

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED October 31, 2023 (REIT)

(May 1, 2023 to October 31, 2023)

December 14, 2023

KDX Realty Investment Corporation (“KDXR”) is listed on the Tokyo Stock Exchange with the securities code number 8972.

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1. PERFORMANCE FOR THE FISCAL PERIOD ENDED October 31, 2023 (May 1, 2023 to October 31, 2023)

(1) Business Results

(Amounts are rounded down to the nearest million yen.)

(Percentages show period-on-period changes.)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
For the six months ended								
October 31, 2023	16,655	(3.7)	7,494	(8.1)	6,572	(8.8)	6,571	(8.8)
April 30, 2023	17,290	6.3	8,157	10.5	7,208	11.7	7,205	11.7

	Net Income per Unit	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
For the six months ended	Yen	%	%	%
October 31, 2023	3,872	2.8	1.4	39.5
April 30, 2023	4,246	3.1	1.5	41.7

Note: KDXR implemented a 2-on-1 split of investment units with October 31, 2023, as the record date of the split and November 1, 2023, as the effective date. Net income per unit is calculated based on the assumption that the split of the investment units was implemented at the beginning of the fiscal period ended April 30, 2023.

(2) Distributions

	Distributions per Unit (Excluding Excess of Earnings)	Total Distributions (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
For the six months ended	Yen	Millions of Yen	Yen	Millions of Yen	%	%
October 31, 2023	7,745	6,571	—	—	100.0	2.8
April 30, 2023	7,647	6,487	—	—	90.0	2.8

Note: Distributions per unit for the fiscal period ended April 30, 2023, are calculated by dividing the amount remaining after deducting the provision of reserve for reduction entry (718 million yen) from unappropriated retained earnings by the total number of investment units issued and outstanding. The main difference between distributions per unit and net income per unit is due to this calculation.

(3) Financial Position

	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit
For the six months ended	Millions of Yen	Millions of Yen	%	Yen
October 31, 2023	475,367	231,523	48.7	136,442
April 30, 2023	474,274	230,482	48.6	135,828

Note: Net assets per unit is calculated based on the assumption that the split of the investment units above was implemented at the beginning of the fiscal period ended April 30, 2023.

(4) Cash Flows

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at Period End
For the six months ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
October 31, 2023	8,419	227	(6,487)	39,492
April 30, 2023	13,464	(903)	(6,145)	37,333

2. FORECAST OF RESULTS FOR THE FISCAL PERIODS ENDING April 30, 2024 (November 1, 2023 to April 30, 2024) and October 31, 2024 (May 1, 2024 to October 31, 2024)

(Percentages show period-on-period changes.)

	Operating Revenues (Millions of Yen)		Operating Income (Millions of Yen)		Ordinary Income (Millions of Yen)		Net Income (Millions of Yen)		Distributions per Unit (Excluding Excess of Earnings)	Distributions in Excess of Earnings per Unit
		%		%		%		%	Yen	Yen
For the six months ending										
April 30, 2024	38,232	129.5	16,748	123.5	14,523	121.0	31,794	383.8	3,800	-
October 31, 2024	36,210	(5.3)	17,177	2.6	14,976	3.1	14,976	(52.9)	3,800	-

(Reference) Estimated net income per unit for the fiscal period ending April 30, 2024:	7,674 yen
Forecasted total number of investment units issued and outstanding as of April 30, 2024:	4,142,897 units
Forecasted average number of investment units during the fiscal period ending April 30, 2024:	4,142,897 units
Estimated net income per unit for the fiscal period ending October 31, 2024:	3,615 yen
Forecasted total number of investment units issued and outstanding as of October 31, 2024:	4,142,897 units
Forecasted average number of investment units during the fiscal period ending October 31, 2024:	4,142,897 units

Note: The distribution amount per unit (excluding distributions in excess of earnings) differs from the forecasted net income per unit as it is assumed that the amount excluding gain on negative goodwill will be distributed in the fiscal period ending April 30, 2024 and that the reversal amount of internal reserves (reserve for adjustment of temporary differences, profit brought forward from the previous period, and reserve for reduction entry) will be allocated to distributions in the fiscal period ending October 31, 2024.

*Others

(1) Changes in Accounting Policies, Changes in Accounting Estimate, Retrospective Restatement

- (a) Changes concerning accounting policy accompanying amendments to accounting standards: None
- (b) Changes other than (a): None
- (c) Changes in accounting estimate: None
- (d) Retrospective restatement: None

(2) Total Number of Investment Units Issued and Outstanding

- (a) Total number of investment units issued and outstanding at period end (including own investment units)
 - As of October 31, 2023: 848,430 units
 - As of April 30, 2023: 848,430 units
- (b) Number of own investment units at period end
 - As of October 31, 2023: 0 units
 - As of April 30, 2023: 0 units

Note: Please refer to “Notes on Information per Unit” on page 30 for the number of investment units as the base of the calculation of net income per unit.

* This financial report is not subject to audit by certified public accountants or audit corporations.

* Remarks on appropriate use of forecasts of performance and other special notes

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to KDXR and on certain assumptions KDXR deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The above-mentioned forecasts are based on “Assumptions for the Earnings Forecasts for the Fiscal Periods Ending April 30, 2024 and October 31, 2024” on page 9 for calculation, and our judgment as of December 14, 2023. Actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount

This notice is an English-language translation of the original Japanese announcement on our website released on December 14, 2023. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

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1. Status of Asset Management

(1) Status of Asset Management

① Operating Conditions for the Fiscal Period under Review

A. Transition of KDXR

KDX Realty Investment Corporation (former trade name: Kenedix Office Investment Corporation) has conducted an absorption type merger (“the Merger”), whereby KDXR as the surviving corporation, and Kenedix Residential Next Investment Corporation (“KDR”) and Kenedix Retail REIT Investment Corporation (“KRR”) as the absorbed corporations on November 1, 2023, and changed its name to KDX Realty Investment Corporation. For the details, please refer to “② Outlook for Next Fiscal Period D. Important Subsequent Events after the Closing Date (a) The Merger by and among KDXR, KDR and KRR”.

KDXR was established on May 6, 2005, in accordance with the Act on Investment Trusts and Investment Corporations (Act No. 198 of the year 1951, including amendments thereafter) (“Investment Trust Act”). On July 21, 2005, KDXR was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange, Inc. (“the Tokyo Stock Exchange”) with a total of 75,400 investment units issued and outstanding (Securities Code: 8972). Subsequently, KDXR raised funds through public offerings and acquired own investment units, and as a result, as of the end of the fiscal period under review (October 31, 2023), the number of investment units issued and outstanding totaled 848,430 units.

KDXR entrusts Kenedix Real Estate Fund Management, Inc. (“the Asset Management Company”) with its asset management and strives to maximize unitholder profits by securing stable earnings and sustainable growth of investment assets. To this end, KDXR adopts the basic policy of conducting flexible and dynamic investment that seeks to respond to the environment and market trends, endeavors to ensure a timely response to opportunities, and form a portfolio.

B. Investment Environment and Management Performance

(a) Investment Environment

During the fiscal period under review (fiscal period ended October 31, 2023), the Japanese economy saw a positive turn in the growth rate of real GDP. Despite high commodity prices, personal consumption remained strong and inbound demand is also expected to recover. It was reconfirmed that the economy supported by accommodative fiscal and monetary policies is maintaining a gradual recovery trend. On the other hand, it is necessary to pay attention to the future financial and interest rate trends such as trends in the U.S. and European financial systems, which remain uneasy due to the occurrence of events such as the bankruptcy of U.S. regional banks and the relief merger of European financial institutions, and the Bank of Japan’s monetary policy.

In terms of office leasing market, both average vacancy rate and average rent (including newly built office buildings) in Tokyo’s five central wards remained generally flat according to the data announced by Miki Shoji Co., Ltd. The slight decrease in vacancy rate was attributable to the progress in the conclusion of contracts for buildings completed within the past one year as well as the conclusion of contracts including large relocations for office expansion and floor expansion within the same building despite large vacancies available in existing buildings. Movements of tenants among Japanese companies also continue to be seen.

	April 2023	October 2023	Change
Average Vacancy Rate	6.11%	6.10%	(0.01%)
Average Rent	19,896 yen	19,741 yen	(155 yen)

Even in other major cities across Japan, the rise in average vacancy rate slowed down and both average vacancy rate and average rent remained generally flat with some exceptions.

In the office building transaction market, the amount of sales information of prime mid-sized office buildings remains small, and investors are concentrating on limited sales deals. Therefore, cap rates remain at low levels. As the investment appetite of domestic and overseas investors is generally strong and property transactions by real estate companies and other domestic and overseas investors as well as J-REITs and private REITs have continued to be conducted, no significant change has been seen in the willingness to invest in office buildings.

(b) Management Performance

KDXR did not acquire or sell any new assets during the fiscal period under review.

The overview of the portfolio at the end of the fiscal period under review (excluding the TK interest (Note 1)) is as follows.

	End of Previous Fiscal Period	End of Fiscal Period Under Review	Change
Number of Properties	97	97	±0
Total Acquisition Price (Millions of Yen)	453,316	453,316	±0
Number of End Tenants in Office Buildings (Note 2) (Note 3)	1,208	1,216	+8

Percentage by Use (Acquisition Price Basis)

	End of Previous Fiscal Period	End of Fiscal Period Under Review	Change
Office Buildings	99.4%	99.4%	±0.0%
Others	0.6%	0.6%	±0.0%

Occupancy Rate of Office Buildings

	End of Previous Fiscal Period	End of Fiscal Period Under Review	Change
Office Building Portfolio	98.4%	98.2%	(0.2%)
Tokyo's Five Central Wards	99.2%	98.1%	(1.1%)
Other Tokyo Metropolitan Areas	97.8%	98.1%	+0.3%
Regional Areas	98.0%	98.3%	+0.3%

Note 1: The initial investment amount for the TK interest is 553 million yen.

Note 2: When a tenant is leasing more than one property, it is counted as one tenant and the number of tenants is indicated accordingly.

Note 3: The number of end tenants for the entire portfolio is 1,217 as of the end of the fiscal period under review.

C. Financing

(a) Borrowings and Investment Corporation Bonds

During the fiscal period under review, KDXR undertook borrowings of 9,800 million yen for repayment of borrowings of the same amount that matured during the fiscal period.

The balance of interest-bearing debt at the end of the fiscal period under review is as follows.

Total borrowings	201,950 million yen
Short-term borrowings (Note 1)	2,000 million yen
Long-term borrowings (Note 1)	199,950 million yen
Investment corporation bonds	13,000 million yen
Balance of interest-bearing debt	214,950 million yen

Furthermore, interest rates for 107,050 million yen of long-term borrowings with floating interest rates have been practically fixed by utilizing interest rate swaps in order to hedge risk of rise in interest rates. As a result, the balance of long-term borrowings with fixed interest rates including 86,100 million yen of long-term borrowings with fixed interest rates was 193,150 million yen at the end of the fiscal period under review.

Long-term debt ratio (Note 2)	99.1%
Long-term fixed interest debt ratio (Note 3)	95.9%
Average remaining term of interest-bearing debt (Note 4)	3.3 years
Average interest rate of interest-bearing debt (Note 4)	0.82%
Interest-bearing debt ratio (Note 5)	45.2%

Note 1: Short-term borrowings refer to borrowings with a period of less than or equal to one year from the drawdown date to the repayment date. However, the borrowings whose period until repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day and for which the repayment date has been moved to the following business day are included in short-term borrowings. Long-term borrowings refer to borrowings with a period of more than one year from the drawdown date to the repayment date. The same applies below.

Note 2: Long-term debt ratio = (Balance of long-term borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) × 100

Long-term debt ratio is rounded to the first decimal place.

Note 3: Long-term fixed interest debt ratio = (Balance of long-term fixed interest rate borrowings + Balance of investment corporation bonds) / (Total borrowings + Balance of investment corporation bonds) × 100

The balance of long-term fixed interest rate borrowings includes long-term borrowings with floating interest rates effectively fixed by utilizing interest-rate swap agreements. Long-term fixed interest debt ratio is rounded to the first decimal place.

Note 4: Average remaining terms and average interest rates are the weighted average of the period-end remaining terms and interest rates including annual upfront fees based on the balance of interest-bearing debt. Average remaining terms are rounded to the first decimal place and average interest rates are rounded to the second decimal place, respectively.

Note 5: Interest-bearing debt ratio = Balance of interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period × 100
Interest-bearing debt ratio is rounded to the first decimal place.

(b) Credit Rating

The status of the credit ratings as of the end of fiscal period under review (October 31, 2023) is as follows:

Credit Rating Agency	Details of the Ratings	
Japan Credit Rating Agency, Ltd. (JCR)	Long-term Issuer Rating	AA (Outlook: Stable)
	Ratings on Bonds	AA

(c) Shelf Registration

KDXR filed a shelf registration statement for investment corporation bonds (excluding short-term investment corporation bonds) on November 30, 2022. Details are as follows.

Planned Issue Amount	100,000 million yen
Planned Issuance Period	December 8, 2022, to December 7, 2024
Use of Funds	Acquisition funds for specified assets described in Article 2-1 of Investment Trust Act, repayment of borrowings, redemption of investment corporation bonds (including short-term investment corporation bonds), refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital.

D. Operating Results and Cash Distributions

As a result of the aforementioned management performance, KDXR reported operating revenues of 16,655 million yen, operating income of 7,494 million yen, ordinary income of 6,572 million yen and net income of 6,571 million yen for the fiscal period under review (fiscal period ended October 31, 2023).

Concerning the cash distributions for the fiscal period under review, special taxation measures for investment corporations (Article 67-15 of the Act on Special Measures Concerning Taxation (Act No. 26 of the year 1957, including amendments thereafter; “the Special Taxation Measures Act”)) are applied based on the cash distribution policies stipulated in the Articles of Incorporation. Following this policy, KDXR distributed 6,571,090,350 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (848,430 units) in an amount not exceeding unappropriated retained earnings. As a result, distributions per unit is 7,745 yen.

② Outlook for Next Fiscal Period

A. External Growth Strategy

(a) Investment Criteria

KDXR invests in office buildings, residential properties, retail facilities, healthcare facilities, logistics facilities, hotels and various other types of real estate without limiting the use under the policy of capturing the trend and investing timely in a flexible and dynamic manner.

(b) Use of Sponsor Support

When acquiring assets, KDXR will aim for sound and stable growth of the portfolio by securing continuous opportunities for acquiring properties and flexible acquisition methods through multiple pipelines by utilizing the networks of the Asset Management Company and the support line of the Kenedix Group (Note) centering on Kenedix, Inc., a parent company of the Asset Management Company, Sumitomo Mitsui Finance and Leasing Co., Ltd. and SMFL MIRAI Partners Co., Ltd. as well as the supports from JYUKYO Holdings Co., Ltd., JINUSHI Co., Ltd. and P&D Consulting Co., Ltd. Furthermore, based on the premise that KDXR can obtain opportunities for property acquisitions in the future, KDXR may invest in TK interest, with co-investment from the Kenedix Group or others. In addition, KDXR seeks to diversify acquisition methods (direct acquisition, equity investment and co-acquisition with the Kenedix Group, mutual transaction with a view of asset reshuffle) to secure tactful acquisition of properties such as investments in warehousing-related TK, in cooperation with the Kenedix Group with consideration to the timing of funding or the consistency of the investment principles.

Note: Kenedix Group refers to the company group consisting of Kenedix, Inc. and its subsidiaries, related companies. The same applies below.

B. Internal Growth Strategy

KDXR adopts timely and flexible leasing activities, taking into consideration economic and real estate market trends. Accordingly, KDXR seeks to aim to maintain/increase cash flow by offering building environments with high tenant satisfaction.

From this perspective, the Asset Management Company undertakes asset management activities as follows:

- Take measures to maintain and raise competitiveness of properties
- Tailor leasing management according to the market environment
- Apply careful control of management and operating costs by taking advantage of portfolio size
- Ensure appropriate response to relevant laws and regulations
- Develop a proactive response to environmental issues

C. Financial Strategy

KDXR continuously strives to improve the terms and conditions of existing borrowings, and aims for stable financial management by taking the following measures.

