Translation of Japanese Original

January 30, 2025

To All Concerned Parties

REIT Issuer:
KDX Realty Investment Corporation
Representative: Hiroaki Momoi, Executive Director
(Securities Code: 8972)

Asset Management Company:
Kenedix Real Estate Fund Management, Inc.
Representative: Akihiro Asano, President & CEO
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Notice Concerning Acquisition of Properties (1 Residential Property and 1 Healthcare Facility)

KDX Realty Investment Corporation ("KDXR") announced today that Kenedix Real Estate Fund Management, Inc. (the "Asset Management Company"), an asset management company for KDXR, decided to acquire the following properties (the "Acquisition").
Each property to be acquired is the "Property" and collectively the "2 Properties".

1. Overview of the Acquisition

Property Number	Property Type	Property Name	Location	Anticipated Acquisition Price (Millions of Yen) (Note 1)	Appraisal NOI Yield (%) (Note 2)	Brokerage
B1107	Residential Properties	KDX Residence Suginami Honancho (Note 3)	Suginami-ku, Tokyo	1,514	4.2	N/A
F1017	Healthcare Facilities	SOMPO Care LAVIERE Motosumiyoshi	Kawasaki, Kanagawa	3,730	3.9	Yes

(i) Contract Date: January 30, 2025
(ii) Scheduled Acquisition Date: February 3, 2025 (SOMPO Care LAVIERE Motosumiyoshi)
April 1, 2025 (KDX Residence Suginami Honancho)
(iii) Seller: Please refer to "4. Overview of Seller" for details.
(iv) Acquisition Funds: Borrowings (Note 4) and cash on hand (scheduled)
(v) Settlement Method: Payment in full on the date of acquisition

(Note 1) "Anticipated Acquisition Price" is the purchase price (excluding acquisition costs, settlement of property tax and city planning tax, and consumption tax, etc.) indicated in trust beneficiary interest sale and purchase contract, and is rounded down to the nearest million yen. The same shall apply hereafter.
(Note 2) "Appraisal NOI Yield" is calculated by dividing the appraisal NOI of each property as on the appraisal report as of December 1, 2024 by the anticipated acquisition price for each property and rounded to the first decimal place.
"Appraisal NOI" refers to NOI (Net Operating Income) before depreciation expenses, which is calculated by deducting the operating expenses from the operating revenues described in the appraisal report, and thus, differs from NCF (Net Cash Flow) which is calculated by adding the profit from the investment of tenant deposits to and deducting capital expenditures from NOI. The appraisal NOI here is the NOI calculated using the direct capitalization method.
(Note 3) KDXR plans to change the property name after the Acquisition. Accordingly, the property name after the change is shown in this press release. The property name before the acquisition is "Cosmos Reid Suginami Izumi". The same shall apply hereafter.
(Note 4) For matters concerning the borrowing for SOMPO Care LAVIERE Motosumiyoshi, please refer to the press release "Notice Concerning Debt Financing (Series 0026)" dated today. Furthermore, matters concerning the borrowing for KDX Residence Suginami Honancho shall be announced upon determination.

2. Reasons for the Acquisition

In accordance with the "Asset Management Targets and Policies" set forth in the Articles of Incorporation of KDXR, KDXR has decided to acquire 2 Properties with the aim of improving the quality of the portfolio and maximizing the value of investors.
KDXR believes that by acquiring residential property with upside potential through active management under the inflationary environment, and newly built healthcare facility that expected to generate stable cash flow based on long-term lease agreement with major high-quality operator, we are capable to build a balanced portfolio between inflation-proof and long-term stability of cash flow.

Furthermore, the following characteristics were evaluated in determining the Acquisition.

(1) KDX Residence Suginami Honancho

A scarcity valued residential property for families and DINKs with excellent access to major areas in Tokyo, and we expect upside potential by pursuing rent increases through renovation work in the private areas.

(i) Location

The Property is located approximately 6-minute walk from "Honancho" Station on the Tokyo Metro Marunouchi Line and approximately 15-minute walk from "Eifukucho" Station on the Keio Inokashira Line, and has excellent access to major business and commercial areas in Tokyo, with "Honancho" Station being approximately 11 minutes from "Shinjuku" Station and approximately 30 minutes from "Tokyo" Station. Furthermore, the area around the Property is an excellent residential location, with concentration of convenient facilities centered around the Honan Ginza shopping street in front of "Honancho" Station, greenery parks, educational facilities and cultural facilities, including the Tokyo Metropolitan Wadabori Park.

(ii) Building

The Property is asmall family-type residential property consisting of 29 2LDK units, completed in February 2005. In 2016, Large-scale repair work was carried out for common areas in 2016, and various value-up work was carried out, including entrance renovations and the conversion of the common areas to LED lighting in 2024. Moreover, features such as parcel delivery boxes, auto-locking doors, and intercoms with monitors, renovations are carried out on private rooms when tenant vacates to improve the comfort of living environment. KDXR believes that the Property, which combines high convenience with an excellent living environment, can expect stable rental demand, particularly from families and couples commuting to the city center.

