

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MARCH 31, 2021 (REIT)
(October 1, 2020 to March 31, 2021)

May 18, 2021

Kenedix Retail REIT Corporation (“KRR”) is listed on the Tokyo Stock Exchange with the securities code number 3453.

(URL <https://www.krr-reit.com/en/>)

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Hold a financial brief meeting:	No (Cancelled to prevent the spread of COVID-19 infection. Presentation video of financial results is scheduled to be webcasted.)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED MARCH 31, 2021 (October 1, 2020 to March 31, 2021)

(1) Business Results

(Amounts are rounded down to the nearest million yen)

(Percentages show period-on-period changes)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2021	8,717	3.8	4,379	7.3	3,799	8.4	3,798	8.4
September 30, 2020	8,398	1.3	4,082	-0.5	3,505	0.2	3,504	0.2

Fiscal period ended	Net income per unit	Return on net assets	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
March 31, 2021	7,084	3.1	1.5	43.6
September 30, 2020	6,536	2.8	1.4	41.7

Note: Net income per unit is calculated by dividing the net income by the weighted average number of units.

(2) Distribution

Fiscal period ended	Distributions per unit (including excess of earnings)	Distributions per unit (excluding excess of earnings)	Distributions in excess of earnings per unit	Total distributions (including excess of earnings)	Total distributions (excluding excess of earnings)	Total distributions in excess of earnings	Payout ratio	Distribution ratio to net assets
				Millions of Yen	Millions of Yen	Millions of Yen		
March 31, 2021	7,095	7,085	10	3,804	3,798	5	100.0	3.1
September 30, 2020	6,546	6,270	276	3,509	3,361	147	95.9	2.7

Note 1: Total distributions in excess of earnings account for the distributions in regard to the allowance for temporary adjustment. There is no distribution by decreasing unitholders' capital on taxation. Please refer to “iv) Results of Operations” on page 3 for the distribution in excess of earnings.

Note 2: The payout ratio is 100.1% for the fiscal period ended September 30, 2020 and 100.1% for the fiscal period ended March 31, 2021 when calculated as follows.

Payout ratio = Total distributions (including excess of earnings) / Net income x 100

(3) Financial Position

As of	Total assets	Net assets	Net assets to total assets	Net asset per unit
	Millions of yen	Millions of yen	%	Yen
March 31, 2021	251,773	124,701	49.5	232,575
September 30, 2020	251,655	124,308	49.4	231,842

(4) Cash Flows

Fiscal period ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2021	7,047	-3,111	-3,510	22,230
September 30, 2020	7,113	-2,509	-1,608	21,804

This is an English-language translation of the original Japanese announcement on our website released on May 18, 2021. 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.

2. EARNINGS FORECASTS FOR THE FISCAL PERIODS ENDING SEPTEMBER 30, 2021 (April 1, 2021 to September 30, 2021) AND MARCH 31, 2022 (October 1, 2021 to March 31, 2022)

(Percentages show period-on-period changes)

Fiscal period ending	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	Distributions per unit (including excess of earnings)
		%		%		%		%	Yen	Yen	Yen
September 30, 2021	9,459	8.9	4,790	9.4	4,158	9.5	4,157	9.5	7,141	9	7,150
March 31, 2022	9,129	-3.9	4,705	-1.8	4,071	-2.1	4,070	-2.1	6,991	9	7,000

Reference: Forecasted net income per unit (Forecasted net income / Forecasted average number of investment units during the period)
7,205 yen for the fiscal period ending September 30, 2021 and 6,991 yen for the fiscal period ending March 31, 2022

Note: Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 582,177 as of the date of this material.

*OTHERS

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

- (a) Changes in accounting policies accompanying revisions to accounting standards: None
- (b) Changes in accounting policies other than (a): None
- (c) Changes in accounting estimates: None
- (d) Retrospective restatement: None

(2) Number of Investment Units Issued and Outstanding (including treasury investment units)

(a) Number of investment units issued and outstanding at the end of the period (including treasury investment units)

As of March 31, 2021: 536,177 units

As of September 30, 2020: 536,177 units

(b) Number of treasury investment units at the end of the period

As of September 30, 2020: 0 units

As of March 31, 2020: 0 units

Note: Please refer to "Notes to Per Unit Information" on page 27 for the number of investment units used as the basis for calculating net income per unit.

* Status of audit procedures

As of the time of disclosure of this financial report, audit procedures for the financial statements pursuant to the Financial Instruments and Exchange Act of Japan are incomplete.

* 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 KRR and on certain assumptions KRR deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The following are important factors that may affect the actual operation status. The above-mentioned forecasts are based on "Assumptions for the Earnings Forecasts of Financial Results for the Fiscal Periods Ending September 30, 2021 and March 31, 2022" on page 8 for calculation, and our judgment as of May 18, 2021. 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.

Decrease in rent revenues due to the further spread of COVID-19 and prolonged impact, and non-payment of rent or bankruptcy of tenants.

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1. Status of Asset Management

(1) Status of Asset Management

(Overview of the Period ended March 31, 2020)

i) Transition of KRR

KRR was established on October 3, 2014, under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”). On October 30, 2014, KRR was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 97). KRR was listed on the Real Estate Investment Trust Securities (“J-REIT”) Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) (Securities code: 3453) on February 10, 2015. Subsequently, KRR raised funds through public offerings, including an international offering. As a result, the number of investment units issued at the end of the period ended March 31, 2021 was 536,177 units.

KRR seeks to invest primarily in neighborhood, community and other shopping centers that cater to the day-to-day needs of local area customers and have stable demand from retailers and customers, and also seeks to invest in distribution centers, which supplement shopping centers in providing goods to consumers, in order to provide stable investment returns over the long term. Sponsored by Kenedix, Inc., KRR entrusts its asset management and investment operations to Kenedix Real Estate Fund Management, Inc. (“KFM”), with the following strategies.

- Note: For our management purposes and ease of classification, we define shopping centers for daily needs as retail properties that generally have the following characteristics:
- Retail trade area of approximately a one to ten km radius (and generally, a three to five km radius), with customers predominantly from local areas surrounding the retail property
 - Operational capacity to accommodate certain daily local retail needs and strong customer traffic on both weekdays and weekends
 - Composed of various specialty stores to meet a range of day-to-day needs such as groceries, clothing and other daily goods and services

ii) Investment Environment

During the fiscal year ended March 31, 2021, the Japanese economy remained in a severe situation, with weakening employment and income environments and a slowdown in the recovery of consumer spending due to the spread of COVID-19. On the other hand, there were signs of recovery, such as increases in exports and production, as well as gradual improvement in corporate earnings and business confidence, which had deteriorated significantly.

Shopping centers for daily needs, in which KRR focuses its investment, sales of service-oriented tenants including restaurants and some apparel stores have been declining amid the COVID-19 pandemic, but specialty stores such as supermarkets, drug stores and home & garden stores that cater to the day-to-day needs of customers are expected to maintain steady demand.

In the real estate trading market, some investors initially took a cautious stance toward real estate investment due to the spread of the COVID-19. However, investors' willingness to invest in real estate has been recovering against the backdrop of monetary easing policies in Japan and overseas, and active transactions are taking place.

iii) Management Performance

(A) Acquisition of Assets

KRR acquired three assets (Chiba-Kita Distribution Center with acquisition price (Note 1) of 1,250 million yen, Sapporo Shiroishi Distribution Center with acquisition price of 800 million yen and Monenosato Mall (2 New Buildings) with acquisition price of 343 million yen). KRR disposed of one asset (Daikanyama Address Dixsept (40% trust beneficiary quasi co-ownership interests) with sale price (Note 2) of 2,657 million yen (acquisition price was 2,156 million yen)). KRR also completed additional acquisition through construction of a new building (property expansion) (total construction cost (Note 3) 9 million yen) at Yokohama Kamigo Distribution Center.

As a result, the portfolio at the end of the period under review (March 31, 2021) consists 64 properties with the total acquisition price of 226,725 million yen.

Note 1: “Acquisition price” represents the amount specified in the purchase and sale agreement for the trust beneficiary interests, exclusive of the various expenses (acquisition expenses, property tax, city planning tax, consumption tax, etc.) required in the acquisition of the asset.

Note 2: “Sale price” represents the amount specified in the purchase and sale agreement for the trust beneficiary interests, exclusive of the various expenses (sale expenses, property tax, etc.) required in the sale of the asset.

Note 3: “Total construction cost” is the sum of construction and design costs (consumption tax is not included), rounded down to the nearest million yen.

(B) Management and Operation of Assets

KFM provides property management services for all of the properties owned by KRR at the end of the period under review (March 31, 2021) (Note 1). By using the same company for both asset management and property management services, KRR aims to build stronger relationships with tenants and increase returns from its portfolio. Furthermore, by implementing retail property and distribution centers management that better reflects the needs of our tenants, KRR strives to accumulate know-how and improve tenant satisfaction.

KRR invests primarily in neighborhood and community shopping centers that cater to the day-to-day needs of customers. The portfolio is

diversified in terms of properties, tenants and other characteristics with a goal to generate consistent long-term cash flows. At the same time, KRR seeks to explore the upside potential (Note 2) for rental income by optimization of tenant composition and property expansion. By using these measures, KRR aims to pursue a portfolio that achieves both stability and growth.

As of the end of the period under review, portfolio as a whole performed well with an overall occupancy ratio of 99.8%. Furthermore, the portfolio is diversified in terms of tenants as there are 502 end-tenants (Note 3) in KRR's retail properties and distribution centers.

Note 1: On December 1, 2020, KRR disposed a quasi-co-ownership interest (40% equity interest) in the trust beneficiary interest of Daikanyama Address Dixsept, and accordingly, the PM businesses of the property have been entrusted to persons other than the Asset Manager.

Note 2: "Upside potential" represents feasibility of rental income or cash flow growth.

Note 3: The number of end-tenants is the sum of the number of end-tenants in a pass-through type master lease and the number of master lessees in a sublease type master lease.

(C) Financing

When financing to acquire properties, KRR seeks to achieve the proper balance between financial stability and the cost of the funds with the objectives to achieve stable medium- to long-term returns and consistent growth of assets under management.

(Debt Finance)

During the fiscal period under review, KRR borrowed 15,950 million yen for refinancing. Consequently, borrowings totaled 104,800 million yen and interest-bearing debt including investment corporation bonds (excluding interest-bearing tenant leasehold and security deposits) totaled 112,800 million yen at the end of the fiscal period under review (March 31, 2021).

When undertaking borrowings, KRR seeks to spread out repayment dates and lengthen borrowing periods. KRR may use swaps to fix the interest payments to hedge against the risk of a rise in interest rates.

As a result, the average maturity of debt is 4.4 years, the weighted average interest rate is 1.00%, the long-term debt ratio (Note 1) is 100.0% and the LTV ratio (Note 2) is 44.8%.

Note 1: Long-term debt ratio = (Long-term borrowings + Investment corporation bonds) / (Borrowings + Investment corporation bonds)

Note 2: LTV ratio = (Loans payable + Investment corporation bonds) / Total assets

(Credit Ratings)

The status of the credit ratings as of March 31, 2021 is as follows.

Credit rating agency	Details of the ratings	
	Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating
Rating on bonds		A+

(Shelf Registration)

KRR filed a shelf registration statement for investment corporation bonds (excluding short-term investment corporation bonds) on October 1, 2020. Details are as follows.

Planned issue amount	100,000,000,000 yen
Planned issuance period	October 8, 2020 to October 8, 2022
Use of proceeds	Acquisition funds for specified assets (as defined in Article 2, Paragraph 1 of the Investment Trust Law), repayment funds for borrowings, repayment funds for investment corporation bonds (including short-term investment corporation bonds), refund funds for lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

iv) Results of Operations

For this period, revenue was 8,717 million yen, operating income was 4,379 million yen, ordinary income was 3,799 million yen and net income was 3,798 million yen.

Furthermore, in accordance with the distribution policy in the KRR Articles of Incorporation, KRR made a distribution (excluding excess of earnings) of 3,798,814,045 yen which is almost equivalent to the earnings (as defined in Article 136-1 of Act of Investment Trust and Investment Corporation) excluding the reversals of allowance for temporary adjustment (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the fiscal period. The distribution per unit (excluding excess of earnings) was 7,085 yen. Cash distributions are paid in accordance with Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, including subsequent amendments).

Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in the KRR Articles of Incorporation, KRR made a distribution in excess of earnings for the 5,361,770 yen allowance for temporary adjustment (as defined in Article 2-2-30 of

the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No.47 of 2006, including subsequent amendments.)) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws in association with the amortization of fixed-term land lease rights (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with deferred losses on hedges. This resulted in a distribution in excess of earnings per unit of 10 yen.

Consequently, the distribution per unit was 7,095 yen (of which the distribution in excess of earnings per unit was 10 yen).

(Outlook)

i) Outlook for Asset Management

It is considered necessary to pay attention to the uncertainties in the Japanese economy, such as stagnation of economic activities due to the spread of COVID-19.

As for Japan's retail environment, sales at service-oriented stores including restaurants, and some apparel stores have declined due to the COVID-19 pandemic, and continued caution is needed in this environment. On the other hand, even in an environment marked by the pandemic, specialty stores such as supermarkets, drugstores and home & garden that cater to the day-to-day needs of customers are expected to maintain steady demand.

Under these circumstances, based on the following management policies, KRR will implement appropriate management with the aim of securing stable rental income, steadily growing assets, and building an appropriate financial base from a medium-to long-term perspective.

(A) Investment Strategy for New Properties and Disposition Policy

We receive a variety of support from many sources in order to achieve the steady growth of our assets and increase the value of our assets. One source is the Kenedix Group (Note), including Kenedix, Inc., the parent company of KFM. We also receive support from our Alliance Companies: Sumitomo Mitsui Finance and Leasing Co., Ltd., SMFL MIRAI Partners Co., Ltd., both of which are also KFM's parent companies, Nippon Commercial Development Co., Ltd., and P&D Consulting Co., Ltd. We are implementing a growth strategy that takes full advantage of the external growth opportunities created by the large and diverse acquisition pipeline made possible by the support of these companies.

When acquiring properties, we make decisions based on all applicable factors with emphasis on four parameters: the retail property's attractiveness, location, profitability and the tenant mix. By using this selection process, we invest in retail properties with a competitive edge, and good prospects for consistent rental revenue and growth in asset value. We also invest in carefully selected distribution centers, which supplement retail facilities in providing goods to consumers. In addition, we invest in land ownership interests underlying retail properties. Regarding land-only properties, we make these investments after examining the terms of the land leasing agreement, the characteristics of the tenant, the asset value of the land, and the proportion of land-only properties in our portfolio. We may also consider making an equity investment in a tokumei kumiai (silent partnership) for the acquisition of preferential negotiation rights and opportunities for additional revenues, provided that we are given an opportunity to acquire them in the future.

Regarding disposition of a portfolio property, we make decisions based primarily on the significance of these properties in the context of the portfolio. This is assessed by comprehensive evaluation of the outlook for future profitability and asset value determined based on its current profitability and market trends.

Note: The Kenedix Group consists of Kenedix, Inc. and its subsidiaries and affiliates.

(B) Management Strategy for Existing Properties

KRR is committed to building a portfolio that can pursue both stability and growth. We believe that implementing integrated asset and property management services makes it possible to properly manage retail properties and distribution centers and pursue internal growth. Furthermore, this integrated management framework facilitates activities to enliven local communities where our properties are located, enabling us to aim for medium to long-term growth in asset value.

To accomplish these goals, KFM oversees properties owned by KRR while placing priority on the following themes.

- “One-stop” asset management and property management services
- Continuously implementing a retail property management cycle through our in-house property management services
- Pursuit of internal growth through management of retail properties
- Directing investments and management policies to enliven local communities in the medium to long-term
- Implementing distribution center management

“One-stop” asset management and property management services

KRR plans to use the integrated asset management and property management services of KFM for strengthening relationships with tenants and making the portfolio more profitable.

Continuously implementing a retail property management cycle through our in-house property management services

KFM provides property management services for all of KRR's properties. We do this for the purposes of performing retail property management that better reflects the needs of the tenants as well as accumulating know-how and improving tenant satisfaction. Specifically, we use direct contact with tenant companies at our properties in order to strengthen tenant relationships and make properties more profitable. To this end, we maintain periodic communication with tenants and perform questionnaire surveys etc., to customers for monitoring of market conditions, so that we can identify the needs of tenants and the customers visiting their sites. This process makes it possible to find issues that stand in the way of achieving greater satisfaction for tenants and their customers. Once we have discovered points that require attention, we take actions that take full advantage of the resources and knowledge regarding retail properties within the Kenedix Group. Solutions include measures such as the effectively utilizing capital expenditures, optimizing tenant mix, realizing growth in asset value by pursuing property expansions, and cutting costs, to improve tenant satisfaction and acquire more know-how.

Pursuit of internal growth through management of retail properties

KRR seeks to use the proper management of retail properties to achieve the goals of consistent revenue, higher profitability and growth in asset value.

i. Effectively utilize capital expenditure

We will use proper and well-timed capital expenditures to increase the satisfaction of tenants and make our properties more competitive.

ii. Optimize tenant mix

We will constantly work on attracting new tenants that are highly appealing to shoppers and replace tenants with others, optimizing tenant composition, in order to seek stable revenue and higher profitability by attracting more customers.

iii. Realize growth in asset value by pursuing property expansions

We will use the extensive knowledge involving retail properties of the Kenedix Group and our Alliance Companies to utilize the underutilized space (Note) at properties and expand properties. These measures will take into account the competitive position of each property, the effect on our financial position and other factors. By increasing space that can be leased, we would like to increase revenue and asset value.

Note: The underutilized space is defined as the area that is calculated by multiplying the floor space ratio, or the ratio of total area of the building to the site area, which is prescribed in Article 52 of the Building Standards Act (Act No. 201 of 1950, including subsequent amendments,) and applied to each property in accordance with the Building Standards Act, City Planning Act (Act No. 100 of 1968, including subsequent amendments,) and other laws and regulations, by the land area that is allowed to be used as a property site, and subtracting from this figure the actual gross floor area of the building.

Directing investments and management policies to enliven local communities in the medium to long-term

At our properties, we seek tenants that provide services, hold community involved events and use other measures to help enliven the local communities where our properties are located. We believe these activities will contribute to the medium to long-term growth in the asset value of these properties.

Implementing distribution center management

Since tenants of distribution centers that we invest may belong to the same business sectors as the tenants occupying our retail properties, we utilize our relationship with our retail tenants in building up our relationship with tenants of distribution centers. We believe these tenant relationships will contribute to the long-term management of these distribution centers.

(C) Financing

We will establish a suitable financial foundation by examining numerous financing methods and selecting the optimum ones. These decisions will reflect interest rates and other elements of the financial environment. Our goal is to select financing methods that result in the optimum balance between financial stability and the financing cost.

(D) Disclosure of Information

Our policy concerning disclosure activities is to use extensive investor relations activities to distribute a broad range of information to investors and other related parties as well as to announce information as soon and as accurately as we can. We also distribute information with awareness on ESG (Environmental, Social and Governance) for sustainable growth of unitholder interest. We use TDnet (Timely Disclosure network) and press releases to meet the timely-disclosure requirements of the Tokyo Stock Exchange. In addition, we proactively post information on our website (<https://www.krr-reit.com/en/>).

(E) Conflicts of Interests

In managing KRR's assets, we have established Retail REIT Department Related-party Transactions Rules, and we abide by the rules in conducting related-party transactions. In addition to managing the assets of KRR, KFM provides asset management services to other REITs, which may incur conflicts of interests in acquisition of assets. In order to prevent the improper allocation of acquisition

opportunities, KFM uses a “preferential right for acquisition opportunities” system for the property acquisition process. KFM has a pipeline committee, which includes a compliance officer, and operates in accordance with rules. This system is structured to prevent improper allocation of acquisition opportunities, and thus, managing conflicts of interests among the REITs managed by KFM. Through these measures, KFM is taking suitable actions regarding conflicts of interests.

(F) Important Subsequent Events

KRR passed resolutions at the Board of Directors Meeting held on April 7, 2021 and April 14, 2021, to issue new investment units to fund the acquisition of specified assets. Payments for the issuance of new investment units through public offering and through third-party allotment have been completed on April 20, 2021 and May 18, 2021, respectively. KRR plans to use the net proceeds through third-party allotment to fund part of the acquisition of specified assets or repayment of borrowings in the future.

As a result, unitholders’ capital totaled 133,103,750,770 yen and total number of investment units issued and outstanding increased to 582,177 as of May 18, 2021.

Issuance of new investment units through public offerings

Total number of units issued:	43,800 units
Issue price (offer price):	267,930 yen per unit
Total amount of issue price (total offer price):	11,735,334,000 yen
Paid-in amount (issue amount):	259,136 yen per unit
Total paid-in amount (total issue amount):	11,350,156,800 yen
Payment date:	April 20, 2021

Issuance of new investment units through third-party allotment

Total number of units issued:	2,200 units
Paid-in amount (issue amount):	259,136 yen per unit
Total paid-in amount (total issue amount):	570,099,200 yen
Payment date:	May 18, 2021
Allottee:	SMBC Nikko Securities Inc.

(Reference Material)**(A) Acquisition of Assets**

KRR acquired following asset.

Property number	Property type (Note 1)	Property name	Location	Seller	Acquisition price (million yen) (Note 3)	Appraisal value (million yen) (Note 4)	Acquisition date
T-25	NSC	Apita Terrace Yokohama Tsunashima (49% quasi co-ownership interests)	Yokohama, Kanagawa	G.K. RF3	5,667	5,930	April 30, 2021
T-31	NSC	Kitera Town Chofu	Chofu, Tokyo	G.K. KRF89	10,500	11,400	April 21, 2021
T-32	NSC	Unicus Urawamisono (Land) (Note 5)	Iwatsuki-ku, Saitama, Saitama	P&D Consulting Co., Ltd.	732	817	April 9, 2021
O-12	NSC	Merado Daikai	Hyogo-ku, Kobe, Hyogo	Undisclosed (Note 2)	5,440	5,780	April 21, 2021

Note 1: Properties are categorized into the following six types of properties: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center), SS (Specialty Store) and L (Logistics facility).

Note 2: Undisclosed as KRR has not obtained consent from the seller.

Note 3: "Acquisition price" represents the amount specified in the purchase and sale agreement for the trust beneficiary interests, exclusive of the various expenses (acquisition expenses, property tax, city planning tax, consumption tax, etc.) required in the acquisition of the asset.

Note 4: Appraisal values are as of March 1, 2021.

Note 5: The trust property for this property is a portion (32.9% of the entire land) of the land underlying the Unicus Urawamisono building.

(B) Disposition of Assets

KRR disposed the following asset.

Property number	Property type	Property name	Location	Buyer	Sale price (million yen) (Note 1)	Sale date
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (30% quasi co-ownership interests)	Shibuya ward, Tokyo	Undisclosed (Note 2)	1,993	April 1, 2021
T-5	NSC	Unicus Ina (20% quasi co-ownership interests)	Inamachi, Kitaadachi-gun, Saitama	P&D Consulting Co., Ltd.	1,048	April 9, 2021

Note 1: "Sale price" represents the amount specified in the purchase and sale agreement for the trust beneficiary interests, exclusive of the various expenses (sale expenses, property tax, etc.) required in the sale of the asset.

Note 2: Undisclosed as KRR has not obtained consent from the seller.

KRR has contracted a purchase and sale agreement to dispose the following asset.

Property number	Property type	Property name	Location	Buyer	Sale price (million yen) (Note 3)	Date of contract	Sale date
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (30% quasi co-ownership interests) (Note 1)	Shibuya ward, Tokyo	Undisclosed (Note 4)	1,993	November 17, 2020	October 1, 2021
O-7	SM	Hankyu Oasis Hirakatadeguchi (Note 2)	Hirakata, Osaka	Undisclosed (Note 4)	1,500	February 25, 2021	August 10, 2021

Note 1: The purchase and sale agreement with the buyer on the sale of the asset falls under the category of forward commitment made by investment corporations as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." ruled by the Financial Service Agency of Japan. In case the agreement is terminated, either of the parties responsible for the termination shall compensate for the damage resulted from the termination by paying a penalty corresponding to 20% of the sale price (excluding consumption taxes and local consumption taxes) to the other party. However, since KRR is the seller in this transaction and there is no concern such as financing in executing the sale, KRR believes that the risk of KRR paying the penalty and making an important impact on its financial condition is small.

