I am Hiroaki Momoi, Head of Listed REIT Department of Kenedix Real Estate Fund Management, Inc.

I would like to express my sincere gratitude for your continued support to KDX Realty Investment Corporation (KDXR). As previously announced, the merger among three REITs, in which we are entrusted with management was executed on November 1, and we have started a new operation. For the details of the financial results for the fiscal period ended October 31, 2023 and the latest business developments, I will explain for each REIT before the merger, and for the forecasts and initiatives for the fiscal period ending April 30, 2024 and beyond will be for the new REIT. I would appreciate it if you could keep this point in mind as we go along.

Please turn to page 4 of the presentation material.

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This document also contains forward-looking statements and anticipation of future results for KDXR. However, no guarantees are given with respect to the accuracy of these statements/anticipation.

Revised editions of this document will be posted on our website (https://www.kdx-reit.com/eng/) should there be major corrections going forward.

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

KDX Musashi-Kosugi Building

Financial Summary of Each REIT

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

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

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

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

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

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

Note: Occupancy rate for residential properties is shown.

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

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

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

This is the financial summary for each REIT. The details will follow later in the material.

As for Kenedix Office Investment Corporation (KDO), the occupancy rate of office buildings remained steady at almost the same level from the previous period, and we continued to succeed in increasing the rent. In this fiscal period, we recorded gains on sales of securities, which also contributed to the DPU.

Next is Kenedix Residential Next Investment Corporation (KDR). Although the rental housing market was in a non-busy period during the latest fiscal period, occupancy rate was fairly flat from the previous period, as was with office buildings. The population is continuing to return to urban areas, and residential property is robust, including studio type properties.

Finally, as for Kenedix Retail REIT Corporation (KRR), it acquired one neighborhood shopping center as a part of the asset-reshuffle with the sponsor in regard with the merger. With the recovery in consumer spending, sales-linked rents increased significantly from the previous period. In addition, changes in monthly rents at the time of new contracts and contract renewals were positive for the first time in two years. The ratio of interest rate/CPI linked contracts, in which rents fluctuate depending on trends in interest rates or CPI, is also rising. We are making steady progress with the aim of shifting to a structure that is resilient to inflation.

Please turn to page 5.

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

(Millions of Yen)

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

Oct. 2023 FP Actual vs Apr. 2023 FP Actual

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

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast

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

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

This page shows the financial results of KDO.

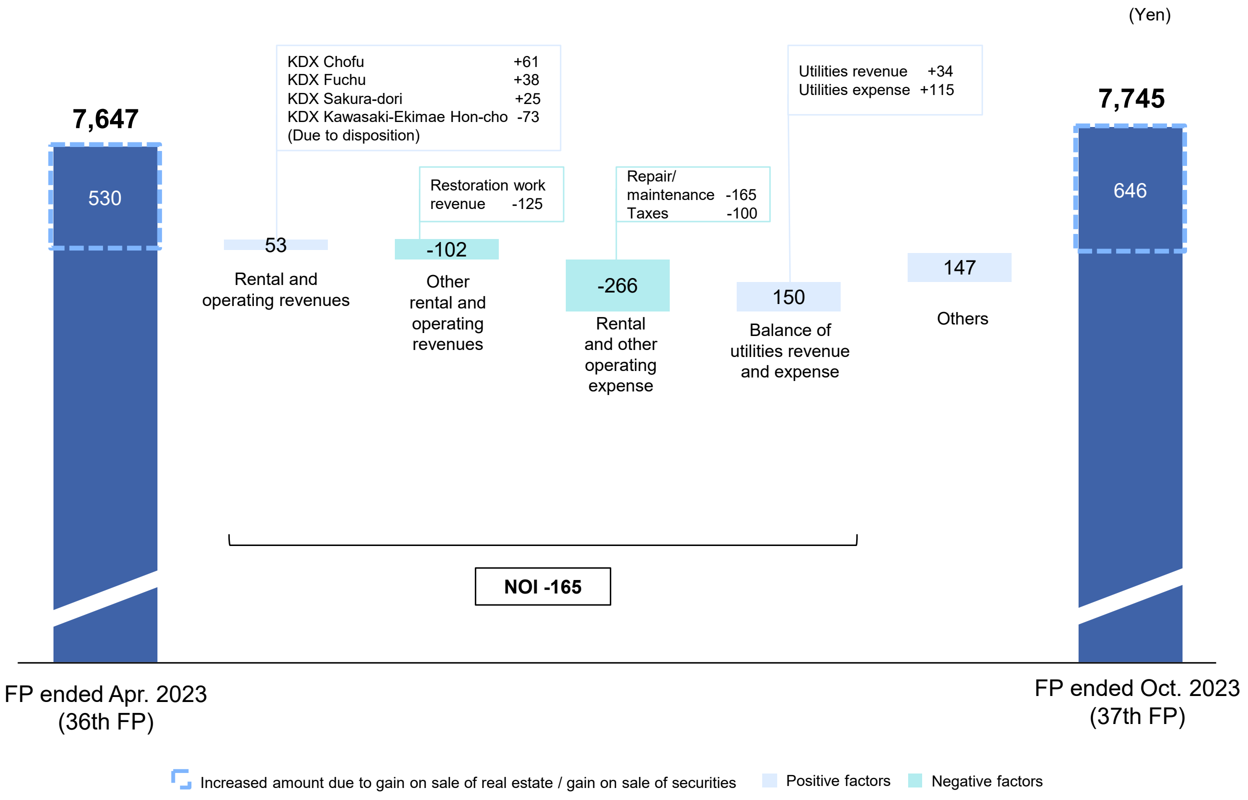
Please look at the actual result of the fiscal period ended October 31, 2023 in the Column C. We recorded a gain on sale of securities of 548 million, but the gain on sales of real estate of 1,168 million yen recorded in the previous period was lost.

Due to these circumstances, we had originally forecasted a decline in sales and profits, but operating income increased by 123 million yen compared to the forecast. This owes to factors such as an improvement in net utilities expense due to a revision of the billing method and a decline in fuel cost, as well as increase in hall operating revenues from a recovery in demand for conferences.

DPU amounted to 7,745 yen per unit, an increase of 98 yen from the previous period, due to transfer of a portion of the gain on sale to a reserve for reduction entry in the previous period and the full distribution of the gain on sale of securities in this fiscal period.

Please turn to page 7.

Factors Impacting DPU



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

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

(Millions of Yen)

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

Payment Upon the Merger

2,070 yen
（Actual vs Forecast ±0 yen）

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast

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

This is a summary of the financial results of KDR.

Please look at the actual result of the fiscal period ended October 31, 2023 in the Column C. As a dissolving REIT, KDR had an irregular fiscal period of three months, unlike the usual six-month period. The market environment remained favorable, and rent revenues surpassed the forecast. However, due to factors such as an increase in expenses, the DPU for the three-month period was 2,070 yen, the same level as the forecast, which will be paid as a payment upon the merger.

Please turn to page 8.

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

(Millions of Yen)

	Mar. 2023 Actual (6 months) A	Oct. 2023 Forecast (7 months) B	Oct. 2023 Actual (7 months) C	Oct. 2023 Actual vs Forecast C-B
Operating revenue	**9.924**	**11,969**	**11,912**	**-57**
Rent revenue –real estate	8,530	10,115	10,139	23
Other lease business revenue	1,394	1,854	1,773	-80
Gain on sale of real estate property	-	-	-	-
Operating expense	**5,359**	**6,616**	**6,524**	**-92**
Expenses related to rent business (ex. depreciation)	3,093	3,846	3,697	-148
Depreciation	1,351	1,610	1,626	16
General and administrative expenses	913	1,158	1,199	40
Operating income	**4,565**	**5,353**	**5,388**	**35**
Non-operating income	0	0	1	1
Non-operating expense	640	744	739	-5
(Interest expenses, etc.)	621	722	716	-5
Ordinary income	**3,926**	**4,608**	**4,650**	**41**
Net income	**3,922**	**4,607**	**4,646**	**38**
NOI	6,830	8,122	8,214	91
NOI after depreciation	5,479	6,512	6,587	75
Utilities revenue	857	1,198	1,092	-105
Utilities expense	970	1,255	1,094	-160
Total distributions	3,922	4,613	4,646	33
DPU (yen)	**6,514**	**7,660**	**7,716**	**56**
EPU (yen)	**6,513**	**7,651**	**7,716**	**64**
# of total units outstanding (unit)	602,177	602,177	602,177	-

Payment Upon the Merger

7,716 yen

（Actual vs Forecast +56 yen）

Oct. 2023 FP Actual vs Oct. 2023 FP Forecast

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

This is a summary of financial results of KRR.

As with KDR, KRR was a dissolving REIT. Its last fiscal period was an irregular period of seven months. The DPU for the seven months, which will be paid as a payment upon the merger, was 7,716 yen, an increase of 56 yen from the forecast. This increase was attributable to factors including revisions in the unit price of electricity, a change in its billing method and a decrease in fuel cost.

Please turn to page 11.

Note


2. Emergence of New REIT
remm roppongi building

Aim of Merger

1. Sustainable growth driven by expansion of investment universe

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

2. Improvement in market presence and stability

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

3. Further commitment to sustainability

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

On this page, the aim of the merger is described.
On page 12, we are showing some of the results of the merger.

Outcome of Merger

1. Improvement in market presence and stability

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

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

2. Sustainable growth driven by expansion of investment universe

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

Acquisition	Disposition
4 properties (Residential, shopping center, logistics, hotel)	2 properties (Office buildings)

3. Stable distribution management with strengthened balance sheet

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

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

4. Further commitment to sustainability

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

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

Note 1: As of Dec. 14, 2023
Note 2: RTA stands for reserve for temporary difference adjustment. Please refer to page 19 regarding RTA.

First, by improving our market presence and stability, we were able to build one of the most diversified and stable portfolio among all J-REITs, with a portfolio of over 1 trillion yen and 350 properties. In October, KDXR was included in the MSCI Global Standard Indexes, and it is expected to improve the liquidity of our investment units.

Moreover, our investment universe expanded to logistics facilities and hotels in addition to mid-sized office buildings, residential properties and shopping centers for daily needs that have been managed by each REIT before the merger.

In order to embody our investment management strategy with increased flexibility, we conducted asset reshuffle including the acquisition of a hotel on November 1, and the asset size increased by 9.6 billion yen.

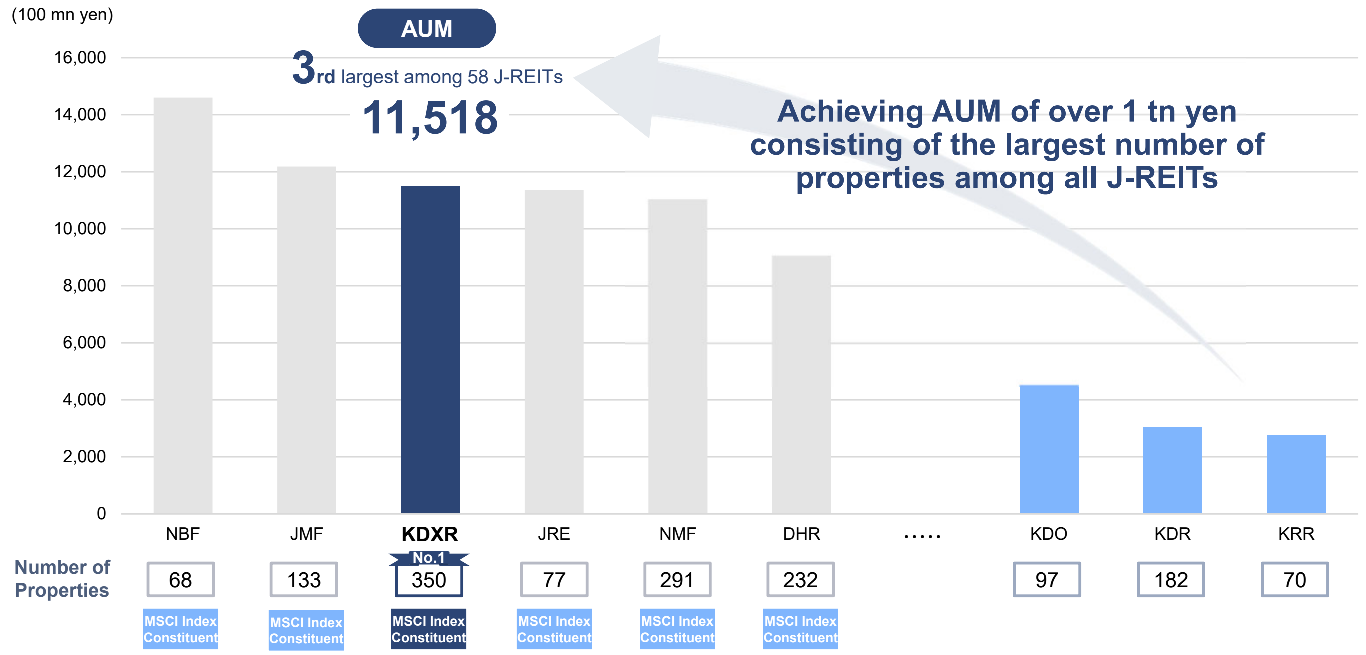
The gain on negative goodwill from the merger is expected to be 17.2 billion yen and LTV is expected to decline to 42.5%. In addition to further solidifying our financial base, we have been able to build a foundation for future external growth and a structure for stable distributions.

With regard to sustainability, we are actively strengthening our commitment by introducing a fee structure that is linked to the unit price performance and GRESB assessment, which is a major benchmark for sustainability. We also expanded the number of independent directors and raised the percentage of female board of directors.

Please turn to page 13.

Overview of KDXR

"KDX Realty Investment Corporation (KDXR)" emerged by merging three REITs on Nov. 1, 2023[1]



Anticipated NAV per Unit	Unrealized Gain	Anticipated NOI Yield	Credit Rating (JCR)
180,000 yen[2]	120.3 bn yen[3]	4.5%[2]	AA Stable

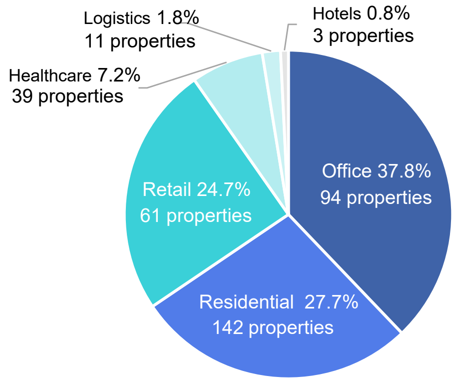
Note 1: AUM and number of properties are as of Nov. 30, 2023. For KDO, KDR and KRR, the figures are as of the announcement of the merger.
Note 2: Anticipated NAV per unit is as of Nov. 1, 2023. Anticipated NOI yield is calculated based on actual NOI of existing properties as of Oct. 31, 2023 and assumed NOI for properties acquired on Nov. 1, 2023.
Note 3: Calculated by subtracting the total book values of the properties owned by KDO as of Oct. 31, 2023 from the total appraisal values.

