

October 27, 2020

To All Concerned Parties

REIT Issuer:

Kenedix Residential Next Investment Corporation
Representative: Keisuke Sato, Executive Director
(Securities Code Number: 3278)

Asset Management Company

Kenedix Real Estate Fund Management, Inc.
Representative: Masahiko Tajima, President & CEO
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Notice Concerning Acquisition of Properties **(1 Residential Property and Additional Acquisition of 2 Existing Properties)**

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today that Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), the asset management company for the Investment Corporation, has decided to acquire the following properties (the “Acquisition”). The details are provided as follows.

1. Overview of the Acquisition

(1)	To-be acquired Assets	As follows
(2)	Date of Contract	October 27, 2020
(3)	Scheduled Date of Acquisition	November 2, 2020
(4)	Seller	Please refer to “4. Seller’s Profile”
(5)	Funds for Acquisition	Debt financing ⁽¹⁾ and Cash on hand
(6)	Settlement Method	Payment in full on date of acquisition

<List of To-be Acquired Assets>

(in thousands of yen)

Property Number	Property Name	Type of Assets	Acquisition Price ⁽⁵⁾
T-95	KDX Residence Shonandai ⁽²⁾	Trust beneficiary interest in real estate ⁽³⁾	1,500,000

<List of To-be Acquired Assets>

(in thousands of yen)

Property Number	Property Name ⁽²⁾	Type of Assets ⁽³⁾	Acquisition Price ⁽⁵⁾
T-9	Cosmo Heim Motosumiyoshi (building with leasehold interest)	Trust beneficiary interest in real estate	337,000
H-12	Granda Mondo Yakujin (a part of land with leasehold interest)	Real estate ⁽⁴⁾	63,000
Total			400,000

(Note1) Please refer to “Notice Concerning Debt Financing and Execution of Interest Rate Swap Agreement” disclosed as of today for the detail of debt financing.

(Note2) The Investment Corporation plans to change the name of the asset to be acquired in conjunction with the Acquisition, and consent has not been obtained from the seller to disclose the name of the assets to be acquired as of today. Accordingly, the name after the change is provided. The same shall apply hereafter.

(Note3) The Invest Corporation has agreed with the seller that it will entrust the asset (T-95) to be acquired to Mizuho Trust & Banking Co., Ltd. as trustees until the time of acquisition and that it will receive the transfer of the trust beneficiary interest of the trust. Regarding (T-9) Cosmo Heim Motosumiyoshi, the building with leasehold rights to be acquired has already been entrusted to Sumitomo Mitsui Trust Bank, Limited as a trustee, the Investment Corporation has agreed with the seller that the trust beneficiary right of the trust will be transferred. And as for the land due to the Investment Corporation currently holds in real estate, so the Investment Corporation plans to additionally trust the land on the scheduled acquisition date. After the additional trust, the trustee will own the entire building and the land, since then Sumitomo Mitsui Trust Bank, Limited will take over all the status of the lender in the fixed-term land lease agreement, the land lease right will be extinguished and the land lease agreement will be terminated as a matter of course.

- (Note4) Regarding (H-12) Granda Kadomojin, the Investment Corporation holds the trust beneficiary right for the building with the leasehold interest as the trust property, but part of the land which is to be acquired property is in real estate. With this acquisition, the Investment Corporation will own 430.00 m² of the total land area of 2,066.27 m².
- (Note5) “Acquisition Price” is the sales amount of the trust beneficiary interest (excluding acquisition costs, property tax, city planning tax or consumption tax, etc.) indicated in the trust beneficiary interest sales contract concerning the to-be acquired asset and is rounded down to the nearest thousand yen. The same shall apply hereafter.

2. Reason for the Acquisition

The Investment Corporation invests in new property in accordance with the scope and policy of asset management as set forth in its Articles of Incorporation to obtain stable earnings through the growth and diversification of its portfolio. With regard to Residential Facilities, the Investment Corporation places importance on investment in the Tokyo metropolitan area with good supply-demand relationships through continuous inflow of population and with respect to Tokyo metropolitan area, it is conceivable that residential demand, which has traditionally been concentrated in urban areas, will be dispersed among diverse areas due to changes in work style and lifestyles affected by covid-19 pandemic, such as the introduction of telework by companies. The Investment Corporation will continue to invest in a wide range of areas in addition to the urban area, by carefully taking into account the characteristics of properties and the areas.

The Investment Corporation decided to acquire the assets because they are expected to earn stable revenues and because the Acquisition is in line with the above acquisition policy of the Investment Corporation.

The Investment Corporation took the following points in the decision making associated with the Acquisition:
(T-95) KDX Residence Shonandai

- Excellent access for Odakyu Enoshima Line, Sotetsu Izumi Line and Yokohama Municipal Subway Blue Line "Shonandai" station is only about 30 minutes from "Yokohama" station, which is the terminal station in Kanagawa.
- The local area is surrounded by factories of major companies in a variety of industries, including automobile and electronics manufacturers. The area is also known for the campus of Keio University, Nihon University and many other universities located around this area, the property is expected to the stable rental demand from single households.

(T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest)

- This property located in about a 10 minutes walking from “Motosumiyoshi” station, which is one of the popular area along the Tokyu Toyoko Line, and surrounded by many convenient facilities around the nearest station such as the Motosumi Bremen Street, due to such location and convenience, stable rental demand is expected from single households.
- Since the Investment Corporation already owns the land with leasehold interest, due to additional acquisition of the building, the entire property will be owned with full ownership. In addition, it is expected that the asset value will be improved in the medium to long term with a view to large-scale renewal or redevelopment of the property by improving profitability and liquidity.

(H-12) Granda Mondo Yakujin (a part of land with leasehold interest)

- To be acquired property is a part of the land ownership with leasehold interest of (H-12) Granda Kadomojin, which is already owned by the Investment Corporation for the building with leasehold interest, and the acquisition of the property will improve the asset value of the existing property can be expected.
- The profitability of the property as a whole has improved by eliminating the need to pay the land lease fee for the acquired portion, and although some land lease rights remain, the liquidity of the entire property has improved as the existing property approaches full ownership. It is expected that the asset value will increase above the planned acquisition price.

