



Financial Results for the Period Ended July 2020 (17th Fiscal Period)

September 15, 2020

KENEDIX
Residential NEXT Investment Corporation

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Revised editions of our annual reports will be posted on our website if there should be major corrections going forward.

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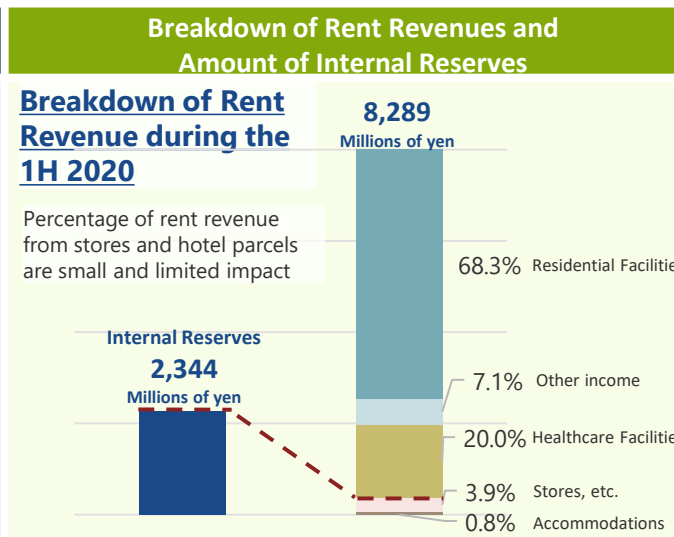
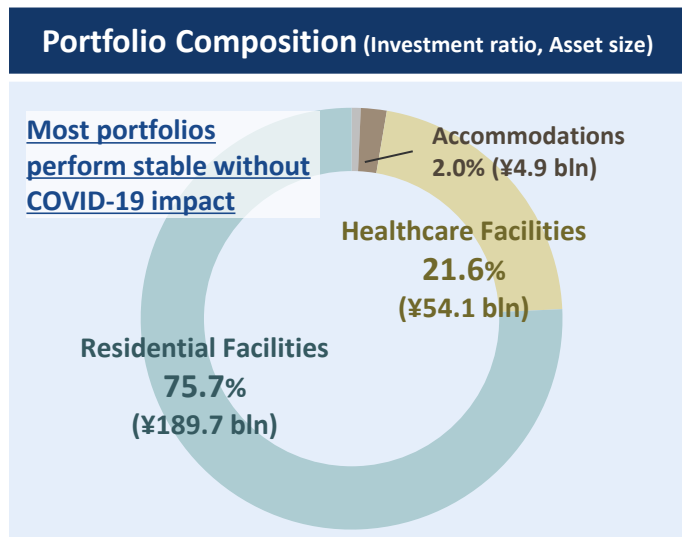
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1. Impact of COVID-19 and Future Operating Policies

Impact of COVID-19 on the Operational Status for the Investment Corporation (KDR)

- Performing stable cash-flow mainly in Residential & Healthcare facilities (portfolio ratio: 98%)
- Impact of rent payment deferral to some tenants on business results is very limited and KDR has capacity for utilize internal reserve

Residential Facilities	Healthcare Facilities	Accommodations
<ul style="list-style-type: none"> ● Avg. Occupancy Rate: 96.0%, almost same as the previous year The number of property viewing etc. was declined slightly, and the occupancy rate was lower than expected. ● Rent Increase: Replacements: +4.0%, Renewals: +0.6% Continued upward trend ● Only some tenants such as stores are expected to be affected The ratio of the rent of the stores, etc. is about only 3.9% of the total, which is small impact 	<ul style="list-style-type: none"> ● In line with originally planned (1H 2020) No covid-19 infected person in residents at facility owned by KDR ● Continue to operate facilities as usual at all facilities There is a decrease in the number of new tenants and users at some facilities ● The asset management company gave Masks Enhance operator support and relationship 	<ul style="list-style-type: none"> ● Maintain high occupancy rate until March 2020 The 2 hotels owned by KDR are mainly used for domestic business customers ● Demand for accommodation has decreased significantly in April and May 2020 Occupancy rates and ADR declined, but leading to a slight recovery in June and July, when the emergency declaration was lifted ● Implementation of deferral of rent payment for a certain period from the perspective of long-term relationships with operators Agreed to increase later, on the amount equivalent to the reduction The ratio of the rent of the hotel is about only 0.8% of the total



- ### Impact of COVID-19 on revenues
- **Revenue declined at hotels in 1H 2020 (17th period)**
approx. ▲¥20 million (equivalent to approx. ▲¥18 in DPU)
 - **Although the impact is limited at this point, but a certain amount of revenue declines are set in the earnings forecast**
2H 2020 (forecast): Approx. ▲¥72 million (DPU Approx. ▲¥66)
1H 2021 (forecast): Approx. ▲¥78 million (DPU Approx. ▲¥72)
 - **Utilize internal reserves even if a decline in revenue**
Therefore there is no change for DPU forecasts, and KDR has capacity for control the impact

Portfolio Structuring Policy and External Growth

- Continue building a highly stable portfolio centered on Tokyo metropolitan area's rental housing
- Consider investing in Accommodations cautiously for the time being

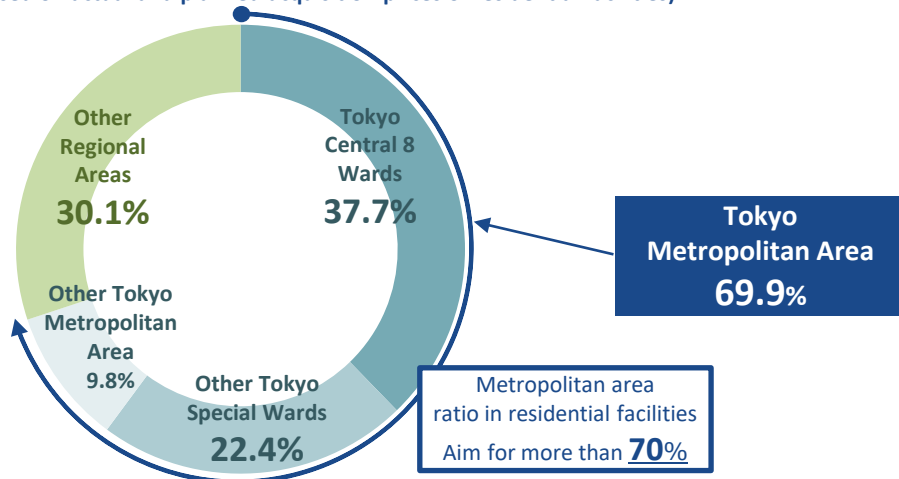
Portfolio Composition (including assets to be acquired) ⁽¹⁾

Ratio of Residential Facilities (based on actual and planned acquisition prices)



Increase in Tokyo metropolitan area ratio

(based on actual and planned acquisition prices of residential facilities)




Note 1: Percentages use prices of properties that include assets to be acquired by September 24, 2020, which are already scheduled for as of the date of this presentation.

- Newly acquired Rental Housing of Tokyo metropolitan area through the asset management company's own sourcing route
- Captures changes for diversified needs not only concentration in urban area

Summary of newly acquired asset

KDX Residence Ichikawa		Location (Distance from the station)	Ichikawa-shi, Chiba (5 minutes' walk of Ichikawa Station)
	Acquisition price	Appraisal Value	¥840 mln / ¥908 mln
	NOI cap rate ⁽²⁾	NOI cap rate ⁽²⁾ after depreciation	4.7% / 4.0%
	Date of acquisition (Scheduled)	Construction completion	September 24, 2020 / February, 2010

Pipeline properties for Acquisition

Residential Facilities		Healthcare Facilities	
			
(Tentative name) Hatchobori Project	(Tentative name) Kamishakujii Project	Rehabili Home Granda Kobe Kitano	Medical Home Granda Kurakuen
Location	Chuo-ku, Tokyo	Nerima-ku, Tokyo	Kobe-shi, Hyogo
Rentable units	46	About 110 to 120	59
Construction completion (scheduled)	Mid-September 2020	Mid-November 2020	November, 2020 (Scheduled)
		Operator	Benesse Style Care Co.,Ltd.

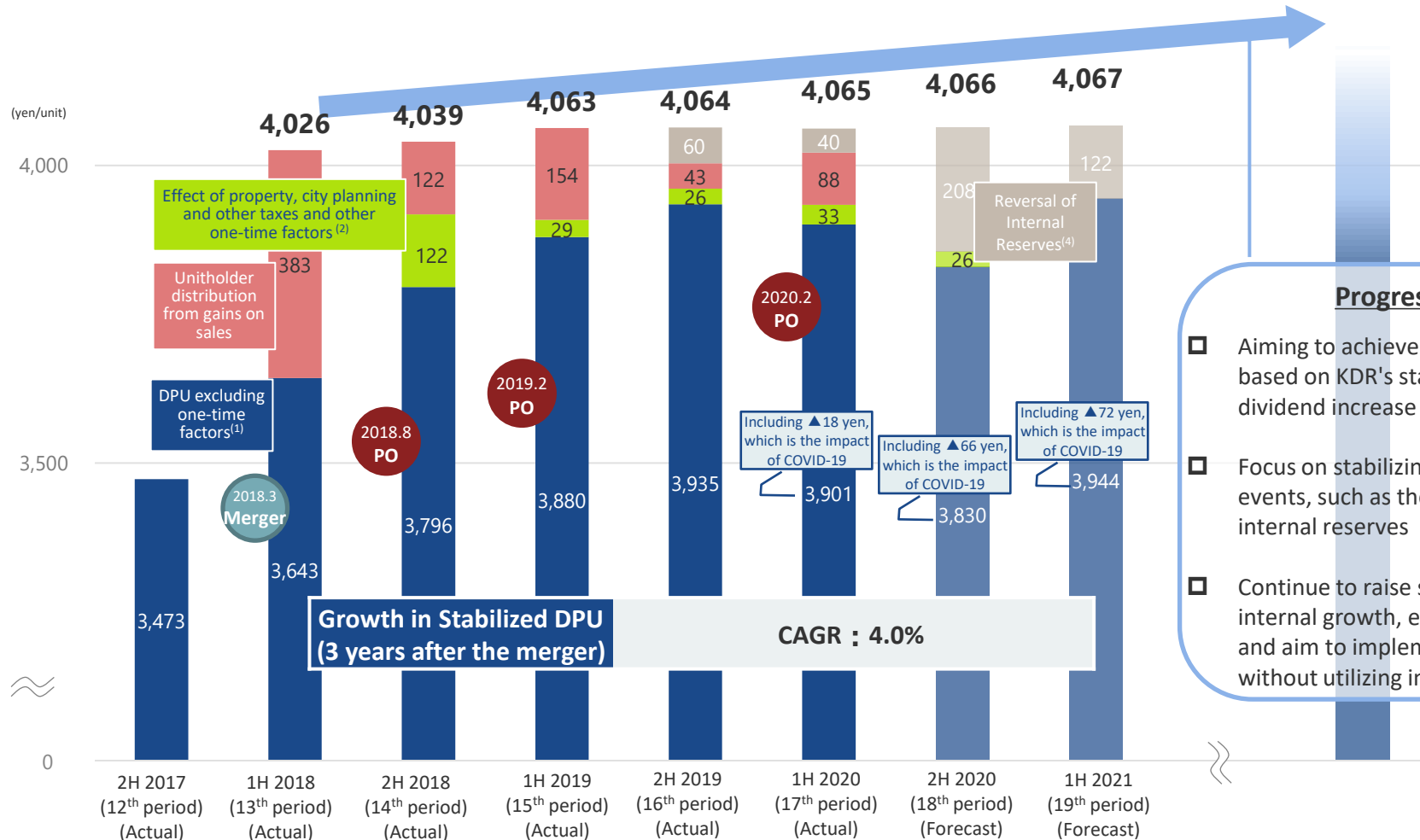
Note 2: "Appraisal NOI cap rate" for to be acquired properties is the net operating income (NOI) using the direct capitalization method in the appraisal reports divided by the planned acquisition price (before taxes). The "NOI cap rate after depreciation" is the NOI using the direct capitalization method in the appraisal reports minus estimated depreciation based on engineering reports prepared by Kenedix Estate Fund Management, Inc. (KFM) divided by the planned acquisition price (before taxes).

Trend of Distributions Per Unit and Policy on Utilization of Internal Reserves

- Introduce a Progressive Dividend Policy (in principle, dividend will be raised or kept flat)
- Aiming to increase the amount of distributions while performing KDR's stability, utilizing ample internal reserve even if the unforeseen events, such as the impact of COVID-19

Management of Distributions (Trend of DPU)

Amount of Internal Reserves (End of 17th period)	¥2,344 mln (2,464 yen/unit)	
	Retained earnings brought forward	¥404 mln (425 yen/unit)
	Balance of RTA ⁽³⁾	¥1,940 mln (2,039 yen/unit)



Progressive Dividend Policy

- Aiming to achieve further stabilization of distributions based on KDR's stable profit in the midst of successive dividend increase
- Focus on stabilizing distribution levels in the unforeseen events, such as the impact of COVID-19, while utilizing internal reserves
- Continue to raise stabilized distributions by combining internal growth, external growth, and financial strategies, and aim to implement a progressive dividend policy without utilizing internal reserves

Note: Please refer to page 27 for notes on this page.

2. Financial Results

(Actual Results for 17th Period and Outlook for 18th and 19th Period)

2. Financial Results (Actual Results for 17th Period and Outlook for 18th and 19th Period)

Results for the Period Ended July 2020 (17th Fiscal Period)

(in millions of yen)	2H 2019	1H 2020		Period on Period		Major Components ⁽¹⁾	Actual vs Initial Forecast		Major Components ⁽¹⁾
	Actual	Initial Forecast	Actual			(R) Average occupancy rate in 17 th period: 96.0%			(R) Anticipated occupancy rate in 17 th period: 96.5%
Rent revenue – real estate	7,472	7,769	7,704	232	3.1%	(R) Increase in rent revenue due to higher rent at existing properties +34	-64	-0.8%	(R) Decrease in rent revenue due to lower occupancy rate than anticipated -44
Other lease business revenue	555	555	585	29	5.3%	Increase in rent revenue due to properties acquired in 2H 2019 and 1H 2020 +232	29	5.3%	(A) Rent decrease -20
Gain on sale of real estate property	39	83	84	45	116.4%	(R) Decrease due to sale of Gotenyama and Izumi Chuo properties -35	0	0.7%	Increase in insurance, compensation and other income +33
Operating revenues	8,066	8,408	8,374	307	3.8%	(R) Increase in key money and renewal fees +32	-34	-0.4%	(R) Decrease in cost of building management -7
Expenses related to rent business (ex. depreciation)	1,482	1,568	1,538	56	3.8%	(R) Increase in restoration +9	-30	-1.9%	(R) Decrease in leasing-related fees -16
Depreciation	1,428	1,467	1,467	38	2.7%	Decrease in Insurance, compensation and other income -11	-0	-0.0%	(H) Decrease in repair expenses -18
Other operating Expenses	894	942	899	4	0.5%	(R) Increase in leasing-related fees +21	-43	-4.6%	Postponement for re-acquire of engineering report and decrease in the cost -26
Operating expenses	3,806	3,978	3,904	98	2.6%	Start of recording expenses for property, city planning and other taxes on the properties acquired in 2019 +23	-74	-1.9%	Decrease in consumption tax due to decreasing costs and adjustment for purchase tax credit -18
Operating income	4,260	4,429	4,469	208	4.9%	Decrease in repair expenses -33	39	0.9%	
Non-operating income	1	0	1	-0	-10.7%	Increase in restoration expenses +39	0	246.5%	
Non-operating expenses	647	667	662	14	2.2%	Increase due to acquisition of properties +39	-4	-0.7%	
Ordinary income	3,614	3,763	3,808	194	5.4%	Increase in asset management fees +28	45	1.2%	
Net income	3,613	3,762	3,808	194	5.4%	Decrease in cost of unitholders' meeting and IR -14	45	1.2%	
RTA compensation	20	20	20	-	-	Decrease in consumption tax due to the increase for taxable sales -8	-	-	
Earnings surplus compensation (accumulation)	54	84	38	-15	-28.8%	Increase in interest expenses and borrowing related expenses +8	-45	-54.0%	Reversal of retained earnings (¥38 mln) to partially fund unitholder distributions
Dividends	3,687	3,866	3,866	178	4.9%	Increase in investment unit issuance costs associated with public offering +6	-	-	
Distribution per unit (yen) ⁽²⁾	4,064	4,065	4,065	1	0.0%		-	-	
NOI	6,545	6,755	6,751	206	3.1%		-4	-0.1%	

Note 1:(R) is components that are only for residential facilities, (H) is components that are only for healthcare facilities and (A) is components that are only for accommodations.

2. Financial Results (Actual Results for 17th Period and Outlook for 18th and 19th Period)

Outlook for the Period Ending January 2020 (18th Fiscal Period) and the Period Ending July 2021 (19th Fiscal Period)

(in millions of yen)	1H 2020	2H 2020	Period on Period		Major Components ⁽¹⁾	1H 2021	Period on Period		Major Components ⁽¹⁾
	Actual	Forecast			Forecast	Forecast			
					(R) Anticipated occupancy rate in 18 th period: 96.0%				(R) Anticipated occupancy rate in 19 th period: 96.4%
Rent revenue – real estate	7,704	7,826	122	1.6%	(R) Increase due to higher rent at existing properties +39	7,883	57	0.7%	(R) Increase in rent revenue due to higher rent and occupancy rate at existing properties +54
Other lease business revenue	585	543	-42	-7.2%	Increase in rent revenue due to properties acquired in 1H 2020 and 2H 2020 +157	593	50	9.3%	Full fiscal-period contribution of properties acquired in 2H 2020 +8
Gain on sale of real estate property	84	-	-84	-100.0%	Decrease due to impact of COVID-19 -72	-	-	-	Decrease due to impact of COVID-19 -6
Operating revenues	8,374	8,369	-4	-0.1%	(R) Decrease in key money and renewal fees -24	8,477	107	1.3%	(R) Increase in key money and renewal fees +47
Expenses related to rent business (ex. depreciation)	1,538	1,548	10	0.7%	Decrease in insurance, compensation and other income -12	1,617	69	4.5%	(R) Increase in leasing-related fees +25
Depreciation	1,467	1,482	15	1.1%	(R) Increase in cost of building management +11	1,489	7	0.5%	Start of recording expenses for property, city planning and other taxes on the properties acquired in 2020 +26
Other operating Expenses	899	989	90	10.1%	Increase in repair expenses +13	956	-33	-3.4%	Decrease in repair expenses -10
Operating expenses	3,904	4,021	116	3.0%	(R) Decrease in restoration -25	4,063	42	1.1%	Increase in restoration +21
Operating income	4,469	4,348	-120	-2.7%	Increase due to acquisition of new properties +14	4,413	64	1.5%	Decrease in asset management fees -36
Non-operating income	1	0	-0	-71.1%	Increase in asset management fees +42	0	-	-	
Non-operating expenses	662	699	37	5.6%	Increase in cost of property survey for re-acquire of engineering report, etc. +13	681	-18	-2.6%	Decrease in interest expenses and borrowing related expenses -17
Ordinary income	3,808	3,649	-158	-4.2%	Increase in consumption tax due to the decrease for taxable sales +27	3,732	82	2.3%	
Net income	3,808	3,649	-158	-4.2%	Increase in interest expenses and borrowing related expenses mainly due to new borrowings +35	3,731	82	2.3%	
RTA compensation	20	20	-	-	Reversal of retained earnings (¥198 mln) to partially fund unitholder distributions	20	-	-	Reversal of retained earnings (¥116 mln) to partially fund unitholder distributions
Earnings surplus compensation (accumulation)	38	198	159	411.6%		116	-81	-41.2%	
Dividends	3,866	3,867	0	0%		3,868	0	0.0%	
Distribution per unit (yen) ⁽²⁾	4,065	4,066	1	0.0%		4,067	1	0.0%	
NOI	6,751	6,821	69	1.0%		6,859	38	0.6%	

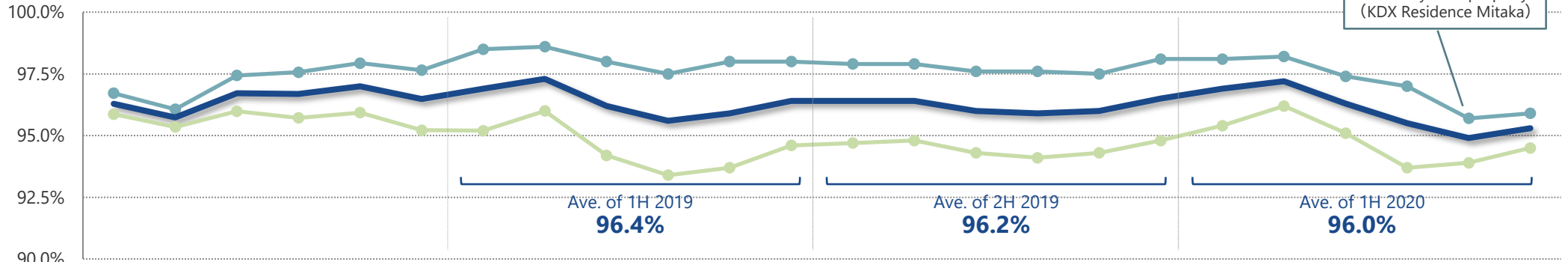
Note 1: (R) is components that are only for residential facilities, (H) is components that are only for healthcare facilities and (A) is components that are only for accommodations.

Note 2: "Distribution per unit" for 2H 2020 and 1H 2021 is calculated based on the number of investment units issued and outstanding totaled 951,258.

3. Operational Status

Occupancy Rates of Residential Facilities

Occupancy Rates by Area⁽¹⁾



Impact from the acquisition for newly built property (KDX Residence Mitaka)

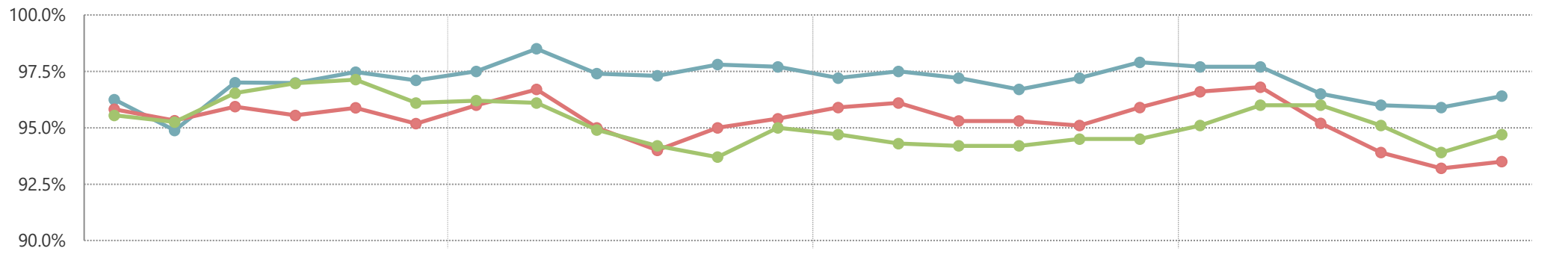
Ave. of 1H 2019
96.4%

Ave. of 2H 2019
96.2%

Ave. of 1H 2020
96.0%

	Average of period						15 th Period (1H 2019)						15 th Period (1H 2019)						17 th Period (1H 2020)					
	9 th	10 th	11 th	12 th	13 th	14 th	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Total	96.3	95.7	96.7	96.7	97.0	96.5	96.9	97.3	96.2	95.6	95.9	96.4	96.4	96.4	96.0	95.9	96.0	96.5	96.9	97.2	96.3	95.5	94.9	95.3
Tokyo Metropolitan Area	96.7	96.1	97.4	97.6	97.9	97.7	98.5	98.6	98.0	97.5	98.0	98.0	97.9	97.9	97.6	97.6	97.5	98.1	98.1	98.2	97.4	97.0	95.7	95.9
Other Regional Areas	95.9	95.4	96.0	95.7	95.9	95.2	95.2	96.0	94.2	93.4	93.7	94.6	94.7	94.8	94.3	94.1	94.3	94.8	95.4	96.2	95.1	93.7	93.9	94.5

Occupancy Rates by Room Type⁽¹⁾



	Average of period						15 th Period (1H 2019)						16 th Period (2H 2019)						17 th Period (1H 2020)					
	9 th	10 th	11 th	12 th	13 th	14 th	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.
Studio	96.3	94.9	97.0	97.0	97.5	97.1	97.5	98.5	97.4	97.3	97.8	97.7	97.2	97.5	97.2	96.7	97.2	97.9	97.7	97.7	96.5	96.0	95.9	96.4
Small Family	95.8	95.3	95.9	95.6	95.9	95.2	96.0	96.7	95.0	94.0	95.0	95.4	95.9	96.1	95.3	95.3	95.1	95.9	96.6	96.8	95.2	93.9	93.2	93.5
Family	95.6	95.3	96.5	97.0	97.1	96.1	96.2	96.1	94.9	94.2	93.7	95.0	94.7	94.3	94.2	94.2	94.5	94.5	95.1	96.0	96.0	95.1	93.8	94.7

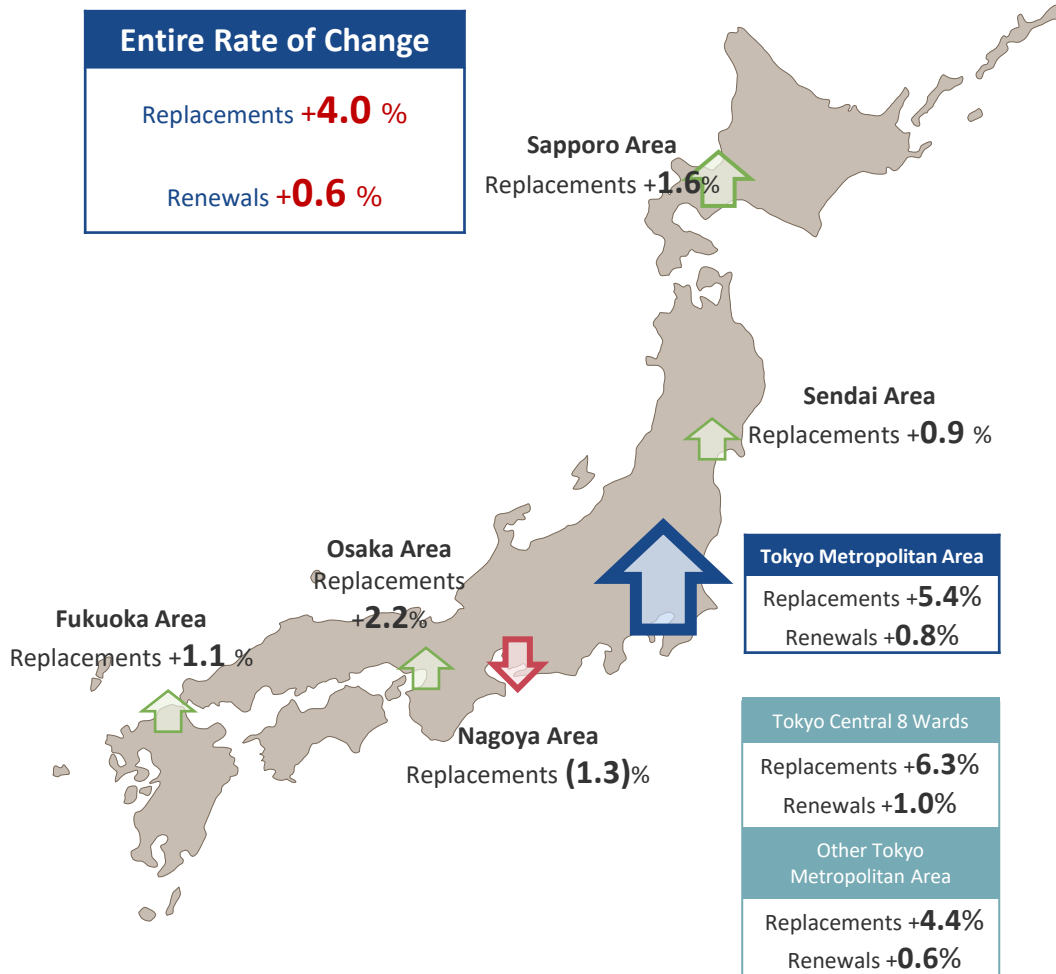
Note 1: Occupancy Rates by Area include those from stores and offices. Occupancy Rates by Room Type are calculated for residential units of pass through contract (excluding contract for whole building).