Note 2: The purchase and sale agreement with the buyer on the sale of the asset falls under the category of forward commitment made by investment corporations as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." ruled by the Financial Service Agency of Japan. In case the agreement is terminated, either of the parties responsible for the termination shall compensate for the damage resulted from the termination by paying a penalty corresponding to 20% of the sale price (excluding consumption taxes and local consumption taxes) to the other party. However, since KRR is the seller in this transaction and there is no concern such as financing in execution the sale, KRR believes that the risk of KRR paying the penalty and making an important impact on its financial condition is small.

Note 3: "Sale price" represents the amount specified in the purchase and sale agreement for the trust beneficiary interests, exclusive of the various expenses (sale expenses, property tax, etc.) required in the sale of the asset.

Note 4: Undisclosed as KRR has not obtained consent from the buyer.

(C) Financing

KRR borrowed 5,800 million yen (Series 39) on April 27, 2021 and 900 million yen (Series 41) on April 30, 2021 for the repayment of the borrowings. Furthermore, KRR borrowed 2,000 million yen (Series 38) on April 21, 2021 and 5,500 million yen (Series 40) on April 30, 2021 for the acquisition of assets.

ii) Earnings Forecasts

For the fiscal period ending September 30, 2021 (from April 1, 2021 to September 30, 2021) and the fiscal period ending March 31, 2022 (from October 1, 2021 to March 31, 2022), the earnings forecasts are estimated as set forth below.

Fiscal period ending September 30, 2021

Operating revenues	9,495 million yen
Operating Income	4,790 million yen
Ordinary income	4,158 million yen
Net Income	4,157 million yen
Distributions per unit	7,150 yen
Of the above, distributions in excess of earnings	9 yen

Fiscal period ending March 31, 2022

Operating revenues	9,129 million yen
Operating Income	4,705 million yen
Ordinary income	4,071 million yen
Net Income	4,070 million yen
Distributions per unit	7,000 yen
Of the above, distributions in excess of earnings	9 yen

Please refer to “Assumptions for the Earnings Forecasts for the Fiscal Periods Ending September 30, 2021 and March 31, 2022” set forth below for information on current assumptions for the forecasts of operating results.

After the end of the 12th fiscal period, KRR issued new units, made new borrowings and acquired properties. Accordingly, KRR has updated the assumptions for the “Notice Concerning Revisions to Earnings and Distributions Forecasts for the Fiscal Periods Ending March 31, 2021 and September 30, 2021, and Earnings and Distributions Forecasts for the Fiscal Period Ending March 31, 2022” released on April 7, 2021, but there are no changes in the forecast figures.

Note: The above forecasts are based on certain assumptions for calculation, and our judgment as of today. Actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary due to changes in market conditions. These forecasts do not guarantee the distribution amount.

Assumptions for the Earnings Forecasts for the Fiscal Periods Ending September 30, 2021 and March 31, 2022

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> The 13th fiscal period: April 1, 2021 to September 30, 2021 (183 days) The 14th fiscal period: October 1, 2021 to March 31, 2022 (182 days)
Property portfolio	<ul style="list-style-type: none"> Earnings forecasts for the fiscal period ending September 30, 2021 are based on 66 properties (as of September 30, 2021) which consist of properties and trust beneficiary interest (64 properties in total) owned by KRR as of March 31, 2021 and its trust beneficiary interest in four domestic properties to be acquired on April 9, 2021, April 21, 2021, and April 30, 2021 (one of which is 49% quasi-co-ownership interest of Apita Terrace Yokohama Tsunashima, for which 51% quasi-co-ownership interest has been acquired by KRR as of March 31, 2021), totaling 67 properties, less Daikanyama Address Dixsept (30% quasi-co-ownership interest) disposed of on April 1, 2021, Unicus Ina (20% quasi-co-ownership interest) disposed of on April 9, 2021, and Hankyu Oasis Hiraakatadeguchi to be disposed of on August 10, 2021. Earnings forecasts for the fiscal period ending March 31, 2022 are based on 65 properties (as of March 31, 2020) which consist of the 66 properties, the assumption as of September 30, 2021, less Daikanyama Address Dixsept (30% quasi-co-ownership interest) to be disposed on October 1, 2021. Forecasts are based on the assumption that portfolio assets other than the above are not subject to change (such as acquisition of new properties and disposition of owned properties). The actual property portfolio may change due to the acquisition of new properties or the disposal of owned properties.
Operating revenues	<ul style="list-style-type: none"> Operating revenues are based on the leasing agreements as of March 31, 2021, and other factors, including expectations based on market trends. Operating revenues from the assets acquired in the 13th period are based on the information provided by the sellers, the leasing agreements on the properties that are effective on the acquisition dates, and other factors, including expectations based on market trends. Gains on the sale of 342 million yen and 344 million yen is assumed for the fiscal period ending September 30, 2021 and March 31, 2022 by disposing Daikanyama Address Dixsept. Gains on the sale of 158 million yen is assumed for the fiscal period ending September 30, 2021 by disposing Unicus Ina (20% quasi-co-ownership interest). Gains on the sale of 148 million yen is assumed for the fiscal period ending September 30, 2021 by disposing of Hankyu Oasis Hiraakatadeguchi. Due to the effects of the COVID-19 pandemic, negative impact of 41 million yen is assumed in FP ending September 30, 2021 (13th fiscal period) as a certain risk, taking into account possible risk of further

Item	Assumptions
	<p>increase in the number of COVID-19 cases and another state of emergency declaration.</p> <ul style="list-style-type: none"> • Forecasts are based on the assumption that there will be no rent in arrears or non-payments by tenants.
Operating expenses	<ul style="list-style-type: none"> • Property-related operating expenses other than depreciation are calculated based on historic data, etc., and these expenses reflect fluctuations in costs, including leasing costs based on the leasing agreements. • Depreciation expenses of 1,134 million yen, and 1,129 million yen are assumed for the fiscal periods ending September 30, 2021 and March 31, 2022, respectively, using the straight-line depreciation method. • Property-related taxes are assumed at 740 million yen and 731 million yen for the fiscal periods ending September 30, 2021 and March 31, 2022, respectively. When a property is sold, the purchaser of the property typically reimburses the seller, pursuant to the purchase agreement, for the pro rata portion of the property-related taxes that relates to the period from the acquisition date to the end of the calendar year in which the acquisition occurs. As is customary for property transactions in Japan and in accordance with Japanese GAAP, KRR intends to capitalize the portions of the property-related taxes on the properties to be acquired. • With respect to building repair expenses, the amount assumed to be necessary for each property is based on the repair plan of KFM for each fiscal period. However, repair expenses may be substantially different from the expected amount due to certain unexpected factors.
Non-operating expenses	<ul style="list-style-type: none"> • The amortization of offering-related costs are expected to be expensed 15 million yen and 15 million yen for the fiscal periods ending September 30, 2021 and March 31, 2022. It is assumed that the offering-related costs are amortized using the straight-line method over three years. • For interest expenses and other debt-related costs, 616 million yen and 618 million yen are expected for the fiscal periods ending September 30, 2021 and March 31, 2022, respectively.
Borrowings and investment corporation bonds	<ul style="list-style-type: none"> • As of today, KRR has an outstanding balance of 112,300 million yen in borrowings and 8,000 million yen in investment corporation bonds. • LTV ratios at the end of the period ending September 30, 2021 and March 31, 2022 are estimated to be approximately 44.3% (rounded to the nearest tenth). • LTV ratios are calculated according to the following formula: $\text{LTV ratio} = (\text{Outstanding borrowings} + \text{Outstanding investment corporation bonds}) / \text{Total assets}$
Investment units	<ul style="list-style-type: none"> • The forecasts are based on our assumption of 582,177 units issued as of today. It is assumed that there will be no changes in the number of investment units due to the new issuance of units until the end of the fiscal period ending March 31, 2022.
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding excess of earnings per unit) are calculated in accordance with the distribution policy outlined in KRR's Articles of Incorporation. • KRR assumes that there is no effect from the changes in market value of swaps on the distributions per unit for the fiscal periods ending September 30, 2021 and March 31, 2022. • Actual distributions per unit (excluding excess of earnings per unit) may fluctuate due to various factors including movements in investment assets, fluctuations in rental revenues caused by tenant replacements or unexpected repairs.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • KRR expects to record Allowance for Temporary Adjustment (ATA) to adjust the temporary differences between treatment of certain transactions under Japanese GAAP and Japanese tax laws in relation to Sunny Noma, which results from the depreciation of fixed term land lease right for business purposes, the expensed interest from asset retirement obligations and depreciation of buildings, during the relevant period (30 years starting from March 16, 2007). Although we assume no effect from the changes in the fair value of swaps on the distributions per unit, we may not record ATA, depending on the fair value, which may change due to the fluctuations in the interest rate market. • KRR has a policy to distribute the amount of increase in ATA, in excess of its earnings. Distributions in excess of earnings are expected to be 9 yen per unit in each period ending September 30, 2021 and March 31, 2022.
Others	<ul style="list-style-type: none"> • Forecasts are based on the assumption that there will be no amendments to the law, taxation system, accounting standards, public listing regulations, requirements of the Investment Trusts Association, Japan, etc. which may affect the aforementioned forecast figures. • Forecasts are based on the assumption that there will be no unexpected significant changes in general economic trends and real estate market trends or other conditions.

(2) Investment Risks

There are no significant changes to the “Investment Risks” in the most recent Securities Registration Statement (submitted on April 7, 2021; prepared in Japanese only). The disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

	(in thousands of yen)	
	11th Fiscal Period (As of September 30, 2020)	12th Fiscal Period (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	9,152,961	9,187,157
Cash and deposits in trust	12,874,534	13,251,126
Operating accounts receivable	192,124	146,876
Prepaid expenses	163,279	29,604
2,235Other	1,907	2,235
Total current assets	22,384,807	22,617,000
Non-current assets		
Property, plant and equipment		
Buildings	745,164	746,570
Accumulated depreciation	(45,386)	(61,444)
Buildings, net	699,778	685,125
Structures	38,751	46,777
Accumulated depreciation	(2,955)	(4,023)
Structures, net	35,795	42,753
Land	2,951,386	2,956,465
Buildings in trust	61,177,360	62,521,244
Accumulated depreciation	(7,556,164)	(8,450,403)
Buildings in trust, net	*1 53,621,196	54,070,840
Structures in trust	3,439,796	3,491,216
Accumulated depreciation	(539,341)	(600,741)
Structures in trust, net	*1 2,900,455	2,890,475
Machinery and equipment in trust	262,338	261,479
Accumulated depreciation	(46,502)	(53,675)
Machinery and equipment in trust, net	215,835	207,804
Tools, furniture and fixtures in trust	150,938	166,797
Accumulated depreciation	(52,512)	(63,530)
Tools, furniture and fixtures in trust, net	98,425	103,267
Land in trust	*1 163,431,237	162,816,625
Construction in progress in trust	-	6,177
Total property, plant and equipment, net	223,954,110	223,779,535
Intangible assets		
Leasehold right in trust	4,304,826	4,300,847
Other	9,507	8,223
Total intangible assets	4,314,334	4,309,070
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	60,236	60,236
Long-term prepaid expenses	743,581	824,049
Long-term deposits	117,010	108,478
Other	2,258	7,668
Total investments and other assets	933,086	1,010,431
Total non-current assets	229,201,531	229,099,037
Deferred assets		
Investment corporation bond issuance costs	38,532	34,191
Investment unit issuance costs	30,906	23,179
Total deferred assets	69,438	57,371
Total assets	251,655,777	251,773,409

(in thousands of yen)

	11th Fiscal Period (As of September 30, 2020)	12th Fiscal Period (As of March 31, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	983,154	759,610
Short-term loans payable	2,750,000	-
Current portion of investment corporation bonds	-	1,000,000
Current portion of long-term loans payable	20,400,000	16,950,000
Accounts payable-other	474,759	544,740
Accrued expenses	33,791	44,153
Income taxes payable	1,104	873
Accrued consumption taxes	363,159	77,715
Advances received	1,275,682	1,320,786
Deposits received	26,041	16,610
Other	291	150,000
Total current liabilities	26,307,983	20,864,489
Non-current liabilities		
Investment corporation bonds	8,000,000	7,000,000
Long-term loans payable	81,650,000	87,850,000
Tenant leasehold and security deposits	148,083	148,083
Tenant leasehold and security deposits in trust	*1 10,833,263	10,900,443
Asset retirement obligations	24,381	24,534
Other	383,202	283,966
Total non-current liabilities	101,038,930	106,207,028
Total liabilities	127,346,914	127,071,517
Net assets		
Unitholders' equity		
Unitholders' capital	121,183,494	121,183,494
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (236,788)	(384,773)
Total deduction from unitholders' capital	(236,788)	(384,773)
Unitholders' capital, net	120,946,706	120,798,721
Surplus		
Unappropriated retained earnings	3,716,853	4,153,672
Total surplus	3,716,853	4,153,672
Total unitholders' equity	124,663,559	124,952,393
Valuation and translation adjustments		
Deferred gains or losses on hedges	(354,696)	(250,501)
Total valuation and translation adjustments	(354,696)	(250,501)
Total net assets	*4 124,308,863	124,701,892
Total liabilities and net assets	251,655,777	251,773,409

(2) Statements of Income and Retained Earnings

		(in thousands of yen)	
		11th Fiscal Period (From April 1, 2020 to September 30, 2020)	12th Fiscal Period (From October 1, 2020 to March 31, 2021)
Operating revenues			
Rent revenue-real estate	*1	7,276,824	7,336,375
Other lease business revenue	*1	995,638	927,293
Gain on sale of real estate property	*2	126,174	454,244
Total operating revenues		<u>8,398,638</u>	<u>8,717,914</u>
Operating expenses			
Expenses related to rent business	*1	3,479,410	3,377,837
Asset management fees		706,110	808,051
Asset custody fees		10,098	10,178
Administrative service fees		32,656	32,903
Directors' compensation		4,500	4,500
Other operating expenses		83,784	105,424
Total operating expenses		<u>4,316,561</u>	<u>4,338,895</u>
Operating income		<u>4,082,076</u>	<u>4,379,018</u>
Non-operating income			
Interest income		55	58
Gain on forfeiture of unclaimed dividends		310	425
Interest on refund		2,912	-
Other		10	29
Total non-operating income		<u>3,288</u>	<u>513</u>
Non-operating expenses			
Interest expenses		450,956	449,947
Interest expenses on investment corporation bonds		21,199	21,659
Financing-related expenses		95,298	96,325
Amortization of investment corporation bond issuance costs		4,340	4,340
Amortization of investment unit issuance costs		7,726	7,726
Total non-operating expenses		<u>579,521</u>	<u>579,999</u>
Ordinary income		<u>3,505,844</u>	<u>3,799,531</u>
Income before income taxes		<u>3,505,844</u>	<u>3,799,531</u>
Income taxes			
Current		1,112	882
Total income taxes		<u>1,112</u>	<u>882</u>
Net income		<u>3,504,731</u>	<u>3,798,649</u>
Retained earnings brought forward		212,121	355,023
Unappropriated retained earnings		<u>3,716,853</u>	<u>4,153,672</u>

(3) Statements of Changes in Net Assets

11th Fiscal Period (From April 1, 2020 to September 30, 2020)

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Unitholders' capital, net	Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital			Unappropriated retained earnings	Total surplus	
Allowance for temporary difference adjustments		Total deduction from unitholders' capital					
Balance at the beginning of the period	121,183,494	(305,743)	(305,743)	120,877,750	3,784,993	3,784,993	124,662,744
Changes of items during the period							
Dividends from surplus					(3,498,554)	(3,498,554)	(3,498,554)
Distributions in excess of earnings from allowance for temporary difference adjustments		(5,361)	(5,361)	(5,361)			(5,361)
Reversal of allowance for temporary difference adjustments		74,317	74,317	74,317	(74,317)	(74,317)	-
Net income					3,504,731	3,504,731	3,504,731
Net changes of items other than unitholder's equity							
Total changes of items during the period	-	68,955	68,955	68,955	(68,140)	(68,140)	815
Balance at the end of the period	*1 121,183,494	(236,788)	(236,788)	120,946,706	3,716,853	3,716,853	124,663,559

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	(211,889)	(211,889)	124,450,854
Changes of items during the period			
Dividends from surplus			(3,498,554)
Distributions in excess of earnings from allowance for temporary difference adjustments			(5,361)
Reversal of allowance for temporary difference adjustments			-
Net income			3,504,731
Net changes of items other than unitholder's equity	(142,806)	(142,806)	(142,806)
Total changes of items during the period	(142,806)	(142,806)	(141,991)
Balance at the end of the period	(354,696)	(354,696)	124,308,863

12th Fiscal Period (From October 1, 2020 to March 31, 2021)

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus	
Allowance for temporary difference adjustments		Total deduction from unitholders' capital					
Balance at the beginning of the period	121,183,494	(236,788)	(236,788)	120,946,706	3,716,853	3,716,853	124,663,559
Changes of items during the period							
Dividends from surplus					(3,361,829)	(3,361,829)	(3,361,829)
Distributions in excess of earnings from allowance for temporary difference adjustments		(147,984)	(147,984)	(147,984)			(147,984)
Net income					3,798,649	3,798,649	3,798,649
Net changes of items other than unitholder's equity							
Total changes of items during the period	-	(147,984)	(147,984)	(147,984)	436,819	436,819	288,834
Balance at the end of the period	*1 121,183,494	(384,773)	(384,773)	120,798,721	4,153,672	4,153,672	124,952,393

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	(354,696)	(354,696)	124,308,863
Changes of items during the period			
Dividends from surplus			(3,361,829)
Distributions in excess of earnings from allowance for temporary difference adjustments			(147,984)
Net income			3,798,649
Net changes of items other than unitholder's equity	104,194	104,194	104,194
Total changes of items during the period	104,194	104,194	393,028
Balance at the end of the period	(250,501)	(250,501)	124,701,892

(4) Statements of Cash Distributions

(in yen)

	11th Fiscal Period (From April 1, 2020 to September 30, 2020)	12th Fiscal Period (From October 1, 2020 to March 31, 2021)
I. Retained earnings at the end of period	3,716,853,291	4,153,672,573
II. Distributions in excess of earnings	147,984,852	5,361,770
Of which, allowance for temporary difference adjustments	147,984,852	5,361,770
III. Incorporation into unitholders' capital	-	104,194,502
Of which, reversal of allowance for temporary difference adjustments	-	104,194,502
IV. Total distributions	3,509,814,642	3,804,175,815
Distributions per unit	6,546	7,095
Of which, distributions of earnings	3,361,829,790	3,798,814,045
Of which, distributions of earnings per unit	6,270	7,085
Of which, allowance for temporary difference adjustments	147,984,852	5,361,770
Of which, distributions in excess of earnings per unit (allowance for temporary difference adjustments)	276	10
V. Retained earnings brought forward to the next period	355,023,501	250,664,025
Method of calculating distribution amount	<p>In accordance with the policy described in Article 39-1 of its Articles of Incorporation, KRR 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 Law and shall be up to its profits as the maximum amount. Following this policy, KRR has decided that it shall distribute ¥3,361,829,790 which is almost the entire amount of income as defined in Article 136-1 of the Investment Trust Act.</p> <p>Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in Article 39-2 of KRR's Articles of Incorporation, KRR made a distribution in excess of earnings of ¥147,984,852 for allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with the amortization of fixed-term land leasehold rights and of the item deducted from net asset (as defined in Article 2-2-30 (b) of the Ordinance on Accountings of Investment Corporations) in association with deferred losses on hedges.</p>	<p>In accordance with the policy described in Article 39-1 of its Articles of Incorporation, KRR 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 Law and shall be up to its profits as the maximum amount. Following this policy, KRR has decided that it shall distribute ¥3,798,814,045 which is almost the entire amount of income as defined in Article 136-1 of the Investment Trust Act after deduction of reversal of allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations).</p> <p>Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in Article 39-2 of KRR's Articles of Incorporation, KRR made a distribution in excess of earnings of ¥5,361,770 for allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with the amortization of fixed-term land leasehold rights.</p>

(5) Statements of Cash Flows

	(in thousands of yen)	
	11th Fiscal Period (From April 1, 2020 to September 30, 2020)	12th Fiscal Period (From October 1, 2020 to March 31, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	3,505,844	3,799,531
Depreciation and amortization	1,041,266	1,069,574
Amortization of investment corporation bond issuance costs	4,340	4,340
Amortization of investment unit issuance costs	7,726	7,726
Interest income	(55)	(58)
Interest expenses	472,156	471,606
Decrease (increase) in operating accounts receivable	(25,162)	45,247
Decrease (increase) in consumption taxes receivable	863,462	-
Decrease (increase) in prepaid expenses	(130,377)	133,675
Increase (decrease) in operating accounts payable	104,472	16,504
Increase (decrease) in accounts payable-other	10,077	(11,382)
Increase (decrease) in accrued consumption taxes	242,484	(285,444)
Increase (decrease) in advances received	9,330	45,103
Increase (decrease) in deposits received	5,414	(9,430)
Decrease (increase) in long-term prepaid expenses	86,443	(80,467)
Decrease (increase) in long-term deposits	100	8,532
Decrease in net property, plant and equipment held in trust due to sale	1,390,848	2,146,120
Other	(3,503)	148,564
Subtotal	7,584,869	7,509,745
Interest income received	55	58
Interest expenses paid	(470,942)	(461,205)
Income taxes paid	(965)	(1,112)
Net cash provided by (used in) operating activities	7,113,017	7,047,485
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(9,767)	(6,484)
Purchase of property, plant and equipment in trust	(2,474,133)	(3,187,223)
Purchase of intangible assets	(836)	-
Repayments of tenant leasehold and security deposits in trust	(171,871)	(236,364)
Proceeds from tenant leasehold and security deposits in trust	129,316	303,544
Proceeds from restricted bank deposits in trust	17,500	15,000
Net cash provided by (used in) investing activities	(2,509,792)	(3,111,527)
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(700,000)	(2,750,000)
Proceeds from long-term loans payable	2,600,000	15,950,000
Repayments of long-term loans payable	(1,000,000)	(13,200,000)
Proceeds from issuance of investment corporation bonds	993,742	-
Dividends paid	(3,502,111)	(3,510,170)
Net cash provided by (used in) financing activities	(1,608,369)	(3,510,170)
Net increase (decrease) in cash and cash equivalents	2,994,855	425,787
Cash and cash equivalents at the beginning of the period	18,810,140	21,804,996
Cash and cash equivalents at the end of the period	*1 21,804,996	22,230,783

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 2 to 70 years Structures: 8 to 59 years Machinery and equipment: 2 to 25 years Tools, furniture and fixtures: 3 to 15 years</p> <p>(2) Intangible assets (including trust assets) The straight-line method is applied.</p> <p>(3) Long-term prepaid expenses The straight-line method is applied.</p>
2. Accounting for deferred assets	<p>(1) Investment unit issuance costs Investment unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> <p>(2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over a maturity period under the straight-line method.</p>
3. Accounting for revenues and expenses	<p>Accounting for property-related taxes Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities. When KRR purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to 2,495 thousand yen and 198 thousand yen as of September 30, 2020 and March 31, 2021, respectively.</p>
4. Method of hedge accounting	<p>(1) Hedge accounting method Deferral hedge accounting is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria for special treatment.</p> <p>(2) Hedging instruments and hedged items Hedge instruments Interest-rate swap transactions Hedged items Interest payments on debts</p> <p>(3) Hedging policy KRR enters into derivative transactions based on its risk management policies with the objective of hedging risks provided in its Articles of Incorporation.</p> <p>(4) Method of assessing the effectiveness of hedging As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment.</p>
5. Scope of cash and cash equivalents on statements of cash flows	Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.
6. Other significant accounting policies for 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 KRR's balance sheet and statement of income and retained earnings. Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet. 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, construction in progress in trust 3. Leasehold right in trust 4. Lease and guarantee deposits in trust 5. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for consumption taxes Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(Accounting standards issued but not yet effective)

- "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan (ASBJ) Statement No. 29 issued on March 31, 2020)
- "Implementation Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30 issued on March 31, 2020)

(1) Overview

The International Accounting Standards Board (IASB) and the Financial Accounting Standards Board (FASB) in the United States have jointly developed comprehensive accounting standards for revenue recognition and issued "Revenue from Contracts with Customers" (IFRS 15 (IASB) and Topic 606 (FASB)) in May 2014. Given the situation where IFRS 15 will be applied from fiscal years beginning on or after January 1, 2018 and that Topic 606 will be applied from fiscal years beginning after December 15, 2017, the ASBJ has developed comprehensive accounting standards for revenue recognition and issued them together with the implementation guidance.

