

KENEDIX

Office Investment Corporation

Ticker Symbol:8972

Kenedix Real Estate Fund Management, Inc.



Kenedix Office Investment Corporation

IR Presentation Material for the Fiscal Period
Ended October 31, 2022

December 14, 2022

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Section 1

Management Highlight

Management Highlight

Return to Unitholders

2022/10 period DPU **14,488 yen** Period over period +3.5%
Compared to initial forecast +2.4%

Acquisition and cancellation of own investment units
(4,295 units, approx. 3.0 billion yen) during 22/10 period



Finance

- Reduced interest rate levels and expanded lender formations

Average rate of interest-bearing debt

0.82%

-0.02% from the end of previous period

Financial institutions

26

+1 from the end of previous period

LTV (book value basis)

45.4%

+1.3% from the end of previous period



Sustainability

- Acquired “5 Star” (highest evaluation) and “Green Star” (11 consecutive years) in GRESB Real Estate Assessment for 2022
- Received the environmental certifications for 10 properties (Ratio of certified properties: 70.3% in total, +5.9% from the end of previous period)
- Initiatives to reduce GHG emissions
 - Introduced electricity derived from effectively renewable energy at 7 properties
 - Installed LED lightning in 4,600 tsubo of tenant area (Ratio based on leasable floor area: 39.3%, +3.7 from the end of previous period)
- Enhanced transparency of disclosure (Disclosed of GHG emissions by scope and obtained third-party assurance for the data of GHG emissions etc.)
- Established a green finance framework and procured 9.2 billion yen in green loans
- Human capital development (Investment ownership program and engagement survey)

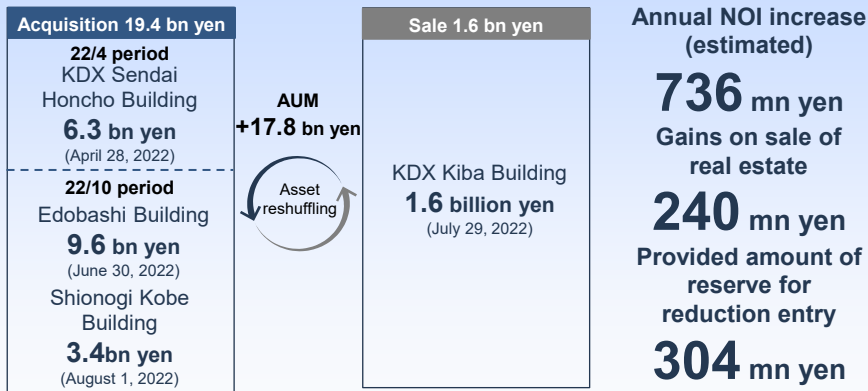


Others

- Implemented a 2-for-1 unit split to increase liquidity (November 1, 2022)

External Growth

- AUM expanded to 457.0 billion yen due to recent asset reshuffling



Internal Growth

- Although the vacancy rate was high in the fiscal period ended October 31, 2022, the occupancy rate remained high due to appropriate leasing strategies based on market trends and tenant needs
- As the rent gap narrowed, monthly rents continued to increase on a net basis due to rent revisions

Occupancy rate	Monthly rent increase	
97.8%	2.3 mn yen	Due to tenant replacements -0.1 mn yen Due to rent revisions 2.4 mn yen
-0.5% from the end of previous period	Due to tenant replacements and rent revisions	

Section 2

Financial Results and Earning Forecasts

Financial Result of the Fiscal Period Ended October 31, 2022

Items	(mn yen)				
	22/4	22/10	22/10	Performance comparison	Actual – forecast comparison
	Actual	Forecast (announced on June 14, 2022)	Actual	Change	Change
	A	B	C	C-A	C-B
Operating revenue	15,891	15,959	16,266	375	306
Rental and other operating revenues	15,078	15,673	15,960	882	287
Gains on sale of real estate	770	239	240	-529	1
Dividend income	42	46	64	22	17
Operating expense	8,463	8,845	8,886	423	41
Rental and other operating expenses (excluding depreciation)	4,721	5,037	5,076	354	38
Loss on sale of real estate	–	–	–	–	–
Depreciation	2,588	2,631	2,631	43	0
General and administrative expenses	1,153	1,175	1,179	25	3
(Asset management fee)	962	955	976	14	21
Operating income	7,427	7,114	7,379	-48	265
Non-operating income	0	0	0	0	0
Non-operating expense	930	923	928	-2	4
(Interest expenses, etc.)	907	902	908	1	5
Ordinary income	6,497	6,191	6,452	-45	260
Net income	6,496	6,190	6,451	-45	260
Rental NOI (Note 1)	10,356	10,635	10,884	527	249
Rental NOI (excluding repair / maintenance expense)	10,763	11,074	11,283	519	209
Rental and other operating profits	7,768	8,003	8,253	484	249
Utilities revenue	1,027	1,179	1,268	241	89
Utilities expense	1,115	1,386	1,445	329	58
Provision (+) / reversal (-) of reserve for reduction entry	497	127	304	-192	177
Total distributions	5,999	6,063	6,146	146	82
DPU (yen)	14,000	14,150	14,488	488	338
EPU (yen)	15,161	14,446	15,133	-28	687
FFO (Note 2)	8,314	8,582	8,841	527	259
# of total units outstanding (Note 3)	428,510	428,510	424,215	-4,295	-4,295
Occupancy rate (office building)	98.3%	97.5%	97.8%		
Unrealized profit in portfolio	108.6 bn yen	➡	116.0 bn yen	+7.3 bn yen	6.8%
NAV per unit	780,000 yen	➡	800,000 yen	+20,000 yen	2.6%

Note 1: Rental NOI = Operating revenue – Gains on sale of real estate – Dividend income – Rental and other operating expense (excluding depreciation)

Note 2: FFO = Net income + Depreciation – Gains on sale of real estate + Loss on sale of real estate

Note 3: Acquired and cancelled own investment units (4,295 units) during the fiscal period ended October 31, 2022.

Comparison to 22/4 period

■ Operating revenue	+375 mn yen
● Existing properties	-228 mn yen
• Rent / common area charge	+191 mn yen
• Utilities revenue	+207 mn yen
• Other rental and operating revenues	+121 mn yen (Restoration work revenue +71, Hall operation revenue +29)
• Gains on sale of real estate	-770 mn yen (Disappearance of gains on sale of the partial land of KDX Toranomon 1-chome Building)
● The acquired properties in 22/4 period and thereafter	+389 mn yen
• Rental and other operating revenue	+389 mn yen (KDX Sendai Honcho Building +202, Edobashi Building +134, Shionogi Kobe Building +52)
● The sold property in 22/10 period	+213 mn yen
• Rental and other operating revenues	-27 mn yen (KDX Kiba Building -27)
• Gains on sale of real estate	+240 mn yen (The sale of KDX Kiba Building)
■ Operating expense	+423 mn yen
● Existing properties	+301 mn yen
• Utilities expense	+287 mn yen
• Taxes	+27 mn yen
● The acquired properties in 22/4 period and thereafter	+131 mn yen
• Rental and other operating expenses	+131 mn yen (KDX Sendai Honcho Building +73, Edobashi Building +35, Shionogi Kobe Building +22)
● The sold property in 22/10 period	-9 mn yen
• Rental and other operating expenses	-9 mn yen (KDX Kiba Building -9)

Comparison to the forecast of 22/10 period (announced on June 14, 2022)

■ Operating revenue	+306 mn yen
● Existing properties	+253 mn yen
• Rent / common area charge	+11 mn yen
• Utilities revenue	+85 mn yen
• Other rental and operating revenues	+137 mn yen (Restoration work revenue +81, Cancellation penalty +16, Hall operation revenue +14, Parking revenue +6)
● The acquired properties in 22/10 period	+52 mn yen
• Rental and other operating revenues	+52 mn yen (Shionogi Kobe Building +52) *Decided to acquire after disclosure of forecast
■ Operating expense	+41 mn yen
● Existing properties	+19 mn yen
• Utilities expense	+52 mn yen
• Repair / maintenance expense	-40 mn yen
● The acquired properties in 22/10 period	+22 mn yen
• Rental and other operating expenses	+22 mn yen (Shionogi Kobe Building +22)

Earning Forecasts of the Fiscal Period Ending April 30, 2023 and October 31, 2023

(mn yen)

Items	22/10	23/4	23/10	23/4 forecast 22/10 actual comparison	23/4 forecast 22/10 actual comparison
	Actual A	Forecast B	Forecast C	Change B-A	Change C-B
Operating revenue	16,266	16,232	16,631	-33	398
Rental and other operating revenues	15,960	16,194	16,572	233	378
Gains on sale of real estate	240	-	-	-240	-
Dividend income	64	38	58	-25	20
Operating expense	8,886	9,345	9,810	458	465
Rental and other operating expenses (excluding depreciation)	5,076	5,545	6,026	469	480
Loss on sale of real estate	-	-	-	-	-
Depreciation	2,631	2,636	2,627	4	-8
General and administrative expenses	1,179	1,163	1,156	-16	-6
(Asset management fee)	976	957	952	-18	-5
Operating income	7,379	6,887	6,820	-492	-66
Non-operating income	0	0	0	0	-
Non-operating expense	928	904	924	-23	20
(Interest expenses, etc.)	908	893	913	-14	20
Ordinary income	6,452	5,983	5,896	-468	-87
Net income	6,451	5,982	5,895	-468	-87
Rental NOI (Note 1)	10,884	10,648	10,546	-236	-101
Rental NOI (excluding repair / maintenance expense)	11,283	11,067	10,919	-215	-148
Rental and other operating profits	8,253	8,011	7,918	-241	-93
Utilities revenue	1,268	1,484	1,910	215	425
Utilities expense	1,445	1,854	2,302	409	447
Provision (+) / reversal (-) of reserve for reduction entry	304	-168	-255	-473	-87
Total distributions	6,146	6,151	6,151	5	-
DPU (yen)	14,488	7,250	7,250	-7,238	0
EPU (yen)	15,133	7,051	6,948	-8,185	-103
FFO (Note 2)	8,841	8,618	8,523	-222	-95
# of total units outstanding (Note 3)	424,215	848,430	848,430	424,215	0
Occupancy rate (office building)	97.8%	97.5%	97.5%		

Note 1: Rental NOI = Operating revenue – Gains on sale of real estate – Dividend income – Rental and other operating expenses (excluding depreciation)

Note 2: FFO = Net income + Depreciation – Gains on sale of real estate + Loss on sale of real estate

Note 3: A two-for-one unit split was executed on November 1, 2022.

Comparison between the actual of 22/10 period and the forecast of 23/4 period

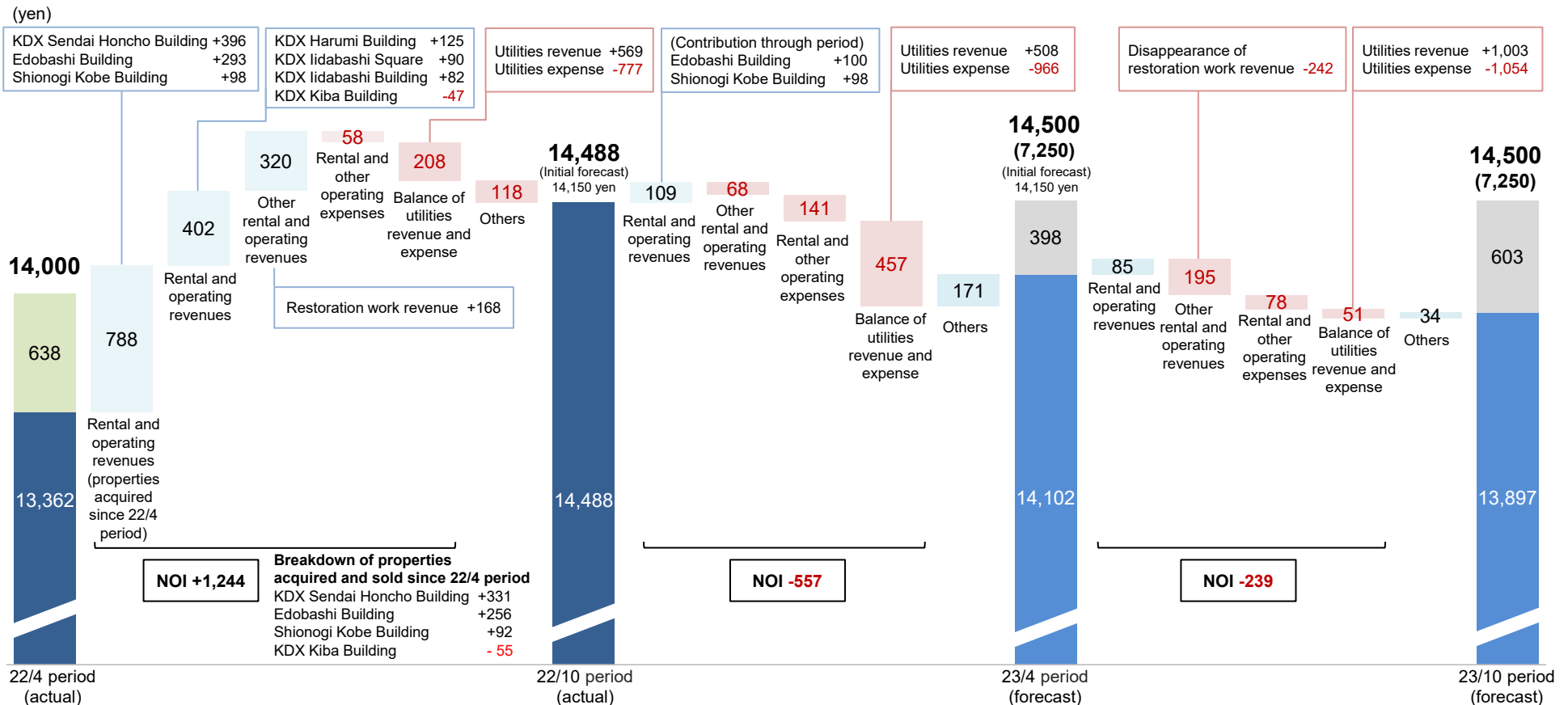
■ Operating revenue	-33 mn yen
● Existing properties	+129 mn yen
• Rent / common area charge	-19 mn yen
• Utilities revenue	+211 mn yen
• Other rental and operating revenues	-36 mn yen (Hall operation revenue -27, Cancellation penalty -7)
● The acquired properties in 22/10 period	+99 mn yen
• Rental and other operating revenues	+99 mn yen (Edobashi Building +45, Shionogi Kobe Building +54)
● The sold property in 22/10 period	-262 mn yen
• Rental and other operating revenues	-21 mn yen (KDX Kiba Building -21)
• Gains on sale of real estate	-240 mn yen (Disappearance of gains on sale of KDX Kiba Building)
■ Operating expense	+458 mn yen
● Existing properties	+422 mn yen
• Utilities expense	+411 mn yen
• Taxes	+25 mn yen
• Brokerage fee	-34 mn yen
● The acquired properties in 22/10 period	+56 mn yen
• Rental and other operating expenses	+56 mn yen (Edobashi Building +29, Shionogi Kobe Building +27)
● The sold property in 22/10 period	-20 mn yen
• Rental and other operating expenses	-20 mn yen (KDX Kiba Building -20)

Comparison between the forecast of 23/4 and 23/10 periods

■ Operating revenue	+398 mn yen
• Rent / common area charge	+36 mn yen
• Utilities revenue	+425 mn yen
• Other rental and operating revenues	-82 mn yen (Restoration work revenue -102, Cancellation penalty -8, Hall operation revenue +31)
■ Operating expense	+465 mn yen
• Management consignment fee	-10 mn yen
• Utilities expense	+447 mn yen
• Taxes	+87 mn yen
• Repair / maintenance expense	-46 mn yen

Principal Factors for Changes in DPU

- 2022/10 period : DPU increased 2.4% from the initial forecast to 14,488 yen, due to raising NOI through asset reshuffling, acquisition and cancellation of own investment units, etc.
- 2023/4 period : Although NOI is expected to decrease due to rising electricity charges, it will be maintained at the previous period's level of 14,500 yen (7,250 yen after the split) by utilizing the reserve for reduction entry
- 2023/10 period : NOI will decrease due to the disappearance of income from restoration expenses, however, DPU will continue to be 14,500 yen (7,250 yen after the split) by utilizing the reserve for reduction entry



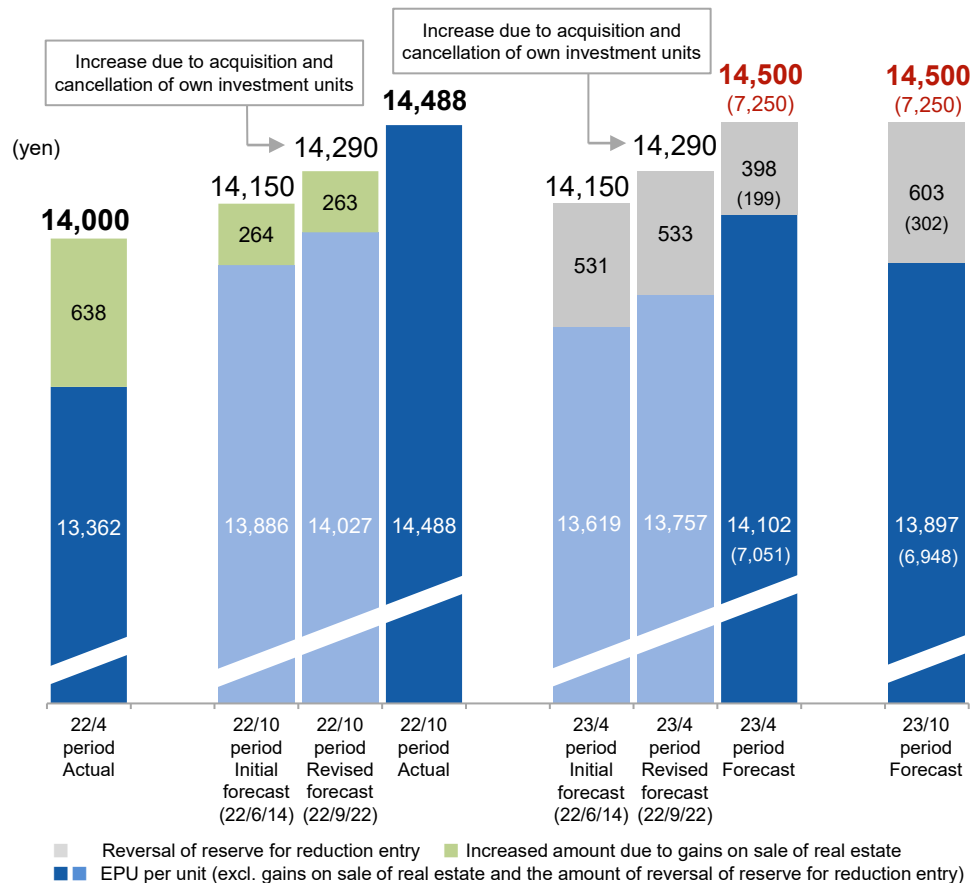
■ Amount of reversal of reserve for reduction entry ■ Amount of increase from gains on sale of real estate
 ■ EPU per unit (excl. the amount of reversal of reserve for reduction entry and gains on sale of real estate) ■ Factor for increase ■ Factor for decrease

Note: Although a 2-for-1 unit split was implemented on November 1, 2022, the respective per unit figures for 23/4 and 23/10 periods have been converted into the amount before the split based on the number of units issued and outstanding at the end of 22/10 period to facilitate comparison (however, actual amounts based on the number of units issued and outstanding after the split are shown in parentheses).

DPU per Unit and Balance of Reserve for Reduction Entry

DPU (Note 1) (Note 2)

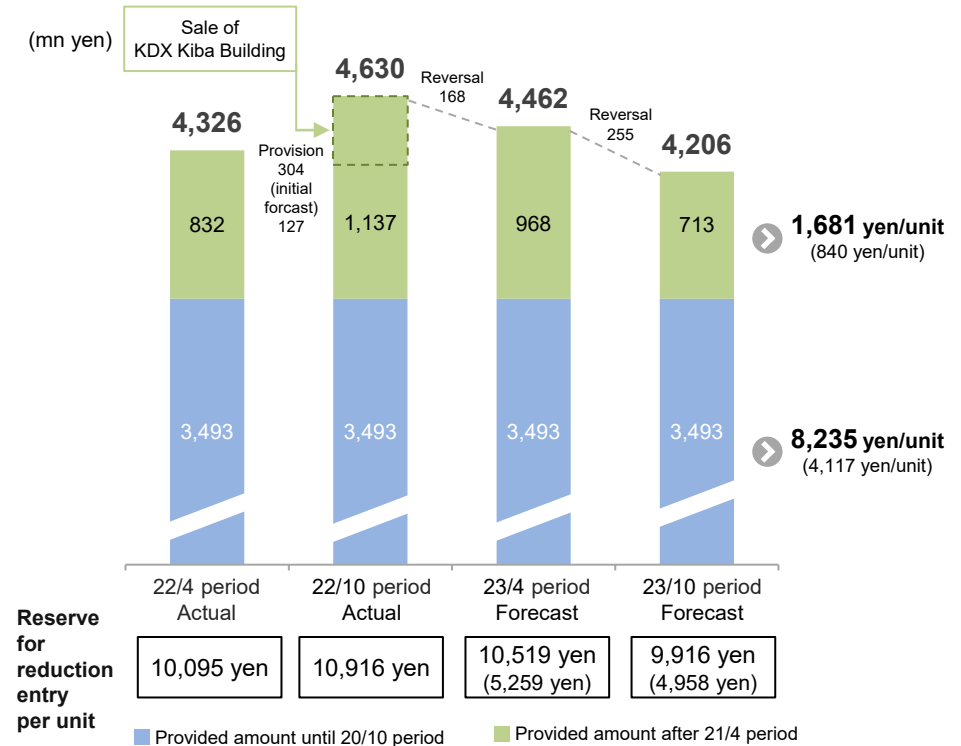
- In 22/10 period, EPU increased significantly due to gains on sale of real estate and an increase in NOI, hence provided the maximum amount to the reserve for reduction entry and utilized it to stabilize DPU in the future
- Utilize reserve for reduction entry in 23/4 and 23/10 periods to maintain a stable DPU level



Balance of reserve for reduction entry (Note 2) (Note 3)

- Increased provision by 177 million yen in 22/10 period compared to the initial forecast due to the increase in NOI by external growth etc.

