KENEDIX
Residential NEXT Investment Corporation

February 10, 2020

To All Concerned Parties

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

Asset Management Company
Kenedix Real Estate Fund Management, Inc.
Representative: Masahiko Tajima, President & CEO
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Notice Concerning Acquisition of Properties and Conclusion of Lease Contracts with New Tenants (Total of 5 Residential Properties and 2 Accommodations)

Kenedix Residential Next Investment Corporation (the "Investment Corporation") announced today that Kenedix Real Estate Fund Management, Inc. (the "Asset Management Company"), the asset management company for the Investment Corporation, has decided to acquire the following properties and conclude lease contracts with new tenants. The details are provided as follows.

1. Overview of the Acquisitions and Lease contracts

(1) To-be acquired assets: As follows:

Each to-be acquired asset shall hereafter be referred to as the "Properties" or collectively, the "7 Properties."

<List of To-be Acquired Assets>

(in thousands of yen)

Property number	Property Name(Note1)	Type of Assets	Acquisition Price (Note3)
T-87	KDX Residence Gakugeidaigaku	Trust beneficiary interest in real estate (Note2)	750,000
T-88	KDX Residence Kamata-minami	Trust beneficiary interest in real estate (Note2)	1,918,300
T-89	KDX Residence Kichijoji	Trust beneficiary interest in real estate (Note2)	621,000
T-90	KDX Residence Mitaka	Trust beneficiary interest in real estate (Note2)	2,530,000
T-91	KDX Residence Nakanobu	Trust beneficiary interest in real estate (Note2)	830,000
Residential subtotal			6,649,300
A-1	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	Trust beneficiary interest in real estate	2,390,000
A-2	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	Trust beneficiary interest in real estate	2,570,000
Accommodations subtotal			4,960,000
Total			11,609,300

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（2） Date of sales contract: February 10, 2020

（3） Scheduled date of acquisition:

February 27, 2020	T-87 KDX Residence Gakugeidaigaku
March 2, 2020	T-88 KDX Residence Kamata-minami
	A-1 HOTEL LiVEMAX Tokyo-Otsuka-Ekimae
	A-2 HOTEL LiVEMAX Yokohamaeki-Nishiguchi
March 13, 2020	T-89 KDX Residence Kichijoji(Note4)
June 30, 2020	T-90 KDX Residence Mitaka(Note4)
August 3, 2020	T-91 KDX Residence Nakanobu(Note4)

However, the above scheduled date of acquisition about T-87, T-88, A-1 and A-2 among 7 properties is the date in case the pricing date is February 19, 2020, indicated in "Notice Concerning Issuance of New Investment Units and Secondary Distribution of Investment Units" announced today. In the case that pricing date is change, the scheduled date of acquisition will be changed as follows.

	Pricing Date	Scheduled Date of Acquisition	To-be Acquired Assets
①	February 20, 2020	February 28, 2020	T-87
		March 2, 2020	T-88, A-1, A-2
②	February 21, 2020	March 2, 2020	T-87, T-88, A-1, A-2
③	February 25, 2020	March 3, 2020	T-87, T-88, A-1, A-2

（4） Seller: Please refer to 5. “Seller’s Profile”

（5） Funds for acquisition: Proceeds from issuance of new investment units through the Offering announced in the press release “Notice Concerning Issue of New Investment Units and Secondary Offering” announced today, debt financing and Cash on hand (Note5).

（6） Settlement method: Payment in full on date of acquisition

（7） Lessee: Please refer to 3. “Overview of the To-be Acquired Assets and Lease Contracts”

（8） Scheduked date of lease contract: Same date of acquisition

（Note 1） The Investment Corporation plans to change the name of the assets 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.

（Note 2） Regarding T-87,T-88,T-89,T-90 and T-91, the Invest Corporation has agreed with the sellers that it will entrust the asset to be acquired for T-88, T-89 and T-90 to Sumitomo Mitsui Trust Bank, Limited and the asset to be acquired for T-87 and T-91 to Mitsubishi UFJ Trust and Banking Corporation as trustees until the time of acquisition and that it will receive the transfer of the trust beneficiary interest of the trust. The same shall apply hereafter.

（Note 3） “Acquisition Price” is the sales amount of the trust beneficiary interest (excluding acquisition costs, property tax, city planning tax or consumption tax, etc.) indicated in the trust beneficiary interest sales contract concerning the to-be acquired asset and is rounded down to the nearest thousand yen. The same shall apply hereafter.

（Note 4） As for T-89、T-90 and T-91, the trust beneficiary interest sales contract associated with the Acquisition falls under the

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forward commitments, etc.(refers to the postdated sales contract of the real estate, etc. signed by the Investment Corporation, under which payment and delivery shall be made at least one month after conclusion of the contract, or any other contract similar thereof.) by the Investment Corporation as specified in the Financial Services Agency "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." Regarding the detail of cancellation clause, etc., please refer to "4. Financial Impact on the Investment Corporation in the Event of Failure to Fulfill the Forward Commitments, etc." The same shall apply hereafter.

（Note 5） The details of debt financing will be announced as soon as it is determined.

2. Reason for Acquisition of Properties and Conclusion of Lease Contracts

The 7 properties are being acquired to diversify and enhance the portfolio to realize the growth of asset size and secure stable revenues, in accordance with the Investment Corporation's investment targets and policies, as set forth in its Articles of Incorporation.
Regarding T-88, T-89 and T-90 among seven properties, are under construction as of today and have not been completed, but the Investment Corporation have agreed with seller to receive the trust beneficiary interest in real estate after the completion of building.
In addition, the Investment Corporation decided to acquire each property because it is expected to take approximately three to six months at longest until occupancy reaches stable and these are high rarity and newly built properties that contributes to improving the quality of our portfolio, based on the assumption that stable rental demand is expected in the medium to long term as described in the "Property characteristics" below.
The Investment Corporation is committed to maximizing the unitholders' value by realizing stable rental revenues and steady growth of the asset size by taking advantage the characteristics of three assets type which are"spaces where people live and stay" for rental housing and other Residential, healthcare and accomodation through "flexible" and "speedy" real estate investment management.
In connection with 7 aquisitions, the Investment Corporation has judged the tenants meet certain ciriteria required by the Investment Corporation. For details of the criteria, please refer to "Report on the Management Structure and System of the Issure of Real Estate Investment Trust Units and Related Parteis" as of October 29 2019.
In the dicision of aquring the 7 properties, characteristics of each property stated in 3. "Overview of the to-be acquired assets and lease contracts" were evaluated. As part of ESG initiatives, T-87 and T-91 are planning to be changed the lighting of common areas to LED after the acquisition.

3. Overview of the To-be Acquired Assets and Lease Contracts

(T-87) KDX Residence Gakugeidaigaku

Property name		KDX Residence Gakugeidaigaku
Type of assets		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation (Scheduled)
Trust term		February 27, 2020 through February 28, 2030
Location (Address)(1)		2-4-3, Takaban, Meguro-ku, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	383.91 ㎡
	Use districts	Category 1 medium-to-high-rise exclusive residential district／Neighborhood Commercial district
	Building coverage ratio(2)	60%／80%
	Floor area ratio(2)	200%／300%
Building	Type of ownership	Proprietary ownership
	Total floor area	1,031.34 ㎡
	Construction completion date	April 2003
	Usage	Apartment building

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	Type[3]	Small Family
	Structure / Number of stories	Reinforced concrete structure with flat roof / Fifth-story building
	Leasable number of units	23 units
Architect		Human Housing Co., Ltd.
Constructor		Fukuda Corporation.
Building permit agency		Meguro-ku, Tokyo
Probable maximum loss[4]		7.42%
Acquisition price		¥ 750,000 thousand
Appraisal value[5]		¥ 828,000 thousand
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Details of tenant		(as of October 31, 2019)
	Total number of tenants[6]	1
	Total rental income[7]	¥ 2,877 thousand
	Security and guarantee deposit[8]	¥ 1,608 thousand
	Total leased units[9]	22 units
	Total leased area[10]	783.62 ㎡
	Total leasable area[11]	820.01 ㎡
	Occupancy ratio[12]	95.6%
Existence of security		None
Property management company[13]		Tokyu Housing Lease Corporation (Scheduled)
Master lease company[14]		Tokyu Housing Lease Corporation (Scheduled)
Type of master lease[15]		Pass through structure
Contract period[16]		February 27, 2020 through February 26, 2021 (Scheduled)
Other special considerations		None
Characteristics of the property		It is also said that the name of Takaban in Meguro-ku, where this property is located, is derived from the fact that the “takaban”, which is the place to monitor and manage a Taka-ba where the generals enjoyed falconry was placed. The Taka-ba of Meguro-area was one of the six Taka-bas that were developed in the Edo era. The opening of the Tokyu Mekama Line (the current Meguro Line) in 1923 and the Tokyu Toyoko Line in 1927 prompted rapid urbanization from Taisho period to Showa period, and the area is now known as one of the largest high-end residential areas in Tokyo. This property is a small family-type property mainly composed of 1R and 1K in the range of 30m^2, and located approximately 6 minutes' walk from Gakugeidai Station on the Tokyu Toyoko Line. The Investment Corporation believes that stable demand is expected from single persons and couple households commuting to the center of Tokyo, because the shopping district surrounding Gakugeidai Station has convenient living facilities such as supermarkets and banks, and access to the terminal station of Shibuya Station and Ikebukuro Station in about six minutes and 23 minutes, respectively from the nearest station, is excellent in terms of transportation convenience to the business and commercial areas of the city center.

