

January 18, 2019

To All Concerned Parties

REIT Issuer:  
Kenedix Residential Next Investment Corporation  
Representative: Keisuke Sato, Executive Director  
(Securities Code Number: 3278)

Asset Management Company  
Kenedix Real Estate Fund Management, Inc.  
Representative: Masahiko Tajima, President & CEO  
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## Notice Concerning Sale of Property (KDX Residence Shin-Osaka)

Kenedix Residential Next Investment Corporation (the “Investment Corporation”) announced today that Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), the asset management company for the Investment Corporation, has decided to sell the following property (the “Sale”). The details are provided as follows.

### 1. Overview of the Sale

#### (R-23) KDX Residence Shin-Osaka

|      |  |   |
|------|--|---|
| (1)  | Type of the To-be sold Assets                                    | Trust beneficiary interest in real estate   |
| (2)  | Property Name  | KDX Residence Shin-Osaka  |
| (3)  | Anticipated Sale Price <sup>(1)</sup>                            | ¥ 690,000 thousand  |
| (4)  | Assumed Book Value   | ¥ 482,312 thousand  |
| (5)  | Difference between Anticipated Sale Price and Assumed Book Value | ¥ 207,687 thousand  |
| (6)  | Buyer  | Please refer to “4. Buyer’s Profile”  |
| (7)  | Date of Contract   | January 18, 2019  |
| (8)  | Scheduled Date of Sale   | February 1, 2019  |
| (9)  | Sales Method   | Sale of the trust beneficiary interest in real estate   |
| (10) | Settlement Method  | Receipt in full on date of sale   |
| (11) | Use of Funds <sup>(2)</sup>                                      | The Investment Corporation plans to utilize the proceeds from the sale of properties for the acquisition of properties which is described in the press release “Notice Concerning Acquisition of Properties (Total of 2 residential Properties) and Sale of Property” announced on December 25, 2018. |

(Note 1) “Sales Price” is the sales amount of the trust beneficiary interest (excluding sales costs, adjusted amount for property tax and city planning tax or consumption tax, etc.) indicated in the trust beneficiary interest sales contract concerning the to-be sold asset and is rounded down to the nearest thousand yen.

(Note 2) “Assumed Book Value” is the figures as of February 1, 2019 and rounded down to the nearest thousand yen.

(Note 3) For the details of the to-be acquired properties, please refer to the press release “Notice Concerning Acquisition of Properties (Total of 2 residential Properties) and Sale of Property” announced on December 25, 2018

### 2. Reason for the Sale

The Investment Corporation aims to expand asset size through investments in new properties as well as improve the quality of the portfolio through asset replacements. As for the sales of assets, it plans to consider selling properties located in areas where the leasing market is relatively weak, old properties whose repair expenses, etc. are expected to increase and properties whose profitability are forecasted to decrease in the future due to demographic trends, etc. With regard to the residential properties located in other regional areas,

the Investment Corporation plans to improve the quality of the portfolio by selling these properties and implementing asset replacement since the balance between rental supply and demand in some areas is deteriorating and some properties are expected to see a decrease in rental revenue going forward.

The purpose of the Sale is to sell KDX Residence Shin-Osaka, which is a small, family-type rental residence in Osaka City where the supply-and-demand environment for rental properties is relatively inferior at present, in line with the Investment Corporation's policy on strategic asset replacements. In addition, 111 out of the 113 residential properties under management of the Investment Corporation have seen appraisal value in excess of book value as of July 31, 2018, with the difference between appraisal value and book value reaching approx. ¥30.4 billion or 18.8% of the total book value of the residential portfolio. The Investment Corporation deems that in the present booming rental residential transaction market, returning to unitholders the unrealized gain on sale of some properties contributes to increase in unitholder value, and one residential property located in Osaka has already been sold during the previous period and the Investment Corporation have decided to sell one residential property located in Sendai-shi, Miyagi during this period.

Going forward, the Investment Corporation will continue to seek opportunities of property sale and capitalize on them across each fiscal period considering diversification of the portfolio and the potential profitability of properties based on the analysis of surrounding markets and characteristics proper to such properties, as far as the bullish trend in the real estate market prevails.

