

KDX
KENEDIX

KDX Realty Investment Corporation



KDX Realty Investment Corporation

IR Presentation Material for the Fiscal Period

Ended October 31, 2023

December 14, 2023

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1. Financial Results for the Fiscal Period Ended Oct. 2023

Financial Summary of Each REIT

Kenedix Office Investment Corporation (KDO) (6-month period)

- ✓ Continued to realize total increase in rent due to rent revisions for existing tenants and tenant replacement
- ✓ Sold 50% of silent partnership equity interests resulting in 548 mn yen gain on sale of securities (Remaining 50% scheduled to be sold on Dec. 20, 2023)

Occupancy Rate	Total Rent Increase (Monthly)	Gain on Sale of Securities
98.2% (-0.2% vs previous period)	1.6 mn yen (-1.7 mn yen vs previous period)	548 mn yen

Kenedix Residential Next Investment Corporation (KDR) (3-month period)

- ✓ Maintained high occupancy rate even during non-busy season, not including spring season when there is more activity
- ✓ In terms of growth in new rents, the increase in new rent +1.8 for studio type, up from the previous period. Small family had 2.3% growth and family type continued to see strong growth of 8.9%

Occupancy Rate	Increase in New Rent (Monthly)	Increase in Renewed Rent (Monthly)
96.9%⁽¹⁾ (-0.3% vs previous period)	1.6 mn yen (-1.9 mn yen vs previous period)	0.3 mn yen (-0.5 mn yen vs previous period)

Note: Occupancy rate for residential properties is shown.

Kenedix Retail REIT Corporation (KRR) (7-month period)

- ✓ Acquired York Mart Higashi-Michinobe in Sep. 2023, increasing the number of properties to 71
- ✓ Occupancy rate at the end of the fiscal period continued to be steady at 99.5%. Sales-linked rent have increased due to the recovery of personal consumption and monthly rent on new contracts and contract renewals have increased for the first time in two years
- ✓ Percentage of interest rate/CPI-linked lease agreements rose from 8.2% to 9.4%

Occupancy Rate	Sales-linked Rent	Interest rate /CPI-linked Agreements
99.5% (Same as previous period)	278 mn yen (+49 mn yen vs previous period)	9.4% (+1.2% vs previous period)

Results for the Fiscal Period Ended Oct. 2023 (KDO)

(Millions of Yen)

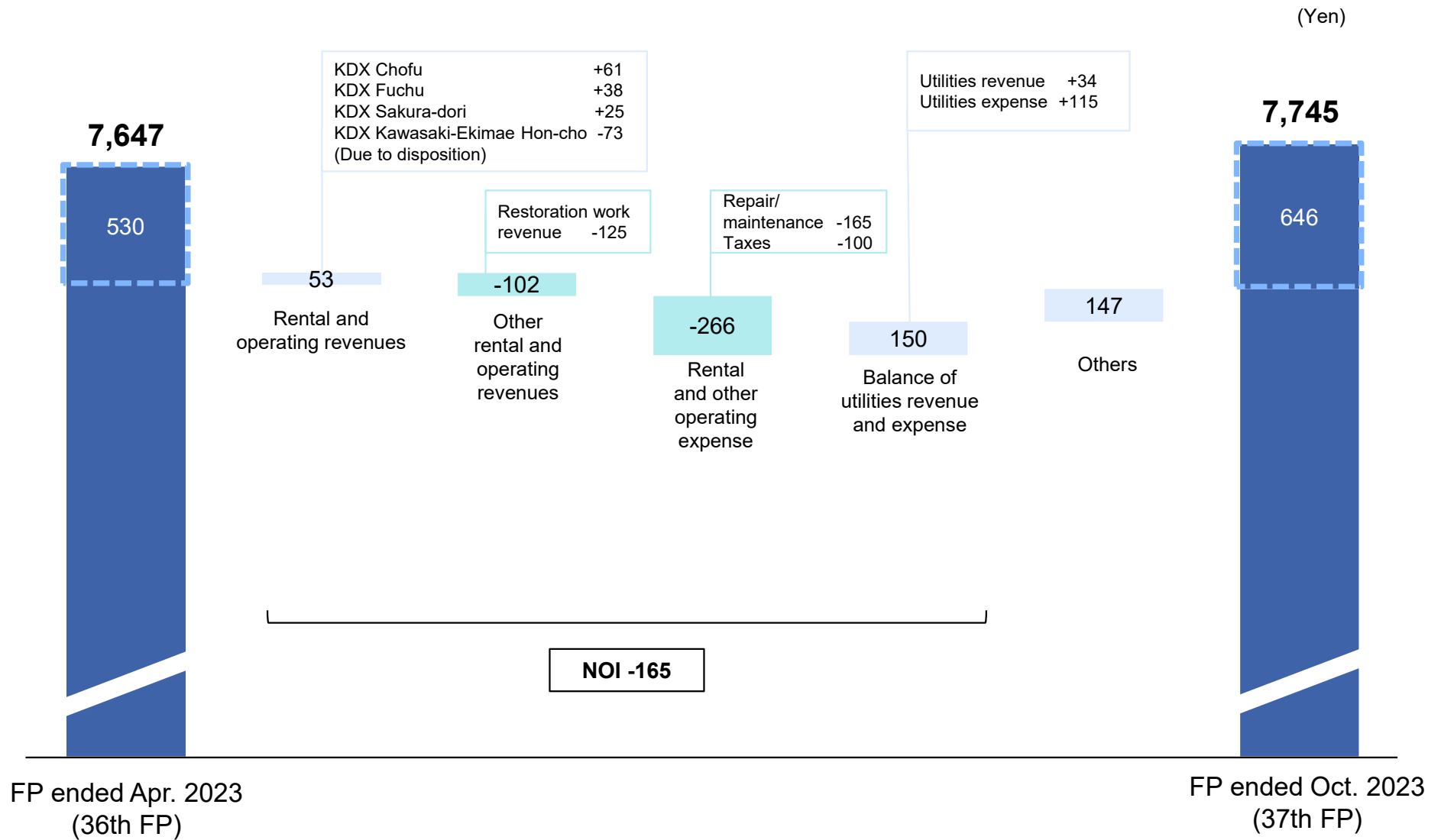
	Apr. 2023 Actual A	Oct. 2023 Forecast B	Oct. 2023 Actual C	Oct. 2023 Period on Period C-A	Oct. 2023 Actual vs Forecast C-B
Operating revenue	17,290	16,600	16,655	-635	54
Rent revenue –real estate	16,072	16,015	16,060	-11	45
Gain on sale of real estate property	1,168	-	-	-1,168	-
Gain on sale of securities	-	545	548	548	2
Dividend income	49	39	46	-2	6
Operating expense	9,132	9,221	9,161	28	-60
Expenses related to rent business (ex. depreciation)	5,176	5,355	5,304	128	-50
Depreciation	2,617	2,581	2,574	-43	-7
General and administrative expenses	1,339	1,284	1,282	-56	-1
Operating income	8,157	7,379	7,494	-663	114
Non-operating income	0	0	0	0	0
Non-operating expense	949	930	922	-27	-8
(Interest expenses, etc.)	892	912	904	12	-7
Ordinary income	7,208	6,449	6,572	-636	123
Net income	7,205	6,448	6,571	-634	123
NOI	10,896	10,660	10,756	-140	96
NOI after depreciation	8,279	8,078	8,182	-97	103
Utilities revenue	1,286	1,323	1,315	29	-7
Utilities expense	1,152	1,500	1,454	-97	-45
Provision (+) / reversal (-) of reserve for reduction entry	+718	-	-	-718	-
Total distributions	6,487	6,448	6,571	83	123
DPU (yen)	7,647	7,600	7,745	98	145
EPU (yen)	8,493	7,600	7,745	-748	145
# of total units outstanding (unit) ⁽¹⁾	848,430	848,430	848,430	-	-

Oct. 2023 FP Actual vs Apr. 2023 FP Actual		
Operating revenues	-635	
Gain on sale	-1,168	Decrease from prev.
Gain on sale (sec.)	+548	50% of TK investment
Rental revenues	+45	Existing properties +107 Disposed properties -62
Utilities revenue	+29	
Restoration work rev.	-106	Disposed properties -96
Other revenues	+16	
Operating expense	+28	
Utilities expense	-97	
Repair/ maintenance	+140	
AM fees	-124	
Other expenses	+110	Merger related +96

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast		
Operating revenues	+54	
Utilities revenue	-7	
Restoration work rev.	+7	
Other revenues	+58	Hall operating revenue +20
Operating expense	-60	
Utilities expense	-45	
Repair/ maintenance	+10	
AM fees	+7	
Other expenses	-31	

Note: KDXR has implemented a 2-on-1 split on Nov. 1, 2023.

Factors Impacting DPU



■ Increased amount due to gain on sale of real estate / gain on sale of securities
 ■ Positive factors
 ■ Negative factors

Note: Although a 2-on-1 unit split was implemented on Nov. 1, 2023, the respective per unit figures for FP ended Oct. 2023 have been calculated based on the amount before the split.

Results for the Fiscal Period Ended Oct. 2023 (KDR)

(Millions of Yen)

	Jul. 2023 Actual (6 months) A	Oct. 2023 Forecast (3 months) B	Oct. 2023 Actual (3 months) C	Oct. 2023 Actual vs Forecast C-B
Operating revenue	10,083	4,975	4,999	24
Rent revenue –real estate	9,378	4,685	4,707	22
Other lease business revenue	704	289	292	2
Gain on sale of real estate property	-	-	-	-
Operating expense	4,860	2,528	2,552	23
Expenses related to rent business (ex. depreciation)	1,943	961	948	-13
Depreciation	1,774	886	928	42
General and administrative expenses	1,143	680	675	-4
Operating income	5,222	2,446	2,446	0
Non-operating income	0	-	0	0
Non-operating expense (Interest expenses, etc.)	720	362	360	-1
	697	351	349	-2
Ordinary income	4,501	2,083	2,086	2
Net income	4,501	2,083	2,086	2
NOI	8,139	4,013	4,051	37
NOI after depreciation	6,365	3,127	3,122	-4
Utilities revenue	66	23	30	7
Utilities expense	131	71	56	-15
RTA compensation (+)	20	10	10	-
Earnings surplus compensation (+)	0	123	119	-3
Total distributions	4,521	2,215	2,215	-
DPU (yen) (Payment upon the Merger)	4,224	2,070	2,070	-
EPU (yen)	4,205	1,946	1,948	2
# of total units outstanding (unit)	1,070,443	1,070,443	1,070,443	-

Payment Upon the Merger

2,070 yen
(Actual vs Forecast ±0 yen)

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast

Operating revenue	+24	
Rent revenues	+22 Existing properties (residential*)	+18
	*Improved average occupancy rate (assumption 96.5%, actual 96.9%)	
Utilities revenue	+7	
Key money	-8 Less new contracts due to less exits (residential)	
Renewal fees	-6	
Other revenues	12 Insurances, etc.	+9
Operating expense	+23	
Utilities expense	-15	
PM fees	-7 Less new contracts due to less exits	
Repair/ maintenance	+15	
Trust fees	-11	
Advertising expenses	-9 Less new contracts due to less exits	
Depreciation	+42	
Other expenses	-16 Merger related	-19

Results for the Fiscal Period Ended Oct. 2023 (KRR)

(Millions of Yen)

	Mar. 2023 Actual (6 months) A	Oct. 2023 Forecast (7 months) B	Oct. 2023 Actual (7 months) C	Oct. 2023 Actual vs Forecast C-B
Operating revenue	9,924	11,969	11,912	-57
Rent revenue –real estate	8,530	10,115	10,139	23
Other lease business revenue	1,394	1,854	1,773	-80
Gain on sale of real estate property	-	-	-	-
Operating expense	5,359	6,616	6,524	-92
Expenses related to rent business (ex. depreciation)	3,093	3,846	3,697	-148
Depreciation	1,351	1,610	1,626	16
General and administrative expenses	913	1,158	1,199	40
Operating income	4,565	5,353	5,388	35
Non-operating income	0	0	1	1
Non-operating expense	640	744	739	-5
(Interest expenses, etc.)	621	722	716	-5
Ordinary income	3,926	4,608	4,650	41
Net income	3,922	4,607	4,646	38
NOI	6,830	8,122	8,214	91
NOI after depreciation	5,479	6,512	6,587	75
Utilities revenue	857	1,198	1,092	-105
Utilities expense	970	1,255	1,094	-160
Total distributions	3,922	4,613	4,646	33
DPU (yen)	6,514	7,660	7,716	56
EPU (yen)	6,513	7,651	7,716	64
# of total units outstanding (unit)	602,177	602,177	602,177	-

Payment Upon the Merger

7,716 yen
(Actual vs Forecast +56 yen)

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast

Operating revenue	-57		
Rent revenue	+23	Sales-linked	+22
Utilities revenue	-105		
Restoration, termination fees, etc.	+25		
Operating expense	-92		
Utilities expense	-160		
Repair/ maintenance	+21		
Taxes	+31		
Depreciation	+16		
Other expenses	+40	Merger related	+42

Note

A modern hotel room with a bed, desk, and view of the Tokyo skyline at night. The room features a large bed with white linens and a dark red blanket. A desk with a laptop and a chair is visible near a window that offers a view of the city skyline, including the Tokyo Tower. The room is illuminated by recessed ceiling lights and a warm ambient glow from the headboard area. A large wall mural of a city skyline is visible on the left wall.

2. Emergence of New REIT

Aim of Merger

1. Sustainable growth driven by expansion of investment universe

- ✓ Increase in acquisition opportunities by expanding the investment universe
- ✓ Flexible portfolio strategy, such as asset reshuffling across different asset types, to enhance profitability

2. Improvement in market presence and stability

- ✓ Significant improvement in the market presence and liquidity, with the enlarged AUM of over 1 tn yen, the third largest among all J-REITs
- ✓ Enhanced stability with more diversified portfolio consisting of 350 properties, the largest number of properties among all J-REITs

3. Further commitment to sustainability

- ✓ Integration and elevation of expertise of the 3 REITs to make the New REIT a leading company in sustainability initiatives
- ✓ Enhancement of governance and promotion of diversity

Outcome of Merger

1. Improvement in market presence and stability

- ✓ Further stabilization of profitability achieved by creating the most diversified portfolio among J-REITs
- ✓ Included to MSCI Global Standard Indexes in Oct. 2023, improving liquidity of investment unit

AUM	No. of Properties
1,151.8 bn yen <small>(No. 3 among J-REIT)⁽¹⁾</small>	350 properties <small>(Most among J-REIT)⁽¹⁾</small>

2. Sustainable growth driven by expansion of investment universe

- ✓ AUM increase of 9.6 billion yen through asset reshuffling with acquisition of properties made available for investment resulting from merger
- ✓ Acquisition of logistics facility and hotel for which continuous demand is expected, as well as residential property expected to bring upside revenue

Acquisition	Disposition
4 properties <small>(Residential, shopping center, logistics, hotel)</small>	2 properties <small>(Office buildings)</small>

3. Stable distribution management with strengthened balance sheet

- ✓ Negative goodwill of 17.2 billion yen retained through the merger, and LTV lowered to 42.5%
- ✓ Secured RTA⁽²⁾ and reserve for reduction entry of 21.3 billion yen, which can be utilize stability of future distributions

RTA and Reserve for Reduction Entry (assumed)	LTV (assumed)
21.3bn yen	42.5%

4. Further commitment to sustainability

- ✓ Implemented asset management fee structure linked to investment unit price performance and the GRESB assessment, which is a major benchmark for sustainability
- ✓ Governance strengthened by four supervisory directors, the most among all J-REITs, and diversity enhanced by increasing the ratio of female board of directors to 40%

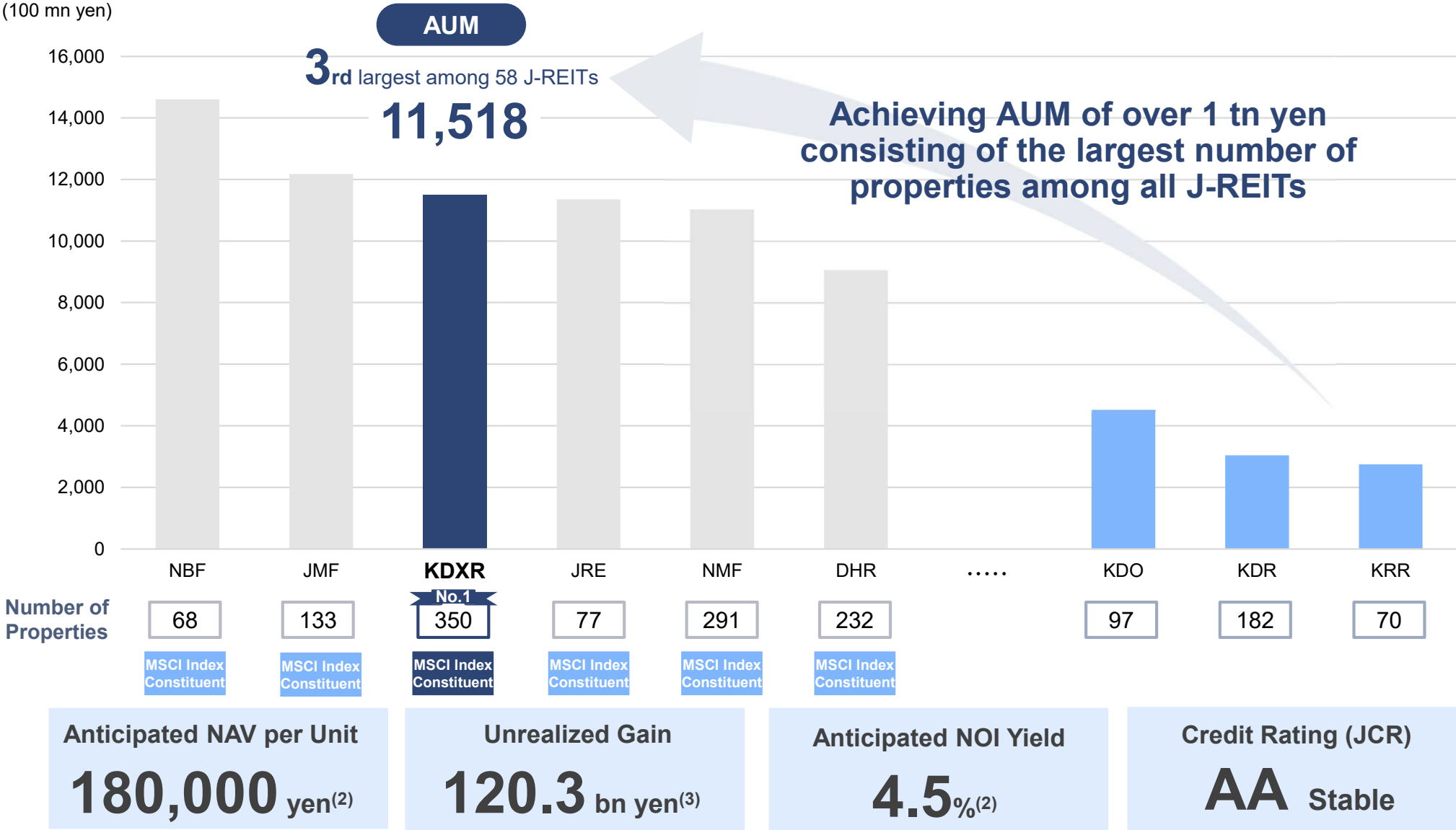
No. of Supervisory Directors	Ratio of Female Board Directors
4 directors	40%

Note 1: As of Dec. 14, 2023

Note 2: RTA stands for reserve for temporary difference adjustment. Please refer to page 19 regarding RTA.

Overview of KDXR

“KDX Realty Investment Corporation (KDXR)” emerged by merging three REITs on Nov. 1, 2023⁽¹⁾



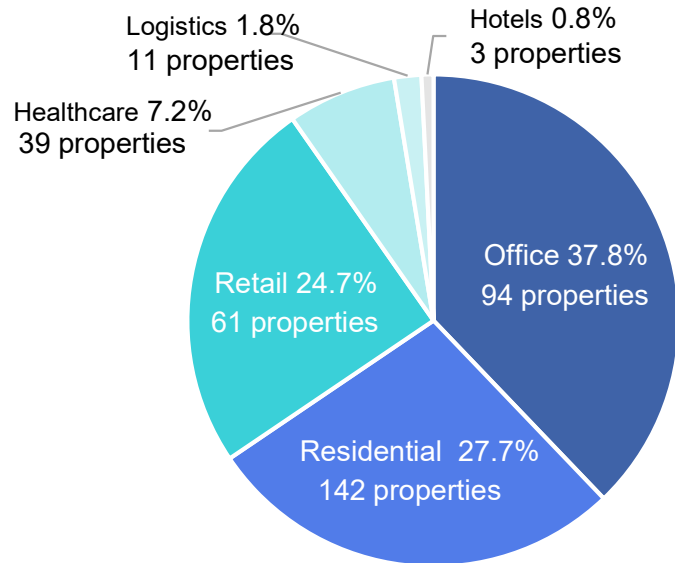
Note 1: AUM and number of properties are as of Nov. 30, 2023. For KDO, KDR and KRR, the figures are as of the announcement of the merger.

Note 2: Anticipated NAV per unit is as of Nov. 1, 2023. Anticipated NOI yield is calculated based on actual NOI of existing properties as of Oct. 31, 2023 and assumed NOI for properties acquired on Nov. 1, 2023.