（Note1） “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). In case of the building is not completed as of today, the lot address is indicated. The same shall apply hereafter.

（Note2） “Building coverage ratio” and “Floor area ratio” are the designated building-to-land ratio and designated floor-area

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ratio provided in the city plan. The same shall apply hereafter.

(Note3) "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. However, T-88, T-89 and T-90 are under construction as of today and the buildings have not been completed, the types of T-88, T-89 and T-90 are scheduled as of today and are subject to change in the future.

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.

(Note4) "Probable Maximum Loss" (PML) is 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 December 2019. The same shall apply hereafter.

(Note5) "Appraisal Date" is December 1, 2019. If the building is still under construction, the Investment Corpiration have conducted "appraisal for non-completed buildings etc.," which came into force in real estate appraisal standards defined by the Ministry of Land, Infrastructure and Transport on November 1, 2014 (May 1, 2014 partial revision). The same shall apply hereafter.

(Note6) "Total number of tenants" is described the number after the date of acquisition of the property by the Investment Corporation. In the case that there is a master lease contract entered into with a master lease company, "Total number of tenants" is indicated as "1." In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note7) "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 sublease 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. In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note8) "Security and Guarantee Deposit" is the sum of the security and guarantee deposits, etc. of each end tenant based on the lease agreement executed with the each end tenant. However, in case there is a part for which returning is unnecessary due to special provision of deduction of security deposits, etc. in each lease agreement, it is the amount after the amount is deduced. In addition, the balance of the security and guarantee deposit, etc. based on the lease agreement with rent insurance executed with a master lease company is displayed in the case that the master lease type is rent insurance. However, it is the sum of pass-through security and guarantee deposits, etc. and rent insurance security and guarantee deposits, etc. in case agreement with a different master lease type has been executed. Furthermore, the figures are rounded down to the nearest thousand yen. In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note9) "Total Leased Units" is the number of leased residential units, where the lease agreements were actually executed with end tenants. In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note10) "Total Leased Area" is the leased floor area described in the lease agreements which were actually executed with end tenants. In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note11) "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). If the floor is not in operation, the leased floor area under the lease agreement at the most recent time when the floor was operating or the floor area calculated based on the building completion diagram is stated. The same shall apply hereafter.

(Note12) "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. In case of the building has not been completed as of today, it is described with "-". The same shall apply hereafter.

(Note13) "Property Management Company" is the property management company scheduled to execute the property management agreement for the to-be acquired asset. The same shall apply hereafter.

(Note14) "Master Lease Company" is the master lease company scheduled to execute the master lease agreement for the property. The same shall apply hereafter.

(Note15) "Type of master lease" is described as following; "Pass through structure" in case of the conclusion of the master lease contract without rent guarantee, "Rent guarantee structure" in case of the conclusion of the master lease contract with rent guarantee, and "-" in case that the owner concludes lease contract with end-tenant directly or there's no end-tenant. The same shall apply hereafter.

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（Note16） If scheduled date of acquisition is changed, the date of acquisition after the change will be the commencement date of contract period. The same shall apply hereafter.

（T-88） KDX Residence Kamata-minami

Property name		KDX Residence Kamata-minami
Type of assets		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited (Scheduled)
Trust term		March 2, 2020 through March 31, 2030
Location		3-9-4 Minami-Rokugo Ota-ku, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	1,133.06 ㎡ (1)
	Use districts	Quasi-industrial districts
	Building coverage ratio	60%
	Floor area ratio	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	2,781.82 ㎡ (2)
	Construction completion date	February 2020 (3)
	Usage	Apartment building (2)
	Type	Studio
	Structure / Number of stories	Reinforced concrete structure/ Fifth-story building (2)
	Leasable number of units	80 units (2)
Architect		Globan, Inc.
Constructor		JUKYO KENSETSU Co., Ltd.
Building permit agency		UDI Corporation (4)
Probable maximum loss		3.48%
Acquisition price		¥ 1,918,300 thousand
Appraisal value		¥ 2,090,000 thousand
Appraiser		Japan Real Estate Institute
Details of tenant		
	Total number of tenants	-
	Total rental income	- thousand
	Security and guarantee deposit	- thousand
	Total leased units	- unit
	Total leased area	-㎡
	Total leasable area	2,203.87 ㎡ (2)
	Occupancy ratio	-% (5)
Property management company		HASEKO LIVENET, Inc. (Scheduled)
Master lease company		HASEKO LIVENET, Inc. (Scheduled)
Type of master lease		Pass through structure
Contract period		March 2, 2020 through March 1, 2021 (Scheduled)
Other special considerations		None
Characteristics of the property		According to one theory, the six villages that used to be Yawatatsuka, Takahata, Furukawa, Machiya, Michizuka, and zoushiki became collectively one village called "Rokugo Village," which is said to be the origin of the name of the place called "Rokugo" where the property is

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	located. Although after the Great Kanto Earthquake, many factories were rapidly established because the area was designated as a factory area by the Ministry of Home Affairs in 1928, residencesl were being developed on the site where such factories have relocated in recent years. The property is located approximately 10 minutes' walk from "Zoushiki" Station on Keihin Kyuko Main Line, and is located in a highly specialized area where housing demands from staffs related to Haneda Airport and Airlines and company needs a company housing are expected due to good access of approximately 14 minutes from "Zoushiki" Station to the "Haneda International Terminal Station" and approximately 30 minutes directly from the bus stop of Keihin Kyuko Bus "Rokugo Elementary School" which is one minute walk from the property to Haneda Airport. The Investment corporation has expected stable rental demands by single-person households, couple households, and family households commuting to the city center in addition to those related to Haneda Airport because the convenience of transportation from "Zoushiki" Station to "Shinagawa" Station for about 13 minutes and to "Tokyo" Station for about 31 minutes is also high, and there are convenient living facilities such as supermarkets and "Zoushiki shopping districts" in front of the station.

(Note1) A part of the premises (about 21.72㎡) is provided as a private road.

(Note2) The property is not completed as of today, "Total floor area (Building)," "Structure/Number of stories," "Usage," are stated based on notice of verification of building construction. In addition, the "Leasable number of units" and "Total leasable area " indicate the current estameted figures..Therefore content may change in the future in accordance with changes in the design or construction status, etc.

(Note3) The property is development project to be completed in February 2020, and Building of the property is currently under construction. The scheduled date etc. of completion and acquisition may change depending on the progress of the construction.

(Note4) The property is not completed as of today, the Building Confirmation Institution refers to the Building Confirmation Agency listed in the notice of verification of building construction.

(Note5) The building lease contracts for 69 single-type units have been entered into between a domestic company and the seller starting March 1, 2020. The occupancy rate will be 79.6% as of March 1, 2020, assuming that building lease will become effective.

(T-89) KDX Residence Kichijoji

Property name		KDX Residence Kichijoji
Type of assets		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited (Scheduled)
Trust term		March 13, 2020 through March 31, 2030
Location (Address)		1-354-12 Higashi-cho, Kichijo-ji, Musashino-shi, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	282.77 ㎡ (1)
	Use districts	Category 1 medium-to-high-rise exclusive residential district
	Building coverage ratio	60%
	Floor area ratio	200%
Building	Type of ownership	Proprietary ownership
	Total floor area	782.15 ㎡ (2)
	Construction completion date	February 2020 (3)
	Usage	Apartment building (2)
	Type	Small Family

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	Structure / Number of stories	Reinforced concrete structure / Fourht-story building with a one-floor basement (2)
	Leasable number of units	21 units (2)
Architect		Atelier plus one Co,Ltd.
Constructor		Tokura Corporation
Building permit agency		Japan Building Appraise Organization Co.,Ltd. (4)
Probable maximum loss		7.62%
Acquisition price		¥ 621,000 thousand
Appraisal value		¥ 650,000 thousand
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Details of tenant		
	Total number of tenants	-
	Total rental income	- thousand
	Security and guarantee deposit	- thousand
	Total leased units	-unit
	Total leased area	-㎡
	Total leasable area	665.39 ㎡ (2)
	Occupancy ratio	-%
Existence of security		None
Property management company		Tokyu Housing Lease Corporation (Scheduled)
Master lease company		Tokyu Housing Lease Corporation (Scheduled)
Type of master lease		Pass through structure
Contract period		March 13, 2020 through 12, 2021(Scheduled)
Other special considerations		None
Characteristics of the property		During the Edo era, the residents of Kichijoji Monzen-cho, located outside the Koishikawa Suidobashi, were said to have migrated to this area because of the damage caused by the Great Fire of Meireki and named this area “Kichijoji”. "Kichijoji" has been developed since the Meiji era and is a highly popular residential area that is in harmony between the commercial environment and the abundant living environment. The property is located approximately 14 minutes' walk from Kichijoji Station, the Keio Inokashira Line and the JR Chuo Line, and it is located in a highly accessible location with good access to urban commercial facilities and office districts with taking approximately 14 minutes from the station to “Shinjuku” Station and approximately 28 minutes from the station to “Tokyo” Station.. The surrounding area is a shopping district that has a high degree of town touring due to the coexistence of largescale retail stores with shopping districts such as Kichijoji Sunroad Shopping Street where small shops gather. The area also has a rich natural environment, including Inokashira OnshiPark which have been selected as one of the 100 Nihon Sakura famous place and Zenpukuji Park. The Investment Corporation considers that the location offers both high living convenience and a favorable living environment, so that a wide range of rental demand from single-person households or couple households commuting to the city center is expected.