Provided amount in 21/4 period and thereafter	• To be utilized actively to stabilize DPU over the short term
Provided amount until 20/10 period	• For temporary decrease in income, incurrence of expenses and others • A temporary decrease in distributions due to large-scale renovation etc. • For dilution of distributions in the event of public offering during the period



Note 1: The amount per unit is calculated by dividing by the number of investment units issued and outstanding as of each fiscal period end.

Note 2: Although a 2-for-1 unit split was implemented on November 1, 2022, the respective per unit figures for 23/4 and 23/10 periods have been converted into the amount before the split based on the number of units issued and outstanding at the end of 22/10 period to facilitate comparison (however, actual amounts based on the number of units issued and outstanding after the split are shown in parentheses).

Note 3: Actual and forecasted reserve for reduction entry is calculated by either adding provision of reserve for reduction entry or subtracting reversal of reserve for reduction entry to/from the balance of reserve for reduction entry on the balance sheet as of the end of the relevant fiscal periods.

Note

Section 3

Management Status

Acquisition of the Property (Shionogi Kobe Building)

It is an office building which can flexibly correspond diverse tenant needs including needs for seeking small- and medium-sized lots, and expected to be operated stably into the future

- It is situated adjacent to commercial facilities expanding around Sannomiya (Kobe-Sannomiya) Station and government offices, including the municipal office
- Given its 80 parking spaces and proximity to an interchange of the Hanshin Expressway, it is characterized in that preferred by tenants engaging in businesses that require the comparatively frequent use of vehicles
- As of the end of fiscal period ended October 31, 2022, 19 tenants occupied the building. With regularly shaped rental rooms divisible to a minimum of 19 tsubo, it is characterized by its flexibility to correspond diverse tenant needs, including those for small and medium sized sections



Location	Kobe, Hyogo	Acquisition date	August 1, 2022
Total floor area	8,501.91m ²	Occupancy rate (as of October 31, 2022)	95.2%
Completion date	May 1992	NOI yield (estimated) (Note 1)	4.6%
Acquisition price	3,450 mn yen	NOI yield after depreciation (estimated) (Note 2)	3.5%
Appraisal value (as of July 1, 2022)	3,610 mn yen	Appraisal NOI yield (Note 3)	5.1%
Access	Approximately 6-minute walk from Boeki Center Station on the Kobe New Transit Port Island Line / Approximately 7-minute walk from Sannomiya-Hanadokeimae Station on the Kobe Municipal Subway Kaigan Line / Approximately 8-minute walk from Kobe-Sannomiya Station on the Hanshin Line		

Note 1: Calculated by annualizing the NOI (estimated) after eliminating special factors for the year of acquisition and dividing by the acquisition price (rounded to the first decimal place. The same applies to each of the yields below).





Note 2: NOI after depreciation (estimated), which is NOI (estimated) minus depreciation, is converted to an annual basis and divided by the acquisition price.

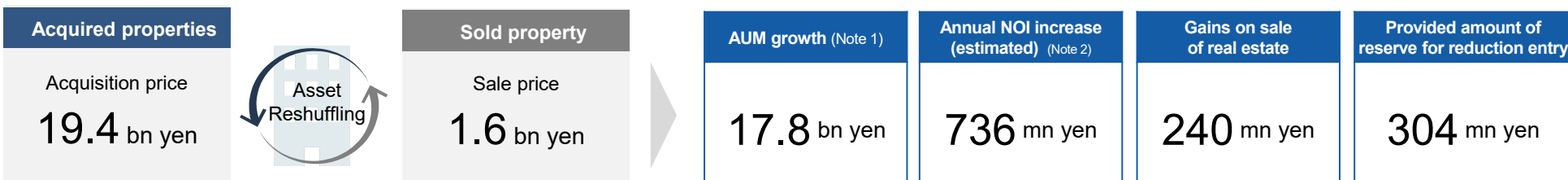
Note 3: The net operating income based on the direct capitalization method in the appraisal report as of July 1, 2022, divided by the acquisition price.

Benefit of Asset Reshuffling

- Asset reshuffling contributed to portfolio growth through the acquisition of well-located properties with good tenant diversification, and it stabilized and improved DPU level by utilizing gains on sale of real estate

Outline of asset reshuffling

	Acquired in 22/4 period	Acquired in 22/10 period	Acquired in 22/10 period	Sold in 22/10 period
				
Property name	KDX Sendai Honcho Building	Edobashi Building	Shionogi Kobe Building	KDX Kiba Building
Location	Sendai, Miyagi	Chuo-ku, Tokyo	Kobe, Hyogo	Koto-ku, Tokyo
Acquisition or sale price	6,360 mn yen	9,600 mn yen	3,450 mn yen	1,650 mn yen
Date of acquisition or sale	April 28, 2022	June 30, 2022	August 1, 2022	July 29, 2022
Total floor area	13,049.82m ²	8,076.42m ²	8,501.91m ²	2,820.64m ²



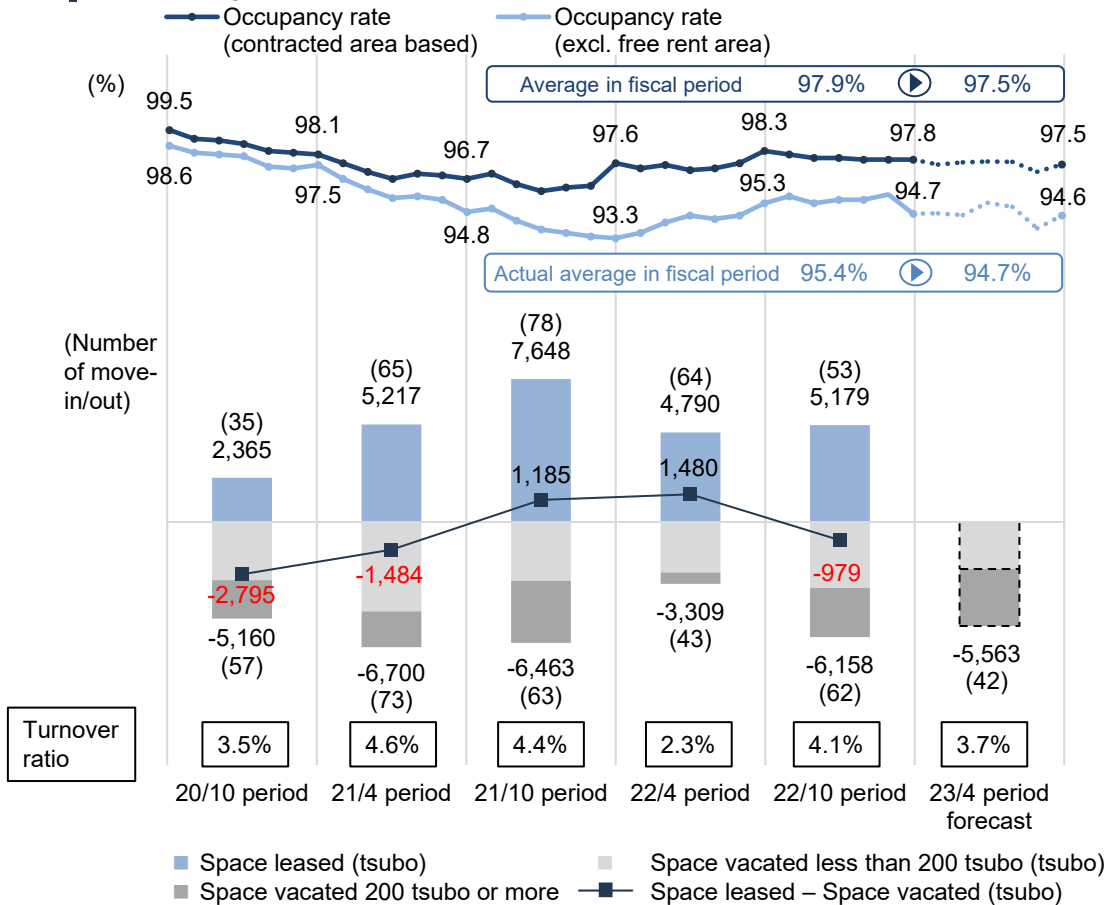
Note 1: The difference between the total acquisition price of the acquired properties and the acquisition price of the sold property (1,580 million yen).

Note 2: The difference between the annual NOI (estimated) for the acquired property and the NOI (actual) for the 21/10 and 22/4 periods for the sold property.

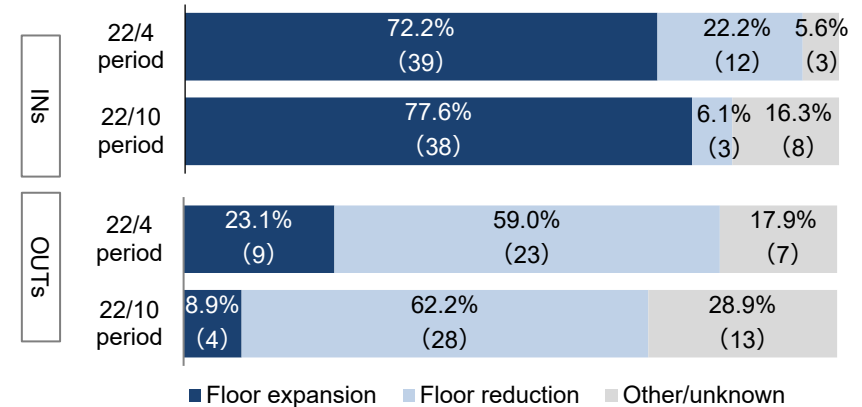
Occupancy Rate, Turnover Ratio and Trends in Move-ins/outs of Tenants for Office Buildings

- Although the vacancy rate was high in the fiscal period ended October 31, 2022, the occupancy rate remained high due to appropriate leasing strategies based on market trends and tenant needs
- In the fiscal period ending April 30, 2023, although the tenant which occupied the whole building is scheduled to move out, will continue to strive to maintain and improve occupancy rates through flexible and agile leasing strategies

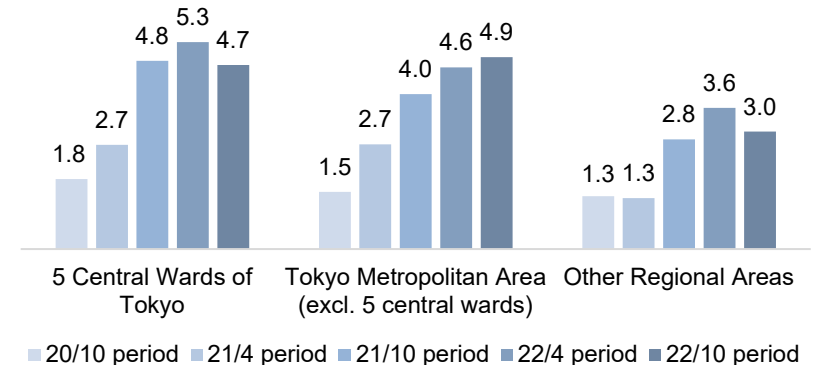
Occupancy rate, area and number of move-ins/outs and turnover ratio (Note)



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.

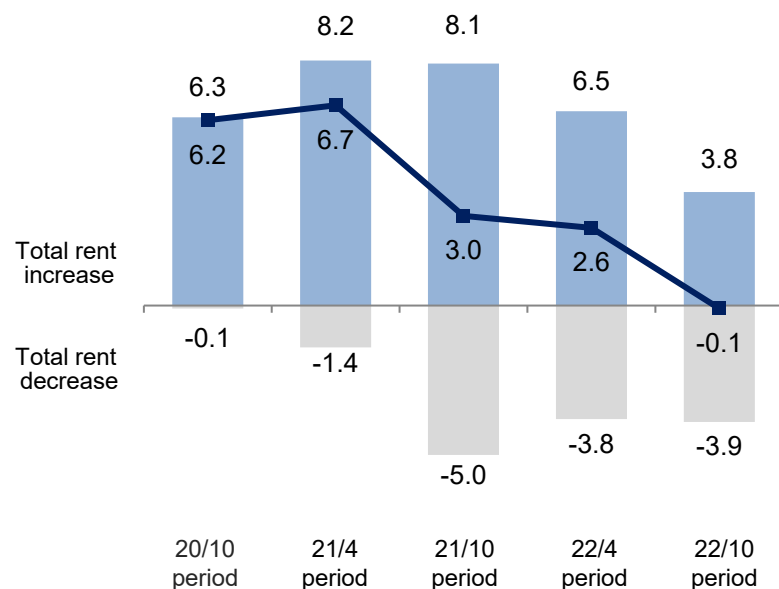
The turnover ratio is the figure calculated by dividing the total leased area for tenants who cancelled their lease contracts in each fiscal period by the average of the total leasable area of all office buildings owned by the Investment Corporation as of the end of each month and rounded to the first decimal place. Turnover ratio for 23/4 period is the estimate based on the cancellation notice, etc. received by November 30, 2022.

Rent Changes upon Tenant Turnover

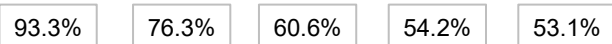
- Under the circumstance of declining market rents, the monthly rent remains almost unchanged on a net basis due to tenant replacement, and the monthly rent per unit also remains almost flat

Change in monthly rents at the time of replacement of tenants

(million yen)



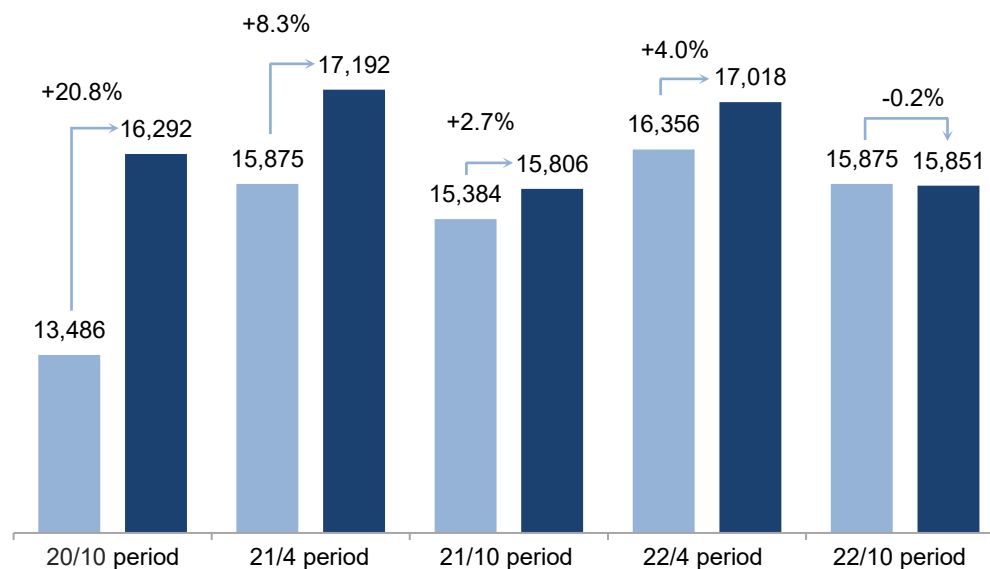
% of the number of rent increase contracts upon tenant turnover



—■ Total rent increase - Total rent decrease

Change in monthly rent unit price and rate of change at tenant replacement

(yen/tsubo)



■ Unit rent for previous tenant ■ Unit rent for new tenant

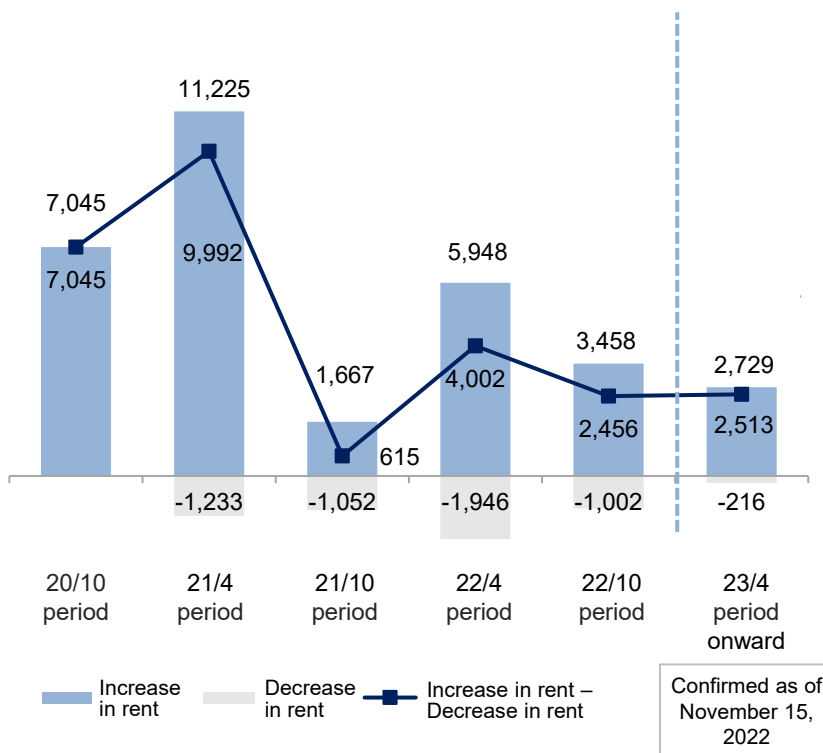
Note: The increase/decrease in the monthly rent and unit rent and others are calculated for each occupied floor where the new rent and the previous tenant rent can be compared.

Status of Rent Revisions with Existing Tenants

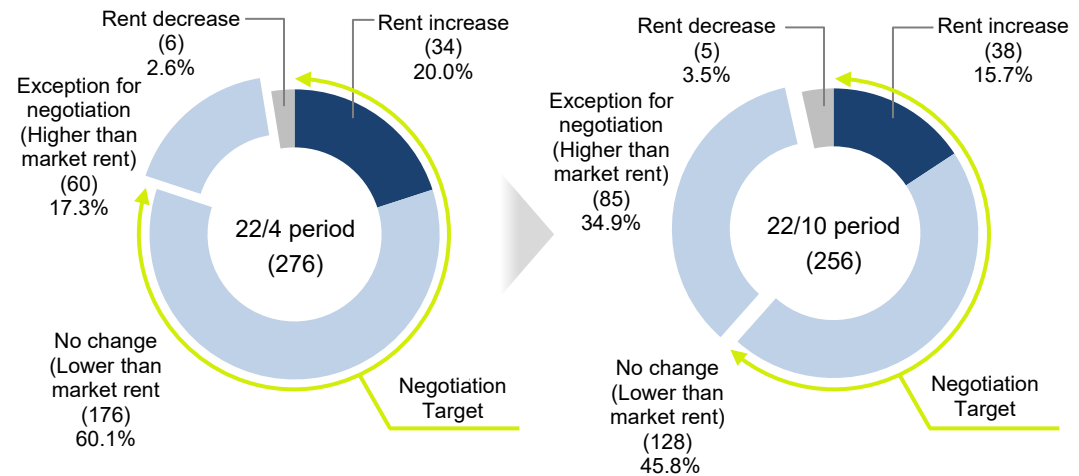
- As the rent gap narrowed, the number of rent increases increased due to persistent negotiations, and monthly rents continued to increase on a net basis due to rent revisions

Changes in rent upon rent revisions (based on monthly rent)

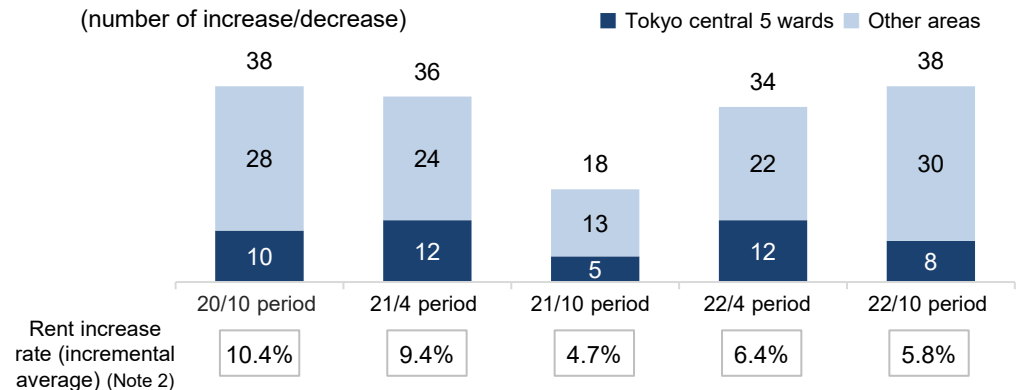
(thousand yen)



Status of rent revisions (based on leased floor area) (Note 1)



Number of rent increase contracts and rent increase rate



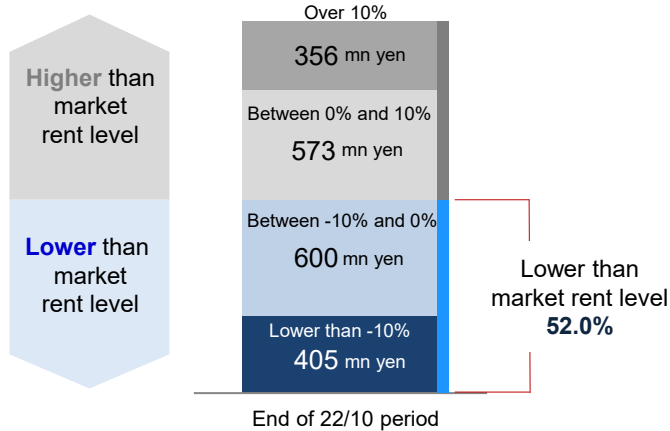
Note 1: "Market rent" in this graph is a new contracted rent (standard floor) for each property estimated by CBRE as of the end of each fiscal period.

Note 2: Rent increase rate is calculated by dividing the sum of increase in monthly rent by the sum of monthly rent before revision (rounded to the first decimal place).