The basic policy of the ASBJ when it developed the accounting standards for revenue recognition was to specify the accounting standards, incorporating the basic principles of IFRS 15 as a starting point, from the perspective of comparability between financial statements, which is one of the benefits of maintaining compatibility with IFRS 15. The basic policy also stipulates that if there is an item to which consideration should be given, such as practices that have been conducted thus far in Japan, alternative treatments will be added to the extent to which comparability is not impaired.

(2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending September 30, 2021.

(3) Impact of applying the accounting standards

The impact of applying “Accounting Standard for Revenue Recognition” and its guidance on KRR’s financial statements is currently under evaluation.

- “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30 issued on July 4, 2019)
- “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31 issued on July 4, 2019)
- “Implementation Guidance on Disclosures about Fair Value of Financial Instruments” (ASBJ Guidance No. 19 issued on March 31, 2019)

(1) Overview

The IASB and the FASB have established detailed guidance regarding fair value measurement (IFRS 13 “Fair Value Measurement” (IASB) and Topic 820 “Fair Value Measurement” (FASB)). The ASBJ repeatedly considered the guidance regarding fair value of financial instruments and disclosure in order to improve the comparability with such international accounting standards, and issued “Accounting Standard for Fair Value Measurement” and “Implementation Guidance on Accounting Standard for Fair Value Measurement.”

(2) Scheduled date of application

The accounting standards will be applied from the beginning of the fiscal period ending September 30, 2021.

(3) Impact of applying the accounting standards

The impact of applying the “Accounting Standard for Fair Value Measurement” and its guidance on KRR’s financial statements is currently under evaluation.

(Additional Information)

(Notes to Allowance for Temporary Difference Adjustments Additions and Reversals)

11th Fiscal Period (From April 1, 2020 to September 30, 2020)

1. Reasons, related assets and allowance

(in thousands of yen)

Related assets, etc.	Reason	Allowance for temporary difference adjustments
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	5,178
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	142,806

2. Method of reversal

	Method of reversal
Buildings in trust, Leasehold right in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Deferred gains or losses on hedges	Based on changes in the fair value of the hedging instruments, the corresponding amount is scheduled to be reversed.

12th Fiscal Period (From October 1, 2020 to March 31, 2021)

1. Reasons, related assets and allowance

(in thousands of yen)

Related assets, etc.	Reason	Allowance for temporary difference adjustments
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	5,361

2. Reasons, related assets and reversal of allowance

(in thousands of yen)

Related assets, etc.	Reason	Reversal of allowance for temporary difference adjustments
Deferred gains or losses on hedges	Changes in the fair value of derivative instruments	104,194

3. Method of reversal

	Method of reversal
Buildings in trust, Leasehold right in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Deferred gains or losses on hedges	Based on changes in the fair value of the hedging instruments, the corresponding amount is scheduled to be reversed.

(8) Notes to Financial Statements

(Notes to Balance Sheets)

* 1. Assets pledged as collateral and related secured liabilities:

(in thousands of yen)

Assets pledged as collateral	11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
Buildings in trust	658,814	650,807
Structures in trust	22,786	21,582

Land in trust	2,709,001	2,709,001
Total	3,390,602	3,381,391

Secured liabilities	11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
Tenant leasehold and security deposits in trust	436,067	414,070
Total	436,067	414,070

2. Commitment line contracts

KRR has commitment line contracts with the banks with which it does business.

(in thousands of yen)

	11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
Total amount of commitment line contracts	3,000,000	3,000,000
Balance of loans payable outstanding	-	-
Remaining amount	3,000,000	3,000,000

* 3. Allowance for temporary difference adjustments

11th Fiscal Period (As of September 30, 2020)

1. Reasons, related assets, initial amount, allowance and reversal

(in thousands of yen)

Related assets, etc.	Reason for allowance	Initial amount	Balance at the beginning of the period	Allowance during the period	Reversal during the period	Balance at the end of the period	Reason for reversal
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	24,937	19,575	5,361	-	24,937	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	286,168	286,168	-	(74,317)	211,851	Changes in fair value of derivative transactions
Total		311,105	305,743	5,361	(74,317)	236,788	-

2. Method of reversal

	Method of reversal
Buildings in trust, Leasehold right in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Deferred gains or losses on hedges	Based on changes in the fair value of the hedging instruments, the corresponding amount is scheduled to be reversed.

12th Fiscal Period (As of March 31, 2021)

1. Reasons, related assets, initial amount, allowance and reversal

(in thousands of yen)

Related assets, etc.	Reason for allowance	Initial amount	Balance at the beginning of the period	Allowance during the period	Reversal during the period	Balance at the end of the period	Reason for reversal
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	30,115	24,937	5,178	-	30,115	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	354,657	211,851	142,806	-	354,657	-
Total		384,773	236,788	147,984	-	384,773	-

2. Method of reversal

	Method of reversal
Buildings in trust, Leasehold right in trust	Upon sale, the corresponding amount is scheduled to be reversed.
Deferred gains or losses on hedges	Based on changes in the fair value of the hedging instruments, the corresponding amount is scheduled to be reversed.

* 4. Minimum net assets prescribed in Article 67-4 of the Investment Trust Act

(in thousands of yen)	
11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
50,000	50,000

(Notes to Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental revenues and expenses

(in thousands of yen)		
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
A. Rental and other operating revenues:		
Rent revenue-real estate:		
Rental revenues	5,990,907	6,092,542
Rental revenues from limited proprietary rights of land	1,024,012	990,413
Common area charges	261,904	253,420
Subtotal	7,276,824	7,336,375
Other lease business revenue:		
Parking space rental revenues	197,975	192,921
Utility charge reimbursement	576,777	476,555
Miscellaneous	220,885	257,816
Subtotal	995,638	927,293
Total rental and other operating revenues	8,272,463	8,263,669
B. Property-related expenses:		
Expenses related to rent business:		
Property management fees and facility management fees	685,656	679,143
Utilities	517,438	408,770
Taxes	739,968	735,593
Repairs and maintenance	239,310	185,140
Insurance	13,375	14,279
Trust fees	24,883	25,811
Depreciation	1,040,001	1,068,289
Others	218,776	260,808
Total property-related expenses	3,479,410	3,377,837
C. Net operating income from real estate rental business (A-B)	4,793,053	4,885,831

* 2. Gain on sale of real estate property

11th Fiscal Period (From April 1, 2020 to September 30, 2020)

(in thousands of yen)	
K's Denki Shin-Moriyama (Land)	
Revenue from sale of real estate property	1,527,900
Cost of real estate property	1,390,848
Other sales expenses	10,876
Gain on sale of real estate property	126,174

12th Fiscal Period (From October 1, 2020 to March 31, 2021)

(in thousands of yen)	
Daikanyama Address Dixsept(40.0% quasi co-ownership interest)	
Revenue from sale of real estate property	2,657,600
Cost of real estate property	2,146,120
Other sales expenses	57,234
Gain on sale of real estate property	454,244

(Notes to Statements of Changes in Net Assets)

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

	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	536,177 units	536,177 units

(Notes to Statements of Cash Flows)

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

	(in thousands of yen)	
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Cash and deposits	9,152,961	9,187,157
Cash and deposits in trust	12,874,534	13,251,126
Restricted bank deposits in trust (Note)	(222,500)	(207,500)
Cash and cash equivalents	21,804,996	22,230,783

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

(Notes to Lease Transactions)

Operating lease transactions (Lessee)

Future minimum lease payments

	(in thousands of yen)	
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Due within 1 year	10,500	10,500
Due after 1 year	162,298	157,048
Total	172,798	167,548

Operating lease transactions (Lessor)

Future minimum lease income

	(in thousands of yen)	
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Due within 1 year	9,738,412	9,922,641
Due after 1 year	56,344,730	59,207,166
Total	66,083,142	69,129,807

(Notes to the Financial Instruments)

1. Overview

(1) Policy for financial instruments

KRR procures funds for asset acquisitions, repairs, payment of distributions, repayment of loans, etc. through loans from financial institutions, issuance of investment corporation bonds, issuance of investment units and other means. With regard to the procurement of interest-bearing debts, KRR ensures that it can effectively combine stable long-term funds with flexible short-term funds. Management of surplus funds is undertaken through various bank deposits focusing on safety, liquidity and effectiveness. KRR uses derivatives for the purpose of hedging its exposure to changes in interest rates and other risks and does not enter into derivative transactions for speculative or trading purposes.

(2) Types of financial instruments and related risk

Bank deposits are for managing KRR's surplus funds and are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited.

Loans payable and investment corporation bonds, which are made or issued primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 10 months for loans payable and also have a redemption date of a maximum of 7 years and 1 month for investment corporation bonds as of March 31, 2021, the end of the 12th fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, loans payable with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the loans payable.

Tenant leasehold and security deposits are deposits received from tenants, which are exposed to liquidity risks when the tenants vacate the properties.

(3) Risk management for financial instruments

a. Credit risk

While bank deposits are exposed to credit risk such as the bankruptcy of financial institutions at which funds are deposited, such risk is monitored by deposits in non-interest bearing ordinary savings accounts or with financial institutions with credit ratings above a certain level. In utilizing derivatives, KRR aims to mitigate counterparty risk such as by transacting with financial institutions with favorable ratings.

b. Market risk

While loans payable with floating rates are exposed to interest rate fluctuation risk, such risk is monitored by adjusting the rate of the balance of loans payable with floating rates against the total loans payable according to the financial environment, interest rate forecasts by continuous monitoring, etc. and by using derivatives, etc. A risk management policy is established with regard to the execution and management of derivatives and such transactions are conducted based on this policy.

c. Liquidity risk

Though loans payable are subject to liquidity risk, KRR reduces such risk by spreading out payment due dates and by diversifying financial institutions. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

Though tenant leasehold and security deposits are subject to liquidity risk, in principle, KRR reduces such risk by retaining funds that would enable KRR to return necessary amounts to tenants.

(4) Supplementary explanation of the estimated fair value of financial instruments

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

2. Estimated fair value of financial instruments

The carrying value of financial instruments on the balance sheets and estimated fair value are shown in the following table. Items whose fair values are difficult to determine are not included in the following table (Note 2).

11th Fiscal Period
As of September 30, 2020

	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	9,152,961	9,152,961	-
(2) Cash and deposits in trust	12,874,534	12,874,534	-
Total	22,027,496	22,027,496	-
(1) Short-term loans payable	2,750,000	2,750,000	-
(2) Current portion of long-term loans payable	20,400,000	20,393,446	(6,553)
(3) Investment corporation bonds	8,000,000	7,979,400	(20,600)
(4) Long-term loans payable	81,650,000	82,206,637	556,637
(5) Tenant leasehold and security deposits in trust	795,154	772,848	(22,305)
Total	113,595,154	114,102,333	507,178
Derivative transactions	(354,696)	(354,696)	-

*The value of assets and liabilities arising from derivatives is shown at net value and with the amount in parentheses representing the net liability position.

12th Fiscal Period
As of March 31, 2021

	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	9,187,157	9,187,157	-
(2) Cash and deposits in trust	13,251,126	13,251,126	-
Total	22,438,283	22,438,283	-
(1) Short-term loans payable	-	-	-
(2) Current portion of investment corporation bonds	1,000,000	998,600	(1,400)
(3) Current portion of long-term loans payable	16,950,000	16,974,527	24,527
(4) Investment corporation bonds	7,000,000	6,969,900	(30,100)
(5) Long-term loans payable	87,850,000	88,207,532	357,532
(6) Tenant leasehold and security deposits in trust	740,605	718,353	(22,251)
Total	113,540,605	113,868,913	328,308
Derivative transactions	(250,501)	(250,501)	-

*The value of assets and liabilities arising from derivatives is shown at net value and with the amount in parentheses representing the net liability position.

Note 1: Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions

Assets

(1) Cash and deposits and (2) Cash and deposits in trust

Since these items are settled in a short period of time, their carrying amount approximates fair value.

Liabilities

(1) Short-term loans payable

Since these items are settled in a short period of time with floating interest rates, their carrying amount approximates fair value.

(2) Current portion of investment corporation bonds and (4) Investment corporation bonds

The fair value of investment corporation bonds is based on quoted market prices.

(3) Current portion of long-term loans payable and (5) Long-term loans payable

Among these items, the fair value of loans payable with fixed interest rates is calculated based on the present value, which is the total amount of principal and interest discounted by the estimated interest rate to be applied in the event that KRR conducts new loans of the same type. As for the fair value of loans payable with floating interest rates, it is based on the carrying amount since market interest rates are reflected in the short term and the fair value is believed to approximate the carrying amount as the credit standing of KRR has not changed significantly since the loans were made. (However, the fair value of long-term loans payable subject to the special treatment for interest-rate swaps is based on the present value of the total of principal and interest, accounted for together with the applicable interest-rate swaps, discounted by the estimated interest rate to be applied in the event that KRR conducts new loans payable of the same type.)

(6) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at the discount rate into which the period to the repayment date and the credit risk are reflected.

Derivative transactions

Please refer to “Notes to Derivative Transactions”.

Note 2: Financial instruments whose fair values are extremely difficult to determine

(in thousands of yen)

Classification	11th Fiscal Period As of September 30, 2020
Tenant leasehold and security deposits (*)	148,083
Tenant leasehold and security deposits in trust (*)	10,038,109
Total	10,186,192

(*) It is extremely difficult to determine their fair value based on estimated future cash flows because no quoted market price is available and the repayment dates of those deposits are not certain. Therefore, tenant leasehold and security deposits and tenant leasehold and security deposits in trust are not included in the above quantitative information.

(in thousands of yen)

Classification	12th Fiscal Period As of March 31, 2021
Tenant leasehold and security deposits (*)	148,083
Tenant leasehold and security deposits in trust (*)	10,159,838
Total	10,307,921

(*) It is extremely difficult to determine their fair value based on estimated future cash flows because no quoted market price is available and the repayment dates of those deposits are not certain. Therefore, tenant leasehold and security deposits and tenant leasehold and security deposits in trust are not included in the above quantitative information.

Note 3: Redemption of monetary claims scheduled to be due after the balance sheet date

11th Fiscal Period

As of September 30, 2020

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	9,152,961	-	-	-	-	-
Cash and deposits in trust	12,874,534	-	-	-	-	-
Total	22,027,496	-	-	-	-	-

12th Fiscal Period

As of March 31, 2021

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	9,187,157	-	-	-	-	-
Cash and deposits in trust	13,251,126	-	-	-	-	-
Total	22,438,283	-	-	-	-	-

Note 4: Redemption of long-term loans payable and other interest-bearing debt scheduled to be due after the balance sheet date

11th Fiscal Period

As of September 30, 2020

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	2,750,000	-	-	-	-	-
Investment corporation bonds	-	2,000,000	-	-	1,000,000	5,000,000
Long-term loans payable	20,400,000	9,050,000	7,500,000	8,990,000	13,320,000	42,790,000
Tenant leasehold and security deposits in trust	13,995	13,995	13,995	13,995	13,995	68,808
Total	23,163,995	11,063,995	7,513,995	9,003,995	14,333,995	47,858,808

12th Fiscal Period

As of March 31, 2021

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	-	-	-	-	-	-
Investment corporation bonds	1,000,000	1,000,000	-	-	1,000,000	5,000,000
Long-term loans payable	16,950,000	9,050,000	7,500,000	8,810,000	16,090,000	46,400,000
Tenant leasehold and security deposits in trust	13,995	13,995	13,995	13,995	13,995	61,811
Total	17,963,995	10,063,995	7,513,995	8,823,995	17,103,995	51,461,811

(Notes to Derivative Transactions)

(1) Transactions not subject to hedge accounting

11th Fiscal Period (As of September 30, 2020) and 12th Fiscal Period (As of March 31, 2021): Not applicable

(2) Transactions subject to hedge accounting

11th Fiscal Period
As of September 30, 2020

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Principle method	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	39,410,000	35,310,000	(354,696)	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	31,900,000	26,400,000	*	-
Total			71,310,000	61,710,000	(354,696)	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term loans payable. (Please refer to "Notes to Financial Instruments" (Note 1) Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions; Liabilities (2) Current portion of long-term loans payable and (4) Long-term loans payable.)

12th Fiscal Period
As of March 31, 2021

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Principle method	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	51,110,000	47,010,000	(250,501)	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	26,400,000	21,000,000	*	-
Total			77,510,000	68,010,000	(250,501)	

*Interest rate swaps for which the special treatment is applied are accounted for together with the underlying hedged item. As a result, their fair value is included in the fair value of the hedged long-term loans payable. (Please refer to "Notes to Financial Instruments" (Note 1) Methods to determine the estimated fair value of financial instruments and matters related to derivative transactions; Liabilities (3) Current portion of long-term loans payable and (5) Long-term loans payable.)

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other

11th Fiscal Period (From April 1, 2020 to September 30, 2020) and 12th Fiscal Period (From October 1, 2020 to March 31, 2021): Not applicable

2. Affiliated companies and other

11th Fiscal Period (From April 1, 2020 to September 30, 2020) and 12th Fiscal Period (From October 1, 2020 to March 31, 2021): Not applicable

3. Fellow subsidiary companies and other

11th Fiscal Period (From April 1, 2020 to September 30, 2020) and 12th Fiscal Period (From October 1, 2020 to March 31, 2021): Not applicable

4. Directors, major individual unitholders and other

11th Fiscal Period (From April 1, 2020 to September 30, 2020) and 12th Fiscal Period (From October 1, 2020 to March 31, 2021): Not applicable

(Notes to the Tax-Effect Accounting)

1. The significant components of deferred tax assets and liabilities:

	(in thousands of yen)	
	11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
Deferred tax assets:		
Enterprise tax payable	24	13
Amortization of leasehold right in trust	14,185	15,437
Depreciation	5,106	5,556
Asset retirement obligations	7,670	7,718
Deferred gains or losses on hedges	111,587	78,807
Subtotal deferred tax assets	138,573	107,533
Valuation allowance	(138,573)	(107,533)
Total deferred tax assets	-	-

2. The significant differences between the statutory tax rate and the effective tax rate:

	(unit: %)	
	11th Fiscal Period As of September 30, 2020	12th Fiscal Period As of March 31, 2021
Statutory tax rate	31.46	31.46
Deductible cash distributions	(31.50)	(31.50)
Others	0.07	0.06
Effective tax rate	0.03	0.02

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

1. Summary of the asset retirement obligations

KRR has recognized the original state restoration obligations assumed under the fixed-term business-purpose land leasehold agreement as the asset retirement obligations in connection with Sunny Noma acquired on February 10, 2015.

2. Method of calculating asset retirement obligations

Asset retirement obligations are calculated based on a discount rate of 1.256% after the useful life has been estimated to be 22 years and two months based on the time period from the date of acquisition to the expiration of the agreement.

3. Changes in the amount of applicable asset retirement obligations consisted of the following

	(in thousands of yen)	
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Balance at the beginning of the period	24,229	24,381
Accretion adjustment	152	153
Balance at the end of the period	24,381	24,534

(Notes to the Segment Information)

(Segment information)

Disclosure is omitted because the real estate leasing business is KRR's sole business and it has no reportable segment subject to disclose.

(Related information)

11th Fiscal Period (From April 1, 2020 to September 30, 2020)

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 revenue on the statement of income and retained earnings.

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 revenue on the statement of income and retained earnings.

(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 sheets.

3. Information about each major customer

Disclosure is omitted because no net sales to a single external customer accounts for more than 10% of the operating revenue on the statements of income and retained earnings.

12th Fiscal Period (From October 1, 2020 to March 31, 2021)

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 revenue on the statement of income and retained earnings.

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 revenue on the statement of income and retained earnings.

(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 sheets.

3. Information about each major customer

Disclosure is omitted because no net sales to a single external customer accounts for more than 10% of the operating revenue on the statements of income and retained earnings.

(Notes to Investment and Rental Properties)

KRR owns retail properties and logistics facility for rental purposes mainly in the four major metropolitan areas and other regional areas of Japan.

The book value and fair value concerning the above real estate for rental purposes are as follows.

	(in thousands of yen)	
	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Book value		
Balance at the beginning of the period	228,027,561	228,266,280
Changes during the period	238,719	(179,533)

Balance at the end of the period	228,266,280	228,086,747
Fair value at the end of the period	243,356,000	244,270,400

Note 1: Book value is acquisition cost less accumulated depreciation.

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the 11th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interest in 1 property totaling 2,006,474 thousand yen and additional acquisition of real estate trust beneficiary interest amounting to 128,651 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 1,390,848 thousand yen and depreciation of 1,039,848 thousand yen and during the 12th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interest in 2 properties totaling 2,106,845 thousand yen and additional acquisition of 2 real estate trust beneficiary interests amounting to 372,441 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 2,146,120 thousand yen and depreciation of 1,068,136 thousand yen.

Note 3: The fair value at the end of the period is the appraisal value determined by outside appraisers. The fair value of Daikanyama Address Dixsept as of September 30, 2020 is based on the sales price (6,644,000 thousand yen) under the trust beneficiary interest sales contracts entered on November 17, 2020. The fair value of Daikanyama Address Dixsept(60.0% quasi co-ownership interest), Hankyu Oasis Hirakatadeguchi and Unicus Ina(20.0% quasi co-ownership interest) as of March 31, 2021 are based on the sales price (3,986,400 thousand yen, 1,500,000 thousand yen, and 1,048,000 thousand yen) under the trust beneficiary interest sales contracts entered on November 17, 2020, February 25, 2021, and April 7, 2021, respectively.

The profit or loss for the period under review concerning investment and rental properties is indicated under “Notes to Statements of Income and Retained Earnings.”

(Notes to Per Unit Information)

	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Net asset value per unit	231,842 yen	232,575 yen
Net income per unit	6,536 yen	7,084 yen

Note 1: Net income per unit is calculated by dividing net income by the day-weighted average number of investment units outstanding during the period. Net income per unit after adjusting for residual units is not included because there were no residual investment units.

Note 2: The basis for calculating net income per unit is as follows:

	11th Fiscal Period From April 1, 2020 to September 30, 2020	12th Fiscal Period From October 1, 2020 to March 31, 2021
Net income (in thousands of yen)	3,504,731	3,798,649
Net income not attributable to ordinary unitholders (in thousands of yen)	-	-
Net income attributable to ordinary unitholders (in thousands of yen)	3,504,731	3,798,649
Weighted average number of units during the period (units)	536,177	536,177

(Notes to Significant Subsequent Events)

Issuance of new investment units

KRR passed resolutions at the Board of Directors Meeting held on April 7, 2021 and April 14, 2021, to issue new investment units to fund part of the acquisition of specified assets.

Payments for the issuance of new investment units through public offering and through third-party allotment have been completed on April 20, 2021 and May 18, 2021, respectively.

KRR will be used to fund part of the acquisition of specified assets or repay unit of borrowings in the future used the net proceeds through third-party allotment for the repayment of loans payable.

As a result, unitholders' capital totaled ¥133,103,750,770 and total number of investment units issued and outstanding increased to 582,177 as of May 18, 2021.

