.5% | 4.5% | 6,934 | 155 | 7,037 | 52 | |
| H-23 | Serabi Ebisu | M | 1,700 | 1,700 | - | 4.0% | 4.0% | 3.8% | 3.8% | 4.2% | 4.2% | 1,690 | 10 | 1,715 | -15 | |
| H-24 | Arute Ishiyagawa | T | 1,380 | 1,380 | - | 5.4% | 5.4% | 5.1% | 5.1% | 5.2% | 5.2% | 1,061 | 319 | 1,122 | 257 | |
| H-25 | Medical-home Granga Kurakuen | T | - | 2,820 | - | - | 4.6% | - | 4.6% | - | 4.8% | 2,709 | 110 | 2,842 | -22 | |
| H-26 | Rihabili-home Granda Kobe Kitano | F | - | 1,800 | - | - | 4.6% | - | 4.4% | - | 4.8% | 1,720 | 80 | 1,802 | -2 | |
| Subtotal / Average | | | 55,345 | 60,020 | 55 | 5.0% | 5.0% | 4.9% | 4.9% | 5.2% | 5.2% | 58,620 | 1,399 | 57,751 | 2,268 | |
| Accommodation | A-1 | HOTEL LIVEMAX Tokyo-Otsuka-Ekimae | T | 2,380 | 2,380 | - | 4.1% | 4.1% | 4.0% | 4.0% | 4.3% | 4.3% | 2,390 | -10 | 2,448 | -68 |
| | A-2 | HOTEL LIVEMAX Yokohamaeki-Nishiguchi | T | 2,610 | 2,600 | -10 | 4.1% | 4.1% | 4.0% | 4.0% | 4.3% | 4.3% | 2,570 | 30 | 2,636 | -36 |
| | Subtotal / Average | | | 4,990 | 4,980 | -10 | 4.1% | 4.1% | 4.0% | 4.0% | 4.3% | 4.3% | 4,960 | 20 | 5,085 | -105 |
| Grand total | | | 311,056 | 323,918 | | | | | | | | 265,762 | | 264,204 | 59,713 | |

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; January 31, 2021,19th Period; July 31, 2021), 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.

Summary of Portfolio Performance

Trends in Portfolio Performance

| | 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) | 17 th fiscal period (as of Jul. 31, 2020) | 18 th fiscal period (as of Jan. 31, 2021) | 19 th fiscal period (as of Jul. 31, 2021) |
|---|---|---|---|---|---|---|
| Number of Properties | 138 props | 143 props | 144 props | 151 props | 157 props | 161 props |
| Properties Acquired during the period | 10 props | 6 props | 2 props | 8 props | 6 Props ⁽³⁾ | 5 Props |
| Properties Transferred during the period | 1 Props | 1 Props | 1 Props | 1 Props | 0 Props | 1 Props |
| Total Acquisition Price | 220,916 million | 233,251 million | 234,766 million | 248,905 million | 259,449 million | 265,762 million |
| Total Book Value | 221,356 million | 233,496 million | 234,307 million | 248,229 million | 258,384 million | 264,204 million |
| Total Appraisal Value | 256,062 million | 273,676 million | 280,059 million | 295,688 million | 311,926 million | 323,918 million |
| Rentable Units ⁽¹⁾ | 8,280 units | 8,346 units | 8,399 units | 8,709 units | 9,285 units | 9,389 units |
| Rentable Area ⁽¹⁾ | 329,477.93 m ² | 335,406.34 m ² | 335,344.55 m ² | 344,419.86 m ² | 357,570.50 m ² | 360,067.69 m ² |
| Leasing Business Revenues | 7,605 million | 7,933 million | 8,027 million | 8,289 million | 8,382 million | 8,758 million |
| Leasing Business Expenses (ex. Depreciation) | 1,451 million | 1,524 million | 1,482 million | 1,538 million | 1,556 million | 1,787 million |
| NOI (Net Operating Income) ⁽²⁾ | 6,154 million | 6,408 million | 6,545 million | 6,551 million | 6,825 million | 6,971 million |
| NOI Cap Rate (per year) | 5.5 % | 5.5 % | 5.5 % | 5.5 % | 5.4 % ⁽⁴⁾ | 5.3 % ⁽⁴⁾ |
| Capital Expenditure | 614 million | 612 million | 656 million | 515 million | 478 million | 625 million |
| Depreciation | 1,343 million | 1,391 million | 1,428 million | 1,467 million | 1,504 million | 1,546 million |
| Depreciation Rate (per acquisition price, year) | 1.2 % | 1.2 % | 1.2 % | 1.2 % | 1.2 % ⁽⁴⁾ | 1.2 % ⁽⁴⁾ |
| NOI Cap Rate after Depreciation (per year) | 4.3 % | 4.3 % | 4.3 % | 4.3 % | 4.2 % ⁽⁴⁾ | 4.2 % ⁽⁴⁾ |

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)

Note 3: Cases in which a part of the property was additionally acquired are not included.

Note 4: Properties acquired or sold during each fiscal period are excluded from the calculation.

