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01

Executive summary

Security Code

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Overcame the pandemic “Crisis Period”, returning to the growth path

❑ Asset management amid the COVID-19 pandemic (the 12th fiscal period ended March 2021)

- Continued strong performance of KRR’s core tenants that deal with daily necessities including grocery supermarkets and home & garden stores, even amid the pandemic
- Achieved a record high of JPY 7,095 DPU ^(Note 1), due to the limited impact of the pandemic on rents as well as gains on sale of a property and cost reduction

❑ The 5th public offering ^(Note 2)

- Raised about JPY 12 billion through public offering and acquired four properties for JPY 22.3 billion with the proceeds from the offering, additional borrowings and proceeds from the sale of properties
- Undertook the public offering after the unit price recovered to the NAV level in February 2021 as the market recognized the stability of the portfolio focused on shopping centers for daily needs even amid the pandemic

❑ Management views

- Reaffirmed the stability of the portfolio centering on shopping centers for daily needs even through three state of emergency declarations
- Some tenants, mainly service-oriented tenants ^(Note 3), are taking time to recover their sales amid the pandemic; prolonged pandemic may result in additional rent reduction requests or tenant move-outs
- Gains on sale of Daikanyama Address Dixsept, etc. will contribute to stable distributions over the 13th and 14th fiscal periods; meanwhile, seek to improve the quality and profitability of portfolio by asset and tenant reshuffling during these periods and aim for growth through public offering at appropriate timing

Note 1: DPU of the first FP was JPY 7,414, but the asset management period covered 233 days.

Note 2: May be referred to as “this offering” in this material. The series of initiatives including this offering, related third party allocation, borrowings, acquisition and dispositions of assets shall be referred to as “this offering, etc.” Completion day of this offering, etc. is referred to as “after this offering, etc.”

Note 3: Refer to tenants not engaged in sale of goods, such as restaurants.

Summary of the 5th public offering

Overview

Offering format	Domestic offering (with extraordinary report filing)
Offering size	Total amount: JPY 12,324 million Public offering: JPY 11,735 million (Of which sold to overseas investors): JPY 3,666 million Over-allotment: JPY 589 million
Number of units issued	Total 46,000 units (of which 2,200 units issued through third-party allotment in relation to the secondary offering through over-allotment)
Total number of units outstanding (after this offering)	582,177 units
Issue price	JPY 267,930
Net proceeds	JPY 11,920 million
Launch date	April 7, 2021
Pricing date	April 14, 2021
Subscription period	April 15, 2021
Payment date	April 20, 2021

Unit price and market capitalization



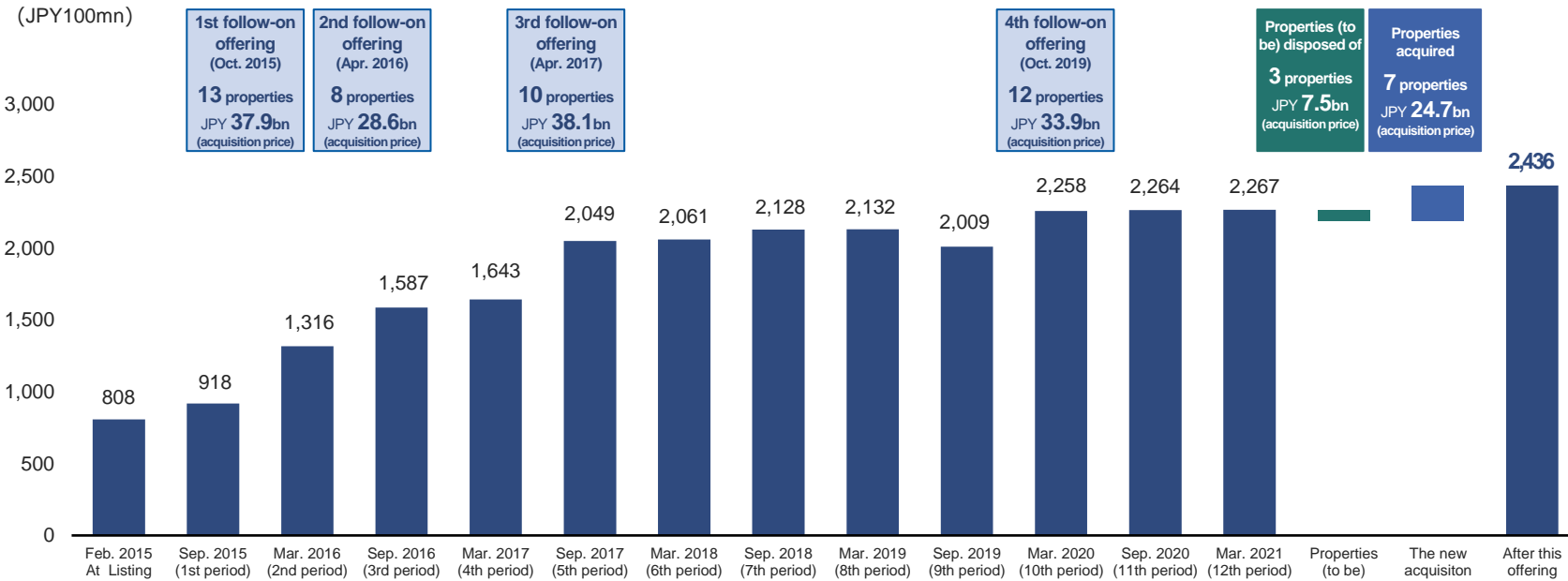
Note: Calculated using the TSE REIT Index as of Feb. 19, 2020 when the 2020 highest price was recorded for the TSE REIT Index as the closing price for KRR unit price.

Portfolio summary

Characteristics of KRR portfolio

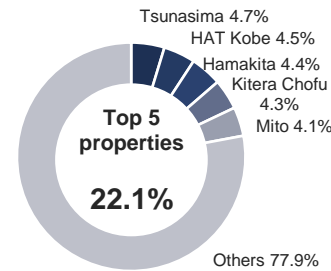
Total appraisal value	Appraisal NOI yield	NOI yield after depreciation	Occupancy rate	4 major metropolitan areas	Shopping centers for daily needs	Grocery anchored shopping centers
JPY 264.8 bn	5.3%	4.2%	99.7%	81.9%	94.5%	86.1%

Trend in AUM (based on acquisition price)

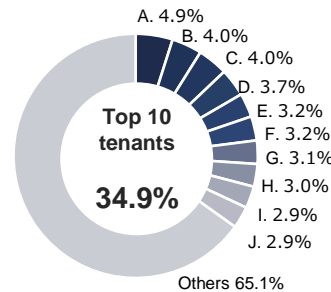


Diversification of portfolio after this offering

Top 5 properties (based on acquisition price)



Top 10 tenants (based on rent)



	Feb. 2015 At Listing	Sep. 2015 (1st period)	Mar. 2016 (2nd period)	Sep. 2016 (3rd period)	Mar. 2017 (4th period)	Sep. 2017 (5th period)	Mar. 2018 (6th period)	Sep. 2018 (7th period)	Mar. 2019 (8th period)	Sep. 2019 (9th period)	Mar. 2020 (10th period)	Sep. 2020 (11th period)	Mar. 2021 (12th period)	Properties (to be) disposed of	The new acquisition	After this offering
Number of properties	18	19	33	40	42	51	52	53	53	55	62	62	64	3	7	65
Tenants	286	321	389	405	409	542	522	520	511	480	496	496	502	28	42	509
DPU (JPY)	-	7,414	6,846	5,974	6,044	6,115	6,255	6,299	6,477	6,486	6,535	6,546	7,095	Aim for further growth in DPU and NAV per unit		
NAV per unit (JPY)	-	237,472	238,401	244,905	249,301	250,892	253,803	257,913	257,915	258,187	261,151	259,008	261,956			

Note 1: Figures on portfolio are as of Mar. 31, 2021 for the 67 properties acquired by the date of this material. Appraisal values and NOI yields of Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership interests), Kitera Town Chofu, Unicus Urawamisono (Land) and Merado Daikai are based on the appraisal reports dated of Mar. 1, 2021.

Note 2: "Appraisal NOI Yield" is calculated by dividing appraisal NOI from the latest appraisal reports by acquisition price. "NOI yield after depreciation" is based on the forecast for the fiscal period ending Sep. 30, 2021.

Note 3: "Grocery anchored shopping centers" ratio is calculated by dividing total acquisition price of grocery anchored shopping centers by total acquisition price of retail properties.

Note 4: "Properties (to be) disposed of" include Daikanyama Address Dixsept (40% quasi-co-ownership interest) disposed on Dec. 1, 2020 and Daikanyama Address Dixsept (30% quasi-co-ownership interest) disposed on Apr. 1, 2021, as well as anticipated dispositions. The same applies hereinafter.

Note 5: "Number of tenants" at listing is figure as of Sep. 30, 2014.

Selective investments adapting to the changing trends

Acquisitions adapting to the changing trends such as the concentration of population in major metropolitan areas, demographics in surrounding areas, and the tenant mix focusing on grocery supermarkets

Highlights of the new acquisition

1	Retail trade areas with demographic advantages	Dense population	Growing population
	<ul style="list-style-type: none"> Areas with abundant retail trade areas owing to population concentration Locations with potential for population growth where large-scale housing development is planned in the neighborhood 		
2	Located in four major metropolitan areas and ordinance-designated cities	Metropolitan areas	Ordinance-designated
	<ul style="list-style-type: none"> Locations in 4 major metropolitan areas and ordinance-designated cities with relatively stable demographics 		
3	Tenant mix enabling stable management	Grocery	Logistics
	<ul style="list-style-type: none"> Retail facilities with grocery supermarket tenants are resilient to the impact of COVID-19 and e-commerce Retail distribution centers that leverage e-commerce demand 		
4	Strong support from the Kenedix Group and Alliance Companies	Sponsor	Alliance
	<ul style="list-style-type: none"> Building on Kenedix Group (Sponsor) and Alliance Companies' pipelines and brokerage capabilities 		

Change in the portfolio through this offering

	End of 11th FP (Sep. 2020)	Properties (to be) disposed of	The new acquisition	After this offering
Number of properties	62	3	7	65
Acquisition price	JPY 226.4bn	JPY 7.5bn	JPY 24.7bn	JPY 243.6bn
Total Appraisal value	JPY 242.8bn	JPY 8.4bn	JPY 26.7bn	JPY 261.0bn
Average appraisal NOI yield	5.2%	4.5%	5.2%	5.2%

List of the new acquisition

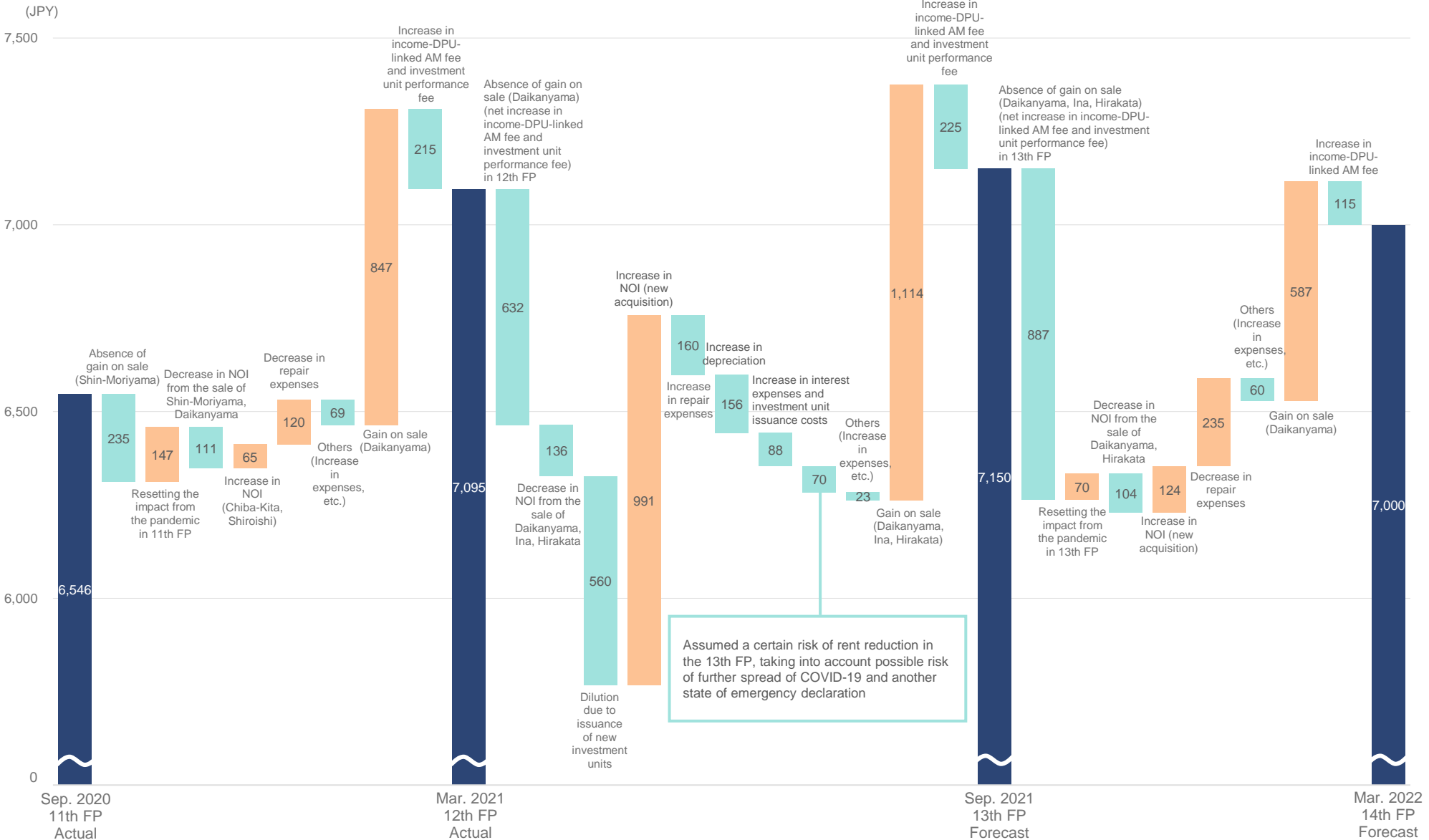
The new acquisition	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield	Acquisition route	Highlights
Shopping centers for daily needs					
Kitera Town Chofu 	Acquired in 13th FP	10,500	11,400	5.2%	Sponsor
					Dense Growing Metropolitan Grocery
Merado Daikai 	Acquired in 13th FP	5,440	5,780	5.3%	Proprietary
					Dense Metropolitan Grocery
Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership interest) 	Acquired in 13th FP	5,667	5,930	4.7%	Sponsor
					Dense Growing Metropolitan Grocery
Unicus Urawamisono (Land) 	Acquired in 13th FP	732	817	4.6%	Alliance
					Growing Metropolitan Grocery
Monenosato Mall (2 New Buildings) 	Acquired in 12th FP	343	440	6.7%	Sponsor (brokerage)
					Growing Metropolitan Grocery
Retail distribution centers					
Chiba-Kita Distribution Center 	Acquired in 12th FP	1,250	1,340	4.6%	Alliance
					Metropolitan Logistics
Sapporo Shiroishi Distribution Center 	Acquired in 12th FP	800	1,020	7.3%	Proprietary
					Ordinance-designated Logistics

Note 1: "Grocery" is included in highlights for acquisition of Monenosato Mall (2 New Buildings) as a grocery supermarket is in the existing building owned by KRR before acquisition of the 2 new buildings.

Note 2: For Monenosato Mall (2 New Buildings), following formula was used to calculate appraisal NOI yield: Appraisal NOI Yield = (Appraisal NOI of Monenosato Mall stated in the appraisal report as of Mar. 1, 2021 including the acquisition of 2 new buildings minus Appraisal NOI of Monenosato Mall (excluding 2 new buildings) stated in the appraisal report as of Sep. 30, 2020)/Acquisition price of 2 new buildings

DPU impact and forecast assumptions

■ DPU ■ Positive factors ■ Negative factors



Summary of statements of income and retained earnings

(JPY mn)

	Sep. 2020	Mar. 2021		Changes		Remarks on changes from forecasts
	11th FP actual (A)	12th FP forecast (B) ^(Note)	12th FP actual (C)	C - A	C - B	
Rent revenue – real estate	7,276	7,232	7,336	+59	+104	Acquisition of Chiba-Kita and Shiroishi +36, Fixed rent and common area expenses +41 (difference of estimated rent reduction, etc.), sales-linked rent +25 (difference of tenant sales, etc.)
Other lease business revenue	995	922	927	-68	+4	Initial estimate for COVID-19 rent reduction: -41 Actual impact: -3 (rent reduction 2, decrease in sales-linked rent 1)
Gains on sale	126	451	454	+328	+3	
Operating revenues	8,398	8,606	8,717	+319	+111	
Property related expenses (excl. depreciation)	2,439	2,402	2,309	-129	-93	Utility charge -70, repair costs -37 (Gyoda, etc.) Restoration fee +10 (HAT Kobe, etc.)
NOI	5,833	5,752	5,954	+121	+202	
Depreciation	1,040	1,059	1,068	+28	+9	
NOI after depreciation	4,793	4,692	4,885	+92	+192	
Other operating expenses	837	922	961	+123	+38	Asset management fee II (linked to net income and DPU) +42
Operating income	4,082	4,221	4,379	+296	+157	
Non-operating income	3	0	0	-2	+0	
Non-operating expenses	579	587	579	+0	-7	
Ordinary income	3,505	3,633	3,799	+293	+165	
Net income	3,504	3,632	3,798	+293	+165	
DPU (JPY)	6,546	6,785	7,095	+549	+310	

Note: The 12th period forecast above is as of Nov. 17, 2020.

Financial forecasts: 13th and 14th fiscal periods

(JPY mn)

Key financial information	Mar. 2021 12th FP (actual)	Sep. 2021 13th FP (forecast)	Changes
Operating revenues	8,717	9,495	+777
Gain on sales of real estate	454	648	+194
Operating expenses	4,338	4,704	+365
Operating income	4,379	4,790	+411
Non-operating expenses	579	631	+51
Interest expenses & financing-related expenses	571	616	+44
Amortization of investment unit issuance costs	7	15	+7
Ordinary income	3,799	4,158	+359
Net income	3,798	4,157	+359
DPU	7,095	7,150	+55

Possible impact of the pandemic (rent reduction) -41

Sep. 2021 13th FP (forecast)	Mar. 2022 14th FP (forecast)	Changes
9,495	9,129	-365
648	344	-304
4,704	4,423	-280
4,790	4,705	-85
631	634	+2
616	618	+2
15	15	-
4,158	4,071	-87
4,157	4,070	-87
7,150	7,000	-150

Related key indicator	Mar. 2021 12th FP (actual)	Sep. 2021 13th FP (forecast)	Changes
NOI	5,954	6,298	+344
NOI yield (%)	5.3%	5.1%	---
Depreciation	1,068	1,134	+66
NOI after depreciation	4,885	5,163	+277
NOI yield after depreciation (%)	4.3%	4.2%	---
FFO	4,424	4,663	+238
CAPEX	543	814	+270
LTV (%)	44.8%	44.3%	---

Sep. 2021 13th FP (forecast)	Mar. 2022 14th FP (forecast)	Changes
6,298	6,478	+180
5.1%	5.3%	---
1,134	1,129	-5
5,163	5,349	+185
4.2%	4.4%	---
4,663	4,875	+211
814	905	+91
44.3%	44.3%	---



02

Impact of COVID-19

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Operation of facilities under the third state of emergency (Apr. 2021-)

Operation of KRR's facilities

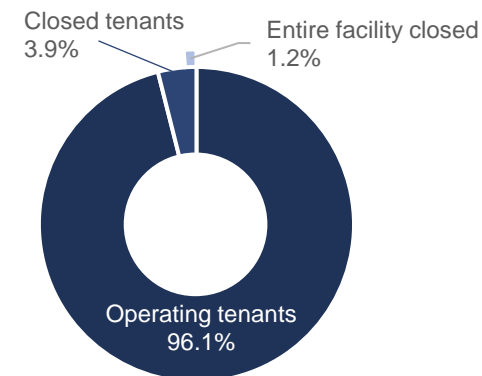
96.1% of tenants operating; 3.9% closed, 1.2% of which are in the facility entirely closed (as of Apr. 30, 2021, based on leased area) ^(Note 1)
 During the first state of emergency (Apr. - May 2020), 87.1% were operating, 12.9% closed, 6.5% of which in the facility entirely closed ^(Note 2)
 During the second state of emergency (Jan. - Mar. 2021), no closed tenants

Retail properties		Number of properties	As of April 30, 2021
Retail facilities in operation	Other than following	56/59 retail properties	As stores selling foods and daily necessities are included, continue to operate and function as a social infrastructure supporting daily life Stores requested to suspend operation are closed, and some stores are also voluntarily closed
Retail facilities entirely closed	Sports Club Renaissance Fujimidai Prime Square Jiyugaoka Konami Sports Club Shibuya	3/59 retail properties	In response to the state of emergency declaration, the entire building is closed at each tenant's discretion

Examples of infection prevention measures at facilities in operation

- Antiseptic solution at the facility entrance
- Thorough cleaning of common areas
- Disinfection of areas where people touch, such as handrails and doorknobs
- Thorough ventilation in core tenant areas, common areas, and employee rest areas
- Encouraging tenant employees to wear masks
- Shortened operating hours
- Entrance restrictions

Operation of tenants (as of April 30, 2021)



Note 1: Divided the total floor space of temporarily closed tenants during the state of emergency declaration by the total leased area as of Apr. 30, 2021.

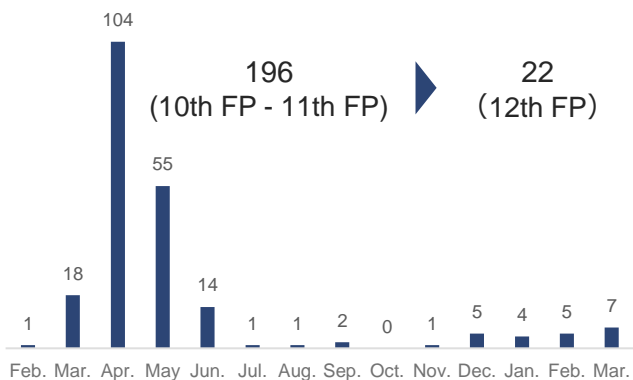
Note 2: Divided the total floor space of temporarily closed tenants during the state of emergency declaration by the total leased area as of Sep. 30, 2020.