3. Overview of the To-be Acquired Assets (T-95) KDX Residence Shonandai

Property name		KDX Residence Shonandai
Type of assets		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		November 2, 2020 through November 30, 2030
Location (Address) ⁽¹⁾		2-9-10 Shonandai Fujisawa-shi, Kanagawa
Land	Type of ownership	Proprietary ownership
	Site area	716.55 m ²
	Use districts	Commercial districts
	Building coverage ⁽²⁾ ratio ⁽²⁾	80%
	Floor area ratio ⁽²⁾	400%
Building	Type of ownership	Proprietary ownership
	Total floor area	3,068.33 m ²
	Construction completion	February 2004
	Usage	Apartment building, Bicycle parking lot
	Type ⁽³⁾	Studio
	Structure / Number of stories	Reinforced concrete structure with flat roof /nine-story building
	Leasable number of units	104 units
Architect		The offices of registered architects, MCA Co., Ltd.
Constructor		Andokensetsu Corporation
Building permit agency		eHomes Corporation
Probable maximum loss		6.98% ⁽ⁱ⁾
Acquisition price		¥ 1,500,000 thousand
Appraisal value		¥ 1,610,000 thousand ⁽ⁱⁱ⁾
Appraiser		DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Details of tenant		(as of September 30, 2020)
	Total number of tenants ⁽⁴⁾	1
	Total rental income ⁽⁵⁾	¥ 7,217 thousand
	Security and guarantee deposit ⁽⁶⁾	¥ 10,373 thousand
	Total leased units ⁽⁷⁾	99 units
	Total leased area ⁽⁸⁾	2,594.64 m ²
	Total leasable area ⁽⁹⁾	2,723.20 m ²
	Occupancy ratio ⁽¹⁰⁾	95.3%
Existence of security		None
Property management company ⁽¹¹⁾		Tokyu Housing Lease Corporation (Scheduled)
Master lease company ⁽¹²⁾		Tokyu Housing Lease Corporation (Scheduled)
Type of master lease ⁽¹³⁾		Pass through structure
Master lease Contract period ^(c)		November 2, 2020 through November 1, 2021
Other special considerations		None
Characteristics of the property		Shonandai was built in 1960 as a part of the Northern Zone No. 1 Reorganization Project based on the Northern Industrial Development Plan. Shonandai was named after the new Shonandai Station on the Odakyu Enoshima Line, which opened in 1966, as a suitable name for the new residential area with a great view, located in the Shonan region and on the outskirts of the Sagamino Plateau. The property is located within a 3-minute walking from Shonandai Station where the Odakyu Enoshima Line, Sotetsu Izumi Line and Yokohama

	Municipal Subway Blue Line intersect. It provides quick access to the terminal station of Yokohama Station, which is only about 30 minutes away from the Shonandai station. The local area is surrounded by factories of major companies in a variety of industries, including automobile and electronics manufacturers. The area is also known for the campus of Keio University, Nihon University and many other universities located around this area. So in addition to the corporate needs for company housing, the property is expected to strike the needs of students attending these universities, and the stable rental demand from single households.
(Note i) The figure described in the earthquake PML valuation report (level 2) prepared for each to-be-acquired asset created by Sampo Risk Management Inc. in October 2020.	
(Note ii) Appraisal date is October 1, 2020.	

- (Note 1) “Location” is the indication of the residential address. In case there is no indication of the residential address, it is the building address under the lot address or the building location indicated in the registration items certificate (the lot number among such if there are multiple lot addresses). The same shall apply hereafter.
- (Note 2) “Building coverage ratio” and “Floor area ratio” are the designated building-to-land ratio and designated floor-area ratio provided in the city plan. The same shall apply hereafter.
- (Note 3) “Type” is the classification of the principal residential unit of the building, the studio type, the small family type or family type as described below. The same shall apply hereafter.

Studio type (housing mainly for single households)	Small family type (housing mainly for married-couple households and family households with an infant)	Family type (housing mainly for family households of 3 persons or more)
The exclusively owned area per residential unit contains at least 18m ² , but less than 30m ² and at least 20 rentable units per property.	The exclusively owned area per residential unit contains at least 30m ² , but less than 60m ² and at least 15 rentable units per property.	The exclusively owned area per residential unit contains at least 60m ² per unit and at least 5 rentable units per property.

- (Note 4) “Total number of tenants” is described the number after the date of acquisition of the property by the Investment Corporation. In the case that there is a master lease contract entered into with a master lease company, “Total number of tenants” is indicated as “1.” The same shall apply hereafter.
- (Note 5) “Total Rent Income” is the sum of the monthly rent according to the lease agreements actually executed with the end tenants (the sum of rent and common area maintenance charges of the residents etc., provided, however, that in case the adjunct facilities fee such as car parking space usage fees are included in the lease agreements, it includes such fees) in the case that the master lease type is pass-through and is the monthly rent according to the lease agreements with rent insurance executed with master lease company (the sum of rent and common area maintenance charges of the residents etc., provided, however, that in case the adjunct facilities fee such as car parking space usage fees are included in the lease agreements, it includes such fees) in the case that the master lease type is rent insurance. Furthermore, the figures are rounded down to the nearest thousand yen. The same shall apply hereafter.
- (Note 6) “Security and Guarantee Deposit” is the sum of the security and guarantee deposits, etc. of each end tenant based on the lease agreement executed with the each end tenant. However, in case there is a part for which returning is unnecessary due to special provision of deduction of security deposits, etc. in each lease agreement, it is the amount after the amount is deduced. In addition, the balance of the security and guarantee deposit, etc. based on the lease agreement with rent insurance executed with a master lease company is displayed in the case that the master lease type is rent insurance. However, it is the sum of pass-through security and guarantee deposits, etc. and rent insurance security and guarantee deposits, etc. in case agreement with a different master lease type has been executed. Furthermore, the figures are rounded down to the nearest thousand yen. The same shall apply hereafter.
- (Note 7) “Total Leased Units” is the number of leased residential units, where the lease agreements are actually executed with end tenants. The same shall apply hereafter.
- (Note 8) “Total Leased Area” is the leased floor area described in the lease agreements which are actually executed with end tenants. The same shall apply hereafter.
- (Note 9) “Total Leasable Area” is the floor area described in the lease agreements that is leasable at the to-be acquired asset (in case the to-be acquired asset contains more than one building, the sum of the leasable floor area of such buildings). The same shall apply hereafter.
- (Note 10) “Occupancy Ratio” is the ratio of the “Total Leased Areas” (based on the lease agreements) to the “Total Leasable Area” of the to-be acquired asset rounded to the first decimal place. The same shall apply hereafter.
- (Note 11) “Property Management Company” is the property management company scheduled to execute the property management agreement for the to-be acquired asset. The same shall apply hereafter.
- (Note 12) “Master Lease Company” is the master lease company scheduled to execute the master lease agreement for the property. The same shall apply hereafter.
- (Note 13) “Type of master lease” is described as following; “Pass through structure” in case of the conclusion of the master lease contract without rent guarantee, “Rent guarantee structure” in case of the conclusion of the master lease

contract with rent guarantee, and “-” in case that the owner concludes lease contract with end-tenant directly or there’s no end-tenant. The same shall apply hereafter.

(T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest)

Property name		Cosmo Heim Motosumiyoshi
Type of assets		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust term		July 1, 2005 through November 30, 2030
Location (Address)		5-1 Kizuki Gion-cho, Nakahara-ku, Kawasaki-shi, Kanagawa
Land	Type of ownership	Land lease right ⁽ⁱ⁾
	Site area	3,040.11 m ²
	Use districts	Category 1 medium-to-high-rise exclusive residential districts
	Building coverage ratio	60%
	Floor area ratio	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	5,526.48 m ²
	Construction completion date	March 1994
	Usage	Dormitory ⁽ⁱⁱ⁾
	Type	Studio
	Structure / Number of stories	Reinforced concrete structure with flat roof /five-story building
	Leasable number of units	180 units
Architect		Amemiya architectural design office Co., Ltd.
Constructor		Fujita Corporation
Building permit agency		Kawasaki-shi, Kanagawa
Probable maximum loss		5.40% ⁽ⁱⁱⁱ⁾
Acquisition price		¥ 337,000 thousand
Appraisal value		¥ 348,000 thousand ^(iv)
Appraiser		Japan Real Estate Institute
Details of tenant		(as of September 30, 2020) ^(v)
	Total number of tenants	1
	Total rental income	¥ 11,260 thousand
	Security and guarantee deposit	¥ 28,563 thousand
	Total leased units	177 units
	Total leased area	4,483.09 m ²
	Total leasable area	4,538.04 m ²
	Occupancy ratio ¹⁾	98.8%
Existence of security		None
Property management company		HASEKO LIVENET, Inc.
Master lease company		HASEKO LIVENET, Inc.
Type of master lease		Pass through structure
Master lease Contract period		November 2, 2020 through November 1, 2021
Other special considerations		The Investment Corporation currently holds the land with leasehold interest in real estate of this building, the Investment Corporation plans to additionally trust the land on the scheduled acquisition date. After the additional trust, the trustee will own the entire building and the land, since then trustee will take over all the status of the lender in the fixed-term land lease agreement, the land lease right will be extinguished and the land lease agreement will be terminated.

