Translation of Japanese Original

August 22, 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 (Leopalace Flat Shin-sakae)

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
B2027	Residential Properties	Leopalace Flat Shin-sakae	4,420	4,732	(312)	N/A

(i) Contract Date: August 22, 2025
(ii) Scheduled Disposition Date: August 29, 2025
(iii) Buyer: Please refer to "4. Overview of Buyer" for details.
(iv) Use of Proceeds: Cash on hand
(v) Settlement Method: Payment in full on the date of disposition

(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 as the "Property".

2. Reasons for the Disposition

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

The property is a more than 20 years old residential property located in the Nagoya area, where the rental supply and demand environment is relatively poor at present. The property was acquired at market value at the time of the merger with the former Kenedix Residential Next Investment Corporation but currently has an unrealized loss. With

the current property specifications based on the premise of entirely leasing to the single tenant who is a rental management company, we expect only a limited improvement in profitability even if the rental market recovers in the future, and we are concerned about an increase in capital expenditures and maintenance costs in the near future. Therefore, we have been considering disposing of the Property.
The anticipated disposition price is the same as the most recent appraisal value and lower than the assumed book value as of the scheduled disposition date. However, we believe that the disposition price represents a fair market price that appropriately reflects the competitiveness and future potential of the Property and have concluded that divesting the Property at this time is more beneficial to the mid-to long-term interests of KDXR, rather than to continue to hold it.

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 July 31, 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.
- "Type" 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 April 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. 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 July 2025 to the past five years.
- "Monthly Rent and Common Area Charge (excluding consumption tax)" 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.

Outline of Property to be Disposed of

Property Name		Leopalace Flat Shin-sakae				
Type of Specified Asset		Trust beneficiary interest in real estate				
Trustee		Mitsubishi UFJ Trust and Banking Corporation				
Trust Period		December 20, 2024 through December 31, 2034				
Location		1-5-31, Shin-sakae, Naka-ku, Nagoya, Aichi				
Land	Form of Ownership	Proprietary ownership				
	Land Area	1,161.52m^2				
	Zoning	Commercial District				
	Building Coverage Ratio	80%				
	Floor-area Ratio	800% / 500%				
Building	Form of Ownership	Proprietary ownership				
	Gross Floor Area	11,589.95m^2				
	Date Constructed	November 15, 2004				
	Use	Apartment building, retail stores				
	Type	Studio type				
	Structure / No. of Stories	Reinforced concrete structure / 21-story building with flat roof				
Earthquake PML		1.2%				
Acquisition Price		4,730 million yen				
Appraisal	Appraisal Value	4,420 million yen				
	Base Date for Appraisal	April 30, 2025				
	Appraiser	JLL Morii Valuation & Advisory K.K.				
	Outline	Please refer to "9. Summary of Appraisal Report" below.				
Collateral		None				
Master Lessee Company		Leopalace21 Corporation				
Type of Master Lease		Rent guarantee				
Property Management Company		Leopalace21 Corporation				
Details of Tenant						
	Total Number of Tenants	1				
	Total Leasable Area	11,589.95m^2				
	Total Leased Area	11,589.95m^2				
	Total Leasable Units	274				
	Total Leased Units	274				
	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)	18,200 thousand yen				
	Security and Guarantee Deposits	-				

Remarks	Not applicable
Other	Not applicable

4. Overview of Buyer

The buyer is a domestic 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), or the Related-Party Transaction Rules of the Listed REIT Department of the Asset Management Company.

5. Brokerage

Not applicable

6. Related Party Transaction

The Disposition is not a related-party transaction.

7. Schedule of the Disposition

Disposition Decision Date Contract Date	August 22, 2025
Payment Date / Disposition Date	August 29, 2025 (scheduled)

8. Outlook

Although a loss on sale will be recorded, the impact of the Disposition on the financial results for the fiscal periods ending October 31, 2025 (May 1, 2025 to October 31, 2025) and April 30, 2026 (November 1, 2025 to April 30, 2026), is minimal and it is also possible to manage DPU with reversal of the internal reserves. Therefore, the forecast of financial results for the fiscal periods remains unchanged.

9. Summary of Appraisal Report

Property Name	Leopalace Flat Shin-sakae
Appraisal Value	4,420,000,000 yen
Appraiser	JLL Morii Valuation & Advisory K.K.
Date of Appraisal	April 30, 2025

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	4,420,000,000	Assess by focusing on the value calculated using the DCF method and considering a comparison with the value calculated using the direct capitalization method
Value based on Direct Capitalization Method	4,580,000,000	Assess by using the cap rate based on medium term stable standardized net cash flow
(1) Gross Operating Revenue	254,084,845	
General Operating Revenue	276,336,468	Assess by multiplying the stable mid-to long-term rent by the leasable area
Vacancy-Related Loss	22,251,623	Assess in consideration of the occupancy rate, the current vacancy rate and future trends in the market, the terms of the lease, and the competitiveness of the property
(2) Operating Expenses	63,241,383	
Maintenance Fees	16,266,822	Assess with reference to the fee level of similar properties
Utility Expenses	3,253,364	Assess with reference to the fee level of similar properties
Repairs	10,497,443	Determine the appropriateness and adopt the repair expenses as in the engineering report, and assess minor repair costs with tenant turnover in the apartment building as restoration costs
PM Fees	6,352,121	Assess with reference to the fee level of similar properties
Tenant Marketing Expenses	6,746,671	Assess based on the estimated new lease area, rents for new leases, and occupancy rate expected each year due to tenant turnover
Property Taxes	18,017,709	Assess based on actual property tax amount, taking into account the estimated rate of increase or decrease in property tax due to future revaluation
Insurance Expenses	1,207,253	Determine the appropriateness and adopt the insurance expenses obtained from the client
Other Property-Related Expenses	900,000	Assess based on the actual amount in PM report obtained from the client
(3) Net Operating Income (NOI= (1)-(2))	190,843,462	
(4) One-Time Gain	319,430	Assess an income from investments by using an investment return of 1.0%
(5) Capital Expenditure	12,681,900	Determine the appropriateness and assess the renewal costs in the engineering report
(6) Net Cash Flow (NCF＝(3)+(4)-(5))	178,480,992	
(7) Cap Rate	3.9%	Assess by comprehensively taking into account the property's location, the spec of the building, lease type, contract terms, tenant quality, competitiveness based on the type of rights and net income forecast
Value based on DCF Method	4,350,000,000	
Discount Rate	3.8%	Assess an amount by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
Terminal Cap Rate	4.1%	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	3,660,000,000	

	Ratio of Land	80%	
	Ratio of Building	20%	
The appraiser's points to consider upon appraisal other than the above		None	

＜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 August 29, 2025

Property Type	Number of Properties	Acquisition Price (Millions of Yen)	Investment Ratio (Note) (%)
Office Buildings	88	417,622	35.4
Residential Properties	134	312,284	26.4
Retail Facilities	59	275,316	23.3
Logistics Facilities	13	37,622	3.2
Hotels	5	48,640	4.1
Healthcare Facilities	42	89,278	7.6
Portfolio Total	341	1,180,762	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.