

November 26, 2021

To All Concerned Parties

REIT Issuer:

Kenedix Residential Next Investment Corporation

Representative: Tetsu Kawashima, 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 (Total of 2 Residential Facilities and 2 Healthcare Facilities)
and Sale of Property (KDX Residence Tobu Nerima)

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 and sell the following properties (respectively the “Acquisition” and the “Sale”, and collectively the “Transaction”). The details are provided as follows.

1. Overview of the Transaction

(1) Overview of the Acquisition

① To-be acquired assets: As follows:

Each to-be acquired asset shall hereafter be referred to as the “Property” or collectively, the “4 Properties.”

< List of To-be Acquired Assets >

Property number	Property Name	Type of Assets	Acquisition Price ⁽⁴⁾
T-101	Hulic Residence Tsudanuma ⁽¹⁾	Trust beneficiary interest in real estate ⁽³⁾	1,150,000
T-102	KDX Residence Yokohama Momijizaka ⁽²⁾	Trust beneficiary interest in real estate	5,000,000
Residential subtotal			6,150,000
H-27	Grapes Kawasaki Shimmachi	Trust beneficiary interest in real estate	1,470,000
H-28	Grapes Fujimino	Trust beneficiary interest in real estate	1,520,000
Healthcare subtotal			2,990,000
Total			9,140,000

② Date of contract: November 26, 2021

③ Scheduled date of acquisition: November 30, 2021 T-101 Hulic Residence Tsudanuma
December 10, 2021 T-102 KDX Residence Yokohama Momijizaka
H-27 Grapes Kawasaki Shimmachi
H-28 Grapes Fujimino

④ Seller: Please refer to 5. “Seller and Buyer’s Profile”

- ⑤ Funds for acquisition: Debt financing ⁽⁵⁾ and cash on hand
⑥ Settlement method: Payment in full on the date of acquisition

(Note1) The Investment Corporation plans to change the name of the asset to be acquired to “KDX Residence Tsudanuma” on April 1, 2022.

(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 the seller will entrust the asset to be acquired to Mizuho Trust & Banking Co., Ltd. as a trustee until the time of acquisition and that the Investment Corporation will receive the trust beneficiary interest. The same shall apply hereafter.

(Note4) “Acquisition Price” is the sales amount of the trust beneficiary interest (excluding acquisition costs, settlement of property tax and 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.

(Note5) Please refer to “Notice Concerning Debt Financing” disclosed as of today for the detail of debt financing for the acquisition of “Hulic Residence Tsudanuma” As new borrowing related to the acquisition of the other properties is under consideration today, and details of new borrowing will be announced by the time of acquisition.

(2) Overview of the Sale

(T-44) KDX Residence Tobu Nerima

(1)	Type of the To-be sold Asset	Trust beneficiary interest in real estate
(2)	Property Name	KDX Residence Tobu Nerima
(3)	Sale Price ⁽¹⁾	¥ 580,000 thousand
(4)	Book Value ⁽²⁾	¥ 379,685 thousand
(5)	Difference between Anticipated Sale Price and Assumed Book Value	¥ 200,314 thousand
(6)	Buyer	Please refer to “5. Seller and Buyer’s Profile”
(7)	Date of Contract	November 26, 2021
(8)	Scheduled Date of Sale	December 16, 2021
(9)	Sales Method	Sale of the trust beneficiary interest in real estate
(10)	Settlement Method	Payment received in full on the date of sale
(11)	Use of Funds	The Investment Corporation plans to keep the proceeds on hand and appropriate it for the future acquisition of properties, repayment of borrowings and others.

(Note1) “Sale Price” is the sale amount of the trust beneficiary interest indicated in the trust beneficiary interest sales contract concerning the to-be sold asset and is rounded down to the nearest thousand yen.

(Note2) “Book Value” is assumed value as of December 16, 2021 and is rounded down to the nearest thousand yen.

2. Reason for the Transaction

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 and improves quality of the portfolio through asset replacements.

The global pandemic of COVID-19, which has continued since last year, has been affecting lifestyle and work styles and the introduction of telework and satellite offices in many companies resulted in a change in preferences for residential areas and residential unit types. Due to the decrease in commuting frequency, the movement of relocating from the city center to the suburbs with convenience of transportation and superior living environment has seen and housing demand, which has tended to be concentrated in the city center, is now dispersing across diverse areas near city centers. Based on these changes in the housing lease market, the Investment Corporation will consider acquiring new assets located in areas with superior convenience of transportation and living environment in the suburbs of central Tokyo in addition to the city center. On the other hand, the impact of COVID-19 on the operating environment of healthcare facilities has been relatively minor due to steady actual demand, and efforts by each operator to prevent the spread of infection have resulted in stable facility operations in general. In acquiring healthcare facilities, the Investment Corporation will

diversify the areas with a focus on the three major metropolitan areas, and also consider acquiring properties operated by operators with a stable financial structure and superior management capacity, while keeping in mind the diversification of operators.

In addition, when replacing owned properties, not only properties in the regional areas, but also properties in the Tokyo metropolitan area are subject to considering sale after assessing the profitability of individual assets. The Investment Corporation will also consider selling properties in areas where the leasing market is relatively weak, properties in which the building age is older and repair costs are expected to increase, and properties where profitability is expected to decline in the future due to demographics and other factors. The Transaction will be the acquisition of new property and the sale of owned property in accordance with these policies.

Of the properties to be acquired, (T-101) Hulic Residence Tsudanuma is a single type of rental housing located nearby Tsudanuma Station on the JR Sobu Line, and the decision to acquire the Property was made based on the expectation of stable rental demand from students attending universities in the area and single persons who value convenience of transportation. (T-102) KDX Residence Yokohama Momijizaka is a newly built rental housing for families located within walking distance of Sakuragicho Station on the JR Keihin Tohoku / Negishi Line, and is a valuable property with a large scale. The decision to acquire the Property was made based on the judgment that it is located in a high-status land that combines proximity to the city center and comfort of living, and that stable rental demand can be expected due to its good accessibility and convenience of living.

On the other hand, the Investment Corporation believes that the two healthcare facilities are located in the Tokyo metropolitan area and operated by major operators with an extensive track record and will contribute to diversifying the portfolio of the Investment Corporation's healthcare facilities and improving earnings stability. In addition, in the decision of acquiring the 4 Properties, characteristics of each property stated in 3. "Overview of the To-be Acquired Assets" were evaluated.

"KDX Residence Tobu Nerima", which is planned to be sold, is a rental apartment building located within a 6-minute walk of Tobu Nerima Station on the Tobu Tojo Line. Due to the changes in the abovementioned market environment caused by the impact of the COVID-19 pandemic, there has been delayed recovery of the occupancy rates of the single-type properties, which are located in the central part of Tokyo in the portfolio of the Investment Corporation and there has been a downward trend in rents at some of the properties. Although the occupancy rate of the property to be sold has been relatively steady so far, there are examples of competing properties in the vicinity that have begun to lower asking rents in order to secure occupancy rates. Therefore, the Investment Corporation believes there is limited room for further improvement in profitability of the property. In addition, about 15 years have passed since the property was built, and capital expenditures and repair costs are expected to increase in the future. Accordingly, the Investment Corporation determined the sale of the property at this time was the best way to realize unrealized gains and decided on the Sale.