(Issuance of new investment units through public offerings)

Total number of units issued	43,800 units
Issue price (offer price)	267,930 yen per unit
Total amount of issue price (total offer price)	11,735,334,000 yen
Paid-in amount (issue amount)	259,136 yen per unit
Total paid-in amount (total issue amount)	11,350,156,800 yen
Payment date	April 20, 2021

(Issuance of new investment units through third-party allotment)

Total number of units issued	2,200 units
Paid-in amount (issue amount)	259,136 yen per unit
Total paid-in amount (total issue amount)	570,099,200 yen
Payment date	May 18, 2021
Allottee	SMBC Nikko Securities Inc.

(Omission of Disclosure)

Notes to Securities, Equity-Method Income and Retained Earnings, and Retirement Payment are omitted as immaterial to disclose.

(9) Changes in Investment Units Issued and Outstanding

Changes in the number of investment units issued and outstanding and unitholders' capital since its corporation are summarized in the following table.

Date	Type of issue	Total number of units issued and outstanding (units)		Unitholders' capital (in million yen) (Note 7)		Notes
		Increase	Balance	Increase	Balance	
April 20, 2016	Public offering	64,000	419,250	15,856	93,463	(Note 1)
May 18, 2016	Capital increase through third-party allocation	3,200	422,450	792	94,256	(Note 2)
April 18, 2017	Public offering	81,250	503,700	18,244	112,500	(Note 3)
May 17, 2017	Capital increase through third-party allocation	4,000	507,700	898	113,399	(Note 4)
October 23, 2019	Public offering	27,300	535,000	7,462	120,861	(Note 5)
November 14, 2019	Capital increase through third-party allocation	1,177	536,177	321	121,183	(Note 6)

Note 1: Issued at issue price of 256,717 yen per unit (issue amount of 247,764 yen per unit) for acquisition of new properties.

Note 2: Issued at issue amount of 247,764 yen per unit for repayment of borrowings.

Note 3: Issued at issue price of 232,537 yen per unit (issue amount of 224,547 yen per unit) for acquisition of new properties.

Note 4: Issued at issue amount of 224,547 yen per unit for repayment of borrowings.

Note 5: Issued at issue price of 282,847 yen per unit (issue amount of 273,360 yen per unit) for acquisition of new properties.

Note 6: Issued at issue amount of 273,360 yen per unit for part of future purchase funds for specified assets or repayment of borrowings.

Note 7: Distributions in excess of earnings for the allowance for temporary difference adjustments are not considered.

3. Reference Information

(1) Information on Price of the Managed Assets

i) Component of Assets

Type of specified asset	Property type	Areas (Note 1)	11th fiscal period as of September 30, 2020		12th fiscal period as of March 31, 2021	
			Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)	Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)
Trust beneficiary interest in real estate	Shopping centers for daily needs	Tokyo metropolitan area	96,613	38.4	94,736	37.6
		Greater Osaka area	46,140	18.3	46,036	18.3
		Greater Nagoya area	22,055	8.8	21,959	8.7
		Fukuoka area	7,891	3.1	7,855	3.1
		Ordinance-designated cities, core cities and other areas	43,923	17.5	43,765	17.4
	Other retail properties	-	-	-	-	
	Logistics facilities	-	7,954	3.2	10,049	4.0
Total of trust beneficiary interests in real estate			224,579	89.2	224,402	89.1
Real estate	Logistics facilities	-	3,686	1.5	3,684	1.5
Total of real estate			3,686	1.5	3,684	1.5
Bank deposits and other assets			23,389	9.3	23,686	9.4
Total assets			251,655	100.0	251,773	100.0

	11th fiscal period as of September 30, 2020		12th fiscal period as of March 31, 2021	
	Amount (Millions of Yen)	Ratio (%) (Note 3)	Amount (Millions of Yen)	Ratio (%) (Note 3)
Total liabilities (Note 4)	127,346	50.6	127,071	50.5
Total net assets (Note 4)	124,308	49.4	124,701	49.5
Total assets	251,655	100.0	251,773	100.0

Note 1: "Areas" are categorized to the Tokyo metropolitan area, the Greater Osaka area, the Greater Nagoya area, the Fukuoka area and Ordinance-designated cities, core cities and other areas. References to "Tokyo metropolitan area" are to the area that consists of Tokyo, Kanagawa, Saitama and Chiba prefectures. References to the "Greater Osaka area" are to the area that consists of Osaka, Kyoto, Hyogo, Nara and Shiga prefectures. References to the "Greater Nagoya area" are to the area that consists of Aichi, Gifu and Mie prefectures. References to the "Fukuoka area" are to the area that consists of Fukuoka prefecture. "Ordinance-designated cities, core cities and other areas" refers to cities designated by government ordinance, which have populations of 500,000 persons or more, core cities, which have populations of 200,000 persons or more, and to other areas with a population fewer than 200,000 persons, which we believe will have suitable customer traffic from surrounding areas.

Note 2: "Total amount held" is the amount allocated in the balance sheets as of the end of fiscal period (figures are on a net book value basis after deducting depreciation), and is rounded down to the nearest million.

Note 3: "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets rounded to the nearest tenth.

Note 4: "Total liabilities" and "Total net assets" are those on the balance sheets.

ii) Overview of the Portfolio

(A) Overview of Assets Owned

The following summarizes the real estate or the real estate properties in trust owned by KRR as of March 31, 2021.

Property number	Property type (Note 1)	Property name	Location (Note 2)	Ownership form	Book value (in millions)	Evaluation value (in millions) (Note 3)	Acquisition price (in millions) (Note 4)	Share (%) (Note 5)
T-2	Urban Station-Front SC	MONA Shin-Urayasu	Urayasu, Chiba	Trust beneficiary interest in real estate	8,992	9,980	8,063	3.6
T-3	Urban Station-Front SC	Passaggio Nishiarai	Adachi ward, Tokyo	Trust beneficiary interest in real estate	5,661	6,530	5,850	2.6
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (Note 6)	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	3,214	3,750	3,234 (Note 7)	1.4
T-5	NSC	Unicus Ina (Note 8)	Kitaadachi-gun, Saitama	Trust beneficiary interest in real estate	4,370	5,270	4,470	2.0
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	3,860	4,340	4,000	1.8
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	Trust beneficiary interest in real estate	3,504	3,860	3,600	1.6
T-8	SS	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	Trust beneficiary interest in real estate	2,441	2,750	2,586	1.1
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	Trust beneficiary interest in real estate	4,890	5,530	4,815	2.1
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	Trust beneficiary interest in real estate	3,210	3,450	3,169	1.4
T-11	NSC	Unicus Kamisato (Land)	Kodama-gun, Saitama	Trust beneficiary interest in real estate	3,043	3,050	3,000	1.3
T-12	NSC	Unicus Konosu (Land)	Konosu, Saitama	Trust beneficiary interest in real estate	1,726	1,780	1,700	0.7
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,462	1,380	1,442	0.6
T-15	NSC	Nakamachidai Tokyu Store	Yokohama, Kanagawa	Trust beneficiary interest in real estate	3,311	3,740	3,360	1.5
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,733	1,780	1,724	0.8
T-17	SM	Life Kameido	Koto ward, Tokyo	Trust beneficiary interest in real estate	1,478	1,480	1,450	0.6
T-18	NSC	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	4,228	4,330	4,170	1.8
T-19	NSC	Yumemachi Narashinodai Mall	Funabashi, Chiba	Trust beneficiary interest in real estate	3,370	3,500	3,416	1.5
T-20	NSC	Kawamachi Yahagi Mall	Chiba, Chiba	Trust beneficiary interest in real estate	3,115	3,240	3,097	1.4
T-21	SS	Prime Square Jiyugaoka	Meguro-ku, Tokyo	Trust beneficiary interest in real estate	2,976	2,810	2,820	1.2
T-22	SS	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	Trust beneficiary interest in real estate	1,835	1,960	1,880	0.8
T-23	SM	Ozeki Tokiwadai	Itabashi ward, Tokyo	Trust beneficiary interest in real estate	1,270	1,340	1,263	0.6
T-24	SS	Konami Sports Club Shibuya	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	3,609	3,380	3,400	1.5
T-25	NSC	Apita Terrace Yokohama Tsunashima	Yokohama, Kanagawa	Trust beneficiary interest in real estate	5,896	6,120	5,899 (Note 7)	2.6
T-26	NSC	Kalsa Hiratsuka	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	5,996	6,010	5,980	2.6
T-27	NSC	Monenosato Mall	Yotsukaido, Chiba	Trust beneficiary interest in real estate	2,855	2,970	2,753	1.2
T-28	NSC	KDX Chofu Building (Retail wing)	Chofu, Tokyo	Trust beneficiary interest in real estate	2,396	2,470	2,300	1.0
T-29	NSC	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	Trust beneficiary interest in real estate	2,283	2,310	2,248	1.0
T-30	SM	Comfort Market Nishi-Magome	Ota ward, Tokyo	Trust beneficiary interest in real estate	2,000	1,990	1,920	0.8
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	Trust beneficiary interest in real estate	8,428	9,580	8,389	3.7
O-2	SM	Life Takadono (Land)	Osaka, Osaka	Trust beneficiary interest in real estate	2,727	3,140	2,685	1.2
O-3	NSC	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	Trust beneficiary interest in real estate	2,112	2,590	2,140	0.9
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	Trust beneficiary interest in real estate	11,207	11,000	11,000	4.9

Property number	Property type (Note 1)	Property name	Location (Note 2)	Ownership form	Book value (in millions)	Evaluation value (in millions) (Note 3)	Acquisition price (in millions) (Note 4)	Share (%) (Note 5)
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	Trust beneficiary interest in real estate	11,207	7,260	6,555	2.9
O-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	Trust beneficiary interest in real estate	6,731	6,460	6,450	2.8
O-7	SM	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	Trust beneficiary interest in real estate	6,173	1,300	1,280	0.6
O-9	SM	Life Nishi-Tengachaya	Osaka, Osaka	Trust beneficiary interest in real estate	1,289	1,690	1,505	0.7
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	Trust beneficiary interest in real estate	1,530	3,990	3,723	1.6
O-11	NSC	Habikigaoka Shopping Center	Habikino, Osaka	Trust beneficiary interest in real estate	3,772	2,020	2,000	0.9
N-1	SS	DCM Kahma Nakagawa Tomita (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,062	2,680	2,311	1.0
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	Trust beneficiary interest in real estate	2,351	2,360	2,174	1.0
N-4	SS	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	Trust beneficiary interest in real estate	2,116	7,540	7,140	3.1
N-6	NSC	Resora Obu Shopping Terrace	Obu, Aichi	Trust beneficiary interest in real estate	6,847	7,040	7,911	3.5
N-7	SM	Valor Nakashidami (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	8,055	2,550	2,551	1.1
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	2,587	1,650	1,497	0.7
F-2	SS	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	1,379	5,780	5,020	2.2
F-3	NSC	Kurume-Nishi Shopping Center	Kurume, Fukuoka	Trust beneficiary interest in real estate	4,931	1,840	1,515	0.7
R-1	NSC	Roseo Mito	Mito, Ibaraki	Trust beneficiary interest in real estate	1,544	12,000	10,046	4.4
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	Trust beneficiary interest in real estate	9,670	1,520	1,469	0.6
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	Trust beneficiary interest in real estate	1,429	911	898	0.4
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	Trust beneficiary interest in real estate	859	4,900	4,180	1.8
R-5	NSC	Yorktown Shinden-Higashi	Sendai, Miyagi	Trust beneficiary interest in real estate	4,426	2,600	3,252	1.4
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Trust beneficiary interest in real estate	3,224	888	830	0.4
R-8	NSC	P-1 Plaza Tenno	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	833	4,350	4,010	1.8
R-9	NSC	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	Trust beneficiary interest in real estate	4,136	4,280	4,111	1.8
R-10	NSC	Sun Street Hamakita	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	10,617	11,160	10,746 (Note 7)	4.7
R-11	SS	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	Trust beneficiary interest in real estate	4,245	4,410	4,210	1.9
L-1	L	Zama Distribution Center	Zama, Kanagawa	Real estate	1,474	1,740	1,400	0.6
L-2	L	Oppama Distribution Center	Yokosuka, Kanagawa	Real estate	1,347	1,630	1,300	0.6
L-3	L	Musashi Ranzan Distribution Center	Hiki-gun, Saitama	Trust beneficiary interest in real estate	3,799	4,170	3,879 (Note 7)	1.7
L-4	L	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	Trust beneficiary interest in real estate	966	1,020	918	0.4
L-5	L	Gyoda Distribution Center	Gyoda, Saitama	Trust beneficiary interest in real estate	3,190	3,510	3,160	1.4
L-6	L	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Real estate	862	821	810	0.4
L-7	L	Chiba-Kita Distribution Center	Chiba, Chiba	Trust beneficiary interest in real estate	1,261	1,340	1,250	0.6
L-8	L	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	Trust beneficiary interest in real estate	830	1,020	800	0.4
Total					228,086	243,840	226,725	100.0

Note 1: Properties are categorized into the following six types of properties: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center), SS (Specialty Store) and L (Logistics facility). We categorize shopping centers for daily needs as follows.

Type of shopping centers for daily needs	Features	Trade area
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NSC (Neighborhood Shopping Centers)	Shopping centers with a supermarket as an anchor or core tenant and several specialty store tenants	3km-5km
SM (Supermarkets)	Stand-alone stores that primarily provide groceries, with a retail trade area	3km
CSC (Community Shopping Centers)	Larger shopping centers than NSC, which have a supermarket as an anchor or core tenant in addition to specialty store tenants	5km-10km
Urban Station-Front Shopping Centers	Shopping centers that are located in the immediate vicinity of an urban public transportation station, which take advantage of stable foot traffic	3km-10km
SS (Specialty Stores)	Single- or multiple-tenant shopping centers that specialize in a single type of merchandise or service, such as drug stores, convenience stores, health clubs or electronic appliance stores	1km-10km

Note 2: "Location" indicates the residential address. For those without a residential address, the building or land address on the registry is shown.

Note 3: "Evaluation value" shows the appraisal value stated on the real estate appraisal report created by the real estate appraisers of Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and The Tanizawa Sōgō Appraisal Co., Ltd. In accordance with the methods and standards for asset valuation as stipulated in the KRR Articles of Incorporation as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 4: "Acquisition price" indicates the transfer price of the property to be acquired designated in each sale and purchase agreement (excluding the acquisition expenses, property taxes, city planning taxes and consumption taxes, and rounded down to the nearest million yen). (As for the properties with building expansion, the price includes the amount described in the construction contract and construction design/supervision outsourcing contracts (excluding expenses and taxes and rounded down to the nearest million yen)).

Note 5: "Share" represents the percentage of the acquisition price for each property in the total acquisition price, rounded to the nearest tenth.

Note 6: KRR disposed of a quasi-co-ownership interest (40% interest) in the trust beneficiary interest of Daikanyama Address Dixsept on December 1, 2020, and a quasi-co-ownership interest (30% interest) on April 1, 2021. In addition, for the quasi-co-ownership interest (30% equity interest) held as of the date of this material, KRR has entered into a trust beneficiary interest purchase and sale contract with a scheduled disposition date of October 1, 2021.

Note 7: The amount and proportion of quasi co-ownership interests that KRR owns are shown.

Note 8: KRR disposed of a quasi-co-ownership interest (20% interest) in the trust beneficiary interest of Unicus Ina on April 9, 2021.

(B) Overview of tenants as of March 31, 2021

The following summarizes leasable area, leased area, occupancy rate, number of tenants, annual rent, and amount of security deposits.

Property number	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (thousands) (Note 5)	Amount of security deposits (millions) (Note 6)		
T-2	MONA Shin-Urayasu	9,955.84	9,418.68	94.6	1(53)	612,044	582		
T-3	Passaggio Nishiarai	10,530.85	10,530.85	100.0	1(41)	437,877	264		
T-4	Daikanyama Address Dixsept	3,033.83 (Note 7)	2,949.89 (Note 7)	97.2	1(26)	221,252 (Note 7)	191 (Note 7)		
T-5	Unicus Ina	13,462.71	13,462.71	100.0	1	279,002	141		
T-6	Yorktown Kita-Kaname	- (Note 8)	- (Note 8)	100.0	1	- (Note 8)	- (Note 8)		
T-7	Unicus Yoshikawa	10,648.27	10,605.26	99.6	1(9)	261,068	205		
T-8	Sports Club Renaissance Fujimidai	3,120.87	3,120.87	100.0	1	- (Note 8)	- (Note 8)		
T-9	Super Viva Home Iwatsuki (Land)	67,325.95	67,325.95	100.0	1		- (Note 8)	- (Note 8)	
T-10	K's Denki Shonan-Fujisawa (Land)	15,578.58	15,578.58	100.0	1		- (Note 8)	141	
T-11	Unicus Kamisato (Land)	67,854.47	67,854.47	100.0	1	150,595	70		
T-12	Unicus Konosu (Land)	19,329.00	19,329.00	100.0	1	86,063	39		
T-13	Inageya Yokohama Minamihonjuku (Land)	4,405.41	4,405.41	100.0	1	- (Note 8)	- (Note 8)		
T-15	Nakamachidai Tokyu Store	5,968.71	5,968.71	100.0	1			- (Note 8)	- (Note 8)
T-16	Central Wellness Club Nagatsuta Minamidai	3,996.68	3,996.68	100.0	2			- (Note 8)	- (Note 8)
T-17	Life Kameido	2,929.58	2,929.58	100.0	1			- (Note 8)	- (Note 8)
T-18	Totsuka-Fukaya Shopping Center (Land)	14,092.51	14,092.51	100.0	2			- (Note 8)	- (Note 8)
T-19	Yumemachi Narashinodai Mall	7,827.96	7,827.96	100.0	1(14)	226,829	155		
T-20	Kawamachi Yahagi Mall	6,397.05	6,397.05	100.0	1(12)	193,105	106		
T-21	Prime Square Jiyugaoka	3,512.55	3,512.55	100.0	2	- (Note 8)	- (Note 8)		
T-22	Round1 Ichikawa-Onitaka	11,963.61	11,963.61	100.0	1			- (Note 8)	- (Note 8)
T-23	Ozeki Tokiwadai	1,217.02	1,217.02	100.0	1			- (Note 8)	- (Note 8)
T-24	Konami Sports Club Shibuya	- (Note 8)	- (Note 8)	100.0	1			- (Note 8)	- (Note 8)
T-25	Apita Terrace Yokohama Tsunashima	22,729.71 (Note 7)	22,729.71 (Note 7)	100.0	1	- (Note 7) (Note 8)	- (Note 7) (Note 8)		
T-26	Kalsa Hiratsuka	14,195.00	14,195.00	100.0	3	(Note 8)	(Note 8)		
T-27	Monenosato Mall	6,861.59	6,861.59	100.0	1(11)	168,496	104		
T-28	KDX Chofu Building (Retail wing)	12,119.00	12,119.00	100.0	3	150,419	57		
T-29	Across Plaza Urayasu Higashino (Land)	6,229.32	6,229.32	100.0	1	- (Note 8)	- (Note 8)		
T-30	Comfort Market Nishi-Magome	1,456.86	1,456.86	100.0	1	96,000	80		
O-1	Blumer Maitamon	30,290.85	30,235.07	99.8	50	715,221	434		
O-2	Life Takadono (Land)	4,437.07	4,437.07	100.0	1	- (Note 8)	- (Note 8)		
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	14,313.00	14,313.00	100.0	2			- (Note 8)	- (Note 8)
O-4	Blumer HAT Kobe	23,775.88	23,483.16	98.8	1(40)	715,442	812		
O-5	Carino Esaka	7,542.69	7,440.84	98.6	1(29)	302,201	232		

Property number	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (thousands) (Note 5)	Amount of security deposits (millions) (Note 6)
O-6	COMBOX Komyoike	25,530.44 (Note 9)	25,530.44	100.0	1	451,993 (Note 10)	351 (Note 11)
O-7	Hankyu Oasis Hirakatadeguchi	2,960.38	2,960.38	100.0	1	- (Note 8)	- (Note 8)
O-9	Life Nishi-Tengachaya	2,679.52	2,679.52	100.0	1	89,740	213
O-10	Million Town Tsukaguchi (Land)	8,264.46	8,264.46	100.0	1	-	-
O-11	Habikigaoka Shopping Center	6,447.81	6,447.81	100.0	2		
N-1	DCM Kahma Nakagawa Tomita (Land)	- (Note 8)	- (Note 8)	100.0	1		
N-2	Valor Ichinomiya-Nishi	9,447.48	9,447.48	100.0	1		
N-4	Homecenter Kohnan Sunadabashi	20,329.07	20,329.07	100.0	1		
N-6	Resora Obu Shopping Terrace	19,909.33	19,634.11	98.6	1(42)	405,927	257
N-7	Valor Nakashidami (Land)	13,480.42	13,480.42	100.0	1	-	-
F-1	Sunny Noma	2,814.67	2,814.67	100.0	1		
F-2	Round1 Stadium Hakata-Hanmichibashi	28,026.61	28,026.61	100.0	1		
F-3	Kurume-Nishi Shopping Center	4,641.10	4,641.10	100.0	4	104,617	62
R-1	Roseo Mito	48,296.15	48,296.15	100.0	1(23)	702,815	463
R-2	K's Denki Aomori Honten	10,083.41	10,083.41	100.0	1	-	174
R-3	Super Sports Xebio Aomori-Chuo	- (Note 8)	- (Note 8)	100.0	1		- (Note 8)
R-4	Ashico Town Ashikaga	65,181.05	64,580.67	99.1	1(29)	391,043	332
R-5	Yorktown Shinden-Higashi	12,768.77	12,768.77	100.0	2	-	- (Note 8)
R-6	Kasumi Technopark Sakura	2,047.65	2,047.65	100.0	1		- (Note 8)
R-8	P-1 Plaza Tenno	12,030.83	12,030.83	100.0	1(7)	273,120	248
R-9	Seiyu Rakuichi Moriya (Land)	- (Note 8)	- (Note 8)	100.0	2	- (Note 8)	- (Note 8)
R-10	Sun Street Hamakita	48,697.29 (Note 7)	48,426.66 (Note 7)	100.0	1	868,895 (Note 7)	504 (Note 7)
R-11	Costco Wholesale Sapporo Warehouse	24,006.16	24,006.16	100.0	1	-	-
L-1	Zama Distribution Center	5,479.92	5,479.92	100.0	1		
L-2	Oppama Distribution Center	6,543.87	6,543.87	100.0	1		
L-3	Musashi Ranzan Distribution Center	32,935.55 (Note 7)	32,935.55 (Note 7)	100.0	1		
L-4	Yokohama Kamigo Distribution Center	2,040.05	2,040.05	100.0	2		
L-5	Gyoda Distribution Center	21,956.09	21,956.09	100.0	1		
L-6	Shinjuku Nishiochiai Distribution Center	790.52	790.52	100.0	1		
L-7	Chiba-Kita Distribution Center	5,684.13	5,684.13	100.0	1		
L-8	Sapporo Shiroishi Distribution Center	11,181.15	11,181.15	100.0	1		
Total		956,496.64	954,235.95	99.8	502	14,447,957	11,048

Note 1: "Leasable area" is equivalent to gross floor area of space that we consider to be available for lease in each property, rounded to the nearest tenth. For land-only properties, leasable area is equivalent to land area as described in the property registry.

Note 2: "Leased area" indicates the total leased area based on the lease agreements for each property as of March 31, 2021. As for lease agreements of buildings, the leased area of warehouses and land are excluded. As for pass-through type master leases, the leased area based on the lease agreements between the master lessee and the end-tenants as of March 31, 2021 is shown. As for sublease type master leases, the leased area to the master lessee is shown.

Note 3: "Occupancy rate" is calculated by dividing leased area by leasable area as of March 31, 2021, rounded to the nearest tenth. The "Total" of "Occupancy rate" represents the average occupancy rate of all properties in the initial portfolio.