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(Note1) A part of the premises (about 6.1㎡) is provided as a private road.
(Note2) The property is not completed as of today, "Total floor area (Building)," "Structure/Number of stories," "Usage," are stated based on confirmed certificates. In addition, the "Leasable number of units" and "Total leasable area " indicate the current schedule.Therefore content may change in the future in accordance with changes in the design or construction status, etc.
(Note3) The property is development project to be completed in February 2020, and building of the property is currently under construction. The scheduled date etc. of completion and acquisition may change depending on the progress of the construction.
(Note4) The property is not completed as of today, the Building Confirmation Institution refers to the Building Confirmation Agency listed in the verification certificate.

(T-90) KDX Residence Mitaka

Property name		KDX Residence Mitaka
Type of assets		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Limited (Scheduled)
Trust term		June 30, 2020 through June 30, 2030
Location (Address)		8,6,4 250 -4 Shimo-renjaku Mitaka-shi, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	541.88 ㎡ (1)
	Use districts	Commercial districts
	Building coverage ratio	80%
	Floor area ratio	500%
Building	Type of ownership	Proprietary ownership
	Total floor area	3,232.50 ㎡ (2)
	Construction completion date	May 2020 (3)
	Usage	Apartment building/Store (Service Industries)/Office (2)
	Type	Small Family
	Structure / Number of stories	Reinforced concrete structure / Twelveth-story building (2)
	Leasable number of units	51 units (including 2units of sotore and 5units of office) (2)
Architect		X-ARC Urban Architects Inc.
Constructor		TADA CORPORATION
Building permit agency		HOUSEPLUS ARCHITECTURAL INSPECTION,inc. (4)
Probable maximum loss		3.69%
Acquisition price		¥2,530,000 thousand
Appraisal value		¥2,810,000 thousand
Appraiser		Japan Real Estate Institute
Details of tenant		
	Total number of tenants	-
	Total rental income	- thousand
	Security and guarantee deposit	- thousand
	Total leased units	-unit
	Total leased area	-㎡
	Total leasable area	2,631.45 ㎡ (2)
	Occupancy ratio	-%
Existence of security		None
Property management company		HASEKO LIVENET, Inc. (Scheduled)

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Master lease company	HASEKO LIVENET, Inc. (Scheduled)
Type of master lease	Pass through structure
Contract period	June 30, 2020 through June 29, 2021(Scheduled)
Other special considerations	None
Characteristics of the property	Mitaka, which name is said to be originated from the fact that Mitaka Village was established in 1889 as a merger-originating 10 villages which wrer "Takaba", faloconry area, and existed over a range of the "three territories" of Setagaya, Fuchu and Nogata in the Edo era, has been urbanized since the enforcement of the single city system shortly after World War II in 1950. Mitaka is high “jigurai” area that has distinguished environment with rich cultural and natural features because It is famous as a place who great writers spent, including Osamu Dazai and Yuzou Yamamoto additionally it has rich nature, including Inokashira Onshi-Park and Kaze no Walkway. The property is located approximately 11 minutes' walk from Mitaka Station on the JR Chuo Line and the area has convenience for transportation to the central business and commercial area of Tokyo with approximately 14 minutes from Mitaka Station to “Shinjuku” Station and approximately 30 minutes from Mitaka Station to “Tokyo” Station by using a rapid train. The property also has multiple convenient living facilities, such as Mitaka Chuo-dori Shopping Street, which is a multi-purpose commercial facility in the vicinity of the station. The Investment Corporation believes that stable demand is expected from a couple households and family households commuting to the center of Tokyo.

（Note1） The lot address 250-8 (19.58㎡) is used as part of the paved road.
（Note2） The property is not completed as of today, "Total floor area (Building)," "Structure/Number of stories," "Usage," are stated based on confirmed certificates. In addition, the "Leasable number of units" and "Total leasable area " indicate the current schedule. Therefore content may change in the future in accordance with changes in the design or construction status, etc.
（Note3） The property is development project to be completed in May 2020, and building of the property is currently under construction. The scheduled date etc. of completion and acquisition may change depending on the progress of the construction.
（Note4） The property is not completed as of today, the Building Confirmation Institution refers to the Building Confirmation Agency listed in the verification certificate.

（T-91） KDX Residence Nakanobu

Property name		KDX Residence Nakanobu
Type of assets		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation (Scheduled)
Trust term		August 3, 2020 through 31, 2030
Location (Address)		6-6-1 Nakanobu, Shinagawa-ku, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	304.14 ㎡
	Use districts	Neighborhood commercial district
	Building coverage ratio	80%
	Floor area ratio	300%
Building	Type of ownership	Proprietary ownership
	Total floor area	1,048.45 ㎡
	Construction completion date	Maty 2008
	Usage	Apartment building / Store
	Type	Studio

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	Structure / Number of stories	Reinforced concrete structure with flat roof / Eighth-story building
	Leasable number of units	32 units (including 2units of sotore)
Architect		Chiba Architect
Constructor		Daigo Construction Co., Ltd.
Building permit agency		Shinagawa-ku, Tokyo
Probable maximum loss		6.53%
Acquisition price		¥ 830,000 thousand
Appraisal value		¥ 897,000 thousand
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Details of tenant (Note)		(as of Ocotober 31, 2019)
	Total number of tenants	1
	Total rental income	¥ 3,157 thousand
	Security and guarantee deposit	¥ 6,309 thousand
	Total leased units	29 units
	Total leased area	614.77 ㎡
	Total leasable area	845.78 ㎡
	Occupancy ratio	72.7%
Existence of security		None
Property management company		Tokyu Housing Lease Corporation (Scheduled)
Master lease company		Tokyu Housing Lease Corporation (Scheduled)
Type of master lease		Pass through structure
Contract period		August 3, 2020 through 2, 2021 (Scheduled)
Other special considerations		None
Characteristics of the property		According to one theory, "Nakanobu" is said to have been named from the meaning of the milland of Ebara region because "Ebara-go Nakanobu Shinagawasuji" remaines in the "Odawara Shusho Ryoyakucho" edited in 1559. It has been urbanized since the beginning of the Showa period and is a highly convenient area for people to live in, where neighborhood-type shopping districts and residential areas are linked. The property is located 6 minutes' walk from "Nakanobu" Station on the Tokyu Oimachi Line and the Toei Subway Asakusa Line, and people can access toi Nihonbashi Station in 20 minutes by the Toei Subway Asakusa Line. It is conveniently accessible to urban commercial facilities and office areas. The property is adjacent to the Ebara-cho Shopping District on the Sangen-dori street which is a frontal road of the property and the Nakanobu Shopping District, where daily necessities stores and convenience facilities are available. In addition, there are abundant natural environments such as Tachiaigawa Green Street and Genji-mae Park. The Investment Corporation considers that the location offers both high living convenience and a good living environment, so that a wide range of rental demand from single-person households commuting to the center of Tokyo is expected.

(Note) Regarding the shop area on the first floor of the property, the building lease agreement has been concluded between an individual in Japan and the seller with starting date of December 1, 2019. However, it is not included in the occupancy rate as the lease was not commenced as of the end of October 2019.

(A-1) HOTEL LiVEMAX Tokyo-Otsuka-Ekimae

Property name	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae
Type of assets	Proprietary ownership

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Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		April 12, 2019 through March 31, 2030
Location (Address)		3-44-12 Minami-Otshika Toshima-ku, Tokyo
Land	Type of ownership	Proprietary ownership
	Site area	326.71㎡
	Use districts	Commercial districts
	Building coverage ratio	80%
	Floor area ratio	500%
Building	Type of ownership	Proprietary ownership
	Total floor area	1,656.19㎡ (Note)
	Construction completion date	October 2018
	Usage	Hotel / Store
	Type	Reinforced concrete structure with flat roof / Nineth-story building
	The number of rooms/ store	74 rooms／1 unit
Architect		X-ARC Urban Architects Inc.
Constructor		Nara Construction Co.,Ltd.
Building permit agency		Good-eyes Building inspection organization
Probable maximum loss		2.92%
Acquisition price		¥2,390,000 thousand
Appraisal value		¥2,440,000 thousand
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Details of tenant		(as of October 31, 2019)
	Total number of	1
	Tenant	LiVE MAX Inc. (2)
	Total rental income	Not disclosed according to tenant's intention
	Security and guarantee deposit	Amount equivalent to two months rent
	Total leased area	1,660.21㎡
	Total leasable area	1,660.21㎡
	Occupancy ratio	100.0%
Existence of security		None
Property management company		ITOCHU Urban Community Ltd. (Scheduled)
Master lease company		Kenedix Residential Next Investment Corporation (Scheduled)
Type of master lease		Pass through structure
Overview of the lease (Accomodation)	Contract format	General leasehold contract (fixed rent)
	Contract period	October 31, 2018 through October 30, 2038
	Renewal contract expiration	2 years (Automatic renewal)
	Rent revisions	Rent cannot be revised for five years from the commencement date of the lease.
	Mid-term cancellation	Not cancelable for 10 years from commencement date of the lease
	Other	—
Other special considerations		None
Characteristics of the property		The property is a hotel specializing in accommodations located

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	approximately three minutes' walk from Otsuka Station on the JR Yamanote Line. In the vicinity of Otsuka Station, where the property is located, there are medium-sized office buildings and office buildings with stores located along the main roads. Behind this area, there is a commercial area with a bustling shopping district where restaurants and service-type shops are concentrated, and currently, there are plans for redevelopment in north exit square of the station. Thus, the area is expected to be revitalized in the vicinity of stations in the future. The Ikebukuro Station is approximately three minutes by using the JR Yamanote Line from Otsuka Station, and people can access to the metropolitan subway network through the Tokyo Metro Marunouchi Line Shin-Otsuka Station, which is about six minutes' walk from the property. The property is located in a highly accessible location with good access to urban commecial facilities and office districts. There is a total of 74 rooms, consisting of 66 single rooms and 8 twin rooms, with good access to from terminal stations, office areas, and tourist attractions. Therefore, The Investment Corporation considers that stable accommodation demand is expected from leisure customers as well as customers for business use as main targets.
（Note1） The property features an annex for garbage disposal (9.83㎡) not included in the total floor area. （Note2） The tenant refers to the hotel operator.	