### 3. Overview of the To-be Sold Assets

#### (R-23) KDX Residence Shin-Osaka

|   |                                    |  |
|---|------------------------------------|--|
| Property name                           |                                    | KDX Residence Shin-Osaka   |
| Type of assets                          |                                    | Trust beneficiary interest in real estate                          |
| Trustee                                 |                                    | Mizuho Trust & Banking Co., Ltd.                                   |
| Trust term                              |                                    | May 30, 2007 through August 31, 2023                               |
| Location (Address) <sup>(1)</sup>       |                                    | 4-16-11 Kikawa-HigashiYodogawa-ku, Osaka-shi Osaka                 |
| Land                                    | Type of ownership                  | Proprietary ownership  |
|   | Site area                          | 462.73 m <sup>2</sup>  |
|   | Use districts                      | Category 1 residential districts                                   |
|   | Building coverage                  | 80%  |
|   | Floor area ratio <sup>(2)</sup>    | 300%   |
| Building                                | Type of ownership                  | Proprietary ownership  |
|   | Total floor area                   | 1,428.48 m <sup>2</sup>  |
|   | Construction                       | February 2007  |
|   | Usage                              | Apartment building   |
|   | Type <sup>(3)</sup>                | Small Family   |
|   | Structure /Number of stories       | Reinforced concrete structure with flat roof / Nine-story building |
| Leasable number of units                | 43 units                           |  |
| Probable maximum loss <sup>(4)</sup>    |                                    | 8.18%  |
| Date of Acquisition                     |                                    | August 7, 2013   |
| Acquisition price                       |                                    | ¥ 510,000 thousand   |
| Appraisal value <sup>(5)</sup>          |                                    | ¥ 578,000 thousand   |
| Appraiser                               |                                    | Japan Real Estate Institute  |
| Existence of security after acquisition |                                    | None   |
| Details of tenant                       |                                    | ( as of November 30, 2018)   |
|   | Total number of                    | 1  |
|   | Total rental income <sup>(7)</sup> | ¥ 3,289 thousand   |
|   | Security and                       | ¥ 3,076 thousand   |

|                              |                                     |                         |
|------------------------------|-------------------------------------|-------------------------|
|                              | Total leased units <sup>(9)</sup>   | 41 units                |
|                              | Total leased area <sup>(10)</sup>   | 1,260.84 m <sup>2</sup> |
|                              | Total leasable area <sup>(11)</sup> | 1,321.04 m <sup>2</sup> |
|                              | Occupancy ratio <sup>(12)</sup>     | 95.4%                   |
| Other special considerations |                                     | None                    |

(Note1) “Location” is the indication of the residential address. In case there is no indication of the residential address, it is the building address under the lot address or the building location indicated in the registration items certificate (the lot number among such if there are multiple lot addresses).

(Note2) “Building coverage ratio” and “Floor area ratio” are the designated building-to-land ratio and designated floor-area ratio provided in the city plan.

(Note3) “Type” is the classification of the principal residential unit of the building, the studio type, the small family type or family type as described below.

| Studio type<br>(housing mainly for single households)  | Small family type<br>(housing mainly for married-couple households and family households with an infant)   | Family type<br>(housing mainly for family households of 3 persons or more)  |
|--|--|---|
| The exclusively owned area per residential unit contains at least 18m <sup>2</sup> , but less than 30m <sup>2</sup> and at least 20 rentable units per property. | The exclusively owned area per residential unit contains at least 30m <sup>2</sup> , but less than 60m <sup>2</sup> and at least 15 rentable units per property. | The exclusively owned area per residential unit contains at least 60m <sup>2</sup> per unit and at least 5 rentable units per property. |

(Note4) “Probable Maximum Loss” (PML) is the figure described in the earthquake PML valuation report (level 2) prepared for each to-be-acquired asset created by Sompo Risk Management & Health Care Inc. in November 2018.

(Note5) The “Appraisal Date” is July 31, 2018.

(Note6) “Total number of tenants” is described the figure as of November 30, 2018. In the case that there is a master lease contract entered into with a master lease company, “Total Number of Tenants” is indicated as “1.”