Response to rent reduction requests amid the COVID-19 pandemic

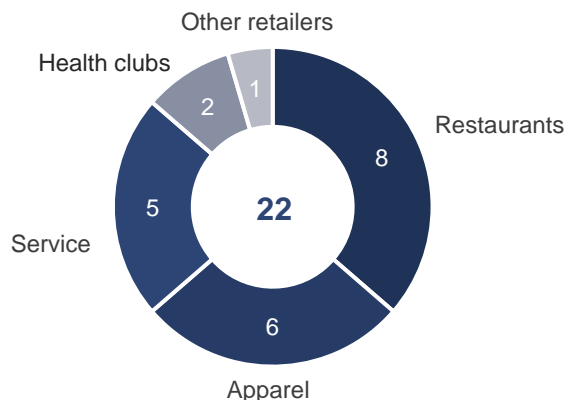
□ Rent reduction/deferral requests

The number of new requests remained limited during the second declaration of emergency
 Requests from service-oriented tenants (including restaurants) and apparel tenants tend to continue

Number of requests by month (Feb. 2020 – Mar. 2021)



Number of relief request (Oct. 2020 – Mar. 2021)



Policy on response to rent reduction requests

Consider the following when accepting rent reduction/deferral requests

- Performance of tenants
- Rate of decrease in tenant sales
- Financial conditions of tenants
- Lease contract type
- Period of the state of emergency
- Application for subsidies
- Impact on KRR's operation

□ Responding to rent reduction/deferral requests

11th FP ended Sep. 2020

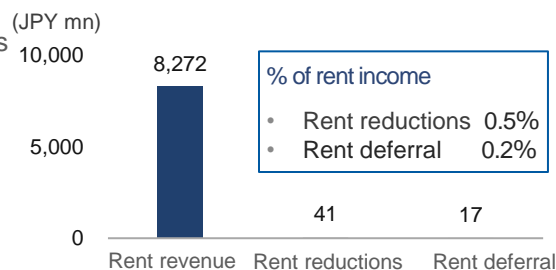
Rent reductions

- ✓ 95 cases
- ✓ Total amount of rent reductions JPY 41 mm

Rent deferral

- ✓ 2 cases
- ✓ Total amount of rent deferral JPY 17 mm

Impact on the 11th FP (Sep. 2020) rent income



12th FP ended Mar. 2021

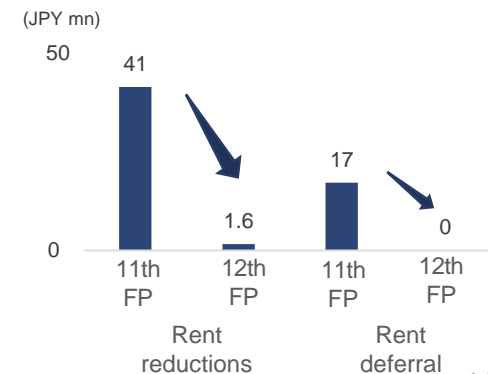
Rent reductions

- ✓ 1 case
- ✓ Total amount of rent reductions JPY 1.6 mm

Rent deferral

- ✓ 0 case
- ✓ Rent deferral during the 11th FP have been collected without delay

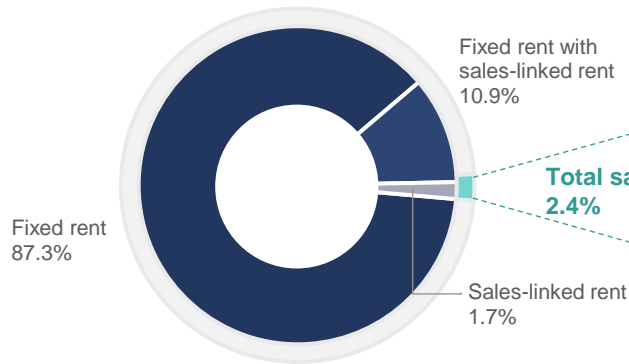
Total amount of rent reductions/deferral decreased significantly



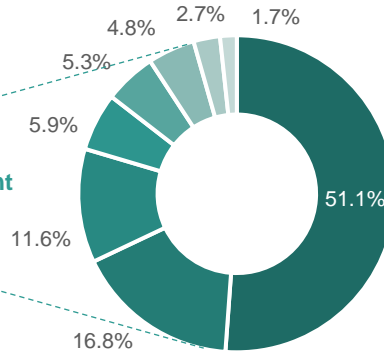
Asset management amid the COVID-19 pandemic

▣ Sales-linked rent

Rent type (Oct. 2020 – Mar. 2021) ^(Note)



Percentage of tenant category of sales-linked rent (based on rent)



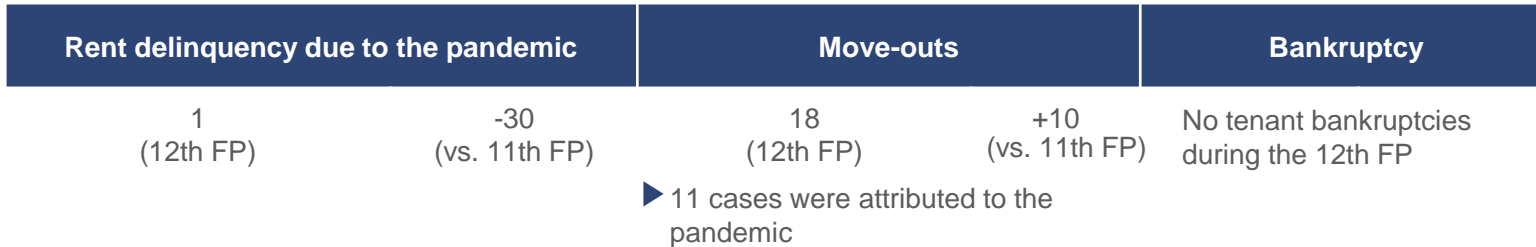
Sundry goods	51.1%
Other retailers	16.8%
Apparel	11.6%
Drug stores	5.9%
Dollar shops	5.3%
Restaurants	4.8%
Groceries	2.7%
Service businesses	1.7%

- Non-service-oriented tenants cover over 90% of sales-linked rent

Total amount of sales-linked rent

JPY 139 mm (12th FP) + JPY 23 mm (vs. 11th FP)

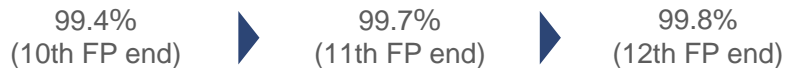
▣ Rent delinquency, tenant move-outs, and tenant bankruptcy



The level of rent delinquency at 12th FP end and move-outs, bankruptcy during 12th FP did not change significantly from the pre-pandemic level

▣ Occupancy rate and leasing of vacant spaces

Occupancy rate improved amid the COVID-19 pandemic



Leasing at Central Wellness Club Nagatsuta Minamidai



- Attracted a pet shop as a tenant for the vacant space (approx. 230 tsubo) on the first floor created by cancellation of move-in due to COVID-19
- Opened in March 2021. The occupancy rate increased from 81.0% to 100%

Note: The figures of "Rent type" is for the 12th FP.

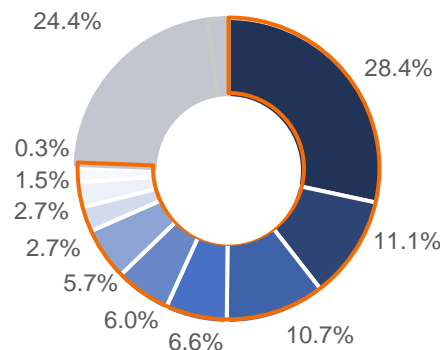
Impact of COVID-19 by tenant category

Tenant category	Ratio (Note 1)	During SOED	After SOED	Status
Groceries & Costco (Note 2)	28.4%	↗↗↗	↗↗↗	Demand for daily necessities remains firm, receiving tailwind from stay-at-home consumption and increasing demand for eating at home
Master lease (ML)	11.1%	→	→	Stable with grocery supermarkets as core tenants, and owing to the strength of master lessee
Home & garden	10.7%	↗	↗↗	Special demand for gardening supplies and DIY products due to staying at home
Service-oriented	7.0%	↘↘	↘	Sales for massage and barber salons were recovering gradually, but turned sluggish again due to the state of emergency declaration
Other retailers	6.6%	↘	→	Furniture, bedding, and cookware sales have been strong due to stay-at-home consumption
Amusement (Note 3)	5.9%	↘↘	↘	Strong performance at the end of 2020 driven by a blockbuster movie turned sluggish again due to the state of emergency declaration
Health clubs	5.5%	↘↘	↘	Although business has resumed, sales have been affected by an increase in membership cancellations and a decrease in new membership
Apparel (casual) (Note 4)	2.7%	↘	↗	Demand for casual clothing remained strong, and clothing to meet stay-at-home demand is also firm
Apparel (other)	2.2%	↘	↘	Trend of longer purchase cycle continues due to fewer opportunities to go out. Sales of business wears are struggling with the widespread of work from home

SOED = The first state of emergency declaration (Apr. – May 2020)

Tenant category	Ratio (Note 1)	During SOED	After SOED	Status
Distribution centers	6.0%	↗↗↗	↗↗↗	Increase in delivery volume due to stay-at-home consumption continues
Consumer electronics	5.7%	↘	↗↗↗	Sales remained strong at consumer electronics stores in residential areas. Strong demand for products such as PC and TV due to prolonged period of working from home
Restaurants	3.8%	↘↘	↘	Fast food restaurants offering take-out food where customers do not stay long are relatively immune. Restaurants in urban areas and those serving alcohol continue to be affected
Drug stores	2.7%	↗↗	→	Demand for daily necessities remains firm. Stores located in residential areas have not been affected by a decrease in inbound sales. Dispensing pharmacies have been slightly affected
Dollar shops	1.5%	↗	→	Increasing demand mainly for masks, sanitary products and daily necessities. Sales of reusable bags are also strong due to the charge for plastic shopping bags
Offices	0.3%	→	→	Although there are moves to expand work from home due to the pandemic, there have been no cancellations for office spaces of KRR

Percentage of tenant category (based on rent) (Note 1)



Tenants relatively resilient to the COVID-19 pandemic (Mar. 2021)
75.6%

Note 1: The figures are as of March 31, 2021, based on the properties acquired by the date of this material. However, assets to be disposed of are excluded, and figures for Unicus Urawamisono (Land) are as of the acquisition date. Ratio is rounded to the nearest tenth.

Note 2: "Costco" refers to Costco Wholesale.

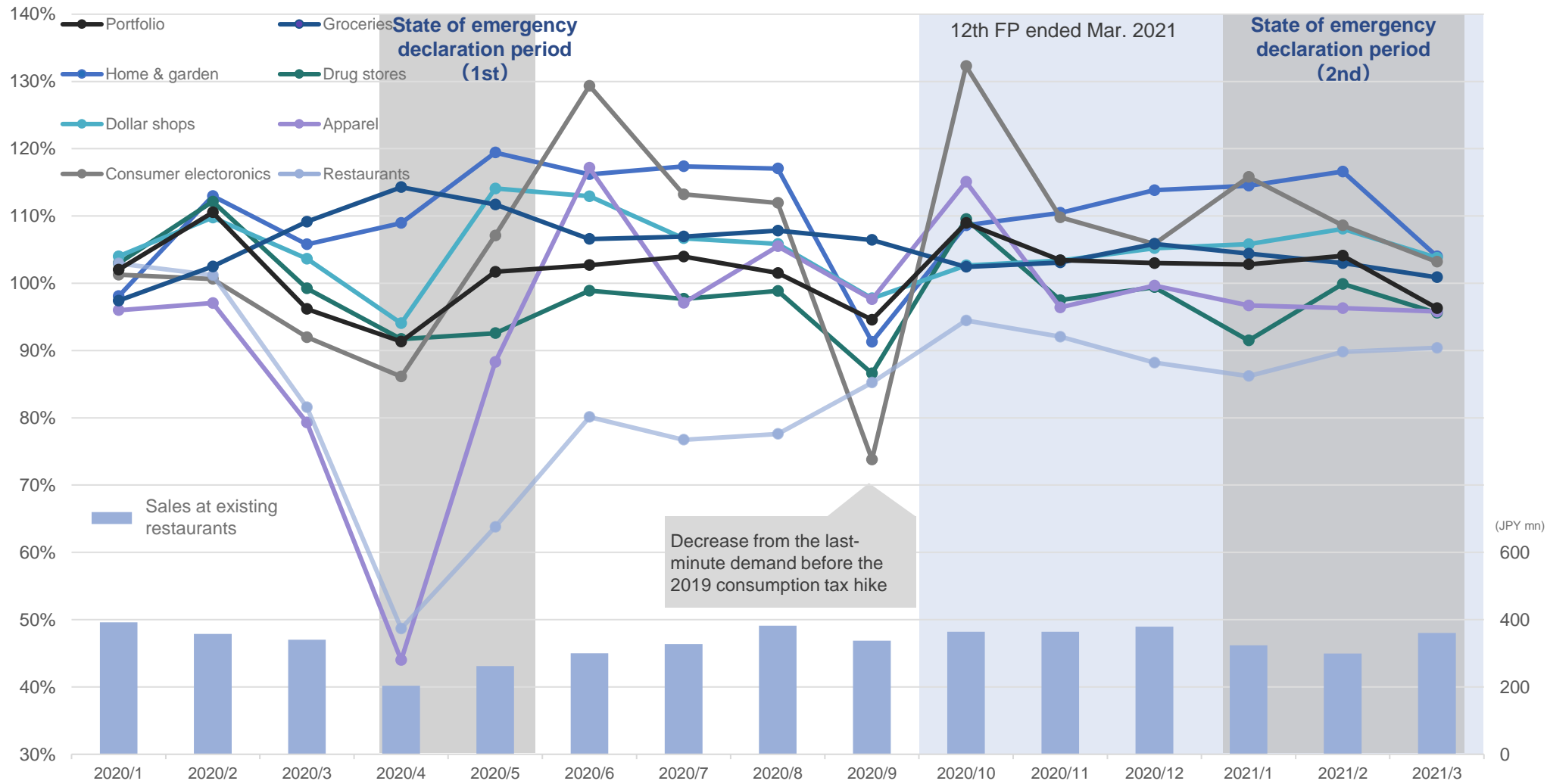
Note 3: "Amusement" includes movie theaters.

Note 4: "Apparel (casual)" refers to Shimamura, Uniqlo and G.U.

Changes in tenant sales (Jan. 2020 – Mar. 2021)

Changes in tenant sales by business category (Monthly comparison vs. 2019)

The second state of emergency was declared at the start of 2021, but portfolio sales remained stable at 102.1% through the FP ended March 2021 vs. the FP ended March 2019

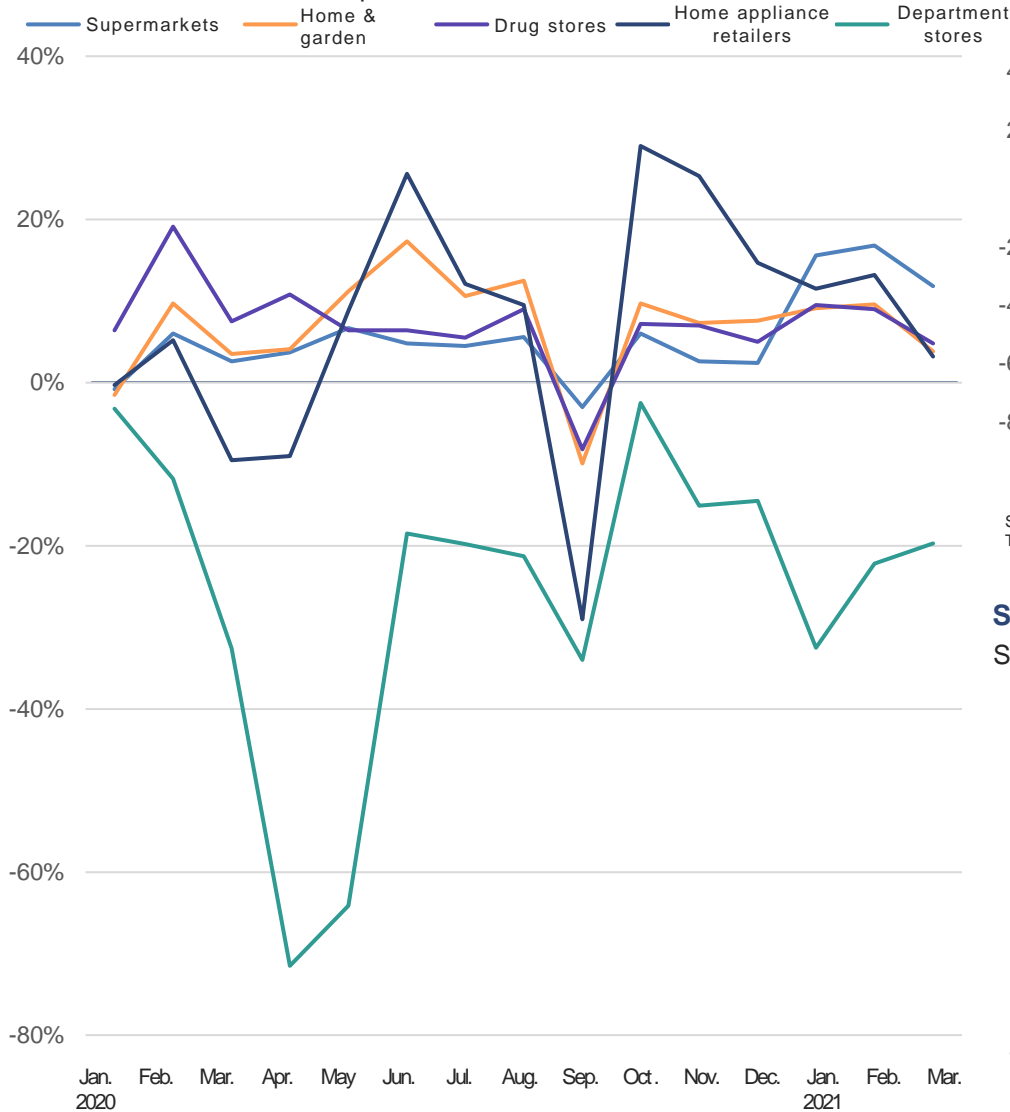


Note: "Changes in tenant sales" is based on the sales figures available to KRR. Sales figures of portfolio do not take into account the effect of difference in days of the weekends in each period while sales figures by business category take into account the effect of the day of the week. Health clubs and some large amusement facilities are not included in aggregate calculation.

Consumption is shifting to residential areas amid the COVID-19 pandemic

Changes in sales by business category (Monthly comparison vs. 2019) (Note)

While department store sales stay stagnant, sales of shopping centers for daily needs remain stable amid the pandemic

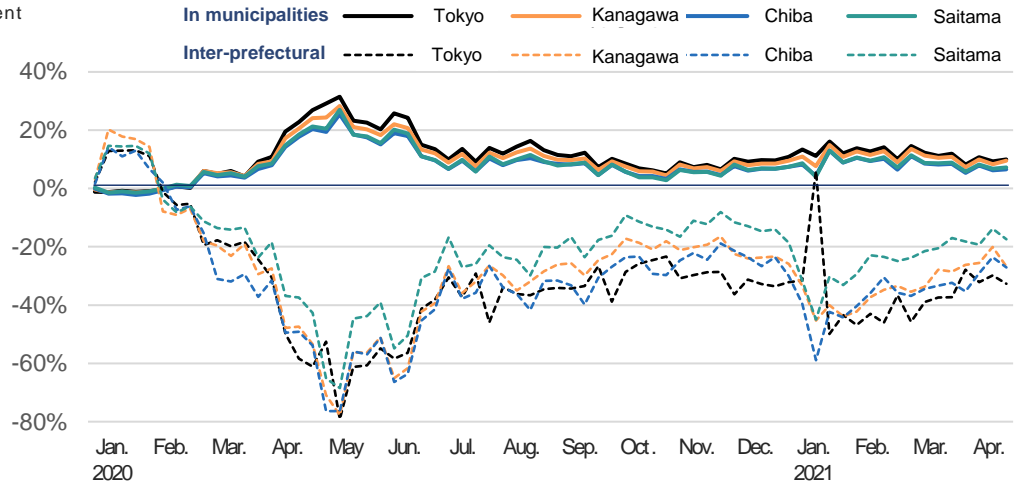


Source: Ministry of Economy, Trade and Industry "the Current Survey of Commerce"

Note: Figures for 2021 are calculated by dividing the 2021 sales figures by the 2019 sales figures in the Ministry of Economy, Trade and Industry's "Current Survey of Commerce" (preliminary report for March 2021).