- Reduce refinance risks by diversifying maturities of interest-bearing debts
- Maintain the procurement ratio of long-term fixed interest borrowings above a certain level
- Control the interest-bearing debt ratio (Note) in a conservative manner (KDXR will aim to keep the interest-bearing debt ratio to total assets (LTV) at around 45% level as a rule. However, it will also remain open to the option of increasing LTV to the upper 40% level in the event of debt financing conducted for the purpose of acquiring competitive properties or otherwise.)

Moreover, KDXR will undertake stable fund procurement based on existing favorable relations with financial institutions, especially major banks, aiming for more robust financial management. In addition, KDXR aspires to pay attention to the share of each bank and consider as appropriate the introduction of transactions with new banks based on comparison with the conditions with currently transacting banks.

Note: Interest-bearing debt ratio = Balance of interest-bearing debt at the end of fiscal period / Total assets at the end of fiscal period × 100

D. Important Subsequent Events after the Period End

(a) The Merger by and among KDXR, KDR and KRR

KDXR has conducted the Merger on November 1, 2023 as the effective date, whereby KDXR was the surviving Corporation and KDR and KRR were the dissolving corporations. It has changed its name to KDX Realty Investment Corporation from Kenedix Office Investment Corporation on the same day.

i. Purpose of the Merger

The Merger was conducted in order to respond flexibly to environmental changes and attain continued growth as the REITs found that the Merger will contribute to maximize unitholders' value by leading to the continued growth by expanding investment target sectors, improving their presence and stability in the market by increasing the sizes of their assets, and enabling more commitment for sustainability.

ii. Form of the Merger

KDXR was the surviving corporation under an absorption-type merger and KDR and KRR were dissolved in the Merger.

iii. Allocation ratio

KDXR split the investment units at a ratio of two investment units per one investment unit ("the Split of Investment Units") on November 1, 2023 as the effective date, for the purpose of providing at least one KDXR's investment unit to all unitholders of KDR and KRR as of October 31, 2023 as the record date. As a result of the Split of Investment Units, KDR unitholders were allotted 1.34 KDXR's investment units after the Split of Investment Units against each KDR investment unit, and KRR unitholders were allotted 1.68 KDXR's investment units after the Split of Investment Units against each KRR investment unit.

iv. Delivery of Payment upon the Merger

In addition to the above mentioned investment units, KDXR intends to pay unitholders of KDR and KRR (the unitholders stated or recorded in the final unitholders' registers of KDR and KRR on the day before the effective date of the Merger (excluding Each REIT and unitholders of KDR and KRR who has demanded the purchase of their investment units pursuant to Article 149-3 of the Investment Trusts Act (excluding those who have withdrawn such demand for purchase) (hereinafter referred to as the "Unitholders Subject to Allocation")), in lieu of cash distributions (distributions of profits) for the last fiscal period of KDR and KRR which ends the day before the effective date of the Merger, the Payment upon the Merger in the form of cash distributions based on distributable income of KDR and KRR for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of distributable income of KDR and KRR on the date before the effective date of the Merger by the number of issued investment units of KDR and KRR on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The Payment upon the Merger will be paid in mid-January 2024.

v. Total amount of Unitholders' Capital

The amount of unitholders' capital and unitholders' surplus increased as a result of the Merger are as follows.

Unitholders' capital: 0 yen

Unitholders' surplus: The amount obtained by subtracting the above unitholders' capital from the amount of changes in unitholders' capital as provided in Article 22, Paragraph 1 of the "Regulations Concerning Calculation of KDXR" (Cabinet Office Ordinance No. 47 of 2006, including subsequent amendments).

(b) Split of Investment Units

KDXR implemented a 2-on-1 split of the investment units with October 31, 2023, as the record date of the split and November 1, 2023, as the effective date.

i. Purpose of Split of Investment Units

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

ii. Method of Split of Investment Units

KDXR implemented a 2-on-1 split of the investment units held by unitholders of KDXR stated or recorded on the registry of unitholders as of October 31, 2023.

iii. Number of Investment Units Increased by the Split of Investment Units

- 1) Total number of KDXR's investment units issued and outstanding 848,430 units before the Split of Investment Units:
- 2) Number of investment units increased through the Split of 848,430 units Investment Units:
- 3) Total number of KDXR's investment units issued and outstanding 1,696,860 units after the Split of Investment Units:
- 4) Total number of KDXR's investment units issued and outstanding 4,142,897 units (Note 1) after the Merger:
- 5) Total number of authorized investment units after the Split of 20,000,000 units (Note 2) Investment Units and the Merger:

Note 1: As a result of the Merger, each KDR investment unit was allotted 1.34 KDXR's investment units after the Split of Investment Units for all of KDR's issued investment units (1,070,433 units), and each KRR investment unit was allotted 1.68 KDXR's investment units after the Split of Investment Units for all of KRR's issued investment units (602,177 units).

Note 2: In connection with the Split of Investment Units, the Articles of Incorporation of KDXR were partially amended and the total number of authorized investment units was changed as of the effective date of the Merger.

(c) Acquisition of Properties

KDXR acquired the following properties on November 1, 2023.

Property Name	Type of Property	Location	Acquisition Price (Millions of Yen) (Note 1)	Appraisal Value (Millions of Yen) (Note 2)	Contract Date	Acquisition Date	Seller
River City 21 East Towers II (25% quasi co-ownership interest)	Trust beneficiary interest	Chuo-ku, Tokyo	9,232	10,775	June 13, 2023	November 1, 2023	KST5 Co., Ltd
Akishima Distribution Center (Land)	Trust beneficiary interest	Akishima, Tokyo	1,872	2,320	June 13, 2023	November 1, 2023	SMFL MIRAI Partners Company, Limited
remm roppongi building (20% quasi co-ownership interest)	Trust beneficiary interest	Minato-ku, Tokyo	3,960	4,060	June 13, 2023	November 1, 2023	G.K. RRB

Note 1: The amount is excluding acquisition costs, settlement of property tax and city planning tax or consumption tax.

Note 2: Appraisal report is as of October 31, 2023.

(d) Disposition of Properties

KDXR disposed of the following properties as of November 1, 2023.

Property Name	Type of Property	Location	Disposition Price (Millions of Yen) (Note 1)	Appraisal Value (Millions of Yen) (Note 2)	Contract Date	Disposition Date	Buyer
Harajuku F.F. Building	Trust beneficiary interest	Shibuya-ku, Tokyo	3,880	3,880	June 13, 2023	November 1, 2023	GK KRF 104
KDX Nagoya Sakae Building	Trust beneficiary interest	Nagoya, Aichi	6,050	5,740	June 13, 2023	November 1, 2023	GK BST 1

Note 1: The amount is excluding acquisition costs, settlement of property tax and city planning tax or consumption tax.

Note 2: Appraisal report is as of October 31, 2023.

(2) Investment Risks

Following risks are added to the “Investment Risks” as described in the latest Securities Report submitted on July 28, 2023.

A. Risks Related to the Types of Investment Assets

As a result of the Merger with KDR and KRR, KDXR has decided to invest in and own assets for various uses, such as residential properties, residential properties with operators, healthcare facilities, hotels, shopping centers for daily needs, and logistics facilities, in addition to office buildings. Each asset has risks inherent in each use, for example, residential properties tend to be affected by population and household trends, economic trends, while shopping centers tend to be affected by overall consumer spending trends and trends in the retail industry, competition within the trade area of the relevant retail properties, population trends and others. Therefore, these inherent risk factors related to the use of investment assets may have an adverse effect on KDXR’s earnings and distributions.

B. Risks Concerning Negative Goodwill

KDXR has gained negative goodwill due to the Merger with KDR and KRR, however, the interpretation, operation or treatment concerning the accounting treatment of negative goodwill or the treatment of surplus may be changed. In this case, there is a possibility that the amount of gain on negative goodwill may change, or the utilization of surplus may become difficult, which may have an adverse impact on KDXR’s earnings and distributions.

(3) Outlook

Forecast for the fiscal periods ending April 30, 2024 (November 1, 2023 to April 30, 2024) and October 31, 2024 (May 1, 2024 to October 31, 2024) are as follows.

Fiscal period ending April 30, 2024 (November 1, 2023 to April 30, 2024)

Operating Revenues	38,232 million yen
Operating Income	16,748 million yen
Ordinary Income	14,523 million yen
Net Income	31,794 million yen
Distributions per Unit	3,800 yen
Excess of Earnings	- yen

Fiscal period ending October 31, 2024 (May 1, 2024 to October 31, 2024)

Operating Revenues	36,210 million yen
Operating Income	17,177 million yen
Ordinary Income	14,976 million yen
Net Income	14,976 million yen
Distributions per Unit	3,800 yen
Excess of Earnings	- yen

Please refer to “Assumptions for the Earnings Forecasts for the Fiscal Periods Ending April 30, 2024 and October 31, 2024.”

Note: Forecast figures above are calculated based on certain assumptions. Readers are advised that actual net income and distributions per unit may differ significantly from forecasts due to a variety of reasons. Accordingly, KDXR does not guarantee payment of the forecast distributions per unit.

Assumptions for the Earnings Forecasts for the Fiscal Periods Ending April 30, 2024 and October 31, 2024

Item	Assumptions
Calculation Period	<ul style="list-style-type: none"> ● Fiscal period ending April 30, 2024 (November 1, 2023 to April 30, 2024) (182 days) ● Fiscal period ending October 31, 2024 (May 1, 2024 to October 31, 2024) (184 days)
Property Portfolio	<ul style="list-style-type: none"> ● It is assumed that KDXR owns 350 properties that are composed of real estate and trust beneficiary interest in real estate as of the date of this document. It is assumed that there will be no changes of assets in the property portfolio by the end of the fiscal period ending October 31, 2024. ● KDXR also holds the TK equity other than above, but it is assumed that G.K. KRF43 Silent Partnership Equity Interest will be sold as described in the “Notice Concerning Sale of Investment Asset (Silent Partnership Equity Interest)” announced on April 20, 2023. ● The actual results may fluctuate due to changes in the property portfolio.
Operating Revenues	<ul style="list-style-type: none"> ● Rent revenues are estimated based on the information related conclusion or cancellation of leasing contract of the properties which KDXR owns, and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as the recent real estate market conditions. ● It is estimated that gain on sale of real estate of 1,505 million yen for the fiscal period ending April 30, 2024 will be recorded from the sale of Harajuku F.F. Building and KDX Nagoya Sakae Building on November 1, 2023. ● Dividends received of 6 million yen for the fiscal period ending April 30, 2024 have been assumed with regard to the TK equity stated in the above “Property Portfolio.” ● Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants. ● With the sale of G.K. KRF43 Silent Partnership Equity Interest (50% equity interest) on December 20, 2023, 548 million yen is expected to be recorded as gain on sale of securities in the fiscal period ending April 30, 2024.
Operating Expenses	<ul style="list-style-type: none"> ● Expenses related to rental business other than depreciation are based on the historic expenses, adjusted to reflect expense variables including seasonal factors. ● An amount of 2,866 million yen for the fiscal period ending April 30, 2024, and 2,839 million yen for the fiscal period ending October 31, 2024, has been assumed for property and facility management fees (property management and building maintenance fees.). ● An amount of 2,920 million yen for the fiscal period ending April 30, 2024, and 3,029 million yen for the fiscal period ending October 31, 2024, has been assumed for taxes and public dues (property tax and city-planning tax.). ● An amount of 4,683 million yen for the fiscal period ending April 30, 2024, and 4,736 million yen for the fiscal period ending October 31, 2024, has been assumed for depreciation expense. ● An amount of 1,036 million yen for the fiscal period ending April 30, 2024, and 949 million yen for the fiscal period ending October 31, 2024, has been assumed for repairs, maintenance and renovation expenses. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the Asset Management Company for each property and considered essential for the period. Actual repairs, maintenance and renovation expenses for the fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies. ● In general, property tax and city planning tax are allocated to the seller and buyer on a pro rata basis at the time of acquisition settlement. In the case of KDXR, an amount equivalent to the portion allocated to the purchaser is included in the acquisition cost of the property. ● As temporary expenses related to the Merger, it is estimated that 2,900 million yen in merger fees out of the asset management fee and 466 million yen in merger-related expenses for the fiscal period ending April 30, 2024.
Non-Operating Expenses	<ul style="list-style-type: none"> ● Interest payable (including financing related expenses) of 2,218 million yen for the fiscal period ending April 30, 2024 and 2,195 million yen for the fiscal period ending October 31, 2024.
Extraordinary Profit / Loss	<ul style="list-style-type: none"> ● The amount to be recorded as gain on negative goodwill through the Merger is estimated to be 17,271 million yen. It will be recorded in a lump sum as extraordinary income in the fiscal period ending April 30, 2024 in accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 2, last revised on January 16, 1991) (hereinafter referred to as “ASBJ Statement”). These amounts are estimates based on the following assumptions under the Accounting Standards for Business Combinations: total assets of KDR (the acquiree) of 420,806 million yen, total liabilities assumed of 179,441 million yen, and acquisition cost of the Merger of 226,058 million yen; and total assets of KRR of 316,041 million yen, total liabilities assumed of 154,640 million yen, and acquisition cost of the Merger of 159,437 million yen (estimates using the closing price of the investment units of KDXR, the acquiring company that will serve as consideration for the

Item	Assumptions
	acquisition, as of October 31, 2023, which is 157,600 yen). As the gain on negative goodwill as of the effective date of the Merger has not yet been determined, the amount may change from the above amount.
Borrowings and Investment Corporation Bonds	<ul style="list-style-type: none"> ● The balance of the borrowings and investment corporation bonds as of December 14, 2023 is 486,370 million yen and 29,700 million yen, respectively. ● Of the borrowings as of December 14, 2023, a total of 31,900 million yen in borrowings is due for repayment during the fiscal period ending April 30, 2024, and a total of 32,360 million yen is due for repayment during the fiscal period ending October 31, 2024. However, it is assumed that all borrowings will be refinanced. ● Of investment corporation bonds as of December 14, 2023, 4,000 million yen of investment corporation bonds will mature by the end of the fiscal period ending October 31, 2024. However, it is assumed that all investment corporation bonds will be redeemed with the funds procured through the issuance of investment corporation bonds or borrowings.
Total Number of Investment Units Issued and Outstanding	<ul style="list-style-type: none"> ● The total number of investment units issued and outstanding is assumed to be 4,142,897 units, which is the total number of investment units issued and outstanding as of November 1, 2023. ● It is assumed that there will be no change until the end of the fiscal period ending October 31, 2024.
Distributions per Unit	<ul style="list-style-type: none"> ● Distributions per unit are calculated in accordance with the Cash Distribution Policies outlined in KDXR's Articles of Incorporation. ● It is assumed that an amount of 16,600 million yen to be transferred to the reserve for adjustment of temporary differences out of the 17,271 million yen of gain on negative goodwill will be deducted from net income, and the amount of the reversal of the reserve for reduction entry of 550 million yen will be added to the distributions for the fiscal period ending April 30, 2024. The amount of gain on negative goodwill and the amount of reversal of reserve for reduction entry may change depending on operating conditions and other factors. ● It is assumed that an amount equal to net income plus the sum of the reversal amount of the reserve for adjustment for temporary differences, retained earnings, and the reversal amount of the reserve for reduction entry of 767 million yen will be distributed for the fiscal period ending October 31, 2024. ● Actual distributions per unit may differ significantly from forecast figures due to a variety of reasons including changes in investment assets, rental revenues impacted by tenant turnover or incidence of major unforeseen renovation expense.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> ● KDXR does not currently anticipate distributions in excess of earnings.
Other	<ul style="list-style-type: none"> ● Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures. ● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

