(Securities Code: 3453)
(Date of Notice) August 1, 2023
(Commencement Date of Electronic Provision Measures) July 20, 2023

To Our Unitholders

Moyuru Watanabe
Executive Director
Kenedix Retail REIT Corporation
2-1-6 Uchisaiwaicho, Chiyoda-ku, Tokyo

Notice Concerning the Fifth General Meeting of Unitholders

You are cordially invited to attend the Fifth General Meeting of Unitholders of Kenedix Retail REIT Corporation ("the Investment Corporation"). The Meeting will be held as described below.
You can also exercise your voting rights in writing. Please review the "Reference Material for the General Meeting of Unitholders" set forth below, vote on the proposals in the enclosed Voting Rights Exercise Form, and return it by no later than 5:00 p.m. Friday, August 18, 2023.
In addition, the Investment Corporation has established a "deemed approval" provision in Article 15 of its current Articles of Incorporation pursuant to Article 93, paragraph 1 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951; as amended, "the Investment Trusts Act").
Accordingly, if you are unable to attend the Meeting and are unable to vote using the Voting Rights Exercise Form, please note that you will be deemed as having attended the meeting and approved each of the agenda.

(Excerpt from the Investment Corporation's Current Articles of Incorporation)
Article 15 (Deemed Approval)
1. A unitholder's non-attendance at the General Meeting of Unitholders and non-voting shall be deemed as the unitholder's approval of the agenda items submitted to the General Meeting of Unitholders (provided that when submitted agenda items contradict each other, such agenda items shall be omitted).
2. Unitholder votes that are deemed as having approved agenda items pursuant to the preceding Paragraph will be added to the votes cast by attending unitholders.

In holding the Meeting, the Investment Corporation has taken measures to electronically provide reference materials for the Meeting and has uploaded

"Notice Concerning the Fifth General Meeting of Unitholders" on the "General Meeting of Unitholders" page on its website. Please visit and refer to the link below.

Investment Corporation's website:
https://www.krr-reit.com/en/

The Investment Corporation has also uploaded its reference materials for the Meeting on the Tokyo Stock Exchange ("TSE") website. To access the reference materials, please visit the TSE website and search the entity name "Kenedix Retail REIT Corporation" or the security code "3453," go to "Basic Information" and select "Documents for Public Inspection/PR information" tabs.

TSE's website (Listed Company Information Service)
(https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show)

1. Date and Time
2:30 p.m., Monday, August 21, 2023
(Attendees will be allowed into the venue from 2:00 p.m.)
2. Place
2-1-1 Uchisaiwaicho, Chiyoda-ku, Tokyo
Iino Hall and Conference Center Room A1+A2+A3, Iino Building 4F
3. Agenda of the Meeting
Resolution Agenda:
Agenda Item No. 1: Approval of the Merger Agreement
Agenda Item No. 2: Termination of the Asset Management Agreement with Kenedix Real Estate Fund Management, Inc.
Agenda Item No. 3: Partial amendments to the Articles of Incorporation

---

Note:
(Requests)
・For those attending the Meeting, please present the enclosed Voting Rights Exercise Form at the reception desk.
・Unitholders voting by proxy can vote by having another individual unitholder who holds voting rights attend the Meeting and act as their proxies. In such a case, please submit a Power of Representation Form and a Voting Rights Exercise Form at the reception desk.
・Unitholders are reminded to bring this notice when attending the Meeting, so as to enable us to save our resources.
(Information)
・If neither approval nor disapproval of a proposal is indicated in a Voting Rights Exercise Form returned to the Investment Corporation, it shall be

counted as a vote for approval of the proposal.

- Please note that, should there be any corrections to the reference materials up to the day before the Meeting, the Investment Corporation will post the relevant sections before and after the corrections on the Investment Corporation and TSE websites above.
- Please kindly note that no gifts will be handed out to unitholders attending the Meeting.
- Please note that, in light of the COVID-19 infections in Japan, the Investment Corporation may take measures in order to prevent the COVID-19 infections at the Meeting.

Agenda and Reference Matter

Agenda Item No. 1: Approval of the Merger Agreement

On June 13, 2023, the Investment Corporation, Kenedix Office Investment Corporation ("KDO") and Kenedix Residential Next Investment Corporation ("KDR"; and the Investment Corporation, KDO and KDR are individually or collectively referred to as "Each REIT") resolved to undertake an absorption-type merger, with November 1, 2023 as the effective date, whereby KDO will be the surviving corporation and KDR and the Investment Corporation will be the dissolving corporations in the merger (the "Merger"), and executed a merger agreement (the "Merger Agreement") to that effect. All unitholders are requested to agree to the purpose for the Merger as described below and approve the Merger Agreement.

1. Reason for the absorption-type merger

   The Japanese economy is making a moderate recovery as movement restrictions to prevent the spread of COVID-19 infections was removed, and its economic and social activities are being normalized. However, there are uncertain factors in the economic conditions in and outside Japan such as changes in the global affairs, emergence of geopolitical risks and effects of economic sanctions related to these risks as a result of the invasion of Ukraine by Russia, continuous global inflation related to rising commodity prices and fuel costs, increase of the policy interest rates by major countries, and bankruptcies of overseas financial institutions.

   In such environment, the current real estate investment trust securities market (the "J-REIT market") is unstable and affected by the concern for rising operational costs due to inflation and the fear for the rise in the long-term interest rates due to future changes of the monetary policies by the Bank of Japan.

   The asset management company of Each REIT, Kenedix Real Estate Fund Management, Inc. ("KFM"), was established as follows: Kenedix Residential Partners, Inc. established in March 2011 merged with Kenedix Office Partners, Inc. and Kenedix Advisors, Inc. (both established in November 2003) in October 2013 in an absorption-type merger, and changed its corporate name to the current name of the asset management company. Each REIT has received sponsor support from Kenedix, Inc., the parent company of KFM, and its group companies and has achieved operational results.