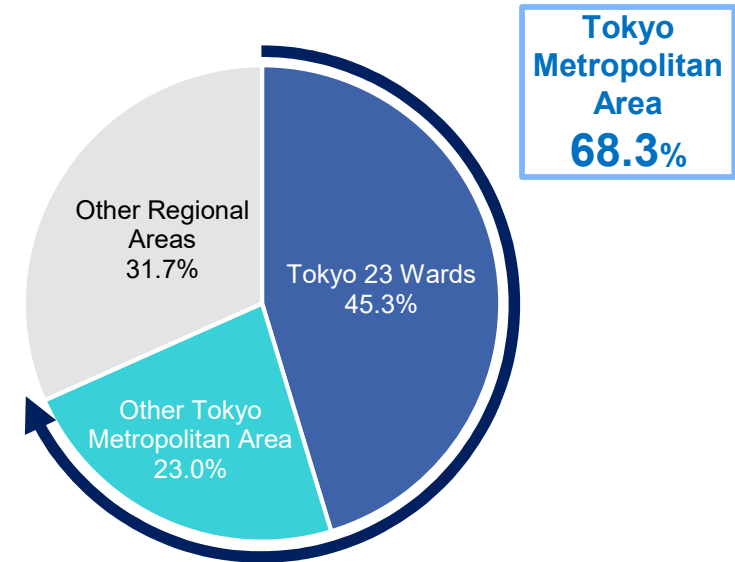
Note 3: Calculated by subtracting the total book values of the properties owned by KDO as of Oct. 31, 2023 from the total appraisal values.

Portfolio Diversification

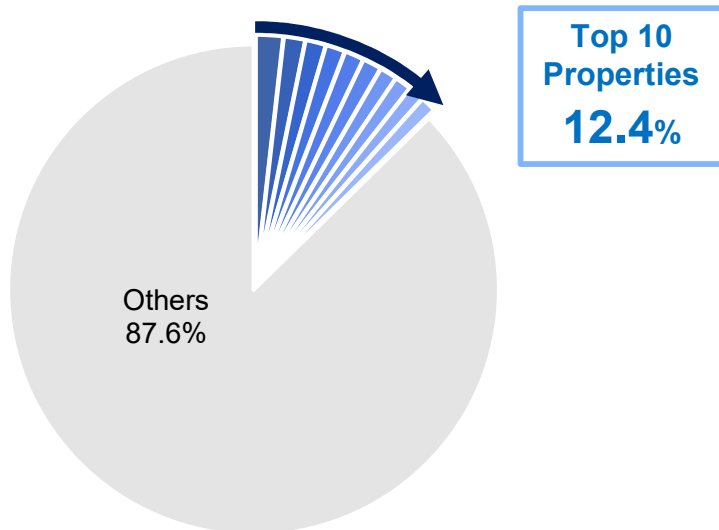
By Asset Types (based on acquisition price)



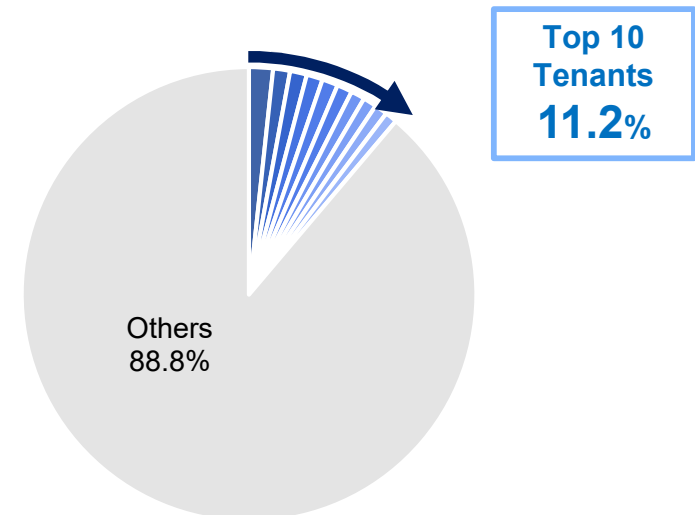
By Area (based on acquisition price)



Top 10 Properties (based on acquisition price)



Top 10 Tenants (based on rents)



Note: As of Nov. 1, 2023. "Top 10 Tenants" is calculated based on the actual results for the past one year for the properties owned as of the end of Oct. 2023, and based on the forecasted figures for the three properties acquired on Nov. 1, 2023.

Note



3. Forecasts for the Fiscal Periods Ending Apr. / Oct. 2024

Forecasts for the Fiscal Periods Ending Apr. and Oct. 2024 (KDXR)

(Millions of Yen)

	Apr. 2024 Forecast A	Oct. 2024 Forecast B	Apr. 2024 Forecast vs Oct. 2024 Forecast B-A
Operating revenue	38,232	36,210	-2,022
Rent revenue –real estate	36,171	36,210	38
Gain on sale of real estate property	1,505	-	-1,505
Gain on sale of securities	548	-	-548
Dividend income	6	-	-6
Operating expense	21,483	19,032	-2,451
Expenses related to rent business (ex. depreciation)	10,295	10,733	437
Depreciation	4,683	4,736	52
General and administrative expenses	6,504	3,562	-2,941
Operating income	16,748	17,177	429
Non-operating income	0	0	0
Non-operating expense (Interest expenses, etc.)	2,225 2,218	2,201 2,195	-24 -23
Ordinary income	14,523	14,976	453
Extraordinary income (Gain on negative goodwill)	17,271	-	-17,271
Extraordinary loss	-	-	-
Net income	31,794	14,976	-16,817
Net income (excl. extraordinary income)	14,522	14,976	453
NOI	25,876	25,476	-399
NOI after depreciation	21,192	20,740	451
Utilities revenue	2,049	2,486	437
Utilities expense	2,325	2,732	406
Provision (+) / reversal (-) of reserve for reduction entry ⁽¹⁾	16,050	-767	-16,817
Total distributions	15,743	15,743	-
DPU (yen)	3,800	3,800	-
EPU (yen)⁽²⁾	3,505	3,615	110
# of total units outstanding (unit)	4,142,897	4,142,897	-

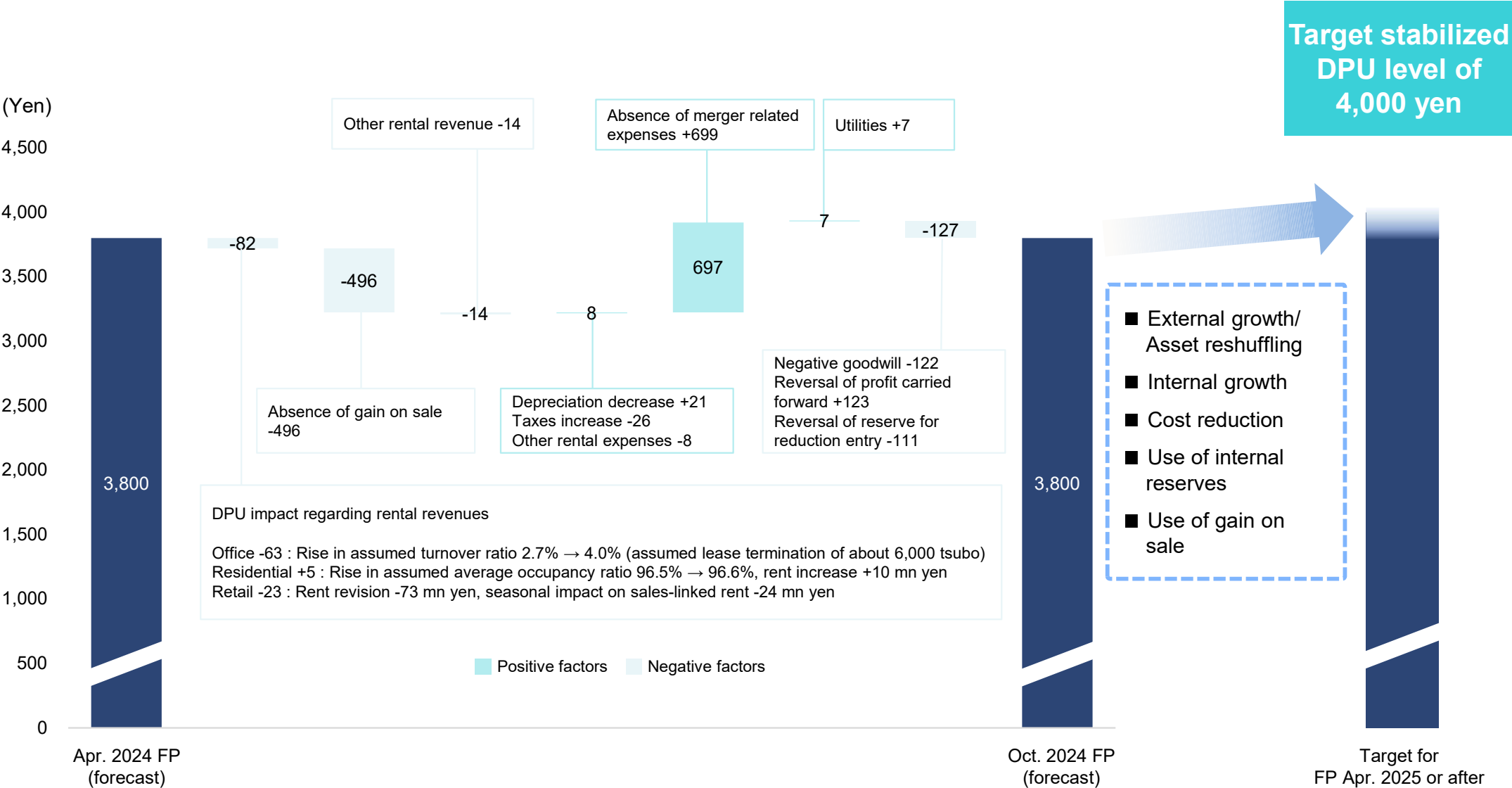
Apr. 2024 FP Forecast vs Oct. 2024 FP Forecast			
Operating revenue	-2,022		
Rental revenues	-339	Office: Rise in turnover ratio	-264
		Residential: Partial rise in rent	+22
		Retail: Rent revision, seasonal impact	-97
Utilities revenue	+437		
Gain on sale	-1,505	Decrease from prev. FP	
Gain on sale (sec.)	-548	Decrease from prev. FP	
Operating expense	-2,451		
Utilities expense	+406		
Repair/ maintenance	-87		
Taxes	+109		
AM fees	+530		
Other expenses	-593	Decrease of merger-related expense	-466
Merger fee	-2,900	Decrease from prev. FP	
Extraordinary income	-17,271	Decrease of gain on negative goodwill	

(Reference) Construction budget for the entire portfolio in Apr. 2024 FP
 Depreciation: 4,683 mn yen, Capital expenditure: 3,617 mn yen,
 Repair/maintenance: 1,036 mn yen

Note 1: Retained earnings include RTA and reserve for reduction entry.

Note 2: Calculated by dividing net income (excl. extraordinary income) by number of total units outstanding.

DPU Management



DPU Management

Stabilizing DPU management with 16.6 bn yen RTA and 4.7 bn yen reserve for reduction entry

Gain on Negative Goodwill due to the Merger

Received Assets (market value) 736.8 bn yen	Assumed Liabilities (market value) 334.0 bn yen
	Merger Consideration 385.4 bn yen
	Negative Goodwill 17.2 bn yen

Impact on BS	<ul style="list-style-type: none"> Allocate about 600 mn yen from the gain on negative goodwill for DPU of 1st FP after the merger. Reserve the remaining amount as reserve for temporary difference adjustment (RTA) on net assets
Impact on DPU	<ul style="list-style-type: none"> Allocate at least 1% of RTA for DPU each FP Utilize RTA flexibly as source of distributions added to net income

RTA
16.6 bn yen (4,006 yen/unit)

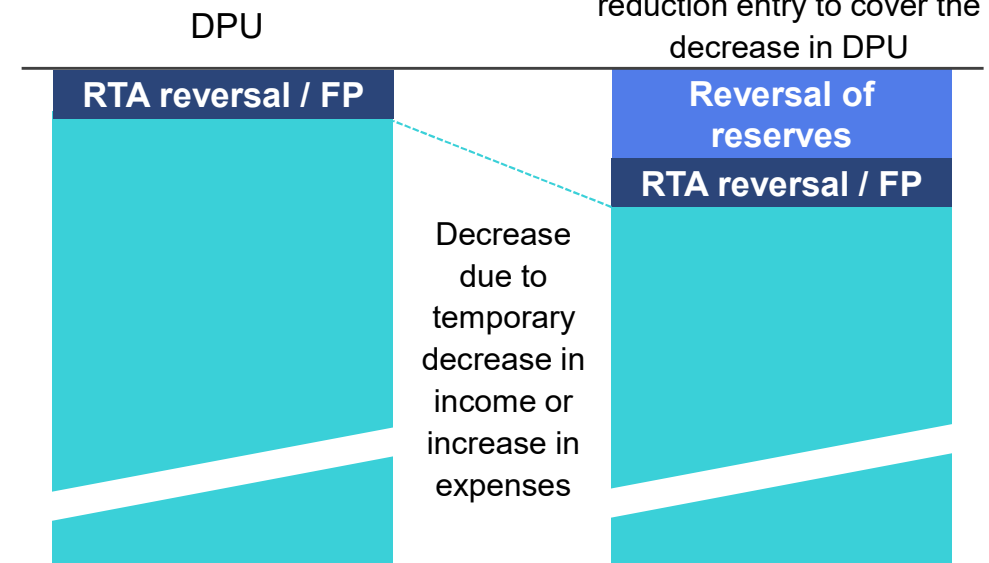
Reversal Each FP
40 yen/unit

Balance of Reserve for Reduction Entry

- ✓ Flexibly utilize the reserves derived from gains on sale

FP Apr. 2024 (assumed)
4.7 bn yen (1,158 yen/unit)

Utilize RTA and reserve for reduction entry to cover the decrease in DPU



Note: The figures above are assumptions as of the date of this material and may change.



4. External Growth and Asset Reshuffling

Sustainable Growth Driven by Expansion of Investment Universe

Achieved DPU growth through asset reshuffling with acquisition of properties which became investable through the merger

Asset Reshuffling announced with the Merger

Properties Acquired (Total Acquisition Price: 19,664 mn yen)



River City 21 East Towers II (25% quasi co-ownership interest)



remm roppongi building (20% quasi co-ownership interest)



Akishima Distribution Center (Land)



York Mart Higashi-Michinobe

Date of Acquisition	Nov. 1, 2023 (Apr. 2024 FP)		Sep. 25, 2023 (Oct. 2024 FP)	
Acquisition Price	9,232 mn yen	3,960 mn yen	1,872 mn yen	4,600 mn yen
Sector	Residential	Hotels	Logistics	Retail
Location	Chuo Ward, Tokyo	Minato Ward, Tokyo	Akishima, Tokyo	Kamagaya, Chiba
Appraisal Value ⁽¹⁾	10,775 mn yen	4,060 mn yen	2,320 mn yen	4,620 mn yen

Properties Disposed of (Total Disposal Price: 9,930 mn yen)



Harajuku F.F. Building



KDX Nagoya Sakae Building

Disposal Date	Nov. 1, 2023 (Apr. 2024 FP)	
Disposition Price	3,880 mn yen	6,050 mn yen
Sector	Office	
Location	Shibuya, Tokyo	Nagoya, Aichi
Appraisal Value	3,880 mn yen	5,740 mn yen
Gain on sales (estimated)	1,388 mn yen	117 mn yen

Sale of Silent Partnership Interest



Shinjuku Sanei Building

	KRF43 silent partnership equity interest (50.0%)
Disposal date	Dec. 20, 2023 (Apr. 2024 FP)
Price	1,150 mn yen
Underlying assets	Office (Shinjuku Sanei Building (Trust beneficiary interest))
Location	Shinjuku Ward, Tokyo
Est. profit on sales	548 mn yen

FP Ending Apr. 2024
Contribution to DPU ⁽²⁾

495 yen/unit

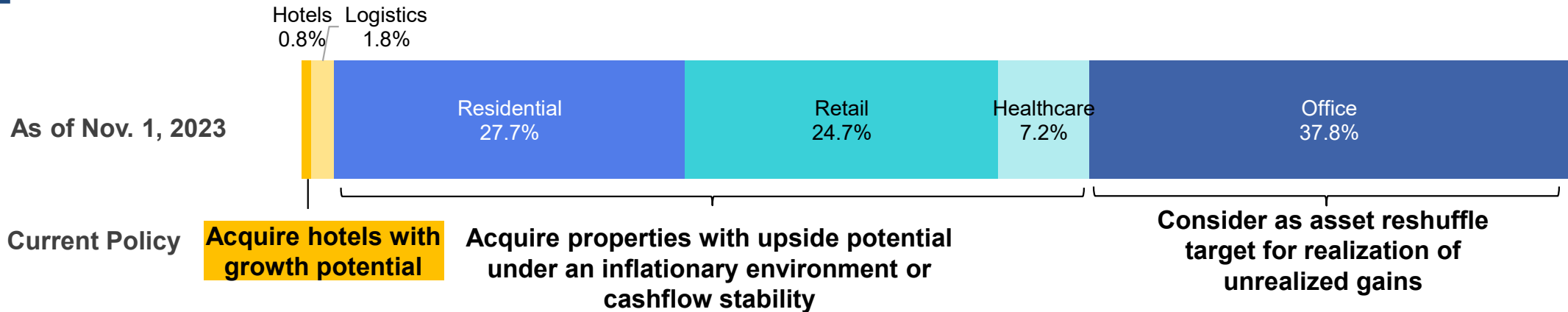
Note 1: As of Oct. 31, 2023.

Note 2: Calculated by dividing the total gain on sales of real estate and gain on sales of securities by the assumed number of investment units issued and outstanding at the end of the fiscal period ending Apr. 2024.

External Growth (Pipeline)

Build up the pipeline and achieve external growth at an early stage with more focus on hotels

Asset Allocation



Pipeline

23 properties Over **90**bn yen
(added 2 properties worth 10 bn yen since previous announcement)

Hotels
3 properties



Shin-Osaka Esaka Tokyu REI Hotel



remm roppongi building (80% quasi co-ownership interest)



Okinawa Prince Hotel Ocean View Ginowan

Logistics
8 properties



Logistics facility in Ebina City

Residential
2 properties



Nakamarucho Project



Higashi Yukigaya Residence

Retail
5 properties



Inageya Shinyuri Yonetty Ozenji-mae

Healthcare
5 properties



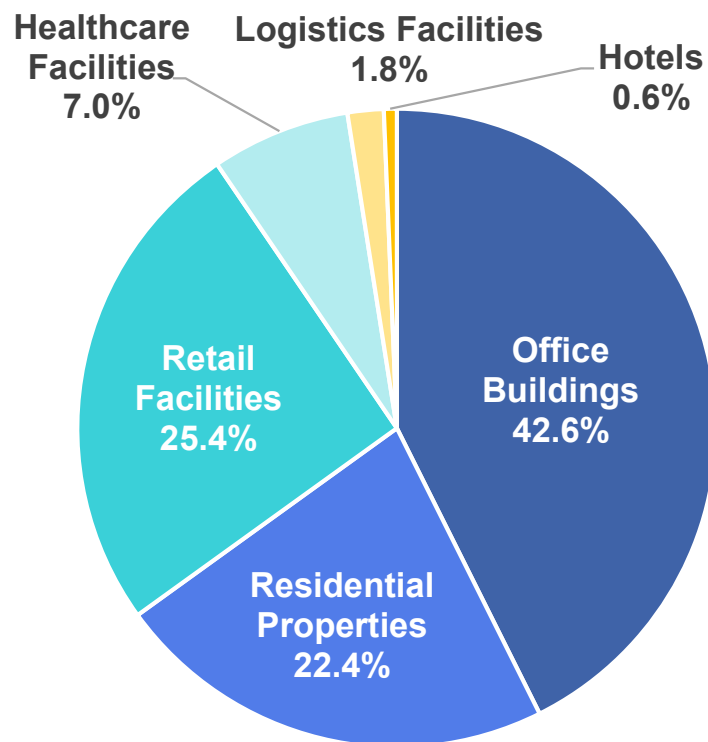
5. Internal Growth

Summary of Internal Growth

Status of Internal Growth by Asset Type

Rent Revenue by Asset Type⁽¹⁾

Percentage of rent composition by asset type ⁽¹⁾



Office Buildings

27,210 mn yen

- Occupancy rate is improving. Attempting to backfill vacant properties as soon as possible through flexible leasing strategies
- Monthly rent for existing tenants increased as a result of persistent rent negotiations



Residential Properties

14,326 mn yen

- Family types are robust with soaring condominium prices
- As more people return to Tokyo, new leases are increasing mainly in the Tokyo metropolitan area. Pursuing further rent increases for single type properties as well



Retail Facilities

16,239 mn yen

- Increase in sales-linked rent by successfully capturing post-pandemic demand
- Aim to capture further upsides by counteracting inflation with contracts linked to CPI/interest and active asset management through use of underutilized spaces



Healthcare Facilities

4,492 mn yen

- Stable management with long fixed rents
- Increase rent through renovations, etc.