2. Financial Statements

(1) Balance Sheets

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (As of April 30, 2023)	Fiscal Period Ended October 31, 2023 (As of October 31, 2023)
Assets		
Current assets		
Cash and deposits	26,871,012	28,936,646
Cash and deposits in trust	11,636,598	11,732,485
Accounts receivable-trade	352,851	377,718
Prepaid expenses	74,513	111,450
Other	9,398	9,891
Total current assets	38,944,374	41,168,191
Noncurrent assets		
Property, plant and equipment		
Buildings	17,314,188	17,389,133
Accumulated depreciation	(7,122,069)	(7,409,909)
Buildings, net	10,192,119	9,979,223
Structures	39,836	44,486
Accumulated depreciation	(23,007)	(24,076)
Structures, net	16,828	20,409
Machinery and equipment	463,508	466,277
Accumulated depreciation	(348,262)	(361,477)
Machinery and equipment, net	115,245	104,799
Tools, furniture and fixtures	102,389	102,389
Accumulated depreciation	(84,747)	(87,502)
Tools, furniture and fixtures, net	17,642	14,887
Land	27,918,010	27,918,010
Buildings in trust	131,523,808 *2	132,515,045 *2
Accumulated depreciation	(44,709,397)	(46,869,269)
Buildings in trust, net	86,814,411	85,645,775
Structures in trust	435,544	464,113
Accumulated depreciation	(248,540)	(260,040)
Structures in trust, net	187,004	204,072
Machinery and equipment in trust	2,245,231	2,284,739
Accumulated depreciation	(1,105,353)	(1,171,285)
Machinery and equipment in trust, net	1,139,878	1,113,453
Tools, furniture and fixtures in trust	766,142	779,059
Accumulated depreciation	(484,568)	(510,908)
Tools, furniture and fixtures in trust, net	281,574	268,150
Land in trust	305,091,543	305,091,543
Total property, plant and equipment	431,774,258	430,360,327
Intangible assets		
Land leasehold	285,257	285,257
Land leasehold in trust	344,554	343,780
Other	39	21
Total intangible assets	629,852	629,059
Investments and other assets		
Investment securities	1,136,228	571,371
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	122,889	122,889
Long-term prepaid expenses	932,240	836,463
Other	678,437	1,631,344

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (As of April 30, 2023)	Fiscal Period Ended October 31, 2023 (As of October 31, 2023)
Total investments and other assets	2,879,795	3,172,069
Total noncurrent assets	435,283,905	434,161,456
Deferred assets		
Investment corporation bond issuance costs	45,754	38,035
Total deferred assets	45,754	38,035
Total assets	474,274,035	475,367,684
Liabilities		
Current Liabilities		
Accounts payable	1,527,774	2,091,636
Short-term loans payable	300,000	2,000,000
Current portion of investment corporation bonds	2,000,000	4,000,000
Current portion of long-term loans payable	19,700,000	25,600,000
Accounts payable-other	801,842	650,552
Accrued expenses	106,022	102,677
Income taxes payable	1,509	782
Accrued consumption taxes	437,597	294,586
Advances received	2,874,538	2,722,980
Deposits received	16,180	75,893
Others	566	610
Total current liabilities	27,766,031	37,539,719
Noncurrent liabilities		
Investment corporation bonds	11,000,000	9,000,000
Long-term loans payable	181,950,000	174,350,000
Tenant leasehold and security deposits	2,196,875	2,225,381
Tenant leasehold and security deposits in trust	20,875,109	20,729,239
Other	3,548	-
Total noncurrent liabilities	216,025,533	206,304,621
Total liabilities	243,791,565	243,844,341
Net assets		
Unitholders' equity		
Unitholders' capital	220,970,508	220,970,508
Deduction from unitholders' capital	(2,999,551) *4	(2,999,551) *4
Unitholders' capital, net	217,970,957	217,970,957
Surplus		
Voluntary reserve		
Reserve for reduction entry	4,630,856	5,348,917
Total voluntary reserve	4,630,856	5,348,917
Unappropriated retained earnings (undisposed loss)	7,206,005	6,571,336
Total surplus	11,836,861	11,920,254
Total unitholders' equity	229,807,819	229,891,211
Valuation and translation adjustments		
Deferred gains or losses on hedges	674,650	1,632,131
Total valuation and translation adjustments	674,650	1,632,131
Total net assets	230,482,469 *1	231,523,343 *1
Total liabilities and net assets	474,274,035	475,367,684

(2) Statements of Income

	(Thousands of Yen)	
	Fiscal Period Ended April 30, 2023 November 1, 2022 to April 30, 2023	Fiscal Period Ended October 31, 2023 May 1, 2023 to October 31, 2023
Operating revenues		
Rental revenues	13,896,892 *1	13,942,073 *1
Other rental revenues	2,176,002 *1	2,118,858 *1
Gain on sales of real estate, etc.	1,168,433 *2	-
Profit and loss on buying and selling of securities and other	-	548,130
Dividends income	49,385	46,541
Total operating revenue	<u>17,290,713</u>	<u>16,655,603</u>
Operating expenses		
Property related expenses	7,793,647 *1	7,878,787 *1
Asset management fees	1,117,455	993,342
Directors' compensation	6,300	6,300
Asset custody fees	24,075	24,106
Administrative service fees	61,419	60,778
Audit fees	13,200	13,200
Merger-related expenses	-	96,891
Other operating expenses	116,749	87,820
Total operating expenses	<u>9,132,847</u>	<u>9,161,227</u>
Operating income	<u>8,157,866</u>	<u>7,494,376</u>
Non-operating income		
Interest income	45	45
Dividends and redemption-prescription	271	264
Interest on refund	2	2
Total non-operating income	<u>319</u>	<u>311</u>
Non-operating expenses		
Interest expenses	725,038	735,897
Interest expenses on investment corporation bonds	35,691	36,209
Borrowing related expenses	131,494	132,661
Amortization of investment corporation bond issuance costs	7,592	7,718
Other	49,566	9,514
Total non-operating expenses	<u>949,384</u>	<u>922,000</u>
Ordinary income	<u>7,208,802</u>	<u>6,572,687</u>
Income before income taxes	<u>7,208,802</u>	<u>6,572,687</u>
Income taxes-current	3,154	1,201
Income taxes-deferred	(140)	148
Total income taxes	<u>3,014</u>	<u>1,350</u>
Net income	<u>7,205,788</u>	<u>6,571,336</u>
Retained earnings brought forward	217	-
Unappropriated retained earnings (undisposed loss)	<u>7,206,005</u>	<u>6,571,336</u>

(3) Statements of Unitholders' Equity

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)

(Thousands of Yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus
				Reserve for reduction entry	Total voluntary reserve		
Balance at beginning of period	220,970,508	(2,999,551)	217,970,957	4,326,003	4,326,003	6,451,096	10,777,100
Changes during the period							
Provision of reserve for reduction entry				304,852	304,852	(304,852)	-
Distribution from surplus						(6,146,026)	(6,146,026)
Net income						7,205,788	7,205,788
Items other than unitholders' equity, net							
Total changes during the period	-	-	-	304,852	304,852	754,908	1,059,761
Balance at end of period	*1 220,970,508	(2,999,551)	217,970,957	4,630,856	4,630,856	7,206,005	11,836,861

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	228,748,057	814,256	814,256	229,562,314
Changes during the period				
Provision of reserve for reduction entry	-			-
Distribution from surplus	(6,146,026)			(6,146,026)
Net income	7,205,788			7,205,788
Items other than unitholders' equity, net		(139,605)	(139,605)	(139,605)
Total changes during the period	1,059,761	(139,605)	(139,605)	920,155
Balance at end of period	229,807,819	674,650	674,650	230,482,469

Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)

(Thousands of Yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			
	Unitholders' capital	Deduction from unitholders' capital	Unitholders' capital, net	Voluntary reserve		Unappropriated retained earnings (undisposed loss)	Total surplus
				Reserve for reduction entry	Total voluntary reserve		
Balance at beginning of period	220,970,508	(2,999,551)	217,970,957	4,630,856	4,630,856	7,206,005	11,836,861
Changes during the period							
Provision of reserve for reduction entry				718,061	718,061	(718,061)	-
Distribution from surplus						(6,487,944)	(6,487,944)
Net income						6,571,336	6,571,336
Items other than unitholders' equity, net							
Total changes during the period	-	-	-	718,061	718,061	(634,668)	83,392
Balance at end of period	*1 220,970,508	(2,999,551)	217,970,957	5,348,917	5,348,917	6,571,336	11,920,254

	Unitholders' equity	Valuation and translation adjustments		Total net assets
	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	229,807,819	674,650	674,650	230,482,469
Changes during the period				
Provision of reserve for reduction entry	-			-
Distribution from surplus	(6,487,944)			(6,487,944)
Net income	6,571,336			6,571,336
Items other than unitholders' equity, net		957,481	957,481	957,481
Total changes during the period	83,392	957,481	957,481	1,040,873
Balance at end of period	229,891,211	1,632,131	1,632,131	231,523,343

(4) Basis for Calculating Cash Distributions

(Unit: Yen)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
I. Unappropriated retained earnings at the end of fiscal period under review	7,206,005,509	6,571,336,746
II. Total distribution amount	6,487,944,210	6,571,090,350
(Distributions per unit)	(7,647)	(7,745)
III. Voluntary reserve (provision)		
Provision of reserve for reduction entry	718,061,299	-
IV. Retained earnings brought forward to the next period	-	246,396
Method of calculating the distribution amount	<p>In accordance with the policy stipulated in Article 35 (1) of its Articles of Incorporation, KDXR determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Act and shall be up to the amount of its profits as the ceiling. Following this policy, KDXR has decided to distribute 6,487,944,210 yen, which is the amount remaining after deducting the provision of reserve for reduction entry stipulated in Article 65-7 of the Special Taxation Measures Act from unappropriated retained earnings, as profit distribution.</p> <p>In addition, KDXR decided not to distribute cash in excess of distributable profit, stipulated in Article 35 (2) of its Articles of Incorporation.</p>	<p>In accordance with the policy stipulated in Article 35 (1) of its Articles of Incorporation, KDXR determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Act and shall be up to the amount of its profits as the ceiling. Following this policy, KDXR has decided to distribute 6,571,090,350 yen, which is the maximum integral multiple of the total number of investment units issued and outstanding (848,430 units) in an amount not exceeding unappropriated retained earnings, as profit distribution.</p> <p>In addition, KDXR decided not to distribute cash in excess of distributable profit, stipulated in Article 35 (2) of its Articles of Incorporation.</p>

(5) Statements of Cash Flows

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Cash flows from operating activities		
Income before income taxes	7,208,802	6,572,687
Depreciation	2,617,548	2,574,098
Amortization of long-term prepaid expenses	119,860	121,863
Interest income	(45)	(45)
Interest expenses	760,730	772,106
Amortization of investment corporation bond issuance expenses	7,592	7,718
Profit and loss on buying and selling of securities and other	-	(548,130)
Decrease (increase) in accounts receivable-trade	43,391	(24,866)
Decrease (increase) in prepaid expenses	38,136	(36,936)
Increase (decrease) in accounts payable	(209,465)	237,165
Increase (decrease) in accounts payable-other	242,170	(212,628)
Increase (decrease) in accrued consumption taxes	128,821	(143,010)
Increase (decrease) in advances received	100,510	(151,558)
Increase (decrease) in deposits received	11,192	59,847
Changes in property, plant and equipment from sale	3,189,768	-
Decrease (increase) in long-term prepaid expenses	(17,456)	(26,086)
Other	(19,499)	(6,084)
Subtotal	14,222,057	9,196,139
Interest income received	45	45
Interest expenses paid	(756,547)	(775,452)
Income taxes paid	(837)	(1,516)
Net cash provided by (used in) operating activities	13,464,718	8,419,216
Cash flows from investing activities		
Purchase of property, plant and equipment	(74,720)	(49,501)
Purchase of property, plant and equipment in trust	(746,370)	(968,439)
Sale of securities	-	1,175,037
Payments of tenant leasehold and security deposits	(191,634)	(86,384)
Proceeds from tenant leasehold and security deposits	121,410	97,150
Payments of tenant leasehold and security deposits in trust	(697,843)	(442,097)
Proceeds from tenant leasehold and security deposits in trust	656,121	504,046
Payments of restricted bank deposits in trust	(2,513)	(2,588)
Proceeds from restricted bank deposits in trust	32,441	-
Net cash provided by (used in) investing activities	(903,109)	227,223
Cash flows from financing activities		
Proceeds from short-term loans payable	-	2,000,000
Repayment of short-term loans payable	-	(300,000)
Proceeds from long-term loans payable	4,800,000	7,800,000
Repayment of long-term loans payable	(4,800,000)	(9,500,000)
Dividends paid	(6,145,636)	(6,487,508)
Net cash provided by (used in) financing activities	(6,145,636)	(6,487,508)
Net increase (decrease) in cash and cash equivalents	6,415,972	2,158,931
Cash and cash equivalents at the beginning of period	30,917,994	37,333,966
Cash and cash equivalents at the end of period	37,333,966 *	39,492,898 *

(6) Notes on Going Concern

Not applicable

(7) Important Accounting Standards

1. Evaluation standards and evaluation method of assets	<p>Securities</p> <p>Other securities</p> <p>Share with no market price, etc.</p> <p>Cost method through moving-average method</p> <p>Concerning silent partnership (<i>tokumei kumiai</i>) (TK) interests, the method of incorporating the amount of equity equivalent to the portion that corresponds to the net gain or loss of TK is added.</p>
2. Depreciation of fixed assets	<p>(1) Property, plant and equipment (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Useful lives of the assets ranging are as follows:</p> <p>Buildings: 2 to 49 years</p> <p>Structures: 2 to 45 years</p> <p>Machinery and equipment: 3 to 17 years</p> <p>Tools, furniture and fixtures: 3 to 20 years</p> <p>(2) Intangible assets (includes trust assets)</p> <p>The straight-line method is applied.</p> <p>Land leasehold: Fixed term land leasehold is amortized over a contractual period of 48 years and 9 months under the straight-line method.</p> <p>(3) Long-term prepaid expenses</p> <p>The straight-line method is applied.</p>
3. Accounting policies for deferred assets	<p>(1) Investment unit issuance costs</p> <p>Unit issuance costs are amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance costs</p> <p>Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
4. Accounting standards for revenues and expenses	<p>(1) Accounting method for property tax, etc.</p> <p>Property-related taxes including property taxes and city planning taxes, etc. are imposed on properties on a calendar-year basis. These taxes are generally charged to rental expenses for said fiscal period for the portion of such taxes corresponding to said period.</p> <p>In connection with the acquisition of real estate or trust beneficiary interests in real estate during the fiscal period under review, KDXR included its pro rata property portion for the year in the acquisition cost of each property and not as rental expenses. The amount of property tax, etc. included in the acquisition cost of real estate, etc. was none in the fiscal period Ended April 30, 2023 and the fiscal period ended October 31, 2023..</p> <p>(2) Standard for recording revenue</p> <p>The main content of the performance obligation regarding the revenue from contracts with the customers of KDXR and the normal point of time when satisfying the said performance obligation (normal point of time when recognizing revenue) are as follows.</p> <p>1. Sale of real estate, etc.</p> <p>For the revenue from sale of real estate, etc., revenue is recorded when the buyer who is a customer gains control of the real estate by performing the obligation of handover stipulated in the contract for real estate sales.</p> <p>2. Utility charge reimbursement</p> <p>For utility charge reimbursement, revenue is recorded in accordance with the supply of electricity, tap water, etc. to the lessee who is a customer based on the lease agreement of real estate, etc. and the content of agreement incidental to it.</p> <p>Of the utility charge reimbursement, for those that are determined to fall under the category of an agent by KDXR, the net amount obtained by deducting the amount paid to other related parties supplying electricity, gas, etc. from the amount received as the fee of electricity, gas, etc. is recognized as revenue.</p>

5. Accounting for hedges	<p>(1) Hedge accounting method The deferred hedge method is applied for interest-rate swap transactions. However, the special treatment is applied for the interest rate swaps that meet the requirements for special treatment.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments KDXR enters into interest-rate swap transactions.</p> <p>Risks hedged Interest rates on debt.</p> <p>(3) Hedging policy KDXR enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging During the period from the commencement of hedging to the point at which effectiveness is assessed, KDXR compares the cumulative total of market changes in the targeted objects of hedging or cash flow changes with the cumulative total of market changes in the hedging instruments or cash flow changes. KDXR then makes a decision based on the changes and other factors of the two. However, concerning the interest-rate swaps that meet the requirements for special treatment, the evaluation of effectiveness is omitted.</p>
6. The scope of cash and cash equivalents on statements of cash flows	For the purpose of cash flow statements, cash and cash equivalents consist of cash on hand, deposits received that can be withdrawn on demand, and short-term investments with original maturities of 3 months or less, that are readily convertible to known amounts of cash and present insignificant risk of a change in value.
7. Other accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in KDXR's balance sheets and statements of income. Important line items included in accounting for financial assets and liabilities in KDXR's balance sheet are as follows:</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust and construction in progress in trust 3. Land leasehold in trust 4. Lease and guarantee deposits in trust 5. Tenant leasehold and security deposits in trust <p>(2) Accounting method for non-deductible consumption tax Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(8) Notes on Financial Statements

(Notes on Balance Sheets)

*1. Minimum unitholders' equity pursuant to Article 67, paragraph 4 of the Act on Investment Trusts and Investment Corporations

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
	50,000	50,000

*2. The amount of advanced depreciation of property, plant and equipment acquired by government subsidy, etc.