(2) SOMPO Care LAVIERE Motosumiyoshi

Private senior homes with nursing care build in 2024, which is located in a quiet residential area with access to three stations on five train lines. The operator is SOMPO Care, the largest company in the industry with a wealth of experience in this field.

(i) Location

The Property is located in a quiet residential area approximately 15-minute walk from "Musashi Nakahara" station on the JR Nambu Line. Furthermore, three stations on five lines can be used, including the JR and Tokyu "Musashi Kosugi" stations, which are surrounded by commercial hubs, with easy access to the city center and Yokohama. Moreover, Kawasaki City, where the Property is located, is expected to have the highest rate of increase in population of people aged 65 and over of all the government-designated cities in Japan between now and 2050. KDXR believes that the Property can expect mid-to long-term growth in demand as the location has favorable conditions as a facility for the elderly.

(ii) Building

The Property is a private senior home with nursing care which was completed in August 2024, and opened in October 2024. The Property will contribute to rejuvenation of the age of the healthcare facilities owned by KDXR, and to improve the quality of the portfolio. The Property consists of 62 single rooms with a floor

area of 27.83m^2 to 29.76m^2, and each room is designed to be independent with consideration of privacy. In addition to a generous service system that includes 24-hour full-time nursing staff and nighttime patrols, the Property also has a dining room / functional training corner and two types of bathrooms, and the common areas are designed with consideration for the comfort of residents, including a community exchange space, a dining room with full-length glass walls, and a rooftop terrace with a view.
Furthermore, the operator, SOMPO Care Co., Ltd., operates more than 450 nursing care facilities nationwide, including private senior homes and serviced senior housing under the "SOMPO Care LAVIERE" and "SOMPO Care Sompo no Ie" brands, and has a track record of more than 29,000 residents. KDXR has judged the Property can be expected to generate stable operating revenue over the medium-to long-term as the operator is highly competitive.

3. Overview of the Properties

The table below shows the overview of each property to be acquired (the "Individual Asset Table"). In addition, the terms used in the Individual Asset Table are as follows. Please refer to the Individual Asset Table together with the explanation on the terms listed below. In principle, unless otherwise specified, the status as of December 31, 2024 is indicated.

- "Location" is the indication of the residential address. In case there is no indication of the residential address, it is the building location indicated in the register (if there are multiple buildings, the location of one of the buildings).
- "Building Coverage Ratio" and "Floor-area Ratio" are the designated building coverage ratio and designated floor-area ratio provided in the city plan (if there are more than one, both). The designated building coverage ratio may be relaxed or restricted since the property is a fireproof building in a fire zone or for other reasons and may differ from the building coverage ratio actually applied. The designated floor-area ratio may be relaxed or restricted due to the width of roads adjacent to the land or other reasons, and may differ from the actual applicable floor-area ratio.
- "Gross Floor Area" is based on the figure in the register, not including the area of the annexed building.
- "Type" for residential property is the classification of the principal residential unit, among studio type, small family type or family type as described below.

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 person or more)
The exclusively owned area per residential unit contains at least 18 m^2, but less than 30 m^2 and at least 20 residential units per property.	The exclusively owned area per residential unit contains at least 30 m^2, but less than 60 m^2 and at least 15 residential units per property.	The exclusively owned area per residential unit contains at least 60 m^2 per unit and at least 5 residential units per property.

- "Earthquake PML" indicates the figure described in the earthquake PML valuation report (level 2) prepared by Sompo Risk Management Inc. in December 2024.
- "Master Lessee Company" is the master lease company executed or scheduled to execute the master lease agreement for the property.
- "Type of Master Lease" is described as follows; "Pass through" for those with a master lease agreement without a rent guarantee concluded or scheduled to be concluded, "Rent guarantee" for those with a master lease agreement with a rent guarantee concluded or scheduled to be concluded, "Rent variable" for those with a master lease agreement with a rent variable concluded or scheduled to be concluded, and "-" in the case that the owner has or will conclude a lease agreement directly with the end tenant, or where there is no end tenant.
- "Property Management Company" indicates the property management company that has entered into or will enter into a property management agreement.
- "Total Number of Tenants" is the number of lessees, and when the same lessee leases or will lease multiple parcels, such lessee is counted as one. In cases where the master lease company has executed or will execute a pass-through master lease agreement with the lessor, the number of end tenants is stated in brackets after the number of master lease companies. For residential properties, when a master lease agreement is concluded or will conclude with a master lease company, the "Total Number of Tenants" is counted as one.