(Note7) “Total Rent Income” is the sum of the monthly rent according to the lease agreements actually executed with the end tenants (the sum of rent and common area maintenance charges of the residents etc., provided, however, that in case the adjunct facilities fee such as car parking space usage fees are included in the lease agreements, it includes such fees) in the case that the master lease type is pass-through and is the monthly rent according to the sublease agreements with rent insurance executed with master lease company (the sum of rent and common area maintenance charges of the residents etc., provided, however, that in case the adjunct facilities fee such as car parking space usage fees are included in the lease agreements, it includes such fees) in the case that the master lease type is rent insurance. Furthermore, the figures are rounded down to the nearest thousand yen.

(Note8) “Security and Guarantee Deposit” is the sum of the security and guarantee deposits, etc. of each end tenant based on the lease agreement executed with the each end tenant. However, in case there is a part for which returning is unnecessary due to special provision of deduction of security deposits, etc. in each lease agreement, it is the amount after the amount is deducted. In addition, the balance of the security and guarantee deposit, etc. based on the lease agreement with rent insurance executed with a master lease company is displayed in the case that the master lease type is rent insurance. However, it is the sum of pass-through security and guarantee deposits, etc. and rent insurance security and guarantee deposits, etc. in case agreement with a different master lease type has been executed. Furthermore, the figures are rounded down to the nearest thousand yen.

(Note9) “Total Leased Units” is the number of leased residential units, where the lease agreements were actually executed with end tenants.

(Note10) “Total Leased Area” is the leased floor area described in the lease agreements which were actually executed with end tenants.

(Note11) “Total Leasable Area” is the floor area described in the lease agreements that is leasable at the to-be acquired asset (in case the o-be acquired asset contains more than one building, the sum of the leasable floor area of such buildings).

(Note12) “Occupancy Ratio” is the ratio of the “Total Leased Areas” (based on the lease agreements) to the “Total Leasable Area” of the to-be acquired asset rounded to the first decimal place.

#### 4. Overview of Buyer

The buyer of the above acquisition is G.K. companies in Japan, but details are not disclosed according to buyer’s intention. The buyer is not special related party of the Investment Corporation or the Asset Management Company.

#### 5. Profile of Property Buyer, etc.

Because the Sale is not with related-party of the Investment Corporation and the Asset Management Company, there are no applicable matters to be disclosed.

## 6. Details of Brokerage

This sale is not a related-party transaction.

## 7. Related-Party Transactions

This sale is not a related-party transaction as defined by the Investment Trusts and Investment Corporation Act or the related-party transaction rules of the Residential REIT Division of the Asset Management Company.

## 8. Forecasts

The sale is scheduled on February 1, 2019. The Sale is expected to result in a gain on sale of ¥ 202 million for the period ending July 2019 (the 15th fiscal period from February 1, 2019 through to July 31, 2019). A portion of this gain may be added to retained earnings, while the remaining balance will be distributed to unitholders.

For details of the impact on the forecast of the fiscal period ending July, 2019 from the Sale, please refer to the press release “Notice Concerning Revisions of Operating and Cash Distribution Forecasts for the Fiscal Period Ending July 31, 2019” announced on today (January 18, 2019).

## 9. Appraisals Report Summary

|                 |                             |
|-----------------|-----------------------------|
| Property Name   | KDX Residence Shin-Osaka    |
| Appraisal Value | ¥ 578,000,000               |
| Appraiser       | Japan Real Estate Institute |
| Appraisal Date  | July 31, 2018               |