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
Buildings in trust	26,230	26,230

3. Commitment line agreement

KDXR has concluded a commitment line agreement with bank of account, etc.

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
Maximum amount	9,000,000	9,000,000
Drawn credit facility	-	-
Balance	9,000,000	9,000,000

*4. Status of cancellation of own investment units

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ending October 31, 2023 (as of October 31, 2023)
Total number of units cancelled	4,295 units	4,295 units
Total amount of cancellation	2,999,551 thousand yen	2,999,551 thousand yen

(Notes on Statements of Income)

*1. Breakdown of real estate rental business profit and loss

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
A. Rental and other operating revenues		
Rental revenues		
Leasing income	12,439,185	12,526,016
Common area charges	1,457,707	1,416,057
Subtotal	13,896,892	13,942,073
Other rental revenues		
Parking space rental revenues	516,938	522,316
Utility charge reimbursement	1,286,335	1,315,987
Miscellaneous	372,728	280,554
Subtotal	2,176,002	2,118,858
Total rental and other operating revenues	16,072,895	16,060,932
B. Rental and other operating expenses		
Property-related expenses		
Property management fees and facility management fees	1,509,353	1,494,166
Utilities	1,552,159	1,454,250
Taxes	1,392,970	1,478,415
Repairs and maintenance costs	351,470	491,706
Insurance	20,500	21,057
Trust fees	30,127	30,127
Others	319,516	334,964
Depreciation	2,617,548	2,574,098
Total rental and other operating expenses	7,793,647	7,878,787
C. Rental operating profit (A – B)	8,279,248	8,182,144

*2. Gain and loss on sale of real estate, etc.

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)

(Thousands of Yen)

KDX Kawasaki-Ekimae Hon-cho Building	
Revenue from sale of real estate, etc.	4,508,100
Cost of real estate, etc. sold	3,189,768
Other sales expenses	149,898
Gain on sale of real estate, etc.	1,168,433

Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)

Not applicable.

(Notes on Statements of Changes in Unitholders' Equity)

* Total number of authorized investment units and total number of investment units issued and outstanding

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Total number of authorized investment units	4,000,000 units	4,000,000 units
Total number of investment units issued and outstanding	848,430 units	848,430 units

(Notes on Statements of Cash Flow)

* Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Cash and deposits	26,871,012	28,936,646
Cash and deposits in trust	11,636,598	11,732,485
Restricted bank deposits held in trust (Note)	(1,173,644)	(1,176,232)
Cash and cash equivalents	37,333,966	39,492,898

Note: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.

(Notes on Lease Transactions)

Operating lease transactions

(Lessor)

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
Unearned lease payments		
Due within one year	3,522,908	3,246,442
Due after one year	7,066,262	5,936,156
Total	10,589,171	9,182,599

(Notes on Financial Instruments)

1. Items with Regard to the Current Status of Financial Instruments

(1) Action Policy with Regard to Financial Instruments

KDXR procures essential funds for acquiring properties and undertaking the repayment of loans primarily through bank loans and the issuance of investment corporation bonds and new investment units. KDXR makes use of derivative instruments primarily as a risk hedge against interest rate fluctuations and to lessen interest payments. In addition, it is company policy to not conduct speculative derivative transactions. Management of surplus funds is undertaken in a prudent manner that considers fully such factors as safety, liquidity, interest rate conditions and cash flows.

(2) Financial Instruments and Respective Risks

Investment securities are TK interests, which are subject to credit risk of the issuer and risk of fluctuation of value of real estate, etc. Loans and investment corporation bonds are used primarily for procuring funds necessary for the acquisition of properties and have a repayment date of a maximum of about 7 years and 5 months following the closing date. Although a certain portion of said liabilities are subject to risk of interest rate fluctuation, KDXR utilizes derivative instruments in order to hedge against such risks. Derivative instruments are interest rate swaps. KDXR hedges against risk of fluctuation in interest rates by fixing its interest payments for funds procured on a floating-interest-rate basis. With regard to hedge accounting methods, hedging instruments and hedged items, hedge policy, and the method of evaluation of hedge effectiveness, please refer to “5. Accounting for hedges” in “(7) Important Accounting Standards.”

(3) Risk Management Structure with Regard to Financial Instruments

A. Management of Market Risk (Risk Associated with Fluctuations in Interest Rates and Others)

KDXR uses interest rate swap transactions to minimize risks associated with interest payment rate fluctuations on funds procured. KDXR will periodically grasp the value of real estate, etc. and financial condition, etc. of the issuer with regard to investment securities.

B. Management of Liquidity Risk (Risk of Defaulting on Payments by the Due Date) Associated with Funds Procurement

Although loans and other liabilities are subject to liquidity risks, KDXR reduces such risks by spreading out payment due dates and by using diversified fund procurement methods. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

(4) Supplemental Explanation of Items with Regard to Fair Value of Financial Instruments

Because the factors incorporated into the calculation of fair value of financial instruments are subject to change, differing assumptions are adopted which may alter fair value. Moreover, the contract amounts, etc. of derivative transactions in “2. Items with Regard to Fair Value of Financial Instruments” do not indicate the market risk of derivative transactions.

2. Items with Regard to Fair Value of Financial Instruments

The book value per the balance sheet, fair values, as well as their difference are as follows. Moreover, because “Cash and deposits,” “Cash and deposits in trust” and “Short-term loans payable” are settled with cash in the short term, the fair value can be considered as equivalent to the book value. Therefore, the notes for them have been omitted.

Fiscal Period Ended April 30, 2023 (as of April 30, 2023)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Current portion of investment corporation bonds	2,000,000	1,999,400	(600)
(2) Current portion of long-term loans payable	19,700,000	19,716,952	16,952
(3) Investment corporation bonds	11,000,000	10,949,200	(50,800)
(4) Long-term loans payable	181,950,000	181,467,672	(482,327)
Total	214,650,000	214,133,225	(516,774)
Derivative transaction	674,650	674,650	-

Fiscal Period Ended October 31, 2023 (as of October 31, 2023)

(Thousands of Yen)

	Book Value	Fair Value	Difference
(1) Current portion of investment corporation bonds	4,000,000	4,010,000	10,000
(2) Current portion of long-term loans payable	25,600,000	25,628,808	28,808
(3) Investment corporation bonds	9,000,000	8,853,200	(146,800)
(4) Long-term loans payable	174,350,000	171,630,090	(2,719,909)
Total	212,950,000	210,122,098	(2,827,901)
Derivative transaction	1,632,131	1,632,131	-

* Net claims and liabilities arisen from derivative transactions are shown in the net amount and items that will be liabilities in net when totaled are indicated using parenthesis.

Note 1: Items with regard to the calculation method of financial instrument fair value, investment securities and derivative transactions.

Liabilities

(1) Current portion of investment corporation bonds and (3) investment corporation bonds

The fair value of investment corporation bonds is based on market price. The fair value of those for which no market price is available is based on the quoted price obtained from counterparty financial institutions, etc.

(2) Current portion of long-term loans payable and (4) long-term loans payable

The fair value of long-term borrowings is calculated based on the present value that discounts the total amount of principal and interest by using the estimated interest rate in the event that KDXR conducts new borrowings of the same type. Among long-term borrowings with floating interest rates, said borrowings, which are subject to special treatment of interest rate swaps, are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest rate swaps, by the rationally estimated interest rate in the case that the same type of borrowings is undertaken.

Derivative Transactions

Please refer to the following “Notes on Derivative Transactions.”

Note 2: Redemption schedule of investment corporation bonds and repayment schedule of loans after the closing date

Fiscal Period Ended April 30, 2023 (as of April 30, 2023)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Investment corporation bonds	2,000,000	4,000,000	-	2,000,000	4,000,000	1,000,000
Long-term loans payable	19,700,000	27,050,000	32,900,000	37,800,000	33,100,000	51,100,000
Total	21,700,000	31,050,000	32,900,000	39,800,000	37,100,000	52,100,000

Fiscal Period Ended October 31, 2023 (as of October 31, 2023)

(Thousands of Yen)

	Due within 1 yr.	1-2 yrs.	2-3 yrs.	3-4 yrs.	4-5 yrs.	More than 5 yrs.
Investment corporation bonds	4,000,000	2,000,000	2,000,000	3,000,000	1,000,000	1,000,000
Long-term loans payable	25,600,000	30,950,000	33,600,000	38,500,000	35,300,000	36,000,000
Total	29,600,000	32,950,000	35,600,000	41,500,000	36,300,000	37,000,000

(Notes on Derivative Transactions)

1. Items that do not apply hedge accounting

Fiscal Period Ended April 30, 2023 (as of April 30, 2023) and Fiscal Period Ended October 31, 2023 (as of October 31, 2023): Not applicable

2. Items that apply hedge accounting

Fiscal Period Ended April 30, 2023 (as of April 30, 2023)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	82,450,000	77,950,000	674,650	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest rate swaps	Interest rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	30,100,000	25,400,000	*	-
Total			112,550,000	103,350,000	674,650	-

* Special treatment of interest-rate swaps is reported at the fair value of applicable long-term loans payable. This is because such swaps are handled together with hedged long-term loans payable.

Fiscal Period Ended October 31, 2023 (as of October 31, 2023)

(Thousands of Yen)

Hedge accounting method	Type of derivative transactions	Main target of risk hedge	Contracted amount		Fair value	Calculation method for applicable fair value
				More than 1 yr.		
Principle method	Interest rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	79,950,000	75,050,000	1,632,131	Based on the quoted price obtained from counterparty financial institutions.
Special treatment of interest rate swaps	Interest rate swap transactions Fixed rate payable・Floating rate receivable	Long-term loans payable	27,100,000	20,400,000	*	-
Total			107,050,000	95,450,000	1,632,131	-

* Special treatment of interest rate swaps is reported at the fair value of applicable long-term loans payable. This is because such swaps are handled together with hedged long-term loans payable.

(Notes on Revenue Recognition)

1. Information on the Breakdown of Revenue from Contracts with Customers

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)

	Revenue from contracts with customers *1	Net sales to external customers
Revenue from sale of real estate, etc.	4,508,100 thousand yen	*2 1,168,433 thousand yen
Utility charge reimbursement	1,286,335 thousand yen	1,286,335 thousand yen
Other	- thousand yen	14,835,944 thousand yen
Total	5,794,435 thousand yen	17,290,713 thousand yen

*1 The rental revenues, etc. subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and the sale of real estate, etc. subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amount as they are not applied to the Revenue Recognition Accounting Standard. Moreover, the main revenue from contracts with customers are revenue from sale of real estate, etc. and utility charge reimbursement.

*2 Revenue from sale of real estate, etc. is recorded as gain and loss on sale of real estate, etc. in the statement of income. Therefore, the amount calculated by deducting the cost of real estate, etc. sold and other sales expenses from the revenue from sale of real estate, etc. is indicated.

Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)

	Revenue from contracts with customers *1	Net sales to external customers
Revenue from sale of real estate, etc.	- thousand yen	- thousand yen
Utility charge reimbursement	1,315,987 thousand yen	1,315,987 thousand yen
Other	- thousand yen	15,339,616 thousand yen
Total	1,315,987 thousand yen	16,655,603 thousand yen

*1 The rental revenues, etc. subject to the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13) and the sale of real estate, etc. subject to the “Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies” (Accounting System Committee Report No. 15 of the Japanese Institute of Certified Public Accountants) are not included in the above amount as they are not applied to the Revenue Recognition Accounting Standard. Moreover, the main revenue from contracts with customers are revenue from sale of real estate, etc. and utility charge reimbursement.

2. Information Utilized as the Base for Understanding Revenue from Contracts with Customers

The information is as described in the notes on important accounting standards for the fiscal period ended April 30, 2023 (November 1, 2022 to April 30, 2023) and the fiscal period ended October 31, 2023 (May 1, 2023 to October 31, 2023).

3. Information on Relationship of Fulfillment of Performance Obligations Based on Contracts with Customers with Cashflow Generated from Said Contracts and Amount and Period of Revenue Expected to Be Recognized in the Next Calculation Period or Thereafter from Contracts with Customers Existing at the End of the Current Calculation Period

(1) Balance of contract assets and contract liabilities, etc.

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Claims generated from contracts with customers (balance at beginning of fiscal period)	324,473 thousand yen	309,606 thousand yen
Claims generated from contracts with customers (balance at end of fiscal period)	309,606 thousand yen	329,871 thousand yen
Contract assets (balance at beginning of fiscal period)	- thousand yen	- thousand yen
Contract assets (balance at end of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (balance at beginning of fiscal period)	- thousand yen	- thousand yen
Contract liabilities (balance at end of fiscal period)	- thousand yen	- thousand yen

(2) Transaction value allocated to remaining performance obligations

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)

Not applicable.

With regard to utility charge reimbursements, as KDXR has the right to receive from customers an amount directly corresponding to the value for the lessees, or customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)

As of October 31, 2023, the total transaction price allocated to remaining performance obligations for the sale of real estate is 9,930,000 thousand yen for the real estate for which a sale agreement was executed on June 13, 2023. KDXR expects to recognize revenue on the remaining performance obligation upon the sale on November 1, 2023.

With regard to utility charge reimbursements, as KDXR has the right to receive from customers an amount directly corresponding to the value for the lessees, or customers, of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim is recognized as revenue in accordance with Paragraph 19 of the Implementation Guidance on Accounting Standard for Revenue Recognition. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

(Notes on Segment and Related Information)

1. Segment Information

Disclosure is omitted because KDXR has been engaged in the real estate leasing business as a sole business and it has no reportable segment subject to disclosure.

2. Related Information

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)

(1) Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenues on the statement of income.

(2) Information about each geographic area

① Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the statement of income.

② Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenues on the statement of income.

Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)

(1) Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenues on the statement of income.

(2) Information about each geographic area

① Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenues on the statement of income.

② Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.

(3) Information about each major customer

Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenues on the statement of income.

(Notes on Tax-effect Accounting)

1. Significant components of deferred tax assets and liabilities

	(Thousands of Yen)	
	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
Deferred tax assets		
Enterprise tax payable	177	28
Amortization of land leasehold in trust	6,049	6,293
Deferred gains or losses on hedges	1,294	192
Subtotal deferred tax assets	7,521	6,514
Valuation allowance	(7,344)	(6,485)
Total deferred tax assets	177	28

2. Significant components causing difference between statutory income tax rate and the effective tax rate after tax effect accounting

	(Unit: %)	
	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)	Fiscal Period Ended October 31, 2023 (as of October 31, 2023)
Statutory tax rate	31.46	31.46
(Adjustments)		
Deductible cash distributions	(28.31)	(31.45)
Provision amount of reserve for reduction entry	(3.13)	-
Others	0.03	0.01
Effective tax rate	0.04	0.02

(Notes on Related-party Transactions)

1. Parent Company, Major corporate Unitholders and Other

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023) and Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023):

Not applicable

2. Affiliated Companies and Other

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023) and Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023):

Not applicable

3. Fellow Subsidiary Companies and Other

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023) and Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023):

Not applicable

4. Directors, Major Individual Unitholders and Other

Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023) and Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023):

Not applicable

(Notes on Real Estate for Rental Purposes)

KDXR owns real estate for rental purposes mainly in the Tokyo Metropolitan Area for the purpose of generating rental revenue.