Logistics Facilities

1,167 mn yen

- Stable management with fixed rents
- Pursue upside with rent increase at rent renewal and implementation of CPI/interest linked contracts



Hotels

411 mn yen

- Both occupancy rate and ADR are rising steadily by capturing inbound demand
- Unpaid rent during the pandemic have been resolved

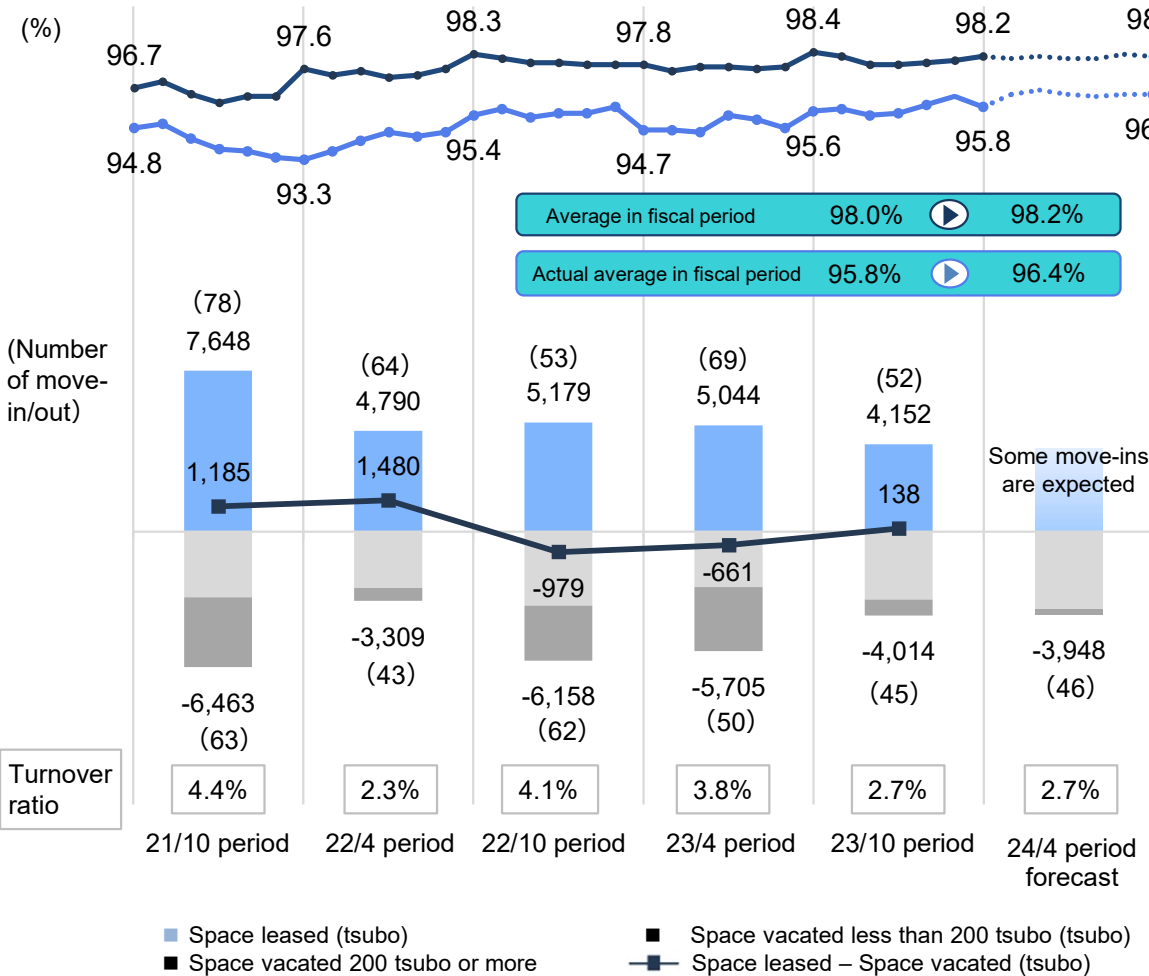
Note: For the owned properties as of Oct. 31, 2023 (excluding Harjauku F.F. Building and KDX Nagoya Sakae Building), the figures are calculated by the actual revenue from Nov. 30, 2022 to Oct. 31, 2023., and for the properties acquired on Nov. 1, 2023, the figures are based on the assumptions. Asset types are based on our classifications as of Oct. 31, 2023.



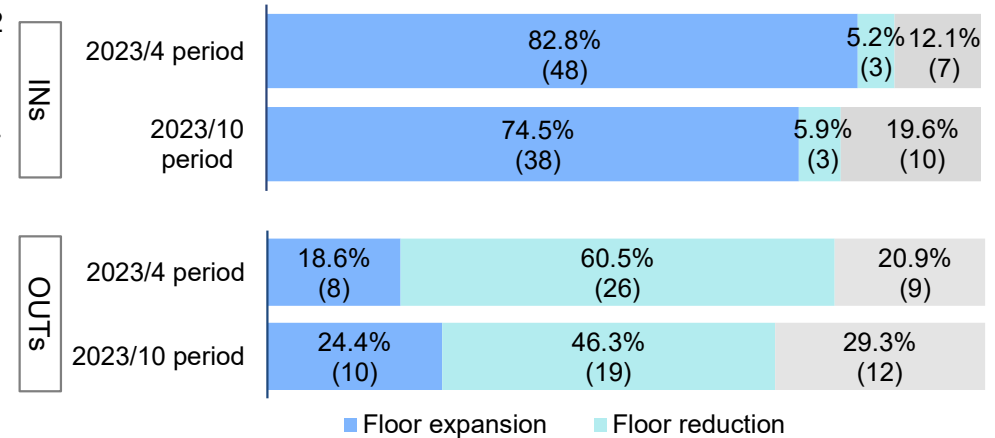
Performance (Office Occupancy Rate)

Rents continued to increase on a net basis while maintaining a high occupancy rate due to persistent negotiations

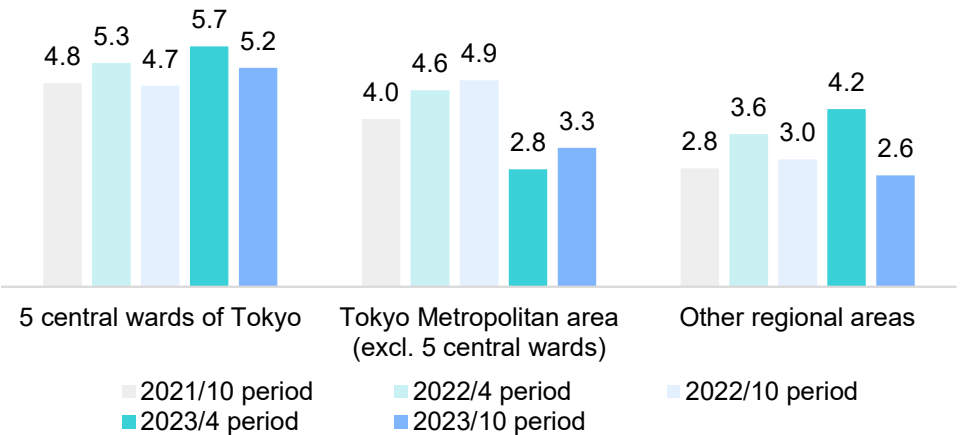
Occupancy Rate, Area and Number of Move-ins/outs and Turnover Ratio (1)



Reasons for Move-ins/outs



Free Rent Period (months)



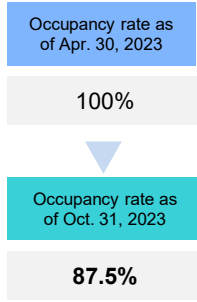
Note: Occupancy rate (contracted area based) is calculated by dividing leased area (contract based) by leasable area, and actual occupancy rate (excl. free rent area) is calculated by subtracting free rent area from leased area then dividing by leasable area. The figures are rounded to the first decimal place. The leased area and number of move-ins/outs are calculated based on the floor. In case that an end-tenant move-out from/move-in to multiple floors, the number is counted by floor. The turnover ratio is the figure calculated by dividing the total leased area for tenants who cancelled their lease contracts in each fiscal period by the average of the total leasable area of all office buildings owned by the Investment Corporation as of the end of each month and rounded to the first decimal place. Turnover ratio for 23/10 FP is the estimate based on the cancellation notice, etc. received by April 30, 2023.



Performance (Leasing Focus Office Buildings)

Fiscal Period ended Oct. 2023

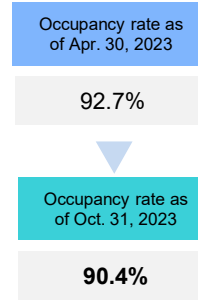
KDX Nihonbashi 216 Building



Percentage of the portfolio
0.2%

- Occupancy rate was expected to decline to 75.0% due to cancellations in Apr. and Jul. 2023 totaling two floors
- Occupancy rate recovered to 87.5% after one of the floors was filled in Aug. The remaining floor's new lease is also expected to begin in Jan. 2024, bringing the occupancy rate up to 100%

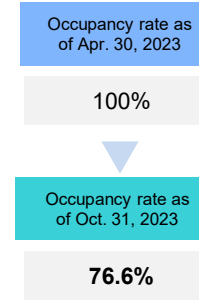
KDX Mita Building



Percentage of the portfolio
0.3%

- Occupancy rate was expected to decline to 55.4% due to cancellations of five floors in Oct. 2023
- After focusing on leasing activities, four of the floors were filled and occupancy rate recovered to 90.4%

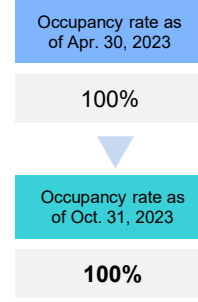
KDX Higashi-Shinagawa Building



Percentage of the portfolio
0.4%

- Occupancy rate was expected to decline to 69.0% due to cancellation of three floors in May 2023
- Occupancy rate recovered to 76.6% in Jun. 2023 with one floor filled back. Applications have been received for the remaining floors, and occupancy rate is expected to be 100% by Feb. 2024

KDX Sapporo Kitaguchi Building

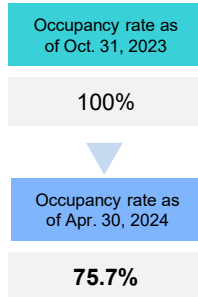


Percentage of the portfolio
0.2%

- Occupancy rate was expected to decline to 72.1% due to cancellations in May and Sep. 2023 totaling two floors
- All floors were immediately filled thanks to the favorable market environment, making the occupancy rate 100%. NOI improved due to new leases being set at a higher rent than vacating tenants

Fiscal Period ending April 2024

KDX Yokohama Nishiguchi Building

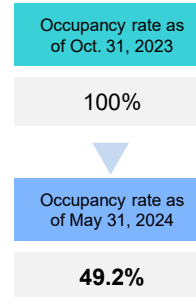


Percentage of the portfolio
0.2%

(Vacant: 367 tsubo)

- Occupancy rate is expected to decline to 75.7% due to the cancellation of two floors in Mar. 2024.
- The vacancy rate in the area around Yokohama Station is just above 3% in recent months, indicating steady tenant demand. Will attempt to fill vacancies early through leasing activities that cater to the needs of tenants, such as subdividing the floors

KDX Okachimachi Building

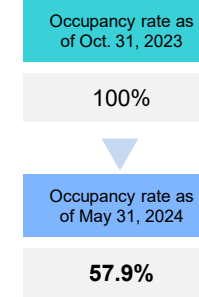


Percentage of the portfolio
0.2%

(Vacant: 275 tsubo)

- Occupancy rate was expected to decline to 38.9% due to the cancellation of five floors in Apr. 2024, but two floors are now expected to be filled, and the occupancy rate is set to recover to 59.6%.
- Will attempt to fill the vacancies early through leasing activities promoting the traffic accessibility of the Ueno/Okachimachi area and the building's visibility.

KDX Nishi-Shinbashi Building



Percentage of the portfolio
0.7%

(Vacant: 729 tsubo)

- Occupancy rate is expected to decline to 57.9% due to the cancellation of four floors in Apr. 2024.
- Will attempt to fill the vacancies early by promoting the relatively cheap rent levels to the large tenant pool in the Shinbashi and Toranomon areas.

Note 1: Future occupancy rates are calculated by reflecting existing tenants who have submitted a termination notice, and new tenants who have signed a lease agreement, as of Nov. 30, 2023 (rounded to second decimal places).

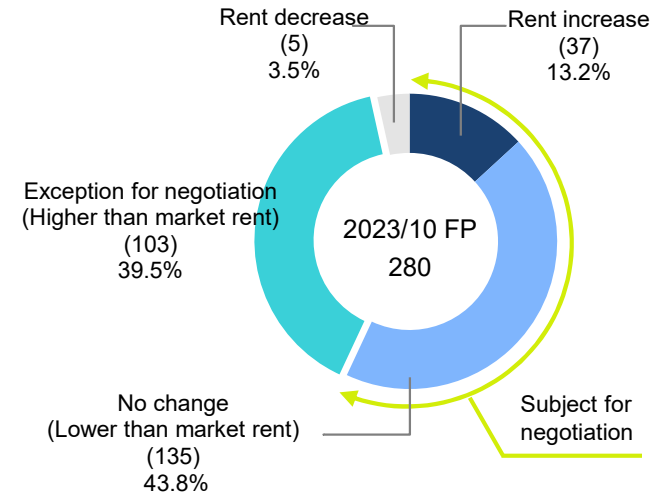
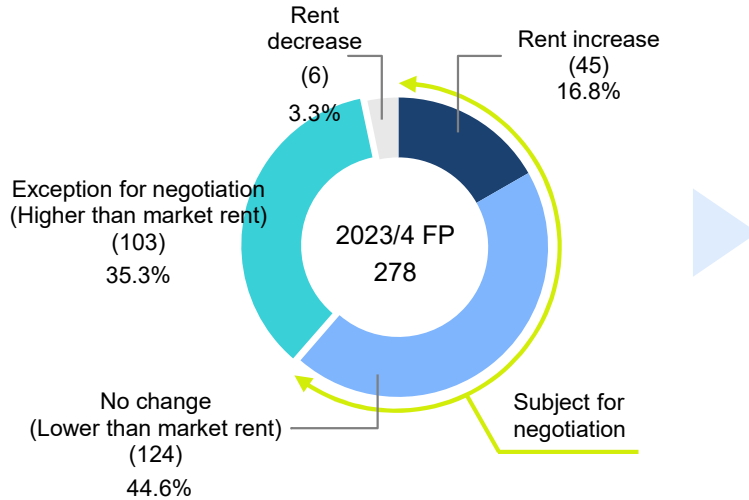
Note 2: Percentage of the portfolio is calculated by dividing rentable area of each property by rentable area of KDXR properties as of Nov. 1, 2023, rounded to the first decimal place.



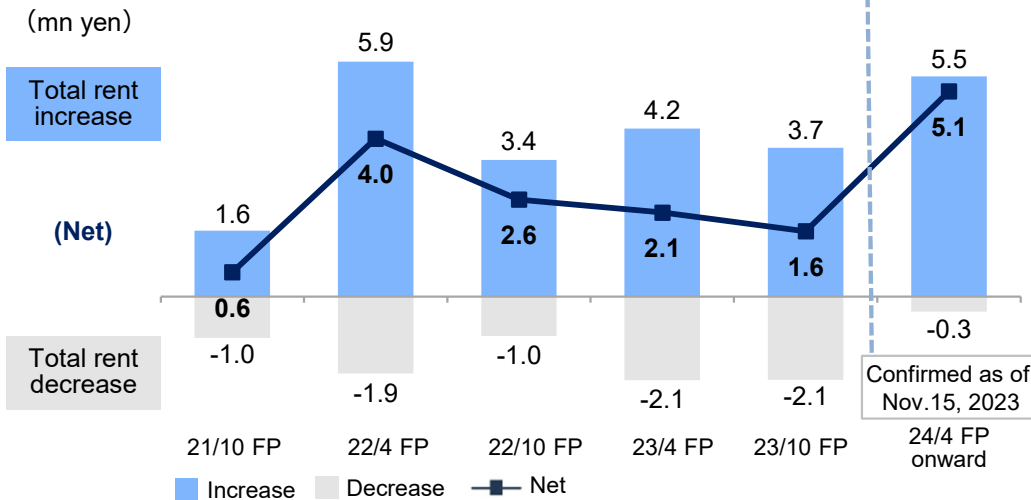
Performance (Rent Revisions in Office Buildings)

Retained net increase for monthly rent through diligent negotiations

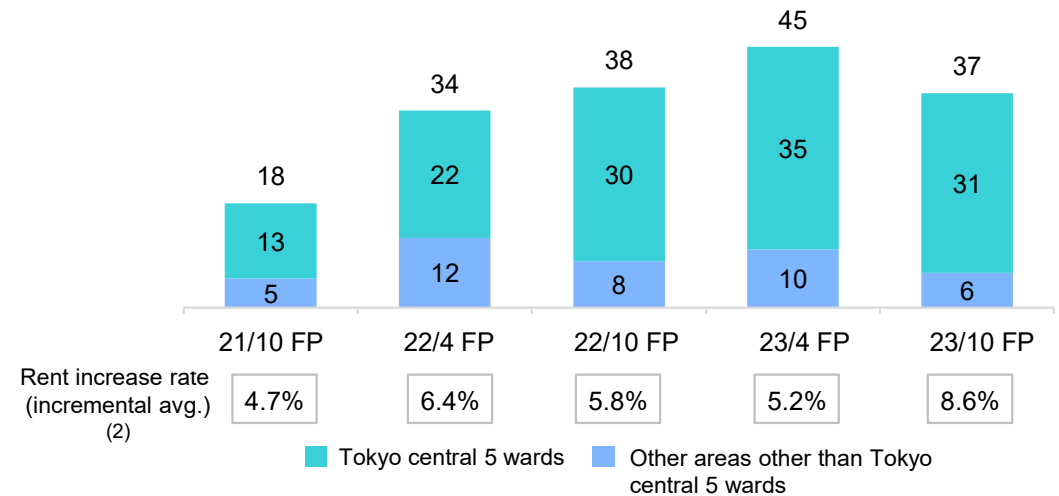
Rent Revisions (Rent area ratio)⁽¹⁾



Change in Monthly Rents at the Time of Replacement of Tenants upon Rent Revisions of Existing Tenants



Number of Rent Increases and Rent Increase Rate



Note 1: "Market rent" referred in the graphs is a new contracted rent (standard floor) for each property estimated by CBRE as of the end of each FP.

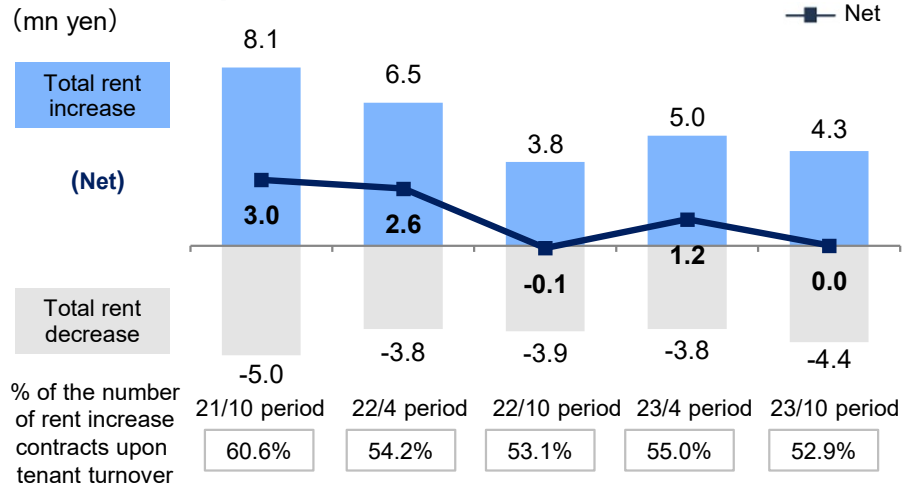
Note 2: Calculated by dividing the sum of monthly rent increase by the sum of monthly rent before revision (rounded to the first decimal place).



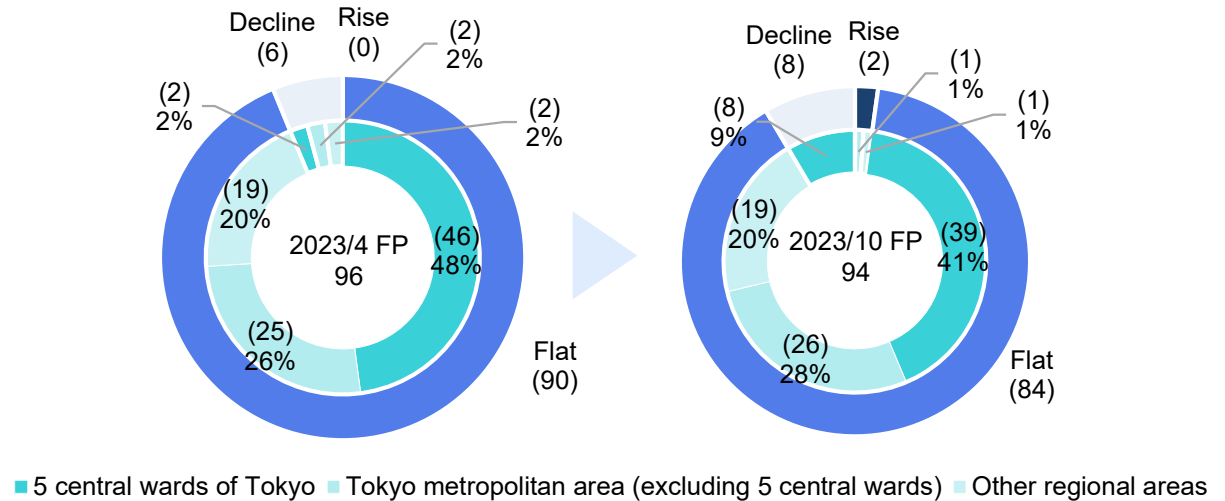
Performance (Rent Gap in Office Buildings)

Net rent increases are unchanged for tenant reshuffle; rent gap is narrowing

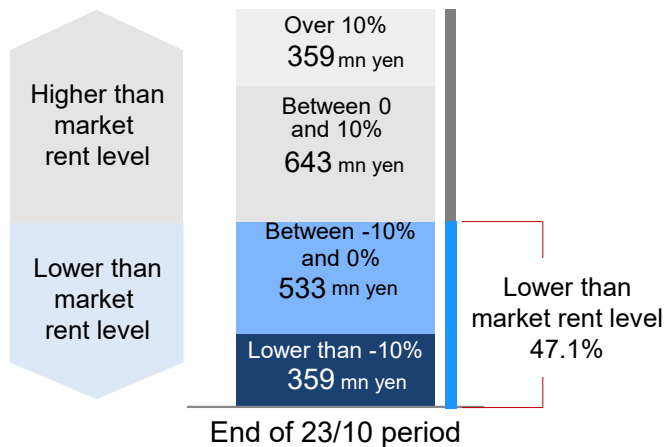
Change in Monthly Rents at the Time of Replacement of Tenants upon Tenant Turnover (1)



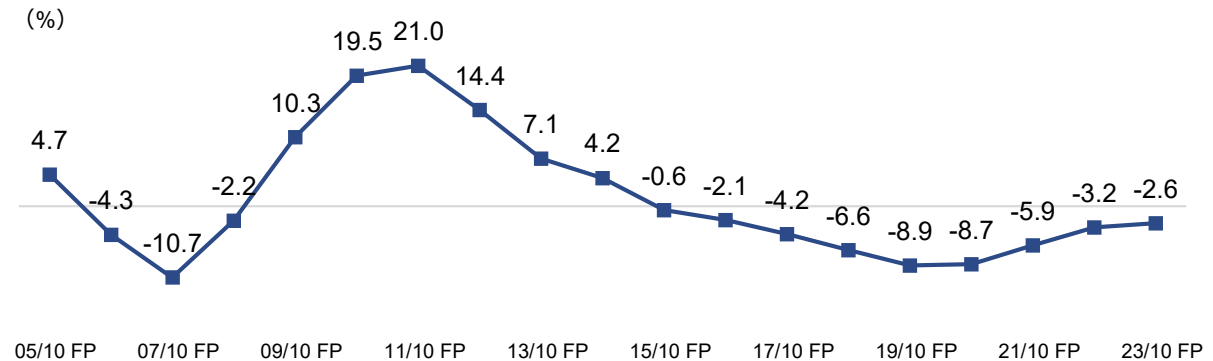
Change in Market Rent of Owned Properties (2)



Breakdown of Rent gap (based on monthly rent) (3)



Historical Average Rent Gap (4)



Note1: The increase/decrease in the monthly rent and unit rent and others are calculated for each occupied floor where the new rent and the previous tenant rent can be compared.