3. Overview of the To-be Acquired Asset (T-101) Hulic Residence Tsudanuma

Property name		Hulic Residence Tsudanuma
Type of asset		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		November 30, 2021 through November 30, 2031
Location (Address) ⁽¹⁾		4-13-35, Maebara-nishi, Funabashi-shi, Chiba
Land	Type of ownership	Proprietary ownership
	Site area	2,241.04 m ² ⁽ⁱ⁾
	Use districts	Category 1 medium-to-high-rise exclusive residential districts
	Building coverage ratio ⁽²⁾	60%

	Floor area ratio ⁽²⁾	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	2,742.28 m ²
	Construction completion	March 2012
	Usage	Apartment building
	Type ⁽³⁾	Studio
	Structure / Number of stories	Reinforced concrete structure with flat roof / five-story building
	Leasable number of units	99 units
Architect		TAISEI U-LEC corporation, the offices of registered
Constructor		TAISEI U-LEC corporation
Building permit agency		General Incorporated Foundation, Jyutaku Kinyu Fukyu
Probable maximum loss		6.87% ⁽ⁱⁱ⁾
Appraisal value		¥ 1,320,000 thousand ⁽ⁱⁱⁱ⁾
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.
Details of tenant		(as of October 31, 2021)
	Total number of tenants ⁽⁴⁾	1
	Total rental income ⁽⁵⁾	Not disclosed according to tenant's intention
	Security and guarantee	Not disclosed according to tenant's intention
	Total leased units ⁽⁷⁾	99 units
	Total leased area ⁽⁸⁾	2,477.01 m ² ^(v)
	Total leasable area ⁽⁹⁾	2,477.01 m ²
	Occupancy ratio ⁽¹⁰⁾	100.0%
Existence of security		None
Property management company ⁽¹¹⁾		Taisei Housy Property Co., Ltd.
Master lease company ⁽¹²⁾		Taisei Housy Property Co., Ltd.
Type of master lease ⁽¹³⁾		Pass through structure
Master lease term		November 30, 2021 through November 29, 2022
Other special considerations		None
Characteristics of the property		<p>The name "Tsudanuma" is said to have originated in 1889, when the five villages of Yatsu, Kukuda, Saginuma, Fujisaki, and Okubo-Shinden in the northwestern part of Chiba Prefecture merged, taking the three characters "Tsu" from Yatsu, "Da" from Kukuda, and "Numa" from Saginuma to form the village name. Since around 1977, the redevelopment of the north exit of Tsudanuma Station with large-scale commercial facilities has made it one of the largest shopping towns along the line. Gradually, the development of universities and commercial facilities spread to the south area of the station, and around 2013, a large-scale redevelopment project of about 35 hectares has created the town called "Kanade no Mori", and the area has developed into a town that combines "business" and "residence". The Property is a studio type property consisting of 98 units of 1K and 1 unit of 2DK, located about a 15-minute walk from Tsudanuma Station on the JR Sobu Line. From Tsudanuma Station, it is only about 30 minutes to Tokyo Station and about 40 minutes to Shinagawa Station without changing trains, and the location can be said to have excellent transportation to the city center. In addition, there are plenty of convenient facilities around Tsudanuma Station, including several large-scale commercial facilities such as "Aeon Mall Tsudanuma", "Ito Yokado Tsudanuma" in the north of the station, and "Morisia Tsudanuma", "Kanade no Mori Forte" in the south of the station, financial institutions, and restaurants, and several university campuses are located nearby. From the</p>

	above points, stable rental demand is expected from students attending these universities and single people working in the city center who are seeking for convenience.
(Note i)	The trust asset consists of (i) the Property's building site of 2,241.04 m ² and (ii) 54% of the co-ownership of the frontal road of 753 m ² leading to the Property's building site, which is co-owned with the seller of the Property
(Note ii)	The figure described in the earthquake PML valuation report (level 2) prepared for each to-be-acquired asset created by Sompoo Risk Management Inc. in October 2021.
(Note iii)	Appraisal date is October 1, 2021.
(Note iv)	The tenant details are based on the lease agreement (fixed rent) under which the seller of the Property leases in bulk to a domestic business company, but a cancellation agreement with an ending date of March 31, 2022 has been concluded between the seller of the Property and the business company. After the acquisition of the Property, a building lease agreement for 98 studio type units is scheduled to be concluded with a subsidiary of NATIONAL STUDENTS INFORMATION CENTER CO., LTD. which is an operator of student housing, with a commencement date of April 1, 2022. The assumed occupancy rate as of April 1, 2022 is 98.0%, based on the assumption that the building lease contract takes effect.
(Note v)	In addition to the rental room, a common room of 49.55 m ² is also leased to the domestic business company that is a current tenant.

- (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" indicates the total number of tenants after the date of acquisition of the property by the Investment Corporation for the To-be acquired asset. In the case that a master lease contract has been or is scheduled to be concluded 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 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.
- (Note 12) "Master Lease Company" is the master lease company scheduled to execute the master lease agreement for the property.

(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.

(T-102) KDX Residence Yokohama Momijizaka

Property name		KDX Residence Yokohama Momijizaka
Type of asset		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust term		March 30, 2021 through December 31, 2031
Location (Address)		6-1, Momijigaoka, Nishi-ku, Yokohama-shi, Kanagawa
Land	Type of ownership	Proprietary ownership
	Site area	1,526.08 m ²
	Use districts	Neighborhood commercial districts
	Building coverage ratio	80%
	Floor area ratio	300%
Building	Type of ownership	Proprietary ownership
	Total floor area	6,566.59 m ²
	Construction completion	February 2021
	Usage	Apartment building
	Type	Family
	Structure / Number of stories	Reinforced concrete structure with flat roof / six-story building with a one-floor basement
	Leasable number of units	75 units
Architect		KOUWA SEKKEI K.K., the offices of registered architects
Constructor		ICHIKEN Co., Ltd.
Building permit agency		Japan Constructive Inspect Association
Probable maximum loss		10.56% ⁽ⁱ⁾
Appraisal value		¥ 5,170,000 thousand ⁽ⁱⁱ⁾
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.
Details of tenant		(as of October 31, 2021)
	Total number of tenants	1
	Total rental income	¥ 20,031 thousand
	Security and guarantee	¥ 23,282 thousand
	Total leased units	75 units
	Total leased area	4,795.16 m ²
	Total leasable area	4,795.16 m ²
	Occupancy ratio	100.0%
Existence of security		None
Property management company		Mitsui Fudosan Residential Lease Co.,Ltd.
Master lease company		Mitsui Fudosan Residential Lease Co.,Ltd.
Type of master lease		Pass through structure
Master lease term		December 10, 2021 through December 9, 2022
Other special considerations		None
Characteristics of the property		The Property is a newly built family-type property consisting of 75 units, which is located in the middle of "Momijizaka(hill)", which is said to have its origin in the planting of maple trees, whose leaves are called “momiji” in Japanese, on both sides of the slope when the Kanagawa Magistrate's Office was established in this area. It is about an 8-minute walk from Sakuragicho Station on the JR Keihin-Tohoku/Negishi Line and Yokohama Municipal Subway Blue Line, and about a 14-minute walk from Minatomirai Station on the Yokohama Kosoku Railway Minatomirai Line and from the nearest station,

	<p>Sakuragicho, it is about 3 minutes to Yokohama Station, about 40 minutes to Tokyo Station, therefore, the area has a high transportation convenience. While “Minatomirai,” one of the most bustling areas in the Yokohama area is within walking distance, making it very convenient for living, it is also known as a quiet, high-class residential area, therefore, the Property is located in a high-status land with proximity to the city center and comfortable living environment. The property has an excellent living environment with convenient facilities such as supermarkets and restaurants in the vicinity of the nearest station, as well as nursery schools, elementary schools, parks, and prefectural cultural facilities. Therefore, in addition to stable rental demand from married couples and family households commuting to the city center, rental demand from people with new lifestyles that emphasize the number of rooms is also expected due to the spread of telework.</p>
(Note i)	The figure described in the earthquake PML valuation report (level 2) prepared for each to-be-acquired asset created by Sompo Risk Management Inc. in October 2021.
(Note ii)	Appraisal date is October 1, 2021.

