

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED MARCH 31, 2020 (REIT)
(October 1, 2019 to March 31, 2020)

May 18, 2020

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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 Preparing presentation material: Yes
 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, 2020(October 1, 2019 to March 31, 2020)**(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, 2020	8,291	-3.7	4,101	5.7	3,499	6.4	3,498	6.4
September 30, 2019	8,609	2.3	3,879	-0.1	3,288	0.1	3,287	0.1

Fiscal period ended	Net income per unit	Return on net assets	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
March 31, 2020	6,568	2.9	1.4	42.2
September 30, 2019	6,476	2.8	1.4	38.2

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
	Yen	Yen	Yen	Millions of Yen	Millions of Yen	Millions of Yen		
March 31, 2020	6,535	6,525	10	3,503	3,498	5	100.0	2.8
September 30, 2019	6,486	6,242	244	3,292	3,169	123	96.4	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 100.2% for the fiscal period ended September 30, 2019 and 100.2% for the fiscal period ended March 31, 2020 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, 2020	249,246	124,450	49.9	232,107
September 30, 2019	236,253	116,386	49.3	229,242

(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, 2020	3,829	-25,584	9,246	18,810
September 30, 2019	22,401	-7,242	-3,288	31,319

This is an English-language translation of the original Japanese announcement on our website released on May 18, 2020. 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 MARCH 31, 2020 (October 1, 2019 to March 31, 2020) AND SEPTEMBER 30, 2020 (April 1, 2020 to September 30, 2020)

(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	%	Yen	%	Yen	Yen	Yen
September 30, 2020	7,857	-5.2	3,547	-13.5	2,966	-15.2	2,965	-15.2	5,530	10	5,540
March 31, 2021	8,268	5.2	4,032	13.7	3,454	16.4	3,453	16.4	6,440	10	6,450

Reference: Forecasted net income per unit (Forecasted net income / Forecasted average number of investment units during the period)
5,530 yen for the fiscal period ending September 30, 2020 and 6,440 yen for the fiscal period ending March 31, 2021

Note: Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 536,177 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, 2020: 536,177 units

As of September 30, 2019: 507,700 units

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

As of March 31, 2020: 0 units

As of September 30, 2019: 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, 2020 and March 31, 2021" on page 8 for calculation, and our judgment as of March 31, 2020. 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, 2020 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., a leading, independent real estate asset management company, 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 kilometer radius (and generally, a three to five kilometer 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

The Japanese economy slowed down during the fiscal year under review, affected by the consumption tax hike in October 2019. In addition, economic activity slowed down sharply due to the spread of novel coronavirus (COVID-19).

The financial conditions have remained extremely unstable due to the spread of COVID-19. Interest rates in Japan remained low and stable on the backdrop of the strengthening of easing policy by the Bank of Japan, monetary easing policies by the U.S. monetary authorities, and the unstable global markets.

Under these conditions, active real estate transactions continued in the real estate sales market against the backdrop of accommodative monetary policy, but the outlook remains uncertain due to the spread of COVID-19. In addition, although J-REIT performed well in the fiscal year under review with the TSE REIT Index reaching a 12-year high, it fell sharply due to the spread of COVID-19.

iii) Management Performance

(A) Acquisition of Assets

KRR acquired eight assets (Gyoda Distribution Center with acquisition price (Note 1) of 3,160 million yen, Monenosato Mall with acquisition price of 2,410 million yen, Chofu Center Building (Retail wing) with acquisition price of 2,300 million yen, Across Plaza Urayasu Higashino (Land) with acquisition price of 2,248 million yen, Apita Terrace Yokohama Tsunashima (51% trust beneficiary quasico-ownership interest) with acquisition price of 5,899 million yen, Kalsa Hiratsuka with acquisition price of 5,980 million yen, Valor Nakashidami (Land) with acquisition price of 2,551 million yen and Shinjuku Nishiochiai Distribution Center with acquisition price of 810 million yen). KRR disposed of one asset (Welcia Kishiwadakamori (Land) with sale price of 560 million yen (acquisition price was 487 million yen)).

As a result, the portfolio at the end of the period under review (March 31, 2020) consists 62 properties with the total acquisition price of 225,810 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.

(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, 2020). 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, a portion of the rent includes sales-linked rent to explore the upside potential (Note 1) for rental income. 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 99.4%. Furthermore, the portfolio is diversified in terms of tenants as there are 496 end-tenants (Note 2) in KRR's retail properties and distribution centers.

Note 1: "Upside potential" represents feasibility of rental income or cash flow growth.

Note 2: 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 4,800 million yen for the acquisition of properties and 12,490 million yen for refinancing. Consequently, borrowings totaled 103,900 million yen and interest-bearing debt including investment corporation bonds (excluding interest-bearing tenant leasehold and security deposits) totaled 110,900 million yen at the end of the fiscal period under review (September 30, 2019).

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 4.5 years, the weighted average interest rate is 0.99%, the long-term debt ratio (Note 1) is 96.9% and the LTV ratio (Note 2) is 44.5%.

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, 2020 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, 2018. Details are as follows.

Planned issue amount	100,000,000,000 yen
Planned issuance period	October 9, 2018 to October 8, 2020
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 8,291 million yen, operating income was 4,101 million yen, ordinary income was 3,499 million yen and net income was 3,498 million yen.

Furthermore, in accordance with the distribution policy in the KRR Articles of Incorporation, KRR made a distribution (excluding excess of earnings) of 3,498,554,925 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 6,525 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 6,535 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 and unstable trends in financial markets due to the spread of COVID-19.

As for Japan's retail environment, even in an environment marked by the spread of COVID-19, specialty stores such as supermarkets and drugstores that meet the diversified tastes of consumers are expected to perform well. On the other hand, due to the spread of COVID-19 and stay-at-home requests in accordance with the state of emergency declaration in Japan, it is necessary to pay attention to the conditions of service-oriented tenants and stores handling non-daily necessities.

In the real estate market, uncertainty is rising due to a worsening business sentiment caused by the spread of COVID-19. In addition, investors should especially keep in mind the risk of changes in banks' lending attitude towards real estate sector, as amount of banks' outstanding loans towards real estate sector reached new highs.

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., Nippon Commercial Development Co., Ltd., P&D Consulting Co., Ltd., and ITOCHU Corporation. 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 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

Not applicable

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

KRR acquired following assets.

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-30	SM	Comfort Market Nishi-Magome	Ota ward, Tokyo	Undisclosed (Note 2)	1,920	2,000	April 15, 2020

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, 2020

(B) Disposition of Assets

KRR has contracted a purchase and sale agreement on March 31, 2020 to dispose of the following asset.

Property number	Property type	Property name	Location	Buyer	Sale price (million yen) (Note 2)	Sale date
N-5	SS	K's Denki Shin-Moriyama (Land) (Note 1)	Moriyama-ku, Nagoya, Aichi	Nippon Commercial Development Co., Ltd.	1,527	September 30, 2020

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: "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.

(C) Investment Corporation Bonds

KRR decided to issue investment corporation bonds adopted at the board of directors' meeting held on September 26, 2019 and the payment was completed on April 30, 2020. The details are as follows.

Name of investment corporation bonds	Kenedix Retail REIT Corporation 6th Series Unsecured Investment Corporation Bonds (Ranking <i>pari passu</i> among the specified investment corporation bonds and small private placement with restrictions on splits of denomination of each bond) (the "Investment Corporation Bonds")
Total amount of the bonds	1.0 billion yen
Interest rate	0.400% per annum
Payment date	April 30, 2020
Collateral / Guarantee	No collateral or guarantee is applicable, and no assets are specifically reserved as collateral for the Investment Corporation Bonds.
Redemption method and maturity	April 30, 2025 The Investment Corporation Bonds may be purchased and cancelled at any time after the payment date, except for the case of service regulations and other rules that the statutory or depository otherwise stipulates. If the maturity date of the Investment Corporation Bonds falls on the bank holiday, the payment will be brought forward to the previous bank business day.
Ratings	Not acquired
Fiscal agent, issuing agent and paying agent	MUFG Bank, Ltd.
Use of funds	Total amount raised (approximate net balance) was 993 million yen. It was used for partial prepayment of borrowings, which was borrowed on April 15, 2020.

ii) Earnings Forecasts

For the fiscal period ending September 30, 2020 (from April 1, 2020 to September 30, 2020) and the fiscal period ending March 31, 2021 (from October 1, 2020 to March 31, 2021), the earnings forecasts are estimated as set forth below.

Fiscal period ending September 30, 2020

Operating revenues	7,857 million yen
Operating Income	3,547 million yen
Ordinary income	2,966 million yen
Net Income	2,965 million yen
Distributions per unit	5,540 yen
Of the above, distributions in excess of earnings	10 yen

Fiscal period ending March 31, 2021

Operating revenues	8,268 million yen
Operating Income	4,032 million yen
Ordinary income	3,454 million yen
Net Income	3,453 million yen
Distributions per unit	6,450 yen
Of the above, distributions in excess of earnings	10 yen

Please refer to “Assumptions for the Earnings Forecasts for the Fiscal Periods Ending September 30, 2020 and March 31, 2021” set forth below for information on current assumptions for the forecasts of operating results.

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, 2020 and March 31, 2021

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • The 11th fiscal period: April 1, 2020 to September 30, 2020 (183 days) • The 12th fiscal period: October 1, 2020 to March 31, 2021 (182 days)
Property portfolio	<ul style="list-style-type: none"> • Earnings forecasts for the fiscal period ending September 30, 2020 are based on 63 properties (as of the end of the fiscal period) which consist of properties and trust beneficiary interest (62 properties in total) owned by KRR as of March 31, 2020 (“the Owned Assets”) and Comfort Market Nishi-Magome acquired on April 15, 2020 (“the Acquired Asset”). Earnings forecasts for the fiscal period ending March 31, 2021 are based on 62 properties, excluding K’s Denki Shin-Moriyama (Land) planned to be disposed of on September 30, 2020 (“the Disposing Asset”). • 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 from the Owned Assets are based on the leasing agreements as of March 31, 2020, and other factors, including expectations based on market trends. • Operating revenues from the Acquired Asset 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 123 million yen is assumed for the fiscal period ending September 30, 2020 by disposing K’s Denki Shin-Moriyama (Land). • Due to the effects of the spread of COVID-19, negative impact of 645 million yen and 52 million yen is assumed in FP ending September 30, 2020 (11th fiscal period) and in FP ending March 31, 2021 (12th fiscal period), respectively, as a certain risk, taking into account current discussions with tenants on temporary rent reductions/deferrals. • 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 1,046 million yen, and 1,060 million yen are assumed for the fiscal periods ending September 30, 2020 and March 31, 2021, respectively, using the straight-line depreciation method. • Property-related taxes are assumed at 741 million yen and 740 million yen for the fiscal periods ending September 30, 2020 and March 31, 2021, 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

Item	Assumptions
	<p>acquired.</p> <ul style="list-style-type: none"> 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 7 million yen and 7 million yen for the fiscal periods ending September 30, 2020 and March 31, 2021. 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, 573 million yen and 570 million yen are expected for the fiscal periods ending September 30, 2020 and March 31, 2021, respectively.
Borrowings and investment corporation bonds	<ul style="list-style-type: none"> As of today, KRR has an outstanding balance of 104,800 million yen in borrowings and 8,000 million yen in investment corporation bonds. LTV ratios at the end of the period ending September 30, 2020 and March 31, 2021 are estimated to be approximately 45.0% (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 536,177 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, 2021.
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, 2020 and March 31, 2021. 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 deprecation 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 10 yen per unit in each period ending September 30, 2020 and March 31, 2021.
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

The following changes have been made to the “Investment Risks” in the most recent Securities Registration Statement (submitted on December 26, 2019; prepared in Japanese only). Changes are marked as underlined.

(1) Risk factors

(omitted)

4. Risks associated with real estate and trust beneficiary interests

(omitted)

(i) Risks associated with faults, defects and boundaries of real estate

There is a possibility that there are faults, defects (inadequacies in the type, quantity, performance, properties or quality of property, etc. due to insufficient or inappropriate contracts, etc., including hidden ones) in the rights of real estate, conditions of land, and structure, design and construction of buildings, such as piles and beams of buildings, due to various factors such as the existence of the rights of a third party, malfunctions in the construction of buildings, the conversion of data used in the construction of buildings and other inappropriate uses, and the formation of land, etc. In addition, since various laws and regulations are applied to real estate, a state of violation of laws and regulations may be considered a defect. When the Asset Management Company makes decisions on the selection and acquisition of real estate, the Asset Management Company properly implements the prescribed procedures required by the Building Standards Law and other administrative laws and regulations, and conducts a thorough examination of the property, such as obtaining a building status assessment report from a specialist contractor, to determine whether or not there are any defects in the current status of the building, such as violations of laws and regulations. However, even for real estate that has undergone the prescribed procedures required by administrative laws such as the Building Standards Law, the appropriateness of building materials and construction is not guaranteed, and there is no guarantee that the real estate has the safety and structural strength required by the relevant administrative laws and regulations. In addition, it is difficult to verify ex post facto whether the prescribed procedures required by administrative laws such as the Building Standards Law have been appropriate or not because it is necessary to obtain materials at the time of the relevant procedures and construction, etc. Therefore, such deficiencies and defects may become evident after the acquisition of the Investment Corporation. Furthermore, the Investment Corporation may acquire properties for which the boundary has not yet been established, after examining the possibility of disputes and their impact on operations. However, contrary to the Investment Corporation’s assumptions, it may adversely affect the Investment Corporation's profits, if the Investment Corporation is involved in disputes with neighboring lands, or if the lands indispensable for the management of assets under management in the process of determining the boundary (including land required to meet the laws and regulations, etc.) are included in the ownership of neighboring landowners, or if there is a more limited impact on investment.