Note2: Trends in market rents from the previous fiscal period are shown by trend and by region for the office buildings owned as of the end of 23/10 FP.

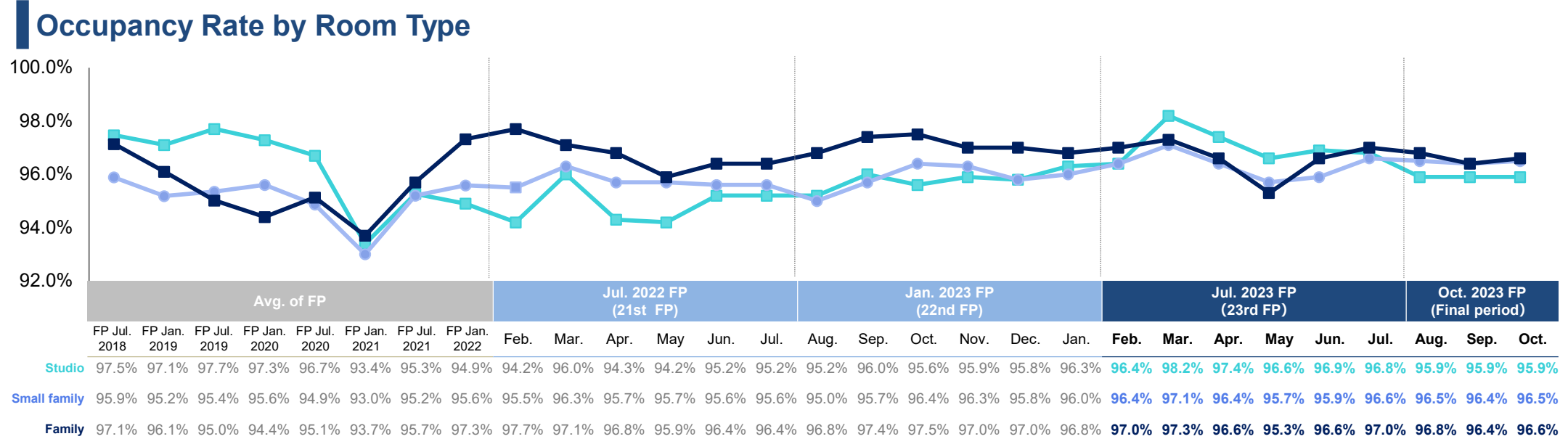
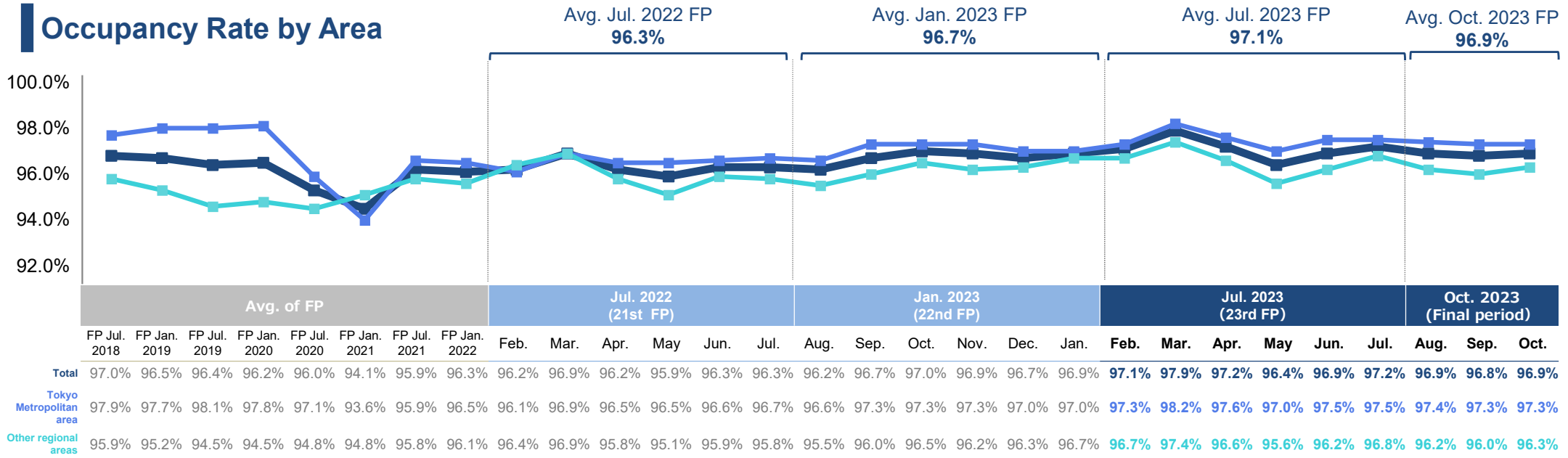
Note3: A new contracted rent (standard floor) for each property estimated by CBRE as of the end of 23/10 FP is deemed the market rent; the gap between the contracted rent for each tenant as of the end of the FP and the market rent is recognized as a rent gap. No gap is classified into "Between 0% and +10%". Harajuku FF Building and KDX Nagoya Sakae Building, which were sold on Nov. 1, 2023, are excluded from the calculation as of the end of the 23/10 FP. The same applies hereinafter.

Note4: Calculated as the weighted average, based on leasable floor area, of the gap rate between the average contracted rent of the standard floor for the office buildings owned as of the end of each fiscal period and the market rent for each property estimated by CBRE at the time of assessment.



Performance (Residential Properties Occupancy Rate)

Occupancy rates remained steady, contributing to stable cashflow



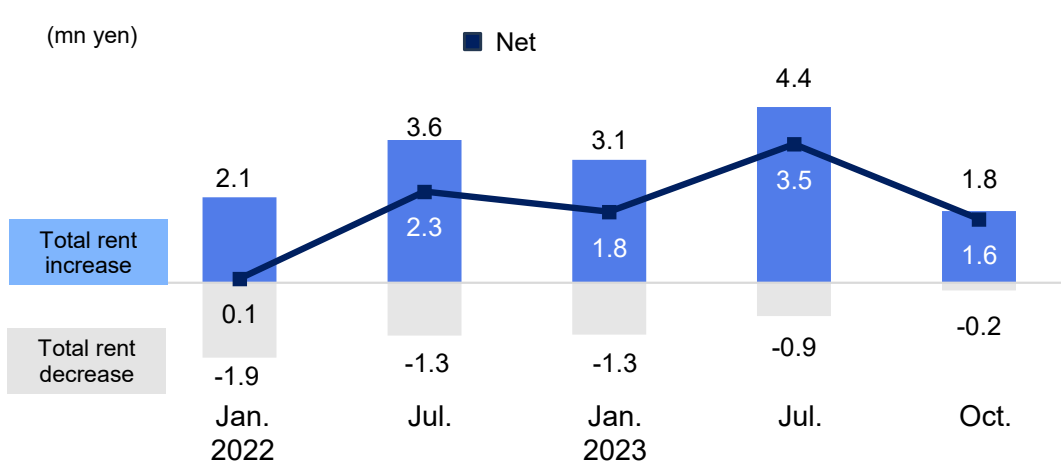
Note: Occupancy by area include those from retail stores and offices. Occupancy rates by room type are calculated based on residential units of pass-through lease contracts (excluding wholesale lease contracts).



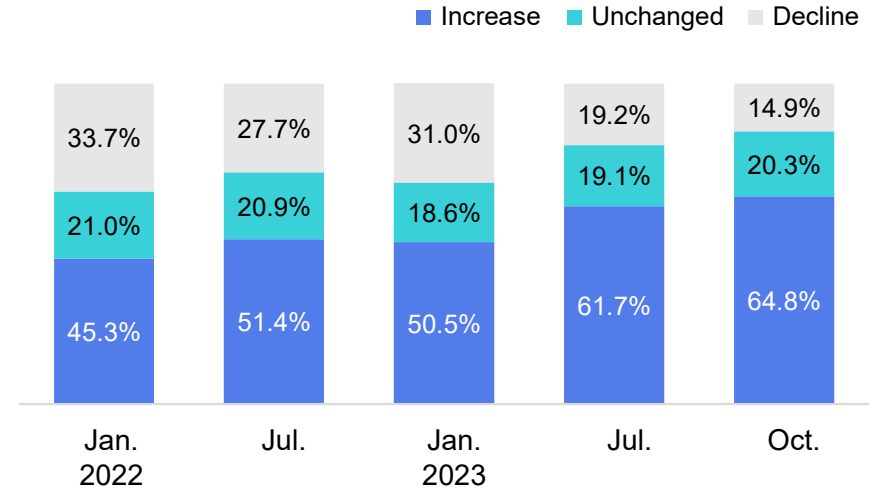
Performance (New Leases in Residential Properties)

Achieved rent growth for new leases on the back of high occupancy rate, leading to increase in revenues

Rent Change in New Leases (monthly rent basis)

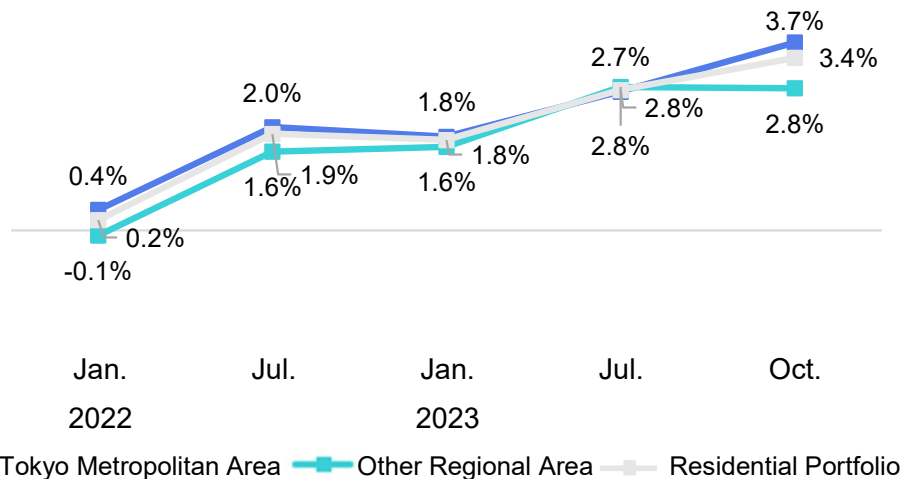


Rent Change in New Leases (monthly unit basis)

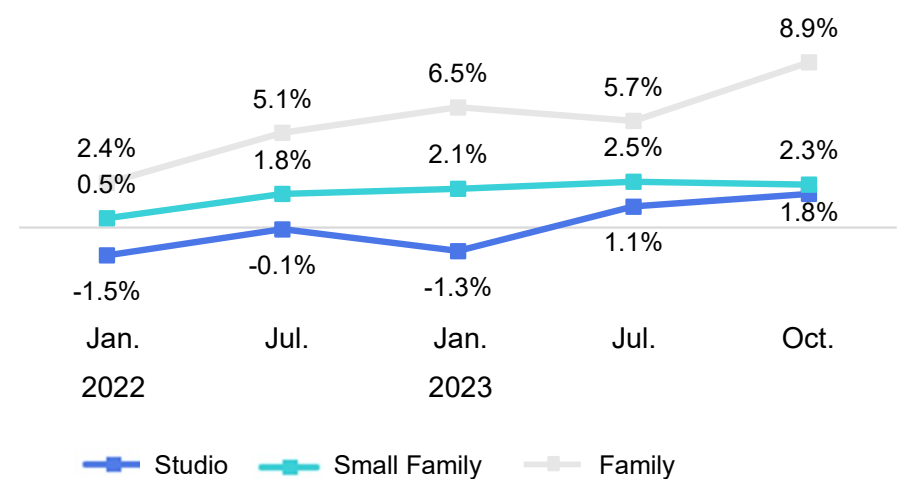


Rents for New Leases ⁽¹⁾

by Area (monthly basis)



by Room Type (monthly basis)



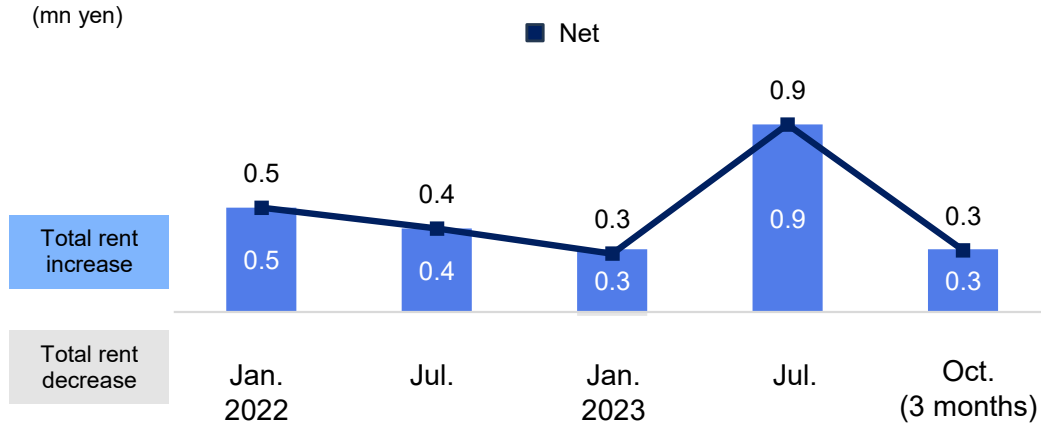
Note : "Rents for New Leases" = Total Amount of Increase / Decline of rent of new tenants / Total amount of rent before revisions



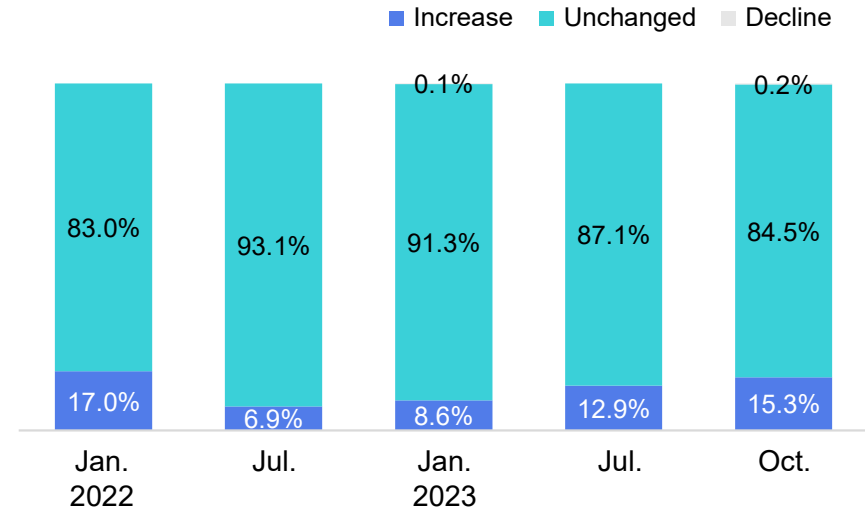
Performance (Rent Renewals in Residential Properties)

Solid family type and recovering studio type

Rent Change in Renewals (monthly rent basis)

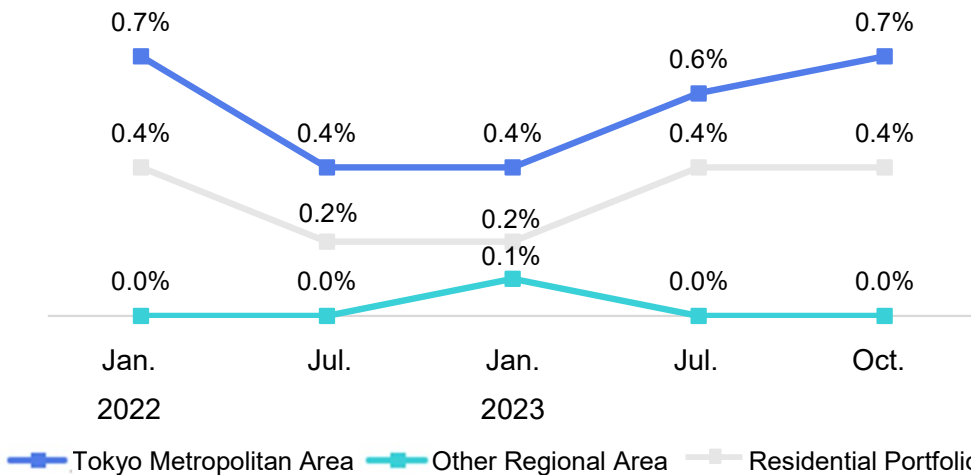


Rent Change in Renewals (monthly unit basis)

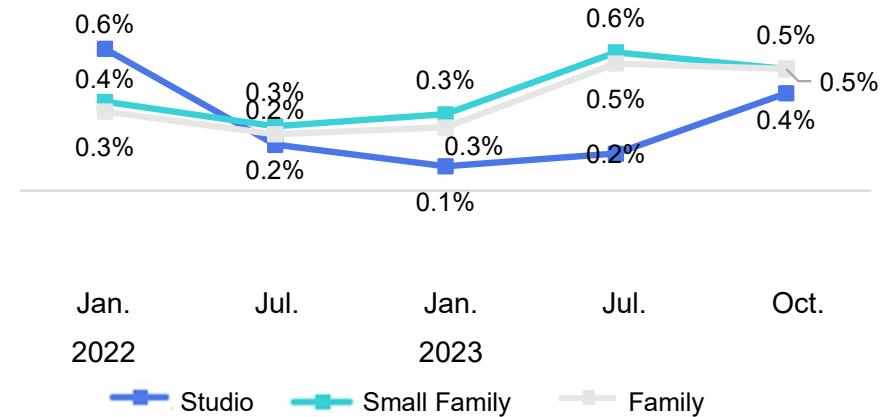


Rents for Renewals⁽¹⁾

by Area (monthly basis)



by Room Type (monthly basis)



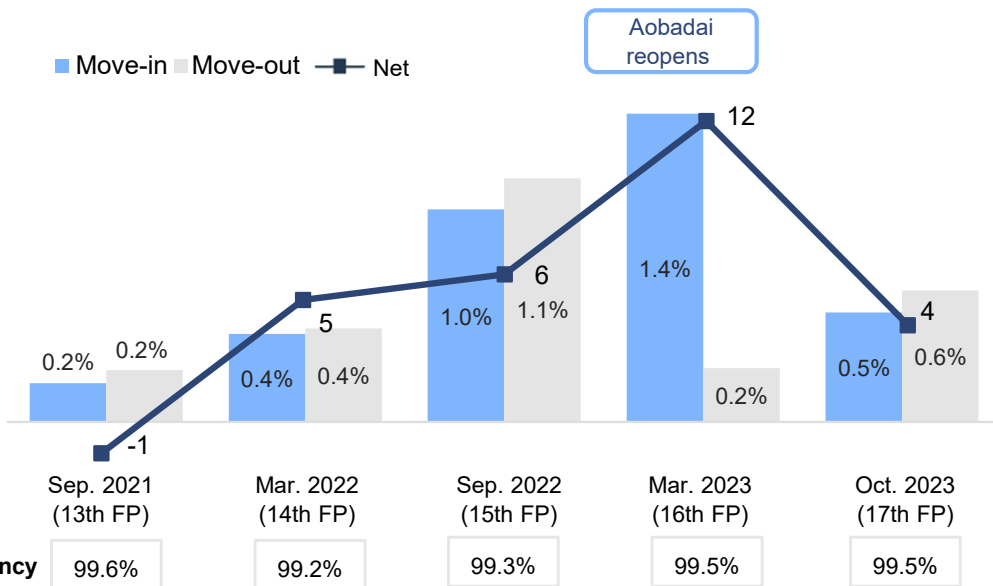
Note: "Rents for renewals" = Total Amount of rent change of renewal tenants / Total amount of rent before revisions