(Unit: Yen)

| Item  | Content     | Basis   |
|---|-------------|---|
| Income Capitalization Approach Value                    | 578,000,000 | Estimated by treating equally the income capitalization approach value using the Direct Capitalization method and the value calculated using the Discounted Cash Flow method. |
| Value Calculated Using the Direct Capitalization Method | 583,000,000 | Assessed by using the cap rate based on medium to long-term stable net income.  |
| (1) Gross Operating Revenue                             | 40,240,000  |   |
| Maiximu Gross Operating Revenue                         | 42,952,000  | Assessed based on a level of fair rent believed to remain stable over the medium and long term.   |
| Shortfall Attributed to Vacancies                       | 2,712,000   | Assessed based on the level of occupancy ratio that can be maintained stably over the medium and long term.   |
| (2) Operating Expenses                                  | 9,842,000   |   |
| Maintenance Expenses                                    | 1,540,000   | Assessed by reflecting the administrative and maintenance expenses based on contract terms, the level of expenses at similar properties, and other factors.                   |
| Utility Expenses  | 800,000     | Assessed by reflecting the performance of similar properties and past performance.  |
| Repair Expenses   | 1,746,000   | Assessed using expenses in prior years, expenses at similar properties, annual average repair, maintenance and renewal expenses in the engineering report, and other factors. |
| Property Management Fees                                | 907,000     | Assessed by reflecting the compensation rate based on contract terms, those at similar properties, and other factors.   |
| Tenant Recruit Expenses, etc.                           | 2,178,000   | Assessed by reflecting the contract terms, the lease terms at similar properties and other factors.   |
| Taxes and Dues  | 2,619,000   | Assessed based on the fiscal 2018 tax base amount, etc.   |
| Damage Insurance Fees                                   | 52,000      | Recorded an amount that reflects the insurance premiums based on the insurance contract, insurance premium rate at similar properties and other factors.                      |
| Other Expenses  | 0           | There are no special expenses to be stated as other expenses  |

|   |             |  |
|---|-------------|--|
| (3) Net Operating Income<br>(NOI= (1)-(2))                | 30,398,000  |  |
| (4) Gain on guarantee deposit<br>investment               | 29,000      | Assessed income from investments by using an investment<br>return of 1.0%.   |
| (5) Capital Expenditure                                   | 1,277,000   | Assessed taking into account the level of capital expenditures<br>at similar properties and the age of the property, assuming that<br>an equal amount is added to a reserve in each fiscal period.   |
| (6) Net Cash Flow<br>(NCF=(3)+(4)-(5))                    | 29,150,000  |  |
| (7) Capitalization Rate                                   | 5.0%        | Assessed by taking into account the property's location, the<br>characteristics of the building and other characteristics.   |
| Value Calculated Using the<br>Discounted Cash Flow Method | 572,000,000 |  |
| Discount Rate   | 4.8%        | Assessed by comprehensively taking into account the<br>Property's unique characteristics, while reflecting investment<br>returns of similar properties in transaction.   |
| Terminal Capitalization Rate                              | 5.2%        | Assessed by comprehensively taking into account upcoming<br>changes in investment returns, risks associated with the<br>property to be acquired, general prediction of economic growth<br>rate, trends in real estate prices and rental rates, and all other<br>applicable factor, while reflecting returns associated with<br>acquisitions of similar properties. |
| Value Calculated Using the Cost Method                    | 402,000,000 |  |
| Land  | 50.8%       |  |
| Building  | 49.2%       |  |

|  |  |
|--|--|
| Items applied to adjustments in approaches to<br>the value and the determination of the<br>appraisal value | Adopted income capitalization approach value with the value calculated using the<br>cost method used only for reference as the income capitalization approach value is<br>more persuasive because of accurate reproductivity in the price determination process<br>(with respect to earnings). |
|--|--|

## Attached Materials

Reference Material: List of Property Portfolio (Scheduled) (as of March 1, 2019<sup>(1)</sup>)

(Note) The list of property portfolio included the figure for “KDX Residence Kaminoge”, “KDX Residence Higashi-Asakusa” and excluded the figure for “KDX Residence Kotodai”, please refer to the press release “Notice Concerning Acquisition of Properties (Total of 2 residential Properties) and Sale of Property” announced on December 25, 2018.