Depending on the circumstances, the Investment Corporation may require the former owner or the beneficiary of the former trust to make representations and warranties on certain matters and to assume liability for defect liability or non-compliance with the contract. Even if the Investment Corporation is able to pursue liability for damages or for defect liability or non-compliance with the contract on the grounds that such representations and warranties were not true, the period and amount of liability for such liability are usually limited to a certain extent, and the former owner or the beneficiary of the former trust may be dissolved or become insolvent and therefore ineffective.

In such cases, depending on the degree of the fault or defect, there is a possibility that the necessary expenses for repairing the defect, rebuilding the building, and other measures to prevent the value of the real estate from declining, and the Investment Corporation, the owner of the real estate, may be forced to bear the expenses, which may cause damage to the investors and the creditors of the Investment Corporation.

In addition, the buyer may not acquire any rights relating to the real estate even if the buyer believes that such rights are entered in the real estate registry. Furthermore, not only matters related to rights, but also matters related to the presentation of real estate in the real estate registration book may not match the current situation. In such cases, as in the case described above, the Investment Corporation will pursue responsible to the extent that it is possible under the law or contracts with the seller, etc., but there is no guarantee that such liability will be effective.

(ii) Liability risks associated with the sale of real estate

In the event the Investment Corporation sells real estate, the Investment Corporation will be deemed to be a real estate broker under the Building Lots and Buildings Transaction Business Act (Act No. 176 of 1952, as amended) (hereinafter referred to as the “Building Lots and Buildings Transaction Business Act”). Therefore, under the act, except where the other party to the sale is a real estate broker, the Investment Corporation is restricted from making any special agreements against the buyer with respect to the liability for defect liability and non-compliance with the contract in the sales contract for the real estate. Therefore, when the Investment Corporation sells real estate, it may be forced to bear the expenses associated with repairing defects, rebuilding the buildings, or otherwise dealing with the real estate sold, and this may cause damage to the investors or the creditors of the Investment Corporation.

In addition, due to the complexity of rights and obligations related to real estate, it may later become apparent that rights relating to real

estate are subject to restrictions due to the rights of third parties or administrative laws, etc. or that they infringe the rights of third parties. As a result, the Investment Corporation's profits, etc. may be adversely affected. Furthermore, depending on the shape and use of the property, the existence or use of the property may cause infringement of the rights of a third party who is not intentional. In addition, when selling rental real estate, it is assumed that the new owner will succeed the obligation to refund the security deposit to the lessee. Practically, however, if the former owner does not have the lessee's consent to relieve the former owner of the said obligation, it is possible that the former owner will continue to bear the said obligation together with the new owner, and it is possible that the former owner will bear unexpected obligations or obligations.

(omitted)

(iv) Risk of damage, loss or deterioration of buildings due to disasters, etc.

Fires, earthquakes, tsunamis, storms, floods, lightning, tornado, wars, riots, riots, civil unrest, terrorism, etc. ("Disasters, etc.") could destroy, degrade or damage real estate and affect its value. In such cases, property owners or investment corporation creditors may be damaged as a result of a decrease in rent income or a decline in the value of the property due to the inefficiency of the building for a certain period of time resulting from the repair of damaged, degraded or damaged locations or from the shutdown of infrastructure facilities such as electricity and water essential to real estate. In the event the insurance contract is not concluded due to the individual circumstances of the real estate, in the event of any damage exceeding the upper limit of the amount to be paid under the insurance contract, in the event of any accident not covered under the insurance contract, or in the event the payment by the insurance company under the insurance contract is not made or is reduced or delayed for any other reason, it may adversely affect the earnings, etc. of the Investment Corporation and cause damage to the Investors or creditors of the Investment Corporation.

(omitted)

(xxii) Inherent risks of holding real estate in the form of a beneficial interest in a trust

The Investment Corporation may acquire real estate in the form of beneficial interests in the trust.

It is for the beneficiary that the trustee owns and manages real estate, leasehold rights, superficial rights, or servicemen rights as trust assets, and the economic profits and losses are ultimately attributed entirely to the beneficiary. Accordingly, the Investment Corporation bears approximately the same risks as when the assets under management are real estate through the trustee in connection with the holding of beneficiary interests in the trust.

When transferring a beneficial interest in a trust under a trust agreement, it is normally required to obtain the approval of the trustee. Furthermore, the beneficial interest of a trust in which real estate, right of lease of real estate, superficies or easement is entrusted does not have the nature of securities under private law unless it is a beneficiary certificate of a trust for which beneficiary securities have been issued. Therefore, it is transferred by the same method as the transfer of claims, and there is no liquidity such as securities.

Under the Trust Act (Act No. 62 of 1922; including subsequent revisions, but prior to the revision by the Act on Preparation, Etc. of Relevant Laws Accompanying the Enforcement of the Trust Act (Act No. 109 of 2006)) and the Trust Act (Act No. 108 of 2006; including subsequent revisions), in order to assert against a third party, such as a bankruptcy trustee, that the real property subject to the beneficial interest in the trust is the trust property, it is necessary to register the establishment of the trust with the real property in trust, and if such registration is not satisfied, the Investment Corporation may not be able to assert against a third party that the real property is the subject of the beneficial interest in the trust.

In addition, in the event that a trustee of trust assets disposes of real estate that is trust assets contrary to the purpose of the trust, or incurs some sort of liability as a provision for real estate that is trust assets, there is a possibility that the Investment Corporation, which owns beneficiary interests in trusts for real estate, may suffer unexpected damage.

Furthermore, in cases where the initial settlor assumes certain liability for faults or defects in the trust property that had already existed at the time of the commencement of the trust under the trust agreement, such as a certain defect warranty liability or liability for non-compliance with the contract, the trustee of the trust property may fail or fail to properly pursue such defect warranty liability or liability for non-compliance with the contract, and as a result, the Investment Corporation may suffer unexpected damage and cause damage to the Investors or creditors of the Investment Corporation.

(omitted)

6. Others

(omitted)

(vi) Risk of being affected by the spread of novel coronavirus (COVID-19)

Due to such factors as the government's declaration of a state of emergency and the implementation of emergency measures, requests, and other measures by local governments, the spread of COVID-19 in Japan and overseas may cause additional costs and other burdens to be incurred for real estate under management, as it impedes the normal operation and management of the real estate, or forces or restricts the operation of the real estate for a certain period of time. As a result, rent income may decrease, or the income and expenditure of the real estate may deteriorate, or the value of the real estate may decline. As a result, the investors or the creditors of the investment corporation may be damaged.

2. Financial Statements

(1) Balance Sheets

(in thousands of yen)

	Ninth Fiscal Period (As of September 30, 2019)	Tenth Fiscal Period (As of March 31, 2020)
Assets		
Current assets		
Cash and deposits	18,599,690	6,125,619
Cash and deposits in trust	12,974,943	12,924,521
Operating accounts receivable	230,017	166,961
Prepaid expenses	137,034	32,902
Consumption taxes receivable	-	863,462
Other	25,002	1,907
Total current assets	31,966,688	20,115,374
Non-current assets		
Property, plant and equipment		
Buildings	692,529	735,397
Accumulated depreciation	(14,554)	(29,574)
Buildings, net	677,974	705,823
Structures	37,947	38,751
Accumulated depreciation	(969)	(1,954)
Structures, net	36,978	36,796
Land	2,115,355	2,951,386
Construction in progress	-	5,062
Buildings in trust	53,995,091	60,239,912
Accumulated depreciation	(5,698,859)	(6,621,134)
Buildings in trust, net	*1 48,296,231	53,618,778
Structures in trust	3,055,215	3,419,821
Accumulated depreciation	(410,820)	(474,705)
Structures in trust, net	*1 2,644,394	2,945,115
Machinery and equipment in trust	220,898	220,898
Accumulated depreciation	(33,189)	(39,592)
Machinery and equipment in trust, net	187,709	181,305
Tools, furniture and fixtures in trust	127,382	147,539
Accumulated depreciation	(29,146)	(40,505)
Tools, furniture and fixtures in trust, net	98,235	107,034
Land in trust	*1 144,794,027	163,155,870
Construction in progress in trust	-	4,115
Total property, plant and equipment, net	198,850,906	223,711,288
Intangible assets		
Leasehold right in trust	4,312,783	4,308,804
Other	7,811	9,937
Total intangible assets	4,320,594	4,318,742
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	60,256	60,236
Long-term prepaid expenses	825,953	830,025
Long-term deposits	157,110	117,110
Other	2,352	8,339
Total investments and other assets	1,055,672	1,025,711
Total non-current assets	204,227,173	229,055,742
Deferred assets		
Organization costs	55	-
Investment corporation bond issuance costs	40,329	36,615
Investment unit issuance costs	19,253	38,633
Total deferred assets	59,638	75,248
Total assets	236,253,500	249,246,364

(in thousands of yen)

	Ninth Fiscal Period (As of September 30, 2019)	Tenth Fiscal Period (As of March 31, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	951,647	692,883
Short-term loans payable	4,070,000	3,450,000
Current portion of long-term loans payable	9,120,000	13,200,000
Accounts payable-other	541,163	463,187
Accrued expenses	24,019	32,558
Income taxes payable	1,108	956
Accrued consumption taxes	556,438	120,675
Advances received	1,193,590	1,266,351
Deposits received	71,404	20,626
Total current liabilities	16,529,373	19,247,239
Non-current liabilities		
Investment corporation bonds	7,000,000	7,000,000
Long-term loans payable	85,910,000	87,250,000
Tenant leasehold and security deposits	128,623	148,083
Tenant leasehold and security deposits in trust	*1 9,958,139	10,878,319
Asset retirement obligations	24,077	24,229
Other	316,840	247,638
Total non-current liabilities	103,337,680	105,548,270
Total liabilities	119,867,054	124,795,509
Net assets		
Unitholders' equity		
Unitholders' capital	113,399,022	121,183,494
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (181,865)	(305,743)
Total deduction from unitholders' capital	(181,865)	(305,743)
Unitholders' capital, net	113,217,156	120,877,750
Surplus		
Unappropriated retained earnings	3,455,496	3,784,993
Total surplus	3,455,496	3,784,993
Total unitholders' equity	116,672,653	124,662,744
Valuation and translation adjustments		
Deferred gains or losses on hedges	(286,206)	(211,889)
Total valuation and translation adjustments	(286,206)	(211,889)
Total net assets	*4 116,386,446	124,450,854
Total liabilities and net assets	236,253,500	249,246,364

(2) Statements of Income and Retained Earnings

		(in thousands of yen)	
		Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)	Tenth Fiscal Period (From October 1, 2019 to March 31, 2020)
Operating revenues			
Rent revenue-real estate	*1	7,129,860	7,238,807
Other lease business revenue	*1	1,237,149	996,119
Gain on sale of real estate property	*2	242,514	56,596
Total operating revenues		8,609,524	8,291,523
Operating expenses			
Expenses related to rent business	*1	3,891,696	3,359,716
Asset management fees		674,397	685,500
Asset custody fees		9,699	9,643
Administrative service fees		30,904	32,189
Directors' compensation		4,500	4,500
Other operating expenses		118,687	98,176
Total operating expenses		4,729,884	4,189,726
Operating income		3,879,639	4,101,796
Non-operating income			
Interest income		58	57
Dividends and redemption-prescription		722	565
Total non-operating income		780	622
Non-operating expenses			
Interest expenses		449,454	453,558
Interest expenses on investment corporation bonds		19,538	19,671
Financing-related expenses		94,397	98,913
Amortization of organization costs		5,066	55
Amortization of investment corporation bond issuance costs		3,714	3,714
Amortization of investment unit issuance costs		19,253	26,980
Total non-operating expenses		591,425	602,893
Ordinary income		3,288,995	3,499,525
Income before income taxes		3,288,995	3,499,525
Income taxes			
Current		1,117	965
Total income taxes		1,117	965
Net income		3,287,877	3,498,560
Retained earnings brought forward		167,619	286,433
Unappropriated retained earnings		3,455,496	3,784,993

(3) Statements of Changes in Net Assets

Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)