- Note 4: “Number of tenants” is based upon the number of lease agreements with respect to the building(s) (or land in the case of land-only properties with leasehold interest) on each such property used mainly as stores and offices, as of March 31, 2021. Where one lessee leases more than one section of the property, the lessee is counted as a tenant for each section leased within the property. Where pass-through type master lease agreements are entered into, the number of master lessees is with the number of end-tenants indicated in parentheses. Where sublease type master lease agreements are entered into, the indicated, number of master lessee is shown. The “Total” of “Number of tenants” shows the total number of tenants. As for pass-through type master leases, the number of end-tenants is used for calculation. As for sublease type master leases, the number of master lessee is used for calculation.
- Note 5: “Annualized fixed rent” is generally calculated by multiplying the monthly fixed rent and common area charges under a leasing contract with tenants at portfolio properties as of March 31, 2021 (excluding warehouses in the case of retail building lease agreements) by twelve and rounding down to the nearest thousand yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by twelve, rounded down to the nearest thousand yen.
- Note 6: “Tenant leasehold and security deposits” indicates the outstanding balance of any tenant leasehold and security deposit from the relevant end-tenant(s) set forth in lease agreement(s) effective as of March 31, 2021 (excluding warehouses in the case of building lease agreements), rounded down to the nearest million yen.
- Note 7: The area and amount as proportion to the quasi co-ownership interests that KRR owns are shown. The figures are reflected in total even if the figures are undisclosed.
- Note 8: We have not obtained consent from the tenant(s) to release this information.
- Note 9: The total area that we own exclusively as a compartmentalized ownership interest (retail space) is shown.
- Note 10: Calculated by multiplying the monthly rent and common area charges for March 2021 under the leasing contract by twelve and also taking into consideration the ownership ratio (93.20%) under the compartmentalized ownership agreement.
- Note 11: Calculated by multiplying the tenant leasehold and security deposits for the whole building as of March 2021 by the ownership ratio (93.20%).

(C) Overview of the appraisal reports

The following show the summaries of the appraisal reports is the appraisal value of the acquired properties described in each real estate appraisal report prepared by real estate appraisers, including Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, and The Tanizawa Sōgō Appraisal Co., Ltd. as requested by KRR, based on an important notice concerning real estate appraisal in the context of the Act on Investment Trusts and Investment Corporations, Act on Real Estate Appraisal (Act No. 152 of 1963, including subsequent revisions) and real estate appraisal standards. The appraisal value is the judgment and opinion of the appraiser at a fixed point in time, with no guarantees as to the validity or accuracy of the report, nor to the possibility of transactions at the appraised value. There are no special relations of interest between Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute, and The Tanizawa Sōgō Appraisal Co., Ltd. and KRR or KFM.

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI (in millions) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method							
						Direct capitalization method		DCF method					
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)			
T-2	MONA Shin-Urayasu	Japan Real Estate Institute	Mar.31 2021	9,980	8,120	10,100	4.6	9,860	4.3	4.8	530	6.6	
T-3	Passaggio Nishiarai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	6,530	10,100	6,630	4.3	6,480	4.1	4.5	293	5.0	
T-4	Daikanyama Address Dixsept (Note 5)	Japan Real Estate Institute	Mar.31 2021	3,750	5,870	6,380	3.3	6,110	3.1	3.5	133	4.1	
T-5	Unicus Ina	Japan Real Estate Institute	Mar.31 2021	5,270	3,980	5,290	4.5	5,240	4.2	4.7	251	5.6	
T-6	Yorktown Kita-Kaname	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	4,340	2,340	4,380	4.9	4,320	4.7	5.1	216	5.4	
T-7	Unicus Yoshikawa	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	3,860	4,390	3,910	4.7	3,840	4.5	4.9	186	5.2	
T-8	Sports Club Renaissance Fujimidai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	2,750	1,880	2,780	4.6	2,730	4.4	4.8	128	5.0	
T-9	Super Viva Home Iwatsuki (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	5,530	-	-	-	5,530	(year 1-12) (year 13-32.2)	4.6 4.7	-	197	4.1
T-10	K's Denki Shonan-Fujisawa (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,450	-	-	-	3,450	(year 1-7) (year 8-27.1)	4.3 4.4	-	159	5.0
T-11	Unicus Kamisato (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,050	-	-	-	3,050	(year 1-10) (year 11-25) (year 26-35)	4.6 4.7 4.8	-	138	4.6
T-12	Unicus Konosu (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,780	-	-	-	1,780	(year 1-10) (year 11-25) (year 26-35)	4.5 4.6 4.7	-	77	4.6
T-13	Inageya Yokohama Minamihonjuku (Land)	Japan Real Estate Institute	Mar.31 2021	1,380	-	-	-	1,380	4.0	-	64	4.5	
T-15	Nakamachidai Tokyu Store	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	3,740	2,800	3,780	4.6	3,720	4.4	4.8	182	5.4	
T-16	Central Wellness Club Nagatsuta Minamidai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	1,780	2,360	1,790	5.0	1,780	4.8	5.2	91	5.3	
T-17	Life Kameido	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	1,480	2,030	1,490	4.2	1,470	3.9	4.4	63	4.4	
T-18	Totsuka-Fukaya Shopping Center (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	4,330	-	4,320	4.7 (Note 3)	4,330	4.6	-	191	4.6	
T-19	Yumemachi Narashinodai Mall	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	3,500	3,180	3,530	4.9	3,480	4.7	5.1	174	5.1	
T-20	Kawamachi Yahagi Mall	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	3,240	3,360	3,300	4.8	3,220	4.6	5.0	160	5.2	
T-21	Prime Square Jiyugaoka	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	2,810	2,850	2,850	3.6	2,790	3.4	3.8	115	4.1	
T-22	Round1 Ichikawa-Onitaka	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	1,960	3,330	1,950	4.8	1,970	4.6	5.0	96	5.2	
T-23	Ozeki Tokiwadai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	1,340	1,540	1,370	4.2	1,330	4.0	4.4	57	4.6	
T-24	Konami Sports Club Shibuya	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,380	3,720	3,470	3.8	3,340	3.9	4.0	136	4.0	
T-25	Apita Terrace Yokohama Tsunashima (Note 5)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	6,120	15,200	12,200	4.3	11,900	4.1	4.5	276	4.7	
T-26	Kalsa Hiratsuka	Japan Real Estate Institute	Mar.31 2021	6,010	6,180	6,080	4.4	5,940	4.1	4.6	279	4.7	

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method					Appraisal NOI (in millions) (Note 1)	
						Direct capitalization method		DCF method				
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)		
T-27	Monenosato Mall	Japan Real Estate Institute	Mar.31 2021	2,970	2,650	3,020	4.9	2,920	4.7	5.2	148	5.4
T-28	KDX Chofu Building (Retail wing)	Japan Real Estate Institute	Mar.31 2021	2,470	2,490	2,480	4.6	2,460	4.2	4.8	127	5.5
T-29	Across Plaza Urayasu Higashino (Land)	Daiwa Real Estate Appraisal Co.,	Mar.31 2021	2,310	-	2,320	4.2 (Note3)	2,300	4.1	-	89	4.0
T-30	Comfort Market Nishi-Magome	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,990	1,960	2,030	4.2	1,970	(year 1-10) 4.2 (year 11) 4.3	4.4	84	4.4
O-1	Blumer Maitamon	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	9,580	9,670	9,580	5.2	9,580	5.3	5.4	511	6.1
O-2	Life Takadono (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,140	-	-	-	3,140	(year 1-4) 3.9 (year 5-15) 4.0 (year 16-34.8) 4.1	-	128	4.8
O-3	DCM Kahma MEGA Don Quijote UNY Omihachimman	Japan Real Estate Institute	Mar.31 2021	2,590	2,340	2,610	5.8	2,570	5.5	6.0	152	7.1
O-4	Blumer HAT Kobe	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	11,000	17,300	11,100	4.9	11,000	4.7	5.1	555	5.1
O-5	Carino Esaka	Japan Real Estate Institute	Mar.31 2021	7,260	7,580	7,320	4.3	7,190	4.0	4.5	339	5.2
O-6	COMBOX Komyoike	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	6,460	7,620	6,800	5.3	6,310	4.9	5.4	385	6.0
O-7	Hankyu Oasis Hirakatadeguchi	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	1,300	855	1,310	5.6	1,300	5.4	5.8	75	5.9
O-9	Life Nishi-Tengachaya	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,690	1,780	1,710	4.6	1,680	4.7	4.8	79	5.3
O-10	Million Town Tsukaguchi (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,990	-	-	-	3,990	(year 1-15) 4.0 (year 16-35.4) 4.2	-	157	4.2
O-11	Habikigaoka Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	2,020	1,750	2,030	5.1	2,010	(year 1-9) 5.1 (after year 10) 5.2	5.3	106	5.3
N-1	DCM Kahma Nakagawa Tomita (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	2,680	-	-	-	2,690	(year 1-13) 4.3 (year 14-32.7) 4.4	-	116	5.0
N-2	Valor Ichinomiya-Nishi	Japan Real Estate Institute	Mar.31 2021	2,360	1,810	2,370	5.1	2,340	4.8	5.3	130	6.0
N-4	Homecenter Kohnan Sunadabashi	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	7,540	7,360	7,630	4.9	7,500	4.7	5.1	390	5.5
N-6	Resora Obu Shopping Terrace	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	7,040	7,530	7,250	4.9	6,950	5.0	5.1	364	4.6
N-7	Valor Nakashidami (Land)	Japan Real Estate Institute	Mar.31 2021	2,550	-	-	-	2,550	4.1	-	119	4.7
F-1	Sunny Noma	Japan Real Estate Institute	Mar.31 2021	1,650	1,630	1,690	4.4	1,600	4.2	4.8	78	5.3
F-2	Round1 Stadium Hakata-Hanmichibashi	Japan Real Estate Institute	Mar.31 2021	5,780	5,440	5,820	4.9	5,740	4.6	5.1	284	5.7
F-3	Kurume-Nishi Shopping Center	Japan Real Estate Institute	Mar.31 2021	1,840	1,560	1,850	4.8	1,820	4.5	5.0	92	6.1
R-1	Roseo Mito	Japan Real Estate Institute	Mar.31 2021	12,000	9,330	12,000	4.8	11,900	4.5	5.0	592	5.9
R-2	K's Denki Aomori Honten	Japan Real Estate Institute	Mar.31 2021	1,520	1,700	1,520	5.5	1,510	5.2	5.7	91	6.2
R-3	Super Sports Xebio Aomori-Chuo	Japan Real Estate Institute	Mar.31 2021	911	863	916	5.5	905	5.2	5.7	56	6.3
R-4	Ashico Town Ashikaga	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	4,900	7,290	4,880	5.3 (Building) 5.0 (Land) (Note 4)	4,910	5.1 (Building) 5.0 (Land)	5.5 (Building)	258	6.2
R-5	Yorktown Shinden-Higashi	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	2,600	3,910	2,610	5.5	2,600	5.3	5.7	154	4.8
R-6	Kasumi Technopark Sakura	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	888	938	990	5.1	975	4.9	5.3	51	6.2

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method					Appraisal NOI (in millions) (Note 1)	
						Direct capitalization method		DCF method				
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)		
R-8	P-1 Plaza Tenno	Japan Real Estate Institute	Mar.31 2021	4,350	4,420	4,390	5.1	4,310	4.8	5.3	231	5.8
R-9	Seiyu Rakuichi Moriya (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2021	4,280	-	4,310	4.3 (Note 4)	4,260	4.2	-	166	4.1
R-10	Sun Street Hamakita (Note 5)	Japan Real Estate Institute	Mar.31 2021	11,160	9,690	12,500	5.4	12,200	5.1	5.7	630	5.9
R-11	Costco Wholesale Sapporo Warehouse	Japan Real Estate Institute	Mar.31 2021	4,410	3,550	4,440	4.5	4,380	4.2	4.7	203	4.8
L-1	Zama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,740	1,660	1,710	4.6	1,750	4.6	4.8	84	6.0
L-2	Oppama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,630	1,560	1,600	4.7	1,640	4.8	4.9	85	6.6
L-3	Musashi Ranzan Distribution Center (Note 5)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	4,170	4,400	4,630	5.1	4,630	(year 1-3) 5.1 (year 4-11) 5.3	5.3	222	5.7
L-4	Yokohama Kamigo Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,020	1,030	1,030	4.4	1,010	4.5	4.6	46	5.1
L-5	Gyoda Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	3,510	3,320	3,470	4.9	3,520	(year 1-7) 4.8 (year 8-11) 4.9	5.1	180	5.7
L-6	Shinjuku Nishiochiai Distribution Center	Japan Real Estate Institute	Mar.31 2021	821	859	825	4.0	816	3.6	4.1	34	4.3
L-7	Chiba-Kita Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,340	996	1,350	4.1	1,330	3.9	4.3	57	4.6
L-8	Sapporo Shiroishi Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2021	1,020	351	1,040	5.4	1,010	5.2	5.6	58	7.3
Total/Average				243,840	-	-	-	252,296	-	-	11,931	5.3

Note 1: "Appraisal NOI" is the Net Operating Income calculated by subtracting the amount of operating expenses from the operating revenues described in relevant appraisal reports, and it is the income before depreciation and differs from NCF (Net Cash Flow) which is calculated by adding investment gains from such as deposits and subtracting capex from NOI. The above appraisal NOI is calculated using the direct capitalization method. However, where the direct capitalization method is not applicable, appraisal NOI indicates the net operating income for the first year based on the DCF method. The amounts are rounded down to the nearest one million yen.

Note 2: "Appraisal NOI yield" indicates the value calculated using the following formula and rounded to the nearest tenth. The "Total/average" of "Appraisal NOI yield" indicates the average appraisal NOI yield which is a weighted average of appraisal NOI yields of the acquired properties (rounded to the nearest tenth).
Appraisal NOI of each property / Acquisition price for each property.

Note 3: Inwood method discount rate is shown for discount rate of land-only portion.

Note 4: Inwood method discount rate is shown for discount rate of land-only properties.

Note 5: "Appraisal value" and "Appraisal NOI" are calculated in proportion to the co-ownership interest. Other figures refer to the entire land and building.

(D) Overview of building condition investigation reports

KRR has obtained engineering reports, containing the diagnosis of building deteriorations, short- and long-term repair and maintenance plans, the assessment of legal compliance with the Building Standard Act and other laws and regulations, the investigation of hazardous substances in a building and soil environment for the acquired properties and the to-be acquired properties. These reports represent judgement and opinion of the appraisers for a fixed point of time, with no guarantees as to the validity or accuracy of the report.

Property Number	Property name	Investigation company	Investigation performed in	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen) (Note 1)	Required over the next 12 years (thousand yen) (Note 1)
T-2	MONA Shin-Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	1,193,651	-
T-3	Passaggio Nishiarai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	192,726	40,697
T-4	Daikanyama Address Dixsept	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	249,446 (Note 2)	- (Note 2)
T-5	Unicus Ina	HI International Consultant Co., Ltd.	Jul. 2019	245,170	750
T-6	Yorktown Kita-Kaname	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	20,469	-
T-7	Unicus Yoshikawa	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	69,782	-
T-8	Sports Club Renaissance Fujimidai	HI International Consultant Co., Ltd.	Jan. 2019	37,340	8,650
T-9	Super Viva Home Iwatsuki (Land)	(Note 3)	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	(Note 3)	-	-	-
T-11	Unicus Kamisato (Land)	(Note 3)	-	-	-
T-12	Unicus Konosu (Land)	(Note 3)	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	(Note 3)	-	-	-
T-15	Nakamachidai Tokyu Store	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2021	35,691	-
T-16	Central Wellness Club Nagatsuta Minamidai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2021	28,717	-
T-17	Life Kameido	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2021	22,463	-
T-18	Totsuka-Fukaya Shopping Center (Land)	(Note 3)	-	-	-
T-19	Yumemachi Narashinodai Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	34,877	-
T-20	Kawamachi Yahagi Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	36,737	-
T-21	Prime Square Jiyugaoka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	190,542	91,365
T-22	Round1 Ichikawa-Onitaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	13,695	-
T-23	Ozeki Tokiwadai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct. 2017	6,968	-
T-24	Konami Sports Club Shibuya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2018	83,179	-
T-25	Apita Terrace Yokohama Tsunashima	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	114,471 (Note 2)	- (Note 2)
T-26	Kalsa Hiratsuka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	182,100	-
T-27	Monenosato Mall (Note 4)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	A: Sep. 2019 B: Mar. 2021	A: 13,569 B: 3,264	-
T-28	KDX Chofu Building (Retail wing)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	233,991	-
T-29	Across Plaza Urayasu Higashino (Land)	(Note 3)	Jun. 2019	-	-
T-30	Comfort Market Nishi-Magome	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	7,723	-
O-1	Blumer Maitamon	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	250,277	-
O-2	Life Takadono (Land)	(Note 3)	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	HI International Consultant Co., Ltd.	Sep. 2019	64,610	6,310
O-4	Blumer HAT Kobe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	375,840	131,342
O-5	Carino Esaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	483,536	-
O-6	COMBOX Komyoike	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	401,052	-

Property Number	Property name	Investigation company	Investigation performed in	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen) (Note 1)	Required over the next 12 years (thousand yen) (Note 1)
O-7	Hankyu Oasis Hirakatadeguchi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	62,465	-
O-9	Life Nishi-Tengachaya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	20,783	-
O-10	Million Town Tsukaguchi (Land)	(Note 3)	-	-	-
O-11	Habikigaoka Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	71,998	-
N-1	DCM Kahma Nakagawa Tomita (Land)	(Note 3)	-	-	-
N-2	Valor Ichinomiya-Nishi	HI International Consultant Co., Ltd.	Jan. 2019	162,380	1,790
N-4	Homecenter Kohnan Sunadabashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2021	341,724	-
N-6	Resora Obu Shopping Terrace	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jul. 2017	224,228	-
N-7	Valor Nakashidami (Land)	(Note 3)	Jun. 2019	-	-
F-1	Sunny Noma	HI International Consultant Co., Ltd.	Sep. 2019	77,860	100
F-2	Round1 Stadium Hakata-Hanmichibashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	57,758	7,042
F-3	Kurume-Nishi Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	68,712	19,811
R-1	Roseo Mito	HI International Consultant Co., Ltd.	Jan. 2019	321,090	46,630
R-2	K's Denki Aomori Honten	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	148,577	46,078
R-3	Super Sports Xebio Aomori-Chuo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	108,213	22,021
R-4	Ashico Town Ashikaga	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	376,331	-
R-5	Yorktown Shinden-Higashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	198,785	-
R-6	Kasumi Technopark Sakura	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	20,036	-
R-8	P-1 Plaza Tenno	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2021	183,656	13,072
R-9	Seiyu Rakuichi Moriya (Land)	(Note 5)	-	-	-
R-10	Sun Street Hamakita	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2017	494,063 (Note 2)	- (Note 2)
R-11	Costco Wholesale Sapporo Warehouse	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2018	80,309	3,175
L-1	Zama Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	100,053	-
L-2	Oppama Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	168,261	-
L-3	Musashi Ranzan Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	153,587 (Note 6)	27,511 (Note 6)
L-4	Yokohama Kamigo Distribution Center (Note 7)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	A: Feb. 2019 B: Sep. 2020 C: Feb. 2021	A: 17,622 B: 3,748 C: 326	-
L-5	Gyoda Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	184,472	-
L-6	Shinjuku Nishiochiai Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2019	27,658	-
L-7	Chiba-Kita Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2020	38,503	1,529
L-8	Sapporo Shiroishi Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Dec. 2020	55,252	15,295
Total				8,311,648	483,168

Note 1: Of the "Repairs, maintenance and renovation expenses," "Required over the next 12 years" indicates the total expenses required during the next 12 years from the date of the investigation report and "Required within one year" indicates the total expenses required within 1 year from the date of the investigation report. All figures are truncated to thousands of yen as in the investigation reports.

Note 2: Amount for the whole building is shown.

Note 3: Since these are land-only properties, KRR did not obtain the engineering report but obtained history survey report on the land use from Field Partners.

Note 4: "A" refers to the main wing and the service wing. "B" refers to the restaurant building and the clinic building.

Note 5: Since this is a land-only property, KRR did not obtain the engineering report but obtained history survey report on the land use from Tokio Marine & Nichido Risk Consulting Co., Ltd.

Note 6: The figures of the amount as proportion to the quasi co-ownership interests that KRR owns are shown.

Note 7: "A" refers to the distribution center building. "B" refers to the restaurant building. "C" refers to the employee lounge building.

(E) Overview of seismic PML evaluation report

The following summary is based on the Portfolio Earthquake PML Evaluation Report created by Sompo Risk Management Inc. However, KRR does not guarantee the accuracy of evaluations in the report. The report only represents judgement and opinion of the appraiser for a fixed point of time, with no guarantees as to the validity or accuracy of the report. There is no special interest between Sompo Risk Management Inc. and KRR or KFM.

Property number	Property name	PML value in seismic review (%) (Note 1)
T-2	MONA Shin-Urayasu	Retail building 5.98 Parking building 5.97
T-3	Passaggio Nishiarai	3.13
T-4	Daikanyama Address Dixsept	11.11
T-5	Unicus Ina	Mall building 4.51 Restaurant building 6.80
T-6	Yorktown Kita-Kaname	8.72
T-7	Unicus Yoshikawa	3.26
T-8	Sports Club Renaissance Fujimidai	7.09
T-9	Super Viva Home Iwatsuki (Land)	-
T-10	K's Denki Shonan-Fujisawa (Land)	-
T-11	Unicus Kamisato (Land)	-
T-12	Unicus Konosu (Land)	-
T-13	Inageya Yokohama Minamihonjuku (Land)	-
T-15	Nakamachidai Tokyu Store	8.15
T-16	Central Wellness Club Nagatsuta Minamidai	Retail building 7.70 Parking building 6.36
T-17	Life Kameido	3.79
T-18	Totsuka-Fukaya Shopping Center (Land)	-
T-19	Yumemachi Narashinodai Mall	8.15
T-20	Kawamachi Yahagi Mall	Main building 3.83 Uniqlo building 3.88 Holiday building 3.72
T-21	Prime Square Jiyugaoka	6.92
T-22	Round1 Ichikawa-Onitaka	Main / Tenant building 7.22 Parking building 10.53
T-23	Ozeki Tokiwadai	5.93
T-24	Konami Sports Club Shibuya	5.80
T-25	Apita Terrace Yokohama Tsunashima	3.59
T-26	Kalsa Hiratsuka	8.81
T-27	Monenosato Mall	Main building 6.76 Service building 6.85 Restaurant building 6.48 Clinic building 6.84
T-28	KDX Chofu Building (Retail wing)	11.14
T-29	Across Plaza Urayasu Higashino (Land)	-
T-30	Comfort Market Nishi-Magome	6.84
O-1	Blumer Maitamon	1.52
O-2	Life Takadono (Land)	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	MEGA Don Quijote UNY building 3.95 DCM Kahma building 5.22
O-4	Blumer HAT Kobe	4.69
O-5	Carino Esaka	3.17
O-6	COMBOX Komyoike	5.04
O-7	Hankyu Oasis Hirakatadeguchi	4.11
O-9	Life Nishi-Tengachaya	6.32
O-10	Million Town Tsukaguchi (Land)	-
O-11	Habikigaoka Shopping Center	Sunplaza A building 5.61 Sunplaza B building 5.13 Joshin building 5.33
N-1	DCM Kahma Nakagawa Tomita (Land)	-
N-2	Valor Ichinomiya-Nishi	10.18

Property number	Property name	PML value in seismic review (%) (Note 1)
N-4	Homecenter Kohnan Sunadabashi	7.47
N-6	Resora Obu Shopping Terrace	6.95
N-7	Valor Nakashidami (Land)	-
F-1	Sunny Noma	1.95
F-2	Round1 Stadium Hakata-Hanmichibashi	Main building 2.17 Parking building 0.48 Tenant building A 0.05 Tenant building B 0.05
F-3	Kurume-Nishi Shopping Center	M building 2.37 AB building 2.39 C building 4.58
R-1	Roseo Mito	Coffee shop building 7.41 Mall building 6.70 Sports facility building 9.69 Hardware store building 9.68 Secondhand shop building 7.85
R-2	K's Denki Aomori Honten	K's Denki building 1.61 TSUTAYA/ Hard-off building 1.51
R-3	Super Sports Xebio Aomori-Chuo	1.52
R-4	Ashico Town Ashikaga	Shopping mall building 2.16 Extensions 1.91 Cinema building 2.28 Road-side building 2.59
R-5	Yorktown Shinden-Higashi	3.43
R-6	Kasumi Technopark Sakura	6.40
R-8	P-1 Plaza Tenno	A building 21.66 (Note 2) B building 11.84 C building 12.29 D building 11.12 E building 13.36 F building 16.98 G building 9.07 H building 12.00
R-9	Seiyu Rakuichi Moriya (Land)	-
R-10	Sun Street Hamakita	Main building 10.58 Mall building 19.67 Colore building 9.35 Wing building 9.43
R-11	Costco Wholesale Sapporo Warehouse	1.32
L-1	Zama Distribution Center	6.83
L-2	Oppama Distribution Center	9.13
L-3	Musashi Ranzan Distribution Center	1.46
L-4	Yokohama Kamigo Distribution Center	Distribution center building 9.16 Restaurant building 11.12 Employee Lounge building 13.46
L-5	Gyoda Distribution Center	2.79
L-6	Shinjuku Nishiochiai Distribution Center	6.65
L-7	Chiba-Kita Distribution Center	5.80
L-8	Sapporo Shiroishi Distribution Center	Building 1 1.85 Building 2 1.71
Portfolio PML value (Note 3)		2.07

Note 1: PML is rounded to the nearest hundredth.