（A-2）HOTEL LiVEMAX Yokohamaeki-Nishiguchi

Property name		HOTEL LiVEMAX Yokohamaeki-Nishiguchi
Type of assets		Trust beneficiary interest in real estate
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		March 1, 2019 through March 31, 2030
Location (Address)		2-10-32 Kitasaiwai, Nishi-ku, Yokohama-shi, Kanagawa
Land	Type of ownership	Proprietary ownership
	Site area	377.68㎡
	Use districts	Commercial districts
	Building coverage ratio	80%
	Floor area ratio	500%
Building	Type of ownership	Proprietary ownership
	Total floor area	1,996.93㎡
	Construction completion date	December 2018
	Usage	Hotel / Store
	Type	Steel structure with flat roof / Ten-story building
	The number of rooms/store	123 rooms／1 unit
Architect		Shoju Associates
Constructor		NIHON KENSETSU CO.LTD.
Building permit agency		CENTER FOR INTERNATIONAL ARCHITECTURAL STANDARD
Probable maximum loss		5.31%
Acquisition price		¥2,570,000 thousand
Appraisal value		¥2,670,000 thousand
Appraiser		The Tanizawa Sōgō Appraisal Co., Ltd.
Details of tenant		(as of October 31, 2019)
	Total number of tenants	1

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	Tenant	LiVE MAX Inc. (2)	
	Total rental income	Not disclosed according to tenant's intention	
	Security and guarantee deposit	Amount equivalent to two months rent	
	Total leased area	1,997.18㎡	
	Total leasable area	1,997.18㎡	
	Occupancy ratio	100.0%	
Existence of security		None	
Property management company		ITOCHU Urban Community Ltd. (Scheduled)	
Master lease company		Kenedix Residential Next Investment Corporation (Scheduled)	
Type of master lease		Pass through structure	
Overview of the lease		Contract format	General leasehold contract (fixed rent)
		Contract period	November 30, 2018 through November 29, 2038
		Renewal contract expiration	2 years (Automatic renewal)
		Rent revisions	Rent cannot be revised for five years from the commencement date of the lease.
		Mid-term cancellation	Not cancelable for 10 years from commencement date of the lease
		Other	—
Other special considerations		None	
Characteristics of the property		The property is a hotel specializes in accommodation, which is located approximately eight minutes' walk from Yokohama Station, a terminal station at which six railway companies (JR, private railway, and subway) can be used. In the area surrounding Yokohama Station, where the property is located, large-scale commercial facilities are concentrated in front of the station, and a bustling commercial area with mid-to-high rise office buildings, office buildings with stores and business hotels is formed along the main roads. In addition, multiple redevelopment plans are underway based on the large-scale renovation plan for the area around the Yokohama Station (Excite Yokohama 22), therefore the area surrounding the station is expected to further revitalize in the future. The area has traffic convenience with good access to major transportation networks such as approximately 20 minutes access from Yokohama Station to Shin-Yokohama Station, approximately 30 minutes accest to Tokyo Station, and approximately 30 minutes access to Haneda Airport Domestic Terminal Station. There is a total of 123 rooms, consisting of 106 single rooms, 15 twin rooms and 2 universal rooms with good access to the main business area in the Tokyo metropolitan area as well as the business area in Yokohama City and tourist attractions by using Yokohama Station. Therefore, The Investment Corporation considers that stable demand is expected from customers for business use as main targets and leisure customers.	
(Note) The tenant refers to the hotel operator.			

4. Financial Impact on the Investment Corporation in the Event of Failure to Fulfill the Forward Commitments, etc.

The trust beneficiary interest sales contract associated with the to be acquired assets for (T-89) KDX Residence Kichijoji, (T-90) KDX Residence Mitaka and (T-91) KDX Residence Nakanobu ("the sales contract") fall under the forward commitments, etc. (see note) by the Investment Corporation as specified in the Financial Services Agency "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." are applicable.

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In the case a party violates any provisions of the sales contract (including cases in which representations and warranties are not true) and may not achieve the objectives in the sales contract due to such violation,the counterparty may, in principle, cancel the sales contract and require payment of an amount equivalent to 5% of the amount for (T-89) KDX Residence Kichijoji and (T-91) KDX Residence Nakanobu, an amount equivalent to 20% of the amount for (T-90) KDX Residence Mitaka calculated by deducting the amount equivalent to consumption tax and local consumption tax from the transaction price as cancelation penalty. However, with respect to the agreement for T-89 and T-91,the establishment of the obligation of the Investment Corporation to pay the amount due is effective on the condition of completion of the procurement of funds by the Investment Corporation for the purchase and sale of the Property.In case where the Investment Corporation may be unable to procure the funds required for purchase the asset to be acquired by the transaction date, there would be no violation of a contractual obligation by the Investment Corporation and no responsibility to pay damages to the seller. Consequently, we believe that even if the Investment Corporation fails to fulfill the forward commitments, etc., as a consequence of fail to complete the funds, it is unlikely to have a significant impact on the financial condition of the Investment Corporation.

Furthermore, the agreement for T-90 does not stipulate any of the above-mentioned terms and conditions, but the Investment Corporation has sufficient cash on hand to fulfill the agreement for T-90. Therefore, even if the Investment Corporation fails to procure new funds required to acquire T-90 by the date of execution of the sale, it is unlikely that the Investment Corporation will not be able to fulfill the forward commitments, etc.

5. Seller's Profile

（T-87） KDX Residence Gakugeidaigaku

Company name	Pineland co.,ltd.
Location	1-4-16 Dojimahama, Kita-ku, Osaka
Title and name of representative	Representative Director and President　Yujiro Matushima
Description of business	Holding, disposal, leasing and brokerage of real estate, etc.
Capital	¥ 50 million (as of December 20, 2019)
Date of incorporation	July 15, 1991
Net assets	Not disclosed according to the seller's intention
Total assets	Not disclosed according to the seller's intention
Major shareholder and ratio	Not disclosed according to the seller's intention。
Relationship with the Investment Corporation or the Asset Management Company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special capital relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special business relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Applicability of related party relationship	The seller is not a related party, etc. as defined under the Act on Investment Trusts and Investment Corporations ("the Investment Trust Act") and not a related party as defined in "the Related-party Transaction Rules of Residential REIT Department" of the Asset Management Company.

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（T-88）KDX Residence Kamata-minami

Company name	JUKYO KENSETSU Co., Ltd.
Location	4-27-38 Sayamadai, Sayama-shi, Saitama
Title and name of representative	Representative Director and President　Hisato Yasunaga
Description of business	1.Engineering, construction, construction management, management and subcontracting of civil engineering and construction 2.Design, construction, construction management, supervision, and contracting of concrete work 3.Sale, brokerage, management and leasing of real estate, etc.
Capital	¥ 100 million (as of December 20, 2019)
Date of incorporation	July 1, 1982
Net assets	Not disclosed according to the seller’s intention
Total assets	Not disclosed according to the seller’s intention
Major shareholder and ratio	Not disclosed according to the seller’s intention
Relationship with the Investment Corporation or the Asset Management Company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special capital relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the seller, However, the Investment Corporation and the Asset Management Company have entered into a support contract with JUKYO KENSETSU Co., Ltd. (including its subsidiaries JUKYO KENSETSU Co., Ltd.and the seller, and hereinafter referred to as the "Support Company"), which is the parent company of the seller, to provide information ragarding disposition of properties owned by the Support Company. Furthermore, there is no special business relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Applicability of related party relationship	The seller is not a related party, etc. as defined under the Investment Trust Act and not a related party as defined in “the Related-party Transaction Rules of Residential REIT Department” of the Asset Management Company.

（T-89）KDX Residence Kichijoji

Company name	Shinko Holdings Co., Ltd.
Location	3-13-1 kotobashi, Sumida-ku, Tokyo
Title and name of representative	Representative Director and President　Keita Cho
Description of business	Holding, management and leasing of real estate, etc.
Capital	¥ 3 million (as of December 19, 2019)
Date of incorporation	July 31, 2017
Net assets	Not disclosed according to the seller’s intention
Total assets	Not disclosed according to the seller’s intention

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Major shareholder and ratio	Not disclosed according to the seller's intention
Relationship with the Investment Corporation or the Asset Management Company	
Capital relationship	There is no special capital relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special capital relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the seller. Furthermore, there is no special business relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the seller.
Applicability of related party relationship	The seller is not a related party, etc. as defined under the the Investment Trust Act and not a related party as defined in "the Related-party Transaction Rules of Residential REIT Department" of the Asset Management Company.

(T-90) KDX Residence Mitaka

The seller for T-90 is a domestic company in Japan. but details are not disclosed according to seller's intention. The seller above mentioned is not a special related party with the Investment Corporation or the Asset Management Company.

(T-91) KDX Residence Nakanobu

The seller for T-91 is a domestic company in Japan. but details are not disclosed according to seller's intention. The seller above mentioned is not a special related party with the Investment Corporation or the Asset Management Company.

