

To All Concerned Parties:

REIT Issuer  
 KDX Realty Investment Corporation  
 Representative: Hiroaki Momoi, Executive Director  
 (Security Code: 8972)

Asset Management Company  
 Kenedix Real Estate Fund Management Inc.  
 Representative: Hikaru Teramoto, President & CEO  
 Contact: Michiru Nagamata, Head of Strategic Planning,  
 Listed REIT Department  
 TEL: +81-3-5157-6010

Notice Concerning Acquisition of Property (Okinawa Prince Hotel Ocean View Ginowan)

KDX Realty Investment Corporation (“KDXR”) announced today that Kenedix Real Estate Fund Management, Inc. (the “Asset Management Company”), the asset management company for KDXR, decided to acquire the following property (the “Acquisition”).

The seller of Okinawa Prince Hotel Ocean View Ginowan (the “Property”) is deemed a related-party under Article 201 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended; the “Investment Trust Act”) and Article 123 of the Enforcement Order of the Investment Trust Act (Order No. 480 of 2000, as amended) and related-party under the Related-Party Transactions Rules of the Listed REIT Department of the Asset Management Company. The Asset Management Company has obtained deliberation and approval for the Acquisition at the Listed REIT Department Asset Management Committee after deliberation and approval at its Compliance Committee.

1. Overview of the Acquisition

Property Number	Property Name	Location	Anticipated Acquisition Price (Millions of Yen) (Note 1)	Appraisal NOI Yield(%) (Note 2)	Brokerage
E2001	Okinawa Prince Hotel Ocean View Ginowan	Ginowan, Okinawa	22,000	4.9	N/A

- (1) Contract Date: January 15, 2024
- (2) Scheduled Acquisition Date: February 1, 2024
- (3) Seller: Please refer to “4. Overview of Seller” for details.
- (4) Acquisition Funds: Debt financing <sup>(Note 3)</sup> and cash on hand
- (5) Settlement Method: Payment in full at settlement

<sup>(Note 1)</sup> “Anticipated Acquisition Price” is the purchase price (excluding acquisition costs, settlement of property tax and city planning tax, and consumption tax, etc.) indicated in the trust beneficiary interest sale and purchase contract, and is rounded down to the nearest million yen. The same shall apply hereafter.

<sup>(Note 2)</sup> “Appraisal NOI Yield” is calculated by dividing the appraisal NOI of the property as on the appraisal report as of November 1, 2023 by the anticipated acquisition price for the property and rounded to the first decimal place. “Appraisal NOI” refers to NOI (Net Operating Income) before depreciation expenses, which is calculated by deducting the operating expenses from the operating revenues described in the appraisal report, and thus, differs from NCF (Net Cash Flow) which is calculated by adding the profit from the investment of tenant deposits to and deducting capital expenditures from NOI. The appraisal NOI here is the NOI calculated using the direct capitalization method.

<sup>(Note 3)</sup> Matters concerning new borrowings shall be announced upon determination.

2. Reasons for the Acquisition

In accordance with the "Asset Management Targets and Policies" set forth in the Articles of Incorporation of KDXR, it has decided to acquire the property with the aim to execute prompt growth strategy following the merger, improve portfolio quality and maximize unitholder value.

KDXR expects hotel demand will grow by capturing the expansion of inbound tourists demand and solid domestic demand to remain solid. KDXR believes that the Property can capture upside potential under the current situation where demand from inbound tourists is expected to grow due to variable rents which are going to be adopted in the lease agreement for the Property.

Furthermore, KDXR has considered the following characteristics in determining the acquisition.

Okinawa Prince Hotel Ocean View Ginowan is a resort hotel located in Ginowan City with excellent access from the airport. Located within walking distance from “Okinawa Convention Center”, the Property will help capture MICE<sup>(Note)</sup> demand in addition to tourism demand.