Change in the number of people staying in residential areas (Weekly comparison vs. 2019)

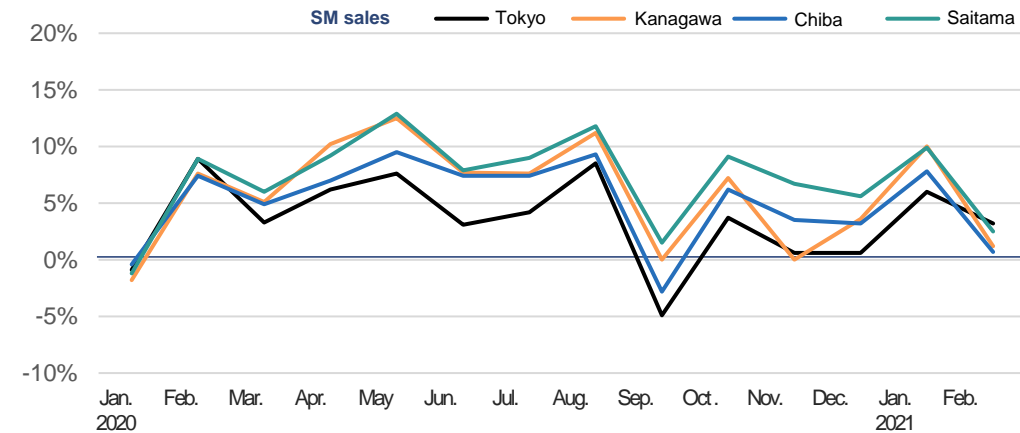
People staying within residential areas has increased amid the pandemic



Source: V-RESAS (provided by the Office for Promotion of Regional Revitalization, Cabinet office, and Secretariat of Headquarters for Town, People, and Business Development, Cabinet Secretariat)

Sales at supermarket (SM) (YoY)

Steady sales at supermarkets mostly in residential areas



Source: Kanto Bureau of Economy, Trade and Industry "Trends in department store and supermarket sales" (Feb. 2021)



03

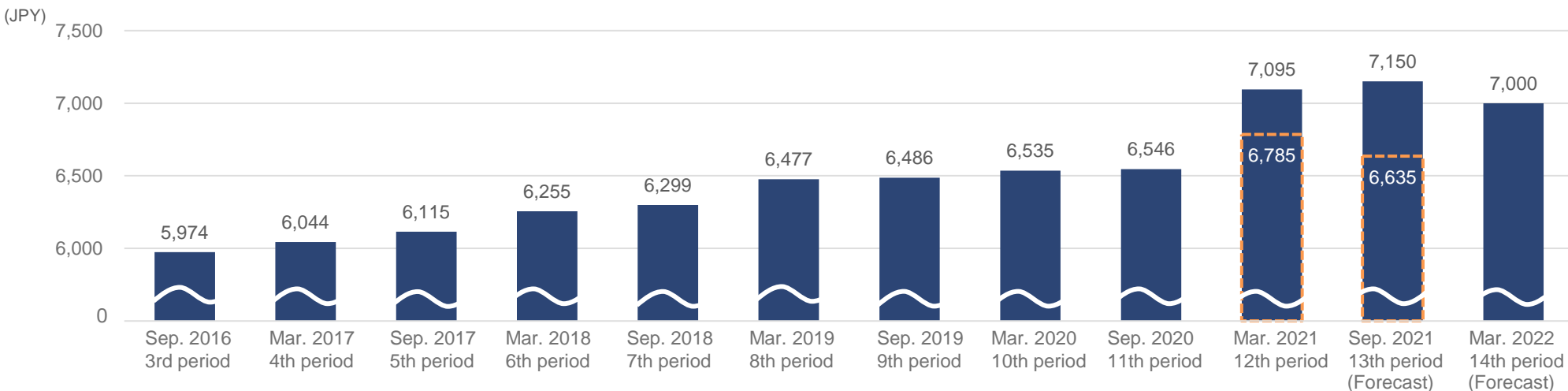
KRR highlights and updates

Security Code

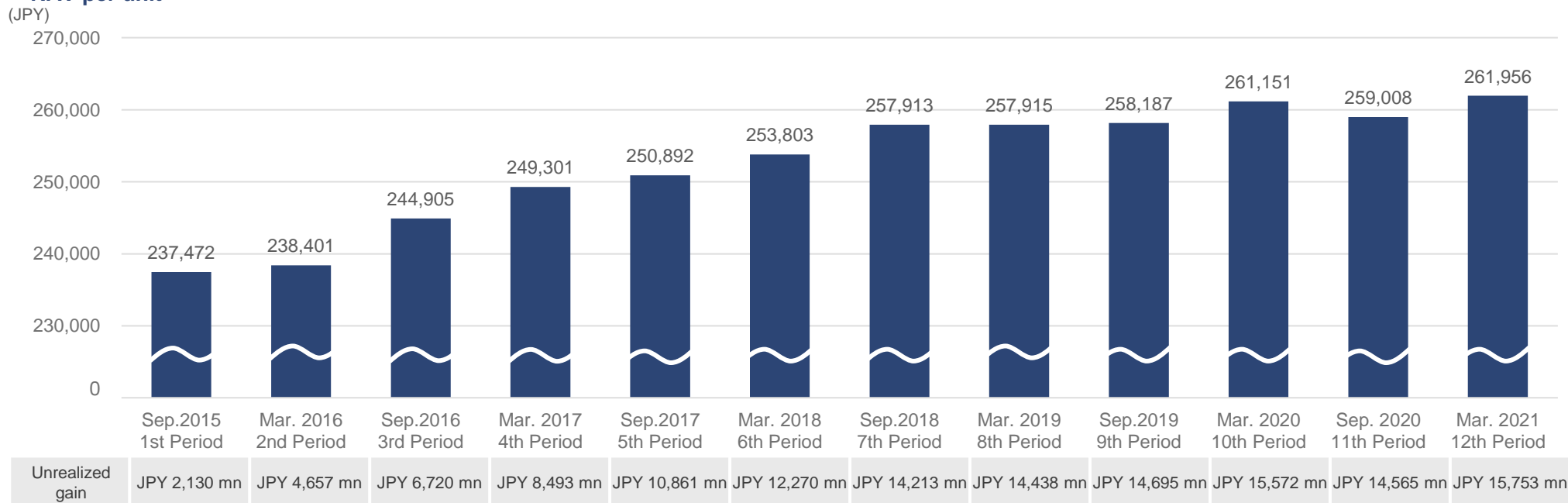
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Distribution per unit, NAV per unit and unrealized gain

Distribution per unit



NAV per unit

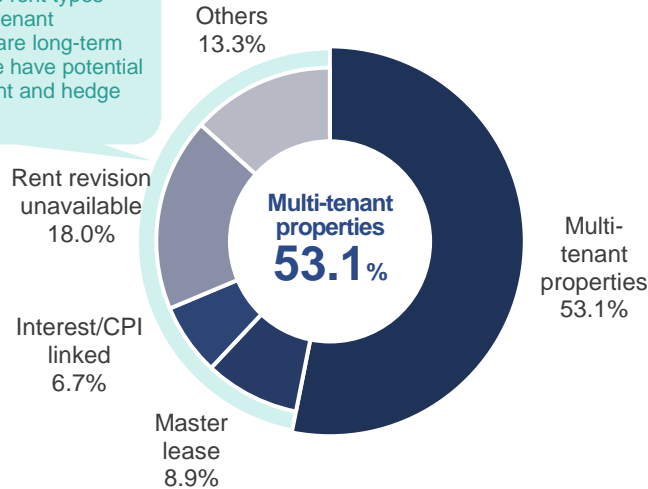


Note 1: The boxes in orange lines indicate the forecasts as of Nov. 17, 2020.

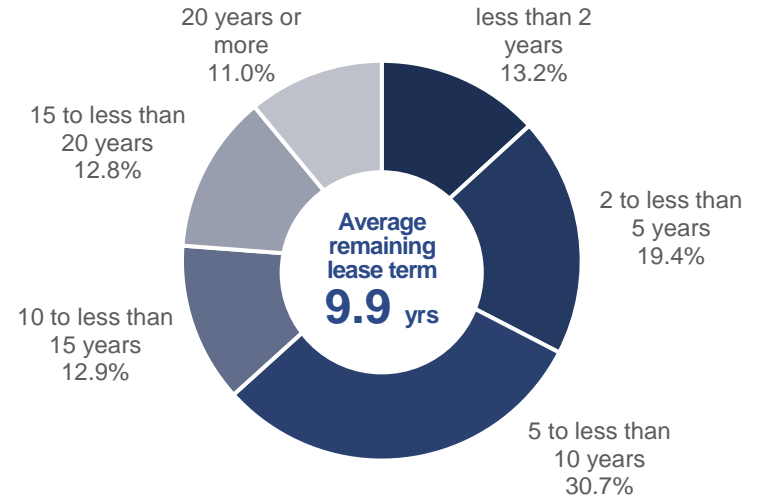
Note 2: NAV per unit at the end of each fiscal period = (net assets + unrealized appraisal gains/losses on the entire portfolio at the end of each fiscal period) / (total number of investment units issued at the end of each fiscal period)

Multi-tenant properties (by acquisition prices)

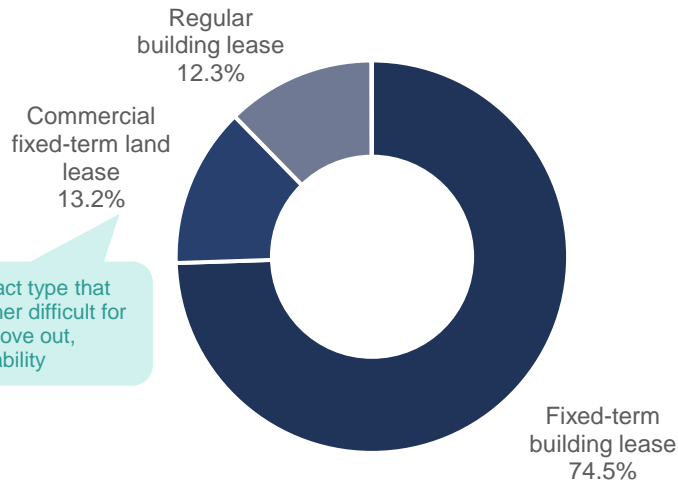
There are various rent types even with single tenant properties. Most are long-term leases, and some have potential for increase in rent and hedge against inflation



Remaining lease term (by annual fixed rent)

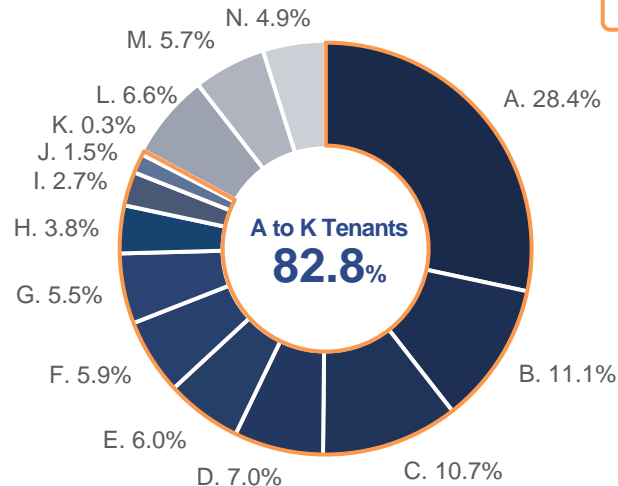


Lease contract type (by annual fixed rent)



Lease contract type that makes it rather difficult for tenants to move out, providing stability

Percentage of tenant categories (based on rents)



Tenants less affected by e-commerce

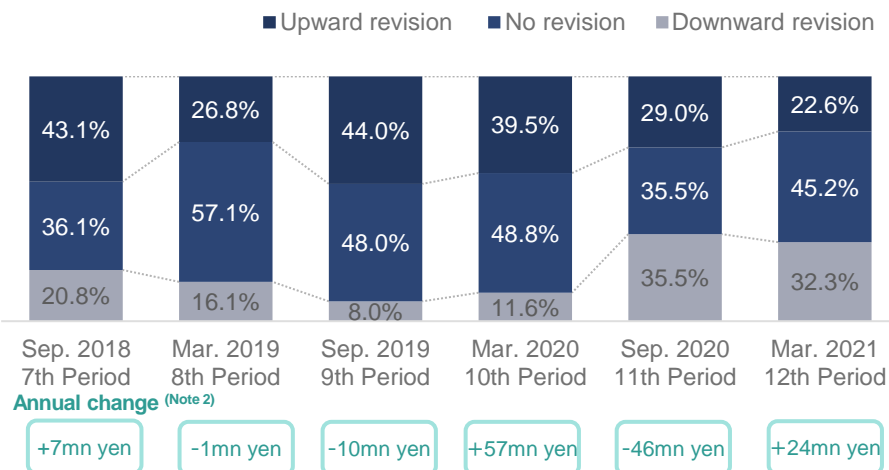
A.	Groceries & Costco	28.4%
B.	Master lease	11.1%
C.	Home & garden	10.7%
D.	Service businesses	7.0%
E.	Logistics facilities	6.0%
F.	Amusement	5.9%
G.	Health clubs	5.5%
H.	Restaurants	3.8%
I.	Drug stores	2.7%
J.	Dollar shops	1.5%
K.	Office	0.3%
L.	Other retailers	6.6%
M.	Consumer electronics	5.7%
N.	Apparel	4.9%

Note 1: The figures are as of March 31, 2021 for the assets owned by KRR as of the date of this material. However, assets to be disposed of are excluded, and figures for Unicus Urawamiono (Land) are as of the acquisition date.

Note 2: Based on the contractual rent determined in the lease contract, including regular building leases.

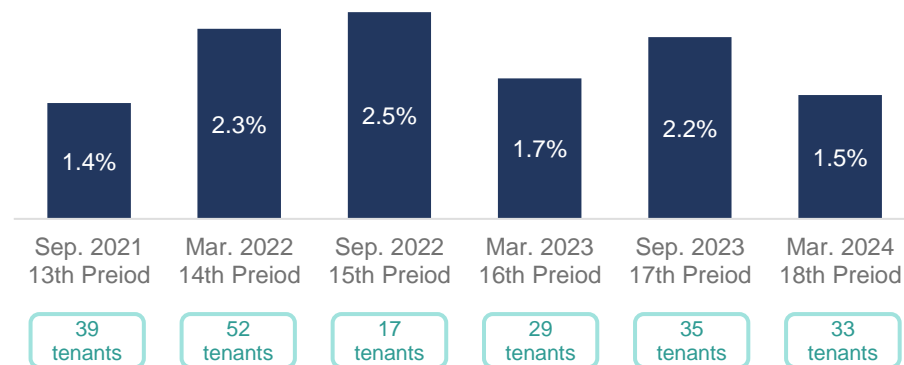
Note 3: "Master lease" indicates tenants with sub-lease type master lease agreement (excluding tenants over half of whose shop area KRR considers occupied by areas under direct management). "Interest/CPI-linked" indicates tenants whose rent contract renews accordingly to the interest rate or CPI.

Rent revisions (based on number of revisions) (Note 1)

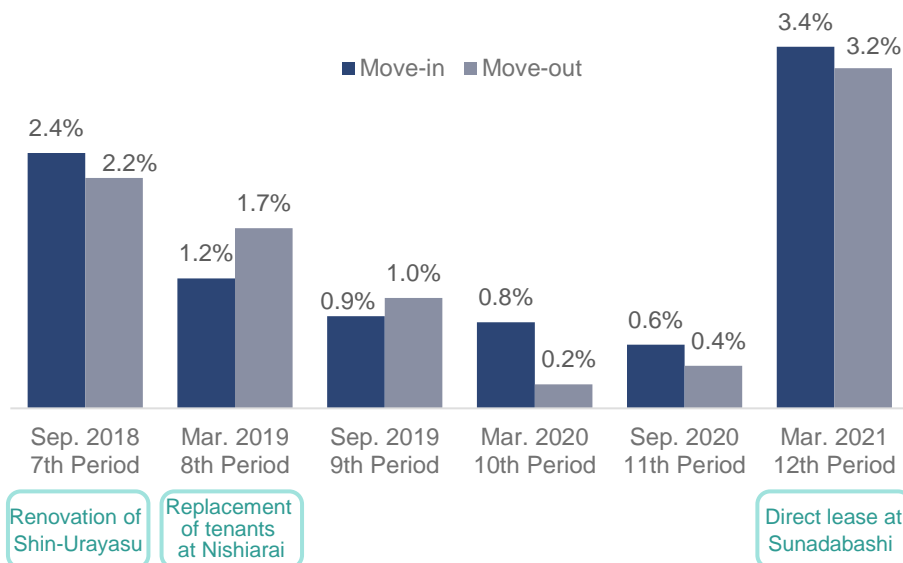


Lease expiry (by annual fixed rent)

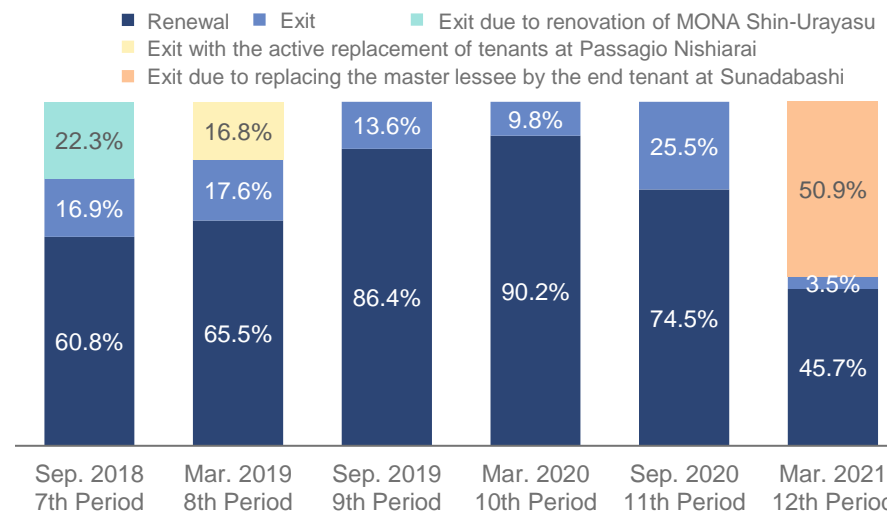
of tenants and % of lease expiry in each period (Note 2)



Tenant move-in and move-out (Note 3)



Contract renewals at lease expiry in each period



Note 1: Based on the rent including common area charges before revision of the tenants subject to rent revision. Temporal rent reductions/deferrals due to the COVID-19 pandemic are excluded.

Note 2: Based on the contractual rent determined in the lease contract, including regular building leases, for properties owned as of the date of this material. However, assets to be disposed of are excluded, and figures for Unicus Urawamisono (Land) are as of the acquisition date.

Note 3: Based on the rent revenue of the last month of each fiscal period.

Examples of internal growth initiatives

Kasumi Technopark Sakura



- Floor space was added to meet the demand of tenants and to improve profitability
- Construction commenced in January 2021 and the store reopened in April 2021

Construction cost	Profit enhancement	Investment return
Cost JPY 92 mn	NOI increase JPY +5.6 mn	NOI yield +6.2%

Homecenter Kohnan Sunadabashi



- Previously, the master lessee subleased the property to the end tenant. Entered into a lease agreement directly with the end tenant upon the expiration of the master lease agreement
- Enhanced profitability of KRR while reducing rent burden for the end tenant

Blumer Maitamon



- Introduced commercial robot vacuum cleaner “Whiz i” in April 2021 as an example of real estate tech
- Succeeded in controlling the rise in building management cost from the surge in labor costs

Central Wellness Club Nagatsuta Minamidai



- Attracted a pet shop as a tenant for the vacant space (approx. 230 tsubo) on the first floor created by cancellation of move-in due to COVID-19
- Opened in March 2021. The occupancy rate increased from 81.0% to 100%

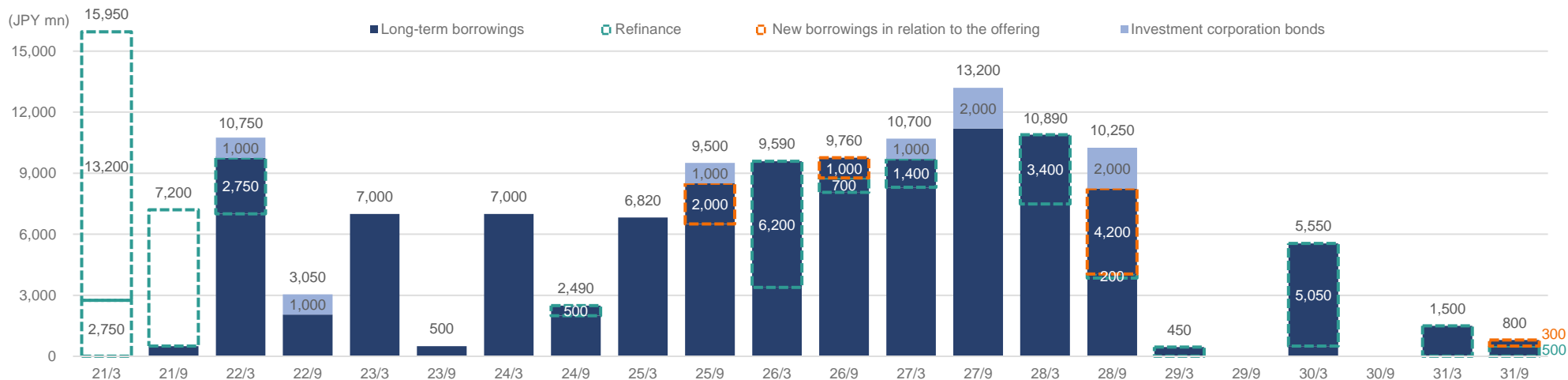
Ashico Town Ashikaga



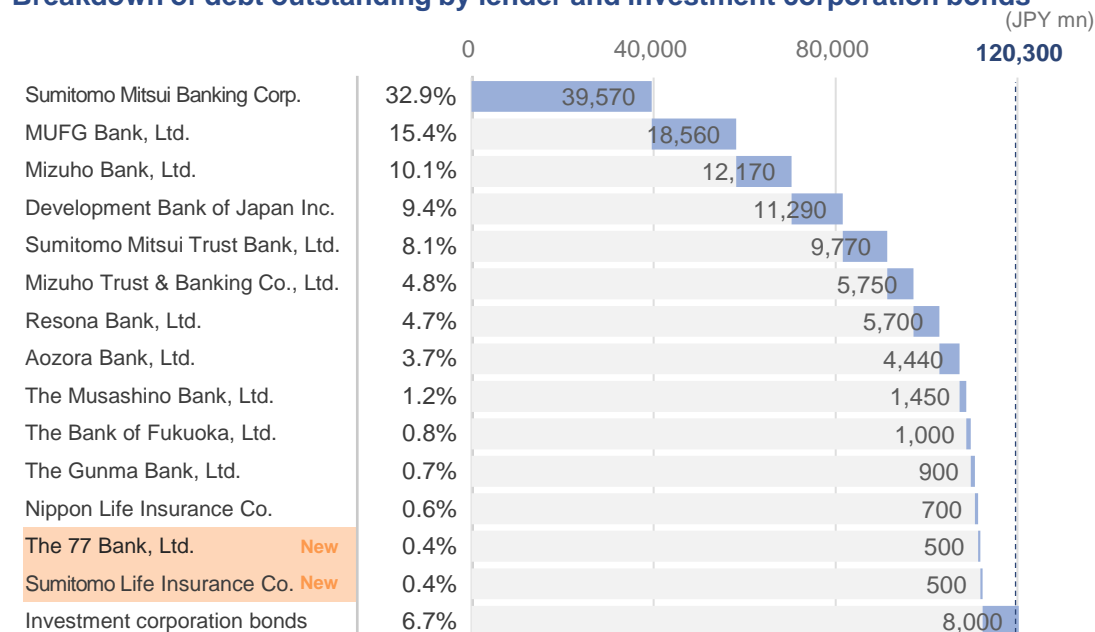
- Terminated the previous sub-property management agreement in March 2021, and entered into an agreement with a new sub-property manager in April 2021
- Achieved annual cost reduction of JPY 6 million by reviewing the terms of property management and building management agreements

Borrowings and bonds (as of Apr. 30, 2021)

Maturities of interest-bearing debts



Breakdown of debt outstanding by lender and investment corporation bonds



Commitment credit lines (total of JPY 3,000 mn)

Counterparty	Maximum amount	End of contract term
Sumitomo Mitsui Banking Corp.	JPY 1,000 mn	Mar. 31, 2022
Mizuho Bank, Ltd.	JPY 1,000 mn	Mar. 31, 2022
MUFG Bank, Ltd.	JPY 1,000 mn	Mar. 31, 2022

Investment corporation bonds

Bond	Amount of issuance	Rate	Issuance date	Term
1st Series	JPY 1,000 mn	0.20%	Oct. 2016	5 yrs.
2nd Series	JPY 1,000 mn	0.60%	Oct. 2016	10 yrs.
3rd Series	JPY 1,000 mn	0.32%	Aug. 2017	5 yrs.
4th Series	JPY 2,000 mn	0.70%	Aug. 2017	10 yrs.
5th Series	JPY 2,000 mn	0.70%	Apr. 2018	10 yrs.
6th Series	JPY 1,000 mn	0.40%	Apr. 2020	5 yrs.

