

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020 (REIT)
(April 1, 2020 to September 30, 2020)

November 17, 2020

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

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

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

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2020 (April 1, 2020 to September 30, 2020)**(1) Business Results**

(Amounts are rounded down to the nearest million yen)

(Percentages show period-on-period changes)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2020	8,398	1.3	4,082	-0.5	3,505	0.2	3,504	0.2
March 31, 2020	8,291	-3.7	4,101	5.7	3,499	6.4	3,498	6.4

Fiscal period ended	Net income per unit	Return on net assets	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
September 30, 2020	6,536	2.8	1.4	41.7
March 31, 2020	6,568	2.9	1.4	42.2

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

(2) Distribution

Fiscal period ended	Distributions per unit (including excess of earnings)	Distributions per unit (excluding excess of earnings)	Distributions in excess of earnings per unit	Total distributions (including excess of earnings)	Total distributions (excluding excess of earnings)	Total distributions in excess of earnings	Payout ratio	Distribution ratio to net assets
				Millions of Yen	Millions of Yen	Millions of Yen		
September 30, 2020	6,546	6,270	276	3,509	3,361	147	95.9	2.7
March 31, 2020	6,535	6,525	10	3,503	3,498	5	100.0	2.8

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

Note 2: The payout ratio is 100.2% for the fiscal period ended March 31, 2020 and 100.1% for the fiscal period ended September 30, 2020 when calculated as follows.

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

(3) Financial Position

As of	Total assets	Net assets	Net assets to total assets	Net asset per unit
	Millions of yen	Millions of yen	%	Yen
September 30, 2020	251,655	124,308	49.4	231,842
March 31, 2020	249,246	124,450	49.9	232,107

(4) Cash Flows

Fiscal period ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of the period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2020	7,113	-2,509	-1,608	21,804
March 31, 2020	3,829	-25,584	9,246	18,810

This is an English-language translation of the original Japanese announcement on our website released on November 17, 2020. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

2. EARNINGS FORECASTS FOR THE FISCAL PERIODS ENDING MARCH 31, 2021 (October 1, 2020 to March 31, 2021) AND SEPTEMBER 30, 2021 (April 1, 2021 to September 30, 2021)

(Percentages show period-on-period changes)

Fiscal period ending	Operating revenues (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income (Millions of yen)		Distributions per unit (excluding excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including excess of earnings)
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	Yen	Yen
March 31, 2021	8,606	2.5	4,221	3.4	3,633	3.7	3,632	3.7	6,775	10	6,785
September 30, 2021	8,453	-1.8	4,156	-1.5	3,553	-2.2	3,552	-2.2	6,625	10	6,635

Reference: Forecasted net income per unit (Forecasted net income / Forecasted average number of investment units during the period)
6,775 yen for the fiscal period ending March 31, 2021 and 6,625 yen for the fiscal period ending September 30, 2021

Note: Distributions per unit are calculated based on the number of investment units issued and outstanding totaled 536,177 as of the date of this material.

*OTHERS

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

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

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

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

As of September 30, 2020: 536,177 units

As of March 31, 2020: 536,177 units

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

As of September 30, 2020: 0 units

As of March 31, 2020: 0 units

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

* Status of audit procedures

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

* Remarks on appropriate use of forecasts of performance and other special notes

Forward-looking statements presented in this financial report, including forecasts of performance, are based on information currently available to KRR and on certain assumptions KRR deems to be reasonable. As such, actual operating and other results may differ materially from these forecasts as a consequence of numerous factors. The following are important factors that may affect the actual operation status. The above-mentioned forecasts are based on "Assumptions for the Earnings Forecasts of Financial Results for the Fiscal Periods Ending March 31, 2021 and September 30, 2021" on page 8 for calculation, and our judgment as of November 17, 2020. Actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount.