（A-1）HOTEL LiVEMAX Tokyo-Otsuka-Ekimae and（A-2）HOTEL LiVEMAX Yokohamaeki-Nishiguchi

Company name	G.K. KHF4
Location	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Title and name of representative	Representative: Ippan Shadan Hojin KRF5 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
Date of incorporation	April 18, 2018
Net assets	Not disclosed according to seller's intention
Total assets	Not disclosed according to seller's intention
Major shareholder and ratio	Not disclosed according to other silent partners' intention
Relationship with the Investment Corporation or the Asset Management Company and the concerned company	
Capital relationship	A general incorporated association, to which Kenedix, Inc. ("KDX"), the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, contributes funds, owns entire equity interest in the company. In addition, KDX owns 21.5% of silent partnership equity interest of the general incorporated association that operates the company.

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	Personnel relationship	There is no special personnel relationship between the Investment Corporation or the Asset Management Company and the concerned company. Furthermore, there is no special personnel relationship between related parties or associated companies of the Investment Corporation or the Asset Management Company and related parties or associated companies of the concerned company.
	Business relationship	There is no special business relationship between the Investment Corporation or the Asset Management Company and the concerned company. In addition, the asset management of G.K. Tropic III is entrusted to Kenedix Investment Partners, Inc., a wholly owned subsidiary of KDX.
	Applicability of related party relationship	The concerned company is a related party, etc. as defined under the Investment Trust Act, Furthermore, is a related party as defined in "the Related-party Transaction Rules of Residential REIT Department" of the Asset Management Company.

6. Profile of Property Buyer, etc

(A-1) HOTEL LiVEMAX Tokyo-Otsuka-Ekimae

	Previous Owner	Second Previous Owner
Company Name	G.K. KHF4	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The specially interested party as defined in the Related-party Transaction Rules of the Asset Management Company and a related party, etc. as defined under the Investment Trust Act	—
Acquisition background and reason, etc.	For the purpose of investment management	—
Acquisition Date	April 12, 2019	—
Acquisition Price	¥ 2,200,000,000 thousand (excluding consumption tax)	—

(A-2) HOTEL LiVEMAX Yokohamaeki-Nishiguchi

	Previous Owner	Second Previous Owner
Company Name	G.K. KHF4	Other than a party with special Interest
Relationship between the Asset Management Company and a party with special interest	The specially interested party as defined in the Related-party Transaction Rules of the Asset Management Company and a related party, etc. as defined under the Investment Trust Act	—
Acquisition background and reason, etc.	For the purpose of investment management	—
Acquisition Date	January 31, 2019	—
Acquisition Price	Omitted as the asset was owned for more than 1 year.	—

7. Details of Brokerage

(T-89) KDX Residence Kichijoji

Company name	Tokyu Livable, Inc.

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Location	1-9-5 Dogenzaka, Shibuya-ku, Tokyo
Title and name of representative	Representative Director and President Yoichi Ota
Brokerage fee	Not disclosed according to the brokerage firm's intention
Relationship with the Investment Corporation or the Asset Management Company	The brokerage firm is not a related party, etc. as defined under the Investment Trust Act and not a related party as defined in "the Residential REIT Department Related-party Transaction Rules" of the Asset Management Company.

The transaction for (T-90) KDX Residence Mitaka is not a related-party transaction as defined by the Investment Trusts and Investment Corporation Act or the related-party transaction rules of the Residential REIT Division of the Asset Management Company and the details are not disclosed according to Broker's intention.
There is no transactions related to the acquisition of the other five properties (T-87, T-88, T-91, A-1 and A-2).

8. Related-party Transaction

As described above, the transactions related to the Acquisition of (A-1) HOTEL LiVEMAX Tokyo-Otsuka-Ekimae and (A-2) HOTEL LiVEMAX Yokohamaeki-Nishiguchi fall under the category of a transaction with the related party as defined in the Related-party Transaction Rules of Residential REIT Division in the Asset Management Company and the related party, etc. as defined the Investment Trust Act. Therefore, the Asset Management Company has passed a resolution at the Management Committee held on February 10, 2020 related to the acquisition of the 2 properties in accordance with the Related-party Transactions Rules of Residential REIT Department of the Asset Management Company through discussion and approval at the meeting of the Compliance Committee held on February 7, 2020 and in order to ensure strict compliance with the laws and the regulations associated with the acquisition. In addition to above procedure, the Asset Mangement Company has obtained consent of the Investment Corporation's executive director through discussion and approval at the board meeting of the Invenstment Corporation held on February 10, 2020. The Asset Management Company issues documents to the Investment Corporation in accordance with the provisions of the Investment Trust Act regarding transactions with related-party .

9. Seismic Resistance

The Investment Corporation has implemented a survey conducted by a third-party concerning intentional falsification of the structural calculation sheets of (T-87) KDX Residence Gakugeidaigaku, (T-88) KDX Residence Kamata-minami, (T-89) KDX Residence Kichijoji and (T-91) KDX Residence Nakanobu and obtained survey resulst that the structural calculation sheets of each property are valid. Concerning (T-90) KDX Residence Mitaka, (A-1) HOTEL LiVEMAX Tokyo-Otsuka-Ekimae and (A-2) HOTEL LiVEMAX Yokohamaeki-Nishiguchi, structural calculation conformity judgment 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.

Structural calculation conformity judgement company：DAIWA REAL ESTATE APPRAISAL CO.,LTD.
Survey：(T-87) KDX Residence Gakugeidaigaku, (T-88) KDX Residence Kamata-minami
(T-89) KDX Residence Kichijoji, (T-91) KDX Residence Nakanobu

10. Forcasts

As for the operating forecasts and cash distribution forecasts of the Investment Corporation for the fiscal period ending July 2020 (February 1, 2020 to July 31, 2020) and the fiscal period ending January 2021 (August 1, 2020 to January 31, 2021), please refer to the press release "Notice Concerning Revisions to Operating Forecasts for the Fiscal Period Ending January 31, 2020 and the Fiscal Period Ending July 31, 2020, and announcements to Operating Forecasts and Cash Distribution Forecasts for the Fiscal Period Ending January 2021" dated today (February 10, 2020).

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11. Appraisals Report Summary

Property Name	KDX Residence Gakugeidaigaku

Appraisal Value	¥ 828,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	828,000,000	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	863,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	42,319,154	
Maximum Gross Operating Revenue	43,675,722	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	1,356,568	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	7,945,262	
Maintenance Expenses	1,525,219	Assess using the estimation of BM, the level of expenses at similar properties and other factors
Utility Expenses	442,805	Assess using expenses at similar properties and other factors
Repair Expenses	1,186,106	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	726,110	Assess based on the estimation of MLPM
Tenant Recruit Expenses, etc.	1,265,861	Assess by reflecting the rental condition at similar properties and the estimation of MLPM
Taxes and Dues	1,906,900	Recognize an amount based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	45,878	Recognize an amount that reflects the insurance brochure
Other Expenses	846,383	Recognize an amount that reflects the expense levels at similar properties and other factors.
(3) Net Operating Income (NOI= (1)-(2))	34,373,892	
(4) Gain on guarantee deposit investment	31,957	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	1,610,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property
(6) Net Cash Flow (NCF=(3)+(4)-(5))	32,795,849	
(7) Capitalization Rate	3.8%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value Calculated Using the Discounted Cash Flow Method	813,000,000	
Discount Rate	3.9%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics
Terminal Capitalization Rate	4.0%	While reflecting returns associated with acquisitions of similar properties, assess by 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 rent rates, and all other applicable factors
Value Calculated Using the Cost Method	802,000,000	
Land	86.5%	
Building	13.5%	

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Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the income capitalization approach value with the value calculated using the cost method used only for reference if the decision is made that the income capitalization approach value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

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Property Name	KDX Residence Kamata-minami

Appraisal Value	¥2,090,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,090,000,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	2,120,000,000	Assessed by using the cap rate based on medium to long-term stable net income.
(1) Gross Operating Revenue	100,705,000	
Maximum Gross Operating Revenue	102,093,000	Assessed based on a level of fair rent believed to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	1,388,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	14,994,000	
Maintenance Expenses	4,500,000	Assessed by reflecting the administrative and maintenance expenses based on contract terms, the level of expenses at similar properties, and other factors.
Utility Expenses	1,040,000	Assessed by reflecting the performance of similar properties.
Repair Expenses	631,000	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	1,553,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.
Tenant Recruit Expenses, etc.	436,000	Assessed by reflecting the contract terms、the lease terms at similar properties and other factors.
Taxes and Dues	6,154,000	Assessed based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	104,000	Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.
Other Expenses	576,000	Recorded internet use fee, etc. as other expenses.
(3) Net Operating Income (NOI= (1)-(2))	85,711,000	
(4) Gain on guarantee deposit investment	83,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	1,091,000	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))	84,703,000	
(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	2,050,000,000	
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	2,360,000,000	

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	Land	72.9%	
	Building	27.1%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Adopted income capitalization approach value with the value calculated using the cost method used only for reference as the income capitalization approach value is more persuasive because of accurate reproductivity in the price determination process (with respect to earnings).

