

November 28, 2022

Supplementary Material

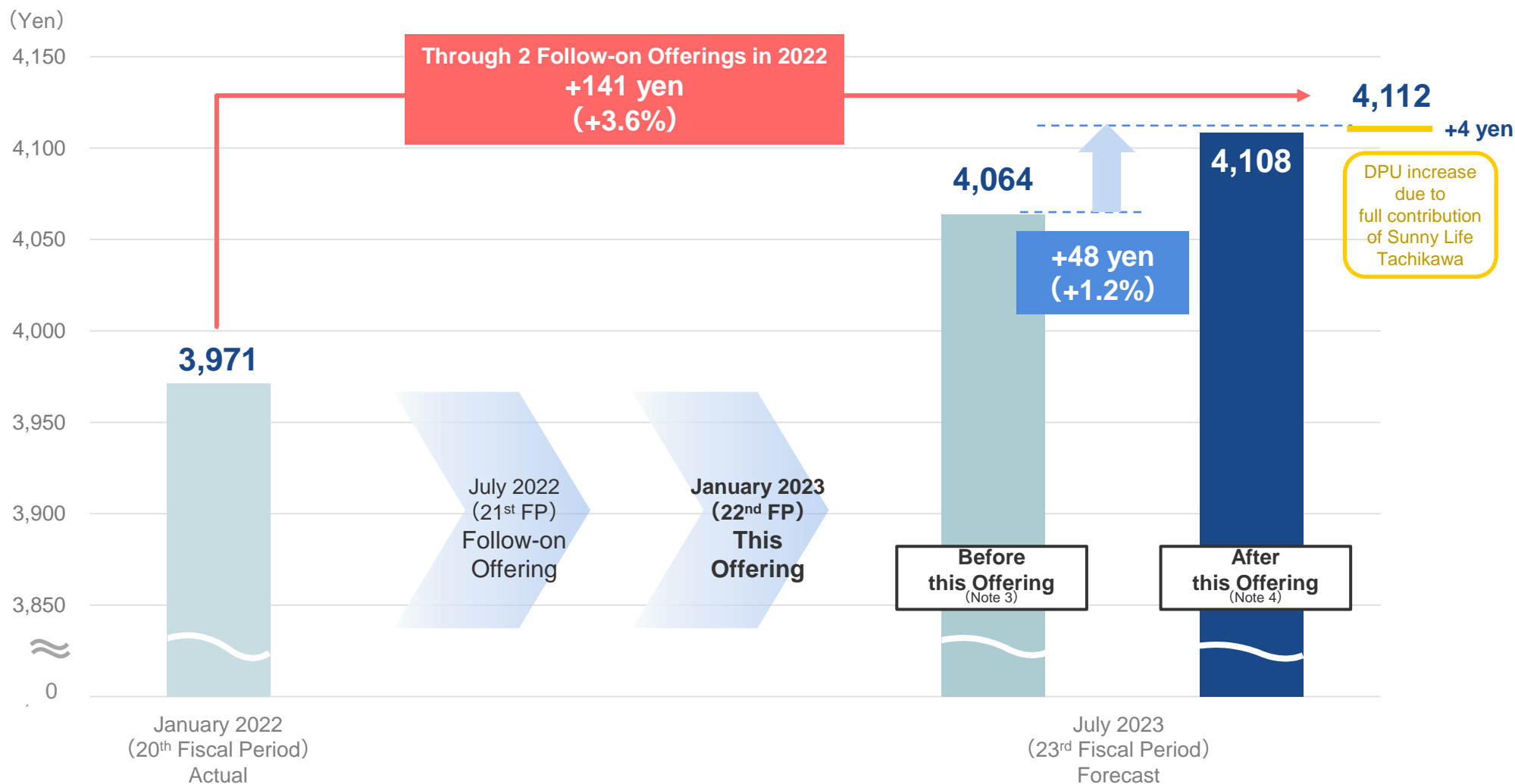
**for “Notice Concerning Revisions to Operating Forecasts and
Cash Distributions Forecasts for the Fiscal Periods Ending
January 31, 2023 and July 31, 2023”**



DPU Growth – DPU excluding One-time Factors (stabilized DPU) –

- DPU excluding one-time factors (Note 1) (stabilized DPU) is expected to increase by +141 yen (+3.6%, +2.4% per annum) in 1.5 years through 2 follow-on offerings in 2022
- DPU excluding one-time factors (stabilized DPU) is expected to increase by +48 yen (+1.2%) through this Offering and acquisition of newly acquired assets (Note 2)

DPU Growth excluding One-time Factors (stabilized DPU)