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

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1. Status of Asset Management

(1) Status of Asset Management

(Overview of the Period ended March 31, 2020)

i) Transition of KRR

KRR was established on October 3, 2014, under the Act on Investment Trusts and Investment Corporations of Japan (the “Investment Trust Act”). On October 30, 2014, KRR was registered with the Director-General of the Kanto Local Finance Bureau (registration number: Director-General of the Kanto Local Finance Bureau No. 97). KRR was listed on the Real Estate Investment Trust Securities (“J-REIT”) Market of Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) (Securities code: 3453) on February 10, 2015. Subsequently, KRR raised funds through public offerings, including an international offering. As a result, the number of investment units issued at the end of the period ended September 30, 2020 was 536,177 units.

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

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

ii) Investment Environment

During the fiscal year under review, economic activity in Japan stagnated rapidly following the spread of COVID-19 and the subsequent declaration of the state of emergency by the government. The preliminary real GDP for the period from April to June 2020 was 7.9% lower than the previous year, or an annualized decline of 28.1%, the largest rate of decline in the post-war era. As for the financial environment, the stock market continued to be unstable due to the COVID-19 pandemic.

In the financial environment, the stock market remained unstable due to the COVID-19 pandemic. Meanwhile, interest rates in Japan have remained low and stable against the backdrop of the Bank of Japan's enhanced monetary easing policy, the monetary easing policy of the U.S. monetary authorities and unstable global markets.

In the real estate trading market, real estate transactions are declining as investors are becoming more cautious about real estate investments in order to assess the impact of the pandemic. On the other hand, as there has been no significant change in the lending attitude of financial institutions, there has been no rush to sell real estate, and the real estate sales market has not deteriorated significantly.

iii) Management Performance

(A) Acquisition of Assets

KRR acquired one asset (Comfort Market Nishi-Magome with acquisition price (Note 1) of 1,920 million yen). KRR disposed of one asset (K's Denki Shin-Moriyama (Land) with sale price of 1,527 million yen (acquisition price was 1,370 million yen)). KRR also completed additional acquisition through construction of a new building (property expansion) (total construction cost (Note 3) ¥119 million) at Yokohama Kamigo Distribution Center.

As a result, the portfolio at the end of the period under review (September 30, 2020) consists 62 properties with the total acquisition price of 226,479 million yen.

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

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

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

(B) Management and Operation of Assets

KFM provides property management services for all of the properties owned by KRR at the end of the period under review (September 30, 2020). By using the same company for both asset management and property management services, KRR aims to build stronger relationships with tenants and increase returns from its portfolio. Furthermore, by implementing retail property and distribution centers management that better reflects the needs of our tenants, KRR strives to accumulate know-how and improve tenant satisfaction.

KRR invests primarily in neighborhood and community shopping centers that cater to the day-to-day needs of customers. The portfolio is diversified in terms of properties, tenants and other characteristics with a goal to generate consistent long-term cash flows. At the same time, KRR seeks to explore the upside potential (Note 1) for rental income by optimization of tenant composition and property expansion. By

using these measures, KRR aims to pursue a portfolio that achieves both stability and growth.

As of the end of the period under review, portfolio as a whole performed well with an overall occupancy ratio of 99.7%. Furthermore, the portfolio is diversified in terms of tenants as there are 496 end-tenants (Note 2) in KRR's retail properties and distribution centers.

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

Note 2: The number of end-tenants is the sum of the number of end-tenants in a pass-through type master lease and the number of master lessees in a sublease type master lease.

(C) Financing

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

(Debt Finance)

During the fiscal period under review, KRR borrowed 1,900 million yen for the property acquisition and 700 million yen for refinancing. KRR also issued investment corporation bonds to partially prepay borrowings of 1,000 million yen. Consequently, borrowings totaled 104,800 million yen and interest-bearing debt including investment corporation bonds (excluding interest-bearing tenant leasehold and security deposits) totaled 112,800 million yen at the end of the fiscal period under review (September 30, 2020).

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

(Investment Corporation Bonds)

The status of the credit ratings as of September 30, 2020 is as follows.