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Property Name	KDX Residence Kichijoji

Appraisal Value	¥ 650,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	650,000,000	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	666,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	34,087,076	
Maximum Gross Operating Revenue	35,269,692	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	1,182,616	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	6,397,751	
Maintenance Expenses	1,604,921	Assess using the estimation of BM, the level of expenses at similar properties and other factors
Utility Expenses	239,540	Assess using expenses at similar properties and other factors
Repair Expenses	621,853	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	586,721	Assess based on the estimation of MLPM
Tenant Recruit Expenses, etc.	1,111,286	Assess by reflecting the rental condition at similar properties and the estimation of MLPM
Taxes and Dues	1,687,500	Recognize an amount based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	34,624	Recognize an amount that reflects the insurance brochure
Other Expenses	511,306	Recognize an amount that reflects the expense levels at similar properties and other factors.
(3) Net Operating Income (NOI= (1)-(2))	27,689,325	
(4) Gain on guarantee deposit investment	26,142	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	427,500	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property
(6) Net Cash Flow (NCF=(3)+(4)-(5))	27,287,967	
(7) Capitalization Rate	4.1%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value Calculated Using the Discounted Cash Flow Method	643,000,000	
Discount Rate	4.2%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics
Terminal Capitalization Rate	4.3%	While reflecting returns associated with acquisitions of similar properties, assess by 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 rent rates, and all other applicable factors
Value Calculated Using the Cost Method	733,000,000	
Land	72.0%	
Building	28.0%	

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Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the income capitalization approach value with the value calculated using the cost method used only for reference if the decision is made that the income capitalization approach value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

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Property Name	KDX Residence Mitaka

Appraisal Value	¥2,810,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,810,000,000	Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method.
Value Calculated Using the Direct Capitalization Method	2,840,000,000	Assessed by using the cap rate based on medium to long-term stable net income.
(1) Gross Operating Revenue	139,485,000	
Maximum Gross Operating Revenue	144,146,000	Assessed based on a level of fair rent believed to remain stable over the medium and long term.
Shortfall Attributed to Vacancies	4,661,000	Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.
(2) Operating Expenses	19,052,000	
Maintenance Expenses	2,900,000	Assessed by reflecting the administrative and maintenance expenses based on contract terms, the level of expenses at similar properties, and other factors.
Utility Expenses	1,252,000	Assessed by reflecting the performance of similar properties.
Repair Expenses	1,241,000	Assessed using expenses in prior years, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	2,264,000	Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.
Tenant Recruit Expenses, etc.	4,184,000	Assessed by reflecting the contract terms、the lease terms at similar properties and other factors.
Taxes and Dues	6,585,000	Assessed based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	120,000	Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.
Other Expenses	506,000	Recorded internet use fee, etc. as other expenses.
(3) Net Operating Income (NOI= (1)-(2))	120,433,000	
(4) Gain on guarantee deposit investment	86,000	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	1,292,000	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))	119,227,000	
(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	2,770,000,000	
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	2,730,000,000	

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	Land	71.3%	
	Building	28.7%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Adopted income capitalization approach value with the value calculated using the cost method used only for reference as the income capitalization approach value is more persuasive because of accurate reproductivity in the price determination process (with respect to earnings).

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Property Name	KDX Residence Nakanobu

Appraisal Value	¥ 897,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	897,000,000	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	928,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	47,800,200	
Maximum Gross Operating Revenue	49,780,575	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	1,980,375	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	9,348,678	
Maintenance Expenses	2,404,830	Assess using the estimation of BM, the level of expenses at similar properties and other factors
Utility Expenses	405,878	Assess using expenses at similar properties and other factors
Repair Expenses	1,090,574	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors.
Property Management Fees	835,285	Assess based on the estimation of MLPM
Tenant Recruit Expenses, etc.	1,451,027	Assess by reflecting the rental condition at similar properties and the estimation of MLPM
Taxes and Dues	2,156,100	Recognize an amount based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	48,980	Recognize an amount that reflects the insurance brochure
Other Expenses	956,004	Recognize an amount that reflects the expense levels at similar properties and other factors.
(3) Net Operating Income (NOI= (1)-(2))	38,451,522	
(4) Gain on guarantee deposit investment	125,498	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	1,464,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property
(6) Net Cash Flow (NCF=(3)+(4)-(5))	37,113,020	
(7) Capitalization Rate	4.0%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value Calculated Using the Discounted Cash Flow Method	884,000,000	
Discount Rate	4.1%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics
Terminal Capitalization Rate	4.2%	While reflecting returns associated with acquisitions of similar properties, assess by 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 rent rates, and all other applicable factors
Value Calculated Using the Cost Method	894,000,000	
Land	85.2%	
Building	14.8%	

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Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the income capitalization approach value with the value calculated using the cost method used only for reference if the decision is made that the income capitalization approach value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

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物件名	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae

Appraisal Value	¥ 2,440,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,440,000,000	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	2,500,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross Operating Revenue	110,797,488	
Maximum Gross Operating Revenue	110,797,488	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall Attributed to Vacancies	0	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating Expenses	10,488,726	
Maintenance Expenses	0	Not recorded for under current lease agreements due to lessee's burden
Utility Expenses	0	Not recorded for under current lease agreements due to lessee's burden
Repair Expenses	440,000	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors
Property Management Fees	1,560,000	Assess based on the estimation of PM
Tenant Recruit Expenses, etc.	0	Not recorded for as a semi-multi-tenant under the current lease agreement
Taxes and Dues	7,621,700	Recognize an amount based on the fiscal 2019 tax base amount, etc.
Damage Insurance Fees	91,444	Recognize an amount that reflects the insurance brochure
Other Expenses	775,582	Recognize an amount that reflects income and expenditure/ performance report and the expense levels at similar properties and other factors
(3) Net Operating Income (NOI= (1)-(2))	100,308,762	
(4) Gain on guarantee deposit investment	411,312	Assess income from investments by using an investment return of 1.0%
(5) Capital Expenditure	880,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property
(6) Net Cash Flow (NCF=(3)+(4)-(5))	99,840,074	
(7) Capitalization Rate	4.0%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value Calculated Using the Discounted Cash Flow Method	2,420,000,000	
Discount Rate	(1-4yrs) 3.9% (5～9 yrs) 4.0% (after 10 yrs) 4.1%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics

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	Terminal Capitalization Rate	4.2%	While reflecting returns associated with acquisitions of similar properties, assess by 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 rent rates, and all other applicable factors
Value Calculated Using the Cost Method		2,400,000,000	
	Land	80.7%	
	Building	19.3%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the income capitalization approach value with the value calculated using the cost method used only for reference if the decision is made that the income capitalization approach value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

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Property Name	HOTEL LiVEMAX Yokohamaeki-Nishiguchi

Appraisal Value	¥ 2,670,000,000
Appraiser	The Tanizawa Sōgō Appraisal Co., Ltd.
Appraisal Date	December 1, 2019

(Unit: Yen)

Item	Content	Basis
Income capitalization approach value	2,670,000,000	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	2,720,000,000	Assess by using the cap rate based on medium to long-term stable net income
(1) Gross operating revenue	123,204,000	
Maximum gross operating revenue	123,204,000	Assess based on a level of fair rent that is believed to remain stable over the medium and long term
Shortfall attributed to vacancies	0	Assess based on the premise of an occupancy ratio that can be maintained over the medium and long term
(2) Operating expenses	13,313,370	
Maintenance expenses	0	Not recorded for under current lease agreements due to lessee's burden
Utility expenses	0	Not recorded for under current lease agreements due to lessee's burden
Repair expenses	540,000	Assessed using expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors
Property management fees	1,560,000	Assess based on the estimation of PM
Tenant recruit expenses, etc.	0	Not recorded for as a lump-sum lease based on the current lease agreement
Taxes and dues	9,255,400	Recognize an amount based on the fiscal 2019 tax base amount, etc
Damage insurance fees	109,910	Recognize an amount that reflects the insurance brochure
Other expenses	1,848,060	Recognize an amount that reflects income and expenditure/ performance report and the expense levels at similar properties and other factors
(3) Net operating income (NOI=(1)-(2))	109,890,630	
(4) Gain on guarantee deposit investment	205,340	Assess income from investments by using an investment return of 1.0%
(5) Capital expenditure	1,350,000	Assuming that an equal amount is added to a reserve in each fiscal period, assess by taking into account the level of capital expenditures at similar properties, the age of the property
(6) Net cash flow (NCF=(3)+(4)-(5))	108,745,970	
(7) Capitalization rate	4.0%	Assess by taking into account the property's location, the characteristics of the building and other characteristics
Value calculated using the discounted cash flow method	2,650,000,000	
Value calculated using the discounted cash flow method	(1-4yrs) 3.9% (5～9 yrs) 4.0% (after 10 yrs) 4.1%	While reflecting investment returns of similar properties, assess by taking into account the property's unique characteristics

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	Value calculated using the discounted cash flow method	4.2%	While reflecting returns associated with acquisitions of similar properties, assess by 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 rent rates, and all other applicable factors
Value calculated using the cost method		2,620,000,000	
	Land	78.2%	
	Building	21.8%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Use the income capitalization approach value with the value calculated using the cost method used only for reference if the decision is made that the income capitalization approach value is more persuasive because the price determination process has been accurately reproduced with respect to earnings.