\* Website URL of the Investment Corporation: <http://www.kdr-reit.com/english/>

### *[Provisional Translation Only]*

*English translation of the original Japanese document is provided solely for information purposes.*

*Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

Reference Material (3) List of Property Portfolio (as of March 1, 2018)

| Area/<br>Property<br>type                   | Property Name  | (Anticipated)<br>Acquisition<br>Price(Thousands of<br>yen) <sup>(1)</sup> | Ratio <sup>(2)</sup> | Acquisition Date<br>(Scheduled) |
|---|--|---|----------------------|---------------------------------|
| Residence/<br>Tokyo<br>Metropolitan<br>Area | KDX Daikanyama Residence                                   | 4,700,000   | 2.1                  | May 1, 2012                     |
|   | KDX Odemma Residence                                       | 1,775,000   | 0.8                  | May 1, 2012                     |
|   | KDX Iwamoto-cho Residence                                  | 822,000   | 0.4                  | May 1, 2012                     |
|   | KDX Bunkyo Sengoku Residence                               | 1,488,000   | 0.7                  | May 1, 2012                     |
|   | KDX Azumabashi Residence                                   | 650,000   | 0.3                  | May 1, 2012                     |
|   | KDX Shimura Sakaue Residence                               | 2,830,000   | 1.3                  | May 1, 2012                     |
|   | Cosmo Heim Motosumiyoshi<br>(land with leasehold interest) | 1,750,000   | 0.8                  | April 26, 2012                  |
|   | KDX Musashi Nakahara Residence                             | 637,000   | 0.3                  | May 1, 2012                     |
|   | KDX Chiba Chuo Residence                                   | 1,480,000   | 0.7                  | May 1, 2012                     |
|   | KDX Kawaguchi Saiwai-cho Residence                         | 1,150,000   | 0.5                  | May 1, 2012                     |
|   | KDX Residence Shirokane I                                  | 3,000,000   | 1.3                  | August 7, 2013                  |
|   | KDX Residence Shirokane II                                 | 2,800,000   | 1.3                  | August 7, 2013                  |
|   | KDX Residence Minami-aoyama                                | 2,230,000   | 1.0                  | August 7, 2013                  |
|   | KDX Residence Minami-azabu                                 | 2,080,000   | 0.9                  | August 7, 2013                  |
|   | KDX Residence Shiba Koen                                   | 1,781,000   | 0.8                  | August 7, 2013                  |
|   | KDX Residence Azabu East                                   | 1,560,000   | 0.7                  | August 7, 2013                  |
|   | KDX Residence Takanawa                                     | 770,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Nishihara                                    | 1,450,000   | 0.6                  | August 7, 2013                  |
|   | KDX Residence Daikanyama II                                | 730,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Sendagaya                                    | 650,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Nihombashi Suitengu                          | 3,240,000   | 1.4                  | August 7, 2013                  |
|   | KDX Residence Nihombashi Hakozaki                          | 1,147,000   | 0.5                  | August 7, 2013                  |
|   | KDX Residence Higashi-shinjuku                             | 3,270,000   | 1.5                  | August 7, 2013                  |
|   | KDX Residence Yotsuya                                      | 2,260,000   | 1.0                  | August 7, 2013                  |
|   | KDX Residence Nishi-shinjuku                               | 1,000,000   | 0.4                  | August 7, 2013                  |
|   | KDX Residence Kagurazaka                                   | 720,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Futako Tamagawa                              | 1,250,000   | 0.6                  | August 7, 2013                  |
|   | KDX Residence Komazawa Koen                                | 920,000   | 0.4                  | August 7, 2013                  |
|   | KDX Residence Misyuku                                      | 760,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Yoga   | 700,000   | 0.3                  | August 7, 2013                  |
|   | KDX Residence Shimouma                                     | 600,000   | 0.3                  | August 7, 2013                  |
|   | Raffine Minami-magome                                      | 1,250,000   | 0.6                  | August 7, 2013                  |
|   | KDX Residence Yukigaya Otsuka                              | 1,050,000   | 0.5                  | August 7, 2013                  |
| KDX Residence Denen Chofu                   | 1,000,000  | 0.4   | August 7, 2013       |                                 |
| KDX Residence Tamagawa                      | 776,000  | 0.3   | August 7, 2013       |                                 |
| KDX Residence Monzennakacho                 | 773,000  | 0.3   | August 7, 2013       |                                 |
| KDX Residence Okachimachi                   | 850,000  | 0.4   | August 7, 2013       |                                 |
| KDX Residence Moto-asakusa                  | 800,000  | 0.4   | August 7, 2013       |                                 |