・“Total Leasable Area” refers to the leasable floor area for a building (aggregate total of the leasable floor area of each building in the case of more than one building), excluding land (including land for one-story parking) identified in lease agreements or construction completion plans.
・“Total Leased Area” refers to the area identified in lease agreements with end tenants or sub-lease agreements.
・“Total Leasable Units” refers to the portion of the building used for residential purposes including the number of retail shops, if any.
・“Total Leased Units” is the number of leased residential units, where the lease agreements are actually executed with end tenants.
・“Occupancy Rate during Past Five Years” is the ratio of the “Total Leased Areas” (based on the lease agreements) to the “Total Leasable Area” of the property rounded to the first decimal place. The figures shown are those disclosed by the seller for each year from the end of December 2024 to past five years.
・“Monthly Rent and Common Area Charge (excluding consumption tax)” indicates the amount agreed upon in the lease agreement with each tenant (including common area charges and excluding the retail facility’s rent for warehouses) and rounding the number down to the nearest thousand yen. “Monthly Rent and Common Area Charge (excluding consumption tax)” for residential properties is the sum of the rent and monthly common-area charges under the lease or sublease agreement (excluding taxes, parking fees and trunk room charges), rounded down to the nearest thousand yen.
・“Security and Guarantee Deposits” is the total of the security deposit and the balance of the guarantee deposit as stipulated in the lease agreements or the sublease agreements, and the figures are rounded down to the nearest thousand yen.
・“Overview of Contract with Tenant” indicates the details of the lease agreement, etc. that has been concluded with the operator.
・“Operator”, “Date Opened”, “Type of Facility”, “Number of Rooms”, “Form of Right of Residence”, “Capacity (Persons/Floor)”, “Room Area Range (m^2)”, “Number of Residents”, “Requirements at Occupancy”, “Occupancy Rate”, “Average Age of Residents”, “Fee Payment Method”, “Care Staff Structure,” and “Night Staff Structure (Minimum Number of Persons Per Night)” are based on the information indicated in the important information statement or information provided by the operator. In cases where the information is based on information provided by the operator, the base time of the information is indicated in parentheses. In cases where there is no description in the important information statement, where it is not applicable, where the information was not provided by the operator, or where the consent for disclosure has not been obtained, “–” is indicated.
・“Fee Payment Method” is what is indicated as the most common/standard plan in the important information statement or in the information provided by the operator.
・“Cooperating Medical Institutions” and “Cooperating Dental Institutions” indicate the cooperating medical institutions, cooperating dental institutions, and designated medical institutions indicated in the important information statement.

(1) KDX Residence Suginami Honancho

Property Name		KDX Residence Suginami Honancho
Type of Specified Asset		Trust beneficiary interest in real estate (Note 1)
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust Period		April 1, 2025 through April 30, 2045 (scheduled)
Location		3-63-11, Izumi, Suginami-ku, Tokyo
Land	Form of Ownership	Proprietary ownership
	Land Area	706.07m^2
	Zoning	Quasi-residential District
	Building Coverage Ratio	60%
	Floor-area Ratio	300%
Building	Form of Ownership	Proprietary ownership
	Gross Floor Area	1,723.36m^2
	Date Constructed	February 3, 2005
	Use	Apartment building
	Type	Small family type

	Structure / No. of Stories	Reinforced concrete structure / six-story building with flat roof				
Earthquake PML		6.3%				
Anticipated Acquisition Price		1,514 million yen				
Appraisal	Appraisal Value	1,720 million yen				
	Base Date for Appraisal	December 1, 2024				
	Appraiser	Japan Real Estate Institute				
	Outline	Please refer to "10. Summary of Appraisal Report" below.				
Collateral		None				
Master Lessee Company		Tokyo Tatemono Real Estate Sales Co., Ltd. (scheduled)				
Type of Master Lease		Pass through				
Property Management Company		Tokyo Tatemono Real Estate Sales Co., Ltd. (scheduled)				
Details of Tenant						
	Total Number of Tenants	1				
	Total Leasable Area	1,614.86m^2				
	Total Leased Area	1,614.86m^2				
	Total Leasable Units	29				
	Total Leased Units	29				
	Occupancy Rate during Past Five Years	2020	2021	2022	2023	2024
		-	-	-	-	100.0% (Note2)
	Monthly Rent and Common Area Charge (excluding consumption tax)	4,652 thousand yen				
	Security and Guarantee Deposits	5,059 thousand yen				
Remarks	Not applicable					
Other	(Note 1) As of today, the Property is a real estate. However, it has been agreed with the seller to put into real estate trust by the scheduled acquisition date and the beneficiary rights of the trust will be acquisition. (Note 2) As KDXR has received the notice of termination from the tenant dated January 8, 2025, the occupancy rate as of the date of this document is 96.3%.					