Rent Trends of Residential Facilities

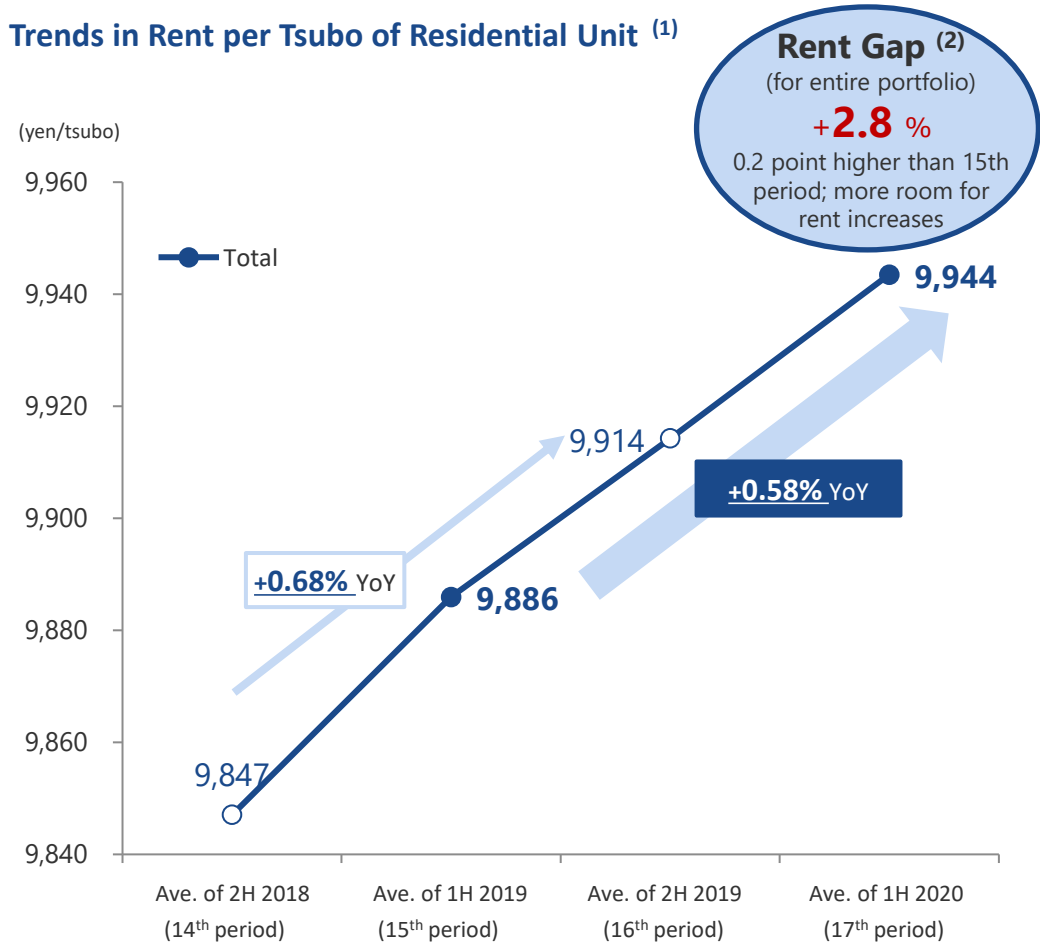
- The rental housing market environment is favorable in the Tokyo metropolitan area
- Rent for the entire portfolio is increasing

- Increase in new rental income raised rent per tsubo of the entire portfolio
- Rent per tsubo for the entire portfolio was 0.58% higher than one year earlier

Map for Rate of Changes in Rent (July 31, 2020)



Trends in Rent per Tsubo of Residential Unit ⁽¹⁾



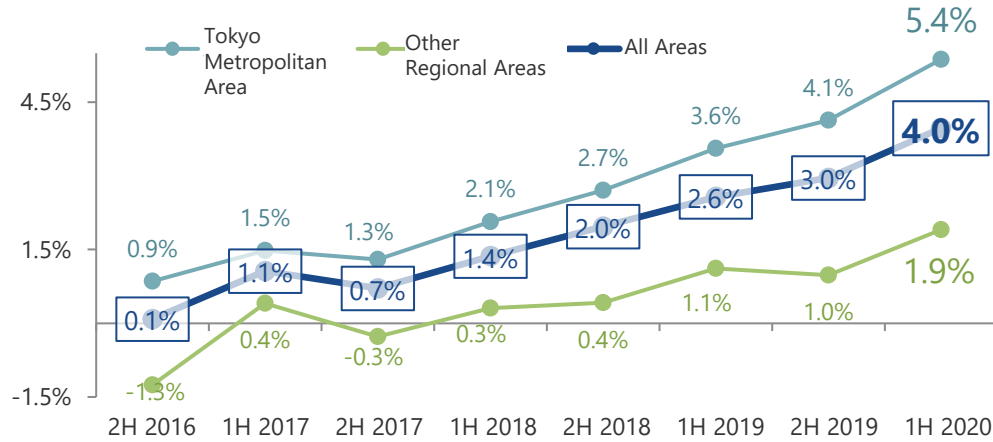
Note 1: "Rent per Tsubo of Residential Unit" is calculated for residential units of pass through contract (excluding contract for whole building) of 113 properties operated from August 1, 2018 to July 31, 2020. (1Tsubo = 35.5832 sq. ft.)

Note 2: "Rent gap" is the difference between the rent of new lease agreements and rent of lease agreements for current tenants as of the end of each fiscal period.

Operational Status of Residential Facilities (1)

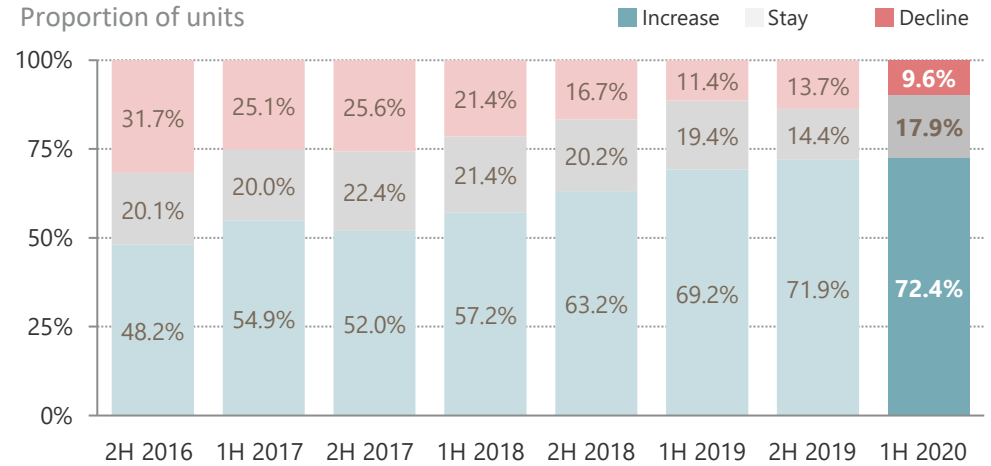
Percentage of Increase/Decline of rent of new tenants (1)

Increase/Decline of monthly rent by area



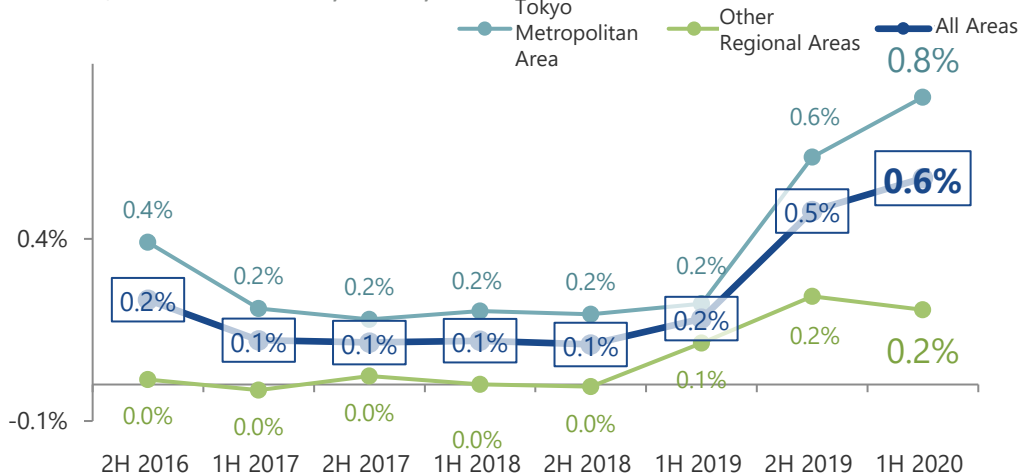
Rent Increase/Decline (units) of new tenants

Proportion of units



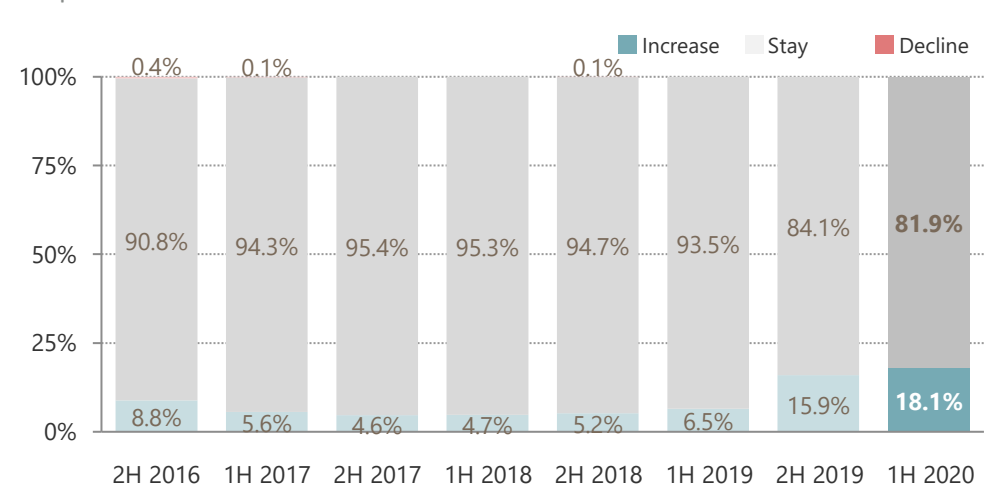
Percentage of Increase/Decline of rent of Renewal tenants (2)

Increase/Decline of monthly rent by area



Rent Increase/Decline (units) of renewal tenants

Proportion of units



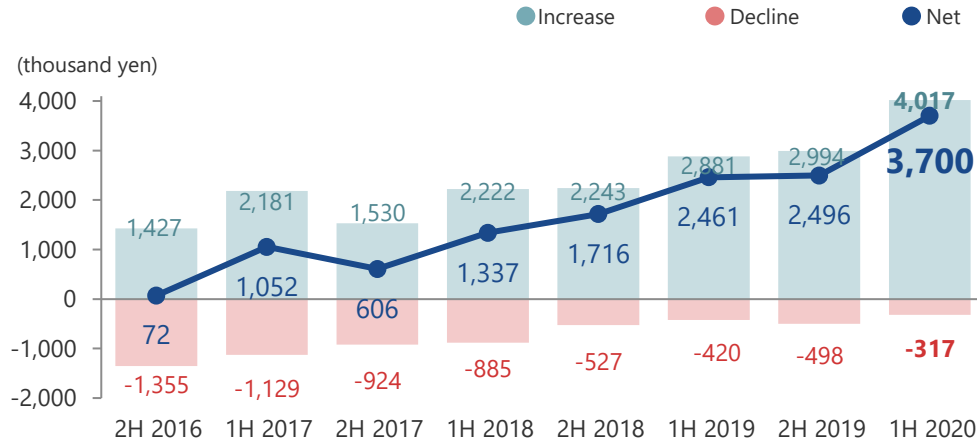
Note 1: "Percentage of Increase/Decline of rent of new tenants" = Total Amount of Increase/Decline of rent of new tenants / Total amount of rent before revisions.

Note 2: "Percentage of Increase/Decline of rent of renewal tenants" = Total Amount of Increase/Decline of rent of renewal tenants / Total amount of rent before revisions.

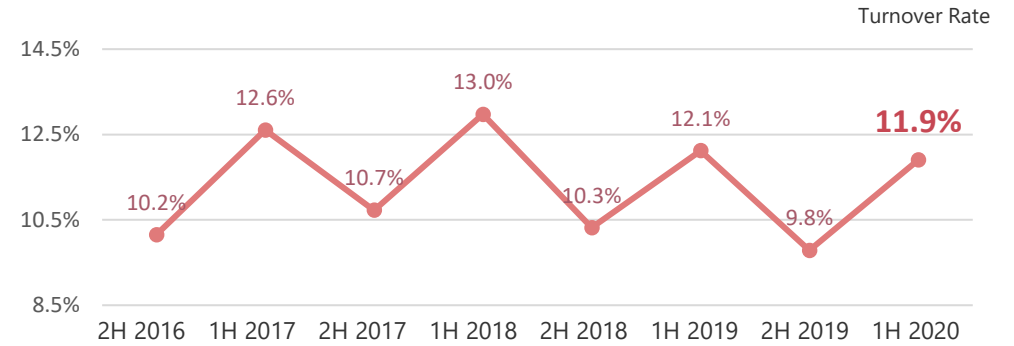
Operational Status of Residential Facilities (2)

Rent Increase/Decline of rent of new tenants

Increase/Decline of monthly rent



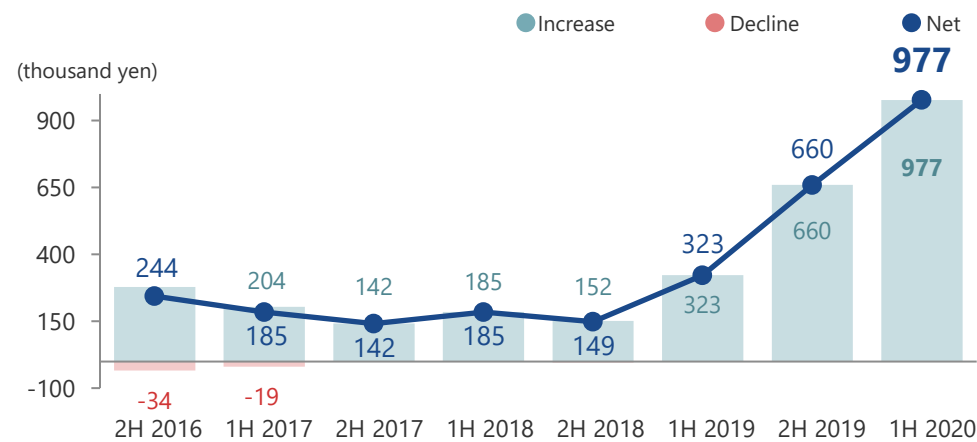
Average Downtime/Turnover Rate⁽¹⁾



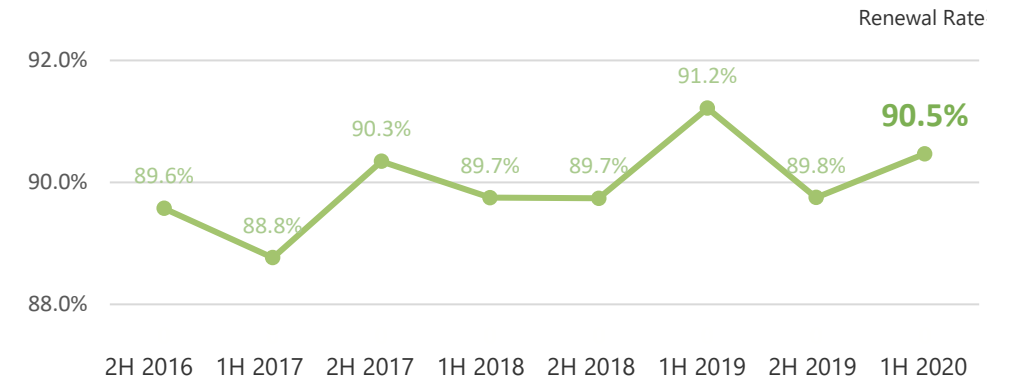
Peak Season	Average downtime						
80 days	64 days	69 days	56 days	70 days	65 days	73 days	67 days

Rent Increase/Decline of rent of Renewal tenants

Increase/Decline of monthly rent



Renewal Rate⁽²⁾

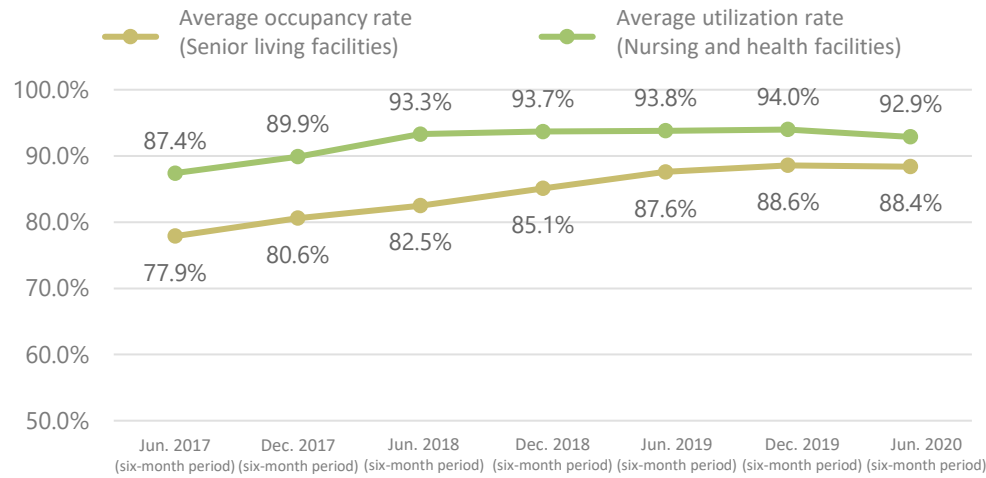


Note 1: "Turnover Rate" = Exiting tenants during the period / Rentable units at the End of Period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

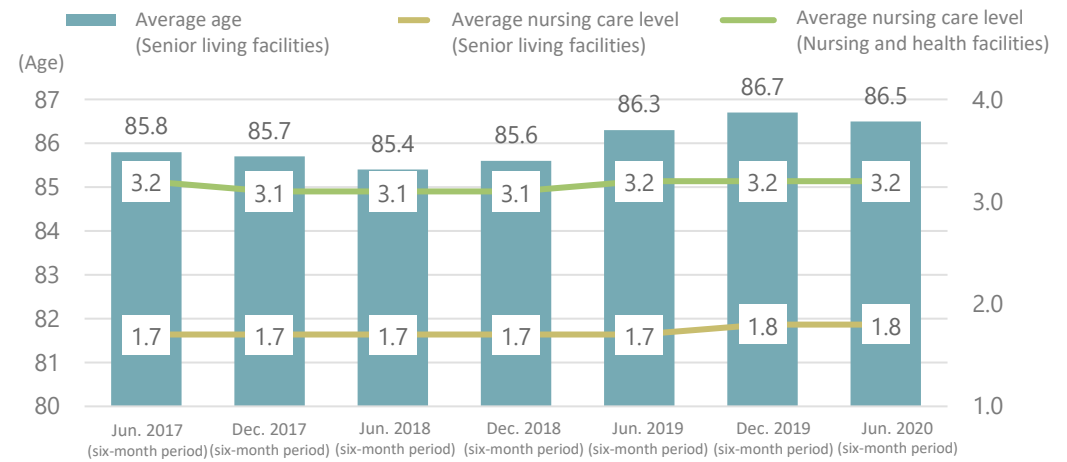
Note 2: "Renewal rate" = Renewal tenants during the period / Ending contracts during the period. These figures are calculated for residential units of pass through contract (excluding contract for whole building).

Operational Status of Healthcare Facilities

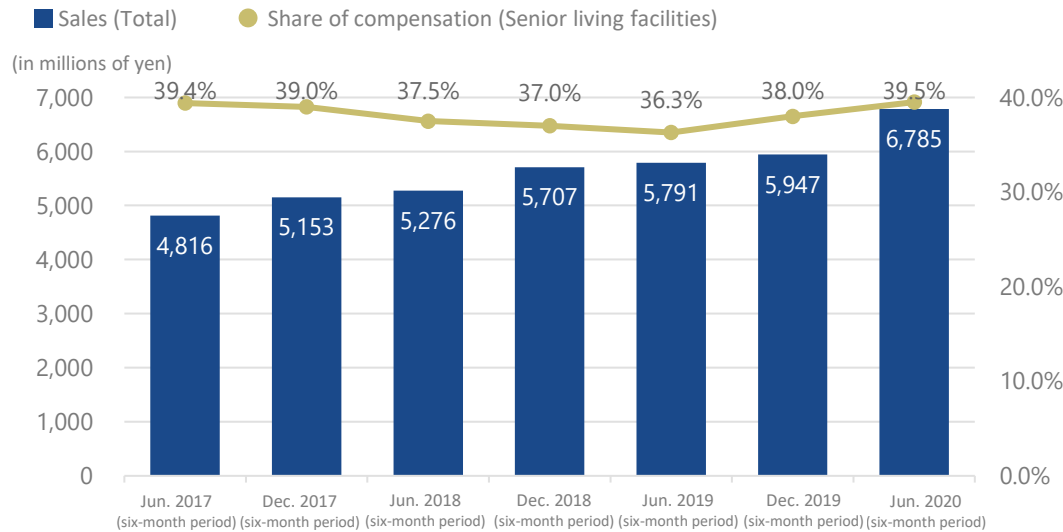
Occupancy Trend (1, 2, 3)



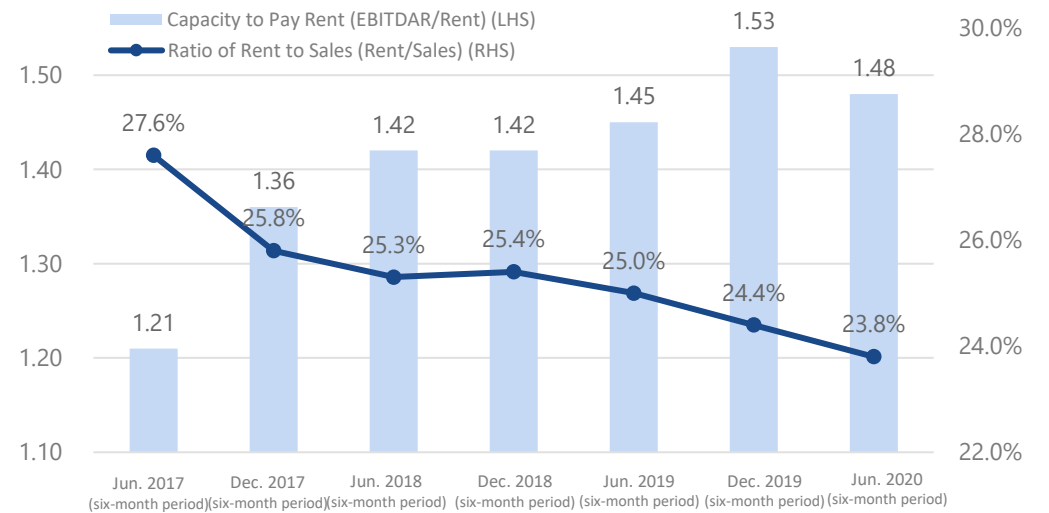
Average Age and Nursing Care Level (1, 2)



Sales and Share of Compensation (1, 2, 4)



Capacity to Pay Rent and Ratio of Rent to Sales (1, 2, 5)



Note 1: Figures are based on materials submitted by operators. "Senior living facilities" include private senior home with nursing care, residential private nursing homes, and serviced senior housing held by KDR at the end of the 16th period, excluding "Granda Mondo Yakujin" (undisclosed property). "Nursing and health facilities" include nursing and health facilities held by KDR at the end of the 17th period. For "Plaisant Grand Ota tamagawa", "Serabi Ebisu", "Arute Ishiyagawa", and "Tsukui Sun-shine Machida" those figures from the time when the operator's approval was obtained are reflected in the calculation.

Note 2: "Average occupancy rate," "Average utilization rate," "Sales," "Share of compensation," "Capacity to pay rent," and "Ratio of rent to sales" are calculated using cumulative figures for each six-month period. "Average age" and "average nursing care level" are figures at the end of respective month.

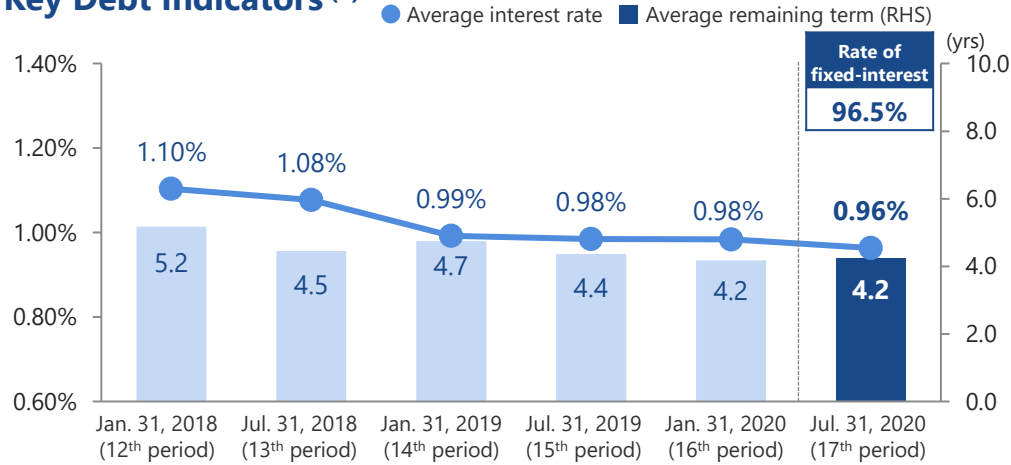
Note 3: "Average occupancy rate" is the number of residents divided by number of capacity and simple average of occupancy rate at the end of month for each period. "Average utilization rate" is the total number of users in the fiscal period divided by the total rated capacity.

Note 4: "Share of compensation" is the ratio of compensation to sales at senior living facilities.