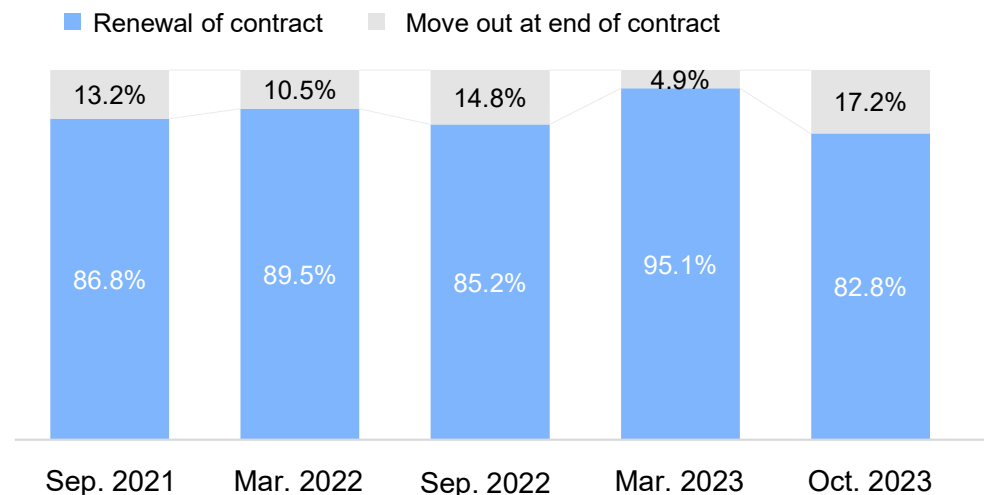
Performance (Retail Properties)

Net increase in monthly new rents and renewals turned positive for the first time in two years

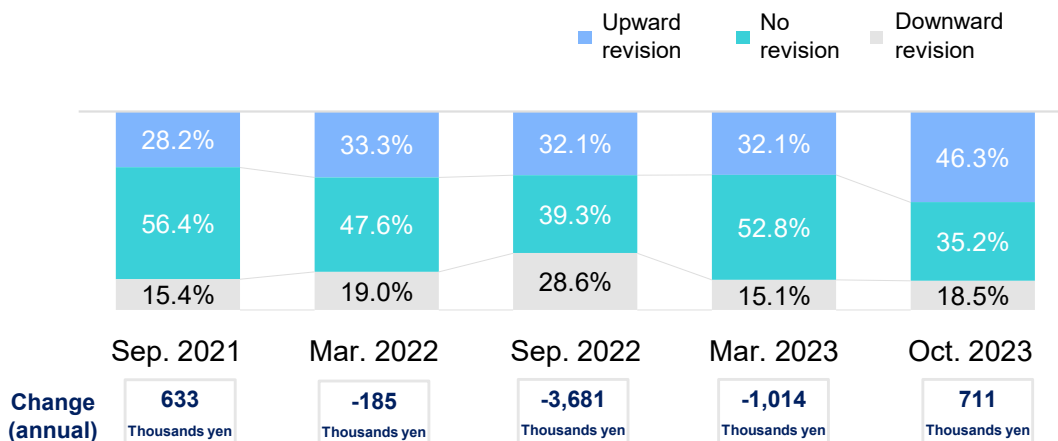
Tenant Move-in and Move-out (1)



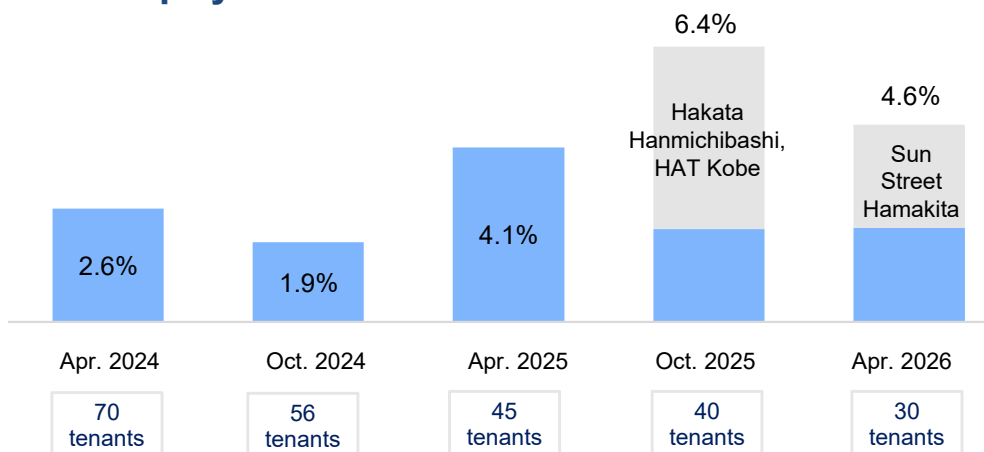
Contract Renewals at Lease Expiry in each FP (based on rent)



Rent Revisions (based on number of revisions) (2)



Lease Expiry in each FP (3)



Note 1: Based on the rent revenue of the last month of each fiscal period.

Note 2: Based on the rent including common area charges before revision of the tenants subject to rent revision. Temporal rent reductions/deferrals due to the COVID-19 pandemic are excluded.

Note 3: Based on the contractual rent determined in the lease contract, including regular building leases, for properties owned as of the date of this material. However, disposed assets are excluded.



Performance (Retail Properties)

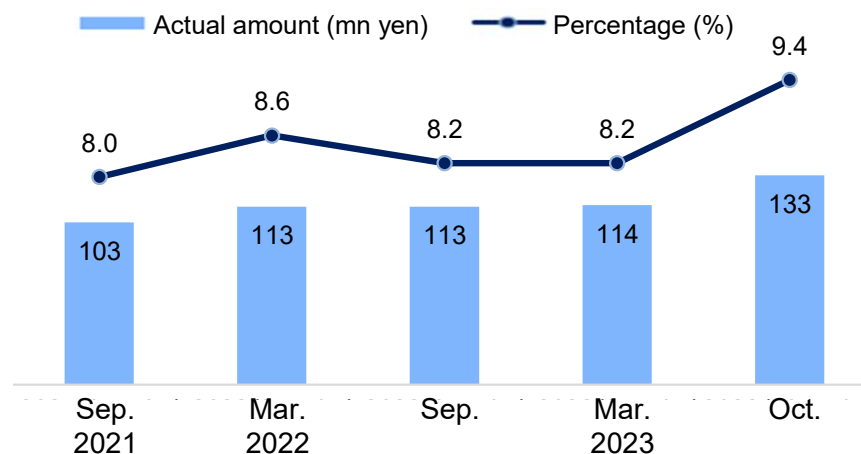
Sales-linked rent and percentage of leases linked to interest/CPI increased

Rent Linked to Interest / CPI

Percentage of portfolio with rent linked to interest / CPI (based on rent)

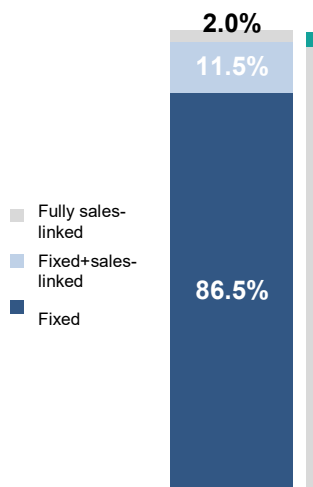


Lease agreements with rents linked to interest / CPI (monthly)

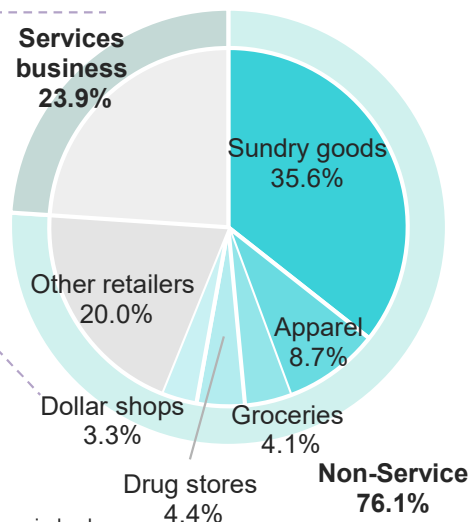


Sales-linked rent

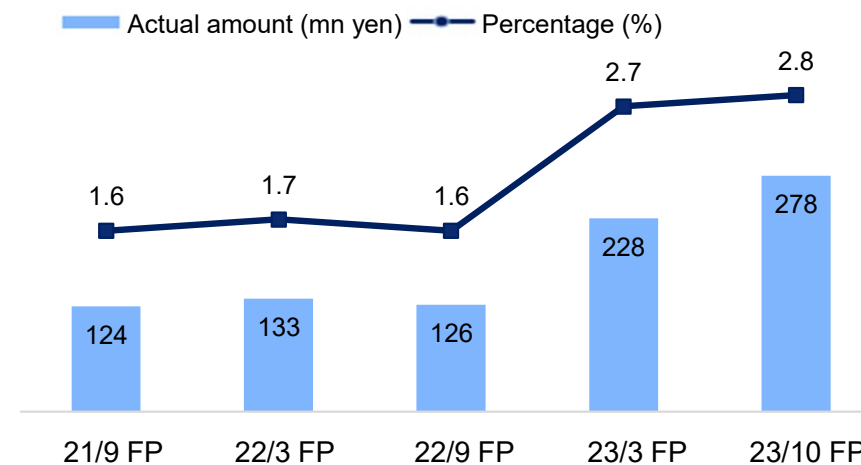
Rent type (Apr. 2023 – Oct. 2023) ⁽¹⁾



Percentage of tenant category of sales-linked rent (based on rent)



Sales-linked rent



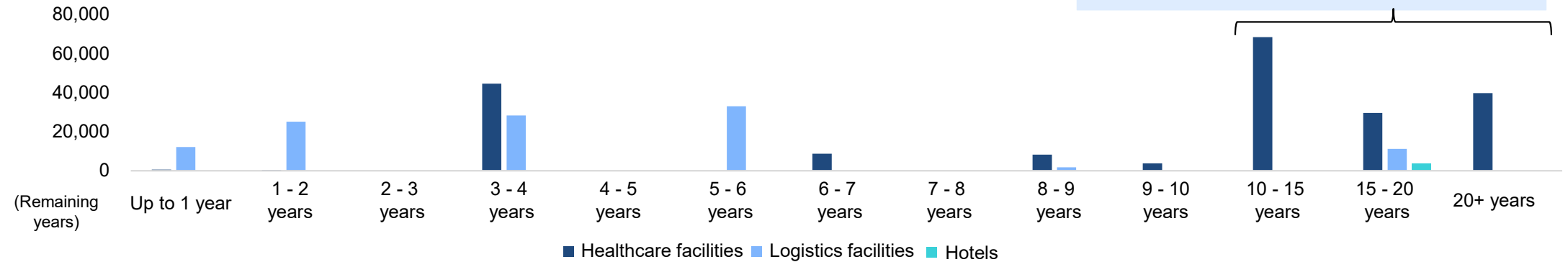
Note: Percentage of sales-linked rent is based on actual results for the periods shown

Performance (Healthcare, Logistics, Hotels)

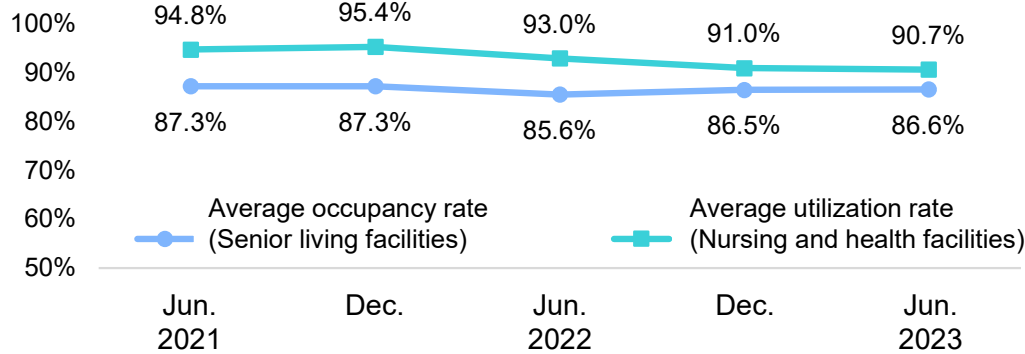
Stable revenue with long fixed leases

Remaining Lease Term by Asset Type

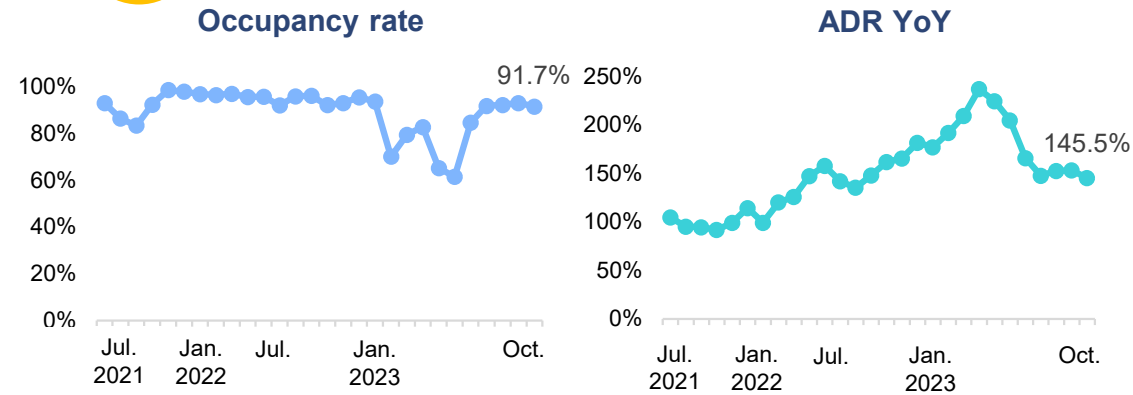
(Contracted area: m²)



Occupancy rate of healthcare facilities (1, 2, 3)



Hotels occupancy rate and ADR (4)



Note 1: Figures are based on materials submitted by operators and regardless of the timing of property acquisitions, the calculations reflect figures from the period with approval for disclosing. "Senior living facilities" include private senior homes with nursing care, residential private nursing homes, and serviced senior housing held by KDXR at the end of Oct. 2023, excluding non-disclosed properties. "Nursing and health facilities" include nursing and health facilities held by KDXR at the end of Oct. 2023

Note 2: "Average occupancy rate" and "Average utilization rate" are calculated using cumulative figures for each six-month period. Depending on the acquisition of data, the data is recorded retroactively prior to the month of acquisition. SOMPO Care LAVIERE Residence Kawasaki Shimmachi and SOMPO care Sompno ie S Fujimino include only 3 months of operational data for the three months ended Jun. 30, 2023

Note 3: "Average occupancy rate" is the simple average of the occupancy rate at the end of each month for each period, calculated by dividing the total number of residents by the total number of spaces available. "Average utilization rate" is the total number of users in the fiscal period divided by the total rated capacity (beds)

Note 4: Average of occupancy and ADR of 2 hotels

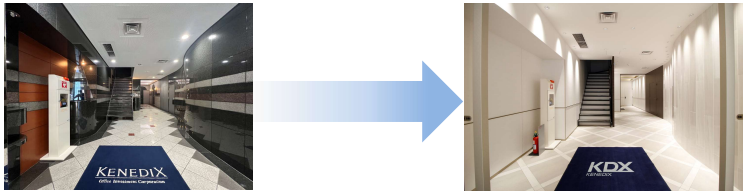
Examples of Active Management



KDX Kanda Ekimae Building

“Construction work to renew entrance”

Beautification of the always dark appearance of the entrance and façade by replacing the floor stones and refurbishing the ceiling and lighting.



Unit rent **+7.8%** ⁽¹⁾

ROI **14.3%** ⁽²⁾



River City 21 East Towers II

“Renovation work of private living areas”

Gradual renovation of private living areas when tenants move out.



Unit rent **+27.4%** ⁽³⁾

ROI **20.1%** ⁽²⁾



Unicus Ina

“Property expansion leveraging underutilized space”

Made efficient use of underutilized space by converting parking lot into two additional restaurant buildings.



NOI **+27 mn yen**

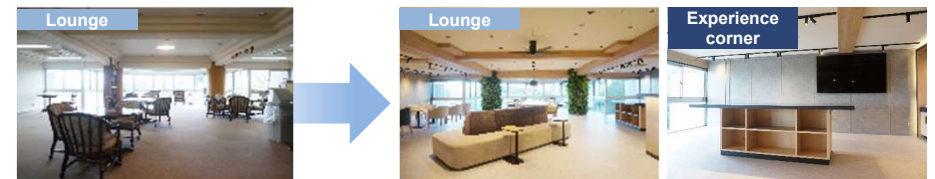
ROI **10.1%** ⁽²⁾



Joy Stage Hachioji

“Lounge renovation work”

Transformed the dilapidated lounge by raising the ceiling and incorporating natural light, creating a space that makes extensive use of bright wood grain patterns. Installed new furniture matching the space and introduced other new elements such as a cooking experience corner.



Unit rent **+1.4%**

ROI **14.6%** ⁽²⁾

Note 1: Four tenants with rent revisions in the FP ended Oct. 2023.

Note 2: Return on investment (calculated by dividing the increase in rent or NOI by the amount invested).

Note 3: 41 rooms newly leased in the FP ended Oct. 2023.



6. Financial Strategy

Financial Status (1)

Financial Highlights

as of Nov. 1, 2023

Average debt cost

0.80%

Average remaining years to maturity

3.4 years

LTV (estimate)

42.5%

Borrowing capacity
(Assuming leveraging up to 50%)

540 bn yen

Long-term debt ratio

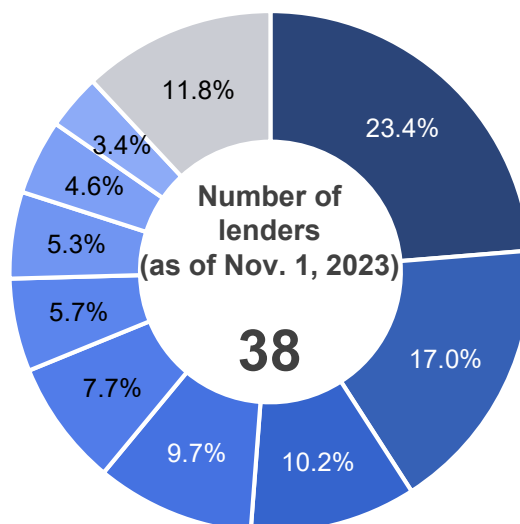
97.9%

Fixed interest rate debt ratio

90.4%

Status of Debt Financing | Outstanding Borrowings by Financial Institutions

Classification	Balance (mn yen)	Percentage (%)
Short-term borrowings	10,850	2.1
Long-term borrowings	474,520	91.9
Total borrowings	485,370	94.0
Investment corporation bonds	30,700	5.9
Total borrowings and investment corporation bonds	516,070	100.0



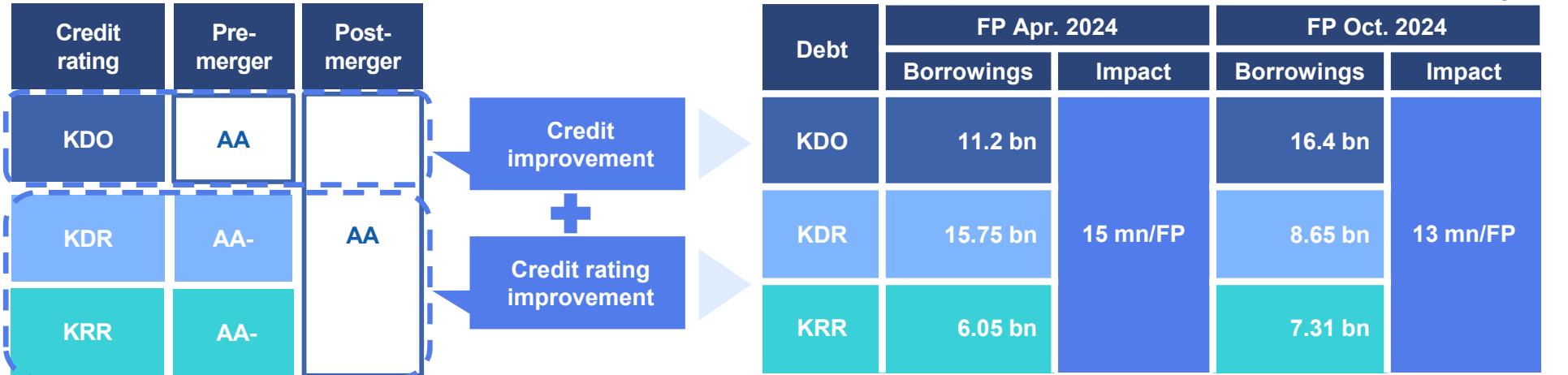
Sumitomo Mitsui Banking	113,410 mn yen	23.4%	The Musashino Bank, Ltd.	2,950 mn yen	0.6%
MUFG Bank	82,710 mn yen	17.0%	Kansai Mirai Bank, Limited	2,500 mn yen	0.5%
Mizuho Bank	49,350 mn yen	10.2%	The Chiba Bank, Ltd.	2,000 mn yen	0.4%
Development Bank of Japan	46,840 mn yen	9.7%	The Bank of Yokohama, Ltd.	1,700 mn yen	0.4%
Sumitomo Mitsui Trust Bank	37,170 mn yen	7.7%	The Hiroshima Bank	1,500 mn yen	0.3%
Resona Bank	27,500 mn yen	5.7%	Daiwa Next Bank, Ltd.	1,500 mn yen	0.3%
Aozora Bank	25,490 mn yen	5.3%	The Dai-ichi Life Insurance	1,000 mn yen	0.2%
Mizuho Trust & Banking	22,450 mn yen	4.6%	Sompo Japan Insurance Inc.	1,000 mn yen	0.2%
SBI Shinsei Bank, Limited	16,450 mn yen	3.4%	THE HACHIJUNI BANK, LTD.	900 mn yen	0.2%
The Bank of Fukuoka	6,200 mn yen	1.3%	The Gunma Bank, Ltd.	900 mn yen	0.2%
The Norinchukin Bank	5,100 mn yen	1.1%	The Yamanashi Chuo Bank, Ltd.	900 mn yen	0.2%
Nippon Life Insurance Company	4,900 mn yen	1.0%	The Shizuoka Bank, Ltd.	700 mn yen	0.1%
The Yamaguchi Bank, Ltd	4,500 mn yen	0.9%	The Keiyo Bank, Ltd.	650 mn yen	0.1%
Shinkin Central Bank	4,500 mn yen	0.9%	The Hyakugo Bank, Ltd.	500 mn yen	0.1%
Daishi Hokuetsu Bank, Ltd.	4,000 mn yen	0.8%	The Higo Bank, Ltd.	500 mn yen	0.1%
The Chugoku Bank, Ltd.	3,900 mn yen	0.8%	The Keiyo Bank, Ltd.	500 mn yen	0.1%
The 77 Bank	3,800 mn yen	0.8%	THE SHIGA BANK, LTD.	500 mn yen	0.1%
The Nishi-Nippon City Bank	3,400 mn yen	0.7%	The Higashi-Nippon Bank, Limited	300 mn yen	0.1%
Sumitomo Life Insurance	3,000 mn yen	0.6%	San ju San Bank, Ltd.	200 mn yen	0.0%

Note: Ratios are rounded to the nearest first decimal point.

