Translation of Japanese Original

March 27, 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 Property (Nichii Home Himonya)

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 property (the "Acquisition").

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
F1018	Healthcare Facilities	Nichii Home Himonya	Meguro-ku, Tokyo	1,780	4.1	Yes

(i) Contract Date: March 27, 2025
(ii) Scheduled Acquisition Date: March 31, 2025
(iii) Seller: Please refer to "4. Overview of Seller" for details.
(iv) Acquisition Funds: Cash on hand
(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 February 1, 2025 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.

The property to be acquired shall hereafter be referred to as the "Property".

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 the Property with the aim of improving the quality of the portfolio and maximizing the value of investors.

The Property is a healthcare facility located in the Tokyo Metropolitan Area that is expected to generate stable cash flow based on long-term lease agreement with major high-quality operator. The Property will contribute to the rejuvenation of the age of healthcare facilities owned by KDXR, and to improve the quality of the portfolio. KDXR believes that the Acquisition will strengthen the stable earnings base of our portfolio and contribute 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) Location

The Property is located in a quiet residential area approximately 12 minute walk from “Toritsu Daigaku” station on the Tokyu Toyoko Line and approximately 15 minute walk from “Ookayama” station on the Tokyu Meguro Line and Tokyu Oimachi Line. Furthermore, it has excellent access to major areas in Tokyo, with “Toritsu Daigaku” station on the Tokyu Toyoko Line being approximately 11 minutes from “Shibuya” station. Moreover, Meguro-ku, where the Property is located, the population of elderly people is 55 thousand as of February 1, 2025, and expected to increase to 83 thousand in 2040. 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.

(2) Building

The Property is a private senior home with nursing care which was completed in February 2017, and opened in April 2017. The Property consists of 38 single rooms with a floor area of 19.21m^2 to 26.87m^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 functional training room, health care room and two types of bathrooms, and the common areas are designed with consideration for the comfort of residents, including a family room with kitchen and a terrace with greens.
Furthermore, the operator, Nichii Carepalace Company, operates more than 100 nursing care facilities nationwide, including private senior homes and serviced senior housing under the “Nichii Home”, “Nichii Maison” and “Iris Garden” brands. KDXR has judged the Property can be expected to generate stable operating revenue over the mid-to long-term as the operator is highly competitive.

3. Overview of the Property

The table below shows the overview of 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 February 28, 2025 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. “Earthquake PML” indicates the figure described in the earthquake PML valuation report (level 2) prepared by Sompo Risk Management Inc. in February 2025.
- “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.
- "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.
- "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 February 2025 to the 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 parking area) and rounding the number 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.
- "Average Nursing Care Level of Residents" is the total of the number of residents by the nursing care level indicated in the important information statement, multiplied by 0 for Independence, 0.375 for Support 1, 1 for Support 2, and 1 to 5 for Care 1 to 5, respectively, and then divided by the number of residents, rounded to the first decimal place. In cases where there is no description in the important information statement or no consent for disclosure has been obtained, "–" is indicated.
- "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.