(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		
Balance at the beginning of the period	113,399,022	(9,754)	113,389,267	3,283,881	3,283,881	116,673,148	
Changes of items during the period							
Dividends from surplus				(3,116,262)	(3,116,262)	(3,116,262)	
Dividend in excess of earnings from allowance for temporary difference adjustment		(172,110)	(172,110)			(172,110)	
Net income				3,287,877	3,287,877	3,287,877	
Net changes of items other than unitholder's equity							
Total changes of items during the period	-	(172,110)	(172,110)	171,614	171,614	(495)	
Balance at the end of the period	*1 113,399,022	(181,865)	113,217,156	3,455,496	3,455,496	116,672,653	

	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	(167,579)	(167,579)	116,505,569
Changes of items during the period			
Dividends from surplus			(3,116,262)
Dividend in excess of earnings from allowance for temporary difference adjustment			(172,110)
Net income			3,287,877
Net changes of items other than unitholder's equity	(118,627)	(118,627)	(118,627)
Total changes of items during the period	(118,627)	(118,627)	(119,122)
Balance at the end of the period	(286,206)	(286,206)	116,386,446

Tenth Fiscal Period (From October 1, 2019 to March 31, 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	113,399,022	(181,865)	(181,865)	113,217,156	3,455,496	3,455,496	116,672,653
Changes of items during the period							
Issuance of new investment units	7,784,472			7,784,472			7,784,472
Dividends from surplus					(3,169,063)	(3,169,063)	(3,169,063)
Dividend in excess of earnings from allowance for temporary difference adjustment		(123,878)	(123,878)	(123,878)			(123,878)
Net income					3,498,560	3,498,560	3,498,560
Net changes of items other than unitholder's equity							
Total changes of items during the period	7,784,472	(123,878)	(123,878)	7,660,593	329,496	329,496	7,990,090
Balance at the end of the period	*1 121,183,494	(305,743)	(305,743)	120,877,750	3,784,993	3,784,993	124,662,744

	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	(286,206)	(286,206)	116,386,446
Changes of items during the period			
Issuance of new investment units			7,784,472
Dividends from surplus			(3,169,063)
Dividend in excess of earnings from allowance for temporary difference adjustment			(123,878)
Net income			3,498,560
Net changes of items other than unitholder's equity	74,317	74,317	74,317
Total changes of items during the period	74,317	74,317	8,064,408
Balance at the end of the period	(211,889)	(211,889)	124,450,854

(4) Statements of Cash Distributions

(in yen)

	Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)	Tenth Fiscal Period (From October 1, 2019 to March 31, 2020)
I. Retained earnings at the end of period	3,455,496,659	3,784,993,657
II. Distributions in excess of earnings	123,878,800	5,361,770
Of which, allowance for temporary difference adjustments	123,878,800	5,361,770
III. Incorporation into unitholders' capital	-	74,317,226
Of which, reversal of allowance for temporary difference adjustments	-	74,317,226
IV. Total distributions	3,292,942,200	3,503,916,695
Distributions per unit	6,486	6,535
Of which, distributions of earnings	3,169,063,400	3,498,554,925
Of which, distributions of earnings per unit	6,242	6,525
Of which, allowance for temporary difference adjustments	123,878,800	5,361,770
Of which, distributions in excess of earnings per unit (allowance for temporary difference adjustments)	244	10
V. Retained earnings brought forward to the next period	286,433,259	212,121,506
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 ¥3,169,063,400 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 ¥123,878,800 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 ¥3,498,554,925 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)	
	Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)	Tenth Fiscal Period (From October 1, 2019 to March 31, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	3,288,995	3,499,525
Depreciation and amortization	1,020,517	1,025,511
Amortization of organization costs	5,066	55
Amortization of investment corporation bond issuance costs	3,714	3,714
Amortization of investment unit issuance costs	19,253	26,980
Interest income	(58)	(57)
Interest expenses	468,993	473,230
Decrease (increase) in operating accounts receivable	(16,802)	63,055
Decrease (increase) in consumption taxes receivable	-	(863,462)
Decrease (increase) in prepaid expenses	(105,726)	104,132
Increase (decrease) in operating accounts payable	9,399	(101,513)
Increase (decrease) in accounts payable-other	85,880	(56,055)
Increase (decrease) in accrued consumption taxes	373,363	(435,763)
Increase (decrease) in advances received	39,037	72,761
Increase (decrease) in deposits received	(11,587)	(50,778)
Decrease (increase) in long-term prepaid expenses	65,552	(4,072)
Increase (decrease) in long-term deposits received	-	40,000
Decrease in net property, plant and equipment held in trust due to sale	17,624,357	497,568
Other	5,485	(65)
Subtotal	22,875,441	4,294,767
Interest income received	58	57
Interest expenses paid	(472,583)	(464,671)
Income taxes paid	(1,027)	(1,117)
Net cash provided by (used in) operating activities	22,401,889	3,829,978
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(2,845,831)	(884,765)
Purchase of property, plant and equipment in trust	(3,501,983)	(25,672,644)
Purchase of intangible assets	(2,500)	(3,580)
Proceeds from for lease and guarantee deposits in trust	-	20
Proceeds from tenant leasehold and security deposits	128,623	19,460
Repayments of tenant leasehold and security deposits in trust	(2,824,940)	(151,208)
Proceeds from tenant leasehold and security deposits in trust	384,497	1,093,091
Proceeds from restricted bank deposits in trust	1,419,737	15,000
Net cash provided by (used in) investing activities	(7,242,397)	(25,584,626)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	1,320,000	2,750,000
Decrease in short-term loans payable	-	(3,370,000)
Proceeds from long-term loans payable	5,690,000	14,540,000
Repayments of long-term loans payable	(7,010,000)	(9,120,000)
Proceeds from issuance of investment units	-	7,738,113
Dividends paid	(3,288,016)	(3,292,016)
Net cash provided by (used in) financing activities	(3,288,016)	9,246,096
Net increase (decrease) in cash and cash equivalents	11,871,475	(12,509,493)
Cash and cash equivalents at the beginning of the period	19,448,158	31,319,634
Cash and cash equivalents at the end of the period	*1 31,319,634	18,810,140

(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) Organization costs Organization costs are amortized over a period of 5 years under the straight-line method.</p> <p>(2) Investment unit issuance costs Investment unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> <p>(3) 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.</p> <p>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 20,564 thousand yen and 32,362 thousand yen as of September 30, 2019 and March 31, 2020, 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.</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, 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>(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>

(Additional Information)

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

Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)

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	5,251
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	118,627

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.

Tenth Fiscal Period (From October 1, 2019 to March 31, 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	5,361

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	74,317

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	Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
Buildings in trust	652,282	668,630
Structures in trust	25,193	23,989
Land in trust	2,709,001	2,709,001
Total	3,386,476	3,401,621
Secured liabilities	Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
Tenant leasehold and security deposits in trust	482,562	460,565
Total	482,562	460,565

2. Commitment line contracts

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

(in thousands of yen)

	Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
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

Ninth Fiscal Period (As of September 30, 2019)

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	14,324	9,754	4,569	-	14,324	-

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Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	167,541	-	167,541	-	167,541	-
Total		181,865	9,754	172,110	-	181,865	-

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.

Tenth Fiscal Period (As of March 31, 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	19,575	14,324	5,251	-	19,575	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	286,168	167,541	118,627	-	286,168	-
Total		305,743	181,865	123,878	-	305,743	-

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)

Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
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)

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
A. Rental and other operating revenues:		
Rent revenue-real estate:		
Rental revenues	5,906,675	5,957,213
Rental revenues from limited proprietary rights of land	929,686	1,014,174
Common area charges	293,498	267,419
Subtotal	7,129,860	7,238,807
Other lease business revenue:		
Parking space rental revenues	196,389	204,170
Utility charge reimbursement	686,217	529,178
Miscellaneous	354,542	262,770
Subtotal	1,237,149	996,119
Total rental and other operating revenues	8,367,009	8,234,927
B. Property-related expenses:		
Expenses related to rent business:		
Property management fees and facility management fees	812,506	675,050
Utilities	651,605	495,587

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Taxes	736,890	629,029
Repairs and maintenance	296,687	208,221
Insurance	12,880	13,470
Trust fees	23,026	23,926
Depreciation	1,019,546	1,024,057
Others	338,551	290,373
Total property-related expenses	3,891,696	3,359,716
C. Net operating income from real estate rental business (A-B)	4,475,313	4,875,211

*** 2. Gain on sale of real estate property**

Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)

(in thousands of yen)

Solala Plaza (51% quasi co-ownership interests)		
Revenue from sale of real estate property	3,049,800	
Cost of real estate property	2,827,727	
Other sales expenses	20,455	
Gain on sale of real estate property	201,616	

(in thousands of yen)

Fululu Garden Yachiyo		
Revenue from sale of real estate property	15,200,000	
Cost of real estate property	14,796,629	
Other sales expenses	362,472	
Gain on sale of real estate property	40,898	

Tenth Fiscal Period (From October 1, 2019 to March 31, 2020)

(in thousands of yen)

Welcia Kishiwadakamori (Land)		
Revenue from sale of real estate property	560,000	
Cost of real estate property	497,568	
Other sales expenses	5,835	
Gain on sale of real estate property	56,596	

(Notes to Statements of Changes in Net Assets)

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

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	507,700 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)

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Cash and deposits	18,599,690	6,125,619
Cash and deposits in trust	12,974,943	12,924,521
Restricted bank deposits in trust (Note)	(255,000)	(240,000)
Cash and cash equivalents	31,319,634	18,810,140

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)

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Due within 1 year	10,500	10,500
Due after 1 year	172,798	167,548
Total	183,298	178,048

Operating lease transactions (Lessor)

Future minimum lease income

	(in thousands of yen)	
	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Due within 1 year	8,850,474	9,818,120
Due after 1 year	53,231,922	59,381,345
Total	62,082,397	69,199,466

(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 7 month for loans payable and also have a redemption date of a maximum of 8 years and 1 month for investment corporation bonds as of March 31, 2020, the end of the tenth 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).

Ninth Fiscal Period

As of September 30, 2019

	(in thousands of yen)		
	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	18,599,690	18,599,690	-
(2) Cash and deposits in trust	12,974,943	12,974,943	-
Total	31,574,634	31,574,634	-
(1) Short-term loans payable	4,070,000	4,070,000	-
(2) Current portion of long-term loans payable	9,120,000	9,115,112	(4,887)
(3) Investment corporation bonds	7,000,000	7,084,100	84,100
(4) Long-term loans payable	85,910,000	86,818,747	908,747

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(5) Tenant leasehold and security deposits in trust	777,358	758,152	(19,206)
Total	106,877,358	107,846,112	968,753
Derivative transactions	(286,206)	(286,206)	-

*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.

Tenth Fiscal Period
As of March 31, 2020

(in thousands of yen)

	Carrying amount	Estimated fair value	Difference
(1) Cash and deposits	6,125,619	6,125,619	-
(2) Cash and deposits in trust	12,924,521	12,924,521	-
Total	19,050,140	19,050,140	-
(1) Short-term loans payable	3,450,000	3,450,000	-
(2) Current portion of long-term loans payable	13,200,000	13,223,248	23,248
(3) Investment corporation bonds	700,000,000	7,003,600	3,600
(4) Long-term loans payable	87,250,000	87,807,444	557,444
(5) Tenant leasehold and security deposits in trust	853,538	828,393	(25,145)
Total	111,753,538	112,312,685	559,147
Derivative transactions	(211,889)	(211,889)	-

*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 long-term loans payable and (4) 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.)

(3) Investment corporation bonds

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

(5) 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	Ninth Fiscal Period As of September 30, 2019
Tenant leasehold and security deposits (*)	128,623
Tenant leasehold and security deposits in trust (*)	9,180,780
Total	9,309,403

(*) 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	Tenth Fiscal Period As of March 31, 2020
Tenant leasehold and security deposits (*)	148,083
Tenant leasehold and security deposits in trust (*)	10,024,780
Total	10,172,863

(*) 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

Ninth Fiscal Period
As of September 30, 2019

(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	18,599,690	-	-	-	-	-
Cash and deposits in trust	12,974,943	-	-	-	-	-
Total	31,574,634	-	-	-	-	-

Tenth Fiscal Period
As of March 31, 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	6,125,619	-	-	-	-	-
Cash and deposits in trust	12,924,521	-	-	-	-	-
Total	19,050,140	-	-	-	-	-

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

Ninth Fiscal Period
As of September 30, 2019

(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	4,070,000	-	-	-	-	-
Investment corporation bonds	-	-	2,000,000	-	-	5,000,000
Long-term loans payable	9,120,000	13,300,000	9,050,000	7,500,000	8,990,000	47,070,000
Tenant leasehold and security deposits in trust	13,995	13,995	13,995	13,995	13,995	82,803
Total	13,203,995	13,313,995	11,063,995	7,513,995	9,003,995	52,152,803

Tenth Fiscal Period
As of March 31, 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	3,450,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	1,000,000	-	-	5,000,000
Long-term loans payable	13,200,000	13,300,000	9,050,000	7,500,000	8,810,000	48,590,000
Tenant leasehold and security deposits in trust	13,995	13,995	13,995	13,995	13,995	75,806
Total	16,663,995	14,313,995	10,063,995	7,513,995	8,823,995	53,665,806

(Notes to Derivative Transactions)

(1) Transactions not subject to hedge accounting

Ninth Fiscal Period (As of September 30, 2019) and Tenth Fiscal Period (As of March 31, 2020): Not applicable

(2) Transactions subject to hedge accounting

Ninth Fiscal Period
As of September 30, 2019

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	33,920,000	33,920,000	(286,206)	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	38,900,000	31,900,000	*	-
Total			72,820,000	65,820,000	(286,206)	

*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.)