Portfolio Performance in 1H 2021 1/7

| | | | | | | | | | | | | | | | | | (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 | 4,732,218 | 6,890,000 | SF | 86 | 5,338.99 | 4,854.33 | 90.9% | 181 | 154,194 | 30,843 | 123,350 | 17,651 | 105,699 | 5.3% | 4.5% | |
| T-3 | KDX Odemma Residence | 1,775,000 | 1,671,906 | 2,490,000 | SF | 54 | 2,353.23 | 2,311.21 | 98.2% | 181 | 54,644 | 15,620 | 39,023 | 11,067 | 27,956 | 4.4% | 3.2% | |
| T-4 | KDX Iwamoto-cho Residence | 822,000 | 766,761 | 1,120,000 | SF | 36 | 1,131.24 | 1,028.25 | 90.9% | 181 | 27,963 | 6,308 | 21,655 | 5,288 | 16,366 | 5.3% | 4.0% | |
| T-5 | KDX Bunkyo Sengoku Residence | 1,488,000 | 1,436,972 | 1,980,000 | S | 77 | 2,054.10 | 1,947.72 | 94.8% | 181 | 51,913 | 11,267 | 40,646 | 6,797 | 33,848 | 5.5% | 4.6% | |
| T-6 | KDX Azumabashi Residence | 650,000 | 599,317 | 1,070,000 | S | 41 | 1,054.83 | 983.61 | 93.2% | 181 | 26,288 | 5,627 | 20,660 | 5,078 | 15,582 | 6.4% | 4.8% | |
| T-7 | KDX Shimura Sakaue Residence | 2,830,000 | 2,587,723 | 3,800,000 | F | 85 | 6,117.48 | 6,117.48 | 100.0% | 181 | 108,509 | 20,682 | 87,826 | 21,877 | 65,948 | 6.3% | 4.7% | |
| T-9 | Cosmo Heim Motosumiyoshi | 2,087,000 | 2,159,774 | 2,410,000 | S | 180 | 4,538.04 | 4,259.46 | 93.9% | 181 | 77,108 | 21,707 | 55,400 | 5,878 | 49,522 | 5.4% | 4.8% | |
| T-10 | KDX Musashi Nakahara Residence | 637,000 | 643,498 | 778,000 | F | 35 | 2,123.46 | 2,123.46 | 100.0% | 181 | 27,260 | 7,090 | 20,170 | 2,921 | 17,249 | 6.4% | 5.5% | |
| T-11 | KDX Chiba Chuo Residence | 1,480,000 | 1,257,174 | 1,830,000 | S | 106 | 3,546.91 | 3,480.11 | 98.1% | 181 | 65,285 | 12,906 | 52,379 | 17,529 | 34,850 | 7.1% | 4.7% | |
| T-12 | KDX Kawaguchi Saiwai-cho Residence | 1,150,000 | 1,169,005 | 1,580,000 | SF | 61 | 2,491.66 | 2,449.77 | 98.3% | 181 | 50,633 | 12,783 | 37,849 | 8,243 | 29,606 | 6.6% | 5.2% | |
| T-13 | KDX Residence Shirokane I | 3,000,000 | 3,073,130 | 3,920,000 | SF | 50 | 3,617.32 | 3,564.93 | 98.6% | 181 | 112,186 | 31,374 | 80,811 | 9,173 | 71,638 | 5.4% | 4.8% | |
| T-15 | KDX Residence Shirokane II | 2,800,000 | 2,843,355 | 3,900,000 | S | 85 | 2,889.66 | 2,749.70 | 95.2% | 181 | 90,275 | 20,620 | 69,654 | 7,719 | 61,935 | 5.0% | 4.5% | |
| T-16 | KDX Residence Minami-aoyama | 2,230,000 | 2,258,979 | 2,650,000 | SF | 20 | 1,680.79 | 1,228.82 | 73.1% | 181 | 50,387 | 10,445 | 39,942 | 3,711 | 36,231 | 3.6% | 3.3% | |
| T-17 | KDX Residence Minami-azabu | 2,080,000 | 2,124,799 | 2,950,000 | SF | 62 | 2,785.42 | 2,608.77 | 93.7% | 181 | 73,020 | 12,257 | 60,763 | 8,024 | 52,739 | 5.9% | 5.1% | |
| T-18 | KDX Residence Shiba Koen | 1,781,000 | 1,796,423 | 2,580,000 | SF | 64 | 2,507.52 | 2,345.56 | 93.5% | 181 | 62,904 | 16,463 | 46,440 | 6,385 | 40,055 | 5.3% | 4.5% | |
| T-19 | KDX Residence Azabu East | 1,560,000 | 1,571,465 | 2,260,000 | S | 76 | 1,849.00 | 1,743.95 | 94.3% | 181 | 55,708 | 11,699 | 44,008 | 4,289 | 39,719 | 5.7% | 5.1% | |
| T-20 | KDX Residence Takanawa | 770,000 | 787,729 | 1,160,000 | SF | 27 | 1,034.27 | 941.86 | 91.1% | 181 | 27,739 | 7,486 | 20,253 | 3,212 | 17,041 | 5.3% | 4.5% | |
| T-21 | KDX Residence Nishihara | 1,450,000 | 1,487,532 | 2,040,000 | SF | 39 | 2,310.08 | 2,260.42 | 97.9% | 181 | 51,403 | 10,509 | 40,893 | 6,839 | 34,053 | 5.7% | 4.7% | |
| T-22 | KDX Residence Daikanyama II | 730,000 | 785,587 | 1,090,000 | F | 17 | 985.10 | 785.40 | 79.7% | 181 | 25,434 | 7,737 | 17,696 | 1,611 | 16,085 | 4.9% | 4.4% | |
| T-23 | KDX Residence Sendagaya | - | - | - | - | - | - | - | - | 4 | 623 | 491 | 132 | 479 | -346 | - | - | |
| T-24 | KDX Residence Nihombashi Suitengu | 3,240,000 | 3,157,007 | 4,310,000 | F | 79 | 5,534.86 | 5,534.86 | 100.0% | 181 | 106,142 | 12,552 | 93,589 | 18,620 | 74,969 | 5.8% | 4.7% | |
| T-25 | KDX Residence Nihombashi Hakozaeki | 1,147,000 | 1,137,416 | 1,490,000 | S | 60 | 1,537.38 | 1,449.18 | 94.3% | 181 | 39,117 | 9,626 | 29,490 | 7,095 | 22,395 | 5.2% | 3.9% | |
| T-26 | KDX Residence Higashi-shinjuku | 3,270,000 | 3,202,772 | 4,490,000 | S | 179 | 4,358.43 | 4,229.07 | 97.0% | 181 | 111,215 | 19,673 | 91,541 | 11,999 | 79,542 | 5.6% | 4.9% | |
| T-27 | KDX Residence Yotsuya | 2,260,000 | 2,302,741 | 3,190,000 | F | 42 | 3,101.16 | 3,033.12 | 97.8% | 181 | 83,324 | 24,596 | 58,727 | 8,149 | 50,578 | 5.2% | 4.5% | |
| T-28 | KDX Residence Nishi-shinjuku | 1,000,000 | 1,016,971 | 1,510,000 | S | 54 | 1,345.92 | 1,272.15 | 94.5% | 181 | 36,318 | 6,597 | 29,720 | 4,419 | 25,301 | 6.0% | 5.1% | |
| T-29 | KDX Residence Kagurazaka | 720,000 | 700,794 | 1,030,000 | S | 34 | 890.93 | 865.16 | 97.1% | 181 | 24,637 | 6,933 | 17,704 | 3,436 | 14,267 | 5.0% | 4.0% | |
| T-30 | KDX Residence Futako Tamagawa | 1,250,000 | 1,269,675 | 1,600,000 | F | 38 | 2,339.62 | 2,279.98 | 97.5% | 181 | 44,359 | 8,793 | 35,566 | 5,001 | 30,564 | 5.7% | 4.9% | |
| T-31 | KDX Residence Komazawa Koen | 920,000 | 895,747 | 1,240,000 | SF | 32 | 1,020.18 | 1,020.18 | 100.0% | 181 | 29,349 | 4,785 | 24,564 | 4,822 | 19,741 | 5.4% | 4.3% | |