An overview of KDXR is provided on this page. As of the end of October 31, 2023, KDXR has over 120 billion yen unrealized gains, and the soundness of the portfolio is maintained. The assumed NAV per unit is about 180,000 yen.

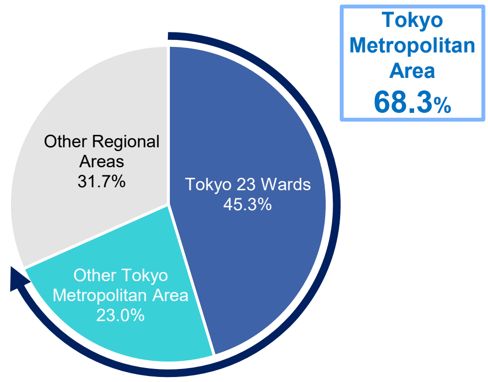
Please turn to page 14.

Portfolio Diversification

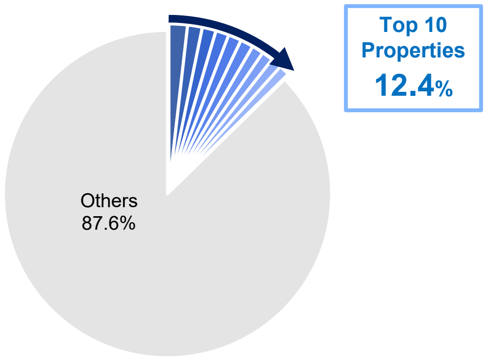
By Asset Types (based on acquisition price)



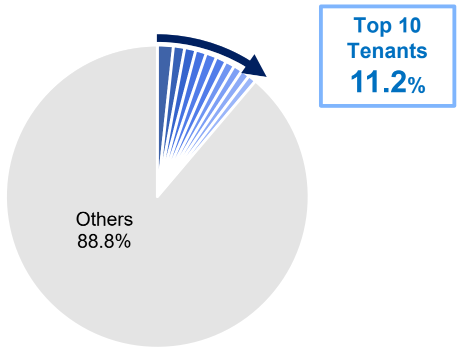
By Area (based on acquisition price)



Top 10 Properties (based on acquisition price)



Top 10 Tenants (based on rents)



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

This page shows the diversification of our portfolio.

We have a very diverse portfolio in terms of asset types, area, top 10 properties and top 10 tenants. This diversification is the source of stability in our income. We believe that this is one of our strengths, which can lead to differentiation among our peers.

Please turn to page 17.

Note

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

River City21 East Towers II

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

(Millions of Yen)

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

Apr. 2024 FP Forecast vs Oct. 2024 FP Forecast

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

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

Note 1: Retained earnings include RTA and reserve for reduction entry.
Note 2: Calculated by dividing net income (excl. extraordinary income) by number of total units outstanding.

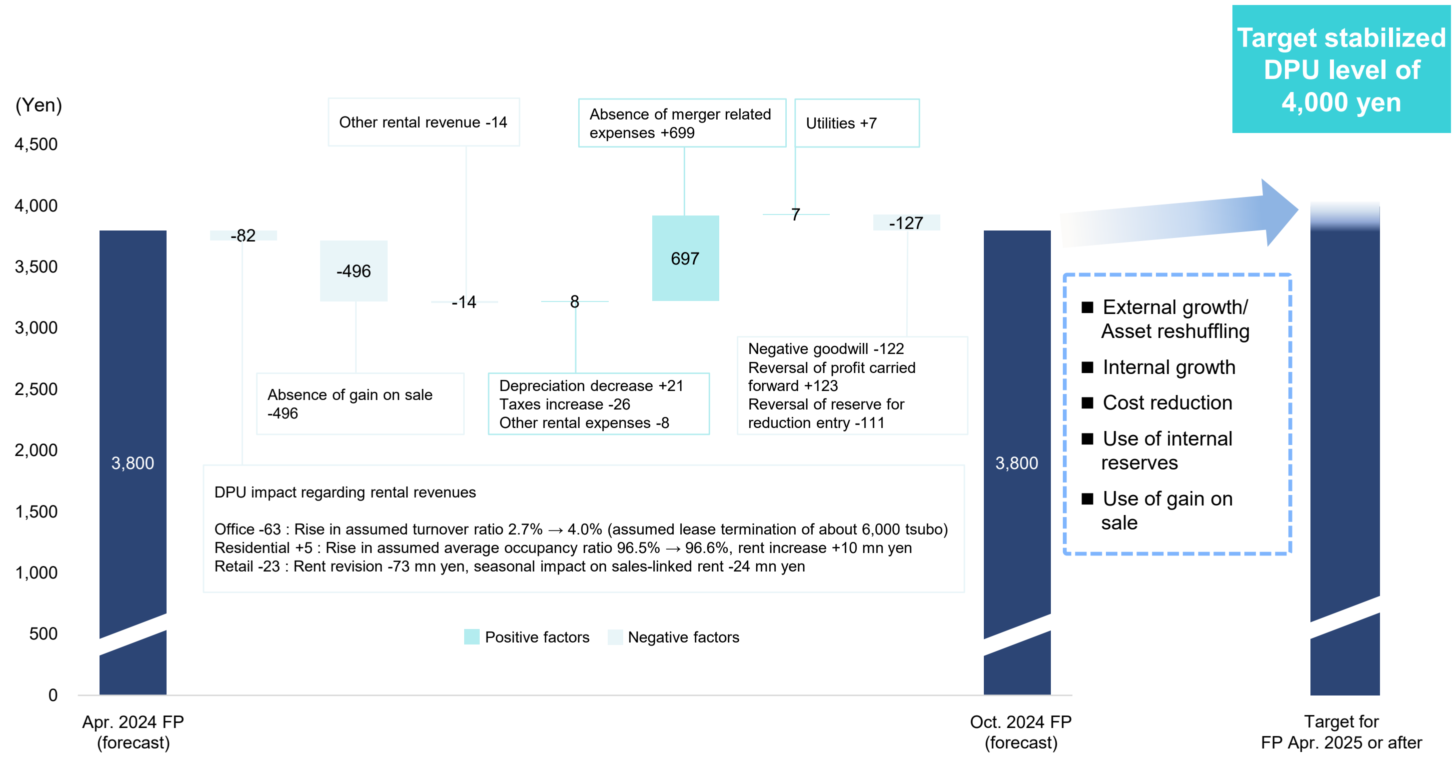
This page shows the forecasts for the fiscal periods ending April 30 and October 31, 2024 of KDXR.

The Column A is the forecast for the fiscal period ending April 30, 2024. In this period, we forecast operating revenue of 38,232 million yen, with total of 2,053 million yen gain on sale of two office buildings and TK investment interest. Net income is expected to be 31,794 million yen. This includes 17,271 million yen gain on negative goodwill as extraordinary income, which was derived from the difference between the market value of net assets of KDR and KRR and the merger consideration. Of the gain on negative goodwill, 671 million yen will be allocated for distributions of the fiscal period ending April 30, 2024, and the remaining will be transferred to reserve for temporary difference adjustments (RTA) of 16.6 billion yen will be transferred to retained earnings. In addition, we are making 550 million yen reversal of reserve for reduction entry. Together with this reversal, DPU for this period is forecasted at 3,800 yen. From the fiscal period ending October 31, 2024, we plan to utilize this RTA as a source of funds for stabilizing distributions, while reversing a certain amount or more every fiscal period.

The Column B is the forecast for the fiscal period ending October 31, 2024. Operating revenue for this fiscal period is expected to be 36,210 million yen, a decrease of 2,022 million from the previous period. This decrease is mainly attributable to the absence of the gain on sale recorded in the previous period. As there will be no payment of merger fees and other merger related expenses recorded in the previous fiscal period, operating expenses will decrease. As a result, net income excluding the impact of extraordinary income is forecasted at 14,976 million yen, an increase of 453 million yen from the previous fiscal period. DPU for this period is forecasted at 3,800 yen, the same level as in the previous period, due to the reversal of RTA and reserve for reduction entry of 767 million yen.

Please turn to page 18.

DPU Management



The factors impacting DPU for the fiscal period ending April 30 and October 31, 2024 are shown. As for the period ending October 31, 2024, we assume decrease in rent revenues due to a conservative turnover ratio for office buildings and the impact of the downward revision in some tenants in retail facilities.

Going forward, we will utilize various measures to achieve our target DPU of 4,000 yen, but we will also give consideration to stabilizing DPU by leveraging retained earnings and securing gains on sale of properties.

Please turn to page 19.

DPU Management

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

Gain on Negative Goodwill due to the Merger

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

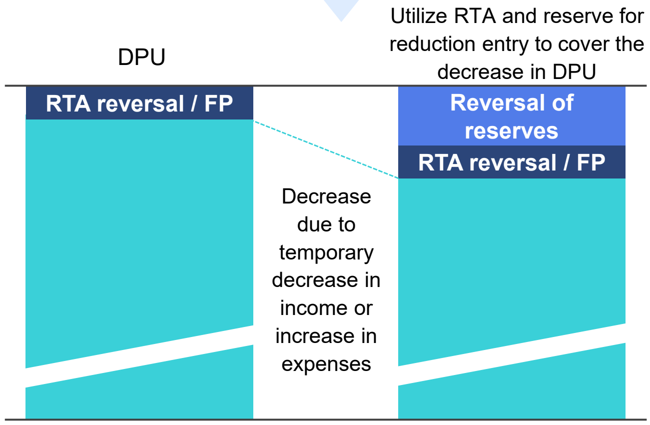
Impact on BS	• Allocate about 600 mn yen from the gain on negative goodwill for DPU of 1st FP after the merger. Reserve the remaining amount as reserve for temporary difference adjustment (RTA) on net assets	RTA: **16.6** bn yen (4,006 yen/unit)
Impact on DPU	• Allocate at least 1% of RTA for DPU each FP • Utilize RTA flexibly as source of distributions added to net income	Reversal Each FP: **40** yen/unit

Balance of Reserve for Reduction Entry

✓ Flexibly utilize the reserves derived from gains on sale

FP Apr. 2024 (assumed)

4.7 bn yen
(1,158 yen/unit)



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

Here, we explain our approach to DPU management.

The gain on negative goodwill expected from the merger is 17.2 billion yen. In the fiscal period ending April 30, 2024, about 600 million yen will be allocated for distributions, and the remaining amount of 16.6 billion yen (approx. 4,000 yen per unit) is planned to be reserved as RTA.

Since it is necessary to distribute at least 1% of RTA each fiscal period, we intend to allocate at least 40 yen to DPU every fiscal period.

In addition, since there will be a reserve for reduction of 4.7 billion yen as of April 30, 2024, we will actively utilize this reserve in addition to RTA to stabilize distributions in cases where there is a possibility that distributions may decrease significantly due to a temporary decrease in revenues or an increase in costs.

Please turn to page 21.

4. External Growth and Asset Reshuffling

Apita Terrace Yokohama Tsunashima

Sustainable Growth Driven by Expansion of Investment Universe

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

Asset Reshuffling announced with the Merger

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


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


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


Akishima Distribution Center (Land)


York Mart Higashi-Michinobe

	River City 21 East Towers II (25% quasi co-ownership interest)	remm roppongi building (20% quasi co-ownership interest)	Akishima Distribution Center (Land)	York Mart Higashi-Michinobe
Date of Acquisition	Nov. 1, 2023 (Apr. 2024 FP)			Sep. 25, 2023 (Oct. 2024 FP)
Acquisition Price	9,232 mn yen	3,960 mn yen	1,872 mn yen	4,600 mn yen
Sector	Residential	Hotels	Logistics	Retail
Location	Chuo Ward, Tokyo	Minato Ward, Tokyo	Akishima, Tokyo	Kamagaya, Chiba
Appraisal Value(1)	10,775 mn yen	4,060 mn yen	2,320 mn yen	4,620 mn yen

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


Harajuku F.F. Building


KDX Nagoya Sakae Building

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

Sale of Silent Partnership Interest


Shinjuku Sanei Building

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

FP Ending Apr. 2024 Contribution to DPU (2)

495 yen/unit

Note 1: As of Oct. 31, 2023.
Note 2: Calculated by dividing the total gain on sales of real estate and gain on sales of securities by the assumed number of investment units issued and outstanding at the end of the fiscal period ending Apr. 2024.

On this page, you will see the asset reshuffle we conducted with the sponsor and the sale of the remaining portion of silent partnership interest, which the first transaction took place in the fiscal period ended October 31, 2023.

In addition to a neighborhood shopping center that we have invested as KRR, we acquired a large tower condominiums, which had previously been difficult to invest from a portfolio-size perspective as KDR. We also acquired a logistics facility and a hotel, both of which we can actively invest after the merger. In turn, we disposed of two office buildings and recorded gains on sale of 1,505 million yen.

Total gain on sale will be 2,053 million yen, together with 548 million yen gain on sale of silent partnership interest, and the impact on DPU is 495 yen.

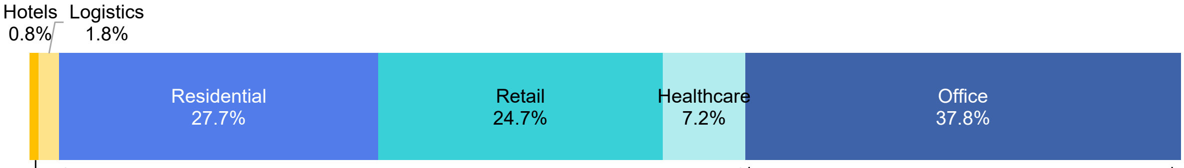
Please turn to page 22.

External Growth (Pipeline)

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

Asset Allocation

As of Nov. 1, 2023



Current Policy

Acquire hotels with growth potential

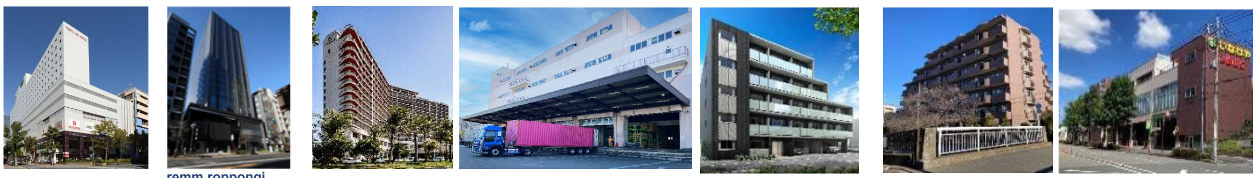
Acquire properties with upside potential under an inflationary environment or cashflow stability

Consider as asset reshuffle target for realization of unrealized gains

Pipeline

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

Hotels 3 properties	Logistics 8 properties	Residential 2 properties	Retail 5 properties	Healthcare 5 properties



Shin-Osaka Esaka Tokyu REI Hotel

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

Okinawa Prince Hotel Ocean View Ginowan

Logistics facility in Ebina City

Nakamarucho Project

Higashi Yukigaya Residence

Inageya Shinyuri Yonetty Ozenji-mae

This page presents the composition of our current portfolio by asset type, policy regarding asset allocation and our pipelines.