The book value per balance sheet for the fiscal period under review, changes during the period and fair value concerning the above real estate for rental purposes are as follows.

(Thousands of Yen)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Book value		
Balance at beginning of period	437,196,489	432,404,110
Changes during the period	(4,792,379)	(1,414,723)
Balance at end of period	432,404,110	430,989,387
Fair value at the end of period	551,161,000	551,696,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Fair value at the end of the fiscal period is the appraisal value determined by outside appraisers. Fair value at the end of the fiscal periods ended April 30, 2023 and October 31, 2023 of Harajuku F.F. Building and KDX Nagoya Sakae Building that were sold on November 1, 2023 respectively are calculated based on the sale price (Harajuku F.F. Building: 3,880 million yen; KDX Nagoya Sakae Building: 6,050 million yen) in the transaction agreements on June 13, 2023.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the fiscal period ended April 30, 2023, the principal increase/decrease factors were the sale of 1 property totaling 3,189,768 thousand yen and depreciation amounting to 2,617,548 thousand yen. For the fiscal period ended October 31, 2023, the principal increase/decrease factor was depreciation amounting to 2,574,098 thousand yen.

Income and loss for real estate for rental purposes are listed in "Notes on the Statements of Income."

(Notes on Information per Unit)

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Net assets per unit	135,828 yen	136,442 yen
Net income per unit	4,246 yen	3,872 yen

Note 1: Net income per unit is calculated by dividing net income by the weighted average (based on number of days) number of units. Net income per unit after adjusting for diluted investment units is not included because there were no dilutive investment units.

Note 2: KDXR implemented a two-for-one split of the investment units with October 31, 2023, as the record date of the split and November 1, 2023, as the effective date. Net assets per unit and net income per unit are calculated based on the assumption that the split was implemented at the beginning of the fiscal period ended April 30, 2023.

Note 3: The basis of calculation for the net income per unit is as follows.

	Fiscal Period Ended April 30, 2023 (November 1, 2022 to April 30, 2023)	Fiscal Period Ended October 31, 2023 (May 1, 2023 to October 31, 2023)
Net income (Thousands of Yen)	7,205,788	6,571,336
Amount not vested in ordinary unitholders (Thousands of Yen)	-	-
Net income for ordinary investment units (Thousands of Yen)	7,205,788	6,571,336
Average number of investment units during the period (unit)	1,696,860	1,696,860

(Notes on Important Subsequent Events)

1.The Merger by and among KDXR, KDR and KRR

KDXR has conducted the Merger on November 1, 2023 as the effective date, whereby KDXR was the surviving Corporation and KDR and KRR were the dissolving corporations, and has changed its name to KDX Realty Investment Corporation on the same day.

i. Purpose of the Merger

In order to respond flexibly to environmental changes and attain continued growth, Each REIT has conducted the Merger as it found that it will contribute to maximize unitholders' value by leading to the continued growth by expanding investment target sectors, improving their presence and stability in the market by increasing the sizes of their assets, and enabling more commitment for sustainability.

ii. Form of the Merger

KDXR was the surviving corporation under an absorption-type merger and KDR and KRR were dissolved in the Merger.

iii. Allocation ratio

KDXR split the investment units at a ratio of two investment units per one investment unit ("the Split of Investment Units") on November 1, 2023 as the effective date, for the purpose of providing at least one Investment Corporation's investment unit to all unitholders of KDR and KRR as of October 31, 2023 as the record date. As a result of the Split of Investment Units, KDR unitholders were allotted 1.34 Investment Corporation's investment units after the Split of Investment Units against each KDR investment unit, and KRR unitholders were allotted 1.68 Investment Corporation's investment units after the Split of Investment Units against each KRR investment unit.

iv Delivery of Payment upon the Merger

In addition to the above mentioned investment units, KDXR intends to pay unitholders of KDR and KRR (the unitholders stated or recorded in the final unitholders' registers of KDR and KRR on the day before the effective date of the Merger (excluding Each REIT and unitholders of KDR and KRR who has demanded the purchase of their investment units pursuant to Article 149-3 of the Investment Trusts Act (excluding those who have withdrawn such demand for purchase) (hereinafter referred to as the "Unitholders Subject to Allocation")), in lieu of cash distributions (distributions of profits) for the last fiscal period of KDR and KRR which ends the day before the effective date of the Merger, the Payment upon the Merger in the form of cash distributions based on distributable income of KDR and KRR for that same period of an amount (disregarding fractions of a yen) which is the quotient resulting from a division of the amount of distributable income of KDR and KRR on the date before the effective date of the Merger by the number of issued investment units of KDR and KRR on that date as reduced by the number of investment units held by unitholders other than the Unitholders Subject to Allocation. The Payment upon the Merger will be paid in mid-January 2024.

v. Total amount of Unitholders' Capital

The amount of unitholders' capital and unitholders' surplus increased as a result of the Merger are as follows.

Unitholders' capital: 0 yen

Unitholders' surplus: The amount obtained by subtracting the above unitholders' capital from the amount of changes in unitholders' capital as provided in Article 22, Paragraph 1 of the "Regulations Concerning Calculation of Investment Corporation" (Cabinet Office Ordinance No. 47 of 2006, including subsequent amendments).

2. Split of Investment Units

KDXR implemented a 2-on-1 split of the investment units with October 31, 2023, as the record date of the split and November 1, 2023, as the effective date.

i. Purpose of Split of Investment Units

With the merger ratio, 0.67 KDXR's investment units would be allotted against one KDR investment unit and 0.84 KDXR's investment units would be allotted against one KRR investment unit, resulting in a number of KDR and KRR unitholders that would receive KDXR's investment units of less than one unit; therefore, KDXR split the investment units at a ratio of two investment units per one investment unit on November 1, 2023 as the effective date, for the purpose of providing at least one KDXR's investment unit to all unitholders of KDR and KRR as of October 31, 2023 as the record date.

ii. Method of Split of Investment Units

KDXR implemented a 2-on-1 split of the investment units held by unitholders of KDXR stated or recorded on the registry of unitholders as of October 31, 2023.

iii. Number of Investment Units to be Increased by the Split of Investment Units

- 1) Total number of KDXR's investment units issued and outstanding 848,430 units before the Split of Investment Units:
- 2) Number of investment units increased through the Split of 848,430 units Investment Units:
- 3) Total number of KDXR's investment units issued and outstanding 1,696,860 units after the Split of Investment Units:
- 4) Total number of KDXR's investment units issued and outstanding 4,142,897 units (Note 1) after the Merger:
- 5) Total number of authorized investment units after the Split of 20,000,000 units (Note 2) Investment Units and the Merger:

Note 1: As a result of the Merger, one KDR investment unit were allotted 1.34 KDXR's investment units after the Split of Investment Units for all of KDR's issued investment units (1,070,433 units), and one KRR investment unit were allotted 1.68 KDXR's investment units after the Split of Investment Units for all of KRR's issued investment units (602,177 units).

Note 2: In connection with the Split of Investment Units, the Articles of Incorporation of KDXR were partially amended and the total number of authorized investment units was changed as of the effective date of the Merger.

(9) Changes in the Total Number of Investment Units Issued and Outstanding

Changes in the total number of investment units issued and outstanding and unitholders' capital in the last 5 years from the fiscal period under review are summarized in the following table.

Date	Particulars	Total Number of Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of Yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
September 30, 2022	Cancellation	(4,295)	424,215	(2,999)	217,970	(Note 1)
November 1, 2022	Investment unit split	424,215	848,430	-	217,970	(Note 2)

Note 1: KDXR acquired own investment units through the market purchase on the Tokyo Stock Exchange pursuant to a discretionary trading contract pertaining to the acquisition of own investment units with a securities company from June 15, 2022, to September 9, 2022. As for the acquired own investment units (4,295 units), KDXR cancelled all the acquired units on September 30, 2022, based on the resolution at its board of directors' meeting held on September 22, 2022.

Note 2: KDXR implemented a 2-on-1 split of its investment units owned by the investors stated or recorded in the final unitholder registry as of October 31, 2022, with such date as the record date and November 1, 2022, as the effective date.

Note 3: KDXR implemented a 2-on-1 split of its investment units owned by the investors stated or recorded in the final unitholder registry as of October 31, 2023, with such date as the record date and November 1, 2023, as the effective date. As a result, the total number of investment units issued and outstanding is 1,696,860 units. There is no change in the total amount of unitholders' capital as a result of this change.

Note 4: Upon the Merger, KDXR issued 2,446,037 investment units through the allotment of 1.34 post-split units for each unit of KDR and 1.68 post-split units for each unit of KRR on November 1, 2023. As a result, the total number of investment units issued and outstanding is 4,142,897 units.

3. Reference Information

(1) Information Concerning Price of Assets in the Property Portfolio

① Component of Assets

Asset Class	Type	Area	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)		Fiscal Period Ended October 31, 2023 (as of October 31, 2023)	
			Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)	Total Amount Held (Millions of Yen) (Note 1)	Ratio (%) (Note 2)
Real Estate	Office Buildings	Tokyo Metropolitan Area	23,439	4.9	23,326	4.9
		Other Regional Areas	15,105	3.2	14,996	3.2
	Total for Office Buildings		38,545	8.1	38,322	8.1
Total for Real Estate			38,545	8.1	38,322	8.1
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	321,021	67.7	319,898	67.3
		Other Regional Areas	69,863	14.7	69,795	14.7
	Total for Office Buildings		390,885	82.4	389,693	82.0
	Others	Tokyo Metropolitan Area	2,973	0.6	2,973	0.6
	Total for Others		2,973	0.6	2,973	0.6
Total of Trust Beneficiary Interests in Real Estate			393,859	83.0	392,666	82.6
Investment Securities (Note 3)			1,136	0.2	571	0.1
Bank Deposits and Other Assets			40,733	8.6	43,806	9.2
Total Assets			474,274	100.0	475,367	100.0

Note 1: "Total Amount Held" is the amount allocated in the balance sheets at the end of the fiscal period (figures are on a net book value basis after deducting depreciation) and rounded down to the nearest million yen.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: Interests in a silent partnership operated by G.K. KRF43 are indicated.

	Fiscal Period Ended April 30, 2023 (as of April 30, 2023)		Fiscal Period Ended October 31, 2023 (as of October 31, 2023)	
	Amount (Millions of Yen)	Ratio (%)	Amount (Millions of Yen)	Ratio (%)
Total Liabilities	243,791	51.4	243,844	51.3
Total Net Assets	230,482	48.6	231,523	48.7
Total Assets	474,274	100.0	475,367	100.0

② Details of Investment Assets

A. Major Components of Investment Securities

Details of investment assets held by KDXR as of October 31, 2023, are as follows.

Name	Area	Asset Class	Number of Units	Book Value (Millions of Yen)		Appraisal Value (Millions of Yen) (Note 1)		Ratio (%) (Note 2)	Appraisal profit/loss (Millions of Yen)
				Unit Price	Amount	Unit Price	Amount		
Interests in a silent partnership operated by G.K. KRF43 (Note 3)	Domestic Area	Interests in a silent partnership	-	-	571	-	571	0.1	-
Total			-	-	571	-	571	0.1	-

Note 1: Book value is stated as the appraisal value.

Note 2: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets, rounded to the first decimal place.

Note 3: The asset under management is the trust beneficiary interest in real estate of Shinjuku Sanei Building.

B. Property List

(a) Value of Investment Properties and the Investment Ratio

(Millions of Yen)

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the End of Fiscal Period Ended October 31, 2023					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
		A-1	KDX Nihonbashi 313 Building	5,940	5,569	7,110	7,300	3.6	7,030	3.4	3.8	B	1.3
		A-3	KDX Higashi-Kayabacho Sanyo Building	4,450	3,914	5,300	5,320	3.8	5,280	3.5	3.8	A	1.0
		A-4	KDX Hatchobori Building	3,680	3,176	3,580	3,640	3.9	3,550	3.7	4.1	B	0.8
		A-5	KDX Nakano-Sakae Building	2,533	2,281	2,540	2,570	4.1	2,530	3.9	4.3	B	0.6
		A-6	Harajuku F.F. Building	2,450	2,337	3,880	3,880	4.2	3,870	3.9	4.2	A	0.5
		A-7	KDX Minami Aoyama Building	2,270	2,166	2,840	2,840	3.6	2,840	3.3	3.6	A	0.5
		A-8	KDX Kanda Kitaguchi Building	1,950	1,721	1,650	1,690	3.9	1,630	3.7	4.1	B	0.4
		A-13	KDX Kojimachi Building	5,950	5,377	5,540	5,530	3.3	5,540	3.0	3.3	A	1.3
		A-14	KDX Funabashi Building	2,252	2,130	3,240	3,260	4.6	3,220	4.3	4.7	A	0.5
		A-16	Toshin 24 Building	5,300	4,716	5,760	5,750	3.9	5,760	3.6	3.9	A	1.2
		A-17	KDX Ebisu Building	4,640	4,228	6,230	6,190	3.6	6,260	3.2	3.6	A	1.0
		A-19	KDX Hamamatsucho Building	3,460	3,044	3,610	3,740	3.5	3,560	3.3	3.7	B	0.8
		A-20	KDX Kayabacho Building	2,780	2,583	3,340	3,350	4.0	3,320	3.6	4.1	A	0.6
		A-21	KDX Shinbashi Building	3,728	3,636	5,370	5,370	3.3	5,370	3.0	3.3	A	0.8
		A-22	KDX Shin-Yokohama Building	2,520	2,073	2,760	2,750	4.3	2,770	4.0	4.3	A	0.6
		A-27	KDX Kajicho Building	2,350	2,223	2,330	2,400	3.9	2,300	3.7	4.1	B	0.5
		A-29	KDX Higashi-Shinjuku Building	2,950	2,832	4,260	4,380	4.0	4,210	3.8	4.2	B	0.7
		A-30	KDX Nishi-Gotanda Building	4,200	3,537	3,710	3,750	3.9	3,660	3.7	4.0	A	0.9
		A-31	KDX Monzen-Nakacho Building	1,400	1,212	1,160	1,210	4.4	1,140	4.2	4.6	B	0.3
		A-32	KDX Shiba-Daimon Building	6,090	5,722	6,380	6,370	3.8	6,380	3.5	3.8	A	1.3
		A-33	KDX Okachimachi Building	2,000	1,967	2,100	2,160	3.9	2,080	3.7	4.1	B	0.4
		A-35	KDX Hachioji Building	1,155	1,112	1,250	1,270	4.8	1,240	4.6	5.0	B	0.3
		A-37	KDX Ochanomizu Building	6,400	6,392	8,440	8,430	3.6	8,440	3.3	3.6	A	1.4
		A-38	KDX Nishi-Shinjuku Building	1,500	1,502	1,560	1,550	4.0	1,560	3.7	4.0	A	0.3
		A-41	KDX Shinjuku 286 Building	2,300	2,323	2,900	2,880	3.6	2,910	3.3	3.6	A	0.5
		A-46	Hiei Kudan-Kita Building	7,600	7,355	8,680	8,950	3.5	8,560	3.3	3.7	B	1.7
		A-51	KDX Hamacho Nakanohashi Building	2,310	2,137	2,190	2,190	4.1	2,190	3.8	4.1	A	0.5
		A-55	Shin-toshin Maruzen Building	2,110	2,005	1,710	1,710	4.0	1,700	3.6	4.1	A	0.5
		A-56	KDX Jimbocho Building	2,760	2,769	2,370	2,380	3.9	2,360	3.5	4.0	A	0.6
		A-59	KDX Iwamoto-cho Building	1,864	1,528	1,690	1,680	4.0	1,700	3.7	4.0	A	0.4
		A-60	KDX Harumi Building	10,250	8,089	8,440	8,450	3.6	8,420	3.3	3.6	A	2.3
		A-62	Koishikawa TG Building	3,080	2,992	3,410	3,410	3.9	3,410	3.6	3.9	A	0.7
		A-63	KDX Gotanda Building	2,620	2,593	3,660	3,660	4.0	3,660	3.7	4.0	A	0.6
		A-64	KDX Nihonbashi 216 Building	2,010	1,738	2,910	2,910	3.5	2,900	3.2	3.5	A	0.4
		A-66	KDX Shinjuku Building	6,800	6,847	10,500	10,400	3.2	10,500	2.9	3.2	A	1.5
		A-67	KDX Ginza Ichome Building	4,300	4,062	6,050	6,230	3.3	5,970	3.1	3.5	B	0.9
		A-71	KDX Iidabashi Building	4,670	4,688	5,880	6,020	3.8	5,820	3.6	4.0	B	1.0
		A-72	KDX Higashi-Shinagawa Building	4,590	4,517	4,860	4,990	3.9	4,800	3.7	4.1	B	1.0
		A-73	KDX Hakozaki Building	2,710	2,549	3,680	3,740	4.1	3,650	3.9	4.3	B	0.6
		A-78	KDX Tachikawa Ekimae Building	1,267	1,309	1,890	1,890	4.6	1,890	4.3	4.6	A	0.3