Tenth Fiscal Period
As of March 31, 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	38,710,000	38,710,000	(211,889)	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			70,610,000	65,110,000	(211,889)	

*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.)

(Notes to the Related-Party Transactions)

- Parent Company, major corporate unitholders and other
Ninth Fiscal Period (From April 1, 2019 to September 30, 2019) and Tenth Fiscal Period (From October 1, 2019 to March 31, 2020): Not applicable
- Affiliated companies and other
Ninth Fiscal Period (From April 1, 2019 to September 30, 2019) and Tenth Fiscal Period (From October 1, 2019 to March 31, 2020): Not applicable
- Fellow subsidiary companies and other
Ninth Fiscal Period (From April 1, 2019 to September 30, 2019) and Tenth Fiscal Period (From October 1, 2019 to March 31, 2020): Not applicable
- Directors, major individual unitholders and other
Ninth Fiscal Period (From April 1, 2019 to September 30, 2019) and Tenth Fiscal Period (From October 1, 2019 to March 31, 2020): Not applicable

(Notes to the Tax-Effect Accounting)

- The significant components of deferred tax assets and liabilities:

	(in thousands of yen)	
	Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
Deferred tax assets:		
Enterprise tax payable	24	17
Amortization of leasehold right in trust	11,682	12,933
Depreciation	4,205	4,655
Asset retirement obligations	7,574	7,622
Deferred gains or losses on hedges	90,040	66,660
Subtotal deferred tax assets	113,527	91,889
Valuation allowance	(113,527)	(91,889)
Total deferred tax assets	-	-

- The significant differences between the statutory tax rate and the effective tax rate:

	(unit: %)	
	Ninth Fiscal Period As of September 30, 2019	Tenth Fiscal Period As of March 31, 2020
Statutory tax rate	31.51	31.46
Deductible cash distributions	(31.55)	(31.50)
Others	0.07	0.07
Effective tax rate	0.03	0.03

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

- 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.

- 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.

- Changes in the amount of applicable asset retirement obligations consisted of the following

	(in thousands of yen)	
	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Balance at the beginning of the period	23,927	24,077

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Accretion adjustment	150	151
Balance at the end of the period	24,077	24,229

(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)

Ninth Fiscal Period (From April 1, 2019 to September 30, 2019)

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.

Tenth Fiscal Period (From October 1, 2019 to March 31, 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.

(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)

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Book value		
Balance at the beginning of the period	215,255,734	203,168,529
Changes during the period	(12,087,205)	24,859,032
Balance at the end of the period	203,168,529	228,027,561
Fair value at the end of the period	217,936,000	243,687,900

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 ninth fiscal period, the principal increase was acquisitions of real estate and real estate trust beneficiary interests in 4 properties totaling 5,765,573 thousand yen and the principal decrease was the sales of real estate trust beneficiary interest in 2 properties totaling 17,624,357 thousand yen and depreciation of 1,019,396 thousand yen and during the tenth fiscal period, the principal increase was the acquisition of real estate and real estate trust beneficiary interest in 8 property totaling 25,882,004 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 497,568 thousand yen and depreciation of 1,023,906 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 Welcia Kishiwadakamori (Land) as of September 30, 2019 is based on sales price (560,000 thousand yen) under the trust beneficiary interest sales contracts entered on May 16, 2019. The fair value of K's Denki Shin-Moriyama (Land) as of March 31, 2020 is based on the sales price (1,527,900 thousand yen) under the trust beneficiary interest sales contracts entered on March 31, 2020.

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)

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Net asset value per unit	229,242 yen	232,107 yen
Net income per unit	6,476 yen	6,568 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:

	Ninth Fiscal Period From April 1, 2019 to September 30, 2019	Tenth Fiscal Period From October 1, 2019 to March 31, 2020
Net income (in thousands of yen)	3,287,877	3,498,560

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Net income not attributable to ordinary unitholders (in thousands of yen)	-	-
Net income attributable to ordinary unitholders (in thousands of yen)	3,287,877	3,498,560
Weighted average number of units during the period (units)	507,700	532,612

(Notes to Significant Subsequent Events)

Not applicable.

(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 9)		Notes
		Increase	Balance	Increase	Balance	
October 1, 2015	Public offering	88,750	349,500	18,547	76,404	(Note 1)
October 21, 2015	Capital increase through third-party allocation	5,750	355,250	1,201	77,606	(Note 2)
April 20, 2016	Public offering	64,000	419,250	15,856	93,463	(Note 3)
May 18, 2016	Capital increase through third-party allocation	3,200	422,450	792	94,256	(Note 4)
April 18, 2017	Public offering	81,250	503,700	18,244	112,500	(Note 5)
May 17, 2017	Capital increase through third-party allocation	4,000	507,700	898	113,399	(Note 6)
October 23, 2019	Public offering	27,300	535,000	7,462	120,861	(Note7)
November 14, 2019	Capital increase through third-party allocation	1,177	536,177	321	121,183	(Note8)

Note 1: Issued at issue price of 216,543 yen per unit (issue amount of 208,991 yen per unit) for acquisition of new properties.

Note 2: Issued at issue amount of 208,991 yen per unit for repayment of borrowings.

Note 3: Issued at issue price of 256,717 yen per unit (issue amount of 247,764 yen per unit) for acquisition of new properties.

Note 4: Issued at issue amount of 247,764 yen per unit for repayment of borrowings.

Note 5: Issued at issue price of 232,537 yen per unit (issue amount of 224,547 yen per unit) for acquisition of new properties.

Note 6: Issued at issue amount of 224,547 yen per unit for repayment of borrowings.

Note 7: Issued at issue price of 282,847 yen per unit (issue amount of 273,360 yen per unit) for acquisition of new properties.

Note 8: Issued at issue amount of 273,360 yen per unit for part of future purchase funds for specified assets or repayment of borrowings.

Note 9: 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)	Ninth fiscal period as of September 30, 2019		Tenth 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	75,604	32.0	94,703	38.0
		Greater Osaka area	46,914	19.9	46,272	18.6
		Greater Nagoya area	21,005	8.9	23,542	9.4
		Fukuoka area	7,972	3.4	7,932	3.2
		Ordinance-designated cities, core cities and other areas	44,101	18.7	43,994	17.7
	Other retail properties	-	-	-	-	
	Logistics facilities	Tokyo metropolitan area	4,740	2.0	7,883	3.2
Total of trust beneficiary interests in real estate			200,338	84.8	224,328	90.0
Real estate	Logistics facilities	Tokyo metropolitan area	2,830	1.2	3,699	1.5
Total of real estate			2,830	1.2	3,699	1.5
Bank deposits and other assets			33,084	14.0	21,218	8.5
Total assets			236,253	100.0	249,246	100.0

	Ninth fiscal period as of September 30, 2019		Tenth 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)	119,867	50.7	124,795	50.1
Total net assets (Note 4)	116,386	49.3	124,450	49.9
Total assets	236,253	100.0	249,246	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, 2020.

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	8,742	10,000	8,063	3.6
T-3	Urban Station-Front SC	Passaggio Nishiara	Adachi ward, Tokyo	Trust beneficiary interest in real estate	5,724	6,750	5,850	2.6
T-4	Urban Station-Front SC	Daikanyama Address Dixsept	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	5,367	6,250	5,390	2.4
T-5	NSC	Unicus Ina	Kitaadachi-gun, Saitama	Trust beneficiary interest in real estate	4,431	5,240	4,470	2.0
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	3,901	4,350	4,000	1.8
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	Trust beneficiary interest in real estate	3,534	3,860	3,600	1.6
T-8	SS	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	Trust beneficiary interest in real estate	2,471	2,760	2,586	1.1
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	Trust beneficiary interest in real estate	4,890	5,600	4,815	2.1
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	Trust beneficiary interest in real estate	3,210	3,480	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	0.8
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,462	1,390	1,442	0.6
T-15	NSC	Nakamachidai Tokyu Store	Yokohama, Kanagawa	Trust beneficiary interest in real estate	3,351	3,810	3,360	1.5
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,748	1,780	1,724	0.8
T-17	SM	Life Kameido	Koto ward, Tokyo	Trust beneficiary interest in real estate	1,484	1,520	1,450	0.6
T-18	NSC	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	4,228	4,320	4,170	1.8
T-19	NSC	Yumemachi Narashinodai Mall	Funabashi, Chiba	Trust beneficiary interest in real estate	3,394	3,520	3,416	1.5
T-20	NSC	Kawamachi Yahagi Mall	Chiba, Chiba	Trust beneficiary interest in real estate	3,094	3,230	3,097	1.4
T-21	SS	Prime Square Jiyugaoka	Meguro-ku, Tokyo	Trust beneficiary interest in real estate	2,989	2,840	2,820	1.2
T-22	SS	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	Trust beneficiary interest in real estate	1,854	1,980	1,880	0.8
T-23	SM	Ozeki Tokiwadai	Itabashi ward, Tokyo	Trust beneficiary interest in real estate	1,275	1,350	1,263	0.6
T-24	SS	Konami Sports Club Shibuya	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	3,595	3,380	3,400	1.5
T-25	NSC	Apita Terrace Yokohama Tsunashima	Yokohama, Kanagawa	Trust beneficiary interest in real estate	5,952 (Note 6)	6,220 (Note 6)	5,899 (Note 6)	2.6 (Note 6)
T-26	NSC	Kalsa Hiratsuka	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	6,039	6,020	5,980	2.6
T-27	NSC	Monenosato Mall	Yotsukaido, Chiba	Trust beneficiary interest in real estate	2,508	2,570	2,410	1.1
T-28	NSC	Chofu Center Building (Retail wing)	Chofu, Tokyo	Trust beneficiary interest in real estate	2,394	2,480	2,300	1.0
T-29	NSC	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	Trust beneficiary interest in real estate	2,283	2,320	2,248	1.0
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	Trust beneficiary interest in real estate	8,368	9,630	8,389	3.7
O-2	SM	Life Takadono (Land)	Osaka, Osaka	Trust beneficiary interest in real estate	2,727	3,150	2,685	1.2
O-3	NSC	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	Trust beneficiary interest in real estate	2,132	2,590	2,140	0.9
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	Trust beneficiary interest in real estate	11,310	11,500	11,000	4.9
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	Trust beneficiary interest in real estate	6,804	7,210	6,555	2.9

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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-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	Trust beneficiary interest in real estate	6,239	6,550	6,450	2.9
O-7	SM	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	Trust beneficiary interest in real estate	1,300	1,330	1,280	0.6
O-9	SM	Life Nishi-Tengachaya	Osaka, Osaka	Trust beneficiary interest in real estate	1,539	1,690	1,505	0.7
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	Trust beneficiary interest in real estate	3,772	3,980	3,723	1.6
O-11	NSC	Habikigaoka Shopping Center	Habikino, Osaka	Trust beneficiary interest in real estate	2,077	2,020	2,000	0.9
N-1	SS	DCM Kahma Nakagawa Tomita (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,351	2,700	2,311	1.0
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	Trust beneficiary interest in real estate	2,143	2,360	2,174	1.0
N-4	SS	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	Trust beneficiary interest in real estate	6,928	7,300	7,140	3.2
N-5	SS	K's Denki Shin-Moriyama (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	1,390	1,440	1,370	0.6
N-6	NSC	Resora Obu Shopping Terrace	Obu, Aichi	Trust beneficiary interest in real estate	8,139	7,060	7,911	3.5
N-7	SM	Valor Nakashidami (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,587	2,570	2,551	1.1
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	1,404	1,640	1,497	0.7
F-2	SS	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	4,972	5,760	5,020	2.2
F-3	NSC	Kurume-Nishi Shopping Center	Kurume, Fukuoka	Trust beneficiary interest in real estate	1,554	1,840	1,515	0.7
R-1	NSC	Roseo Mito	Mito, Ibaraki	Trust beneficiary interest in real estate	9,766	12,000	10,046	4.4
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	Trust beneficiary interest in real estate	1,442	1,560	1,469	0.7
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	Trust beneficiary interest in real estate	869	920	898	0.4
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	Trust beneficiary interest in real estate	4,374	4,880	4,180	1.9
R-5	NSC	Yorktown Shinden-Higashi	Sendai, Miyagi	Trust beneficiary interest in real estate	3,250	2,660	3,252	1.4
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Trust beneficiary interest in real estate	838	877	830	0.4
R-8	NSC	P-1 Plaza Tenno	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	4,129	4,350	4,010	1.8
R-9	NSC	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	Trust beneficiary interest in real estate	4,320	4,260	4,111	1.8
R-10	NSC	Sun Street Hamakita	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	10,708 (Note 6)	11,250 (Note 6)	10,746 (Note 6)	4.8 (Note 6)
R-11	SS	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	Trust beneficiary interest in real estate	4,293	4,420	4,210	1.9
L-1	L	Zama Distribution Center	Zama, Kanagawa	Real estate	1,477	1,640	1,400	0.6
L-2	L	Oppama Distribution Center	Yokosuka, Kanagawa	Real estate	1,362	1,570	1,300	0.6
L-3	L	Musashi Ranzan Distribution Center	Hiki-gun, Saitama	Trust beneficiary interest in real estate	3,873 (Note 6)	4,010 (Note 6)	3,879 (Note 6)	1.7 (Note 6)
L-4	L	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	Trust beneficiary interest in real estate	835	841	790	0.3
L-5	L	Gyoda Distribution Center	Gyoda, Saitama	Trust beneficiary interest in real estate	3,180	3,370	3,160	1.4
L-6	L	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Real estate	853	821	810	0.4
Total					228,023	243,600	225,810	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
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: The amount and proportion of quasi co-ownership interests that KRR owns are shown.