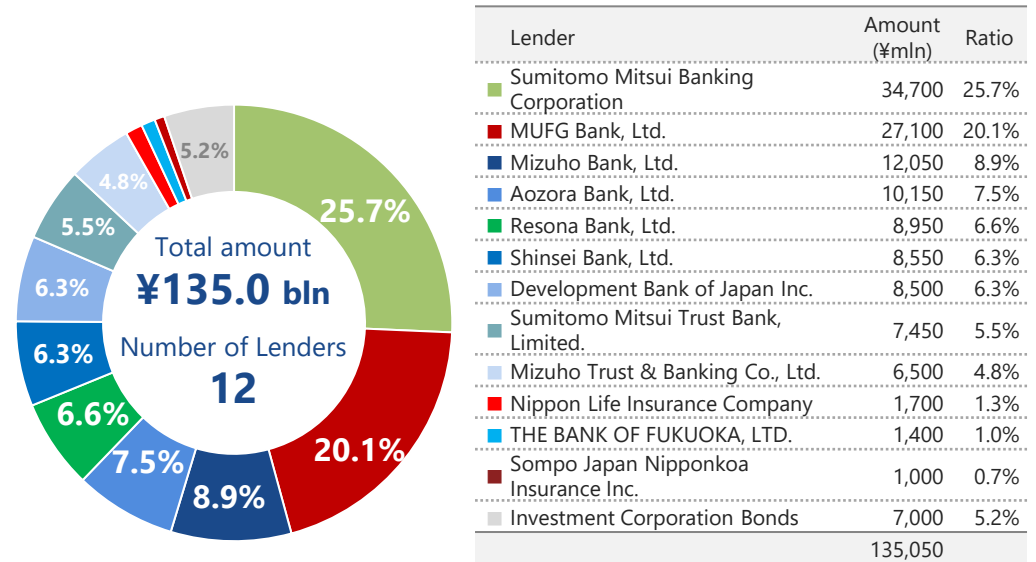
Note 5: "Capacity to pay rent" is EBITDAR (= Operating Income + Depreciation + Rent) divided by the Rent.

4. Finance

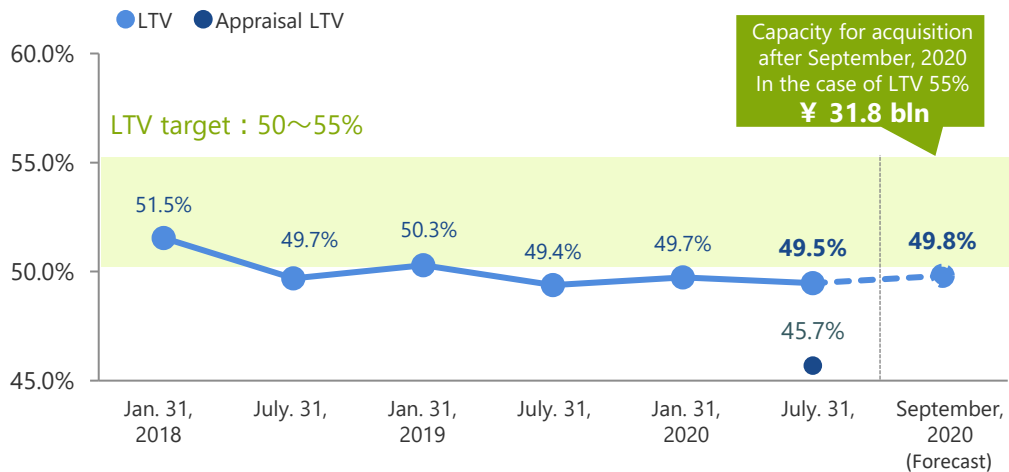
Key Debt Indicators ⁽¹⁾



Status of Interest-bearing Liabilities (as of July 31, 2020)



LTV (based on total assets) ⁽²⁾



Credit Rating

A+
(Outlook : Stable)
(Japan Credit Rating Agency, Ltd. (JCR))

Note 1: "Average interest rate" calculated by weighted average interest rate at the end of the period that took into consideration up-front fee (per year) and the effect of the interest rate swap. "Average remaining term" calculated by weighted average remaining term of interest-bearing liabilities at the end of the period. "Rate of fixed-interest" calculated the percentage of fixed interest rate loans of total amount of loans at the July 31, 2020. The floating loans which are substantially fixed with interest rate swap are included in the fixed-rate.

Note 2: "LTV" = Interest-bearing Liabilities / Total Assets. "Appraisal LTV" = Interest-bearing Liabilities / Total Appraisal Value.

Outline of Commitment Line Agreement

To secure flexibility and stability in financing method, commitment line agreement is renewed and extended

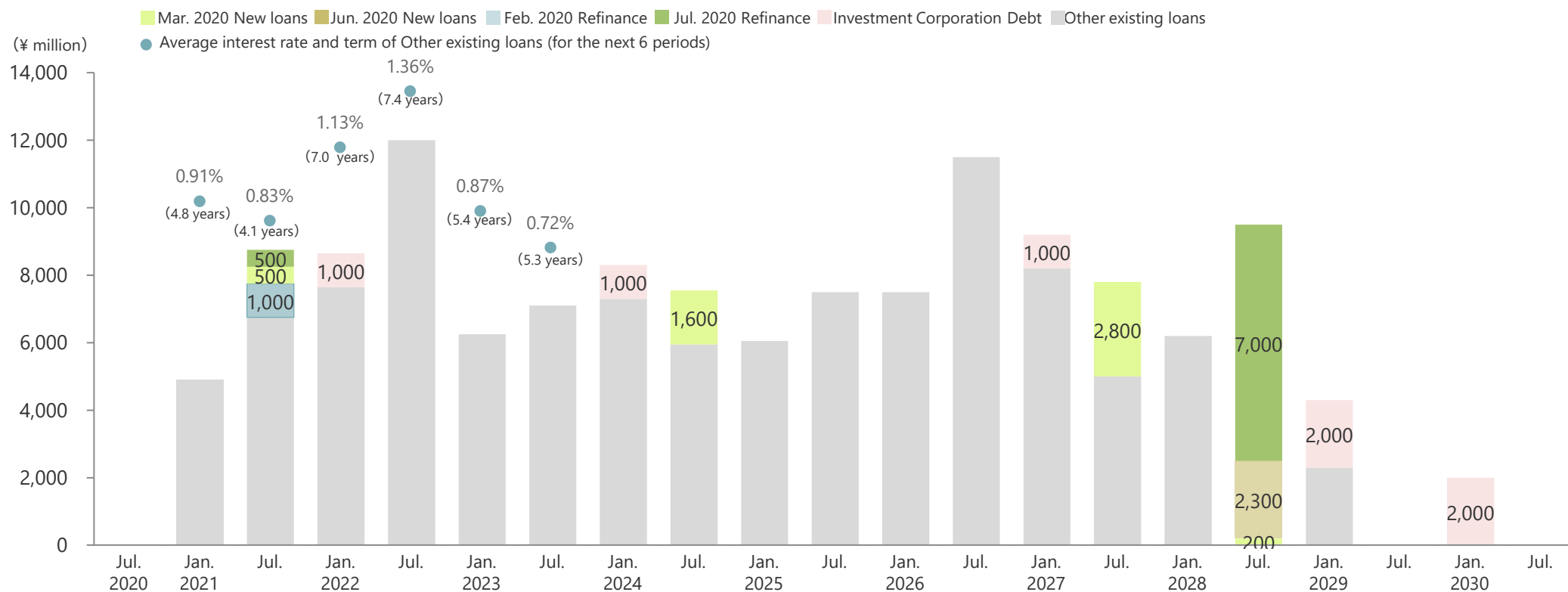
Counterparty	Limit of maximum amount	Contract period
Sumitomo Mitsui Banking Corporation	¥1.5 bln	August 1, 2020 to July 31, 2021
MUFG Bank, Ltd	¥1.5 bln	
Mizuho Bank, Ltd	¥1.5 bln	

Repayment Terms

Latest New Loans and Refinance

Classification	Amount	Term ⁽¹⁾	Average interest rate ⁽²⁾
New Loans in Mar. 2020	¥5.1 bln	5.5 yrs	0.52%
New Loans in Jun. 2020	¥2.3 bln	8.0 yrs	0.80%
Refinance in Feb. 2020	¥1.0 bln	6.7 yrs	0.75%
Refinance in Jul. 2020	¥7.5 bln		

Maturity Ladder

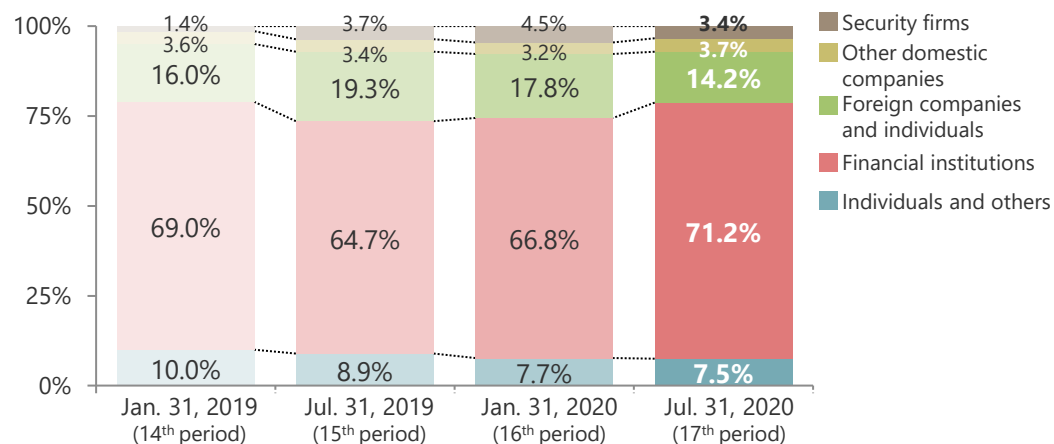


Note 1: "Average interest rate" calculated by weighted average interest rate at the end of the period for the each loans.

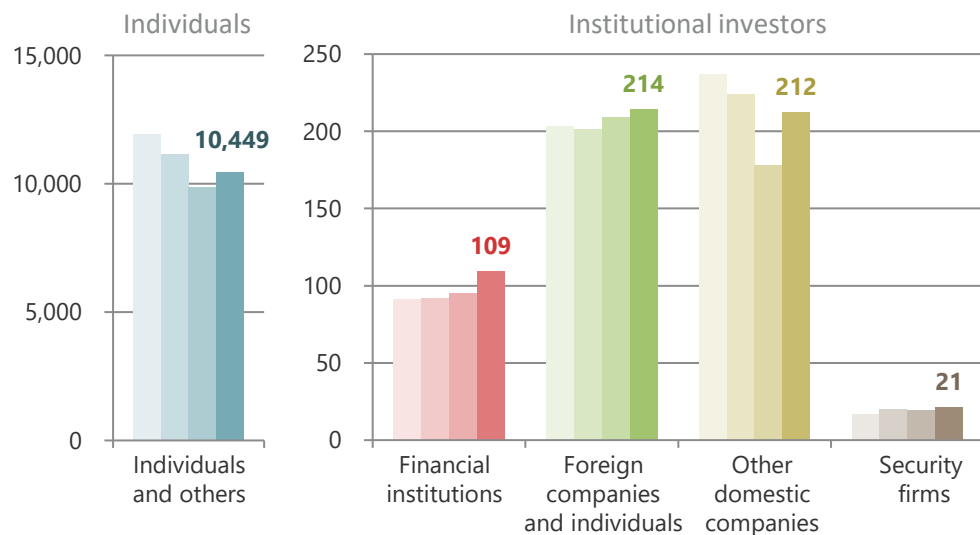
Note 2: "Interest rate" calculated that took into consideration up-front fee (per year) and the effect of the interest rate swap.

Unitholders

Composition of Unitholders (based on number of units)



Number of Unitholders (last 4 fiscal periods)



Major Unitholders (as of July 31, 2020)

	Name	Units	Ratio ⁽¹⁾
1	Custody Bank of Japan, Ltd. (Trust Acct.) ⁽²⁾	268,001	28.17%
2	The Master Trust Bank of Japan Ltd. (Trust Acct.)	191,705	20.15%
3	The Nomura Trust Banking Co., Ltd. (Trust Acct.)	56,160	5.90%
4	Custody Bank of Japan, Ltd. (Securities Investment Trust Acct.) ⁽²⁾	29,335	3.08%
5	Kenedix, Inc.	23,140	2.43%
6	Mitsubishi UFJ Trust and Banking Corporation	18,813	1.97%
7	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.	14,563	1.53%
8	STATE STREET BANK WEST CLIENT-TREATY 505234	13,301	1.39%
9	The Gunma Bank, Ltd.	11,782	1.23%
10	The Hokkoku Bank, Ltd.	11,326	1.19%
	Total	638,126	67.08%

Note 1: Ratio means the percentage for total units owned to total units issued. (Rounded down to the nearest three decimal places)

Note 2: Japan Trustee Services Bank, Ltd. and Trust and Custody Services Bank, Ltd. merged with their parent company, JTC Holdings, Ltd. on July 27, 2020, and changed their name to Custody Bank of Japan, Ltd. on the same date.

5. Sustainability

Sustainability (1) - Initiatives for Environment -

DBJ Green Building Certification⁽¹⁾

12 residential properties are certificated.
Obtained new certification for 5 properties in March 2020.

 <p>KDX Daikanyama Residence</p> <p>New Mar. 2020</p> <p>DBJ Green Building 2019</p>	 <p>KDX Residence Higashi-sakura I</p> <p>New Mar. 2020</p> <p>DBJ Green Building 2019</p>					
 <p>KDX Residence Ohori Harbor View Tower</p> <p>New Mar. 2020</p> <p>DBJ Green Building 2019</p>	 <p>KDX Sakaisuji Hommachi Residence</p> <p>New Mar. 2020</p> <p>DBJ Green Building 2019</p>	 <p>KDX Residence Hommachi</p> <p>New Mar. 2020</p> <p>DBJ Green Building 2019</p>				
 <p>KDX Residence Ebisu</p> <p>DBJ Green Building 2018</p>	 <p>KDX Residence Hanzomon</p> <p>DBJ Green Building 2018</p>	 <p>KDX Residence Yotsuya</p> <p>DBJ Green Building 2017</p>	 <p>Ashiya Royal Homes</p> <p>DBJ Green Building 2017</p>	 <p>KDX Residence Toyosu</p> <p>DBJ Green Building 2017</p>	 <p>Serenite Kobe Motomachi</p> <p>DBJ Green Building 2018</p>	 <p>KDX Residence Shukugawa Hills</p> <p>DBJ Green Building 2018</p>

Certification for the healthcare assets. BELS Certification



Plaisant Grand Ota tamagawa



Note 1: "DBJ Green Building Certification" is a system established by Development Bank of Japan in April 2011 to support real estate that meets environmental and social conditions.

Note 2: "Annual reduction" is calculated based on the presentation materials from construction company as of exchanging construction. And it includes reductions in electricity charges paid by lessees (operator) at healthcare facilities.

CASBEE Certification



Excellant Nishinomiya

Self-assessment based on CASBEE was carried out in November 2015, and notification was submitted to Nishinomiya City.

GRESB Real Estate Assessment

ESG

The Investment Corporation participates in GRESB Real Estate Assessment from 2016 and acquired "Green Star" rating in 2019. (Rating is "2 Stars")



GRESB (Global Real Estate Sustainability Benchmark) is a benchmark to evaluate sustainability performance of private and listed real estate portfolio, etc. from environmental and social perspectives.

Green Lease

Ten (Healthcare Facility)



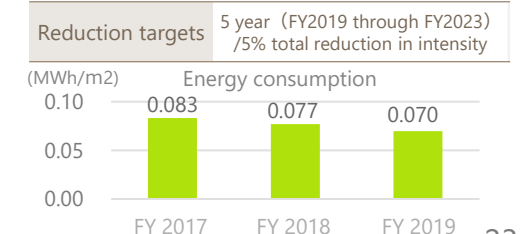
- LED lighting implementation work for energy-saving shall be conducted by the Investment Corporation who is the owner of the facility.
- Part of the tenant's benefits of reduction in electricity charges for the lighting equipment and bulb replacement costs resulting from such renovations shall be paid to the Investment Corporation as green lease fees.

Others

LED Lights in Common Areas⁽²⁾

	Total (after 2015)
Property (props)	64
Expense (mln yen)	124.8
Annual reduction (mln yen)	30.1

Reduction of the Amount of Energy used⁽³⁾

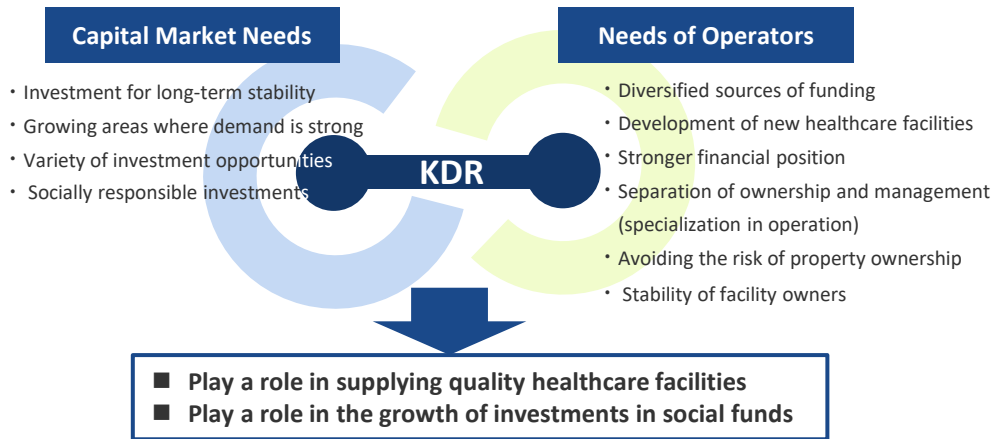


Note 3: "Amount of Energy used" is actual intensity for Residential Facilities (common area) owned for each entire year.

Sustainability (2) - Initiatives for Social -

Significant Social Contribution as an REIT Investing in Healthcare Facilities

In Japan, a super-aging society, the shortage of healthcare facilities are urgent social issues. KDR believes that there is a growing need in society for REITs to purchase and manage healthcare facilities. By continuing to acquire these properties, KDR aims to meet this need. KDR also believes that the growth of ESG investments will create more opportunities for healthcare facilities to attract new investments.



Investments in Childcare Facilities

■ Revision of the Management Guidelines (Sep. 2019)

- As Japan is facing issues related to population structure, as part of its response to the declining birthrate and aging population, **the need for childcare facilities is expected to continue**. KFM believes that childcare facilities are asset classes with good prospects for growth. These properties can generate stable rental income that is reflected in the medium to long-term asset value of these facilities.
- KFM revised its management guidelines to **create social value** through investments in childcare facilities that meet this need and **to increase flexibility for targeting investment opportunities**.

Usage	Asset Type Examples
Residential Facilities	Rental housing Serviced apartments, etc.
Healthcare Facilities	Private senior homes, serviced housing for the elderly, Nursing and health facilities, etc.
Accommodation	Hotels, etc.
Other	Land with leasehold interest, Childcare facilities , etc.

Issuance of Social Bonds



- KDR became **the first J-REIT** to issue social bonds
- Received **“Social 1 (F),” the highest rating** of the “JCR Social Finance Framework Assessment”
- 14 investors **have expressed their intention to invest** in the social bonds
- Providing an opportunity for investors who want to make ESG investments has attracted a broader range of investors **and diversified fund procurement channels**

Summary of the Investment Corporation Bonds (Social Bonds)	
(1) Maturity	10 years
(2) Issue size	¥2.0 bln
(3) Yield	0.750%
(4) Month of issue	December 2019
(5) Social finance framework assessment	JCR
(6) Social finance framework rating	Social 1 (F)



Assets eligible for social finance

KDR will allocate the funds procured through social finance to the acquisition of assets eligible for social finance, repayment of borrowings required for such acquisition and redemption of investment corporation bonds (including refinance).

Senior Living Facilities	<ul style="list-style-type: none"> • Private senior homes • Serviced senior housing • Apartments for the elderly • Memory care group homes • Small multi-function facilities • Daycare facilities, etc.
Medical Facilities	<ul style="list-style-type: none"> • Hospitals • Clinics • Medical malls • Nursing and health facilities, etc.

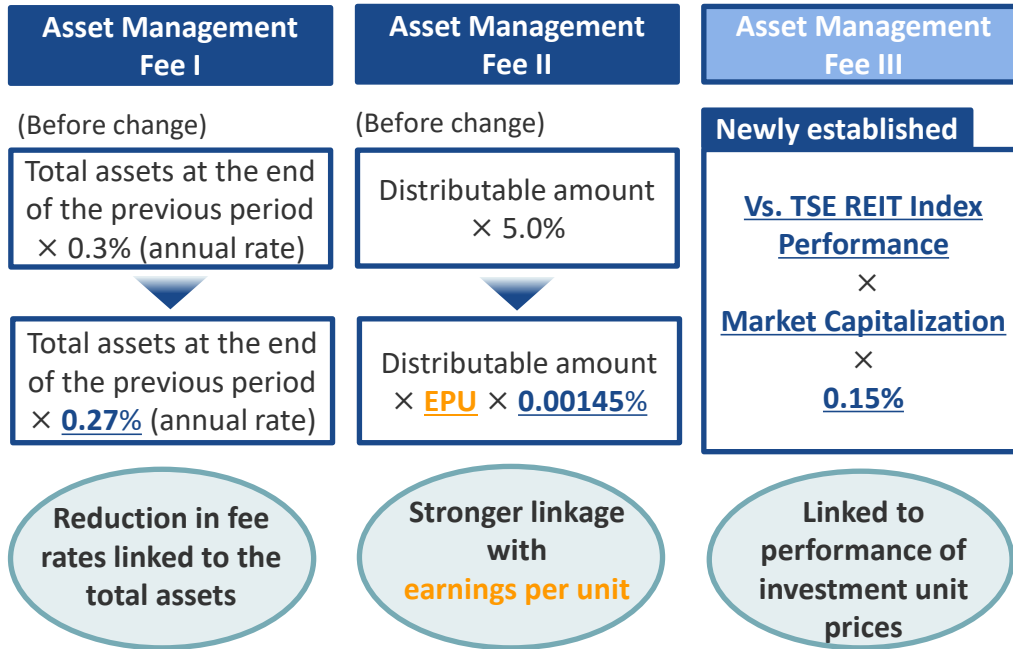
Support from the Asset Management Company

In May 2020, the Asset Management Company distributed a total of 16,500 masks for free to residents and others at 24 healthcare-related facilities owned by KDR. Received many words of appreciation for this initiative at a time of widespread anxiety of the spread of COVID-19.

Examples of Properties		
Plaisant Grand Ota Tamagawa	Tsukui Sun-shine Machida	Serabi Ebisu

Sustainability (2) - Initiatives for Governance -

Asset management fee structure where fees and unitholder returns are strongly linked ^(Note)



Asset Management Fee III Calculation Method and Amount ^(Note)

1) Performance of KDR stock relative to the TSE REIT index (end of January 2020 to end of July 2020)

Increase in KDR stock price including the DPU: -8.3%
 Increase in TSE REIT index including DPU: -23.3%
 ⇒ KDR outperformance: 15.0%

2) KDR's market capitalization on January 31, 2020

¥215,200 × 907,458 units ≒ ¥195,284 mln

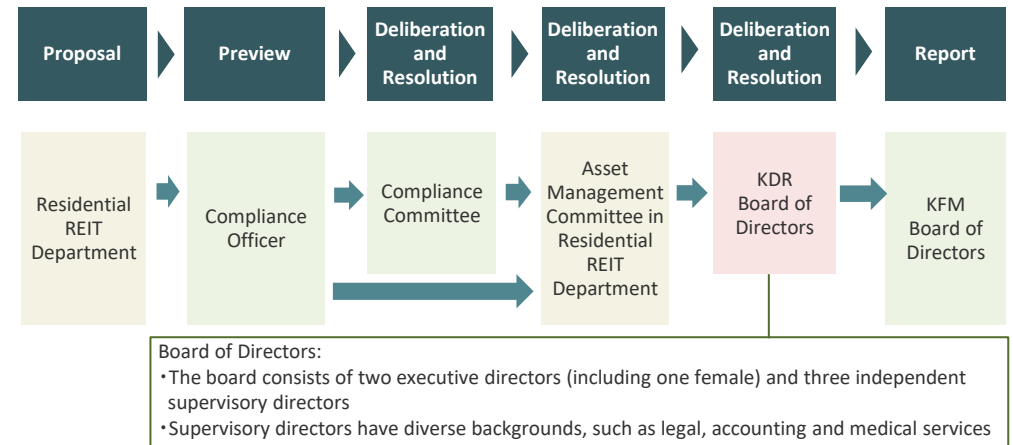
3) Expected asset management fee III for 1H 2020

$\frac{15.0\%}{1)} \times \frac{¥195,284 \text{ mln}}{2)} \times 0.15\% \doteq ¥43,968 \text{ thousand}$

Decision-making Process with Transparency & Checks and Balances

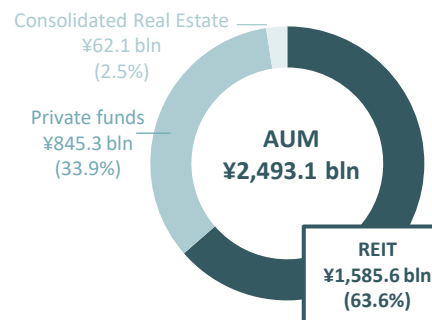


- ❑ KFM creates guidelines for the management of KDR's assets. The guidelines set forth basic policies on asset management, including the investment policy, related party transaction rules, the distribution policy and the disclosure policy.
- ❑ Based on the management guidelines, KFM creates asset management plans and other plans (ex. medium-term plans, annual business plans). KFM makes decisions about property acquisitions in accordance with the investment policy and related party transaction rules in the management guidelines.
- ❑ The following process is used in principle to make decisions about establishing and revising the management guidelines, asset management plan and other items as well as about asset acquisitions and sales.

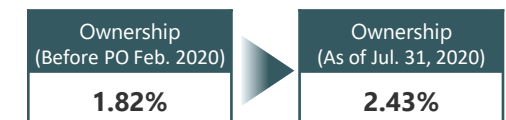


The Kenedix Group's Commitment to J-REITs

■ Breakdown of AUM (As of Jun. 30, 2020)



■ Investment in KDR by Kenedix, Inc.



REITs account for a large share of the Kenedix Group's AUM. Stable growth of REIT AUM is a source of revenue for Kenedix, Inc. (the sponsor). These investments are also a business model in which the interests of Kenedix and the REITs are aligned.

Appendices

Explanation of Notes

Note 1:

- “DPU excluding one-time factors” = DPU forecast – Gains from property sales and Reversal of internal reserves used for distributions (forecast) – The effect of property, city planning and other taxes and other one-time factors (defined below). Those for the 2H 2020 (18th fiscal period) and afterward are estimates as of the date of this presentation. KDR makes no guarantee that these funds will be distributed to unitholders. The same applies hereafter.

Note 2:

- The “effect of property, city planning and other taxes and other one-time factors” is a benefit resulting from the delay in the recognition of these taxes as an expense to the fiscal period following the acquisition of a property and fluctuations in asset management fees in each fiscal period caused by changes in total assets.

Note 3:

- “RTA” is a reserve for temporary difference adjustments of internal reserves resulting from negative goodwill recorded due to the merger. The basic policy is to reverse this reserve over a period of not more than 50 years (100 fiscal periods). KDA’s policy is to reverse at least 1% of the initial amount of the RTA every fiscal period and distribute this amount to unitholders.