Characteristics of the property	<p>The name “Motosumiyoshi”: ”the original Sumiyoshi Village”, with a strong request of the local community, was extracted from the original name of the station on the current Tokyu Toyoko Line back in 1926 (Taisho 15), which was the year after the merger with Nakahara Town that resulted in no longer use of the name "Sumiyoshi". Ever since then, the area has been recognized as a popular residential spot along the Tokyu Toyoko Line.</p> <p>This property is a single type used as a rental residence or a company dormitory. It is located about a 10-minute walk from Motosumiyoshi Station of the Tokyu Toyoko and Tokyu Meguro lines and surrounded by the bustling local community as well as the abundance of nature, including cherry blossom trees along the Shibukawa River. There are many convenient facilities around the nearest station such as the Motosumi Bremen Street and Motosumi Oz Street Shopping Street, which make the property even more ideal for corporate housing needs. In terms of transportation access, it is only 20 minutes from Yokohama Station and 35 minutes from Tokyo Station. Due to such location and convenience, stable rental demand is expected from single households.</p>
<p>(Note i) The outline of the land lease right as follows.</p> <p>Land lease right holder: The Investment Corporation</p> <p>Type of land lease right: General fixed-term land lease right pursuant to Article 22 of the Act on Land and Building Leases</p> <p>Land lease term: 50 years starting from April 26, 2012</p> <p>Annual rent: ¥ 87,500,000</p> <p>Security and guarantee: None</p> <p>(Note ii) Building use is dormitory on the registry, however 92 out of 180 units are used as general rental housing. The remaining 88 units are used as dormitories for singles operated by Kyoritsu Maintenance Co., Ltd.</p> <p>(Note iii) The figure described in the earthquake PML valuation report (level 2) prepared for each to-be-acquired asset created by Sampo Risk Management Inc. in October 2020.</p> <p>(Note iv) Appraisal date is October 1, 2020.</p> <p>(Note v) The leasable area 2,815.72㎡ out of 4,538.04㎡ is rented to Kyoritsu Maintenance Co., Ltd., , and the total rent income includes rent income based on the lease agreement with this company.</p>	

(H-12) Granda Mondo Yakujin (a part of land with leasehold interest)

Property name		Granda Mondo Yakujin
Type of assets		Real estate
Location (Address)		16-2 Hayashidacho, Nishinomiya-shi, Hyogo
Land	Type of ownership	Proprietary ownership ⁽ⁱ⁾
	Site area	430.00 m ²⁽ⁱ⁾
	Use districts	Quasi-residential area / Category 1 medium-to-high-rise exclusive
	Building coverage ratio	60%／60%
	Floor area ratio	200%／200%
Acquisition price		¥ 63,000 thousand
Appraisal value		¥ 63,700 thousand ⁽ⁱⁱ⁾
Appraiser		Japan Real Estate Institute
Existence of security		None

Other special considerations	<p>Mitsubishi UFJ Trust and Banking Corporation, and executed a general fixed-term land lease right contract of the following content with the trustee of the building on the land, Mitsubishi UFJ Trust and Banking Corporation.</p> <p>Land lease right holder: Mitsubishi UFJ Trust and Banking Corporation</p> <p>Type of land lease right: General fixed-term land lease</p> <p>Land lease term: 30 years starting from August 1, 2014</p> <p>Annual rent: ¥3,276,000</p> <p>Rent revision:</p> <p>When the rent becomes unreasonable, as a result of increase or decrease in tax and other public duties on the Land, as a result of rise or fall of the price of the Land or fluctuations in other economic circumstances, or in comparison to the rent, etc. of similar land in the vicinity, the land lease right holder or the land lease right lessor (the Investment Corporation) may request the other party for future increase or decrease in the amount of rent.</p> <p>Security and guarantee deposit: None.</p> <p>Contract renewal:</p> <p>In the case where the land lease right holder or the land lease right</p>
<p>(Note i) The asset to be acquired is a part of the land with the leasehold interest, and the "Site area" describes the area of the land subject to acquisition.</p> <p>(Note ii) Appraisal date is October 1, 2020. The appraisal value of the entire property after the additional acquisition is 1,260,000 thousand yen.</p>	

4. Seller's Profile

(T-95) KDX Residence Shonandai

Company name	Seiwa Building Co.,Ltd.
Location	1-6-1 Marunouchi, Chiyoda-ku, Tokyo
Title and name of representative	Managing Director Masatoshi Yano
Description of business	Real estate leasing business (Office Building /Store/Housing), Solution business, Real estate management contract business, Other real estate related business
Capital	¥ 1,225 million
Date of incorporation	October 1, 1957
Net assets	Not disclosed according to the seller's intention
Total assets	Not disclosed according to the seller's intention
Major shareholder and ratio	Not disclosed according to the seller's intention.
Relationship with the Investment Corporation or the Asset Management Company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special capital relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special business relationship between related parties or associated companies of the Investment

	Corporation or the Asset Management Company and related parties or associated companies of the seller.
Applicability of related party relationship	The seller is not a related party, etc. as defined under the Act on Investment Trusts and Investment Corporations (“the Investment Trust Act”) and not a related party as defined in “the Related-party Transaction Rules of Residential REIT Department” of the Asset Management Company.

(T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest)

Company name	Motosumiyoshi Co., Ltd.
Location	4-7-1 Iidabashi, Chiyoda-ku, Tokyo in Yuwa Tax Corporation
Title and name of representative	CEO Masanori Nakatsu
Description of business	1. Acquisition, holding and disposal of trust beneficiary interests in real estate 2. Acquisition, holding, disposal, leasing and management of real estate 3. All business incidental to the above
Capital	¥ 500 million
Date of incorporation	December 8, 2017
Net assets	Not disclosed according to seller’s intention
Total assets	Not disclosed according to seller’s intention
Major shareholder and ratio	Described in the Capital relationship as below
Relationship with the Investment Corporation or the Asset Management Company and the concerned company	
Capital relationship	Kenedix, Inc. (“KDX”), the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, owns 99% of equity.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the concerned company. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the concerned company.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the concerned company. KDX concludes an asset management contract with the seller, and Kenedix Investment Partners, Inc., a wholly owned subsidiary of KDX has a business subcontracting agreement with KDX.
Applicability of related party relationship	The concerned company is a related party, etc. as defined under the Investment Trust Act, Furthermore, is a related party as defined in “the Related-party Transaction Rules of Residential REIT Department” of the Asset Management Company.