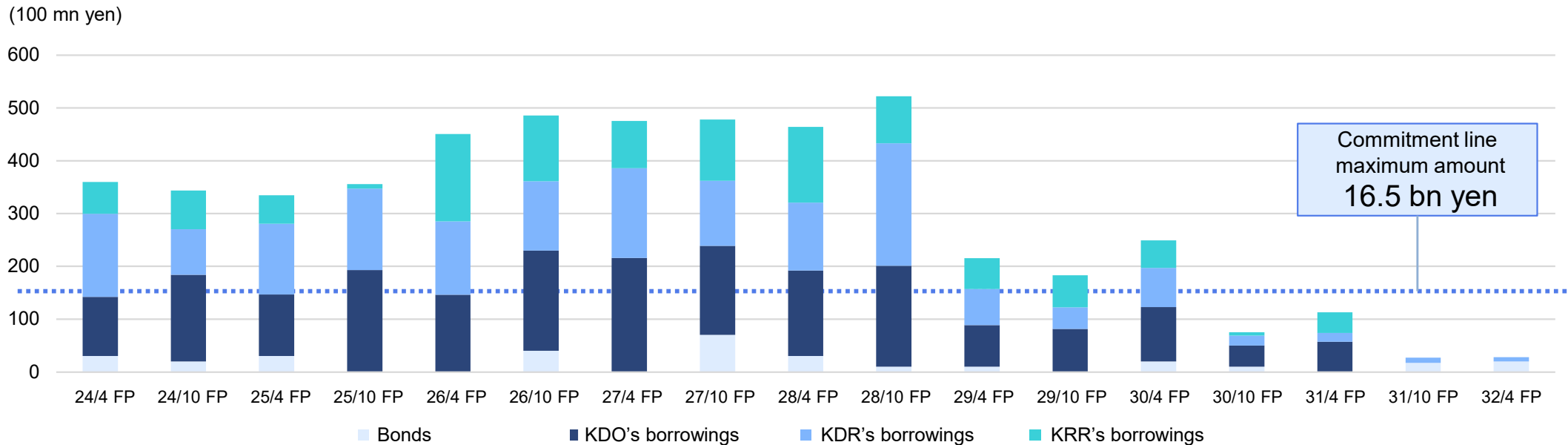
Financial Status (2)

Aim to reduce spreads with credit improvement through the merger and credit rating improvement of KDR and KRR

Improved New Borrowing Terms



Maturity Ladder





7. Sustainability Initiatives

ESG Initiatives (Environment)

KPIs

Percentage of Portfolio with Green Certification	GHG Emission Reduction Targets		MSCI ESG Rating
Aim for 60% or more	2030 Targets (2022 baseline)	2050 Targets	Aim for upgrade (BBB)
	Total amount: 42% reduction Per unit: 42% reduction	Net-zero	

Acquisition of Environmental Certifications

Number of certified properties
(As of Dec. 14, 2023)

104 properties

Ratio
(As of Dec. 14, 2023)

58.9%

Acquisition plan

- We aim to acquire external certifications, such as Certification for CASBEE for Real Estate, for about 10 properties for residential use each period

2023 GRESB Real Estate Assessment

5 Stars
Highest evaluation

Green Star
12 consecutive years



GHG Emission Reduction Targets

- Following the merger, we have reviewed the baseline and reduction target per unit and revised to more ambitious one
- We have obtained Science Based Targets



Former KDR/KRR	2030 Target (2015 baseline)	2030 Target (2022 baseline)
	Per unit: 40% reduction	Per unit: 42% reduction

Initiatives for GHG emission reduction

- Since Sep. 2023, we have gradually switched to electricity derived from renewable energy sources procured and provided by Kenedix Green Energy, Inc., a member of the Kenedix Group

Number of Introduced Properties
(Based on signed agreement as of Dec. 14, 2023)
73 properties

ESG Initiatives (Social)

Promotion of DEI (1)

First J-REIT's website with digital inclusion

- We have introduced FaCIL'iti's system on the website so that people with visual impairment, hand tremor, illiteracy, etc. can display the website depending on their needs

(Website screen image)



Social Initiatives

- “BRING,” a clothing recycling project, was held at our retail facilities



Event held at
MONA Shin-Urayasu

Human Capital Development

Engagement survey

- We outsource a regular engagement survey every year and continuously implement improvement measures based on the results. The rating and score were improved in FY2023

	FY2022	FY2023	Ranked within top 20% of companies surveyed by external agencies
Engagement rating	BBB	A	
Engagement score	55.4	59.3	

New work style project promotion

- Office renovation, free-address and flextime systems introduced to provide employees with "the environment in which they can perform at their best".
- Based on suggestions from employees, new shared Group offices and communication spaces have been created. Exchange meetings without boundaries between Group companies are also held.



Communication room for group
company employees



Interaction among group
company employees

Note: DEI stands for Diversity, Equity and Inclusion.

ESG Initiatives (Governance)

Introduction of ESG Performance-linked fee

- Newly introduced ESG performance-linked fee addition to investment unit performance fee

Asset Management Fee I	Asset Management Fee II	Investment Unit Performance Fee (newly introduced)
Total assets at the end of the previous FP x 0.12% (annual rate)	Distributable amount* x EPU* x 0.002% (*after deducting gain on sale)	Total assets x 1 + Excess return on investment units of KDXR ⁽¹⁾ x 0.001%



ESG Performance-Linked Fee⁽²⁾ (newly introduced)

- Total assets x 0.004% x Factor determined based on the table below (rounded down to the nearest one yen)

GRESB Real Estate Assessment	1 star	2 stars	3 stars	4 stars	5 stars
Multiplying Factor	0.8	0.9	1.0	1.1	1.2

Investment Unit Ownership by Sponsor (same boat investment)

- Kenedix, Inc., the sponsor, holds a total of 139,257 units of KDXR investment units to align its interests with our unitholders

Shareholding ratio






3.4%

As of Nov. 1, 2023

Board Enhancement and Diversity Promotion

- Additional supervisory director was appointed to strengthen the Board. Promoting a diverse board composition by increasing the ratio of female directors to 40%
- Yamanaka has served as a director of a J-REIT in the past
- In addition, we have appointed those who have expertise in legal affairs, accounting and taxation, medical administration

Board Composition

Title	Name	Gender
Executive Director	Hiroaki Momoi	Male 
Supervisory Director	Akiko Tokuma	Female 
Supervisory Director	Osamu Utsunomiya	Male 
Supervisory Director	Akiko Yamakawa	Female 
Supervisory Director	Satoru Yamanaka	Male 

Ratio of female board directors

40%

Number of supervisory directors

4

(highest among J-REITs)

Note 1: Excess return against TSE REIT Total Return Index (including dividends).

Note 2: Determined based on the result of GRESB Real Estate Assessment on the settlement date of the immediately preceding FP.

Note

8. Appendix



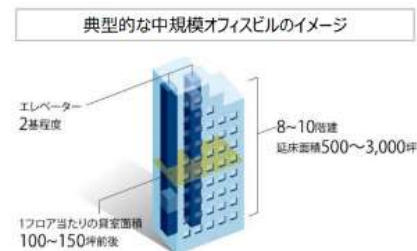
Management Characteristics of KDO, KDR and KRR Before the Merger

KDO

Main investment target: office buildings

Investment management strategy focused on mid-sized office buildings in the Tokyo metropolitan area

- Investment and management focusing on mid-sized office buildings in the Tokyo metropolitan area (Tokyo and major cities in Kanagawa, Saitama and Chiba Prefectures) where there is a high density of economic activity, high tenant demand, and a large pool of tenants.



KDR

Main investment target: residential and healthcare facilities

Investment management strategy focused on acquiring stable revenue and sustainable growth through investment in residential spaces

- Balanced investment and management focusing on residential facilities from single to family type properties that represent highly stable revenue, mainly in the Tokyo metropolitan area where there is a high density of economic activity.
- Investment and management in the healthcare sector which is expected to grow further, focusing on facilities run by trusted operators.

KRR

Main investment target: retail properties

Investment management strategy focused on shopping centers for daily needs

- Investment and management focusing on shopping centers for daily needs whose core tenants are food supermarkets and other tenants providing products and services considered to be daily necessities, located in daily foot traffic areas guaranteeing a high frequency of visits.



Sustainable Growth Driven by Expansion of Investment Universe (Additional focus on asset types with limited exposure)

Hotels

- Although Covid-19 has ended, the number of tourists visiting Japan has not returned to the previous levels, and demand for hotels is expected to continue, given the Government's commitment to a tourism-oriented country.

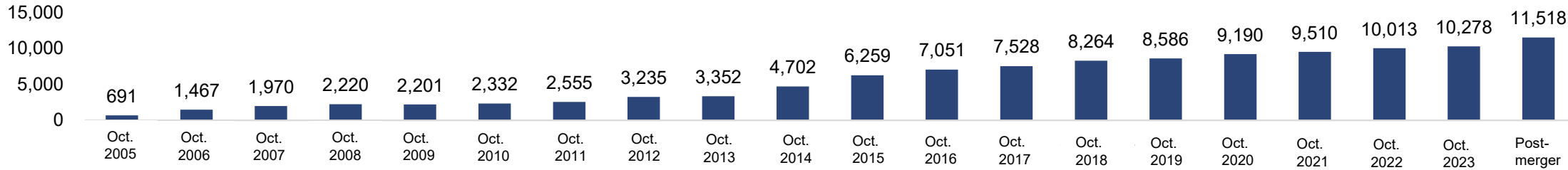
Logistics facilities

- With the rapid development of e-commerce, demand is expected to continue for large-scale, proximity-to-consumption logistics facilities that can store and deliver goods more efficiently.

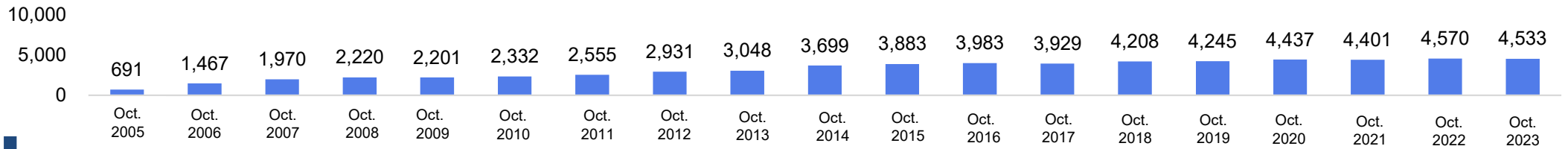
Track Record of 3 REITs (AUM)

Total of 3 REITs (1)

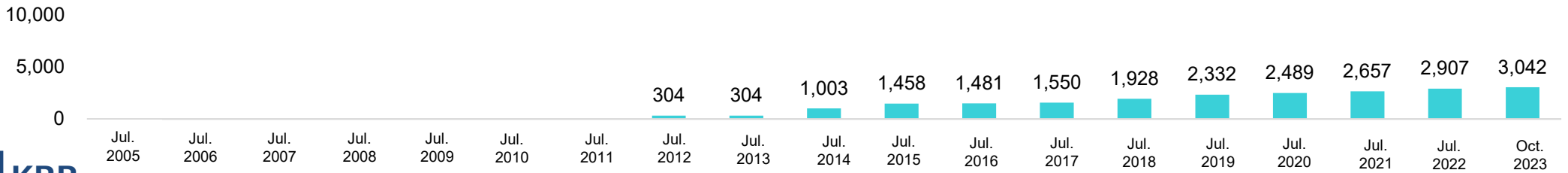
(100 mn yen)



KDO



KDR



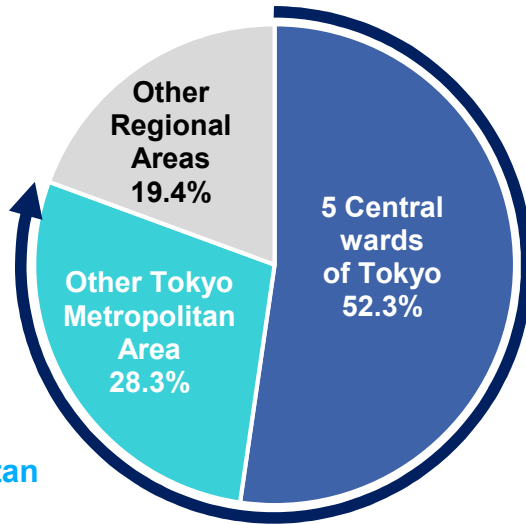
KRR



Note: In "Total of 3 REITs", the figures are calculated by simply adding 3 REITs' AUM at the end of each FP (Oct. for KDO, Jul. for KDR and Sep. for KRR), rounded down to nearest 100 mn yen. The post-merger figure, includes the properties acquired on Nov. 1, 2023. York Mart Higashi Michinobe which was acquired in Sep. 2023, is not included in the figure of KRR's Oct. 2023.

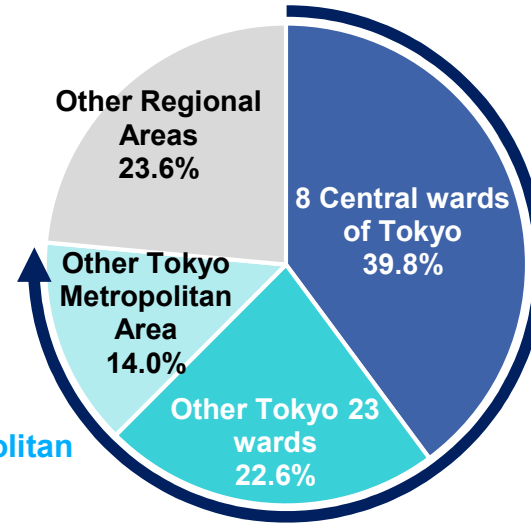
Portfolio by Area

Office



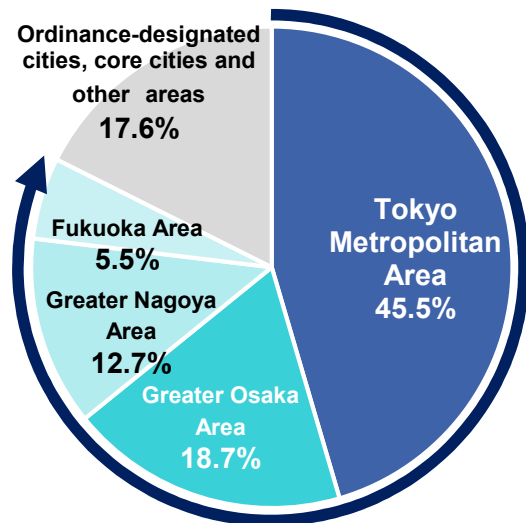
Tokyo Metropolitan Area
80.6%

Residential



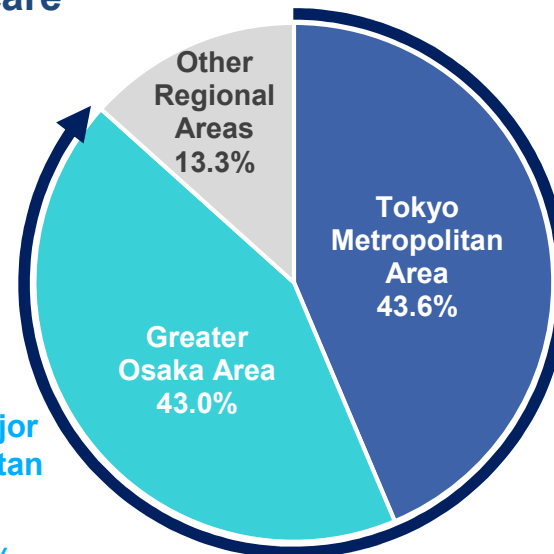
Tokyo Metropolitan Area
76.4%

Retail



Four Major Metropolitan Areas
82.4%

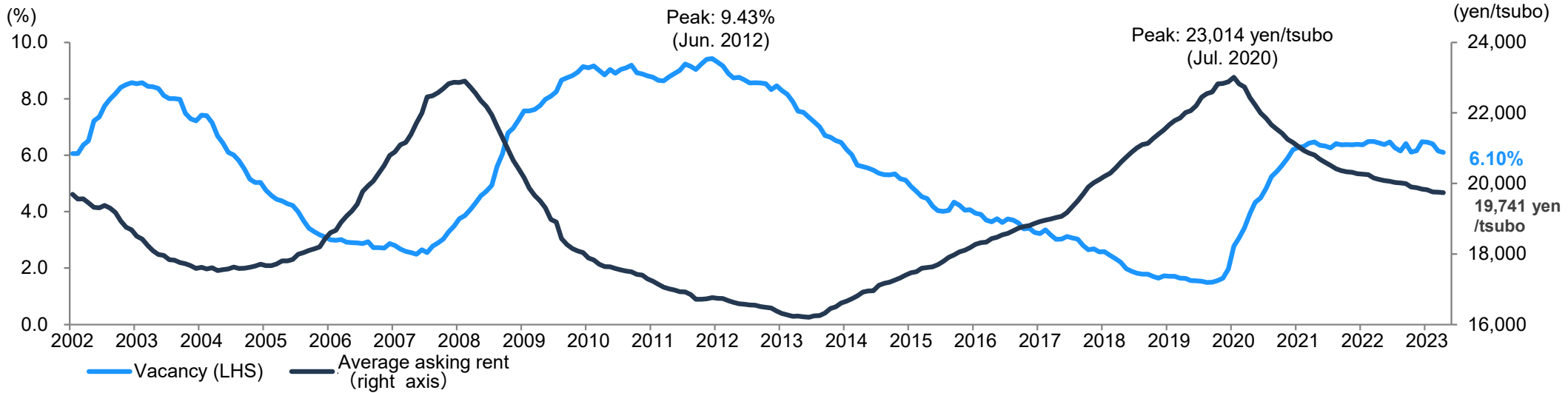
Healthcare



Three Major Metropolitan Areas
86.7%

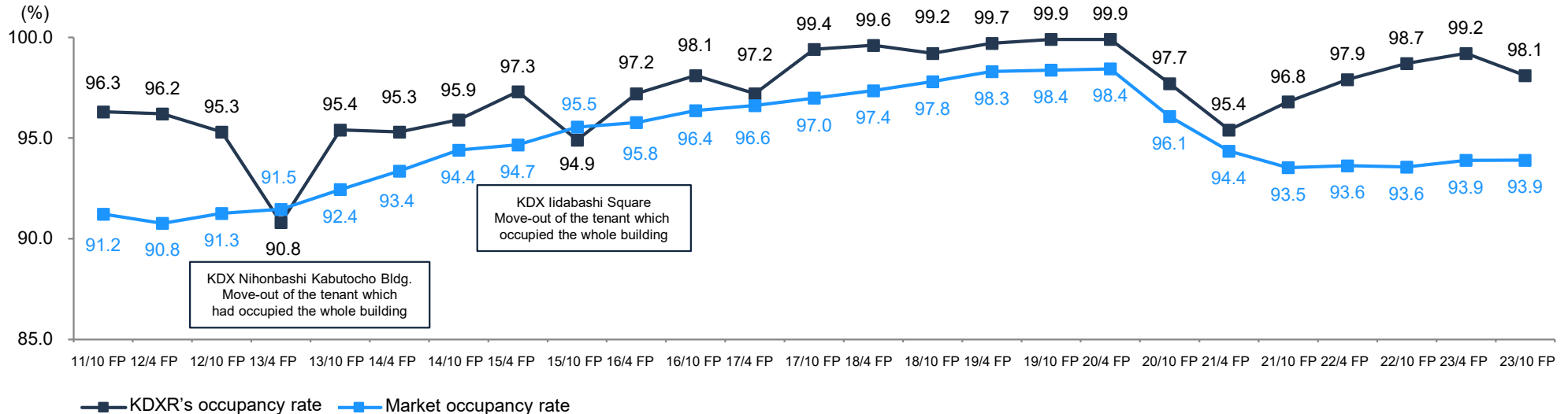
Office Building Market (1)

