



**Supplementary Material on
“Notice Concerning Acquisition of Property
(iias Kasugai (Additional Interest))”**

March 8, 2024

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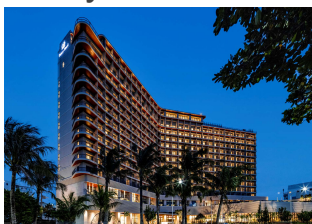
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Summary of Acquisition since Feb. 2024

- Acquisition of four properties of diverse asset type including a resort hotel; 9.6% discount to appraisal value
- Average appraisal NOI yield of 4.8%, higher than the implied cap rate of 4.5% ⁽¹⁾



Okinawa Prince Hotel
Ocean View Ginowan



KDX Residence
Ikebukuro Kanamecho



KDX Hiroshima Kure
Distribution Center



iias Kasugai
(30% quasi-co-ownership
interest)

Total / Average

Asset Type	Hotel	Residential	Logistics	Retail	-
(Anticipated) Acquisition Price (Millions of Yen)	22,000	1,406	616	6,135	30,157
Appraisal Value (Millions of Yen)	24,900	1,620	633	6,210	33,363
Acquisition Price vs Appraisal Value (%)	(11.6)	(13.2)	(2.7)	(1.2)	(9.6)
Appraisal NOI Yield (%)	4.9	4.1	5.0	4.6	4.8
Appraisal NOI (Millions of Yen)	1,076	58	30	280	1,445
(Anticipated) Acquisition Date	Feb. 1, 2024	Mar. 21, 2024		Mar. 25, 2024	-

Increase of 349 yen per unit in appraisal NOI by acquiring the above properties

Note 1: Implied cap rate is calculated by the following formula: annualized NOI of the entire portfolio / (market capitalization + net interest-bearing debt).
(NOI is based on the forecast for the fiscal period ending Apr. 2024; market capitalization is as of Feb. 29, 2024; and net interest-bearing debt is as of Nov. 1, 2023.)

Strategic Asset Reshuffle during the Fiscal Period Ending Apr. 2024

- Acquired assets including hotels and logistic facilities, realizing the post-merger investment strategy
- Continue strategic asset reshuffles; utilize cash on hands for property acquisition, prepayment of borrowings and/or share buyback

	As of Oct. 31, 2023	Asset Reshuffle			As of Mar. 25, 2024
		Acquisition on Effective Date of the Merger	Disposition on Effective Date of the Merger	Acquisition since Feb. 2024	
Number of Properties	349	3	2	4 ⁽¹⁾	353
Acquisition / Disposition Price (Billions of Yen)	1,146.7	15.0	10.0	30.1	1,181.9
Appraisal NOI Yield (%) ⁽²⁾	4.6	4.0	-	4.8	4.6
NOI Yield after Depreciation (%) ⁽²⁾	3.6	3.6	-	3.7	3.6
Unrealized Gain (Billions of Yen)	120.3 ⁽³⁾	2.0 ⁽⁴⁾	1.3 ⁽³⁾	3.2 ⁽⁴⁾	124.3

Asset Allocation by Asset Type (Based on Acquisition Price)



Note 1: iias Kasugai is not added to the number of properties as of Mar. 25, 2024 since it is an acquisition of additional interest.