Property Name		Nichii Home Himonya					
Type of Specified Asset		Trust beneficiary interest in real estate (Note 1)					
Trustee		Mitsubishi UFJ Trust and Banking Corporation					
Trust Period		March 31, 2025 through March 31, 2035 (scheduled)					
Location		3-12-15, Himonya, Meguro-ku, Tokyo					
Land	Form of Ownership	Proprietary ownership					
	Land Area	1,245.11m^2					
	Zoning	Category 1 Low-rise Exclusive Residential District					
	Building Coverage Ratio	60%					
	Floor-area Ratio	150%					
Building	Form of Ownership	Proprietary ownership					
	Gross Floor Area	1,834.33m^2					
	Date Constructed	February 28, 2017					
	Use	Nursing home for the elderly					
	Structure / No. of Stories	Reinforced concrete structure / three-story building with flat roof					
Earthquake PML		6.6%					
Anticipated Acquisition Price		1,780 million yen					
Appraisal	Appraisal Value	2,030 million yen					
	Base Date for Appraisal	February 1, 2025					
	Appraiser	Japan Real Estate Institute					
	Outline	Please refer to “10. Summary of Appraisal Report” below.					
Collateral		None					
Master Lessee Company		-					
Type of Master Lease		-					
Property Management Company		HASEKO LIVENET, Inc. (scheduled)					
Details of Tenant							
	Total Number of Tenants	1					
	Total Leasable Area	1,890.50m^2					
	Total Leased Area	1,890.50m^2					
	Total Leasable Units	38					
	Occupancy Rate during Past Five Years	2021	2022	2023	2024	2025	
		100.0%	100.0%	100.0%	100.0%	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: April 1, 2017 through March 31, 2047 Rent revisions: The rent is revised annually in accordance with the following formula from the month following the month in which the lessor receives notification of the amount of property tax and city planning tax for the Property. Formula: Revised monthly rent = A + {(B - C) / 12} A: Fixed rent B: Amount of property tax and city planning tax for the relevant year C: Amount of property tax and city planning tax for the previous year In addition, only if the rent becomes excessively unreasonable compared to the rent						

Overview of Contract with Tenant	of similar buildings in the neighborhood due to changes in taxes and public dues, the prices, interest rates, or other significant changes in economic or social conditions, the rent can be revised through discussions between the lessee and lesser. The revision date will be the first day of the month following the anniversary of the start date of the lease, every three years, starting from the start date of the lease. 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 12 months prior to the expiration of the lease term, the lease term shall be continued for another 2 years under the same conditions. The same shall apply thereafter. Mid-term cancellation: Either the lessor or the lessee shall not be allowed midterm cancellation.

Overview of Operator and Facility
(as of February 1, 2025) (Reference information)

Operator	Nichii Carepalace Company	Opening Date	April 1, 2017
Type of Facility	Private senior home (with nursing care)	Number of Rooms (room)	38
Condition of Rights for Residence	Rights to use	Resident Capacity (people)	38
Main Room Area Range (m^2)	19.21 - 26.87	Number of Resident (people)	30
Entering Requirement	Mixed (Self-reliant / Support Required / Care required)	Occupancy Rate (%)	78.9
Average Nursing Care Level of Residents	2.50	Average Age of Residents (years old)	89.0

Service Fee Payment Method	Monthly Fee Basis	One-time Entrance Fee Basis
One-time Entrance Fee (yen)	-	16,500,000 - 19,000,000
Monthly Service Fee (yen)	588,900 - 665,900	245,900 - 270,900

Staff Engaged in Nursing Care	2.5 : 1 or more	Staff at Night-time (number of staff members at minimum)	2
Cooperating Medical Institutions	Medical Corporation Yoseikai, Kawai Clinic Medical Corporation Nissenkai Dai-ichi Hospital Medical Corporation Kosyokai, Aozora Home Medical Clinic Jyonan		
Cooperating Dental Institutions	Medical Corporation Ryokuyukai, Dental Care HANDS Medical Corporation Meister, APEX Medical / Dental Clinic		

4. Overview of Seller

The seller is a domestic business 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 Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended; 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

Company Name	Kenedix, Inc.
Location	2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo
Title and Name of Representative	President & CEO: Hikaru Teramoto
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, 2024)
Date of Incorporation	April 17, 1995
Brokerage Fee	53,400 thousand yen (excluding consumption tax)
Payment Period of Brokerage Fee	March 31, 2025 (scheduled)
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	March 27, 2025
Payment Date/ Acquisition Date	March 31, 2025 (scheduled)

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 remain unchanged.