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the End of Fiscal Period Ended October 31, 2023					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-83	KDX Fuchu Building	6,120	5,819	8,760	9,000	4.4	8,650	4.2	4.6	B	1.4
		A-84	KDX Kasuga Building	2,800	2,628	4,250	4,240	3.8	4,250	3.5	3.8	A	0.6
		A-85	KDX Nakameguro Building	1,880	1,854	3,550	3,610	4.0	3,530	3.8	4.2	B	0.4
		A-86	KDX Omiya Building	2,020	2,062	3,270	3,300	4.7	3,250	4.5	4.9	B	0.4
		A-87	Nihonbashi Horidomecho First	2,200	2,227	3,240	3,300	3.9	3,220	3.7	4.1	B	0.5
		A-88	KDX Shinjuku 6-chome Building	1,900	1,918	3,310	3,390	3.9	3,270	3.7	4.1	B	0.4
		A-89	KDX Takanawadai Building	5,250	5,509	7,370	7,370	3.8	7,370	3.5	3.8	A	1.2
		A-90	KDX Ikebukuro Building	3,900	3,401	5,340	5,460	3.6	5,290	3.4	3.8	B	0.9
		A-91	KDX Mita Building	3,180	3,108	4,140	4,150	3.6	4,130	3.3	3.6	A	0.7
		A-92	KDX Akihabara Building	2,600	2,428	3,130	3,120	3.6	3,130	3.3	3.6	A	0.6
		A-93	KDX Iidabashi Square	4,350	4,668	6,400	6,530	3.7	6,340	3.5	3.9	B	1.0
		A-94	KDX Musashi-Kosugi Building	12,000	10,152	18,600	18,600	3.8	18,500	3.5	3.8	A	2.6
		A-95	KDX Toyosu Grand Square	8,666	7,312	9,950	10,100	4.2	9,880	4.0	4.4	B	1.9
		A-96	KDX Takadanobaba Building	3,650	3,516	4,790	4,860	4.0	4,760	3.7	4.2	B	0.8
		A-99	KDX Ikebukuro West Building	1,934	1,947	2,660	2,730	3.9	2,630	3.7	4.1	B	0.4
		A-101	KDX Yokohama Building	7,210	7,167	9,950	10,200	4.1	9,840	3.9	4.3	B	1.6
		A-102	KDX Yokohama Nishiguchi Building	2,750	2,568	3,600	3,680	4.1	3,560	3.9	4.3	B	0.6
		A-107	KDX Ginza East Building	3,600	3,584	4,170	4,160	3.7	4,180	3.4	3.7	A	0.8
		A-108	Pentel Building	3,350	3,560	4,306	4,392	3.6	4,263	3.4	3.8	B	0.7
		A-109	KDX Hamamatsucho Center Building	3,950	3,986	4,720	4,880	3.4	4,650	3.2	3.6	B	0.9
	A-112	KDX Toranomon 1chome Building	14,616	14,669	25,000	24,900	2.9	25,000	2.6	2.9	A	3.2	
	A-113	KDX Shin-Nihonbashi Ekimae Building	3,829	3,925	4,700	4,690	3.3	4,710	3.0	3.3	A	0.8	
	A-115	ARK Mori Building	4,169	4,183	5,070	5,240	3.3	5,000	3.1	3.5	B	0.9	
	A-116	KDX Nishi-Shinbashi Building	8,400	8,442	9,540	9,840	3.2	9,410	3.0	3.4	B	1.9	
	A-117	BR Gotanda	2,200	2,258	2,590	2,640	3.9	2,540	3.5	4.1	A	0.5	
	A-119	KDX Shibuya Nanpeidai Building	3,500	3,519	3,850	3,950	3.3	3,810	3.3	3.5	B	0.8	
	A-120	KDX Yoyogi Building	2,479	2,363	2,420	2,420	4.2	2,420	3.7	4.3	A	0.5	
	A-121	Ginza 4chome Tower	9,800	9,258	15,400	15,300	2.9	15,400	2.6	2.9	A	2.2	
	A-122	Mitsubishijuko Yokohama Building	14,720	14,433	15,000	15,200	3.7	14,900	3.2	3.9	B	3.2	
	A-123	KDX Yokohama Kannai Building	9,500	9,364	10,400	10,700	3.8	10,200	3.6	4.0	B	2.1	
	A-124	KDX Hamamatsucho Place	20,700	20,047	24,200	25,000	3.1	23,900	2.9	3.3	B	4.6	
	A-125	KDX Chofu Building	8,700	8,948	10,300	10,300	4.3	10,200	3.9	4.4	A	1.9	
	A-127	KDX Kanda Ekimae Building	3,300	3,383	3,570	3,590	3.3	3,550	3.0	3.3	A	0.7	
A-128	KDX Shinbashi Ekimae Building	16,300	16,246	20,900	20,900	2.7	20,800	2.4	2.7	A	3.6		
A-130	KDX Edobashi Building	9,600	9,785	10,200	10,200	3.2	10,100	2.9	3.2	A	2.1		
Other Regional Areas	A-12	Portus Center Building	5,570	3,903	5,010	5,210	5.3	4,920	5.1	5.5	B	1.2	
	A-42	KDX Karasuma Building	5,400	5,165	6,140	6,310	4.5	6,070	4.3	4.7	B	1.2	
	A-44	KDX Sendai Building	2,100	1,786	1,910	1,920	5.0	1,900	5.0	5.2	B	0.5	
	A-53	KDX Hakata-Minami Building	4,900	4,162	5,490	5,530	5.2	5,450	4.9	5.3	A	1.1	
	A-54	KDX Kitahama Building	2,220	1,963	1,650	1,650	4.6	1,650	4.1	4.7	A	0.5	
	A-58	KDX Nagoya Sakae Building	7,550	5,919	5,740	5,840	4.1	5,690	3.9	4.3	B	1.7	
	A-69	KDX Kobayashi-Doshomachi Building	2,870	1,580	2,900	2,920	7.9	2,880	3.8	12.3	A	0.6	
	A-70	KDX Sapporo Building	2,005	1,891	2,860	2,940	4.5	2,820	4.3	4.7	B	0.4	
	A-79	KDX Nagoya Ekimae Building	7,327	7,741	10,200	10,300	3.4	10,000	3.2	3.5	A	1.6	
	A-82	KDX Higashi Umeda Building	2,770	2,100	4,200	4,290	4.0	4,160	3.8	4.2	B	0.6	
	A-97	KDX Utsunomiya Building	2,350	2,124	2,720	2,730	5.2	2,720	5.0	5.4	B	0.5	
	A-98	KDX Hiroshima Building	1,300	1,288	2,010	2,010	4.8	2,010	4.5	4.8	A	0.3	
	A-100	Senri Life Science Center Building	13,000	11,849	14,000	14,300	4.2	13,900	4.0	4.4	B	2.9	
A-104	KDX Minami-Honmachi Building	2,200	1,821	3,310	3,290	3.8	3,320	3.5	3.8	A	0.5		

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the End of Fiscal Period Ended October 31, 2023					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Other Regional Areas	A-106	KDX Sakura-dori Building	5,900	6,548	8,600	8,750	4.3	8,540	4.1	4.5	B	1.3
		A-110	KDX Shin-Osaka Building	4,550	4,459	5,700	5,850	3.9	5,630	3.7	4.1	B	1.0
		A-111	KDX Nagoya Nichigin-mae Building	3,500	3,269	4,320	4,310	3.6	4,330	3.3	3.6	A	0.8
		A-118	KDX Sapporo Kitaguchi Building	1,800	2,080	2,460	2,540	4.5	2,420	4.3	4.7	B	0.4
		A-126	KDX Tosabori Building	5,000	5,038	4,890	4,900	3.7	4,880	3.4	3.7	A	1.1
		A-129	KDX Sendai Honcho Building	6,360	6,471	6,500	6,790	4.5	6,370	4.3	4.7	B	1.4
		A-131	KDX Kobe Building	3,450	3,626	3,620	3,750	4.2	3,560	3.9	4.3	B	0.8
Subtotal of Office Buildings (96 properties)				450,436	428,016	547,636	554,262	-	543,833	-	-	-	99.4
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6home Building (Land)	2,880	2,973	3,750	3,780	3.2	3,730	3.1	3.2	B	0.6
Subtotal of Others (1 property)				2,880	2,973	3,750	3,780	-	3,730	-	-	-	0.6
Total of 97 properties				453,316	430,989	551,386	558,042	-	547,563	-	-	-	100.0

Note 1: Acquisition prices are the purchase prices for trust beneficiary interests or properties acquired by KDXR (excluding acquisition costs, property tax, city planning tax, consumption tax, rounded down to the nearest million yen.).

Note 2: Figures of less than 1 million are rounded down from the amounts on the balance sheet.

Note 3: Appraisal values at the end of fiscal period are based on the asset valuation method and standards outlined in KDXR's Articles of Incorporation and regulations formulated by the Investment Trusts Association, Japan. Appraisal values are transcribed from valuation reports prepared by Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd.

Note 4: Appraisals of the properties were entrusted to two appraisers: Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd. In the table, the appraisers are referred to as "A" for Japan Real Estate Institute and "B" for Daiwa Real Estate Appraisal Co., Ltd.

Note 5: Figures are the acquisition price of each asset as a percentage of the total acquisition prices for the portfolio rounded to the first decimal place. The figures entered in the subtotal and total columns are those obtained by dividing the subtotal (total) of acquisition prices of properties corresponding to each subtotal and total column by the total acquisition price of the entire assets (97 properties).

(b) Property Distribution

Distribution by Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	96	450,436	99.4
Others	1	2,880	0.6
Total	97	453,316	100.0

Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	76	361,194	79.7
Other Regional Areas	21	92,122	20.3
Total	97	453,316	100.0

Property Distribution by Acquisition Price

Acquisition Price (Millions of Yen)	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Less than 1,000	-	-	-
1,000 - 2,499	29	57,777	12.7
2,500 - 4,999	38	133,519	29.5
5,000 - 7,499	15	90,617	20.0
7,500 - 9,999	8	69,816	15.4
10,000 - 12,499	2	22,250	4.9
12,500 - 14,999	3	42,336	9.3
15,000 - 17,499	1	16,300	3.6
17,500 - 19,999	-	-	-
20,000 or more	1	20,700	4.6
Total	97	453,316	100.0

Note: "Ratio" refers to the percentage of the acquisition price by each category to the acquisition price of the entire portfolio.

Figures are rounded to the first decimal place. Accordingly, the sum total of each item may be less than 100%.

(c) Overview of Investment Real Estate Properties and Trust Real Estate

Type	Area	No.	Property Name	Site Area (m ²) (Note 1)	Usage (Note 2)	Total Floor Area (m ²) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-1	KDX Nihonbashi 313 Building	1,047.72	Offices	8,613.09	SRC B2F9	April 1974	6.8
		A-3	KDX Higashi-Kayabacho Sanyo Building	773.43	Offices	5,916.48	SRC B1F9	January 1987	7.0
		A-4	KDX Hatchobori Building	992.20	Offices	4,800.43	SRC · RC B1F8	June 1993	7.0
		A-5	KDX Nakano-Sakaue Building	1,235.16	Offices, Retail Shops Residence, Garage Storage	6,399.42	SRC B1F11	August 1992	5.0
		A-6	Harajuku F.F. Building	708.35	Retail Shops, Offices Parking	3,812.44	SRC F11	November 1985	4.4
		A-7	KDX Minami Aoyama Building	369.47	Offices, Retail Shops Residence	1,926.98	SRC B1F9	November 1988	6.7
		A-8	KDX Kanda Kitaguchi Building	410.18	Offices	2,393.94	SRC · RC · S B1F8	May 1993	5.4
		A-13	KDX Kojimachi Building	612.17	Offices, Retail Shops	5,323.81	SRC B2F9	May 1994	4.7
		A-14	KDX Funabashi Building	1,180.41	Offices, Retail Shops	5,970.12	SRC B1F8	April 1989	7.8
		A-16	Toshin 24 Building	1,287.16	Offices, Retail Shops Parking	8,483.17	SRC B1F8	September 1984	7.9
		A-17	KDX Ebisu Building	724.22	Offices, Retail Shops	4,394.58	SRC B1F7	January 1992	7.6
		A-19	KDX Hamamatsucho Building	504.26	Offices, Retail Shops Parking	3,592.38	S F9	September 1999	7.4
		A-20	KDX Kayabacho Building	617.17	Offices, Parking	3,804.86	SRC F8	October 1987	7.0
		A-21	KDX Shinbashi Building	536.11	Offices, Retail Shops Parking	3,960.22	SRC · S B1F8	February 1992	7.7
		A-22	KDX Shin-Yokohama Building	705.00	Offices, Retail Shops Parking	6,180.51	S B1F9	September 1990	9.3
		A-27	KDX Kajicho Building	526.43	Offices, Retail Shops	3,147.70	SRC B1F8	March 1990	6.5
		A-29	KDX Higashi-Shinjuku Building	1,340.97	Offices Storage, Parking	7,885.40	SRC B1F9	January 1990	6.8
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.0
		A-31	KDX Monzen-Nakacho Building	580.99	Offices, Retail Shops	2,668.91	SRC F8	September 1986	6.4
		A-32	KDX Shiba-Daimon Building	1,188.28	Offices	7,824.03	SRC B1F9	July 1986	7.0
		A-33	KDX Okachimachi Building	239.72	Offices	1,882.00	S F10	June 1988	7.7
		A-35	KDX Hachioji Building	460.62	Offices, Parking Retail Shops	2,821.21	SRC F9	December 1985	5.5
		A-37	KDX Ochanomizu Building	1,515.28	Offices, Storage Retail Shops, Parking Mechanical Room	7,720.08	SRC B1F7	August 1982	8.5
		A-38	KDX Nishi-Shinjuku Building	626.06	Offices, Parking	2,017.63	RC F5	October 1992	8.9
		A-41	KDX Shinjuku 286 Building	421.70	Offices, Parking	3,432.04	SRC · RC B1F9	August 1989	6.4
		A-46	Hiei Kudan-Kita Building	1,844.83	Offices, Retail Shops Office Room Parking, Storage	11,425.31	SRC · S B1F11	March 1988	5.0
		A-51	KDX Hamacho Nakanohashi Building	462.29	Offices	3,280.41	SRC F9	September 1988	6.9
		A-55	Shin-toshin Maruzen Building	457.64	Offices, Retail Shops Parking	3,439.37	SRC B1F8	July 1990	6.5
		A-56	KDX Jimbocho Building	465.92	Offices	3,292.13	SRC B1F8	May 1994	6.3
		A-59	KDX Iwamoto-cho Building	266.86	Offices Residential Complex	1,618.65	S F9	March 2008	8.4
		A-60	KDX Harumi Building	2,230.69	Offices, Retail Shops	12,694.32	S · SRC B1F11	February 2008	2.8
		A-62	Koishikawa TG Building	1,250.42	Offices, Clinic, Parking	5,862.02	SRC B1F8	November 1989	6.8
		A-63	KDX Gotanda Building	582.90	Offices, Garage	4,440.61	SRC B1F9	April 1988	8.1
		A-64	KDX Nihonbashi 216 Building	307.77	Offices	1,871.62	SRC F9	October 2006	6.9
		A-66	KDX Shinjuku Building	1,118.12	Offices, Retail Shops Parking	10,348.02	S · RC B4F11	May 1993	4.8
		A-67	KDX Ginza 1chome Building	678.24	Offices, Bank	4,724.62	SRC F9	November 1991	6.9
A-71	KDX Iidabashi Building	967.38	Offices, Parking	5,422.64	SRC B1F8	March 1990	6.4		
A-72	KDX Higashi-Shinagawa Building	3,115.45	Offices	10,138.65	S · RC B1F5	January 1993	8.1		
A-73	KDX Hakozaki Building	971.83	Offices, Parking	6,332.48	SRC B1F10	November 1993	6.9		
A-78	KDX Tachikawa Ekimae Building	464.95	Offices	2,896.48	S B1F8	February 1990	3.5		
A-83	KDX Fuchu Building	2,400.00	Offices, Parking	16,647.00	SRC · S B1F14	March 1996	2.7		
A-84	KDX Kasuga Building	1,319.24	Offices, Retail Shops Parking	6,444.31	SRC B1F10	June 1992	6.4		