   KDO was listed on the J-REIT market of the Tokyo Stock Exchange, Inc. (the "Tokyo Stock Exchange") in July 2005, as "Kenedix Realty Investment

Corporation" which conducted diversified investment in office buildings, residential properties, and retail facilities, etc. and began operation with a portfolio of 29 properties and a total acquisition price of 61 billion yen. Subsequently, KDO amended its management guidelines to convert its diversified REIT into office specialized REIT in December 2006. Moreover, KDO clarified its plan to build a portfolio centered on mid-sized office buildings and amended its articles of incorporation to change the corporate name to the current name of the investment corporation in February 2014.

KDO has increased the size of its assets to 97 properties and the total acquisition price of 453.3 billion yen (excluding the silent partnership equity interest whose underlying asset is Shinjuku Sanei Building) (as of April 30, 2023) through a period of approximately 18 years after it was listed by mainly investing in and managing mid-sized office buildings in Tokyo Metropolitan Area where economic activities are densely integrated with abundant tenant demand and rich stocks of properties.

KDR was listed in April 2012, as "Kenedix Residential Investment Corporation" which mainly invests in residential properties such as rental housing, and began operation with a portfolio of 20 properties and a total acquisition price of 30.4 billion yen. In March 2018, KDR undertook an absorption-type merger, whereby KDR became the surviving corporation and Japan Senior Living Investment Corporation became the dissolving corporation in the merger, and changed its corporate name to the current name of the investment corporation and amended its articles of incorporation in order to add healthcare facilities and hotels to its main investment target in addition to the existing residential properties.

KDR mainly invests in residential properties and healthcare facilities which are spaces where people live and stay. KDR has increased the size of its assets to 182 properties and a total acquisition price of 304.2 billion yen (as of April 30, 2023) through a period of approximately 11 years after it was listed, by investing in and managing the real estates which are expected to have a strong demand from tenants or users and gain stable and lasting profits in accordance with regional analysis and separate analysis based on characteristic features or site locations of each real estate property.

The Investment Corporation was listed in February 2015, as "Kenedix Retail REIT Corporation" which focuses its investments in "shopping centers for daily needs" that are located within residential districts or adjacent to major roads or streets and provide daily goods and services, and began operations with a portfolio of 18 properties and a total acquisition of 80.8 billion yen. In June 2018, the Investment Corporation amended its articles of incorporation to, from the perspective of keeping pace with the changing trends of supply chain such as the growth of e-commerce, add distribution centers that provide products that complements shopping centers in its investment target

in addition to the existing shopping centers.
The Investment Corporation has increased the size of its assets to 70 properties and the total acquisition price of 270.3 billion yen (as of April 30, 2023) through a period of approximately 8 years after it was listed, by investing in and managing shopping centers and distribution centers that are expected to contribute to improve the profit stability and the profitability of the portfolio based on its policy to focus its investment in shopping centers for daily needs.
Each REIT has implemented various measures to ensure the acquisition of stable profits and the continued growth of investment assets by leveraging each characteristic.
However, the real estate market's evaluations of the mid-sized office buildings, which are KDO's main investment target, have not changed because of their scarcity and liquidity. Thus, the capitalization rate remains low and it remains hard to acquire mid-sized office buildings. Moreover, recently, unit prices of KDO are significantly below NAV per unit due to the concern for the market outlook regarding secondary vacancies and rent decline due to large supplies of large office buildings, and there are limited opportunities for external growth that involve public offering. Therefore, there are issues with ensuring continued future growth. As for KDR, although KDR has conducted public offerings for five consecutive years, there is the possibility that the acquisition competition may escalate and the acquisition opportunities may decrease due to the relatively stable profitability of residential properties, and recently unit price is below NAV per unit. Moreover, KDR's LTV is relatively high in the J-REIT market, and KDR has concerns regarding the increase in costs when interest rates are rising. As for the Investment Corporation, although it has a rich real estate pipeline, it has been increasingly difficult to acquire shopping centers for daily needs since the COVID-19 pandemic. In addition, there are concerns over increase in costs caused by inflation, and there are issues such as limited room for the future internal growth as a whole due to the long-term fixed rents.
Moreover, Each REIT is watching the trends of interest levels and price levels such as costs of utilities, which may have an impact on the profitability of their portfolios in the future, and Each REIT recognizes this situation as their common issues.
In such circumstances, Each REIT agreed to start negotiation for merger and carefully deliberated on the issues in order to deal with the issues described above, respond flexibly to environmental changes and attain continued growth. As a result, Each REIT came to the same conclusion that the Merger will contribute to maximize unitholders' value by leading to the continued growth by expanding investment target sectors, improving their presence and

stability in the market by increasing the sizes of their assets, and enabling more commitment for sustainability. Therefore, the Merger Agreement was made and entered into by and among Each REIT.
Each REIT considers that the Merger has the following rationale:

i) Sustainable growth driven by expansion of investment target sectors
The New REIT (defined below) will continue to focus on their main investment target, i.e. mid-sized office buildings, residential properties, healthcare facilities, and shopping centers for daily needs, and it will start to additionally focus on logistics facilities and hotels, in which Each REIT has conducted only limited investments until now, to increase opportunities for acquisitions. In addition, the Merger will enable asset reshuffling among different asset types, disposing of properties with less competitiveness or profitability, allow flexibly to the changes of the external environment surrounding the real estate market, and activate the investments in the investment target sectors that are expected to grow, and thus leading to the improvement of portfolio profitability. As described above, the New REIT aims to attain continued growth beyond the boundary of the strategic management for the existing specialized REIT through a strategic management that ensures a wide range of opportunities for acquisitions and flexibility related to the expansion of the investment target sectors.