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

Property Number	Property Name	Appraisal NOI Cap Rate (rounded to the first decimal place)
T-87	KDX Residence Gakugeidaigaku	4.6%
T-88	KDX Residence Kamata-minami	4.5%
T-89	KDX Residence Kichijoji	4.5%
T-90	KDX Residence Mitaka	4.8%
T-91	KDX Residence Nakanobu	4.6%
A-1	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	4.2%
A-2	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	4.3%

Attached Materials

Reference Material (1) Outline of Engineering Reports
Reference Material (2) Exterior Photos and Map of To-be Acquired Assets
Reference Material (3) List of Property Portfolio (after the acquisition of 7 properties and after the sale of KDX Residence Izumi Chuo)

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

[Provisional Translation Only]
English translation of the original Japanese document is provided solely for information purposes.
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Reference Material (1) Outline of Engineering Reports

(Unit: Yen in thousand)

Property Name	T-87 KDX Residence Gakugeidaigaku	T-88 KDX Residence Kamata-minami	T-89 KDX Residence Kichijoji	T-90 KDX Residence Mitaka	T-91 KDX Residence Nakanobu
Investigation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.	— (Note)	— (Note)	— (Note)	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Investigation Date	December 2019	— (Note)	— (Note)	— (Note)	December 2019
Repairs Maintenance and Renovation Expenses Expected to be Required within12 Years	24,342	18,708	7,148	22,152	25,367
Unit-in-Place	230,100	601,800	171,400	698,000	244,000

Property Name	A-1 HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	A-2 HOTEL LiVEMAX Yokohamaeki-Nishiguchi
Investigation Company	DAIWA REAL ESTATE APPRAISAL CO., LTD.	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Investigation Date	January 2020	January 2020
Repairs Maintenance and Renovation Expenses Expected to be Required within12 Years	11,707	20,583
Unit-in-Place	442,600	541,200

(Note) Regarding T-88, T-89 and T-90 have not been completed, Daiwa Real Estate Appraisal Co., Ltd. is scheduled to conduct a re-examination of the following items after completion of building and by the time of acquisition of to-be acquired Assets by the Investment Corporation. The above figures may be changed depending on the survey conducted after the completion of building.

-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

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

T-87 KDX Residence Gakugeidaigaku









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T-88 KDX Residence Kamata-minami





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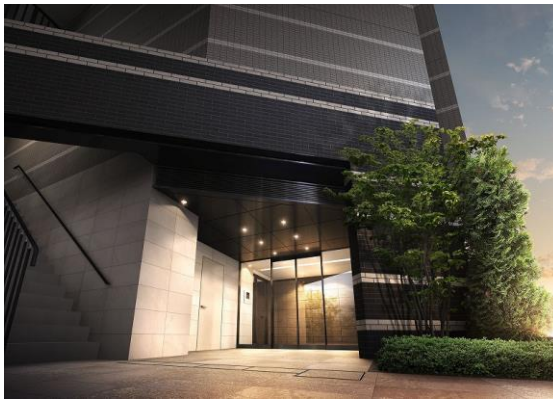
T-90 KDX Residence Mitaka







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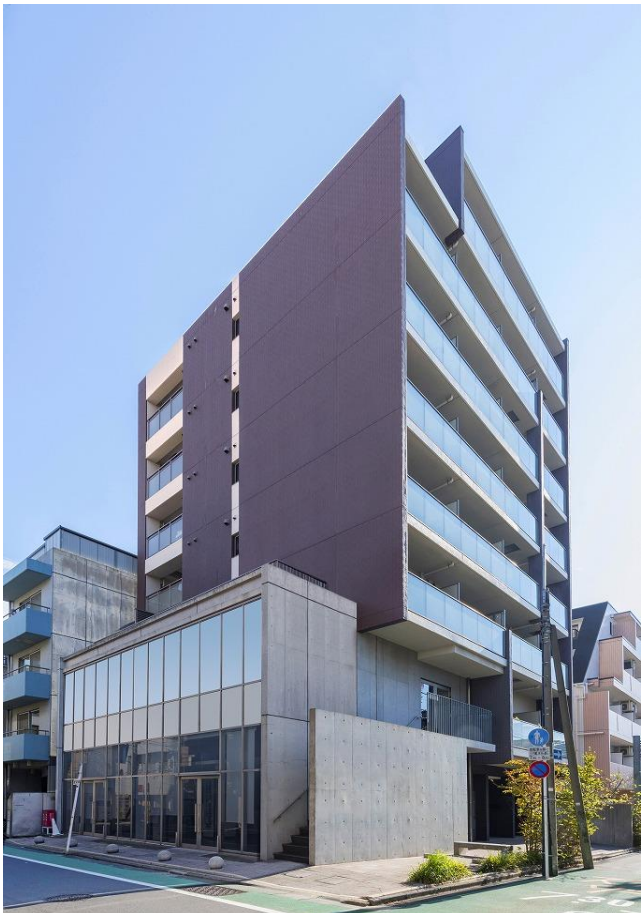
T-91 KDX Residence Nakanobu









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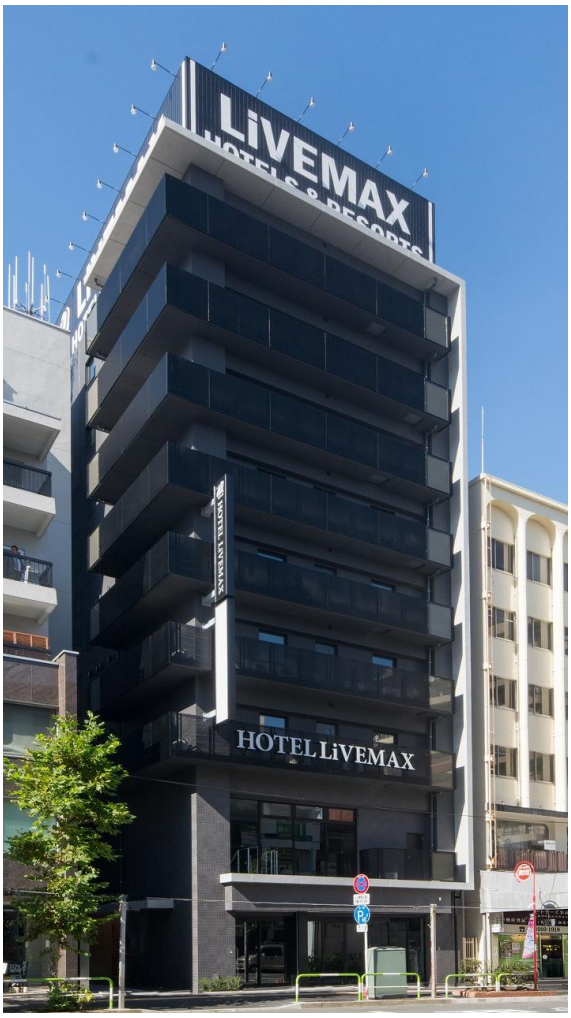
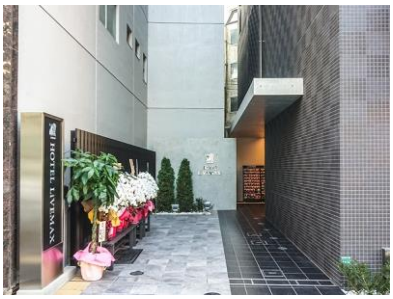
A-1 HOTEL LiVEMAX Tokyo-Otsuka-Ekimae











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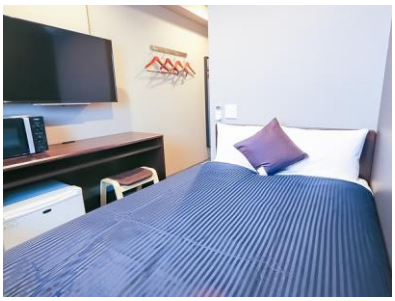
A-2 HOTEL LiVEMAX Yokohamaeki-Nishiguchi











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Reference Material (3) List of Property Portfolio (after the acquisition of 7 properties and after the sale of KDX Residence Izumi Chuo)

Area/ Property type	Property Name	(Anticipated) Acquisition Price (Thousands yen) (2)	Ratio (2)	Acquisition Date (Scheduled)
Residence/ Tokyo Metropolitan Area	KDX Daikanyama Residence	4,700,000	1.9	May 1, 2012
	KDX Odemma Residence	1,775,000	0.7	May 1, 2012
	KDX Iwamoto-cho Residence	822,000	0.3	May 1, 2012
	KDX Bunkyo Sengoku Residence	1,488,000	0.6	May 1, 2012
	KDX Azumabashi Residence	650,000	0.3	May 1, 2012
	KDX Shimura Sakaue Residence	2,830,000	1.1	May 1, 2012
	Cosmo Heim Motosumiyoshi (land with leasehold interest) (3)	1,750,000	0.7	April 26, 2012
	KDX Musashi Nakahara Residence	637,000	0.3	May 1, 2012
	KDX Chiba Chuo Residence	1,480,000	0.6	May 1, 2012
	KDX Kawaguchi Saiwai-cho Residence	1,150,000	0.5	May 1, 2012
	KDX Residence Shirokane I	3,000,000	1.2	August 7, 2013
	KDX Residence Shirokane II	2,800,000	1.1	August 7, 2013
	KDX Residence Minami-aoyama	2,230,000	0.9	August 7, 2013
	KDX Residence Minami-azabu	2,080,000	0.8	August 7, 2013
	KDX Residence Shiba Koen	1,781,000	0.7	August 7, 2013
	KDX Residence Azabu East	1,560,000	0.6	August 7, 2013
	KDX Residence Takanawa	770,000	0.3	August 7, 2013
	KDX Residence Nishihara	1,450,000	0.6	August 7, 2013
	KDX Residence Daikanyama II	730,000	0.3	August 7, 2013
	KDX Residence Sendagaya	650,000	0.3	August 7, 2013
	KDX Residence Nihombashi Suitengu	3,240,000	1.3	August 7, 2013
	KDX Residence Nihombashi Hakozaki	1,147,000	0.5	August 7, 2013
	KDX Residence Higashi-shinjuku	3,270,000	1.3	August 7, 2013
	KDX Residence Yotsuya	2,260,000	0.9	August 7, 2013
	KDX Residence Nishi-shinjuku	1,000,000	0.4	August 7, 2013
	KDX Residence Kagurazaka	720,000	0.3	August 7, 2013
	KDX Residence Futako Tamagawa	1,250,000	0.5	August 7, 2013
	KDX Residence Komazawa Koen	920,000	0.4	August 7, 2013
	KDX Residence Misyuku	760,000	0.3	August 7, 2013
	KDX Residence Yoga	700,000	0.3	August 7, 2013
	KDX Residence Shimouma	600,000	0.2	August 7, 2013
	Raffine Minami-magome	1,250,000	0.5	August 7, 2013
	KDX Residence Yukigaya Otsuka	1,050,000	0.4	August 7, 2013
	KDX Residence Denen Chofu	1,000,000	0.4	August 7, 2013
	KDX Residence Tamagawa	776,000	0.3	August 7, 2013