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 1H 2021 2/7

(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-32 | KDX Residence Misyuku | 760,000 | 780,924 | 1,050,000 | S | 39 | 1,103.82 | 1,000.87 | 90.7% | 181 | 26,659 | 10,697 | 15,962 | 3,282 | 12,679 | 4.2% | 3.4% |
| T-33 | KDX Residence Yoga | 700,000 | 685,996 | 970,000 | S | 38 | 1,012.80 | 987.48 | 97.5% | 181 | 24,393 | 4,988 | 19,404 | 2,677 | 16,727 | 5.6% | 4.8% |
| T-34 | KDX Residence Shimouma | 600,000 | 625,953 | 841,000 | S | 29 | 829.05 | 803.71 | 96.9% | 181 | 21,930 | 9,134 | 12,796 | 2,368 | 10,427 | 4.3% | 3.5% |
| T-35 | Raffine Minami-magome | 1,250,000 | 1,235,100 | 1,480,000 | S | 56 | 2,408.56 | 2,408.56 | 100.0% | 181 | 41,292 | 3,135 | 38,156 | 3,414 | 34,741 | 6.2% | 5.6% |
| T-36 | KDX Residence Yukigaya Otsuka | 1,050,000 | 1,048,474 | 1,430,000 | S | 72 | 1,526.98 | 1,423.01 | 93.2% | 181 | 38,114 | 10,803 | 27,311 | 5,920 | 21,391 | 5.2% | 4.1% |
| T-37 | KDX Residence Denen Chofu | 1,000,000 | 1,061,120 | 1,330,000 | F | 36 | 2,359.44 | 2,293.90 | 97.2% | 181 | 38,585 | 7,836 | 30,748 | 4,644 | 26,104 | 6.2% | 5.3% |
| T-38 | KDX Residence Tamagawa | 776,000 | 717,713 | 1,030,000 | S | 52 | 1,170.40 | 1,129.34 | 96.5% | 181 | 29,209 | 8,619 | 20,590 | 5,961 | 14,628 | 5.4% | 3.8% |
| T-39 | KDX Residence Monzennakacho | 773,000 | 782,154 | 1,070,000 | S | 49 | 1,171.41 | 1,125.16 | 96.1% | 181 | 27,747 | 7,173 | 20,574 | 4,462 | 16,112 | 5.4% | 4.2% |
| T-40 | KDX Residence Okachimachi | 850,000 | 857,791 | 1,160,000 | S | 51 | 1,329.79 | 1,329.79 | 100.0% | 181 | 33,234 | 5,669 | 27,565 | 4,164 | 23,401 | 6.5% | 5.6% |
| T-41 | KDX Residence Moto-asakusa | 800,000 | 803,747 | 1,080,000 | SF | 44 | 1,314.91 | 1,215.66 | 92.5% | 181 | 30,244 | 6,142 | 24,102 | 4,935 | 19,167 | 6.1% | 4.8% |
| T-42 | KDX Residence Itabashi Honcho | 620,000 | 583,259 | 848,000 | S | 46 | 1,127.58 | 1,040.21 | 92.3% | 181 | 23,579 | 7,443 | 16,136 | 4,251 | 11,884 | 5.2% | 3.9% |
| T-43 | KDX Residence Azusawa | 550,000 | 541,335 | 702,000 | S | 39 | 989.82 | 940.98 | 95.1% | 181 | 20,301 | 6,509 | 13,792 | 3,455 | 10,336 | 5.1% | 3.8% |
| T-44 | KDX Residence Tobu Nerima | 420,000 | 382,224 | 565,000 | S | 37 | 931.82 | 931.82 | 100.0% | 181 | 18,530 | 5,592 | 12,938 | 3,808 | 9,129 | 6.2% | 4.4% |
| T-45 | KDX Residence Yokohama Kannai | 800,000 | 756,274 | 1,060,000 | S | 72 | 1,602.16 | 1,561.41 | 97.5% | 181 | 35,134 | 9,581 | 25,552 | 6,137 | 19,415 | 6.4% | 4.9% |
| T-46 | KDX Residence Miyamaedaira | 999,000 | 995,854 | 1,210,000 | F | 40 | 2,448.27 | 2,448.27 | 100.0% | 181 | 37,552 | 9,683 | 27,869 | 5,249 | 22,619 | 5.6% | 4.6% |
| T-47 | KDX Residence Machida | 1,800,000 | 1,658,066 | 2,260,000 | F | 52 | 3,832.53 | 3,761.53 | 98.1% | 181 | 66,461 | 12,665 | 53,796 | 15,251 | 38,545 | 6.0% | 4.3% |
| T-48 | KDX Residence Kinshicho | 1,350,000 | 1,320,999 | 1,840,000 | F | 33 | 2,024.81 | 2,024.81 | 100.0% | 181 | 46,084 | 10,965 | 35,119 | 7,187 | 27,931 | 5.2% | 4.2% |
| T-49 | KDX Residence Nihombashi Hamacho | 996,000 | 1,033,794 | 1,430,000 | F | 28 | 1,756.27 | 1,651.37 | 94.0% | 181 | 34,883 | 7,066 | 27,816 | 4,814 | 23,002 | 5.6% | 4.7% |
| T-50 | KDX Residence Nihombashi Ningyocho | 530,000 | 552,284 | 734,000 | S | 27 | 877.14 | 849.10 | 96.8% | 181 | 20,389 | 4,052 | 16,336 | 2,253 | 14,083 | 6.2% | 5.4% |
| T-51 | KDX Residence Jiyugaoka | 1,268,000 | 1,321,657 | 1,720,000 | SF | 48 | 1,637.00 | 1,637.00 | 100.0% | 181 | 38,141 | 9,995 | 28,145 | 4,611 | 23,534 | 4.5% | 3.7% |
| T-52 | KDX Residence Togoshi | 3,745,000 | 3,696,444 | 5,100,000 | SF | 144 | 4,591.76 | 4,345.03 | 94.6% | 181 | 122,546 | 25,124 | 97,422 | 18,042 | 79,379 | 5.2% | 4.3% |
| T-53 | KDX Residence Shinagawa Seaside | 2,593,000 | 2,533,894 | 3,460,000 | S | 127 | 3,314.75 | 3,132.50 | 94.5% | 181 | 84,260 | 21,560 | 62,700 | 13,078 | 49,621 | 4.9% | 3.9% |
| T-54 | KDX Residence Ojima | 1,857,000 | 1,791,024 | 2,640,000 | S | 117 | 2,372.67 | 2,251.03 | 94.9% | 181 | 65,191 | 12,990 | 52,201 | 11,194 | 41,007 | 5.7% | 4.5% |
| T-55 | KDX Residence Oyama | 2,679,000 | 2,576,561 | 3,530,000 | SF | 145 | 4,009.07 | 3,953.95 | 98.6% | 181 | 94,791 | 15,992 | 78,798 | 16,734 | 62,064 | 5.9% | 4.7% |
| T-56 | KDX Residence Hanzomon | 4,832,000 | 4,922,049 | 6,170,000 | F | 85 | 4,854.23 | 4,676.25 | 96.3% | 181 | 134,494 | 25,449 | 109,044 | 15,338 | 93,706 | 4.6% | 3.9% |
| T-57 | B-Site Akihabara | 850,000 | 856,517 | 1,090,000 | S | 52 | 1,254.50 | 1,254.50 | 100.0% | 181 | 24,840 | 3,627 | 21,212 | 2,682 | 18,529 | 5.0% | 4.4% |
| T-58 | KDX Residence Kagurazaka Dori | 1,360,000 | 1,367,478 | 2,260,000 | S | 70 | 1,809.84 | 1,809.84 | 100.0% | 181 | 51,885 | 13,896 | 37,988 | 3,736 | 34,252 | 5.6% | 5.1% |
| T-59 | KDX Residence Sendagi | 2,200,000 | 2,324,570 | 2,600,000 | F | 40 | 3,159.89 | 3,159.89 | 100.0% | 181 | 68,323 | 12,320 | 56,003 | 8,923 | 47,080 | 5.1% | 4.3% |