Note 4:

- “Reversal of internal reserves” for the 2H 2020 (18th period) afterward is the estimated amount as of the date of this presentation and the actual amount may differ from the estimate.

Overview of Public Offerings (Feb, 2020) and Newly Acquired Properties

Use various acquisition routes and methods to buy properties at competitive prices, mainly in the Tokyo metropolitan area, which is capable of internal growth


Summary of Newly (To-be) Acquired Properties

Newly Acquired Properties (Residential Facilities)		
No. of properties acquired:	9	Total acquisition price: ¥12.4 bln
		Average appraisal NOI cap rate: 4.7 %

	KDX Residence Nishi-Funabashi	KDX Residence Asagaya II	KDX Residence Hatagaya	KDX Residence Gakugeidaigaku	KDX Residence Sendai Station East	KDX Residence Kamata-minami	KDX Residence Kichijoji	KDX Residence Mitaka	KDX Residence Nakanobu
									
Acquisition price	¥975 mln	¥939 mln	¥2,500 mln	¥750 mln	¥1,340 mln	¥1,918 mln	¥621 mln	¥2,530 mln	¥830 mln
Appraisal Value	¥1,050 mln	¥983 mln	¥2,730 mln	¥828 mln	¥1,410 mln	¥2,100 mln	¥650 mln	¥2,810 mln	¥901 mln
Appraisal NOI cap rate ⁽¹⁾	5.1%	4.6%	4.6%	4.6%	4.9%	4.5%	4.5%	4.8%	4.6%
Date of acquisition	September 17, 2019	October 29, 2019	February 27, 2020	February 27, 2020	February 27, 2020	March 2, 2020	March 13, 2020	June 30, 2020	August 3, 2020
Construction completion	January 2011	August 2006	January 2002	April 2003	February 2019	February 2020	February 2020	May 2020	May 2008
Occupancy rate ⁽²⁾	100%	97.0%	98.3%	91.4%	98.9%	98.2%	50.6%	23.8%	86.8%

Note 1: "Appraisal NOI cap rate" for (to-be) acquired properties is the net operating income (NOI) using the direct capitalization method in the appraisal reports as of July 31, 2020, divided by the (planned) acquisition price (before taxes).
 Note 2: The above "occupancy rate" is figures as of July 31, 2020.

Selective Investments in Accommodations

	HOTEL LIVEMAX Tokyo-Otsuka-Ekimae	HOTEL LIVEMAX Yokohamaeki-Nishiguchi
		
Acquisition price	¥2,390 mln	¥2,570 mln
Appraisal Value	¥2,380 mln	¥2,610 mln
Appraisal NOI cap rate	4.2%	4.3%
Date of acquisition	March 2, 2020	March 2, 2020
Construction completion	October 2018	November 2018
Occupancy rate	100%	100%

Stance regarding Accommodations

Fixed Rent Contract **X** **Long-term Contract**

- The goal is stable rental income based on a fixed rent contract and long-term contract
- Carefully select operators able to generate consistent revenue where properties are located
- These two LIVEMAX hotels are largely unaffected by changes in the number of foreign visitors in Japan

Overview of Public Offerings (PO)

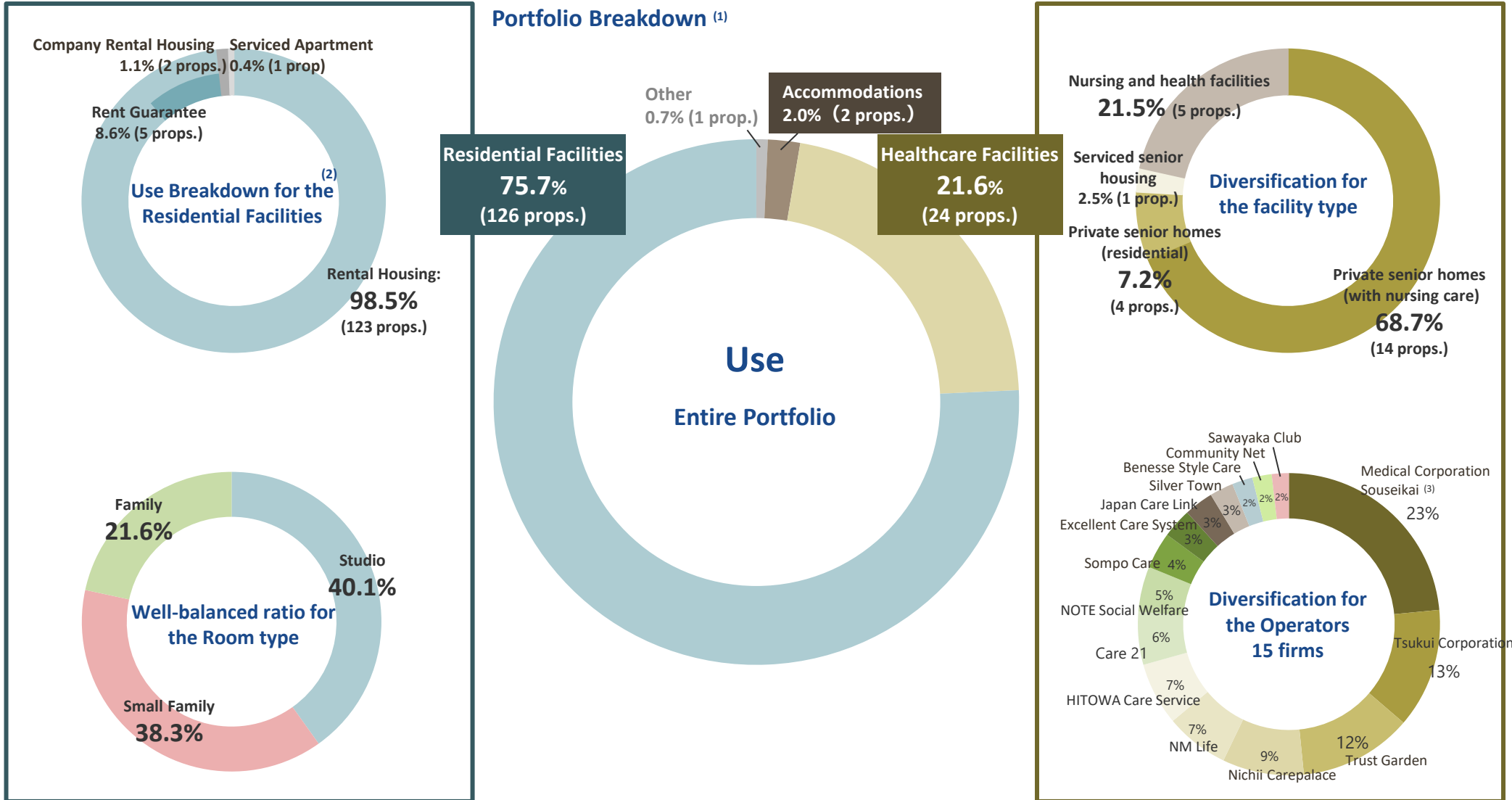
	1st Public Offering After Merger (August 2018)	2nd Public Offering After Merger (February 2019)	Current PO February 2020
Date of resolution for issuance	July 13, 2018	February 4, 2019	February 10, 2020
Date when the issue price was determined	July 24, 2018	February 13, 2019	February 19, 2020
Issue price /Paid-in amount	¥157,047 /¥151,892	¥175,500 /¥169,740	¥208,065 /¥201,342
Total paid-in amount ⁽⁴⁾	Approx. ¥12.47 bln	Approx. ¥6.19 bln	Approx. ¥8.81 bln

Note 4: Excludes offerings with a third-party allotment.

Portfolio Breakdown (1)

■ Total Asset Size : ¥250.5 bln (153 props.), Residential facilities : ¥189.7 bln (126 props.), Healthcare facilities : ¥54.1 bln (24 props.), Accommodations : ¥4.9 bln (2 props.), Others : ¥1.7 bln (1 prop.), and build a strong portfolio through investments with diversified portfolio

Portfolio Breakdown (1)



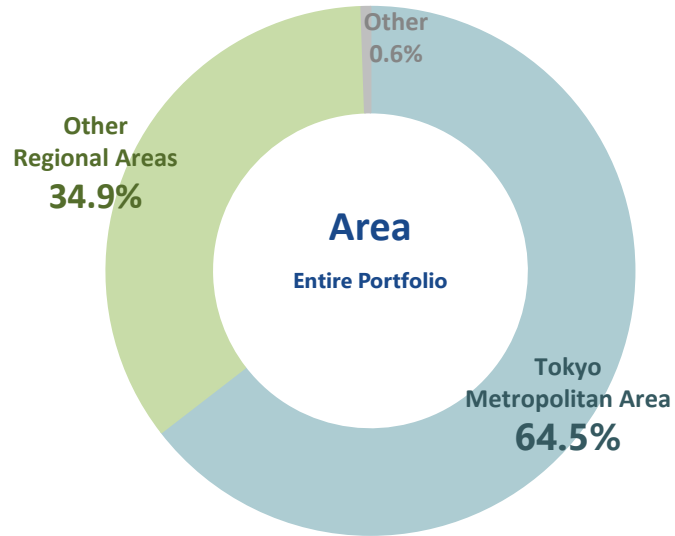
Note 1: Including the ratio of the to-be acquired assets by September 24, 2020, which are already scheduled for as of the date of this material. the same shall apply hereinafter.

Note 2: "Rent guarantee" is contract with rent guarantee structure in part of whole residence.

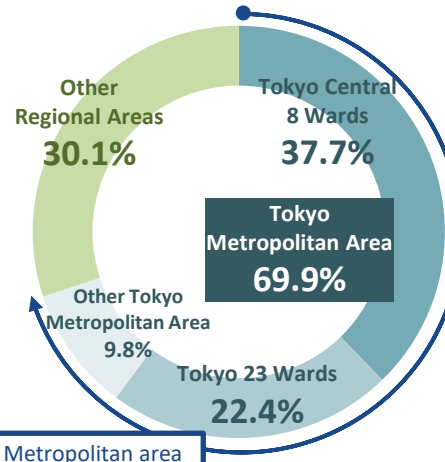
Note 3: As of June 12, 2020, the name has been changed from the Medical Corporation Hakushinkai.

Portfolio Breakdown (2)

Portfolio Breakdown ⁽¹⁾

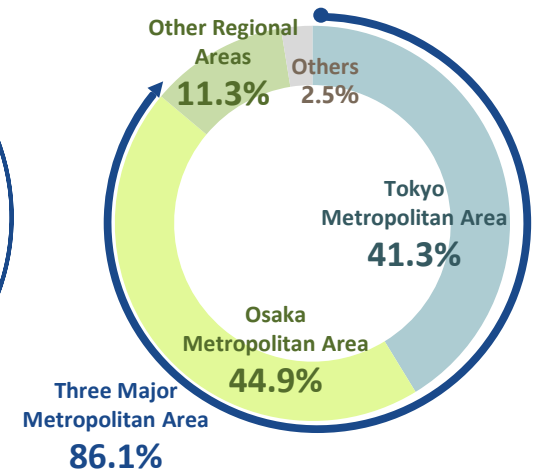


Residential Facilities

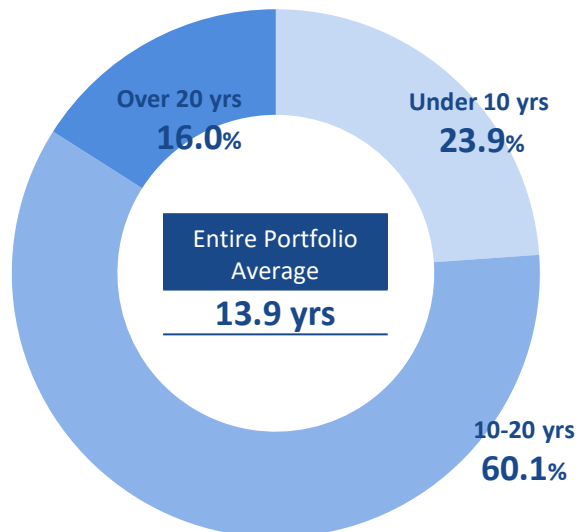


Tokyo Metropolitan area ratio in residential facilities
Aim for more than **70%**

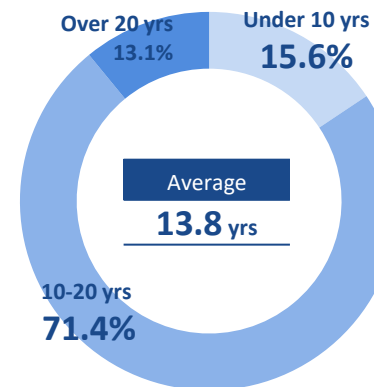
Healthcare Facilities



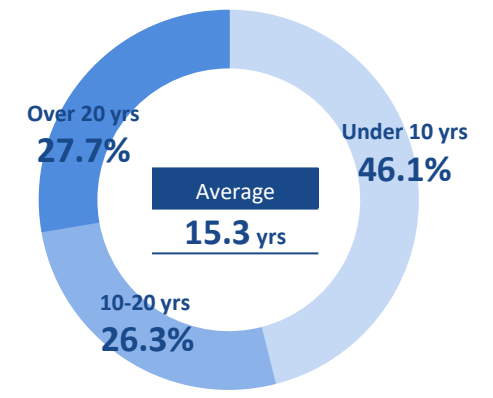
Break down of Property Age ⁽²⁾



Residential Facilities



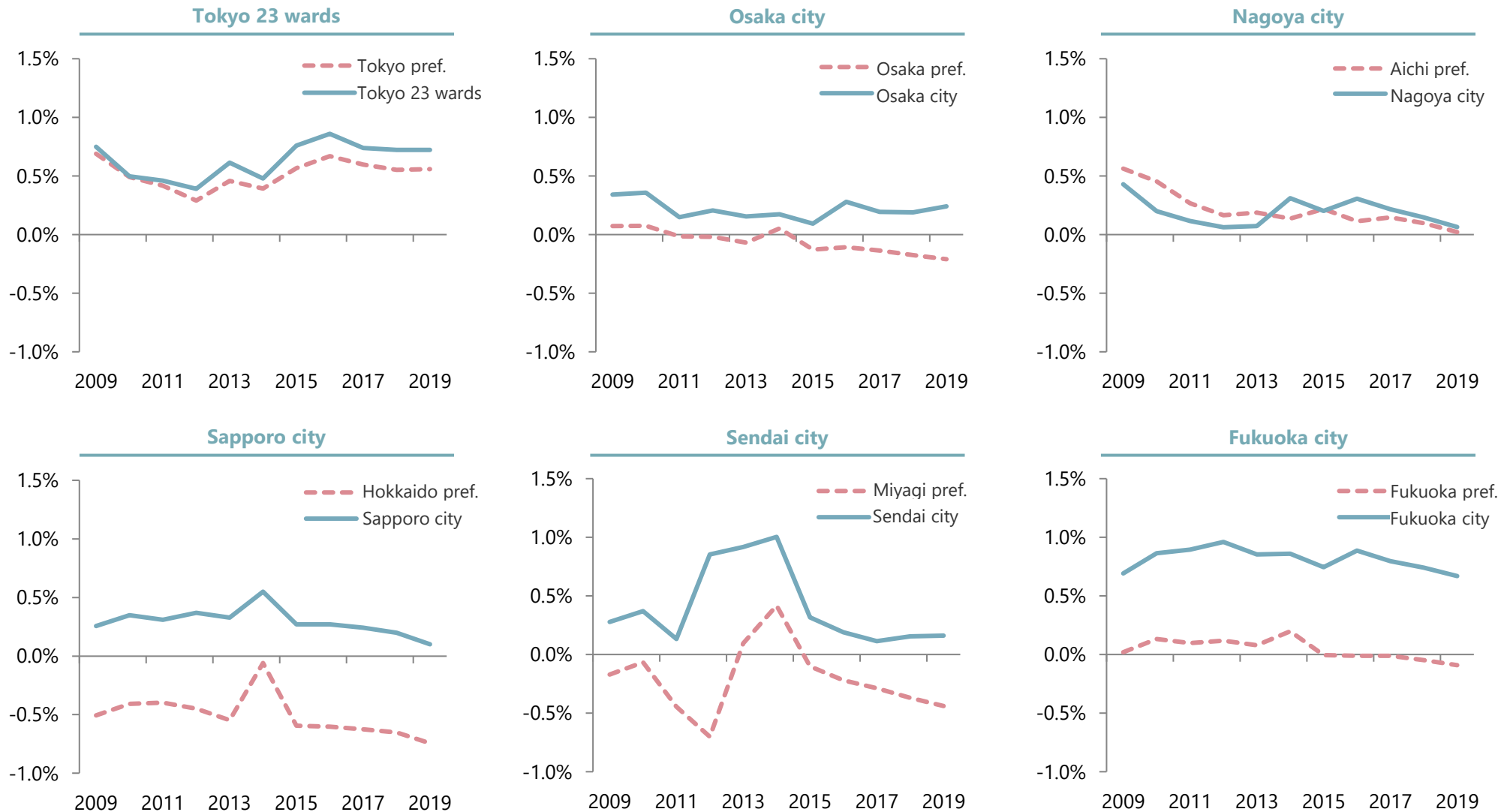
Healthcare Facilities



Note 1: "Tokyo Metropolitan Area" includes Tokyo, Kanagawa, Saitama and Chiba. "Other Regional Areas" include government-designed municipalities and other regional cities. "Tokyo Central 8 Wards" include Minato-ku, Shibuya-ku, Chuo-ku, Chiyoda-ku, Shinjuku-ku, Meguro-ku, Setagaya-ku and Shinagawa-ku. "Osaka Metropolitan Area" includes Osaka, Kyoto, Nara, Hyogo and Shiga. "Three Major Metropolitan Area" includes Tokyo Metropolitan Area, Osaka Metropolitan Area and Nagoya Metropolitan Area. "Other Regional Areas" include regional cities excluding the three major metropolitan area.

Note 2: "Property age" is calculated by the weighted average by the acquisition price of the periods from completion dates to July 31, 2020.

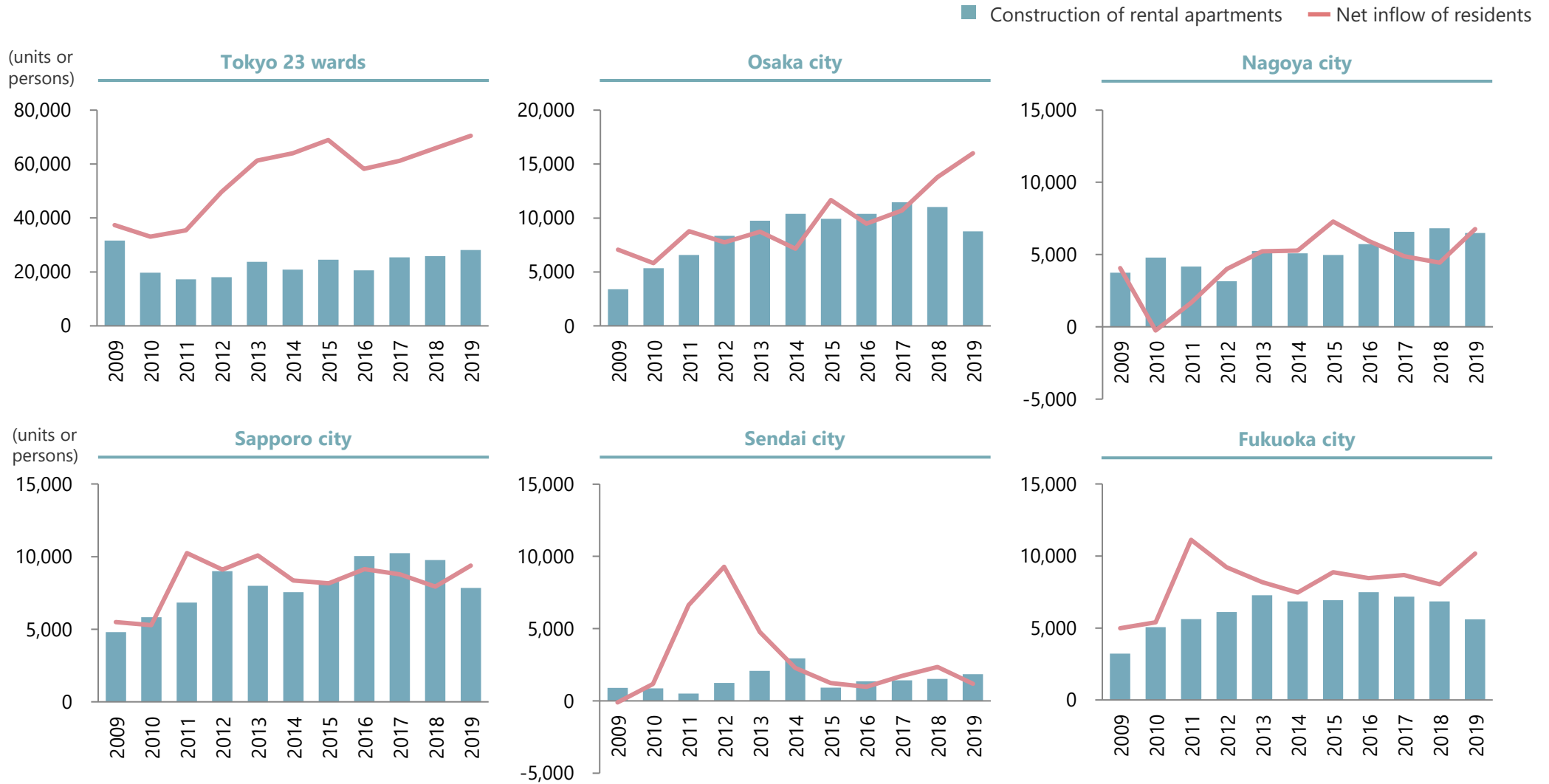
Residents growth rate in Tokyo 23 wards and major cities in Japan(YoY)



Source : Ministry of Internal Affairs and Communications. Report on Population Movement based on the Basic Resident Register.

Note : Residential population growth rate is calculated based on comparison with the previous fiscal year ended March 31. Methods for calculating statistics have been revised in 2006. The foreigners subject to the basic resident registration law have been included in the statistics since 2013, but this analysis indicates the transition related to Japanese only.

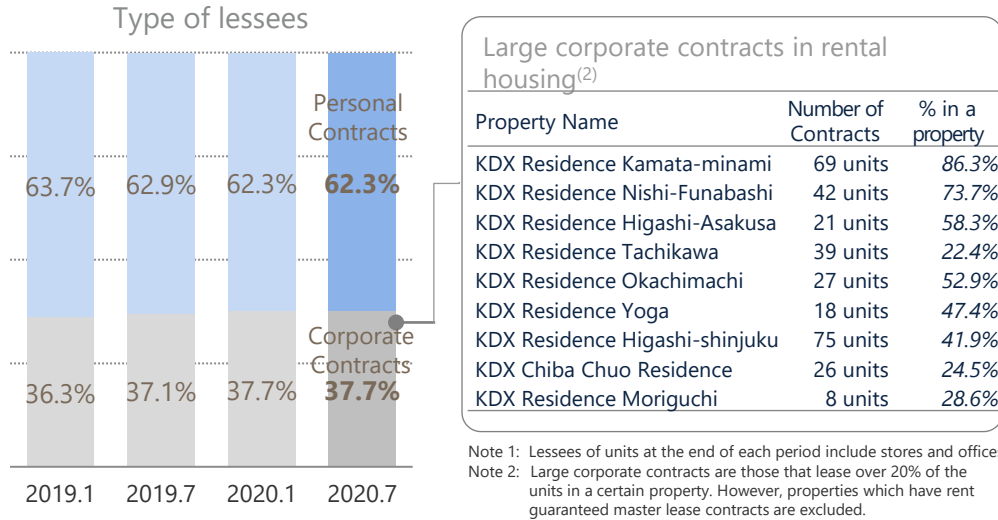
Construction of rental apartments and net inflow of residents into Tokyo 23 wards and major cities in Japan



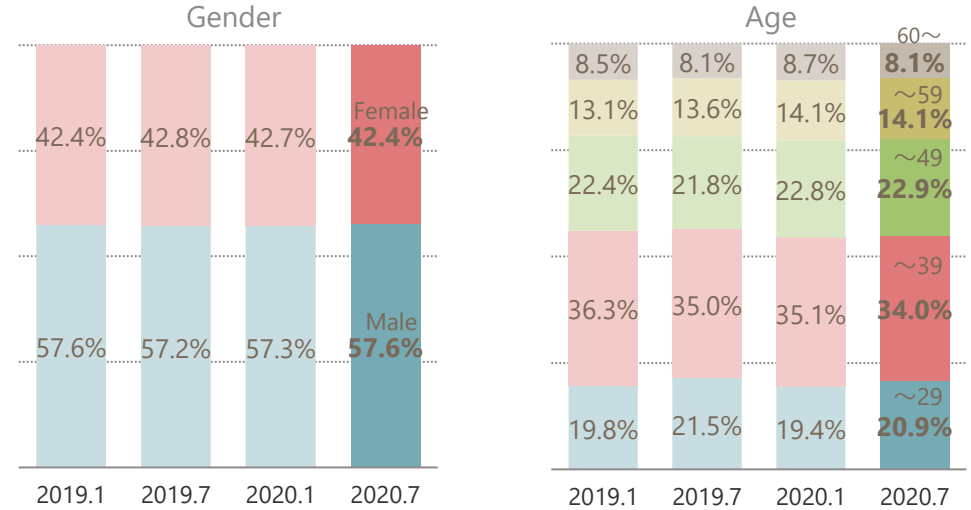
Source : Ministry of land, Infrastructure, Transport and Tourism. Statistics for the Construction of New Housing. Ministry of Internal Affairs and Communications. Report on Population Movement based on the Basic Resident Register.
 Note : The total number for each year includes concrete, steel, reinforced concrete and steel reinforced concrete buildings. The net inflow of residents is calculated by subtracting the total number of residents moving out of the relevant city from the total number of residents moving into the relevant city.

Tenant Demographics Analysis (Residential Facilities)

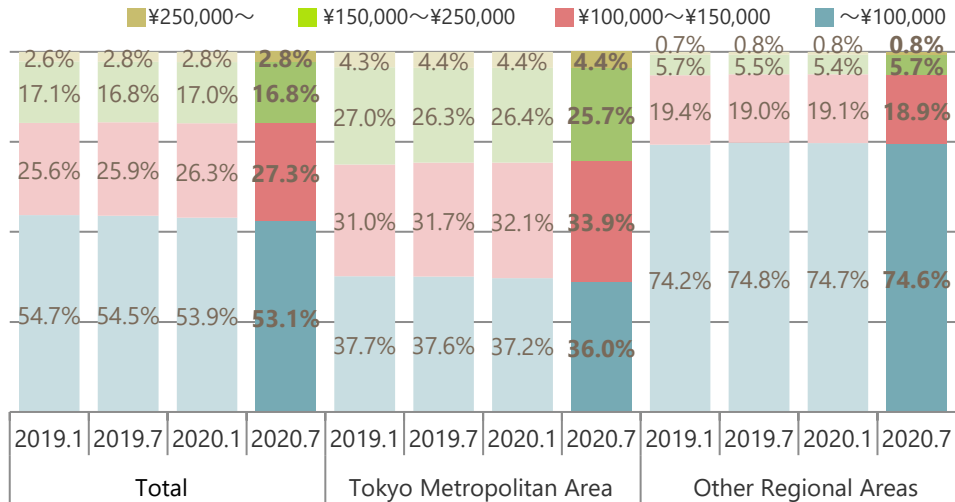
Type of Lessees⁽¹⁾



Breakdown of Personal Contracts



Breakdown of Rent Range (based on unit)



Average Rent per Residential Unit⁽¹⁾ (as of July 31, 2020)

Room Type \ Area	Tokyo Metropolitan Area	Other Regional Areas	Total
Studio	¥96,339 (+1,111)	¥71,821 (+587)	¥87,924 (+708)
Small Family	¥163,619 (▲1,575)	¥85,210 (+318)	¥123,422 (+1,068)
Family	¥210,846 (+1,918)	¥157,755 (+1,056)	¥182,951 (+1,490)
Total	¥134,755 (▲160)	¥93,715 (+167)	¥116,716 (+329)

Note1: "()" Shows the amount of increase or decrease compared to the previous period.