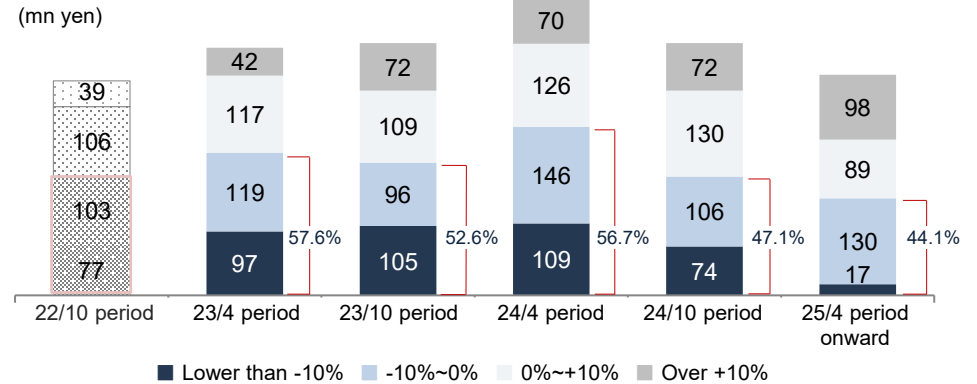
Rent Gap of KDO Office Buildings

• While maintaining a net increase in rents at the time of rent revisions, the rent gap continues to narrow due to the impact of declining market rents

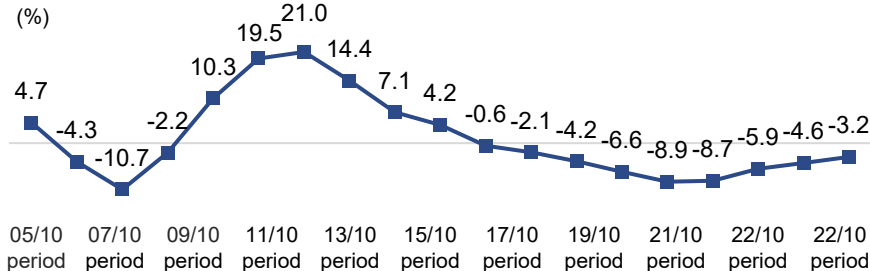
Breakdown of rent gaps (based on monthly rent) (Note 1)



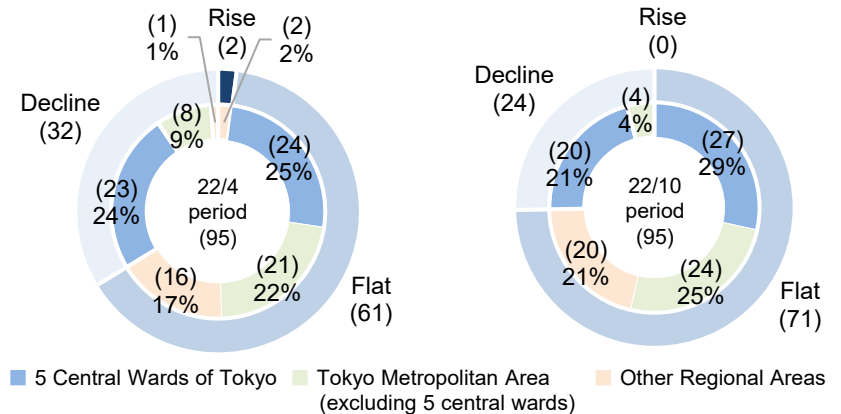
Breakdown of rent gaps by rent revision schedule (as of the end of 22/10 period, based on monthly rent) (Note 1) (Note 3)



Historical average rent gaps (Note 2)



Change in market rent of owned properties (Note 4)



Note 1: A new contracted rent (standard floor) for each property estimated by CBRE as of the end of 22/10 period is deemed the market rent; the gap between the contracted rent for each tenant as of the end of the fiscal period and the market rent is recognized as a rent gap. No gap is classified into "Between 0% and +10%".

Note 2: 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 by the Investment Corporation as of the end of each fiscal period and the market rent for each property estimated by CBRE at the time of assessment.

Note 3: The figure shows the distribution of the percentage deviation between the contract rent of each tenant and the market rent of each property assessed by CBRE as of the end of 22/10 period for office buildings owned as of the end of 22/10 period, by the timing of each tenant's rent revision. The rents equal to market rents are classified into "Between 0% and +10%".

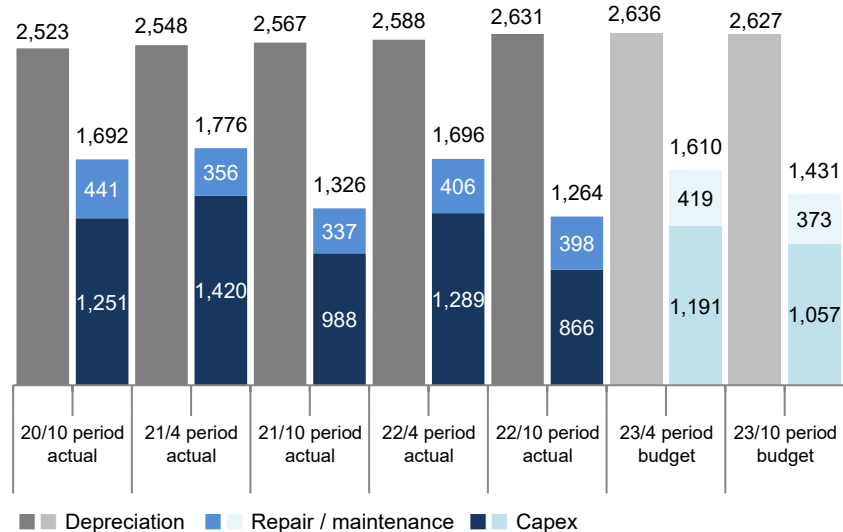
Note 4: Trends in market rents from the previous fiscal period are shown by trend and by region for the office buildings owned as of the end of 22/10 period.

Construction Expense (actual/budget)

- To further enhance the profitability of the portfolio by maintaining and improving tenant satisfaction and property competitiveness through the timely and appropriate implementation of construction work
- Conducted a customer satisfaction survey of tenants in August 2022 and confirmed 92% of the tenants intend to continue occupancy

Depreciation and construction expense (actual/budget)

(mn yen)



Renovation project for 2023/4 period

Renovation work to improve the design of the entrance and facade, which has deteriorated over the years, is scheduled to be carried out to refresh the image of the entrance

Renovation of entrance of Edobashi Building

Before



After (perspective drawing)

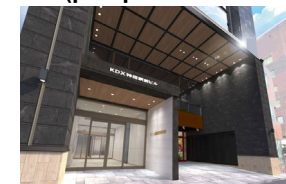


Renovation of facade of KDX Kanda Ekimae Building

Before



After (perspective drawing)



Repair/renovation work budget and major construction projects for 2023/4 period (planned)

Items	Description of works	Estimated amount (mn yen)	Percentage of total expense (%)	Target property
Value-upgrading works	Tenant and common areas	474	29.4	KDX Fuchu Building (sanitary facilities and pantry), Edobashi Building (entrance, sanitary facilities and pantry)
Replacement works	Air-conditioning facilities	84	5.2	KDX Tosabori Building, KDX Sendai Honcho Building
	Other major facilities	416	25.8	Portus Center Building (elevator), KDX Nagoya Ekimae Building (electric transformer)
Eco-friendly works (Installation of LED lighting, etc)		52	3.3	KDX Shinjuku 286 Building, KDX Nagoya Sakae Building
Outer wall repair		70	4.4	KDX Shin-Osaka Building
Maintenance/repair works		514	31.9	Harajuku F.F. Building (plumbing equipment)
Total		1,610	100.0	

Current Occupancy Status of Leasing Focus Properties for the Fiscal Period Ended October 31, 2022

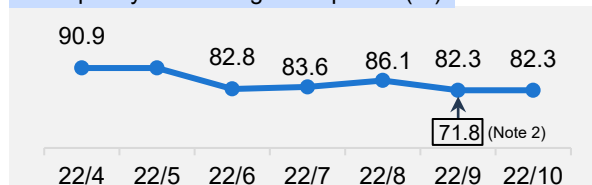
- Steadily capture tenant needs through flexible and agile leasing strategies that take into account the characteristics of each property and market conditions, and expect to recover and improve occupancy rates

Portus Center Building



Percentage of the portfolio
2.3% (Note 1)

Occupancy rate during fiscal period (%)



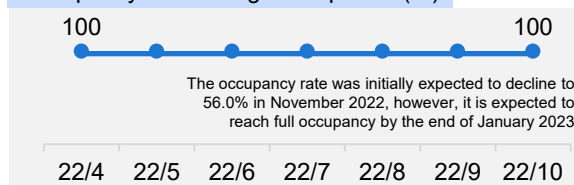
- Although the occupancy rate was expected to decline to 71.8% due to the cancellation of approximately 666 tsubo, succeeded in leasing up a total of 4 tenants (approximately 365 tsubo) through flexible and agile leasing activities, and maintained the occupancy rate in the 80% range

KDX Akihabara Building



Percentage of the portfolio
0.5%

Occupancy rate during fiscal period (%)



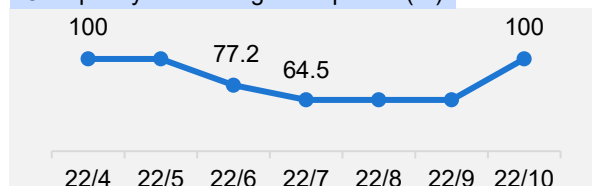
- The occupancy rate was expected to fall to 56.0% by the end of November 2022 due to the cancellation of approximately 304 tsubo, however, succeeded in filling the floors promptly by offering competitive conditions and implementing a campaign

Higashi-Kayabacho Yuraku Building



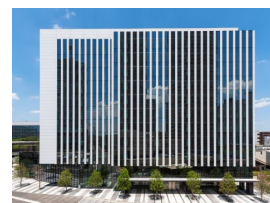
Percentage of the portfolio
0.9%

Occupancy rate during fiscal period (%)



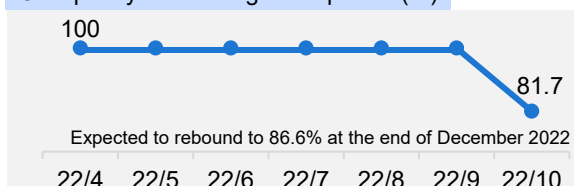
- Although the occupancy rate declined to 64.5% due to the cancellation of 3 floors (approximately 470 tsubo), captured relocation needs from the neighborhood by setting competitive offer conditions and conducting sales activities utilizing campaigns, and achieved full occupancy

KDX Musashi-Kosugi Building



Percentage of the portfolio
2.6%

Occupancy rate during fiscal period (%)



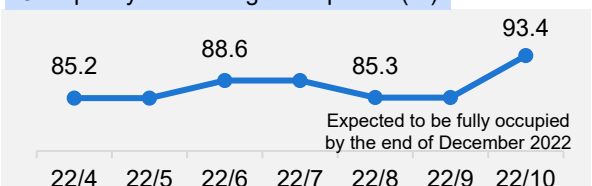
- Occupancy rate declined to 81.7% following the cancellation of approximately 720 tsubo in September 2022, however, it is expected to recover to 86.6% after lease-up of 194 tsubo by the end of December 2022

KDX Fuchu Building



Percentage of the portfolio
2.0%

Occupancy rate during fiscal period (%)



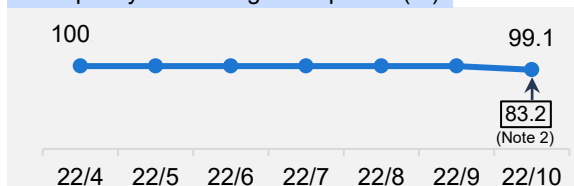
- Although the occupancy rate was expected to decline to 76.3% at the end of December 2022, took advantage of its favorable location, a 3-minute walk from the station, and flexibly responded to tenant needs, such as floor splitting, to improve the occupancy rate

KDX Chofu Building



Percentage of the portfolio
2.4%

Occupancy rate during fiscal period (%)



- The occupancy rate was expected to decline to 83.2% at the end of October 2022 due to the cancellation of 2 floors totaling 603 tsubo, however, the occupancy rate recovered to 99.1% as 570 tsubo were leased by capturing the floor expansion needs of the tenant in the building

Note 1: Percentage of the portfolio is calculated by dividing the leasable area of the property as of the end of October 31, 2022 by the leasable area of all 97 office buildings owned at the same time, rounded to one decimal place. The same applies hereinafter.

Note 2: The figures are the initial future occupancy rates calculated based on the assumed tenant move-out rate at the time of the announcement of financial results for 22/4 period.

Leasing Focus Properties for the Fiscal Period Ending April 30, 2023

Portus Center Building



Percentage of the portfolio
2.3%

Occupancy rate
as of the end of
October 2022

82.3%

Estimated
occupancy rate as of
the end of April 2023

80.8%

Vacant area:
approx. 666 tsubo

- Occupancy rate is expected to decline again due to the cancellation of 50 tsubo at the end of March 2023
- Aggressively conduct previews and other leasing campaigns to uncover tenant needs
- Aim to improve the occupancy rate by upgrading LED lighting and interior specifications in the vacant floors

KDX Musashi-Kosugi Building



Percentage of the portfolio
2.6%

Occupancy rate
as of the end of
October 2022

81.7%

Estimated
occupancy rate as of
the end of June 2023

82.5%

Vacant area:
approx. 688 tsubo

- Occupancy rate recovered to 86.6% in December 2022, however, it is expected to decline to 82.5% in June 2023 due to the cancellation of 162 tsubo
- Aiming to improve occupancy rate by promoting building specifications that can meet various tenant needs, such as transportation convenience with a station only a minute's walk away and areas that can accommodate heavy loads

KDX Higashi-Shinagawa Building



Percentage of the portfolio
1.4%

Occupancy rate
as of the end of
October 2022

100%

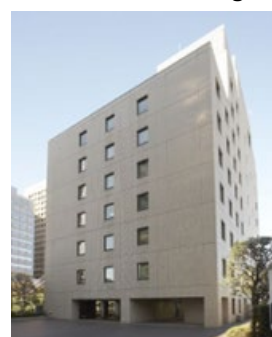
Estimated
occupancy rate as of
the end of June 2023

69.0%

Vacant area:
approx. 667 tsubo

- A tenant currently leasing 667 tsubo on multiple floors is scheduled to move-out due to expansion and relocation at the end of May 2023. The occupancy rate is expected to decline to 69.0%
- Aim to fill the vacancy as soon as possible by flexibly responding to floor splits and other solicitation conditions

KDX Kawasaki-Ekimae Hon-cho Building



Percentage of the portfolio
1.0%

Occupancy rate
as of the end of
October 2022

100%

Estimated
occupancy rate as of
the end of March 2023

0%

Vacant area:
approx. 1,550 tsubo

- The tenant which occupied the whole building is scheduled to move out at the end of February 2023
- Considering various measures to increase unitholder value, including leasing activities such as leasing of the whole building and multi-tenanting

Note: The estimated occupancy rate is calculated to reflect those for which a cancellation notice has been received from the occupying tenant or a lease agreement have been executed with a new tenant as of November 30, 2022 (rounded to one decimal place).

End-tenants of KDO Office Buildings

• The largest tenant occupies 2.3% of total leased floor area and each of tenants other than the top 5 occupies less than 1.0%

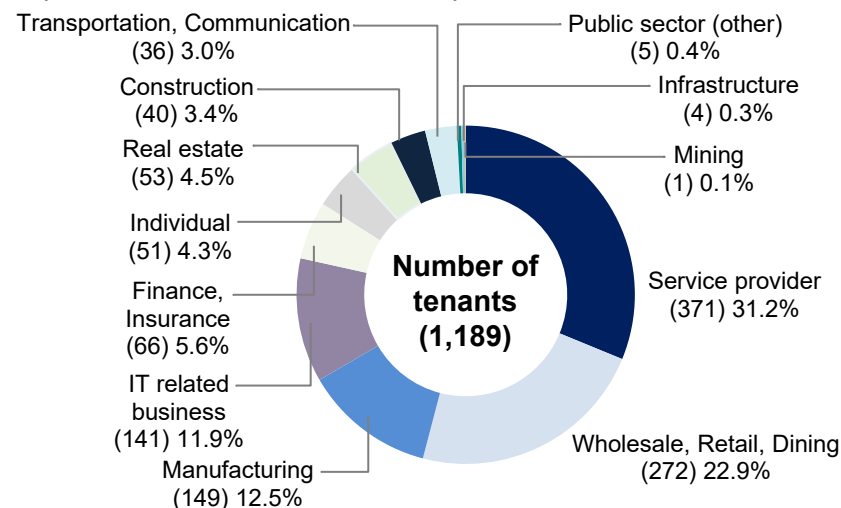
List of top end-tenants for office buildings (as of the end of 22/10 period)

Tenant name	Leased area (tsubo)	Share of leased floor area (%) (Note1)	Name of property
1 Mitsubishi Heavy Industries, Ltd.	3,408.4	2.3	Mitsubishijuko Yokohama Bldg.
2 WeWork Japan G.K.	1,920.0	1.3	KDX Toranomon 1chome Bldg.
3 Tenant A (wholesale, retail and dining) (scheduled to move out on February 28, 2023)	1,550.8	1.0	KDX Kawasaki-Emimae Hon-cho Bldg.
4 JASTEC Co., Ltd.	1,480.1	1.0	KDX Takanawadai Bldg.
5 Japan Pension Service	1,424.9	1.0	KDX Chofu Bldg.
6 Tenant B (Manufacturing)	1,308.0	0.9	KDX Kobayashi-Doshomachi Bldg.
7 Customer Relation Telemarketing Co., Ltd.	1,279.6	0.9	KDX Higashi Umeda Bldg.
8 Medical Corporation DOYUKAI	1,135.6	0.8	Koishikawa TG Bldg.
9 Tenant C (service provider)	1,080.1	0.7	KDX Musashi-Kosugi Bldg.
10 Tenant D (wholesale, retail and dining)	912.2	0.6	Harajuku F.F. Bldg.
Total	15,499.7	10.5	

Average rent for office buildings by area (Note 2)

	21/10 period	22/4 period	22/10 period
Office buildings	16,000 yen	16,000 yen	16,000 yen
5 Central Wards of Tokyo	19,500 yen	19,600 yen	19,600 yen
Tokyo Metropolitan Area (excluding 5 central wards)	14,400 yen	14,400 yen	14,500 yen
Other Regional Areas	13,100 yen	13,000 yen	12,900 yen

Tenant diversification by type of business (based on the number of tenants) (Note 3)



Note 1: The share of leased floor area is the ratio of the leased area of each end-tenant to the total leased area of the entire portfolio as of the end of 22/10 period (rounded to the first decimal place).

Note 2: Average rent is calculated by dividing total amount of contracted rents of office buildings for each area as of the end of each fiscal period by the total leased floor area (rounded down to the nearest hundred yen).

Note 3: The chart shows the breakdown of tenants by type of business based on the total number of tenants in whole office buildings (aggregated by name-base) as of the end of 22/10 period (rounded to the first decimal place). The data is based on the industry classification based on a corporate credit survey conducted by Teikoku Databank, Ltd. For tenants without the data in the database of Teikoku Databank Ltd., the asset management company supplements the data and compiles it.

Note

Section 4

Financial Status

Financial Status (1)

Status of rating
AA
 (Stable)
 Japan Credit Rating Agency, Ltd.

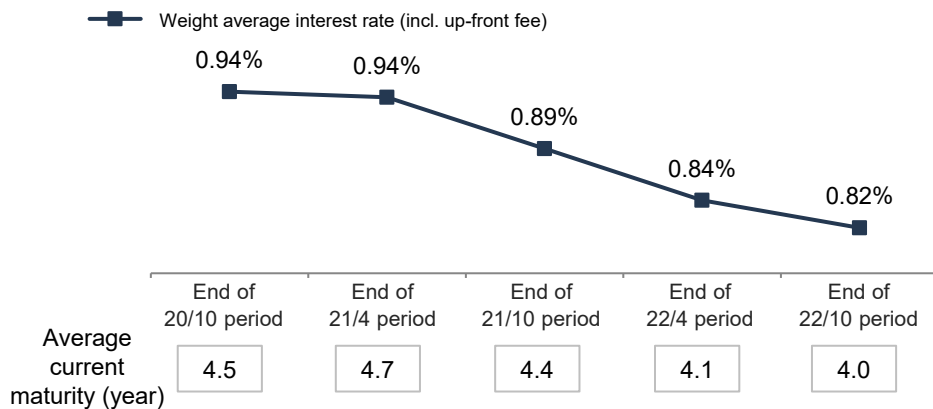
Average rate of interest-bearing debt
0.82%
 -0.02% from the end of previous period

Fixed interest rate ratio
97.5%
 Fixed by interest rate swaps, etc.

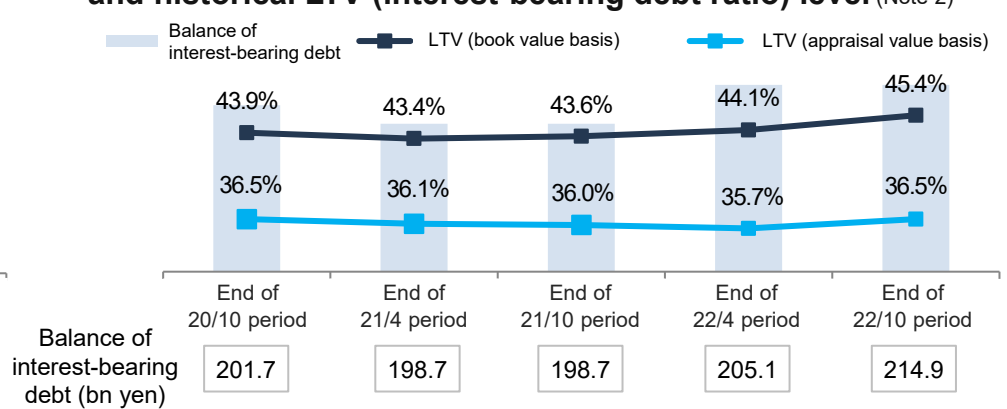
LTV
45.4%
 Book value basis

Financial institutions
26
 +1 from the end of previous period

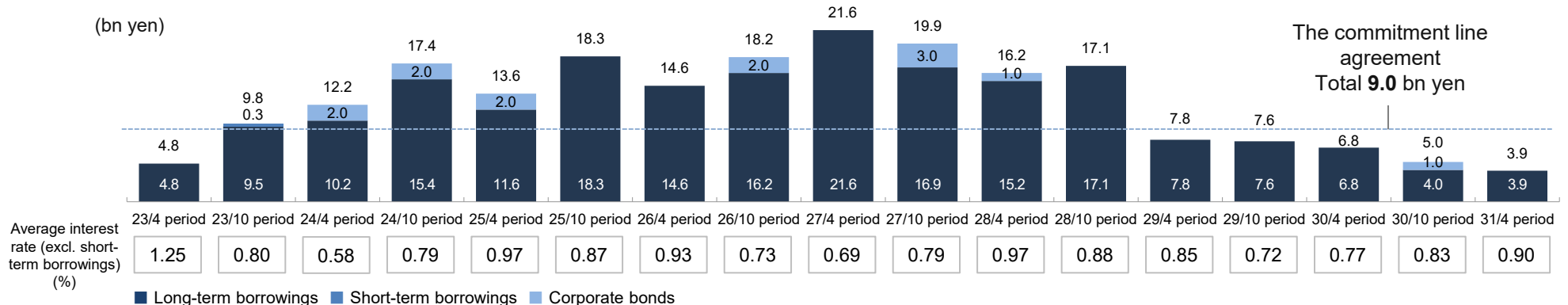
Average interest rate and remaining period to maturity (Note 1)



Balance of interest-bearing debt and historical LTV (interest-bearing debt ratio) level (Note 2)



Balance of interest-bearing debt by maturity (as of the end of 2022/10 period)



Note 1: Average interest rate and borrowing period are the weighted average based on the balance of debt outstanding as of the end of each fiscal period (with the average interest rate rounded to the second decimal place and the average borrowing period rounded to the first decimal place).