(H-12) Granda Mondo Yakujin (a part of land with leasehold interest)

Company name	G.K. KRF17
Location	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Title and name of representative	Representative: Ippan Shadan Hojin KRF Office administrator: Tadatsugu Ishimoto
Description of business	1. Acquisition, holding, disposal, leasing and management of real estate 2. Special business stipulated in article 2, paragraph 6 of the Act on Specified Joint Real Estate Ventures 3. All business incidental to the above
Capital	¥ 100 million

Date of incorporation	December 14, 2006
Net assets	Not disclosed according to seller's intention
Total assets	Not disclosed according to seller's intention
Major shareholder and ratio	Described in the Capital relationship as below
Relationship with the Investment Corporation or the Asset Management Company and the concerned company	
Capital relationship	A general incorporated association, to which KDX, the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, contributes funds, owns entire equity interest in the company. In addition, KDX owns 100% of silent partnership equity interest of the general incorporated association that operates the company.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the concerned company. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the concerned company.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the concerned company. Kenedix Investment Partners, Inc., a wholly owned subsidiary of KDX contracts asset management agreement with the seller.
Applicability of related party relationship	The concerned company is a related party, etc. as defined under the Investment Trust Act, Furthermore, is a related party as defined in "the Related-party Transaction Rules of Residential REIT Department" of the Asset Management Company.

5. Profile of Property Owner, etc.,

(T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest)

	Previous Owner	Second Previous Owner	Third Previous Owner
Company Name	Motosumiyoshi Co., Ltd.	Kenedix Development Inc.	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The specially interested party as defined in the Related-party Transaction Rules of the Asset Management Company and a related party, etc. as defined under the Investment Trust Act	The specially interested party as defined in the Related-party Transaction Rules of the Asset Management Company and a related party, etc. as defined under the Investment Trust Act	—
Acquisition background and reason, etc.	For the purpose of investment management	For the purpose of investment management	—
Acquisition Date	December 26, 2017	April 26, 2012	—
Acquisition Price	Omitted as the asset was owned for more than 1 year.	Omitted as the asset was owned for more than 1 year.	—

(H-12) Granda Mondo Yakujin (a part of land with leasehold interest)

	Previous Owner	Second Previous Owner
Company Name	G.K. KRF17	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The specially interested party as defined in the Related-party Transaction Rules of the Asset	—

	Management Company and a related party, etc. as defined under the Investment Trust Act	
Acquisition background and reason, etc.	For the purpose of investment management	—
Acquisition Date	June 30, 2016	—
Acquisition Price	Omitted as the asset was owned for more than 1 year.	—

6. Details of Consulting business (Including Brokerage) (T-95) KDX Residence Shonandai

The broker is neither a related-party, etc. defined by the Investment Trusts and Investment Corporation Act nor a related party defined by the related-party transaction rules of the Residential REIT Division of the Asset Management Company, and the details are not disclosed according to Broker's intention.

There is no transactions related to the acquisition of the other two properties (T-9 and H-12).

7. Related-Party Transactions

As described above, the transactions related to the Acquisition of (T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest) and (H-12) Granda Mondo Yakujin (a part of land with leasehold interest) fall under the category of a transaction with the related party as defined in the Related-party Transaction Rules of Residential REIT Division in the Asset Management Company and the related party, etc. as defined the Investment Trust Act.

Therefore, the Asset Management Company has passed a resolution at the Management Committee held on October 27, 2020 related to the acquisition of the 2 properties in accordance with the Related-party Transactions Rules of Residential REIT Department of the Asset Management Company through discussion and approval at the meeting of the Compliance Committee held on October 23, 2020 and in order to ensure strict compliance with the laws and the regulations associated with the acquisition. The Asset Management Company issues documents to the Investment Corporation in accordance with the provisions of the Investment Trust Act regarding transactions with related-party .

8. Seismic Resistance

The Investment Corporation has implemented a survey conducted by a third-party concerning intentional falsification of the structural calculation sheets of (T-95) KDX Residence Shonandai and (T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest) and obtained survey resultst that the structural calculation sheets of each property are valid.

9. Forecasts

The impact of the acquisitions on the period ending January 2021 (18th fiscal period: August 1, 2020 to January 31, 2021) and the period ending July 2021(19th fiscal period: February 1, 2021 to July 31, 2021) are minimal, the forecasts will not be changed.

10. Appraisals Report Summary

Property Name	KDX Residence Shonandai
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Appraisal Value	¥ 1,610,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Appraisal Date	October 1, 2020

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,610,000,000	Estimate by setting a standard value on the value calculated using the Discounted Cash Flow method and verifying the value calculated using the Direct Capitalization method.
Value Calculated Using the Direct Capitalization Method	1,640,000,000	Assess by capitalizing the medium to long-term stable net income with the capitalization rate.
(1) Gross Operating Revenue	97,681,387	
Maximum Gross Operating Revenue	102,488,203	Assessed based on a level of fair rent considered to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	1,932,619	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	20,682,381	
Maintenance Expenses	4,998,000	Assessed by reflecting the contract fee of similar properties and documents obtained from the client.
Utility Expenses	1,678,838	Assessed by reflecting the performance of similar properties and past performance.
Repair Expenses	3,619,323	Assessed with consideration of expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report.
Property Management Fees	1,795,775	Recognize an amount that reflects the expense levels of similar properties and documents obtained from the client.
Tenant Recruit Expenses, etc.	2,799,145	Assessed by reflecting the annual average amount based on the assumption turnover period of the lessee, with reference to the terms of the contract and the lease terms of similar properties, etc.
Taxes and Dues	4,851,600	Assessed based on the fiscal 2020 tax base amount, etc.
Damage Insurance Fees	149,700	Assessed with consideration of the insurance premium rate at similar properties and documents obtained from the client.
Other Expenses	790,000	Assessed by reflecting the performance of similar properties and past performance as contingency expenses and miscellaneous expenses.
(3) Net Operating Income (NOI= (1)-(2))	76,999,006	
(4) Gain on guarantee deposit investment	74,644	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	4,858,795	Assessed taking into account the level of renewal capital expenditures at similar properties and consideration of CM fee in annual average renewal cost in the engineering report.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	72,214,855	
(7) Capitalization Rate	4.4%	Assessed by taking into account the property's location, the characteristics of the building and other characteristics.
Value Calculated Using the Discounted Cash Flow Method	1,590,000,000	
Discount Rate	4.2%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.6%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the subject property, general prediction of economic growth rate, trends in real estate prices and rent, and all other applicable factor, while reflecting investment returns of comparable transaction of properties.
Value Calculated Using the Cost Method	1,480,000,000	
Land	75.1%	

	Building	24.9%	
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Items applied to adjustments in approaches to the value and the determination of the appraisal value	Adopted income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.
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※Reference (Appraisal NOI Cap Rate=NOI above described /Acquisition Price)

Property Name	KDX Residence Shonandai
Appraisal NOI Cap Rate (rounded to the first decimal place)	5.1%

(T-9) Cosmo Heim Motosumiyoshi (building with leasehold interest)

Property Name	Cosmo Heim Motosumiyoshi (building with the leasehold interest)
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Appraisal Value	¥ 348,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	October 1, 2020