Type	Area	No.	Property Name	Site Area (m ²) (Note 1)	Usage (Note 2)	Total Floor Area (m ²) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	A-85	KDX Nakameguro Building	730.26	Offices	3,455.90	SRC F7	October 1985	6.9
		A-86	KDX Omiya Building	775.67	Offices, Retail Shops Parking, Residence	5,055.50	①S・SRC B1F8 ②S F3	April 1993	3.8
		A-87	Nihonbashi Horidomecho First	1,193.91	Offices, Residence Parking	7,362.25	SRC B1F10	July 1995	6.8
		A-88	KDX Shinjuku 6-chome Building	1,072.03	Offices, Retail Shops, Parking	5,907.00	SRC・RC B2F10	March 1990	5.2
		A-89	KDX Takanawadai Building	2,546.89	Offices	9,265.03	SRC B1F9	October 1985	6.5
		A-90	KDX Ikebukuro Building	472.94	Offices, Retail Shops Parking	3,848.18	S・RC B1F10	March 2009	4.7
		A-91	KDX Mita Building	548.72	Offices, Retail Shops Garage	5,007.98	S・SRC B3F11	March 1993	4.8
		A-92	KDX Akihabara Building	374.88	Retail Shops, Offices	2,979.14	SRC B1F9	December 1973	7.9
		A-93	KDX Iidabashi Square	1,341.98	Offices, Parking	6,764.37	SRC B1F8	January 1994	6.6
		A-94	KDX Musashi-Kosugi Building	3,210.09	Offices, Retail Shops	16,094.14	S B1F11	May 2013	7.0
		A-95	KDX Toyosu Grand Square	20,403.07	Offices, Retail Shops	63,419.60	S F11	April 2008	6.8
		A-96	KDX Takadanobaba Building	1,511.58	Offices, Parking	6,576.07	SRC・RC B2F7	October 1988	6.9
		A-99	KDX Ikebukuro West Building	603.21	Offices, Retail Shops, Parking	3,477.86	SRC F10	July 1988	5.7
		A-101	KDX Yokohama Building	2,499.38	Offices, Parking	15,894.75	SRC・S B1F11	March 1994	8.8
		A-102	KDX Yokohama Nishiguchi Building	1,029.45	Offices	6,556.59	SRC B1F9	October 1988	6.2
		A-107	KDX Ginza East Building	1,216.99	Offices, Parking	6,413.60	SRC B1F9	August 1991	5.6
		A-108	Pentel Building	2,502.63	Offices, Bank, Residence	18,880.89	S・SRC B3F14	November 1990	6.4
		A-109	KDX Hamamatsucho Center Building	835.83	Offices, Garage	3,981.69	SRC F7	December 1985	8.0
		A-112	KDX Toranomon 1Chome Building	1,449.82	Offices, Retail Shops Parking	11,212.05	S・SRC B1F11	October 2013	7.4
		A-113	KDX Shin-Nihonbashi Ekimae Building	531.64	Offices, Parking	4,254.07	SRC B1F10	May 1992	5.8
		A-115	ARK Mori Building	39,602.42	Offices	177,486.95	RC・SRC・S B4F37	March 1986	2.2
		A-116	KDX Nishi-Shinbashi Building	1,406.56	Offices, Garage	8,851.60	SRC B1F11	August 1992	5.2
		A-117	BR Gotanda	914.80	Offices, Parking	7,395.72	SRC・S B2F11	September 1991	7.8
		A-119	KDX Shibuya Nanpeidai Building	1,276.02	Offices	2,832.58	S F4	December 2003	7.4
		A-120	KDX Yoyogi Building	228.74	Retail Shops, Offices	1,269.06	SRC F8	August 1991	5.1
		A-121	Ginza 4chome Tower	688.52	Retail Shops, Offices, Parking	6,787.33	S B1F13	November 2008	5.9
		A-122	Mitsubishijuko Yokohama Building	10,100.58	Offices, Retail Shops	109,472.69	S・SRC B2F34	February 1994	3.5
		A-123	KDX Yokohama Kannai Building	1,687.26	Offices, Parking	15,883.21	S・SRC・RC B2F14	September 2007	1.1
		A-124	KDX Hamamatsucho Place	1,917.71	Offices	12,280.77	S F10	February 2015	0.4
		A-125	KDX Chofu Building	13,265.06	Offices, Parking	31,536.86	SRC・RC B1F7	January 1995	7.2
		A-127	KDX Kanda Ekimae Building	435.14	Offices	2,543.00	S F8	February 1991	6.2
		A-128	KDX Shinbashi Ekimae Building	874.36	Offices, Clinic, Retail Shops	7,327.63	S・SRC B1F11	September 2018	4.6
		A-130	KDX Edobashi Building	924.00	Offices	8,076.42	SRC B1F10	November 1986	6.5
Other Regional Areas		A-12	Portus Center Building	13,936.63	Offices, Retail Shops Storage, Parking	79,827.08	SRC・S B2F25	September 1993	3.6
		A-42	KDX Karasuma Building	1,788.67	Offices	12,632.68	SRC B1F8	October 1982	1.0
		A-44	KDX Sendai Building	987.78	Offices	5,918.30	SRC B1F10	February 1984	1.3
		A-53	KDX Hakata-Minami Building	1,826.25	Offices, Retail Shops Parking	13,238.16	SRC B1F9	June 1973	0.9
		A-54	KDX Kitahama Building	751.92	Offices, Storage Parking	4,652.96	S F10	July 1994	2.3
		A-58	KDX Nagoya Sakae Building	1,192.22	Offices, Retail Shops	9,594.00	S F11	April 2009	0.3
		A-69	KDX Kobayashi-Doshomachi Building (Note 7)	1,561.04	Offices, Garage Retail Shops	10,723.83	S・SRC B1F12	July 2009	2.7
		A-70	KDX Sapporo Building	819.44	Offices	5,503.90	SRC B1F9	October 1989	1.3
		A-79	KDX Nagoya Ekimae Building	1,354.10	Offices, Retail Shops	13,380.30	S・SRC B2F15	April 1986	3.7
		A-82	KDX Higashi Umeda Building	804.50	Offices, Retail Shops Parking	6,805.76	S・SRC B1F10	July 2009	2.2

Type	Area	No.	Property Name	Site Area (m ²) (Note 1)	Usage (Note 2)	Total Floor Area (m ²) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Other Regional Areas	A-97	KDX Utsunomiya Building	1,412.00	Offices, Retail Shops Parking	7,742.18	S · SRC B1F10	February 1999	0.1
		A-98	KDX Hiroshima Building	706.78	Offices, Parking Tower	5,718.83	SRC B1F10	January 1990	1.1
		A-100	Senri Life Science Center Building	5,911.08	Offices, Retail Shops Parking	49,260.78	SRC · S B3F21	June 1992	1.1
		A-104	KDX Minami-Honmachi Building	882.96	Offices, Retail Shops Garage	7,694.03	S · RC B1F12	December 2009	2.4
		A-106	KDX Sakura-dori Building	2,420.43	Offices, Retail Shops Lounge, Storage	19,680.16	S B1F18	August 1992	3.8
		A-110	KDX Shin-Osaka Building	1,016.54	Offices, Parking Retail Shops	7,987.35	SRC B1F11	May 1992	3.3
		A-111	KDX Nagoya Nichigin-mae Building	732.14	Offices	5,862.22	S B1F10	September 2006	4.3
		A-118	KDX Sapporo Kitaguchi Building	782.69	Offices	4,639.44	SRC · RC B1F9	September 1992	1.8
		A-126	KDX Tosabori Building	993.68	Offices, Garage	8,307.73	SRC B1F10	October 1987	3.3
		A-129	KDX Sendai Honcho Building	1,995.04	Offices, Retail Shops	13,049.82	SRC B1F12	November 1984	1.0
		A-131	KDX Kobe Building	1,290.18	Offices	8,501.91	S · SRC B1F10	May 1992	2.0
Subtotal of Office Buildings (96 properties)				-	-	-	-	Avg. 27.5 yrs.	-
Other	Tokyo Metropolitan Area	D-2	Shinjuku 6chome Building (Land)	1,355.13	-	-	-	-	-
Subtotal of Others (1 property)				-	-	-	-	-	-
Total of 97 properties				-	-	-	-	Avg. 27.5 yrs.	3.1

Note 1: Site area data is based on figures recorded in the land register (including relevant figures for land leasehold, if any). Data may not match with the actual current status. In the case of buildings with compartmentalized ownership, the figure indicates the site area of the entire land subject to site rights.

Note 2: Usage is based on data recorded in the land register. For buildings with compartmentalized ownership, the usage type of exclusively owned area is shown.

Note 3: Total floor area is based on figures recorded in the land register and does not include related structures. The total floor area for the entire building is reported for compartmentalized ownership.

Note 4: Type of structure data is based on data recorded in the land register. For buildings with compartmentalized ownership, the structure and the number of floors of the entire building that includes the compartmentalized ownership is shown. The following abbreviations are used to report data relating to structure and the number of floors:

SRC: Steel-Reinforced Concrete; RC: Reinforced Concrete; S: Steel Frame; B: Below Ground Level; F: Above Ground Level.

For example: B2F9: Two floors below ground level and nine floors above ground level.

Note 5: Completion date is the date of construction completion recorded in the land register. Average age subtotal and total data are calculated using the weighted average based on acquisition prices as of October 31, 2023, and are rounded down to the first decimal place.

Note 6: Probable Maximum Loss (PML) data is based on a survey provided by Sompo Risk Management Inc. as of October 31, 2023.

Note 7: KDX Kobayashi Doshomachi Building includes the fixed-term land leasehold with a special agreement to transfer building.

(d) Details of the Tenants

Type	Area	No.	Property Name	Total Leasable Floor Area (m ²) (Note 1)	Total Leased Floor Area (m ²) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
		A-1	KDX Nihonbashi 313 Building	5,732.83	5,732.83	-	-	16	100.0	202,784	279,304
		A-3	KDX Higashi-Kayabacho Sanyo Building	4,379.20	4,379.20	-	-	9	100.0	116,982	218,776
		A-4	KDX Hatchobori Building	3,323.14	3,323.14	-	-	4	100.0	113,634	113,376
		A-5	KDX Nakano-Sakaue Building	4,286.99	4,286.99	19	19	28	100.0	93,777	117,137
		A-6	Harajuku F.F. Building	3,071.15	3,071.15	-	-	2	100.0	112,541	144,075
		A-7	KDX Minami Aoyama Building	1,810.19	1,577.01	-	-	7	87.1	69,020	80,304
		A-8	KDX Kanda Kitaguchi Building	1,918.23	1,918.23	-	-	10	100.0	52,145	76,876
		A-13	KDX Kojimachi Building	3,719.37	3,719.37	-	-	9	100.0	145,311	255,253
		A-14	KDX Funabashi Building	3,845.90	3,845.90	-	-	23	100.0	116,150	169,636
		A-16	Toshin 24 Building	6,616.68	6,616.68	-	-	20	100.0	182,822	281,886
		A-17	KDX Ebisu Building	3,072.34	3,072.34	-	-	5	100.0	154,909	271,338
		A-19	KDX Hamamatsucho Building	2,724.35	2,388.48	-	-	8	87.7	99,263	111,757
		A-20	KDX Kayabacho Building	3,019.94	2,582.53	-	-	6	85.5	89,980	147,764
		A-21	KDX Shinbashi Building	2,803.96	2,434.32	-	-	8	86.8	120,813	202,097
		A-22	KDX Shin-Yokohama Building	4,768.94	4,768.94	-	-	23	100.0	101,557	176,219
		A-27	KDX Kajicho Building	2,564.79	2,564.79	-	-	10	100.0	67,926	99,777
		A-29	KDX Higashi-Shinjuku Building	5,859.92	5,859.92	-	-	6	100.0	148,534	130,288
		A-30	KDX Nishi-Gotanda Building	3,883.02	3,883.02	-	-	12	100.0	119,788	155,871
		A-31	KDX Monzen-Nakacho Building	2,008.74	2,008.74	-	-	6	100.0	47,966	48,898
		A-32	KDX Shiba-Daimon Building	5,997.36	5,997.36	-	-	8	100.0	181,734	263,030
		A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	2	100.0	64,647	103,663
		A-35	KDX Hachioji Building	2,159.05	2,159.05	-	-	10	100.0	50,957	56,102
		A-37	KDX Ochanomizu Building	5,861.72	5,861.72	-	-	9	100.0	203,908	319,412
		A-38	KDX Nishi-Shinjuku Building	1,593.59	1,593.59	-	-	10	100.0	51,502	83,284
		A-41	KDX Shinjuku 286 Building	2,445.22	2,445.22	-	-	9	100.0	75,032	98,615
		A-46	Hiei Kudan-Kita Building	6,908.96	6,908.96	-	-	15	100.0	248,794	362,991
		A-51	KDX Hamacho Nakanohashi Building	2,237.07	2,237.07	-	-	9	100.0	72,553	101,753
		A-55	Shin-toshin Maruzen Building	1,912.24	1,912.24	-	-	6	100.0	55,076	76,475
		A-56	KDX Jimbocho Building	2,323.44	2,323.44	-	-	5	100.0	65,359	104,865
		A-59	KDX Iwamoto-cho Building	1,529.70	1,529.70	3	3	8	100.0	43,589	72,873
		A-60	KDX Harumi Building	9,294.00	8,432.48	-	-	11	90.7	247,014	351,941
		A-62	Koishikawa TG Building	3,934.35	3,934.35	-	-	2	100.0	127,185	155,102
		A-63	KDX Gotanda Building	3,157.04	3,157.04	-	-	10	100.0	111,186	156,650
		A-64	KDX Nihonbashi 216 Building	1,615.20	1,413.30	-	-	7	87.5	58,693	108,948
		A-66	KDX Shinjuku Building	5,801.65	5,801.65	-	-	23	100.0	266,304	337,646
		A-67	KDX Ginza Ichoime Building	3,573.59	3,573.59	-	-	4	100.0	153,989	193,218
		A-71	KDX Iidabashi Building	4,350.61	4,350.61	-	-	12	100.0	186,166	189,096
		A-72	KDX Higashi-Shinagawa Building	7,117.94	5,452.06	-	-	6	76.6	132,964	173,248
		A-73	KDX Hakozaki Building	3,992.60	3,565.24	-	-	7	89.3	121,549	138,255
		A-78	KDX Tachikawa Ekimae Building	1,613.25	1,613.25	-	-	5	100.0	70,232	111,199
		A-83	KDX Fuchu Building	10,151.50	9,902.52	-	-	40	97.5	307,145	478,754
		A-84	KDX Kasuga Building	4,348.15	4,348.15	-	-	11	100.0	128,230	170,421
		A-85	KDX Nakameguro Building	2,726.69	2,726.69	-	-	7	100.0	96,811	177,801
		A-86	KDX Omiya Building	3,833.23	3,743.53	1	-	16	97.7	125,908	214,066
		A-87	Nihonbashi Horidomecho First	3,106.42	3,106.42	8	8	13	100.0	104,479	124,386
		A-88	KDX Shinjuku 6-chome Building	4,037.44	4,037.44	-	-	6	100.0	103,832	101,443
		A-89	KDX Takanawadai Building	6,970.54	6,970.54	-	-	7	100.0	209,474	284,173
		A-90	KDX Ikebukuro Building	3,110.77	3,110.77	-	-	7	100.0	128,494	205,794
		A-91	KDX Mita Building	3,272.19	2,959.12	-	-	11	90.4	98,132	152,431
		A-92	KDX Akihabara Building	2,287.40	2,287.40	-	-	8	100.0	74,208	131,144
		A-93	KDX Iidabashi Square	4,571.92	4,571.92	-	-	8	100.0	176,705	337,076
		A-94	KDX Musashi-Kosugi Building	12,978.59	12,978.59	-	-	17	100.0	413,651	823,726
		A-95	KDX Toyosu Grand Square	11,797.84	11,331.92	-	-	14	96.1	323,413	458,417
		A-96	KDX Takadanobaba Building	4,596.20	4,596.20	-	-	11	100.0	149,264	171,670
		A-99	KDX Ikebukuro West Building	2,532.71	2,532.71	-	-	7	100.0	78,598	92,416
		A-101	KDX Yokohama Building	10,875.91	10,611.67	-	-	26	97.6	285,114	453,785
		A-102	KDX Yokohama Nishiguchi Building	4,985.72	4,985.72	-	-	14	100.0	127,321	180,053
		A-107	KDX Ginza East Building	4,400.92	4,400.92	-	-	12	100.0	124,551	157,044
		A-108	Pentel Building	4,346.66	4,346.66	5	5	10	100.0	143,388	206,116
		A-109	KDX Hamamatsucho Center Building	3,052.76	3,052.76	-	-	7	100.0	118,177	183,578
		A-112	KDX Toranomon 1Chome Building	8,179.00	8,179.00	-	-	3	100.0	531,492	664,014
		A-113	KDX Shin-Nihonbashi Ekimae Building	3,279.09	3,279.09	-	-	10	100.0	120,829	196,054
		A-115	ARK Mori Building	2,442.60	2,442.60	-	-	1 (Note 9)	100.0	N/A (Note 10)	N/A (Note 10)
		A-116	KDX Nishi-Shinbashi Building	5,735.58	5,735.58	-	-	7	100.0	222,110	313,015
		A-117	BR Gotanda	3,320.24	3,320.24	-	-	6	100.0	109,201	120,129
		A-119	KDX Shibuya Nanpeidai Building	2,205.33	2,205.33	-	-	1	100.0	98,811	176,681
		A-120	KDX Yoyogi Building	1,173.55	1,173.55	-	-	10	100.0	76,285	106,034
		A-121	Ginza 4chome Tower	5,624.23	5,624.23	-	-	4	100.0	309,564	338,450
		A-122	Mitsubishijuko Yokohama Building	13,495.34	13,289.61	-	-	22	98.5	424,234	667,397
		A-123	KDX Yokohama Kannai Building	10,052.67	10,052.67	-	-	11	100.0	322,732	437,591
		A-124	KDX Hamamatsucho Place	9,325.18	9,325.18	-	-	12	100.0	516,685	991,230
		A-125	KDX Chofu Building	11,834.73	11,834.73	-	-	7	100.0	342,957	276,680
		A-127	KDX Kanda Ekimae Building	2,175.29	2,175.29	-	-	7	100.0	77,648	92,242
		A-128	KDX Shinbashi Ekimae Building	5,403.25	5,020.73	-	-	7	92.9	363,973	578,963

