



Kenedix Residential NEXT Investment Corporation

Operational Status of the Investment Corporation

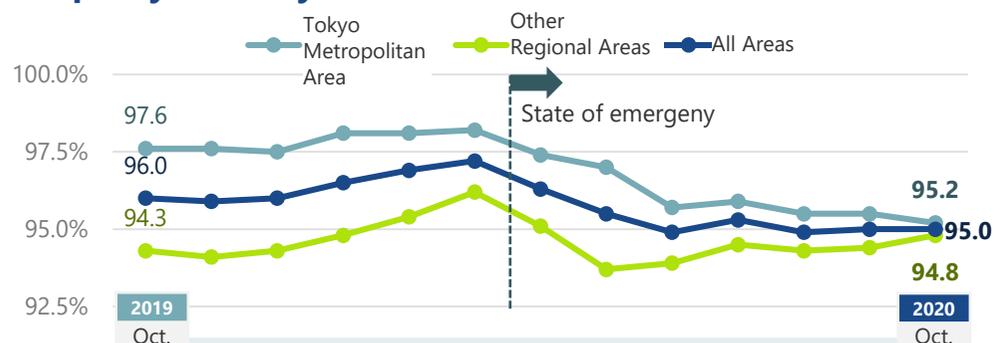
November 30, 2020

Operational Status of the Investment Corporation 1/2

Operational Status of Residential Facilities (1)

Since the state of emergency in April 2020, the occupancy rate has changed, but it has remained at a stable level.

Occupancy Rates by Area

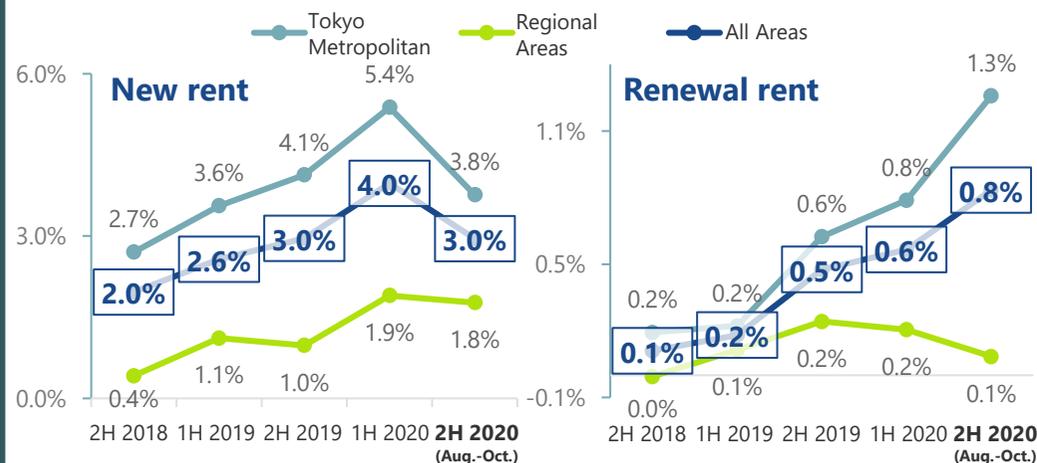


The occupancy rate of the Tokyo Metropolitan Area declines, on the other hand, Other Regional Area is currently rising. **The needs for residential facilities are becoming more diversified from concentration in urban area.**

*KDR acquired two newly built rental housing (KDX Residence Hatchobori and KDX Residence Nakaitabashi) on September 30, 2020, and the occupancy rate of September and October 2020 excluding these two properties.

New rent +3.0%, renewal rent +0.8% increase in Aug.- Oct. 2020

Percentage of Increase/Decline of rent



Residential Facilities

- The occupancy rate has been declining since the state of emergency in April, but the momentum is weakening, and **the needs for residential facilities are moving to diversify from the previous urban-concentrated.**
- New rents and renewal rents continue to increase**
- Acquired 4 rental housing properties** where can be expected rental demand by capturing changes in the market environment.

Summary of newly acquired assets

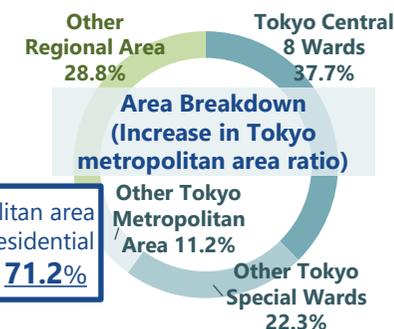
	KDX Residence Hatchobori	KDX Residence Nakaitabashi	KDX Residence Ichikawa	KDX Residence Shounandai
Location	Chuo-ku, Tokyo	Itabashi-ku, Tokyo	Ichikawa-shi, Chiba	Fujisawa-shi, Kanagawa
Rentable units	46	78	47	104
Acquisition price	¥3,000 mln	¥1,736 mln	¥840 mln	¥1,500 mln
Appraisal Value	¥3,530 mln	¥1,840 mln	¥908 mln	¥1,610 mln
NOI cap rate	4.7%	4.4%	4.7%	5.1%
Construction completion	September, 2020	June, 2020	February, 2010	April, 2004

Portfolio Breakdown (2)

(Investment ratio and AUM)

Residential Facilities
77.0%
(¥198.0 bl)

Metropolitan area ratio in residential facilities **71.2%**



Note1: The description regarding the operating status of tenants is based on the information obtained from the tenants by the Asset Management Company as of the date of this document. The same shall apply hereinafter.
Note2: Percentages use prices of properties which were acquired by November 2, 2020. The same shall apply hereinafter.