(B) Overview of tenants as of March 31, 2020

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	9,953.98	9,902.93	99.5	1(57)	652,586	629
T-3	Passaggio Nishiarai	10,528.25	10,528.25	100.0	1(42)	416,358	267
T-4	Daikanyama Address Dixsept	5,056.39	5,011.37	99.1	1(27)	372,373	323
T-5	Unicus Ina	13,462.71	13,462.71	100.0	1	279,002	141
T-6	Yorktown Kita-Kaname	- (Note 7)	- (Note 7)	100.0	1	- (Note 7)	- (Note 7)
T-7	Unicus Yoshikawa	10,648.27	10,605.26	99.6	1(10)	260,642	203
T-8	Sports Club Renaissance Fujimidai	3,120.87	3,120.87	100.0	1	- (Note 7)	- (Note 7)
T-9	Super Viva Home Iwatsuki (Land)	67,325.95	67,325.95	100.0	1		- (Note 7)
T-10	K's Denki Shonan-Fujisawa (Land)	15,578.58	15,578.58	100.0	1		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 7)	- (Note 7)
T-15	Nakamachidai Tokyu Store	5,968.71	5,968.71	100.0	1		
T-16	Central Wellness Club Nagatsuta Minamidai	3,996.70	3,238.80	81.0	1		
T-17	Life Kameido	2,929.58	2,929.58	100.0	1		
T-18	Totsuka-Fukaya Shopping Center (Land)	14,092.51	14,092.51	100.0	2		
T-19	Yumemachi Narashinodai Mall	7,827.96	7,827.96	100.0	1(14)	227,309	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 7)	- (Note 7)
T-22	Round1 Ichikawa-Onitaka	11,963.61	11,963.61	100.0	1		
T-23	Ozeki Tokiwadai	1,217.02	1,217.02	100.0	1		
T-24	Konami Sports Club Shibuya	- (Note 7)	- (Note 7)	100.0	1		
T-25	Apita Terrace Yokohama Tsunashima	22,729.71	22,729.71	100.0	1	- (Note 7) (Note 11)	- (Note 7) (Note 11)
T-26	Kalsa Hiratsuka	14,195.00	14,195.00	100.0	3	(Note 7)	(Note 7)
T-27	Monenosato Mall	6,255.19	6,255.19	100.0	1(6)	145,396	92
T-28	Chofu Center 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 7)	- (Note 7)
O-1	Blumer Maitamon	30,290.85	30,187.69	99.7	50	708,047	433
O-2	Life Takadono (Land)	4,437.07	4,437.07	100.0	1	- (Note 7)	- (Note 7)
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	14,313.00	14,313.00	100.0	2		
O-4	Blumer HAT Kobe	23,775.88	23,646.58	99.5	1(42)	733,115	826
O-5	Carino Esaka	7,540.58	7,447.11	98.8	1(29)	300,719	239
O-6	COMBOX Komyoike	25,530.44 (Note 8)	25,530.44	100.0	1	452,010 (Note 9)	375 (Note 10)

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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-7	Hankyu Oasis Hirakatadeguchi	2,960.38	2,960.38	100.0	1	- (Note 7)	- (Note 7)
O-9	Life Nishi-Tengachaya	2,679.52	2,679.52	100.0	1	89,740	220
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 7)	- (Note 7)	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-5	K's Denki Shin-Moriyama (Land)	- (Note 7)	- (Note 7)	100.0	1	-	-
N-6	Resora Obu Shopping Terrace	19,909.33	19,323.01	97.1	1(39)		
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 7)	- (Note 7)	100.0	1		- (Note 7)
R-4	Ashico Town Ashikaga	65,616.31	62,350.55	100.0	1	350,812	326
R-5	Yorktown Shinden-Higashi	12,768.77	12,768.77	95.0	1(28)	-	- (Note 7)
R-6	Kasumi Technopark Sakura	2,047.65	2,047.65	100.0	2		- (Note 7)
R-8	P-1 Plaza Tenno	12,030.83	12,030.83	100.0	1	273,120	256
R-9	Seiyu Rakuichi Moriya (Land)	- (Note 7)	- (Note 7)	100.0	1(7)	- (Note 7)	- (Note 7)
R-10	Sun Street Hamakita	48,697.28 (Note 11)	48,463.82 (Note 11)	100.0	1	867,518 (Note 11)	497 (Note 11)
R-11	Costco Wholesale Sapporo Warehouse	24,006.16	24,006.16	99.5	1(51)	-	-
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 11)	32,935.55 (Note 11)	100.0	1	- (Note 7) (Note 11)	- (Note 7) (Note 11)
L-4	Yokohama Kamigo Distribution Center	1,685.77	1,685.77	100.0	1	-	-
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		
Total		948,211.32	939,869.41	99.4	496	14,374,622	11,026

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, 2020. 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, 2020 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, 2020, 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, 2020. 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, 2020 (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, 2020 (excluding warehouses in the case of building lease agreements), rounded down to the nearest million yen.
- Note 7: We have not obtained consent from the tenant(s) to release this information.
- Note 8: The total area that we own exclusively as a compartmentalized ownership interest (retail space) is shown.
- Note 9: Calculated by multiplying the monthly rent and common area charges for March 2020 under the leasing contract by twelve and also taking into consideration the ownership ratio (93.20%) under the compartmentalized ownership agreement.
- Note 10: Calculated by multiplying the tenant leasehold and security deposits for the whole building as of March 2020 by the ownership ratio (93.20%).
- Note 11: 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.

(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 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-2	MONA Shin-Urayasu	Japan Real Estate Institute	Mar.31 2020	10,000	8,120	10,100	4.6	9,960	4.3	4.8	532	6.6	
T-3	Passaggio Nishiarai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	6,750	10,400	6,810	4.3	6,720	4.1	4.5	301	5.2	
T-4	Daikanyama Address Dixsept	Japan Real Estate Institute	Mar.31 2020	6,250	5,910	6,370	3.3	6,250	3.1	3.5	222	4.1	
T-5	Unicus Ina	Japan Real Estate Institute	Mar.31 2020	5,240	4,050	5,290	4.5	5,190	4.2	4.7	251	5.6	
T-6	Yorktown Kita-Kaname	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	4,350	2,420	4,380	4.9	4,330	4.7	5.1	216	5.4	
T-7	Unicus Yoshikawa	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	3,860	4,470	3,900	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 2020	2,760	1,910	2,790	4.6	2,740	4.4	4.8	129	5.0	
T-9	Super Viva Home Iwatsuki (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	5,600	-	-	-	5,600	(year 1-13) (year 14-32.7)	4.6 4.7	-	206	4.3
T-10	K's Denki Shonan-Fujisawa (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	3,480	-	-	-	3,480	(year 1-8) (year 9-27.6)	4.3 4.4	-	159	5.0
T-11	Unicus Kamisato (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	3,050	-	-	-	3,050	(year 1-11) (year 12-26) (year 27-35.5)	4.6 4.7 4.8	-	138	4.6
T-12	Unicus Konosu (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	1,780	-	-	-	1,780	(year 1-11) (year 12-26) (year 27-35.5)	4.5 4.6 4.7	-	77	4.6
T-13	Inageya Yokohama Minamihonjuku (Land)	Japan Real Estate Institute	Mar.31 2020	1,390	-	-	-	1,390	4.0	4.9	64	4.5	
T-15	Nakamachidai Tokyu Store	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	3,810	2,730	3,850	4.6	3,790	4.4	4.8	182	5.4	
T-16	Central Wellness Club Nagatsuta Minamidai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	1,780	2,310	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 2020	1,520	2,050	1,540	4.2	1,510	3.9	4.4	65	4.5	
T-18	Totsuka-Fukaya Shopping Center (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	4,320	-	4,310	4.7 (Note 3)	4,320	4.6	-	191	4.6	
T-19	Yumemachi Narashinodai Mall	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	3,520	3,210	3,550	4.9	3,500	4.7	5.1	175	5.1	
T-20	Kawamachi Yahagi Mall	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	3,230	3,370	3,290	4.8	3,200	4.6	5.0	159	5.1	
T-21	Prime Square Jiyugaoka	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	2,840	2,880	2,880	3.6	2,820	3.4	3.8	116	4.1	
T-22	Round1 Ichikawa-Onitaka	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	1,980	3,350	1,960	4.8	1,990	4.6	5.0	97	5.2	
T-23	Ozeki Tokiwadai	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	1,350	1,620	1,380	4.2	1,340	4.0	4.4	57	4.6	
T-24	Konami Sports Club Shibuya	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	3,380	3,730	3,460	3.8	3,350	3.9	4.0	136	4.0	
T-25	Apita Terrace Yokohama Tsunashima (Note 5)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	6,220	15,500	12,400	4.3	12,100	4.1	4.5	280	4.8	
T-26	Kalsa Hiratsuka	Japan Real Estate Institute	Mar.31 2020	6,020	6,230	6,080	4.4	5,950	4.1	4.6	278	4.7	

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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 2020	2,570	2,410	2,600	4.9	2,530	4.8	5.3	127	5.3
T-28	Chofu Center Building (Retail wing)	Japan Real Estate Institute	Mar.31 2020	2,480	2,490	2,480	4.6	2,470	4.2	4.8	127	5.5
T-29	Across Plaza Urayasu Higashino (Land)	Daiwa Real Estate Appraisal Co.,	Mar.31 2020	2,320	-	2,330	4.2 (Note3)	2,310	4.1	-	90	4.0
O-1	Blumer Maitamon	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	9,630	9,830	9,570	5.2	9,650	5.3	5.4	510	6.1
O-2	Life Takadono (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	3,150	-	-	-	3,150	(year 1-5) 3.9 (year 6-15) 4.0 (year 16-35.3) 4.1	-	128	4.8
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	Japan Real Estate Institute	Mar.31 2020	2,590	2,370	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 2020	11,500	17,800	11,500	4.8	11,500	4.6	5.0	565	5.1
O-5	Carino Esaka	Japan Real Estate Institute	Mar.31 2020	7,210	7,580	7,240	4.3	7,170	4.0	4.5	334	5.1
O-6	COMBOX Komyoike	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	6,550	7,650	6,830	5.3	6,430	4.9	5.4	385	6.0
O-7	Hankyu Oasis Hirakatadeguchi	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	1,330	864	1,340	5.5	1,330	5.3	5.7	75	5.9
O-9	Life Nishi-Tengachaya	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	1,690	1,770	1,710	4.6	1,680	4.7	4.8	79	5.2
O-10	Million Town Tsukaguchi (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	3,980	-	-	-	3,980	(year 1-16) 4.0 (year 17-35.9) 4.2	-	157	4.2
O-11	Habikigaoka Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	2,020	1,780	2,030	5.1	2,010	(year1-9) 5.1 (year10-11) 5.2	5.3	106	5.3
N-1	DCM Kahma Nakagawa Tomita (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	2,700	-	-	-	2,700	(year 1-13) 4.3 (year 14-34.2) 4.4	-	116	5.0
N-2	Valor Ichinomiya-Nishi	Japan Real Estate Institute	Mar.31 2020	2,360	1,830	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 2020	7,300	7,270	7,420	4.8	7,250	4.6	5.0	367	5.1
N-5	K's Denki Shin-Moriyama (Land)	Japan Real Estate Institute	Mar.31 2020	1,440	-	-	-	1,440	3.8	4.3	60	4.4
N-6	Resora Obu Shopping Terrace	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	7,060	7,660	7,230	4.9	6,980	5.0	5.1	364	4.6
N-7	Valor Nakashidami (Land)	Japan Real Estate Institute	Mar.31 2020	2,570	-	-	-	2,570	4.1	-	119	4.7
F-1	Sunny Noma	Japan Real Estate Institute	Mar.31 2020	1,640	1,680	1,680	4.4	1,590	4.2	4.8	78	5.2
F-2	Round1 Stadium Hakata-Hanmichibashi	Japan Real Estate Institute	Mar.31 2020	5,760	5,400	5,790	4.9	5,720	4.6	5.1	283	5.6
F-3	Kurume-Nishi Shopping Center	Japan Real Estate Institute	Mar.31 2020	1,840	1,550	1,850	4.8	1,820	4.5	5.0	92	6.1
R-1	Roseo Mito	Japan Real Estate Institute	Mar.31 2020	12,000	9,440	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 2020	1,560	1,720	1,560	5.5	1,550	5.2	5.7	93	6.4
R-3	Super Sports Xebio Aomori-Chuo	Japan Real Estate Institute	Mar.31 2020	920	879	925	5.5	914	5.2	5.7	57	6.4
R-4	Ashico Town Ashikaga	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	4,880	7,430	4,860	5.3 (Building) 5.0 (Land) (Note 4)	4,890	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 2020	2,660	3,790	2,670	5.5	2,660	5.3	5.7	156	4.8
R-6	Kasumi Technopark Sakura	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	878	732	887	5.1	874	4.9	5.3	46	5.6