Distribution Management – Distributions per Unit –

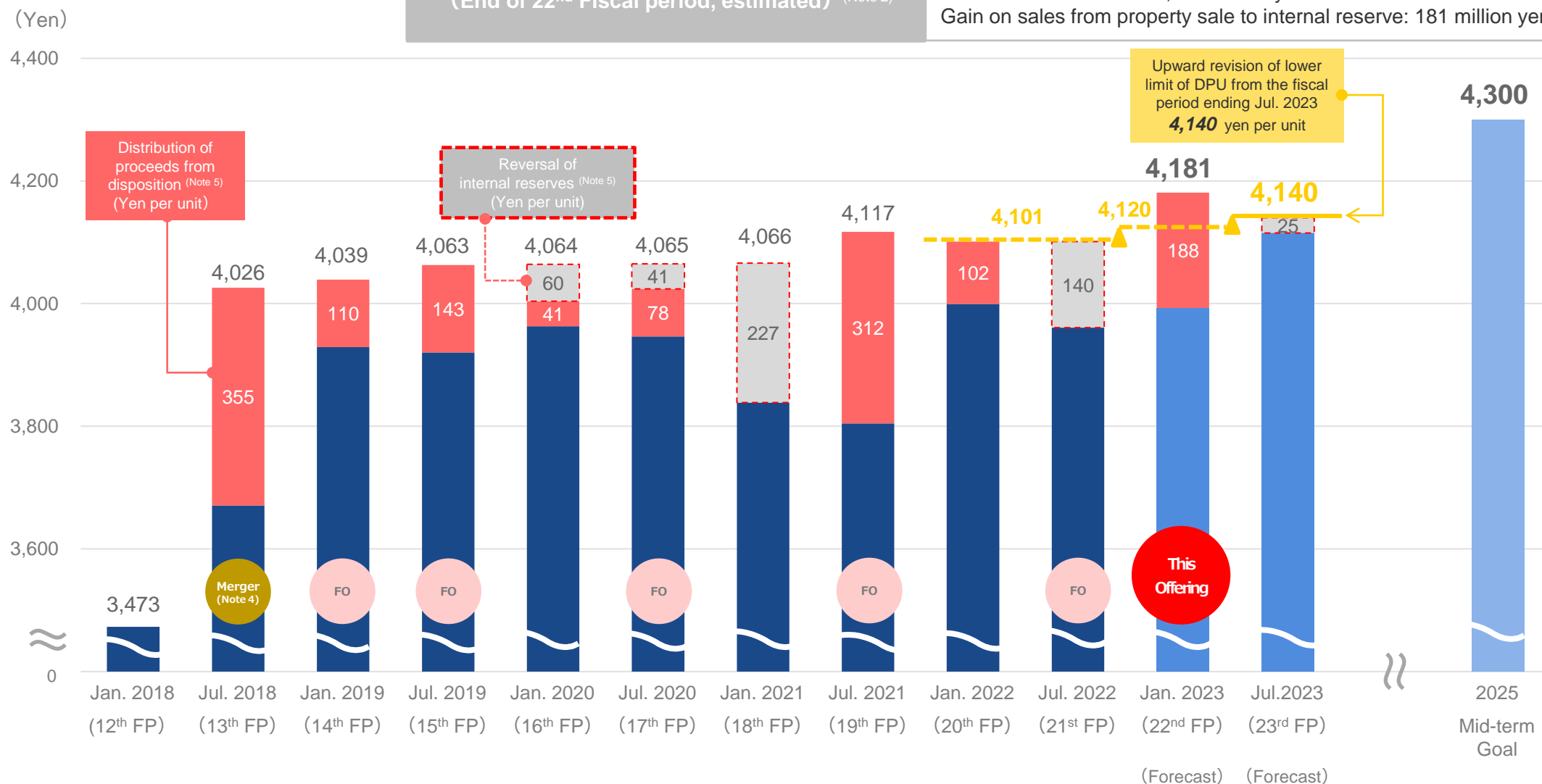
- Maintained stable level of DPU by utilizing gain on sale of properties to improve portfolio quality and internal reserves
- Revised the lower limit of DPU upward from 23rd fiscal period ending Jul. 2023 and on, with the improvement of the stabilized DPU after this Offering
- Aim steady growth in stabilized DPU to achieve the mid-term goal of 4,300 yen ^(Note 6), utilizing internal reserves of 2,001 million yen (estimated amount as of the end of Jan. 2023)

Distributions per Unit ^(Note 1)

Internal Reserve
(End of 22nd Fiscal period, estimated) ^(Note 2)