First of all, as for hotels, the current allocation is not very high, but we intend to actively acquire hotels, positioning them as growth assets, on the back of an ongoing increase in tourism demand and their resilience against inflation. We intend to continue acquiring other types of assets, primarily those that we can expect stable cash flows. On the other hand, the majority of assets with unrealized gains are office buildings, and we consider these assets to be a priority for disposition when considering external growth through asset reshuffles or securing gains on sales.

As for the pipeline, two properties have been added since the announcement of the merger, accumulating the pipeline to over 90 billion yen. We intend to acquire these properties as soon as possible, taking into account various circumstances, in order to realize the growth strategy of KDXR.

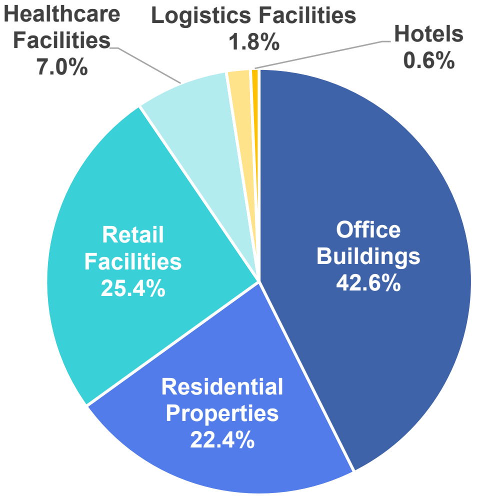
Please turn to page 24.

5. Internal Growth

Summary of Internal Growth

Status of Internal Growth by Asset Type

Percentage of rent composition by asset type (1)



Rent Revenue by Asset Type (1)

Asset type	Rent revenue	Status
Office Buildings	27,210 mn yen	• Occupancy rate is improving. Attempting to backfill vacant properties as soon as possible through flexible leasing strategies • Monthly rent for existing tenants increased as a result of persistent rent negotiations
Residential Properties	14,326 mn yen	• Family types are robust with soaring condominium prices • As more people return to Tokyo, new leases are increasing mainly in the Tokyo metropolitan area. Pursuing further rent increases for single type properties as well
Retail Facilities	16,239 mn yen	• Increase in sales-linked rent by successfully capturing post-pandemic demand • Aim to capture further upsides by counteracting inflation with contracts linked to CPI/interest and active asset management through use of underutilized spaces
Healthcare Facilities	4,492 mn yen	• Stable management with long fixed rents • Increase rent through renovations, etc.
Logistics Facilities	1,167 mn yen	• Stable management with fixed rents • Pursue upside with rent increase at rent renewal and implementation of CPI/interest linked contracts
Hotels	411 mn yen	• Both occupancy rate and ADR are rising steadily by capturing inbound demand • Unpaid rent during the pandemic have been resolved

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

This page shows a summary of internal growth.

We expect continuing internal growth for office buildings and residential properties. The market for mid-sized office buildings is stable, and the market for residential properties is robust against the backdrop of high sales prices for condominiums and the return of the population to urban areas.

With regard to retail properties, we are currently considering use of underutilized spaces as part of active management. We would like to capture further upsides in rental revenues through such effort.

Healthcare facilities and logistics facilities are characterized by stable cash flows. We intend to continue working to improve earnings by negotiating rent increases through renovations for healthcare facilities and switching to CPI and interest-linked contracts for logistics facilities.

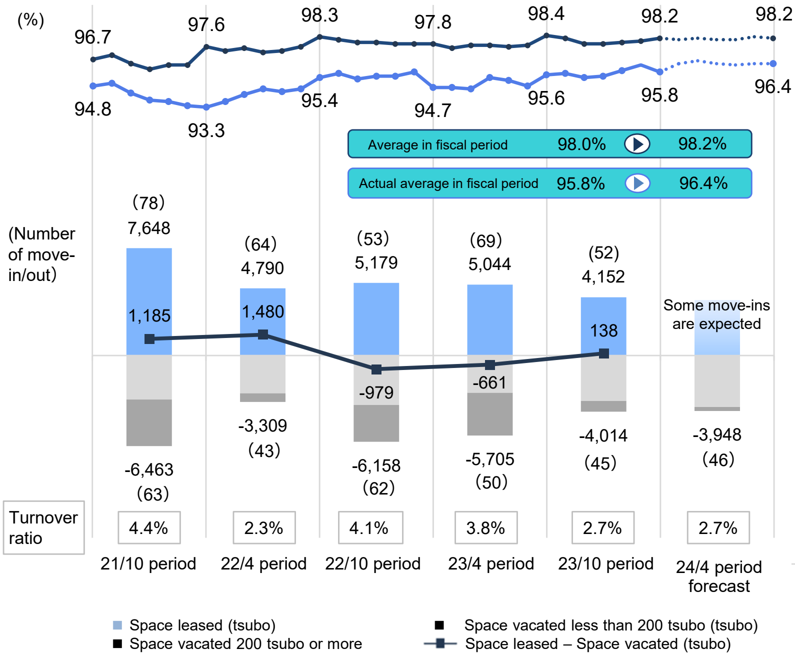
With respect to hotels, our current assets are limited to those with fixed rent contracts. We would like enjoy the positive impact of increased tourism demand going forward through investments in hotels with variable rent.

Please turn to page 25.

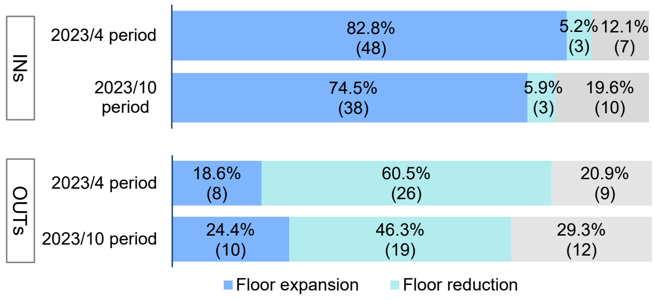
Performance (Office Occupancy Rate)

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

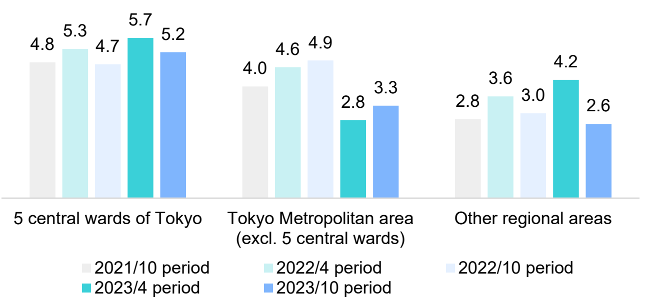
Occupancy Rate, Area and Number of Move-ins/outs and Turnover Ratio (1)



Reasons for Move-ins/outs



Free Rent Period (months)



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

From page 25 onward, we have the status of operation for each asset type, starting with office buildings.

The occupancy rate at the end of the period ended October 31, 2023 was 98.2% with turnover ratio below 3%. We expect the occupancy rate to stay high during the period ending April 30, 2023 with the turnover ratio to continue staying low.

The free rent period varies depending on the location and grade of the properties. However, as a major trend, it is one step forward and one step back, not much change from the past.

Please turn to page 26.

Performance (Leasing Focus Office Buildings)

Fiscal Period ended Oct. 2023

KDX Nihonbashi 216 Building

Occupancy rate as of Apr. 30, 2023	Occupancy rate as of Oct. 31, 2023
100%	**87.5%**

Percentage of the portfolio 0.2%

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

KDX Mita Building

Occupancy rate as of Apr. 30, 2023	Occupancy rate as of Oct. 31, 2023
92.7%	**90.4%**

Percentage of the portfolio 0.3%

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

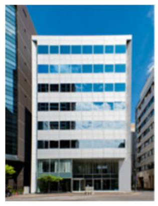
KDX Higashi-Shinagawa Building

Occupancy rate as of Apr. 30, 2023	Occupancy rate as of Oct. 31, 2023
100%	**76.6%**

Percentage of the portfolio 0.4%

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

KDX Sapporo Kitaguchi Building



Occupancy rate as of Apr. 30, 2023	Occupancy rate as of Oct. 31, 2023
100%	**100%**

Percentage of the portfolio 0.2%

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

Fiscal Period ending April 2024

KDX Yokohama Nishiguchi Building

Occupancy rate as of Oct. 31, 2023	Occupancy rate as of Apr. 30, 2024
100%	**75.7%**

Percentage of the portfolio 0.2%

(Vacant: 367 tsubo)

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

KDX Okachimachi Building

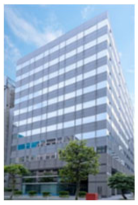
Occupancy rate as of Oct. 31, 2023	Occupancy rate as of May 31, 2024
100%	**49.2%**

Percentage of the portfolio 0.2%

(Vacant: 275 tsubo)

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

KDX Nishi-Shinbashi Building



Occupancy rate as of Oct. 31, 2023	Occupancy rate as of May 31, 2024
100%	**57.9%**

Percentage of the portfolio 0.7%

(Vacant: 729 tsubo)

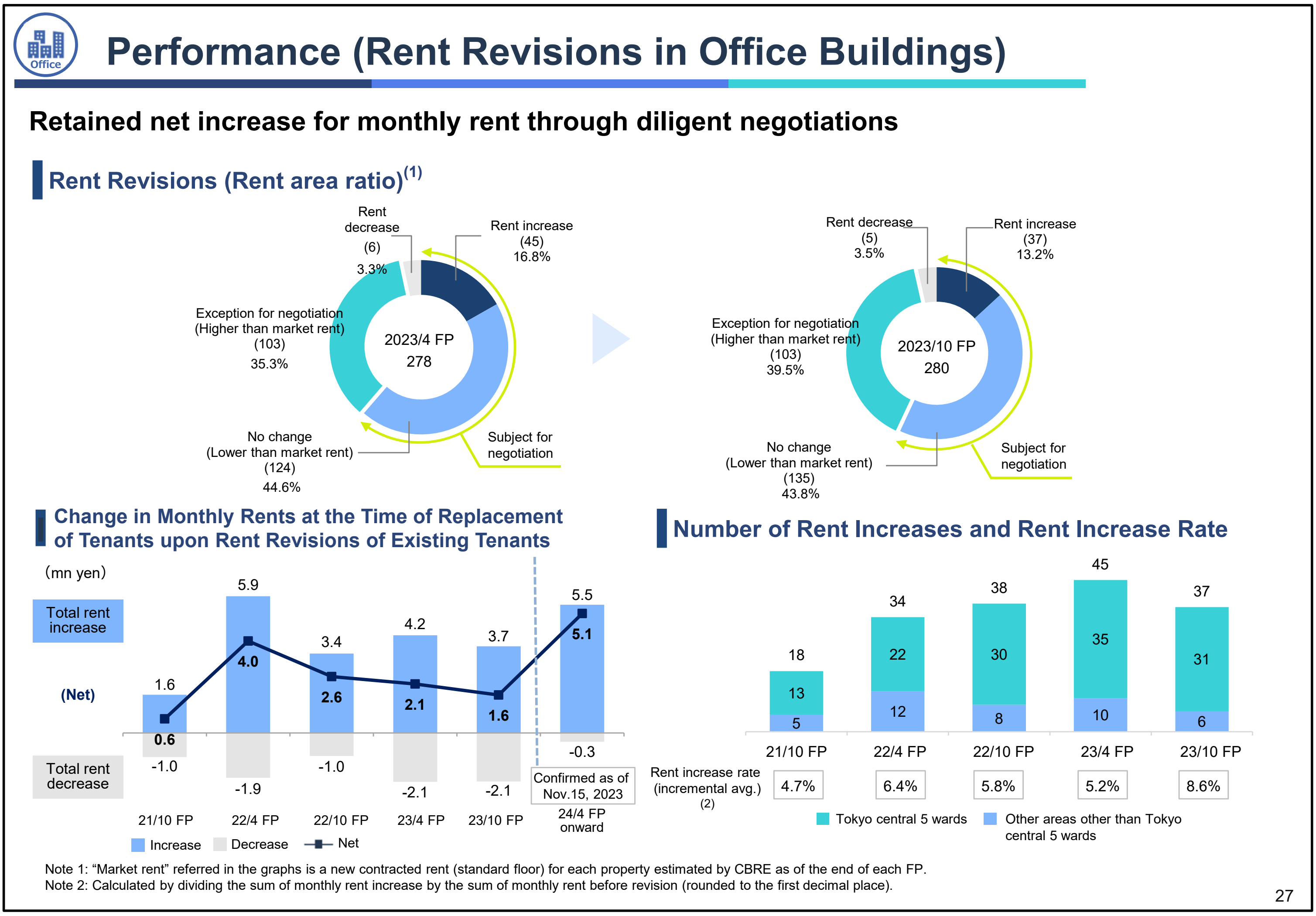
- Occupancy rate is expected to decline to 57.9% due to the cancellation of four floors in Apr. 2024.
- Will attempt to fill the vacancies early by promoting the relatively cheap rent levels to the large tenant pool in the Shinbashi and Toranomon areas.

Note 1: Future occupancy rates are calculated by reflecting existing tenants who have submitted a termination notice, and new tenants who have signed a lease agreement, as of Nov. 30, 2023 (rounded to second decimal places).
Note 2: Percentage of the portfolio is calculated by dividing rentable area of each property by rentable area of KDXR properties as of Nov. 1, 2023, rounded to the first decimal place.

This page shows the office buildings with leasing focus.

In the fiscal period ended October 31, 2023, the issues of the properties shown were mostly resolved. In terms of the office buildings that are expected to have large vacancies during the fiscal period ending April 30, 2024, there is no significant impact of each property on the portfolio as a whole. However, we would like to make efforts to quickly fill back with flexible and strategic leasing activities.

Please turn to page 27.



This page shows the trends in rent revisions.

In terms of rent revisions, we had about the amount of rent increase during the latest fiscal period remained similar as the previous period as a result of increase in the growth rate through diligent negotiations at the time of contract renewal, despite a decrease in the number of rent increases. We have secured net increase in rent revisions even after deducting certain reductions and revisions.

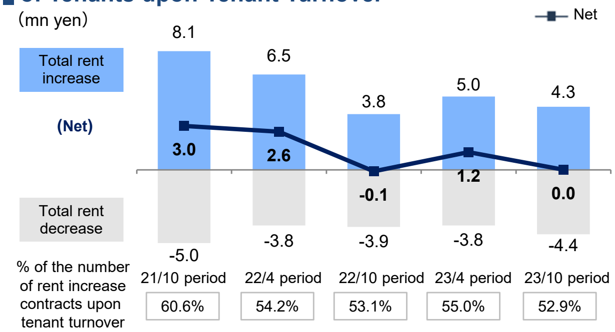
We believe that this trend can be maintained for the time being, as rent increases since the beginning of the fiscal period ending April 30, 2024 have been accumulating steadily.

Please turn to page 28.