Bonds	Issuance date	Balance as of September 30, 2020 (million yen)	Interest rate (%)	Maturity date	Redemption method	Remarks
6th Series Unsecured Investment Corporation Bonds	April 30, 2020	1,000	0.400	April 30, 2025	Full on maturity	(Note)

Note: Ranking pari passu among the specified investment corporation bonds and small private placement with restrictions on splits of denomination of each bond

As a result, the average maturity of debt is 4.0 years, the weighted average interest rate is 0.99%, the long-term debt ratio (Note 1) is 97.6% and the LTV ratio (Note 2) is 44.8%.

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

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

(Credit Ratings)

The status of the credit ratings as of September 30, 2020 is as follows.

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

(Shelf Registration)

KRR filed a shelf registration statement for investment corporation bonds (excluding short-term investment corporation bonds) on October 1, 2018. Details are as follows.

Planned issue amount	100,000,000,000 yen
Planned issuance period	October 9, 2018 to October 8, 2020
Use of proceeds	Acquisition funds for specified assets (as defined in Article 2, Paragraph 1 of the Investment Trust Law), repayment funds for borrowings, repayment funds for investment corporation bonds (including short-term investment corporation bonds), refund funds for lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

KRR issued 6th Series Unsecured Investment Corporation Bonds (1,000 million yen) based on this shelf registration statement on April 30, 2020.

iv) Results of Operations

For this period, revenue was 8,398 million yen, operating income was 4,082 million yen, ordinary income was 3,505 million yen and net income was 3,504 million yen.

Furthermore, in accordance with the distribution policy in the KRR Articles of Incorporation, KRR made a distribution (excluding excess

of earnings) of 3,361,829,790 yen which is almost equivalent to the earnings (as defined in Article 136-1 of Act of Investment Trust and Investment Corporation) for the fiscal period. The distribution per unit (excluding excess of earnings) was 6,270 yen. Cash distributions are paid in accordance with Article 67-15 of the Special Taxation Measures Law (Law No. 26 of 1957, including subsequent amendments). Furthermore, in accordance with the policy for “Distribution of Money in Excess of Profits” as stated in the KRR Articles of Incorporation, KRR made a distribution in excess of earnings for the 147,984,852 yen allowance for temporary adjustment (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations (Cabinet Office Ordinance No.47 of 2006, including subsequent amendments.)) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws in association with the amortization of fixed-term land lease rights (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) and the item deduced from net asset (as defined in Article 2-2-30 (b) of the Ordinance on Accountings of Investment Corporations) in association with deferred losses on hedges. This resulted in a distribution in excess of earnings per unit of 276 yen.

Consequently, the distribution per unit was 6,546 yen (of which the distribution in excess of earnings per unit was 276 yen).

(Outlook)

i) Outlook for Asset Management

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

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

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

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

(A) Investment Strategy for New Properties and Disposition Policy

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

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

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

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

(B) Management Strategy for Existing Properties

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

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

- “One-stop” asset management and property management services
- Continuously implementing a retail property management cycle through our in-house property management services

- Pursuit of internal growth through management of retail properties
- Directing investments and management policies to enliven local communities in the medium to long-term
- Implementing distribution center management

“One-stop” asset management and property management services

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

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

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

Pursuit of internal growth through management of retail properties

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

i. Effectively utilize capital expenditure

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

ii. Optimize tenant mix

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

iii. Realize growth in asset value by pursuing property expansions

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

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

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

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

Implementing distribution center management

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

(C) Financing

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

(D) Disclosure of Information

Our policy concerning disclosure activities is to use extensive investor relations activities to distribute a broad range of information to investors and other related parties as well as to announce information as soon and as accurately as we can. We also distribute information

with awareness on ESG (Environmental, Social and Governance) for sustainable growth of unitholder interest. We use TDnet (Timely Disclosure network) and press releases to meet the timely-disclosure requirements of the Tokyo Stock Exchange. In addition, we proactively post information on our website (<https://www.krr-reit.com/en/>).

(E) Conflicts of Interests

In managing KRR's assets, we have established Retail REIT Department Related-party Transactions Rules, and we abide by the rules in conducting related-party transactions. In addition to managing the assets of KRR, KFM provides asset management services to other REITs, which may incur conflicts of interests in acquisition of assets. In order to prevent the improper allocation of acquisition opportunities, KFM uses a "preferential right for acquisition opportunities" system for the property acquisition process. KFM has a pipeline committee, which includes a compliance officer, and operates in accordance with rules. This system is structured to prevent improper allocation of acquisition opportunities, and thus, managing conflicts of interests among the REITs managed by KFM. Through these measures, KFM is taking suitable actions regarding conflicts of interests.