(H-27) Grapes Kawasaki Shimmachi

Property name		Grapes Kawasaki Shimmachi
Type of assets		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust term		December 8, 2020 through the end of December, 2031
Location (Address)		2-3-2, Odasakae, Kawasaki-ku, Kawasaki-shi, Kanagawa
Land	Type of ownership	Proprietary ownership
	Site area	1,716.87 m ²
	Use districts	Industrial districts
	Building coverage area	60%
	Floor area ratio	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	3,385.46 m ²
	Construction completion	March 2015
	Usage	Private senior home and nursery school
	Structure / Number of stories	Reinforced concrete structure with flat roof / six-story building
	Number of Rooms / Resident capacity	69 rooms / 83 people
Architect		Daiwa Odakyu Construction Co., Ltd., the offices of registered architects
Constructor		Daiwa Odakyu Construction Co., Ltd.
Building permit agency		The Building Center of Japan
Probable maximum loss		3.54% ⁽ⁱ⁾
Appraisal value		¥ 1,520,000 thousand ⁽ⁱⁱ⁾
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.
Details of tenant		(as of October 31, 2021)
	Total number of tenants	1
	Tenant	Sompo Care Inc.
	Total rental income	Not disclosed according to tenant's intention
	Security and guarantee	Not disclosed according to tenant's intention
	Total leased area	3,455.79 m ²
	Total leasable area	3,455.79 m ²
	Occupancy ratio	100.0%

Property management company	GLOBAL COMMUNITY CO., LTD.		
Master lease company	Kenedix Residential next Investment Corporation		
Type of master lease	Pass through structure		
Contract period of master lease	December 10, 2021 through December 9, 2031		
Other special considerations	A part of this land is located in an area subject to city planning roads. No decision has been made on the project, and details such as the timing of the project and the area to be expropriated are yet to be determined, but if a decision on the project is made in the future, the building may become ineligible due to expropriation of land.		
Overview of contract with tenant ⁽¹⁴⁾	<p>Contract format: Regular lease contract Contract period: September 1, 2020 through December 31, 2037 Rent revisions: In the case that the rent is considered to be unreasonable even within the lease period, the lessor and lessee may request the other party to revise the rent by giving written notice at least six months prior to the start of each five-year lease period starting on September 1, 2025, and may revise the rent after consultation. In such consultations, the lessor and lessee shall endeavor to refer to the tax and public charges for the land or building and the rate of increase or decrease in the consumer price index.</p> <p>Contract renewal: In the case that neither the lessor nor the lessee gives written notice of refusal of renewal, cancellation or any intention to the other party at least 12 months prior to the expiration of the lease term, otherwise, the lease contract shall be renewed and shall continue for 5 years from the day after the expiration of the lease term, and the same shall apply thereafter.</p> <p>Mid-term cancellation: 1. The lease contract cannot be cancelled during the lease period. 2. Notwithstanding the preceding paragraph, the lessee may cancel the lease contract as of the desired date (which must be on or after January 1, 2034) by giving the lessor 12 months prior written notice of cancellation and paying the lessor a cancellation penalty in the amount equivalent to the rent until the expiration of the lease period by the desired date. 3. In addition to the preceding paragraph, the lessee may immediately terminate the lease contract with the written consent of the lessor on and after January 1, 2034, by paying the lessor a cancellation penalty equivalent to 12 months' rent. In addition, in the case that, with the written consent of the lessor, the lessee introduces a prospective incoming lessee who has the same financial resources and other creditworthiness as the lessee, as a result, the lessor concludes a new lease contract for the building with the prospective lessee under the same or better conditions as the lease contract (the lessor may not refuse to conclude the new lease contract without reasonable grounds), the lessor may cancel the lease contract as of the day before the rent accrual date under the new lease contract (It must be a date on or after January 1, 2034.) without paying the cancellation penalty.</p>		
Overview of operator and facility ⁽¹⁵⁾ (as of September 30, 2021)			
Operator	Sompo Care Inc.	Opening date	April 24, 2015
Type of facility	-	Number of Rooms (room)	69

Condition of rights for residence	Life long building lease contract	Resident capacity (people)	83
Main room area range (m ²)	-	Number of residents (people)	68
Entering requirement	-	Occupancy rate	81.9
Average required level of nursing care	-	Average age of residents (years old)	-
Service fee payment method			
	Monthly fee basis	One-time entrance fee basis	
One-time entrance fee (yen)	-	-	
Monthly service fee (yen)	-	-	
Staff engaged in nursing care	-	Staff at nighttime (number of staff members at minimum)	-
Cooperating medical institutions	-		
Cooperating dental institutions	-		
Characteristics of the property			
<p>(Location with excellent access)</p> <p>The Property is located in the southeastern part of Kawasaki City, which has a population of approximately 1.53 million, and in the area centered on Kawasaki Station, there is a concentration of commercial facilities of various sizes as well as governmental facilities including Kawasaki city office. It takes about 17 minutes to Tokyo Station and about 8 minutes to Yokohama Station from JR Kawasaki Station on the JR Tokaido Line, providing excellent access to the city center. The Property is located close to Odasakae Station on the JR Nanbu Line, which is about a two-minute walk from the station, and it is about a seven-minute ride to Kawasaki Station from the Odasakae stop on the Kawasaki City Bus, which is about a three-minute walk from the Property, making it a convenient location for transportation. Within walking distance of the Property, there are a variety of convenient facilities such as commercial facilities such as “Ito Yokado” and “Kohnan”, daily necessities stores, and post offices. In light of the above, the property has relatively superior location characteristics.</p> <p>(High quality facility with various facilities)</p> <p>The Property has a high grade of quality and consists of 69 rooms in total, 55 rooms for 1 person (18.27 to 25.26 m²) and 14 rooms for 2 persons (37.24 to 59.51 m²), and all of the rooms are private rooms with private space secured. The common space is fully equipped with such as a spacious dining hall and a lounge area and is designed to ensure the comfort of residents. With a full range of services, including staff on hand 365 days a year, end-of-life care, and business tie-ups with nearby medical institutions, adequate environment for safe and comfortable living is provided.</p> <p>(Operational status)</p> <p>The Property is operated by SOMPO Care Inc, one of the industry's top-ranked companies, and is a serviced senior housing opened in 2015 with a nursery school attached. The facility is possible to be operated stably due to the operator's high credibility, operational track record, excellent services, reasonable occupancy costs, and favorable living environment in addition to the mid-priced pricing.</p>			
(i) The figure described in the earthquake PML valuation report (level 2) created by Sompo Risk Management Inc. in October 2021.			
(ii) Appraisal date is October 31, 2021.			

(Note 14) " Overview of contract with tenant " indicates the details of the lease agreement, etc. that has been concluded with the operator.

(Note 15) i) “Operator” , “Opening date” ,” Type of facility” ,” Number of Rooms” , “Condition of rights for reside “Resident capacity” , “Room area range (m²)” , “Number of residents (people)” , “Entering requirement” , “Occupancy rate” , “Average age of residents (years old)” , “Service fee payment method” , “Staff engaged in nursing care” , “Staff at nighttime (number of staff members at minimum)” are based on the written explanation of important matter or the information provided by the operator.

- ii) "Service fee payment method" indicates the content described as the most common and standard plan in the written explanation of important matter or the information provided by the operator as the most common and standard plan.
- iii) "Average nursing level" represents the "Total of (A x B) s" divided by C: A= "No. of residents by nursing level defined by the disclosure statement"; B= "0" for self-reliant, "0.375" for Support Required-1, "1" for Support Required-2, or "1-5" respectively for Long-term Care Required-1 to Long-term Care Required-5; and C="Total no. of residents."
- iv) "Cooperating medical institutions" and "Cooperating dental institutions" indicate the cooperating medical institutions, the cooperating dental institutions and the designated medical institutions in the written explanation of important matter.
- v) If there is no description or no applicable item in the written explanation of important matter or if information could not be provided by the operator or consent for disclosure from the operator could not be obtained, it is described as "-".