Financial highlights

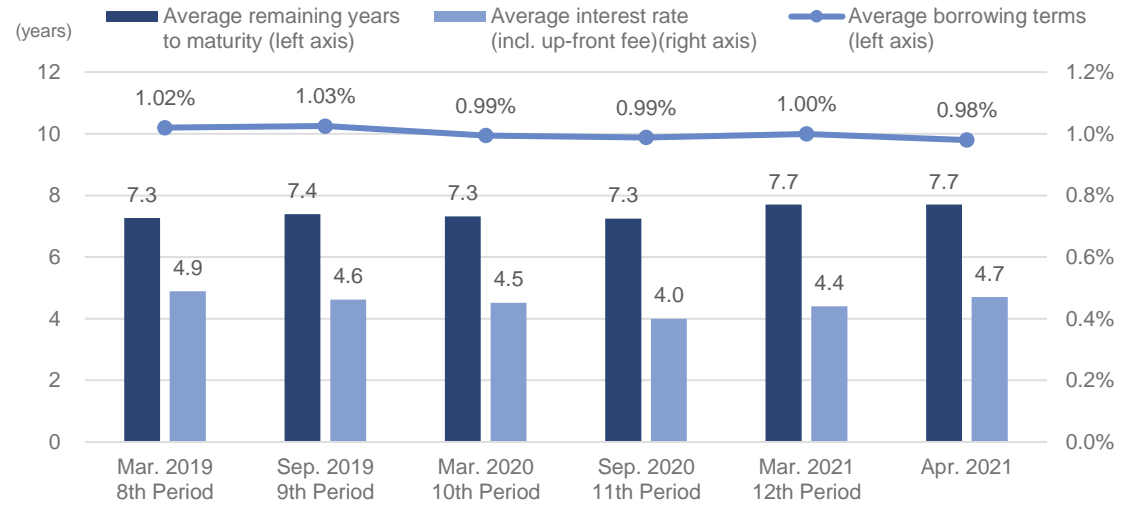
	11th FP	12th FP	After this offering
Long-term debt ratio	97.6%	100.0%	»» 100.0%
Fixed interest debt ratio	91.3%	96.8%	»» 97.7%
LTV	44.8%	44.8%	»» 44.3%

Credit rating

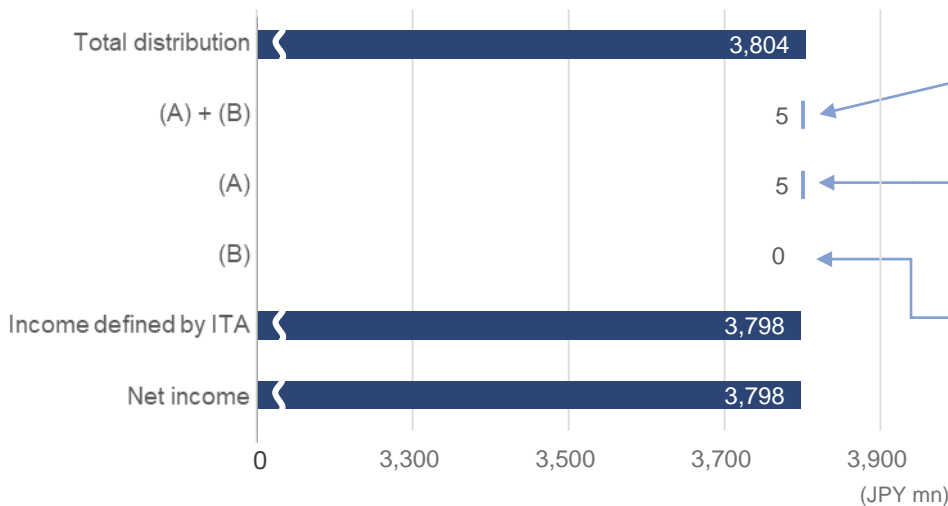
Credit rating (JCR)
A+ (Positive)

Rating Outlook improved from "Stable" to "Positive" (January 2021)

Average remaining years to maturity, borrowing terms and interest rate



Distribution in excess of retained earnings



Summary of distributions in excess of retained earnings

As Japanese tax law changes, distributions in excess of retained earnings that are accounted as allowance for temporary difference adjustment ("ATA") enables cash distributions to be treated as profits distribution and deductible for tax purpose

A: Japanese GAAP vs. Japanese tax law

The items in association with certain transaction in relation to the property, Sunny Noma, cause temporary difference between the treatment in Japanese GAAP and Japanese tax law.
Occurs when taxable income before distribution is larger than net income

B: Net income vs. income in accordance with Investment Trust Act

The item deducted from net asset in association with some of interest swap transaction causes difference between net income and income defined by Investment Trust Act ("ITA").
Occurs when net income is larger than income defined by ITA



04

Growth strategies focusing on stability

Security Code

3453

Growth strategies

- Unchanged demand for shopping centers for daily needs in residential areas that provide **daily necessities**, even amid the pandemic
- **Unit price recovered NAV per unit** as the market recognized the stability of shopping centers for daily needs, **leading to the latest public offering**
- Continue **focused investments in shopping centers for daily needs**, which has been carried out since IPO, and **selective investment in retail distribution centers** that meet the demand from e-commerce

Shopping centers for daily needs

KRR's core investment targets

- Providing daily necessities
- Shift to consumption in residential areas
- Sales increase due to stay-at-home consumption

Crisis period (11th period)

Prevention of tenant move-out

- **Help sustain tenant business**
Given the request for business suspension amid the pandemic and the state of emergency declaration, selectively grant rent reduction/deferral, and aim to sustain businesses of both tenants and KRR
- **Minimize the impact of COVID-19**
Minimize the impact of COVID-19 through preventing downtime caused by move-out and bankruptcy of tenants

▶ Improving occupancy rate

- 99.4% (10th FP end) → 99.7% (11th FP end)

▶ Response to tenants

- 95 rent reductions and 2 rent deferrals in response to 196 requests from tenants during the 11th FP (99 tenant requests agreed with no reduction)

Recovery period (12th period-)

Increase in unit price

- **Asset reshuffle using the Sponsor support and proprietary network**
Improve the portfolio profitability by selling properties with low NOI yield after depreciation
Invest mainly in supermarkets, NSCs and retail distribution centers to adapt to changing environment
- **Unit buyback policy**
Comprehensively take into account unit price, NAV per unit, and use of cash on hand

▶ The Sale of Daikanyama Address Dixsept in three phases

▶ Acquisition of 2 logistics facilities

▶ Improvement in credit rating outlook A+ (Stable) → A+ (Positive)

After recovery in unit price (13th period-)

AUM growth and credit improvement

- **Public offering**
Expand AUM by raising funds through public offering to enhance unitholder value
- **Credit improvement**
Aim for credit rating upgrade by enhancing earnings stability through AUM growth
Achieve further growth by reducing funding costs

▶ 5th PO and asset acquisition

▶ Improvement in borrowing conditions

Providing consumers with retail infrastructure that will grow in importance amid the pandemic

The COVID-19 pandemic is accelerating the environment changes where the functions of retail and logistics facilities are getting similar, and the importance of shopping centers for daily needs and retail distribution centers increases as a retail infrastructure

Environment recognition

Medium- to long-term changes in the market environment with the rise of e-commerce

Changes in retail facilities with the rise of e-commerce	Challenges faced by the logistics sector with the rise of e-commerce
<ul style="list-style-type: none"> Partnerships between online and brick-and-mortar retailers Delivery of products from retail facilities Pickup of products at retail facilities (click-and-collect) Integration of retail and logistics facilities 	<ul style="list-style-type: none"> Frequent small deliveries Shorter lead time Managing the last mile issue Expanding needs for distribution centers close to consumption areas

Acceleration of environment changes amid the COVID-19 pandemic Changes in consumer behavior due to the experience of COVID-19

Changes in consumer behavior amid the COVID-19 pandemic	
Change in lifestyles with rising stay-at-home demand	More demand for e-commerce Large increase in home deliveries
Increased bulk purchases with less frequent shopping outside	More people working from home Increased mid-day population in residential areas

Increasing importance of shopping centers for daily needs and retail distribution centers as retail infrastructure

Examples of similar functions of retail and logistics facilities

Distribution center for an online supermarket partnered with a grocery supermarket
(Kitera Town Chofu)



An online store opens a physical store in retail facility
(Blumer Maitamon)



Delivery of products from retail facilities
(P-1 Plaza Tenno)



Installation of lockers to pick up products in retail facilities
(P-1 Plaza Tenno)



Integration of retail and logistics facilities
(Yokohama Kamigo Distribution Center)



Leasing a portion of the land of retail facilities to logistics operators
(Kurume-Nishi Shopping Center)

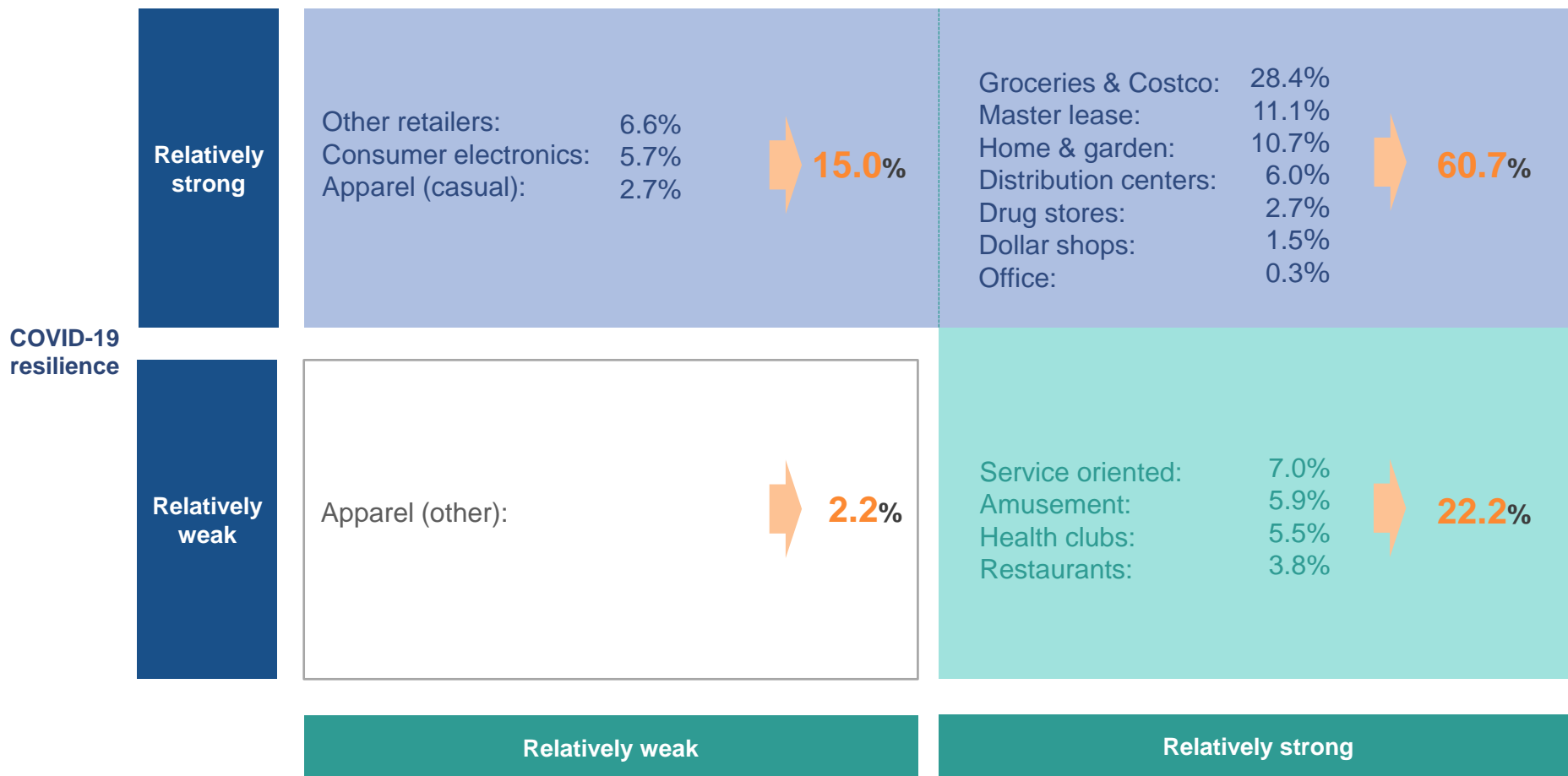


Portfolio Composition

Resilience against COVID-19 and e-commerce

75.6% of the portfolio is COVID-19 resilient and 82.8% is e-commerce resilient

More than half of the portfolio is both COVID-19 and e-commerce resilient



E-commerce resilience

Flexible portfolio management adapting to changing market environment

Pursuing a portfolio with higher quality and profitability adapting to changing environment by leveraging methods such as asset reshuffling

Reshuffling since 12th period (based on acquisition / disposition price)

	Properties acquired	Properties (to be) disposed of
Number of properties	7	3
Total price (acquisition/disposition)	JPY 24.7bn	JPY 9.1bn
Total appraisal value	JPY 26.7bn	JPY 8.4bn
Average NOI yield	Average appraisal NOI yield 5.2%	Average NOI yield 3.9% (based on Disposition price) ^(Note 1)
	3 properties acquired, JPY 2.3bn	1 property disposed of, JPY 6.6bn
12th FP Mar. 2021	 Chiba-Kita Distribution Center  Sapporo Shiroishi Distribution Center  Monenosato Mall (2 New Buildings)	 Daikanyama Address Dixsept *Anticipated gradual disposal between 12th FP and 14th FP
	4 properties acquired, JPY 22.3bn	2 properties to be disposed of, JPY 2.5bn
	 Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership interest)  Kitera Town Chofu  Unicus Urawamisono (Land)  Merado Daikai	 Hankyu Oasis Hirakatadeguchi  Unicus Ina (20% quasi-co-ownership interest)
13th FP Sep. 2021		

Daikanyama Address Dixsept

Location	Shibuya-ku, Tokyo		
Date of disposition	Dec. 1, 2020	Apr. 1, 2021	Oct. 1, 2021
Disposition price	JPY 2,657mn (40%)	JPY 1,993mn (30%)	JPY 1,993mn (30%)
	Total JPY 6,644mn		
Book value (Sep. 2020)	JPY 5,363mn		
NOI yield (based on disposition price) ^(Note 1)	3.6%		

Hankyu Oasis Hirakatadeguchi

Location	Hirakata, Osaka
Date of disposition	Aug. 10, 2021
Disposition price	JPY 1,500mn
Book value (Mar. 2021)	JPY 1,289mn
NOI yield (based on disposition price) ^(Note 1)	5.0%

Unicus Ina (20% quasi-co-ownership interest)

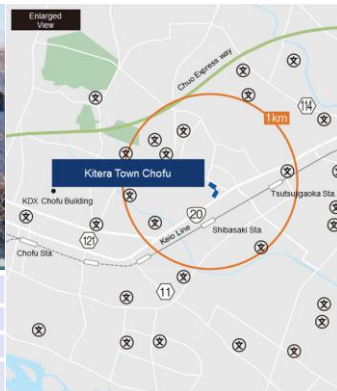
Location	Ina-machi, Kita Adachi-gun, Saitama
Date of disposition	Apr. 9, 2021
Disposition price	JPY 1,048mn
Book value (Mar. 2021)	JPY 874mn ^(Note 2)
NOI yield (based on disposition price) ^(Note 1)	4.4%

Note 1: Calculated by dividing the actual NOI (for the 10th and 11th FP for Daikanyama Address Dixsept and for the 11th and 12th FP for Hankyu Oasis Hirakatadeguchi and Unicus Ina. As for Unicus Ina the figure is calculated based on 20% quasi-co-ownership interest.
 Note 2: Calculated by multiplying 20% to the book value of the entire property as of Mar. 31, 2021.

New acquisitions (1)

NSC Neighborhood Shopping Center Kitera Town Chofu

An NSC with Life, a grocery supermarket, as the core tenant and a retail trade area of over 40,000 people within a 1km radius



Anticipated Acquisition price	JPY 10,500mn	Appraisal value	JPY 11,400mn
Location	Chofu, Tokyo	Appraisal NOI	JPY 550mn
Land area	10,527.17m ²	Appraisal NOI yield	5.2%
Gross floor area	23,588.18m ²	Main tenant	Life Corporation

Highlights

- An NSC designed for frequent customer visits in the Chofu area, a location experiencing high population growth and large-scale residential and infrastructure development
- Convenient car access due to its location along the Koshu-Kaido Road and accessible to nearby residents on foot, located within 5 minutes' walk from Shibasaki Station on the Keio Line
- Life, a grocery supermarket, has partnered with an online company, for an online supermarket business, and ships products from this facility

Location Located in Chofu City developing as a city having commercial and residential districts

Trends in population and households in Chofu City

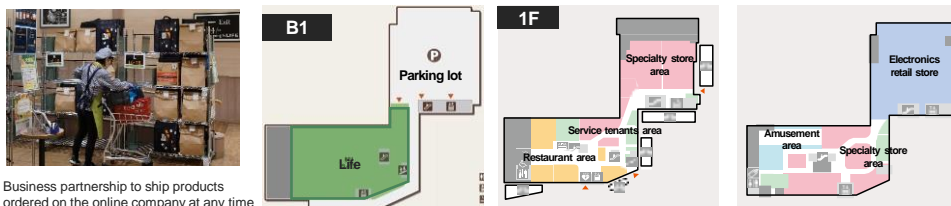


- As train lines around Chofu Station have been moved underground (Chofu, Fuda, and Kokuryo Stations have been moved underground), redevelopment projects are expected to be promoted, integrating the north-south and east-west arteries
- Chofu City's urban plan aims for "Developing a city which has commercial and residential districts", etc. and its population and households are currently on the rise

Source: Trends in population and households based on basic resident registration, released annually on January 1 by Chofu City

Tenants Tenants including the core grocery supermarket and a group of major speciality stores, home electronics stores, restaurants, and service tenants

- The first floor houses a drug store and restaurants, and the wide hallways allowing customers to enjoy exploration
- The second floor houses a major electronics retail store, as well as diverse speciality stores



Business partnership to ship products ordered on the online company at any time

Note: The land area and gross floor area indicated for Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership interest) are areas of the entire property.

NSC Neighborhood Shopping Center Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership interest)

An NSC that meets diverse needs of a growing next-generation smart city with a concentrated population



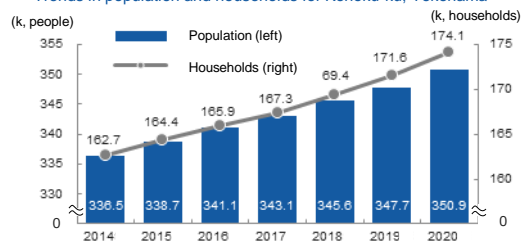
Anticipated acquisition price	JPY 5,667mn	Appraisal value	JPY 5,930mn
Location	Yokohama, Kanagawa	Appraisal NOI	JPY 266mn
Land area	18,300.01m ²	Appraisal NOI yield	4.7%
Gross floor area	38,442.49m ²	Main tenant	UNY Co., Ltd.

Highlights

- An NSC designed for frequent customer visits in an area of high population growth and on going large-scale residential and infrastructure development in the surrounding area
- Tenant mix includes a grocery supermarket, various speciality stores, a post office, a bank, and a clinic mall. This property provides all the goods and services needed for daily life in a single location, and also provides services to help customers enjoy their stay, such as a bookstore and cafe, meeting diverse needs of a wide range of generations

Location A population growing area in Yokohama, with large-scale neighboring residential and infrastructure development plan

Trends in population and households for Kohoku-ku, Yokohama



- This property is located in a next-generation smart town Tsunashima Sustainable Smart Town. Tsunashima Sustainable Smart Town pursues comfort and future lifestyles from various perspectives, including those who live, work and visit, and introduces designs that consider the global environment like installing solar panels
- This property is located in between Tsunashima and Hiyoshi Stations on the Tokyu Toyoiko Line. The population of this retail trade area is expected to be increasing, as development of a large about 1,300-unit condominium complex is underway nearby
- The Sotetsu Tokyu Link Line is scheduled to start operation in the second half of 2022, with a new station, Shin-Tsunashima. Shin-Yokohama Station will be the next station on the line, improving access, leading to development of the area

Source: "Long-term time-series data (population/households)" by Yokohama (as of the end of September of each year)

Tenants Meets diverse needs with diverse tenants from providers of daily necessities to services

- In addition to the core tenant of a grocery supermarket, other tenants include major speciality stores, a food court, a clinic mall, a post office, and a bank, bringing together all the daily necessities
- In addition to the above, there are tenants such as a bookstore and cafe to help customers enjoy their stay, meeting diverse needs of a wide range of generations



Grocery supermarket



Bookstore & cafe

New acquisitions (2)

NSC Neighborhood Shopping Center Merado Daikai

An NSC with Kansai Super Market, a grocery supermarket, as the core tenant and a retail trade area of over 50,000 people within a 1km radius



Anticipated acquisition price	JPY 5,440mn	Appraisal value	JPY 5,780mn
Location	Kobe, Hyogo	Appraisal NOI	JPY 291mn
Land area	7,256.34m ²	Appraisal NOI yield	5.3%
Gross floor area	14,521.91m ²	Main tenant	Kansai Super Market Ltd.

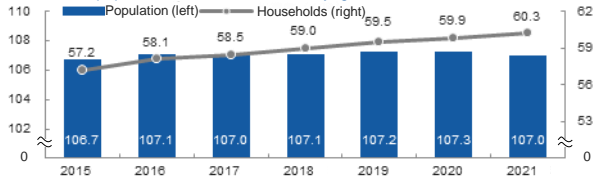
Highlights

- This property is located in an area with high population density in Hyogo-ku, Kobe and convenient within walking distance of 3 stations on 3 lines, including the nearest, Daikai Station on the Hanshin Kobe Express Line
- The core tenant is Kansai Super Market, a supermarket with strong dominance in Osaka and Hyogo. Merado Daikai also houses home & garden and a dollar shop, providing full lineup of daily necessities entirely

Location A convenient location within walking distance of 3 stations on 3 lines

- This property has excellent visibility, located along Prefectural Route 21, the west-east artery of Hyogo, in an area with high population density in Hyogo-ku, Kobe
- It is adjacent to Daikai Station on the Hanshin Kobe Express Line and within walking distance of Hyogo Station on the JR Kobe Line and Kamisawa Station on the Kobe City Subway Seishin-Yamate Line

Trends in population and households of Hyogo-ku, Kobe



Source: Processed an aerial photograph of the Geospatial Information Authority of Japan by KFM

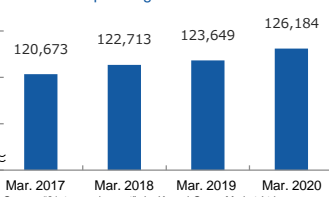
Tenants The core tenant is Kansai Super Market, a supermarket with strong dominance in Osaka and Hyogo

- This property houses Kansai Super Market in the first basement as its core tenant. The supermarket provides fresh food and has strong dominance in Osaka and Hyogo
- The tenant mix also holds home & garden and a dollar shop, providing full lineup of daily necessities

Overview of Kansai Super Market Ltd.

Business	Supermarket operation	(JPY mn)
No. of Stores	64 (as of the end of March 2020)	
No. of Employees	3,981 (as of the end of March 2020)	
Operating Income	JPY 126,184mn (for the fiscal period ended March 31, 2020)	
Listed	1st Section of the Tokyo Stock Exchange	

Historical Operating Income



Source: "61st annual report" by Kansai Super Market Ltd.

NSC Neighborhood Shopping Center Unicus Urawamisono (Land)

The underlying land for a community-based NSC developed in "Misono Wing City" in Saitama, a new town with growing population



Anticipated acquisition price	JPY 732mn	Appraisal value	JPY 817mn
Location	Saitama, Saitama	Appraisal NOI	JPY 33mn
Land area	3,533.59m ²	Appraisal NOI yield	4.6%
Gross floor area	-	Main tenant	P&D Consulting Co., Ltd.