ii) Improvement in the market presence and ability
Through the Merger, the asset size of the investment corporation after the Merger (the "New REIT") will be ranked third in the J-REIT market (Note 1) and this will significantly improve the presence in the market and liquidity of investment units, and the portfolio is expected to own a total of 350 properties (Note 2) after the Merger. Having the largest expected number of properties in the J-REIT market will enhance diversification and contribute to improve the stability of the portfolio. In addition, a property manager that leverages the advantage of its scale will contribute to increase resilience against the pressure of the rising costs.

iii) Further commitment to sustainability
Each REIT has recognized sustainability as a significant issue and has taken the initiative in implementing various initiatives. Specifically, KDO has become the first investment corporation in the J-REIT market to participate in GRESB Real Estate Assessment, KDR was the first J-REIT to issue social bonds, and the Investment Corporation was the first J-REIT to introduce investment unit performance fee. The New REIT plans to integrate and elevate expertise accumulated by Each REIT through the Merger and aims to be a leading company in the sustainability initiatives. Moreover, the New

REIT plans to further enforce the sustainability initiatives under the management system with a high degree of specialization and diversity by introducing a new management fee structure that is linked to unitholder value and sustainability metric, improving governance through the enhancement of supervisory officers, and promoting diversity.

Furthermore, the New REIT sets the following growth strategies: capturing new opportunities for growth through the expansion of its investment target sectors, strengthening its earnings power through the reshuffling of its assets which adapt to environmental changes and acquiring upside earnings through active management.
Under these growth strategies, as described in the press releases "Notice Concerning Acquisition of Properties (River City 21 East Towers II and 2 Other Properties) and Disposition of Properties (Harajuku F.F. Building and 1 Other Property)" dated June 13, 2023 by Each REIT, and "Notice Concerning Acquisition of Property (York Mart Higashi-Michinobe)" dated the same day by the Investment Corporation, the New REIT aims to strengthen its earning power by acquiring a total of four properties: residential property, hotel, distribution center (land) and shopping center for daily needs, and by disposing of two office buildings.

(Note 1) The amount of asset size after the Merger is calculated by totaling the asset size of Each REIT. The asset size of KDO is assumed to be the total of acquisition price of the properties in the portfolio as of April 30, 2023, plus the acquisition (scheduled) price reflecting the acquisitions and sales (including one that are scheduled) of the properties from May 1, 2023 to the effective date of the Merger. The asset size of KDR and the Investment Corporation is considered to be the appraisal values of the properties as of the end of the latest fiscal period (relating to KDR, as of January 31, 2023 (provided, however, that, this includes the acquisitions of Sunny Life Tachikawa and Rehabili-home Bon Sejour Minamisenzoku; relating to the Investment Corporation, as of March 31, 2023). The asset sizes of the other investment corporations in the J-REIT market are calculated based on the asset sizes including any properties that the other investment corporations announced the acquisition and sale thereof in the J-REIT market as of April 30, 2023 (acquisition (scheduled) price basis). Therefore, it is not guaranteed that the New REIT will have the third largest asset size in the J-REIT market as of the effective date of the Merger. In regard to the asset size after the Merger, because it is planned that assets of KDR and the Investment Corporation will be succeeded at market price based on the purchase method by KDO as the acquiring corporation, the asset size will not be a simple sum of the total (scheduled) acquisition price of KDO and the total appraisal values of KDR and the Investment Corporation as of the end of the latest accounting period.

(Note 2) The number of properties of the portfolio after the Merger is based on the number of properties of KDO, KDR and the Investment Corporation as of

June 13, 2023 and reflecting the change in the number of the acquisitions and sales of the properties (including ones that are scheduled) by the effective date of the Merger. KDX Chofu Building is treated as one property in the calculation of the number of properties of the portfolio after the Merger though KDO owns its office tower and the Investment Corporation owns its retail wing respectively as of June 13, 2023. The numbers of the properties of the other investment corporations in the J-REIT market is calculated based on the number of properties including those that the other investment corporations announced acquisition and sale thereof in the J-REIT market as of April 30, 2023. Therefore, it is not guaranteed that the portfolio of the New REIT will have the largest number of properties in the J-REIT market as of the effective date of the Merger.

2. Summary of the contents of the Merger Agreement
As described in Attachment 1 hereto.

3. Summary of the contents of the matters set forth in Items 1 to 3, Paragraph 1, Article 193 of the Regulation for Enforcement of the Act on Investment Trusts and Investment Corporations

(1) Matters regarding appropriateness of the consideration for merger

(i) Matters regarding appropriateness of total of the consideration for merger to be delivered upon the absorption-type merger, provisions for number of investment units of the surviving corporation delivered to the unitholders of the dissolving corporation in lieu of their investment units by the surviving corporation for the absorption-type merger or calculation method of number of such investment units and allocation of investment units of the surviving corporation to unitholders of the dissolving corporation

(a) Number of investment units of KDO or amount of money to be allocated for each investment unit of the Investment Corporation and KDR

i) Allocation of new investment units

	KDO (Surviving corporation in the absorption-type merger)	KDR (Dissolving corporation in the absorption-type merger)	Investment Corporation (Dissolving corporation in the absorption-type merger)
Allocation of investment units under the Merger	1	1.34	1.68
		(Reference) Before the Investment Unit	(Reference) Before the Investment Unit

		Split (defined in (Note 2) below; hereinafter the same) 0.67	Split 0.84

(Note 1) The number of new KDO's investment units to be issued as a result of the Merger (the number of units taking into account the Investment Unit Split of KDO): 2,446,037