(2) SOMPO Care LAVIERE Motosumiyoshi

Property Name		SOMPO Care LAVIERE Motosumiyoshi
Type of Specified Asset		Trust beneficiary interest in real estate (Note 1)
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust Period		February 3, 2025 through February 28, 2035 (scheduled)
Location		3-26-1, Shimokodanaka, Nakahara-ku, Kawasaki, Kanagawa
Land	Form of Ownership	Proprietary ownership
	Land Area	2,117.46m^2
	Zoning	Category 1 Residential District / Category 2 Medium-to-high-rise Exclusive Residential District
	Building Coverage Ratio	60%
	Floor-area Ratio	200%
Building	Form of Ownership	Proprietary ownership
	Gross Floor Area	3,936.96m^2
	Date Constructed	August 2, 2024
	Use	Nursing home for the elderly
	Structure / No. of Stories	Reinforced concrete structure / five-story building with flat roof
Earthquake PML		6.7%
Anticipated Acquisition Price		3,730 million yen

Appraisal	Appraisal Value	3,850 million yen				
	Base Date for Appraisal	December 1, 2024				
	Appraiser	Tanizawa Sogo Appraisal Co., Ltd.				
	Outline	Please refer to "10. Summary of Appraisal Report" below.				
Collateral		None				
Master Lessee Company		-				
Type of Master Lease		-				
Property Management Company		Global Community Co., Ltd. (scheduled)				
Details of Tenant						
	Total Number of Tenants	1				
	Total Leasable Area	4,101.36m^2				
	Total Leased Area	4,101.36m^2				
	Total Leasable Units	62				
	Occupancy Rate during Past Five Years	2020	2021	2022	2023	2024
		-	-	-	-	100.0%
	Monthly Rent and Common Area Charge (excluding consumption tax)	Not disclosed (Note 2)				
	Security and Guarantee Deposits	Not disclosed (Note 2)				
Remarks	Not applicable					
Other	(Note 1) As of today, the Property is a real estate. However, it has been agreed with the seller to put into real estate trust by the scheduled acquisition date and the beneficiary rights of the trust will be acquisition. (Note 2) Not disclosed as the tenant's consent has not been obtained.					
Overview of Contract with Tenant	Contract format: Regular lease contract Contract period: August 30, 2024 through August 29, 2054 Rent revisions: In principle, rent shall not be revised for 10 years. However, if the rent becomes excessively unreasonable due to changes in the price of the land and building, taxes and public dues, economic conditions, changes in nursing care insurance compensation, it will be possible to request a rent revision by giving written notice 6 months before the start of the relevant period, which will be every 3 years from the 10th year after the start of the lease period, and the rent can be revised through discussions between the lessee and lessor. Contract renewal： In the case that neither the lessor nor the lessee expresses any written intention to refuse renewal or give notice of termination in writing at least 6 months prior to the expiration of the lease term, the lease term shall be continued for another 5 years under the same conditions. The same shall apply thereafter. Mid-term cancellation： If the tenant wishes to cancel the contract for unavoidable reasons, the contract can be terminated immediately by giving 12 months' notice and introducing a replacement tenant with the same financial resources and other creditworthiness as the tenant, and having the landlord enter into a lease contract with the replacement tenant that is equivalent to this contract in terms of rent, deposit and other conditions, or by paying the tenant an amount equivalent to the rent from the date the tenant wishes to cancel the contract until 15 years have passed from the start of the lease. In addition, the lessee can terminate the contract by giving the lessor written notice 12 months in advance after 15 years have passed from the start of the lease period.					

Overview of Operator and Facility
(as of the end of November 2024) (Reference information)

Operator	Sompo Care Inc.	Opening Date	October 1, 2024
Type of Facility	Private senior home (with nursing care)	Number of Rooms (room)	62
Condition of Rights for Residence	Rights to use	Resident Capacity (people)	62

Main Room Area Range (m^2)	27.83 -29.76		Number of Resident (people)	57
Entering Requirement	Mixed (Support Required / Care required)		Occupancy Rate (%)	91.9
Average Nursing Care Level of Residents	2.2		Average Age of Residents (years old)	89
Service Fee Payment Method				
	Monthly Fee Basis		One-time Entrance Fee Basis	
One-time Entrance Fee (yen)	-		9,900,000 – 11,700,000	
Monthly Service Fee (yen)	391,036 - 421,036		226,036	
Staff Engaged in Nursing Care	More than 2.5 : 1	Staff at Night-time (number of staff members at minimum)	2	
Cooperating Medical Institutions	Medical Corporation Nichibeikai, Saginuma Clinic Medical Corporation Soaikai, Family Clinic Kamata Medical Corporation Hinokikai, Yamabuki Clinic			
Cooperating Dental Institutions	Basyamichi Hiro Dental Clinic			