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]

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| (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-60 | KDX Residence Seijo | 1,400,000 | 1,451,593 | 1,690,000 | SF | 38 | 2,198.56 | 2,198.56 | 100.0% | 181 | 44,381 | 10,932 | 33,448 | 4,814 | 28,633 | 4.8% | 4.1% |
| T-61 | KDX Residence Akihabara | 1,250,000 | 1,231,308 | 1,680,000 | SF | 32 | 1,929.61 | 1,882.40 | 97.6% | 181 | 42,105 | 6,536 | 35,568 | 6,737 | 28,830 | 5.7% | 4.7% |
| T-62 | KDX Residence Iriya | 1,062,000 | 1,041,415 | 1,480,000 | S | 57 | 1,899.29 | 1,848.85 | 97.3% | 181 | 39,052 | 7,718 | 31,333 | 6,267 | 25,066 | 5.9% | 4.8% |
| T-63 | KDX Residence Tachikawa | 3,026,200 | 2,999,116 | 3,850,000 | S | 174 | 4,314.87 | 4,141.52 | 96.0% | 181 | 101,645 | 27,599 | 74,046 | 21,623 | 52,422 | 4.9% | 3.5% |
| T-64 | KDX Residence Tsurumi | 1,050,000 | 1,151,264 | 1,590,000 | SF | 59 | 3,499.84 | 3,499.84 | 100.0% | 181 | 55,993 | 10,410 | 45,583 | 6,651 | 38,931 | 8.8% | 7.5% |
| T-65 | KDX Residence Morishita Chitose | 1,100,000 | 1,086,448 | 1,460,000 | S | 65 | 1,614.28 | 1,488.52 | 92.2% | 181 | 38,706 | 9,873 | 28,832 | 5,763 | 23,069 | 5.3% | 4.2% |
| T-66 | KDX Residence Akasaka | 1,150,000 | 1,175,154 | 2,030,000 | SF | 28 | 1,180.71 | 1,098.67 | 93.1% | 181 | 40,533 | 7,047 | 33,485 | 4,207 | 29,278 | 5.9% | 5.1% |
| T-67 | KDX Residence Kanda | 700,000 | 707,723 | 1,220,000 | SF | 30 | 1,031.09 | 967.97 | 93.9% | 181 | 30,682 | 7,074 | 23,608 | 3,691 | 19,916 | 6.8% | 5.7% |
| T-68 | KDX Residence Ebisu | 2,845,000 | 2,896,187 | 4,770,000 | SF | 65 | 2,659.66 | 2,584.51 | 97.2% | 181 | 92,437 | 15,500 | 76,937 | 11,283 | 65,654 | 5.5% | 4.7% |
| T-69 | KDX Residence Nishi-magome | 1,130,000 | 1,150,462 | 1,390,000 | S | 47 | 1,297.27 | 1,155.90 | 89.1% | 181 | 33,288 | 7,099 | 26,188 | 4,885 | 21,302 | 4.7% | 3.8% |
| T-70 | KDX Residence Nishi-azabu | 1,224,000 | 1,231,276 | 1,870,000 | SF | 33 | 1,357.88 | 1,239.21 | 91.3% | 181 | 38,023 | 10,255 | 27,768 | 4,473 | 23,294 | 4.6% | 3.8% |
| T-71 | KDX Residence Azabu Sendaizaka | 792,300 | 798,287 | 1,230,000 | S | 30 | 878.50 | 853.34 | 97.1% | 181 | 27,083 | 8,049 | 19,034 | 2,949 | 16,084 | 4.8% | 4.1% |
| T-72 | KDX Residence Waseda Tsurumaki | 561,000 | 554,857 | 920,000 | S | 39 | 808.54 | 769.43 | 95.2% | 181 | 21,215 | 7,507 | 13,708 | 2,985 | 10,723 | 4.9% | 3.9% |
| T-73 | KDX Residence Bunkyo Yushima | 695,000 | 690,860 | 1,020,000 | S | 38 | 939.89 | 898.67 | 95.6% | 181 | 25,516 | 6,092 | 19,423 | 3,178 | 16,245 | 5.6% | 4.7% |
| T-74 | KDX Residence Kamishakujii | 648,000 | 646,288 | 880,000 | S | 47 | 1,032.18 | 966.99 | 93.7% | 181 | 23,658 | 6,535 | 17,122 | 4,152 | 12,970 | 5.3% | 4.0% |
| T-75 | KDX Residence Shin-otsuka | 764,000 | 761,796 | 1,140,000 | S | 40 | 872.00 | 872.00 | 100.0% | 181 | 28,762 | 2,061 | 26,701 | 3,433 | 23,268 | 7.0% | 6.1% |
| T-76 | KDX Residence Sakurajosui | 894,000 | 890,207 | 1,260,000 | S | 43 | 1,227.16 | 1,176.28 | 95.9% | 181 | 29,722 | 8,284 | 21,437 | 4,116 | 17,321 | 4.8% | 3.9% |
| T-77 | KDX Residence Ryogoku | 842,000 | 837,459 | 1,290,000 | S | 36 | 1,190.53 | 1,021.33 | 85.8% | 181 | 29,183 | 6,737 | 22,445 | 4,392 | 18,052 | 5.4% | 4.3% |
| T-78 | KDX Residence Toyosu | 7,500,000 | 7,621,952 | 7,910,000 | S | 242 | 6,811.38 | 6,811.38 | 100.0% | 181 | 180,977 | 16,178 | 164,798 | 28,302 | 136,496 | 4.4% | 3.7% |
| T-79 | KDX Residence Asagaya | 1,930,000 | 1,961,484 | 2,310,000 | SF | 44 | 1,996.08 | 1,996.08 | 100.0% | 181 | 51,254 | 8,946 | 42,307 | 4,362 | 37,944 | 4.4% | 4.0% |
| T-80 | KDX Residence Hiyoshi | 2,635,300 | 2,678,605 | 2,800,000 | F | 92 | 6,131.93 | 6,015.05 | 98.1% | 181 | 80,357 | 13,345 | 67,011 | 10,666 | 56,345 | 5.1% | 4.3% |
| T-81 | KDX Residence Kamikitazawa | 1,360,000 | 1,395,187 | 1,480,000 | SF | 39 | 1,971.07 | 1,971.07 | 100.0% | 181 | 38,597 | 7,435 | 31,161 | 2,764 | 28,397 | 4.6% | 4.2% |
| T-82 | KDX Residence Kaminoge | 1,111,000 | 1,130,333 | 1,330,000 | S | 34 | 1,224.87 | 1,224.87 | 100.0% | 181 | 26,190 | 3,533 | 22,656 | 2,721 | 19,934 | 4.1% | 3.6% |
| T-83 | KDX Residence Higashi-Asakusa | 687,730 | 701,213 | 774,000 | S | 36 | 1,013.40 | 963.96 | 95.1% | 181 | 21,155 | 4,654 | 16,501 | 2,467 | 14,033 | 4.8% | 4.1% |
| T-84 | KDX Residence Nishi-Funabashi | 975,350 | 1,012,215 | 1,070,000 | S | 57 | 1,277.78 | 1,256.24 | 98.3% | 181 | 31,311 | 5,665 | 25,646 | 4,722 | 20,924 | 5.3% | 4.3% |
| T-85 | KDX Residence Hatagaya | 2,500,000 | 2,629,007 | 2,790,000 | S | 87 | 2,659.50 | 2,470.72 | 92.9% | 181 | 61,903 | 14,135 | 47,768 | 6,466 | 41,301 | 3.9% | 3.3% |
| T-86 | KDX Residence Asagaya II | 939,400 | 975,576 | 1,020,000 | SF | 32 | 957.67 | 928.37 | 96.9% | 181 | 23,213 | 4,535 | 18,677 | 2,373 | 16,304 | 4.0% | 3.5% |
| T-87 | KDX Residence Gakugeidaigaku | 750,000 | 771,585 | 828,000 | SF | 23 | 820.01 | 749.71 | 91.4% | 181 | 16,026 | 5,211 | 10,814 | 1,942 | 8,871 | 2.9% | 2.4% |