Residence/  
Tokyo  
Metropolitan  
Area

|                                    |           |     |                    |
|------------------------------------|-----------|-----|--------------------|
| KDX Residence Itabashi Honcho      | 620,000   | 0.3 | August 7, 2013     |
| KDX Residence Azusawa              | 550,000   | 0.2 | August 7, 2013     |
| KDX Residence Tobu Nerima          | 420,000   | 0.2 | August 7, 2013     |
| KDX Residence Yokohama Kannai      | 800,000   | 0.4 | August 7, 2013     |
| KDX Residence Miyamaedaira         | 999,000   | 0.4 | August 7, 2013     |
| KDX Residence Machida              | 1,800,000 | 0.8 | August 7, 2013     |
| KDX Residence Kinshicho            | 1,350,000 | 0.6 | March 28, 2014     |
| KDX Residence Nihombashi Hamacho   | 996,000   | 0.4 | August 7, 2014     |
| KDX Residence Nihombashi Ningyocho | 530,000   | 0.2 | August 7, 2014     |
| KDX Residence Jiyugaoka            | 1,268,000 | 0.6 | August 7, 2014     |
| KDX Residence Togoshi              | 3,745,000 | 1.7 | August 7, 2014     |
| KDX Residence Shinagawa Seaside    | 2,593,000 | 1.2 | August 7, 2014     |
| KDX Residence Ojima                | 1,857,000 | 0.8 | August 7, 2014     |
| KDX Residence Oyama                | 2,679,000 | 1.2 | August 7, 2014     |
| KDX Residence Hanzomon             | 4,832,000 | 2.2 | February 5, 2015   |
| B-Site Akihabara                   | 850,000   | 0.4 | February 5, 2015   |
| KDX Residence Kagurazaka Dori      | 1,360,000 | 0.6 | February 5, 2015   |
| KDX Residence Sendagi              | 2,200,000 | 1.0 | February 5, 2015   |
| KDX Residence Seijo                | 1,400,000 | 0.6 | February 5, 2015   |
| KDX Residence Akihabara            | 1,250,000 | 0.6 | February 5, 2015   |
| KDX Residence Iriya                | 1,062,000 | 0.5 | February 5, 2015   |
| KDX Residence Tachikawa            | 3,026,200 | 1.4 | February 5, 2015   |
| KDX Residence Tsurumi              | 1,050,000 | 0.5 | February 5, 2015   |
| KDX Residence Morishita Chitose    | 1,100,000 | 0.5 | June 1, 2015       |
| KDX Residence Akasaka              | 1,150,000 | 0.5 | September 30, 2015 |
| KDX Residence Kanda                | 700,000   | 0.3 | September 30, 2015 |
| KDX Residence Ebisu                | 2,845,000 | 1.3 | October 30, 2015   |
| KDX Residence Nishi-magome         | 1,130,000 | 0.5 | August 30, 2016    |
| KDX Residence Nishi-azabu          | 1,224,000 | 0.5 | August 1, 2016     |
| KDX Residence Azabu Sendaizaka     | 792,300   | 0.4 | August 1, 2016     |
| KDX Residence Waseda Tsurumaki     | 561,000   | 0.3 | August 1, 2016     |
| KDX Residence Bunkyo Yushima       | 695,000   | 0.3 | August 1, 2016     |
| KDX Residence Kamishakujii         | 648,000   | 0.3 | August 1, 2016     |
| KDX Residence Shin-otsuka          | 764,000   | 0.3 | November 1, 2016   |
| KDX Residence Sakurajosui          | 894,000   | 0.4 | November 1, 2016   |
| KDX Residence Ryogoku              | 842,000   | 0.4 | November 1, 2016   |
| KDX Residence Toyosu               | 7,500,000 | 3.4 | August 22, 2017    |
| KDX Residence Asagaya              | 1,930,000 | 0.9 | August 2, 2018     |
| KDX Residence Hiyoshi              | 2,635,300 | 1.2 | August 2, 2018     |
| KDX Residence Kamikitazawa         | 1,360,000 | 0.6 | February 1, 2019   |
| KDX Residence Kaminoge             | 1,111,000 | 0.5 | February 1, 2019   |