10. Summary of Appraisal Report

Property Name	Nichii Home Himonya
Appraisal Value	2,030,000,000 yen
Appraiser	Japan Real Estate Institute
Date of Appraisal	February 1, 2025

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	2,030,000,000	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	2,050,000,000	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 an amount based on the premise of the rent revenue, common area charge revenue, parking revenue, other revenue, etc. that are believed to remain stable over the medium and long term
Vacancy-Related Loss	Not disclosed (Note)	Assess based on the premise of an occupancy rate that remains stable over the medium and long term
(2) Operating Expenses	8,171,000	
Maintenance Fees	0	Not applicable, as the property will be leased to a single tenant by which expense will be borne
Utility Expenses	0	Not applicable, as the property will be leased to a single tenant by which expense will be borne
Repairs	862,000	Assess an amount in consideration of the future administrative operation plan, expenses at similar properties, annual average repair, maintenance and renewal expenses, etc. in the engineering report
PM Fees	1,800,000	Assess an amount in consideration of compensation rates based on terms of contract and compensation rates, etc. at similar properties
Tenant Marketing Expenses	0	Not applicable, as the comprehensive judgment based on the content of the lease agreement and the attributes of the lessee
Property Taxes	5,309,000	Recognize an amount based on the fiscal year 2024 tax statement, etc., taking into account the contents of burden adjustment measures, etc.
Insurance Expenses	200,000	Calculate an amount in consideration of estimated insurance premium and insurance premium rates at similar properties
Other Property-Related Expenses	0	There are no particular expenses to be recorded
(3) Net Operating Income (NOI= (1)-(2))	73,429,000	
(4) One-Time Gain	382,000	Assess an income from investments by using an investment return of 1.0%
(5) Capital Expenditure	2,093,000	Assess an amount by taking into account the level of capital expenditures at similar properties, the age of the property, the average annual repair, maintenance and renewal expenses in the engineering report, etc. assuming that an equal amount is added to a reserve in each fiscal period
(6) Net Cash Flow (NCF＝(3)+(4)-(5))	71,718,000	
(7) Cap Rate	3.5%	Assess an amount by comprehensively taking into account comparison with transaction cases, etc. at similar properties and the property's location, the characteristics of the building, the rights, the terms of contract, etc.

Value based on DCF Method		2,010,000,000	
	Discount Rate	3.3%	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	3.6%	Assess an amount by taking into account future uncertainty, liquidity, etc. based on capitalization rate
Value based on Cost Method		1,990,000,000	
	Ratio of Land	81.5%	
	Ratio of Building	18.5%	
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) above except where it is determined that such disclosure causes no harm.