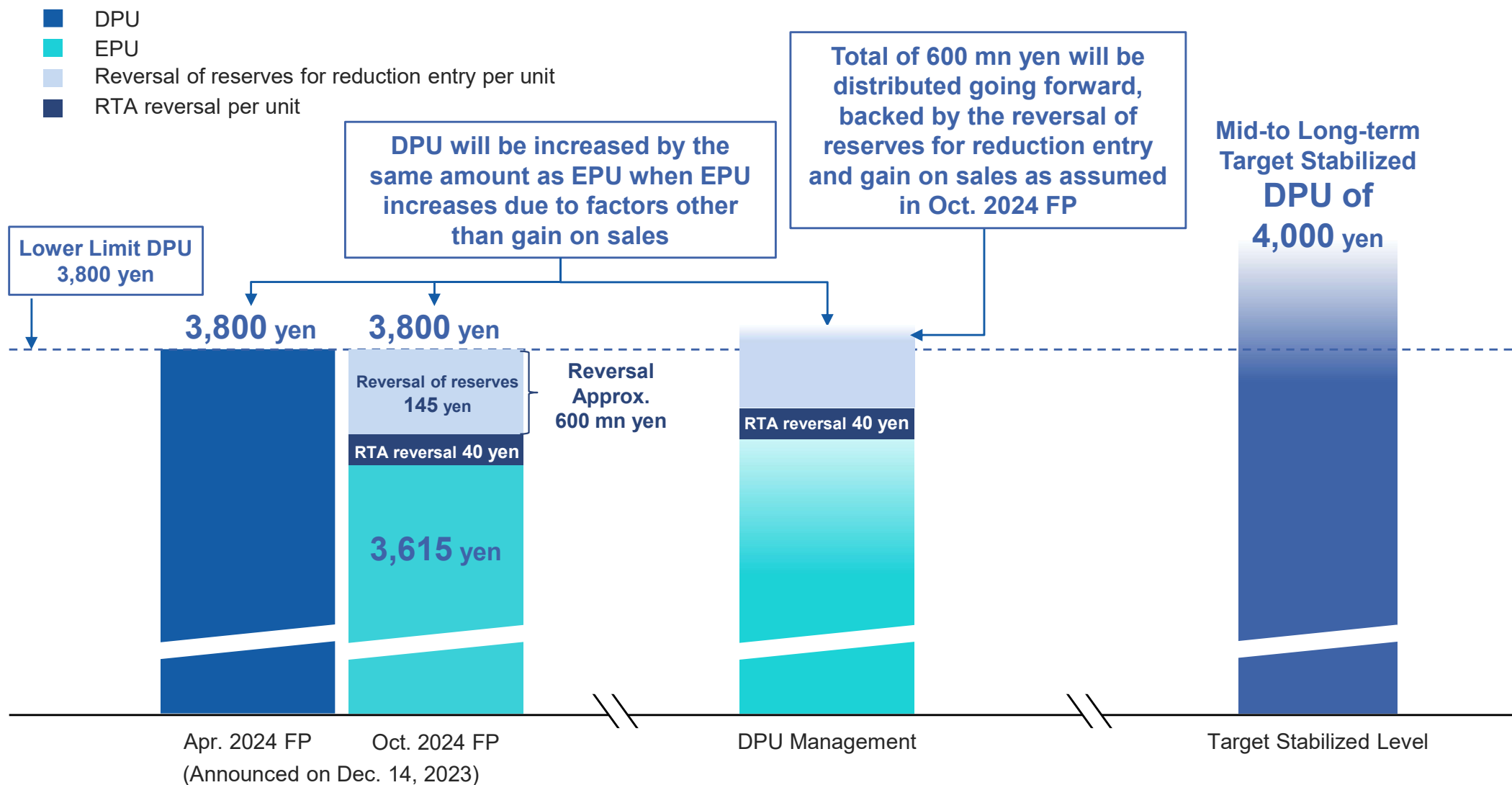
Note 2: "Appraisal NOI" means net operating income based on the direct capitalization method in the appraisal report, and "Appraisal NOI yield" is calculated according to the following formula: Appraisal NOI Yield = Appraisal NOI of each property as on the appraisal report / Acquisition price of each property. "NOI Yield after Depreciation" is calculated by deducting depreciation from the appraisal NOI.

Note 3: The difference between appraisal value and book value as of Oct. 31, 2023.

Note 4: The difference between appraisal value and acquisition price.

DPU Management (as Announced on Jan. 15, 2024)

- Set DPU lower limit of 3,800 yen by utilizing reserve for reduction entry and gain on sales going forward
- DPU will be increased by the same amount as EPU, when EPU increases due to factors other than gain on sales



Note 1: "RTA" stands for "Reserve for temporary difference adjustments" and means the remaining amount of gain on negative goodwill after partially being allocated to distributions in the 1st post-merger fiscal period.
 Note 2: The amounts above are based on the number of investments units issued and outstanding (4,142,897 units) as of the date of this presentation.
 Note 3: The amounts in and after the fiscal period ending Apr. 2024 (the 38th fiscal period) are the estimated amounts as of the date of this presentation, and there is no guarantee that KDXR will distribute the amounts or the distributions will be realized.
 Note 4: "Mid-to Long-term Target Stabilized DPU of 4,000 yen" is the target of KDXR as of the date of this presentation, and there is no guarantee and promise that the target will be achieved.