2,001 million yen (1,869 yen per unit)

Balance of RTA ^(Note 3) : 1,820 million yen
Gain on sales from property sale to internal reserve: 181 million yen



Notes

<Points of consideration for forecast distributions per unit>

- For the fiscal period ending January 31, 2023 (22nd fiscal period) and thereafter, it is assumed that all of the new number of investment units planned to be issued by the issuance of new investment units (23,500 units) through public offering (the "Public Offering") and by way of issuance of new investment units (maximum 1,175 units) through third-party allotment in connection with the secondary offering by over-allotment (collectively with the Public Offering, the "Offering,") will be issued.
- Distributions per unit for the fiscal period ending January 31, 2023 (22nd fiscal period) and thereafter are estimates as of the date of this document. Kenedix Residential Next Investment Corporation ("KDR") makes no guarantee that these funds will be distributed to unitholders.

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(Note 1)

"DPU excluding one-time factors" = DPU forecast – Contribution amounts (forecast) from gains on property sales (after deducting the increase in Asset Management Fee II attributable to the gain on sale) used for distributions (forecast) – Contribution amounts (forecast) due to the effect of property and city planning taxes and other taxes and other one-time factors (defined below) – Appropriation of reversal of internal reserves (forecast). For points of consideration regarding the forecast distributions per unit, please see "Points of consideration for forecast distributions per unit" above.

(Note 2)

The "newly acquired assets" refers to "Tsukui Sunshine Adachi" and "SOMPO Care LAVIERE Ichinoe" acquired in September 2022, "Nichii Home Hachimanyama", "Lifeship Oasa", "Lifeship Yunokawa" and "Lifeship Fukagawa" scheduled to be acquired in December 2022, "KDX Residence Oyamadai" and "KDX Residence Asakusa" scheduled to be acquired in January 2023, and "Sunny Life Tachikawa" scheduled to be acquired in March 2023.

(Note 3)

DPU "before this Offering" is the forecasted DPU excluding one-time factors for the fiscal period ending July 31, 2023 (23rd fiscal period), assuming that no properties are acquired or disposed since September 2022, and assuming that this Offering and borrowings to acquire properties are not implemented.

(Note 4)

DPU "after this Offering" is the forecasted DPU excluding one-time factors for the fiscal period ending July 31, 2023 (23rd fiscal period), assuming that the newly acquired assets are acquired and KDX Residence Higashi-sakura II is disposed since September 2022, and assuming that this Offering and borrowings to acquire the assets are implemented.

(Note 5)

The "effect of property and city planning taxes and other taxes and other one-time factors" refers to a benefit resulting from the delay in the recognition of property taxes and city planning taxes, and other taxes (property and city planning taxes) as an expense from next year following the acquisition of a property, fluctuations in various fees caused by changes in total assets, fluctuations in Asset Management Fee III linked to the performance of investment unit prices, as well as fluctuations in Asset Management Fee II caused by changes in income due to these factors

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(Note 1)

A two-for-one investment unit split (the "Unit Split") was conducted with February 28, 2018 as the record date for the Unit Split and March 1, 2018 as the effective date. As a result, the distributions per unit before the Unit Split is divided by 2 to reflect the impact of the Unit Split. The same shall apply hereinafter.

(Note 2)

The internal reserve amount as of the end of the 22nd fiscal period is an estimated value as of the date of this document, assuming payments of the total distributions amount for the fiscal period ending January 31, 2023 (22nd fiscal period) have been completed. The actual amount may vary due to the financial conditions of KDR and other reasons.

(Note 3)

"RTA" is a reserve for temporary difference adjustment of internal reserves resulting from negative goodwill recorded due to the Merger (defined below). The basic policy is to reverse this reserve over a period of not more than 50 years (100 fiscal periods) and the policy is to reverse at least 1% of the initial amount of the RTA balance every fiscal period and allocate this amount to distributions.

(Note 4)

The "Merger" is a merger by absorption implemented as of March 1, 2018, with KDR as the acquiring corporation and the Japan Senior Living Investment Corporation as the absorbed corporation.

(Note 5)

Distributions of proceeds from disposition and reversal of internal reserves from the 22nd fiscal period ending January 2023 are as of the date of this document. The actual results or outcomes may differ from those discussed in this supplemental material.

(Note 6)

The mid-term goal is an objective formulated as of the fiscal period ending July 2021 to achieve DPU excluding one-time factors (stabilized DPU) of ¥ 4,300 until 2025. No guarantees or promises are given to achieve the mid-term goal as of the date of this document.

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