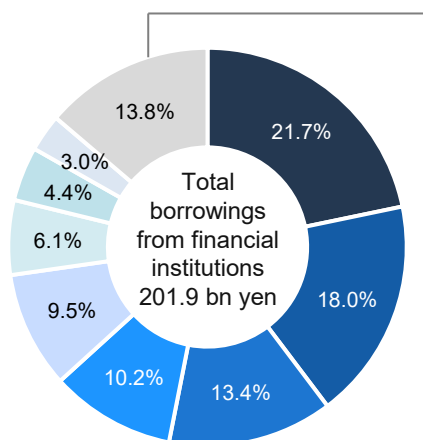
Note 2: LTV (book value basis) is calculated by dividing the balance of interest-bearing debt by the amount of total assets as of the end of each fiscal period. LTV (appraisal value basis) is calculated by dividing the balance of interest-bearing debt by the sum of the amount of total assets and appraisal profit/loss of owned properties as of the end of each fiscal period (rounded to the first decimal place).

Financial Status (2)

Status of debt financing (as of the end of 2022/10 period)

Classification	Balance	Percentage
Short-Term Borrowings	300 mn yen	0.1%
Long-Term Borrowings	201,650 mn yen	93.8%
Total borrowings	201,950 mn yen	93.9%
Investment Corporation Bonds	13,000 mn yen	6.0%
Total Borrowings and Investment Corporation Bonds	214,950 mn yen	100.0%

Outstanding borrowings by financial institutions (as of the end of 2022/10 period)



Financial institutions

25 → **26**

The end of 22/4 period → The end of 22/10 period

Results of debt financing in 2022/10 period

- Total refinancing of 24.7 billion yen

	Before refinance	After refinance
Average interest rate	0.51%	0.54%
Average borrowing term	2.7 years	4.0 years

- New debt financing totaling 9.8 billion yen for acquisition of Edobashi Building

Conditions	
Average interest rate	0.28%
Average borrowing term	1.8 years

Issue status of investment corporation bonds (total 13.0 bn yen) (as of the end of 2022/10 period)

Corporate bonds	Issued period	Issued amount	Interest rate	Term
6th bonds	2014/7	2.0 bn yen	1.18%	10 years
7th bonds	2016/4	1.0 bn yen	0.90%	12 years
9th bonds	2017/7	2.0 bn yen	0.64%	10 years
10th bonds (green bonds)	2019/2	2.0 bn yen	0.39%	5 years
11th bonds (private placement bonds)	2020/1	2.0 bn yen	0.25%	5 years
12th bonds (green bonds)	2020/10	1.0 bn yen	0.61%	10 years
13th bonds	2021/7	2.0 bn yen	0.18%	5 years
14th bonds	2022/7	1.0 bn yen	0.40%	5 years

Note

Section 5

Initiatives for Sustainability

Initiatives for Sustainability

GRESB Real Estate Assessment for 2022

5 Star

Highest evaluation

Green Star

11 consecutive years

Public Disclosure A

Highest ESG disclosure rating



Promotion of acquisition of external certification

- Achieved 70% of the previous certification target. Target set at over 80% thereafter

Number of certified properties
in 22/10 period

10 properties

Ratio of certified properties (Note 1)

70.3%

+5.9% from the end
of previous period

Total 57 properties

Initiatives to reduce GHG emissions

Introduction of
electricity derived
from effectively
renewable energy

Newly introduced
(after May 2022 and before
December 14, 2022)

+7 properties

Total of introduced
properties
(as of December 14, 2022)

Total **20** properties

Installation of
LED lightning
in tenant area

Installed area
in 22/10 period

Approx. **4,600** tsubo

The ratio of installation of
LED lightning (Note 2)

39.3%

+3.7% from the end
of previous period

- These initiatives are expected to reduce GHG emissions by a total of 3,346 t-CO₂

Enhancement of transparency of disclosure

- Disclosed GHG emissions by scope classified by source of emissions
- Obtained third-party assurance of GHG emissions, energy consumption, and water consumption

Green finance

- In August 2022, established a Green Finance Framework and received the highest rating of "Green 1(F)" from Japan Credit Rating Agency, Ltd.

Amount of green loans
procured in 22/10 period

9.2 bn yen

Balance of green finance

Total 12.2 bn yen

Investment unit ownership program

- Decided to introduce an investment unit ownership program for investment units for the employees of the Kenedix Group
- Facilitate employees' wealth building as well as enhance unitholder value by promoting further alignment of interests with the Investment Corporation's unitholders

Engagement survey

- Conducted a survey for the employees of the Kenedix Group to promote mutual understanding and affinity between the company and employees
- Regular surveys will enable a qualitative understanding of the relationship between company and employees, and will be used in the drafting of internal initiatives to improve the organization

Future Initiatives

- Acquire Science Based Target initiative (SBTi) certification
- Continuously promote acquisition of environmental certifications for properties (target of over **80%** in the ratio of certified properties)
- Further promote switchover to electricity derived from substantially renewable energy sources
- Promote switch to LED lighting in tenant areas

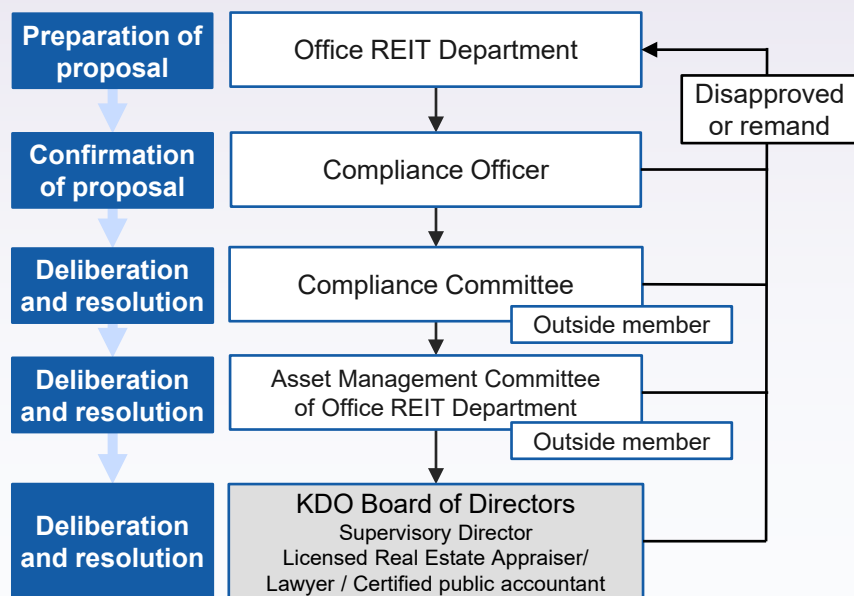
Note 1: If a single building has acquired multiple environmental certifications or evaluations, it is counted as one property. The ratio of certified properties is calculated by dividing the floor area of aggregated properties that have acquired environmental certifications by the total floor area of the entire portfolio.

Note 2: The status of installation of LED lightning is calculated by dividing the tenant area where LED lighting has been installed by the leasable area of the portfolio.

Initiatives for Sustainability

Decision-making process with transparency and check-and-balance system

- The Asset Management Company establishes asset management guidelines investment policies, related party transaction rules, distribution policies, disclosure policies and other basic policies regarding the asset management of the Investment Corporation
- Properties are to be acquired based on the investment policy stipulated in the asset management guidelines and the related party transaction rules
- The decision-making flow for establishing and revising the management guidelines and asset management plans and other documents, and pertaining to acquisition and sale of properties are established in principle as follows



Investment unit ownership by sponsor (same boat investment)

- Aiming for Same Boatability to align its interests with those of unitholders, Kenedix, the sponsor, holds a total of 15,421 units of the Investment Corporation's investment units

Shareholding ratio

3.6%

As of the end of 22/10 period

Support for lifesaving activities

- From October 2022, have held training sessions on how to use AED (Automated External Defibrillator) sequentially
- For those properties that are unable to secure a location for the training sessions, have used Connect Square (tenant relations system) to encourage the use of web-based training on how to use AEDs



Contribution to the community through a Children's Cafeteria

- At Toyosu Grand Square, through EaSyGo (ESG service for tenants), tenant employees have been introduced and offered the opportunity to donate to the Toyosu Children's Cafeteria, a local voluntary association



Section 6

Future Initiatives

Future Initiatives

Aim to Enhance Unitholder Value

Return to Unitholders

- Stabilize DPU level by utilizing retained earnings and gains on sale of real estate
- Consider acquisition of own investment units depending on cash on hand and the level of investment unit price

External Growth

- Focus on finding quality acquisition opportunities amid the continuing difficult environment for property acquisitions
- Aim to improve portfolio quality through asset reshuffling

Financial Strategy

- Maintain a high level of fixed interest rate ratios and continue to manage finances with an awareness of maturity diversification

Internal Growth

- Aim to maintain and improve occupancy rates by steadily capturing tenant needs through flexible and agile leasing strategies based on the characteristics of the properties and the surrounding market conditions
- Switch the electricity billing method to tenants to improve the balance of utilities revenue and expense

Sustainability

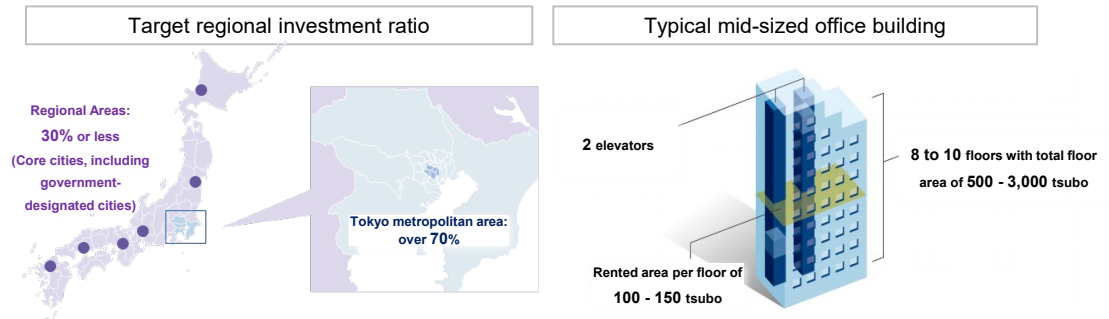
- Contribute to the sustainability of society by promoting environmentally friendly asset investment and management, including continuous reduction of GHG emissions, in accordance with international consensus

Appendix

Overview of Kenedix Office Investment Corporation

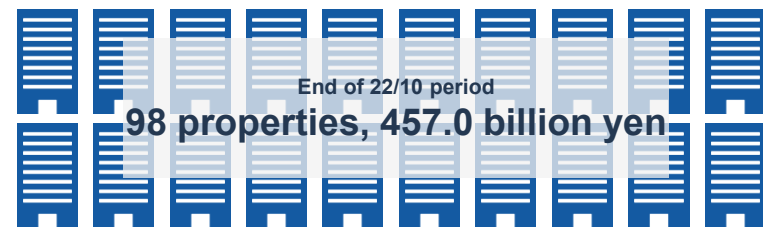
1 Investment management strategy centered on Tokyo metropolitan area and mid-sized office buildings

- Investing in and managing mainly mid-sized office buildings in the Tokyo metropolitan area (major cities in Tokyo Metropolitan, Kanagawa, Saitama, and Chiba Prefectures) where economic activities are densely integrated with abundant tenant demand and rich stocks of properties



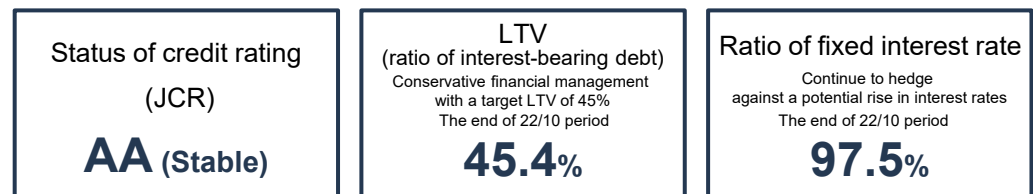
2 Has successfully managed assets for more than 17 years and the asset size has grown to 457 billion yen

- Listed in July 2005 sponsored by one of the major real estate investment management companies in Japan
- The largest among office J-REITs in terms of the number of portfolio properties
- Highly stable portfolio thanks to diverse tenants and limited revenue impact from large end-tenants vacating



3 High creditworthiness and stable financial position

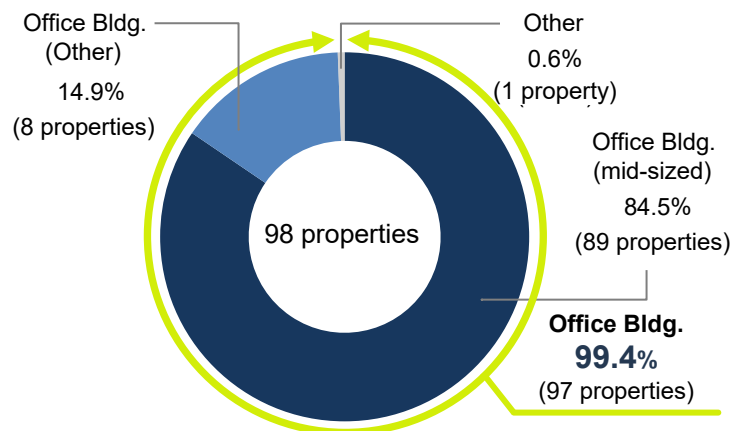
- The credit rating meets the Bank of Japan's criteria for purchase. Also, the rating improved from "AA- (Positive)" to "AA (Stable)" in March 2022
- Sufficiently prepared for the risk of rising interest rates with a high level of fixed interest rate ratio



Portfolio Diversification (as of the End of Fiscal Period Ended October 31, 2022)

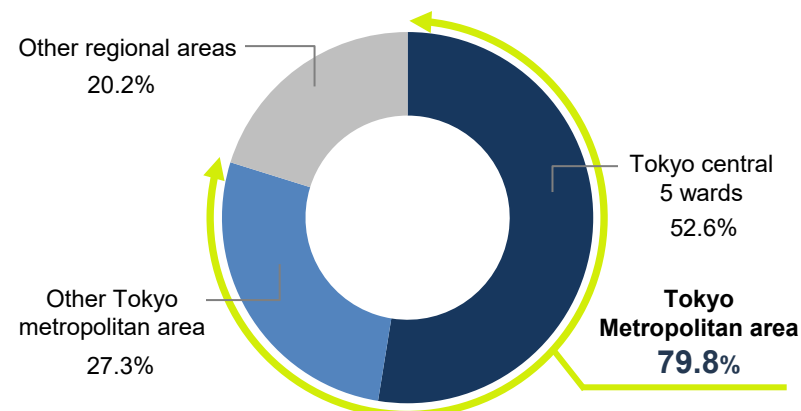
Breakdown by asset type (Note 1)

- Portfolio mainly consisted of mid-sized office buildings with advanced tenant diversification

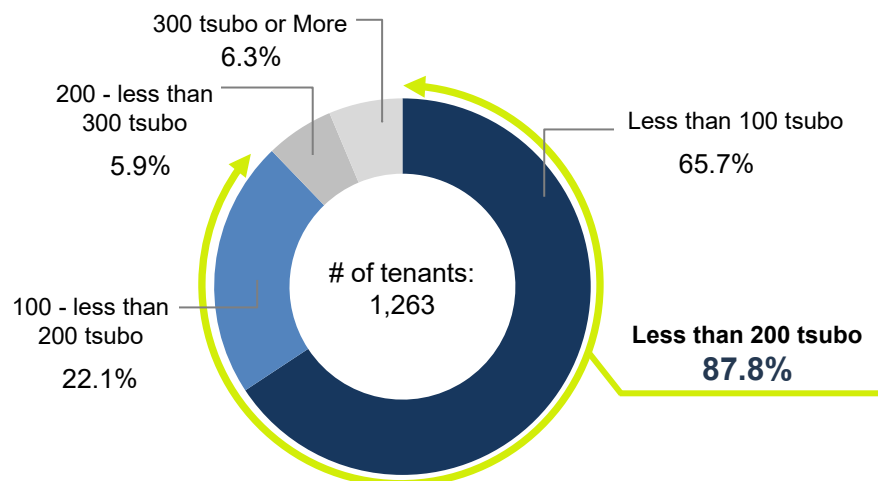


Breakdown by region (Note 2)

- Plan to maintain approx. 80% investment ratio in the Tokyo metropolitan area



Breakdown of the number of tenants by leased floor area (Note 3)



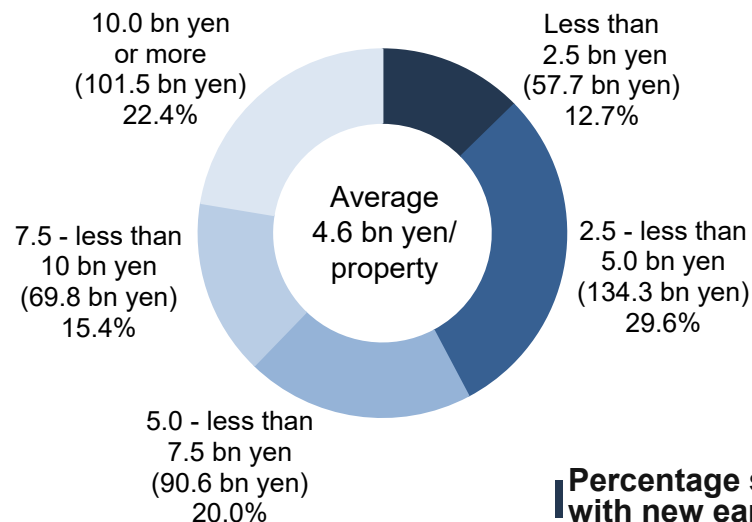
Note 1: Portfolio breakdown by asset type based on acquisition price (rounded to the second decimal place).

Note 2: Portfolio breakdown by region based on acquisition price (rounded to the second decimal place).

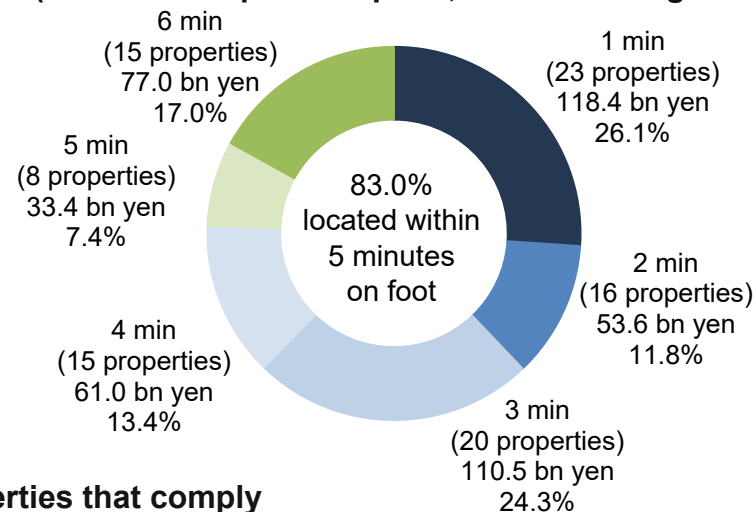
Note 3: The percentage of diversification by leased floor space is calculated based on the number of tenants occupying each office building. Tenants leasing more than one property are counted as 1 tenant for each building without aggregating by name-base.

Characteristics of KDO Office Buildings (as of the End of Fiscal Period Ended October 31, 2022)

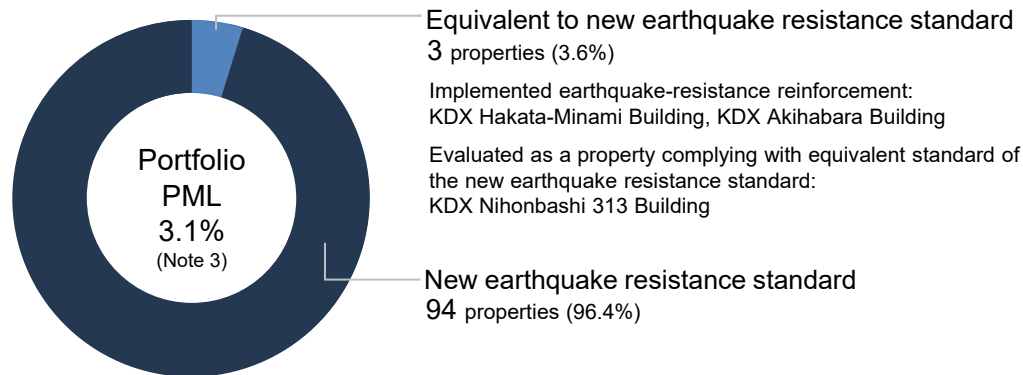
By acquisition price (based on acquisition price, office buildings only)



By distance from the nearest station on foot (based on acquisition price, office buildings only)



Percentage share of our properties that comply with new earthquake resistance standard (Note 1) (Note 2)



Note 1: "New Earthquake Resistance Standard" was formulated based on the revision of enforcement order of Building Standard Law in 1981 (cabinet order No. 144 on April 24, 1981). The anti-seismic performance of buildings has been greatly improved since the enforcement of the law due to the newly added provisions including the followings: (1) New provision on tie-hoop ratio of Reinforced-Concrete Pillars (0.2% or more); (2) Resetting of horizontal seismic coefficient to elastic shear modulus; (3) New requirement on the secondary design in seismic calculation.