Note 2: The building is on earthquake insurance as its PML value is higher than 20%.

Note 3: "Portfolio PML value" is the portfolio PML value of 52 properties that KRR owns as of March 31, 2021, excluding land with leasehold interest, based on the Portfolio Earthquake PML Evaluation Report dated March 2021, created by Sompo Risk Management Inc.

(F) Architect, structural engineer, construction company and construction confirmation authority

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
T-2	MONA Shin-Urayasu	Haseko Corporation, Engineering Division	Haseko Corporation, Engineering Division	Haseko Corporation	Chiba Prefecture
T-3	Passaggio Nishiarai	Yamashita Sekkei Inc.	Yamashita Sekkei Inc.	Nishimatsu Construction Co., Ltd.	Tokyo Prefecture
T-4	Daikanyama Address Dixsept	Nihon Sekkei, Inc.	Nihon Sekkei, Inc.	Kajima Corporation	Tokyo Prefecture
T-5	Unicus Ina	Taisei Corporation, Registered architect office	Taisei Corporation, Registered architect office	Taisei Corporation	Bureau Veritas Japan Co., Ltd.
T-6	Yorktown Kita-Kaname	CB Richard Ellis Asset Services K.K.	Sankyoline Corporation	Asanuma Corporation	K.K. Building Navigation
T-7	Unicus Yoshikawa	Obayashi Corporation	Obayashi Corporation	Obayashi Corporation	Saitama Housing Inspection Center
T-8	Sports Club Renaissance Fujimidai	K.K. Axs Engineering	K.K. Axs Engineering	Ichiken Co., Ltd.	Nerima ward
T-9	Super Viva Home Iwatsuki (Land)	-	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	-	-	-	-
T-11	Unicus Kamisato (Land)	-	-	-	-
T-12	Unicus Konosu (Land)	-	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	-	-	-	-
T-15	Nakamachidai Tokyu Store	Kyouritsu Associates Architects & Engineers	Espace Architect Office	Tokyu Construction Co., Ltd. Yokohama Branch	The Japan Building Equipment and Elevator Center Foundation
T-16	Central Wellness Club Nagatsuta Minamidai	(Retail building) Daiwa House Industry Co., Ltd. (Parking building) Daiwa House Industry Co., Ltd.	(Retail building) Konishi Sekkei Co., Ltd., (Parking building) Vega Sekkei Co., Ltd.	(Retail building) Daiwa House Industry Co., Ltd., (Parking building) Daiwa House Industry Co., Ltd.	Japan ERI Co., Ltd.
T-17	Life Kameido	Sumitomo Construction Co., Ltd.	Sumitomo Construction Co., Ltd.	Sumitomo Construction Co., Ltd.	Koto ward
T-18	Totsuka-Fukaya Shopping Center (Land)	-	-	-	-
T-19	Yumemachi Narashinodai Mall	ADX Architects Office	First-Class Architect Office HKT Construction Design Architects Construction Planning Division	Asahi Construction Co., Ltd.	Japan ERI Co., Ltd.
T-20	Kawamachi Yahagi Mall	(Main building) ADX Architects Office (Uniqlo building) Akasaka Architects Office (Holiday building) Akashi architect & associates	(Main building) First-Class Architect Office HKT Construction Design (Uniqlo building) Uerusuton Design Co., Ltd. (Holiday building) Bros., Inc.	(Main building / Uniqlo building) Asahi Construction Co., Ltd. (Holiday building) Fujiko Co., Ltd.	(Main building / Uniqlo building) Japan ERI Co., Ltd. (Holiday building) Japan ERI Co., Ltd.
T-21	Prime Square Jiyugaoka	Daiken Sekkei Inc. Tokyo Office	Daiken Sekkei Inc. Tokyo Office	Toda Corporation	Meguro Ward
T-22	Round1 Ichikawa-Onitaka	Axxis Inc. First-Class Architect Office	Axxis Inc. First-Class Architect Office	Asanuma Corporation K.K. Tokyo Main Office	Japan ERI Co., Ltd.
T-23	Ozeki Tokiwadai	Choeihands Co., Ltd. First-Class Architect Office	Okamura Kenchikusekkei Ltd.	Choeihands Co., Ltd.	Away Building Evaluation Network Inc.
T-24	Konami Sports Club Shibuya	Institute of New Architecture Inc.	Institute of New Architecture Inc.	Okumura Corporation	Tokyo Prefecture

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
T-25	Apita Terrace Yokohama Tsunashima	Kiuchi Construction Co., Ltd. First-Class Architect Office	E-NOAH Design Solutions Co.	Kiuchi Construction Co., Ltd. Tokyo Office	Urban Housing Evaluation Center Co.
T-26	Kalsa Hiratsuka	MOVE Architects & Structure	Structure Nana Co., Ltd.	Daiwa Odakyu Construction Co., Ltd	Center of International Architectural Standard Co., Ltd.
T-27	Monenosato Mall	(Main Building) ADX Architects Office (Service Building) ADX Architects Office (Restaurant Building) ADX Architects Office (Clinic Building) ADX Architects Office	(Main building) Sumikin System Co., Ltd. First-Class Architects Office S.A.I. Structural Design Co., Ltd. First-Class Architect Office (Service building) ADX Architects Office (Restaurant Building) HKT Structure Design Office (Clinic Building) ADX Architects Office	(Main Building) Asahi Construction Co., Ltd. (Service Building) Asahi Construction Co., Ltd. (Restaurant Building) Kunii Construction Co., Ltd. (Clinic Building) Kunii Construction Co., Ltd.	(Main building) Japan ERI Co., Ltd. (Service building) Japan ERI Co., Ltd. (Restaurant Building) Japan ERI Co., Ltd. (Clinic Building) Japan ERI Co., Ltd.
T-28	KDX Chofu Building (Retail wing)	(Retail building) NIHON SEKKEI, INC. (ATM building) Tohmei Co., Ltd. First-Class Architect Office	(Retail building) NIHON SEKKEI, INC. (ATM building) Unknown	(Retail building) Nishimatsu Construction Co., Ltd. (ATM building) Tohmei Co., Ltd.	Tokyo Prefecture
T-29	Across Plaza Urayasu Higashino (Land)	-	-	-	-
T-30	Comfort Market Nishi-Magome	Ar Co., Ltd. First-Class Architect Office	Ichiken Co., Ltd. First-Class Architect Office	Choeihands Co., Ltd.	Japan Constructive Inspect Association
O-1	Blumer Maitamon	Asanuma Corporation	Asanuma Corporation	Daiwa System Co., Ltd.	Bureau Veritas Japan Co., Ltd.
O-2	Life Takadono (Land)	-	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Daiken Tosikaihatu Co., Ltd.	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Daiken Tosikaihatu Co., Ltd.	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Aisawa Construction Co., Ltd. (Note2)	K.K. Organization of Confirmation & Inspection Annex
O-4	Blumer HAT Kobe	Obayashi Corporation	Obayashi Corporation	Obayashi Corporation	Center of International Architectural Standard Co., Ltd.
O-5	Carino Esaka	Tokyu Architects & Engineers Inc. (for new building construction) Tokyu Construction Co., Ltd. (for property expansion)	Tokyu Architects & Engineers Inc.	Tokyu Construction Co., Ltd.	Suita City
O-6	COMBOX Komyoike	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	General Building Research Corporation of Japan
O-7	Hankyu Oasis Hirakatadeguchi	Rui Sekkeishitsu Co., Ltd.	Rui Sekkeishitsu Co., Ltd.	Obara Construction Co., Ltd.	General Building Research Corporation of Japan
O-9	Life Nishi-Tengachaya	KIA Urban Planning and Architects Institute Co., Ltd.	Fujita Corporation	Nihon Kensetsu Co., Ltd.	Center of International Architectural Standard Co., Ltd.
O-10	Million Town Tsukaguchi (Land)	-	-	-	-
O-11	Habikigaoka Shopping Center	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Center of International Architectural Standard Co., Ltd.
N-1	DCM Kahma Nakagawa Tomita (Land)	-	-	-	-
N-2	Valor Ichinomiya-Nishi	Chubu Sekkei Co., Ltd.	Chubu Sekkei Co., Ltd.	Tsuchiya Corporation	Ichinomiya City
N-4	Homecenter Kohnan Sunadabashi	Nankai Sogo Sekkei Co., Ltd.	Nankai Sogo Sekkei Co., Ltd.	Obayashi Corporation	Japan ERI Co., Ltd.

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
N-6	Resora Obu Shopping Terrace	Yahagi Construction Co., Ltd. First-Class Architect Office	Structure Nana Co., Ltd.	Yahagi Construction Co., Ltd.	Bureau veritas Japan Co., Ltd.
N-7	Valor Nakashidami (Land)	-	-	-	-
F-1	Sunny Noma	Nakamuta & Suenaga Designing (JV)	Nakamuta & Suenaga Designing (JV)	Nishimatsu Construction Co., Ltd., Kyushu Branch	Fukuoka City
F-2	Round1 Stadium Hakata-Hanmichibashi	(Main building) Axxis Inc. First-Class Architect Office (Tenant building A) Axxis Inc. First-Class Architect Office (Tenant building B) Axxis Inc. First-Class Architect Office	(Main building) TMH Inc. First-Class Architect Office (Tenant building A) TMH Inc. First-Class Architect Office (Tenant building B) TMH Inc. First-Class Architect Office	Kajima Corporation	General Building Research Corporation of Japan
F-3	Kurume-Nishi Shopping Center	(M building / AB building) Fujita Corporation Kyusyu Branch First-Class Architect Office (C building) Zen Environmental Design First-Class Architect Office	(M building) Fujita Corporation Kyusyu Branch First-Class Architect Office (AB building) Fujita Corporation Kyusyu Branch First-Class Architect Office (C building) -	(M building) Fujita Corporation Kyushu Branch (AB building) Fujita Corporation Kyusyu Branch (C building) Fujita Corporation Kyusyu Branch	(M building) City of Kurume (AB building) City of Kurume (C building) Japan ERI Co., Ltd.
R-1	Roseo Mito	(Coffee shop building) Tetsu Works Architect Office (Mall building) Kurehanishiki Construction Co., Ltd. Change of use: Registered Architect Studio Work House (Sports facility building) Kishi-Sekkei Co., Ltd. (Hardware store building) Nihon Jutaku Corporation, Registered Architect Office (Secondhand shop building) Choeihands Corporation	(Coffee shop building) Tetsu Works Architect Office (Mall building) Sezako Structural Engineering Office (Sports facility building) Individual (Note 3) (Hardware store building) K.K. Dan Structural Engineering Office (Secondhand shop building) Converse Corporation	(Coffee shop building) Kurehanishiki Construction Co., Ltd. (Mall building) Kurehanishiki Construction Co., Ltd. (Sports facility building) Kurehanishiki Construction Co., Ltd. (Hardware store building) Nihon Jutaku Corporation (Secondhand shop building) Choeihands Corporation	(Coffee shop building) (Mall building) (Sports facility building) (Hardware store building) Mito City (Secondhand shop building) Japan ERI Co., Ltd.
R-2	K's Denki Aomori Honten	K.K. Kyoei Planning Design	K.K. Kyoei Planning Design	(K's Denki building) Nihon Kensetsu Co., Ltd., Sendai Branch (TSUTAYA/Hard-off building) Nihon Kensetsu Co., Ltd., Sendai Branch	Aomori City
R-3	Super Sports Xebio Aomori-Chuo	Takenaka Corporation	Individual (Note 3)	Takenaka Corporation	Japan ERI Co., Ltd.
R-4	Ashico Town Ashikaga	Penta-Ocean Construction Co., Ltd. (shopping mall building, cinema building, road-side building) KKHY Architects & Associates (extensions)	Penta-Ocean Construction Co., Ltd. (shopping mall building, cinema building, road-side building) Architecture Form Corporation (extensions)	Penta-Ocean Construction Co., Ltd. (shopping mall building, cinema building, road-side building) Tokyo Bisio Kogyo Corporation (extensions)	Bureau Veritas Japan Co., Ltd.
R-5	Yorktown Shinden-Higashi	MTM International Corporation	MTM International Corporation	Kajima Corporation	Japan ERI Co., Ltd.
R-6	Kasumi Technopark Sakura	Office Okano Kenchikusekkei Co., Ltd.	Office Okano Kenchikusekkei Co., Ltd.	Nakano Corporation Co., Ltd.	Ibaraki Prefecture

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
R-8	P-1 Plaza Tenno	(A building) First-Class Architect Office Atelier Zero (for new building construction), Entetsu General Constructor (for building expansion) (B building) Parking Pro Co., Ltd. (C building) Daiwa House Industry Co., Ltd. (D building) Daiwa House Industry Co., Ltd. (E building) Daiwa House Industry Co., Ltd. (F building) DO Design Co., Ltd. (G building) Akou Co., Ltd. (H building) Akou Co., Ltd.	(A building) First-Class Architect Office Atelier Zero (B building) Parking Pro Co., Ltd. (C building) Daiwa House Industry Co., Ltd. (D building) Daiwa House Industry Co., Ltd. (E building) - (F building) Toda Corporation (G building) Akou Co., Ltd. First-Class Architect Office (H building) Akou Co., Ltd. First-Class Architect Office	(A building) Toei Interior Co., Ltd., Idagumi Co., Ltd. (for new building construction) Entetsu General Constructor (for building expansion) (B building) Parking Pro Co., Ltd. (C building) Daiwa House Industry Co., Ltd. (D building) Daiwa House Industry Co., Ltd. (E building) Daiwa House Industry Co., Ltd. (F building) Toda Corporation (G building) Akou Co., Ltd. (H building) Akou Co., Ltd.	(A building) Hamamatsu City (B building) Kakunin Service Inc. (C building) Shizuokaken Kenchiku Jyuutaku Machizukuri Center (D building) Shizuokaken Kenchiku Jyuutaku Machizukuri Center (E building) Shizuokaken Kenchiku Jyuutaku Machizukuri Center (F building) Shizuokaken Kenchiku Jyuutaku Machizukuri Center (G building) Hamamatsu City (H building) Hamamatsu City
R-9	Seiyu Rakuichi Moriya (Land)	-	-	-	-
R-10	Sun Street Hamakita	(Main building) Kajima Corporation Architectural Design Division (Mall building) Kajima Corporation Architectural Design Division (Colore building) FPC K.K. First-Class Architect Office (Wing building) Kajima Corporation Architectural Design Division	(Main building) Kajima Corporation First-Class Architect Office (Mall building) Kajima Corporation First-Class Architect Office (Colore building) First-Class Architect Office Otsuka Kenchiku Kozo Sekkei (Wing building) Kajima Corporation First-Class Architect Office	(Main building) Kajima Corporation Yokohama Branch (Mall building) Kajima Corporation Yokohama Branch (Colore building) Suzuyo Kensetsu (Wing building) Kajima Corporation Yokohama Branch	(Main building) The Building Center of Japan (Mall building) The Building Center of Japan (Colore building) Bureau Veritas Japan (Wing building) The Building Center of Japan
R-11	Costco Wholesale Sapporo Warehouse	Taisei Corporation First-Class Architect Office	Taisei Corporation First-Class Architect Office	Taisei Corporation Sapporo Branch	Sapporo City
L-1	Zama Distribution Center	Fujita Corporation, Yokohama Branch First-Class Architect Office	Fujita Corporation, Yokohama Branch First-Class Architect Office	Fujita Corporation, Yokohama Branch	Kanagawa Prefecture
L-2	Oppama Distribution Center	Fujita Corporation, Yokohama Branch First-Class Architect Office	Fujita Corporation, Yokohama Branch First-Class Architect Office	Fujita Corporation, Yokohama Branch	Kanagawa Prefecture
L-3	Musashi Ranzan Distribution Center	Kanto Construction Co., Ltd., Architect Office	Ishii Architect Partners	Kanto Construction Co., Ltd.	Saitama Housing Inspection Center
L-4	Yokohama Kamigo Distribution Center	(Distribution center building) Daiwa House Industry Co., Ltd. (Restaurant building) OU-A Inc. First-Class Architect Office (Employee lounge building) OU-A Inc. First-Class Architect Office	(Distribution center building) Daiwa House Industry Co., Ltd. (Restaurant building) Sakura Structure Co., Ltd. (Employee lounge building) OU-A Inc. First-Class Architect Office	(Distribution center building) Daiwa House Industry Co., Ltd. (Restaurant building) Tekken (Employee lounge building) Tekken	(Distribution center building) Bureau Veritas Japan (Restaurant building) Center of International Architectural Standard Co., Ltd. (Employee lounge building) Center of International Architectural Standard Co., Ltd.
L-5	Gyoda Distribution Center	(A building) Fuji House Co., Ltd. (B building) Shimizu Corporation	(A building) Fuji House Co., Ltd. First-Class Architect Office (B building) Unknown	(A building) Unknown (B building) Shimizu Corporation	(A building) Saitama Prefecture (B building) Saitama Prefecture
L-6	Shinjuku Nishiochiai Distribution Center	IAO Takeda Architects Associates Tokyo Office	Unknown	Daino Construction Co., Ltd.	Shinjuku ward

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
L-7	Chiba-Kita Distribution Center	Naito Construction Design Office	Yoshida Construction Design Office	Saeki Construction Co., Ltd.	Japan ERI Co., Ltd.
L-8	Sapporo Shiroishi Distribution Center	(Building 1) Hishinaka Kogyo Co., Ltd. (New building) Yamaichi Construction Co., Ltd. First-Class Architect Office (Renovation) (Building 2) Hishinaka Kogyo Co., Ltd. First-Class Architect Office (New building) Yamaichi Construction Co., Ltd. First-Class Architect Office (Renovation)	(Building 1) Unknown (New building) Kyoshin Structural Design Office (Renovation) (Building 2) Hishinaka Kogyo Co., Ltd. (New building) Kyoshin Structural Design Office (Renovation)	(Building 1) Hishinaka Kogyo Co., Ltd. (New building) Yamaichi Construction Co., Ltd. (Renovation) (Building 2) Hishinaka Kogyo Co., Ltd. (New building) Yamaichi Construction Co., Ltd. (Renovation)	(Building 1) Sapporo City (New building) Sapporo City (Renovation) (Building 2) Sapporo City (New building) Sapporo City (Renovation)

Note 1: The above company names are names at the time of construction confirmation, completion, or acquiring inspection certificate for respective properties, even in cases of past changes in names.

Note 2: The name of actual construction company is shown, although it was Daiwa System Co., Ltd. at the time of application procedure for building confirmation.

Note 3: Individuals' names are not disclosed because these are personal information.

(G) Overview of portfolio

i. Distribution by property type

Property type	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note)
Shopping centers for daily needs	56	213,207	94.0
NSC (Neighborhood Shopping Centers)	29	130,005	57.3
SM (Supermarkets)	10	16,423	7.2
CSC (Community shopping Centers)	-	-	-
Urban Station-Front Shopping Centers	5	30,152	13.3
SS (Specialty Store)	12	36,627	16.2
Other retail properties	-	-	-
Logistics facilities	8	13,517	6.0
Total	64	226,725	100.0

Note: Percentage of total portfolio acquisition price is rounded to the nearest tenth. Therefore, the sum of the percentage of total acquisition price may differ from the portfolio total.

ii. Distribution by location

Region	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note)
Four major metropolitan areas	53	182,173	80.3
Tokyo metropolitan area	35	106,327	46.9
Greater Osaka area	10	45,727	20.2
Greater Nagoya area	5	22,087	9.7
Fukuoka area	3	8,032	3.5
Ordinance-designated cities, core cities and other areas	11	44,552	19.7
Total	64	226,725	100.0

Note: Percentage of total portfolio acquisition price is rounded to the nearest tenth. Therefore, the sum of the percentage of total acquisition price may differ from the portfolio total.

iii. Distribution by property age

Property age (Note 1)	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note 2)
Less than 5 years	5	14,932	7.8
5 years or more but less than 10 years	4	13,914	7.3
10 years or more	43	161,953	84.9
Total	52	190,800	100.0

Note 1: Property age refers to the number of years from the date of the new construction of the property set out in the real estate registry to March 31, 2021. Where multiple buildings exist on the property, the property age is calculated using the average age of those buildings.

Note 2: Percentage of total portfolio acquisition price is rounded to the nearest tenth. Therefore, the sum of the percentage of total portfolio acquisition price may differ from the portfolio total.

iv. Distribution by lease term remaining

Lease term (remaining period) (Note 1)	Annual fixed rent (in millions) (Note 2)	Ratio (%) (Note 3)
Less than 2 years	2,232	15.5
2 to less than 5 years	2,954	20.5
5 to less than 10 years	4,355	30.1
10 to less than 15 years	1,963	13.6
15 to less than 20 years	1,606	11.1
20 years or more	1,335	9.2
Total	14,447	100.0

Note 1: "Lease term (remaining period)" is based on period until the last date of the lease as set forth in the relevant lease agreements as of March 31, 2021 (excluding warehouses for building lease agreements) for each acquired property and to-be acquired property.

Note 2: "Annual fixed rent" for acquired property is calculated by multiplying the monthly fixed rent and common area charges for the month ended March 31, 2021 (excluding warehouses in the case of building lease agreements) by twelve and rounding down to the nearest million yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by 12, rounded down to the nearest million yen.

Note 3: "Ratio" is based on the annual fixed rent, rounded to the nearest tenth. As a result, simple aggregation of "ratio" figures may not be the same as the total period.

v. Distribution by lease contract type

Type of lease contract	Ratio (%) (Note)
Fixed-term building lease	74.0
Regular building lease	12.2
Commercial fixed-term land lease	13.8
Others	0.0
Total	100.0

Note: "Ratio" is based on the annual fixed rent as indicated in Note 2 of (D) above, rounded to the nearest tenth. As a result, simple aggregation of "ratio" figures may not be the same as the total figure.

vi. Rent type (Fixed / Sales-linked rent)

Rent type (Note 1) (Fixed / Sales-linked rent)	Ratio (%) (Note 2)
Fixed rent	87.3
Fixed rent with sales-linked rent	10.9
Sales-linked rent	1.7
Total	100.0

Note 1: "Fixed rent" refers to rent that remains unchanged regardless of actual tenant sales revenues as set forth in the relevant lease agreements. "Fixed rent with sales-linked rent" refers to rent that consist of a portion that remains unchanged regardless of actual tenant sales revenues and a portion that is based on tenant sales as set forth in the relevant lease agreements. "Sales-linked rent" refers to rent that is based on actual tenant sales revenues as set forth in the relevant lease agreements.

Note 2: "Ratio" is calculated according to the actual rent effective between October 1, 2020 and March 31, 2021, rounded to the nearest tenth. As a result, simple aggregation of "ratio" figures may not be the same as the total figure.