(Note 2) KDO plans to split one investment unit into 2 investment units with October 31, 2023 as the record date for splitting the investment units and November 1, 2023 as the effective date of the split (the "Investment Unit Split"); the allocation ratio shown above and the number of the new investment units, which KDO will allocate and deliver are subject to the Investment Unit Split taking effect. If 0.67 KDO's investment units are allocated and delivered against 1 KDR's investment unit and 0.84 KDO's investment units are allocated and delivered against 1 investment unit of the Investment Corporation on the basis of the merger ratio before the Investment Unit Split, there will be many unitholders of KDR and the Investment Corporation being allocated fractions of less than one KDO's investment unit. To make it possible for unitholders of KDR and the Investment Corporation to continue holding KDO's investment units after the Merger, a split of KDO's investment units will be carried out before the allocation towards unitholders of KDR and the Investment Corporation, in the ratio of two KDO's investment units to one KDO's investment unit for the purpose of delivering to all unitholders of KDR and the Investment Corporation at least one KDO's investment unit, and 1.34 KDO's investment unit post- Investment Unit Split will be allocated and delivered for every one KDR's investment unit and 1.68 KDO's investment unit post- Investment Unit Split will be allocated and delivered every one investment unit of the Investment Corporation.

ii) Delivery of Payment upon the Merger

In addition to the above mentioned investment units, KDO intends to pay unitholders of KDR and the Investment Corporation (the unitholders stated or recorded in the final unitholders' registers of KDR and the Investment Corporation on the day before the effective date of the Merger (excluding Each REIT and unitholders of KDR and the Investment Corporation who has demanded the purchase of their investment units pursuant to Article 149-3 of the Investment Trusts Act) (excluding those who have withdrawn such demand for purchase) (hereinafter referred to as the "Unitholders Subject to Allocation"))), in lieu of cash distributions (distributions of profits) for the last fiscal period of KDR and the Investment Corporation which ends the day before the effective date of the Merger (for the Investment Corporation, the last fiscal period after the changes made by Agenda Item No. 3), the Payment upon the Merger in the form of cash distributions based on distributable income of KDR and the Investment Corporation for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of distributable income of KDR and the Investment Corporation on the day before the effective date of the Merger by the number of issued investment units of KDR and the Investment Corporation on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The Payment upon the Merger will be paid within a reasonable period from the effective date of the Merger. As described in Agenda Item No. 3, the Investment Corporation is planning to submit a proposal for the change of the articles of incorporation to the Meeting on the condition that the Merger Agreement is approved at Each REIT's General Meeting of Unitholders. The proposal is to change the current fiscal year end from March 31 and September 30 to April 30 and October 31 and change the last day of 17th fiscal period which starts from April 1, 2023 from September 30, 2023 to October 31, 2023. If this proposal for the change of the articles of incorporation is approved at the Meeting, the last fiscal period of the Investment Corporation before the effective date of the Merger, the 17th fiscal period, will last for 7 months, from April 1, 2023 to October 31, 2023, and cash distribution will not be made with a record date of September 30, 2023 (as written above, the Payment upon the Merger that meets the distributions amount for the same period will be paid).

(b) Basis for Calculation

KDO has appointed SMBC Nikko Securities Inc. ("SMBC Nikko Securities"), KDR has appointed Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("Mitsubishi UFJ Morgan Stanley Securities"), and the Investment Corporation has appointed Nomura Securities Co., Ltd. ("Nomura Securities") respectively, as their financial advisors for the Merger. Each REIT has requested their respective financial advisors to conduct financial analysis with regard to the merger ratio used in the Merger in order to calculate the merger ratio used in the Merger in a fair manner.

The summaries of the analyses respectively conducted by SMBC Nikko Securities, Mitsubishi UFJ Morgan Stanley Securities, and Nomura Securities indicate figures prior to taking into consideration the Investment Unit Split, by KDO, of one investment unit into two investment units as mentioned above in "(a) Number of investment units of KDO or amount of money to be allocated for each investment unit of the Investment Corporation and KDR".

(SMBC Nikko Securities)
SMBC Nikko Securities has determined to adopt four individual valuation methods to calculate the merger ratio based on its own analysis on the financial information of Each REIT as well as the terms and conditions of the Merger. Because the investment units of Each REIT are respectively listed on the Tokyo Stock Exchange and the market prices are available, SMBC Nikko Securities conducted the historical unit price analysis. Because there are multiple listed investment corporations comparable to Each REIT and analogical estimates of the investment unit values based on the comparable investment corporations are possible, SMBC Nikko Securities also conducted the comparable trading multiple analysis. In addition, SMBC Nikko Securities conducted the dividend discount model analysis ("DDM") as a method of valuation and analysis of the investment unit values based on dividends that unitholders of Each REIT are expected to receive in the future, and for the purpose of reflecting the market values of the properties held by Each REIT, SMBC Nikko Securities also conducted the adjusted net asset value analysis. The calculated ranges of the merger ratio shown below are those of KDR and the Investment Corporation with the investment unit value for each investment unit of KDO as one (1).
In the historical unit price analysis, the simple average of the closing prices of investment units for the one month period, three-month period and six-month period from June 12, 2023, which is set as the base date for calculation, has been adopted, after taking into account the recent status of market transactions of the investment units of Each REIT.
In the future profit plans of Each REIT assumed in DDM by SMBC Nikko Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT's profit plan.
For details concerning the supplemental explanation regarding the assumptions and disclaimers of SMBC Nikko Securities' analysis, please refer to (Note 1) at the end of this this section.