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	348,000,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	352,000,000	Assessed by using the cap rate based on medium to long-term stable net income.
(1) Gross Operating Revenue	154,209,000	
Maximum Gross Operating Revenue	159,832,000	Assessed based on a level of fair rent believed to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	5,623,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	124,531,000	
Maintenance Expenses	6,600,000	Assessed by the administrative and maintenance expenses based on contract terms, the level of expenses at similar properties, and other factors.
Utility Expenses	13,500,000	Assessed by reflecting the past years actual amount and the performance of similar properties.
Repair Expenses	5,088,000	Assessed using the past years actual amount and expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	2,745,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.
Tenant Recruit Expenses, etc.	2,573,000	Assessed by reflecting the contract terms, the lease terms at similar properties and other factors.
Taxes and Dues	6,288,000	Assessed based on the fiscal 2020 tax base amount, etc.
Damage Insurance Fees	237,000	Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.
Other Expenses	87,500,000	Recorded land rent as other expenses
(3) Net Operating Income (NOI= (1)-(2))	29,678,000	
(4) Gain on guarantee deposit investment	261,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	9,870,000	Assessed taking into account the level of capital expenditures at similar properties and the age of the property, assuming that an equal amount is added to a reserve in each fiscal period.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	20,069,000	
(7) Capitalization Rate	5.7%	Assessed by taking into account the property's location, the characteristics of the building and other characteristics.
Value Calculated Using the Discounted Cash Flow Method	344,000,000	
Discount Rate	4.2%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	7.5%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property to be acquired, general prediction of economic growth rate, trends in real estate prices and rental rates, and all other applicable factor, while reflecting returns associated with acquisitions of similar properties.
Value Calculated Using the Cost Method	361,000,000	
Land	23.4%	
Building	76.6%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Adopted income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.
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※Reference (Appraisal NOI Cap Rate=NOI above described /Acquisition Price)

Property Name	Cosmo Heim Motosumiyoshi (building with the leasehold interest)
Appraisal NOI Cap Rate (rounded to the first decimal place)	8.8%

(T-9) Cosmo Heim Motosumiyoshi (after the additional acquisition)

Property Name	Cosmo Heim Motosumiyoshi (entire property)
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Appraisal Value	¥ 2,350,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	October 1, 2020

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,350,000,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	2,380,000,000	Assessed by using the cap rate based on medium to long-term stable net income.
(1) Gross Operating Revenue	154,209,000	
Maximum Gross Operating Revenue	159,832,000	Assessed based on a level of fair rent believed to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	5,623,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	39,727,000	
Maintenance Expenses	6,600,000	Assessed by the administrative and maintenance expenses based on contract terms, the level of expenses at similar properties, and other factors.
Utility Expenses	13,500,000	Assessed by reflecting the past years actual amount and the performance of similar properties.
Repair Expenses	5,088,000	Assessed using the past years actual amount and expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	2,745,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.
Tenant Recruit Expenses, etc.	2,573,000	Assessed by reflecting the contract terms, the lease terms at similar properties and other factors.
Taxes and Dues	8,984,000	Assessed based on the fiscal 2020 tax base amount, etc.
Damage Insurance Fees	237,000	Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.
Other Expenses	0	There are no expenses to be recorded as other expenses.
(3) Net Operating Income (NOI= (1)-(2))	114,482,000	
(4) Gain on guarantee deposit investment	261,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	9,870,000	Assessed taking into account the level of capital expenditures at similar properties and the age of the property, assuming that an equal amount is added to a reserve in each fiscal period.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	104,873,000	
(7) Capitalization Rate	4.4%	Assessed by taking into account the property's location, the characteristics of the building and other characteristics.
Value Calculated Using the Discounted Cash Flow Method	2,320,000,000	
Discount Rate	4.2%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.6%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property to be acquired, general prediction of economic growth rate, trends in real estate prices and rental rates, and all other applicable factor, while reflecting returns associated with acquisitions of similar properties.
Value Calculated Using the Cost Method	2,320,000,000	
Land	86.0%	
Building	14.0%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Adopted income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.
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※Reference (Appraisal NOI Cap Rate=NOI above described /Acquisition Price)

Property Name	Cosmo Heim Motosumiyoshi (entire property)
Appraisal NOI Cap Rate (rounded to the first decimal place)	5.5%

(H-12) Granda Mondo Yakujin (a part of land with leasehold interest)

Property Name	Granda Mondo Yakujin (a part of land with leasehold interest)
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Appraisal Value	¥ 63,700,000
Appraiser	Japan Real Estate Institute
Appraisal Date	October 1, 2020

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	63,700,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	64,200,000	Assessed by using net income based on the current lease agreement with the cap rate.
(1) Gross Operating Revenue	3,276,000	
Maximum Gross Operating Revenue	3,276,000	Assessed based on the current lease agreement.
Shortfall Attributed to Vacancies	0	No shortfall attributed to vacancies can be recorded in consideration of the situation of the lessee, contract details, etc..
(2) Operating Expenses	196,000	
Maintenance Expenses	0	Judged that it is unnecessary in consideration of the contents of the lease contract and the Property's unique characteristics.
Utility Expenses	0	No record since it is a land.
Repair Expenses	0	No record since it is a land.
Property Management Fees	0	Judged that it is unnecessary in consideration of the contents of the lease contract and the Property's unique characteristics.
Tenant Recruit Expenses, etc.	0	No record because it is expected long term contract in consideration of the situation of the lessee, contract details, etc..
Taxes and Dues	196,000	Assessed based on the fiscal 2020 tax base amount, etc.
Damage Insurance Fees	0	No record since it is a land.
Other Expenses	0	There are no expenses to be recorded as other expenses.
(3) Net Operating Income (NOI= (1)-(2))	3,080,000	
(4) Gain on guarantee deposit investment	0	There are no receiving guarantee deposit.
(5) Capital Expenditure	0	No record since it is a land.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	3,080,000	
(7) Capitalization Rate	4.8%	Assessed by taking into account the property's location, the characteristics of the building and other characteristics.
Value Calculated Using the Discounted Cash Flow Method	63,100,000	
Discount Rate	4.6%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.9%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property to be acquired, general prediction of economic growth rate, trends in real estate prices and rental rates, and all other applicable factor, while reflecting returns associated with acquisitions of similar properties.
Value Calculated Using the Cost Method	—	
Land	—	
Building	—	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is located about a 6-minute walk from "Mondoyakujin" station on the Hankyu Imazu line, and it is within walking distance from the station. Because of this, it is a location where stable rental demand for apartments, nursing homes, etc. can be expected. In addition, the current land rent can be judged to be at an appropriate level in consideration of
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	the land lease cases of similar facilities, and the certainty of cash flow is relatively high. The appraisal value was decided in consideration of the above.
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※Reference (Appraisal NOI Cap Rate=NOI above described /Acquisition Price)

Property Name	Granda Mondo Yakujin (a part of land with leasehold interest)
Appraisal NOI Cap Rate (rounded to the first decimal place)	4.9%

(H-12) Granda Mondo Yakujin (after the additional acquisition a part of the land)

Property Name	Granda Mondo Yakujin (building with the leasehold interest)
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Appraisal Value	¥ 1,260,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	October 1, 2020

