Translation of Japanese Original

March 31, 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 Disposition of Property (Sapporo Shiroishi Distribution Center)

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 dispose of the following property (the "Disposition").

1. Overview of the Disposition

Property Number	Property Type	Property Name	Anticipated Disposition Price (Note 1) (Millions of Yen)	Assumed Book Value (Note 2) (Millions of Yen)	Difference between Anticipated Disposition Price and Assumed Book Value (Note 3) (Millions of Yen)	Brokerage
D2001	Logistics Facilities	Sapporo Shiroishi Distribution Center	1,261	1,002	258	Yes

(i) Contract Date: March 31, 2025
(ii) Scheduled Disposition Date: April 28, 2025
(iii) Buyer: Please refer to "4. Overview of Buyer" for details.
(iv) Use of Proceeds: Cash on hand
(v) Settlement Method: Receive a deposit of 126 million yen on the contract date, and remaining balance on the disposition date

(Note 1) "Anticipated Disposition Price" is the disposition price (excluding the disposition costs, settlement of property tax and city planning tax, and consumption tax, etc.) indicated in the trust beneficiary interest sale and purchase contract, and is rounded down to the nearest million yen. The same shall apply hereafter.
(Note 2) "Assumed Book Value" is as of the scheduled date of disposition.
(Note 3) Figures are referential amount, calculated as a difference between anticipated disposition price and assumed book value, and different from gain or loss on sale.

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

2. Reasons for the Disposition

While KDXR is acquiring new properties that are in line with its portfolio management policy, we are also working to improve portfolio quality through asset reshuffling by disposing properties, taking into account the current and future portfolio construction policy, real estate market trends, and the characteristics of individual properties.

The Property is a 52 years old logistics facility located in Sapporo, Hokkaido. The Property is located in the Ryutsu Center District within the Sapporo Metropolitan Area where high demand is expected for logistics facilities. KDXR

acquired the Property since we highly evaluated its high scarcity value due to the limited supply of new facilities in the area. The Property has been leased to a single tenant, and the lease agreement with the tenant is expected to expire on April 30, 2025. We have been considering measures to improve unitholder value, including disposition, redevelopment or tenant leasing.
Amid the difficulties in planning redevelopment due to the recent surge in construction costs, the anticipated disposition price which agreed with the buyer is significantly higher than the book value and the most recent appraisal value, we expect to secure a gain on sales of real estate. Therefore, KDXR have decided to dispose of the Property after comprehensively considering its competitiveness and its future potential.

3. Overview of the Property

The table below shows the overview of property to be disposed of (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 the end of February, 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 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.
- "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.
- "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 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.

Outline of Property to be Disposed of

Property Name		Sapporo Shiroishi Distribution Center				
Type of Specified Asset		Trust beneficiary interest in real estate				
Trustee		Sumitomo Mitsui Trust Bank, Limited				
Trust Period		December 24, 2020 through September 30, 2036				
Location		1-7-40, Ryutsu Center, Shiroishi-ku, Sapporo, Hokkaido				
Land	Form of Ownership	Proprietary ownership				
	Land Area	4,958.35m^2				
	Zoning	Quasi-industrial District				
	Building Coverage Ratio	60%				
	Floor-area Ratio	300%				
Building	Form of Ownership	Proprietary ownership				
	Gross Floor Area	A: 1,437.39m^2 B: 9,743.76m^2				
	Date Constructed	A: July 30, 1973 B: September 20, 1973				
	Use	Warehouse				
	Structure / No. of Stories	A: Reinforced concrete structure/ 3-story building with flat roof B: Reinforced concrete structure/ 4-story building with flat roof				
Earthquake PML		A (Office): 2.1% B (Warehouse): 2.5%				
Acquisition Price		1,040 million yen				
Appraisal	Appraisal Value	1,040 million yen				
	Base Date for Appraisal	October 31, 2024				
	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.				
	Outline	Please refer to “9. Summary of Appraisal Report” below.				
Collateral		None				
Master Lessee Company		-				
Type of Master Lease		-				
Property Management Company		Kenedix Property Design, Inc.				
Details of Tenant						
	Total Number of Tenants	1				
	Total Leasable Area	11,181.15m^2				
	Total Leased Area	11,181.15m^2				
	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)				
	Security and Guarantee Deposits	Not disclosed (Note)				
Remarks	Not applicable					
Other	(Note) Not disclosed as the tenant’s consent has not been obtained.					