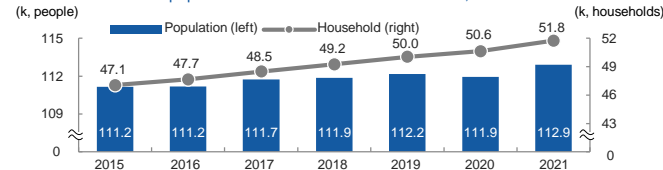
Highlights

- An Underlying land for an NSC located in a new town close to Urawa-Misono station, the starting station on the Saitama Rapid Railway Line, which provides comfortable commuting by its being directly connected to Tokyo Metro Namboku Line
- A property is developed by P&D Consulting Co., Ltd., KRR's alliance company, in 2017. The area around the property is a part of "Misono Wing City", an area undergoing development, with a land readjustment project underway dedicated by the Saitama City and Urban Renaissance Agency "Misono Wing City"
- The number of end tenants is over 20, including Yaoko grocery supermarket as well as a drug store and a dollar shop. The NSC also houses a satellite store selling official merchandise of the Urawa Red Diamonds, J1 professional soccer team whose home stadium is Saitama Stadium 2002 in Urawa-Misono

Location Located in a new town "Misono Wing City" in Saitama around Urawa-Misono Station

- Urawa-Misono Station, the starting station on the Saitama Rapid Railway Line, is located in the middle of this area, and it has through running onto the Tokyo Metro Namboku Line. In recent years, the convenient access is leading to an increase in population, mainly among families with children.
- A university hospital and public elementary and junior high schools are planned to be built, and the area, which includes Saitama Stadium 2002, is expected to be developed as a new urban center in eastern part of Saitama City

Trends in population and households of Iwatsuki-ku, Saitama



Source: Statistics on Iwatsuki-ku, released by Saitama City annually, on January 1



Tenants Leased to the developer P&D Consulting which is KRR's Alliance Company

- Based on a scheme of leasing land based on a long-term fixed-term land-lease right agreement, alliance company P&D Consulting owns the building and leases it to end tenants
- In addition to the end tenant supermarket Yaoko, restaurants, service tenants as well as cultural tenants that enrich daily life

KRR's properties developed by P&D Consulting Co., Ltd. (incl. the cases that KRR has only underlying lands)



Note: The trust property of Unicus Urawamisono (Land) is a portion of the land underlying the Unicus Urawamisono building.

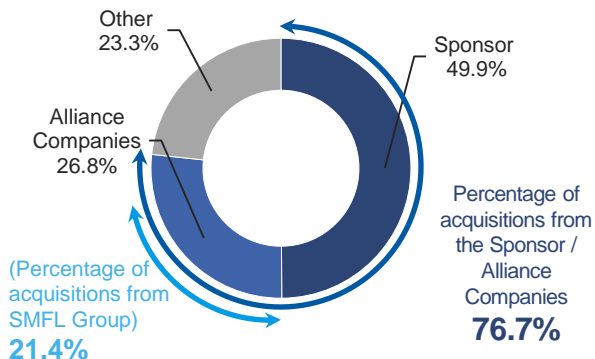
Leveraging strong support from the Sponsor and Alliance Companies

KRR achieves sustainable growth acquiring properties by utilizing the pipelines of its Sponsor and Alliance Companies
 KRR aims to further expand AUM by leveraging strong support from the Kenedix Group and Alliance Companies

External growth by utilizing Sponsor and Alliance Companies pipelines

Breakdown of acquisitions after this offering

(Based on acquisition price)



Sample pipelines

Pipeline from the Sponsor



Kitera Town Fukuoka Nagahama

Pipeline from SMFL Group



YorkMart Higashimichinobe

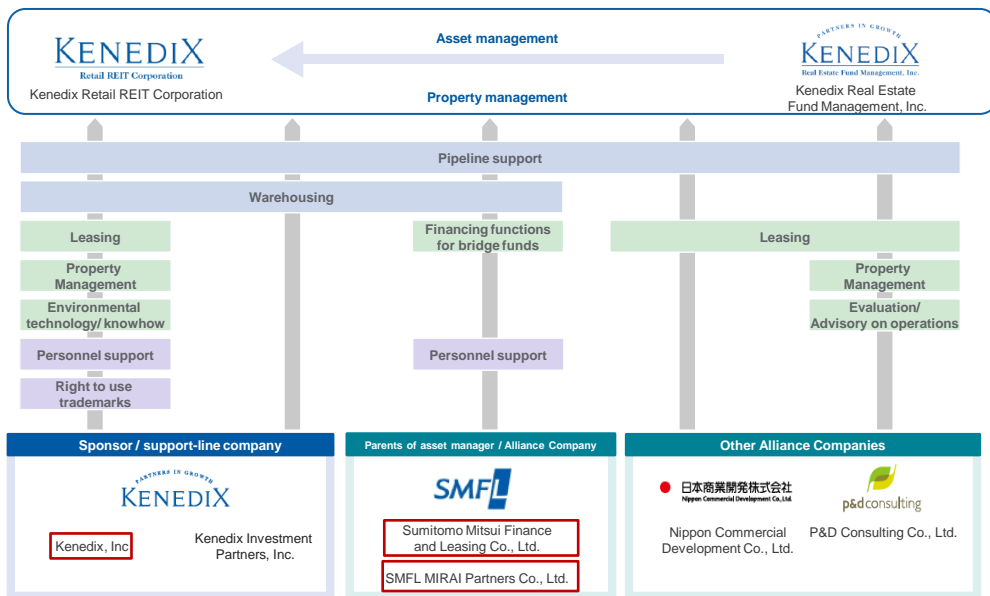
Change in ownership of the Sponsor

- Kenedix and SMFL entered into the capital and business alliance agreement on November 20, 2020
- Following a tender offer, the SMFL Group became the parent company of Kenedix, which was delisted on March 17, 2021

Benefits anticipated by Kenedix (Matters related to KRR are highlighted)

- 1 Support for growth toward AUM of 4 trillion yen (in 2025) as set forth in long-term vision "Kenedix Vision 2025"
- 2 Improvement of creditworthiness and fund-raising ability
- 3 Support for implementation of new business
- 4 Acceleration of overseas business development and expansion of overseas client investors
- 5 Strengthening of SDGs management

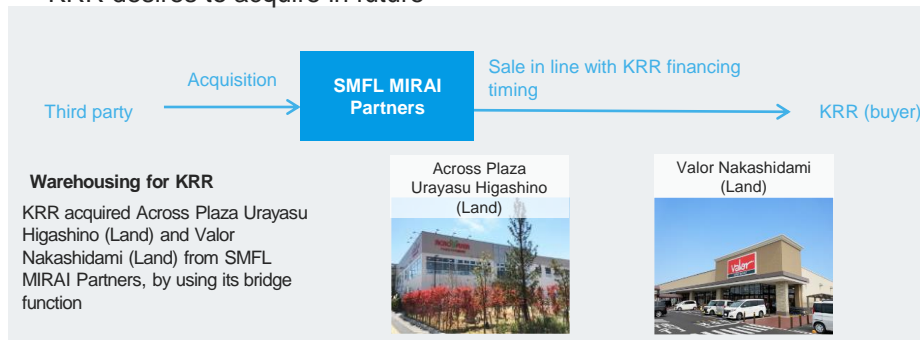
Strong support from the Kenedix Group and Alliance Companies



Kenedix, Inc. : KFM's parent companies

Examples of support from SMFL Group

- Providing bridge function to acquire and temporarily hold properties that KRR desires to acquire in future



Warehousing for KRR

KRR acquired Across Plaza Urayasu Higashino (Land) and Valor Nakashidami (Land) from SMFL MIRAI Partners, by using its bridge function

Earned “Four Star GRESB Rating” in the 2020 assessment



- KRR earned **its second consecutive “Four Star GRESB Rating”** in the 2020 GRESB Real Estate Assessment
- KRR has participated in the GRESB Real Estate Assessment consecutively since its first participation in 2016. KRR has been awarded a **“Green Star” designation for five consecutive years**, by achieving high performance both in “Management Component” that evaluates policies and organizational structure for ESG promotion, and “Performance Component” that assesses environmental performance and tenant engagement of properties owned

The number of certified properties and certified floor area (as of Mar. 31, 2021)

The number of properties	Certified floor area	Ratio
18 properties	434,481.78 m ²	59.4 %

DBJ Green Building Certification	Certification for CASBEE for Real Estate	Certification for Building-Housing Energy-efficiency Labeling System (BELS)
<p>Evaluate and certify with environmental and social considerations, based on comprehensive evaluation which taking into account measures taken for various stakeholders</p> <p>★★★★ Blumer Maitamon Daikanyama Address Dixsept</p> <p>★★★ MONA Shin-Urayasu Passaggio Nishiarai Unicus Ina Blumer HAT Kobe Kawamachi Yahagi Mall Unicus Yoshikawa Carino Esaka Roseo Mito Ashico Town Ashikaga Sun Street Hamakita</p> <p>★★ Yumemachi Narashinodai Mall Resora Obu Shopping Terrace</p> <p>Certified properties (14 properties)</p>	<p>The system rates the overall environmental performance of buildings from two perspectives; the evaluation of the environmental quality and performance of buildings themselves and the external environmental load buildings apply</p> <p>S rank ★★★★★ Apita Terrace Yokohama Tsunashima Homecenter Kohnan Sunadabashi Resora Obu Shopping Terrace</p> <p>Certified properties (5 properties)</p> <p>A rank ★★★★★ Musashi Ranzan Distribution Center Costco Wholesale Sapporo Warehouse</p>	<p>A third-party certification system that grades housing and buildings in accordance with an obligation to make an effort to indicate energy saving performance stipulated in the Act on the Improvement of Energy Consumption Performance of Buildings</p> <p>★★★★★ Apita Terrace Yokohama Tsunashima</p> <p>Certified property (1 property)</p> <p><small>この部分のエネルギー消費量53%削減 2020年12月25日交付 国土交通省告示に基づく第三者認証</small></p>

Note: Apita Terrace Yokohama Tsunashima has acquired both certification for CASBEE for Real Estate and Certification for Building-Housing Energy-efficiency Labeling System (BELS), and Resora Obu Shopping Terrace has acquired both DBJ Green Building Certification and Certification for CASBEE for Real Estate, but both are treated as one property when counting the number of certified properties.




Preparation for issuing green bonds

Acquired Green 1 (F) of JCR Green Finance Framework Evaluation

Overall evaluation	Green 1 (F)
Greenness evaluation (Use of proceeds)	g1 (F) (Top of a 5-point scale)
Management, operation, and transparency evaluation	m1 (F) (Top of a 5-point scale)

Green bond eligibility criteria

Green bonds that meet the following eligibility criteria can be issued



Eligibility criteria 1 (Funds to acquire green building, funds to repay debt and redeem investment corporation bonds)			Eligibility criteria 2 (Construction and facilities repair work that contribute to energy conservation and environmental improvement)		
DBJ Green Building Certification "three stars" or higher	Certification for CASBEE for Real Estate "B+ ranking" or more	BELS Assessment "★★★" or higher			
			Reduction in energy consumption by 10% or more	Reduction in water consumption by 10% or more	Reduction in other consumption by 10% or more (those contributing to environmental improvement)

Eligibility criteria 1: It is estimated 16 properties with total (anticipated) acquisition price of JPY109.8bn in the portfolio after this offering

Environment initiatives

Solar panel installation

We installed solar panels at Unicus Ina and Kawamachi Yahagi Mall to contribute to decrease CO₂ emissions by self-consumption of power generated by them

Unicus Ina	Kawamachi Yahagi Mall
Power generation capacity: 334.53kW	Power generation capacity: 302.40kW
	
Power generation results: 337,735kWh	Power generation results: 130,495kWh

Social initiatives

Collaboration with local communities

KRR entered into agreements with Yoshikawa City, Ina Town and Konosu City that allow the property to be used as a temporary shelter at times of emergency



Unicus Ina

Supporting UNICEF

KRR supports the activity of UNICEF (United Nations Children's Fund) by providing common areas of its properties for their fund-raising campaign



Blumer Maitamon

Local events at our properties ^(Note 2)

KRR is making efforts to enliven local communities by holding community-participating events at our properties



Unicus Ina

Note 1: The power generation capacities described in "Solar panel installation" of Unicus Ina and Kawamachi Yahagi Mall are total of actual results of electric power generation from April 2020 through March 2021, and October 2020 through March 2021, respectively.

Note 2: Some events are restrained or restricted due to the COVID-19 pandemic.

The Kenedix Group's strong commitment to J-REITs (Note 1)

Because of the importance of the J-REIT business to the Kenedix Group, KRR's sound growth is in line with Kenedix's interests

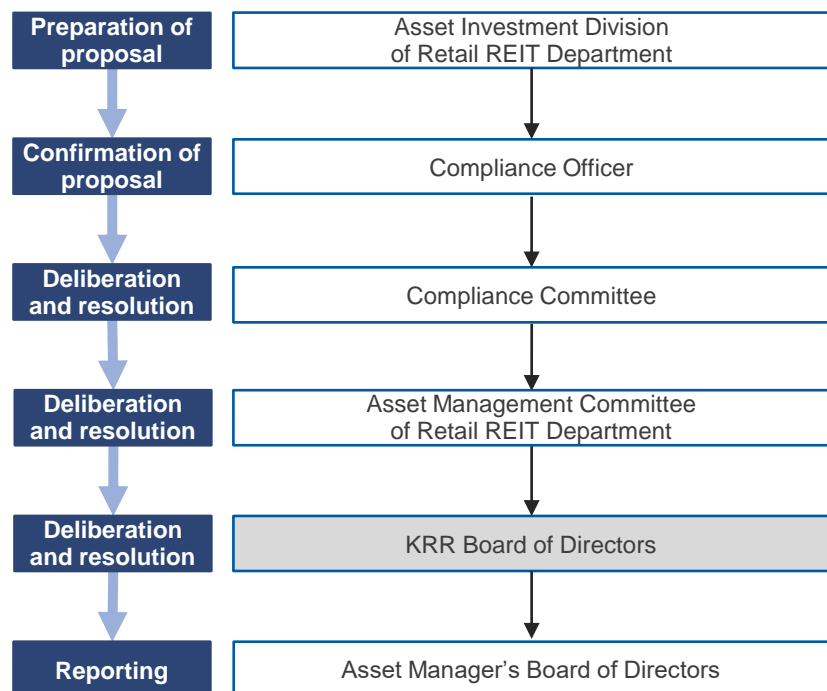


Investment in KRR by Kenedix, Inc.

(as of April 30, 2021)



Decision-making process for acquisition and sale of properties (Note 2)



Unitholder value-linked management fee structure

Introduction of fee structure to provide incentives to enhance unitholder value

	Method for calculation		
	Subject of calculation	Rates	
Asset management fee	I	Total assets	0.27% (annual rate)
	II	Net income × DPU	0.0013%
Investment unit performance fee	KRR's excess return × Market capitalization		0.1%
Acquisition fee (Note 3)	Acquisition price		1.0%
Disposition fee	Disposition price		0.5%
Merger fee	Appraisal value of assets to be succeeded		1.0% (maximum)

Investment unit performance fee calculation for 12th FP

(1) KRR's excess return against TSE REIT Total Return Index (Sep. 30, 2020 to Mar. 31, 2021)

KRR's total return: 30.64%
 TSE REIT Total Return Index: 18.93%
 ⇒ KRR's excess return: 11.71%

(2) KRR's market capitalization at Sep. 30, 2020

JPY211,100 × 536,177 units ≒ JPY113,186 mn

(3) Expected investment unit performance fee expensed during 13th FP

$\frac{11.71\%}{(1)} \times \frac{\text{JPY}113,186 \text{ mn}}{(2)} \times 0.1\% \doteq \text{JPY}13 \text{ mn}$

Note 1: The Kenedix Group's total AUM as of Sep. 30, 2020 included Premier Investment Corporation's AUM of JPY 246.7 billion, but this was excluded from the Kenedix Group's total AUM after Oct. 2020.

Note 2: Transactions within the scope of insignificance criteria are excluded from the decision-making process above.

Note 3: Including acquisition of buildings through expansion or reconstruction.



05

Key characteristics of KRR

Security Code

3453

Investments focusing on shopping centers for daily needs

“Daily / Neighborhood” type

KRR’s focus: Neighborhood, community and other shopping centers for daily needs

“Weekend / Destination” type

The majority of portfolio properties of preceding listed retail-focused J-REITs

Small

Trade area

Large

High

Frequency of customer visits

Low

Property types		Characteristics	Trade area
NSC	Neighborhood shopping centers	Shopping centers with a supermarket as an anchor or core tenant	3-5km
SM	Supermarkets	Stand-alone stores that primarily provide groceries	3km
CSC	Community shopping centers	Larger Shopping centers than NSC, with a supermarket as an anchor or core tenant	5-10km
Urban Station-Front		Shopping centers in the immediate vicinity of an urban public transportation station	3-10km
SS	Specialty stores	Specialty stores such as drug stores, convenience stores, health clubs or electronic appliance stores	1-10km

Large-scale suburban retail properties

RSC (Regional shopping centers)

GMS (General merchandise stores)

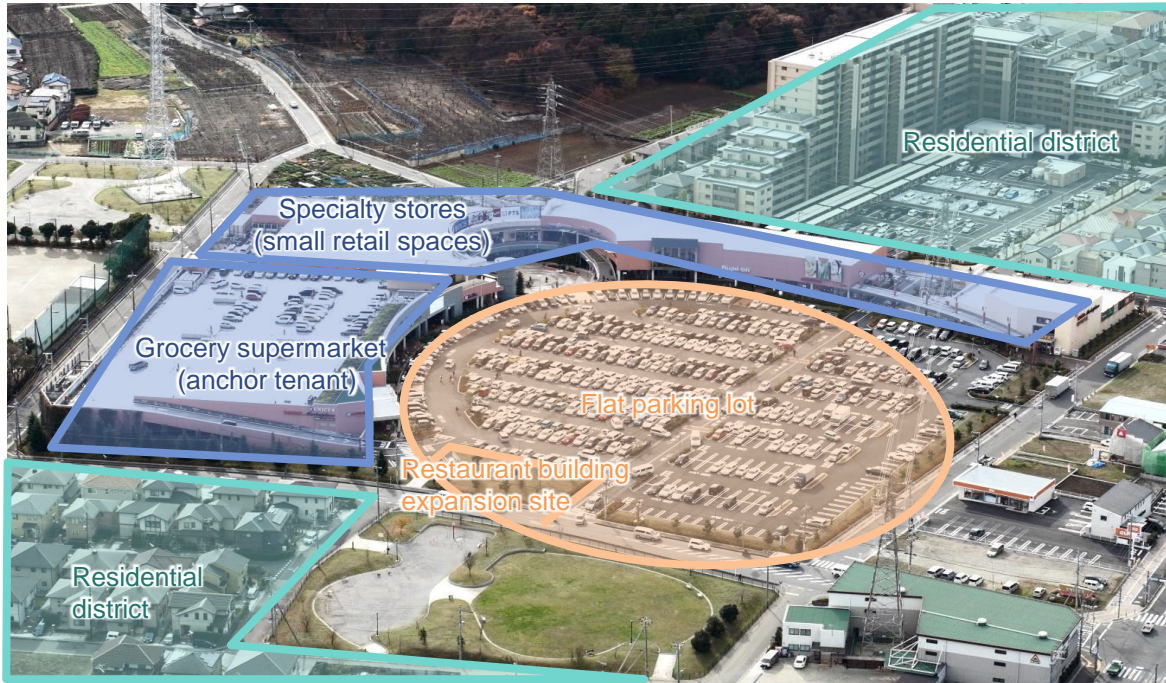
Stand-alone GMS is excluded from our investment criteria

Outlet malls

Urban retail properties featuring

High-end brand shops

Primary characteristics of shopping centers for daily needs



Location Located within residential areas of a metropolitan commuter district

- Retail trade area population (Note)
 - 1km radius: 10,000 people
 - 3km radius: 62,000 people
 - 5km radius: 247,000 people

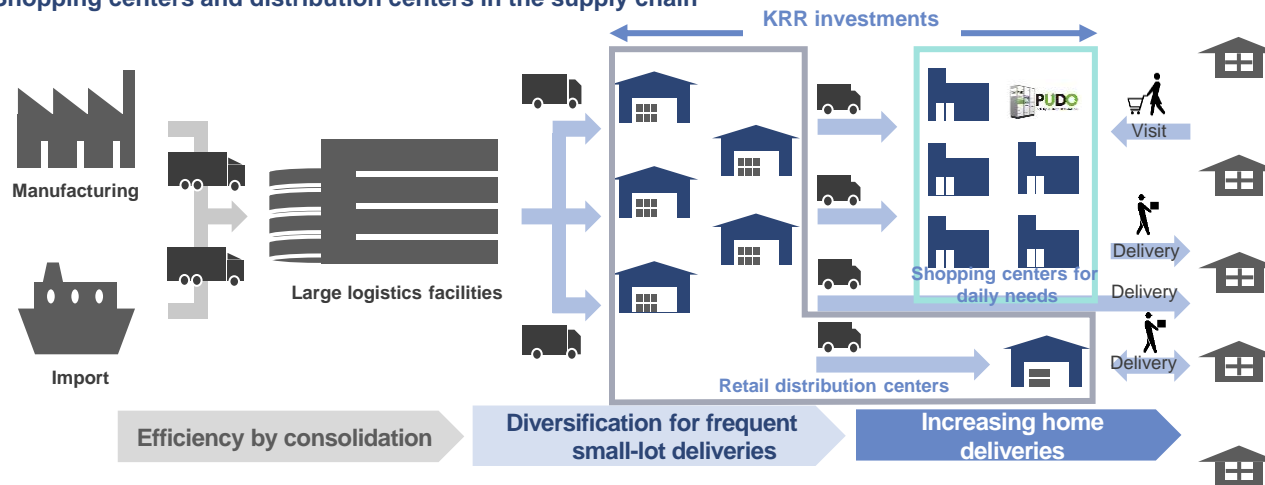
Tenants Providing primarily daily necessities

- Housing Yaoko, a grocery supermarket, as the anchor tenant and a group of specialty stores

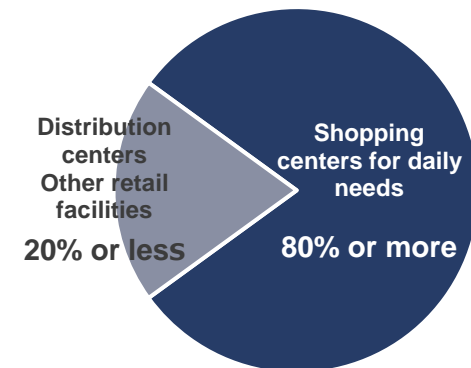
Facilities Capacity to accommodate frequent customer visits and provide revenue upside potential

- Flat parking lot to accommodate approximately 480 vehicles
- Constructed a restaurant building on underutilized space

Shopping centers and distribution centers in the supply chain



Target portfolio distribution



Note: Populations in each radius are calculated based on the 2015 national census.