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,260,000,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	1,280,000,000	Assessed by using net income based on the current lease agreement with the cap rate.
(1) Gross Operating Revenue	83,079,000	
Maximum Gross Operating Revenue	83,079,000	Assessed based on the current lease agreement.
Shortfall Attributed to Vacancies	0	No shortfall attributed to vacancies can be recorded since it is used for lump-sum rental.
(2) Operating Expenses	18,891,000	
Maintenance Expenses	30,000	Assessed bank fees based on actual income and expenditure.
Utility Expenses	0	Not recorded because it is paid by the lessee based on the current lease agreement.
Repair Expenses	914,000	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	720,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.
Tenant Recruit Expenses, etc.	0	No tenant recruit expenses, etc. can be recorded since it is used for lump-sum rental.
Taxes and Dues	4,727,000	Assessed based on the fiscal 2020 tax base amount, etc.
Damage Insurance Fees	125,000	Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.
Other Expenses	12,375,000	Recorded land rent as other expenses.
(3) Net Operating Income (NOI= (1)-(2))	64,188,000	
(4) Gain on guarantee deposit investment	610,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	2,218,000	Assessed taking into account the level of capital expenditures at similar properties and the age of the property, assuming that an equal amount is added to a reserve in each fiscal period.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	62,580,000	
(7) Capitalization Rate	4.9%	Assessed by taking into account the property's location, the characteristics of the building and other characteristics.
Value Calculated Using the Discounted Cash Flow Method	1,240,000,000	
Discount Rate	4.6%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	5.1%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the property to be acquired, general prediction of economic growth rate, trends in real estate prices and rental rates, and all other applicable factor, while reflecting returns associated with acquisitions of similar properties.
Value Calculated Using the Cost Method	1,180,000,000	
Land	49.7%	
Building	50.3%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is a Private senior homes (residential) located about a 6-minute walk from "Mondoyakujin" station on the Hankyu Imazu line. Although it was completed in 2014 and has worn out and deteriorated over time, all rooms are private rooms, and a sufficient area for private living is secured, and the facilities in the living room are of a relatively high level, making it highly competitive. In addition, Benesse Style Care Co., Ltd., who is a lessee, has an abundant track record of operating nursing homes, and it is recognized that the property can be expected to have stable rental management. The appraisal value was determined in consideration of these factors.
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※Reference (Appraisal NOI Cap Rate=NOI above described /Acquisition Price)

Property Name	Granda Mondo Yakujin (building with the leasehold interest)
Appraisal NOI Cap Rate (rounded to the first decimal place)	5.1%

Attached Materials

- Reference Material (1) Outline of Engineering Reports
- Reference Material (2) Exterior Photos and Map of To-be Acquired Asset
- Reference Material (3) List of Property Portfolio (After the Acquisition)
- Reference Material (4) Summary of To-be Acquired Assets

* Website URL of the Investment Corporation: <http://www.kdr-reit.com/english/>

[Provisional Translation Only]

English translation of the original Japanese document is provided solely for information purposes.

Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Reference Material (1) Outline of Engineering Reports

(Unit: Yen in thousand)

Property Name	KDX Residence Shonandai
Investigation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Investigation Date	October 2020
Repairs Maintenance and Renovation Expenses Expected to be Required within 12 Years	83,477
Unit-in-Place	715,400

Property Name	Cosmo Heim Motosumiyoshi (building with leasehold interest)
Investigation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Investigation Date	October 2020
Repairs Maintenance and Renovation Expenses Expected to be Required within 12 Years	158,319
Unit-in-Place	1,247,600

Property Name	Granda Mondo Yakujin (a part of land with leasehold interest)
Investigation Company	Tokio Marine & Nichido Risk Consulting Co., Ltd.
Investigation Date	October 2020

*The above mentioned investigation company undertakes building assessments for the property as follows.

- assessment of legal compliance with related laws
- investigation for building construction and facilities
- environmental investigation
- formulation of a short-term and long-term repair and maintenance plan
- analyses of the existence of hazardous substances and the soil environment
- Estimates of the replacement cost

Reference Material (2) Exterior Photos and Map of To-be Acquired Asset

T-95 KDX Residence Shonandai



T-9 Cosmo Heim Motosumiyoshi

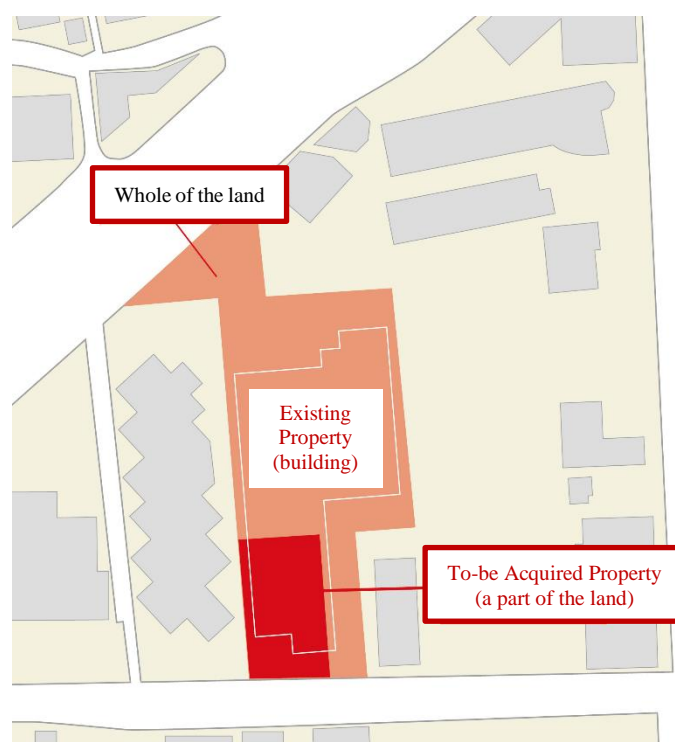


H-12 Granda Mondo Yakujin (a part of land with leasehold interest)

Map of the property (wide area)



Map of the property (detail)



Reference Material (3) List of Property Portfolio (After the acquisition)