About Seismic Isolation Materials

Failure of Toyo Tire & Rubber Seismic Isolation Materials to Meet the Certification Requirements and Subsequent Actions

March, 2015		April, 2015		September, 2015	May, 2019	August, 2019
<p>Toyo Tire announced that its seismic isolation materials do not comply with certification requirements of the Ministry of Land, Infrastructure, Transport and Tourism of Japan (MLIT).</p>	<p>One portfolio building uses Toyo Tire seismic isolation materials, but Toyo Tire stated that these materials complied with the certification requirements.</p>	<p>Toyo Tire announced a new incident involving seismic isolation material fraud.</p>	<p>The MLIT and Toyo Tire measured the seismic isolation properties of the affected KDR owned building and concluded that the building is structurally sound up to a seismic intensity of 6-upper to 7.</p>	<p>KDR, KFM and a trust bank who is the trustee of the building signed a Compensation Agreement with Toyo Tire and Toyo Chemical Industrial Products.</p>	<p>An agreement was reached concerning replacement of the Rubber to respond to the problem and compensation for losses, etc. incurred by the Investment Corporation due to said replacement. Accordingly, the Concerned parties concluded an agreement on replacement of the Seismic Isolation Rubber and an additional compensation agreement.</p>	<p>Replacement construction for Seismic Isolation Rubber was started.</p>
<p>Start of examination to determine if any portfolio buildings use these materials.</p>		<p>Toyo Tire notified KDR that the seismic isolation materials in the portfolio building are included in this newly disclosed incident.</p>				<p>January, 2021 (planned)</p>
						<p>Replacement construction for Seismic Isolation Rubber will be completed.</p>

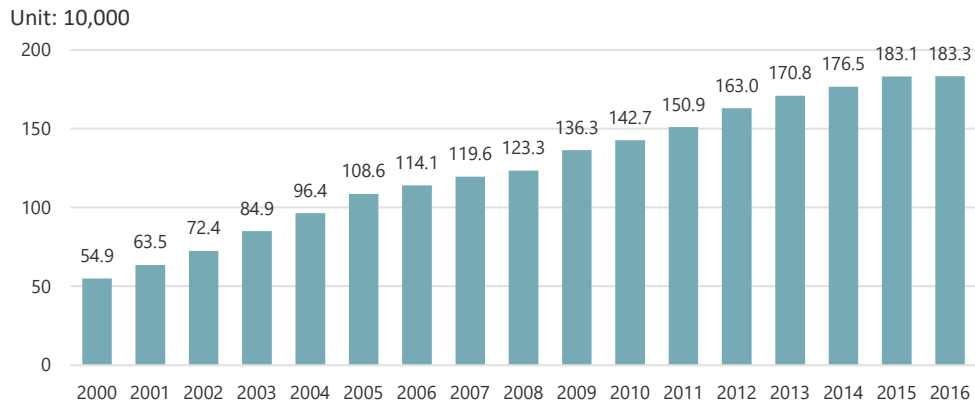
Seismic Isolation/Mitigation Oil Dampers manufactured by KYB Corporation and Kayaba System Machinery Co., Ltd.

October, 2018		January, 2019		January, 2020	January, 2020	
<p>“Non-compliance with the standards under the certification of the Minister of Land, Infrastructure, Transport and Tourism of the seismic isolation/mitigation oil dampers manufactured by KYB Corporation (“KYB”) and Kayaba System Machinery Co., Ltd. (“KSM”) announced by the Ministry of Land, Infrastructure, Transport and Tourism</p>	<p>One portfolio building uses the seismic isolation oil dampers manufactured by KYB and KSM with product certification number(s) for which the performance inspection data was considered to be falsified. KDR has received a report from KYB and KSM that seismic isolation oil dampers used for the Property meet the performance standards of MLIT, but a part of the seismic isolation oil dampers fail to meet the performance standard based on the contract with the customers.</p>	<p>KYB announced a new incident.</p>	<p>KDR has received a new notification by KYB and KSM that all seismic isolation oil dampers installed in the Property fall into the products for which it is unknown whether falsification was made.</p>	<p>KYB has also reported to KDR that it will promptly replace nonconforming products that fail to meet the performance standards of MLIT and products for which it is unknown whether falsification was made.</p>	<p>An agreement was reached concerning replacement of the Seismic Isolation Oil Dampers to new ones comply with the performance assessment standards certified by the Minister of Land, Infrastructure, Transportation and Tourism. Accordingly, the Concerned parties concluded an agreement on replacement of the Seismic Isolation Oil Dampers.</p>	<p>Replacement construction for Seismic Isolation Oil Dampers was started.</p>
						<p>August, 2020</p>
						<p>Replacement construction for Seismic Isolation Oil Dampers was completed.</p>

The Business Climate for Healthcare Facilities in Japan

- Since the FY2000 start of the nursing care insurance system, the nursing care workforce in Japan has increased by 1.28 million people (about 3.3 times).
- Recruit and train many types of people, using robots and taking other actions will be being introduced.

Growth of Japan's Nursing Care Workforce



Source: Survey of Institutions and Establishments for Long-term Care, Ministry of Health, Labour and Welfare

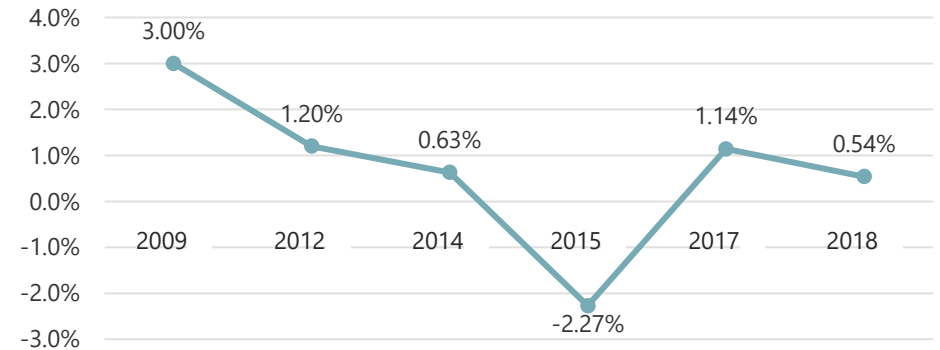
Measures to Recruit Nursing Care Workers

	Significant Measures Implemented	Additional Significant Measures Scheduled to be Implemented
Increase salaries and other benefits	(Actual) Average monthly wage increased by an amount equivalent to ¥57,000 Monthly wage increased by ¥14,000 (FY2017) Monthly wage increased by ¥13,000 (FY2015) Monthly wage increased by ¥6,000 (FY2012) Monthly wage increased by ¥24,000 (FY2009)	◎ Wage increase simultaneously with the hike in the consumption tax rate scheduled for October 2019
Recruit and train many types of people	○ Education loans to students wanting to train as care workers ○ Loans to care workers wanting to return to jobs in the nursing care sector (to prepare for taking up jobs again). (The loan ceiling is doubled in regions where it is difficult to recruit care workers)	◎ Establish an integrated service from induction courses for middle-age and elderly persons with no experience in nursing care to job matching after completion of training courses ◎ Support measures for recruitment at care workers education facilities
Measures to increase retention and raise productivity	○ Promote the use of nursing care robots and ICT ○ Support for establishing childcare facilities in nursing care facilities and offices ○ Reduce the financial burden of taking training seminars for career advancement and support for substitute care workers	◎ Accelerate introduction of nursing care robots and ICT, through support of the introduction of nursing care robots and provision of guidance for improving productivity. ◎ Popularization of the accreditation system and drawing up of guidelines
Make nursing care jobs more appealing	○ Promote the understanding of nursing care work among students, their guardians and career guidance staff	◎ Hands-on learning events to get a better understanding of nursing care service (improve the image of nursing care jobs)
Measures to increase the use of foreign workers	◎ Following the establishment of the "Nursing Care" visa status, provide support for foreign students wanting to obtain Care Worker National Certificate. (Promote student loans for studying nursing care and provide consultation on everyday life issues.)	

Source: Ministry of Health, Labour and Welfare

- Revisions to public-sector nursing care payments since 2009 have been generally positive; payments were raised 0.54% in FY2018.
- Recruiting rate and turnover rate for nursing care workforce are downward trend

Revisions to Public-sector Nursing Care Payments



Source: Ministry of Health, Labour and Welfare

Recruiting rate and Turnover rate for Nursing Care Workforce



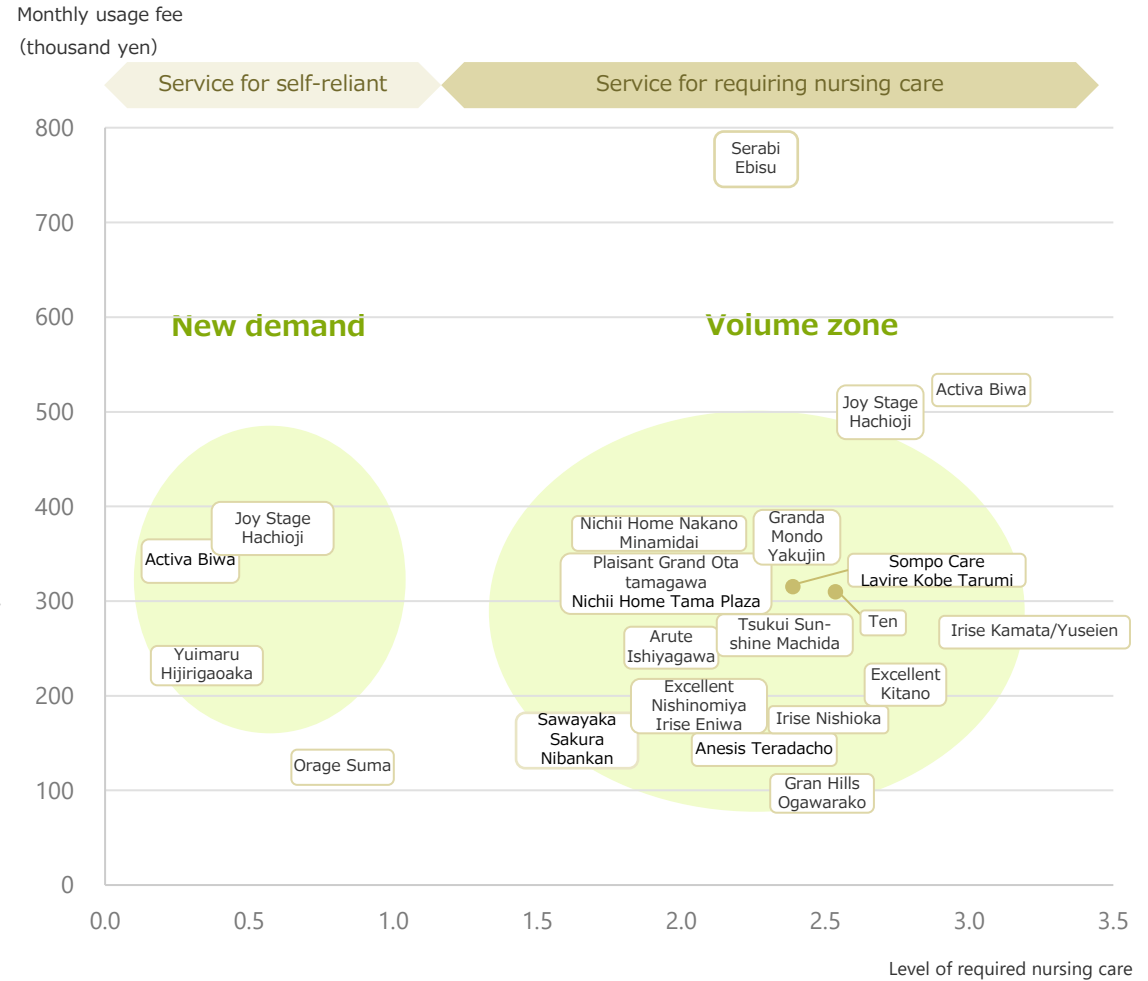
Source: Survey of Nursing care labor situation 2018, Care Work Foundation

Classification of Senior Living Facilities

Classification of Senior Living Facilities by Type ⁽¹⁾

	For persons living on their own (self-reliant)		For persons requiring nursing care	
	Mid-price range	High price range	Mid-price range	High price range
Market demand	◎ (Potential demand)	△ (Price)	◎ (Volume zone)	○ (Price)
Monthly housing charge	¥ 0.1~0.3 million	¥ 0.3 million ~	¥ 0.1~0.3 million	¥ 0.3 million ~
Unit size	25~50m ²	50~100m ²	15~25m ²	18~25m ²
Room amenities	Washroom, bathroom, air conditioner, etc		bathroom, kitchen, etc.	
Shared amenities	Dining room, kitchen, lounge, etc.		public bathroom, Leisure facilities, etc.	
			bathroom (for individual, public bath room and mechanical bathroom), helper station, health management room, rehabilitation room, etc.	

Average Required Level of Nursing and Monthly Paid Fee by Facilities ⁽²⁾



Note 1: The above chart shows, in a simplified manner, the general features of market demand, monthly housing charge, unit size, room amenities and shared amenities assumed by KDR to pertain to the mentioned types of senior living facilities. "The monthly usage fee" indicates the monthly usage fee for single person room for the general public shown in the explanatory documents of important matter(excluding the co-payment of nursing care insurance service, In cases the lump-sum payment is received, added the amount of prorating the lump-sum payment to the anticipated period of residence stipulated in the explanatory documents of important matters, etc.)

Note 2: This diagram is a simplified analysis of attributes of senior living facilities in the portfolio. The averages of both service for self-reliant and service for requiring nursing care are calculated for Joy Stage Hachioji and Active Biwa.

Overview of Operators

Operators of KDR Owned Properties

Operator (Parent company, etc.)	Established	Facilities operated (1)	No. of rooms (1)	Listed/Unlisted	Locations owned by KDR (Property name)
Sompo Care Inc. (Sompo Holdings, Inc.)	May 1997	433	25,612	Consolidated subsidiary of Sompo Holdings, Inc. (TSE 1st section listed)	Sompo Care Lavire Kobe Tarumi
Benesse Style Care Co., Ltd. (Benesse Holdings, Inc.)	September 1995	330	17,867	Consolidated subsidiary of Benesse Holdings, Inc. (TSE 1st section listed)	Granda Mondo Yakujin
HITOWA Care Service Co., Ltd. (HITOWA Holdings Co., Ltd.)	November 2006	117	7,048	Unlisted company	Irise Kamata/Yuseien Irise Nishioka Izarie Eniwa building (Irise Eniwa)
Nichii Carepalace Company (NICHII GAKKAN CO., LTD.)	June 1964	80	5,113	Consolidated subsidiary of NICHII GAKKAN CO., LTD. (TSE 1st section listed)	Nichii Home Nakano Minamidai Nichii Home Tama Plaza
Sawayaka Club Co., Ltd. (Uchiyama Holdings Co., Ltd.)	December 2004	88	5,198	Consolidated subsidiary of UCHIYAMA HOLDINGS Co., Ltd. (TSE 1st section listed)	Sawayaka Sakura Nibankan
Tsukui Corporation (2)	June 1969	91	4,290	TSE 1st section listed	Tsukui Sun-shine Machida
Care 21 Corporation	November 1993	116	3,866	TSE JASDAQ listed	Plaisant Grand Ota tamagawa
Trust Garden Co., Ltd. (Resorttrust, Inc.)	August 2007	23	2,098	Consolidated subsidiary of Resorttrust, Inc. (TSE 1st section listed)	Activa Biwa
NOTE Social Welfare Corporation	June 1983	23	1,117	Unlisted organization	Ten
Excellent Care System Co., Ltd.	August 2004	31	1,144	Unlisted company	Excellent Nishinomiya Excellent Kitano
Community Net Inc.	June 1998	14	750	Unlisted company	Yuimaru Hijirigaoka
Medical Corporation Souseikai (3)	November 1999	11	621	Unlisted organization	Anesis Teradacho, Rococo-riha, Orage Suma, Canadian Hill, Anesis Hyogo, Arute Ishiyagawa
Japan Care Link Co.,Ltd (Solasto Corporation)	November 2000	22	500	Consolidated subsidiary of Solasto Corporation (TSE 1st section listed)	Serabi Ebisu
NM LIFE Co., Ltd. (Iriscare Co., Ltd.)	October 1995	1	232	Unlisted company	Joy Stage Hachioji
Silver Town Ltd. (Iriscare Co., Ltd.)	February 2002	3	181	Unlisted company	Gran Hills Ogawarako

Note1: Facilities operated and capacity are based on information received from operators and other sources and are current as of June 30, 2020, but as of August 1, 2020 for Sompo care Inc.. All figures for operators are non-consolidated. Private senior homes, Serviced senior housing, Group homes, Special nursing home for the elderly, Nursing and health facilities and Care Homes are counted.

Note2: As of October 1, 2020, the name will be planned to change from Tsukui Corporation to Tsukui Holdings, Inc..

Note3: As of June 12, 2020, the name has been changed from the Medical Corporation Hakushinkai.

Senior Housing and Senior Care Facility Operators Ranked by Capacities

Senior Housing and Senior Care Facilities

Rank	Company	Major brands	Locations owned by KDR	Total ^(note)	
				Buildings	Capacities
1	Sompo Care	Sompo Care Lavire, Sompo Care Sompo no ie, Sompo no ie S	1	433	25,740
2	Benesse Style Care	Aria, Kurara, Granny & Granda, Madoka, Bonsejour, Kokochi, Li-Re	1	332	18,886
3	NICHIIGAKKAN	Nichii no Kirameki, Nichii no Hohoemi, Nichii Home, Iris Garden	2	432	14,198
4	Gakken Group	Cocofan		421	13,947
5	Kawashima Corporation	Sunny Life, Yawaragien		131	12,056
6	BestLife	BestLife		179	11,616
7	Souseikai Group	Good Time Home, Good Time Club, Good Care, Sonorous Court, Calmecourt	6	157	10,335
8	KOYAMA Healthcare Group	(No specific brand)		194	10,110
9	Aoikai Medical Corporation	Aoi no sono, Aoi no sato		97	8,559
10	Kinoshita Care	Life commune, Lien Reve, Ouen Kazoku		124	7,575
11	Half Century More	SunCity		17	7,108
12	Social Welfare Organization Saiseikai Imperial Gift Foundation	(No specific brand)		106	7,079
13	HITOWA Care Service	Irise	3	116	7,062
14	ALSOK Group	Minna no ie, Homestation Life		185	6,564
15	Fuji Amenity Service	Fuji Palace Senior		174	6,000
16	Tokushukai Group	Tokushuen		77	5,819
17	Uchiyama Holdings	Sawayaka	1	98	5,722
18	VATI	Anshin Home, Furusato Home		146	5,420
19	Seirei Social Welfare Community	Aikoen, Eden no sono		35	5,057
20	UNIMAT Retirement Community	Soyokaze		165	4,556
25	Care 21	Plaisant maison, Plaisant Grand, Tanoshii ie	1	116	3,866
26	Solasto Corporation	Solasto, Nagoyaka, Gracemate	1	125	3,842
28	TSUKUI	TSUKUI, TSUKUI Sunshine	1	77	3,452
37	Resorttrust Group	Trust Garden	1	23	2,599
54	Excellent Care System	Excellent, Suite, Grand Home	2	46	2,005
83	NOTE Social Welfare Corporation	Happyhouse	1	26	1,400
177	Community Net	Yuimaru	1	23	768

Source: Shukan Koreisha Jutaku Shimbun (“Weekly Senior Housing Newspaper”), August 5 and 12, 2020 (Issue 594)

Note: The number of buildings and capacities are based on information in Shukan Koreisha Jutaku Shimbun, August 5 and 12, 2020 (Issue 594). For corporate groups, the number of buildings and number of rooms are for all private senior homes, memory care group homes and senior care facilities of affiliated companies.

Status of Lease Agreements (Healthcare Facilities)

No.	Name	Operator ^(1,2)	Facility Type	Remaining Term ⁽³⁾ (yrs)	Revision Period	Date of Next Revision
H-1	Irise Kamata/Yuseien	HITOWA Care Service Co., Ltd.	Nursing Care	21.9	Each 5 years	2022/7/1
H-2	Nichii Home Nakano Minamidai	Nichii Carepalace Company	Nursing Care	6.6	Each 3 years	2022/4/1
H-3	Joy Stage Hachioji	NM LIFE Co., Ltd.	Nursing Care	15.5	Not allowed ⁽⁴⁾	-
H-4	Yuimaru Hijirigaoka	Community Net Inc.	Residential	44.4	Not allowed ⁽⁵⁾	-
H-5	Nichii Home Tama Plaza	Nichii Carepalace Company	Nursing Care	12.0	Each 3 years	2027/9/1
H-6	Ten	NOTE Social Welfare Corporation	Nursing Care	17.5	Not allowed ⁽⁵⁾	-
H-7	Irise Nishioka	HITOWA Care Service Co., Ltd.	Residential	23.8	Not allowed ⁽⁴⁾	-
H-8	Izarie Eniwa Building ⁽⁶⁾	HITOWA Care Service Co., Ltd.	Nursing Care	24.6	Not allowed ⁽⁴⁾	-
H-9	Sawayaka Sakura Nibankan	Sawayaka Club Co., Ltd.	Nursing Care	12.6	Not allowed ⁽⁴⁾	-
H-10	Active Biwa	Trust Garden Co., Ltd.	Nursing Care	7.0	Each 3 years	2021/1/29
H-11	Sompo Care LAVIERE Kobe Tarumi	Sompo Care Inc.	Nursing Care	9.8	Not allowed ⁽⁷⁾	-
H-12	Granda Mondo Yakujin	Benesse Style Care Co., Ltd.	Residential	17.0	Not allowed ⁽⁷⁾	-
H-13	Excellent Nishinomiya	Excellent Care System Co., Ltd.	Nursing Care	14.1	Not allowed ⁽⁸⁾	-
H-14	Gran Hills Ogawarako	Silver Town Ltd.	Serviced	9.2	Each 3 years ⁽⁹⁾	2020/11/12
H-15	Excellent Kitano	Excellent Care System Co., Ltd.	Residential	15.0	Not allowed ⁽⁸⁾	-
H-16	Anesis Teradacho	Souseikai Medical Corporation	Nursing and health	15.6	Each 5 years	2026/3/29
H-17	Rococo-riha	Souseikai Medical Corporation	Nursing and health	15.6	Each 5 years	2026/3/29
H-18	Orage Suma	Souseikai Medical Corporation	Nursing and health	15.6	Each 5 years	2026/3/29
H-19	Canadian Hill	Souseikai Medical Corporation	Nursing and health	15.6	Each 5 years	2026/3/29
H-20	Anesis Hyogo	Souseikai Medical Corporation	Nursing and health	15.6	Each 5 years	2026/3/29
H-21	Plaisant Grand Ota tamagawa	Care 21 Corporation	Nursing Care	17.5	Not allowed ⁽⁷⁾	-
H-22	Tsukui Sun-shine Machida (West) (East)	Tsukui Coroporation	Nursing Care	21.6	Each 5 years	2022/4/1
				23.8	Each 5 years	2025/6/1
H-23	Serabi Ebisu	Japan Care Link Co.,Ltd	Nursing Care	7.0	Each 3 years	2022/5/1
H-24	Arute Ishiyagawa	Souseikai Medical Corporation	Nursing Care	28.0	Each 5 years	2027/7/1
Average				15.8		






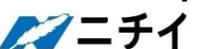



Note 1: In the case there are multiple tenants in each facility, status is referred based on lease agreements with operators which are main tenants.
 Note 2: Types of lease agreements are all ordinary lease agreements excluding "Gran Hills Ogawarako" "Arute Ishiyagawa". The type of lease agreement of "Gran Hills Ogawarako" "Arute Ishiyagawa" are a fixed-term lease agreement.
 Note 3: "Remaining Term" is calculated from July 31, 2020 to the termination date of agreements with operators.
 Note 4: As a rule, no revision is allowed in term of agreements. Discussion is allowed about increase in rent by inflation and rising interest rates.
 Note 5: As a rule, no revision is allowed in term of agreements. Discussion is allowed by each three years in the case conditions are highly unreasonable because of the changes of economic climate but if the discussion is failed, tenants are needed to pay current rent.
 Note 6: Contents of lease agreements about "Iris Eniwa" occupying from 4F to 6F of "Izarie Eniwa Building".
 Note 7: As a rule, no revision is allowed in term of agreements. Discussion is allowed in the case conditions are highly unreasonable because of the changes of economic climate.
 Note 8: As a rule, no revision is allowed in term of agreements. Discussion is allowed by each three years in the case conditions are highly unreasonable because of the changes of economic climate and invested by the lessor to add to the real estate (including repair and extra renovation)
 Note 9: Requests of rent reduction aren't allowed except the case that the facility has defects or is unable to be used.