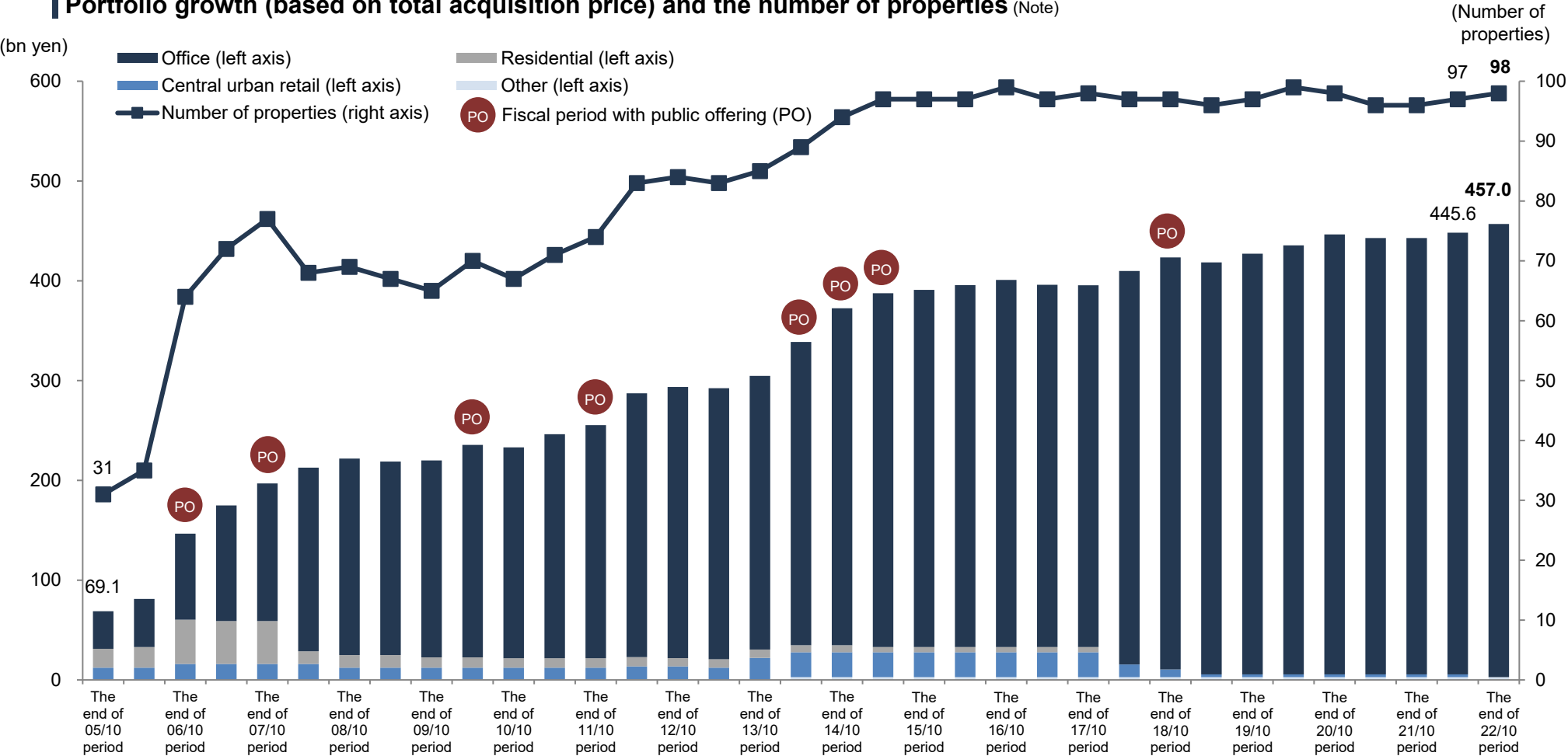
Note 2: Percentage share is calculated based on leasable area as of the end of 22/10 period. For the properties owned through quasi co-ownership interest, leasable area for such portion is used in calculation.

Note 3: PML is as of October 2022 and based on the research implemented by Sompco Risk Management Inc. "PML (Probable Maximum Loss)" is probable maximum loss ratio due to an earthquake. PML can be divided into ratios of an individual property and the entire portfolio, respectively. There is no uniform strict definition of the PML; however here it means the percentage (%) of the excess probability of 10% loss to the replacement price (= loss amount for the recurrence interval of 475 years) during the estimated period of use (50 years = useful life of general buildings).

Portfolio Growth and Changes in the Number of Properties

• Aim for sustainable growth through asset reshuffle and exploring quality property acquisition opportunities as a basic policy continuously

Portfolio growth (based on total acquisition price) and the number of properties (Note)



Note: Amounts and number of properties are as of the end of each fiscal period. Amounts are rounded down to the nearest 100 million yen.

Portfolio Overview (1)

(as of the End of the Fiscal Period Ended October 31, 2022)

Office Buildings (97 properties)

Type	Area	No.	Name	Location	Acquisition price (mn yen) (Note 1)	Completion date (Note 2)	End of 2022/10 period occupancy rate (Note 3)	Type	Area	No.	Name	Location	Acquisition price (mn yen) (Note 1)	Completion date (Note 2)	End of 2022/10 period occupancy rate (Note 3)
Office Buildings	Tokyo Metropolitan Area	A001	KDX Nihonbashi 313 Building	Chuo-ku, Tokyo	5,940	1974/4	100.0	Office Buildings	Tokyo Metropolitan Area	A064	KDX Nihonbashi 216 Building	Chuo-ku, Tokyo	2,010	2006/10	100.0
		A003	Higashi-Kayabacho Yuraku Building	Chuo-ku, Tokyo	4,450	1987/1	100.0			A066	KDX Shinjuku Building	Shinjuku-ku, Tokyo	6,800	1993/5	100.0
		A004	KDX Hatchobori Building	Chuo-ku, Tokyo	3,680	1993/6	100.0			A067	KDX Ginza 1chome Building	Chuo-ku, Tokyo	4,300	1991/11	100.0
		A005	KDX Nakano-Sakaue Building	Nakano-ku, Tokyo	2,533	1992/8	91.1			A071	KDX Iidabashi Building	Shinjuku-ku, Tokyo	4,670	1990/3	95.1
		A006	Harajuku F.F. Building	Shibuya-ku, Tokyo	2,450	1985/11	100.0			A072	KDX Higashi-Shinagawa Building	Shinagawa-ku, Tokyo	4,590	1993/1	100.0
		A007	KDX Minami Aoyama Building	Minato-ku, Tokyo	2,270	1988/11	100.0			A073	KDX Hakozaeki Building	Chuo-ku, Tokyo	2,710	1993/11	100.0
		A008	KDX Kanda Kitaguchi Building	Chiyoda-ku, Tokyo	1,950	1993/5	100.0			A078	KDX Tachikawa Ekimae Building	Tachikawa, Tokyo	1,267	1990/2	100.0
		A013	KDX Kojimachi Building	Chiyoda-ku, Tokyo	5,950	1994/5	100.0			A083	KDX Fuchu Building	Fuchu, Tokyo	6,120	1996/3	93.4
		A014	KDX Funabashi Building	Funabashi, Chiba	2,252	1989/4	100.0			A084	KDX Kasuga Building	Bunkyo-ku, Tokyo	2,800	1992/6	93.6
		A016	Toshin 24 Building	Yokohama, Kanagawa	5,300	1984/9	100.0			A085	KDX Nakameguro Building	Meguro-ku, Tokyo	1,880	1985/10	100.0
		A017	KDX Ebisu Building	Shibuya-ku, Tokyo	4,640	1992/1	100.0			A086	KDX Omiya Building	Saitama, Saitama	2,020	1993/4	100.0
		A019	KDX Hamamatsucho Building	Minato-ku, Tokyo	3,460	1999/9	100.0			A087	Nihonbashi Horidomecho First	Chuo-ku, Tokyo	2,200	1995/7	97.3
		A020	KDX Kayabacho Building	Chuo-ku, Tokyo	2,780	1987/10	100.0			A088	KDX Shinjuku 6-chome Building	Shinjuku-ku, Tokyo	1,900	1990/3	90.2
		A021	KDX Shinbashi Building	Minato-ku, Tokyo	3,728	1992/2	100.0			A089	KDX Takanawadai Building	Minato-ku, Tokyo	5,250	1985/10	100.0
		A022	KDX Shin-Yokohama Building	Yokohama, Kanagawa	2,520	1990/9	96.5			A090	KDX Ikebukuro Building	Toshima-ku, Tokyo	3,900	2009/3	100.0
		A027	KDX Kajicho Building	Chiyoda-ku, Tokyo	2,350	1990/3	100.0			A091	KDX Mita Building	Minato-ku, Tokyo	3,180	1993/3	100.0
		A029	KDX Higashi-Shinjuku Building	Shinjuku-ku, Tokyo	2,950	1990/1	100.0			A092	KDX Akihabara Building	Chiyoda-ku, Tokyo	2,600	1973/12	100.0
		A030	KDX Nishi-Gotanda Building	Shinagawa-ku, Tokyo	4,200	1992/11	100.0			A093	KDX Iidabashi Square	Shinjuku-ku, Tokyo	4,350	1994/1	100.0
		A031	KDX Monzen-Nakacho Building	Koto-ku, Tokyo	1,400	1986/9	100.0			A094	KDX Musashi-Kosugi Building	Kawasaki, Kanagawa	12,000	2013/5	81.7
		A032	KDX Shiba-Daimon Building	Minato-ku, Tokyo	6,090	1986/7	100.0			A095	KDX Toyosu Grand Square	Koto-ku, Tokyo	8,666	2008/4	96.2
		A033	KDX Okachimachi Building	Taito-ku, Tokyo	2,000	1988/6	100.0			A096	KDX Takadanobaba Building	Toshima-ku, Tokyo	3,650	1988/10	100.0
		A035	KDX Hachioji Building	Hachioji, Tokyo	1,155	1985/12	100.0			A099	KDX Ikebukuro West Building	Toshima-ku, Tokyo	1,934	1988/7	100.0
		A037	KDX Ochanomizu Building	Chiyoda-ku, Tokyo	6,400	1982/8	85.7			A101	KDX Yokohama Building	Yokohama, Kanagawa	7,210	1994/3	100.0
		A038	KDX Nishi-Shinjuku Building	Shinjuku-ku, Tokyo	1,500	1992/10	100.0			A102	KDX Yokohama Nishiguchi Building	Yokohama, Kanagawa	2,750	1988/10	100.0
		A041	KDX Shinjuku 286 Building	Shinjuku-ku, Tokyo	2,300	1989/8	100.0			A107	KDX Ginza East Building	Chuo-ku, Tokyo	3,600	1991/8	100.0
		A046	Hiei Kudan-Kita Building	Chiyoda-ku, Tokyo	7,600	1988/3	90.1			A108	Pentel Building	Chuo-ku, Tokyo	3,350	1990/11	100.0
		A048	KDX Kawasaki-Ekimae Hon-cho Building	Kawasaki, Kanagawa	3,760	1985/2	100.0			A109	KDX Hamamatsucho Center Building	Minato-ku, Tokyo	3,950	1985/12	100.0
		A051	KDX Hamacho Nakanohashi Building	Chuo-ku, Tokyo	2,310	1988/9	100.0			A112	KDX Toranomon 1chome Building	Minato-ku, Tokyo	14,616	2013/10	97.5
		A055	Shin-toshin Maruzen Building	Shinjuku-ku, Tokyo	2,110	1990/7	100.0			A113	KDX Shin-Nihonbashi Ekimae Building	Chuo-ku, Tokyo	3,829	1992/5	100.0
		A056	KDX Jimbocho Building	Chiyoda-ku, Tokyo	2,760	1994/5	100.0			A115	ARK Mori Building	Minato-ku, Tokyo	4,169	1986/3	100.0
		A059	KDX Iwamoto-cho Building	Chiyoda-ku, Tokyo	1,864	2008/3	96.0			A116	KDX Nishi-Shinbashi Building	Minato-ku, Tokyo	8,400	1992/8	100.0
		A060	KDX Harumi Building	Chuo-ku, Tokyo	10,250	2008/2	100.0			A117	BR Gotanda	Shinagawa-ku, Tokyo	2,200	1991/9	100.0
		A062	Koishikawa TG Building	Bunkyo-ku, Tokyo	3,080	1989/11	100.0			A119	KDX Shibuya Nanpeidai Building	Shibuya-ku, Tokyo	3,500	2003/12	100.0
		A063	KDX Gotanda Building	Shinagawa-ku, Tokyo	2,620	1988/4	100.0			A120	KDX Yoyogi Building	Shibuya-ku, Tokyo	2,479	1991/8	100.0

Note 1: Acquisition price is only the acquisition (investment) price of the trust beneficiary interest, etc. (excluding any expenses, taxes, etc.) acquired by KDO. Figures are truncated to the nearest million yen.

Note 2: Completion date shows the newly-built year-month recorded in the real estate register. The average value shown in the subtotal or total section is a weighted average value calculated based on acquisition price with a base date of the end of 22/10 period. Figures are truncated to the first decimal place.

Note 3: Occupancy rate is calculated by dividing leased area as of the end of 22/10 period by leasable area and is rounded to the first decimal place.

Portfolio Overview (2) (as of the End of the Fiscal Period Ended October 31, 2022)

Office Buildings (97 properties)

Type	Area	No.	Name	Location	Acquisition price (mn yen) (Note 1)	Completion date (Note 2)	End of 2022/10 period occupancy rate (Note 3)	
Tokyo Metropolitan Area		A121	GINZA 4chome Tower	Chuo-ku, Tokyo	9,800	2008/11	100.0	
		A122	Mitsubishijuko Yokohama Building	Yokohama, Kanagawa	14,720	1994/2	98.1	
		A123	KDX Yokohama Kannai Building	Yokohama, Kanagawa	9,500	2007/9	100.0	
		A124	KDX Hamamatsucho Place	Minato-ku, Tokyo	20,700	2015/2	100.0	
		A125	KDX Chofu Building	Chofu, Tokyo	8,700	1995/1	99.1	
		A127	KDX Kanda Ekimae Building	Chiyoda-ku, Tokyo	3,300	1991/2	100.0	
		A128	KDX Shinbashi Ekimae Building	Minato-ku, Tokyo	16,300	2018/9	100.0	
		A130	Eodobashi Building	Chuo-ku, Tokyo	9,600	1986/11	100.0	
	Other Regional Areas		A012	Portus Center Building	Sakai, Osaka	5,570	1993/9	82.3
			A042	KDX Karasuma Building	Kyoto, Kyoto	5,400	1982/10	95.2
			A044	KDX Sendai Building	Sendai, Miyagi	2,100	1984/2	100.0
			A053	KDX Hakata-Minami Building	Fukuoka, Fukuoka	4,900	1973/6	97.8
			A054	KDX Kitahama Building	Osaka, Osaka	2,220	1994/7	100.0
		A058	KDX Nagoya Sakae Building	Nagoya, Aichi	7,550	2009/4	100.0	
		A069	KDX Kobayashi-Doshomachi Building	Osaka, Osaka	2,870	2009/7	100.0	
		A070	KDX Sapporo Building	Sapporo, Hokkaido	2,005	1989/10	100.0	
		A079	KDX Nagoya Ekimae Building	Nagoya, Aichi	7,327	1986/4	100.0	
		A082	KDX Higashi Umeda Building	Osaka, Osaka	2,770	2009/7	100.0	
		A097	KDX Utsunomiya Building	Utsunomiya, Tochigi	2,350	1999/2	100.0	
		A098	KDX Hiroshima Building	Hiroshima, Hiroshima	1,300	1990/1	91.8	
		A100	Senri Life Science Center Building	Toyonaka, Osaka	13,000	1992/6	100.0	
		A104	KDX Minami-Honmachi Building	Osaka, Osaka	2,200	2009/12	100.0	
		A106	KDX Sakura-dori Building	Nagoya, Aichi	5,900	1992/8	100.0	
		A110	KDX Shin-Osaka Building	Osaka, Osaka	4,550	1992/5	97.1	
		A111	KDX Nagoya Nichigin-mae Building	Nagoya, Aichi	3,500	2006/9	100.0	
		A118	KDX Sapporo Kitaguchi Building	Sapporo, Hokkaido	1,800	1992/9	100.0	
		A126	KDX Tosabori Building	Osaka, Osaka	5,000	1987/10	100.0	
		A129	KDX Sendai Honcho Building	Sendai, Miyagi	6,360	1984/11	95.4	
	A131	Shionogi Kobe Building	Kobe, Hyogo	3,450	1992/5	95.2		
Office Buildings (97 properties) Subtotal					454,196	Average 26.5 years	97.8	

Others (1 property)

Type	Area	No.	Name	Location	Acquisition price (mn yen) (Note 1)	Completion date (Note 2)	End of 2022/10 period occupancy rate (Note 3)
Others	Tokyo Metropolitan Area	D002	Shinjuku 6chome Building (Land)	Shinjuku-ku, Tokyo	2,880	-	100.0
Others (1 property) Subtotal					2,880	-	100.0

**(98 properties, excl. investment securities)
Total** **457,076** **Average
26.5 years** **97.8%**

The total number of end tenants for 97 office buildings is 1,263.
(1,189 if tenants are aggregated based on their names.)

Investment Security (1 security)

Type	Name	Location of specified asset	Acquisition price (mn yen)	Completion date of specified asset
Investment Security	Silent partnership equity interest of G.K. KRF 43	Shinjuku-ku, Tokyo	1,107	1979/12
Investment Security (1 security) Total			1,107	

Historical rent-based NOI yield (by asset type, annualized-based) (Note 4) (Note 5) (%)

	Fiscal period 20/10	Fiscal period 21/4	Fiscal period 21/10	Fiscal period 22/4	Fiscal period 22/10
Office buildings	5.0	4.9	4.7	4.7	4.7
Others	4.3	4.3	4.3	4.3	4.2
Total	4.9	4.9	4.7	4.7	4.7

- Note 1: Acquisition price is only the acquisition (investment) price of the trust beneficiary interest, etc. (excluding any expenses, taxes, etc.) acquired by the Investment Corporation. Figures are truncated to the nearest million yen.
 Note 2: Completion date shows the newly-built year-month recorded in the real estate register. The average value shown in the subtotal or total section is a weighted average value calculated based on acquisition price with a base date of the end of 22/10 period. Figures are truncated to the first decimal place.
 Note 3: Occupancy rate is calculated by dividing leased area as of the end of 22/10 period by leasable area and is rounded to the first decimal place.
 Note 4: NOI yield calculation for the properties without taxation on property and city planning taxes in the year of acquisition are assumed as if they are imposed. Acquisition price for newly acquired / sold properties is calculated by multiplying the ratio of actual operating days to the relevant fiscal period's operating days.
 Note 5: Each yield is rounded to the first decimal place.