(Note) “MICE” is an abbreviation consisting of capital letters of “Meeting (meetings of companies, etc.)”, “Incentive Travel (travel rewards, retreats and incentive trips held by companies, etc.)”, “Convention (international conferences held by international organizations, associations and academic societies, etc.)” and “Exhibition/Event (exhibitions, trade fairs and events)” and a collective term of such business events. The same applies hereinafter.

( i ) Location

The Property is placed in an area with the best access to Naha city area on the route connecting Naha City area to the northern resort area and also has a good access to trunk roads such as National Route 58 and National Route 330 extending from Naha City to the north central region of the main island of Okinawa.

Furthermore, “Okinawa Convention Center”, where international conferences and concerts can be held, is within walking distance, and therefore the Property is considered to be located in an area where demand for resort MICE can be expected to increase in addition to tourism demand.

( ii ) Building

The Property is a relatively new resort hotel completed in 2022 with 340 guest rooms. All rooms have ocean view terrace. In addition to 100 m<sup>2</sup> suites, there are twin rooms of various sizes from 33 m<sup>2</sup> to 77 m<sup>2</sup>, family rooms that can accommodate up to 4 people, deluxe twin rooms, and other room types to meet a variety of demands. It includes various facilities such as a restaurant, large public bath, sauna, and fitness room. The 14th floor equips with a club lounge exclusively for Club Floor guests and an Infinity Pool.

KDXR believes that these specifications adequately meet the needs of customers in this area, where business demand is expected in addition to tourism demand.

### 3. Overview of the Property

Property Name		Okinawa Prince Hotel Ocean View Ginowan
Type of Specified Asset		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd.
Trust Period		From March 31, 2022 to February 29, 2044 (planned)
Location <sup>(Note 1)</sup>		3-28-1 Mashiki, Ginowan, Okinawa
Land	Form of Ownership	Proprietary ownership
	Land Area	8,000.00m <sup>2</sup>
	Zoning	Neighborhood commercial area
	Building Coverage Ratio <sup>(Note 2)</sup>	80%
	Floor-area Ratio <sup>(Note 2)</sup>	300%
Building	Form of Ownership	Proprietary ownership
	Gross Floor Area <sup>(Note 3)</sup>	24,719.21m <sup>2</sup>
	Completion Date	January 14, 2022
	Usage	Hotel
	Structure / No. of Floors	Reinforced concrete structure with flat roof / 14-story building
Earthquake PML <sup>(Note 4)</sup>		4.4%
Anticipated Acquisition Price		22,000 million yen
Appraisal	Appraisal Value	24,900 million yen
	Date of Appraisal	November 1, 2023
	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Outline	Please refer to “10. Summary of Appraisal Report” below.
Collateral		None
Master Lessee Company		-
Type of Master Lease		-
Property Management Company <sup>(Note 5)</sup>		ITOCHU Urban Community Co., Ltd. (planned)
Details of Tenant		
	Number of End Tenants <sup>(Note 6)</sup>	1
	Tenant	Seibu Prince Hotels Worldwide Inc.
	Contract Format	Fixed-term building lease agreement

Contract Period	20 years from January 14, 2022
Rent Revisions	Not disclosed <sup>(Note 7)</sup>
Contract Renewal	Not disclosed <sup>(Note 7)</sup>
Mid-Term Cancellation	Not disclosed <sup>(Note 7)</sup>
Total Leasable Area <sup>(Note 8)</sup>	29,210.96 m <sup>2</sup>
Total Leased Area <sup>(Note 9)</sup>	29,210.96 m <sup>2</sup>
Number of Rooms / Retail Stores <sup>(Note 10)</sup>	340 rooms
Occupancy Rate <sup>(Note 11)</sup>	100%
Monthly Rent and Common Area Charge (excluding consumption tax)	Not disclosed <sup>(Note 7)</sup> The rent structure is as follows: (i) + (ii) + (iii) (i) Fixed rent: Not disclosed <sup>(Note 7)</sup> (ii) Variable rent: GOP <sup>(Note 12)</sup> x fixed rate (iii) Incentive rent <sup>(Note 13)</sup> : (GOP - set amount) x fixed rate
Security and Guarantee Deposits	Not disclosed <sup>(Note 7)</sup>
Remarks	Not applicable

(Note 1) "Location" is the indication of the residential address.