Retail market trends: GMS vs. Specialty stores

Buying goods at GMS

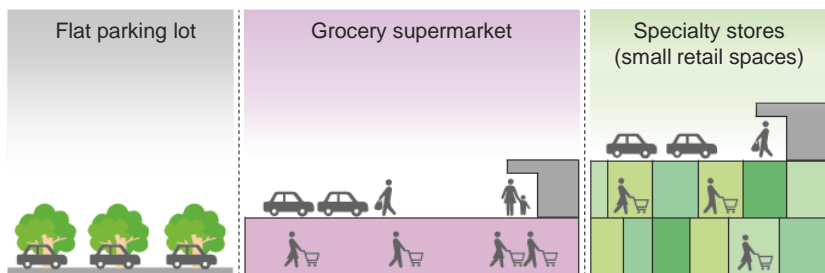
2007		(JPY bn)
	Type of store	Sales
1	Supermarket	12,961.0
2	GMS	8,602.1
3	Department store	8,283.1
4	Convenience store	7,413.9
5	Other retailers	5,743.7
6	Consumer electronics	5,719.1
7	Drug store	3,692.2
8	Apparel	3,177.7
9	Home and garden	2,835.6
10	Consumers' co-operative	2,487.0

Buying goods at specialty stores

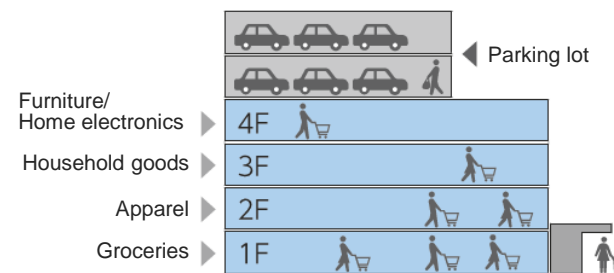
2020		(JPY bn)	
	Type of store	Sales	Change
1	Supermarket	16,338.7	+26.1%
2	Convenience store	11,168.5	+50.6%
3	Drug store	9,213.5	+149.5%
4	Other retailers	7,486.7	+30.3%
5	GMS	7,175.5	-16.6%
6	Apparel	6,084.0	+91.5%
7	Consumer electronics	5,678.8	-0.7%
8	Department store	5,635.1	-32.0%
9	Home and garden	3,457.0	+21.9%
10	Consumers' co-operative	2,455.7	-1.3%

Advantages of shopping centers for daily needs over GMS

Typical shopping center for daily needs



Typical stand-alone GMS



Facilities of shopping center for daily needs

VS

Facilities of stand-alone GMS

Small to medium	Retail trade area	Medium to large
High (low-rise building)	Ease of getting around	Low (high-rise building)
Large flat parking lot	Parking lot	Multilevel parking lot
Grocery supermarket + Specialty stores	Tenants	GMS stand-alone

Real estate value of shopping center for daily needs

VS

Real estate value of stand-alone GMS

Potential rental upside upon tenant replacement or contract renewal	Upside potential	Limited frequency of upward rent revisions
Property expansion leveraging underutilized space		
Relatively easy	Tenant replacement	Relatively difficult
Expanding market share	Potential for investment	A number of stand-alone GMSs owned by real-estate funds exited the market

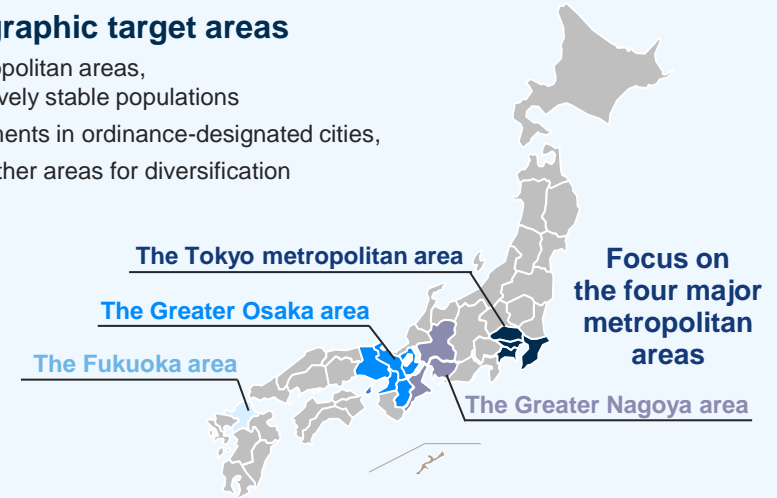
Investment criteria

Focus on the following four elements in making investment decisions:

Attractiveness	Location
<ul style="list-style-type: none"> Ability to serve particular day-to-day needs of local area customers 	<ul style="list-style-type: none"> Demographic composition, number of households, competing facilities in local retail trade area
Profitability	Tenant mix
<ul style="list-style-type: none"> Occupancy, leasing status, rent level and lease term 	<ul style="list-style-type: none"> Optimal tenant mix for the property considering tenant credit profiles and retail space usage

Primary geographic target areas

- Four major metropolitan areas, which have relatively stable populations
- Selective investments in ordinance-designated cities, core cities and other areas for diversification



Target portfolio distribution (based on acquisition price)

Distribution centers
Other retail facilities
20% or less



Investment in land - Seeking additional growth opportunities

We also seek investment opportunities in the underlying land of retail properties and distribution centers

- Strong demand from retail tenants (the majority of buildings on land-only properties held by J-REITs are retail facilities)
- Maintain maximum value upon termination of lease term, as the land is expected to be returned in its original state
- Investment in lands would be limited to 20% of the portfolio (based on acquisition price) as our general policy

Beneficial relationship for both Asset Manager and tenants

Advantages to Asset Manager

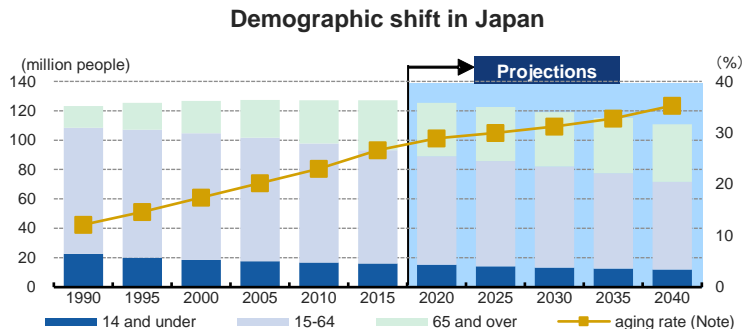
- Generation of long-term stable rents due to a decrease of vacancy risks because tenants will own buildings pursuant to fixed-term land lease agreements
- Stabilization of rent revenue as tenants will pay maintenance costs related to the buildings on such land
- Improvement of payout ratio as depreciation costs of buildings are borne by tenants
- Limited downside risk related to their asset value caused by external factors, such as fires

Advantages to tenants

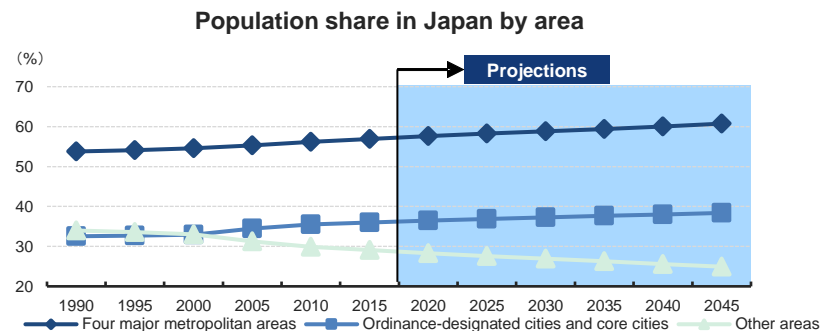
- Tenants that are both the lessee and property owner bear a smaller financial burden when opening a store
- Increased capital efficiency through treatment of land as off-balance sheet
- Simplified procedures for interior renovation of buildings

Note: Target areas for distribution centers include locations near expressways or major public highways and easy access to a major metropolitan area or an ordinance-designated city and core city.

Shrinking retail trade area due to aging and concentrating population in Japan

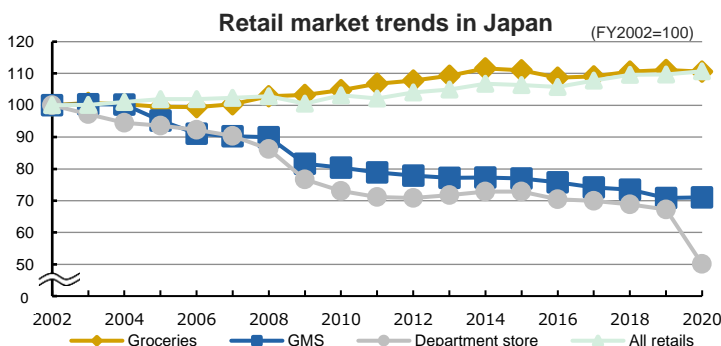


Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research (as of 2017)

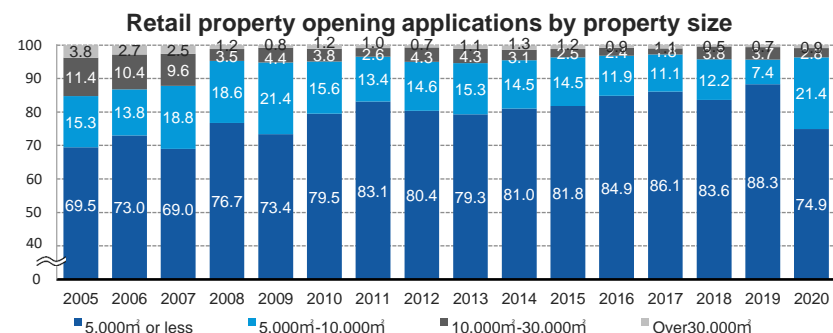


Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research

Changing retail facilities

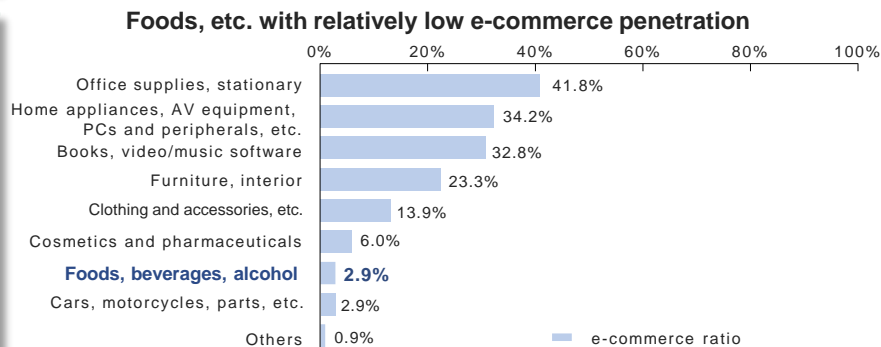


Source: Ministry of Economy, Trade and Industry



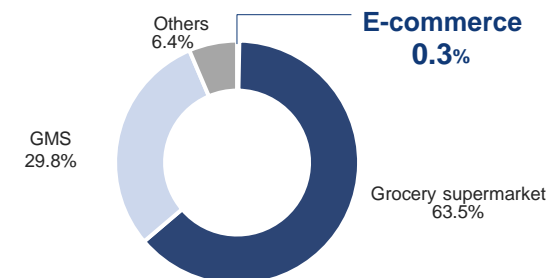
Source: Ministry of Economy, Trade and Industry

Shopping centers for daily needs are highly resistant to e-commerce



Source: FY2019 E-Commerce Market Survey by the Ministry of Economy, Trade and Industry

Low e-commerce penetration in the purchase of fresh foods



Source: 2021 Supermarket White Paper by the National Supermarket Association of Japan

The Kenedix Group's strong commitment to J-REITs

Total AUM: JPY 2,383.8 bn (as of Mar. 30, 2021)

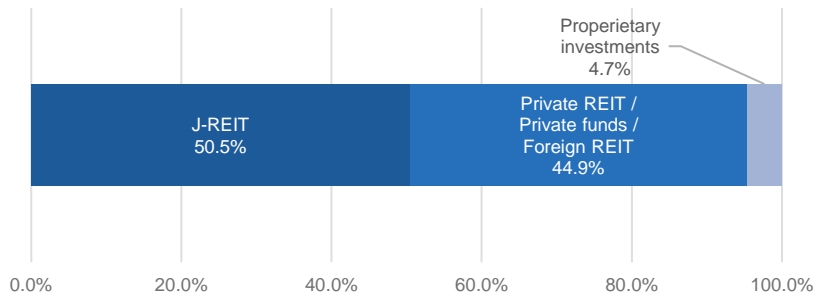
J-REIT: JPY 1,203.3 bn



Private REIT / Private funds / Foreign REIT : JPY 1,069.5 bn



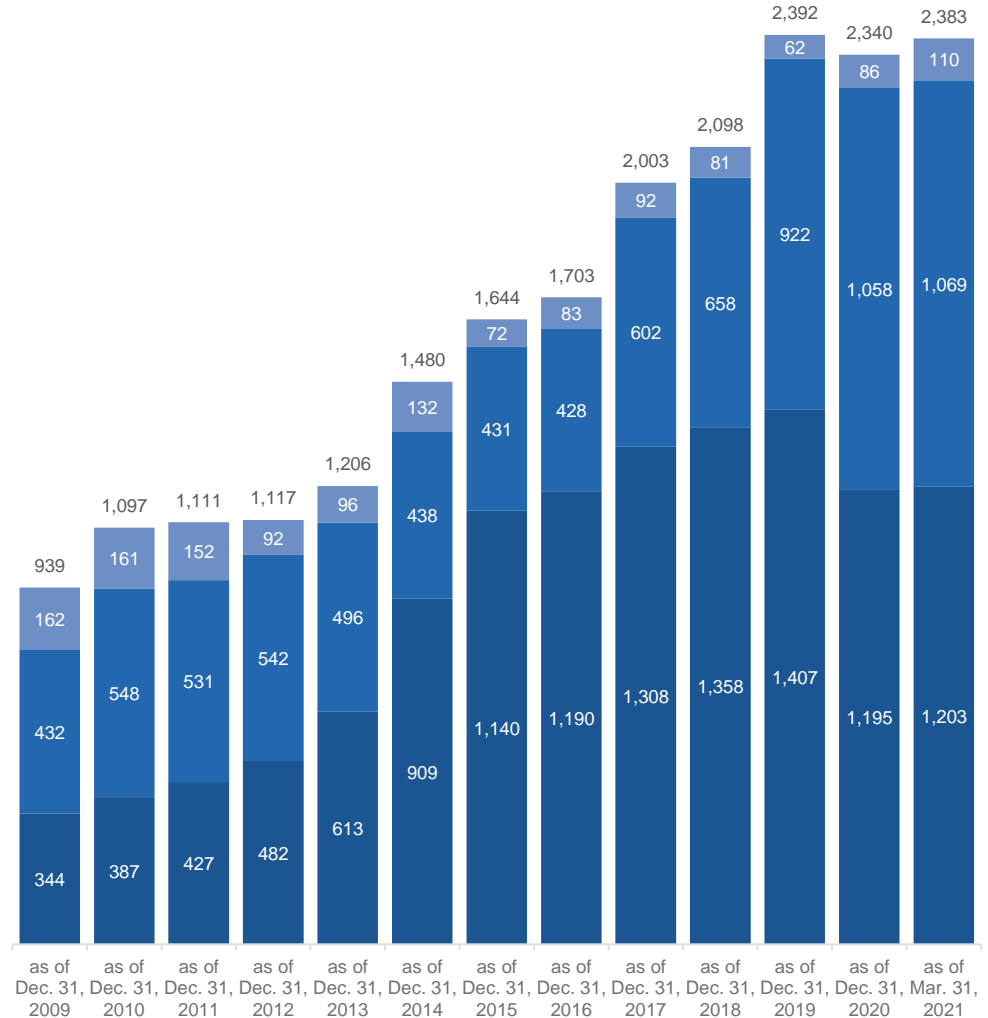
Breakdown of AUM as of Mar. 31, 2021



The Kenedix Group's total AUM

(JPY bn)

■ J-REIT ■ Private funds / Private REIT / Foreign REIT ■ Proprietary investments



Note 1: The Kenedix Group's total AUM includes proprietary investments of JPY 110.9 bn.

Note 2: The Kenedix Group's total AUM as of Sep. 30, 2020 included Premier Investment Corporation's AUM of JPY 246.7 billion, but this was excluded from the Kenedix Group's total AUM after Oct. 2020.



06

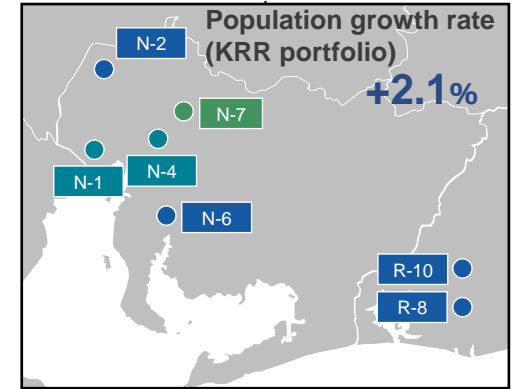
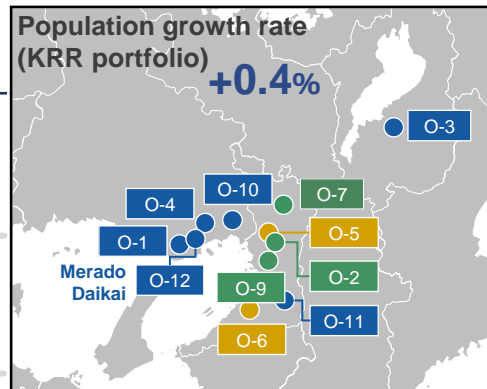
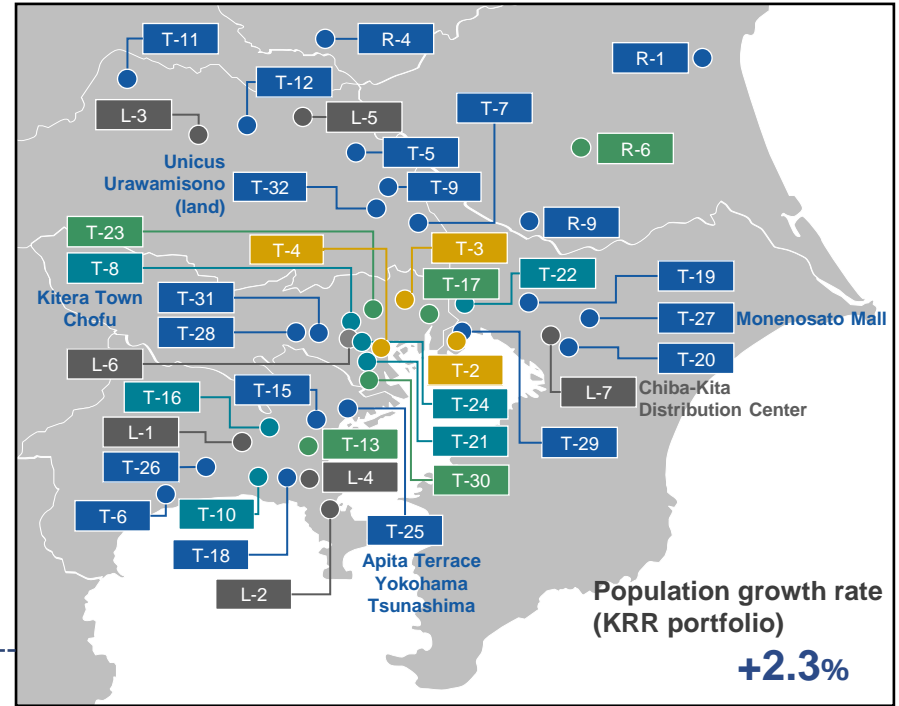
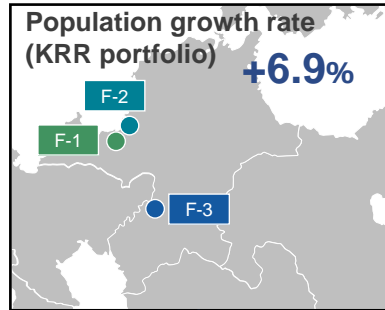
Portfolio and unitholder information

Security Code

3453

Portfolio map (as of Apr. 30, 2021)

- NSC
- SM
- Urban Station-Front SC
- SS
- Distribution Centers



Population growth rate (Trade area of KRR portfolio) (Note) **+2.0%**

Population growth rate of Japan (Note)

-0.8%

Note: Population growth rates are based on 2010 and 2015 census. "Population growth rate (Trade area of portfolio)" is calculated as the growth rate of the population within a 3km radius of KRR's retail properties (1km or 2km radius for some of the properties).

Portfolio overview (as of Apr. 30, 2021)

No.	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of tenants
T-2	MONA Shin-Urayasu	Urayasu, Chiba	8,063	9,980	6.6	94.6	1(53)
T-3	Passaggio Nishiarai	Adachi ward, Tokyo	5,850	6,530	5.0	100.0	1(41)
T-4	Daikanyama Address Dixsept (30% quasi-co-ownership)	Shibuya ward, Tokyo	5,390	1,875	4.1	97.2	1(26)
T-5	Unicus Ina (80% quasi-co-ownership)	Kitaadachi-gun, Saitama	4,470	4,216	5.6	100.0	1
T-6	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	4,000	4,340	5.4	100.0	1
T-7	Unicus Yoshikawa	Yoshikawa, Saitama	3,600	3,860	5.2	99.6	1(9)
T-8	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	2,586	2,750	5.0	100.0	1
T-9	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	4,815	5,530	4.1	100.0	1
T-10	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	3,169	3,450	5.0	100.0	1
T-11	Unicus Kamisato (Land)	Kodama-gun, Saitama	3,000	3,050	4.6	100.0	1
T-12	Unicus Konosu (Land)	Konosu, Saitama	1,700	1,780	4.6	100.0	1
T-13	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	1,442	1,380	4.5	100.0	1
T-15	Nakamachidai Tokyu Store	Yokohama, Kanagawa	3,360	3,740	5.4	100.0	1
T-16	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	1,724	1,780	5.3	100.0	2
T-17	Life Kameido	Koto ward, Tokyo	1,450	1,480	4.4	100.0	1
T-18	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	4,170	4,330	4.6	100.0	2
T-19	Yumemachi Narashinodai Mall	Funabashi, Chiba	3,416	3,500	5.1	100.0	1(14)
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	3,097	3,240	5.2	100.0	1(12)
T-21	Prime Square Jiyugaoka	Meguro ward, Tokyo	2,820	2,810	4.1	100.0	2
T-22	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	1,880	1,960	5.2	100.0	1
T-23	Ozeki Tokiwadai	Itabashi ward, Tokyo	1,263	1,340	4.6	100.0	1
T-24	Konami Sports Club Shibuya	Shibuya ward, Tokyo	3,400	3,380	4.0	100.0	1
T-25	Apita Terrace Yokohama Tsunashima	①(51% quasi-co-ownership) ②(49% quasi-co-ownership) Yokohama, Kanagawa	①5,899 ②5,667	①6,120 ②5,930	4.7	100.0	1
T-26	Kalsa Hiratsuka	Hiratsuka, Kanagawa	5,980	6,010	4.7	100.0	3
T-27	Monenosato Mall	Yotsukaido, Chiba	2,410	2,970	5.4	100.0	1(11)
T-28	KDX Chofu Building (Retail wing)	Chofu, Tokyo	2,300	2,470	5.5	100.0	3
T-29	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	2,248	2,310	4.0	100.0	1
T-30	Comfort Market Nishi-Magome	Ota ward, Tokyo	1,920	1,990	4.4	100.0	1
T-31	Kitera Town Chofu	Chofu, Tokyo	10,500	11,400	5.2	96.7	1(26)
T-32	Unicus Urawamisono (Land)	Saitama, Saitama	732	817	4.6	100.0	1
O-1	Blumer Maitamon	Kobe, Hyogo	8,389	11,400	5.2	96.7	50
O-2	Life Takadono (Land)	Osaka, Osaka	2,685	817	4.6	100.0	1
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	2,140	9,580	6.1	99.8	2
O-4	Blumer HAT Kobe	Kobe, Hyogo	11,000	3,140	4.8	100.0	1(40)

Note 1: The figures are as of March 31, 2021. "Appraisal value" and "Appraisal NOI yield" are as of March 1, 2021 for Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership), Kitera Town Chofu, Unicus Urawamisono (Land) and Merado Daikai.