Appraisal Value and Cap Rate as of the End of the Fiscal Period Ended October 31, 2022 (1)

No.	Name	Acquisition Date	Acquisition price (mn yen)	Appraiser	As of October 31, 2022				As of April 30, 2022		Period-end appraisal value		Direct Capitalization Method Cap rate
					Book value	Appraisal value	Direct Capitalization Method	Appraisal value vs Book value (Note 1)	Appraisal value	Direct capitalization Method cap rate	Difference	Increase-decrease rate (Note 1)	Difference
					(mn yen)	(mn yen)	Cap rate	(C)÷(B)-1	(mn yen)	(F)	(C) - (E)	(C)÷(E)-1	(D) - (F)
					(B)	(C)	(D)	(C)÷(B)-1	(E)	(F)	(C) - (E)	(C)÷(E)-1	(D) - (F)
A001	KDX Nihonbashi 313 Building	2005/8	5,940	Daiwa	5,601	7,110	3.7%	26.9%	7,100	3.7%	10	0.1%	-
A003	Higashi-Kayabacho Yuraku Building	2005/8	4,450	JREI	3,935	5,340	3.8%	35.7%	5,340	3.9%	-	-	-0.1%
A004	KDX Hatchobori Building	2005/8	3,680	Daiwa	3,206	3,580	4.0%	11.6%	3,580	4.0%	-	-	-
A005	KDX Nakano-Sakaue Building	2005/8	2,533	Daiwa	2,312	2,510	4.2%	8.6%	2,510	4.2%	-	-	-
A006	Harajuku F.F. Building	2005/8	2,450	JREI	2,349	3,880	4.2%	65.1%	3,600	4.3%	280	7.8%	-0.1%
A007	KDX Minami Aoyama Building	2005/8	2,270	JREI	2,171	2,870	3.6%	32.2%	2,820	3.7%	50	1.8%	-0.1%
A008	KDX Kanda Kitaguchi Building	2005/8	1,950	Daiwa	1,737	1,640	4.0%	-5.6%	1,640	4.0%	-	-	-
A012	Portus Center Building	2005/9	5,570	Daiwa	3,688	5,070	5.4%	37.4%	5,050	5.4%	20	0.4%	-
A013	KDX Kojimachi Building	2005/11	5,950	JREI	5,421	5,530	3.3%	2.0%	5,360	3.4%	170	3.2%	-0.1%
A014	KDX Funabashi Building	2006/3	2,252	JREI	2,153	3,100	4.8%	43.9%	2,940	4.9%	160	5.4%	-0.1%
A016	Toshin 24 Building	2006/5	5,300	JREI	4,811	5,610	4.0%	16.6%	5,470	4.1%	140	2.6%	-0.1%
A017	KDX Ebisu Building	2006/5	4,640	JREI	4,264	6,270	3.6%	47.0%	6,110	3.7%	160	2.6%	-0.1%
A019	KDX Hamamatsucho Building	2006/5	3,460	Daiwa	3,064	3,600	3.6%	17.5%	3,600	3.6%	-	-	-
A020	KDX Kayabacho Building	2006/5	2,780	JREI	2,620	3,360	4.0%	28.2%	3,240	4.1%	120	3.7%	-0.1%
A021	KDX Shinbashi Building	2006/5	3,728	JREI	3,656	5,670	3.3%	55.1%	5,500	3.4%	170	3.1%	-0.1%
A022	KDX Shin-Yokohama Building	2006/5	2,520	JREI	2,115	2,650	4.5%	25.2%	2,610	4.6%	40	1.5%	-0.1%
A027	KDX Kajicho Building	2006/7	2,350	Daiwa	2,251	2,320	4.0%	3.1%	2,320	4.0%	-	-	-
A029	KDX Higashi-Shinjuku Building	2006/9	2,950	Daiwa	2,863	4,080	4.1%	42.5%	4,070	4.1%	10	0.2%	-
A030	KDX Nishi-Gotanda Building	2006/12	4,200	JREI	3,591	3,690	3.9%	2.7%	3,590	4.0%	100	2.8%	-0.1%
A031	KDX Monzen-Nakacho Building	2007/1	1,400	Daiwa	1,229	1,150	4.5%	-6.5%	1,140	4.5%	10	0.9%	-
A032	KDX Shiba-Daimon Building	2007/3	6,090	JREI	5,770	6,380	3.8%	10.6%	6,210	3.9%	170	2.7%	-0.1%
A033	KDX Okachimachi Building	2007/3	2,000	Daiwa	1,983	2,100	4.0%	5.9%	2,090	4.0%	10	0.5%	-
A035	KDX Hachioji Building	2007/3	1,155	Daiwa	1,135	1,240	4.9%	9.2%	1,240	4.9%	-	-	-
A037	KDX Ochanomizu Building	2007/4	6,400	JREI	6,416	8,440	3.6%	31.5%	8,230	3.7%	210	2.6%	-0.1%
A038	KDX Nishi-Shinjuku Building	2007/4	1,500	JREI	1,520	1,560	4.0%	2.6%	1,530	4.1%	30	2.0%	-0.1%
A041	KDX Shinjuku 286 Building	2007/6	2,300	JREI	2,342	2,890	3.6%	23.4%	2,820	3.7%	70	2.5%	-0.1%
A042	KDX Karasuma Building	2007/6	5,400	Daiwa	4,969	5,960	4.6%	19.9%	5,950	4.6%	10	0.2%	-
A044	KDX Sendai Building	2007/6	2,100	Daiwa	1,825	1,920	5.1%	5.2%	1,930	5.1%	-10	-0.5%	-
A046	Hiei Kudan-Kita Building	2008/2	7,600	Daiwa	7,363	8,520	3.6%	15.7%	8,570	3.6%	-50	-0.6%	-
A048	KDX Kawasaki-Ekimae Hon-cho Building	2008/2	3,760	JREI	3,218	3,220	4.5%	0.0%	3,280	4.5%	-60	-1.8%	-
A051	KDX Hamacho Nakanohashi Building	2008/2	2,310	JREI	2,165	2,180	4.1%	0.6%	2,190	4.2%	-10	-0.5%	-0.1%
A053	KDX Hakata-Minami Building	2008/2	4,900	JREI	4,237	5,330	5.4%	25.8%	5,170	5.5%	160	3.1%	-0.1%
A054	KDX Kitahama Building	2008/2	2,220	JREI	1,984	1,770	4.8%	-10.8%	1,730	4.9%	40	2.3%	-0.1%
A055	Shin-toshin Maruzen Building	2008/2	2,110	JREI	2,023	1,720	4.0%	-15.0%	1,780	4.1%	-60	-3.4%	-0.1%

*Notes are shown on page 40.

Appraisal Value and Cap Rate as of the End of the Fiscal Period Ended October 31, 2022 (2)

No.	Name	Acquisition Date	Acquisition price (mn yen)	Appraiser	As of October 31, 2022				As of April 30, 2022		Period-end appraisal value		Direct Capitalization Method
					Book value	Appraisal value	Direct Capitalization Method	Appraisal value vs Book value (Note 1)	Appraisal value	Direct capitalization Method	Difference	Increase-decrease rate (Note 1)	Difference
					(mn yen)	(mn yen)	Cap rate		(mn yen)	cap rate			
					(A)	(B)	(C)	(D)	(E)	(F)	(C)-(E)	(C)÷(E)-1	(D)-(F)
A056	KDX Jimbocho Building	2008/3	2,760	JREI	2,783	2,360	3.9%	-15.2%	2,590	4.0%	-230	-8.9%	-0.1%
A058	KDX Nagoya Sakae Building	2009/7	7,550	Daiwa	6,048	5,740	4.2%	-5.1%	5,800	4.2%	-60	-1.0%	-
A059	KDX Iwamoto-cho Building	2008/5	1,864	JREI	1,537	1,730	4.0%	12.5%	1,690	4.1%	40	2.4%	-0.1%
A060	KDX Harumi Building	2008/6	10,250	JREI	8,175	8,700	3.6%	6.4%	8,690	3.7%	10	0.1%	-0.1%
A062	Koishikawa TG Building	2009/11	3,080	JREI	3,022	3,400	3.9%	12.5%	3,320	4.0%	80	2.4%	-0.1%
A063	KDX Gotanda Building	2009/11	2,620	JREI	2,626	3,620	4.0%	37.8%	3,530	4.1%	90	2.5%	-0.1%
A064	KDX Nihonbashi 216 Building	2009/12	2,010	JREI	1,746	2,850	3.5%	63.2%	2,760	3.6%	90	3.3%	-0.1%
A066	KDX Shinjuku Building	2010/2	6,800	JREI	6,896	10,500	3.2%	52.2%	10,400	3.3%	100	1.0%	-0.1%
A067	KDX Ginza 1chome Building	2010/11	4,300	Daiwa	4,085	5,960	3.4%	45.9%	5,940	3.4%	20	0.3%	-
A069	KDX Kobayashi-Doshomachi Building	2010/12	2,870	JREI	1,679	2,910	7.8%	73.3%	2,920	7.8%	-10	-0.3%	-
A070	KDX Sapporo Building	2011/3	2,005	Daiwa	1,924	2,680	4.6%	39.3%	2,580	4.6%	100	3.9%	-
A071	KDX Iidabashi Building	2011/7	4,670	Daiwa	4,741	5,800	3.9%	22.3%	5,830	3.9%	-30	-0.5%	-
A072	KDX Higashi-Shinagawa Building	2011/7	4,590	Daiwa	4,566	4,880	4.0%	6.9%	4,870	4.0%	10	0.2%	-
A073	KDX Hakozaki Building	2011/7	2,710	Daiwa	2,605	3,600	4.2%	38.2%	3,490	4.2%	110	3.2%	-
A078	KDX Tachikawa Ekimae Building	2011/12	1,267	JREI	1,312	1,910	4.6%	45.6%	1,760	4.7%	150	8.5%	-0.1%
A079	KDX Nagoya Ekimae Building	2011/12	7,327	JREI	7,781	10,400	3.7%	33.6%	10,300	3.8%	100	1.0%	-0.1%
A082	KDX Higashi Umeda Building	2012/3	2,770	Daiwa	2,163	4,060	4.1%	87.7%	4,060	4.1%	-	-	-
A083	KDX Fuchu Building	2012/9	6,120	Daiwa	5,784	8,730	4.5%	50.9%	8,780	4.5%	-50	-0.6%	-
A084	KDX Kasuga Building	2012/9	2,800	JREI	2,596	4,280	3.8%	64.8%	4,220	3.9%	60	1.4%	-0.1%
A085	KDX Nakameguro Building	2012/9	1,880	Daiwa	1,856	3,580	4.1%	92.8%	3,580	4.1%	-	-	-
A086	KDX Omiya Building	2013/3	2,020	Daiwa	2,093	3,210	4.8%	53.4%	3,180	4.8%	30	0.9%	-
A087	Nihonbashi Horidomecho First	2013/8	2,200	Daiwa	2,246	3,180	4.0%	41.5%	3,180	4.0%	-	-	-
A088	KDX Shinjuku 6-chome Building	2013/9	1,900	Daiwa	1,937	3,490	4.0%	80.1%	3,530	4.0%	-40	-1.1%	-
A089	KDX Takanawadai Building	2013/11	5,250	JREI	5,532	7,160	3.8%	29.4%	6,960	3.9%	200	2.9%	-0.1%
A090	KDX Ikebukuro Building	2013/11	3,900	Daiwa	3,452	5,230	3.7%	51.5%	5,240	3.7%	-10	-0.2%	-
A091	KDX Mita Building	2013/11	3,180	JREI	3,119	4,270	3.7%	36.9%	4,210	3.8%	60	1.4%	-0.1%
A092	KDX Akihabara Building	2013/11	2,600	JREI	2,452	3,300	3.6%	34.6%	3,230	3.7%	70	2.2%	-0.1%
A093	KDX Iidabashi Square	2014/1	4,350	Daiwa	4,724	6,430	3.8%	36.1%	6,420	3.8%	10	0.2%	-
A094	KDX Musashi-Kosugi Building	2014/3	12,000	JREI	10,343	19,000	3.8%	83.7%	18,800	3.8%	200	1.1%	-
A095	KDX Toyosu Grand Square	2014/5	8,666	Daiwa	7,460	9,930	4.3%	33.1%	9,930	4.3%	-	-	-
A096	KDX Takadanobaba Building	2014/5	3,650	Daiwa	3,547	4,740	4.1%	33.6%	4,640	4.1%	100	2.2%	-
A097	KDX Utsunomiya Building	2014/5	2,350	Daiwa	2,169	2,690	5.3%	24.0%	2,690	5.3%	-	-	-
A098	KDX Hiroshima Building	2014/9	1,300	JREI	1,315	1,930	5.0%	46.7%	1,890	5.1%	40	2.1%	-0.1%
A099	KDX Ikebukuro West Building	2014/9	1,934	Daiwa	1,972	2,610	4.0%	32.3%	2,530	4.0%	80	3.2%	-

*Notes are shown on page 40.

Appraisal Value and Cap Rate as of the End of the Fiscal Period Ended October 31, 2022 (3)

No.	Name	Acquisition Date	Acquisition price (mn yen)	Appraiser	As of October 31, 2022				As of April 30, 2022		Period-end appraisal value		Direct Capitalization Method
					Book value	Appraisal value	Direct Capitalization Method	Appraisal value vs Book value (Note 1)	Appraisal value	Direct capitalization Method	Difference	Increase-decrease rate (Note 1)	Difference
					(mn yen)	(mn yen)	Cap rate		(mn yen)	cap rate			
					(B)	(C)	(D)	(C)÷(B)-1	(E)	(F)	(C) – (E)	(C)÷(E)-1	(D) – (F)
A100	Senri Life Science Center Building	2014/10	13,000	Daiwa	12,060	13,800	4.3%	14.4%	13,700	4.3%	100	0.7%	-
A101	KDX Yokohama Building	2014/10	7,210	Daiwa	7,222	9,530	4.2%	32.0%	9,470	4.2%	60	0.6%	-
A102	KDX Yokohama Nishiguchi Building	2014/12	2,750	Daiwa	2,600	3,420	4.2%	31.5%	3,400	4.2%	20	0.6%	-
A104	KDX Minami-Honmachi Building	2014/12	2,200	JREI	1,864	3,250	4.0%	74.3%	3,200	4.1%	50	1.6%	-0.1%
A106	KDX Sakura-dori Building	2015/1	5,900	Daiwa	6,602	8,600	4.4%	30.3%	8,580	4.4%	20	0.2%	-
A107	KDX Ginza East Building	2015/3	3,600	JREI	3,620	4,170	3.7%	15.2%	4,060	3.8%	110	2.7%	-0.1%
A108	Pentel Building	2015/3	3,350	Daiwa	3,577	4,201	3.7%	17.4%	4,200	3.7%	1	-	-
A109	KDX Hamamatsucho Center Building	2015/9	3,950	Daiwa	3,982	4,580	3.5%	15.0%	4,580	3.5%	-	-	-
A110	KDX Shin-Osaka Building	2015/9	4,550	Daiwa	4,446	5,560	4.0%	25.0%	5,530	4.0%	30	0.5%	-
A111	KDX Nagoya Nichigin-mae Building	2016/3	3,500	JREI	3,300	4,230	3.8%	28.1%	4,120	3.9%	110	2.7%	-0.1%
A112	KDX Toranomon 1chome Building	2016/3	14,616	JREI	14,787	25,100	2.9%	69.7%	24,400	3.0%	700	2.9%	-0.1%
A113	KDX Shin-Nihonbashi Ekimae Building	2016/8	3,829	JREI	3,951	4,690	3.3%	18.7%	4,520	3.4%	170	3.8%	-0.1%
A115	ARK Mori Building	2016/12	4,169	Daiwa	4,179	5,040	3.4%	20.6%	5,040	3.4%	-	-	-
A116	KDX Nishi-Shinbashi Building	2017/2	8,400	Daiwa	8,479	9,330	3.3%	10.0%	9,330	3.3%	-	-	-
A117	BR Gotanda	2017/4	2,200	JREI	2,276	2,590	3.9%	13.8%	2,520	4.0%	70	2.8%	-0.1%
A118	KDX Sapporo Kitaguchi Building	2017/7	1,800	Daiwa	2,078	2,330	4.6%	12.1%	2,230	4.6%	100	4.5%	-
A119	KDX Shibuya Nanpeidai Building	2017/8	3,500	Daiwa	3,527	3,970	3.4%	12.5%	3,970	3.4%	-	-	-
A120	KDX Yoyogi Building	2005/9	2,479	JREI	2,382	2,420	4.2%	1.6%	2,380	4.3%	40	1.7%	-0.1%
A121	Ginza 4chome Tower	2013/8	9,800	JREI	9,325	15,900	2.9%	70.5%	15,500	3.0%	400	2.6%	-0.1%
A122	Mitsubishijuko Yokohama Building	2017/12	14,720	Daiwa	14,491	14,800	3.8%	2.1%	15,200	3.8%	-400	-2.6%	-
A123	KDX Yokohama Kannai Building	2018/1	9,500	Daiwa	9,453	10,400	3.9%	10.0%	10,600	3.9%	-200	-1.9%	-
A124	KDX Hamamatsucho Place	2018/7	20,700	Daiwa	20,195	24,100	3.2%	19.3%	24,100	3.2%	-	-	-
A125	KDX Chofu Building	2019/6	8,700	JREI	8,996	10,300	4.3%	14.5%	10,200	4.4%	100	1.0%	-0.1%
A126	KDX Tosabori Building	2020/1	5,000	JREI	5,074	5,020	3.9%	-1.1%	5,010	4.0%	10	0.2%	-0.1%
A127	KDX Kanda Ekimae Building	2020/2	3,300	JREI	3,359	3,590	3.3%	6.9%	3,500	3.4%	90	2.6%	-0.1%
A128	KDX Shinbashi Ekimae Building	2020/6	16,300	JREI	16,300	21,100	2.7%	29.4%	21,100	2.8%	-	-	-0.1%
A129	Sendai Honcho Building (Note 2)	2022/4	6,360	Daiwa	6,449	6,500	4.6%	0.8%	6,500	4.6%	-	-	-
A130	Edobashi Building (Note 2)	2022/6	9,600	JREI	9,710	10,300	3.2%	6.1%	10,200	3.3%	100	1.0%	-0.1%
A131	Shionogi Kobe Building (Note 2)	2022/8	3,450	Daiwa	3,617	3,620	4.3%	0.1%	3,610	4.3%	10	0.3%	-
Subtotal: Office Buildings (Note 3)			454,196		434,223	549,561	3.8%	26.6%	544,600	3.9%	4,961	0.9%	-0.1%
D002	Shinjuku 6chome Building (Land)	2014/4	2,880	Daiwa	2,973	3,660	3.3%	23.1%	3,660	3.3%	-	-	-
Subtotal: Others (Note 3)			2,880		2,973	3,660	3.3%	23.1%	3,660	3.3%	-	-	-
Total (Note 3)			457,076		437,196	553,221	3.8%	26.5%	548,260	3.9%	4,961	0.9%	-0.1%

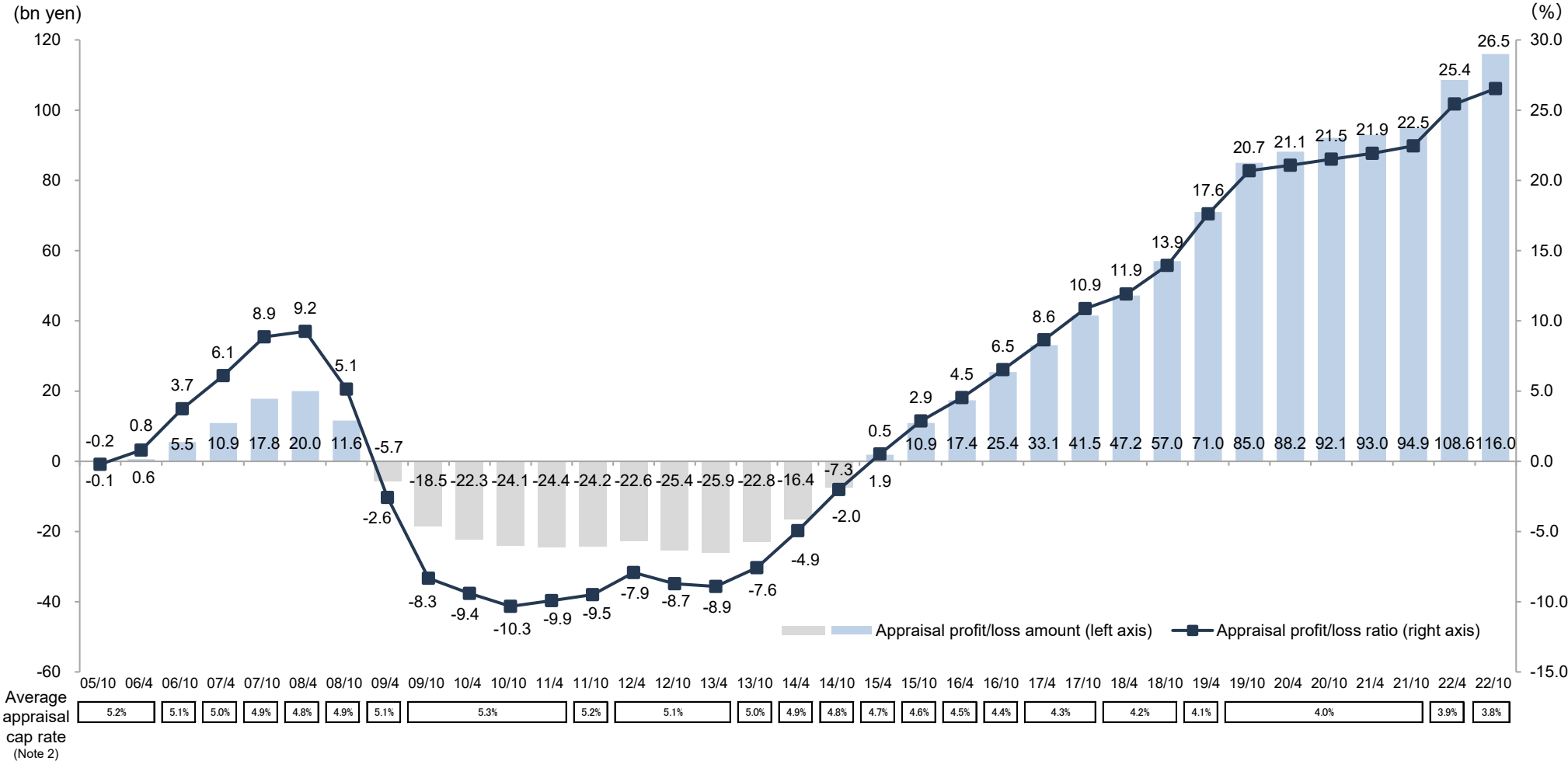
Note 1: Ratios for appraisal value vs book value and increase-decrease rate are rounded to the first decimal place.

Note 2: For the property acquired in 22/10 period, the details described in the appraisal report at the time of acquisition are shown as those as of the end of 22/4 period.

Note 3: Cap rates for subtotals and the entire portfolio are weighted averages based on appraisal values.

Historical Appraisal Profit/loss of Portfolio

Historical changes in portfolio's appraisal profit/loss amount and ratio and average appraisal cap rate (Note 1)



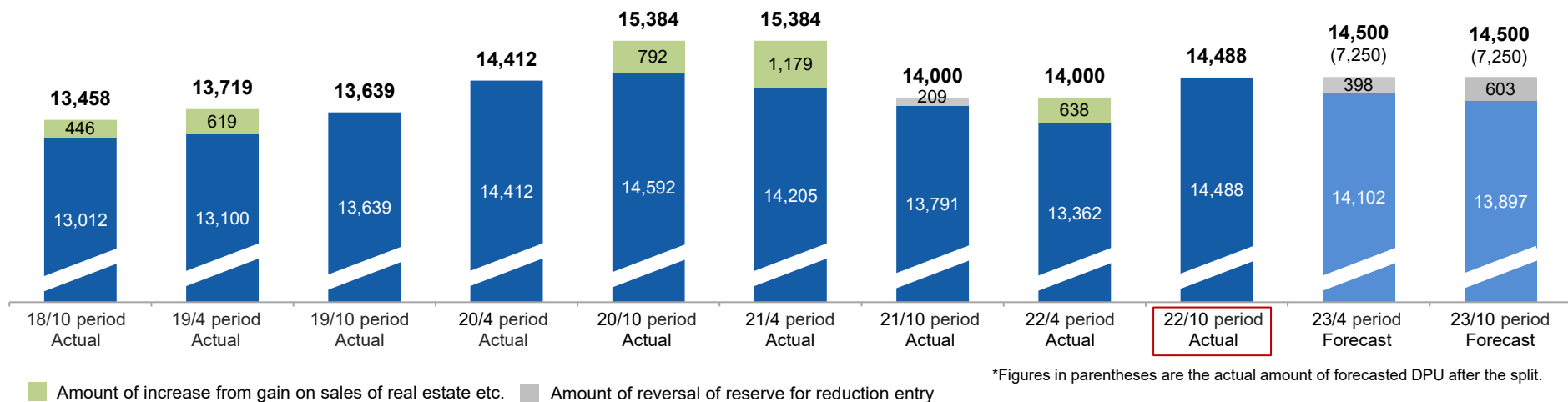
Note 1: Portfolio's appraisal profit/loss amount is the sum of differences between appraisal value and book value for the properties owned as of the end of relevant fiscal period. Appraisal profit/loss ratio is calculated by dividing appraisal profit/loss by book value as of the end of relevant fiscal period. Figures are rounded to the first decimal place.