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 (%)			
R-8	P-1 Plaza Tenno	Japan Real Estate Institute	Mar.31 2020	4,350	4,440	4,380	5.1	4,310	4.8	5.3	230	5.7	
R-9	Seiyu Rakuichi Moriya (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Mar.31 2020	4,260	-	4,300	4.3 (Note 4)	4,240	4.2	-	166	4.1	
R-10	Sun Street Hamakita (Note 5)	Japan Real Estate Institute	Mar.31 2020	11,250	9,790	12,600	5.4	12,300	5.1	5.7	633	5.9	
R-11	Costco Wholesale Sapporo Warehouse	Japan Real Estate Institute	Mar.31 2020	4,420	3,520	4,440	4.5	4,390	4.2	4.7	203	4.8	
L-1	Zama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	1,640	1,580	1,630	4.8	1,640	4.8	5.0	84	6.0	
L-2	Oppama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	1,570	1,520	1,530	4.9	1,590	5.0	5.1	85	6.5	
L-3	Musashi Ranzan Distribution Center (Note 5)	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	4,010	4,290	4,440	5.3	4,460	(year 1-4) 5.3 (year 5-11) 5.4	5.5	221	5.7	
L-4	Yokohama Kamigo Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Mar.31 2020	841	860	a) 860 b) - (Note 6)	a) 4.5 b) - (Note 6)	837	a) (year 1) 4.5 (year 2-11) 4.6 b) 4.6	a) 4.7 b) 4.7	45	5.0	
L-5	Gyoda Distribution Center	Gyoda, Saitama	Mar.31 2020	3,370	3,250	3,320	5.1	3,390	(year 1-8) 5.0 (year 9-11) 5.1	5.3	179	5.7	
L-6	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Mar.31 2020	821	859	825	4.0	816	3.6	4.1	34	4.3	
Total/Average				243,600	218,304	223,077	-	249,931	-	-	11,863	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 figures for the Yokohama Kamigo Distribution Center include the revenue from the operation of the restaurant building, which is currently scheduled to be constructed. 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.

The following formula is used to calculate the Yokohama Kamigo Distribution Center. As of May 18, 2020, KRR is currently constructing a restaurant building at the Yokohama Kamigo Distribution Center that utilizes the unused volume ratio. However, the construction of the restaurant building may be altered, postponed, or discontinued in the future.

Appraisal NOI Yield = Appraisal NOI as stated in the real estate appraisal report for the Yokohama Kamigo Distribution Center with March 31, 2020 as the appraisal date / (Acquisition price + estimated construction cost of the restaurant building (123,015,000 yen) as of the date of this material)

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.

Note 6: The discount rate and the final capitalization rate for excess land are the discount rate and the final capitalization rate for DCF method (development lease type).

(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	-
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 2)	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	(Note 2)	-	-	-
T-11	Unicus Kamisato (Land)	(Note 2)	-	-	-
T-12	Unicus Konosu (Land)	(Note 2)	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	(Note 2)	-	-	-
T-15	Nakamachidai Tokyu Store	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	28,394	-
T-16	Central Wellness Club Nagatsuta Minamidai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	16,888	-
T-17	Life Kameido	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	21,442	-
T-18	Totsuka-Fukaya Shopping Center (Land)	(Note 2)	-	-	-
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	-
T-26	Kalsa Hiratsuka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep.2019	182,100	-
T-27	Monenosato Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep.2019	13,569	-
T-28	Chofu Center Building (Retail wing)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep.2019	233,991	-
T-29	Across Plaza Urayasu Higashino (Land)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jun.2019	-	-
O-1	Blumer Maitamon	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 3, 2020	250,277	-
O-2	Life Takadono (Land)	(Note 2)	-	-	-
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.	Aug. 2015	424,506	6,443
O-6	COMBOX Komyoike	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug. 2015	355,643	-
O-7	Hankyu Oasis Hirakatadeguchi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug. 2015	57,175	-

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-9	Life Nishi-Tengachaya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2015	15,464	2,225
O-10	Million Town Tsukaguchi (Land)	(Note 2)	-	-	-
O-11	Habikigaoka Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	71,998	-
N-1	DCM Kahma Nakagawa Tomita (Land)	(Note 2)	-	-	-
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.	Dec. 2015	336,943	-
N-5	K's Denki Shin-Moriyama (Land)	(Note 2)	-	-	-
N-6	Resora Obu Shopping Terrace	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jul. 2017	224,228	-
N-7	Valor Nakashidami (Land)	(Note 2)	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.	Aug. 2015	327,264	-
R-5	Yorktown Shinden-Higashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jul. 2015	176,945	4,163
R-6	Kasumi Technopark Sakura	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Aug. 2015	18,155	-
R-8	P-1 Plaza Tenno	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	159,757	28,423
R-9	Seiyu Rakuichi Moriya (Land)	(Note 3)	-	-	-
R-10	Sun Street Hamakita	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2017	494,063 (Note 4)	- (Note 4)
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 5)	27,511 (Note 5)
L-4	Yokohama Kamigo Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2019	13,874	-
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	-
Total				8,011,109	494,526

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: 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 3: 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 4: Amount for the whole building is shown.

Note 5: The figures of the amount as proportion to the quasi co-ownership interests that KRR owns are shown.

(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
T-28	Chofu Center Building (Retail wing)	11.14
T-29	Across Plaza Urayasu Higashino (Land)	-
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
N-4	Homecenter Kohnan Sunadabashi	7.47
N-5	K's Denki Shin-Moriyama (Land)	-
N-6	Resora Obu Shopping Terrace	6.95

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Property number	Property name	PML value in seismic review (%) (Note 1)
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	9.16
L-5	Gyoda Distribution Center	2.79
L-6	Shinjuku Nishiochiai Distribution Center	6.65
Portfolio PML value (Note 3)		2.11

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 49 properties that KRR owns as of March 31, 2020, excluding Super Viva Home Iwatsuki (Land), K's Denki Shonan-Fujisawa (Land), Unicus Kamisato (Land), Unicus Konosu (Land), Inageya Yokohama Minamihonjuku (Land), Life Takadono (Land), Welcia Kishiwadakamori (Land), Million Town Tsukaguchi (Land), DCM Kahma Nakagawa Tomita (Land), K's Denki Shin-Moriyama (Land), Seiyu Rakuichi Moriya (Land) and Totsuka-Fukaya Shopping Center (Land), which is based on the Portfolio Earthquake PML Evaluation Report dated March 2020, 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

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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	(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	(Main Building) Asahi Construction Co., Ltd. (Service Building) Asahi Construction Co., Ltd.	(Main building) Japan ERI Co., Ltd. (Service building) Japan ERI Co., Ltd.
T-28	Chofu Center 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)	-	-	-	-
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.
N-5	K's Denki Shin-Moriyama (Land)	-	-	-	-
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)	-	-	-	-

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Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
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 Biso 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	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Bureau Veritas Japan
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

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	214,470	95.0
NSC (Neighborhood Shopping Centers)	29	129,662	57.4
SM (Supermarkets)	9	14,503	6.4
CSC (Community shopping Centers)	-	-	-
Urban Station-Front Shopping Centers	5	32,308	14.3
SS (Specialty Store)	13	37,997	16.8
Other retail properties	-	-	-
Logistics facilities	6	11,339	5.0
Total	62	225,810	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	52	182,058	80.6
Tokyo metropolitan area	33	104,842	46.4
Greater Osaka area	10	45,727	20.3
Greater Nagoya area	6	23,457	10.4
Fukuoka area	3	8,032	3.6
Ordinance-designated cities, core cities and other areas	10	43,752	19.4
Total	62	225,810	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	16,085	8.5
5 years or more but less than 10 years	4	11,875	6.3
10 years or more	40	160,554	85.2
Total	49	188,515	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, 2020. 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	2,325	16.2
2 to less than 5 years	1,854	12.9
5 to less than 10 years	5,666	39.4
10 to less than 15 years	1,256	8.7
15 to less than 20 years	1,710	11.9
20 years or more	1,561	10.9
Total	14,374	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, 2020 (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, 2020 (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	73.3
Regular building lease	12.4
Commercial fixed-term land lease	14.4
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	86.9
Fixed rent with sales-linked rent	11.3
Sales-linked rent	1.8
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, 2019 and March 31, 2020, 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 ninth fiscal period ending September 30, 2020. 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
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air Conditioning Equipment Replacement (Phase 1)	From April 2020 to September 2020	204	-	-
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	Compartment division Construction	From June 2020 to August 2020	107	-	-
O-1	Blumer Maitamon	Kobe, Hyogo	Exterior wall repair work (Phase 1)	From April 2020 to September 2020	76		
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	Solar panel installation	From June 2020 to July 2020	40	-	-
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	Installation of a parking lot fill-up control system	From April 2020 to September 2020	27 (Note)		

Note: The amount corresponding to the quasi co-ownership interest held by the KRR is shown.

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 475 million yen. There were also expenditures of 208 million yen that were recorded as repair expenses. In total, we spent 683 million yen on the projects.

Property number	Property name	Location	Purpose	Schedule	Capital expenditure (Millions of yen)
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	Rooftop waterproof (YB building)	From October 2019 to March 2020	71
T-5	Unicus Ina	Kitaadachi-gun, Saitama	Rooftop waterproof	From January 2020 to March 2020	49
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Installation of pressurized water supply pump	From March 2020 to March 2020	33
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	GHP renewal	From October 2019 to December 2019	31
T-24	Konami Sports Club Shibuya	Shibuya ward, Tokyo	Hot water heater replacement	From February 2020 to March 2020	30
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	Exterior wall repair work (MEGA Don Quijote UNY building)	From September 2019 to November 2019	26
Others					231
Total					475

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, 2020.

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	11.1	515,662	251
YorkMart Co., Ltd.	Retail	A Yorktown Kita-Kaname B Totsuka-Fukaya Shopping Center (Land) C Monenosato Mall	- (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)
Lixil Viva 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-Hanmichibashi	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	3.3	- (Note 5)	- (Note 5)
DCM KAHMA 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	452,160	375
Toyota Tsusho Corporation	Wholesale	Homecenter Kohnan Sunadabashi	20,329.07	2.2	- (Note 5)	- (Note 5)
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, 2020, 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, 2020 (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, 2020 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.	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.