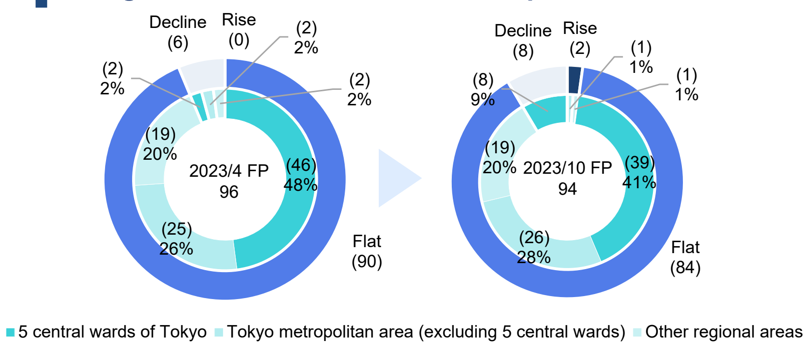
Performance (Rent Gap in Office Buildings)

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

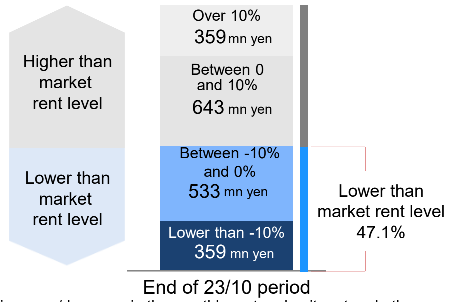
Change in Monthly Rents at the Time of Replacement of Tenants upon Tenant Turnover (1)



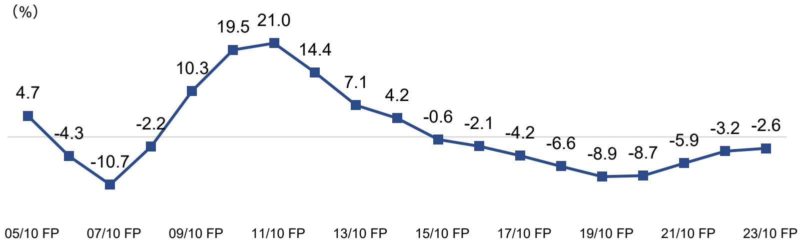
Change in Market Rent of Owned Properties (2)



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



Historical Average Rent Gap (4)



Note1: The increase/decrease in the monthly rent and unit rent and others are calculated for each occupied floor where the new rent and the previous tenant rent can be compared.
Note2: Trends in market rents from the previous fiscal period are shown by trend and by region for the office buildings owned as of the end of 23/10 FP.
Note3: A new contracted rent (standard floor) for each property estimated by CBRE as of the end of 23/10 FP is deemed the market rent; the gap between the contracted rent for each tenant as of the end of the FP and the market rent is recognized as a rent gap. No gap is classified into “Between 0% and +10%”. Harajuku FF Building and KDX Nagoya Sakae Building, which were sold on Nov. 1, 2023, are excluded from the calculation as of the end of the 23/10 FP. The same applies hereinafter.
Note4: Calculated as the weighted average, based on leasable floor area, of the gap rate between the average contracted rent of the standard floor for the office buildings owned as of the end of each fiscal period and the market rent for each property estimated by CBRE at the time of assessment.

On this page, we are showing the situation of rent changes at the time of tenant reshuffle and trends in rent gap.

The new rent may increase or decrease from the previous rent depending on the rent gap of the previous tenant’s rent. As indicated in the upper right charts, trends in the market rents of our office buildings are fairly unchanged. Therefore, we believe that the change in rent through tenant reshuffle is also fairly flat as a whole. We expect the rent gap to continue to shrink because we are succeeding in upward rent revisions to a certain extent in recent fiscal periods.

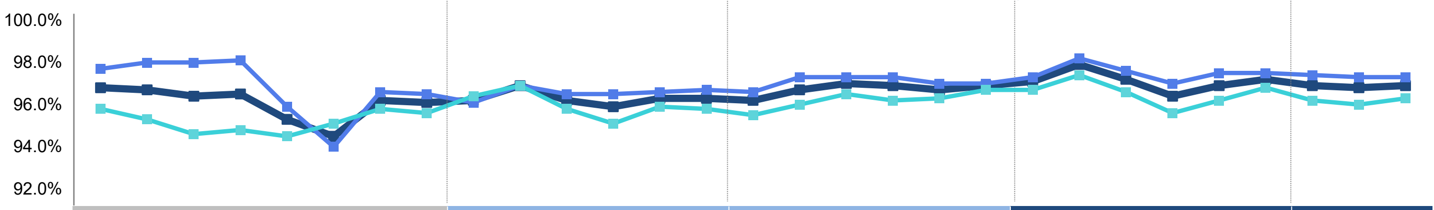
Please turn to page 29.

Performance (Residential Properties Occupancy Rate)

Occupancy rates remained steady, contributing to stable cashflow

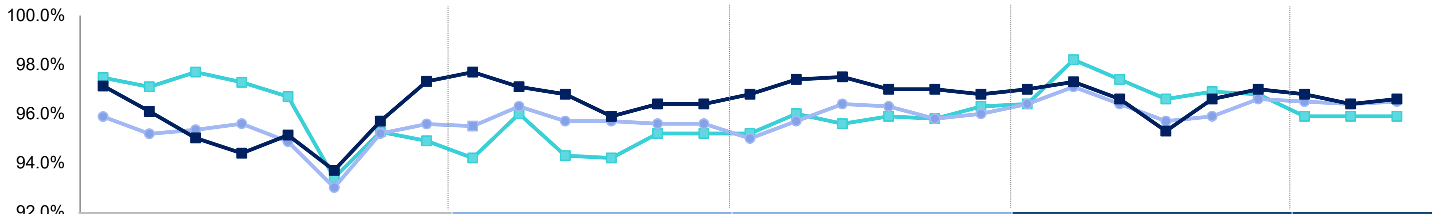
Occupancy Rate by Area

Avg. Jul. 2022 FP **96.3%** | Avg. Jan. 2023 FP **96.7%** | Avg. Jul. 2023 FP **97.1%** | Avg. Oct. 2023 FP **96.9%**



	Avg. of FP								Jul. 2022 (21st FP)						Jan. 2023 (22nd FP)						Jul. 2023 (23rd FP)						Oct. 2023 (Final period)		
	FP Jul. 2018	FP Jan. 2019	FP Jul. 2019	FP Jan. 2020	FP Jul. 2020	FP Jan. 2021	FP Jul. 2021	FP Jan. 2022	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
Total	97.0%	96.5%	96.4%	96.2%	96.0%	94.1%	95.9%	96.3%	96.2%	96.9%	96.2%	95.9%	96.3%	96.3%	96.2%	96.7%	97.0%	96.9%	96.7%	96.9%	97.1%	97.9%	97.2%	96.4%	96.9%	97.2%	96.9%	96.8%	96.9%
Tokyo Metropolitan area	97.9%	97.7%	98.1%	97.8%	97.1%	93.6%	95.9%	96.5%	96.1%	96.9%	96.5%	96.5%	96.6%	96.7%	96.6%	97.3%	97.3%	97.3%	97.0%	97.0%	97.3%	98.2%	97.6%	97.0%	97.5%	97.5%	97.4%	97.3%	97.3%
Other regional areas	95.9%	95.2%	94.5%	94.5%	94.8%	94.8%	95.8%	96.1%	96.4%	96.9%	95.8%	95.1%	95.9%	95.8%	95.5%	96.0%	96.5%	96.2%	96.3%	96.7%	96.7%	97.4%	96.6%	95.6%	96.2%	96.8%	96.2%	96.0%	96.3%

Occupancy Rate by Room Type



	Avg. of FP								Jul. 2022 FP (21st FP)						Jan. 2023 FP (22nd FP)						Jul. 2023 FP (23rd FP)						Oct. 2023 FP (Final period)		
	FP Jul. 2018	FP Jan. 2019	FP Jul. 2019	FP Jan. 2020	FP Jul. 2020	FP Jan. 2021	FP Jul. 2021	FP Jan. 2022	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.
Studio	97.5%	97.1%	97.7%	97.3%	96.7%	93.4%	95.3%	94.9%	94.2%	96.0%	94.3%	94.2%	95.2%	95.2%	95.2%	96.0%	95.6%	95.9%	95.8%	96.3%	96.4%	98.2%	97.4%	96.6%	96.9%	96.8%	95.9%	95.9%	95.9%
Small family	95.9%	95.2%	95.4%	95.6%	94.9%	93.0%	95.2%	95.6%	95.5%	96.3%	95.7%	95.7%	95.6%	95.6%	95.0%	95.7%	96.4%	96.3%	95.8%	96.0%	96.4%	97.1%	96.4%	95.7%	95.9%	96.6%	96.5%	96.4%	96.5%
Family	97.1%	96.1%	95.0%	94.4%	95.1%	93.7%	95.7%	97.3%	97.7%	97.1%	96.8%	95.9%	96.4%	96.4%	96.8%	97.4%	97.5%	97.0%	97.0%	96.8%	97.0%	97.3%	96.6%	95.3%	96.6%	97.0%	96.8%	96.4%	96.6%

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

From this page, we have data on residential properties. I will explain about data for KDR's latest fiscal period ended October 31, 2023, which covered only three months.

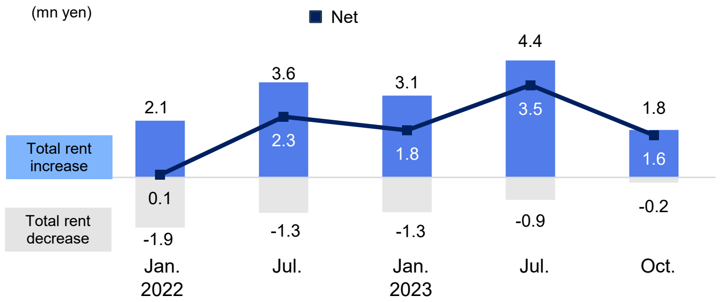
Regarding the occupancy rate, overall occupancy rates remained stable against the backdrop of high condominium sales prices and the return of the population to urban areas. Despite a non-busy period, the average occupancy rate during the period remained at a high level of 96.9%.

Please turn to page 30.

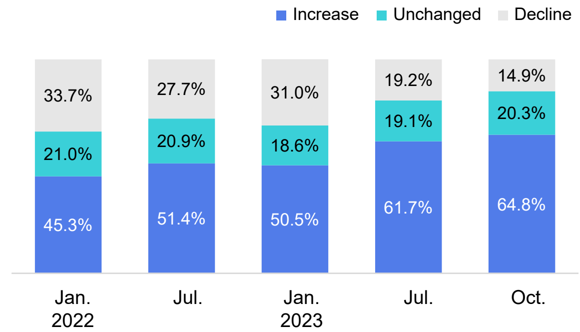
Performance (New Leases in Residential Properties)

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

Rent Change in New Leases (monthly rent basis)

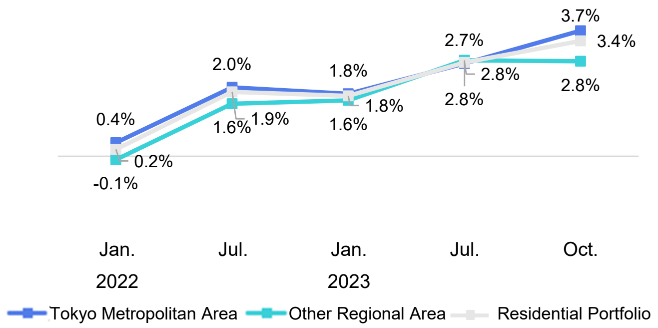


Rent Change in New Leases (monthly unit basis)

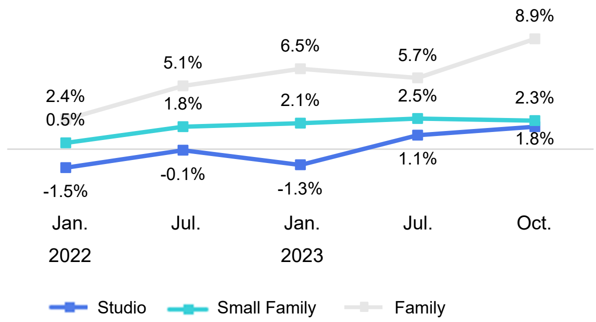


Rents for New Leases (1)

by Area (monthly basis)



by Room Type (monthly basis)



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

On this page, we will explain the trends in new rents of residential properties.

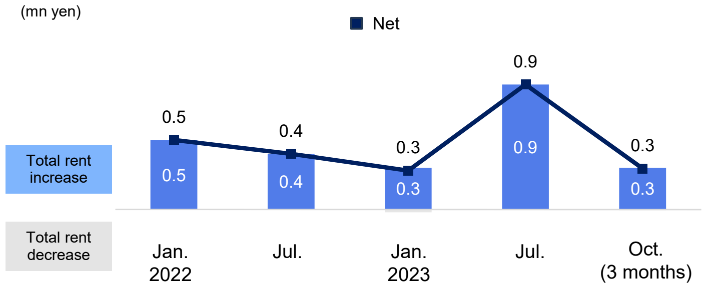
As the tight market environment continues, we are actively raising the unit rent at the time of new contracts, and rents have increased for over 60% of new contracts. Looking at the rate of change by room type, the rate of increase for family-type is as high as +8.9%. This has been greatly driven by the steep rise in condominium sales prices, leading to demand from families that do not own homes. In addition, studio-type is also showing an uptrend with +1.8%. Studio-type had been in negative territory until last year, but it turned positive from the previous fiscal period due to the flow of population return to urban areas.

Please turn to page 31.

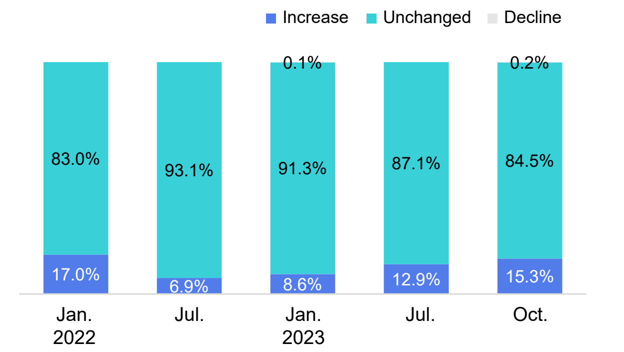
Performance (Rent Renewals in Residential Properties)

Solid family type and recovering studio type

Rent Change in Renewals (monthly rent basis)

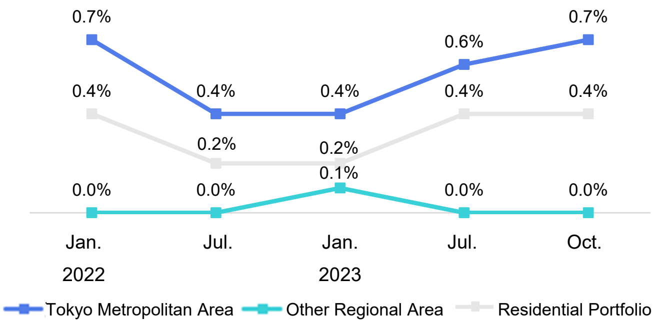


Rent Change in Renewals (monthly unit basis)

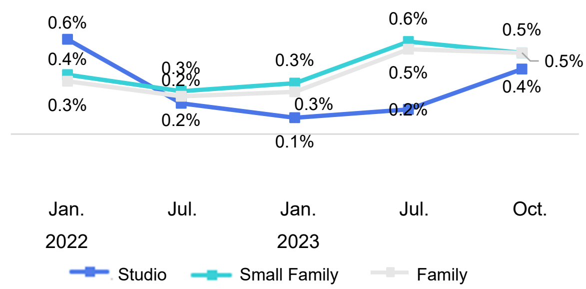


Rents for Renewals[1]

by Area (monthly basis)



by Room Type (monthly basis)



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

On this page, we are showing the trends in rent renewals in residential properties.