(F) Important Subsequent Events

Not applicable

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

KRR has contracted a purchase and sale agreement on November 17, 2020 to dispose of the following asset.

Property number	Property type	Property name	Location	Buyer	Sale price (million yen) (Note 2)	Sale dates
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (Note 1)	Shibuya ward, Tokyo	Undisclosed (Note 3)	6,644	December 1, 2020 (40% quasi co-ownership interests) April 1, 2021 (30% quasi co-ownership interests) October 1, 2021 (30% quasi co-ownership interests)

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

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

Note 3: The name of the buyer and other information are undisclosed as KRR has not obtained the buyer’s consent.

(B) Building under construction

In Yokohama Kamigo Distribution Center, an asset managed by KRR, a new building with a total floor area (Note 1) of 25.79 square meters is under construction by utilizing unutilized floor space (property expansion). The total construction cost (Note 2) is assumed to be approximately 9.1 million yen (excluding consumption tax). Completion and transfer of the new building is scheduled to be in late February 2021.

Note 1: The total floor area indicates the planned total floor space of the new building as of the date of this material. The design and other details of the building may change in the future and the total floor area may change.

Note 2: The total construction cost is the current estimate (excluding consumption tax), based on the current design of the building. The design and other details of the building may change in the future, and the total construction costs of the building may change.

ii) Earnings Forecasts

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

Fiscal period ending March 31, 2021

Operating revenues	8,606 million yen
Operating Income	4,221 million yen
Ordinary income	3,633 million yen
Net Income	3,632 million yen
Distributions per unit	6,785 yen
Of the above, distributions in excess of earnings	10 yen

Fiscal period ending September 30, 2021

Operating revenues	8,453 million yen
Operating Income	4,156 million yen
Ordinary income	3,553 million yen
Net Income	3,552 million yen
Distributions per unit	6,635 yen
Of the above, distributions in excess of earnings	10 yen

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

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

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

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • The 12th fiscal period: October 1, 2020 to March 31, 2021 (182 days) • The 13th fiscal period: April 1, 2021 to September 30, 2021 (183 days)
Property portfolio	<ul style="list-style-type: none"> • Earnings forecasts are based on 62 properties (as of the fiscal period) which consist of property and trust beneficiary interests, as well as the disposition of the Daikanyama Address Dixsept (40% quasi-co-ownership interest on December 1, 2020, 30% on April 1, 2021, and 30% on October 1, 2021) is assumed to be made. • Forecasts are based on the assumption that portfolio assets other than the above are not subject to change (such as acquisition of new properties and disposition of owned properties). • The actual property portfolio may change due to the acquisition of new properties or the disposal of owned properties.
Operating revenues	<ul style="list-style-type: none"> • Operating revenues are based on the leasing agreements as of September 30, 2020, and other factors, including expectations based on market trends. • Gains on the sale of 451 million yen and 342 million yen is assumed for the fiscal period ending March 31, 2021 and September 30, 2021 by disposing Daikanyama Address Dixsept. • Due to the effects of the COVID-19 pandemic, negative impact of 41 million yen and 41 million yen is assumed in FP ending March 31, 2021 (12th fiscal period) and in FP ending September 30, 2021 (13th fiscal period) as a certain risk, taking into account possible risk of further increase in the number of COVID-19 cases and another state of emergency declaration. • Forecasts are based on the assumption that there will be no rent in arrears or non-payments by tenants.
Operating expenses	<ul style="list-style-type: none"> • Property-related operating expenses other than depreciation are calculated based on historic data, etc., and these expenses reflect fluctuations in costs, including leasing costs based on the leasing agreements. • Depreciation expenses of 1,059 million yen, and 1,066 million yen are assumed for the fiscal periods ending March 31, 2021 and September 30, 2021, respectively, using the straight-line depreciation method. • Property-related taxes are assumed at 737 million yen and 737 million yen for the fiscal periods ending March 31, 2021 and September 30, 2021, respectively. When a property is sold, the purchaser of the property typically reimburses the seller, pursuant to the purchase agreement, for the pro rata portion of the property-related taxes that relates to the period from the acquisition date to the end of the calendar year in which the acquisition occurs. As is customary for property transactions in Japan and in accordance with Japanese GAAP, KRR intends to capitalize the portions of the property-related taxes on the properties to be acquired. • With respect to building repair expenses, the amount assumed to be necessary for each property is based on the repair plan of KFM for each fiscal period. However, repair expenses may be substantially different from the expected amount due to certain unexpected factors.