Change in Asking Rent and Vacancy Rate in Tokyo Central 5 wards (Jan. 2002 – Oct. 2023) (1)



Source: Miki Shoji "Office Market Data Tokyo Business Area"

Comparison of occupancy rates of KDXR Office Buildings and Market average (2, 3)



Note 1: Includes office buildings with a standard floor area of 100 tsubo or more in Tokyo business districts (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards)

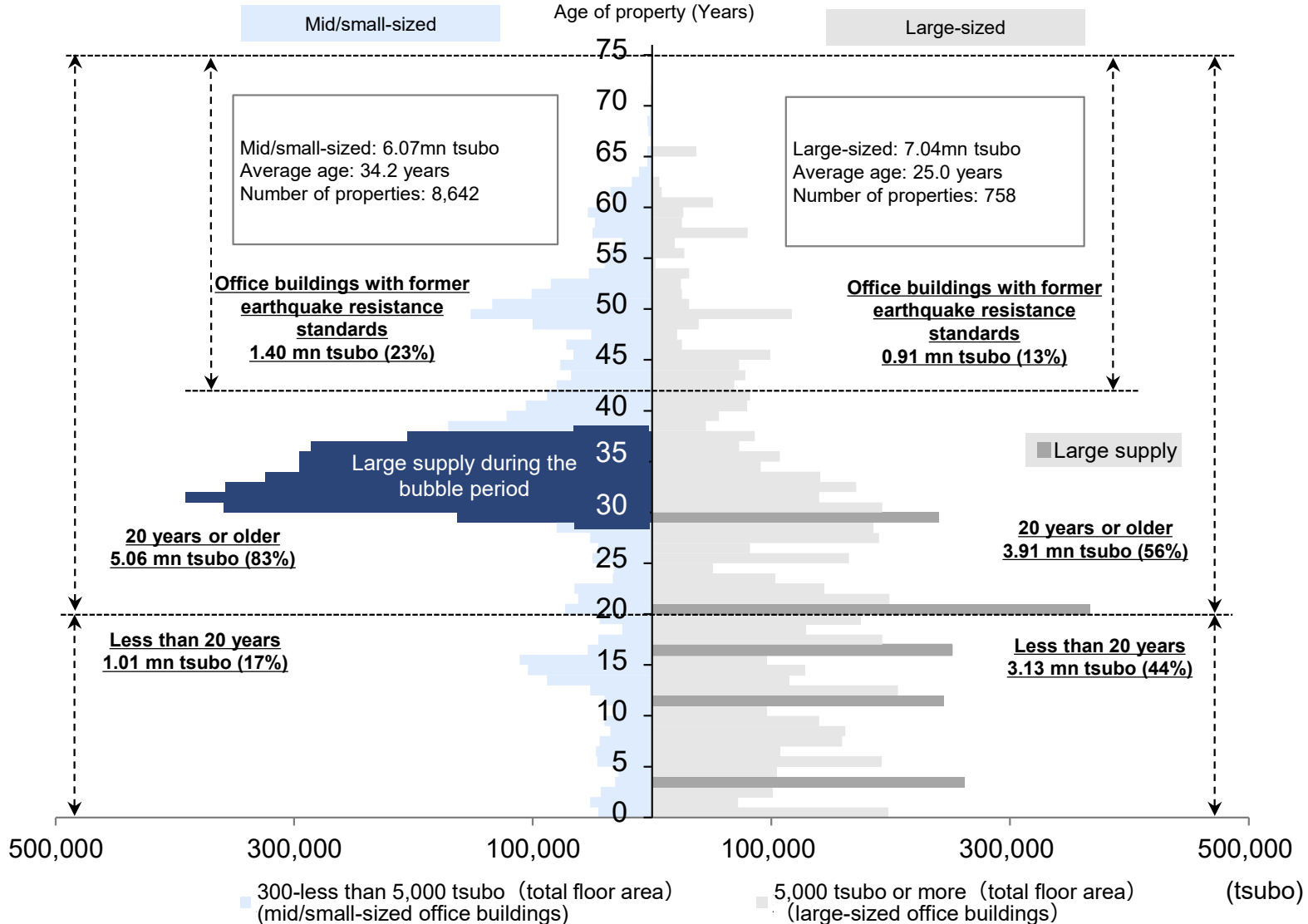
Note 2: Market occupancy rate refers to the average value of Tokyo central 5 wards for each corresponding month published by Miki Shoji Co., Ltd.

Note 3: KDXR's average occupancy rate refers to the weighted average occupancy rate of the office buildings in Tokyo central 5 wards that KDXR owned as of the end of each FP.

Office Building Market (2)

Tokyo 23 wards Office Stock by Size and Age

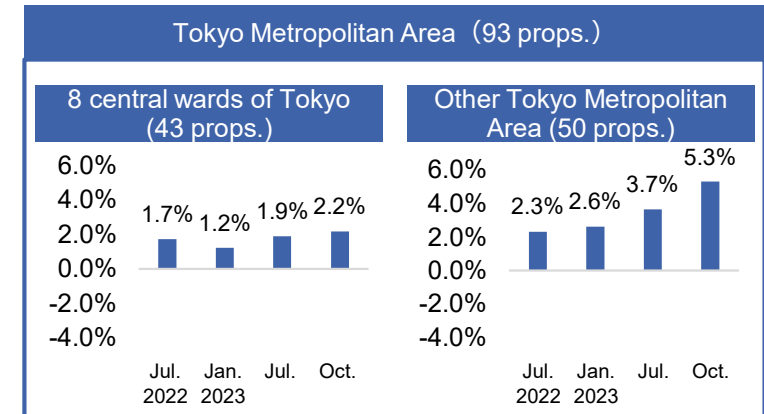
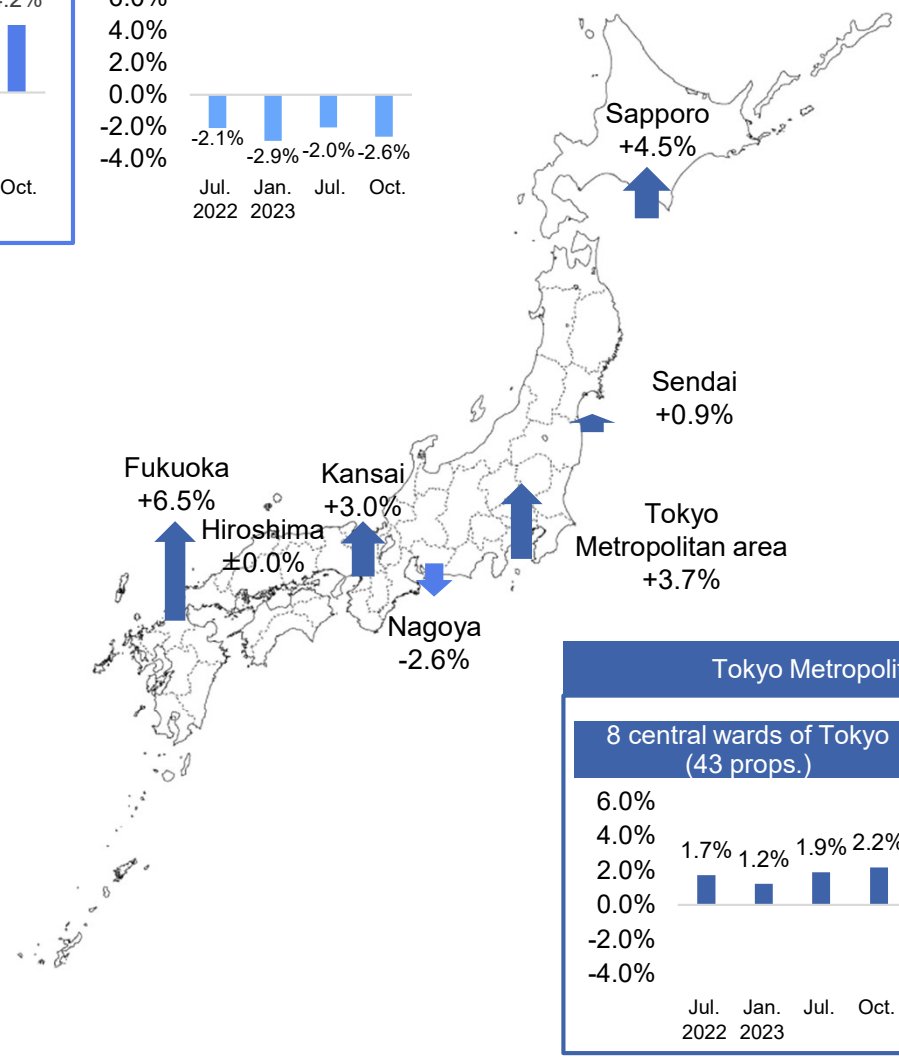
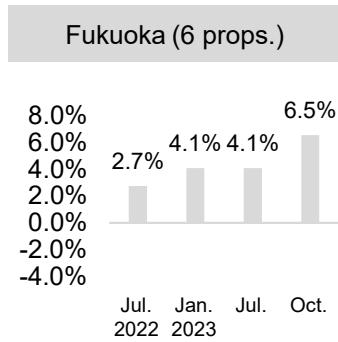
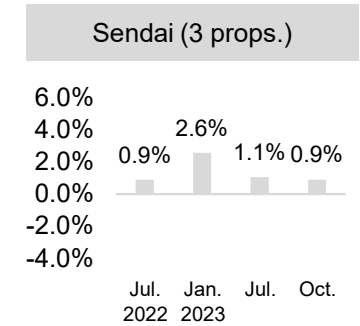
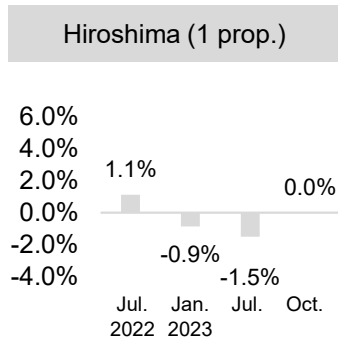
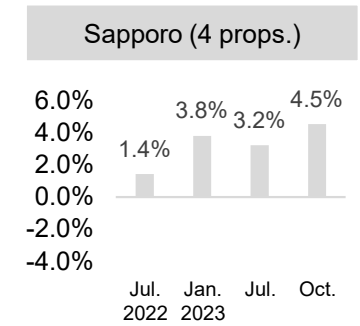
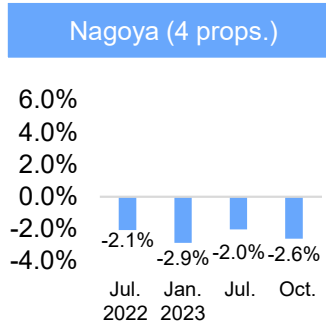
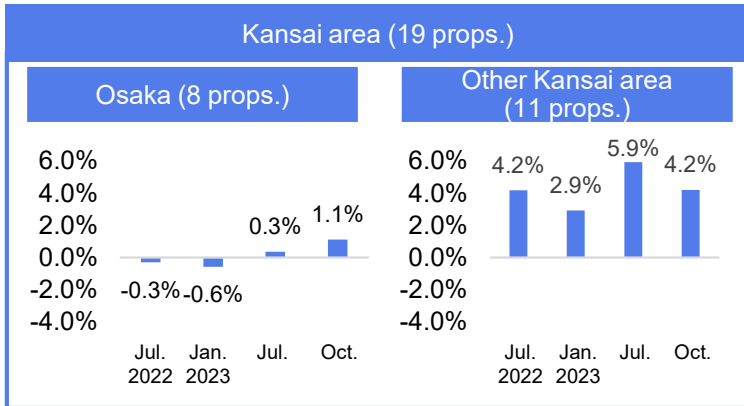
Proper repair/maintenance and management are important in order to keep mid/small-sized office buildings competitive; more than 80% of mid/small-sized office buildings are 20 years or older, and new supply is limited



Source: Compiled by the Asset Management Company based on "Office Stock Pyramid 2023" published by Xymax Real Estate Institute Corporation on Jan. 18, 2023

Residential (New Lease Rent Growth Map)

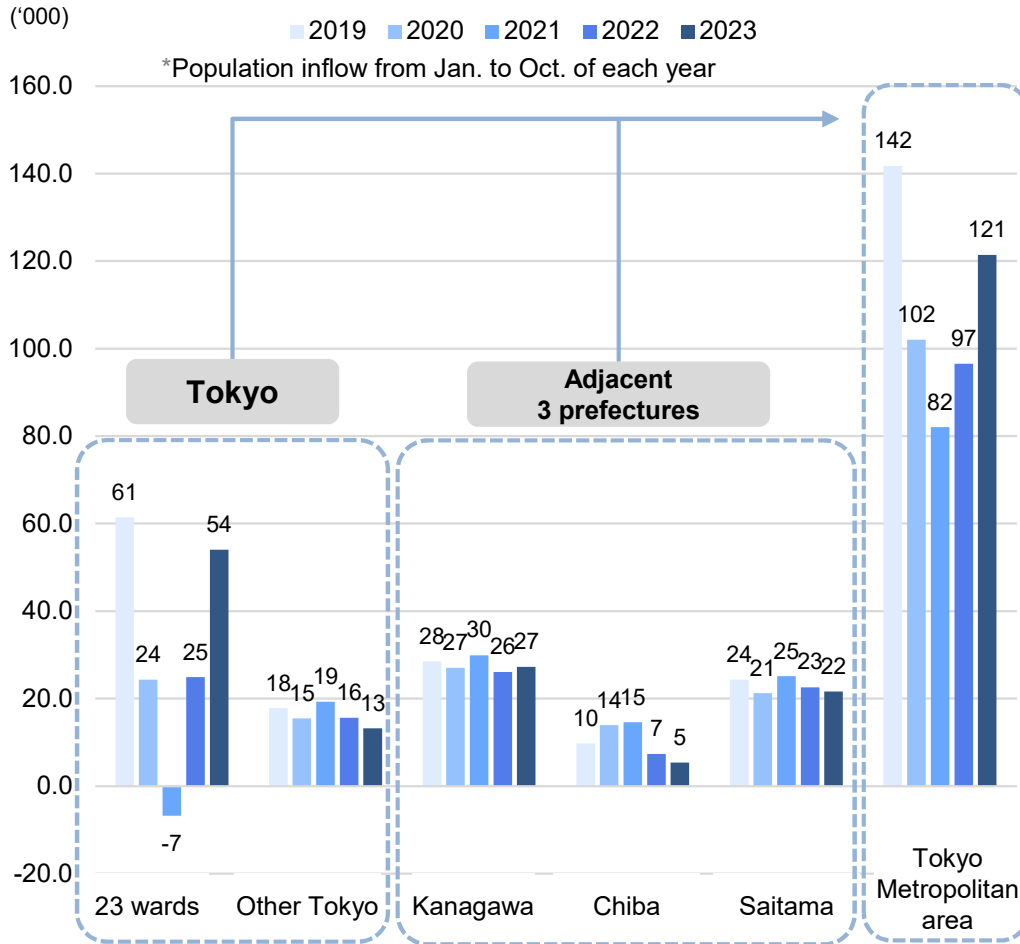
New Lease Rent Growth Map (Oct. 2023 FP)



Note: Numbers are calculated for residential properties with pass through lease contracts (excluding wholesale lease contracts)

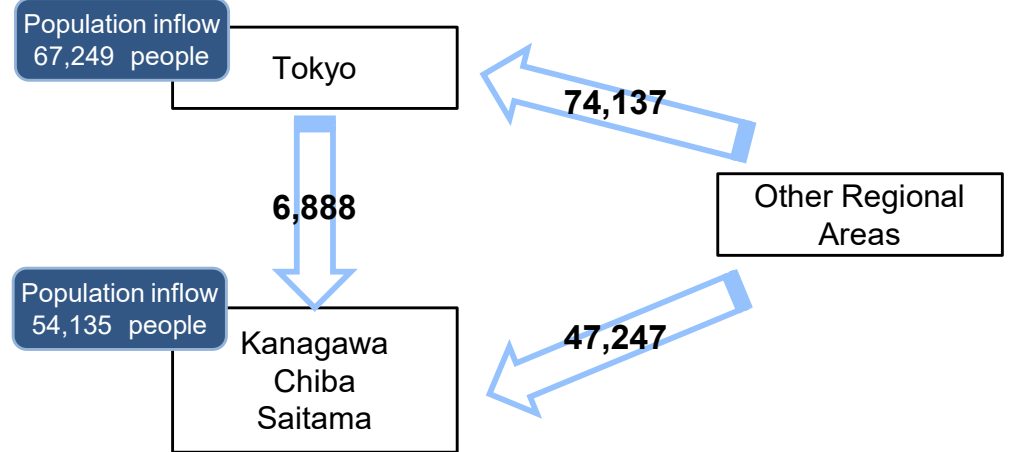
Residential (Demographics of Tokyo Metropolitan Area)

Net Population Inflow into Tokyo Metropolitan Area (1)

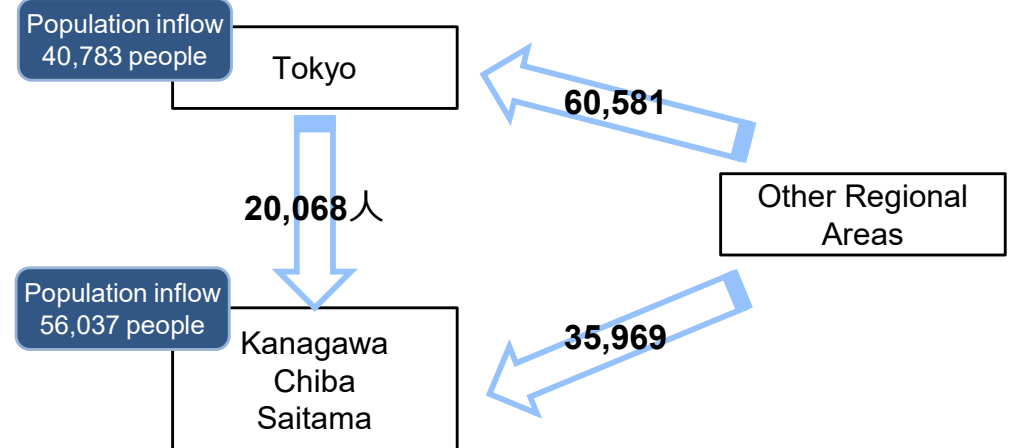


Migration Pattern

YTD from Jan. 2023 to Oct. 2023



YTD from Jan. 2022 to Oct. 2022

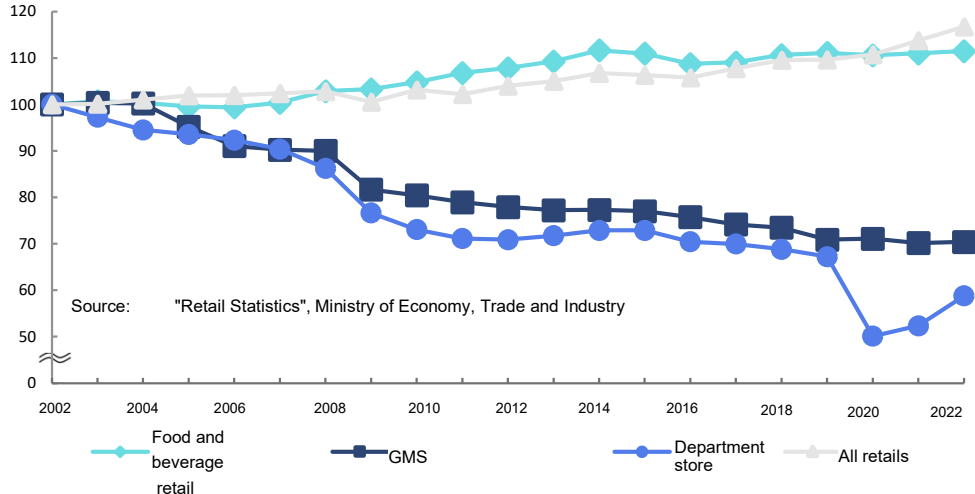


Source: Created by KFM based on the Statistics Bureau, Ministry of Internal Affairs and Communications "Basic Resident Register Population Migration Report Monthly Report"
 Note: YTD from Jan. to Oct. for each year

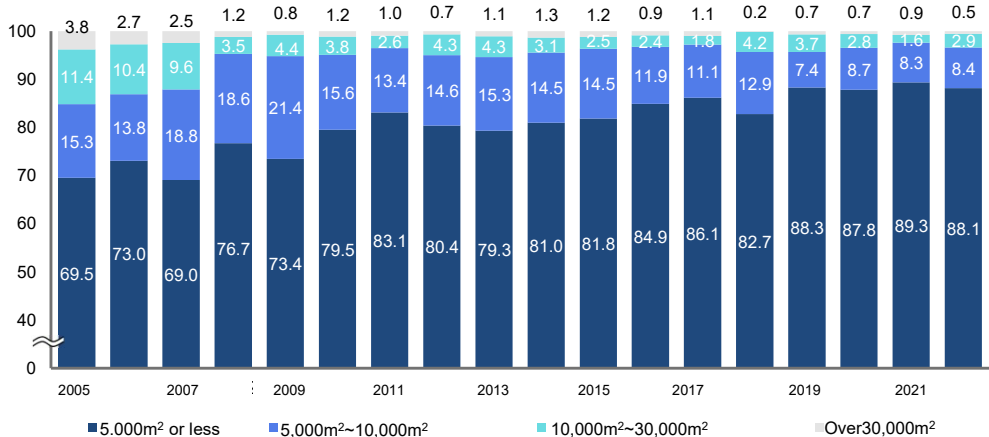
Retail (Macro Environment)