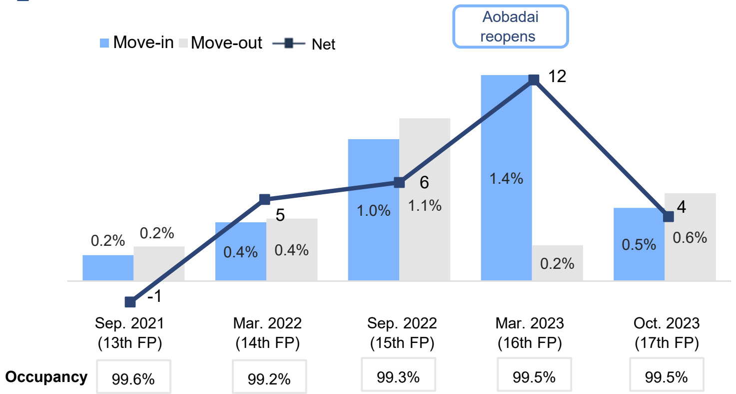
It is not easy to negotiate for rent increases at rent renewals of residential properties, but we have been able to constantly increase some rents. Now, the growth rate of the studio-type has started to increase as well. Although this is not easy, we will negotiate to increase rent at the time of revision while keeping an eye on occupancy rates and market rent levels.

Please turn to page 32.

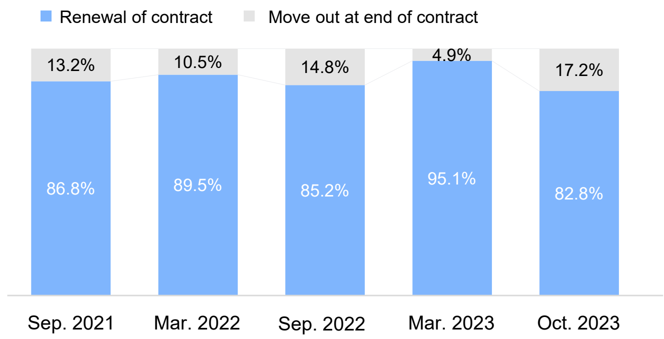
Performance (Retail Properties)

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

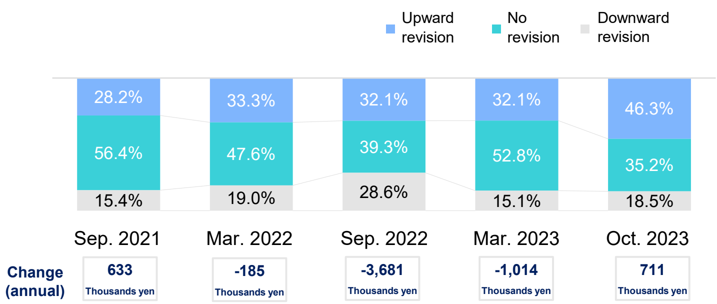
Tenant Move-in and Move-out [1]



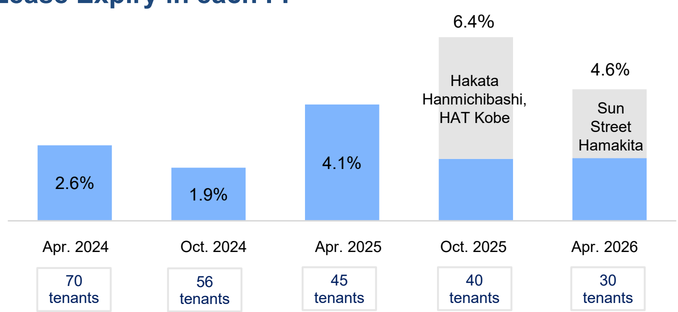
Contract Renewals at Lease Expiry in each FP (based on rent)



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



Lease Expiry in each FP [3]

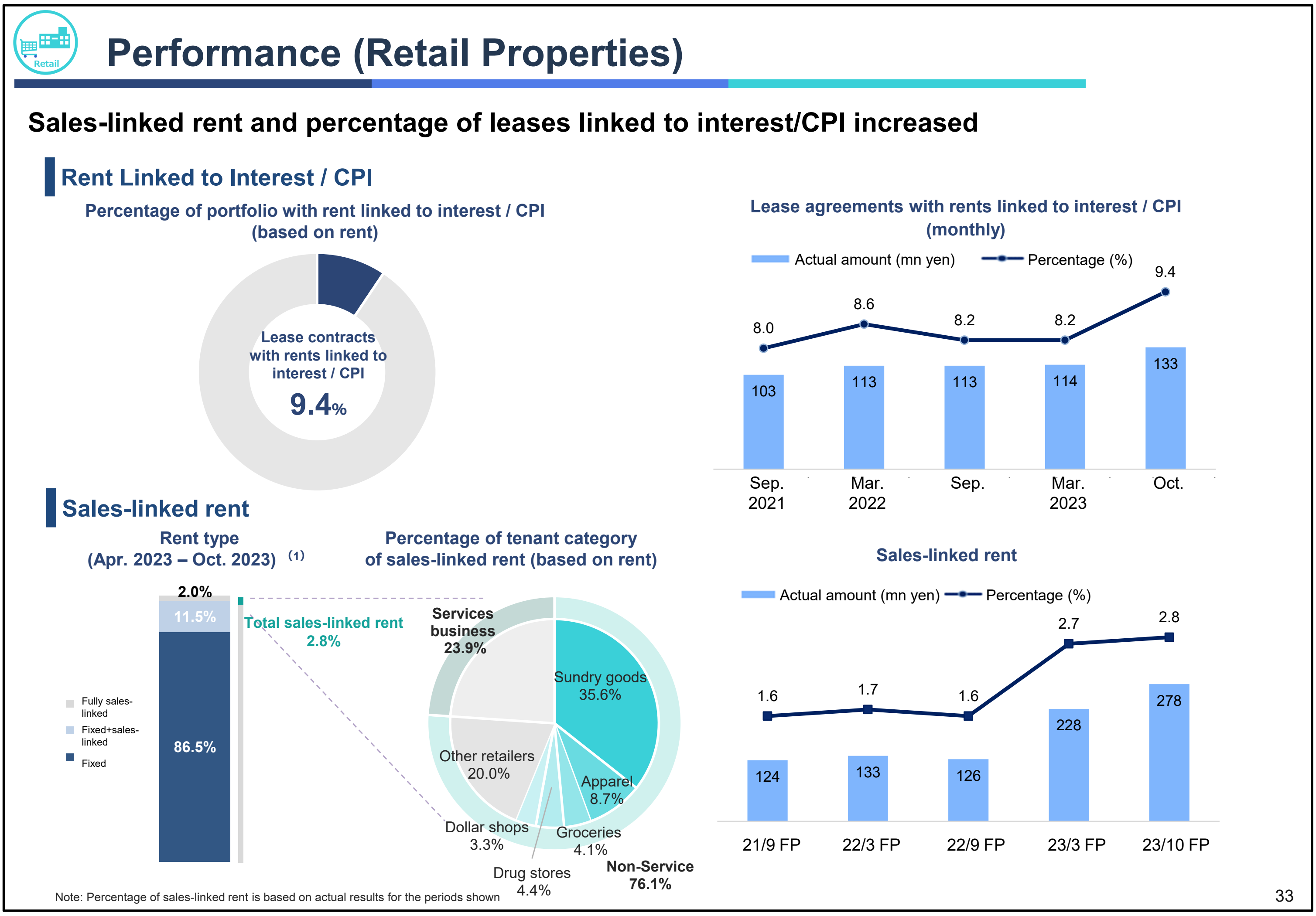


Note 1: Based on the rent revenue of the last month of each fiscal period.
Note 2: Based on the rent including common area charges before revision of the tenants subject to rent revision. Temporal rent reductions/deferrals due to the COVID-19 pandemic are excluded.
Note 3: Based on the contractual rent determined in the lease contract, including regular building leases, for properties owned as of the date of this material. However, disposed assets are excluded.

From this page, we have data on retail facilities. I will explain about data for KRR's latest fiscal period ended October 31, 2023, which covered seven months.

In the latest fiscal period, the occupancy rate at the end of October 2023 was 99.5%, although there were some departing tenants at the termination of fixed-term lease contracts. Total monthly rent change at the time of new contracts and contract renewal was positive 711 thousand yen, the first increase in two years. Since the beginning of the fiscal period ending April 30, 2024, a certain number of tenants will meet the end of their fixed-term lease contracts, so we will negotiate to renew the contracts with rent increases to benefit from the recovery in personal consumption.

Please turn to page 33.



On this page, we explain the situation of responding to inflation for retail facilities.

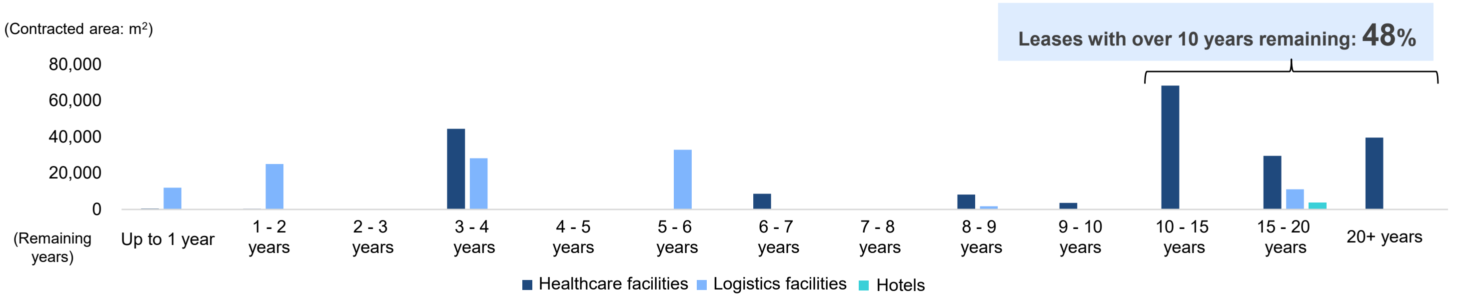
The percentage of retail portfolio with rent linked to interest rates or CPI, reached over 9% on a rent basis. The percentage of total sales-linked rent has also risen to 2.8% of the retail portfolio, mainly among non-service tenants and the amount of sales-linked rent was 278 million yen. We intend to expand the percentage of sales-linked rent, while also giving consideration to the percentage of fixed rent, including switching to contracts with rents linked to interest rates or CPI. We would like to engage in negotiations with tenants to gain their understanding.

Please turn to page 34.

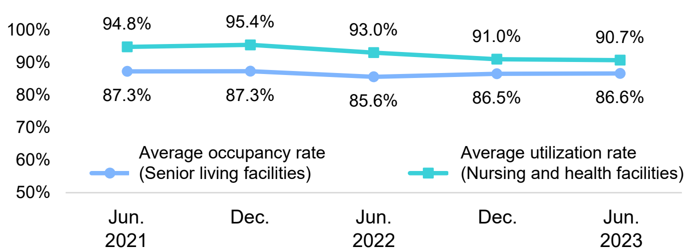
Performance (Healthcare, Logistics, Hotels)

Stable revenue with long fixed leases

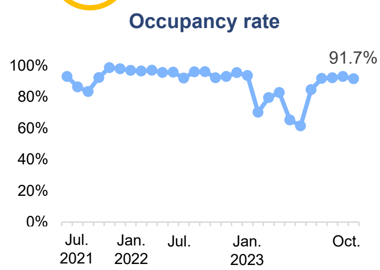
Remaining Lease Term by Asset Type

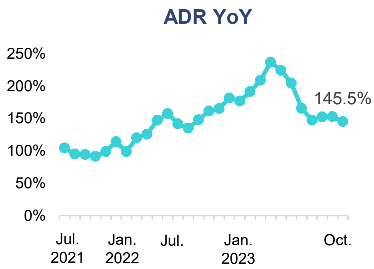


Occupancy rate of healthcare facilities (1, 2, 3)



Hotels occupancy rate and ADR (4)





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

Note 2: "Average occupancy rate" and "Average utilization rate" are calculated using cumulative figures for each six-month period. Depending on the acquisition of data, the data is recorded retroactively prior to the month of acquisition. SOMPO Care LAVIERE Residence Kawasaki Shimmachi and SOMPO care Sompo no ie S Fujimino include only 3 months of operational data for the three months ended Jun. 30, 2023

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

Note 4: Average of occupancy and ADR of 2 hotels

This page shows the status of healthcare facilities, logistics facilities and hotels.

Since long-term contracts with over 10 years remaining comprise more than 48%, stable cash flows are expected over the long term. There are cases of renovation work that leads to an increase in rent even in healthcare facilities as we show in the example on the following page. Therefore, we would like to work to improve profitability through innovative efforts. In terms of hotels, we currently have only three hotels, located in Tokyo and Yokohama. With recovery in tourism demand, we are seeing recovery in their occupancy rate and ADR. We have positioned hotels as growth assets and intend to proactively acquire them going forward.

Please turn to page 35.

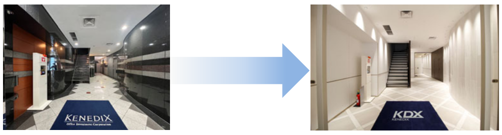
Examples of Active Management

KDX Kanda Ekimae Building

Office

“Construction work to renew entrance”

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



Unit rent +7.8% (1)

ROI 14.3% (2)

River City 21 East Towers II

Residential

“Renovation work of private living areas”

Gradual renovation of private living areas when tenants move out.

Unite rent +27.4% (3)

ROI 20.1% (2)

Unicus Ina

Retail

“Property expansion leveraging underutilized space”

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

NOI +27 mn yen

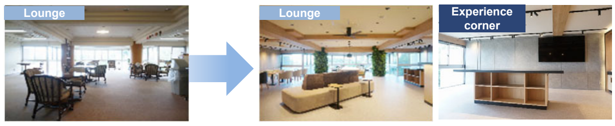
ROI 10.1% (2)

Joy Stage Hachioji

Healthcare

“Lounge renovation work”

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



Unit rent +1.4%

ROI 14.6% (2)

Note 1: Four tenants with rent revisions in the FP ended Oct. 2023.
Note 2: Return on investment (calculated by dividing the increase in rent or NOI by the amount invested).
Note 3: 41 rooms newly leased in the FP ended Oct. 2023.

On this page, we introduce some examples of active management.