Revision Period



Unitholders' benefit programs

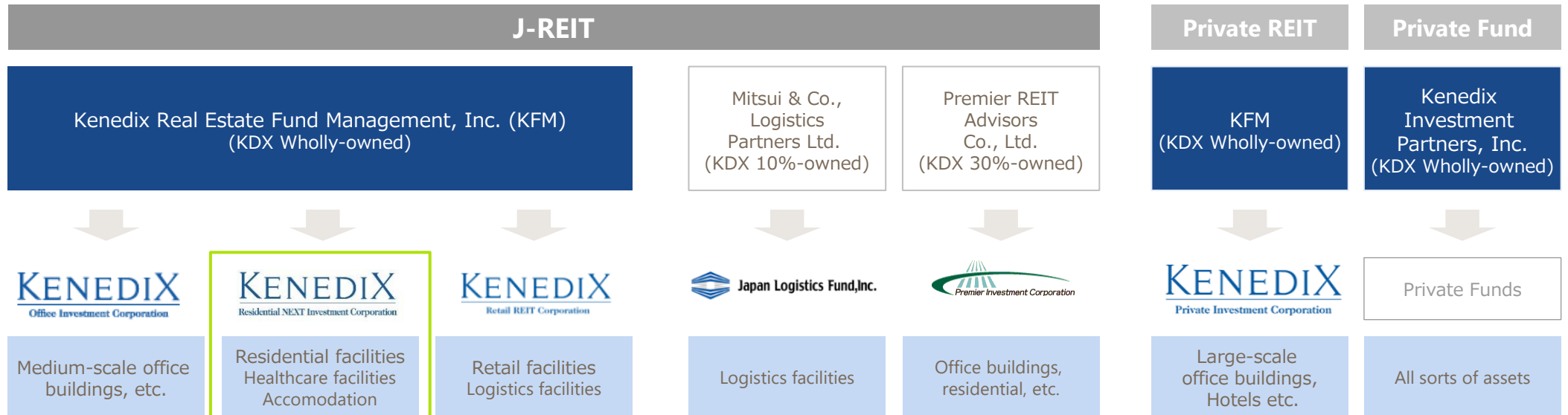
Breakdown for the Unitholders' benefits at approx. 791 facilities

<p>Seikatsu Kagaku Un-Ei Co., Ltd.</p> <p> 長谷工グループ 株式会社 生活科学運営</p> <p>25 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Shizuoka, Aichi, Kyoto, Hyogo, Osaka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge 	<p>CENTURY LIFE CORPORATION</p> <p> 長谷工グループ 株式会社 センチュリーライフ</p> <p>10 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Osaka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge 	<p>LIXIL SENIOR LIFE COMPANY</p> <ul style="list-style-type: none"> «On the condition of lump sum payment»Discount on lump sum payment for resident (¥ 300,000 discount) Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit (with lunch) free of charge <p>5 facilities</p> <p>Tokyo, Fukuoka</p>
<p>Sompo Care Inc.</p> <p> Innovation for Wellbeing SOMPOケア</p> <p>I . Sompo Care LAVIERE</p> <ul style="list-style-type: none"> «On the condition of lump sum payment»3% discount from the initial lump sum payment for resident «On the condition of monthly payment»3% discount of the amount equivalent to the rent out of the monthly payment (Until the contract ends) <p>II . Sompo Care Sompo no ie, Sompo no ie S, Sompo no ie GH, Private senior homes (residential), Serviced senior housing, Group homes</p> <ul style="list-style-type: none"> 3% discount of the amount equivalent to the rent out of the monthly payment or of the rent (Until the contract ends) <p>432 facilities</p> <p>Hokkaido, Iwate, , Miyagi, Akita, Saitama, Chiba, Tokyo, Kanagawa, Shizuoka, Aichi, Kyoto, Osaka, Hyogo, Nara, Okayama, Hiroshima, Fukuoka, Kumamoto</p>	<p>HITOWA Care Service Co., Ltd.</p> <p> イリーゼ</p> <p>113 facilities</p> <p>Hokkaido, Miyagi, Saitama, Chiba, Tokyo, Kanagawa, Nagano, Aichi, Shiga, Hyogo, Okinawa</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge Discount on usage charge for two-month equivalent 	<p>CARE TWENTYONE CORPORATION</p> <p> ケア21</p> <p>42 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Aichi, Kyoto, Osaka, Hyogo, Hiroshima</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge
	<p>Nichii Carepalace Company</p> <p> ニチイ</p> <p>74 facilities</p> <p>Tokyo, Saitama, Chiba, Kanagawa, Shizuoka</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge Trial residence free of charge (1-night, 2-day stay, with dinner, lunch and breakfast) 	<p>Excellent Care System Co., Ltd.</p> <p> 株式会社エクセレントケアシステム</p> <p>15 facilities</p> <p>Tokyo, Kanagawa, Kyoto, Hyogo, Tokushima</p> <ul style="list-style-type: none"> Same-day facility site-visit (with lunch) free of charge
	<p>Sawayaka Club Corporation</p> <p> さわやか倶楽部</p> <p>74 facilities</p> <p>Hokkaido, Akita, Tochigi, Saitama, Chiba, Kanagawa, Niigata, Shizuoka, Aichi, Mie, Kyoto, Osaka, Hyogo, Ehime, Wakayama, Fukuoka, Oita</p> <ul style="list-style-type: none"> 10% discount on usage charge for first month Trial residence free of charge (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit(with lunch) free of charge 	<p>NM LIFE Co., Ltd.</p> <p> 株式会社 ジョイステージ八王子</p> <p>1 facility</p> <p>Tokyo</p> <ul style="list-style-type: none"> Discount on one-time payment for resident (¥ 200,000 discount) Trial residence free of charge, up to three times (1-night, 2-day stay, with dinner and breakfast) Same-day facility site-visit(with lunch) free of charge (up to three times)

(Note 1) The unitholders' benefit programs are applied private nursing homes that are managed by above companies as of July 31, 2020. Other Facilities Available for Century Life Corporation and Hitowa Care Service Co., Ltd. are serviced housing for the elderly operated, Senior Life Company is apartment for the elderly, and Sompo Care Inc. is serviced housing for the elderly, Group homes.

Summary of Kenedix Group

Main Funds Kenedix Group Involves in Operation

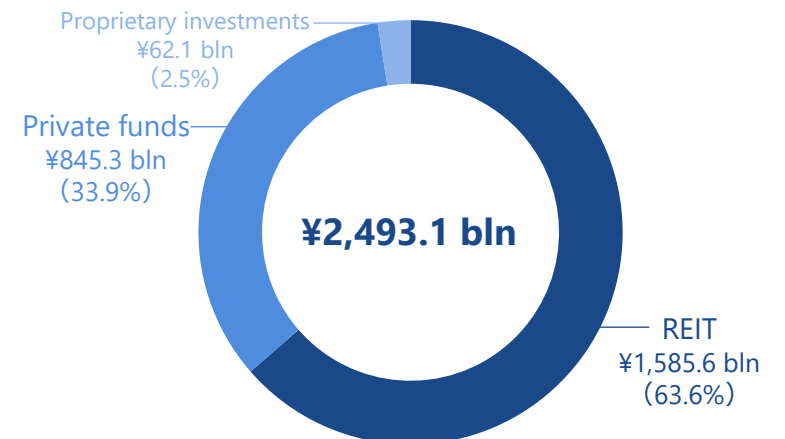


Priority Rights of Consideration for Real Estate Sale Information in Asset Management Company

Property type	Total floor area per investment property (m ²)	Primary	2nd
Residential	All	KDR	KPI ⁽¹⁾
Healthcare	All	KDR	—
Accommodation	All	KPI ⁽¹⁾	KDR
Childcare facilities	All	KDR	—

Note 1: "KPI" indicates Kenedix Private Investment Corporation.

Breakdown of AUM (as of end of June 2020)

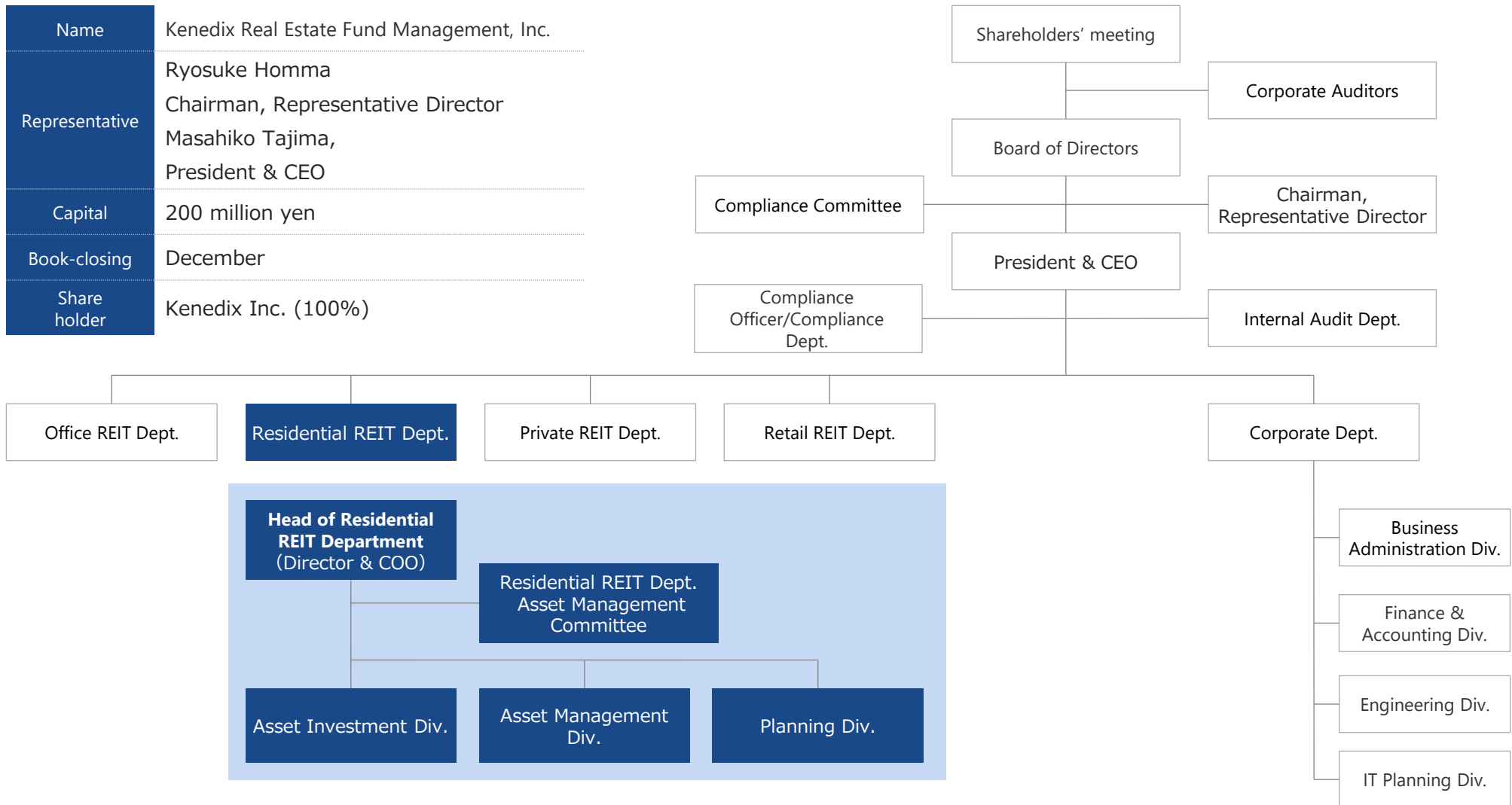


Organization Chart of KFM (KDR)























Overview of Asset Management Company

Name	Kenedix Real Estate Fund Management, Inc.
Representative	Ryosuke Homma Chairman, Representative Director Masahiko Tajima, President & CEO
Capital	200 million yen
Book-closing	December
Share holder	Kenedix Inc. (100%)

Organizational chart



Support System by Sponsor and Support Companies

		Support for:  Residential facilities			 Healthcare facilities	 Accommodation			
		External growth support			Internal growth support		Finance support	Personnel support or provision of expertise	
		Information provision (1)	Development (2)	Warehousing	Renovations, maintenance	Backup operator (3)	Financing means for bridge funds, etc. provided		
Sponsor etc.									
	Support Companies								
									
									
									

Note 1: "Information provision" means support to provide, to KDR or KFM under certain conditions, information on sales of third parties' real properties, etc. that Sponsor or individual Support Companies obtain on their own or information on sales of real properties that Sponsor, individual Support Companies or their group companies, etc. possess (with respect to Shinsei Bank and Mitsubishi UFJ Trust and Banking Corporation among other Support Companies, only information on sales of third parties' real properties, etc. that they obtain on their own).

Note 2: "Development" means support to provide cooperation to the extent practically reasonable and under practically reasonable conditions when KDR requests support for new development of investable assets or redevelopment of real properties, etc. that KDR possesses or considers to acquire.

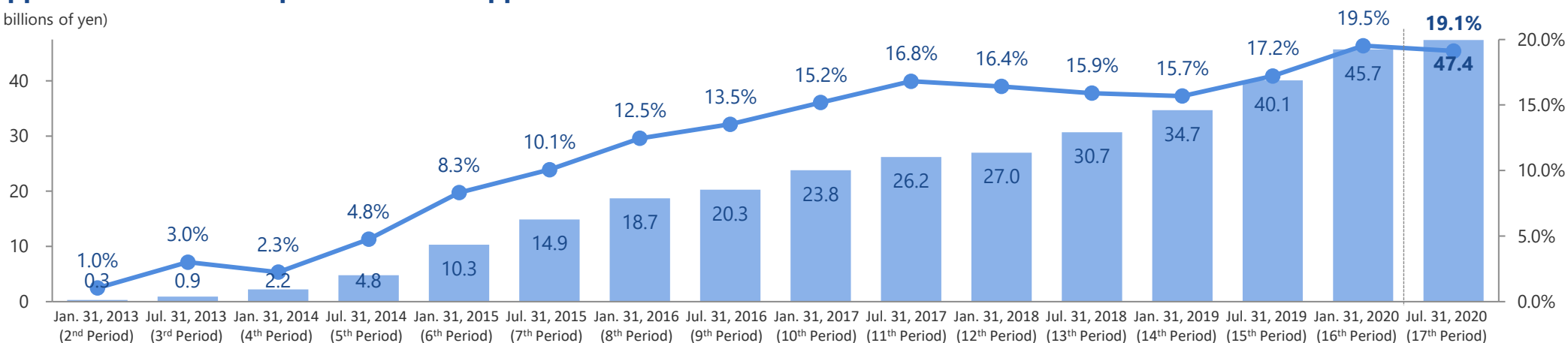
Note 3: "Backup operator" means support to consider to be backup operators for existing operators who are managing facilities which are located on real properties, etc. that KDR possesses or considers to acquire when KDR requests.

Note 4: The chart above shows a summary of support set forth in each support agreement executed by and among Sponsor, Kenedix Investment Partners Inc. (KIP), each of the Support Companies and KDR/KFM or agreeing succession resulting from the merger. Neither the Sponsor nor the individual Support Companies are necessarily contractually obligated to provide the support above, and Sponsor, KIP and the individual Support Companies have not guaranteed or promised to provide the support above.

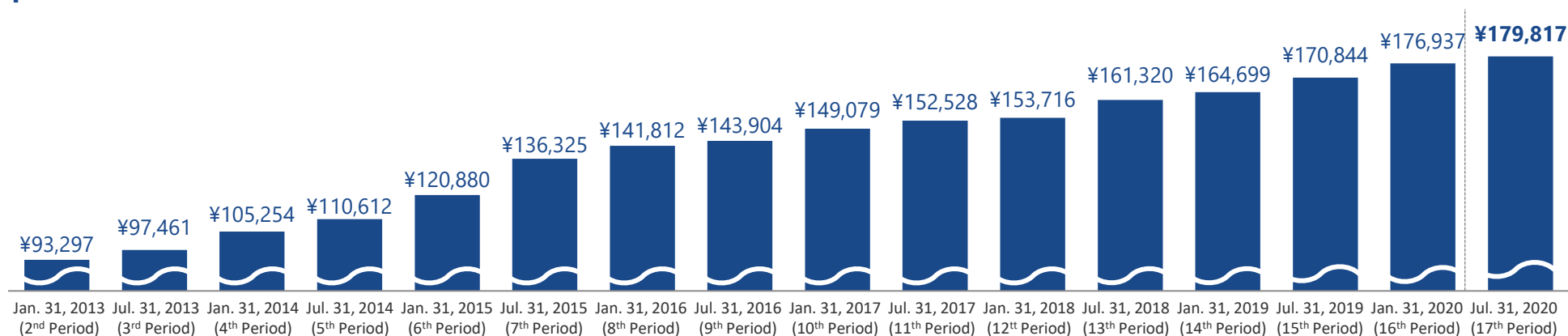
Appraisal Unrealized Capital Gains and NAV per Unit

Appraisal Unrealized Capital Gains and Appraisal Unrealized Gain Ratio⁽¹⁾ ■ Appraisal unrealized capital gains ● Appraisal unrealized capital gain ratio (RHS)

(in billions of yen)



NAV per Unit⁽²⁾



Note 1: "Appraisal Unrealized Capital Gains" = Total Appraisal Value at the End of the Period – Total Book Value at the End of the Period (Appraisal Value for Healthcare facilities after the merger). "Appraisal Unrealized Capital Gain Ratio" = Total Appraisal Unrealized Capital Gains at the End of the Period / Total. After the merger of "Appraisal Unrealized Capital Gains" and "Appraisal Unrealized Gain Ratio" are estimated figure calculated under premise assumptions as of March 1, 2018.

note2: "NAV per unit" has been changed as follows, including for past figures

Calculation method up until the 11th fiscal period: NAV per unit = (end of period total assets - unappropriated retained earnings + end of period appraisal value - property, plant and equipment)/number of outstanding units

Calculation method from the 12th fiscal period: NAV per unit = (end of period total assets - total distribution amount + end of period appraisal value - property, plant and equipment - land leasehold in trust) / number of outstanding units

Further, considering the 2-for-1 investment unit split on March 1, 2018, NAV per unit from January 31, 2018 (end of 12th fiscal period) onward reflects the split by being prorated by 2. Post-merger NAV per unit is estimated figure calculated as of March 1, 2018 based on certain assumptions.

Financial Statements

Balance Sheets

(in thousands of yen)

	16 th fiscal period (as of Jan 31, 2020)	17 th fiscal period (as of Jul 31, 2020)
Assets		
Current assets		
Cash and deposits	10,978,807	13,212,337
Cash and deposits in trust	10,187,104	10,171,729
Operating accounts receivable	37,373	31,793
Prepaid expenses	8,640	14,671
Consumption taxes receivable	-	35,339
Other	589	9,032
Total current assets	¥21,212,515	¥23,474,905
Noncurrent assets		
Property, plant and equipment		
Land	1,798,041	1,798,041
Building in trust	89,101,264	91,669,964
Structures in trust	865,561	875,199
Machinery and equipment in trust	1,094,407	1,081,958
Tools, furniture and fixtures in trust	489,387	593,268
Land in trust	139,731,924	150,985,849
Total property, plant and equipment, net	¥233,080,586	¥247,004,281
Intangible assets		
Land leasehold in trust	1,227,187	1,225,462
Other	4,787	4,010
Total intangible assets	¥1,231,974	¥1,229,473
Investments and other assets		
Lease and guarantee deposits	89,097	89,210
Long-term prepaid expenses	945,375	1,014,382
Other	338	19,719
Total investments and other assets	¥1,034,810	¥1,123,311
Total noncurrent assets	¥235,347,371	¥249,357,066
Deferred assets		
Investment corporation bond issuance costs	49,303	45,185
Investment unit issuance costs	56,620	83,246
Total deferred assets	¥105,924	¥128,431
Total assets	¥256,665,810	¥272,960,403

(in thousands of yen)

	16 th fiscal period (as of Jan 31, 2020)	17 th fiscal period (as of Jul 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	595,433	626,063
Short-term loans payable	3,300,000	2,800,000
Current portion of long-term loans payable	10,100,000	10,850,000
Accounts payable-other	294,697	353,107
Accrued expenses	35,152	38,676
Income taxes payable	605	605
Accrued consumption taxes	53,827	10,812
Advances received	1,173,813	1,179,888
Deposits received	59,879	82,406
Other	4,090	1,704
Total current liabilities	¥15,617,497	¥15,943,264
Noncurrent liabilities		
Investment corporation bonds	7,000,000	7,000,000
Long-term loans payable	107,250,000	114,400,000
Tenant leasehold and security deposits in trust	3,059,671	3,132,139
Trust tenants lump sum deposits	4,689,541	4,485,740
Asset retirement obligations	67,522	67,707
Other	481,213	473,947
Total noncurrent liabilities	¥122,547,949	¥129,559,535
Total liabilities	¥138,165,447	¥145,502,799
Net Assets		
Unitholders' equity		
Unitholders' capital	99,731,514	108,550,294
Surplus		
Investment surplus	13,187,100	13,187,100
Reserve for temporary difference adjustment	1,960,000	1,940,000
Unappropriated retained earnings (undisposed loss)	4,072,277	4,212,398
Total surplus	¥19,219,377	¥19,339,498
Total unitholders' equity	¥118,950,891	¥127,889,792
Valuation and translation adjustments		
Deferred gains or losses on hedges	△450,527	△432,188
Total valuation and translation adjustments	¥△450,527	¥△432,188
Total net assets	¥118,500,363	¥127,457,603
Total liabilities and net assets	¥256,665,810	¥272,960,403

Financial Statements

Statements of Income and Retained Earnings

	(in thousands of yen)	
	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020	17 th fiscal period from: Feb. 1, 2020 to: Jul. 31, 2020
Operating revenues		
Rent revenues-real estate	7,472,039	7,704,582
Other lease business revenue	555,566	585,197
Gain on sales of real estate, etc.	39,013	84,437
Total operating revenues	¥8,066,618	¥8,374,217
Operating expenses		
Expenses related to rent business	2,911,303	3,005,600
Asset management fees	576,676	604,986
Asset custody fees	13,836	13,908
Administrative service fees	46,625	46,472
Directors' compensation	8,100	8,100
Other operating expenses	249,665	225,746
Total operating expenses	¥3,806,207	¥3,904,813
Operating Income	¥4,260,411	¥4,469,404
Non-operating income		
Interest income	41	41
Dividends and redemption-prescription	1,394	1,240
Total non-operating income	¥1,435	¥1,282
Non-operating expenses		
Interest expenses	498,295	498,083
Interest expenses on Investment corporation bonds	15,857	21,322
Borrowing expenses	112,332	115,280
Investment corporation bond issuance costs	3,534	4,118
Amortization of investment unit issuance costs	16,324	23,245
Other	1,500	-
Total non-operating expenses	¥647,845	¥662,051
Ordinary Income	¥3,614,002	¥3,808,635

	(in thousands of yen)	
	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020	17 th fiscal period from: Feb. 1, 2020 to: Jul. 31, 2020
Income before income taxes	¥3,614,002	¥3,808,635
Income taxes-current	605	605
Total income taxes	¥605	¥605
Net Income	¥3,613,397	¥3,808,030
Retained earnings brought forward	458,879	404,367
Unappropriated retained earnings (undisposed loss)	¥4,072,277	¥4,212,398

Distributions

	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020	17 th fiscal period from: Feb. 1, 2020 to: Jul. 31, 2020
I. Retained earnings at the end of period	4,072,277,167 yen	4,212,398,326 yen
II. Reversal of voluntary retained earnings		
Reversal of reserve for temporary difference adjustments	20,000,000 yen	20,000,000 yen
III. Total distributions	3,687,909,312 yen	3,866,863,770 yen
(Distributions per unit)	(4,064 yen)	(4,065 yen)
IV. Retained earnings brought forward to the next period	404,367,855 yen	365,534,556 yen

Statements of Cash Flows

	(in thousands of yen)	
	16 th fiscal period from: Aug. 1, 2019 to: Jan. 31, 2020	17 th fiscal period from: Feb. 1, 2020 to: Jul. 31, 2020
Net cash provided by (used in) operating activities	5,685,950	5,565,201
Net cash provided by (used in) investing activities	△2,764,521	△15,828,780
Net cash provided by (used in) financing activities	△1,955,184	12,481,735
Net increase (decrease) in Cash and Cash Equivalents	¥966,243	¥2,218,156
Cash and cash equivalents at the beginning of period	20,199,667	21,165,911
Cash and cash equivalents at the End of Period	¥21,165,911	¥23,384,067

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period				
T-1	KDX Daikanyama Residence	F	6,530	6,580	50	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	4,700	1,880	4,758	1,821
T-3	KDX Odemma Residence	F	2,250	2,290	40	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	1,775	515	1,689	600
T-4	KDX Iwamoto-cho Residence	F	1,060	1,060	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	822	238	777	282
T-5	KDX Bunkyo Sengoku Residence	F	1,910	1,920	10	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	1,488	432	1,437	482
T-6	KDX Azumabashi Residence	F	943	948	5	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	650	298	606	341
T-7	KDX Shimura Sakaue Residence	F	3,590	3,600	10	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	2,830	770	2,626	973
T-9	Cosmo Heim Motosumiyoshi (land with leasehold interest)	F	1,860	1,860	-	-	-	4.4%	4.4%	4.5%	4.5%	1,750	110	1,798	61
T-10	KDX Musashi Nakahara Residence	F	758	759	1	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	637	122	633	125
T-11	KDX Chiba Chuo Residence	D	1,830	1,830	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,480	350	1,289	540
T-12	KDX Kawaguchi Saiwai-cho Residence	F	1,500	1,500	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,150	350	1,179	320
T-13	KDX Residence Shirokane I	F	3,700	3,700	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	3,000	700	3,073	626
T-15	KDX Residence Shirokane II	F	3,690	3,690	-	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	2,800	890	2,842	847
T-16	KDX Residence Minami-aoyama	F	2,580	2,580	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	2,230	350	2,265	314
T-17	KDX Residence Minami-azabu	F	2,790	2,790	-	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	2,080	710	2,126	663
T-18	KDX Residence Shiba Koen	F	2,430	2,450	20	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	1,781	669	1,799	650
T-19	KDX Residence Azabu East	F	2,120	2,120	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	1,560	560	1,579	540
T-20	KDX Residence Takanawa	F	1,090	1,090	-	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	770	320	790	299
T-21	KDX Residence Nishihara	F	1,940	1,940	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,450	490	1,492	447
T-22	KDX Residence Daikanyama II	F	1,030	1,030	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	730	300	760	269
T-23	KDX Residence Sendagaya	F	854	870	16	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	650	220	633	236
T-24	KDX Residence Nihombashi Suitengu	D	4,060	4,090	30	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	3,240	850	3,186	903
T-25	KDX Residence Nihombashi Hakozaki	D	1,450	1,460	10	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,147	313	1,150	309
T-26	KDX Residence Higashi-shinjuku	F	4,210	4,230	20	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	3,270	960	3,218	1,011
T-27	KDX Residence Yotsuya	F	2,970	2,990	20	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	2,260	730	2,289	700
T-28	KDX Residence Nishi-shinjuku	F	1,380	1,430	50	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	1,000	430	994	435
T-29	KDX Residence Kagurazaka	F	968	972	4	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	720	252	705	266
T-30	KDX Residence Futako Tamagawa	F	1,520	1,520	-	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,250	270	1,273	246

Note 1: Regarding Appraisers, "F" means Japan Real Estate Institute, "D" means Daiwa Real Estate Appraisal co., Ltd., "M" means JLL Morii Valuation & Advisory K.K. and "T" means The Tanizawa Sogo Appraisal Co., Ltd. Appraisal values are rounded down to the nearest ¥mln. Contents of the real estate appraisal are opinions and judgements at the time of evaluation(Previous; January 31, 2020,17th Period; July 31, 2020), and do not guarantee the validity, accuracy and the possibility of sales at appraisal values. Subtotal and Total of "Cap Rate", "Discount Rate" and "Terminal Cap Rate" are calculated by the weighted average by the appraisal value. For properties for which multiple discount rates are set per fiscal period, the value for the first fiscal period in which a discount rate was applied is shown above.