Operational Status of the Investment Corporation 2/2

Operational Status of Accommodations

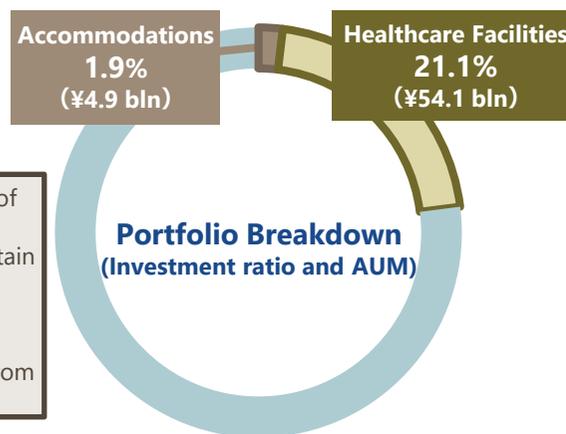
Accommodations

- Since April 2020, accommodation demand has decreased significantly, and the occupancy rate and ADR has decreased, but after the this worst period, **the occupancy rate recovered to the same level as the year-over-year**
- ADR continues to decline significantly, but it is in recovery trend recently.
- The ratio of the monthly rent of the hotel (as of the end of July 2020) is about 0.8% of the total, and this is quite small



Operator	LIVE MAX Inc.	
Type of contract	Ordinary traditional lease contract (100% Fixed rent)	
Contract period	20 years from 2018/10/31	20 years from 2018/11/30
Cancellation / Rent revision	Cancellation is not possible for 10 years from the contract start date / Rent cannot be changed for 5 years	

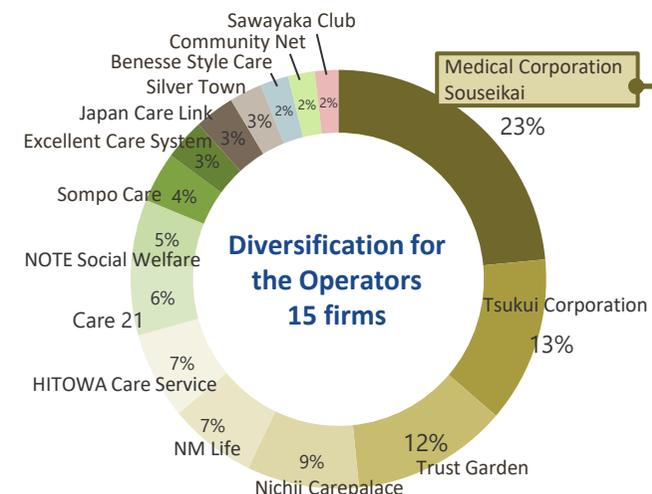
- Implementation of deferral of rent payment for a certain period
- Collection of reduced rent has already started (From November 2020)



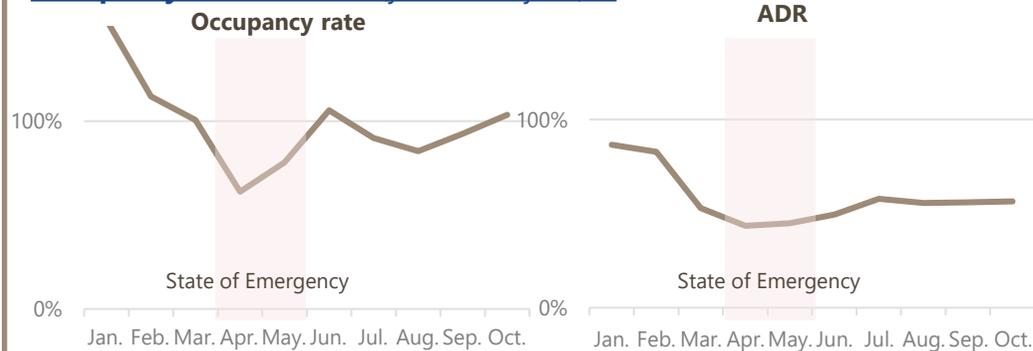
Operational Status of Healthcare Facilities

Healthcare Facilities

- Continue to operate facilities as usual at all facilities
- **Occupancy rate and Utilization rate are also stable**
- There are no revisions to the operating forecast as a result of the Petition for Conciliation of rent reductions by Souseikai Medical Corporation



Occupancy rate and ADR (year-over-year) ⁽¹⁾



Note1: Occupancy rate and ADR are the average of 2 properties

- Souseikai Medical Corporation, the lessee of the Investment Corporation's assets under management, "Anesis Teradacho," "Rococo-riha," "Orage Suma," "Canadian Hill," "Anesis Hyogo," and "Alute Ishiyagawa", filed a petition for conciliation of rent reductions (20% less than the current rent) relating to these six properties.
- The Investment Corporation believes that the rent associated with the six properties is an appropriate amount. It is our policy to assert this point in future conciliation procedures.
- Ratio of the Healthcare Facilities amount is about 21% for entire portfolio, of which about 23% is this operators' ratio. And 20% of that amount is a petition for rent reduction mediation. (21% x 23% x 20% ≒ less than 1%)

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