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Residence/ Tokyo Metropolitan Area	KDX Residence Monzennakacho	773,000	0.3	August 7, 2013
	KDX Residence Okachimachi	850,000	0.3	August 7, 2013
	KDX Residence Moto-asakusa	800,000	0.3	August 7, 2013
	KDX Residence Itabashi Honcho	620,000	0.2	August 7, 2013
	KDX Residence Azusawa	550,000	0.2	August 7, 2013
	KDX Residence Tobu Nerima	420,000	0.2	August 7, 2013
	KDX Residence Yokohama Kannai	800,000	0.3	August 7, 2013
	KDX Residence Miyamaedaira	999,000	0.4	August 7, 2013
	KDX Residence Machida	1,800,000	0.7	August 7, 2013
	KDX Residence Kinshicho	1,350,000	0.5	March 28, 2014
	KDX Residence Nihombashi Hamacho	996,000	0.4	August 7, 2014
	KDX Residence Nihombashi Ningyocho	530,000	0.2	August 7, 2014
	KDX Residence Jiyugaoka	1,268,000	0.5	August 7, 2014
	KDX Residence Togoshi	3,745,000	1.5	August 7, 2014
	KDX Residence Shinagawa Seaside	2,593,000	1.0	August 7, 2014
	KDX Residence Ojima	1,857,000	0.7	August 7, 2014
	KDX Residence Oyama	2,679,000	1.1	August 7, 2014
	KDX Residence Hanzomon	4,832,000	1.9	February 5, 2015
	B-Site Akihabara	850,000	0.3	February 5, 2015
	KDX Residence Kagurazaka Dori	1,360,000	0.5	February 5, 2015
	KDX Residence Sendagi	2,200,000	0.9	February 5, 2015
	KDX Residence Seijo	1,400,000	0.6	February 5, 2015
	KDX Residence Akihabara	1,250,000	0.5	February 5, 2015
	KDX Residence Iriya	1,062,000	0.4	February 5, 2015
	KDX Residence Tachikawa	3,026,200	1.2	February 5, 2015
	KDX Residence Tsurumi	1,050,000	0.4	February 5, 2015
	KDX Residence Morishita Chitose	1,100,000	0.4	June 1, 2015
	KDX Residence Akasaka	1,150,000	0.5	September 30, 2015
	KDX Residence Kanda	700,000	0.3	September 30, 2015
	KDX Residence Ebisu	2,845,000	1.1	October 30, 2015
	KDX Residence Nishi-magome	1,130,000	0.5	August 30, 2016
	KDX Residence Nishi-azabu	1,224,000	0.5	August 1, 2016
	KDX Residence Azabu Sendaizaka	792,300	0.3	August 1, 2016
	KDX Residence Waseda Tsurumaki	561,000	0.2	August 1, 2016
	KDX Residence Bunkyo Yushima	695,000	0.3	August 1, 2016
	KDX Residence Kamishakujii	648,000	0.3	August 1, 2016
	KDX Residence Shin-otsuka	764,000	0.3	November 1, 2016

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	KDX Residence Sakurajosui	894,000	0.4	November 1, 2016
	KDX Residence Ryogoku	842,000	0.3	November 1, 2016
	KDX Residence Toyosu	7,500,000	3.0	August 22, 2017
	KDX Residence Asagaya	1,930,000	0.8	August 2, 2018
	KDX Residence Hiyoshi	2,635,300	1.1	August 2, 2018
	KDX Residence Kamikitazawa	1,360,000	0.5	February 1, 2019
	KDX Residence Kaminoge	1,111,000	0.4	February 1, 2019
	KDX Residence Higashi-Asakusa	687,730	0.3	February 21, 2019
	KDX Residence Nishi-Funabashi	975,350	0.4	September 17, 2019
	KDX Residence Hatagaya	2,500,000	1.0	February 27, 2020
	KDX Residence Asagaya Ⅱ	939,400	0.4	October29,2019
	KDX Residence Gakugeidaigaku	750,000	0.3	February 27, 2020
	KDX Residence Kamata-minami	1,918,300	0.8	March 2, 2020
	KDX Residence Kichijoji	621,000	0.2	March 13, 2020
	KDX Residence Mitaka	2,530,000	1.0	June 30, 2020
	KDX Residence Nakanobu	830,000	0.3	August 3, 2020
	88 properties subtotal	133,569,580	53.5	
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	1.2	May 1, 2012
	KDX Takarazuka Residence	1,510,000	0.6	May 1, 2012
	KDX Shimizu Residence	1,680,000	0.7	May 1, 2012
	KDX Residence Odori Koen	765,000	0.3	August 7, 2013
	KDX Residence Kikusui 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 Izumi Chuo[3]			August 7, 2013
	KDX Residence Higashi-sakura I	2,350,000	0.9	August 7, 2013
	KDX Residence Higashi-sakura II	900,000	0.4	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	0.6	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

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	KDX Residence Sannomiya	1,080,000	0.4	August 7, 2013
	Ashiya Royal Homes	1,360,000	0.5	August 7, 2013
	KDX Residence Funairi Saiwai-cho	588,000	0.2	August 7, 2013
	KDX Residence Tenjin-higashi II	680,000	0.3	August 7, 2013
	KDX Residence Nishi Koen	763,000	0.3	August 7, 2013
	KDX Residence Hirao Josui-machi	760,000	0.3	August 7, 2013
	Leopalace Flat Shin-sakae	3,500,000	1.4	November 28, 2014
	KDX Residence Konan Yamate	973,000	0.4	November 14, 2014
	KDX Residence Hommachibashi	3,201,000	1.3	December 18, 2014
	KDX Residence Minami-kusatsu	1,974,666	0.8	February 5, 2015
	KDX Residence Ohori Harbor View Tower	4,606,296	1.8	February 5, 2015
	KDX Residence Minami-sanjo	915,000	0.4	October 27, 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	1.0	August 2, 2018
	KDX Residence Shukugawa Hills	6,884,800	2.8	August 2, 2018
	KDX Residence Sendai Station East	1,340,000	0.5	February 27, 2020
	38 properties subtotal	57,077,551	22.9	
Residential 126 properties total		190,647,131	76.3	
Healthcare Facility	Irise Kamata/Yuseien	1,120,000	0.4	March 1, 2018
	Nichii Home Nakano-Minamidai	1,780,000	0.7	March 1, 2018
	Joy Stage Hachioji	3,690,000	1.5	March 1, 2018
	Yuimaru Hijirigaoka	1,120,000	0.4	March 1, 2018
	Nichii Home Tama Plaza	2,940,000	1.2	March 1, 2018
	Ten	2,630,000	1.1	March 1, 2018
	Irise Nishioka	858,000	0.3	March 1, 2018
	Izarie Eniwa Building	1,660,000	0.7	March 1, 2018
	Sawayaka Sakura Nibankan	989,000	0.4	March 1, 2018
	Activa Biwa	6,560,000	2.6	March 1, 2018
	Sompo Care LAVIERE Kobe Tarumi	2,110,000	0.8	March 1, 2018
	Granda Mondo Yakujin	1,190,000	0.5	March 1, 2018
	Excellent Nishinomiya	971,000	0.4	March 1, 2018
	Gran Hills Ogawarako	1,380,000	0.6	March 1, 2018
	Excellent Kitano	737,000	0.3	July 6, 2018
	Anesis Teradacho	3,490,000	1.4	August 2, 2018

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	Rococo-riha	2,100,000	0.8	August 2, 2018
	Orage Suma	2,810,000	1.1	August 2, 2018
	Canadian Hill	1,830,000	0.7	August 2, 2018
	Anesis Hyogo	1,420,000	0.6	August 2, 2018
	Plaisant Grand Ota tamagawa	3,057,630	1.2	September 28, 2018
	Tsukui Sun-shine Machida	6,934,600	2.8	March 1, 2019
	Serabi Ebisu	1,690,000	0.7	June 3, 2019
	Arute Ishiyagawa	1,061,000	0.4	June 3, 2019
Healthcare 24 properties subtotal		54,128,230	21.7	
	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	2,390,000	1.0	March 2, 2020
	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	2,570,000	1.0	March 2, 2020
Accomodation 2 properties subtotal		4,960,000	2.0	
152 properties total		249,735,361	100.0	

（Note1） 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.

（Note2） "Cosmo Heim Motosumiyoshi (land with leasehold interest)" is included in the Residential Facilities.

（Note3） For details, please refer to " Notice Concerning Sale of Property (KDX Residence Izumi Chuo) " dated January 29, 2020.

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