(H-28) Grapes Fujimino

Property name		Grapes Fujimino
Type of assets		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust term		December 8, 2020 through the end of December, 2031
Location (Address)		1-15-12, Minamidai, Fujimino-shi, Saitama
Land	Type of ownership	Proprietary ownership
	Site area	1,510.04 m ²
	Use districts	Category 2 medium-to-high-rise exclusive residential districts
	Building coverage area	70%
	Floor area ratio	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	3,620.65 m ²
	Construction completion	October 2013
	Usage	Apartment building
	Structure / Number of stories	Reinforced concrete structure with flat roof / five-story building
	Number of Rooms / Resident capacity	86 rooms / 118 people
Architect		DAISUE CONSTRUCTION CO., LTD., the offices of registered architects
Constructor		DAISUE CONSTRUCTION CO., LTD.
Building permit agency		CENTER FOR INTERNATIONAL ARCHITECTURAL
Probable maximum loss		5.10% ⁽ⁱ⁾
Appraisal value		¥ 1,550,000 thousand ⁽ⁱⁱ⁾
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.
Details of tenant		(as of October 31, 2021)
	Total number of tenants	1
	Tenant	Sompo Care Inc.
	Total rental income	Not disclosed according to tenant's intention
	Security and guarantee	Not disclosed according to tenant's intention
	Total leased area	3,693.83 m ²
	Total leasable area	3,693.83 m ²
	Occupancy ratio	100.0%
Property management company		GLOBAL COMMUNITY CO., LTD.
Master lease company		Kenedix Residential next Investment Corporation
Type of master lease		Pass through structure
Contract period of master lease		December 10, 2021 through December 9, 2031 (To be scheduled)
Other special considerations		None

Overview of contract with tenant ⁽¹⁴⁾	Contract format: Regular lease contract Contract period: September 1, 2020 through December 31, 2037 Rent revisions: In the case that the rent is considered to be unreasonable even within the lease period, the lessor and lessee may request the other party to revise the rent by giving written notice at least six months prior to the start of each five-year lease period starting on September 1, 2025, and may revise the rent after consultation. In such consultations, the lessor and lessee shall endeavor to refer to the tax and public charges for the land or building and the rate of increase or decrease in the consumer price index.		
	Contract renewal: In the case that neither the lessor nor the lessee gives written notice of refusal of renewal, cancellation or any intention to the other party at least 12 months prior to the expiration of the lease term, otherwise, the lease contract shall be renewed and shall continue for 5 years from the day after the expiration of the lease term, and the same shall apply thereafter.		
	Mid-term cancellation: 1. The lease contract cannot be cancelled during the lease period. 2. Notwithstanding the preceding paragraph, the lessee may cancel the lease contract as of the desired date (which must be on or after January 1, 2034) by giving the lessor 12 months prior written notice of cancellation and paying the lessor a cancellation penalty in the amount equivalent to the rent until the expiration of the lease period by the desired date. 3. In addition to the preceding paragraph, the lessee may immediately terminate the lease contract with the written consent of the lessor on and after January 1, 2034, by paying the lessor a cancellation penalty equivalent to 12 months' rent. In addition, in the case that, with the written consent of the lessor, the lessee introduces a prospective incoming lessee who has the same financial resources and other creditworthiness as the lessee, as a result, the lessor concludes a new lease contract for the building with the prospective lessee under the same or better conditions as the lease contract (the lessor may not refuse to conclude the new lease contract without reasonable grounds), the lessor may cancel the lease contract as of the day before the rent accrual date under the new lease contract (It must be a date on or after January 1, 2034.) without paying the cancellation penalty.		
	Overview of operator and facility (as of September 30, 2021)		
	Operator	Sompo Care Inc.	Opening date
Type of facility	-	Number of Rooms (room)	86
Condition of rights for residence	Life long building lease contract	Resident capacity (people)	118
Main room area range (m²)	-	Number of residents (people)	90
Entering requirement	-	Occupancy rate	76.3
Average required level of nursing care	-	Average age of residents (years old)	-

Service fee payment method			
		Monthly fee basis	One-time entrance fee basis
	One-time entrance fee (yen)	-	-
	Monthly service fee (yen)	-	-
Staff engaged in nursing care	-	Staff at nighttime (number of staff members at minimum)	-
Cooperating medical institutions	-		
Cooperating dental institutions	-		
Characteristics of the property			
(Location advantage, located in a calm residential area) Fujimino City, Saitama Prefecture, where the Property is located, is a city with a thriving commodity distribution industry and agriculture in the suburbs of the metropolitan area, taking advantage of its convenient transportation, and has a favorable living environment with abundant nature such as the Shingashi River and wooded areas, even though it is located in the urban neighborhood of about 30 km from the city center. The Property is located about a 13-minute walk from Fujimino Station on the Tobu Tojo Line, and has excellent access to the city center, as it is about a 30-minute ride from the nearest station to Ikebukuro Station without changing trains. On the other hand, it is possible to get close to nature, such as the “Fukuoka Egawa Greenway” and several parks, and there are many convenient facilities such as supermarkets, daily necessities stores and post offices within walking distance, making it a relatively superior location.			
(High quality facility with various facilities) The Property has a high grade of quality and consists of 86 rooms in total, 55 rooms for 1 person (18.27 to 25.26 m ²) and 14 rooms for 2 persons (37.24 to 59.51 m ²), and all of the rooms are private rooms with private space secured. The common space is fully equipped with such as a spacious dining hall and a lounge area and is designed to ensure the comfort of residents. With a full range of services, including staff on hand 365 days a year, end-of-life care, and business tie-ups with nearby medical institutions, adequate environment for safe and comfortable living is provided.			
(Operational status) The Property is operated by SOMPO Care Inc, one of the industry’s top-ranked companies, and is a serviced senior residence with a nursery opened in 2013. I facility is possible to be operated stably due to the operato’s high credibility, operational track record, excellent services, reasonable occupancy costs, and favorable living environment in addition to the mid-priced pricing.			
(i) The figure described in the earthquake PML valuation report (level 2) created by Sompo Risk Management Inc. in October 2021.			
(ii) Appraisal date is October 1, 2021.			

4. Overview of the To-be Sold Asset

(T-44) KDX Residence Tobu Nerima

Property name		KDX Residence Tobu Nerima
Type of assets		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		March 9, 2007 through August 31, 2023
Location (Address)		1-27-9, Kitamachi, Nerima-ku, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	283.32 m ²
	Use districts	Neighborhood commercial districts / Quasi-industrial districts
	Building coverage ratio	80% / 60%

	Floor area ratio	400% / 200%
Building	Type of ownership	Proprietary ownership
	Total floor area	1,106.56 m ²
	Construction completion	February 2007
	Usage	Apartment building / Store
	Type	Studio
	Structure /Number of stories	Reinforced concrete structure with flat roof / seven-story building
	Leasable number of units	37 units
Probable maximum loss		6.14% ⁽ⁱ⁾
Date of Acquisition		August 7, 2013
Acquisition price		420,000 thousand
Appraisal value		565,000 thousand ⁽ⁱⁱ⁾
Appraiser		Japan Real Estate Institute
Existence of security		None
Details of tenant		(as of October 31, 2021)
	Total number of tenants	1
	Total rental income	¥ 3,005 thousand
	Security and guarantee	¥ 3,842 thousand
	Total leased units	37 units
	Total leased area	931.82 m ²
	Total leasable area	931.82 m ²
	Occupancy ratio	100.0%
Other special considerations		None
(i) The figure described in the portfolio earthquake PML valuation report by Sompo Risk Management Inc. in July 2021.		
(ii) "Appraisal Date" is July 31, 2021.		

5. Seller and Buyer's Profile

(1) Overview of seller

(T-101) Hulic Residence Tsudanuma

The seller of the To-be acquired asset is a business company in Japan, but details are not disclosed according to the seller's intention. The seller is not special related party of the Investment Corporation or the Asset Management Company.

(T-102) KDX Residence Yokohama Momijizaka

Company name	G.K. RF2
Location	2-1-6, Uchisaiwaicho Chiyoda-ku, Tokyo
Title and name of representative	Representative: Ippan Shadan Hojin RF holding Office administrator: Tadatsugu Ishimoto
Description of business	1. Acquisition, holding, disposal, leasing and management of real estate 2. Acquisition, holding and disposal of trust beneficiary interests in real estate 3. All business incidental to the above
Capital	¥ 100 million (as of October 1, 2021)
Date of incorporation	March 16, 2020
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 and the concerned company	
Capital relationship	Kenedix Inc. (“KDX”) which is the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, is the parent company of Kenedix Investment Partners, Inc. (“KIP”) which contributes funds to a general incorporated association which owns entire equity interest in 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. In addition, KIP is entrusted with asset management operations by the seller.
Applicability of related party relationship	The seller 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-27) Grapes Kawasaki Shimmachi and (H-28) Grapes Fujimino

Company name	G.K, KSLF10
Location	2-1-6, Uchisaiwaicho Chiyoda-ku, Tokyo
Title and name of representative	Representative: Ippan Shadan Hojin KSLF10 Office administrator: Tadatsugu Ishimoto
Description of business	1. Acquisition, holding, disposal, leasing and management of real estate 2. Acquisition, holding and disposal of trust beneficiary interests in real estate 3. All business incidental to the above
Capital	¥ 100 million (as of October 1, 2021)
Date of incorporation	October 6, 2020
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 and the concerned company	
Capital relationship	KDX which is the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, is the parent company of KIP which contributes funds to a general incorporated association which owns entire equity interest in 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. In addition, KIP is entrusted with asset management operations by the seller.
Applicability of related party relationship	The seller 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.