4. Overview of Buyer

The buyer is a domestic business company, and the name of the buyer and other information are not disclosed as the buyer’s consent has not been obtained. There is no special capital, personnel, or business relationship between KDXR or the Asset Management Company and the buyer.
Furthermore, the buyer 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. Brokerage

The broker of the Property is not a special related party under the Investment Trusts Act, or the Related-Party Transaction Rules of the Listed REIT Department of the Asset Management Company.

6. Related Party Transaction

The Disposition is not a related-party transaction.

7. Schedule of the Disposition

Disposition Decision Date Contract Date	March 31, 2025
Payment Date/ Disposition Date	April 28, 2025 (scheduled)

8. Outlook

The difference between the anticipated disposition price and assumed book value is 258 million yen. However, the impact of the Disposition on the financial results for the fiscal period 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 forecast of financial results for the fiscal periods remains unchanged.

9. Summary of Appraisal Report

Property Name	Sapporo Shiroishi Distribution Center
Appraisal Value	1,040,000,000 yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Appraisal	October 31, 2024

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	1,040,000,000	Calculate based on an adjustment of the value based on the DCF method and the value based on the direct capitalization method
Value based on Direct Capitalization Method	1,060,000,000	Assess by using the cap rate based on medium term stable standardized net cash flow
(1) Gross Operating Revenue	Not disclosed (Note)	
Rent Revenue	Not disclosed (Note)	
Other Revenue	Not disclosed (Note)	
Vacancy-Related Loss	0	Not calculate, as long-term continuation of current lease agreements are expected
(2) Operating Expenses	Not disclosed (Note)	
Maintenance Fees	Not disclosed (Note)	
Utility Expenses	Not disclosed (Note)	
Repairs	Not disclosed (Note)	
PM Fees	Not disclosed (Note)	
Tenant Marketing Expenses	0	Not calculate, as long-term continuation of current lease agreements are expected
Property Taxes	Not disclosed (Note)	
Insurance Expenses	Not disclosed (Note)	
Other Property-Related Expenses	Not disclosed (Note)	
(3) Net Operating Income (NOI= (1)-(2))	55,847,540	
(4) One-Time Gain	161,850	Assess an income from investments by using an investment return of 1.0%
(5) Capital Expenditure	1,957,301	Assess and calculate based on the building's replacement cost and referring to renewal costs of similar properties
(6) Net Cash Flow (NCF＝(3)+(4)-(5))	54,052,089	
(7) Cap Rate	5.1%	Assess by comprehensively taking into account the property's location, the characteristics of the building and other characteristics
Value based on DCF Method	1,030,000,000	
Discount Rate	4.9%	Assess based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
Terminal Cap Rate	5.3%	Assess an amount by taking into account the characteristics of adopted net cash flow, future uncertainty, liquidity, marketability of the property
Value based on Cost Method	445,000,000	
Ratio of Land	70.4%	
Ratio of Building	29.6%	

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) and (2) 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 Material＞

・Reference Material:　Status of Property Portfolio of KDXR (After the Disposition)

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: Status of Property Portfolio of KDXR (After the Disposition)

As of May 16, 2025

Property Type	Number of Properties	(Anticipated) Acquisition Price (Millions of Yen)	Investment Ratio (Note) (%)
Office Buildings	88	417,622	35.1
Residential Properties	135	317,014	26.6
Retail Facilities	60	281,146	23.6
Logistics Facilities	13	37,622	3.2
Hotels	5	48,640	4.1
Healthcare Facilities	42	89,278	7.5
Portfolio Total	343	1,191,322	100.0

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