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 14.8% of the total leased area of the portfolio as of March 31, 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	25,518.96	294,435	298	A Mar. 31, 2035 B Mar. 31, 2026	A Not Applicable B Not Applicable
Leases to the relevant tenant (total)	-	126,165.14 (Note)	810,097	550	-	-

Note: 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 10th Fiscal Period (October 1, 2019 to March 31, 2020) : 183 days As of March 31, 2020

Location		Tokyo metropolitan area												
Property No.		T-2	T-3	T-4	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 Nishiara	Daikanyama Address Dixsept	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	5,390	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%	2.4%	2.0%	1.8%	1.6%	1.1%	2.1%	1.4%	1.3%	0.8%	0.6%	1.5%
	Net book value (In millions of yen)	8,742	5,724	5,367	4,431	3,901	3,534	2,471	4,890	3,210	3,043	1,726	1,462	3,351
	Appraisal value at the end of period (In millions of yen)	10,000	6,750	6,250	5,240	4,350	3,860	2,760	5,600	3,480	3,050	1,780	1,390	3,810
	Percentage of total appraisal value	4.1%	2.8%	2.6%	2.2%	1.8%	1.6%	1.1%	2.3%	1.4%	1.3%	0.7%	0.6%	1.6%
Lease Information	Number of tenants	1 (57)	1 (42)	1 (27)	1	1	1 (10)	1	1	1	1	1	1	1
	Leasable floor area (㎡)	9,953.98	10,528.25	5,056.39	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 (㎡)	9,902.93	10,528.25	5,011.37	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, 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%	
As of March 31, 2016	96.1%	98.3%	98.7%	100.0%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	
As of September 30, 2015	98.0%	98.3%	93.9%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)	528,589	303,871	267,914	143,862	(Note 1)	132,241	(Note 1)	(Note 1)	(Note 1)	75,437	43,040	(Note 1)	(Note 1)
	Rental revenues	369,167	221,496	190,855	139,501	(Note 1)	130,321	(Note 1)	(Note 1)	(Note 1)	75,297	43,031	(Note 1)	(Note 1)
	Other operating revenues	159,421	82,375	77,058	4,361	(Note 1)	1,920	(Note 1)	(Note 1)	(Note 1)	139	9	(Note 1)	(Note 1)
	Property-related expenses (In thousands of yen)	234,569	152,798	139,559	27,222	(Note 1)	39,653	(Note 1)	(Note 1)	(Note 1)	6,239	4,592	(Note 1)	(Note 1)
	Property management fees	76,961	48,068	53,531	2,000	(Note 1)	24,148	(Note 1)	(Note 1)	(Note 1)	1,200	1,200	(Note 1)	(Note 1)
	Taxes	23,836	35,224	12,608	10,246	(Note 1)	14,243	(Note 1)	(Note 1)	(Note 1)	4,774	3,127	(Note 1)	(Note 1)
	Utilities	50,439	32,843	31,105	-	(Note 1)	-	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Repairs and maintenance	21,027	3,872	636	14,057	(Note 1)	631	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Insurance	594	447	311	397	(Note 1)	203	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Trust fees and other expenses	61,710	32,341	41,366	521	(Note 1)	426	(Note 1)	(Note 1)	(Note 1)	265	265	(Note 1)	(Note 1)
	NOI (= -) (In thousands of yen)	294,019	151,072	128,354	116,640	108,089	92,588	64,136	103,024	79,369	69,197	38,448	31,854	87,678
Depreciation (In thousands of yen)	63,642	33,023	16,286	34,515	20,948	15,874	15,098	-	-	-	-	-	20,332	
Rental operating income (= -) (In thousands of yen)	230,376	118,049	112,067	82,124	87,141	76,713	49,038	103,024	79,369	69,197	38,448	31,854	67,345	
Capital expenditures (In thousands of yen)	58,090	12,011	5,652	59,701	1,688	1,427	-	-	-	-	-	-	-	
NCF (= -) (In thousands of yen)	235,929	139,061	122,702	56,938	106,401	91,161	64,136	103,024	79,369	69,197	38,448	31,854	87,678	
Reference	Expense ratio (= /)	44.4%	50.3%	52.1%	18.9%	8.0%	30.0%	12.0%	13.0%	6.4%	8.3%	10.7%	11.4%	24.5%
	Property tax for the year 2019 (In thousands of yen)	47,353	70,442	25,177	20,492	13,969	28,288	11,163	27,869	7,981	9,551	6,257	5,284	14,342
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 10th Fiscal Period (October 1, 2019 to March 31, 2020) : 183 days As of March 31, 2020

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	Chofu Center 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	2,410	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%	1.1%	1.0%
	Net book value (In millions of yen)	1,748	1,484	4,228	3,394	3,094	2,989	1,854	1,275	3,595	5,952	6,039	2,508	2,394
	Appraisal value at the end of period (In millions of yen)	1,780	1,520	4,320	3,520	3,230	2,840	1,980	1,350	3,380	6,220	6,020	2,570	2,480
	Percentage of total appraisal value	0.7%	0.6%	1.8%	1.4%	1.3%	1.2%	0.8%	0.6%	1.4%	2.6%	2.5%	1.1%	1.0%
Lease Information	Number of tenants	1	1	2	1 (14)	1 (12)	2	1	1	1	1	3	1 (6)	3
	Leasable floor area (㎡)	3,996.70	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	6,255.19	12,119.00
	Leased floor area (㎡)	3,238.80	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	6,255.19	12,119.00
	Occupancy ratio													
	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%	-	-	-	-	-	-	-	-	-	-	-	
As of March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	
As of September 30, 2015	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	152days	152days	160days	160days
	Rental and other operating revenues (In thousands of yen)				141,025	114,033							80,515	75,460
	Rental revenues				115,401	96,552							62,368	65,909
	Other operating revenues				25,623	17,481							18,147	9,550
	Property-related expenses (In thousands of yen)				52,044	33,662							19,760	9,012
	Property management fees	(Note 1)	(Note 1)	(Note 1)	11,837	9,187	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	3,288	5,820
	Taxes				11,933	9,735							9	10
	Utilities				26,705	13,194							16,013	-
	Repairs and maintenance				110	767							-	2,443
	Insurance				157	123							88	264
	Trust fees and other expenses				1,299	654							359	473
	NOI (= -) (In thousands of yen)	37,008	31,703	95,246	88,980	80,371	56,895	48,892	27,318	60,871	137,836	130,075	60,754	66,447
Depreciation (In thousands of yen)	7,745	3,416	-	14,520	9,223	10,437	10,888	2,307	7,295	23,468	17,980	9,232	7,534	
Rental operating income (= -) (In thousands of yen)	29,262	28,286	95,246	74,460	71,147	46,458	38,003	25,011	53,575	114,368	112,095	51,522	58,912	
Capital expenditures (In thousands of yen)	-	-	-	6,039	-	2,773	-	-	53,492	-	-	-	-	
NCF (= -) (In thousands of yen)	37,008	31,703	95,246	82,940	80,371	54,122	48,892	27,318	7,378	137,836	130,075	60,754	66,447	
Reference	Expense ratio (= /)	22.5%	19.0%	6.3%	36.9%	29.5%	16.1%	24.6%	18.1%	25.7%	1.0%	3.2%	24.5%	11.9%
	Property tax for the year 2019 (In thousands of yen)	12,284	8,654	9,874	23,868	19,464	12,951	20,273	5,831	21,330	51,781	36,146	8,745	23,113
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 10th Fiscal Period (October 1, 2019 to March 31, 2020) : 183 days As of March 31, 2020

Location		Tokyo metropolitan area	Greater Osaka area									Greater Nagoya area		
Property No.		T-29	O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-9	O-10	O-11	N-1	N-2
Property Name		Across Plaza Urayasu Higashino (Land)	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)	Valor Ichinomiya-Nishi
Acquisition Date		October 24, 2019	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	February 10, 2015
Price Information	Acquisition price (In millions of yen)	2,248	8,389	2,685	2,140	11,000	6,555	6,450	1,280	1,505	3,723	2,000	2,311	2,174
	Percentage of total portfolio	1.0%	3.7%	1.2%	0.9%	4.9%	2.9%	2.9%	0.6%	0.7%	1.6%	0.9%	1.0%	1.0%
	Net book value (In millions of yen)	2,283	8,368	2,727	2,132	11,310	6,804	6,239	1,300	1,539	3,772	2,077	2,351	2,143
	Appraisal value at the end of period (In millions of yen)	2,320	9,630	3,150	2,590	11,500	7,210	6,550	1,330	1,690	3,980	2,020	2,700	2,360
	Percentage of total appraisal value	1.0%	4.0%	1.3%	1.1%	4.7%	3.0%	2.7%	0.5%	0.7%	1.6%	0.8%	1.1%	1.0%
Lease Information	Number of tenants	1	50	1	2	1 (42)	1 (29)	1	1	1	1	2	1	1
	Leasable floor area (㎡)	6,229.32	30,290.85	4,437.07	14,313.00	23,775.88	7,540.58	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81	(Note 1)	9,447.48
	Leased floor area (㎡)	6,229.32	30,187.69	4,437.07	14,313.00	23,646.58	7,447.11	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81	(Note 1)	9,447.48
	Occupancy ratio													
	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%	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%	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%	-	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%	-	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%	-	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%	-	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%	-	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%	-	100.0%	
As of March 31, 2016	-	99.5%	100.0%	100.0%	98.7%	99.1%	100.0%	100.0%	100.0%	100.0%	-	-	100.0%	
As of September 30, 2015	-	99.5%	100.0%	100.0%	99.5%	-	-	-	-	-	-	-	100.0%	
Income and Retained Earnings Information	Operating periods	160days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)		478,186			464,707	301,910	226,005		44,870				
	Rental revenues		368,474			361,889	193,793	226,005		44,870				
	Other operating revenues		109,711			102,817	108,116	-		-				
	Property-related expenses (In thousands of yen)		185,452			235,099	119,944	33,089		5,570				
	Property management fees	(Note 1)	61,323	(Note 1)	(Note 1)	66,605	41,554	1,800	(Note 1)	1,800	(Note 1)	(Note 1)	(Note 1)	(Note 1)
	Taxes		41,638			47,803	25,609	30,301		3,314				
	Utilities		58,295			53,413	29,203	-		-				
	Repairs and maintenance		2,690			49,103	19,924	-		-				
	Insurance		661			883	582	574		45				
	Trust fees and other expenses		20,842			17,290	3,070	413		410				
NOI (= -) (In thousands of yen)	43,305	292,733	63,878	74,578	229,607	181,965	192,916	37,272	39,299	78,701	61,701	58,019	61,308	
Depreciation (In thousands of yen)	-	56,478	-	11,343	57,101	41,884	32,894	5,570	4,682	-	7,434	-	16,243	
Rental operating income (= -) (In thousands of yen)	43,305	236,255	63,878	63,235	172,506	140,080	160,021	31,701	34,617	78,701	54,267	58,019	45,065	
Capital expenditures (In thousands of yen)	-	8,424	-	30,344	9,749	20,338	-	2,003	-	-	-	-	31,894	
NCF (= -) (In thousands of yen)	43,305	284,309	63,878	44,234	219,858	161,626	192,916	35,268	39,299	78,701	61,701	58,019	29,414	
Reference	Expense ratio (= /)	2.9%	38.8%	7.1%	20.5%	50.6%	39.7%	14.6%	14.3%	12.4%	12.6%	4.5%	10.1%	22.3%
	Property tax for the year 2019 (In thousands of yen)	8,382	83,142	6,806	28,692	95,565	51,199	60,608	7,748	6,630	19,665	16,247	10,161	19,306
	Assets pledged as collateral	-	-	-	○	-	-	-	-	○	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 10th Fiscal Period (October 1, 2019 to March 31, 2020) : 183 days As of March 31, 2020

Location		Greater Nagoya area				Fukuoka area			Ordinance-designated cities, core cities and other areas					
Property No.		N-4	N-5	N-6	N-7	F-1	F-2	F-3	R-1	R-2	R-3	R-4	R-5	R-6
Property Name		Homecenter Kohnan Sunadabashi	K's Denki Shin-Moriyama (Land)	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		April 21, 2016	November 1, 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)	7,140	1,370	7,911	2,551	1,497	5,020	1,515	10,046	1,469	898	4,180	3,252	830
	Percentage of total portfolio	3.2%	0.6%	3.5%	1.1%	0.7%	2.2%	0.7%	4.4%	0.7%	0.4%	1.9%	1.4%	0.4%
	Net book value (In millions of yen)	6,928	1,390	8,139	2,587	1,404	4,972	1,554	9,766	1,442	869	4,374	3,250	838
	Appraisal value at end of period (In millions of yen)	7,300	1,440	7,060	2,570	1,640	5,760	1,840	12,000	1,560	920	4,880	2,660	878
	Percentage of total appraisal value	3.0%	0.6%	2.9%	1.1%	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 (39)	1	1	1	4	1 (23)	1	1	1 (28)	2	1
	Leasable floor area (㎡)	20,329.07	(Note 1)	19,909.33	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	65,616.31	12,768.77	2,047.65
	Leased floor area (㎡)	20,329.07	(Note 1)	19,323.01	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	62,350.55	12,768.77	2,047.65
	Occupancy ratio													
	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%	-	-	99.7%	100.0%	100.0%	99.1%	100.0%	100.0%	
As of March 31, 2016	-	-	-	-	100.0%	-	-	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	
As of September 30, 2015	-	-	-	-	100.0%	-	-	100.0%	100.0%	100.0%	-	-	-	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	152days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)			278,206				52,442	383,095			251,247		
	Rental revenues			220,813				52,308	351,132			183,784		
	Other operating revenues			57,393				134	31,962			67,462		
	Property-related expenses (In thousands of yen)			132,234				6,339	91,925			142,586		
	Property management fees	(Note 1)	(Note 1)	38,779	(Note 1)	(Note 1)	(Note 1)	1,866	19,851	(Note 1)	(Note 1)	40,020	(Note 1)	(Note 1)
	Taxes			26,564				3,465	26,820			24,962		
	Utilities			42,458				-	26,733			52,699		
	Repairs and maintenance			9,874				419	16,273			15,999		
	Insurance			529				70	684			542		
	Trust fees and other expenses			14,027				516	1,561			8,362		
NOI (= -) (In thousands of yen)	180,802	29,991	145,972	49,626	40,204	147,972	46,103	291,169	46,315	28,265	108,660	98,618	22,886	
Depreciation (In thousands of yen)	40,766	-	50,236	-	14,355	22,117	5,638	47,332	6,350	4,882	31,448	13,754	2,480	
Rental operating income (= -) (In thousands of yen)	140,036	29,991	95,735	49,626	25,848	125,854	40,464	243,837	39,965	23,383	77,211	84,864	20,405	
Capital expenditures (In thousands of yen)	864	-	24,501	-	730	1,377	-	12,341	-	-	80,674	-	-	
NCF (= -) (In thousands of yen)	179,938	29,991	121,471	49,626	39,474	146,595	46,103	278,828	46,315	28,265	27,985	98,618	22,886	
Reference	Expense ratio (= /)	11.2%	10.7%	47.5%	2.6%	22.3%	15.5%	12.1%	24.0%	16.8%	16.1%	56.8%	36.3%	18.8%
	Property tax for the year 2019 (In thousands of yen)	40,334	4,296	53,131	-	7,830	35,341	6,932	53,644	13,938	6,248	49,924	31,012	3,719
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 10th Fiscal Period (October 1, 2019 to March 31, 2020) : 183 days As of March 31, 2020