(2) Overview of Buyer

Company name	RUF Co.,Ltd.
Location	3401 Marunouchi Building 34F, 2-4-1, Marunouchi, Chiyoda-ku, Tokyo
Title and name of representative	Representative Director: Takeshi Kimura
Description of business	Sale, purchase, lease, brokerage, mediation and management of real estate.
Capital	¥ 2,000 million (as of October 1, 2021)
Date of incorporation	April 2, 2021
Net assets	Not disclosed according to the buyer's intention
Total assets	Not disclosed according to the buyer's intention
Major shareholder and ratio	Not disclosed according to the buyer's intention
Relationship with the Investment Corporation or the Asset Management Company and the concerned company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the buyer. 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 buyer.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the buyer. 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 buyer.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the buyer. 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 buyer.
Applicability of related party relationship	The seller is not a "related party, etc." as defined under the Investment Trust Act, furthermore, is not a "related party" as defined in the Related-party Transaction Rules of Residential REIT Department of the Asset Management Company.

6. Profile of Property seller, etc.

(T-102) KDX Residence Yokohama Momijizaka

	Previous Owner	Second Previous Owner
Company Name	G.K. RF2	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The related 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	March 30, 2021	-
Acquisition Price	¥ 4,443,000,000 (excluding consumption tax)	-

(H-27) Grapes Kawasaki Shimmachi

	Previous Owner	Second Previous Owner
Company Name	G.K. KSLF10	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The related 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	December 8, 2020	-
Acquisition Price	Omitted as the asset was owned for more than 1 year. ^(Note)	-

(H-28) Grapes Fujimino

	Previous Owner	Second Previous Owner
Company Name	G.K. KSLF10	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The related 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	December 8, 2020	-
Acquisition Price	Omitted as the asset was owned for more than 1 year. ^(Note)	-

(Note) Omitted as the seller's holding period will exceed one year as of December 10, 2021, the acquisition date to be acquired.

The acquisition of (T-101) Hulic Residence Tsudanuma and the Sale are not the transaction with a special related party of the Investment Corporation or the Asset Management Company, therefore the details are omitted.

7. Details of Brokerage

(1) Overview of the brokerage regarding the Acquisition

(T-101) Hulic Residence Tsudanuma

Company name	Kenedix Inc.
Location	2-1-6, Uchisaiwaicho Chiyoda-ku, Tokyo
Title and name of representative	President & CEO, Taisuke Miyajima
Description of business	Consulting business related to real estate transactions and utilization and asset management Real estate sales, leasing, brokerage and appraisal, real estate management, group management etc.
Capital	¥ 40,320 million (as of September 30, 2021)
Date of incorporation	April 17, 1995
Brokerage fee	¥17,250 thousand (Consumption tax not included)

Relationship with the Investment Corporation or the Asset Management Company and the concerned company	KDX is the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, and 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.
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There are no brokerages related to the acquisition of the other three properties, (T-102), (H-27) and (H-28).

(2) Overview of the brokerage regarding the Sale

Company name	Tokyu Livable, Inc.
Location	1-9-5, Dogenzaka, Shibuya-ku, Tokyo
Title and name of representative	Representative Director and President, Yoichi Ota
Description of business	1. Real Estate brokerage (purchase/sale and leasing brokerage) 2. Seller agency (sales representation for new condominiums/houses built for sale, etc.) 3. Property Sales (New condominium lots, renovation services, etc.)
Capital	¥ 1,396.3 million (as of the end of March 2021)
Date of incorporation	March 10, 1972
Brokerage fee	Not disclosed according to the broker’s intention
Relationship with the Investment Corporation or the Asset Management Company and the concerned company	The broker is not a “related party, etc.” as defined under the Investment Trust Act, furthermore, is not a “related party” as defined in the Related-party Transaction Rules of Residential REIT Department of the Asset management Company.

8. Related-party Transaction

In relation to the acquisition of the property to be acquired (T-101) Hulic Residence Tsudanuma, the Investment Corporation plans to entrust brokerage to a related party, etc. as defined under the Investment Trust Act and a related party as defined in the Related-party Transaction Rules of Residential REIT Department of the Asset management Company. The overview of the brokerage is as described in “7. Details of Brokerage” above. As described above, the transactions related to the acquisition of (T-102) KDX Residence Yokohama Momijizaka, (H-27) Grapes Kawasaki Shimmachi and (H-28) Grapes Fujimino fall under the category of a transaction with a related party, etc. as defined the Investment Trust Act and a related party as defined in the Related-party Transaction Rules of Residential REIT Department. Therefore, in accordance with the above regulations, after deliberation and approval of the transaction of the 4 Properties at the Compliance Committee meeting held on November 25, 2021, the Asset Management Company obtained the resolution of approval for the Acquisition at the Asset Management Committee meeting held on November 26, 2021. Furthermore, the Asset Management Company obtained the resolution of approval after deliberation at the Board of Directors Meeting of the Investment Corporation held on the same day and the consent of the Executive Director of the Investment Corporation based on the resolution for the acquisition of (T-102) KDX Residence Yokohama Momijizaka, (H-27) Grapes Kawasaki Shimmachi and (H-28) Grapes Fujimino.

The Asset Management Company issues documents to the Investment Corporation in accordance with the provisions of the Investment Trust Act regarding transactions with the related party.

9. Seismic Resistance

The Investment Corporation implemented an investigation of intentional falsification or forgery of structural design-related documents (structural calculations, structural drawings, etc.) regarding (T-101) Hulic Residence

Tudanuma and obtained survey results that the documents are valid. Furthermore, a structural calculation conformity judgment for (T-102) KDX Residence Yokohama Momijizaka, (H-27) Grapes Kawasaki Shimmachi and (H-28) Grapes Fujimino has been received from a designated structural calculation conformity assessment institution as specified in the amended Building Standards Act that became effective in June 2007.

10. Forecasts

There are no revisions to the operating forecasts and forecasts of distributions of the Investment Corporation for the fiscal period ending January 2022 (the 2⁰th fiscal period: August 1, 2021 to January 31, 2022) and the fiscal period ending July 2022 (the 2¹st fiscal period: February 1, 2022 to July 31, 2022), as the impact on the performance from the Transaction will be immaterial.

The Sale is expected to result in a gain on sale of ¥ 178 million for the fiscal period ending January 2022. A portion of this gain may be added to retained earnings, while the remaining balance will be allocated to distributions. However, as the amount of the initially planned reversal of retained earnings is expected to be reduced, there are no revisions to the forecast of distributions for the fiscal period ending January 2022.