Note 2: Average appraisal cap rate is a weighted average based on appraisal value for the properties owned as of the end of relevant fiscal period and listed in the appraisal report with the base date for appraisal as of the end of each fiscal period. Figures are rounded to the first decimal place.

DPU and NAV per unit

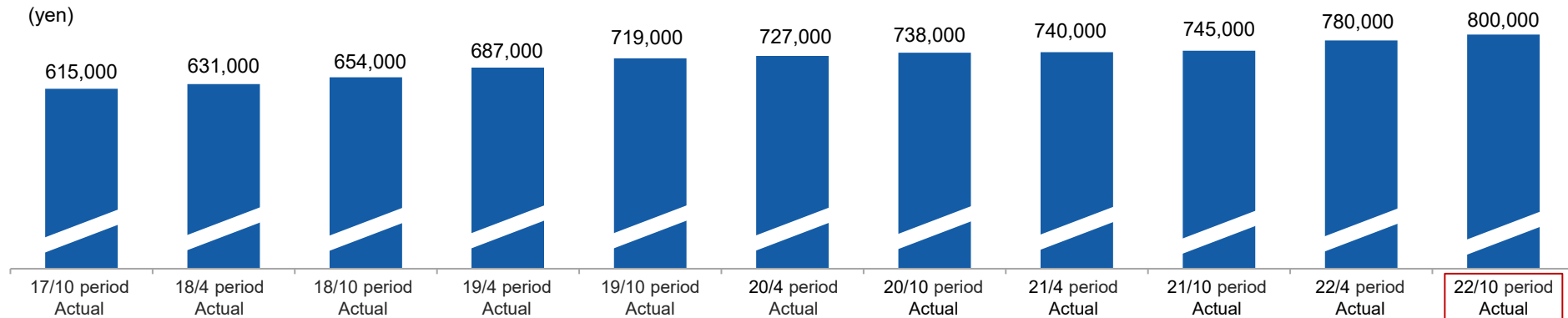
DPU

(yen)



NAV per unit

(yen)












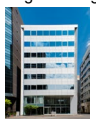

























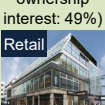
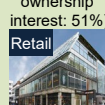






Note: Figures per unit are calculated based on the number of investment units issued and outstanding as of the end of each fiscal period.

Although a 2-for-1 unit split was implemented on November 1, 2022, the respective per unit figures for 23/4 and 23/10 periods have been converted into the amount before the split based on the number of units issued and outstanding at the end of 22/10 period to facilitate comparison (however, actual amounts based on the number of units issued and outstanding after the split are shown in parentheses).

NAV per unit is truncated to the nearest thousand yen after subtracting the amount of DPU.

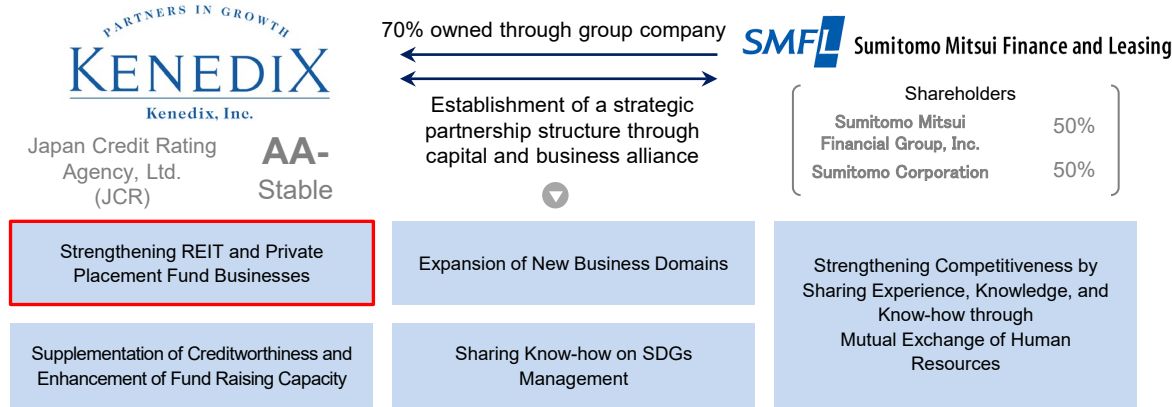
Track Record of Asset Reshuffling in and after the Fiscal Period Ended October 31, 2015

- Steadily establish a track record of strategic asset reshuffle after comprehensively evaluating building age, profitability, appraisal profit/loss, etc.

15/10 period ~ 17/4 period				17/10 period	18/4 period	18/10 period	19/4 period	19/10 period	20/4 period	20/10 period	21/4 period	21/10 period	22/4 period	22/10 period	Total acquisition price
<p>KDX Nagoya Nichigin-mae Bldg.</p>  <p>KDX Nihonbashi Edo-dori Bldg.</p>  <p>KDX Shin-Nihonbashi Ekimae Bldg.</p>  <p>BR Gotanda (Compartmentalized ownership - Partial land leasehold)</p> 	<p>KDX Hamamatsucho Center Bldg.</p>  <p>KDX Shin-Osaka Bldg.</p> 	<p>KDX Toranomon 1chome Bldg.</p> 	<p>ARK Mori Bldg. (Compartmentalized ownership)</p>  <p>KDX Nishi-Shinbashi Bldg.</p> 	<p>KDX Sapporo Kitaguchi Bldg.</p>  <p>KDX Shibuya Nanpeidai Bldg.</p> 	<p>Mitsubishijuko Yokohama Bldg. (Quasi-co-ownership interest)</p>  <p>KDX Yokohama Kannai Bldg.</p> 	<p>KDX Hamamatsucho Place</p> 		<p>KDX Chofu Bldg. (Compartmentalized ownership)</p> 	<p>KDX Tosabori Bldg.</p>  <p>KDX Kanda Ekimae Bldg.</p> 	<p>KDX Shinbashi Ekimae Bldg.</p> 			<p>KDX Sendai Honcho Bldg.</p>  <p>Edobashi Bldg.</p>  <p>Shionogi Kobe Building</p> 		<p>Acquisition</p> <p>21 Properties</p> <p>150.4 bn yen</p>
<p>Nagoya Nikko Shoken Bldg.</p>  <p>KDX Toranomon Bldg.</p>  <p>KDX Nogizaka Bldg.</p> 	<p>BUREX Toranomon</p>  <p>KDX Toranomon Toyo Bldg.</p> 	<p>KDX Nihonbashi Kabutocho Bldg.</p>  <p>KDX Roppongi 228 Bldg.</p>  <p>KDX Gobancho Bldg.</p>  <p>KDX Kanda Misaki-cho Bldg.</p> 	<p>KDX Shin-Yokohama 381 Bldg.</p>  <p>KDX Ikejiri-Oohashi Bldg.</p>  <p>Residence Charmante Tsukishima</p> 	<p>KDX Shin-Yokohama 214 Bldg.</p>  <p>KDX Hamamatsucho Dai-2 Bldg.</p> 	<p>Frame Jinnanzaka (Quasi-co-ownership interest: 49%) Retail</p>  <p>Frame Jinnanzaka (Quasi-co-ownership interest: 51%) Retail</p> 		<p>KDX Nihonbashi Honcho Bldg.</p>  <p>KDX Nihonbashi Edo-dori Bldg.</p> 	<p>KDX Hon-Atsugi Bldg.</p>  <p>KDX Shin-Nihonbashi Bldg.</p> 	<p>KDX Toranomon 1chome Bldg. (The part of land)</p>  <p>KDX Kiba Bldg.</p> 		<p>Disposition</p> <p>21 Properties</p> <p>78.4 bn yen</p>				

Outline of Our Sponsor

Strengthen support by sponsors



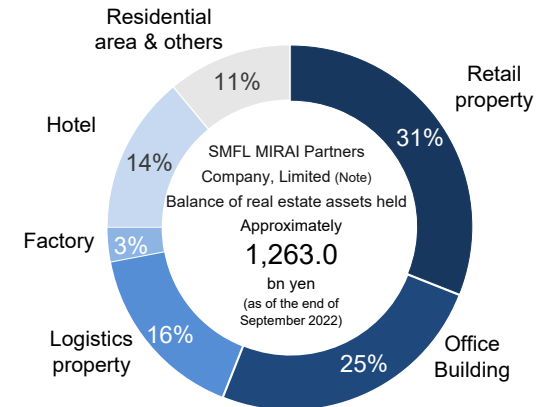
Fund management by Kenedix Group (as of the end of September 2022)

REIT (main sponsor) 1,147.3 bn yen				Private fund	REIT (sub sponsor)
Kenedix Real Estate Fund Management, Inc. (100% owned by Kenedix, Inc.)				Kenedix Investment Partners, Inc. Kenedix, Inc.	Premier Investment Corporation Japan Logistics Fund, Inc. Overseas REIT
Mid-sized office buildings, etc. 458.1 bn yen (Note 1)	Residential & healthcare properties & accommodation 292.7 bn yen	Retail properties & retail distribution centers 253.6 bn yen	Large-sized office buildings & logistics property etc. 142.8 bn yen	Various asset types 1,305.0 bn yen (Note 2)	Various asset types 326.9 bn yen
KENEDIX Office Investment Corporation Kenedix Office Investment Corporation Listed in Jul. 2005	KENEDIX Residential NEXT Investment Corporation Kenedix Residential Next Investment Corporation Listed in Apr. 2012	KENEDIX Retail REIT Corporation Kenedix Retail REIT Corporation Listed in Feb. 2015	KENEDIX Private Investment Corporation Kenedix Private Investment Corporation	Various private funds	Japan Logistics Fund, Inc. Overseas REIT

Note 1: Include silent partnership equity interest of 1.1 bn yen.

Note 2: Include consolidated real estate of 154.8 bn yen.

SMFL MIRAI Partners balance of real estate assets held



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

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 Fund Management, Inc.

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

Property Sourcing and Acquisition Methods

Multiple pipelines

Support-line
(Kenedix Group incl. Kenedix, Inc., the sponsor)





Sumitomo Mitsui Finance and Leasing



SMFL MIRAI Partners

Unique network of KFM

- Real estate funds
- Developers
- Financial institutions
- Construction companies
- Corporate sector

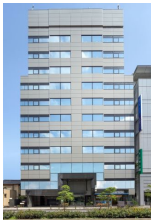
Diversified acquisition methods

Joint acquisition with Kenedix Group



Mitsubishijuko Yokohama Bldg. (Quasi-co-ownership interest)

Utilizing bridge funds



KDX Mita Bldg.

Brokerage by sponsor



KDX Yokohama Kannai Bldg.

Acquisition through corporate acquisition



KDX Shin-Nihonbashi Ekimae Bldg.

Strategic mutual transaction with developers, etc.



KDX Toranomom 1chome Bldg.



KDX Hamamatsucho Place



KDX Shinbashi Ekimae Bldg.

Equity investment



Senri Life Science Center Bldg.

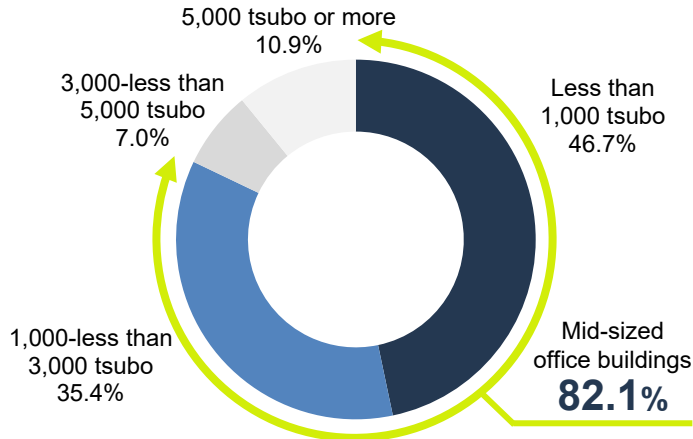
Percentage share of properties acquired from related parties **42.2%**

Percentage share of properties acquired from third parties **57.8%**

Note: Each percentage of the acquisitions is estimated as of October 31, 2022.

Characteristics of mid-sized office building market

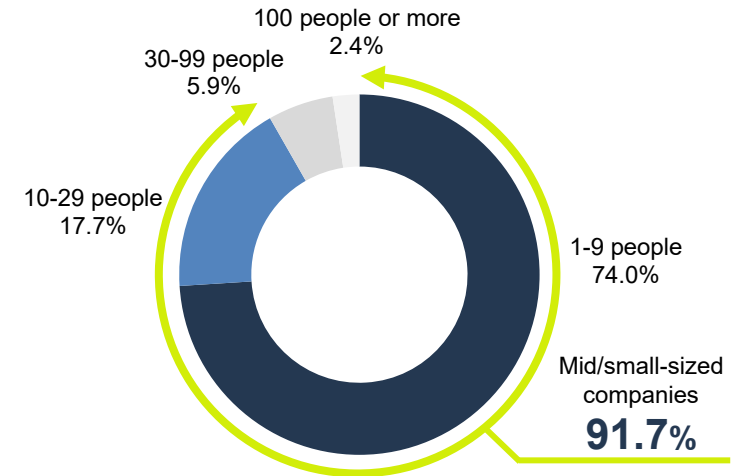
Office market by total floor area
(proportion of number of buildings) (Note 1)



Note 1: The above data is the proportion of number of buildings based on size. It covers rental office buildings located in Tokyo central 5 wards that were surveyed by CBRE (as of the end of September 2022).

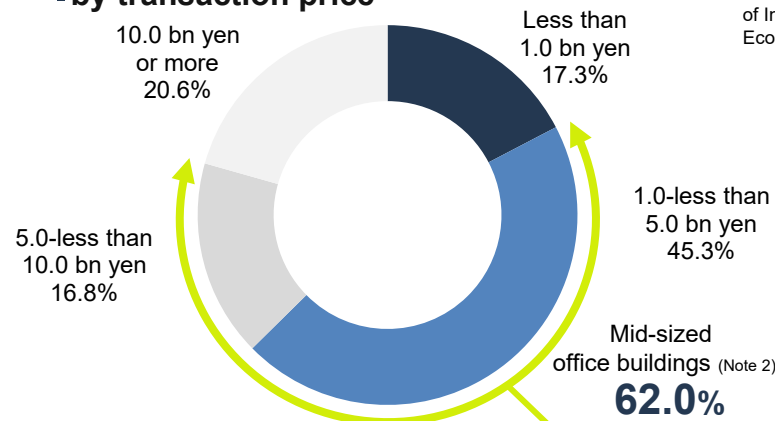
Source: Based on the survey CBRE conducted at the request of the Asset Management Company.

Business office by the number of employees (Tokyo)



Source: Compiled by the Asset Management Company based on the Tokyo Metropolitan Government's own tabulation of the "2016 Economic Census - Activity Survey" conducted by the Ministry of Internal Affairs and Communications and the Ministry of Economy, Trade and Industry.

Number of office building transactions by transaction price

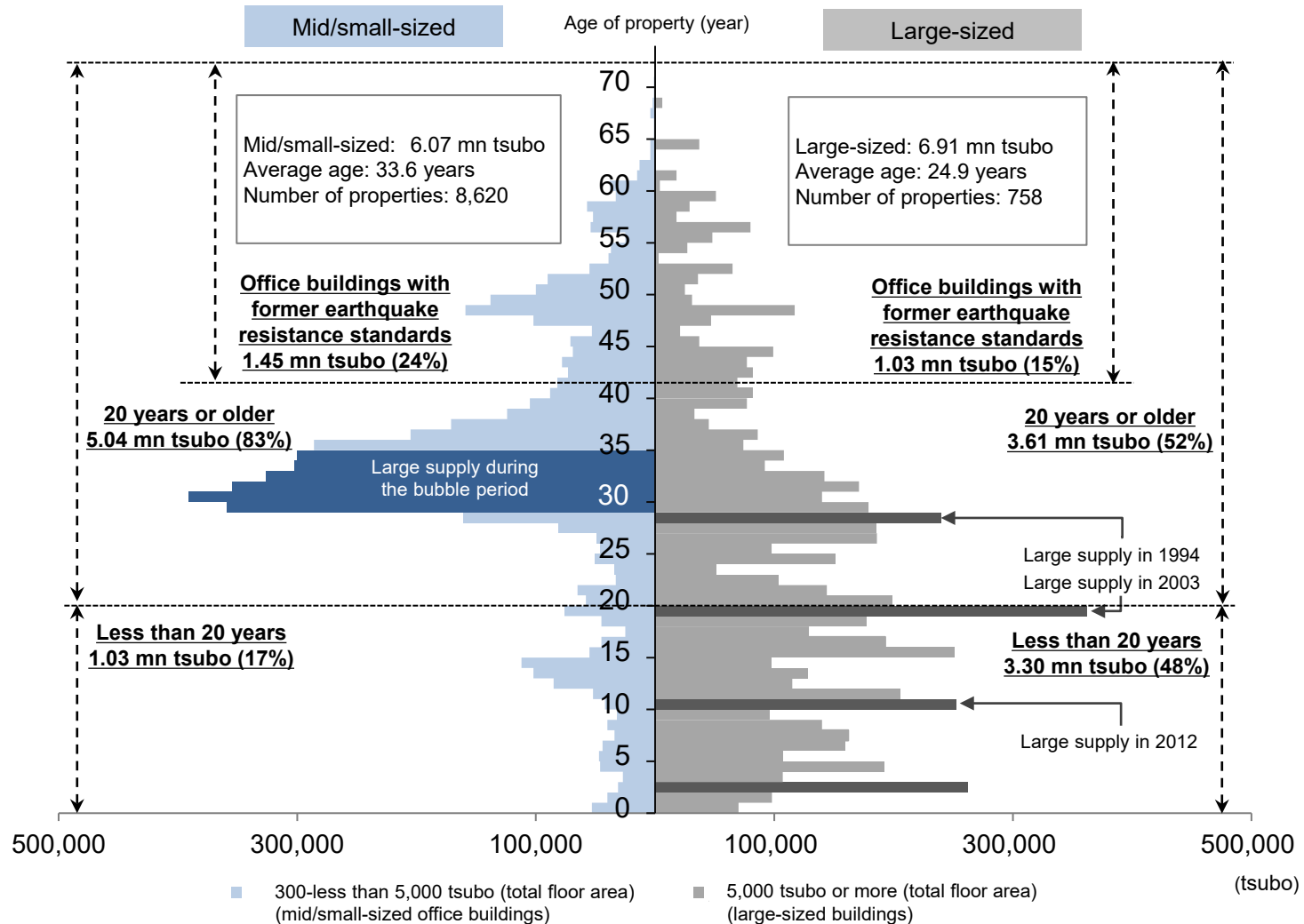


Note 2: The transaction prices of mid-sized office buildings are generally around 1.0 bn yen to 10.0 bn yen.

Source: Compiled by the Asset Management Company based on "the number of office building transactions by transaction size (FY2008-FY2022)" (FY2022 is until the end of October 2022) from "Real Estate Transactions Study" by Urban Research Institute Corporation, a think tank of Mizuho Trust & Banking Co., Ltd.

Tokyo 23 Wards Office Stock by Size and Age

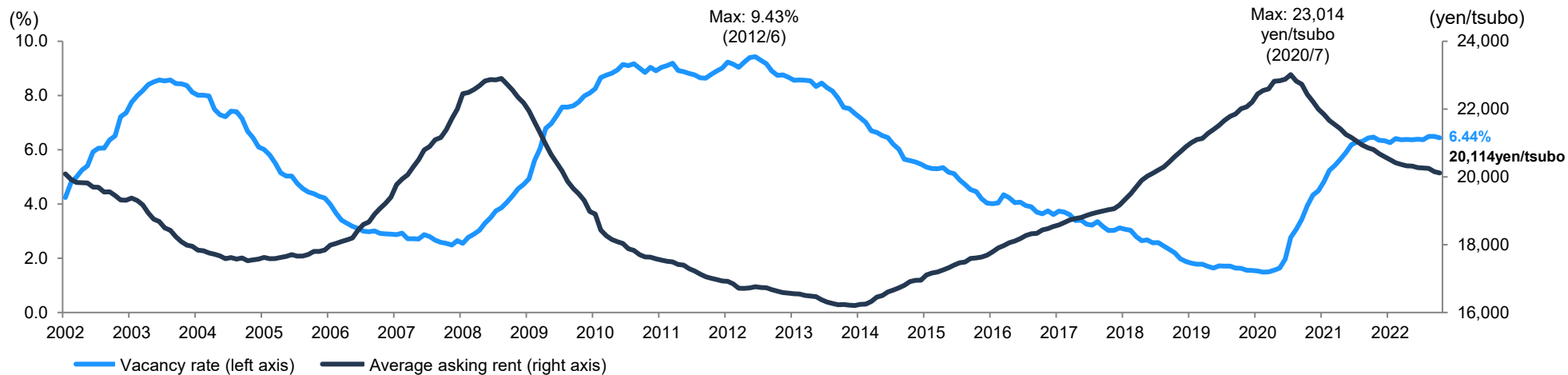
- Proper repair/maintenance and management are important in order to keep mid/small-sized office buildings competitive as more than 80% of mid/small-sized office buildings are 20 years or older; new supply is limited



Source: Compiled by the Asset Management Company based on "Office Stock Pyramid 2022" published by XYMAX REAL ESTATE INSTITUTE Corporation on January 12, 2022.