Valuation Approach	KDR	Investment Corporation
Historical Unit Price Analysis	0.66～0.69	0.79～0.82
Comparable Trading Multiple Analysis	0.57～0.95	0.70～1.16
DDM Analysis	0.45～0.96	0.68～1.20
Adjusted Net Asset Value Analysis	0.56	0.66

(Mitsubishi UFJ Morgan Stanley Securities)
Mitsubishi UFJ Morgan Stanley Securities conducted the analyses of the merger ratio by comprehensively taking into account the results of the analyses based on the following four valuation approaches. Because the investment units of Each REIT are respectively listed on the Tokyo Stock Exchange, Mitsubishi UFJ Morgan Stanley Securities conducted the historical unit price analysis as a method of evaluation based on the unit prices formed in the securities market. In addition, Mitsubishi UFJ Morgan Stanley Securities conducted the comparable trading multiple analysis as a method of evaluation based on investment unit values of other listed investment corporations which operate business similar to that of Each REIT. Moreover, Mitsubishi UFJ Morgan Stanley Securities conducted the discounted cash flow analysis ("DCF") as an intrinsic method of evaluation of the investment unit values based on medium-and-long term future business activities of Each REIT. Furthermore, Mitsubishi UFJ Morgan Stanley Securities conducted the net asset value approach as a static method of evaluation of the investment unit values reflecting the market values of Each REIT's assets. The summary of the analyses conducted by Mitsubishi UFJ Morgan Stanley Securities is as follows. The calculated ranges of the merger ratio shown below are those of KDR and the Investment Corporation with the investment unit value for each investment unit of KDO as one (1).
In the historical unit price analysis, each closing price of investment units for the one month period, three-month period, six-month period and twelve-month period from June 12, 2023, which is set as the base date for calculation, has been used for the analyses, after taking into account the recent status of market transactions of the investment units of Each REIT.
In the future profit plans of Each REIT assumed in DCF by Mitsubishi UFJ Morgan Stanley Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT's profit plan.
For details concerning the supplemental explanation regarding the assumptions and disclaimers of Mitsubishi UFJ Morgan Stanley Securities' analysis, please refer to (Note 2) at the end of this section.

Valuation Approach	KDR	Investment Corporation
Historical Unit Price Analysis	0.61～0.71	0.76～0.86
Comparable Trading Multiple Analysis	0.62～0.83	0.74～1.03

DCF Analysis	0.51～0.72	0.56～0.78
Valuation Approach	0.56	0.66

(Nomura Securities)

Nomura Securities adopted the following four valuation approaches to make calculations of the Merger ratio. Because the investment units of Each REIT are respectively listed on the Tokyo Stock Exchange and the market prices are available, Nomura Securities conducted the average historical unit price analysis. Because there are multiple listed investment corporations comparable to Each REIT and analogical estimates of the investment unit values based on the comparable investment corporations are possible, Nomura Securities also conducted the comparable trading multiple analysis. In addition, Nomura Securities conducted DCF to reflect the status of the future business activities in the calculations. Moreover, Nomura Securities conducted the adjusted market value of net asset value analysis to reflect the effects of selling the investment units at the market price on the net assets in the calculations. The summary of the analyses conducted by Nomura Securities is as follows and the calculated ranges of the merger ratio shown below are those of KDR and the Investment Corporation with the investment unit value for each investment unit of KDO as one (1).

In the average historical unit price analysis, the base date for calculation is June 12, 2023. The simple average of the closing prices for the base date for calculation, the period of five business days from the base date for calculation, the one-month period, three-month period and six-month period from the base date for calculation has been adopted.

In the future profit plans of Each REIT assumed in DCF by Nomura Securities, there is no fiscal year in which a significant increase or decrease in income is expected in Each REIT's profit plan.

For details concerning the supplemental explanation regarding the assumptions and disclaimers of Nomura Securities' analysis, please refer to (Note 3) at the end of this section.

Valuation Approach	KDR	Investment Corporation
Average Historical Unit Price Analysis	0.66～0.69	0.79～0.82
Comparable Trading Multiple Analysis	0.57～0.72	0.57～0.95
DCF Analysis	0.57～0.70	0.79～1.13
Adjusted Market Value of Net Asset Value Analysis	0.56	0.66

(Note 1) In analyzing the above merger ratio, SMBC Nikko Securities has relied on the information provided by Each REIT and publicly available information assuming that all such materials and information are accurate and complete, without independent verification of the accuracy or completeness of those materials and information. In addition, SMBC Nikko Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including off-balance-sheet assets and liabilities and any other contingent liabilities) of Each REIT, nor has SMBC Nikko Securities requested any such appraisal or assessment from a third-party institution. Further, SMBC Nikko Securities has assumed that the financial projections provided by Each REIT have been prepared in a reasonable manner to reflect the best currently available estimates and judgments by the management of Each REIT. The analysis of the above merger ratio by SMBC Nikko Securities was based on the above information that was available as of June 12, 2023. SMBC Nikko Securities has prepared its analysis solely for the Board of Directors of KDO for the purpose of deliberating the Merger, and the analysis may not be relied upon or used for any other purpose or by any other third party. In addition, SMBC Nikko Securities will not provide any opinion or recommendation on voting by any of the unitholders of Each REIT with respect to the Merger or any other proposed transaction.

(Note 2) In analyzing the above merger ratio, Mitsubishi UFJ Morgan Stanley Securities has relied on the information provided by Each REIT and publicly available information assuming that all such materials and information are accurate and complete, without independent verification of the accuracy or completeness of those materials and information. In addition, Mitsubishi UFJ Morgan Stanley Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including off-balance-sheet assets and liabilities and any other contingent liabilities) of Each REIT, nor has Mitsubishi UFJ Morgan Stanley Securities requested any such appraisal or assessment from a third-party institution. Further, Mitsubishi UFJ Morgan Stanley Securities has assumed that the financial projections provided by Each REIT have been prepared in a reasonable manner to reflect the best currently available estimates and judgments by the management of Each REIT. The analysis of the above merger ratio by Mitsubishi UFJ Morgan Stanley Securities was based on the above information that was available as of June 12, 2023.