Area/ Property type	Property Name	(Anticipated) Acquisition Price (Thousands yen) ⁽¹⁾	Ratio ⁽¹⁾	Acquisition Date (Scheduled)
Residence/ Tokyo Metropolitan Area	KDX Daikanyama Residence	4,700,000	1.8	May 1, 2012
	KDX Odemma Residence	1,775,000	0.7	May 1, 2012
	KDX Iwamoto-cho Residence	822,000	0.3	May 1, 2012
	KDX Bunkyo Sengoku Residence	1,488,000	0.6	May 1, 2012
	KDX Azumabashi Residence	650,000	0.3	May 1, 2012
	KDX Shimura Sakaue Residence	2,830,000	1.1	May 1, 2012
	Cosmo Heim Motosumiyoshi ⁽²⁾	2,087,000 ⁽²⁾	0.8	April 26, 2012 November 2, 2020
	KDX Musashi Nakahara Residence	637,000	0.2	May 1, 2012
	KDX Chiba Chuo Residence	1,480,000	0.6	May 1, 2012
	KDX Kawaguchi Saiwai-cho Residence	1,150,000	0.4	May 1, 2012
	KDX Residence Shirokane I	3,000,000	1.2	August 7, 2013
	KDX Residence Shirokane II	2,800,000	1.1	August 7, 2013
	KDX Residence Minami-aoyama	2,230,000	0.9	August 7, 2013
	KDX Residence Minami-azabu	2,080,000	0.8	August 7, 2013
	KDX Residence Shiba Koen	1,781,000	0.7	August 7, 2013
	KDX Residence Azabu East	1,560,000	0.6	August 7, 2013
	KDX Residence Takanawa	770,000	0.3	August 7, 2013
	KDX Residence Nishihara	1,450,000	0.6	August 7, 2013
	KDX Residence Daikanyama II	730,000	0.3	August 7, 2013
	KDX Residence Sendagaya	650,000	0.3	August 7, 2013
	KDX Residence Nihombashi Suitengu	3,240,000	1.3	August 7, 2013
	KDX Residence Nihombashi Hakozaki	1,147,000	0.4	August 7, 2013
	KDX Residence Higashi-shinjuku	3,270,000	1.3	August 7, 2013
	KDX Residence Yotsuya	2,260,000	0.9	August 7, 2013
	KDX Residence Nishi-shinjuku	1,000,000	0.4	August 7, 2013
	KDX Residence Kagurazaka	720,000	0.3	August 7, 2013
	KDX Residence Futako Tamagawa	1,250,000	0.5	August 7, 2013
	KDX Residence Komazawa Koen	920,000	0.4	August 7, 2013
	KDX Residence Misyuku	760,000	0.3	August 7, 2013
	KDX Residence Yoga	700,000	0.3	August 7, 2013
	KDX Residence Shimouma	600,000	0.2	August 7, 2013
	Raffine Minami-magome	1,250,000	0.5	August 7, 2013
	KDX Residence Yukigaya Otsuka	1,050,000	0.4	August 7, 2013
	KDX Residence Denen Chofu	1,000,000	0.4	August 7, 2013
	KDX Residence Tamagawa	776,000	0.3	August 7, 2013

Residence/ Tokyo Metropolitan Area	KDX Residence Monzennakacho	773,000	0.3	August 7, 2013
	KDX Residence Okachimachi	850,000	0.3	August 7, 2013
	KDX Residence Moto-asakusa	800,000	0.3	August 7, 2013
	KDX Residence Itabashi Honcho	620,000	0.2	August 7, 2013
	KDX Residence Azusawa	550,000	0.2	August 7, 2013
	KDX Residence Tobu Nerima	420,000	0.2	August 7, 2013
	KDX Residence Yokohama Kannai	800,000	0.3	August 7, 2013
	KDX Residence Miyamaedaira	999,000	0.4	August 7, 2013
	KDX Residence Machida	1,800,000	0.7	August 7, 2013
	KDX Residence Kinshicho	1,350,000	0.5	March 28, 2014
	KDX Residence Nihombashi Hamacho	996,000	0.4	August 7, 2014
	KDX Residence Nihombashi Ningyocho	530,000	0.2	August 7, 2014
	KDX Residence Jiyugaoka	1,268,000	0.5	August 7, 2014
	KDX Residence Togoshi	3,745,000	1.5	August 7, 2014
	KDX Residence Shinagawa Seaside	2,593,000	1.0	August 7, 2014
	KDX Residence Ojima	1,857,000	0.7	August 7, 2014
	KDX Residence Oyama	2,679,000	1.0	August 7, 2014
	KDX Residence Hanzomon	4,832,000	1.9	February 5, 2015
	B-Site Akihabara	850,000	0.3	February 5, 2015
	KDX Residence Kagurazaka Dori	1,360,000	0.5	February 5, 2015
	KDX Residence Sendagi	2,200,000	0.9	February 5, 2015
	KDX Residence Seijo	1,400,000	0.5	February 5, 2015
	KDX Residence Akihabara	1,250,000	0.5	February 5, 2015
	KDX Residence Iriya	1,062,000	0.4	February 5, 2015
	KDX Residence Tachikawa	3,026,200	1.2	February 5, 2015
	KDX Residence Tsurumi	1,050,000	0.4	February 5, 2015
	KDX Residence Morishita Chitose	1,100,000	0.4	June 1, 2015
	KDX Residence Akasaka	1,150,000	0.4	September 30, 2015
	KDX Residence Kanda	700,000	0.3	September 30, 2015
	KDX Residence Ebisu	2,845,000	1.1	October 30, 2015
	KDX Residence Nishi-magome	1,130,000	0.4	August 30, 2016
	KDX Residence Nishi-azabu	1,224,000	0.5	August 1, 2016
	KDX Residence Azabu Sendaizaka	792,300	0.3	August 1, 2016
	KDX Residence Waseda Tsurumaki	561,000	0.2	August 1, 2016
	KDX Residence Bunkyo Yushima	695,000	0.3	August 1, 2016
	KDX Residence Kamishakujii	648,000	0.3	August 1, 2016
	KDX Residence Shin-otsuka	764,000	0.3	November 1, 2016
	KDX Residence Sakurajosui	894,000	0.3	November 1, 2016

	KDX Residence Ryogoku	842,000	0.3	November 1, 2016
	KDX Residence Toyosu	7,500,000	2.9	August 22, 2017
	KDX Residence Asagaya	1,930,000	0.8	August 2, 2018
	KDX Residence Hiyoshi	2,635,300	1.0	August 2, 2018
	KDX Residence Kamikitazawa	1,360,000	0.5	February 1, 2019
	KDX Residence Kaminoge	1,111,000	0.4	February 1, 2019
	KDX Residence Higashi-Asakusa	687,730	0.3	February 21, 2019
	KDX Residence Nishi-Funabashi	975,350	0.4	September 17, 2019
	KDX Residence Hatagaya	2,500,000	1.0	February 27, 2020
	KDX Residence Asagaya II	939,400	0.4	October 29, 2019
	KDX Residence Gakugeidaigaku	750,000	0.3	February 27, 2020
	KDX Residence Kamata-minami	1,918,300	0.7	March 2, 2020
	KDX Residence Kichijoji	621,000	0.2	March 13, 2020
	KDX Residence Mitaka	2,530,000	1.0	June 30, 2020
	KDX Residence Nakanobu	830,000	0.3	August 3, 2020
	KDX Residence Ichikawa	840,000	0.3	September 24, 2020
	KDX Residence Hatchobori	3,000,000	1.2	September 30, 2020
	KDX Residence Nakaitabashi	1,736,432	0.7	September 30, 2020
	KDX Residence Shonandai	1,500,000	0.6	November 2, 2020
	92 properties subtotal	140,983,012	54.8	
Residence/ Other Regional Areas	KDX JozenjiDori Residence	1,015,000	0.4	May 1, 2012
	KDX Izumi Residence	1,120,000	0.4	May 1, 2012
	KDX Chihaya Residence	1,080,000	0.4	May 1, 2012
	KDX Sakaisuji Hommachi Residence	2,910,000	1.1	May 1, 2012
	KDX Takarazuka Residence	1,510,000	0.6	May 1, 2012
	KDX Shimizu Residence	1,680,000	0.7	May 1, 2012
	KDX Residence Odori Koen	765,000	0.3	August 7, 2013
	KDX Residence Kikusui Yoyo	830,000	0.3	August 7, 2013
	KDX Residence Toyohira Koen	445,000	0.2	August 7, 2013
	KDX Residence Ichiban-cho	530,000	0.2	August 7, 2013
	KDX Residence Higashi-sakura I	2,350,000	0.9	August 7, 2013
	KDX Residence Higashi-sakura II	900,000	0.3	August 7, 2013
	KDX Residence Jingumae	840,000	0.3	August 7, 2013
	KDX Residence Nishi-oji	813,000	0.3	August 7, 2013
	KDX Residence Saiin	440,000	0.2	August 7, 2013
	KDX Residence Namba	1,410,000	0.5	August 7, 2013
	KDX Residence Namba-minami	1,350,000	0.5	August 7, 2013
	KDX Residence Ibaraki I・II	1,275,000	0.5	August 7, 2013
	KDX Residence Toyonaka-minami	740,000	0.3	August 7, 2013
	KDX Residence Moriguchi	551,000	0.2	August 7, 2013