Appraisal Values 2/6

(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period				
T-31	KDX Residence Komazawa Koen	F	1,150	1,170	20	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	920	250	901	268
T-32	KDX Residence Misyuku	F	985	985	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	760	225	748	236
T-33	KDX Residence Yoga	F	915	915	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	700	215	690	224
T-34	KDX Residence Shimouma	F	785	787	2	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	600	187	595	191
T-35	Raffine Minami-magome	F	1,460	1,460	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,250	210	1,236	223
T-36	KDX Residence Yukigaya Otsuka	F	1,370	1,370	-	4.1%	4.1%	3.9%	3.9%	4.3%	4.3%	1,050	320	1,060	309
T-37	KDX Residence Denen Chofu	D	1,280	1,300	20	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	1,000	300	1,064	235
T-38	KDX Residence Tamagawa	F	977	977	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	776	201	729	247
T-39	KDX Residence Monzennakacho	F	1,040	1,040	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	773	267	786	253
T-40	KDX Residence Okachimachi	F	1,090	1,100	10	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	850	250	865	234
T-41	KDX Residence Moto-asakusa	F	1,040	1,040	-	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	800	240	806	233
T-42	KDX Residence Itabashi Honcho	F	790	790	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	620	170	591	198
T-43	KDX Residence Azusawa	F	666	666	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	550	116	546	119
T-44	KDX Residence Tobu Nerima	F	538	538	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	420	118	389	148
T-45	KDX Residence Yokohama Kannai	F	1,010	1,010	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	800	210	765	244
T-46	KDX Residence Miyamaedaira	F	1,170	1,170	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	999	171	1,003	166
T-47	KDX Residence Machida	F	2,120	2,120	-	4.1%	4.1%	3.9%	3.9%	4.3%	4.3%	1,800	320	1,684	435
T-48	KDX Residence Kinshicho	F	1,690	1,700	10	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,350	350	1,328	371
T-49	KDX Residence Nihombashi Hamacho	F	1,350	1,350	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	996	354	1,037	312
T-50	KDX Residence Nihombashi Ningyocho	F	680	681	1	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	530	151	556	124
T-51	KDX Residence Jiyugaoka	F	1,620	1,620	-	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	1,268	352	1,315	304
T-52	KDX Residence Togoshi	F	4,810	4,830	20	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	3,745	1,085	3,720	1,109
T-53	KDX Residence Shinagawa Seaside	F	3,340	3,340	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	2,593	747	2,554	785
T-54	KDX Residence Ojima	F	2,390	2,490	100	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,857	633	1,812	677
T-55	KDX Residence Oyama	F	3,350	3,350	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	2,679	671	2,609	740
T-56	KDX Residence Hanzomon	F	5,800	5,800	-	3.9%	3.9%	3.6%	3.6%	4.0%	4.0%	4,832	968	4,939	860
T-57	B-Site Akihabara	F	1,060	1,050	-10	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	850	200	861	188

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period				
T-58	KDX Residence Kagurazaka Dori	F	2,010	2,020	10	3.6%	3.6%	3.4%	3.4%	3.8%	3.8%	1,360	660	1,373	646
T-59	KDX Residence Sendagi	F	2,550	2,550	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	2,200	350	2,342	207
T-60	KDX Residence Seijo	F	1,700	1,710	10	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,400	310	1,413	296
T-61	KDX Residence Akihabara	F	1,610	1,620	10	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,250	370	1,237	382
T-62	KDX Residence Iriya	F	1,440	1,450	10	4.1%	4.1%	3.9%	3.9%	4.3%	4.3%	1,062	388	1,051	398
T-63	KDX Residence Tachikawa	F	3,710	3,720	10	4.1%	4.1%	3.9%	3.9%	4.3%	4.3%	3,026	693	2,957	762
T-64	KDX Residence Tsurumi	F	1,530	1,540	10	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,050	490	1,152	387
T-65	KDX Residence Morishita Chitose	M	1,350	1,350	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,100	250	1,096	253
T-66	KDX Residence Akasaka	F	1,830	1,830	-	3.5%	3.5%	3.3%	3.3%	3.7%	3.7%	1,150	680	1,182	647
T-67	KDX Residence Kanda	F	1,140	1,160	20	3.7%	3.7%	3.5%	3.5%	3.9%	3.9%	700	460	714	445
T-68	KDX Residence Ebisu	F	4,450	4,470	20	3.5%	3.5%	3.3%	3.3%	3.7%	3.7%	2,845	1,625	2,916	1,553
T-69	KDX Residence Nishi-magome	F	1,300	1,310	10	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	1,130	180	1,160	149
T-70	KDX Residence Nishi-azabu	F	1,750	1,750	-	3.6%	3.6%	3.4%	3.4%	3.8%	3.8%	1,224	526	1,236	513
T-71	KDX Residence Azabu Sendaizaka	F	1,150	1,150	-	3.6%	3.6%	3.4%	3.4%	3.8%	3.8%	792	357	801	348
T-72	KDX Residence Waseda Tsurumaki	F	862	871	9	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	561	310	560	310
T-73	KDX Residence Bunkyo Yushima	F	986	986	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	695	291	696	289
T-74	KDX Residence Kamishakujii	F	837	838	1	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	648	190	652	185
T-75	KDX Residence Shin-otsuka	F	1,020	1,020	-	3.9%	3.9%	3.7%	3.7%	4.1%	4.1%	764	256	768	251
T-76	KDX Residence Sakurajosui	F	1,190	1,200	10	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	894	306	898	301
T-77	KDX Residence Ryogoku	F	1,190	1,200	10	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	842	358	846	353
T-78	KDX Residence Toyosu	T	7,730	7,790	60	4.0%	4.0%	4.2%	4.2%	4.2%	4.2%	7,500	290	7,678	111
T-79	KDX Residence Asagaya	F	2,230	2,230	-	3.8%	3.8%	3.6%	3.6%	4.0%	4.0%	1,930	300	1,963	266
T-80	KDX Residence Hiyoshi	F	2,740	2,740	-	4.5%	4.5%	4.2%	4.2%	4.6%	4.6%	2,635	104	2,690	49
T-81	KDX Residence Kamikitazawa	F	1,420	1,420	-	4.3%	4.3%	4.0%	4.0%	4.4%	4.4%	1,360	60	1,399	20
T-82	KDX Residence Kaminoge	F	1,260	1,260	-	3.9%	3.9%	3.6%	3.6%	4.0%	4.0%	1,111	149	1,135	124
T-83	KDX Residence Higashi-Asakusa	F	748	749	1	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	687	61	705	43
T-84	KDX Residence Nishi-Funabashi	F	1,060	1,050	-10	4.4%	4.5%	4.2%	4.3%	4.6%	4.7%	975	74	1,020	29
T-85	KDX Residence Hatagaya	F	-	2,730	-	-	4.0%	-	3.7%	-	4.1%	2,500	230	2,641	88
T-86	KDX Residence Asagaya II	F	982	983	1	4.2%	4.2%	3.9%	3.9%	4.3%	4.3%	939	43	976	6

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]	
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period					
T-87	KDX Residence Gakugeidaigaku	T	-	828	-	-	3.8%	-	3.9%	-	4.0%	750	78	771	56	
T-88	KDX Residence Kamata-minami	F	-	2,100	-	-	4.0%	-	3.8%	-	4.2%	1,918	181	1,981	118	
T-89	KDX Residence Kichijoji	T	-	650	-	-	4.1%	-	4.2%	-	4.3%	621	29	659	-9	
T-90	KDX Residence Mitaka	F	-	2,810	-	-	4.2%	-	3.9%	-	4.3%	2,530	280	2,704	105	
Subtotal / Average				157,264	167,033	651	3.9%	3.9%	3.8%	3.8%	4.2%	4.2%	132,739	34,293	133,571	33,461
Other Regional Areas	R-2	KDX Jozenji Dori Residence	D	1,340	1,340	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	1,015	325	916	423
	R-3	KDX Izumi Residence	F	1,410	1,420	10	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,120	300	1,035	384
	R-4	KDX Chihaya Residence	F	1,430	1,430	-	4.5%	4.5%	4.3%	4.3%	4.7%	4.7%	1,080	350	977	452
	R-5	KDX Sakaisuji Hommachi Residence	F	3,550	3,570	20	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	2,910	660	2,676	893
	R-7	KDX Takarazuka Residence	F	1,970	1,970	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,510	460	1,323	646
	R-8	KDX Shimizu Residence	F	2,030	2,030	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	1,680	350	1,532	497
	R-9	KDX Residence Odori Koen	F	996	998	2	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	765	233	766	231
	R-10	KDX Residence Kikusui Yojo	F	1,050	1,050	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	830	220	774	275
	R-11	KDX Residence Toyohira Koen	F	559	560	1	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	445	115	457	102
	R-13	KDX Residence Ichiban-cho	D	721	721	-	4.9%	4.9%	4.7%	4.7%	5.1%	5.1%	530	191	493	227
	R-16	KDX Residence Higashi-sakura I	F	2,590	2,530	-60	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	2,350	180	2,218	311
	R-17	KDX Residence Higashi-sakura II	F	1,050	1,040	-10	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	900	140	852	187
	R-18	KDX Residence Jingumae	F	1,040	1,040	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	840	200	787	252
	R-19	KDX Residence Nishi-oji	D	938	939	1	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	813	126	768	170
	R-20	KDX Residence Saiin	D	513	513	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	440	73	412	100
	R-21	KDX Residence Namba	F	1,700	1,700	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	1,410	290	1,345	354
	R-22	KDX Residence Namba-minami	F	1,600	1,600	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	1,350	250	1,259	340
	R-24	KDX Residence Ibaraki I・II	F	1,439	1,439	-	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	1,275	164	1,278	160
R-25	KDX Residence Toyonaka-minami	F	874	877	3	4.8%	4.8%	4.6%	4.6%	5.0%	5.0%	740	137	668	208	
R-26	KDX Residence Moriguchi	F	680	681	1	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	551	130	507	173	
R-27	KDX Residence Sannomiya	F	1,230	1,230	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	1,080	150	1,063	166	
R-28	Ashiya Royal Homes	F	1,940	1,940	-	4.2%	4.2%	4.0%	4.0%	4.4%	4.4%	1,360	580	1,463	476	

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price d	Difference e [b-d]	Book Value f	Difference g [b-f]
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period				
R-29	KDX Residence Funairi Saiwai-cho	F	716	716	-	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	588	128	543	172
R-30	KDX Residence Tenjin-higashi II	F	895	895	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	680	215	636	258
R-32	KDX Residence Nishi Koen	F	895	895	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	763	132	718	176
R-33	KDX Residence Hirao Josui-machi	F	933	933	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	760	173	731	201
R-35	Leopalace Flat Shin-sakae	M	4,590	4,590	-	4.3%	4.3%	4.2%	4.2%	4.5%	4.5%	3,500	1,090	3,430	1,159
R-36	KDX Residence Konan Yamate	F	1,160	1,160	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	973	187	960	199
R-37	KDX Residence Hommachibashi	F	3,700	3,700	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	3,201	499	3,119	580
R-38	KDX Residence Minami-kusatsu	D	2,430	2,450	20	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	1,974	475	1,961	488
R-39	KDX Residence Ohori Harbor View Tower	D	5,220	5,220	-	4.6%	4.6%	4.4%	4.4%	4.8%	4.8%	4,606	613	4,470	749
R-40	KDX Residence Minami-sanjo	F	1,700	1,700	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	915	785	898	801
R-41	Serenite Kita-kyuhoji	M	1,620	1,670	50	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,290	379	1,257	412
R-42	Serenite Nishinomiya Hommachi	T	748	748	-	4.7%	4.7%	4.8%	4.8%	4.9%	4.9%	617	130	633	114
R-43	KDX Residence Nishijin	T	1,720	1,730	10	4.6%	4.6%	4.7%	4.7%	4.8%	4.8%	1,600	130	1,739	-9
R-44	Serenite Kobe Motomachi	T	2,600	2,600	-	4.5%	4.5%	4.6%	4.6%	4.7%	4.7%	2,390	210	2,462	137
R-45	KDX Residence Shukugawa Hills	D	7,320	7,320	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	6,884	435	7,287	32
R-46	KDX Residence Sendai Station East	F	-	1,410	-	-	4.6%	-	4.4%	-	4.8%	1,340	70	1,418	-8
Subtotal / Average			66,897	68,355	48	4.5%	4.5%	4.4%	4.4%	4.7%	4.7%	57,077	11,277	55,851	12,503
Residential Facilities total / Average			224,161	235,388	699	4.1%	4.1%	4.0%	4.0%	4.3%	4.3%	189,817	45,570	189,422	45,965

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(in millions of yen)

No.	Property Name	Appraiser	Appraisal Value			Cap Rate		Discount Rate		Terminal Cap Rate		Acquisition Price	Difference	Book Value	Difference	
			Previous a	End of the 17 th Period b	Difference c [b-a]	Previous	End of the 17 th Period	Previous	End of the 17 th Period	Previous	End of the 17 th Period					d
H-1	Irise Kamata/Yuseien	D	1,120	1,120	-	4.7%	4.7%	4.5%	4.5%	4.9%	4.9%	1,120	-	1,071	48	
H-2	Nichii Home Nakano-Minamidai	D	1,780	1,780	-	4.4%	4.4%	4.2%	4.2%	4.6%	4.6%	1,780	-	1,765	14	
H-3	Joy Stage Hachioji	T	3,760	3,760	-	5.2%	5.2%	5.1%	5.1%	5.4%	5.4%	3,690	70	3,765	-5	
H-4	Yuimaru Hijirigaoka	F	1,120	1,120	-	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	1,120	-	1,076	43	
H-5	Nichii Home Tama Plaza	D	2,940	2,940	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	2,940	-	2,801	138	
H-6	Ten	T	2,660	2,670	10	6.0%	6.0%	6.1%	6.1%	6.2%	6.2%	2,630	40	2,604	65	
H-7	Irise Nishioka	F	857	859	2	5.3%	5.3%	5.1%	5.1%	5.5%	5.5%	858	1	816	42	
H-8	Izarie Eniwa Building	F	1,740	1,740	-	5.9%	5.9%	5.7%	5.7%	6.1%	6.1%	1,660	80	1,572	167	
H-9	Sawayaka Sakura Nibankan	D	993	993	-	5.6%	5.6%	5.4%	5.4%	5.8%	5.8%	989	4	933	59	
H-10	Activa Biwa	T	6,580	6,590	10	5.7%	5.7%	5.8%	5.8%	5.9%	5.9%	6,560	30	6,332	257	
H-11	Sompo Care LAVIERE Kobe Tarumi	T	2,110	2,110	-	4.9%	4.9%	4.9%	4.9%	5.1%	5.1%	2,110	-	2,054	55	
H-12	Granda Mondo Yakujin	F	1,190	1,190	-	4.9%	4.9%	4.6%	4.6%	5.1%	5.1%	1,190	-	1,142	47	
H-13	Excellent Nishinomiya	T	975	976	1	5.0%	5.0%	5.0%	5.0%	5.2%	5.2%	971	5	927	48	
H-14	Gran Hills Ogawarako	T	1,380	1,380	-	7.2%	7.2%	7.1%	7.1%	7.4%	7.4%	1,380	-	1,293	86	
H-15	Excellent Kitano	T	780	782	2	4.7%	4.7%	4.7%	4.7%	4.9%	4.9%	737	45	755	26	
H-16	Anesis Teradacho	D	3,640	3,640	-	5.0%	5.0%	4.8%	4.8%	5.2%	5.2%	3,490	150	3,496	143	
H-17	Rococo-riha	D	2,170	2,170	-	5.1%	5.1%	4.9%	4.9%	5.3%	5.3%	2,100	70	2,063	106	
H-18	Orage Suma	T	2,830	2,830	-	5.2%	5.2%	5.0%	5.0%	5.4%	5.4%	2,810	20	2,780	49	
H-19	Canadian Hill	T	1,870	1,870	-	4.7%	4.7%	4.6%	4.6%	4.9%	4.9%	1,830	40	1,830	39	
H-20	Anesis Hyogo	T	1,440	1,440	-	4.8%	4.8%	4.7%	4.7%	5.0%	5.0%	1,420	20	1,399	40	
H-21	Plaisant Grand Ota tamagawa	F	3,180	3,190	10	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	3,057	132	3,221	-31	
H-22	Tsukui Sun-shine Machida	F	7,070	7,070	-	4.3%	4.3%	4.1%	4.1%	4.5%	4.5%	6,934	135	7,111	-41	
H-23	Serabi Ebisu	M	1,700	1,700	-	4.0%	4.0%	3.8%	3.8%	4.2%	4.2%	1,690	10	1,716	-16	
H-24	Arute Ishiyagawa	T	1,400	1,390	-10	5.4%	5.4%	5.1%	5.1%	5.2%	5.2%	1,061	329	1,161	228	
Subtotal / Average			55,285	55,310	25	5.0%	5.0%	4.9%	4.9%	5.2%	5.2%	54,128	1,181	53,695	1,614	
Accommodation	A-1	HOTEL LIVEMAX Tokyo-Otsuka-Ekimae	T	-	2,380	-	-	4.1%	-	4.0%	-	4.3%	2,390	-	2,460	-80
	A-2	HOTEL LIVEMAX Yokohamaeki-Nishiguchi	T	-	2,610	-	-	4.1%	-	4.0%	-	4.3%	2,570	-	2,651	-41
	Subtotal / Average			-	4,990	-	-	4.1%	-	4.0%	-	4.3%	4,960	30	5,111	-121
Grand total			279,446	295,688								248,905		248,229	47,458	

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Summary of Portfolio Performance

Trends in Portfolio Performance

	12 th fiscal period (as of Jan. 31, 2018)	13 th fiscal period (as of Jul. 31, 2018)	14 th fiscal period (as of Jan. 31, 2019)	15 th fiscal period (as of Jul. 31, 2019)	16 th fiscal period (as of Jan. 31, 2020)	17 th fiscal period (as of Jul. 31, 2020)
Number of Properties	115 props	129 props	138 props	143 props	144 props	151 props
Properties Acquired during the period	2 props	1 props	10 props	6 props	2 props	8 props
Properties Transferred during the period	0 Props	1 Props	1 Props	1 Props	1 Props	1 Props
Total Acquisition Price	164,169 million	192,889 million	220,916 million	233,251 million	234,766 million	248,905 million
Total Book Value	165,040 million	193,148 million	221,356 million	233,496 million	234,307 million	248,229 million
Total Appraisal Value	192,137 million	223,857 million	256,062 million	273,676 million	280,059 million	295,688 million
Rentable Units ⁽¹⁾	7,888 units	7,794 units	8,280 units	8,346 units	8,399 units	8,709 units
Rentable Area ⁽¹⁾	303,608.43 m ²	301,462.41 m ²	329,477.93 m ²	335,406.34 m ²	335,344.55 m ²	344,419.86 m ²
Leasing Business Revenues	5,671 million	6,655 million	7,605 million	7,933 million	8,027 million	8,289 million
Leasing Business Expenses (ex. Depreciation)	1,185 million	1,410 million	1,451 million	1,524 million	1,482 million	1,538 million
NOI (Net Operating Income) ⁽²⁾	4,486 million	5,245 million	6,154 million	6,408 million	6,545 million	6,551 million
NOI Cap Rate (per year)	5.4 %	5.4 %	5.5 %	5.5 %	5.5 %	5.5 %
Capital Expenditure	286 million	436 million	614 million	612 million	656 million	515 million
Depreciation	921 million	1,144 million	1,343 million	1,391 million	1,428 million	1,467 million
Depreciation Rate (per acquisition price, year)	1.1 %	1.2 %	1.2 %	1.2 %	1.2 %	1.2 %
NOI Cap Rate after Depreciation (per year)	4.3 %	4.2 %	4.3 %	4.3 %	4.3 %	4.3 %

Note 1: "Rentable Units" and "Rentable Area" don't include healthcare facilities.

Note 2: NOI=Operating Revenues – Operating Expenses(ex. Depreciation) (Rounded down to the nearest one decimal places)

Portfolio Performance in 1H 2020 1/7

																	(in thousands of yen)	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
T-1	KDX Daikanyama Residence	4,700,000	4,758,703	6,580,000	SF	86	5,338.99	5,283.81	99.0%	182	164,354	27,936	136,417	17,530	118,887	5.8%	5.1%	
T-3	KDX Odemma Residence	1,775,000	1,689,841	2,290,000	SF	54	2,353.23	2,310.78	98.2%	182	59,858	11,804	48,054	10,965	37,088	5.4%	4.2%	
T-4	KDX Iwamoto-cho Residence	822,000	777,195	1,060,000	SF	36	1,131.24	1,108.68	98.0%	182	28,669	5,234	23,434	5,284	18,150	5.7%	4.4%	
T-5	KDX Bunkyo Sengoku Residence	1,488,000	1,437,874	1,920,000	S	77	2,054.10	2,008.18	97.8%	182	51,851	15,624	36,227	6,546	29,680	4.9%	4.0%	
T-6	KDX Azumabashi Residence	650,000	606,665	948,000	S	41	1,054.83	1,054.83	100.0%	182	25,445	5,851	19,594	5,015	14,578	6.0%	4.5%	
T-7	KDX Shimura Sakaue Residence	2,830,000	2,626,630	3,600,000	F	85	6,117.48	6,047.36	98.9%	182	107,416	21,168	86,248	21,804	64,443	6.1%	4.6%	
T-9	Cosmo Heim Motosumiyoshi (land)	1,750,000	1,798,041	1,860,000	-	-	-	-	-	182	43,750	1,354	42,395	-	42,395	4.9%	4.9%	
T-10	KDX Musashi Nakahara Residence	637,000	633,936	759,000	F	35	2,123.46	2,123.46	100.0%	182	26,475	6,487	19,987	3,169	16,818	6.3%	5.3%	
T-11	KDX Chiba Chuo Residence	1,480,000	1,289,932	1,830,000	S	106	3,546.91	3,521.71	99.3%	182	65,319	15,090	50,229	17,387	32,842	6.8%	4.5%	
T-12	KDX Kawaguchi Saiwai-cho Residence	1,150,000	1,179,219	1,500,000	SF	61	2,491.66	2,403.30	96.5%	182	48,782	15,408	33,373	7,506	25,867	5.8%	4.5%	
T-13	KDX Residence Shirokane I	3,000,000	3,073,595	3,700,000	SF	50	3,617.32	3,564.93	98.6%	182	113,718	33,767	79,951	8,955	70,996	5.3%	4.7%	
T-15	KDX Residence Shirokane II	2,800,000	2,842,508	3,690,000	S	85	2,889.66	2,825.34	97.8%	182	95,768	19,467	76,301	7,378	68,922	5.5%	4.9%	
T-16	KDX Residence Minami-aoyama	2,230,000	2,265,768	2,580,000	SF	20	1,680.79	1,571.60	93.5%	182	64,243	8,095	56,148	3,694	52,453	5.0%	4.7%	
T-17	KDX Residence Minami-azabu	2,080,000	2,126,715	2,790,000	SF	62	2,785.42	2,744.34	98.5%	182	75,026	12,504	62,522	7,758	54,764	6.0%	5.3%	
T-18	KDX Residence Shiba Koen	1,781,000	1,799,114	2,450,000	SF	64	2,507.52	2,263.62	90.3%	182	65,033	15,243	49,790	5,980	43,810	5.6%	4.9%	
T-19	KDX Residence Azabu East	1,560,000	1,579,515	2,120,000	S	76	1,849.00	1,701.93	92.0%	182	56,525	12,622	43,903	6,401	37,501	5.6%	4.8%	
T-20	KDX Residence Takanawa	770,000	790,824	1,090,000	SF	27	1,034.27	904.14	87.4%	182	28,391	7,776	20,614	2,870	17,743	5.4%	4.6%	
T-21	KDX Residence Nishihara	1,450,000	1,492,982	1,940,000	SF	39	2,310.08	2,260.42	97.9%	182	50,960	7,581	43,378	6,725	36,652	6.0%	5.1%	
T-22	KDX Residence Daikanyama II	730,000	760,384	1,030,000	F	17	985.10	985.10	100.0%	182	27,558	5,700	21,857	1,310	20,547	6.0%	5.6%	
T-23	KDX Residence Sendagaya	650,000	633,518	870,000	SF	16	748.96	748.96	100.0%	182	21,668	5,629	16,038	2,832	13,206	4.9%	4.1%	
T-24	KDX Residence Nihombashi Suitengu	3,240,000	3,186,997	4,090,000	F	79	5,534.86	5,534.86	100.0%	182	97,487	11,667	85,820	18,457	67,363	5.3%	4.2%	
T-25	KDX Residence Nihombashi Hakozaiki	1,147,000	1,150,280	1,460,000	S	60	1,537.38	1,463.88	95.2%	182	41,474	7,687	33,787	7,074	26,713	5.9%	4.7%	
T-26	KDX Residence Higashi-shinjuku	3,270,000	3,218,814	4,230,000	S	179	4,358.43	4,249.00	97.5%	182	113,173	19,651	93,522	11,829	81,692	5.7%	5.0%	
T-27	KDX Residence Yotsuya	2,260,000	2,289,117	2,990,000	F	42	3,101.16	3,033.12	97.8%	182	82,450	18,807	63,642	9,912	53,730	5.6%	4.8%	
T-28	KDX Residence Nishi-shinjuku	1,000,000	994,509	1,430,000	S	54	1,345.92	1,296.46	96.3%	182	37,405	6,810	30,594	4,054	26,540	6.1%	5.3%	
T-29	KDX Residence Kagurazaka	720,000	705,023	972,000	S	34	890.93	890.93	100.0%	182	25,763	4,678	21,084	3,378	17,706	5.9%	4.9%	
T-30	KDX Residence Futako Tamagawa	1,250,000	1,273,020	1,520,000	F	38	2,339.62	2,275.72	97.3%	182	43,836	7,048	36,787	4,790	31,997	5.9%	5.1%	

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Portfolio Performance in 1H 2020 2/7