In these cases, we have leveraged our expertise to improve property competitiveness and profitability. Currently, we have begun specific negotiations for some projects aimed at leveraging underutilized space of retail facilities. Through these efforts, we will actively take on the challenge of realizing internal growth potential.

Please turn to page 37.

6. Financial Strategy

KDX Toranomon 1chome Building

Financial Status (1)

Financial Highlights

as of Nov. 1, 2023

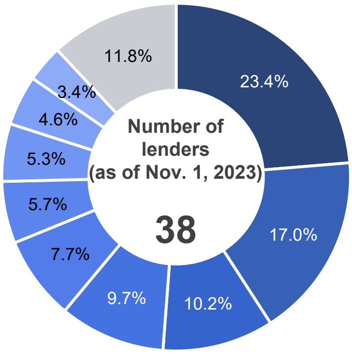
Average debt cost	Average remaining years to maturity	LTV (estimate)
0.80%	3.4 years	42.5%

Borrowing capacity (Assuming leveraging up to 50%)	Long-term debt ratio	Fixed interest rate debt ratio
540 bn yen	97.9%	90.4%

Status of Debt Financing

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

Outstanding Borrowings by Financial Institutions



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

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

On this page, we are showing the financial status.

One of the benefits of the merger was that LTV declined to 42.5%, below the level at the end of the previous period. Our borrowing capacity up to 45% LTV has expanded to 54 billion yen. Although interest rates may rise in the future, we currently maintain high long-term debt ratio and fixed interest rate ratio. We intend to respond to increases in interest rates by, for example, shortening borrowing maturities and increasing variable interest rate borrowings. We maintain excellent relationships with as many as 38 financial institutions, and we believe that a robust financial support has been established.

Please turn to page 38.

Financial Status (2)

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

Improved New Borrowing Terms

Credit rating	Pre-merger	Post-merger
KDO	AA	
KDR	AA-	AA
KRR	AA-	AA

Credit improvement

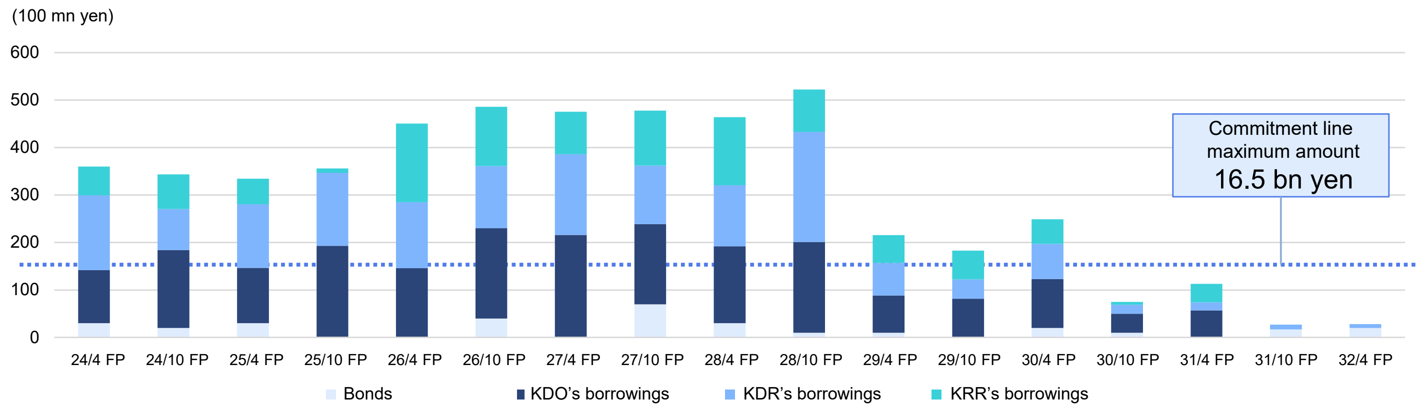
+

Credit rating improvement

(Estimation) Impact of spread reduction if implemented (yen)

Debt	FP Apr. 2024		FP Oct. 2024	
	Borrowings	Impact	Borrowings	Impact
KDO	11.2 bn	15 mn/FP	16.4 bn	13 mn/FP
KDR	15.75 bn		8.65 bn	
KRR	6.05 bn		7.31 bn	

Maturity Ladder



This page presents the outlook for our borrowing spreads.

As a result of the merger, our credit has improved, and a decrease in borrowing spreads can be expected going forward. In addition, although the borrowing spreads of KDR and KRR was higher than KDO before the merger, we expect to reduce interest cost of borrowings by former KDR and KRR at refinances due to upgrade in credit ratings of KDR and KRR as a result of the merger. Although this is a trial calculation, we expect a total of more than 13 million yen reduction in borrowing cost each fiscal period, and this reduction effect will accumulate each fiscal period, which will lead to an increase in the level of distributions.

Please turn to page 40.


7. Sustainability Initiatives
Tenri Distribution Center

ESG Initiatives (Environment)

KPIs

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

Acquisition of Environmental Certifications

Number of certified properties (As of Dec. 14, 2023)	Ratio (As of Dec. 14, 2023)
104 properties	**58.9**%

Acquisition plan

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

2023 GRESB Real Estate Assessment

5 Stars
Highest evaluation

Green Star
12 consecutive years

GRESB ★★★★★ 2023

GHG Emission Reduction Targets

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

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

Initiatives for GHG emission reduction

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

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

71 properties

I will touch upon our sustainability initiatives starting from this page.

First, the environment. As the composition of the portfolio has changed due to the merger, we have reviewed our previous targets regarding environment and set new targets. Our new main targets are to increase the ratio of environmental certifications to 60% or more, to reduce GHG emissions by 42% by fiscal 2030 and to improve MSCI ESG Rating. SBT Certification had been obtained before the merger, but under the new GHG emissions reduction target, we have applied again and have obtained a new certification after the merger. The level of the reduction target is set at a higher hurdle than the target level of the 3 REITs before the merger, and we are reorganizing it into a more ambitious target.

Please turn to page 41.

ESG Initiatives (Social)

Promotion of DEI (1)

First J-REIT's website with digital inclusion

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

(Website screen image)

Social Initiatives

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

Event held at
MONA Shin-Urayasu

Human Capital Development

Engagement survey

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

	FY2022	FY2023
Engagement rating	BBB	A
Engagement score	55.4	59.3

Ranked within top 20% of companies surveyed by external agencies

New work style project promotion

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

Communication room for group company employees

Interaction among group company employees

Note: DEI stands for Diversity, Equity and Inclusion.

On this page, we are showing our social initiatives.

With the aim of promoting DEI (diversity, equity and inclusion), we have introduced a system on our website that allows people with visual impairment, hand tremor, illiteracy, etc. to display the website depending on their needs. This is the first initiative as a J-REIT. We will strive to realize a sustainable society by making progressive and proactive efforts, including consideration for each stakeholder, including employees of the asset management company.

Please turn to page 42.

ESG Initiatives (Governance)

Introduction of ESG Performance-linked fee

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

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

+

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

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

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

Investment Unit Ownership by Sponsor (same boat investment)

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

Shareholding ratio
3.4%
As of Nov. 1, 2023

Board Enhancement and Diversity Promotion

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

Board Composition

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

Ratio of female board directors
40%

Number of supervisory directors
4
(highest among J-REITs)

Note 1: Excess return against TSE REIT Total Return Index (including dividends).
Note 2: Determined based on the result of GRESB Real Estate Assessment on the settlement date of the immediately preceding FP.

On this page, we explain our governance.

We have reviewed our asset management fee structure and introduced a new fee structure linked to the performance of our investment unit prices and sustainability performance. In addition, we have appointed additional new independent supervisory director who has management experience of other J-REITs. We have strengthened our supervisory structure, and also raised the ratio of female board of directors to 40%, promoting diversity. Going forward, we will continue to build a management structure that is trusted by our stakeholders while appropriately reviewing our fee and governance structures in response to changes in the environment.

This concludes my presentation of the financial results of KDXR.

Going forward, we would like to utilize the flexibility of our investment management strategy gained through the merger to work on external growth and internal growth, and to reduce financial costs, while striving to manage the investment in a way that contributes to unitholder values. We sincerely ask for your continued support.

Note

8. Appendix

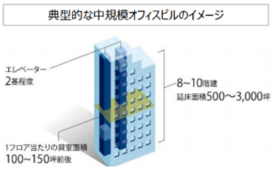
Management Characteristics of KDO, KDR and KRR Before the Merger

KDO

Main investment target: office buildings

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

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



KDR

Main investment target:
residential and healthcare facilities

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

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

KRR

Main investment target: retail properties

Investment management strategy focused on shopping centers for daily needs

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

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

Hotels

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

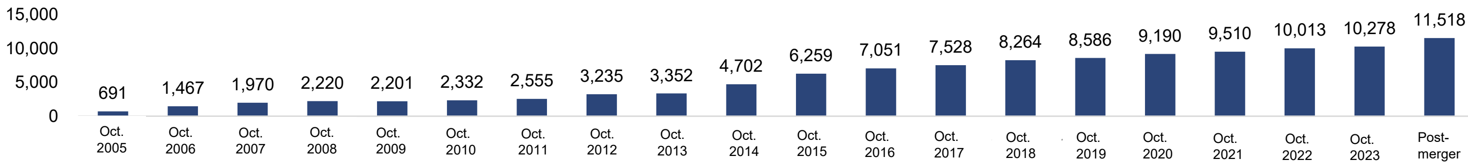
Logistics facilities

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

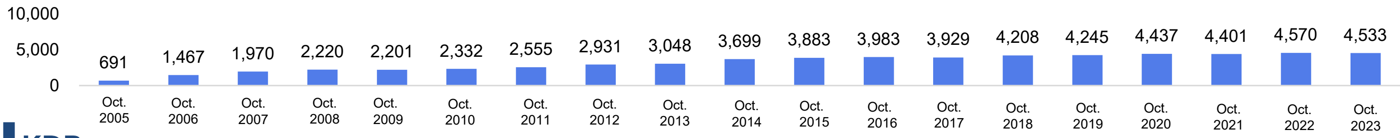
Track Record of 3 REITs (AUM)

Total of 3 REITs [1]

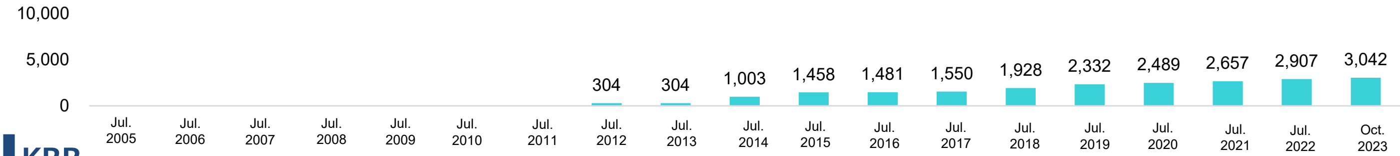
(100 mn yen)



KDO



KDR

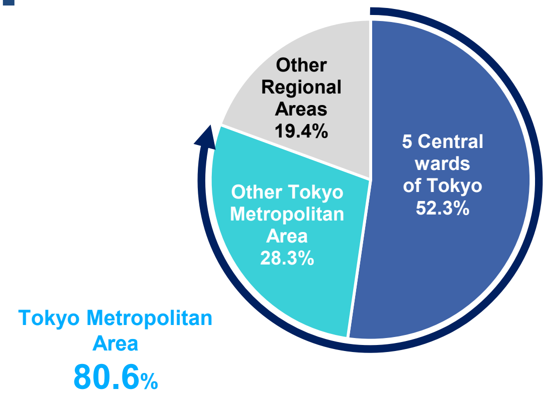


KRR

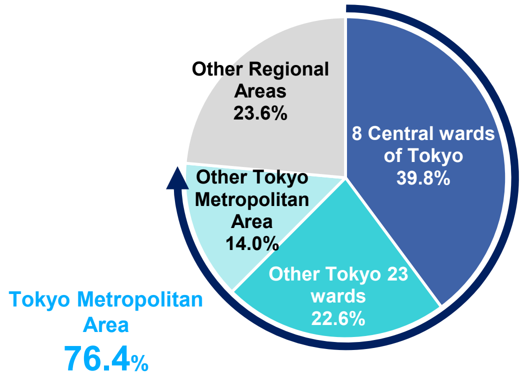
Note: In "Total of 3 REITs", the figures are calculated by simply adding 3 REITs' AUM at the end of each FP (Oct. for KDO, Jul. for KDR and Sep. for KRR), rounded down to nearest 100 mn yen. The post-merger figure, includes the properties acquired on Nov. 1, 2023. York Mart Higashi Michinobe which was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

Portfolio by Area

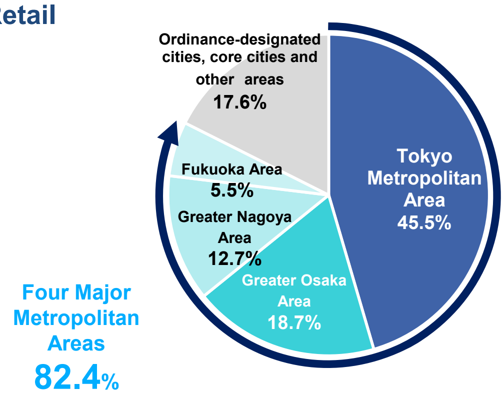
Office



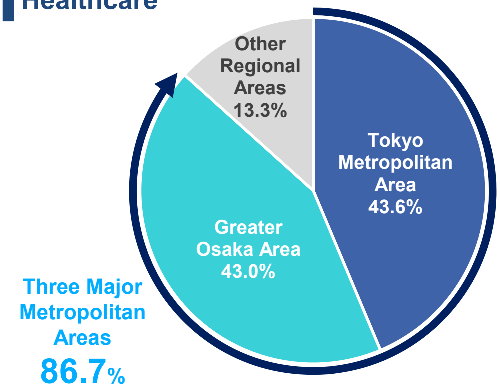
Residential



Retail

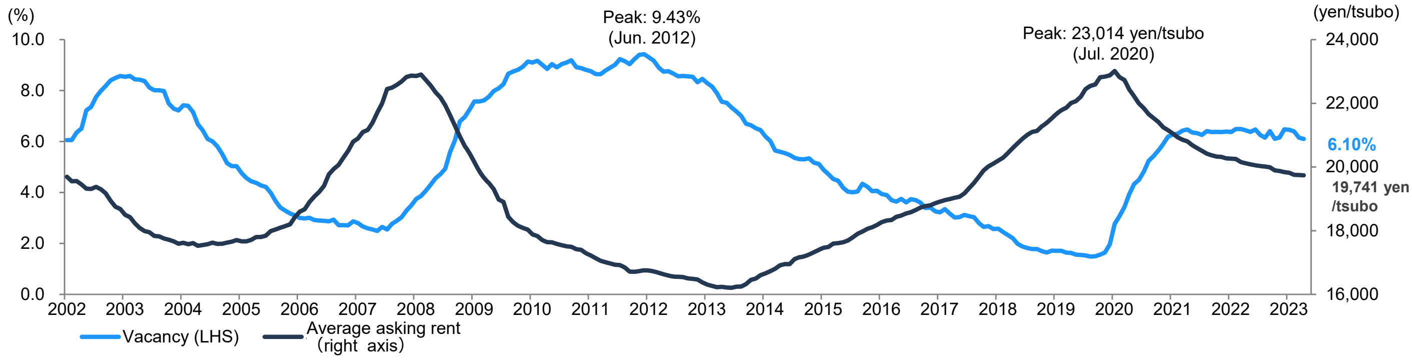


Healthcare



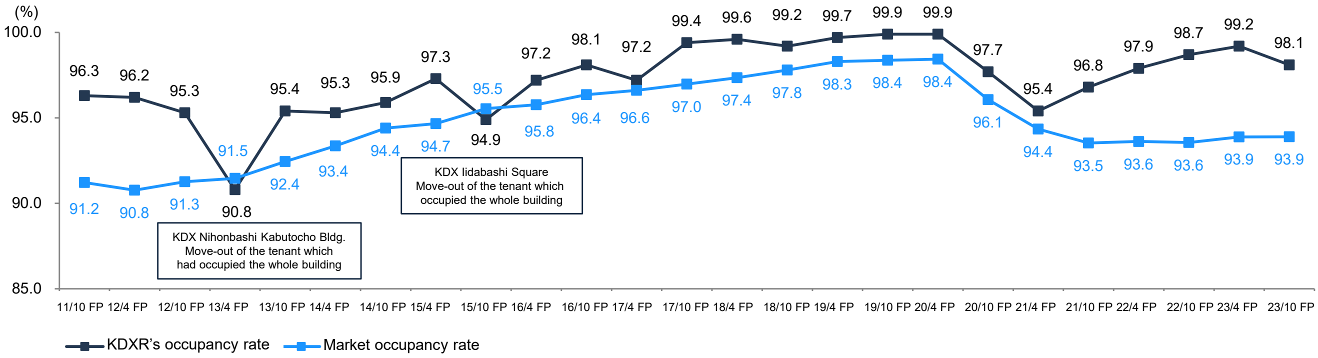
Office Building Market (1)