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

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

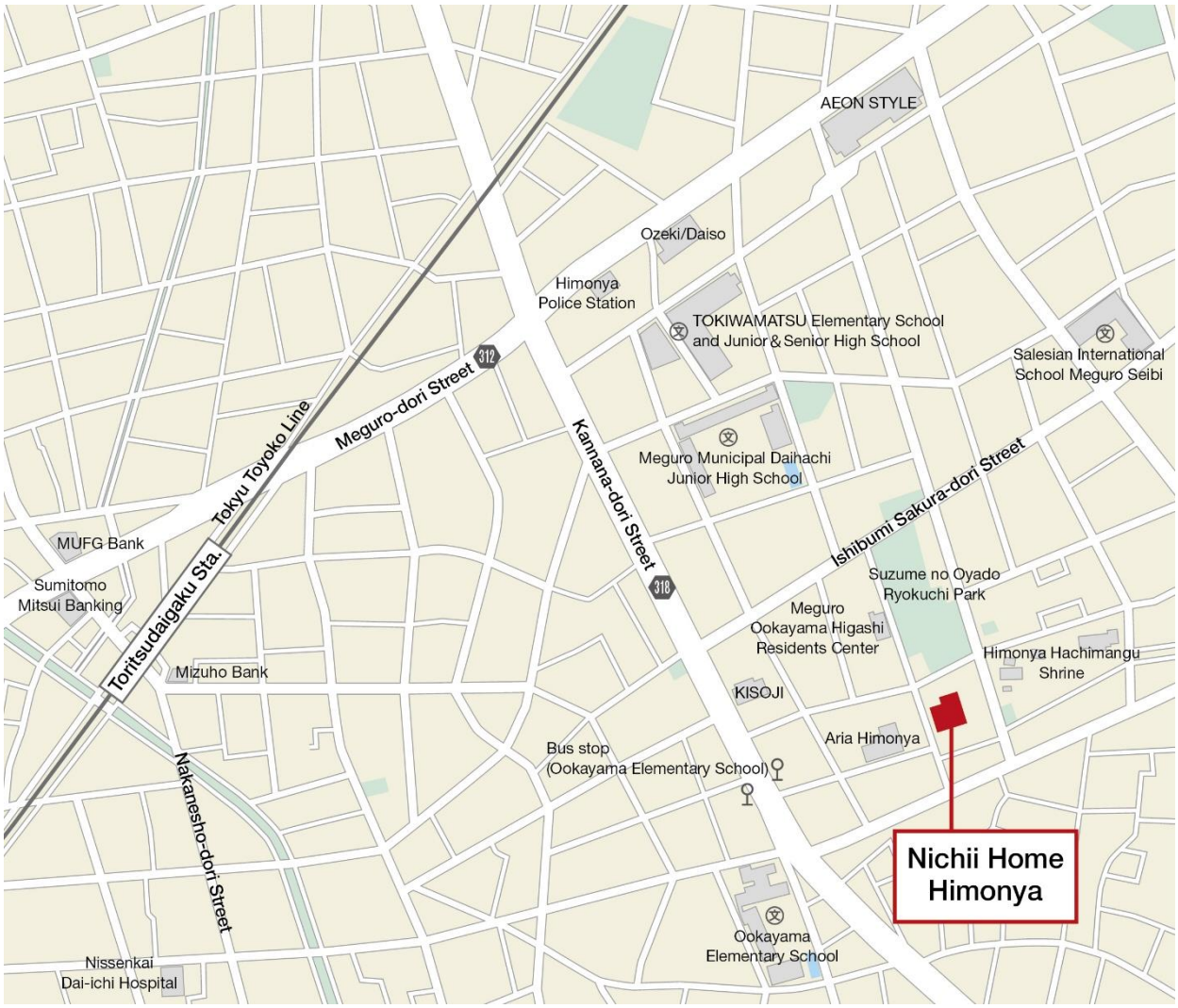
[Provisional Translation Only]
This document is an English translation of the original Japanese document and is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.

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








AEON STYLE
Ozeki/Daiso
Himonya
Police Station
TOKIWAMATSU Elementary School
and Junior & Senior High School
Salesian International
School Meguro Seibi
Meguro-dori Street
312
Tokyu Toyoko Line
Kannana-dori Street
318
Meguro Municipal Daihachi
Junior High School
Ishiburmi Sakura-dori Street
MUFG Bank
Sumitomo
Mitsui Banking
Toritsudaigaku Sta.
Suzume no Oyado
Ryokuchi Park
Meguro
Ookayama Higashi
Residents Center
Himonya Hachimangu
Shrine
Mizuho Bank
KISOJI
Aria Himonya
Bus stop
(Ookayama Elementary School)
Nakanesho-dori Street
Nichii Home
Himonya
Ookayama
Elementary School
Nissenkai
Dai-ichi Hospital

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

As of May 16, 2025

Property Type	Number of Properties	(Anticipated) Acquisition Price (Millions of Yen)	Investment Ratio (Note) (%)
Office Buildings	88	417,622	35.0
Residential Properties	135	317,014	26.6
Retail Facilities	60	281,146	23.6
Logistics Facilities	14	38,662	3.2
Hotels	5	48,640	4.1
Healthcare Facilities	42	89,278	7.5
Portfolio Total	344	1,192,362	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.