Mitsubishi UFJ Morgan Stanley Securities has prepared its analysis solely for the Board of Directors of KDR for the purpose of deliberating the Merger, and the analysis may not be relied upon or used for any other purpose or by any other third party. In addition, Mitsubishi UFJ Morgan Stanley Securities will not provide any opinion or recommendation on voting by any of the unitholders of Each REIT with respect to the Merger or any other proposed transaction.

(Note 3) In calculating the merger ratio, Nomura Securities has assumed that the publicly available information and all information provided to Nomura Securities are accurate and complete. Nomura Securities has not independently verified the accuracy or completeness of such information. Nomura Securities did not make any independent valuation, appraisal, or assessment of the assets or liabilities (including derivative products, off-balance-sheet assets and liabilities, and any other contingent liabilities) of Each REIT (including analysis and valuation of individual assets or liabilities), nor has Nomura Securities requested any such appraisal or assessment from a third-party institution. Nomura Securities assumed that respective financial projections of Each REIT (including profit plans and other information) have been considered or prepared in a reasonable manner based on the best currently available good-faith estimates and judgments by the management of Each REIT. The calculations of Nomura Securities reflect the information and economic terms and conditions obtained by Nomura Securities as of June 12, 2023. Nomura Securities has prepared its calculations for the sole purpose of serving as a reference for the governing body of the Investment Corporation to deliberate the merger ratio.

(c) Background to Calculations

As a result of discussions and negotiations over an extended period comprehensively taking into consideration such factors as the financial performance and state of the assets and liabilities of Each REIT, each future business prospect, the merits of the Merger and the result of the financial analyses performed by respective financial advisors of Each REIT, Each REIT determined that the above merger ratios are fair and executed the Merger Agreement.

The names of the financial advisors appointed by Each REIT are as described in “(b) Basis for Calculation” above, and none of Each REIT obtained an opinion from its own financial advisor.

(d) Relationships with the Financial Advisors

None of SMBC Nikko Securities, Mitsubishi UFJ Morgan Stanley Securities and Nomura Securities is deemed a related party of Each REIT pursuant to (i) Article 8, Paragraph 17 of the Regulation on Terminology, Forms, and Preparation Methods of Financial Statements (Ministry of Finance Order No. 59 of November 27, 1963; including subsequent amendments); and (ii) Article 67, Paragraph 4 of the Ordinance on Accounting at Investment Corporations (Cabinet Office Ordinance No. 47 of 2006; including subsequent amendments, “the Investment Corporations Accounting Ordinance”) and none of them has any material interests to be disclosed with respect to the Merger.

(e) Measures to Ensure Fairness

i) Measures to ensure fairness in assessing the propriety of the Merger and the merger ratio

Each REIT is entrusting its asset management functions to KFM. KFM has organized the responsible managers (KDO: Head of Office REIT Department / KDR: Head of Residential REIT Department /the Investment Corporation: Head of Retail REIT Department) and asset management departments (KDO: Office REIT Department / KDR:

Residential REIT Department / the Investment Corporation: Retail REIT Department) consisting of different members for Each REIT individually in assessing the Merger and providing advice and support to the Board of Directors of Each REIT, and established a complete system to block transmission of information by setting up an appropriate information wall between each of the asset management department. In addition, when it is necessary to communicate information causing concerns over conflict of interest between each of the asset management department in the course of assessing the Merger, such information is communicated through each of the abovementioned financial advisors appointed by Each REIT individually, in order to prevent asset management departments from having direct contact with each other.

In the course of assessing the Merger, each responsible manager and each of the asset management department reported on a timely basis the status of its assessment to the Board of Directors of Each REIT each composed of one executive director and supervisory directors (KDO: three persons / KDR: three persons / the Investment Corporation: two persons), whose independence from the asset management company is ensured in terms of the Investment Trusts Act, and all material matters of its assessments were deliberated and approved by the Board of Directors of Each REIT.

In addition, since executive directors of Each REIT concurrently serve as directors of KFM and have a conflict of interest with KFM, they have not participated in resolutions for approval of the Merger Agreement at meetings of the Board of Directors of Each REIT regarding the approval of the conclusion of the Merger Agreement.

In connection with the Merger, KFM will receive management fees for the Merger and management fees relating to the management after the Merger takes effect from KDO, which will be the surviving corporation in the absorption-type merger, pursuant to the provisions of KDO's articles of incorporation and the asset management agreement with KDO, but the amount of both fees will not be affected by the merger ratio of the Merger.

Furthermore, KDO appointed Anderson Mori & Tomotsune, KDR appointed Miura & Partners, and the Investment Corporation appointed Morrison & Foerster Law Offices, respectively, as its legal advisor for the Merger, and received advice concerning the methodology and process relating to the procedures and decision-making process for the Merger.

ii) Measures to ensure fairness in the calculation of the merger ratio

As described in (a) through (c) above, Each REIT has requested its respective financial advisor to perform financial analysis in regard to the merger ratio, and the merger ratio was determined by comprehensively taking into account the results of such analyses together with other factors.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, KDO obtained from SMBC Nikko Securities, an independent third-party financial advisor, a merger ratio calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, KDO's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, KDR obtained from Mitsubishi UFJ Morgan Stanley Securities, an independent third-party financial advisor, a merger ratio calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, KDR's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

In order to ensure the fairness of the Merger and for the benefit of its unitholders, the Investment Corporation obtained from Nomura Securities, an independent third-party financial advisor, a merger ratio calculation report providing an analysis from a financial perspective based on certain assumptions in regard to the allocation of investment units under the Merger. Given the above, the Investment Corporation's Board of Directors concluded that sufficient measures have been taken to ensure the fairness of the Merger.