11. Appraisals Report Summary

Property Name	Hulic Residence Tsudanuma
Appraisal Value	¥ 1,320,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Date	October 1, 2021

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,320,000,000	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	1,370,000,000	Assess by capitalizing the medium to long-term stable net income with the capitalization rate.
(1) Gross Operating Revenue	81,227,287	
Maximum Gross Operating Revenue	85,325,912	Assessed based on a level of fair rent considered to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	4,098,625	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	18,284,491	
Maintenance Expenses	2,247,840	Assessed with reference to the contract fee of similar properties.
Utility Expenses	899,136	Assessed by reflecting the performance of similar properties.
Repair Expenses	3,776,040	Assessed based on the annual average repair expenses after restoration work in the engineering report.
Property Management Fees	1,495,509	Assessed with reference to the expense levels of similar properties.
Tenant Recruit Expenses, etc.	2,459,719	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,
Taxes and Dues	6,190,900	Assessed based on the fiscal 2021 tax base amount.
Damage Insurance Fees	136,384	Assessed with consideration of the insurance premium rate at similar properties and documents obtained from the client.
Other Expenses	1,078,963	Assessed by maintenance and management costs and other reserve expenses, etc.
(3) Net Operating Income (NOI= (1)-(2))	62,942,796	
(4) Gain on guarantee deposit investment	64,501	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	2,633,750	Assessed by consideration of CM fee in annual average renewal cost after restoration in the engineering report.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	60,373,547	
(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	1,300,000,000	
Discount Rate	4.1%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.5%	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	1,890,000,000	
Land	76.6%	
Building	23.4%	

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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Property Name	KDX Residence Yokohama Momijizaka		
Appraisal Value	¥ 5,170,000,000		
Appraiser	Japan Real Estate Institute		
Appraisal Date	October 1, 2021		
(Unit: Yen)			
Item		Content	Basis
Income Capitalization Approach Value		5,170,000,000	Estimated by treating equally the income capitalization approach value calculated using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method		5,250,000,000	Assessed by capitalizing the medium to long-term stable net income with the capitalization rate.
(1) Gross Operating Revenue		246,196,000	
Maximum Gross Operating Revenue		256,823,000	Assessed based on a level of fair rent considered to remain stable over the medium and long term.
Shortfall Attributed to Vacancies		10,627,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses		38,763,000	
Maintenance Expenses		3,900,000	Assessed with reference to the maintenance and management fees based on the contract conditions, the fee level of similar properties, etc.
Utility Expenses		1,741,000	Assessed by reflecting the performance of similar properties.
Repair Expenses		2,731,000	Assessed with consideration of actual amount for previous years, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report.
Property Management Fees		5,690,000	Assessed by referring to the fee rate based on the contract terms, fee rates of similar properties, etc.
Tenant Recruit Expenses, etc.		9,247,000	Assessed with reference to the terms of the contract and the lease terms of similar properties,
Taxes and Dues		14,676,000	Assessed based on the fiscal 2021 tax base amount, etc.
Damage Insurance Fees		305,000	Assessed with consideration of insurance quotation and the insurance premium rate at similar properties.
Other Expenses		473,000	Recorded costs related to Internet services.
(3) Net Operating Income (NOI= (1)-(2))		207,433,000	
(4) Gain on guarantee deposit investment		236,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure		2,986,000	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))		204,683,000	
(7) Capitalization Rate		3.9%	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		5,080,000,000	
Discount Rate		3.7%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate		4.1%	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		4,970,000,000	
Land		68.8%	
Building		31.2%	

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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Property Name	Grapes Kawasaki Shimmachi
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Appraisal Value	¥ 1,520,000,000
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Date	October 1, 2021

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,520,000,000	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	1,550,000,000	Assess by capitalizing the medium to long-term stable net income with the capitalization rate.
(1) Gross Operating Revenue	Not disclosed ^(Note)	
Maximum Gross Operating Revenue	Not disclosed ^(Note)	
Shortfall Attributed to Vacancies	Not disclosed ^(Note)	
(2) Operating Expenses	10,298,313	
Maintenance Expenses	0	Not recorded due to lessee burden based on the current lease contract.
Utility Expenses	0	Not recorded due to lessee burden based on the current lease contract.
Repair Expenses	903,240	Assessed with consideration of renewal expenses at similar properties.
Property Management Fees	1,200,000	Assessed based on documents obtained from the client with reference to the levels of similar properties.
Tenant Recruit Expenses, etc.	0	Not recorded as it is submitted to comprehensive rent
Taxes and Dues	6,708,200	Assessed based on the fiscal 2021 tax base amount.
Damage Insurance Fees	150,540	Assessed with consideration of the insurance premium rate at similar properties.
Other Expenses	1,336,333	Assessed based on the contract amount of the information provision service costs, maintenance and management costs, and other reserve expenses, etc.
(3) Net Operating Income (NOI= (1)-(2))	64,107,687	
(4) Gain on guarantee deposit investment	186,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	2,217,884	Assessed taking into account the level of renewal capital expenditures at similar properties and consideration of CM fee.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	62,075,803	
(7) Capitalization Rate	4.0%	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	1,500,000,000	
Discount Rate	3.8%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.2%	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	1,800,000,000	
Land	64.5%	
Building	35.5%	

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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Property Name	Grapes Fujimino	
Appraisal Value	¥ 1,550,000,000	
Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.	
Appraisal Date	October 1, 2021	
(Unit: Yen)		
Item	Content	Basis
Income Capitalization Approach Value	1,550,000,000	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	1,580,000,000	Assess by capitalizing the medium to long-term stable net income with the capitalization rate.
(1) Gross Operating Revenue	Not disclosed ^(Note)	
Maximum Gross Operating Revenue	Not disclosed ^(Note)	
Shortfall Attributed to Vacancies	Not disclosed ^(Note)	
(2) Operating Expenses	9,393,497	
Maintenance Expenses	0	Not recorded due to lessee burden based on the current lease contract.
Utility Expenses	0	Not recorded due to lessee burden based on the current lease contract.
Repair Expenses	951,120	Assessed with consideration of renewal expenses at similar properties.
Property Management Fees	1,200,000	Assessed based on documents obtained from the client with reference to the levels of similar properties.
Tenant Recruit Expenses, etc.	0	Not recorded as it is submitted to comprehensive rent
Taxes and Dues	5,721,600	Assessed based on the fiscal 2021 tax base amount.
Damage Insurance Fees	158,520	Assessed with consideration of the insurance premium rate at similar properties.
Other Expenses	1,362,257	Assessed based on the contract amount of the information provision service costs, maintenance and management costs, and other reserve expenses, etc.
(3) Net Operating Income (NOI= (1)-(2))	68,609,503	
(4) Gain on guarantee deposit investment	195,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	2,334,392	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))	66,470,111	
(7) Capitalization Rate	4.2%	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	1,540,000,000	
Discount Rate	4.0%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.
Terminal Capitalization Rate	4.4%	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	1,560,000,000	
Land	59.0%	
Building	41.0%	

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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(Note) The actual figures are referred in this valuation and the tenant approve of disclosing the said information, therefore if disclosing information without the consent of the tenant would create disadvantages (e.g., as difficulty to maintain a long-term lease agreement due to undermining of the relations with the tenant) and may eventually undermine unitholder interests if such data is disclosed. Accordingly, the data remains undisclosed.

※Reference (Appraisal NOI Cap Rate=NOI above described /Anticipated Acquisition Price)

Property Number	Property Name	Appraisal NOI Cap Rate (rounded to the first decimal place)
T-101	Hulic Residence Tsudanuma	5.5%
T-102	KDX Residence Yokohama Momijizaka	4.1%
H-27	Grapes Kawasaki Shimmachi	4.4%
H-28	Grapes Fujimino	4.5%

Property Name	KDX Residence Tobu Nerima		
Appraisal Value	¥565,000,000		
Appraiser	Japan Real Estate Institute		
Appraisal Date	July 31, 2021		
(Unit: Yen)			
Item	Content	Basis	
Income Capitalization Approach Value	565,000,000	Estimated by treating equally the income capitalization approach value calculated using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.	
Value Calculated Using the Direct Capitalization Method	573,000,000	Assess by capitalizing the medium to long-term stable net income with the capitalization rate.	
(1) Gross Operating Revenue	34,734,000		
Maximum Gross Operating Revenue	36,551,000	Assessed based on a level of fair rent considered to remain stable over the medium and long term.	
Shortfall Attributed to Vacancies	1,817,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.	
(2) Operating Expenses	9,234,000		
Maintenance Expenses	2,000,000	Assessed by referring to the maintenance and management fees based on the contract conditions, the fee level of similar properties, etc.	
Utility Expenses	400,000	Assessed by reflecting the performance of similar properties.	
Repair Expenses	1,527,000	Assessed with consideration of expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report.	
Property Management Fees	1,007,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.	
Tenant Recruit Expenses, etc.	1,761,000	Assessed by reflecting the terms of the contract and the lease terms of similar properties,	
Taxes and Dues	2,186,000	Assessed based on the fiscal 2021 tax base amount, etc.	
Damage Insurance Fees	51,000	Assessed by reflecting the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.	
Other Expenses	302,000	Recorded CATV usage fee as other expenses.	
(3) Net Operating Income (NOI= (1)-(2))	25,500,000		
(4) Gain on guarantee deposit investment	53,000	Assessed income from investments by using an investment return of 1.0%.	
(5) Capital Expenditure	2,060,000	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))	23,493,000		
(7) Capitalization Rate	4.1%	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	557,000,000		
Discount Rate	3.9%	Assessed by comprehensively taking into account the Property's unique characteristics, while reflecting investment returns of similar properties in transaction.	
Terminal Capitalization Rate	4.3%	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	395,000,000		
Land	56.3%		
Building	43.8%		