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]

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(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-88 | KDX Residence Kamata-minami | 1,918,300 | 1,968,746 | 2,210,000 | S | 80 | 2,203.87 | 2,203.87 | 100.0% | 181 | 50,321 | 6,910 | 43,410 | 6,509 | 36,901 | 4.6% | 3.9% | |
| T-89 | KDX Residence Kichijoji | 621,000 | 655,367 | 650,000 | SF | 21 | 665.39 | 599.53 | 90.1% | 181 | 15,483 | 2,790 | 12,692 | 2,217 | 10,475 | 4.1% | 3.4% | |
| T-90 | KDX Residence Mitaka | 2,530,000 | 2,687,877 | 2,940,000 | SF | 51 | 2,631.45 | 2,572.13 | 97.7% | 181 | 64,982 | 11,358 | 53,624 | 8,436 | 45,187 | 4.3% | 3.6% | |
| T-91 | KDX Residence Nakanobu | 830,000 | 848,638 | 905,000 | S | 32 | 845.78 | 804.95 | 95.2% | 181 | 21,742 | 5,096 | 16,646 | 2,160 | 14,485 | 4.0% | 3.5% | |
| T-92 | KDX Residence Ichikawa | 840,000 | 879,846 | 909,000 | S | 47 | 1,015.39 | 993.78 | 97.9% | 181 | 22,379 | 5,737 | 16,642 | 2,669 | 13,972 | 4.0% | 3.4% | |
| T-93 | KDX Residence Hatchobori | 3,000,000 | 3,221,866 | 3,560,000 | F | 46 | 2,821.15 | 2,703.07 | 95.8% | 181 | 42,181 | 19,607 | 22,573 | 9,875 | 12,697 | 1.5% | 0.9% | |
| T-94 | KDX Residence Nakaitabashi | 1,736,432 | 1,861,115 | 1,870,000 | S | 78 | 1,972.49 | 1,947.31 | 98.7% | 181 | 40,272 | 15,220 | 25,052 | 6,192 | 18,859 | 2.9% | 2.2% | |
| T-95 | KDX Residence Shonandai | 1,500,000 | 1,565,443 | 1,630,000 | S | 104 | 2,723.20 | 2,668.14 | 98.0% | 181 | 47,805 | 12,041 | 35,764 | 7,370 | 28,393 | 4.8% | 3.8% | |
| T-96 | KDX Residence Ikebukuro West | 2,237,796 | 2,355,378 | 2,500,000 | S | 89 | 2,274.70 | 2,274.70 | 100.0% | 181 | 41,414 | 4,693 | 36,720 | 7,918 | 28,802 | 3.3% | 2.6% | |
| T-97 | KDX Residence Tennocho | 843,836 | 908,851 | 913,000 | S | 29 | 1,185.08 | 1,159.08 | 97.8% | 153 | 20,715 | 1,566 | 19,149 | 2,773 | 16,375 | 5.4% | 4.6% | |
| T-98 | KDX Residence Kawasaki | 910,000 | 951,167 | 1,010,000 | S | 57 | 1,179.11 | 1,179.11 | 100.0% | 122 | 13,187 | 1,975 | 11,212 | 2,425 | 8,787 | 3.7% | 2.9% | |
| T-99 | KDX Residence Kamata-minami II | 780,000 | 815,108 | 856,000 | S | 34 | 881.96 | 881.96 | 100.0% | 87 | 6,975 | 5,411 | 1,563 | 1,301 | 261 | 0.8% | 0.1% | |
| Subtotal / Average | | 145,104,644 | 146,148,030 | 189,053,000 | | 5,642 | 202,553.97 | 195,654.55 | 96.6% | | 4,627,200 | 997,572 | 3,629,628 | 638,154 | 2,991,473 | 5.1%⁽²⁾ | 4.2%⁽²⁾ | |
| Other Regional Areas | R-2 | KDX JozenjiDori Residence | 1,015,000 | 897,704 | 1,360,000 | S | 92 | 3,330.15 | 3,117.08 | 93.6% | 181 | 52,998 | 14,845 | 38,153 | 10,474 | 27,679 | 7.6% | 5.5% |
| | R-3 | KDX Izumi Residence | 1,120,000 | 1,017,841 | 1,490,000 | F | 40 | 2,798.20 | 2,598.82 | 92.9% | 181 | 41,831 | 10,002 | 31,828 | 9,310 | 22,517 | 5.7% | 4.1% |
| | R-4 | KDX Chihaya Residence | 1,080,000 | 962,749 | 1,470,000 | SF | 92 | 2,936.40 | 2,863.44 | 97.5% | 181 | 48,293 | 14,695 | 33,597 | 10,172 | 23,425 | 6.3% | 4.4% |
| | R-5 | KDX Sakaisuji Hommachi Residence | 2,910,000 | 2,633,086 | 3,740,000 | SF | 160 | 6,385.70 | 6,087.33 | 95.3% | 181 | 111,978 | 28,332 | 83,645 | 24,336 | 59,309 | 5.8% | 4.1% |
| | R-7 | KDX Takarazuka Residence | 1,510,000 | 1,296,382 | 2,030,000 | F | 80 | 4,631.16 | 4,366.25 | 94.3% | 181 | 60,490 | 13,956 | 46,534 | 16,766 | 29,768 | 6.2% | 4.0% |
| | R-8 | KDX Shimizu Residence | 1,680,000 | 1,507,928 | 2,110,000 | SF | 148 | 6,255.16 | 6,121.32 | 97.9% | 181 | 75,388 | 20,503 | 54,884 | 14,307 | 40,576 | 6.6% | 4.9% |
| | R-9 | KDX Residence Odori Koen | 765,000 | 750,834 | 1,050,000 | SF | 78 | 2,762.76 | 2,656.88 | 96.2% | 181 | 34,334 | 9,898 | 24,435 | 8,589 | 15,846 | 6.4% | 4.2% |
| | R-10 | KDX Residence Kikusui Yojo | 830,000 | 836,183 | 1,090,000 | SF | 84 | 3,413.06 | 3,377.46 | 99.0% | 181 | 39,336 | 11,336 | 27,999 | 8,342 | 19,656 | 6.8% | 4.8% |
| | R-11 | KDX Residence Toyohira Koen | 445,000 | 448,081 | 604,000 | SF | 65 | 2,253.81 | 2,148.99 | 95.3% | 181 | 23,459 | 8,716 | 14,743 | 4,865 | 9,877 | 6.7% | 4.5% |
| | R-13 | KDX Residence Ichiban-cho | 530,000 | 485,645 | 723,000 | SF | 45 | 1,818.09 | 1,699.93 | 93.5% | 181 | 27,962 | 7,951 | 20,011 | 5,121 | 14,889 | 7.6% | 5.7% |
| | R-16 | KDX Residence Higashi-sakura I | 2,350,000 | 2,189,828 | 2,610,000 | SF | 187 | 6,221.83 | 5,589.84 | 89.8% | 181 | 90,994 | 31,140 | 59,853 | 18,143 | 41,710 | 5.1% | 3.6% |
| | R-17 | KDX Residence Higashi-sakura II | 900,000 | 840,311 | 1,070,000 | SF | 66 | 2,655.31 | 2,496.61 | 94.0% | 181 | 37,791 | 10,836 | 26,954 | 7,120 | 19,834 | 6.0% | 4.4% |
| | R-18 | KDX Residence Jingumae | 840,000 | 777,023 | 1,050,000 | SF | 95 | 2,724.19 | 2,572.36 | 94.4% | 181 | 39,732 | 12,955 | 26,777 | 7,528 | 19,248 | 6.4% | 4.6% |
| R-19 | KDX Residence Nishi-oji | 813,000 | 756,805 | 941,000 | S | 76 | 2,353.55 | 2,303.05 | 97.9% | 181 | 35,179 | 10,306 | 24,873 | 6,399 | 18,473 | 6.2% | 4.6% | |