Each REIT did not, however, obtain written opinions (so-called "fairness opinions") from their respective financial advisors to the effect that the merger ratio is reasonable from a financial perspective for their respective unitholders.

(ii) Reason for choosing cash as part of the consideration for merger

Following the Merger, KDO, the surviving corporation in the absorption-type merger, intends to pay Unitholders Subject to Allocation, in lieu of cash distributions (distributions of profits) for the last fiscal period of KDR and the Investment Corporation which ends the day before the effective date of the Merger (for the Investment Corporation, the last fiscal period after the changes made by Agenda Item No. 3), the Payment upon the Merger in the form of cash distributions based on distributable income of KDR and the Investment Corporation for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of distributable income of KDR and the Investment Corporation on the day before the effective date of the Merger by the number of issued investment units of KDR and the Investment Corporation on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The Payment upon the Merger will be paid within a reasonable period from the effective date of the Merger.

(iii) Matters regarding appropriateness of provisions for unitholders' capital of the surviving corporation in the absorption-type merger

The amount of the total unitholders' capital and the capital surplus of KDO to be increased upon the Merger shall be as follows; provided, however, that Each REIT may change such amount upon agreement through consultation, taking into consideration the financial conditions of Each REIT on the day before the effective date.

(a) Unitholders' Capital: 0 yen

(b) Capital Surplus: The amount obtained by deducting the amount set forth in (a) above from the amount of increase or decrease in the unitholders' equity, etc., set forth in Article 22, Paragraph 1 of the Investment Corporations Accounting Ordinance)

(2) Matters to be referred to regarding the consideration for merger

(i) Provisions in the Articles of Incorporation of the surviving corporation

As described in Attachment 2 hereto. KDO will hold a general meeting of unitholders to seek approval to amend its Articles of Incorporation as of the effective date of the Merger, in accordance with Attachment 3 as separately agreed upon by KDO, KDR and the Investment Corporation, subject to the Merger becoming effective.

(ii) Matters concerning the method of realizing the investment units to be delivered as consideration for the merger

(a) Market to trade the investment units

Tokyo Stock Exchange Real Estate Investment Trust Market

(b) Intermediary, brokerage, or agency service for the trade of the investment units

Securities companies, etc. that are trading participants or members of the stock exchange mentioned in (a) above.

(iii) Matters concerning the market price of the investment units to be delivered as consideration for the merger

KDO's highest and lowest monthly unit prices (closing prices) for the last six months are as follows:

Month	January 2023	February 2023	March 2023	April 2023	May 2023	June 2023
Highest (yen)	318,000	319,500	321,000	314,500	316,000	347,500
Lowest (yen)	302,500	310,000	301,000	294,500	298,100	300,500

(3) Matters concerning financial statements, etc.

(i) Matters concerning the surviving corporation in the absorption-type merger

(a) Details of financial statements, asset management reports, and financial statements of cash distributions pertaining to the final fiscal period

As described in Attachment 4 hereto.

(b) Details of material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period

i) Split of investment units

KDO decided at the Board of Directors Meeting held on June 13, 2023, to conduct the Investment Unit Split as follows.

a) Purpose of the Investment Unit Split

The Merger will be effected by way of an absorption-type merger with KDO as the surviving corporation, with KDR and the Investment Corporation having a merger ratio of 0.67 and 0.84, respectively, against one for KDO, before taking into account the Investment Unit Split. However, with this merger ratio, 0.67 KDO's investment units will be allotted against one KDR investment unit and 0.84 KDO's investment units will be allotted against one investment unit of the Investment Corporation, resulting in a number of KDR and the Investment Corporation's unitholders that will receive KDO's investment units of less than one unit. For this reason, in order to enable the unitholders of KDR and the Investment Corporation to continue to hold KDO's investment units after the Merger, KDO decided to split KDO's investment units at a ratio of two investment units per one investment unit, for the purpose of providing at least one KDO's investment unit to all unitholders of KDR and the Investment Corporation.

b) Method of the Investment Unit Split

KDO will implement a two for one split of the investment units held by unitholders of KDO stated or recorded on the registry of unitholders as of October 31, 2023, which is the day before the effective date of the Merger. The Investment Unit Split will take effect immediately before the Merger taking effect on November 1, 2023, which is the effective date of the Merger, provided that the merger agreement pertaining to the Merger has not been terminated or expired by the day before the effective date of the Merger.

ii) Disposition of assets

KDO entered into a sale and purchase agreement with Kenedix, Inc. dated June 13, 2023 with respect to the disposition of trust beneficiary interest in real estate pertaining to one office building (Harajuku F.F. Building), with November 1, 2023 as the scheduled disposition date. KDO also entered into a sale and purchase agreement with Kenedix, Inc. dated June 13, 2023 with respect to the disposition of trust beneficiary interest in real estate pertaining to one office building (KDX Nagoya Sakae Building), with November 1, 2023 as the scheduled disposition date. The execution of these dispositions is subject to the effectiveness of the Merger and other conditions being met.

(ii) Matters concerning the dissolving corporation in the absorption-type merger (the Investment Corporation)

Details of material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period

(a) Change of the fiscal period

In connection with the Merger, the Investment Corporation has decided to submit to the Meeting a proposal to amend its articles of incorporation to change the fiscal period-ends from March 31 and September 30 (current) to April 30 and October 31. If the aforementioned amendment is approved at the Meeting, the last fiscal period of the Investment Corporation before the effective date of the Merger is expected to be from April 1, 2023 to October 31, 2023.

(b) Acquisition of assets

The Investment Corporation entered into a sale and purchase agreement with SMFL MIRAI Partners Company, Limited dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one retail facility (York Mart Higashi-Michinobe), with September 25, 2023 as the scheduled acquisition date.