4. Overview of Seller

(1) KDX Residence Suginami Honancho

Company Name		Cosmos Initia Co., Ltd.
Location		5-34-6, Shiba, Minato-ku, Tokyo
Title and Name of Representative		President: Ryotaro Takachi
Description of Business		1. Real estate sales, leasing, brokerage, appraisal, management and consulting services 2. Land development and construction services 3. Planning, design, construction, supervision, contracting and consulting services for construction and civil engineering projects
Amount of Capital		5,000 million yen (as of March 31, 2024)
Date of Incorporation		June 20, 1969
Net Assets		45,602 million yen (as of March 31, 2024)
Total Assets		173,333 million yen (as of March 31, 2024)
Major Shareholder and Ratio		Daiwa House Industry Co., Ltd. (38.22%) Kyoritsu Maintenance Co., Ltd. (25.13%) (as of March 31, 2024)
Relationship between the Seller and KDXR/the Asset Management Company		
	Capital Relationship	There is no special capital relationship between KDXR or the Asset Management Company and the seller.
	Personnel Relationship	There is no special personnel relationship between KDXR or the Asset Management Company and the seller.
	Business Relationship	There is no special business relationship between KDXR or the Asset Management Company and the seller.
	Related Party Relationships	The seller is not a related-party, etc. as defined in the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the "Investment Trust Act") or a related-party as defined in the Related-Party Transaction Rules of Listed REIT Department of the Asset Management Company.

(2) SOMPO Care LAVIERE Motosumiyoshi

The seller is a domestic company, and the name of the seller and other information are not disclosed as the seller's consent has not been obtained. There is no special capital, personnel, or business relationship between KDXR or the Asset Management Company and the seller. Furthermore, the seller is not a special related parties under the Investment Trust Act or the Related-Party Transaction Rules of the Listed REIT Department of the Asset Management Company.

5. Property Acquirer and Previous Owner's Profile

Details are omitted since the sellers of the Properties are not special related parties of KDXR or the Asset Management Company.

6. Brokerage

(1) KDX Residence Suginami Honancho

There is no brokerage for the Acquisition.

(2) SOMPO Care LAVIERE Motosumiyoshi

Company Name	Kenedix, Inc.
Location	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Title and Name of Representative	President & CEO: Taisuke Miyajima

Description of Business	Asset management business, Real estate related business and Real estate investment business, etc.
Amount of Capital	10,020 million yen (as of December 31, 2023)
Date of Incorporation	April 17, 1995
Brokerage Fee	111,900 thousand yen (excluding consumption tax)
Payment Period of Brokerage Fee	February 3, 2025 (planned)
Relationship with the Broker and KDXR / the Asset Management Company	Kenedix, Inc. is the parent company of the Asset Management Company under the Financial Instruments and Exchange Act, and a related-party, etc. as defined in the Investment Trust Law and a related-party as defined in the Related-Party Transaction Rules of Listed REIT Department of the Asset Management Company.

7. Related Party Transaction

Regarding the Acquisition, transaction with the related party, etc. shall fall under the following category of transaction below.
The Asset Management Company, as bound by the rules for related-party transactions of the Listed REIT Department, submitted the transaction for deliberation and approval to the Compliance Committee. After receiving such approval, the transactions were then submitted to the Listed REIT Department Asset Management Committee for ratification.

Entrustment of Brokerage Business
Please refer to above "6. Brokerage" regarding the details of the brokerage.

8. Schedule of the Transactions

Acquisition Decision Date Contract Date	January 30, 2025
Payment Date/ Acquisition Date SOMPO Care LAVIERE Motosumiyoshi KDX Residence Suginami Honancho	 February 3, 2025 (scheduled) April 1, 2025 (scheduled) (Note)

(Note) The Acquisition of KDX Residence Suginami Honancho fall under the forward commitments, etc. by the investment corporation as specified in the Financial Services Agency "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.". If KDXR violates any of the provisions of the purchase and sale agreement and the agreement is canceled for the reason that purposes of the agreement cannot be fulfilled due to such violation, KDXR shall pay an amount equivalent to a predetermined rate of the purchase price less consumption tax as a penalty fee. Such penalty fee is set at 20%.

9. Outlook

The impact of the Acquisition on the financial results for the fiscal periods ending April 30, 2025 (from November 1, 2024 to April 30, 2025) and October 31, 2025 (from May 1, 2025 to October 31, 2025) is minimal. Therefore, the forecasts of financial results for the fiscal period remains unchanged.

10. Summary of Appraisal Report

Property Name	KDX Residence Suginami Honancho
Appraisal Value	1,720,000,000 yen
Appraiser	Japan Real Estate Institute
Date of Appraisal	December 1, 2024