|  |                                  |             |                   |                                 |
|--|----------------------------------|-------------|-------------------|---------------------------------|
|  | KDX Residence Higashi-Asakusa    | 687,730     | 0.3               | To be determined <sup>(3)</sup> |
|  | 80 properties subtotal           | 122,505,530 | 54.8              |                                 |
| Residence/<br>Other<br>Regional<br>Areas | KDX JozenjiDori Residence        | 1,015,000   | 0.5               | May 1, 2012                     |
|  | KDX Izumi Residence              | 1,120,000   | 0.5               | May 1, 2012                     |
|  | KDX Chihaya Residence            | 1,080,000   | 0.5               | May 1, 2012                     |
|  | KDX Sakaisuji Hommachi Residence | 2,910,000   | 1.3               | May 1, 2012                     |
|  | KDX Takarazuka Residence         | 1,510,000   | 0.7               | May 1, 2012                     |
|  | KDX Shimizu Residence            | 1,680,000   | 0.8               | May 1, 2012                     |
|  | KDX Residence Odori Koen         | 765,000     | 0.3               | August 7, 2013                  |
|  | KDX Residence Kikusui Yojo       | 830,000     | 0.4               | August 7, 2013                  |
|  | KDX Residence Toyohira Koen      | 445,000     | 0.2               | August 7, 2013                  |
|  | KDX Residence Ichiban-cho        | 530,000     | 0.2               | August 7, 2013                  |
|  | KDX Residence Kotodai            | -           | -                 | August 7, 2013                  |
|  | KDX Residence Izumi Chuo         | 480,000     | 0.2               | August 7, 2013                  |
|  | KDX Residence Higashi-sakura I   | 2,350,000   | 1.1               | August 7, 2013                  |
|  | KDX Residence Higashi-sakura II  | 900,000     | 0.4               | August 7, 2013                  |
|  | KDX Residence Jingumae           | 840,000     | 0.4               | August 7, 2013                  |
|  | KDX Residence Nishi-oji          | 813,000     | 0.4               | August 7, 2013                  |
|  | KDX Residence Saiin              | 440,000     | 0.2               | August 7, 2013                  |
|  | KDX Residence Namba              | 1,410,000   | 0.6               | August 7, 2013                  |
|  | KDX Residence Namba-minami       | 1,350,000   | 0.6               | August 7, 2013                  |
|  | KDX Residence Shin-osaka         | -           | -                 | August 7, 2013                  |
|  | KDX Residence Ibaraki I・II       | 1,275,000   | 0.6               | August 7, 2013                  |
|  | KDX Residence Toyonaka-minami    | 740,000     | 0.3               | August 7, 2013                  |
|  | KDX Residence Moriguchi          | 551,000     | 0.2               | August 7, 2013                  |
|  | KDX Residence Sannomiya          | 1,080,000   | 0.5               | August 7, 2013                  |
|  | Ashiya Royal Homes               | 1,360,000   | 0.6               | August 7, 2013                  |
|  | KDX Residence Funairi Saiwai-cho | 588,000     | 0.3               | August 7, 2013                  |
|  | KDX Residence Tenjin-higashi II  | 680,000     | 0.3               | August 7, 2013                  |
|  | KDX Residence Nishi Koen         | 763,000     | 0.3               | August 7, 2013                  |
|  | KDX Residence Hirao Josui-machi  | 760,000     | 0.3               | August 7, 2013                  |
|  | Melody Heim Gotenyama            | 400,000     | 0.2               | August 7, 2014                  |
|  | Leopalace Flat Shin-sakae        | 3,500,000   | 1.6               | November 28, 2014               |
|  | KDX Residence Konan Yamate       | 973,000     | 0.4               | November 14, 2014               |
| KDX Residence Hommachibashi              | 3,201,000                        | 1.4         | December 18, 2014 |                                 |
| KDX Residence Minami-kusatsu             | 1,974,666                        | 0.9         | February 5, 2015  |                                 |
| KDX Residence Ohori Harbor View Tower    | 4,606,296                        | 2.1         | February 5, 2015  |                                 |
| KDX Residence Minami-sanjo               | 915,000                          | 0.4         | October 27, 2015  |                                 |
| Serenite Kita-kyuhoji                    | 1,290,740                        | 0.6         | October 27, 2015  |                                 |
| Serenite Nishinomiya Hommachi            | 617,048                          | 0.3         | December 1, 2016  |                                 |
| KDX Residence Nishijin                   | 1,600,000                        | 0.7         | August 1, 2017    |                                 |