	KDX Residence Sannomiya	1,080,000	0.4	August 7, 2013
	Ashiya Royal Homes	1,360,000	0.5	August 7, 2013
	KDX Residence Funairi Saiwai-cho	588,000	0.2	August 7, 2013
	KDX Residence Tenjin-higashi II	680,000	0.3	August 7, 2013
	KDX Residence Nishi Koen	763,000	0.3	August 7, 2013
	KDX Residence Hirao Josui-machi	760,000	0.3	August 7, 2013
	Leopalace Flat Shin-sakae	3,500,000	1.4	November 28, 2014
	KDX Residence Konan Yamate	973,000	0.4	November 14, 2014
	KDX Residence Hommachibashi	3,201,000	1.2	December 18, 2014
	KDX Residence Minami-kusatsu	1,974,666	0.8	February 5, 2015
	KDX Residence Ohori Harbor View Tower	4,606,296	1.8	February 5, 2015
	KDX Residence Minami-sanjo	915,000	0.4	September 30, 2015
	Serenite Kita-kyuhoji	1,290,740	0.5	October 27, 2015
	Serenite Nishinomiya Hommachi	617,048	0.2	December 1, 2016
	KDX Residence Nishijin	1,600,000	0.6	August 1, 2017
	Serenite Kobe Motomachi	2,390,000	0.9	August 2, 2018
	KDX Residence Shukugawa Hills	6,884,800	2.7	August 2, 2018
	KDX Residence Sendai Station East	1,340,000	0.5	February 27, 2020
	38 properties subtotal	57,077,551	22.2	
	Residential 130 properties total	198,060,563	77.0	
Healthcare Facility	Irise Kamata/Yuseien	1,120,000	0.4	March 1, 2018
	Nichii Home Nakano-Minamidai	1,780,000	0.7	March 1, 2018
	Joy Stage Hachioji	3,690,000	1.4	March 1, 2018
	Yuimaru Hijirigaoka	1,120,000	0.4	March 1, 2018
	Nichii Home Tama Plaza	2,940,000	1.1	March 1, 2018
	Ten	2,630,000	1.0	March 1, 2018
	Irise Nishioka	858,000	0.3	March 1, 2018
	Izarie Eniwa Building	1,660,000	0.6	March 1, 2018
	Sawayaka Sakura Nibankan	989,000	0.4	March 1, 2018
	Activa Biwa	6,560,000	2.6	March 1, 2018
	Sompo Care LAVIERE Kobe Tarumi	2,110,000	0.8	March 1, 2018
	Granda Mondo Yakujin	1,253,000 ⁽²⁾	0.5	March 1, 2018 November 2, 2020
	Excellent Nishinomiya	971,000	0.4	March 1, 2018
	Gran Hills Ogawarako	1,380,000	0.5	March 1, 2018
	Excellent Kitano	737,000	0.3	July 6, 2018
	Anesis Teradacho	3,490,000	1.4	August 2, 2018
	Rococo-riha	2,100,000	0.8	August 2, 2018

	Orage Suma	2,810,000	1.1	August 2, 2018
	Canadian Hill	1,830,000	0.7	August 2, 2018
	Anesis Hyogo	1,420,000	0.6	August 2, 2018
	Plaisant Grand Ota tamagawa	3,057,630	1.2	September 28, 2018
	Tsukui Sun-shine Machida	6,934,600	2.7	March 1, 2019
	Serabi Ebisu	1,690,000	0.7	June 3, 2019
	Arute Ishiyagawa	1,061,000	0.4	June 3, 2019
Healthcare 24 properties subtotal		54,191,230	21.1	
	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	2,390,000	0.9	March 2, 2020
	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	2,570,000	1.0	March 2, 2020
Accommodation 2 properties subtotal		4,960,000	1.9	
156 properties total		257,211,793	100.0	

(Note 1) Any fraction of the acquisition price less than one thousand yen is rounded down, and the ratios are rounded off to the first decimal place.

(Note 2) The total of the acquisition price at the time of initial acquisition and the acquisition (planned) price at the time of additional acquisition is described.

Summary for the New Acquire Property

KDX Residence Shonandai

Primary location
selection criteria
Property type

Convenience

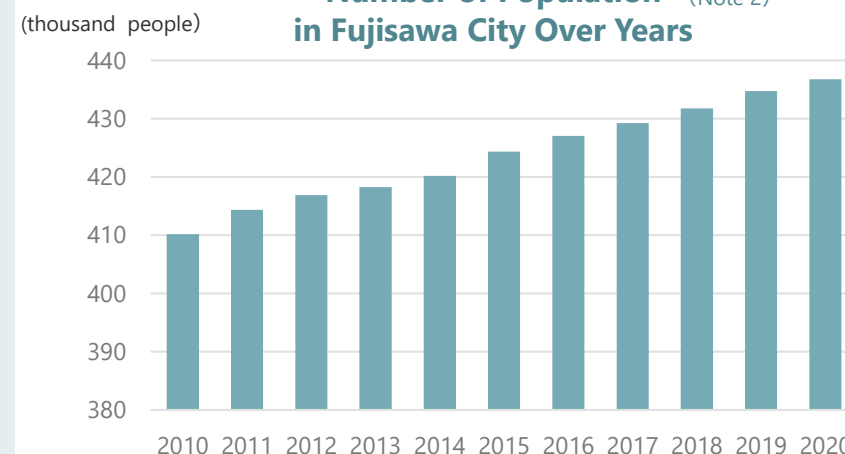
Studio



Location	Fujisawa city, Kanagawa
Rentable Units	104 units
Acquisition price	¥1,500 million
Appraisal value (Note1)	¥1,610 million
Appraisal NOI cap rate (Note1)	5.1%
Construction completion	April 2004
Access	3 minutes' walk from Shonandai Station

- Located just a three-minute walk from Shonandai Station, the core station in the Fujisawa area, where the population continues to grow
- Good commuter town for Yokohama, with only about 30 minutes from Shonandai Station, which provides an advantage of three different train lines and the Tokyo metropolitan area is only about an hour away, making it easy to commute to work in Tokyo
- As the local area is surrounded by factories of major companies including automobile and electronics manufacturers as well as many well-recognized university campuses such as Keio University and Nihon University, the stable rental demand from single households is expected.

Number of Population (Note 2)
in Fujisawa City Over Years



Source : Prepared by the asset management company base on data published by Fujisawa city

Note1: "Appraisal value" is described the appraisal value as of Oct. 1, 2020. "Appraisal NOI cap rate" = NOI described in Appraisal Report / Acquisition Price

Note2: Represent the population as of the end of December of each year (the figure for 2020 is as of the end of September)