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



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

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

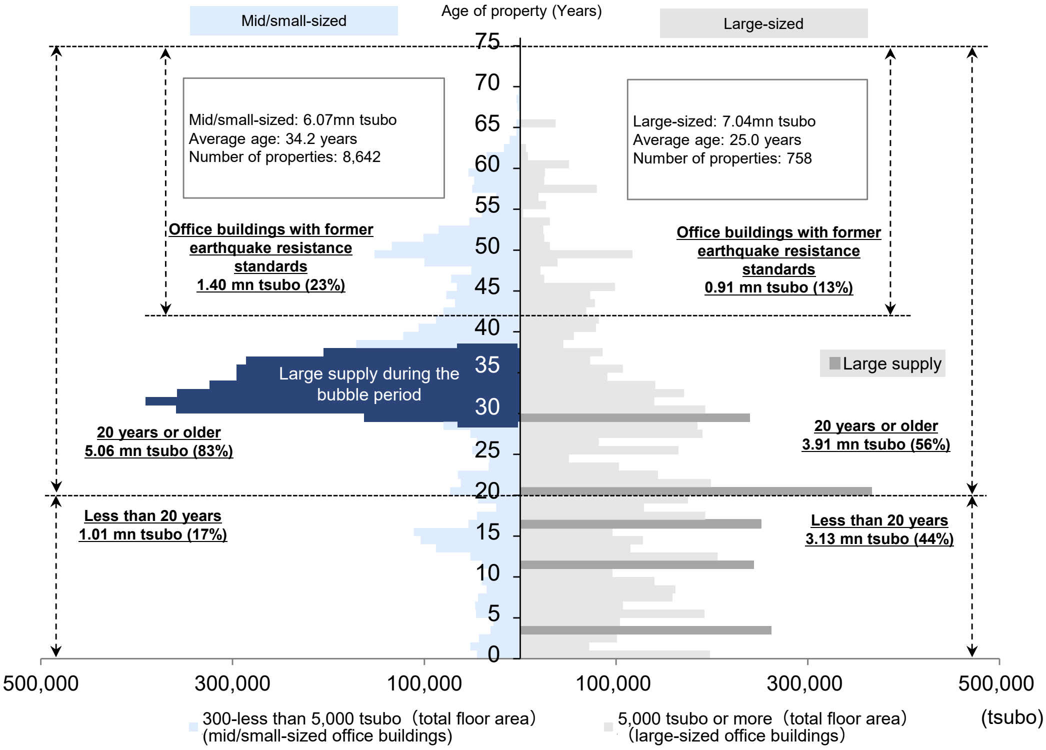


Note 1: Includes office buildings with a standard floor area of 100 tsubo or more in Tokyo business districts (Chiyoda, Chuo, Minato, Shinjuku and Shibuya wards)
Note 2: Market occupancy rate refers to the average value of Tokyo central 5 wards for each corresponding month published by Miki Shoji Co., Ltd.
Note 3: KDXR's average occupancy rate refers to the weighted average occupancy rate of the office buildings in Tokyo central 5 wards that KDXR owned as of the end of each FP.

Office Building Market (2)

Tokyo 23 wards Office Stock by Size and Age

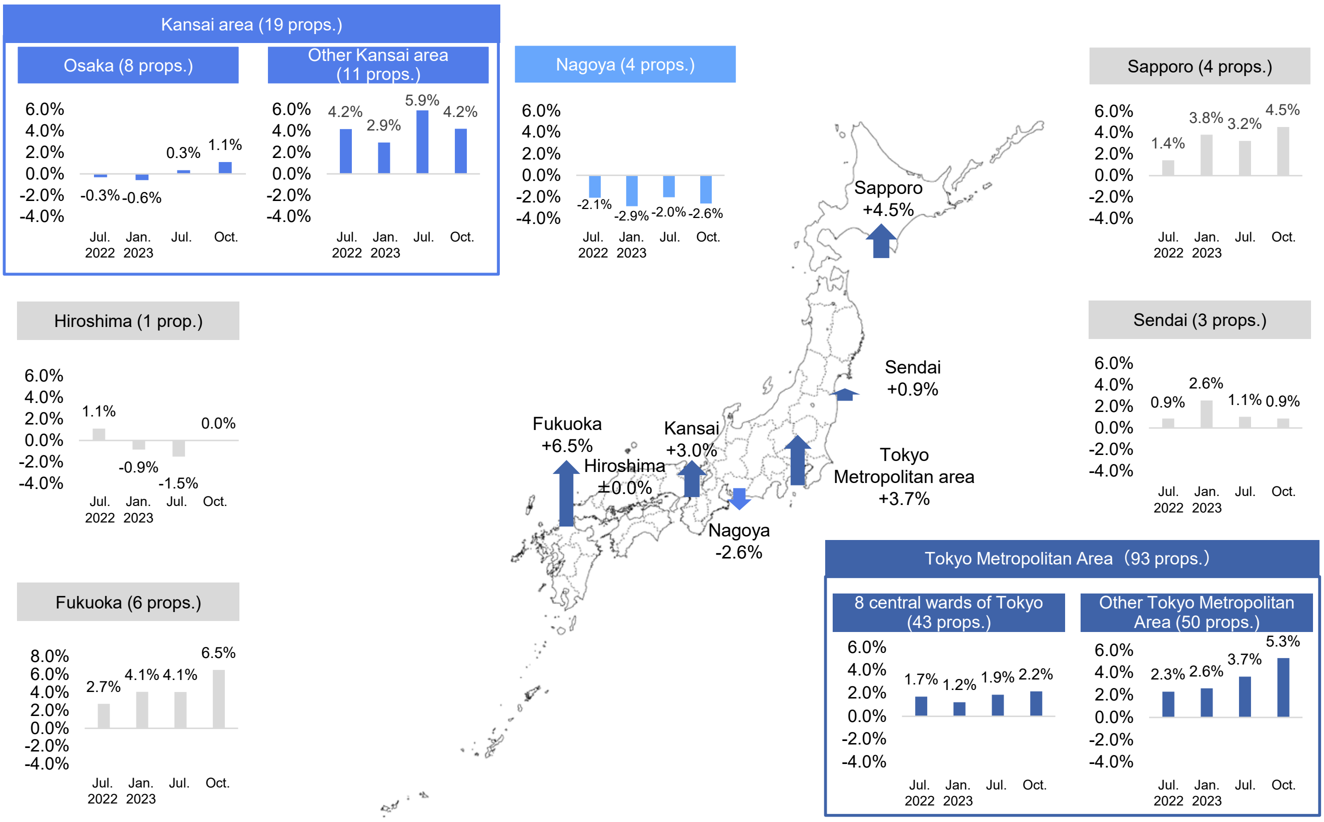
Proper repair/maintenance and management are important in order to keep mid/small-sized office buildings competitive; more than 80% of mid/small-sized office buildings are 20 years or older, and new supply is limited



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

Residential (New Lease Rent Growth Map)

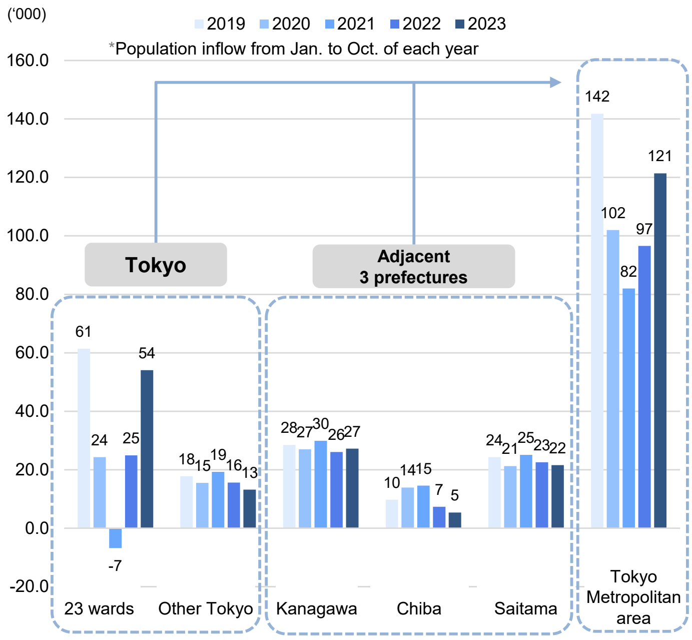
New Lease Rent Growth Map (Oct. 2023 FP)



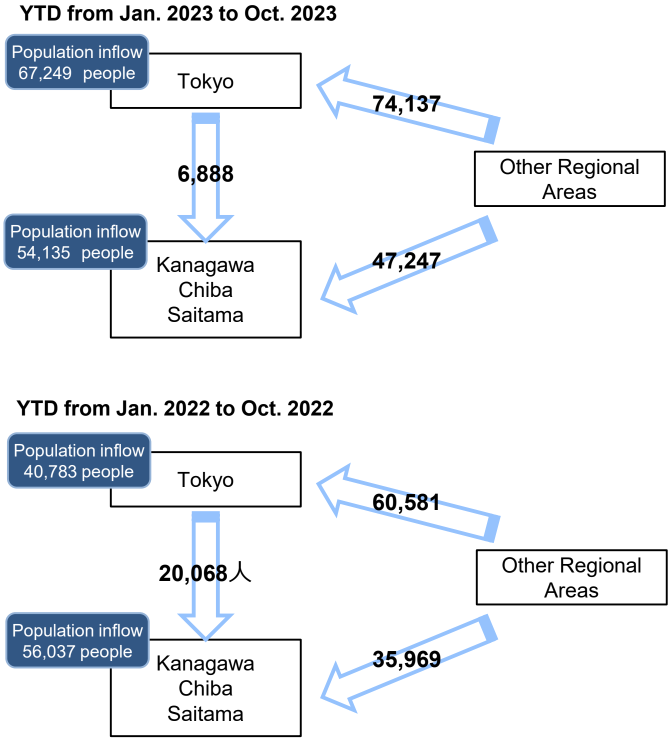
Note: Numbers are calculated for residential properties with pass through lease contracts (excluding wholesale lease contracts)

Residential (Demographics of Tokyo Metropolitan Area)

Net Population Inflow into Tokyo Metropolitan Area (1)



Migration Pattern

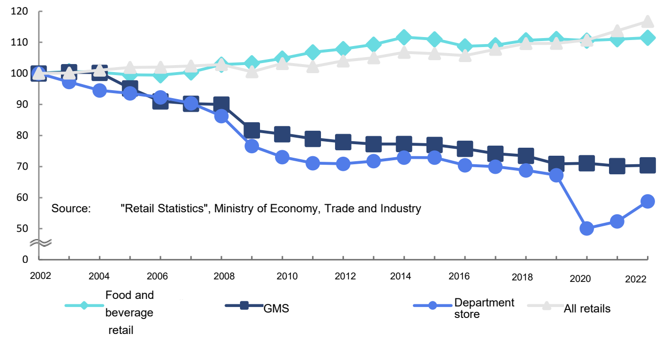


Source: Created by KFM based on the Statistics Bureau, Ministry of Internal Affairs and Communications "Basic Resident Register Population Migration Report Monthly Report"
Note: YTD from Jan. to Oct. for each year

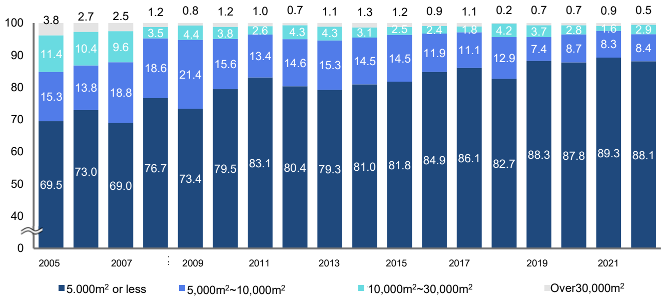
Retail (Macro Environment)

Changing Retail Facilities

Retail market trends in Japan 2002=100



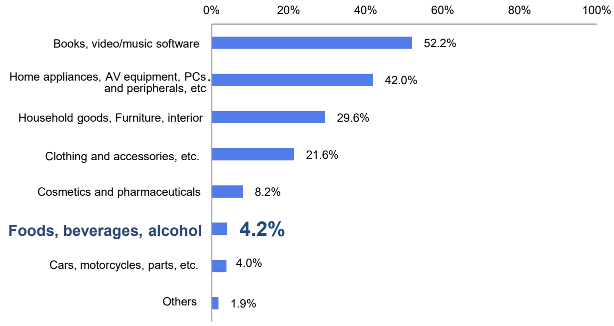
Retail property opening applications by property size



Source: Ministry of Economy, Trade and Industry

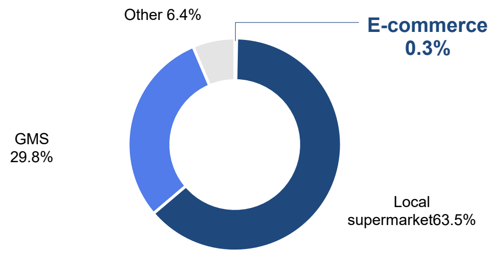
Shopping Centers for Daily Needs are Highly Resistant to E-commerce