Changing Retail Facilities

Retail market trends in Japan 2002=100



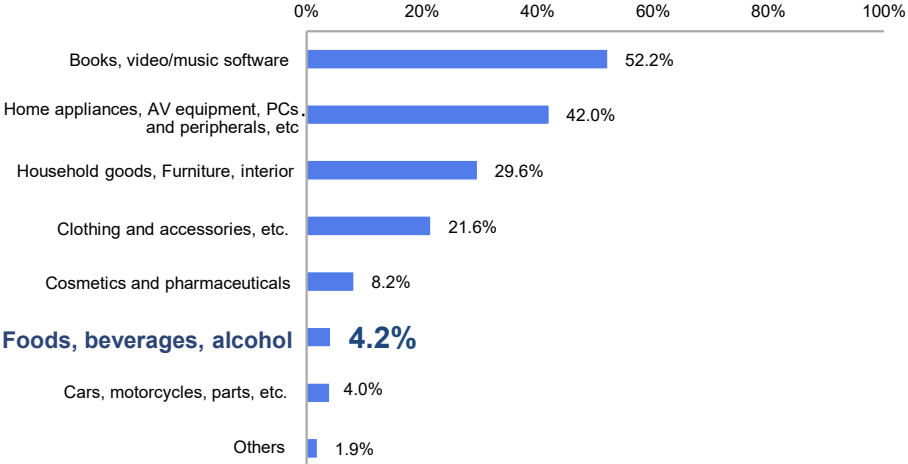
Retail property opening applications by property size



Source: Ministry of Economy, Trade and Industry

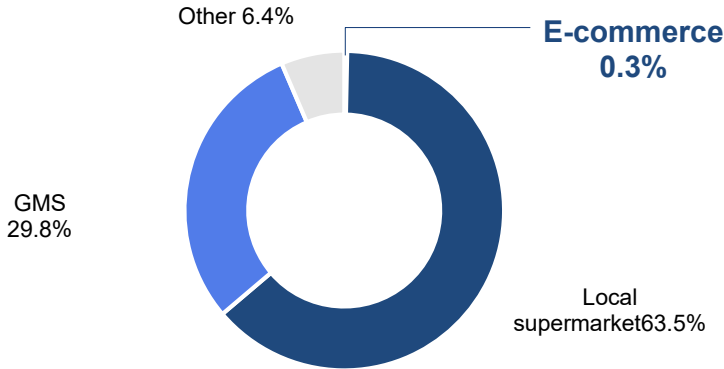
Shopping Centers for Daily Needs are Highly Resistant to E-commerce

Foods, etc. with relatively low e-commerce penetration



Source: FY2022 E-Commerce Market Survey by the Ministry of Economy, Trade and Industry

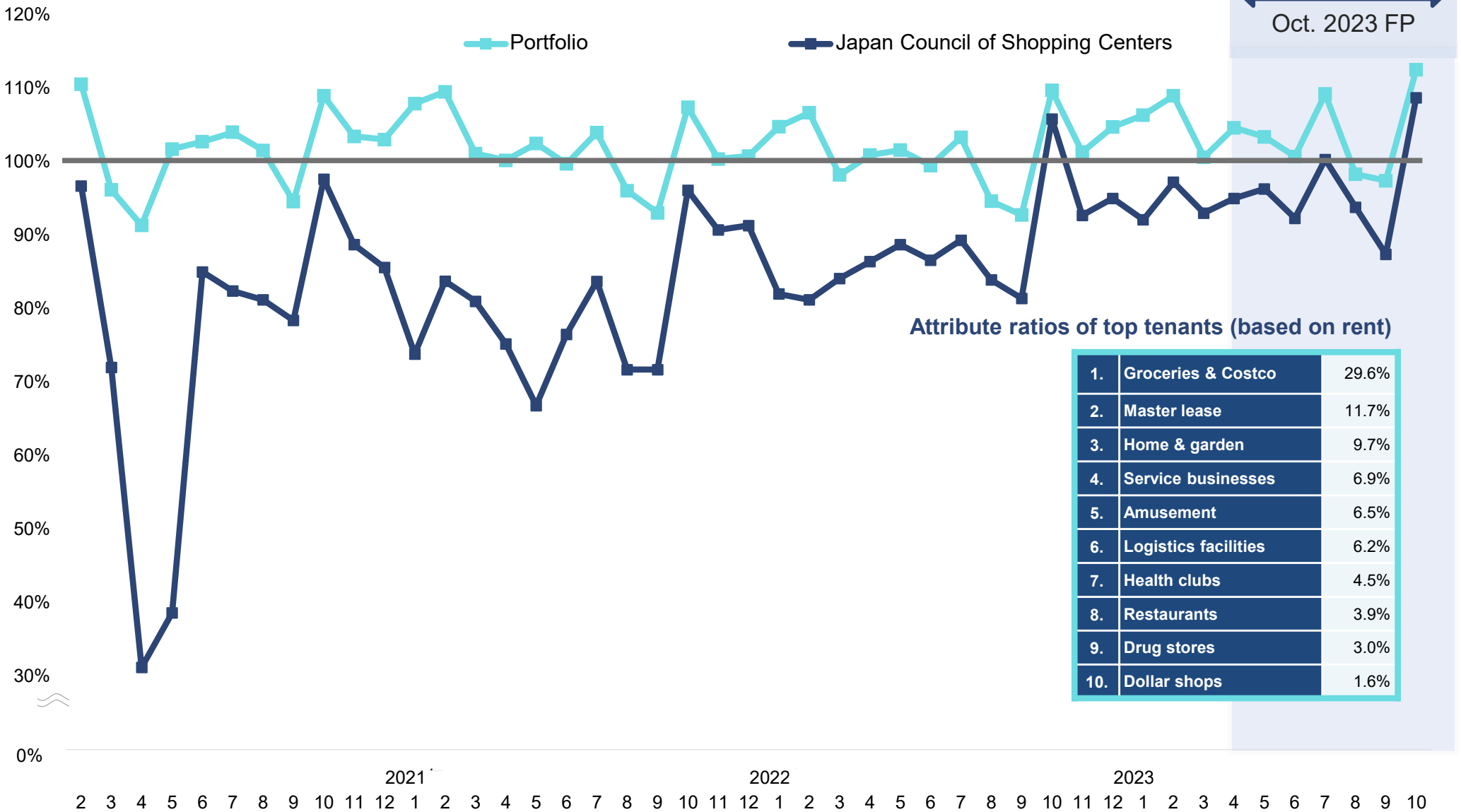
Low e-commerce penetration in the purchase of fresh foods



Source: 2021 Supermarket White Paper by the National Supermarket Association of Japan

Retail (Changes in Portfolio Sales - Monthly Comparison vs. 2019)

Continued stable sales of shopping centers for daily needs



Source : A Statistical Survey Report on Shopping Center Sales compiled by Japan Council of Shopping Centers

Healthcare Facilities (Lease Agreements)

Old No.	New No.	Property Name	Operator ^(1, 2)		Facility Type	Remaining Term ⁽³⁾ (yrs)	Revision Period	Next Revision Date
H-1	F1005	Irise Kamata/Yuseien	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	18.6	Every 5 years	2027/7/1
H-2	F1003	Nichii Home Nakano Minamidai	Nichii Carepalace Company	Unlisted	Nursing Care	3.4	Every 3 years	2025/4/1
H-3	F1001	Joy Stage Hachioji	NM LIFE Co., Ltd.	Unlisted	Nursing Care	12.2	Not allowed ⁽⁴⁾	-
H-4	F1004	Yuimaru Hijirigaoka	Community Net Inc.	Unlisted	Residential	41.1	Not allowed ⁽⁵⁾	-
H-5	F1002	Nichii Home Tama Plaza	Nichii Carepalace Company	Unlisted	Nursing Care	8.7	Every 3 years	2027/9/1
H-6	F2002	Ten	NOTE Social Welfare Corporation	Unlisted	Nursing Care	14.3	Not allowed ⁽⁵⁾	-
H-7	F2009	Irise Nishioka	HITOWA Care Service Co., Ltd.	Unlisted	Residential	20.5	Not allowed ⁽⁴⁾	-
H-8	F2004	Izarie Eniwa Building ⁽⁶⁾	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	21.4	Not allowed ⁽⁴⁾	-
H-9	F2007	Sawayaka Sakura Nibankan	Sawayaka Club Co., Ltd.	Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd. listed on the TSE Standard Market	Nursing Care	9.4	Not allowed ⁽⁴⁾	-
H-10	F2001	Activa Biwa	HIMEDIC Inc.	Consolidated subsidiary of Resorttrust, Inc. listed on the TSE Prime Market	Nursing Care	3.8	Every 3 years	2024/1/29
H-11	F2003	SOMPO Care LAVIERE Kobe Tarumi	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Nursing Care	6.5	Not allowed ⁽⁷⁾	-
H-12	F2006	Rehabili-home Granda Mondo Yakujin	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Residential	13.7	Not allowed ⁽⁷⁾	-
H-13	F2008	Excellent Nishinomiya	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	10.9	Not allowed ⁽⁸⁾	-
H-14	F2005	Gran Hills Ogawarako	Silver Town Ltd.	Unlisted	Serviced	6.0	Every 3 years ⁽⁹⁾	2023/11/12
H-15	F2010	Excellent Kitano	Excellent Care System Co., Ltd.	Unlisted	Residential	11.8	Not allowed ⁽⁸⁾	-
H-16	F2011	Anesis Teradacho	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-17	F2013	Rococo-riha	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-18	F2012	Orage Suma	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-19	F2014	Canadian Hill	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-20	F2015	Anesis Hyogo	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-21	F1006	Plaisant Grand Ota Tamagawa	Care 21 Corporation	Listed on the TSE Standard Market	Nursing Care	14.2	Not allowed ⁽⁷⁾	-
H-22	F1007	Tsukui Sunshine Machida (West) (East)	Tsukui Corporation	Unlisted	Nursing Care	18.4	Every 5 years	2027/4/1
H-23	F1008	Serabi Ebisu	Solasto Corporation	Listed on the TSE Prime Market	Nursing Care	20.5	Every 5 years	2025/6/1
H-24	F2016	Arute Ishiyagawa	Souseikai Medical Corporation	Unlisted	Nursing Care	3.8	Every 3 years	2025/5/1
H-25	F2017	Medical-home Granda Kurakuen	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	24.8	Every 5 years	2026/12/31
H-26	F2018	Rehabili-home Granda Kobe Kitano	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	27.0	Not allowed ⁽⁷⁾	-
H-27	F1010	SOMPO Care LAVIERE Residence Kawasaki Shimmachi	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Serviced	22.4	Not allowed ⁽⁷⁾	-
H-28	F1009	SOMPO care Sompo no ie S Fujimino	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Serviced	14.1	Every 5 years	2025/9/1
H-29	F2020	Irise Kobe Rokko	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	14.1	Every 5 years	2025/9/1
H-30	F2019	Excellent Hanayashiki Garden Hills	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	23.2	Every 10 years	2027/2/1
H-31	F2021	Excellent Takarazuka Garden Hills	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	13.5	Every 3 years	2026/4/28
H-32	F1011	Tsukui Sunshine Adachi	Tsukui Corporation	Unlisted	Nursing Care	17.6	Every 3 years	2024/6/30
H-33	F1012	SOMPO Care LAVIERE Ichinoe	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Nursing Care	7.2	Every 5 years	2026/2/1
H-34	F1013	Nichii Home Hachimanyama	Nichii Carepalace Company	Unlisted	Nursing Care	15.9	Not allowed ⁽⁷⁾	-
H-35	F2022	Lifeship Oasa	Life Design co., Ltd.	Unlisted	Nursing Care	24.4	Every 5 years	2028/5/1
H-36	F2023	Lifeship Yunokawa	Life Design co., Ltd.	Unlisted company	Serviced	16.0	Not allowed	-
H-37	F2024	Lifeship Fukagawa	Life Design co., Ltd.	Unlisted company	Serviced	16.0	Not allowed	-
H-38	F1014	Sunny Life Tachikawa	Kawashima Corporation	Unlisted company	Serviced	15.9	Not allowed	-
H-39	F1015	Rehabili-home Bon Sejour Minamisenzoku	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	24.3	Not allowed ⁽⁷⁾	-
						Average	14.5	

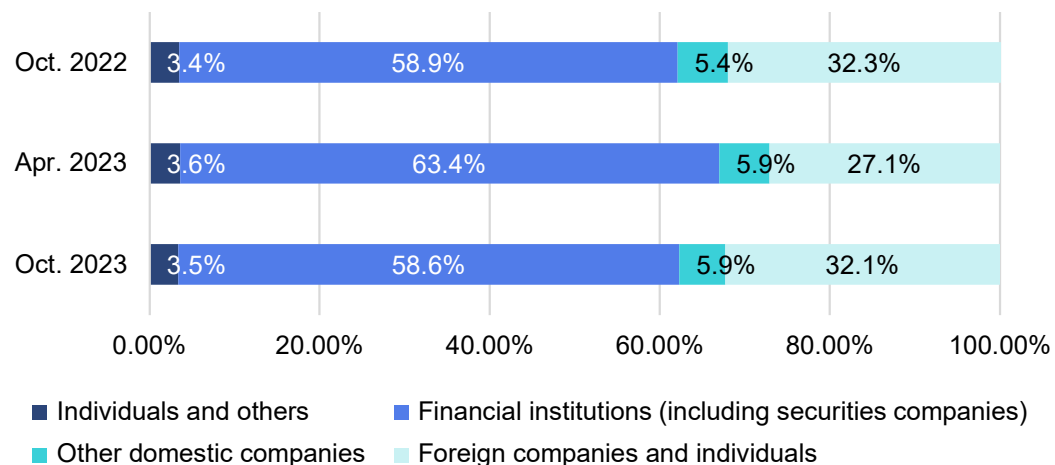
Note 1: In the case there are multiple tenants in each facility, status is referred based on lease agreements with operators which are main tenants.
 Note 2: Types of lease agreements are all ordinary lease agreements excluding "Gran Hills Ogawarako," "Arute Ishiyagawa," "Lifeship Oasa," "Lifeship Yunokawa," and "Lifeship Fukagawa." Fixed-term lease agreement is valid for these five facilities.
 Note 3: "Remaining Term" is calculated from July 31, 2023 to the termination date of agreements with operators.
 Note 4: As a rule, no revision is allowed in term of agreements. Discussion is allowed every two years 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 every 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 "Irise 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 every 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.

Rent renewal timing

2024		2025		2026		2027	
Apr.	Oct.	Apr.	Oct.	Apr.	Oct.	Apr.	Oct.
·H-10	·H-31	·H-2	·H-23	·H-30	·H-16	·H-22	·H-1
·H-14			·H-22 (East)	·H-32	·H-17 (West)	·H-5	
			·H-27		·H-18	·H-24	
			·H-28		·H-19	·H-29	
					·H-20	·H-39	

Unitholders (KDO as of Fiscal Period Ended Oct. 2023)

Ownership ratio by investor type



Number of unitholders by investor type

		(Person)		
		Oct. 2022	Apr. 2023	Oct. 2023
Individuals and others		4,288	4,628	4,707
Financial Inst. (Incl. Securities firms)	City / Trust Bank	8	7	6
	Regional Bank	33	32	31
	Credit Union and Others	65	62	57
	Life / Nonlife, Securities	28	28	28
	Total	134	129	122
Other Domestic Companies		89	98	102
Foreign Companies and Individuals		297	295	351
Total		4,808	5,150	5,282

Top 10 unitholders ⁽¹⁾

Name	Number of units held	Ratio ⁽¹⁾
Custody Bank of Japan, Ltd. (Trust Acct.)	218,251	25.72%
The Master Trust Bank of Japan Ltd. (Trust Acct.)	122,394	14.42%
Kenedix, Inc.	30,842	3.63%
STATE STREET BANK WEST CLIENT -TREATY 505234	30,670	3.61%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Acct.)	28,089	3.31%
SSBTC Client Omnibus Account	16,283	1.91%
UEDA YAGI TANSHI Co., Ltd.	13,349	1.57%
BNYM AS AGT/CLTS 10 PERCENT	12,982	1.53%
SMBC Nikko Securities Inc.	11,973	1.41%
Mizuho Securities Co., Ltd.	11,279	1.32%
Total	496,112	58.47%

Note: Ratio refers to the percentage for total units owned to total units issued and rounded down to second decimal place.

Sponsors

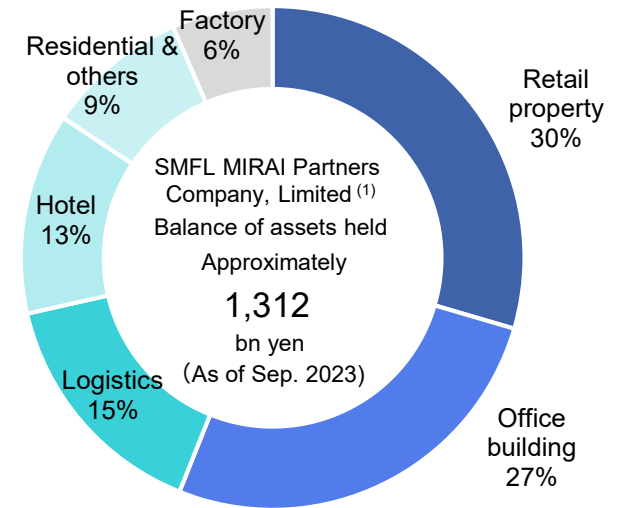
Strengthened Support from Sponsors



Business synergy

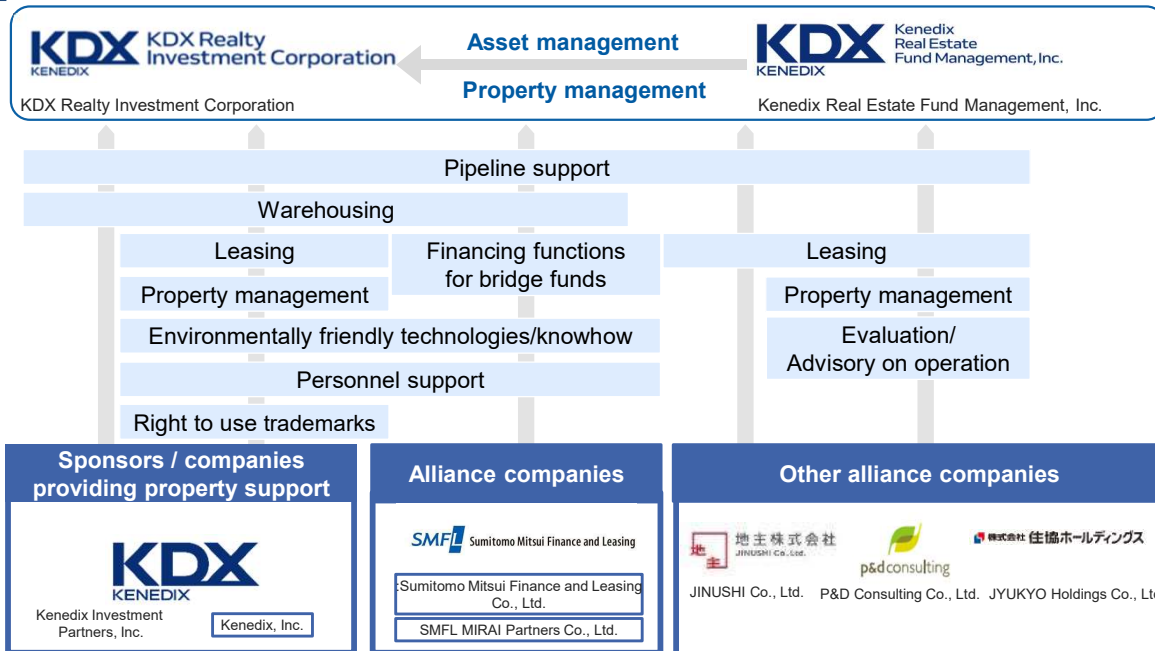
Strengthening REIT and Private Placement Fund Businesses	Supplementation of Creditworthiness and Enhancement of Fund Raising Capacity
Expansion of new business domains	Sharing Know-how on SDGs Management
Strengthening Competitiveness by Sharing Experience, Knowledge, and Know-how through Mutual Exchange of Human Resources	

SMFL MIRAI Partners Balance of Real Estate



Note: SMFL MIRAI Partners Company, Limited is a wholly-owned subsidiary of Sumitomo Mitsui Finance and Leasing Company, Limited.

Broad Support by Sponsors and Alliance Companies



Conclusion of Alliance Agreement

As of October 6, 2021, entered into an alliance agreement among 3 companies: Sumitomo Mitsui Finance and Leasing Co., Ltd. ("SMFL"), SMFL MIRAI Partners Co., Ltd. ("FLMP"), and Kenedix Real Estate Mid-sized office Fund Management, Inc. (KFM).







Overview of the Alliance Agreement

- Pipeline support to KFM
- Acquisition support through warehousing support by FLMP
- Financing for warehousing SPCs by SMFL
- Provision of environmentally-friendly technology and knowhow
- Other necessary support including cooperation in securing human resources and provision of training

Priorities of Property Consideration within Asset Management Company

KDX KDX Realty Investment Corporation
KENEDIX

KDX Kenedix Private Investment Corporation
KENEDIX

		KDX Realty Investment Corporation	Kenedix Private Investment Corporation
	Mid-sized Offices	1st	2nd
	Other Offices	2nd	1st
	Residential	1st	2nd
	Healthcare	1st	-
	Retail	1st	2nd
	Service	2nd	1st
	Hotels	2nd	1st
	Logistics	1st	2nd

Criteria for "Mid-sized"

Location	Floor area per building
Tokyo 23 wards	2,000 m ² or more and 13,000 m ² or less
Outside Tokyo 23 wards	3,000 m ² or more and 20,000 m ² or less

Criteria for Property Type

	Store with the largest floor area
Retail	Store selling goods and products
Service	Store providing services

Note

KDX
KENEDIX

KDX Realty Investment Corporation