The Investment Corporation also entered into a sale and purchase agreement with SMFL MIRAI Partners Company, Limited dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one logistics facility (Akishima Distribution Center (Land)), with November 1, 2023 as the scheduled acquisition date. The execution of this acquisition is subject to the effectiveness of the Merger and other conditions being met.

(iii) Matters concerning the dissolving corporation in the absorption-type merger (KDR)

Details of material asset disposals, assumption of material debts and other events that materially affect the condition of assets after the last day of the final fiscal period

(a) Acquisition of assets

KDR entered into a sale and purchase agreement with KST5 Co., Ltd. dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one residential property (River City 21 East Towers II), with November 1, 2023 as the scheduled acquisition date. KDR also entered into a sale and purchase agreement with G.K. RRB dated June 13, 2023 with respect to the acquisition of trust beneficiary interest in real estate pertaining to one hotel (remm roppongi building), with November 1, 2023 as the scheduled acquisition date. The execution of these acquisitions is subject to the effectiveness of the Merger and other conditions being met.

4. This agenda item is subject to the approval of Agenda Item No. 3 “Partial Amendments to the Articles of Incorporation,” as originally proposed.

Agenda Item No. 2: Termination of the Asset Management Agreement with Kenedix Real Estate Fund Management, Inc.

In relation to the Merger, the Investment Corporation has decided to terminate its current asset management agreement with KFM as of the Effective Date of the Merger, subject to the Merger taking effect, and therefore requests approval of such termination.
KDO has an asset management agreement in place with KFM, and KFM is expected to continue to manage the assets of KDO, the surviving corporation, following the Merger.
This agenda item is subject to the Merger taking effect.

Agenda Item No. 3: Partial Amendments to the Articles of Incorporation

1. Reasons for Amendments
   (1) To amend the current fiscal year end of the Investment Corporation from March 31 and September 30 to April 30 and October 31 in order to make the fiscal year end of the last fiscal period before the Merger take effect October 31, 2023, which is the day before the Effective Date of the Merger, and to amend the Investment Corporation's 17th fiscal period to a seven-month period from April 1, 2023 to October 31, 2023 (Concerning Article 38 of the current Articles of Incorporation).
   (2) Since the current calculation method for Management Fee II is based on the assumption of a six-month fiscal period, to adjust the calculation method for cases where the fiscal period is not six months, and to clarify the amount and payment deadline for Management Fee II for the 17th fiscal period (Concerning (2) of Attachment of the current Articles of Incorporation).
   (3) This agenda item is subject to the approval of the Merger Agreement at KDO's general meeting of unitholders scheduled to be held on August 22, 2023, the approval of the Merger Agreement at KDR's general meeting of unitholders scheduled to be held on August 21, 2023, and the approval of Agenda Item No. 1 "Approval of the Merger Agreement," as originally proposed.

2. Details of Amendments

Details of the amendments are as follows.

(Underlined parts indicate the proposed amendments.)

Current Articles of Incorporation	Proposed Amendments
Article 38 (Fiscal Period and Closing Date) The fiscal period of the Investment Corporation shall be the periods from April 1 to September 30 of each year and from October 1 to March 31 of the following year (hereinafter, the last day of each fiscal period is referred to as a “Closing Date”.)	Article 38 (Fiscal Period and Closing Date) The fiscal period of the Investment Corporation shall be the periods from May 1 to October 31 of each year and from November 1 to April 30 of the following year (hereinafter, the last day of each fiscal period is referred to as a “Closing Date”.). However, for the 17th fiscal period, it shall be the period from April 1, 2023 to October 31, 2023.
Attachment Asset Management Fees to the Asset Management Company (Omitted) (2) Asset Management Fee II Asset Management Fee II shall be the amount calculated for each fiscal period by using the following formula (rounded down to the nearest yen). <Formula> Net income before deducting Asset Management Fee II x Distributions per unit before deducting Asset Management Fee II x 0.0013%	Attachment Asset Management Fees to the Asset Management Company (Omitted) (2) Asset Management Fee II Asset Management Fee II shall be the amount calculated for each fiscal period by using the following formula (rounded down to the nearest yen). <Formula> Net income before deducting Asset Management Fee II x Distributions per unit before deducting Asset Management Fee II x 0.0013%

Current Articles of Incorporation	Proposed Amendments
	However, if any specific fiscal period of the Investment Corporation exceeds or falls short of six (6) months due to a change in the fiscal period set forth in Article 38 or for any other reason, the Asset Management Fee II shall be calculated by converting the Distribution per unit before deducting Asset Management Fee II into an amount equivalent to six (6)-month period (which shall be deemed to be 183 days). The Asset Management Fee II for the 17th fiscal period (actual number of days: 214 days) will be the amount calculated according to the following formula (rounded down to the nearest yen). <Formula> Net income before deducting Asset Management Fee II x Distributions per unit before deducting Asset Management Fee II / 214 x 183 x 0.0013%
Payment of Asset Management Fee II shall be due within one (1) month after the approval by the Board of Directors of financial statements, etc. for the relevant fiscal period. (Omitted)	Payment of Asset Management Fee II shall be due within one (1) month after the approval by the Board of Directors (which shall be the board of directors of the surviving corporation or newly-established corporation in a merger, if the Investment Corporation is dissolved due to a merger) of financial statements, etc. (including similar financial documents, if no financial statements, etc. are prepared) for the relevant fiscal period. (Omitted)

Reference Matter

Rules and regulations identified under “Deemed Approval,” as stipulated under Article 93, Paragraph 1 of the Investment Trusts Act and Article 15 of the current Articles of Incorporation, will not apply to any agendum submitted to the General Meeting of Unitholders if such agendum conflict in intent with any other agendum. The Investment Corporation believes that Agenda Item No.1 through No.3 do not conflict in intent.