Note 2: The acquisition price and appraisal value of Unicus Ina and Daikanyama Address Dixsept are the figures as March 31, 2021 multiplied by the ownership share as of April 30, 2021.

Note 3: In case of a master lessee with pass-through type master lease agreements, the number of end tenants is in parentheses after the number of master lessee. In the case of a master lessee with a sub-lease type master lease agreement, the number of the master lessee is shown.

Portfolio overview (as of Apr. 30, 2021)

No.	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of tenants
O-5	Carino Esaka	Suita, Osaka	6,555	7,260	5.2	98.6	1(29)
O-6	COMBOX Komyoike	Izumi, Osaka	6,450	6,460	6.0	100.0	1
O-7	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	1,280	1,300	5.9	100.0	1
O-9	Life Nishi-Tengachaya	Osaka, Osaka	1,505	1,690	5.3	100.0	1
O-10	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	3,723	3,990	4.2	100.0	1
O-11	Habikigaoka Shopping Center	Habikino, Osaka	2,000	2,020	5.3	100.0	2
O-12	Merado Daikai	Kobe, Hyogo	5,440	5,780	5.3	100.0	7
N-1	DCM Kahma Nakagawa Tomita (Land)	Nagoya, Aichi	2,311	2,680	5.0	100.0	1
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	2,174	2,360	6.0	100.0	1
N-4	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	7,140	7,540	5.5	100.0	1
N-6	Resora Obu Shopping Terrace	Obu, Aichi	7,911	7,040	4.6	98.6	1(42)
N-7	Valor Nakashidami (Land)	Nagoya, Aichi	2,551	2,550	4.7	100.0	1
F-1	Sunny Noma	Fukuoka, Fukuoka	1,497	1,650	5.3	100.0	1
F-2	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	5,020	5,780	5.7	100.0	1
F-3	Kurume-Nishi Shopping Center	Kurume, Fukuoka	1,515	1,840	6.1	100.0	4
R-1	Roseo Mito	Mito, Ibaraki	10,046	12,000	5.9	100.0	1(23)
R-2	K's Denki Aomori Honten	Aomori, Aomori	1,469	1,520	6.2	100.0	1
R-3	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	898	911	6.3	100.0	1
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	4,180	4,900	6.2	99.1	1(29)
R-5	Yorktown Shinden-Higashi	Sendai, Miyagi	3,252	2,600	4.8	100.0	2
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	830	888	6.2	100.0	1
R-8	P-1 Plaza Tenno	Hamamatsu, Shizuoka	4,010	4,350	5.8	100.0	7
R-9	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	4,111	4,280	4.1	100.0	1
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	10,746	11,160	5.9	99.4	1(53)
R-11	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	4,210	4,410	4.8	100.0	1
L-1	Zama Distribution Center	Zama, Kanagawa	1,400	1,740	6.0	100.0	1
L-2	Oppama Distribution Center	Yokosuka, Kanagawa	1,300	1,630	6.6	100.0	1
L-3	Musashi Ranzan Distribution Center	Hiki-gun, Saitama	3,879	4,170	5.7	100.0	1
L-4	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	918	1,020	5.1	100.0	2
L-5	Gyoda Distribution Center	Gyoda, Osaka	3,160	3,510	5.7	100.0	1
L-6	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	810	821	4.3	100.0	1
L-7	Chiba-kita Distribution Center	Chiba, Chiba	1,250	1,340	4.6	100.0	1
L-8	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	800	1,020	7.3	100.0	1
Total / Average			246,554	264,838	5.3	99.7	536

Note 1: The figures are as of March 31, 2021. "Appraisal value" and "Appraisal NOI yield" are as of March 1, 2021 for Apita Terrace Yokohama Tsunashima (49% quasi-co-ownership), Kitera Town Chofu, Unicus Urawamisono (Land) and Merado Daikai.

Note 2: The acquisition price and appraisal value of Unicus Ina and Daikanyama Address Dixsept are the figures as March 31, 2021 multiplied by the ownership share as of April 30, 2021.

Note 3: In case of a master lessee with pass-through type master lease agreements, the number of end tenants is in parentheses after the number of master lessee. In the case of a master lessee with a sub-lease type master lease agreement, the number of the master lessee is shown.

Appraisal value (properties as of Mar. 31, 2021) (1)

No.	Property name	Appraisal date	Appraisal value (JPY mn)			Income capitalization approach value								
						Direct capitalization method			DCF method					
			Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)					
			Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
T-2	MONA Shin-Urayasu	Mar. 31, 2021	10,000	9,980	-20	4.6	4.6	0.0	4.3	4.3	0.0	4.8	4.8	0.0
T-3	Passaggio Nishiirai	Mar. 31, 2021	6,620	6,530	-90	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-4	Daikanyama Address Dixsept	Mar. 31, 2021	6,120	3,750	78	3.3	3.3	0.0	3.1	3.1	0.0	3.5	3.5	0.0
T-5	Unicus Ina	Mar. 31, 2021	5,240	5,270	30	4.5	4.5	0.0	4.2	4.2	0.0	4.7	4.7	0.0
T-6	Yorktown Kita-Kaname	Mar. 31, 2021	4,350	4,340	-10	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-7	Unicus Yoshikawa	Mar. 31, 2021	3,860	3,860	0	4.7	4.7	0.0	4.5	4.5	0.0	4.9	4.9	0.0
T-8	Sports Club Renaissance Fujimidai	Mar. 31, 2021	2,750	2,750	0	4.6	4.6	0.0	4.4	4.4	0.0	4.8	4.8	0.0
T-9	Super Viva Home Iwatsuki (Land)	Mar. 31, 2021	5,470	5,530	60	-	-	-	4.6	4.6	0.0	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	Mar. 31, 2021	3,470	3,450	-20	-	-	-	4.3	4.3	0.0	-	-	-
T-11	Unicus Kamisato (Land)	Mar. 31, 2021	3,050	3,050	0	-	-	-	4.6	4.6	0.0	-	-	-
T-12	Unicus Konosu (Land)	Mar. 31, 2021	1,780	1,780	0	-	-	-	4.5	4.5	0.0	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	Mar. 31, 2021	1,390	1,380	-10	-	-	-	4.0	4.0	0.0	-	-	-
T-15	Nakamachidai Tokyu Store	Mar. 31, 2021	3,750	3,740	-10	4.6	4.6	0.0	4.4	4.4	0.0	4.8	4.8	0.0
T-16	Central Wellness Club Nagatsuta Minamidai	Mar. 31, 2021	1,780	1,780	0	5.0	5.0	0.0	4.8	4.8	0.0	5.2	5.2	0.0
T-17	Life Kameido	Mar. 31, 2021	1,490	1,480	-10	4.2	4.2	0.0	3.9	3.9	0.0	4.4	4.4	0.0
T-18	Totsuka-Fukaya Shopping Center (Land)	Mar. 31, 2021	4,320	4,330	10	4.7	4.7	0.0	4.6	4.6	0.0	-	-	-
T-19	Yumemachi Narashinodai Mall	Mar. 31, 2021	3,520	3,500	-20	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-20	Kawamachi Yahagi Mall	Mar. 31, 2021	3,240	3,240	0	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
T-21	Prime Square Jiyugaoka	Mar. 31, 2021	2,820	2,810	-10	3.6	3.6	0.0	3.4	3.4	0.0	3.8	3.8	0.0
T-22	Round1 Ichikawa-Onitaka	Mar. 31, 2021	1,970	1,960	-10	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
T-23	Ozeki Tokiwadai	Mar. 31, 2021	1,340	1,340	0	4.2	4.2	0.0	4.0	4.0	0.0	4.4	4.4	0.0
T-24	Konami Sports Club Shibuya	Mar. 31, 2021	3,390	3,380	-10	3.8	3.8	0.0	3.9	3.9	0.0	4.0	4.0	0.0
T-25	Apita Terrace Yokohama Tsunashima	Mar. 31, 2021	6,170	6,120	-50	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-26	Kalsa Hiratsuka	Mar. 31, 2021	6,020	6,010	-10	4.4	4.4	0.0	4.1	4.1	0.0	4.6	4.6	0.0
T-27	Monenosato Mall	Mar. 31, 2021	2,530	2,970	440	4.9	4.9	0.0	4.8	4.7	-0.1	5.3	5.2	-0.1
T-28	KDX Chofu Building (Retail wing)	Mar. 31, 2021	2,480	2,470	-10	4.6	4.6	0.0	4.2	4.2	0.0	4.8	4.8	0.0
T-29	Across Plaza Urayasu Higashino (Land)	Mar. 31, 2021	2,310	2,310	0	4.2	4.2	0.0	4.1	4.1	0.0	-	-	-
T-30	Comfort Market Nishi-Magome	Mar. 31, 2021	2,000	1,990	-10	4.2	4.2	0.0	4.2	4.2	0.0	4.4	4.4	0.0
O-1	Blumer Maitamon	Mar. 31, 2021	9,610	9,580	-30	5.2	5.2	0.0	5.3	5.3	0.0	5.4	5.4	0.0
O-2	Central Square Takadono (Land)	Mar. 31, 2021	3,140	3,140	0	-	-	-	3.9	3.9	0.0	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	Mar. 31, 2021	2,590	2,590	0	5.8	5.8	0.0	5.5	5.5	0.0	6.0	6.0	0.0
O-4	Blumer HAT Kobe	Mar. 31, 2021	11,000	11,000	0	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0

Note 1: "Previous" refers to appraisal value at the previous appraisal dated Sep. 30, 2020 for properties acquired by 10th period, dated Dec. 1, 2020 for Chiba-kita Distribution Center and Sapporo Shiroishi Distribution Center. "Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

Note 2: "Direct cap rate", "Discount rate" and "Terminal cap rate" for Ashikaga show the rates for the building. "Direct cap rate", "Discount rate" and "Terminal cap rate" for Kamigo show the rates for the distribution center and its site.

Appraisal value (properties as of Mar. 31, 2021) (2)

No.	Property name	Appraisal date	Appraisal value (JPY mn)			Income capitalization approach value								
						Direct capitalization method			DCF method					
			Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)					
			Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
O-5	Carino Esaka	Mar. 31, 2021	7,190	7,260	70	4.3	4.3	0.0	4.0	4.0	0.0	4.5	4.5	0.0
O-6	COMBOX Komyoike	Mar. 31, 2021	6,490	6,460	-30	5.3	5.3	0.0	4.9	4.9	0.0	5.4	5.4	0.0
O-7	Hankyu Oasis Hirakatadeguchi	Mar. 31, 2021	1,330	1,300	-30	5.5	5.6	0.1	5.3	5.4	0.1	5.7	5.8	0.1
O-9	Life Nishi-Tengachaya	Mar. 31, 2021	1,690	1,690	0	4.6	4.6	0.0	4.7	4.7	0.0	4.8	4.8	0.0
O-10	Million Town Tsukaguchi (Land)	Mar. 31, 2021	3,980	3,990	10	-	-	-	4.0	4.0	0.0	-	-	-
O-11	Habikigaoka Shopping Center	Mar. 31, 2021	2,020	2,020	0	5.1	5.1	0.0	5.1	5.1	0.0	5.3	5.3	0.0
N-1	DCM Kahma Nakagawa Tomita (Land)	Mar. 31, 2021	2,690	2,680	-10	-	-	-	4.3	4.3	0.0	-	-	-
N-2	Valor Ichinomiya-Nishi	Mar. 31, 2021	2,360	2,360	0	5.1	5.1	0.0	4.8	4.8	0.0	5.3	5.3	0.0
N-4	Homecenter Kohnan Sunadabashi	Mar. 31, 2021	7,280	7,540	260	4.8	4.9	0.1	4.6	4.7	0.1	5.0	5.1	0.1
N-6	Resora Obu Shopping Terrace	Mar. 31, 2021	7,050	7,040	-10	4.9	4.9	0.0	5.0	5.0	0.0	5.1	5.1	0.0
N-7	Valor Nakashidami (Land)	Mar. 31, 2021	2,560	2,550	-10	-	-	-	4.1	4.1	0.0	-	-	-
F-1	Sunny Noma	Mar. 31, 2021	1,640	1,650	10	4.4	4.4	0.0	4.2	4.2	0.0	4.8	4.8	0.0
F-2	Round1 Stadium Hakata-Hanmichibashi	Mar. 31, 2021	5,760	5,780	20	4.9	4.9	0.0	4.6	4.6	0.0	5.1	5.1	0.0
F-3	Kurume-Nishi Shopping Center	Mar. 31, 2021	1,840	1,840	0	4.8	4.8	0.0	4.5	4.5	0.0	5.0	5.0	0.0
R-1	Roseo Mito	Mar. 31, 2021	12,000	12,000	0	4.8	4.8	0.0	4.5	4.5	0.0	5.0	5.0	0.0
R-2	K's Denki Aomori Honten	Mar. 31, 2021	1,520	1,520	0	5.5	5.5	0.0	5.2	5.2	0.0	5.7	5.7	0.0
R-3	Super Sports Xebio Aomori-Chuo	Mar. 31, 2021	912	911	-1	5.5	5.5	0.0	5.2	5.2	0.0	5.7	5.7	0.0
R-4	Ashico Town Ashikaga	Mar. 31, 2021	4,660	4,900	240	5.3	5.3	0.0	5.1	5.1	0.0	5.5	5.5	0.0
R-5	Yorktown Shinden-Higashi	Mar. 31, 2021	2,610	2,600	-10	5.5	5.5	0.0	5.3	5.3	0.0	5.7	5.7	0.0
R-6	Kasumi Technopark Sakura	Mar. 31, 2021	879	888	9	5.1	5.1	0.0	4.9	4.9	0.0	5.3	5.3	0.0
R-8	P-1 Plaza Tenno	Mar. 31, 2021	4,350	4,350	0	5.1	5.1	0.0	4.8	4.8	0.0	5.3	5.3	0.0
R-9	Seiyu Rakuichi Moriya (Land)	Mar. 31, 2021	4,260	4,280	20	4.3	4.3	0.0	4.2	4.2	0.0	-	-	-
R-10	Sun Street Hamakita	Mar. 31, 2021	11,160	11,160	0	5.4	5.4	0.0	5.1	5.1	0.0	5.7	5.7	0.0
R-11	Costco Wholesale Sapporo Warehouse	Mar. 31, 2021	4,420	4,410	-10	4.5	4.5	0.0	4.2	4.2	0.0	4.7	4.7	0.0
L-1	Zama Distribution Center	Mar. 31, 2021	1,690	1,740	50	4.7	4.6	-0.1	4.7	4.6	-0.1	4.9	4.8	-0.1
L-2	Oppama Distribution Center	Mar. 31, 2021	1,600	1,630	30	4.8	4.7	-0.1	4.9	4.8	-0.1	5.0	4.9	-0.1
L-3	Musashi Ranzan Distribution Center	Mar. 31, 2021	4,090	4,170	80	5.2	5.1	-0.1	5.2	5.1	-0.1	5.4	5.3	-0.1
L-4	Yokohama Kamigo Distribution Center	Mar. 31, 2021	970	1,020	50	4.5	4.4	-0.1	4.5	4.5	0.0	4.7	4.6	-0.1
L-5	Gyoda Distribution Center	Mar. 31, 2021	3,440	3,510	70	5.0	4.9	-0.1	4.9	4.8	-0.1	5.2	5.1	-0.1
L-6	Shinjuku Nishiochiai Distribution Center	Mar. 31, 2021	821	821	0	4.0	4.0	0.0	3.6	3.6	0.0	4.1	4.1	0.0
L-7	Chiba-kita Distribution Center	Mar. 31, 2021	1,340	1,340	0	4.1	4.1	0.0	3.9	3.9	0.0	4.3	4.3	0.0
L-8	Sapporo Shiroishi Distribution Center	Mar. 31, 2021	1,020	1,020	0	5.4	5.4	0.0	5.2	5.2	0.0	5.6	5.6	0.0
Total			242,744	243,840	1,096	-	-	-	-	-	-	-	-	-

Note 1: "Previous" refers to appraisal value at the previous appraisal dated Sep. 30, 2020 for properties acquired by 11th period, dated Dec. 1, 2020 for Chiba-kita Distribution Center and Sapporo Shiroishi Distribution Center. "Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

Note 2: "Direct cap rate", "Discount rate" and "Terminal cap rate" for Ashikaga show the rates for the building.

Income and expenses of assets

Revenues and expenses of nine assets with sales-linked rent

(JPY mn)

Period	Shin-Urayasu		Nishiarai		Daikanyama		Maitamon		HAT Kobe		Esaka		Obu		Ashikaga		Hamakita	
	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th
Rent (fixed)	315	308	207	218	171	131	351	358	357	358	145	150	208	207	175	193	429	437
Rent (sales-linked)	30	34	7	9	4	3	9	10	8	9	31	38	14	16	5	8	4	9
Utility charge reimbursement	38	35	37	34	29	16	95	76	72	59	26	25	48	38	62	49	56	50
Penalty restoring reimbursement	12	4	-	-	-	1	-	6	3	10	-	-	-	9	-	-	-	10
Other revenues	101	104	26	30	45	33	29	30	36	35	76	76	15	15	11	9	23	30
Revenues	498	486	279	292	250	186	485	481	477	473	280	292	285	287	255	260	513	537
PM fees	78	77	47	48	53	38	62	64	68	68	42	39	37	38	39	42	68	70
Utilities	54	39	29	24	33	18	63	53	56	46	33	25	42	35	56	44	40	35
Taxes	23	23	35	35	12	11	41	41	47	47	25	25	26	26	24	25	25	25
Repairs and maintenance	27	41	18	2	3	4	6	3	2	16	5	4	22	9	28	2	13	13
Others	39	53	8	13	34	31	20	23	14	19	3	3	10	15	6	15	61	67
Expenses	222	235	139	124	137	104	194	186	190	198	109	98	140	125	155	130	209	212
NOI	276	250	139	168	112	81	290	295	287	274	171	193	145	162	100	130	303	324

Revenues and expenses of assets without sales-linked rent

Period	Existing properties				Properties acquired since 10th period				Disposed properties			
	Multi-tenant properties		Single-tenant properties		Multi-tenant properties		Single-tenant properties		Multi-tenant properties		Single-tenant properties	
	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th	11th	12th
Rent (fixed)	1,674	1,695	3,027	3,027	18	24	44	84	-	-	33	-
Rent (sales-linked)	-	-	-	-	-	-	-	-	-	-	-	-
Utility charge reimbursement	95	79	14	10	-	-	-	-	-	-	-	-
Penalty restoring reimbursement	1	-	-	-	-	-	-	-	-	-	-	-
Other revenues	32	34	2	6	-	-	-	-	-	-	-	-
Revenues	1,804	1,811	3,044	3,044	18	24	44	84	-	-	33	-
PM fees	110	114	71	71	2	1	1	2	-	-	1	-
Utilities	93	74	14	10	-	-	-	-	-	-	-	-
Taxes	173	173	296	296	2	2	-	-	-	-	3	-
Repairs and maintenance	53	47	57	38	-	-	-	-	-	-	-	-
Others	31	32	24	25	-	-	-	1	-	-	-	-
Expenses	462	442	464	442	5	4	2	3	-	-	4	-
NOI	1,341	1,369	2,579	2,602	13	20	42	80	-	-	28	-

Note: "Existing properties" refer to properties acquired by the end of 10th FP, excluding disposed properties.

Portfolio highlights (Tokyo metropolitan area) (1)

Name	T-2 MONA Shin-Urayasu	T-3 Passaggio Nishiara	T-4 Daikanyama Address Dixsept	T-5 Unicus Ina	T-6 Yorktown Kita-Kaname
Photo					
Location	Urayasu, Chiba	Adachi ward, Tokyo	Shibuya ward, Tokyo	Kitaadachi-gun, Saitama	Hiratsuka, Kanagawa
Acquisition price (JPY)	8,063 mn	5,850 mn	5,390 mn	3,576 mn	4,000 mn
Highlights	<ul style="list-style-type: none"> ● Located in front of Shin-Urayasu Sta. (17 min from Tokyo Sta. by train) ● Approx. 60 tenants, including supermarkets and apparel stores ● Conducted renovations in 2017 and 2018 	<ul style="list-style-type: none"> ● The surrounding area has a significant inflow of families due to large developments ● Houses an apparel store, restaurants, etc. 	<ul style="list-style-type: none"> ● Scheduled to be disposed of on December 1, 2020, April 1, 2021 and October 1, 2021 	<ul style="list-style-type: none"> ● Highly competitive by housing supermarket Yaoko among other tenants ● The population in the surrounding area is increasing by continued residential developments ● Constructed a restaurant building in 2017 	<ul style="list-style-type: none"> ● Population increase with residential developments ● Plays an important role in the local community by housing tenants including a supermarket, a drug store and a restaurant
Name	T-7 Unicus Yoshikawa	T-8 Sports Club Renaissance Fujimidai	T-9 Super Viva Home Iwatsuki (Land)	T-10 K's Denki Shonan-Fujisawa (Land)	T-11 Unicus Kamisato (Land)
Photo					
Location	Yoshikawa, Saitama	Nerima ward, Tokyo	Saitama, Saitama	Fujisawa, Kanagawa	Kodama-gun, Saitama
Acquisition price (JPY)	3,600 mn	2,586 mn	4,815 mn	3,169 mn	3,000 mn
Highlights	<ul style="list-style-type: none"> ● Conveniently located along a heavily traveled road in a population increasing area ● Houses a supermarket, Life, and a home and garden store, Kohnan, as anchor tenants 	<ul style="list-style-type: none"> ● A well-equipped membership-based health club with a gym, two studios and a swimming pool ● Large housing developments surrounding Fujimidai Sta. (15min from Ikebukuro Sta. by train) 	<ul style="list-style-type: none"> ● Comprises a large home and garden store, a supermarket and a food court ● A number of major routes near the property potentially enlarge trade areas including adjacent cities 	<ul style="list-style-type: none"> ● Faces major routes, which give the property a wide retail trade area ● More than ten years remain on a fixed-term land lease with K's Holdings 	<ul style="list-style-type: none"> ● Underlying land of the largest NSC in Kamisato developed by P&D ● Competitive due to its concentration of highly recognizable tenants including a supermarket and a cinema complex






Portfolio highlights (Tokyo metropolitan area) (2)