(2) Capital Expenditures on the Managed Assets

i) Planned capital expenditures

The table below shows major capital expenditures (Note) for renovations, repairs and other projects that are planned for the 13th fiscal period ending September 30, 2021. These expenditures are for real estate owned by KRR and real estate in trusts in which KRR owns trust beneficiary rights. These planned projects may include some expenditures that will be recorded as expenses rather than capital expenditures for accounting purposes.

Property number	Property name	Location	Purpose	Schedule	Planned amount of capital expenditure (Millions of yen)		
					Total	Payment for the period	Total amount already paid
O-5	Carino Esaka	Suita, Osaka	Replacement of heat source and air conditioning equipment (Phase 1)	From April 2021 to September 2021	210	-	-
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Repair work in relation to floor expansion	From January 2021 to April 2021	94	-	-
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air Conditioning Equipment Replacement (Phase 3)	From April 2021 to September 2021	67	-	-
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Exterior wall repair work (Phase 2)	From April 2021 to September 2021	67	-	-
L-2	Oppama Distribution Center	Yokosuka, Kanagawa	Water supply system Replacement	From April 2021 to September 2021	15	-	-

ii) Capital expenditures during the period under review

The table below shows major capital expenditures for renovations, repairs and other projects in the period under review.

The amount of capital expenditures in the period under review was 543 million yen. There were also expenditures of 185 million yen that were recorded as repair expenses. In total, we spent 723 million yen on the projects.

Property number	Property name	Location	Purpose	Schedule	Capital expenditure (Millions of yen)
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air Conditioning Equipment Replacement (Phase 2)	From October 2020 to March 2021	91
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Exterior wall repair work (Phase 1)	From October 2020 to March 2021	86
O-1	Blumer Maitamon	Kobe, Hyogo	Exterior wall repair work (Phase 2)	From October 2020 to January 2021	74
L-5	Gyoda Distribution Center	Gyoda, Saitama	Exterior wall repair work	From January 2021 to March 2021	66
R-8	P-1 Plaza Tenno	Hamamatsu, Shizuoka	Replacement of power receiving and transforming facilities	From November 2020 to November 2020	19
Others					229
Total					543

Note : Construction work related to the construction (property expansion) of the restaurant building at the L-4 Yokohama Kamigo Distribution Center is not included in this item ii), as it involves the acquisition of a new building and does not fall under the category of capital expenditures for renovation, etc.

iii) Reserved amount for long-term repairs, maintenance and renovation plans

Not applicable

(3) Information Concerning Major Tenants

i) Top End-Tenants in Terms of Rent

The following summarizes top ten tenants (end-tenants or sublease type master lessee) as of March 31, 2021.

Name of end tenants	Type of business (Note 1)	Property name	Total leased area (m ²)	Ratio (%) (Note 2)	Annual fixed rent (in thousands of yen) (Note 3)	Tenant leasehold and security deposits (in millions of yen) (Note 4)
P&D Consulting Co., Ltd.	Real estate	A Unicus Ina B Unicus Kamisato (Land) C Unicus Konosu (Land) D Ashico Town Ashikaga	104,810.72	11.0	515,662	251
York Co., Ltd.	Retail	A Yorktown Kita-Kaname B Totsuka-Fukaya Shopping Center (Land) C Monenosato Mall D Comfort Market Nishi-Magome	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Life Corporation	Retail	A Unicus Yoshikawa, B Life Kameido C Life Takadono (Land) D Life Nishi-Tengachaya	12,501.97	1.3	- (Note 5)	- (Note 5)
Kohnan Shoji Co., Ltd.	Retail	A Unicus Yoshikawa B Homecenter Kohnan Sunadabashi	27,819.27	2.9	- (Note 5)	- (Note 5)
Viva Home Corporation	Retail	A Super Viva Home Iwatsuki (Land) B Roseo Mito	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Round One Corporation	Service	A Round1 Ichikawa-Onitaka B Round1 Stadium Hakata-Hannichibashi	39,990.22	4.2	- (Note 5)	- (Note 5)
UNY Co., Ltd.	Retail	A Apita Terrace Yokohama Tsunashima B DCM Kahma MEGA Don Quijote UNY Omihachiman	31,071.71	3.2	- (Note 5)	- (Note 5)
DCM Co., Ltd	Retail	A Kalsa Hiratsuka B DCM Kahma MEGA Don Quijote UNY Omihachiman C DCM Kahma Nakagawa Tomita (Land)	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Daiwaroyal Co., Ltd.	Real estate	COMBOX Komyoike	25,530.44	2.7	451,993	351
Seiyu GK	Retail	A Sunny Noma B Seiyu Rakuichi Moriya (Land)	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)

Note 1: "Type of business" is based on Japan Standard Industrial Classification.

Note 2: "Ratio" is the ratio of leased area of the end-tenant to total leasable area of the portfolio as of March 31, 2021, rounded to the nearest tenth.

Note 3: "Annual fixed-rent" for each property is based on monthly contracted rent (including common area charges) as set forth in the relevant lease agreements effective as of March 31, 2021 (excluding warehouses for building lease agreements) for each property or property in trust, truncated to thousands of yen. In a sublease type master lease, the annual rent (excluding consumption taxes) agreed upon in the master lease agreement or the amount obtained by multiplying the monthly rent (excluding consumption taxes) agreed upon in the master lease agreement by 12, rounded down to the nearest thousand yen, is shown.

Note 4: Indicates the outstanding balance of any tenant leasehold and security deposit from the relevant end-tenant(s) set forth in lease agreement(s) effective rounded down to the nearest million yen.

Note 5: We have not obtained consent from the tenant to release this information.

ii) Top End-Tenants in Terms of Leased Area

The end-tenants or the sublease type master lessees that cover over 10% of the total leased area of portfolio as of March 31, 2021 are as follows.

Name of end tenants	Type of business	Property name	Total leased area (m ²)	Annual fixed rent (in thousands of yen)	Tenant leasehold and security deposits (in millions of yen)	Lease term end	Lease renewal
P&D Consulting Co., Ltd. (Note 2)	Real estate	A Unicus Ina B Unicus Kamisato (Land) C Unicus Konosu (Land) D Ashico Town Ashikaga	104,810.72	515,662	251	A Sep. 25, 2036 (Note 1) B Oct. 1, 2055 C Oct. 1, 2055 D Mar. 31, 2026	A Not Applicable (Note 1) B Not Applicable C Not Applicable D Not Applicable

Note 1: Based on Mall building's leasing contract. The contract expiration date was changed to September 25, 2042 on April 7, 2021.

Note 2: P&D Consulting Co., Ltd. is a pass-through master leasing company for a portion of the assets held by KRR, in addition to the above. When including the leased area as a pass-through master leasing company, the total leased area to P&D Consulting Co., Ltd. accounts for 13.4% of the total leased area of the portfolio as of September 30, 2020, accounting for 10% or more of the total leased area of the portfolio and making P&D Consulting Co., Ltd. a major tenant. The following is an overview of the lease as a pass-through master lease company, showing the total leased area, annual fixed rent and leasehold deposits to P&D Consulting Co., Ltd., including leases as end-tenants.

	Property name	Total leased area (m ²)	Annual fixed rent (in thousands of yen)	Tenant leasehold and security deposits (in millions of yen)	Lease term end	Lease renewal
Lease as a pass-through master leasing company	A Unicus Yoshikawa B Ashico Town Ashikaga (Note 1)	25,083.70	335,091	307	A Mar. 31, 2035 B Mar. 31, 2026	A Not Applicable B Not Applicable
Leases to the relevant tenant (total)	-	125,729.88 (Note 2)	850,753	559	-	-

Note 1: The master lease for Ashico Town Ashikaga was terminated as of March 31, 2021. The total leased area of the master lease is 24,381.43m², the annual fixed rent is 305,897,000 yen, and the lease deposit and guarantee amount is 282 million yen.

Note 2: Regarding "Ashico Town Ashikaga", since the leased area as an end tenant and the leased area as a pass-through master lease company overlap, the figures for "Leases to the relevant tenant (total)" are adjusted to reflect the overlap. Therefore, the total leased area as an end tenant and the total leased area as a pass-through master lease company do not necessarily agree with the total leased area in the "Leased to the relevant tenant (total)" row.

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021): 182 days As of March 31, 2021

Location		Tokyo metropolitan area												
Property No.	T-2	T-3	T-4(Note 2)	T-5	T-6	T-7	T-8	T-9	T-10	T-11	T-12	T-13	T-15	
Property Name	MONA Shin-Urayasu	Passaggio Nishiarai	Daikanyama Address Dixsept(60.0% quasi co-ownership interest)	Unicus Ina	Yorktown Kita-Kaname	Unicus Yoshikawa	Sports Club Renaissance Fujimidai	Super Viva Home Iwatsuki (Land)	K's Denki Shonan-Fujisawa (Land)	Unicus Kamisato (Land)	Unicus Konosu (Land)	Inageya Yokohama Minamihonjuku (Land)	Nakamachidai Tokyu Store	
Acquisition Date	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	October 2, 2015	October 2, 2015	October 2, 2015	October 2, 2015	October 2, 2015	April 21, 2016	
Price Information	Acquisition price (In millions of yen)	8,063	5,850	3,234	4,470	4,000	3,600	2,586	4,815	3,169	3,000	1,700	1,442	3,360
	Percentage of total portfolio	3.6%	2.6%	1.4%	2.0%	1.8%	1.6%	1.1%	2.1%	1.4%	1.3%	0.7%	0.6%	1.5%
	Net book value (In millions of yen)	8,992	5,661	3,214	4,370	3,860	3,504	2,441	4,890	3,210	3,043	1,726	1,462	3,311
	Appraisal value at the end of period (In millions of yen)	9,980	6,530	3,750	5,270	4,340	3,860	2,750	5,530	3,450	3,050	1,780	1,380	3,740
Percentage of total appraisal value	4.1%	2.7%	1.5%	2.2%	1.8%	1.6%	1.1%	2.3%	1.4%	1.3%	0.7%	0.6%	1.5%	
Lease Information	Number of tenants	1 (53)	1 (41)	1 (26)	1	1	1 (9)	1	1	1	1	1	1	1
	Leasable floor area (㎡)	9,955.84	10,530.85	3,033.83	13,462.71	(Note 1)	10,648.27	3,120.87	67,325.95	15,578.58	67,854.47	19,329.00	4,405.41	5,968.71
	Leased floor area (㎡)	9,418.68	10,530.85	2,949.89	13,462.71	(Note 1)	10,605.26	3,120.87	67,325.95	15,578.58	67,854.47	19,329.00	4,405.41	5,968.71
	Occupancy ratio													
	As of March 31, 2021	94.6%	100.0%	97.2%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	97.6%	100.0%	96.0%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	99.5%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	100.0%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2019	98.8%	98.6%	97.2%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2018	98.3%	98.6%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
As of March 31, 2018	87.8%	98.6%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2017	95.9%	99.8%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of March 31, 2017	95.7%	98.1%	97.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2016	95.6%	98.1%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
Income and Retained Earnings Information	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)	486,382	292,145	186,654	142,449	(Note 1)	131,448	(Note 1)	(Note 1)	(Note 1)	75,306	43,031	(Note 1)	(Note 1)
	Rental revenues	343,069	227,236	134,882	139,501	(Note 1)	129,523	(Note 1)	(Note 1)	(Note 1)	75,297	43,031	(Note 1)	(Note 1)
	Other operating revenues	143,313	64,909	51,772	2,948	(Note 1)	1,925	(Note 1)	(Note 1)	(Note 1)	9	-	(Note 1)	(Note 1)
	Property-related expenses (In thousands of yen)	235,813	124,023	104,923	26,284	(Note 1)	48,776	(Note 1)	(Note 1)	(Note 1)	6,239	4,592	(Note 1)	(Note 1)
	Property management fees	77,880	48,494	38,280	1,894	(Note 1)	24,137	(Note 1)	(Note 1)	(Note 1)	1,200	1,200	(Note 1)	(Note 1)
	Taxes	23,781	35,058	11,895	10,628	(Note 1)	14,090	(Note 1)	(Note 1)	(Note 1)	4,774	3,127	(Note 1)	(Note 1)
	Utilities	39,493	24,505	18,373	-	(Note 1)	-	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Repairs and maintenance	41,503	2,664	4,981	12,945	(Note 1)	9,313	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Insurance	480	538	174	295	(Note 1)	207	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Trust fees and other expenses	52,674	12,761	31,218	521	(Note 1)	1,027	(Note 1)	(Note 1)	(Note 1)	265	265	(Note 1)	(Note 1)
	NOI (= -) (In thousands of yen)	250,569	168,121	81,731	116,165	108,124	82,671	64,493	98,693	79,369	69,067	38,439	31,854	85,564
Depreciation (In thousands of yen)	64,319	33,827	11,666	35,538	21,034	15,930	15,127	-	-	-	-	-	20,332	
Rental operating income (= -) (In thousands of yen)	186,249	134,294	70,065	80,626	87,089	66,741	49,366	98,693	79,369	69,067	38,439	31,854	65,232	
Capital expenditures (In thousands of yen)	190,831	-	8,767	1,693	-	1,653	-	-	-	-	-	-	-	
NCF (= -) (In thousands of yen)	59,737	168,121	72,963	114,472	108,124	81,018	64,493	98,693	79,369	69,067	38,439	31,854	85,564	
Reference	Expense ratio (= /)	48.5%	42.5%	56.2%	18.5%	7.9%	37.1%	11.5%	13.5%	6.4%	8.3%	10.7%	11.4%	25.1%
	Property tax for the year 2020 (In thousands of yen)	47,163	70,109	25,446	21,256	13,844	28,183	11,092	27,869	7,981	9,551	6,257	5,284	14,313
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021) : 182 days As of March 31, 2021

Location		Tokyo metropolitan area												
Property No.	T-16	T-17	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	
Property Name	Central Wellness Club Nagatsuta Minamidai	Life Kameido	Totsuka-Fukaya Shopping Center (Land)	Yumemachi Narashinodai Mall	Kawamachi Yahagi Mall	Prime Square Jiyugaoka	Round1 Ichikawa-Onitaka	Ozeki Tokiwadai	Konami Sports Club Shibuya	Apita Terrace Yokohama Tsunashima	Kalsa Hiratsuka	Monenosato Mall	KDX Chofu Building (Retail wing)	
Acquisition Date	April 20, 2016	April 21, 2016	April 19, 2017	April 19, 2017	May 18, 2017	April 19, 2017	April 19, 2017	February 13, 2018	April 27, 2018	November 1, 2019	November 1, 2019	October 24, 2019	October 24, 2019	
Price Information	Acquisition price (In millions of yen)	1,724	1,450	4,170	3,416	3,097	2,820	1,880	1,263	3,400	5,899	5,980	2,753	2,300
	Percentage of total portfolio	0.8%	0.6%	1.8%	1.5%	1.4%	1.2%	0.8%	0.6%	1.5%	2.6%	2.6%	1.2%	1.0%
	Net book value (In millions of yen)	1,733	1,478	4,228	3,370	3,115	2,976	1,835	1,270	3,609	5,896	5,996	2,855	2,396
	Appraisal value at the end of period (In millions of yen)	1,780	1,480	4,330	3,500	3,240	2,810	1,960	1,340	3,380	6,120	6,010	2,970	2,470
	Percentage of total appraisal value	0.7%	0.6%	1.8%	1.4%	1.3%	1.2%	0.8%	0.5%	1.4%	2.5%	2.5%	1.2%	1.0%
Lease Information	Number of tenants	2	1	2	1 (14)	1 (12)	2	1	1	1	1	3	1 (11)	3
	Leasable floor area (㎡)	3,996.68	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02	(Note 1)	22,729.71	14,195.00	6,861.59	12,119.00
	Leased floor area (㎡)	3,996.68	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02	(Note 1)	22,729.71	14,195.00	6,861.59	12,119.00
	Occupancy ratio													
	As of March 31, 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of March 31, 2019	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of September 30, 2018	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of March 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
As of September 30, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	
As of March 31, 2017	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-	
As of September 30, 2016	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)				138,706	112,290							92,826	85,654
	Rental revenues				115,314	96,552							73,004	75,209
	Other operating revenues				23,391	15,737							19,821	10,444
	Property-related expenses (In thousands of yen)				50,618	30,913							29,227	26,323
	Property management fees	(Note 1)	(Note 1)	(Note 1)	11,473	9,809	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	4,163	6,635
	Taxes				11,818	9,680							8,076	11,556
	Utilities				23,546	9,420							16,204	-
	Repairs and maintenance				2,510	1,209							230	6,814
	Insurance				160	141							105	300
	Trust fees and other expenses				1,110	652							447	1,017
NOI (= -) (In thousands of yen)	41,494	32,534	95,246	88,088	81,376	55,765	48,635	28,546	60,347	139,887	139,191	63,598	59,330	
Depreciation (In thousands of yen)	7,753	3,020	-	14,716	10,467	10,501	10,924	2,307	9,610	28,161	21,576	10,118	8,286	
Rental operating income (= -) (In thousands of yen)	33,740	29,514	95,246	73,371	70,909	45,263	37,710	26,239	50,737	111,725	117,614	53,480	51,044	
Capital expenditures (In thousands of yen)	360	-	-	4,482	-	7,705	3,170	-	25,999	-	-	5,196	17,886	
NCF (= -) (In thousands of yen)	41,134	32,534	95,246	83,605	81,376	48,060	45,465	28,546	34,348	139,887	139,191	58,402	41,444	
Reference	Expense ratio (= /)	24.3%	16.9%	6.3%	36.5%	27.5%	23.3%	23.9%	17.3%	26.4%	16.2%	13.5%	31.5%	30.7%
	Property tax for the year 2020 (In thousands of yen)	12,256	8,651	9,874	23,637	19,342	12,913	20,237	5,785	21,588	51,033	36,058	17,107	23,113
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021) : 182 days As of March 31, 2021

Location		Tokyo metropolitan area		Greater Osaka area										Greater Nagoya area
Property No.		T-29	T-30	O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-9	O-10	O-11	N-1
Property Name		Across Plaza Urayasu Higashino (Land)	Comfort Market Nishi-Magome	Blumer Maitamon	Life Takadono (Land)	DCM Kahma MEGA Don Quijote UNY Omihachiman	Blumer HAT Kobe	Carino Esaka	COMBOX Komyoike	Hankyu Oasis Hirakatadeguchi	Life Nishi-Tengachaya	Million Town Tsukaguchi (Land)	Habikigaoka Shopping Center	DCM Kahma Nakagawa Tomita (Land)
Acquisition Date		October 24,2019	April 15,2020	February 10, 2015	February 10, 2015	February 10, 2015	April 16, 2015	October 2, 2015	October 2, 2015	October 2, 2015	January 21, 2016	April 21, 2016	September 27, 2019	February 10, 2015
Price Information	Acquisition price (In millions of yen)	2,248	1,920	8,389	2,685	2,140	11,000	6,555	6,450	1,280	1,505	3,723	2,000	2,311
	Percentage of total portfolio	1.0%	0.8%	3.7%	1.2%	0.9%	4.9%	2.9%	2.8%	0.6%	0.7%	1.6%	0.9%	1.0%
	Net book value (In millions of yen)	2,283	2,000	8,428	2,727	2,112	11,207	6,731	6,173	1,289	1,530	3,772	2,062	2,351
	Appraisal value at the end of period (In millions of yen)	2,310	1,990	9,580	3,140	2,590	11,000	7,260	6,460	1,300	1,690	3,990	2,020	2,680
	Percentage of total appraisal value	0.9%	0.8%	3.9%	1.3%	1.1%	4.5%	3.0%	2.6%	0.5%	0.7%	1.6%	0.8%	1.1%
Lease Information	Number of tenants	1	1	50	1	2	1 (40)	1 (29)	1	1	1	1	2	1
	Leasable floor area (㎡)	6,229.32	1,456.86	30,290.85	4,437.07	14,313.00	23,775.88	7,542.69	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81	(Note 1)
	Leased floor area (㎡)	6,229.32	1,456.86	30,235.07	4,437.07	14,313.00	23,483.16	7,440.84	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81	(Note 1)
	Occupancy ratio													
	As of March 31, 2021	100.0%	100.0%	99.8%	100.0%	100.0%	98.8%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	100.0%	100.0%	99.7%	100.0%	100.0%	99.1%	97.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	100.0%	-	99.7%	100.0%	100.0%	99.5%	98.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	-	-	99.7%	100.0%	100.0%	84.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2019	-	-	99.7%	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%
	As of September 30, 2018	-	-	99.7%	100.0%	100.0%	98.0%	99.5%	100.0%	100.0%	100.0%	100.0%	-	100.0%
	As of March 31, 2018	-	-	98.4%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%
As of September 30, 2017	-	-	98.2%	100.0%	100.0%	98.7%	97.8%	100.0%	100.0%	100.0%	100.0%	-	100.0%	
As of March 31, 2017	-	-	99.2%	100.0%	100.0%	99.1%	97.8%	100.0%	100.0%	100.0%	100.0%	-	100.0%	
As of September 30, 2016	-	-	99.1%	100.0%	100.0%	99.1%	99.1%	100.0%	100.0%	100.0%	100.0%	-	100.0%	
Income and Retained Earnings Information	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)		48,000	481,782			473,311	292,032	225,996		44,870			
	Rental revenues		48,000	368,257			368,117	189,259	225,996		44,870			
	Other operating revenues		-	113,525			105,194	102,773	-		-			
	Property-related expenses (In thousands of yen)		2,259	186,415			198,439	98,437	33,170		5,564			
	Property management fees	(Note 1)	1,800	64,582	(Note 1)	(Note 1)	68,172	39,955	1,800	(Note 1)	1,800	(Note 1)	(Note 1)	(Note 1)
	Taxes		-	41,540			47,763	25,633	30,280		3,300			
	Utilities		-	53,230			46,931	25,366	-		-			
	Repairs and maintenance		-	3,891			16,080	4,200	-		-			
	Insurance		45	804			1,050	695	677		53			
	Trust fees and other expenses		414	22,365			18,442	2,585	413		410			
	NOI (= -) (In thousands of yen)	45,226	45,740	295,367	63,878	74,345	274,872	193,595	192,826	37,245	39,306	78,701	53,393	58,019
	Depreciation (In thousands of yen)	-	3,136	59,157	-	11,623	57,339	42,433	32,894	5,604	4,682	-	7,434	-
Rental operating income (= -) (In thousands of yen)	45,226	42,603	236,209	63,878	62,721	217,532	151,161	159,931	31,640	34,624	78,701	45,959	58,019	
Capital expenditures (In thousands of yen)	-	-	99,536	-	1,886	4,587	5,106	-	-	-	-	-	-	
NCF (= -) (In thousands of yen)	45,226	45,740	195,830	63,878	72,458	270,285	188,488	192,826	37,245	39,306	78,701	53,393	58,019	
Reference	Expense ratio (= /)	11.1%	4.7%	38.7%	7.1%	20.7%	41.9%	33.7%	14.7%	14.4%	12.4%	12.6%	17.3%	10.1%
	Property tax for the year 2020 (In thousands of yen)	8,382	3,498	83,072	6,806	28,635	95,525	51,267	60,564	7,712	6,601	19,665	16,197	10,161
	Assets pledged as collateral	-	-	-	-	○	-	-	-	-	○	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021): 182 days As of March 31, 2021

