



# Supplementary Material on the Sale Announced Today

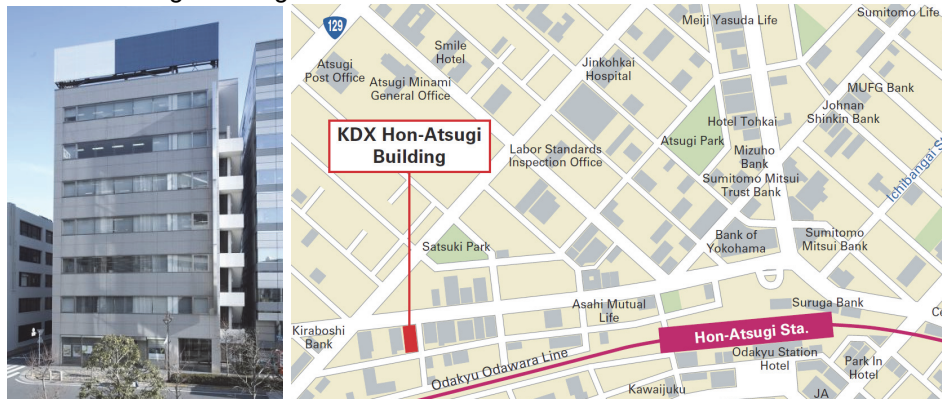
“Notice Concerning Sale of Property (KDX Hon-Atsugi Building)”

February 26, 2021

# Outline of the sale announced today

## Property to be sold (on April 30, 2021)

KDX Hon-Atsugi Building



Location	Atsugi, Kanagawa
Total floor area	3,603.63m <sup>2</sup>
Completion date	May 1995
Occupancy rate (As of January 31, 2021)	77.5%
Appraisal value (As of October 31, 2020)	1,190 million yen
Assumed book value (As of April 30, 2021)	1,115 million yen
Anticipated sale price	935 million yen
NOI yield (actual) (Note 1)	2.6%
NOI yield after depreciation (actual) (Note 2)	0.5%
Sale price NOI yield (Note 3)	3.6%

## Highlights of the sale

Decided on the transfer with the consideration of appropriate timing and accounting the risk anticipation of further decline in profitability due to an increase in operating expenses (e.g., repairs).

### Impacts of transfer, etc.

- Improve portfolio profitability by disposing of the property with stagnant occupancy / low yield

Changes in the Property's Occupancy Rate	End of 28th fiscal period (2019/4)	End of 29th fiscal period (2019/10)	End of 30th fiscal period (2020/4)	End of 31st fiscal period (2020/10)
	80.5%	70.6%	70.9%	77.5%

- Avoided the negative impact on DPU in the 32nd fiscal period by totaling the gain on sale of KDX Shin-Nihonbashi Building

DPU (forecast) in 32nd fiscal period (2021/4)	15,180 yen	Provision of reserve for reduction entry in 32nd fiscal period (2021/4)	(Estimate) 423 mn yen
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Note 1: Calculated by dividing the sum of the NOI (actual) for the 30th (2020/4) and 31st (2020/10) fiscal periods by the acquisition price  
 Note 2: Calculated by dividing the sum of rental operating income (actual) for the 30th (2020/4) and 31st (2020/10) fiscal periods by the acquisition price  
 Note 3: Calculated by dividing the sum of the NOI (actual) for the 30th (2020/4) and 31st (2020/10) fiscal periods by the anticipated sale price

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