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]Note2: Properties acquired or sold during the 19th fiscal period (T23, T-97~T-99) are excluded from the calculation.

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| (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-20 | KDX Residence Saiin | 440,000 | 406,062 | 521,000 | S | 49 | 1,094.81 | 1,051.18 | 96.0% | 181 | 19,152 | 5,309 | 13,842 | 3,871 | 9,970 | 6.3% | 4.6% |
| R-21 | KDX Residence Namba | 1,410,000 | 1,327,831 | 1,750,000 | S | 118 | 3,387.30 | 3,361.72 | 99.2% | 181 | 57,022 | 10,087 | 46,934 | 10,192 | 36,742 | 6.7% | 5.3% |
| R-22 | KDX Residence Namba-minami | 1,350,000 | 1,241,755 | 1,660,000 | S | 131 | 3,813.31 | 3,754.81 | 98.5% | 181 | 54,186 | 12,929 | 41,257 | 11,995 | 29,261 | 6.2% | 4.4% |
| R-24 | KDX Residence Ibaraki I・II | 1,275,000 | 1,270,463 | 1,459,000 | F | 61 | 4,701.87 | 4,622.92 | 98.3% | 181 | 54,649 | 13,708 | 40,940 | 6,359 | 34,581 | 6.5% | 5.5% |
| R-25 | KDX Residence Toyonaka-minami | 740,000 | 654,533 | 940,000 | SF | 70 | 2,024.50 | 1,963.80 | 97.0% | 181 | 29,811 | 7,030 | 22,780 | 8,361 | 14,418 | 6.2% | 3.9% |
| R-26 | KDX Residence Moriguchi | 551,000 | 496,830 | 691,000 | F | 28 | 1,942.78 | 1,942.78 | 100.0% | 181 | 24,061 | 5,815 | 18,246 | 5,479 | 12,767 | 6.7% | 4.7% |
| R-27 | KDX Residence Sannomiya | 1,080,000 | 1,047,485 | 1,260,000 | S | 86 | 2,292.72 | 2,165.76 | 94.5% | 181 | 38,463 | 8,633 | 29,830 | 8,168 | 21,661 | 5.6% | 4.0% |
| R-28 | Ashiya Royal Homes | 1,360,000 | 1,476,223 | 2,000,000 | F | 21 | 3,999.01 | 3,349.66 | 83.8% | 181 | 58,990 | 18,092 | 40,897 | 4,987 | 35,909 | 6.1% | 5.3% |
| R-29 | KDX Residence Funairi Saiwai-cho | 588,000 | 532,874 | 759,000 | S | 64 | 1,889.53 | 1,889.53 | 100.0% | 181 | 28,826 | 5,748 | 23,077 | 5,393 | 17,683 | 7.9% | 6.1% |
| R-30 | KDX Residence Tenjin-higashi II | 680,000 | 627,064 | 944,000 | SF | 63 | 2,602.53 | 2,519.91 | 96.8% | 181 | 31,294 | 7,391 | 23,902 | 6,341 | 17,560 | 7.1% | 5.2% |
| R-32 | KDX Residence Nishi Koen | 763,000 | 709,008 | 927,000 | F | 36 | 2,522.16 | 2,324.52 | 92.2% | 181 | 31,173 | 7,984 | 23,189 | 6,482 | 16,706 | 6.1% | 4.4% |
| R-33 | KDX Residence Hirao Josui-machi | 760,000 | 728,521 | 962,000 | F | 24 | 2,098.68 | 1,843.68 | 87.8% | 181 | 27,761 | 9,118 | 18,642 | 4,927 | 13,714 | 4.9% | 3.6% |
| R-35 | Leopalace Flat Shin-sakae | 3,500,000 | 3,365,860 | 4,620,000 | S | 274 | 11,589.95 | 11,589.95 | 100.0% | 181 | 121,557 | 14,288 | 107,268 | 33,360 | 73,908 | 6.2% | 4.3% |
| R-36 | KDX Residence Konan Yamate | 973,000 | 951,030 | 1,170,000 | SF | 55 | 1,923.22 | 1,923.22 | 100.0% | 181 | 33,007 | 6,413 | 26,593 | 4,974 | 21,618 | 5.5% | 4.5% |
| R-37 | KDX Residence Hommachibashi | 3,201,000 | 3,093,736 | 3,720,000 | SF | 134 | 6,511.88 | 6,454.18 | 99.1% | 181 | 108,399 | 25,686 | 82,713 | 22,453 | 60,259 | 5.2% | 3.8% |
| R-38 | KDX Residence Minami-kusatsu | 1,974,666 | 1,935,097 | 2,480,000 | S | 170 | 5,735.96 | 5,482.36 | 95.6% | 181 | 101,966 | 35,136 | 66,829 | 18,646 | 48,183 | 6.8% | 4.9% |
| R-39 | KDX Residence Ohori Harbor View Tower | 4,606,296 | 4,390,968 | 5,190,000 | SF | 212 | 11,855.63 | 10,944.15 | 92.3% | 181 | 179,356 | 45,159 | 134,197 | 42,800 | 91,397 | 5.9% | 4.0% |
| R-40 | KDX Residence Minami-sanjo | 915,000 | 877,471 | 1,770,000 | SF | 114 | 5,269.39 | 5,146.68 | 97.7% | 181 | 56,970 | 13,724 | 43,245 | 11,303 | 31,941 | 9.5% | 7.0% |
| R-41 | Serenite Kita-kyuhoji | 1,290,740 | 1,237,638 | 1,710,000 | S | 85 | 2,277.14 | 2,084.51 | 91.5% | 181 | 42,160 | 10,961 | 31,199 | 10,156 | 21,042 | 4.9% | 3.3% |
| R-42 | Serenite Nishinomiya Hommachi | 617,048 | 624,579 | 754,000 | S | 51 | 1,351.68 | 1,250.44 | 92.5% | 181 | 23,541 | 5,335 | 18,206 | 4,759 | 13,447 | 6.0% | 4.4% |
| R-43 | KDX Residence Nishijin | 1,600,000 | 1,730,176 | 1,780,000 | SF | 128 | 4,472.72 | 4,080.90 | 91.2% | 181 | 57,788 | 19,821 | 37,967 | 7,890 | 30,077 | 4.8% | 3.8% |
| R-44 | Serenite Kobe Motomachi | 2,390,000 | 2,433,709 | 2,630,000 | S | 138 | 3,787.85 | 3,787.85 | 100.0% | 181 | 79,085 | 16,344 | 62,740 | 14,601 | 48,139 | 5.3% | 4.1% |
| R-45 | KDX Residence Shukugawa Hills | 6,884,800 | 7,257,555 | 7,380,000 | F | 239 | 17,575.39 | 17,247.78 | 98.1% | 181 | 217,051 | 48,016 | 169,035 | 32,523 | 136,511 | 5.0% | 4.0% |
| R-46 | KDX Residence Sendai Station East | 1,340,000 | 1,402,911 | 1,450,000 | S | 88 | 2,254.34 | 2,100.68 | 93.2% | 181 | 40,702 | 10,461 | 30,240 | 7,839 | 22,400 | 4.6% | 3.4% |
| Subtotal / Average | | 57,077,551 | 55,219,796 | 69,865,000 | | 3,747 | 157,513.72 | 150,882.33 | 95.8% | | 2,236,752 | 568,680 | 1,668,071 | 445,350 | 1,222,721 | 5.9% | 4.3% |
| Residential facilities total / Average | | 202,182,195 | 201,367,826 | 258,918,000 | | 9,389 | 360,067.69 | 346,536.88 | 96.2% | | 6,863,952 | 1,566,252 | 5,297,700 | 1,083,505 | 4,214,194 | 5.3%⁽²⁾ | 4.2%⁽²⁾ |