(Note 2) "Building Coverage Ratio" and "Floor-area Ratio" are the designated building coverage ratio and designated floor-area ratio provided in the city plan. The designated building coverage ratio may be relaxed or restricted due to the fact that the property is a fireproof building in a fire zone or for other reasons and may differ from the building coverage ratio actually applied. The designated floor-area ratio may be relaxed or restricted due to the width of roads connecting to the site or other reasons and may differ from the floor-area ratio actually applied.

(Note 3) "Gross Floor Area" of the building is based on the figure in the certificate of registered matters, not including the area of the annexed building.

(Note 4) "Earthquake PML" indicates the figure described in the earthquake PML valuation report (level 2) prepared by Sampo Risk Management Inc. in November 2023.

(Note 5) "Property Management Company" indicates the property management company that has entered into or will enter into a property management agreement for the property.

(Note 6) "Number of End Tenants" indicates the number of end tenants unless otherwise indicated.

(Note 7) Not disclosed as the tenant's consent has not been obtained.

(Note 8) "Total Leasable Area" is the floor area described in the lease agreements that is leasable at the property (in case where the property contains more than one building, the sum of the leasable floor area of such buildings) excluding the leasable area of the land (including the flat parking lot).

(Note 9) "Total Leased Area" is the leased floor area described in the lease agreements or sublease agreements which are actually executed with end tenants unless otherwise indicated.

(Note 10) "Number of Rooms / Retail Stores" is the number of rooms available for use as accommodation and the number of lots available for use as stores.

(Note 11) "Occupancy Rate" is the ratio of the "Total Leased Areas" (based on the lease agreements) to the "Total Leasable Area" of the property rounded to the first decimal place.

(Note 12) "GOP" stands for "Gross Operating Profit" and is the amount calculated by the prescribed calculation method as the operating income of the hotel business at the Property. The same applies hereinafter.

(Note 13) Incentive rents will be paid only when the annual GOP reaches a set amount.

#### 4. Overview of the Seller

Company Name	G.K. KHF8
Location	2-1-6, Uchisaiwaicho, Chiyoda-ku, Tokyo
Title and Name of Representative	Representative: Ippan Shadan Hojin KHF8 Office administrator: Masanori Nakatsu
Description of Business	1. Acquisition, holding, disposal, leasing and management of real estate 2. Acquisition, holding and disposal of trust beneficiary interests in real estate 3. All business incidental to the above
Amount of Capital	1 million yen
Date of Incorporation	January 5, 2022
Net Assets	Not disclosed as the seller's consent has not been obtained.
Total Assets	Not disclosed as the seller's consent has not been obtained.
Major Shareholder and Ratio	Please refer to "Capital Relationship" below.
Relationship between the Seller and KDXR / the Asset Management Company	
Capital Relationship	Kenedix, Inc. ("KDX"), which is the 100% parent company of the Asset Management Company and a parent company, etc. under the

	Financial Instruments and Exchange Act is the 100% parent company of Kenedix Investment Partners, Inc., which contribute to a general incorporated association fund that holds all of the seller's equity interest. Also, KDX owns 24.74% and SMFL Mirai Partners Corporation, the parent company holding 70% of KDX's issued shares, owns 75.26% of the silent partnership equity interest in which the seller is the operator.
Personnel Relationship	There is no special personnel relationship between KDXR or the Asset Management Company and the seller. Furthermore, there is no special personnel relationship between any related-parties or associated companies of KDXR or the Asset Management Company and any related-parties or associated companies of the seller.
Business Relationship	There is no special business relationship between KDXR or the Asset Management Company and the seller. Furthermore, there is no business personnel relationship between any related-parties or associated companies of KDXR or the Asset Management Company and any related-parties or associated companies of the seller.
Related-Party Relationships	The seller is a related-party, etc. as defined in the Investment Trust Law and a related-party as defined in the Related-Party Transaction Rules of Listed REIT Department of the Asset Management Company.