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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Attached Materials

Reference Material (1) Outline of Engineering Report of To-be Acquired Assets

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

Reference Material (3) List of Property Portfolio (as of December 16, 2021) (After the Transaction)

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

[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 of To-be Acquired Assets

(Unit: Yen in thousand)

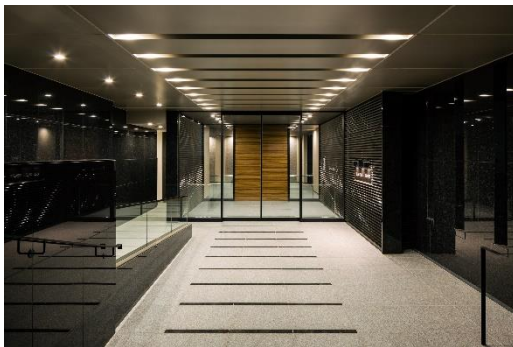
Property Name	T-101 Hulic Residence Tsudanuma	T-102 KDX Residence Yokohama Momijizaka	H-27 Grapes Kawasaki Shimmachi	H-28 Grapes Fujimino
Investigation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.	DAIWA REAL ESTATE APPRAISAL CO., LTD.	DAIWA REAL ESTATE APPRAISAL CO., LTD.	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Investigation Date	October 2021	October 2021	October 2021	October 2021
Repairs Maintenance and Renovation Expenses Expected to be Required within 12 Years	62,850	51,189	32,551	32,009
Unit-in-Place	636,200	1,560,500	752,700	792,600

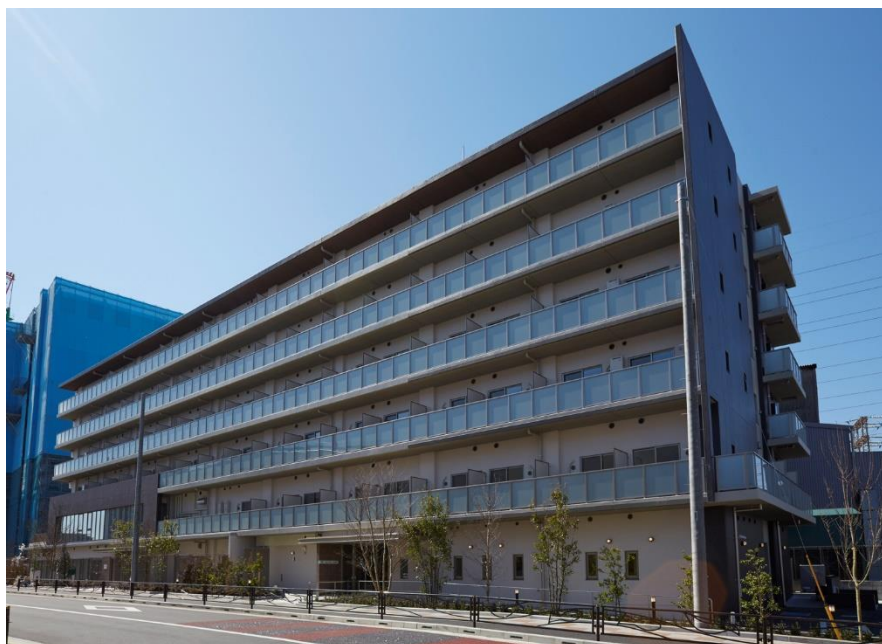
※The above mentioned investigation company undertakes building assessments for the property as follows.

- 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) Photos and Map of To-be Acquired Assets (T-101) Hulic Residence Tsudanuma









Reference Material (3) List of Property Portfolio (as of December 16, 2021) (After the transaction)

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	1.7	May 1, 2012
	KDX Odemma Residence	1,775,000	0.6	May 1, 2012
	KDX Iwamoto-cho Residence	822,000	0.3	May 1, 2012
	KDX Bunkyo Sengoku Residence	1,488,000	0.5	May 1, 2012
	KDX Azumabashi Residence	650,000	0.2	May 1, 2012
	KDX Shimura Sakaue Residence	2,830,000	1.0	May 1, 2012
	Cosmo Heim Motosumiyoshi ⁽²⁾	2,080,000	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	0.5	May 1, 2012
	KDX Kawaguchi Saiwai-cho Residence	1,150,000	0.4	May 1, 2012
	KDX Residence Shirokane I	3,000,000	1.1	August 7, 2013
	KDX Residence Shirokane II	2,800,000	1.0	August 7, 2013
	KDX Residence Minami-aoyama	2,230,000	0.8	August 7, 2013
	KDX Residence Minami-azabu	2,080,000	0.7	August 7, 2013
	KDX Residence Shiba Koen	1,781,000	0.6	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	0.5	August 7, 2013
	KDX Residence Daikanyama II	730,000	0.3	August 7, 2013
	KDX Residence Nihombashi Suitengu	3,240,000	1.2	August 7, 2013
	KDX Residence Nihombashi Hakozaeki	1,147,000	0.4	August 7, 2013
	KDX Residence Higashi-shinjuku	3,270,000	1.2	August 7, 2013
	KDX Residence Yotsuya	2,260,000	0.8	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	0.3	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
	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

Residence/ Tokyo Metropolitan Area	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			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	0.6	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	1.3	August 7, 2014
	KDX Residence Shinagawa Seaside	2,593,000	0.9	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	1.7	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	0.8	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	1.1	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	1.0	October 30, 2015
	KDX Residence Nishi-magome	1,130,000	0.4	August 30, 2016
	KDX Residence Nishi-azabu	1,224,000	0.4	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	0.2	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	2.7	August 22, 2017
	KDX Residence Asagaya	1,930,000	0.7	August 2, 2018
	KDX Residence Hiyoshi	2,635,300	0.9	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	0.2	February 21, 2019
	KDX Residence Nishi-Funabashi	975,350	0.4	September 17, 2019
	KDX Residence Hatagaya	2,500,000	0.9	February 27, 2020
	KDX Residence Asagaya II	939,400	0.3	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	0.9	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	1.1	September 30, 2020
	KDX Residence Nakaitabashi	1,736,432	0.6	September 30, 2020
	KDX Residence Shonandai	1,500,000	0.5	November 2, 2020
	KDX Residence Ikebukuro West	2,237,796	0.8	January 29, 2021
	KDX Residence Tennocho	843,836	0.3	March 1, 2021
	KDX Residence Kawasaki	910,000	0.3	April 1, 2021
	KDX Residence Kamata-minami II	780,000	0.3	May 6, 2021
	KDX Residence Kamishakujii-II	3,087,014	1.1	August 2, 2021
	Hulic Residence Tsudanuma	1,150,000	0.4	November 30, 2021
	KDX Residence Yokohama Momijizaka	5,000,000	1.8	December 10, 2021
97 properties subtotal		153,921,658	55.5	
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	1.0	May 1, 2012
	KDX Takarazuka Residence	1,510,000	0.5	May 1, 2012
	KDX Shimizu Residence	1,680,000	0.6	May 1, 2012
	KDX Residence Odori Koen	765,000	0.3	August 7, 2013
	KDX Residence Kikusui Yojo	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	0.8	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	0.2	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	1.3	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	0.7	February 5, 2015
	KDX Residence Ohori Harbor View Tower	4,606,296	1.7	February 5, 2015
	KDX Residence Minami-sanjo	915,000	0.3	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	2.5	August 2, 2018
	KDX Residence Sendai Station East	1,340,000	0.5	February 27, 2020
	38 properties subtotal	57,077,551	20.6	
	Residential 135 properties total	210,999,209	76.0	
Healthcare Facility	Irise Kamata/Yuseien	1,120,000	0.4	March 1, 2018
	Nichii Home Nakano-Minamidai	1,780,000	0.6	March 1, 2018
	Joy Stage Hachioji	3,690,000	1.3	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	0.9	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	2.4	March 1, 2018
	Sompo Care LAVIERE Kobe Tarumi	2,110,000	0.8	March 1, 2018
	Rihabili-home Granda Mondo Yakujin	1,253,000	0.5	March 1, 2018 November 2, 2020
	Excellent Nishinomiya	971,000	0.3	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	1.3	August 2, 2018
	Rococo-riha	2,100,000	0.8	August 2, 2018
	Orage Suma	2,810,000	1.0	August 2, 2018
	Canadian Hill	1,830,000	0.7	August 2, 2018
	Anesis Hyogo	1,420,000	0.5	August 2, 2018
	Plaisant Grand Ota tamagawa	3,057,630	1.1	September 28, 2018