|                        |  |             |       |                    |
|------------------------|--|-------------|-------|--------------------|
|                        | Serenite Kobe Motomachi                    | 2,390,000   | 1.1   | August 2, 2018     |
|                        | KDX Residence Shukugawa Hills              | 6,884,800   | 3.1   | August 2, 2018     |
|                        | 39 properties subtotal                     | 56,617,551  | 25.3  |                    |
|                        | Residential 119 properties total           | 179,123,081 | 80.1  |                    |
| Healthcare<br>Facility | Irise Kamata/Yuseien                       | 1,120,000   | 0.5   | March 1, 2018      |
|                        | Nichii Home Nakano-Minamidai               | 1,780,000   | 0.8   | March 1, 2018      |
|                        | Joy Stage Hachioji                         | 3,690,000   | 1.7   | March 1, 2018      |
|                        | Yuimaru Hijirigaoka                        | 1,120,000   | 0.5   | March 1, 2018      |
|                        | Nichii Home Tama Plaza                     | 2,940,000   | 1.3   | March 1, 2018      |
|                        | Ten  | 2,630,000   | 1.2   | March 1, 2018      |
|                        | Irise Nishioka                             | 858,000     | 0.4   | March 1, 2018      |
|                        | Izarie Eniwa Building                      | 1,660,000   | 0.7   | March 1, 2018      |
|                        | Sawayaka Sakura Nibankan                   | 989,000     | 0.4   | March 1, 2018      |
|                        | Activa Biwa                                | 6,560,000   | 2.9   | March 1, 2018      |
|                        | Sompo Care LAVIERE Kobe Tarumi             | 2,110,000   | 0.9   | March 1, 2018      |
|                        | Granda Mondo Yakujin                       | 1,190,000   | 0.5   | March 1, 2018      |
|                        | Excellent Nishinomiya                      | 971,000     | 0.4   | March 1, 2018      |
|                        | Gran Hills Ogawarako                       | 1,380,000   | 0.6   | March 1, 2018      |
|                        | Excellent Kitano                           | 737,000     | 0.3   | July 6, 2018       |
|                        | Anesis Teradacho                           | 3,490,000   | 1.6   | August 2, 2018     |
|                        | Rococo-riha                                | 2,100,000   | 0.9   | August 2, 2018     |
|                        | Orage Suma                                 | 2,810,000   | 1.3   | August 2, 2018     |
|                        | Canadian Hill                              | 1,830,000   | 0.8   | August 2, 2018     |
|                        | Anesis Hyogo                               | 1,420,000   | 0.6   | August 2, 2018     |
|                        | Plaisant Grand Ota tamagawa <sup>(4)</sup> | 3,057,630   | 1.4   | September 28, 2018 |
|                        | Healthcare 21 properties subtotal          | 44,442,630  | 19.9  |                    |
|                        | 140 properties total                       | 223,565,711 | 100.0 |                    |

(Note 1) Any fraction of the acquisition price less than one thousand yen is rounded down, and the ratios are rounded off to the first decimal place.

(Note 2) Above list of property portfolio included the figure for “Cosmo Heim Motosumiyoshi (land with leasehold interest)”

(Note 3) The Investment Corporation will assign the scheduled date of acquisition of "KDX Residence Higashi-Asakusa" by aiming the end of February 2019, The Investment Corporation will inform separately as soon as it is decided.

(Note 4) “Tanoshii ie Ota tamagawa” was changed its property name to “Plaisant Grand Ota tamagawa” on January 7, 2019.