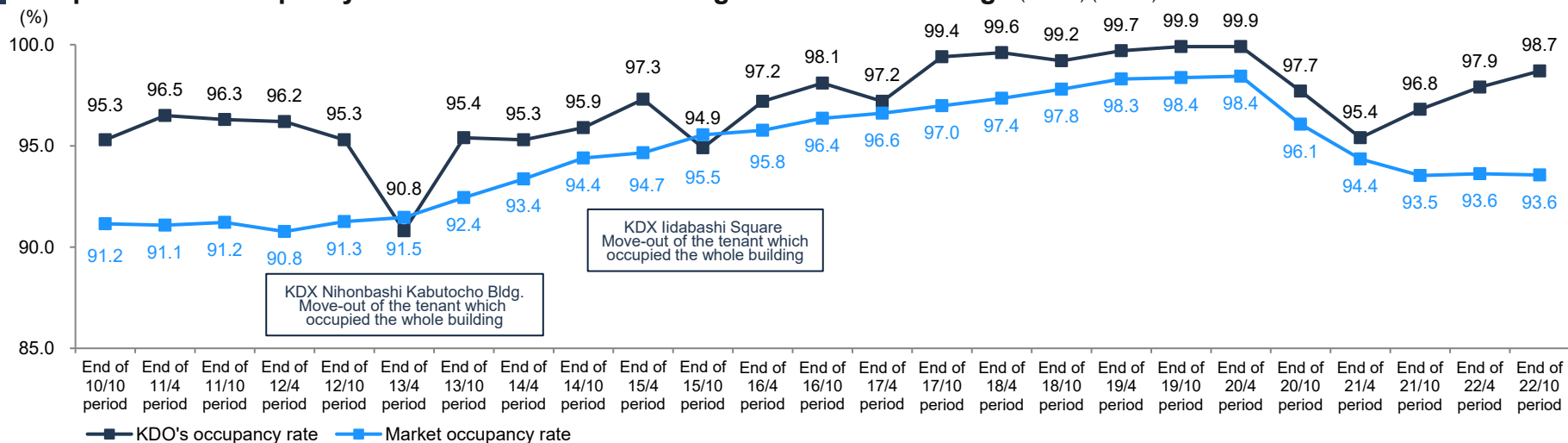
Office Building Market (1)

Change in asking rent and vacancy rate in Tokyo central 5 wards (January 2002 – October 2022) (Note 1)



Note 1: Include office buildings with a standard floor area of 100 tsubo or more in Tokyo business districts (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards)
Source: Miki Shoji "Office Market Data Tokyo Business Area"

Comparison of occupancy rates of KDO office buildings and market average (Note 2) (Note 3)

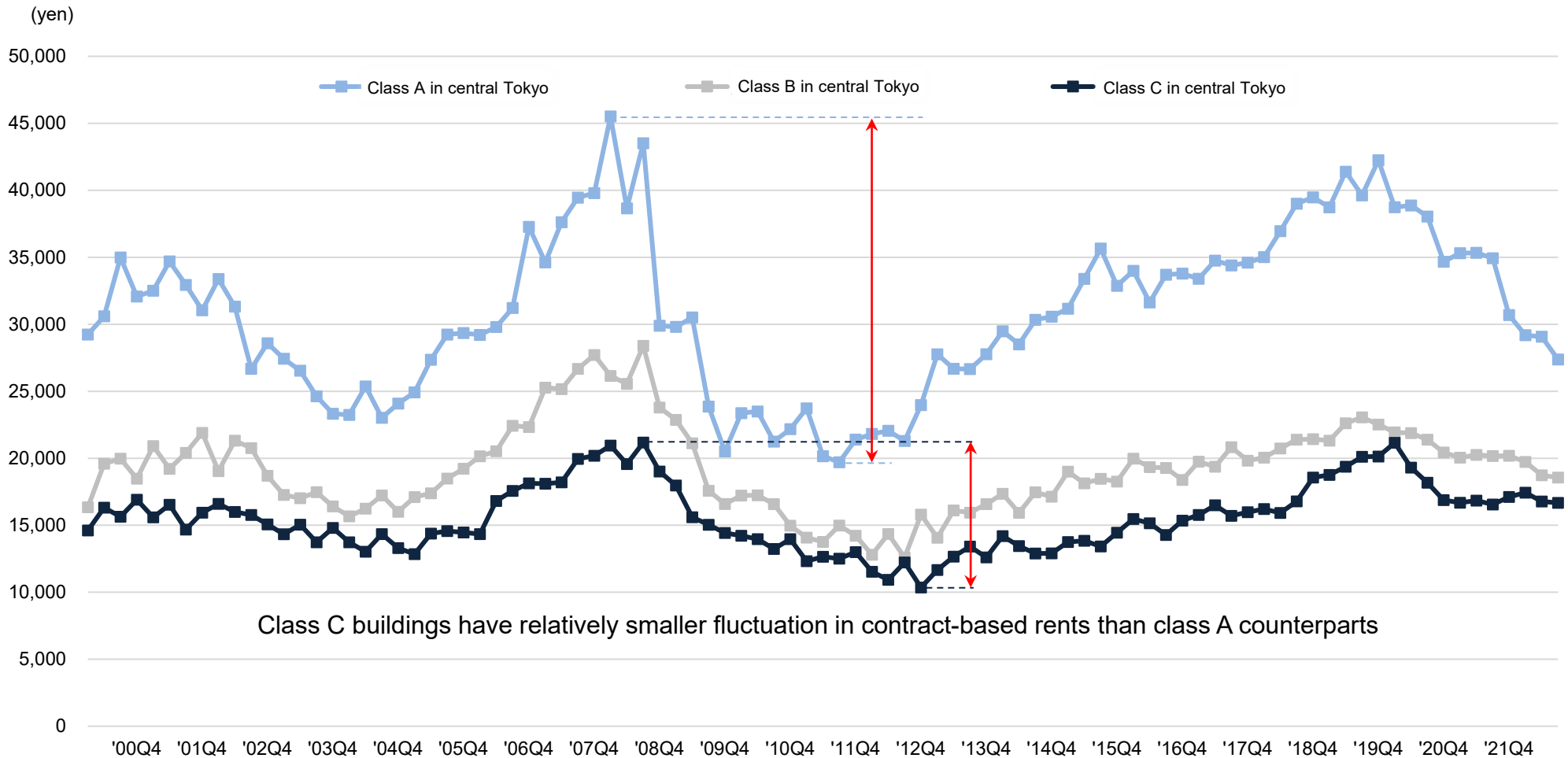


Note 2: Market occupancy rate refers to the average value of Tokyo central 5 wards for each corresponding month published by Miki Shoji.

Note 3: KDO's average occupancy rate refers to the weighted average occupancy rate of the office buildings in Tokyo central 5 wards that KDO owns as of the end of each fiscal period.

Office Building Market (2)

Central Tokyo Class A, B, and C office contract-based rent / month·tsubo (excluding common area charges) (Note 1) (Note 2)



Class C buildings have relatively smaller fluctuation in contract-based rents than class A counterparts

Note 1: Central Tokyo: Major office district in five key wards in central Tokyo and adjacent areas ("Gotanda/Osaki", "Kita-shinagawa/Higashi-shinagawa", "Yushima/Hongo/Koraku", and "Meguro Ward")

Note 2: Class A building: Total floor area of at least 10,000 tsubo, single-floor area of at least 300 tsubo, and up to 15 years old




Class B building: Building with single-floor area of at least 200 tsubo but has become outside the scope of A-class (including those that have grown older than 15 years)

Class C building: Single floor area of at least 100 tsubo and less than 200 tsubo (no restriction in terms of building age)

Source: Sanko Estate and NLI Research Institute

List of Green Certified Properties

The property which newly acquired certification after the fiscal period 2022/10

No.	Name	DBJ Green Building Certification 	Certification for CASBEE for Real Estate 	BELS Certification 
A-3	Higashi-Kayabacho Yuraku Building		A	
A-6	Harajuku F.F. Building		A	
A-14	KDX Funabashi Building		A	
A-19	KDX Hamamatsucho Building		A	
A-22	KDX Shin-Yokohama Building		A	
A-32	KDX Shiba-Daimon Building		A	
A-37	KDX Ochanomizu Building	★★★		★★★★
A-42	KDX Karasuma Building	★★★	S	
A-44	KDX Sendai Building		S	
A-46	Hiei Kudan-Kita Building	★★		
A-48	KDX Kawasaki-Ekimae Hon-cho Building		S	
A-51	KDX Hamacho Nakanohashi Building		A	
A-53	KDX Hakata-Minami Building		A	
A-58	KDX Nagoya Sakae Building	★★★		
A-59	KDX Iwamoto-cho Building		A	
A-60	KDX Harumi Building	★★★		
A-63	KDX Gotanda Building		A	
A-66	KDX Shinjuku Building	★★	S	
A-67	KDX Ginza 1chome Building		A	
A-69	KDX Kobayashi-Doshomachi Building	★★★	S	
A-72	KDX Higashi-Shinagawa Building	★★★		
A-73	KDX Hakozaeki Building		A	
A-79	KDX Nagoya Ekimae Building	★★		
A-82	KDX Higashi Umeda Building	★★		
A-83	KDX Fuchu Building	★★		
A-84	KDX Kasuga Building		A	
A-85	KDX Nakameguro Building		A	
A-87	Nihonbashi Horidomecho First		A	
A-89	KDX Takanawadai Building		A	
A-90	KDX Ikebukuro Building	★★		
A-93	KDX Iidabashi Square	★★★		★★★

No.	Name	DBJ Green Building Certification 	Certification for CASBEE for Real Estate 	BELS Certification 
A-94	KDX Musashi-Kosugi Building	★★★★		★★★
A-95	KDX Toyosu Grand Square	★★★★		
A-96	KDX Takadanobaba Building		A	
A-97	KDX Utsunomiya Building		S	
A-98	KDX Hiroshima Building		S	
A-99	KDX Ikebukuro West Building		A	
A-100	Senri Life Science Center Building	★★★		
A-101	KDX Yokohama Building	★★★		
A-106	KDX Sakura-dori Building	★★★		
A-107	KDX Ginza East Building		A	
A-109	KDX Hamamatsucho Center Building		A	
A-110	KDX Shin-Osaka Building		A	
A-111	KDX Nagoya Nichigin-mae Building	★★★		
A-112	KDX Toranomon 1chome Building	★★★★	S	
A-113	KDX Shin-Nihonbashi Ekimae Building		A	
A-115	ARK Mori Building		S	
A-116	KDX Nishi-Shinbashi Building	★★★		
A-117	BR Gotanda		A	
A-118	KDX Sapporo Kitaguchi Building		S	
A-119	KDX Shibuya Nanpeidai Building	★★		
A-121	Ginza 4chome Tower	★★		
A-122	Mitsubishijuko Yokohama Building		S	
A-123	KDX Yokohama Kannai Building	★★★		
A-124	KDX Hamamatsucho Place	★★★★		★★★
A-125	KDX Chofu Building	★★★		
A-128	KDX Shinbashi Ekimae Building		S	★★

Numbers of the properties with certifications (Note)

57 properties
(+10 properties from the end of previous period)

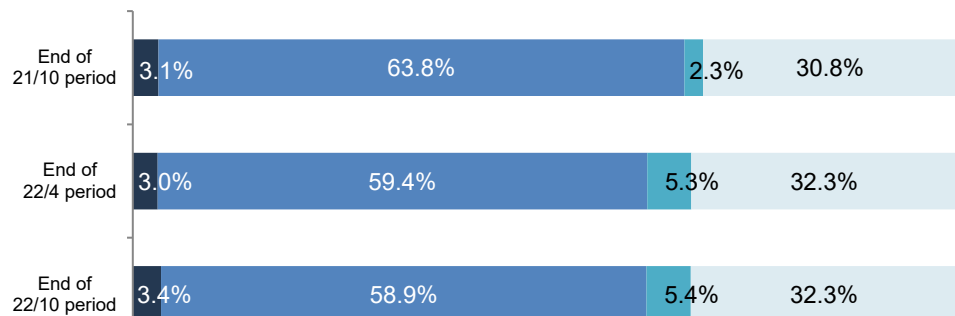
Ratio of certified properties (Note)

70.3%
(+5.9% from the end of previous period)

Note: If a single building has acquired multiple environmental certifications or evaluations, it is counted as one property. The ratio of certified properties is calculated by dividing the floor area of aggregated properties that have acquired environmental certifications by the total floor area of the entire portfolio.

KDO Unitholders (as of the End of the Fiscal Period Ended October 31, 2022)

Changes in unit holding ratio by type of unitholders (Note)



■ Individuals and others ■ Financial inst. (incl. securities cos.) ■ Other domestic cos. ■ Foreign cos. and individuals

Number of unitholders

(Person)

	End of 2021/10	End of 2022/4	End of 2022/10
Individuals and Others	4,192	4,130	4,288
Financial Inst. (Incl. Securities Cos.)	City / Trust Bank	9	8
	Regional Bank	30	31
	Credit Union and Others	68	66
	Life / Nonlife, Securities	30	30
	Total	137	135
Other Domestic Cos.	94	86	89
Foreign Cos. and Individuals	291	295	297
Total	4,714	4,646	4,808

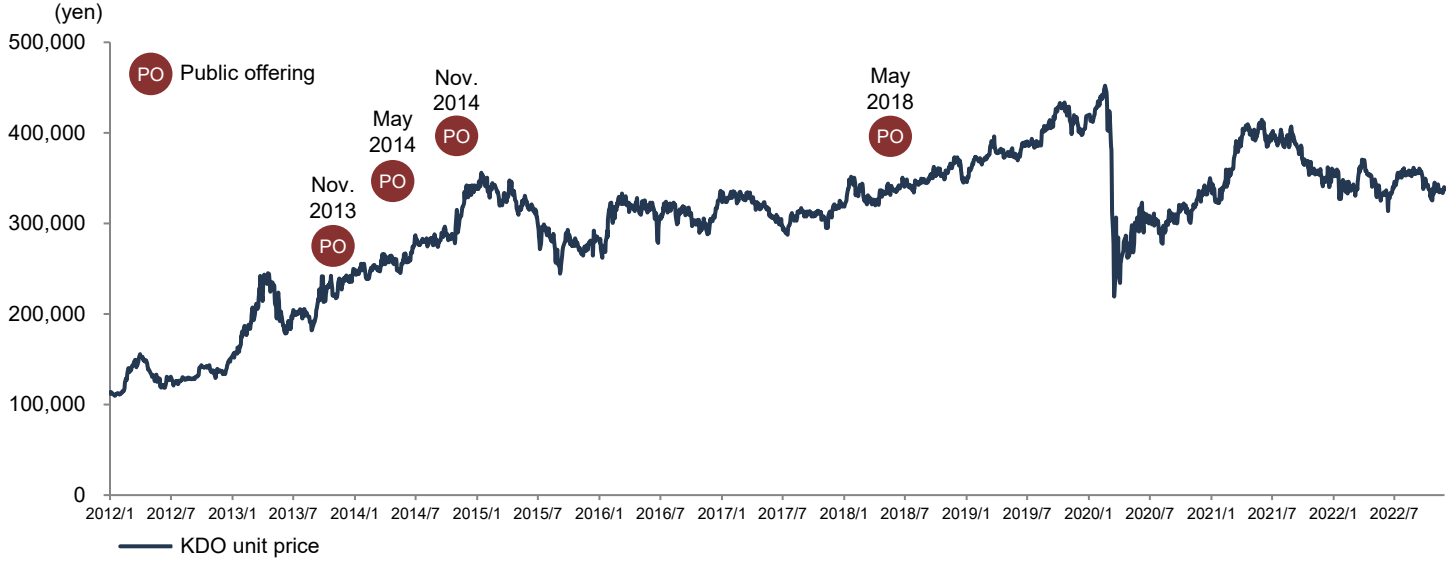
Note: Ratios are rounded to the first decimal place.

Top 10 unitholders (Note)

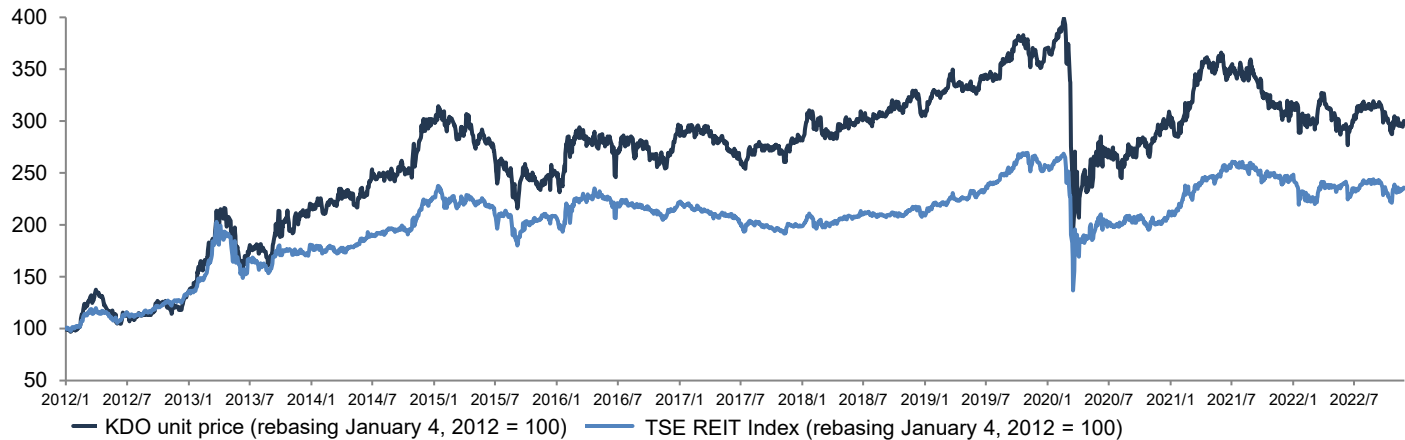
Name	Number of units held (unit)	Percentage share
Custody Bank of Japan, Ltd. (Trust Acct.)	95,379	22.5%
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	66,558	15.7%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Acct.)	18,979	4.5%
STIZHTING PENSIOEN FONDS ZORG EN WELZIJN	16,254	3.8%
Kenedix, Inc.	15,421	3.6%
SMBC Nikko Securities Inc.	11,502	2.7%
SSBTC CLIENT OMNIBUS ACCOUNT	8,093	1.9%
STATE STREET BANK WEST CLIENT - TREATY 505234	6,081	1.4%
STATE STREET BANK AND TRUST COMPANY 505103	5,945	1.4%
Mizuho Securities Co., Ltd.	5,548	1.3%
Total	249,760	58.9%

Historical Changes in Unit Price

Historical changes in unit price (January 4, 2012 – November 30, 2022)



Comparison between rebased unit price and TSE REIT Index (January 4, 2012 – November 30, 2022)



Note: A two-for-one unit split was implemented on November 1, 2022, and unit prices prior to October 31, 2022 have been converted to once-half to facilitate comparisons during the subject term.

Inclusion into indices

- FTSE EPRA/NAREIT Global Real Estate Investors index



- S&P Global Property Index/
S&P Global REIT Index

S&P Dow Jones Indices

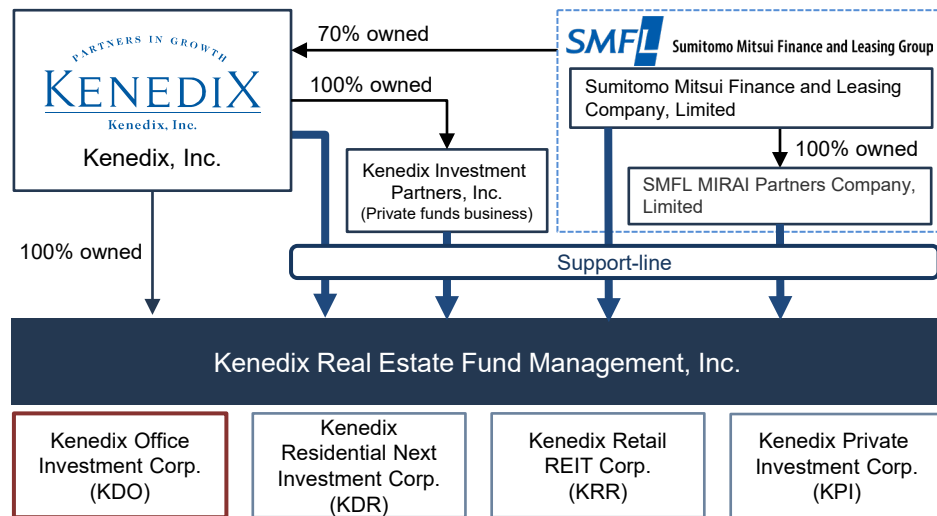
An S&P Global Division

- TSE REIT Core Index (started on March 26, 2018)



Allocation rule for property information in the Group and management guidelines

Kenedix Group's fund management structure



KDO management guidelines

Targeting portfolio		Target investment ratio
Office buildings	Of office buildings, rental office buildings whose main use under the Building Standards Act is office and whose total floor area ^(Note 1) of the entire building fulfills the following: • Tokyo 23 wards: Total floor area 13,000 m ² or less • Outside Tokyo 23 wards: Total floor area 20,000 m ² or less	80%~100%
	Of office buildings, those that do not fall under the category of the above	
Central urban retail properties	Retail properties with high tenant substitutability located in highly bustling districts ^(Note 2)	0%~20%
Others	Land with third-party leasehold (limited proprietary right of land) or buildings with floor area whose use under the Building Standards Act is not subject to investment ^(Note 3) that are not office buildings or central urban retail properties	

Note 1: Total floor area of the entire building stated in the certificate of all registered matters.

Note 2: Tokyo central 5 wards (Chiyoda-ku, Chuo-ku, Minato-ku, Shinjuku-ku and Shibuya-ku) or central parts of government-designated cities.

Note 3: Residential properties, logistics and warehouse facilities, amusement parks, medical, nursing and health care-related facilities and golf courses.

Overview of preferential study rights for property information

- For mid-sized office buildings ^(Note 1), the Investment Corporation's main investment targets, it will have the first opportunity to consider property acquisition among the other REITs if the following conditions are satisfied:

Location	Total floor area per building (m ²)
Tokyo 23 wards	2,000 or more, 13,000 or less
Outside Tokyo 23 wards	3,000 or more, 20,000 or less

	Office REIT Dept. Kenedix Office Investment Corp.	Residential REIT Dept. Kenedix Residential Next Investment Corp.	Retail REIT Dept. Kenedix Retail REIT Corp.	Private REIT Dept. Kenedix Private Investment Corp.
Mid-sized office buildings	1st	-	-	2nd
Other office buildings	2nd	-	-	1st
Residential properties	-	1st	-	2nd
Central urban retail/service properties ^(Note 2)	3rd	-	1st / 2nd	2nd / 1st
Logistics facilities	-	-	1st	2nd

Note 1: Office building refers to a property or an asset backed by that in which office use weighs the largest share of total floor area based on floor area use in accordance with the Building Standards Law.

Note 2: Retail property is categorized as "retail property" if retail stores occupy the largest floor area and as "service property" if service stores occupy the largest floor area. KRR and KPI have the first and second preferential study rights, respectively, in "retail property". KPI and KRR have the first and second preferential study rights, respectively, in "service property".

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Revised editions of this document will be posted on our website (<https://www.kdo-reit.com/en/>) if there should be major corrections going forward.

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Office Investment Corporation