#### 5. Property Acquirer and Previous Owner's Profile

	Current Owner / Trust Beneficiary	Previous Owner / Trust Beneficiary
Company Name	G.K. KHF8	Other than those with a special interest
Relationship with Related-Party of the Asset Management Company	The related-party as defined in Related-Party Transaction Rules of the Listed REIT Department of the Asset Management Company and a related-party, etc. as defined under the Investment Trust Act	-
Acquisition Background / Purpose	Acquired for the purpose of investment management	-
Acquisition Date	March 31, 2022	-
Acquisition Price	Omitted as the property has been owned by current trust beneficiary for more than a year	-

#### 6. Brokerage Not applicable

#### 7. Related-Party Transactions

The seller of the Property is deemed a related-party under the Investment Trust Act and the Related-Party Transactions Rules of Listed REIT Department of the Asset Management Company. The Asset Management Company has obtained deliberation and approval for the Acquisition at the Listed REIT Department Asset Management Committee on January 15, 2024 after deliberation and approval at its Compliance Committee on the same day.

#### 8. Schedule of the Acquisition

Acquisition Decision Date / Contract Date	January 15, 2024
Payment Date / Acquisition Date	February 1, 2024 (planned)

## 9. Outlook

The impact of the Acquisition on the financial results for the fiscal periods ending April 30, 2024 (from November 1, 2023 to April 30, 2024) and October 31, 2024 (from May 1, 2024 to October 31, 2024) is minimal. Therefore, the forecasts of financial results for the fiscal period remains unchanged.

10. Summary of Appraisal Report

Property Name	Okinawa Prince Hotel Ocean View Ginowan
Appraisal Value	24,900,000,000yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Date of Appraisal	November 1, 2023

Unit: Yen

Item	Breakdown	Basis
Income Capitalization Approach Value	24,900,000,000	Calculated with the value based on the DCF method, with reference to the value based on direct capitalization method.
Value based on Direct Capitalization Method	25,700,000,000	Calculated by dividing the standardized NCF that remains stable over the medium to long term by the cap rate.
(1) Gross Operating Revenue	Not disclosed <sup>(Note)</sup>	
General Operating Revenue	Not disclosed <sup>(Note)</sup>	Assessed based on a level of fair rent considered to remain stable over the medium and long term.
Vacancy-Related Loss	Not disclosed <sup>(Note)</sup>	Not applicable, as it is assumed that the Property is leased to a single tenant for long term.
(2) Operating Expenses	Not disclosed <sup>(Note)</sup>	
Maintenance Fees	Not disclosed <sup>(Note)</sup>	Not applicable, as the property will be leased to a single tenant by which expense will be borne.
Utility Expenses	Not disclosed <sup>(Note)</sup>	Not applicable, as the property will be leased to a single tenant by which expense will be borne.
Repairs	Not disclosed <sup>(Note)</sup>	Assessed and calculated based on the building's replacement cost and referring to the expense of similar properties.
PM Fees	Not disclosed <sup>(Note)</sup>	Calculated based on documents obtained from the client and referring to the expense of similar properties.
Tenant Marketing Expenses	Not disclosed <sup>(Note)</sup>	Not applicable, as it is assumed that a tenant will not be replaced.
Property Taxes	Not disclosed <sup>(Note)</sup>	Assessed and calculated based on the actual amount in fiscal year 2023.
Insurance Expenses	Not disclosed <sup>(Note)</sup>	Assessed based on documents obtained from the client and referring to the expenses of similar properties.
Other Property-Related Expenses	Not disclosed <sup>(Note)</sup>	Assessing and calculating reserve for other expenses by referring to the actual amount in the past.
(3) Net Operating Income (NOI=(1)-(2))	1,076,452,529	
(4) One-Time Gain	Not disclosed <sup>(Note)</sup>	Assessed income from investments by using an investment return of 1.0%.
(5) Capital Expenditure	25,295,840	Assessed and calculated based on the building's replacement cost and referring to renewal costs of similar properties.
(6) Net Cash Flow (NCF=(3)+(4)-(5))	1,052,156,689	
(7) Cap Rate	4.1%	Assessed by comprehensively taking into account the property's location, the characteristics of the building and other characteristics.
Value based on DCF Method	24,500,000,000	
Discount Rate	3.9%	Assessed by comprehensively taking into account the property's unique characteristics, etc. by reference to transaction yields at similar properties.