Location		Ordinance-designated cities, core cities				Tokyo metropolitan area						Total of 62 properties
Property No.		R-8	R-9	R-10	R-11	L-1	L-2	L-3	L-4	L-5	L-6	
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 Nishihoichai 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	
Price Information	Acquisition price (In millions of yen)	4,010	4,111	10,746	4,210	1,400	1,300	3,879	790	3,160	810	225,810
	Percentage of total portfolio	1.8%	1.8%	4.8%	1.9%	0.6%	0.6%	1.7%	0.3%	1.4%	0.4%	100.0%
	Net book value (In millions of yen)	4,129	4,320	10,708	4,293	1,477	1,362	3,873	835	3,180	853	228,027
	Appraisal value at the end of period (In millions of yen)	4,350	4,260	11,250	4,420	1,640	1,570	4,010	841	3,370	821	243,600
	Percentage of total appraisal value	1.8%	1.7%	4.6%	1.8%	0.7%	0.6%	1.6%	0.3%	1.4%	0.3%	100.0%
Lease Information	Number of tenants	1 (7)	1	1 (51)	1	1	1	1	1	1	1	496
	Leasable floor area (㎡)	12,030.83	(Note 1)	48,697.29	24,006.16	5,479.92	6,543.87	32,935.55	1,685.77	21,956.09	790.52	945,177.87
	Leased floor area (㎡)	12,030.83	(Note 1)	48,463.82	24,006.16	5,479.92	6,543.87	32,935.55	1,685.77	21,956.09	790.52	939,869.41
	Occupancy ratio											
	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%	99.4%
	As of September 30, 2019	100.0%	100.0%	99.4%	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%	
As of March 31, 2016	-	-	-	-	-	-	-	-	-	-	99.6%	
As of September 30, 2015	-	-	-	-	-	-	-	-	-	-	99.6%	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	82days	180days*
	Rental and other operating revenues (In thousands of yen)	137,728		516,672								8,232,798
	Rental revenues	136,830		437,164								7,236,678
	Other operating revenues	898		79,508								996,119
	Property-related expenses (In thousands of yen)	19,254		215,142								2,334,731
	Property management fees	3,144	(Note 1)	69,342	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	674,857
	Taxes	14,674		25,464								628,344
	Utilities	193		44,029								495,587
	Repairs and maintenance	480		6,898								208,221
	Insurance	341		793								13,470
	Trust fees and other expenses	421		68,615								314,250
	NOI (= -) (In thousands of yen)	118,473	82,981	301,529	96,528	54,081	57,103	123,841	16,005	100,533	8,231	5,898,066
Depreciation (In thousands of yen)	16,872	-	78,732	33,038	6,318	9,364	37,129	1,733	23,775	322	1,024,057	
Rental operating income (= -) (In thousands of yen)	101,600	82,981	222,796	63,489	47,762	47,739	86,712	14,272	76,757	7,909	4,874,009	
Capital expenditures (In thousands of yen)	-	-	34,730	-	10,320	-	2,238	-	221	-	471,629	
NCF (= -) (In thousands of yen)	118,473	82,981	266,798	96,528	43,761	57,103	121,602	16,005	100,312	8,231	5,426,437	
Reference	Expense ratio (= /)	14.0%	13.3%	41.6%	20.4%	8.5%	6.0%	2.3%	12.5%	8.0%	5.1%	28.4%
	Property tax for the year 2019 (In thousands of yen)	29,349	22,483	50,931	33,987	8,181	9,828	24,295	4,085	24,184	4,064	1,474,396
	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)

【Reference】

Earnings Performance for the Individual Properties for the 10th Fiscal Period (October 1, 2019 to March 31, 2020): 183 days As of March 31, 2020

Location		Greater Osaka area	Total of 1 Property Sold	Total of 63 Properties
Property No.		O-8 (Note 2)		
Property Name		Welcia Kishiwadakamori (Land)		
Acquisition Date		October 2, 2015		
Price Information	Acquisition price (In millions of yen)	487	487	226,297
	Percentage of total portfolio	100.0%	100.0%	-
	Revenue from sale of real estate property (In millions of yen)	560	560	-
	Cost of real estate property (In millions of yen)	497	497	-
	Gain on sale of real estate property (In millions of yen)	56	56	-
Lease Information	Number of tenants	-	-	-
	Leasable floor area (㎡)	-	-	-
	Leased floor area (㎡)	-	-	-
	Occupancy ratio			
	As of March 31, 2020	-	-	-
	As of September 30, 2019	100.0%	-	-
	As of March 31, 2019	100.0%	-	-
	As of September 30, 2018	100.0%	-	-
	As of March 31, 2018	100.0%	-	-
	As of September 30, 2017	100.0%	-	-
As of March 31, 2017	100.0%	-	-	
As of September 30, 2016	100.0%	-	-	
As of March 31, 2016	100.0%	-	-	
As of September 30, 2015	100.0%	-	-	
Income and Retained Earnings Information	Operating periods	31days	31days	180days
	Rental and other operating revenues (In thousands of yen)			8,234,927
	Rental revenues			7,238,807
	Other operating revenues			996,119
	Property-related expenses (In thousands of yen)			2,335,658
	Property management fees	(Note 1)	(Note 1)	675,050
	Taxes			629,029
	Utilities			495,587
	Repairs and maintenance			208,221
	Insurance			13,470
	Trust fees and other expenses			314,299
NOI (= -) (In thousands of yen)	1,201	1,201	5,899,268	
Depreciation (In thousands of yen)	-	-	1,024,057	
Rental operating income (= -) (In thousands of yen)	1,201	1,201	4,875,211	
Capital expenditures (In thousands of yen)	-	-	471,629	
NCF (= -) (In thousands of yen)	1,201	1,201	5,427,639	
Reference	Expense ratio (= /)	43.6%	43.6%	28.4%
	Property tax for the year 2019 (In thousands of yen)	-	-	-
	Assets pledged as collateral	-	-	-

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

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

Note 2: Welcia Kishiwadakamori (Land) was sold on October 31, 2019.

Kenedix Retail REIT Corporation (3453)

(Reference) Borrowings

Borrowings as of March 31, 2020 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	-	0.473	January 31, 2020	(Note 4)	Unsecured/ Unguaranteed		
	Sumitomo Mitsui Banking Corporation	700,000	-	-	700,000	0.471	September 30, 2020				
	Sumitomo Mitsui Trust Bank, Ltd. (Note6)	620,000	-	620,000	-	0.477					
	Sumitomo Mitsui Banking Corporation	-	2,750,000	-	2,750,000	0.469	January 31, 2021				
	Sub Total	4,070,000	2,750,000	3,370,000	3,450,000						
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	2,400,000	-	2,400,000	-	0.751	February 10, 2020	(Note 4)	Unsecured/ Unguaranteed		
	MUFG Bank, Ltd.	800,000	-	800,000	-						
	MUFG Bank, Ltd.	800,000	-	800,000	-						
	Sumitomo Mitsui Trust Bank, Ltd.	550,000	-	550,000	-						
	Aozora Bank, Ltd.	500,000	-	500,000	-						
	Resona Bank, Ltd.	500,000	-	500,000	-						
	The Gunma Bank, Ltd.	400,000	-	400,000	-						
	The Musashino Bank, Ltd.	400,000	-	400,000	-						
	Mizuho Bank, Ltd.	350,000	-	350,000	-	0.477	August 31, 2020				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	300,000	-						
	MUFG Bank, Ltd. (Note6)	1,270,000	-	1,270,000	-						
	Mizuho Trust & Banking Co., Ltd. (Note6)	650,000	-	650,000	-						
	Sumitomo Mitsui Trust Bank, Ltd. (Note6)	200,000	-	200,000	-	0.865	February 10, 2021				
	Sumitomo Mitsui Banking Corporation (Note7)	3,000,000	-	-	3,000,000						
	MUFG Bank, Ltd. (Note7)	700,000	-	-	700,000						
	Sumitomo Mitsui Trust Bank, Ltd. (Note7)	500,000	-	-	500,000						
	Aozora Bank, Ltd. (Note7)	450,000	-	-	450,000						
	Resona Bank, Ltd. (Note7)	450,000	-	-	450,000						
	Mizuho Bank, Ltd. (Note7)	400,000	-	-	400,000						
	Development Bank of Japan Inc. (Note5) (Note7)	1,500,000	-	-	1,500,000						
	Sumitomo Mitsui Banking Corporation	-	2,400,000	-	2,400,000	0.469	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							
Sub Total	16,120,000	6,200,000	9,120,000	13,200,000							
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	2,600,000	-	-	2,600,000	0.978	February 10, 2022	(Note 4)	Unsecured/ Unguaranteed		
	MUFG Bank, Ltd.	800,000	-	-	800,000						
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	-	-	600,000						
	Aozora Bank, Ltd.	400,000	-	-	400,000						
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000						
	Mizuho Bank, Ltd.	300,000	-	-	300,000						
	Resona Bank, Ltd.	300,000	-	-	300,000	1.033	February 10, 2022				
	Development Bank of Japan Inc. (Note5)	1,600,000	-	-	1,600,000						
	Sumitomo Mitsui Banking Corporation	4,600,000	-	-	4,600,000					1.366	April 16, 2025
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000						
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	-	-	600,000	0.975	March 31, 2023				
	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						
	Resona Bank, Ltd.	200,000	-	-	200,000					0.987	March 31, 2023
	The Musashino Bank, Ltd.	150,000	-	-	150,000						
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000	1.013	March 31, 2023				

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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	3,000,000	-	-	3,000,000	1.110	March 31, 2024	(Note 4)	Unsecured/ Unguaranteed
	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				
	Sumitomo Mitsui Banking Corporation	1,500,000	-	-	1,500,000	1.243	April 16, 2025		
	MUFG Bank, Ltd.	400,000	-	-	400,000	0.803	September 30, 2024		
	Sumitomo Mitsui Trust Bank, Ltd.	450,000	-	-	450,000	0.760	September 30, 2024		
	Development Bank of Japan Inc. (Note5)	890,000	-	-	890,000	0.932	April 21, 2026		
	Sumitomo Mitsui Banking Corporation	2,670,000	-	-	2,670,000	0.888	October 31, 2025		
	MUFG Bank, Ltd.	890,000	-	-	890,000	0.550	September 30, 2021		
	The Gunma Bank, Ltd. (Note5)	500,000	-	-	500,000	1.049	January 31, 2027		
	Development Bank of Japan Inc. (Note5)	2,000,000	-	-	2,000,000	1.049			
	Mizuho Trust & Banking Co., Ltd. (Note5)	1,000,000	-	-	1,000,000	1.002			
	Resona Bank, Ltd.	500,000	-	-	500,000	0.485	April 27, 2021		
	Sumitomo Mitsui Banking Corporation	2,600,000	-	-	2,600,000				
	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	0.400	April 27, 2021		
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	0.553			
	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	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	1.050	May 18, 2027		
	Mizuho Bank, Ltd. (Note5)	500,000	-	-	500,000	1.049			
	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			

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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	0.999	May 31, 2027	(Note 4)	Unsecured/ Unguaranteed
	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	August 31, 2024		
	Resona Bank, Ltd.	650,000	-	-	650,000	0.460			
	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		
	Mizuho Trust & Banking Co., Ltd. (Note5)	-	650,000	-	650,000	0.670	April 30, 2028		
	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			
Sub Total	78,910,000	8,340,000	-	87,250,000					
Total	99,100,000	17,290,000	12,490,000	103,900,000					

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: Prepayment was made on October 31, 2019.

Note 7: 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.