Location		Greater Nagoya area				Fukuoka area			Ordinance-designated cities, core cities and other areas					
Property No.		N-2	N-4	N-6	N-7	F-1	F-2	F-3	R-1	R-2	R-3	R-4	R-5	R-6
Property Name		Valor Ichinomiya-Nishi	Homecenter Kohnan Sunadabashi	Resora Obu Shopping Terrace	Valor Nakashidami (Land)	Sunny Noma	Round1 Stadium Hakata-Hanmichibashi	Kurume-Nishi Shopping Center	Roseo Mito	K's Denki Aomori Honten	Super Sports Xebio Aomori-Chuo	Ashico Town Ashikaga	Yorktown Shinden-Higashi	Kasumi Technopark Sakura
Acquisition Date		February 10, 2015	April 21, 2016	August 1, 2017	November 1, 2019	February 10, 2015	April 19, 2017	April 19, 2017	February 10, 2015	February 10, 2015	February 10, 2015	October 2, 2015	October 2, 2015	October 2, 2015
Price Information	Acquisition price (In millions of yen)	2,174	7,140	7,911	2,551	1,497	5,020	1,515	10,046	1,469	898	4,180	3,252	830
	Percentage of total portfolio	1.0%	3.1%	3.5%	1.1%	0.7%	2.2%	0.7%	4.4%	0.6%	0.4%	1.8%	1.4%	0.4%
	Net book value (In millions of yen)	2,116	6,847	8,055	2,587	1,379	4,931	1,544	9,670	1,429	859	4,426	3,224	833
	Appraisal value at the end of period (In millions of yen)	2,360	7,540	7,040	2,550	1,650	5,780	1,840	12,000	1,520	911	4,900	2,600	888
	Percentage of total appraisal value	1.0%	3.1%	2.9%	1.0%	0.7%	2.4%	0.8%	4.9%	0.6%	0.4%	2.0%	1.1%	0.4%
Lease Information	Number of tenants	1	1	1 (42)	1	1	1	4	1 (23)	1	1	1 (29)	2	1
	Leasable floor area (㎡)	9,447.48	20,329.07	19,909.33	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	65,181.05	12,768.77	2,047.65
	Leased floor area (㎡)	9,447.48	20,329.07	19,634.11	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	64,580.67	12,768.77	2,047.65
	Occupancy ratio													
	As of March 31, 2021	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%
	As of September 30, 2020	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	100.0%
	As of March 31, 2020	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%
	As of September 30, 2019	100.0%	100.0%	95.5%	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%
	As of March 31, 2019	100.0%	100.0%	86.3%	-	100.0%	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2018	100.0%	100.0%	99.0%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%
As of March 31, 2018	100.0%	100.0%	99.2%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2017	100.0%	100.0%	99.4%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of March 31, 2017	100.0%	100.0%	-	-	100.0%	-	-	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2016	100.0%	100.0%	-	-	100.0%	-	-	99.7%	100.0%	100.0%	99.1%	100.0%	100.0%	
Income and Retained Earnings Information	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days
	Rental and other operating revenues (In thousands of yen)			287,933				52,548	378,554			260,986		
	Rental revenues			224,196				52,308	351,407			202,087		
	Other operating revenues			63,737				240	27,146			58,898		
	Property-related expenses (In thousands of yen)			125,054				5,903	86,931			130,948		
	Property management fees	(Note 1)	(Note 1)	38,675	(Note 1)	(Note 1)	(Note 1)	1,868	24,716	(Note 1)	(Note 1)	42,884	(Note 1)	(Note 1)
	Taxes			26,470				3,447	26,685			25,044		
	Utilities			35,341				-	19,072			44,980		
	Repairs and maintenance			9,366				-	14,607			2,884		
	Insurance			549				71	592			638		
Trust fees and other expenses			14,650				515	1,256			14,516			
NOI (= -) (In thousands of yen)	63,603	180,489	162,879	59,519	40,228	143,992	46,645	291,622	45,377	28,059	130,037	81,107	22,498	
Depreciation (In thousands of yen)	16,828	40,780	51,192	-	14,408	22,156	5,667	47,850	6,318	4,857	34,616	13,800	2,480	
Rental operating income (= -) (In thousands of yen)	46,775	139,708	111,687	59,519	25,820	121,836	40,977	243,772	39,058	23,201	95,420	67,307	20,017	
Capital expenditures (In thousands of yen)	-	-	12,118	-	3,695	2,540	-	-	-	-	19,640	-	-	
NCF (= -) (In thousands of yen)	63,603	180,489	150,760	59,519	36,533	141,452	46,645	291,622	45,377	28,059	110,396	81,107	22,498	
Reference	Expense ratio (= /)	19.3%	11.5%	43.4%	2.7%	22.3%	13.6%	11.2%	23.0%	17.1%	16.2%	50.2%	40.2%	20.3%
	Property tax for the year 2020 (In thousands of yen)	19,243	40,339	52,941	-	7,800	35,167	6,895	53,372	13,869	6,206	49,849	30,855	3,690
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021) : 182 days As of March 31, 2021

Location		Ordinance-designated cities, core cities and other areas											—	Total of 64 properties	
Property No.	R-8	R-9	R-10	R-11	L-1	L-2	L-3	L-4	L-5	L-6	L-7	L-8			
Property Name	P-1 Plaza Tenno	Seiyu Rakuichi Moriya (Land)	Sun Street Hamakita	Costco Wholesale Sapporo Warehouse	Zama Distribution Center	Oppama Distribution Center	Musashi Ranzan Distribution Center	Yokohama Kamigo Distribution Center	Gyoda Distribution Center	Shinjuku Nishiochiai Distribution Center	Chiba-Kita Distribution Center	Sapporo Shiroishi Distribution Center			
Acquisition Date	April 22, 2016	January 31, 2017	April 27, 2017	May 31, 2018	April 5, 2019	April 5, 2019	March 26, 2019	April 11, 2019	October 1, 2019	January 10, 2020	December 25, 2020	December 24, 2020			
Price Information	Acquisition price (In millions of yen)	4,010	4,111	10,746	4,210	1,400	1,300	3,879	918	3,160	810	1,250	800	226,725	
	Percentage of total portfolio	1.8%	1.8%	4.7%	1.9%	0.6%	0.6%	1.7%	0.4%	1.4%	0.4%	0.6%	0.4%	100.0%	
	Net book value (In millions of yen)	4,136	4,320	10,617	4,245	1,474	1,347	3,799	966	3,190	862	1,261	830	228,086	
	Appraisal value at the end of period (In millions of yen)	4,350	4,280	11,160	4,410	1,740	1,630	4,170	1,020	3,510	821	1,340	1,020	243,840	
	Percentage of total appraisal value	1.8%	1.8%	4.6%	1.8%	0.7%	0.7%	1.7%	0.4%	1.4%	0.3%	0.5%	0.4%	100.0%	
Lease Information	Number of tenants	1 (7)	1	1 (53)	1	1	1	1	2	1	1	1	1	502	
	Leasable floor area (㎡)	12,030.83	(Note 1)	48,697.29	24,006.16	5,479.92	6,543.87	32,935.55	2,040.05	21,956.09	790.52	5,684.13	11,181.15	956,496.64	
	Leased floor area (㎡)	12,030.83	(Note 1)	48,426.66	24,006.16	5,479.92	6,543.87	32,935.55	2,040.05	21,956.09	790.52	5,684.13	11,181.15	954,235.95	
	Occupancy ratio														
	As of March 31, 2021	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.8%
	As of September 30, 2020	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	99.7%
	As of March 31, 2020	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	99.4%
	As of September 30, 2019	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	98.9%
	As of March 31, 2019	100.0%	100.0%	99.3%	100.0%	-	-	100.0%	-	-	-	-	-	-	99.2%
	As of September 30, 2018	100.0%	100.0%	99.3%	100.0%	-	-	-	-	-	-	-	-	-	99.4%
	As of March 31, 2018	100.0%	100.0%	99.2%	-	-	-	-	-	-	-	-	-	-	99.5%
As of September 30, 2017	100.0%	100.0%	98.0%	-	-	-	-	-	-	-	-	-	-	99.6%	
As of March 31, 2017	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-	99.6%	
As of September 30, 2016	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	99.7%	
Income and Retained Earnings Information	Operating periods	182days	182days	182days	182days	182days	182days	182days	182days	182days	182days	97days	98days	180days	
	Rental and other operating revenues (In thousands of yen)	135,322		537,598										8,263,669	
	Rental revenues	133,830		446,435										7,336,375	
	Other operating revenues	1,492		91,162										927,293	
	Property-related expenses (In thousands of yen)	19,957		212,917										2,309,548	
	Property management fees	3,096	(Note 1)	70,018	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	679,143	
	Taxes	14,610	(Note 1)	25,939	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	735,593	
	Utilities	132		35,860										408,770	
	Repairs and maintenance	1,350		13,644										185,140	
	Insurance	345		804										14,279	
	Trust fees and other expenses	423		66,649										286,620	
NOI (= -) (In thousands of yen)	115,365	83,111	324,680	101,849	51,384	53,880	112,311	20,023	80,479	18,583	17,239	17,723	5,954,121		
Depreciation (In thousands of yen)	18,066	-	80,364	33,472	6,726	9,602	37,214	3,327	24,232	797	6,211	7,789	1,068,289		
Rental operating income (= -) (In thousands of yen)	97,298	83,111	244,316	68,376	44,657	44,278	75,096	16,696	56,246	17,786	11,027	9,934	4,885,831		
Capital expenditures (In thousands of yen)	19,501	-	36,757	7,533	8,026	-	432	686	54,059	-	-	-	543,852		
NCF (= -) (In thousands of yen)	95,863	83,111	287,922	94,316	43,358	53,880	111,879	19,337	26,419	18,583	17,239	17,723	5,410,268		
Reference	Expense ratio (= /)	14.7%	13.3%	39.6%	16.0%	10.5%	11.3%	11.4%	18.3%	26.4%	3.2%	4.4%	3.6%	27.9%	
	Property tax for the year 2020 (In thousands of yen)	29,221	22,483	51,701	33,871	8,108	9,828	23,864	4,906	24,061	4,064	6,028	3,783	1,490,200	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	

Note 1: We have not obtained consent from the tenant(s) to release this information.

*Total: Cost-weighted average operating period (days)

Note 2: The figures of Income and Retained Earnings Information and Reference include those of Daikanyama Address Dixsept (40.0% quasi co-ownership interest) that was sold on December 1, 2020.

Daikanyama Address Dixsept is counted as one of the owned properties as of the end of the 12th fiscal period because the 60% quasi co-ownership interest is owned by the Investment Corporation as of the end of the 12th fiscal period after the sale of 40% quasi co-ownership interest on December 1, 2020.

【Reference】

Earnings Performance for the Individual Properties for the 12th Fiscal Period (October 1, 2020 to March 31, 2021): 182 days As of March 31, 2021

Location	Tokyo metropolitan area		
Property No.	T-4(Note 1)	Total of 0 Property Sold (Note 2)	Total of 64 Properties
Property Name	Daikanyama Address Dixsept(40.0% quasi co-ownership interest)		
Acquisition Date	February 10, 2015		
Price Information	Acquisition price (In millions of yen)	2,156	228,881
	Percentage of total portfolio	100.0%	-
	Revenue from sale of real estate property (In millions of yen)	2,657	-
	Cost of real estate property (In millions of yen)	2,146	-
	Gain on sale of real estate property (In millions of yen)	454	-
Lease Information	Number of tenants	-	-
	Leasable floor area (㎡)	-	-
	Leased floor area (㎡)	-	-
	Occupancy ratio		
	As of March 31, 2021	-	-
	As of September 30, 2020	96.0%	-
	As of March 31, 2020	99.1%	-
	As of September 30, 2019	99.1%	-
	As of March 31, 2019	97.2%	-
	As of September 30, 2018	97.9%	-
As of March 31, 2018	97.9%	-	
As of September 30, 2017	97.9%	-	
As of March 31, 2017	97.0%	-	
As of September 30, 2016	98.2%	-	
Income and Retained Earnings Information	Operating periods	61days	179days
	Rental and other operating revenues (In thousands of yen)		8,263,669
	Rental revenues		7,336,375
	Other operating revenues		927,293
	Property-related expenses (In thousands of yen)		2,309,548
	Property management fees	(Note 2)	679,143
	Taxes		735,593
	Utilities		408,770
	Repairs and maintenance		185,140
	Insurance		14,279
Trust fees and other expenses		286,620	
NOI (= -) (In thousands of yen)		5,954,121	
Depreciation (In thousands of yen)		1,068,289	
Rental operating income (= -) (In thousands of yen)	(Note 2)	4,885,831	
Capital expenditures (In thousands of yen)		543,852	
NCF (= -) (In thousands of yen)		5,410,268	
Reference	Expense ratio (= /)		27.9%
	Property tax for the year 2020 (In thousands of yen)	(Note 2)	-
	Assets pledged as collateral		-

*Total: Cost-weighted average operating period (days)

Note 1:Daikanyama Address Dixsept(40.0% quasi co-ownership interest) was sold on December 1, 2020.

Note 2:The figures of Income and Retained Earnings Information and Reference are included in the said corresponding area of Daikanyama Address Dixsept(60.0% quasi co-ownership interest) .

"Total of 0 Property Sold" does not count Daikanyama Address Dixsept(60.0% quasi co-ownership interest) is owned by the Investment Corporation as of the end of the 12th fiscal period after the sale of 40% quasi co-ownership interest on December 1, 2020.

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(Reference) Borrowings

Borrowings as of March 31, 2021 are as follows:

Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks
Short-Term Loans Payable	Sumitomo Mitsui Banking Corporation	2,750,000	-	2,750,000	-	0.471	January 31, 2021	(Note 4)	Unsecured/ Unguaranteed
	Sub Total	2,750,000	-	2,750,000	-				
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	3,000,000	-	3,000,000	-	0.865	February 10, 2021	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	700,000	-	700,000	-				
	Sumitomo Mitsui Trust Bank, Ltd.	500,000	-	500,000	-				
	Aozora Bank, Ltd.	450,000	-	450,000	-				
	Resona Bank, Ltd.	450,000	-	450,000	-				
	Mizuho Bank, Ltd.	400,000	-	400,000	-				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	1,500,000	-	0.925	February 10, 2021		
	Sumitomo Mitsui Banking Corporation	2,400,000	-	2,400,000	-	0.472	February 28, 2021		
	MUFG Bank, Ltd.	1,600,000	-	1,600,000	-				
	Sumitomo Mitsui Trust Bank, Ltd.	550,000	-	550,000	-				
	Resona Bank, Ltd.	500,000	-	500,000	-				
	Aozora Bank, Ltd.	500,000	-	500,000	-				
	Mizuho Bank, Ltd.	350,000	-	350,000	-				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	300,000	-	0.550	September 30, 2021		
	The Gunma Bank, Ltd. (Note5)	500,000	-	-	500,000				
	Sumitomo Mitsui Banking Corporation	2,600,000	-	-	2,600,000	0.485	April 27, 2021		
	Aozora Bank, Ltd.	500,000	-	-	500,000				
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Ltd.	300,000	-	-	300,000				
	MUFG Bank, Ltd. (Note5)	600,000	-	-	600,000				
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	0.400	April 27, 2021		
	Mizuho Bank, Ltd. (Note5)	400,000	-	-	400,000	0.553			
	Mizuho Trust & Banking Co., Ltd. (Note5)	200,000	-	-	200,000	0.553			
	Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.473			
	Sumitomo Mitsui Banking Corporation (Note6)	2,600,000	-	-	2,600,000	0.978	February 10, 2022		
	MUFG Bank, Ltd. (Note6)	800,000	-	-	800,000				
	Sumitomo Mitsui Trust Bank, Ltd. (Note6)	600,000	-	-	600,000				
	Aozora Bank, Ltd. (Note6)	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd. (Note6)	400,000	-	-	400,000				
	Mizuho Bank, Ltd. (Note6)	300,000	-	-	300,000				
	Resona Bank, Ltd. (Note6)	300,000	-	-	300,000				
Development Bank of Japan Inc. (Note5) (Note6)	1,600,000	-	-	1,600,000					
Sumitomo Mitsui Banking Corporation	-	2,750,000	-	2,750,000	0.478			January 31, 2022	
Sub Total	27,400,000	2,750,000	13,200,000	16,950,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	4,600,000	-	-	4,600,000	1.366	April 16, 2025	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.975	March 31, 2023		
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	-	-	600,000				
	Mizuho Bank, Ltd.	400,000	-	-	400,000				
	Resona Bank, Ltd.	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000				
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000	0.994	March 31, 2023		
	MUFG Bank, Ltd.	450,000	-	-	450,000	0.987	March 31, 2023		
	Resona Bank, Ltd.	200,000	-	-	200,000				
	The Musashino Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000				
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	1.110	March 31, 2024		
	Mizuho Bank, Ltd.	1,150,000	-	-	1,150,000				
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000				
	Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000				
Sumitomo Mitsui Trust Bank, Ltd.	650,000	-	-	650,000					
Resona Bank, Ltd.	500,000	-	-	500,000					

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Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	1.243	April 16, 2025	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Ltd.	450,000	-	-	450,000	0.803	September 30, 2024		
	Development Bank of Japan Inc. (Note5)	890,000	-	-	890,000	0.760	September 30, 2024		
	Sumitomo Mitsui Banking Corporation	2,670,000	-	-	2,670,000	0.932	April 21, 2026		
	MUFG Bank, Ltd.	890,000	-	-	890,000	0.888	October 31, 2025		
	Development Bank of Japan Inc. (Note5)	2,000,000	-	-	2,000,000	1.049	January 31, 2027		
	Mizuho Trust & Banking Co., Ltd. (Note5)	1,000,000	-	-	1,000,000	1.049			
	Resona Bank, Ltd.	500,000	-	-	500,000	1.002			
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.772	October 31, 2024		
	Sumitomo Mitsui Trust Bank, Ltd.	400,000	-	-	400,000				
	Aozora Bank, Ltd.	400,000	-	-	400,000				
	Resona Bank, Ltd.	300,000	-	-	300,000				
	MUFG Bank, Ltd. (Note5)	600,000	-	-	600,000	0.696	October 31, 2024		
	Mizuho Bank, Ltd. (Note5)	600,000	-	-	600,000	0.815			
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	0.814			
	Mizuho Trust & Banking Co., Ltd. (Note5)	200,000	-	-	200,000	0.814			
	MUFG Bank, Ltd. (Note5)	500,000	-	-	500,000	0.903	October 31, 2026		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	1.033	May 18, 2027		
	Sumitomo Mitsui Trust Bank, Ltd.	500,000	-	-	500,000				
	Resona Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000				
	Mizuho Bank, Ltd. (Note5)	500,000	-	-	500,000	1.049	May 18, 2027		
	Mizuho Trust & Banking Co., Ltd. (Note5)	300,000	-	-	300,000	1.050			
	MUFG Bank, Ltd. (Note5)	500,000	-	-	500,000	0.670	September 29, 2023		
	Sumitomo Mitsui Trust Bank, Ltd.	1,500,000	-	-	1,500,000	0.918	September 30, 2026		
	MUFG Bank, Ltd. (Note5)	500,000	-	-	500,000	0.930	September 29, 2027		
	Mizuho Bank, Ltd. (Note5)	1,500,000	-	-	1,500,000	1.029			
	Sumitomo Mitsui Trust Bank, Ltd.	1,500,000	-	-	1,500,000	1.100	September 29, 2028		
	Sumitomo Mitsui Banking Corporation	500,000	-	-	500,000	1.035	October 3, 2027		
	MUFG Bank, Ltd. (Note5)	1,200,000	-	-	1,200,000	1.000	February 10, 2028		
	MUFG Bank, Ltd.	1,250,000	-	-	1,250,000	0.603	August 31, 2022		
	Mizuho Bank, Ltd.	800,000	-	-	800,000				
	Sumitomo Mitsui Banking Corporation	900,000	-	-	900,000	0.988	April 30, 2027		
	Sumitomo Mitsui Banking Corporation	2,600,000	-	-	2,600,000	0.985	April 30, 2027		
	Sumitomo Mitsui Banking Corporation	2,000,000	-	-	2,000,000	0.902	April 30, 2026		
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	1.090	April 30, 2028		
	The Bank of Fukuoka, Ltd.	1,000,000	-	-	1,000,000	0.907	May 31, 2026		
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	0.999	May 31, 2027		
	MUFG Bank, Ltd. (Note5)	500,000	-	-	500,000	0.900			
	Mizuho Bank, Ltd.	500,000	-	-	500,000	0.999			
	Mizuho Trust & Banking Co., Ltd.	500,000	-	-	500,000	0.999			
	Nippon Life Insurance Company	700,000	-	-	700,000	0.913	March 31, 2025		
	Sumitomo Mitsui Trust Bank, Ltd.	700,000	-	-	700,000	0.726	March 31, 2026		
	Resona Bank, Ltd.	500,000	-	-	500,000	0.676			
	Aozora Bank, Ltd.	500,000	-	-	500,000	0.726			
	Mizuho Bank, Ltd.	400,000	-	-	400,000	0.726			
	The Musashino Bank, Ltd.	400,000	-	-	400,000	0.676			
	Sumitomo Mitsui Banking Corporation	1,850,000	-	-	1,850,000	0.910	March 31, 2028		
	MUFG Bank, Ltd.	1,300,000	-	-	1,300,000	0.860			
Resona Bank, Ltd.	650,000	-	-	650,000	0.460	August 31, 2024			
Aozora Bank, Ltd.	890,000	-	-	890,000	0.585	August 31, 2026			
Mizuho Bank, Ltd.	1,370,000	-	-	1,370,000	0.718	March 31, 2028			
Sumitomo Mitsui Trust Bank, Ltd.	820,000	-	-	820,000	0.550	October 31, 2024			
MUFG Bank, Ltd.	1,270,000	-	-	1,270,000	0.750	January 31, 2028			

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Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks
Long-Term Loans Payable	Mizuho Trust & Banking Co., Ltd. (Note5)	650,000	-	-	650,000	0.670	April 30, 2028	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd. (Note5)	1,500,000	-	-	1,500,000	0.520	October 31, 2026		
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.644			
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	0.644			
	Mizuho Trust & Banking Co., Ltd. (Note5)	500,000	-	-	500,000	0.550			
	Resona Bank, Ltd.	300,000	-	-	300,000	0.644			
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	0.830	October 31, 2029		
	The Gunma Bank, Ltd.	400,000	-	-	400,000	0.498	January 31, 2025		
	The Musashino Bank, Ltd. (Note5)	400,000	-	-	400,000	0.478	January 31, 2025		
	Sumitomo Mitsui Banking Corporation	700,000	-	-	700,000	0.758	September 30, 2028		
	Aozora Bank, Ltd.	-	450,000	-	450,000	0.725	January 31, 2029		
	Sumitomo Mitsui Banking Corporation	-	3,000,000	-	3,000,000	0.809	January 31, 2030		
	MUFG Bank, Ltd.	-	700,000	-	700,000				
	Sumitomo Mitsui Trust Bank, Ltd.	-	500,000	-	500,000				
	Resona Bank, Ltd.	-	450,000	-	450,000				
	Mizuho Bank, Ltd.	-	400,000	-	400,000				
	Development Bank of Japan Inc. (Note5)	-	1,500,000	-	1,500,000	0.888	January 31, 2031		
	Sumitomo Mitsui Banking Corporation	-	2,400,000	-	2,400,000	0.535	February 28, 2026		
	MUFG Bank, Ltd.	-	1,600,000	-	1,600,000				
	Sumitomo Mitsui Trust Bank, Ltd.	-	550,000	-	550,000				
	Resona Bank, Ltd.	-	500,000	-	500,000				
	Aozora Bank, Ltd.	-	500,000	-	500,000				
	Mizuho Bank, Ltd.	-	350,000	-	350,000				
	Mizuho Trust & Banking Co., Ltd.	-	300,000	-	300,000				
	Sub Total	74,650,000	13,200,000	-	87,850,000				
	Total	104,800,000	15,950,000	15,950,000	104,800,000				

Note 1: All debts except for the following Note 5 are borrowings at a floating rate.

Note 2: Average interest rates are the weighted average during the period and figures are rounded to the nearest third decimal place. Also, with regard to borrowings for which interest rate swap transactions were implemented in order to hedge the interest rate volatility risk, the weighted average interest rates taking into consideration the effects of the interest rate swaps are indicated.

Note 3: All the repayment methods of debt financing are lump-sum repayments on the due date.

Note 4: All debts were used as the funds for acquiring real estate properties or trust beneficiary interest in real estate (additional expenses are included) and repayment of debts.

Note 5: Borrowings at a fixed rate.

Note 6: Borrowings are listed in the current portion of long-term loans payable from the fiscal period under review, listed in long-term loans payable in the previous fiscal period.