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	1,720,000,000	Estimate by treating equally the value calculated using the Direct Capitalization Method and the value calculated using the DCF Method
Value based on Direct Capitalization Method	1,740,000,000	Assess by using the cap rate based on medium to long-term stable net cash flow
(1) Gross Operating Revenue	76,757,000	
General Operating Revenue	79,956,000	Assess based on a level of fair rent considered to remain stable over the medium and long term, assuming renovation work in the residential area
Vacancy-Related Loss	3,199,000	Assess based on the premise of an occupancy rate that remains stable over the medium and long term
(2) Operating Expenses	12,580,000	
Maintenance Fees	2,204,000	Assess with reference to the maintenance and management fees based on the contract terms, the fee level of similar properties
Utility Expenses	762,000	Assess an amount with reference to the actual amounts in the prior years and the past performance of similar properties
Repairs	2,190,000	Assess in consideration of the actual amounts in the prior years, expenses at similar properties, annual average repair, maintenance and renewal expenses, etc. in the engineering report
PM Fees	1,313,000	Assess an amount in consideration of compensation rates based on terms of contract and compensation rates, etc. at similar properties
Tenant Marketing Expenses	2,547,000	Assess with reference to the contract terms and the lease terms of similar properties
Property Taxes	3,402,000	Recognize an amount based on the fiscal year 2024 tax statement, etc., taking into account the contents of burden adjustment measures, etc.
Insurance Expenses	162,000	Recognize an amount by referring to insurance premium based on an insurance contract and insurance premium rates, etc. at similar properties.
Other Property-Related Expenses	0	There are no particular expenses to be recorded
(3) Net Operating Income (NOI= (1)-(2))	64,177,000	
(4) One-Time Gain	55,000	Assess an income from investments by using an investment return of 1.0%
(5) Capital Expenditure	3,470,000	Assess 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))	60,762,000	
(7) Cap Rate	3.5%	Assess by comprehensively taking into account the property's location, the conditions of the building and other conditions (including the cost of renovation works on resident areas)
Value based on DCF Method	1,690,000,000	

	Discount Rate	3.1%	Assess an amount by comprehensively taking into account the property's unique characteristics with reference to investment returns of similar properties in transaction
	Terminal Cap Rate	3.4%	Assess 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 based on Cost Method		1,850,000,000	
	Ratio of Land	91.7%	
	Ratio of Building	8.3%	
The appraiser's points to consider upon appraisal other than the above		Adopt income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.	

Property Name	SOMPO Care LAVIERE Motosumiyoshi
Appraisal Value	3,850,000,000 yen
Appraiser	Tanizawa Sogo Appraisal Co., Ltd.
Date of Appraisal	December 1, 2024

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	3,850,000,000	Calculate based on the DCF method, with reference to the value based on direct capitalization method
Value based on Direct Capitalization Method	3,930,000,000	Assess by using the cap rate based on medium to long-term stable net cash flow
(1) Gross Operating Revenue	Not disclosed (Note)	
General Operating Revenue	Not disclosed (Note)	Assess based on current contract terms, profitability of target real estate and other items
Vacancy-Related Loss	Not disclosed (Note)	
(2) Operating Expenses	12,578,837	
Maintenance Fees	0	
Utility Expenses	0	
Repairs	970,000	Assess an amount in consideration of the expenses at similar properties, annual average repair, maintenance and renewal expenses, etc. in the engineering report.
PM Fees	1,200,000	Assess based on the contract details
Tenant Marketing Expenses	0	
Property Taxes	8,683,400	Assess based on actual amount and similar cases
Insurance Expenses	287,883	Record based on insurance materials, etc.
Other Property-Related Expenses	1,437,554	Assess with reference to the expense level of similar properties, etc.
(3) Net Operating Income (NOI= (1)-(2))	146,605,663	
(4) One-Time Gain	397,950	Assess an income from investments by using an investment return of 1.0%
(5) Capital Expenditure	1,455,000	Assess taking into account the cost level of similar properties and the annual average amount of repair and renewal expenses in the engineering report

	(6) Net Cash Flow (NCF＝(3)+(4)-(5))	145,548,613	
	(7) Cap Rate	3.7%	Assess the similar real estate by comparing with transaction yields pertaining to transactions
Value based on DCF Method		3,820,000,000	
	Discount Rate	1st-10th year: 3.6% 11th year: 3.8%	Assess an amount by comprehensively taking into account the property's unique characteristics with reference to investment returns of similar properties in transaction
	Terminal Cap Rate	3.9%	Assess based on capitalization rates and taking into account future forecast uncertainty
Value based on Cost Method		3,850,000,000	
	Ratio of Land	71.6%	
	Ratio of Building	28.4%	
The appraiser's points to consider upon appraisal other than the above		Adopt income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.	

(Note) Figures used in the direct capitalization method (1) include information for which KDXR has not obtained consent for disclosure from the lessee or which enables one to calculate such information. If such figures are disclosed, due to loss of trust relationship between the lessee and KDXR, claims for damages or request for termination may be brought against KDXR for breach of confidentiality obligation, or it may become difficult to renew the agreement over a long term, causing disadvantages and in turn causing damage to the investors' interests. Therefore, information and figures are not disclosed in (1) and (2) above except where it is determined that such disclosure causes no harm.