Name	T-12 Unicus Konosu (Land)	T-13 Inageya Yokohama Minamihonjuku (Land)	T-15 Nakamachidai Tokyu Store	T-16 Central Wellness Club Nagatsuta Minamidai	T-17 Life Kameido
Photo					
Location	Konosu, Saitama	Yokohama, Kanagawa	Yokohama, Kanagawa	Yokohama, Kanagawa	Koto ward, Tokyo
Acquisition price (JPY)	1,700 mn	1,442 mn	3,360 mn	1,724 mn	1,450 mn
Highlights	<ul style="list-style-type: none"> ● Underlying land of the largest NSC in Konosu developed by P&D ● Easy access and high visibility by car given its location facing the largest trunk road within the relevant trade area 	<ul style="list-style-type: none"> ● Underlying land of Inageya grocery supermarket opened in Mar. 2015 ● Comprises a trade area that cater daily needs together with a restaurant and a drug store nearby 	<ul style="list-style-type: none"> ● A station-front NSC in an area with high population growth and easy access to central Tokyo ● Houses a supermarket and other retailers that cater daily needs 	<ul style="list-style-type: none"> ● Located in an area with high population growth, housing a health club as its core tenant ● Convenient car access due to its roadside location, with good visibility 	<ul style="list-style-type: none"> ● A supermarket located in one of the most densely populated retail trade areas in Tokyo ● A large-scale condominium consisting of approx. 700 residential units in the neighborhood
Name	T-18 Totsuka Fukaya Shopping Center (Land)	T-19 Yumemachi Narashinodai Mall	T-20 Kawamachi Yahagi Mall	T-21 Prime Square Jiyugaoka	T-22 Round1 Ichikawa-Onitaka
Photo					
Location	Yokohama, Kanagawa	Funabashi, Chiba	Chiba, Chiba	Meguro ward, Tokyo	Ichikawa, Chiba
Acquisition price (JPY)	4,170 mn	3,416 mn	3,097 mn	2,820 mn	1,880 mn
Highlights	<ul style="list-style-type: none"> ● Underlying land of an NSC opened in Mar. 2015 ● NSC houses a grocery supermarket and a home and garden store ● Located in an area with population growth, with new residential development in surrounding areas 	<ul style="list-style-type: none"> ● Located in an area with high population growth, housing a competitive supermarket as the anchor tenant ● The tenants, including the core grocery supermarket, cater to diverse daily needs of consumers 	<ul style="list-style-type: none"> ● A new NSC housing tenants with a high level of customer attraction ● Located in an area with significant population growth potential, near a national road and a highway JCT ● Flat parking lot for up to 320 vehicles 	<ul style="list-style-type: none"> ● Located in the neighborhood of Jiyugaoka along the Tokyu Toyoko Line ● Leased to Central Sports Co., Ltd., a leading fitness club operator 	<ul style="list-style-type: none"> ● A road-side amusement facility located in an area with easy access and high population growth ● Attractive occupancy cost and no other Round One stores near the retail trade area

Portfolio highlights (Tokyo metropolitan area) (3)

Name	T-23 Ozeki Tokiwadai	T-24 Konami Sports Club Shibuya	T-25 Apita Terrace Yokoham Tsunashima	T-26 Kalsa Hiratsuka	T-27 Monenosato Mall
Photo					
Location	Itabashi ward, Tokyo	Shibuya ward, Tokyo	Yokohama, Kanagawa	Hiratsuka, Kanagawa	Yotsukaido, Chiba
Acquisition price (JPY)	1,263 mn	3,400 mn	11,567 mn	5,980 mn	2,753 mn
Highlights	<ul style="list-style-type: none"> ● New supermarket opened in Sep. 2017, located in one of the most densely populated retail trade areas in Tokyo ● Leased to Ozeki Co., Ltd., which runs many stores in densely populated areas near train stations in Tokyo metropolitan area 	<ul style="list-style-type: none"> ● A sports club located in an upper class residential area, approx. 12 minutes from JR Shibuya Sta. ● Konami Sports Club is the largest sports club operator in Japan, with Shibuya ward as its strategic focus area 	<ul style="list-style-type: none"> ● NSC that meets diverse customer needs and constitutes a next-generation urban smart city in an area with a dense and growing population ● Opened in March 2018, located between Tsunashima and Hiyoshi Stations 	<ul style="list-style-type: none"> ● NSC with the retail trade area covering Hiratsuka and Chigasaki, the core of the Shonan area ● Tenants include a grocery supermarket, a home & garden store, and a general sporting goods shop 	<ul style="list-style-type: none"> ● NSC opened in March 2019 in “Monenosato,” a new town undergoing residential development ● Tenants include a grocery supermarket Yorkmart, a drugstore, an apparel store and a dollar shop
Name	T-28 KDX Chofu Building (Retail wing)	T-29 Across Plaza Urayasu Higashino (Land)	T-30 Comfort Market Nishi-Magome	T-31 Kitera Town Chofu	T-32 Unicus Urawamisono (Land)
Photo					
Location	Chofu, Tokyo	Urayasu, Chiba	Ota ward, Tokyo	Chofu, Tokyo	Saitama, Saitama
Acquisition price (JPY)	2,300 mn	2,248 mn	1,920 mn	10,500 mn	732 mn
Highlights	<ul style="list-style-type: none"> ● NSC located in the commercial and residential district within walking distance of Chofu Station ● Tenants include grocery supermarket, a dollar shop, a drug store, beauty salon, and a health club 	<ul style="list-style-type: none"> ● Underlying land for an NSC opened in December 2017 ● The population of the area has been consistently growing by good accessibility to Tokyo CBD from the nearest Maihama Station 	<ul style="list-style-type: none"> ● A new-brand grocery supermarket adjacent to Nishi-magome station, convenient for commuting to central Tokyo ● The first and second floors are used as the store space, while the third and fourth floors are used as a nursery school 	<ul style="list-style-type: none"> ● NSC designed for frequent customer visits in the Chofu area, a location experiencing high population growth and large-scale residential and infrastructure development ● Convenient car access due to its location along the Koshu-Kaido Road 	<ul style="list-style-type: none"> ● NSC located in a new town close to Urawa-Misono station, the starting station on the Saitama Rapid Railway Line ● There are over 20 end tenants, including Yaoko supermarket as well as a drug store and a dollar shop

Portfolio highlights (Greater Osaka area)

Name	O-1 Blumer Maitamon	O-2 LifeTakadono (Land)	O-3 DCM Kahma MEGA Don Quijote UNY Omihachiman	O-4 Blumer HAT Kobe	O-5 Carino Esaka
Photo					
Location	Kobe, Hyogo	Osaka, Osaka	Omihachiman, Shiga	Kobe, Hyogo	Suita, Osaka
Acquisition price (JPY)	8,389 mn	2,685 mn	2,140 mn	11,000 mn	6,555 mn
Highlights	<ul style="list-style-type: none"> ● Located within a newly developed residential area ● Consists of approx. 50 tenants, including a supermarket, an electronic appliance store and a major clothing store as core tenants 	<ul style="list-style-type: none"> ● A supermarket which Life Corporation opened on the land in 2015 ● Located in a densely populated area bordering central Osaka ● Highly accessible by car as well 	<ul style="list-style-type: none"> ● NSC consisted of two buildings, MEGA Don Quijote UNY and DCM Kahma (home and garden store) ● The trade area surrounding Omihachiman Sta. is a residential area with young families 	<ul style="list-style-type: none"> ● Landmark NSC in “HAT Kobe District”, a revival symbol project from the Kobe earthquake ● Houses a cinema complex, a grocery store, clothing stores and restaurants 	<ul style="list-style-type: none"> ● Attractively located near Esaka Sta., only 10min from Umeda Sta. ● The retail trade area is popular among young families ● Core tenant is Tokyu Hands
Name	O-6 COMBOX Komyoike	O-7 Hankyu Oasis Hirakatadeguchi	O-9 Life Nishi-Tengachaya	O-10 Million Town Tsukaguchi (Land)	O-11 Habikigaoka Shopping Center
Photo					
Location	Izumi, Osaka	Hirakata, Osaka	Osaka, Osaka	Amagasaki, Hyogo	Habikino, Osaka
Acquisition price (JPY)	6,450 mn	1,280 mn	1,505 mn	3,723 mn	2,000 mn
Highlights	<ul style="list-style-type: none"> ● The largest retail property in the central area of Komyoike ● Located in the area accessible to Namba Sta. in 30 min by train 	<ul style="list-style-type: none"> ● Scheduled to be disposed of on August 10, 2021 	<ul style="list-style-type: none"> ● A supermarket located in a densely populated retail area ● The tenant, Life Corporation, has dominant strategy in Osaka and continues store opening 	<ul style="list-style-type: none"> ● A newly opened NSC located in an area as a part of the large-scale redevelopment project in front of Tsukaguchi Sta. ● Opened with grocery supermarket Mandai as a core tenant, as well as a drug store and clinics 	<ul style="list-style-type: none"> ● NSC located in New Town with housing developments in the southeastern part of Osaka Prefecture ● Consists of Sunplaza, a grocery supermarket, and Joshin, a consumer electronics store, as core tenants

Portfolio highlights (Greater Osaka area / Nagoya / Fukuoka)

Name	O-12 Merado Daikai	N-1 DCM Kahma Nakagawa Tomita (Land)	N-2 Valor Ichinomiya-Nishi	N-4 Homecenter Kohnan Sunadabashi	N-6 Resora Obu Shopping Terrace
Photo					
Location	Kobe, Hyogo	Nagoya, Aichi	Ichinomiya, Aichi	Nagoya, Aichi	Obu, Aichi
Acquisition price (JPY)	5,440 mn	2,311 mn	2,174 mn	7,140 mn	7,911 mn
Highlights	<ul style="list-style-type: none"> ● Located in an area with high population density in Hyogo-ku, Kobe and convenient within walking distance of 3 stations on 3 lines ● Kansai Supermarket, a grocery supermarket in Osaka and Hyogo region, is the core tenant 	<ul style="list-style-type: none"> ● Located near a number of major routes ● Comprises an integrated retail zone in the surrounding area, together with a supermarket and a sporting goods store on the adjacent lot 	<ul style="list-style-type: none"> ● Located in a commuter town for Nagoya (10 min from Nagoya Sta. by train) ● NSC composed of Valor, a successful supermarket chain in the Chubu Region, as its core tenant, in addition to an electronic appliance store and a health club 	<ul style="list-style-type: none"> ● Houses a large home and garden store and a large sporting goods store ● A large residential property was developed in the neighborhood. A supermarket also opened, generating synergies with the home and garden store 	<ul style="list-style-type: none"> ● The largest NSC in Obu, Aichi, opened in Apr. 2008 as a part of the development project including a medical mall and a condominium ● Yamanaka, a grocery supermarket as its main tenant and over 40 tenants
Name	N-7 Valor Nakashidami (Land)	F-1 Sunny Noma	F-2 Round1 Stadium Hakata-Hanmichibashi	F-3 Kurume-Nishi Shopping Center	
Photo					
Location	Nagoya, Aichi	Fukuoka, Fukuoka	Fukuoka, Fukuoka	Kurume, Fukuoka	
Acquisition price (JPY)	2,551 mn	1,497 mn	5,020 mn	1,515 mn	
Highlights	<ul style="list-style-type: none"> ● Underlying land for a standalone grocery supermarket in the Valor chain ● Valor is a supermarket chain with strong strategic dominance in the Tokai region 	<ul style="list-style-type: none"> ● Rebuilt in 2007 after enjoying strong support from the local community for 35 years ● The strongest performing supermarket among other Sunny supermarkets in the surrounding area 	<ul style="list-style-type: none"> ● A large-scale flagship store for Round One that offers a variety of amusement and sporting facilities ● Located in Fukuoka with population growth ● The store ranks high in sales among all Round One stores 	<ul style="list-style-type: none"> ● An NSC located in a residential district near downtown Kurume City ● Tenants include a grocery supermarket, a baby goods store and a drug store ● Facing a national route, providing good visibility 	

Portfolio highlights (Ordinance-designed cities, core cities and other areas)

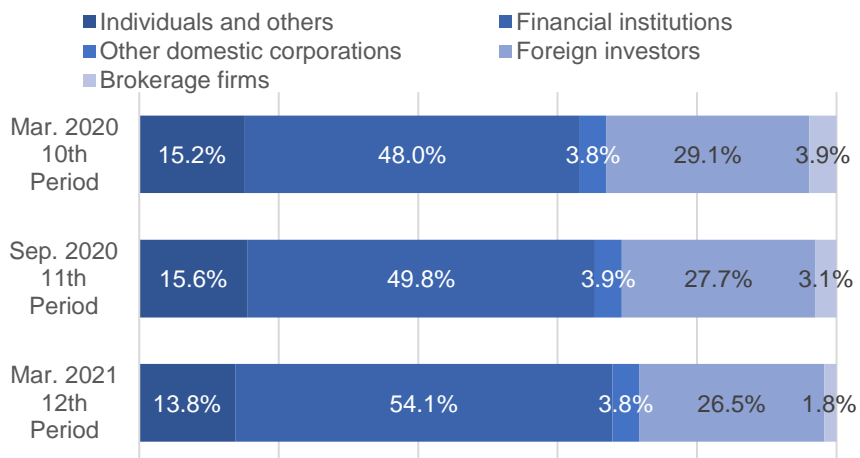
Name	R-1 Roseo Mito	R-2 K's Denki Aomori Honten	R-3 Super Sports Xebio Aomori-Chuo	R-4 Ashico Town Ashikaga	R-5 Yorktown Shinden-Higashi
Photo					
Location	Mito, Ibaraki	Aomori, Aomori	Aomori, Aomori	Ashikaga, Tochigi	Sendai, Miyagi
Acquisition price (JPY)	10,046 mn	1,469 mn	898 mn	4,180 mn	3,252 mn
Highlights	<ul style="list-style-type: none"> ● Located in a population growing area with many young families ● Houses a supermarket and a home and garden store as core tenants ● Constructed a secondhand shop building in 2015 	<ul style="list-style-type: none"> ● Opened in 2005 in Hamada District in Aomori, which has the highest concentration of retailers in Aomori 	<ul style="list-style-type: none"> ● Located in Hamada district in Aomori ● Some major routes bring customers from broad retail trade area 	<ul style="list-style-type: none"> ● A large-scale multi-tenant NSC with supermarket as a core tenant ● Easily accessibility by car due to its location along a major local route ● Cinema reopened in Mar. 2016 	<ul style="list-style-type: none"> ● Located in eastern Sendai conveniently commutable to Sendai Sta. ● Houses a supermarket and a home and garden store as core tenants
Name	R-6 Kasumi Technopark Sakura	R-8 P-1 Plaza Tenno	R-9 Seiyu Rakuichi Moriya (Land)	R-10 Sun Street Hamakita	R-11 Costco Wholesale Sapporo Warehouse
Photo					
Location	Tsukuba, Ibaraki	Hamamatsu, Shizuoka	Moriya, Ibaraki	Hamamatsu, Shizuoka	Sapporo, Hokkaido
Acquisition price (JPY)	830 mn	4,010 mn	4,111 mn	10,746 mn	4,210 mn
Highlights	<ul style="list-style-type: none"> ● 24-hour Kasumi supermarket ● The retail trade area includes the college town of Tsukuba University ● Kasumi is headquartered in Tsukuba, and has a dominant presence in the area 	<ul style="list-style-type: none"> ● Located in a large-scale retail area in northeast Hamamatsu where road-side retail facilities concentrate ● Houses tenants including a local supermarket, a drug store and a relaxation spa area 	<ul style="list-style-type: none"> ● Underlying land of an NSC with a grocery supermarket as the anchor tenant ● Located in a population growing area with the 2005 opening of Tsukuba Express ● Land acquired at a price lower than the official land price 	<ul style="list-style-type: none"> ● Located in an area with high population growth ● Synergies among the tenants that offer services and experiences, with grocery Seiyu as the core tenant ● Seiyu focuses on groceries in the trend of "shift from GMS to specialty stores" 	<ul style="list-style-type: none"> ● Costco is a "membership warehouse club" with over 740 warehouse stores worldwide ● Sapporo Warehouse is the only Costco warehouse in Hokkaido and covers Sapporo metropolitan area as its trade area

Portfolio highlights (Distribution centers)

Name	L-1 Zama Distribution Center	L-2 Oppama Distribution Center	L-3 Musashi Ranzan Distribution Center	L-4 Yokohama Kamigo Distribution Center	L-5 Gyoda Distribution Center
Photo					
Location	Zama, Kanagawa	Yokosuka, Kanagawa	Hiki-gun, Saitama	Yokohama, Kanagawa	Gyoda, Saitama
Acquisition price (JPY)	1,400 mn	1,300 mn	3,879 mn	918 mn	3,160 mn
Highlights	<ul style="list-style-type: none"> ● Distribution center for a major convenience store chain that delivers to its stores ● Located within Zama area in Kanagawa Prefecture, with a concentration of logistics facilities ● The tenant is a major convenience store chain 	<ul style="list-style-type: none"> ● Core distribution center of a major convenience store chain that delivers to its stores and features a process center function ● Located within Tokyo metropolitan bay area ● Location with high potential for local deliveries as well as wide area distribution 	<ul style="list-style-type: none"> ● Distribution center in an area with a concentration of logistics facilities, near a Kan-Etsu Expressway interchange ● The location allows the tenant to make daily deliveries to Tokyo Metropolitan area and 24-hour operation 	<ul style="list-style-type: none"> ● Distribution center of a home delivery service firm within a residential district ● Spaces for distribution centers are limited in the area ● Currently leased to a major home delivery service firm ● Newly constructed a restaurant building 	<ul style="list-style-type: none"> ● A highly versatile storage-type distribution center for regional and wider area delivery in the metropolitan area ● Nippon Express Co., Ltd., a major logistics company, is using the distribution center for shippers of food-related and home appliances
Name	L-6 Shinjuku Nishiochiai Distribution Center	L-7 Chiba-kita Distribution Center	L-8 Sapporo Shiroishi Distribution Center		
Photo					
Location	Shinjuku ward, Tokyo	Chiba, Chiba	Sapporo, Hokkaido		
Acquisition price (JPY)	810 mn	1,250 mn	800 mn		
Highlights	<ul style="list-style-type: none"> ● This facility is highly scarce and has optimal facility specifications as a last-mile distribution center ● A major delivery company, Yamato Transport Co., Ltd., is the tenant of the facility 	<ul style="list-style-type: none"> ● The property is located adjacent to an interchange on an expressway and National Route 16 ● There is strong demand for logistics facilities in the area because of an easy access to the Tokyo metropolitan area 	<ul style="list-style-type: none"> ● The property is located in Sapporo, within the Ryutsu Center District, one of the districts with the highest potential for logistics facilities in the Sapporo area ● The facility is expected to be able to meet the needs of a wide range of tenants 		

Unitholder information (as of Mar. 31, 2021)

Ownership ratio by investor type



Number of unitholders by investor type

	Mar. 2020 10th FP	Sep. 2020 11th FP	Mar. 2021 12th FP
Individuals and others	12,887	13,252	13,177
Financial institutions	City/ Trust banks	13	11
	Regional banks	14	15
	Shinkin banks and others	69	67
	Life/ Nonlife	5	5
	Total	101	98
Other domestic corporations	306	310	297
Foreign investors	239	252	252
Brokerage firms	25	29	26
Total	13,558	13,941	13,852

Major unitholders

Name	# of units held	Ratio (%)
THE MASTER TRUST BANK OF JAPAN, LTD. (Trust Acct.)	118,502	22.10%
CUSTODY BANK OF JAPAN, LTD. (Trust Acct.)	51,928	9.68%
THE NOMURA TRUST AND BANKING CO., LTD. (Investment Trust Acct.)	26,003	4.84%
CUSTODY BANK OF JAPAN, LTD. (Securities Investment Trust Account)	17,564	3.27%
AOZORA BANK, LTD.	11,958	2.23%
SSBTC CLIENT OMNIBUS ACCOUNT	11,626	2.16%
KENEDIX, INC.	10,050	1.87%
STATE STREET BANK WEST CLIENT-TREATY 505234	8,928	1.66%
HOKKOKU BANK, LTD.	7,940	1.48%
STATE STREET BANK AND TRUST COMPANY 505103	6,816	1.27%

Note: "Ratio" is based on number of units issued and outstanding, rounded down to the second decimal place.

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Abbreviations of property names

Property name	Abbreviation	Property name	Abbreviation	Property name	Abbreviation
MONA Shin-Urayasu	Shin-Urayasu	Kalsa Hiratsuka	Hiratsuka	Valor Nakashidami (Land)	Nakashidami
Passaggio Nishiarai	Nishiarai	Monenosato Mall	Monenosato	Sunny Noma	Noma
Daikanyama Address Dixsept	Daikanyama	KDX Chofu Building (Retail wing)	Chofu	Round1 Stadium Hakata-Hanmichibashi	Hakata
Unicus Ina	Ina	Across Plaza Urayasu Higashino (Land)	Urayasu Higashino	Kurume-Nishi Shopping Center	Kurume
Yorktown Kita-Kaname	Kita-Kaname	Comfort Market Nishi-Magome	Nishi-Magome	Roseo Mito	Mito
Unicus Yoshikawa	Yoshikawa	Kitera Town Chofu	Kitera Chofu	K's Denki Aomori Honten	K's Aomori
Sports Club Renaissance Fujimidai	Fujimidai	Unicus Urawamisono (Land)	Urawamisono	Super Sports Xebio Aomori-Chuo	Xebio Aomori
Super Viva Home Iwatsuki (Land)	Iwatsuki	Blumer Maitamon	Maitamon	Ashico Town Ashikaga	Ashikaga
K's Denki Shonan-Fujisawa (Land)	Fujisawa	Life Takadono (Land)	Takadono	Yorktown Shinden-Higashi	Shinden-Higashi
Unicus Kamisato (Land)	Kamisato	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman	Kasumi Technopark Sakura	Kasumi Sakura
Unicus Konosu (Land)	Konosu	Blumer HAT Kobe	HAT Kobe	P-1 Plaza Tenno	P-1
Inageya Yokohama Minamihonjuku (Land)	Minamihonjuku	Carino Esaka	Esaka	Seiyu Rakuichi Moriya (Land)	Moriya
Nakamachidai Tokyu Store	Nakamachidai	COMBOX Komyoike	Komyoike	Sun Street Hamakita	Hamakita
Central Wellness Club Nagatsuta Minamidai	Nagatsuta	Hankyu Oasis Hirakatadeguchi	Hirakata	Costco Wholesale Sapporo Warehouse	Costco Sapporo
Life Kameido	Kameido	Life Nishi-Tengachaya	Tengachaya	Zama Distribution Center	Zama
Totsuka-Fukaya Shopping Center (Land)	Totsuka	Million Town Tsukaguchi (Land)	Tsukaguchi	Oppama Distribution Center	Oppama
Yumemachi Narashinodai Mall	Narashinodai	Habikigaoka Shopping Center	Habikigaoka	Musashi Ranzan Distribution Center	Ranzan
Kawamachi Yahagi Mall	Yahagi	Merado Daikai	Daikai	Yokohama Kamigo Distribution Center	Kamigo
Prime Square Jiyugaoka	Jiyugaoka	DCM Kahma Nakagawa Tomita (Land)	Kahma Nakagawa	Gyoda Distribution Center	Gyoda
Round1 Ichikawa-Onitaka	Ichikawa	Valor Ichinomiya-Nishi	Ichinomiya	Shinjuku Nishiochiai Distribution Center	Nishiochiai
Ozeki Tokiwadai	Tokiwadai	Homecenter Kohnan Sunadabashi	Sunadabashi	Chiba-Kita Distribution Center	Chiba-Kita
Konami Sports Club Shibuya	Shibuya	K's Denki Shin-Moriyama (Land)	Shin-Moriyama	Sapporo Shiroishi Distribution Center	Sapporo Shiroishi
Apita Terrace Yokohama Tsunashima	Tsunashima	Resora Obu Shopping Terrace	Obu		

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