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]

Note 2: Properties acquired or sold during the 19th fiscal period (T-23, T-97~T-99) are excluded from the calculation

Portfolio Performance in 1H 2021 6/7

(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⁾ 2021.6 | 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 | 1,084,714 | 1,120,000 | Nursing care | 2,086.40 | 48 | 55 | 100.0% | 87.3% | 181 | 25,171 | 11,840 | 13,331 | 4.5% | 2.4% |
| H-2 | Nichii Home Nakano-Minamidai | 1,780,000 | 1,758,010 | 1,770,000 | Nursing care | 3,339.00 | 83 | 83 | 100.0% | 73.5% | 181 | 44,837 | 4,060 | 40,777 | 5.1% | 4.6% |
| H-3 | Joy Stage Hachioji | 3,690,000 | 3,762,593 | 3,790,000 | Nursing care | 13,812.27 | 232 | 263 | 100.0% | 82.9% | 181 | 102,777 | 31,245 | 71,532 | 5.6% | 3.9% |
| H-4 | Yuimaru Hijirigaoka | 1,120,000 | 1,059,005 | 1,120,000 | Residential | 4,385.53 | 70 | 109 | 100.0% | 67.0% | 181 | 30,281 | 9,093 | 21,187 | 5.5% | 3.8% |
| H-5 | Nichii Home Tama Plaza | 2,940,000 | 2,778,435 | 2,980,000 | Nursing care | 8,208.65 | 154 | 158 | 100.0% | 81.0% | 181 | 82,112 | 31,096 | 51,016 | 5.6% | 3.5% |
| H-6 | Ten | 2,630,000 | 2,550,266 | 2,660,000 | Nursing care | 6,473.60 | 85 | 89 | 100.0% | 77.5% | 181 | 84,423 | 29,157 | 55,265 | 6.5% | 4.2% |
| H-7 | Irise Nishioka | 858,000 | 798,339 | 860,000 | Residential | 3,140.27 | 83 | 83 | 100.0% | 97.6% | 181 | 23,439 | 9,193 | 14,246 | 5.5% | 3.3% |
| H-8 | Izarie Niwa Building | 1,660,000 | 1,535,479 | 1,730,000 | Nursing care | 5,343.33 | 73 | 73 | 100.0% | 95.9% | 181 | 50,689 | 18,263 | 32,425 | 6.2% | 3.9% |
| H-9 | Sawayaka Sakura Nibankan | 989,000 | 911,151 | 992,000 | Nursing care | 3,628.51 | 92 | 92 | 100.0% | 96.7% | 181 | 27,761 | 12,397 | 15,363 | 5.7% | 3.1% |
| H-10 | Activa Biwa | 6,560,000 | 6,239,264 | 6,570,000 | Nursing care | 39,649.84 | 384 | 445 | 100.0% | 84.7% | 181 | 214,681 | 62,553 | 152,128 | 6.6% | 4.7% |
| H-11 | Sompo Care LAVIERE Kobe Tarumi | 2,110,000 | 2,039,148 | 2,110,000 | Nursing care | 4,493.35 | 100 | 100 | 100.0% | 74.0% | 181 | 52,989 | 11,978 | 41,011 | 5.1% | 3.9% |
| H-12 | Rihabili-home Granda Mondo Yakujin | 1,253,000 | 1,188,456 | 1,250,000 | Residential | 3,287.80 | 62 | 63 | 100.0% | Not disclosed | 181 | 27,996 | 9,996 | 18,000 | 4.5% | 2.9% |
| H-13 | Excellent Nishinomiya | 971,000 | 910,729 | 976,000 | Nursing care | 2,685.48 | 67 | 70 | 100.0% | 98.6% | 181 | 24,704 | 9,605 | 15,098 | 5.1% | 3.1% |
| H-14 | Gran Hills Ogawarako | 1,380,000 | 1,263,241 | 1,380,000 | Serviced housing | 4,180.28 | 103 | 107 | 100.0% | 99.1% | 181 | 52,125 | 18,137 | 33,987 | 7.6% | 5.0% |
| H-15 | Excellent Kitano | 737,000 | 746,797 | 782,000 | Residential | 1,339.58 | 41 | 41 | 100.0% | 92.7% | 181 | 18,327 | 4,209 | 14,118 | 5.0% | 3.9% |
| H-16 | Anesis Teradacho | 3,490,000 | 3,434,987 | 3,640,000 | Nursing & health (with Nursing care) | 7,856.64 | 45 100 | 150 100 | 100.0% | Not disclosed 89.0% | 181 | 96,912 | 32,017 | 64,894 | 5.6% | 3.7% |
| H-17 | Rococo-riha | 2,100,000 | 2,030,640 | 2,170,000 | Nursing & health | 3,860.29 | 52 | 100 | 100.0% | Not disclosed | 181 | 57,427 | 16,601 | 40,826 | 5.5% | 3.9% |
| H-18 | Orage Suma | 2,810,000 | 2,735,648 | 2,810,000 | Nursing & health (with Serviced housing) | 5,995.74 | 100 35 | 100 40 | 100.0% | Not disclosed 85.0% | 181 | 78,944 | 23,899 | 55,045 | 5.7% | 4.0% |
| H-19 | Canadian Hill | 1,830,000 | 1,815,352 | 1,880,000 | Nursing & health | 3,731.26 | 40 | 115 | 100.0% | Not disclosed | 181 | 48,918 | 7,923 | 40,994 | 5.4% | 4.5% |