Foods, etc. with relatively low e-commerce penetration



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

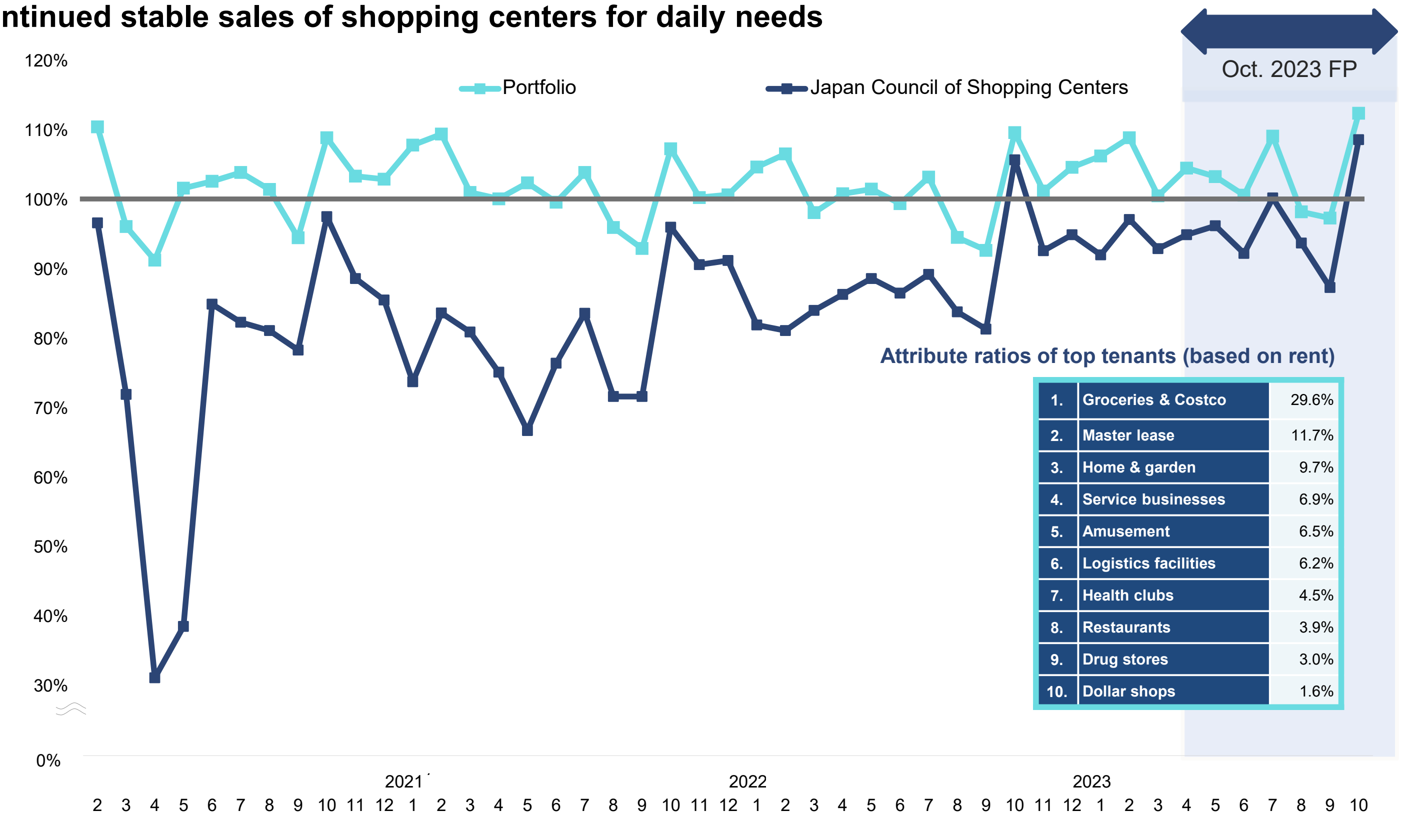
Low e-commerce penetration in the purchase of fresh foods



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

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

Continued stable sales of shopping centers for daily needs



Attribute ratios of top tenants (based on rent)

1.	Groceries & Costco	29.6%
2.	Master lease	11.7%
3.	Home & garden	9.7%
4.	Service businesses	6.9%
5.	Amusement	6.5%
6.	Logistics facilities	6.2%
7.	Health clubs	4.5%
8.	Restaurants	3.9%
9.	Drug stores	3.0%
10.	Dollar shops	1.6%

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

Healthcare Facilities (Lease Agreements)

Old No.	New No.	Property Name	Operator[1, 2]		Facility Type	Remaining Term[3] (yrs)	Revision Period	Next Revision Date
H-1	F1005	Irise Kamata/Yuseien	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	18.6	Every 5 years	2027/7/1
H-2	F1003	Nichii Home Nakano Minamidai	Nichii Carepalace Company	Unlisted	Nursing Care	3.4	Every 3 years	2025/4/1
H-3	F1001	Joy Stage Hachioji	NM LIFE Co., Ltd.	Unlisted	Nursing Care	12.2	Not allowed[4]	-
H-4	F1004	Yuimaru Hijirigaoka	Community Net Inc.	Unlisted	Residential	41.1	Not allowed[5]	-
H-5	F1002	Nichii Home Tama Plaza	Nichii Carepalace Company	Unlisted	Nursing Care	8.7	Every 3 years	2027/9/1
H-6	F2002	Ten	NOTE Social Welfare Corporation	Unlisted	Nursing Care	14.3	Not allowed[5]	-
H-7	F2009	Irise Nishioka	HITOWA Care Service Co., Ltd.	Unlisted	Residential	20.5	Not allowed[4]	-
H-8	F2004	Izarie Eniwa Building[6]	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	21.4	Not allowed[4]	-
H-9	F2007	Sawayaka Sakura Nibankan	Sawayaka Club Co., Ltd.	Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd. listed on the TSE Standard Market	Nursing Care	9.4	Not allowed[4]	-
H-10	F2001	Activa Biwa	HIMEDIC Inc.	Consolidated subsidiary of Resorttrust, Inc. listed on the TSE Prime Market	Nursing Care	3.8	Every 3 years	2024/1/29
H-11	F2003	SOMPO Care LAVIERE Kobe Tarumi	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Nursing Care	6.5	Not allowed[7]	-
H-12	F2006	Rehabili-home Granda Mondo Yakujin	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Residential	13.7	Not allowed[7]	-
H-13	F2008	Excellent Nishinomiya	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	10.9	Not allowed[8]	-
H-14	F2005	Gran Hills Ogawarako	Silver Town Ltd.	Unlisted	Serviced	6.0	Every 3 years[9]	2023/11/12
H-15	F2010	Excellent Kitano	Excellent Care System Co., Ltd.	Unlisted	Residential	11.8	Not allowed[8]	-
H-16	F2011	Anesis Teradacho	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-17	F2013	Rococo-riha	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-18	F2012	Orage Suma	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-19	F2014	Canadian Hill	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-20	F2015	Anesis Hyogo	Souseikai Medical Corporation	Unlisted	Nursing and Health	12.4	Every 5 years	2026/12/31
H-21	F1006	Plaisant Grand Ota Tamagawa	Care 21 Corporation	Listed on the TSE Standard Market	Nursing Care	14.2	Not allowed[7]	-
H-22	F1007	Tsukui Sunshine Machida (West)	Tsukui Corporation	Unlisted	Nursing Care	18.4	Every 5 years	2027/4/1
		(East)				20.5	Every 5 years	2025/6/1
H-23	F1008	Serabi Ebisu	Solasto Corporation	Listed on the TSE Prime Market	Nursing Care	3.8	Every 3 years	2025/5/1
H-24	F2016	Arute Ishiyagawa	Souseikai Medical Corporation	Unlisted	Nursing Care	24.8	Every 5 years	2026/12/31
H-25	F2017	Medical-home Granda Kurakuen	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	27.0	Not allowed[7]	-
H-26	F2018	Rehabili-home Granda Kobe Kitano	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	22.4	Not allowed[7]	-
H-27	F1010	SOMPO Care LAVIERE Residence Kawasaki Shimmachi	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Serviced	14.1	Every 5 years	2025/9/1
H-28	F1009	SOMPO care Sompo no ie S Fujimino	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Serviced	14.1	Every 5 years	2025/9/1
H-29	F2020	Irise Kobe Rokko	HITOWA Care Service Co., Ltd.	Unlisted	Nursing Care	23.2	Every 10 years	2027/2/1
H-30	F2019	Excellent Hanayashiki Garden Hills	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	13.5	Every 3 years	2026/4/28
H-31	F2021	Excellent Takarazuka Garden Hills	Excellent Care System Co., Ltd.	Unlisted	Nursing Care	17.6	Every 3 years	2024/6/30
H-32	F1011	Tsukui Sunshine Adachi	Tsukui Corporation	Unlisted	Nursing Care	7.2	Every 5 years	2026/2/1
H-33	F1012	SOMPO Care LAVIERE Ichinoe	Sompo Care Inc.	Consolidated subsidiary of Sompo Holdings, Inc. listed on the TSE Prime Market	Nursing Care	15.9	Not allowed[7]	-
H-34	F1013	Nichii Home Hachimanyama	Nichii Carepalace Company	Unlisted	Nursing Care	24.4	Every 5 years	2028/5/1
H-35	F2022	Lifeship Oasa	Life Design co., ltd.	Unlisted	Serviced	16.0	Not allowed	-
H-36	F2023	Lifeship Yunokawa	Life Design co., ltd.	Unlisted company	Serviced	16.0	Not allowed	-
H-37	F2024	Lifeship Fukagawa	Life Design co., ltd.	Unlisted company	Serviced	15.9	Not allowed	-
H-38	F1014	Sunny Life Tachikawa	Kawashima Corporation	Unlisted company	Nursing Care	24.3	Not allowed[7]	-
H-39	F1015	Rehabili-home Bon Sejour Minamisenzoku	Benesse Style Care Co., Ltd.	Consolidated subsidiary of Benesse Holdings, Inc. listed on the TSE Prime Market	Nursing Care	18.2	Every 5 years	2027/2/1
					Average	14.5		

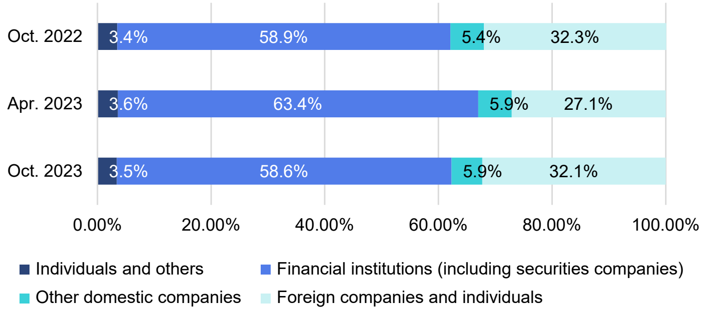
Note 1: In the case there are multiple tenants in each facility, status is referred based on lease agreements with operators which are main tenants.
Note 2: Types of lease agreements are all ordinary lease agreements excluding "Gran Hills Ogawarako," "Arute Ishiyagawa," "Lifeship Oasa," "Lifeship Yunokawa," and "Lifeship Fukagawa." Fixed-term lease agreement is valid for these five facilities.
Note 3: "Remaining Term" is calculated from July 31, 2023 to the termination date of agreements with operators.
Note 4: As a rule, no revision is allowed in term of agreements. Discussion is allowed every two years about increase in rent by inflation and rising interest rates.
Note 5: As a rule, no revision is allowed in term of agreements. Discussion is allowed every three years in the case conditions are highly unreasonable because of the changes of economic climate but if the discussion is failed, tenants are needed to pay current rent.
Note 6: Contents of lease agreements about "Irise Eniwa" occupying from 4F to 6F of "Izarie Eniwa Building."
Note 7: As a rule, no revision is allowed in term of agreements, Discussion is allowed in the case conditions are highly unreasonable because of the changes of economic climate.
Note 8: As a rule, no revision is allowed in term of agreements. Discussion is allowed every three years in the case conditions are highly unreasonable because of the changes of economic climate and invested by the lessor to add to the real estate (including repair and extra renovation).
Note 9: Requests of rent reduction aren't allowed except the case that the facility has defects or is unable to be used.

Rent renewal timing

2024 Apr.	2024 Oct.	2025 Apr.	2025 Oct.	2026 Apr.	2026 Oct.	2027 Apr.	2027 Oct.
・H-10 ・H-14	・H-31	・H-2	・H-23 ・H-22 (East) ・H27 ・H28	・H-30 ・H-32		・H-16・H-22 ・H-17 (West) ・H-18・H-24 ・H-19・H-29 ・H-20・H-39	・H-1 ・H-5

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

Ownership ratio by investor type



Number of unitholders by investor type

(Person)

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

Top 10 unitholders [1]

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

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

Sponsors

Strengthened Support from Sponsors

KDX KENEDIX

70% owned through grou company

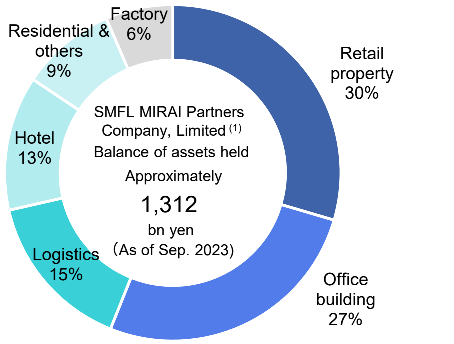
Establishment of a strategic partnership structure through capital and business alliance

SMFL Sumitomo Mitsui Finance and Leasing

Business synergy

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

SMFL MIRAI Partners Balance of Real Estate



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

Broad Support by Sponsors and Alliance Companies

KDX Realty Investment Corporation ← Asset management / Property management ← Kenedix Real Estate Fund Management, Inc.

KDX Realty Investment Corporation

Kenedix Real Estate Fund Management, Inc.

Pipeline support

Warehousing

Leasing

Financing functions for bridge funds

Leasing

Property management

Property management

Environmentally friendly technologies/knowhow

Evaluation/ Advisory on operation

Personnel support

Right to use trademarks

Sponsors / companies providing property support

Kenedix Investment Partners, Inc.

Kenedix, Inc.

Alliance companies

Sumitomo Mitsui Finance and Leasing Co., Ltd.

SMFL MIRAI Partners Co., Ltd.

Other alliance companies

JINUSHI Co., Ltd.

P&D Consulting Co., Ltd.

JYUKYO Holdings Co., Ltd

: KFM's parent companies

Conclusion of Alliance Agreement

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

Overview of the Alliance Agreement

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

Priorities of Property Consideration within Asset Management Company

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

Criteria for “Mid-sized”

Location	Floor area per building
Tokyo 23 wards	2,000 ㎡ or more and 13,000 ㎡ or less
Outside Tokyo 23 wards	3,000 ㎡ or more and 20,000 ㎡ or less

Criteria for Property Type

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

Note

KDX

KENEDIX

KDX Realty Investment Corporation