	Terminal Cap Rate	4.3%	Assessed by comprehensively taking into account upcoming changes in investment returns, risks associated with the Property, general prediction of economic growth rate, trends in real estate prices and rental rates, and all other applicable factor, while reflecting returns associated with acquisitions of similar properties.
	Value based on Cost Method	23,100,000,000	
	Ratio of Land	60.0%	
	Ratio of Building	40.0%	

The appraiser's points to consider upon appraisal other than the above	Adopted income approach value from the judgment that the income approach value is more persuasive because it is the price calculated according to price formation process from the aspect of earnings, while using the value calculated based on the cost approach as a reference.
--	--

(Note) The appraisal report contains the information which the lessee's consent has not been obtained to disclose and information which enables investors to infer said information. Therefore, disclosing such information would create disadvantages, including claims for damages or termination because of breach of confidentiality obligations to KDXR or difficulty to maintain a long term lease agreement due to undermining the relations with the lessee and may eventually undermine unitholder interests. Accordingly, the data remains undisclosed except for certain matters that are considered not to be an issue if disclosed.

< Attached Materials >

- Reference Material 1                      Photographs and Maps of the Property
- Reference Material 2                      Status of Property Portfolio of KDXR (After the Acquisition)

KDXR's Website: <https://www.kdx-reit.com/eng/>

*[Provisional Translation Only]*

*This document is an English translation of the original Japanese document and is provided solely for information purposes. Should there be any discrepancies between this translation and the Japanese original, the latter shall prevail.*

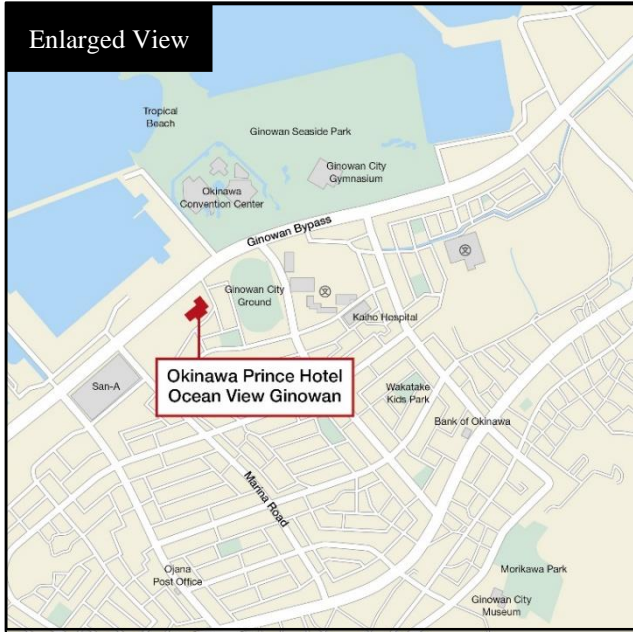


Reference Material 1 Photographs and Maps of the Property

【Property Photographs】



【Maps】



Reference Material 2 Status of Property Portfolio of KDXR (After the Acquisition)

Property Type	Number of Properties	(Anticipated)Acquisition Price (Millions of Yen)	Investment Ratio (%) <sup>(Note)</sup>
Office Buildings	94	435,936	37.1
Residential Properties	142	318,968	27.2
Retail Facilities	61	284,866	24.3
Logistics Facilities	11	20,696	1.8
Hotels	4	30,930	2.6
Healthcare Facilities	39	82,417	7.0
Portfolio Total	351	1,173,813	100.0

(Note) “Investment Ratio” indicates the ratio of (Anticipated)Acquisition Price of each asset type to Portfolio Total and is rounded to the first decimal place.