| H-20 | Anesis Hyogo | 1,420,000 | 1,388,347 | 1,440,000 | Nursing & health | 4,415.16 | 58 | 100 | 100.0% | Not disclosed | 181 | 39,020 | 10,665 | 28,355 | 5.5% | 4.0% |
| H-21 | Plaisant Grand Ota tamagawa | 3,057,630 | 3,201,292 | 3,200,000 | Nursing care | 3,175.15 | 80 | 80 | 100.0% | 85.0% | 181 | 66,032 | 9,932 | 56,100 | 4.4% | 3.7% |
| H-22 | Tsukui Sun-shine Machida | 6,934,600 | 7,037,843 | 7,090,000 | Nursing care | 15,553.33 | 348 | 348 | 100.0% | 95.4% | 181 | 158,197 | 38,289 | 119,908 | 4.6% | 3.5% |
| H-23 | Serabi Ebisu | 1,690,000 | 1,715,051 | 1,700,000 | Nursing care | 1,557.73 | 34 | 34 | 100.0% | 70.6% | 181 | 35,601 | 2,973 | 32,627 | 4.2% | 3.9% |
| H-24 | Arute Ishiyagawa | 1,061,000 | 1,122,207 | 1,380,000 | Nursing care (with Group Home) | 3,444.81 | 54 18 | 64 18 | 100.0% | 93.8% 100.0% | 181 | 41,407 | 20,017 | 21,389 | 7.9% | 4.1% |
| H-25 | Medical-home Granga Kurakuen | 2,709,440 | 2,842,093 | 2,820,000 | Nursing care | 3,900.59 | 68 | 73 | 100.0% | Not disclosed | 153 | 58,042 | 11,183 | 46,859 | 5.1% | 4.1% |
| H-26 | Rihabili-home Granda Kobe Kitano | 1,720,000 | 1,802,838 | 1,800,000 | Nursing care | 2,725.53 | 59 | 60 | 100.0% | Not disclosed | 61 | 15,260 | 2,948 | 12,311 | 5.3% | 4.3% |
| Subtotal / Average | | 58,620,670 | 57,751,940 | 60,020,000 | | 162,270.12 | 2,768 | 3,213 | 100.0% | 86.3% / -⁽⁴⁾ | | 1,558,087 | 449,283 | 1,108,804 | 5.5%⁽⁵⁾ | 3.9%⁽⁵⁾ |

Healthcare facilities

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)" = The number of residents / the number of Capacity. "Actual Occupancy Rate" is based on documents from operators but that of H-12, H-25, H-26 isn't disclosed because KDR isn't admitted to disclose from the operator. That of H-16, H-18, H-24 is as of March 2021

Note 3: "Utilization Rate" isn't disclosed because the information is not available from the operator.

Note 4: Average Actual Occupancy Rate is 86.3% in the above facility type classification. H-12, H-16, H-18, H-24, H-25 and H-26 are not included.

Note 5: Properties acquired during the 19th fiscal period (H-25, H-26) are excluded from the calculation

Portfolio Performance in 1H 2021 7/7

| | | | | | | | | | | | | | | (in thousands of yen) | |
|------------------------------|---------------------------|--------------------------------------|-------------------|-------------|-----------------|------------------------------------|----------------------------------|----------------|--------------------------|-----------|-------------------|------------------------------------|----------------------------|---|------|
| | No. | Property Name | Acquisition Price | Book Value | Appraisal Value | Rentable Area (m ²) | Rented Area (m ²) | Occupancy Rate | 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) | |
| Accommodation | A-1 | HOTEL LiVEMAX Tokyo-Otsuka-Ekimae | 2,390,000 | 2,448,737 | 2,380,000 | 1,660.21 | 1,660.21 | 100.0% | 181 | 54,027 | 6,020 | 48,006 | 4.6% | 4.1% | |
| | A-2 | HOTEL LiVEMAX Yokohamaeki-Nishiguchi | 2,570,000 | 2,636,283 | 2,600,000 | 1,997.18 | 1,997.18 | 100.0% | 181 | 61,324 | 7,447 | 53,877 | 4.8% | 4.2% | |
| | Subtotal / Average | | | 4,960,000 | 5,085,020 | 4,980,000 | 3,657.39 | 3,657.39 | 100.0% | | 115,352 | 13,468 | 101,884 | 4.7% | 4.1% |
| Grand total / Average | | | 265,762,865 | 264,204,787 | 323,918,000 | 525,995.20 | 512,464.39 | 97.4% | | 6,971,139 | 1,546,256 | 5,424,883 | 5.3% ⁽¹⁾ | 4.2% ⁽¹⁾ | |

Note 1: Properties acquired or sold during the 19th fiscal period (T-23, T-97~T-99, H-25, H-26) are excluded from the calculation