	Tsukui Sun-shine Machida	6,934,600	2.5	March 1, 2019
	Serabi Ebisu	1,690,000	0.6	June 3, 2019
	Arute Ishiyagawa	1,061,000	0.4	June 3, 2019
	Medical-home Granda Kurakuen	2,709,440	1.0	March 1, 2021
	Rihabili-home Granda Kobe Kitano	1,720,000	0.6	June 1, 2021
	Grapes Kawasaki Shimmachi	1,470,000	0.5	December 10, 2021
	Grapes Fujimino	1,520,000	0.5	December 10, 2021
Healthcare 28 properties subtotal		61,610,670	22.2	
Accommodation	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	2,390,000	0.9	March 2, 2020
	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	2,570,000	0.9	March 2, 2020
Accommodation 2 properties subtotal		4,960,000	1.8	
165 properties total		277,569,879	100.0	
Investment Securities	Silent partnership equity interest (G. K. Trinity 1)	100,700	-	August 26, 2021 September 30, 2021 November 30, 2021
	Total	100,700	-	

(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 of the Acquisition and the Sale

- ❑ Acquisition of two residential properties located in the suburbs of central Tokyo, where stable rental demand is expected due to demographic changes
- ❑ Acquisition of two healthcare facilities from which stable income is expected due to long-term fixed-rent lease contract with the major operator.
- ❑ Sold studio-type rental housing located in Tokyo metropolitan area, which has limited room for improvement in profitability, and expects to record a gain on sale of ¥178 million.

Acquisition of Assets

Total Acquisition Price **9,140** million yen

	Residential Facility		Healthcare Facility	
	Sponsor Support			
				
	Hulic Residence Tsudanuma	KDX Residence Yokohama Momijizaka	Grapes Kawasaki Shimmachi	Grapes Fujimino
Location	Funabashi city Chiba	Yokohama city Kanagawa	Kawasaki city Kanagawa	Fujimino city Saitama
Acquisition Price	¥1,150 million	¥5,000 million	¥1,470 million	¥1,520 million
NOI Cap Rate ⁽¹⁾	5.5%	4.1%	4.4%	4.5%
Building Age ⁽²⁾	9.7 years	0.8 years	6.7 years	8.2 years



Sale of an Asset

Sale Price **580** million yen

	Residential
	
	KDX Residence Tobu Nerima
Location	Nerima ward Tokyo
Gain on Sale ⁽³⁾	¥178 million
NOI Cap Rate ⁽⁴⁾	4.4%
Building Age ⁽²⁾	14.8 years

Note1: Calculated by dividing the NOI in the appraisal report by the acquisition price

Note2: As of November 26, 2021

Note3: The figure is estimate as of November 26 and are subject to change.

Note4: Calculated by dividing the sum of actual NOI in the fiscal period ended in January 2021 and the fiscal period ended in July 2021 by the sale price

Outline of Assets acquired - Residential Property -

Hulic Residence Tsudanuma

Studio type housing, for which demands from office workers in central Tokyo and students at universities around is expected



Location	Funabashi city Chiba	Completion	March 2012
Rentable Unit	99 units	Type	Studio
Price	¥1,150 million	Appraisal Value ⁽¹⁾	¥1,320 million
Appraisal NOI Cap Rate ⁽¹⁾	5.5%	Acquisition Date	November 30, 2021
Access	JR Sobu Line Approx.15 minutes' walk from "Tsudanuma" Station		

- After the acquisition, KDR plans to sign a sublease contract as a commencement of April 2022 with the subsidiary of the major operator for student housing, National Students Information Center Co., Ltd.

Leased in bulk to the
domestic business company

**Cancellation/
Vacation**

Leased in bulk to the Sublease company⁽²⁾

Variable rent based
on occupancy

Fixed rent

November 2021
Acquisition

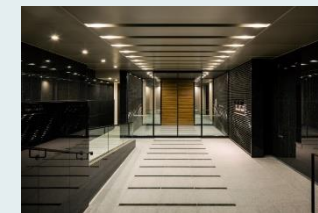
April 2022

April 2023

Note1: "Appraisal value" is as of October 1, 2021. "Appraisal Cap Rate" is calculated by dividing the NOI in the appraisal report by the acquisition price.
Note2: 98 units of 1K type are to be leased. A 2DK type unit is not going to be included in the lease.

KDX Residence Yokohama Momijizaka

Large scale family type housing located on a hilltop looking over the Yokohama bay



Location	Yokohama city Kanagawa	Completion	February 2021
Rentable Unit	75 units	Type	Family
Price	¥5,000 million	Appraisal Value ⁽¹⁾	¥5,170 million
Appraisal NOI Cap Rate ⁽¹⁾	4.1%	Acquisition Date	December 10, 2021
Access	JR Keihintohoku/Negishi Line, Yokohama Municipal Subway Blue Line Approx. 8 minutes' walk from "Sakuragicho" Station		

- The best living environment and the highest convenience in Yokohama

- Located on a hill overlooking the Minatomirai district of Yokohama, adjacent to "Kamonyama Park", a famous cherry blossom viewing spot. There are cultural facilities around such as Yokohama Noh Theater, a library, a music hall.
- Within walking distance of the well-developed commercial facilities in Minatomirai
- Good access to Yokohama and Tokyo from the nearest station "Sakuragicho"



Kamonyama Park

Outline of Assets acquired - Healthcare Facility -

Grapes Kawasaki Shimmachi

Serviced senior housing operated by one of the largest operators in the industry, providing the excellent living environment with well-equipped facilities and well-qualified service.



Location	Kawasaki city Kanagawa	Completion	March 2015
Room/Capacity	69 rooms/83 people	Type	Serviced Senior Housing
Acquisition Price	¥1,470 million	Appraisal Value ⁽¹⁾	¥1,520 million
Appraisal NOI Cap Rate ⁽¹⁾	4.4%	Acquisition Date	December 10, 2021
Access	JR Nambu Line Approx. 2 minutes' walk from "Odasakae" Station		
Operator	Sompo Care Inc.		

- Located in highly convenient area with large commercial facilities adjacent.
- All of the rooms are private rooms that ensure privacy, and there is a full range of facilities in common area.
- A major nursing care provider, "Tsukui", provides nursing care services 24 hours a day, 365 days a year, and medical care is provided through a 24 hours collaboration system with "Kawasaki Nanafuku Clinic".
- There is also a nursery school on the first floor.

Grapes Fujimino



Location	Fujimino city Saitama	Completion	October 2013
Room/Capacity	86 rooms/118 people	Type	Serviced Senior Housing
Acquisition Price	¥1,520 million	Appraisal Value ⁽¹⁾	¥1,550 million
Appraisal NOI Cap Rate ⁽¹⁾	4.5%	Acquisition Date	December 10, 2021
Access	Tobu Tojo Line Approx. 13 minutes' walk from "Fujimino" Station		
Operator	Sompo Care Inc.		

- In addition to the calm living environment unique to residential areas, the surrounding area is full of convenient facilities such as supermarkets.
- All of the rooms are private rooms that ensure privacy, with facilities equivalent to that of a condominium.
- 24 hours nursing care services are provided by home care provider "Yasashiite" and medical care is provided through cooperation with "Fuke Hospital"

Note: "Appraisal value" is as of October 1, 2021. "Appraisal Cap Rate" is calculated by dividing the NOI in the appraisal report by the acquisition price.