＜Attached Materials＞
・Reference Material 1: Photographs and Map of the 2 Properties to be Acquired
・Reference Material 2: Status of Property Portfolio of KDXR (After the Acquisitions)

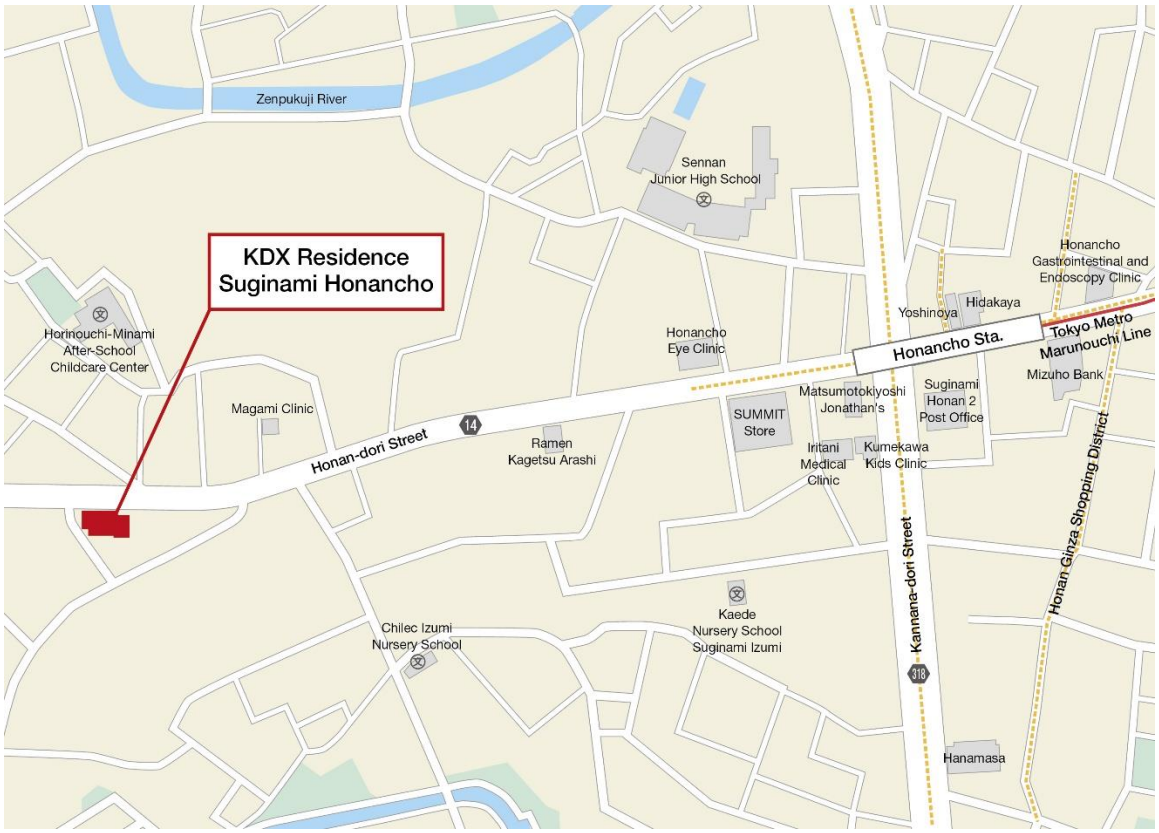
KDXR's website: https://www.kdx-reit.com/eng/

[Provisional Translation Only]
This document is an English translation of the original Japanese document and is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