																	(in thousands of yen)	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
T-31	KDX Residence Komazawa Koen	920,000	901,285	1,170,000	SF	32	1,020.18	975.49	95.6%	182	29,226	5,531	23,695	4,747	18,948	5.2%	4.1%	
T-32	KDX Residence Misyuku	760,000	748,670	985,000	S	39	1,103.82	1,103.82	100.0%	182	26,935	5,660	21,275	3,155	18,120	5.6%	4.8%	
T-33	KDX Residence Yoga	700,000	690,909	915,000	S	38	1,012.80	1,012.80	100.0%	182	26,605	6,070	20,535	2,667	17,867	5.9%	5.1%	
T-34	KDX Residence Shimouma	600,000	595,142	787,000	S	29	829.05	829.05	100.0%	182	20,918	4,730	16,188	2,297	13,891	5.4%	4.6%	
T-35	Raffine Minami-magome	1,250,000	1,236,383	1,460,000	S	56	2,408.56	2,408.56	100.0%	182	41,292	3,375	37,916	3,423	34,493	6.1%	5.5%	
T-36	KDX Residence Yukigaya Otsuka	1,050,000	1,060,191	1,370,000	S	72	1,526.98	1,506.74	98.7%	182	39,712	11,148	28,563	5,561	23,002	5.5%	4.4%	
T-37	KDX Residence Denen Chofu	1,000,000	1,064,388	1,300,000	F	36	2,359.44	2,359.44	100.0%	182	39,245	7,803	31,442	4,597	26,845	6.3%	5.4%	
T-38	KDX Residence Tamagawa	776,000	729,363	977,000	S	52	1,170.40	1,129.34	96.5%	182	28,597	5,933	22,664	5,927	16,737	5.9%	4.3%	
T-39	KDX Residence Monzennakacho	773,000	786,417	1,040,000	S	49	1,171.41	1,148.63	98.1%	182	28,338	7,705	20,632	4,173	16,459	5.4%	4.3%	
T-40	KDX Residence Okachimachi	850,000	865,799	1,100,000	S	51	1,329.79	1,305.91	98.2%	182	30,390	7,354	23,036	4,122	18,913	5.4%	4.5%	
T-41	KDX Residence Moto-asakusa	800,000	806,826	1,040,000	SF	44	1,314.91	1,247.86	94.9%	182	31,168	5,530	25,637	4,803	20,833	6.4%	5.2%	
T-42	KDX Residence Itabashi Honcho	620,000	591,232	790,000	S	46	1,127.58	1,083.20	96.1%	182	24,692	7,063	17,628	4,240	13,388	5.7%	4.3%	
T-43	KDX Residence Azusawa	550,000	546,367	666,000	S	39	989.82	989.82	100.0%	182	20,499	4,806	15,693	3,404	12,288	5.7%	4.5%	
T-44	KDX Residence Tobu Nerima	420,000	389,130	538,000	S	37	931.82	911.45	97.8%	182	17,218	5,781	11,437	3,787	7,650	5.5%	3.7%	
T-45	KDX Residence Yokohama Kannai	800,000	765,771	1,010,000	S	72	1,602.16	1,482.12	92.5%	182	34,899	8,749	26,149	6,088	20,061	6.6%	5.0%	
T-46	KDX Residence Miyamaedaira	999,000	1,003,657	1,170,000	F	40	2,448.27	2,448.27	100.0%	182	36,960	7,870	29,090	5,092	23,998	5.8%	4.8%	
T-47	KDX Residence Machida	1,800,000	1,684,847	2,120,000	F	52	3,832.53	3,326.09	86.8%	182	60,286	13,456	46,830	15,149	31,680	5.2%	3.5%	
T-48	KDX Residence Kinshicho	1,350,000	1,328,490	1,700,000	F	33	2,024.81	2,024.81	100.0%	182	45,805	7,587	38,218	7,062	31,155	5.7%	4.6%	
T-49	KDX Residence Nihombashi Hamacho	996,000	1,037,171	1,350,000	F	28	1,756.27	1,756.27	100.0%	182	34,991	5,919	29,071	4,672	24,398	5.9%	4.9%	
T-50	KDX Residence Nihombashi Ningyocho	530,000	556,664	681,000	S	27	877.14	877.14	100.0%	182	19,911	3,981	15,930	2,249	13,680	6.0%	5.2%	
T-51	KDX Residence Jiyugaoka	1,268,000	1,315,635	1,620,000	SF	48	1,637.00	1,576.40	96.3%	182	41,725	7,907	33,817	4,309	29,508	5.3%	4.7%	
T-52	KDX Residence Togoshi	3,745,000	3,720,010	4,830,000	SF	144	4,591.76	4,421.46	96.3%	182	122,780	20,634	102,145	17,537	84,608	5.5%	4.5%	
T-53	KDX Residence Shinagawa Seaside	2,593,000	2,554,481	3,340,000	S	127	3,314.75	3,092.80	93.3%	182	88,636	17,951	70,685	12,900	57,784	5.5%	4.5%	
T-54	KDX Residence Ojima	1,857,000	1,812,858	2,490,000	S	117	2,372.67	2,210.51	93.2%	182	66,071	13,704	52,367	11,171	41,195	5.7%	4.4%	
T-55	KDX Residence Oyama	2,679,000	2,609,261	3,350,000	SF	145	4,009.07	3,923.23	97.9%	182	96,119	16,595	79,523	16,685	62,838	6.0%	4.7%	
T-56	KDX Residence Hanzomon	4,832,000	4,939,738	5,800,000	F	85	4,854.23	4,786.75	98.6%	182	132,206	18,875	113,331	15,116	98,214	4.7%	4.1%	
T-57	B-Site Akihabara	850,000	861,037	1,050,000	S	52	1,254.50	1,254.50	100.0%	182	27,067	3,717	23,350	2,565	20,784	5.5%	4.9%	

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Portfolio Performance in 1H 2020 3/7

														(in thousands of yen)			
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
T-58	KDX Residence Kagurazaka Dori	1,360,000	1,373,258	2,020,000	S	70	1,809.84	1,695.76	93.7%	182	52,912	9,845	43,067	3,720	39,346	6.4%	5.8%
T-59	KDX Residence Sendagi	2,200,000	2,342,294	2,550,000	F	40	3,159.89	3,103.07	98.2%	182	67,595	12,031	55,564	8,909	46,655	5.1%	4.3%
T-60	KDX Residence Seijo	1,400,000	1,413,998	1,710,000	SF	38	2,198.56	2,128.95	96.8%	182	43,638	7,565	36,073	4,709	31,364	5.2%	4.5%
T-61	KDX Residence Akihabara	1,250,000	1,237,550	1,620,000	SF	32	1,929.61	1,870.04	96.9%	182	39,879	6,881	32,998	6,646	26,352	5.3%	4.2%
T-62	KDX Residence Iriya	1,062,000	1,051,426	1,450,000	S	57	1,899.29	1,821.71	95.9%	182	39,899	8,300	31,599	6,224	25,374	6.0%	4.8%
T-63	KDX Residence Tachikawa	3,026,200	2,957,087	3,720,000	S	174	4,314.87	4,011.37	93.0%	182	99,955	22,119	77,835	21,325	56,510	5.2%	3.7%
T-64	KDX Residence Tsurumi	1,050,000	1,152,238	1,540,000	SF	59	3,499.84	3,499.84	100.0%	182	54,190	9,522	44,668	6,418	38,249	8.5%	7.3%
T-65	KDX Residence Morishita Chitose	1,100,000	1,096,956	1,350,000	S	65	1,614.28	1,614.28	100.0%	182	39,973	8,207	31,766	5,756	26,010	5.8%	4.7%
T-66	KDX Residence Akasaka	1,150,000	1,182,847	1,830,000	SF	28	1,180.71	1,014.53	85.9%	182	38,594	5,780	32,814	4,195	28,618	5.7%	5.0%
T-67	KDX Residence Kanda	700,000	714,766	1,160,000	SF	30	1,031.09	1,031.09	100.0%	182	29,419	5,328	24,091	3,683	20,407	6.9%	5.8%
T-68	KDX Residence Ebisu	2,845,000	2,916,844	4,470,000	SF	65	2,659.66	2,431.20	91.4%	182	97,409	12,116	85,292	11,270	74,022	6.0%	5.2%
T-69	KDX Residence Nishi-magome	1,130,000	1,160,233	1,310,000	S	47	1,297.27	1,256.82	96.9%	182	31,898	6,377	25,521	4,885	20,635	4.5%	3.7%
T-70	KDX Residence Nishi-azabu	1,224,000	1,236,479	1,750,000	SF	33	1,357.88	1,245.04	91.7%	182	40,311	9,270	31,041	4,317	26,723	5.1%	4.4%
T-71	KDX Residence Azabu Sendaizaka	792,300	801,815	1,150,000	S	30	878.50	878.50	100.0%	182	28,156	6,471	21,684	2,878	18,806	5.5%	4.8%
T-72	KDX Residence Waseda Tsurumaki	561,000	560,362	871,000	S	39	808.54	769.43	95.2%	182	22,672	5,812	16,860	2,981	13,878	6.0%	5.0%
T-73	KDX Residence Bunkyo Yushima	695,000	696,625	986,000	S	38	939.89	939.89	100.0%	182	25,997	5,010	20,987	3,172	17,815	6.1%	5.1%
T-74	KDX Residence Kamishakujii	648,000	652,158	838,000	S	47	1,032.18	1,032.18	100.0%	182	24,177	4,936	19,240	3,956	15,283	6.0%	4.7%
T-75	KDX Residence Shin-otsuka	764,000	768,663	1,020,000	S	40	872.00	872.00	100.0%	182	22,608	1,874	20,733	3,433	17,299	5.4%	4.5%
T-76	KDX Residence Sakurajosui	894,000	898,439	1,200,000	S	43	1,227.16	1,151.33	93.8%	182	30,455	6,059	24,395	4,116	20,279	5.5%	4.5%
T-77	KDX Residence Ryogoku	842,000	846,244	1,200,000	S	36	1,190.53	1,114.14	93.6%	182	30,100	4,249	25,850	4,392	21,457	6.2%	5.1%
T-78	KDX Residence Toyosu	7,500,000	7,678,557	7,790,000	S	242	6,811.38	6,811.38	100.0%	182	181,900	16,513	165,387	28,292	137,094	4.4%	3.7%
T-79	KDX Residence Asagaya	1,930,000	1,963,149	2,230,000	SF	44	1,996.08	1,960.58	98.2%	182	53,154	6,632	46,522	4,296	42,226	4.8%	4.4%
T-80	KDX Residence Hiyoshi	2,635,300	2,690,784	2,740,000	F	92	6,131.93	6,005.26	97.9%	182	80,475	12,548	67,926	10,521	57,405	5.2%	4.4%
T-81	KDX Residence Kamikitazawa	1,360,000	1,399,945	1,420,000	SF	39	1,971.07	1,819.35	92.3%	182	37,858	8,042	29,816	2,755	27,060	4.4%	4.0%
T-82	KDX Residence Kaminoge	1,111,000	1,135,776	1,260,000	S	34	1,224.87	1,224.87	100.0%	182	26,190	3,824	22,365	2,720	19,644	4.0%	3.5%
T-83	KDX Residence Higashi-Asakusa	687,730	705,197	749,000	S	36	1,013.40	1,013.40	100.0%	182	20,185	3,793	16,391	2,450	13,940	4.8%	4.1%
T-84	KDX Residence Nishi-Funabashi	975,350	1,020,383	1,050,000	S	57	1,277.78	1,277.78	100.0%	182	28,605	6,800	21,805	4,698	17,106	4.5%	3.5%
T-85	KDX Residence Hatagaya	2,500,000	2,641,006	2,730,000	S	87	2,659.50	2,613.14	98.3%	156	54,821	7,664	47,156	6,444	40,712	4.4%	3.8%
T-86	KDX Residence Asagaya II	939,400	976,471	983,000	SF	32	957.67	928.60	97.0%	182	24,320	5,007	19,313	2,341	16,971	4.1%	3.6%

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Portfolio Performance in 1H 2020 4/7

(in thousands of yen)

No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)	
T-87	KDX Residence Gakugeidaigaku	750,000	771,350	828,000	SF	23	820.01	749.51	91.4%	156	15,478	1,852	13,625	1,901	11,723	4.3%	3.7%	
T-88	KDX Residence Kamata-minami	1,918,300	1,981,766	2,100,000	S	80	2,203.87	2,163.74	98.2%	152	35,810	5,264	30,545	5,424	25,121	3.8%	3.1%	
T-89	KDX Residence Kichijoji	621,000	659,410	650,000	S	21	665.39	336.66	50.6%	141	5,253	2,987	2,265	1,838	427	-	-	
T-90	KDX Residence Mitaka	2,530,000	2,704,541	2,810,000	SF	51	2,631.45	625.56	23.8%	32	3,832	1,787	2,044	2,810	-766	-	-	
Subtotal / Average		132,739,580	133,571,105	167,033,000		4,962	183,866.03	176,379.92	95.9%		4,302,450	806,627	3,495,822	579,616	2,916,206	5.3%	4.4%	
Other Regional Areas	R-2	KDX JozenjiDori Residence	1,015,000	916,546	1,340,000	S	92	3,330.15	3,159.91	94.9%	182	49,584	12,889	36,694	10,448	26,246	7.3%	5.2%
	R-3	KDX Izumi Residence	1,120,000	1,035,078	1,420,000	F	40	2,798.20	2,665.28	95.2%	182	44,617	10,710	33,907	9,266	24,640	6.1%	4.4%
	R-4	KDX Chihaya Residence	1,080,000	977,940	1,430,000	SF	92	2,936.40	2,773.76	94.5%	182	47,640	14,809	32,831	10,075	22,755	6.1%	4.2%
	R-5	KDX Sakaisuji Hommachi Residence	2,910,000	2,676,096	3,570,000	SF	160	6,385.70	6,260.22	98.0%	182	110,829	23,589	87,240	24,162	63,077	6.0%	4.3%
	R-7	KDX Takarazuka Residence	1,510,000	1,323,705	1,970,000	F	80	4,631.16	4,564.92	98.6%	182	58,469	10,285	48,183	16,633	31,550	6.4%	4.2%
	R-8	KDX Shimizu Residence	1,680,000	1,532,420	2,030,000	SF	148	6,255.16	6,106.39	97.6%	182	74,538	17,249	57,289	14,262	43,027	6.8%	5.1%
	R-9	KDX Residence Odori Koen	765,000	766,673	998,000	SF	78	2,762.76	2,691.92	97.4%	182	33,061	9,894	23,166	8,571	14,595	6.1%	3.8%
	R-10	KDX Residence Kikusui Yojo	830,000	774,214	1,050,000	SF	84	3,413.06	2,753.80	80.7%	182	36,269	11,574	24,694	7,578	17,116	6.0%	4.1%
	R-11	KDX Residence Toyohira Koen	445,000	457,812	560,000	SF	65	2,253.81	2,044.06	90.7%	182	22,401	7,991	14,410	4,863	9,546	6.5%	4.3%
	R-13	KDX Residence Ichiban-cho	530,000	493,284	721,000	SF	45	1,818.09	1,702.92	93.7%	182	26,748	6,906	19,841	5,107	14,734	7.5%	5.6%
	R-15	KDX Residence Izumi Chuo	-	-	-	-	-	-	-	-	27	3,824	1,665	2,158	752	1,406	-	-
	R-16	KDX Residence Higashi-sakura I	2,350,000	2,218,629	2,530,000	SF	187	6,221.83	5,556.83	89.3%	182	92,705	32,690	60,015	17,919	42,095	5.1%	3.6%
	R-17	KDX Residence Higashi-sakura II	900,000	852,316	1,040,000	SF	66	2,655.31	2,457.01	92.5%	182	39,429	11,771	27,657	7,062	20,594	6.2%	4.6%
	R-18	KDX Residence Jingumae	840,000	787,857	1,040,000	SF	95	2,724.19	2,633.84	96.7%	182	40,803	14,705	26,098	7,409	18,688	6.2%	4.5%
	R-19	KDX Residence Nishi-oji	813,000	768,052	939,000	S	76	2,353.55	2,305.95	98.0%	182	34,777	9,045	25,732	6,376	19,356	6.3%	4.8%
	R-20	KDX Residence Saiin	440,000	412,024	513,000	S	49	1,094.81	1,031.17	94.2%	182	18,483	4,593	13,890	3,861	10,028	6.3%	4.6%
	R-21	KDX Residence Namba	1,410,000	1,345,123	1,700,000	S	118	3,387.30	3,233.22	95.5%	182	56,752	14,135	42,616	10,098	32,518	6.1%	4.6%
	R-22	KDX Residence Namba-minami	1,350,000	1,259,872	1,600,000	S	131	3,813.31	3,731.01	97.8%	182	55,734	12,316	43,418	11,874	31,543	6.4%	4.7%
R-24	KDX Residence Ibaraki I・II	1,275,000	1,278,323	1,439,000	F	61	4,701.87	4,701.87	100.0%	182	54,668	10,506	44,162	6,701	37,461	6.9%	5.9%	
R-25	KDX Residence Toyonaka-minami	740,000	668,668	877,000	SF	70	2,024.50	1,933.67	95.5%	182	29,963	6,750	23,212	8,230	14,981	6.3%	4.1%	
R-26	KDX Residence Moriguchi	551,000	507,416	681,000	F	28	1,942.78	1,942.78	100.0%	182	23,868	5,583	18,284	5,476	12,807	6.7%	4.7%	
R-27	KDX Residence Sannomiya	1,080,000	1,063,701	1,230,000	S	86	2,292.72	2,204.28	96.1%	182	38,419	9,357	29,061	8,164	20,897	5.4%	3.9%	
R-28	Ashiya Royal Homes	1,360,000	1,463,969	1,940,000	F	21	3,999.01	3,433.81	85.9%	182	58,708	16,478	42,229	5,024	37,205	6.2%	5.5%	

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)

Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]

Portfolio Performance in 1H 2020 5/7

(in thousands of yen)																	
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Type ⁽¹⁾	Rentable Units (unit)	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate (%)	Operating Days (days)	Leasing Business Revenues a	Leasing Business Expenses b	NOI c [a-b]	Depreciation d	Leasing Business Income e [c-d]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
R-29	KDX Residence Funairi Saiwai-cho	588,000	543,334	716,000	S	64	1,889.53	1,860.55	98.5%	182	27,820	6,208	21,611	5,389	16,222	7.4%	5.5%
R-30	KDX Residence Tenjin-higashi II	680,000	636,747	895,000	SF	63	2,602.53	2,354.67	90.5%	182	30,835	8,223	22,612	6,285	16,326	6.7%	4.8%
R-32	KDX Residence Nishi Koen	763,000	718,595	895,000	F	36	2,522.16	2,314.74	91.8%	182	31,335	10,045	21,290	6,433	14,857	5.6%	3.9%
R-33	KDX Residence Hirao Josui-machi	760,000	731,148	933,000	F	24	2,098.68	1,915.17	91.3%	182	28,381	8,532	19,848	4,828	15,020	5.2%	4.0%
R-35	Leopalace Flat Shin-sakae	3,500,000	3,430,731	4,590,000	S	274	11,589.95	11,589.95	100.0%	182	121,557	13,735	107,822	33,331	74,490	6.2%	4.3%
R-36	KDX Residence Konan Yamate	973,000	960,430	1,160,000	SF	55	1,923.22	1,923.22	100.0%	182	33,247	6,426	26,821	4,965	21,855	5.5%	4.5%
R-37	KDX Residence Hommachibashi	3,201,000	3,119,993	3,700,000	SF	134	6,511.88	6,358.21	97.6%	182	106,853	26,576	80,277	22,123	58,153	5.0%	3.6%
R-38	KDX Residence Minami-kusatsu	1,974,666	1,961,883	2,450,000	S	170	5,735.96	5,506.05	96.0%	182	104,288	29,537	74,751	18,507	56,243	7.6%	5.7%
R-39	KDX Residence Ohori Harbor View Tower	4,606,296	4,470,597	5,220,000	SF	212	11,855.63	9,932.07	83.8%	182	180,754	45,985	134,768	42,702	92,066	5.9%	4.0%
R-40	KDX Residence Minami-sanjo	915,000	898,084	1,700,000	SF	114	5,269.39	5,003.93	95.0%	182	55,820	12,401	43,419	11,263	32,155	9.5%	7.0%
R-41	Serenite Kita-kyuhoji	1,290,740	1,257,951	1,670,000	S	85	2,277.14	2,253.89	99.0%	182	43,689	8,440	35,249	10,156	25,092	5.5%	3.9%
R-42	Serenite Nishinomiya Hommachi	617,048	633,679	748,000	S	51	1,351.68	1,326.37	98.1%	182	23,692	4,915	18,777	4,758	14,019	6.1%	4.6%
R-43	KDX Residence Nishijin	1,600,000	1,739,252	1,730,000	SF	128	4,472.72	4,209.70	94.1%	182	59,856	17,793	42,063	7,775	34,287	5.3%	4.3%
R-44	Serenite Kobe Motomachi	2,390,000	2,462,912	2,600,000	S	138	3,787.85	3,595.26	94.9%	182	74,730	18,831	55,898	14,601	41,297	4.7%	3.5%
R-45	KDX Residence Shukugawa Hills	6,884,800	7,287,710	7,320,000	F	239	17,575.39	16,634.67	94.6%	182	207,252	46,383	160,869	31,857	129,011	4.7%	3.8%
R-46	KDX Residence Sendai Station East	1,340,000	1,418,590	1,410,000	S	88	2,254.34	2,228.73	98.9%	156	34,033	3,922	30,111	7,838	22,273	5.3%	3.9%
Subtotal / Average		57,077,551	55,851,371	68,355,000		3,747	157,513.72	148,895.80	94.5%		2,216,450	543,459	1,672,991	442,742	1,230,249	5.9%	4.3%
Residential facilities total / Average		189,897,131	189,422,477	235,388,000		8,709	341,379.75	325,275.72	95.3%		6,518,901	1,350,086	5,168,814	1,022,358	4,146,455	5.5%	4.4%

Note 1: Type means principal room type of the property (If applicable to some types, type of the largest footprint unit)

Single (S): (intended primarily for single-person households) [footprint of equal or more than 18m² and less than 30m² and more than 20 rentable units per property], Small Family (SF): (intended primarily for households of couples or families with infants) [footprint of equal or more than 30m² and less than 60m² and more than 15 rentable units per property], Family (F): (intended primarily for households of three or more families) [footprint of equal or more than 60m² and more than 5 rentable units per property]

Portfolio Performance in 1H 2020 6/7

(in thousands of yen)																
No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Facility Type ⁽¹⁾	Rentable Area (m ²)	Rentable Units (unit)	Capacity (people)	Occupancy Rate	Actual Occupancy Rate ⁽²⁾ Utilization Rate ⁽³⁾ 2020.12	Operating Days (days)	NOI a	Depreciation b	Leasing Business Income c [a-b]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
H-1	Irise Kamata/Yuseien	1,120,000	1,071,177	1,120,000	Nursing care	2,086.40	48	55	100.0%	92.7%	182	27,759	11,747	16,012	5.0%	2.9%
H-2	Nichii Home Nakano-Minamidai	1,780,000	1,765,624	1,780,000	Nursing care	3,339.00	83	83	100.0%	79.5%	182	44,591	4,401	40,190	5.0%	4.5%
H-3	Joy Stage Hachioji	3,690,000	3,765,154	3,760,000	Nursing care	13,812.27	232	263	100.0%	82.5%	182	108,565	30,614	77,951	5.9%	4.2%
H-4	Yuimaru Hijirigaoka	1,120,000	1,076,906	1,120,000	Residential	4,385.53	70	109	100.0%	67.0%	182	30,331	9,064	21,267	5.4%	3.8%
H-5	Nichii Home Tama Plaza	2,940,000	2,801,583	2,940,000	Nursing care	8,208.65	154	158	100.0%	79.1%	182	81,050	30,653	50,396	5.5%	3.4%
H-6	Ten	2,630,000	2,604,597	2,670,000	Nursing care	6,473.60	85	89	100.0%	86.5%	182	84,539	29,055	55,484	6.4%	4.2%
H-7	Irise Nishioka	858,000	816,396	859,000	Residential	3,140.27	83	83	100.0%	100.0%	182	23,321	9,189	14,131	5.5%	3.3%
H-8	Izarie Eniwa Building	1,660,000	1,572,006	1,740,000	Nursing care	5,343.33	73	73	100.0%	100.0%	182	51,587	18,263	33,324	6.2%	4.0%
H-9	Sawayaka Sakura Nibankan	989,000	933,499	993,000	Nursing care	3,628.51	92	92	100.0%	100.0%	182	29,372	12,329	17,042	6.0%	3.5%
H-10	Activa Biwa	6,560,000	6,332,948	6,590,000	Nursing care	39,649.84	384	445	100.0%	82.5%	182	224,747	62,193	162,553	6.9%	5.0%
H-11	Sompo Care LAVIERE Kobe Tarumi	2,110,000	2,054,989	2,110,000	Nursing care	4,493.35	100	100	100.0%	95.0%	182	52,817	11,847	40,970	5.0%	3.9%
H-12	Granda Mondo Yakujin	1,190,000	1,142,585	1,190,000	Residential	3,287.80	62	63	100.0%	非開示	182	30,634	9,987	20,647	5.2%	3.5%
H-13	Excellent Nishinomiya	971,000	927,333	976,000	Nursing care	2,685.48	67	70	100.0%	97.1%	182	24,891	9,564	15,327	5.1%	3.2%
H-14	Gran Hills Ogawarako	1,380,000	1,293,505	1,380,000	Serviced housing	4,180.28	103	107	100.0%	99.1%	182	52,324	18,087	34,237	7.6%	5.0%
H-15	Excellent Kitano	737,000	755,216	782,000	Residential	1,339.58	41	41	100.0%	100.0%	182	18,411	4,209	14,202	5.0%	3.9%
H-16	Anesis Teradacho	3,490,000	3,496,731	3,640,000	Nursing & health (with Nursing care)	7,856.64	45 100	150 100	100.0%	94.4% 98.0%	182	96,819	31,970	64,848	5.6%	3.7%
H-17	Rococo-riha	2,100,000	2,063,583	2,170,000	Nursing & health	3,860.29	52	100	100.0%	94.7%	182	57,384	16,598	40,786	5.5%	3.9%
H-18	Orange Suma	2,810,000	2,780,830	2,830,000	Nursing & health (with Serviced housing)	5,995.74	100 35	100 40	100.0%	92.6% 85.0%	182	79,126	23,845	55,281	5.6%	3.9%
H-19	Canadian Hill	1,830,000	1,830,599	1,870,000	Nursing & health	3,731.26	40	115	100.0%	90.1%	182	48,663	8,347	40,316	5.3%	4.4%
H-20	Anesis Hyogo	1,420,000	1,399,758	1,440,000	Nursing & health	4,415.16	58	100	100.0%	96.2%	182	39,290	10,431	28,858	5.5%	4.1%
H-21	Plaisant Grand Ota tamagawa	3,057,630	3,221,157	3,190,000	Nursing care	3,175.15	80	80	100.0%	81.3%	182	65,738	9,932	55,805	4.3%	3.7%
H-22	Tsukui Sun-shine Machida	6,934,600	7,111,308	7,070,000	Nursing care	15,553.33	348	348	100.0%	97.4%	182	158,989	38,260	120,728	4.6%	3.5%
H-23	Serabi Ebisu	1,690,000	1,716,159	1,700,000	Nursing care	1,557.73	34	34	100.0%	76.5%	182	35,274	2,913	32,360	4.2%	3.8%
H-24	Arute Ishiyagawa	1,061,000	1,161,655	1,390,000	Nursing care (with Group Home)	3,444.81	54 18	64 18	100.0%	87.5% 94.4%	182	41,290	20,013	21,277	7.8%	4.0%
Subtotal / Average		54,128,230	53,695,309	55,310,000		155,644.00	2,641	3,080	100.0%	88.5% / 93.6% ⁽⁴⁾		1,507,524	433,523	1,074,001	5.6%	4.0%

Note 1: About "Facility Type", "Nursing care" shows Private Senior homes for the elderly (with nursing care), "Residential" shows Private Senior homes for the elderly (residential) and "Serviced housing" shows Serviced housing for the elderly.
 Note 2: "Actual Occupancy Rate (based on end-tenants)" = Number of residents / number of Capacity. "Actual Occupancy Rate" is based on documents from operators but that of "Granda Mondo Yakujin" isn't disclosed because KDR isn't admitted to disclose from the operator. If "Actual Occupancy Rate" is over 100.0% by calculation, it is written as 100.0%.
 Note 3: "Utilization Rate" = Total amount of users / Extended number of capacity in a month. "Utilization Rate" is based on documents from operators.
 Note 4: Average Actual Occupancy Rate is 88.7%, and Average Utilization Rate is 93.5% in the above facility type classification.

Portfolio Performance in 1H 2020 7/7

(in thousands of yen)

	No.	Property Name	Acquisition Price	Book Value	Appraisal Value	Rentable Area (m ²)	Rented Area (m ²)	Occupancy Rate	Operating Days (days)	NOI a	Depreciation b	Leasing Business Income c [a-b]	NOI Cap Rate (per year)	NOI Cap Rate after Depreciation (per year)
Accommodation	A-1	HOTEL LiVEMAX Tokyo-Otsuka-Ekimae	2,390,000	2,460,778	2,380,000	1,660.21	1,660.21	100.0%	152	37,383	5,017	32,366	3.8%	3.3%
	A-2	HOTEL LiVEMAX Yokohamaeki-Nishiguchi	2,570,000	2,651,178	2,610,000	1,997.18	1,997.18	100.0%	152	37,562	6,206	31,355	3.5%	2.9%
	Subtotal / Average			4,960,000	5,111,956	4,990,000	3,657.39	3,657.39	100.0%		74,945	11,223	63,722	3.6%
Grand total / Average			248,905,361	248,229,744	295,688,000	500,681.14				6,751,285	1,467,105	5,284,179	5.5%	4.3%