Type	Area	No.	Property Name	Total Leasable Floor Area (m ²) (Note 1)	Total Leased Floor Area (m ²) (Note 2)	No. of Leasable Residential Units (Note 3)	No. of Leased Residential Units (Note 4)	No. of Tenants (Note 5)	Occupancy Rate (%) (Note 6)	Rental and Other Operating Revenues (Thousands of Yen) (Note 7)	Tenant Leasehold and Security Deposits (Thousands of Yen) (Note 8)
Office Buildings	Other Regional Areas	A-130	KDX Edobashi Building	5,689.60	5,689.60	-	-	7	100.0	178,331	303,237
		A-12	Portus Center Building	11,500.89	10,457.93	-	-	31	90.9	240,977	298,302
		A-42	KDX Karasuma Building	8,730.20	8,730.20	-	-	42	100.0	225,993	327,877
		A-44	KDX Sendai Building	3,948.03	3,701.16	-	-	29	93.7	93,580	176,201
		A-53	KDX Hakata-Minami Building	10,112.80	10,112.80	-	-	52	100.0	224,862	309,703
		A-54	KDX Kitahama Building	4,007.96	3,729.22	-	-	14	93.0	77,266	100,034
		A-58	KDX Nagoya Sakae Building	6,923.12	6,685.69	-	-	17	96.6	203,727	279,225
		A-69	KDX Kobayashi-Doshomachi Building	7,072.26	7,072.26	-	-	8	100.0	212,360	223,136
		A-70	KDX Sapporo Building	3,779.73	3,697.01	-	-	18	97.8	106,107	153,825
		A-79	KDX Nagoya Ekimae Building	7,904.22	7,904.22	-	-	19	100.0	340,990	534,080
		A-82	KDX Higashi Umeda Building	4,994.88	4,994.88	-	-	4	100.0	155,459	149,964
		A-97	KDX Utsunomiya Building	5,278.51	5,278.51	-	-	25	100.0	131,285	156,730
		A-98	KDX Hiroshima Building	4,000.15	4,000.15	-	-	23	100.0	76,167	113,655
		A-100	Senri Life Science Center Building	17,155.65	16,970.10	-	-	62	98.9	721,139	961,880
		A-104	KDX Minami-Honmachi Building	5,280.02	5,280.02	-	-	16	100.0	114,289	166,416
		A-106	KDX Sakura-dori Building	12,314.52	12,314.52	-	-	36	100.0	368,334	521,442
		A-110	KDX Shin-Osaka Building	5,985.76	5,985.76	-	-	20	100.0	170,253	232,315
		A-111	KDX Nagoya Nichigin-mae Building	4,363.96	4,363.96	-	-	16	100.0	124,201	179,345
A-118	KDX Sapporo Kitaguchi Building	3,319.15	3,319.15	-	-	18	100.0	78,641	129,690		
A-126	KDX Tosabori Building	5,635.37	5,414.39	-	-	12	96.1	131,095	212,069		
A-129	KDX Sendai Honcho Building	8,886.10	8,679.95	-	-	45	97.7	217,568	287,908		
A-131	KDX Kobe Building	5,669.74	5,669.74	-	-	21	100.0	102,530	140,144		
Subtotal of Office Buildings (96 properties)				493,403.06	484,398.74	36	35	1,285	98.2	15,992,065	22,897,236
Others	Tokyo Metropolitan Area	D-2	Shinjuku 6Chome Building (Land)	1,355.13	1,355.13	-	-	1	100.0	68,866	57,385
Subtotal of Others (1 property)				1,355.13	1,355.13	-	-	1	100.0	68,866	57,385
Total of 97 properties				494,758.19	485,753.87	36	35	1,286 (Note 11)	98.2	16,060,932	22,954,621

Note 1: Total leasable floor area refers to the leasable floor area for a building (aggregate total of the leasable floor area of each building in the case of more than one building), excluding land (including land for one-story parking) identified in lease agreements or construction completion plans. However, the indicated figure of rentable area for Pentel Building includes leasable area for land stated in the lease agreement. The indicated figure of leasable area for Shinjuku 6chome Building (Land) is leasable area stated in the land lease agreement.

Note 2: Total leased floor area refers to the area identified in lease agreements with end tenants or sub-lease agreements.

Note 3: The number of leasable residential units refers to the portion of the building used for residential purposes.

Note 4: The number of leased residential units refers to the number of residential units among leasable residential units for which lease agreements with end tenants or sub-lease agreements are signed.

Note 5: The number of tenants refers to the actual number of end tenants for each property.

Note 6: Occupancy rate is calculated by dividing leased floor area by total leasable floor area. Figures are rounded to the first decimal place. The figures entered in the subtotal and total columns are those obtained by dividing the subtotal (total) of total leased floor area by the subtotal (total) of total leasable floor area of properties corresponding to each subtotal and total column.

Note 7: Rental and other operating revenues refer to the total amount of revenues generated during the fiscal period under review from real estate rental operations including leasing revenues, common charges and parking revenues rounded down to the nearest thousand yen.

Note 8: Tenant leasehold and security deposits refer to the total of the balances of security deposits held (including net security deposits in the case of discount) and guarantee deposits, both identified in lease agreements or sub-lease agreements, with the figure rounded down to the nearest thousand yen.

Note 9: Since we have concluded a building lease agreement and a property management agreement with Mori Building Co., Ltd., a master lessee, the total number of tenants is indicated as 1.

Note 10: Figures are not disclosed because the company that is a master lessee and a property manager has not given consent.

Note 11: The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

(2) Capital Expenditures

① Planned Capital Expenditures

Major capital expenditure plans for renovation of properties held by KDXR for the fiscal period ending April 30, 2024 (November 1, 2023 to April 30, 2024) are as follows. Planned capital expenditures may include portions classified into expenses for accounting purposes as a result.

Property Name (Location)	Purpose	Schedule	Planned Amount of Capital Expenditures (Millions of Yen)		
			Total	Paid in the Fiscal Period under Review	Total Amount Previously Paid
KDX Karasuma Building (Kyoto, Kyoto)	Renewal of air-conditioning system	November 2023 to April 2024	182	-	-
Resora Obu Shopping Terrace *2 (Obu, Aichi)	Renewal of air-conditioning system	As above	131	-	-
KDX Residence Ohori Harbor View Tower *3 (Fukuoka, Fukuoka)	Upgrade of common area	As above	130	-	-
Activa Biwa *3 (Otsu, Shiga)	Renovation of plumbing equipment	As above	105	-	-
Ginza 4chome Tower (Chuo-ku, Tokyo)	Renovation of external wall	As above	101	-	-
Activa Biwa *3 (Otsu, Shiga)	Upgrade of common area	As above	98	-	-
ias Kasugai *2 (Kasugai, Aichi)	Solar panel installation	As above	84	-	-
KDX Residence Iriya *3 (Taito-ku, Tokyo)	Upgrade of common area	As above	75	-	-
KDX Sakaisuji Hommachi Residence *3 (Osaka, Osaka)	Upgrade of common area	As above	73	-	-
KDX Sendai Honcho Building (Sendai, Miyagi)	Renewal of disaster prevention equipment	As above	70	-	-
Portus Center Building (Sakai, Osaka)	Upgrade of exclusively owned area	As above	64	-	-
KDX Nagoya Ekimae Building (Naogya, Aichi)	Renovation of transformers	As above	63	-	-
RIVER CITY21 East Towers II (Chuo-ku, Tokyo)	Upgrade of exclusively owned area	As above	62	-	-
KDX Sapporo Building (Sapporo, Hokkaido)	Renovation of elevator	As above	60	-	-
KDX Residence Nishi-oji *3 (Kyoto, Kyoto)	Upgrade of common area	As above	50	-	-
Habikigaoka Shopping Center *2 (Habikino, Osaka)	Rooftop waterproof work	As above	47	-	-
KDX Residence Kamishakujii *3 (Nerima-ku, Tokyo)	Upgrade of common area	As above	45	-	-
KDX Takadanobaba Building (Toshima-ku, Tokyo)	Renovation of mechanical parking lot	As above	43	-	-
KDX Nishi-Gotanda Building (Shinagawa-ku, Tokyo)	Renovation of mechanical parking lot	As above	42	-	-
KDX Yoyogi Building (Shibuya-ku, Tokyo)	Renovation of external wall	As above	38	-	-
KDX Yokohama Nishiguchi Building (Yokohama, Kanagawa)	Upgrade of exclusively owned area	As above	28	-	-
Excellent Nishinomiya *3 (Nishinomiya-shi, Hyogo)	Renewal of air-conditioning system	As above	28	-	-
Irise Kamata/Yuseien *3 (Ota-ku, Tokyo)	Renewal of air-conditioning system	As above	21	-	-
Gran Hills Ogawarako *3 (Tohokumachi, Kamikita-gun, Aomori)	Upgrade of exclusively owned area	As above	20	-	-
KDX Residence Futako Tamagawa *3 (Setagaya-ku, Tokyo)	Renovation of mechanical parking lot	As above	19	-	-
Tenri Distribution Center *2 (Tenri, Nara)	Lighting system replacement	As above	18	-	-

Property Name (Location)	Purpose	Schedule	Planned Amount of Capital Expenditures (Millions of Yen)		
			Total	Paid in the Fiscal Period under Review	Total Amount Previously Paid
Gran Hills Ogawarako *3 (Tohokumachi, Kamikita-gun, Aomori)	Lighting system replacement	As above	18	-	-
KDX Tachikawa Ekimae Building (Tachikawa, Tokyo)	Renovation of mechanical parking lot	As above	17	-	-
KDX Hiroshima Building (Hiroshima, Hiroshima)	Upgrade of common area	As above	16	-	-
Excellent Nishinomiya *3 (Nishinomiya, Hyogo)	Renovation of plumbing equipment	As above	15	-	-
Excellent Nishinomiya *3 (Nishinomiya, Hyogo)	Renewal of air-conditioning system	As above	15	-	-
Shinjuku Nishiochiai Distribution Center *2 (Shinjuku-ku, Tokyo)	Upgrade of exclusively owned area	As above	13	-	-

Note 1: The planned amounts of capital expenditures are rounded down to the nearest million yen.

Note 2: These assets were succeeded from KRR, which was merged on November 1, 2023.

Note 3: These assets were succeeded from KDR, which was merged on November 1, 2023.

② Capital Expenditures During the Fiscal Period under Review (Fiscal Period Ended October 31, 2023)

KDXR undertook the following major capital expenditures. In the fiscal period under review (fiscal period ended October 31, 2023), KDXR completed works across its entire portfolio totaling 1,660 million yen, consisting of 1,168 million yen of capital expenditures and 491 million yen of repairs and maintenance expenses in the fiscal period under review.

Property Name (Location)	Purpose	Term	Amount of Capital Expenditures (Millions of Yen)
KDX Karasuma Building (Kyoto, Kyoto)	Renewal of air-conditioning system	May 2023 to October 2023	246
Portus Center Building (Sakai, Osaka)	Renovation of elevator	As above	211
KDX Fuchu Building (Fuchu, Tokyo)	Upgrade of common area	As above	87
KDX Kasuga Building (Bunkyo, Tokyo)	Upgrade of common area	As above	62
Other			560
Portfolio Total			1,168

Note: The amounts of the capital expenditures are rounded down to the nearest million yen.

③ Reserved Amount for Long-Term Repairs and Maintenance Plans

Not Applicable

(3) Overview of Major Tenants

① Information Concerning Major Real Estate Properties

There were no major real estate properties with rental and other operating revenues exceeding 10% of total rent and other operating revenues for the fiscal period under review (fiscal period ended October 31, 2023).

② Information Concerning Major Tenants

A. Tenant which holds more than 10% of the total leased area: Not applicable

B. Reference: Major end tenants

(As of October 31, 2023)

	Name of End Tenant	Property Name	Leased Floor Area (m ²)	Percentage of Total Leased Floor Area (Note 1)
1	Mitsubishi Heavy Industries, Ltd.	Mitsubishijuko Yokohama Building	11,267.43	2.3
2	WeWork Japan G.K.	KDX Toranomom 1Chome Building	6,347.27	1.3
3	JASTECo., Ltd.	KDX Takanawadai Building	4,892.89	1.0
4	Japan Pension Service	KDX Chofu Building	4,710.40	1.0
5	N / A (Note 2)	KDX Kobayashi-Doshomachi Building	4,324.10	0.9
Subtotal			31,542.09	6.5
Total Portfolio			485,753.87	100.0

Note 1: Percentage of total leased floor area refers to the floor area leased to each end tenant as a proportion of total leased floor area. Figures are rounded to the first decimal place.

Note 2: Not disclosed because the tenant has not given consent.