Reference Material 1: Photographs and Map of the 2 Properties to be Acquired

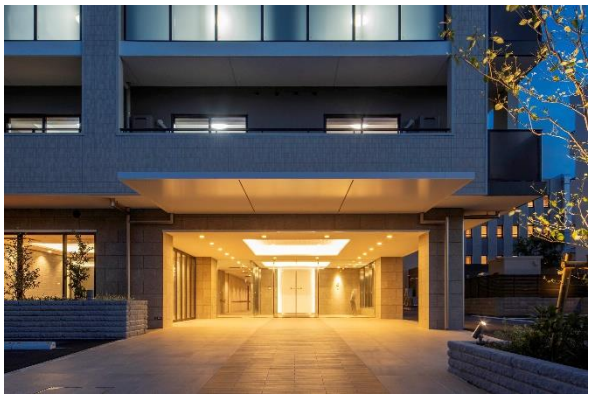
(1) KDX Residence Suginami Honancho



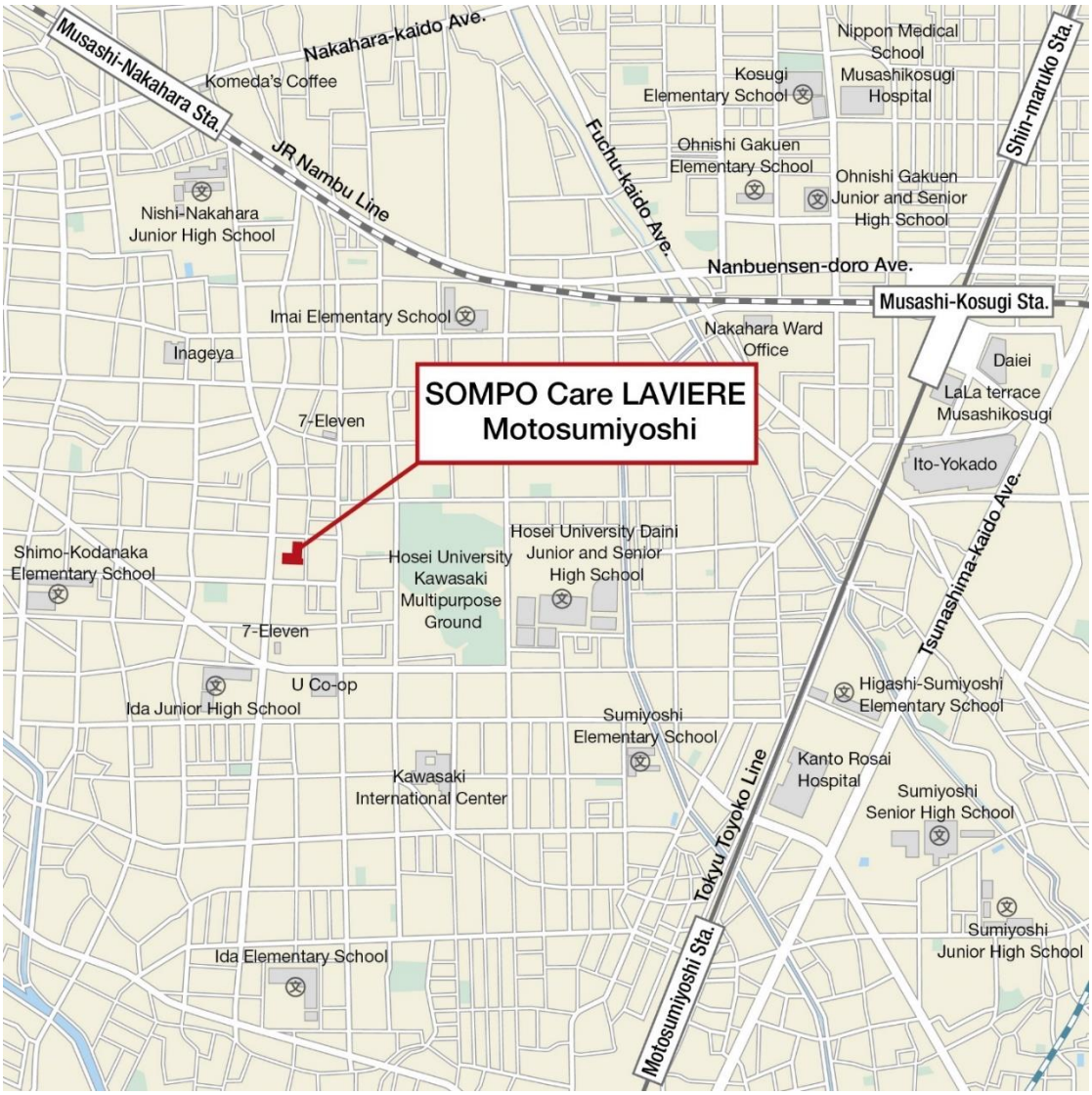


(2) SOMPO Care LAVIERE Motosumiyoshi








SOMPO Care LAVIERE
Motosumiyoshi
Musashi-Nakahara Sta.
Nakahara-kaido Ave.
Komeda's Coffee
JR Nambu Line
Fuchu-kaido Ave.
Nippon Medical School
Musashikosugi Hospital
Kosugi Elementary School
Shin-maruko Sta.
Ohnishi Gakuen Elementary School
Ohnishi Gakuen Junior and Senior High School
Nishi-Nakahara Junior High School
Nanbuensen-doro Ave.
Musashi-Kosugi Sta.
Imai Elementary School
Nakahara Ward Office
Inageya
Daiei
LaLa terrace Musashikosugi
7-Eleven
Ito-Yokado
Hosei University Daini Junior and Senior High School
Shimo-Kodanaka Elementary School
Hosei University Kawasaki Multipurpose Ground
Tsunashima-kaido Ave.
7-Eleven
U Co-op
Ida Junior High School
Higashi-Sumiyoshi Elementary School
Sumiyoshi Elementary School
Kanto Rosai Hospital
Kawasaki International Center
Sumiyoshi Senior High School
Tokyu Toyoko Line
Sumiyoshi Junior High School
Ida Elementary School
Motosumiyoshi Sta.

Reference Material 2: Status of Property Portfolio of KDXR (After the Acquisitions)

As of April 30, 2025

Property Type	Number of Properties	(Anticipated) Acquisition Price (Millions of Yen)	Investment Ratio (Note) (%)
Office Buildings	89	422,212	35.3
Residential Properties	135	317,014	26.5
Retail Facilities	60	281,146	23.5
Logistics Facilities	14	38,662	3.2
Hotels	5	48,640	4.1
Healthcare Facilities	41	87,498	7.3
Portfolio Total	344	1,195,172	100.0

(Note) "Investment Ratio" indicates the ratio of (Anticipated) Acquisition Price of each asset type to Portfolio Total and is rounded to the first decimal place.