Item	Assumptions
Non-operating expenses	<ul style="list-style-type: none"> • The amortization of offering-related costs are expected to be expensed 7 million yen and 7 million yen for the fiscal periods ending March 31, 2021 and September 30, 2021. It is assumed that the offering-related costs are amortized using the straight-line method over three years. • For interest expenses and other debt-related costs, 579 million yen and 595 million yen are expected for the fiscal periods ending March 31, 2021 and September 30, 2021, respectively.
Borrowings and investment corporation bonds	<ul style="list-style-type: none"> • As of today, KRR has an outstanding balance of 104,800 million yen in borrowings and 8,000 million yen in investment corporation bonds. • LTV ratios at the end of the period ending March 31, 2021 and September 30, 2021 are estimated to be approximately 44.9% (rounded to the nearest tenth). • LTV ratios are calculated according to the following formula: $\text{LTV ratio} = (\text{Outstanding borrowings} + \text{Outstanding investment corporation bonds}) / \text{Total assets}$
Investment units	<ul style="list-style-type: none"> • The forecasts are based on our assumption of 536,177 units issued as of today. It is assumed that there will be no changes in the number of investment units due to the new issuance of units until the end of the fiscal period ending September 30, 2021.
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding excess of earnings per unit) are calculated in accordance with the distribution policy outlined in KRR's Articles of Incorporation. • KRR assumes that there is no effect from the changes in market value of swaps on the distributions per unit for the fiscal periods ending March 31, 2021 and September 30, 2021. • Actual distributions per unit (excluding excess of earnings per unit) may fluctuate due to various factors including movements in investment assets, fluctuations in rental revenues caused by tenant replacements or unexpected repairs.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • KRR expects to record Allowance for Temporary Adjustment (ATA) to adjust the temporary differences between treatment of certain transactions under Japanese GAAP and Japanese tax laws in relation to Sunny Noma, which results from the depreciation of fixed term land lease right for business purposes, the expensed interest from asset retirement obligations and deprecation of buildings, during the relevant period (30 years starting from March 16, 2007). Although we assume no effect from the changes in the fair value of swaps on the distributions per unit, we may not record ATA, depending on the fair value, which may change due to the fluctuations in the interest rate market. • KRR has a policy to distribute the amount of increase in ATA, in excess of its earnings. Distributions in excess of earnings are expected to be 10 yen per unit in each period ending March 31, 2021 and September 30, 2021.
Others	<ul style="list-style-type: none"> • Forecasts are based on the assumption that there will be no amendments to the law, taxation system, accounting standards, public listing regulations, requirements of the Investment Trusts Association, Japan, etc. which may affect the aforementioned forecast figures. • Forecasts are based on the assumption that there will be no unexpected significant changes in general economic trends and real estate market trends or other conditions.

(2) Investment Risks

There are no significant changes to the “Investment Risks” in the most recent Securities Registration Statement (submitted on June 29, 2020; prepared in Japanese only). The disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

(in thousands of yen)

	10th Fiscal Period (As of March 31, 2020)	11th Fiscal Period (As of September 30, 2020)
Assets		
Current assets		
Cash and deposits	6,125,619	9,152,961
Cash and deposits in trust	12,924,521	12,874,534
Operating accounts receivable	166,961	192,124
Prepaid expenses	32,902	163,279
Consumption taxes receivable	863,462	-
Other	1,907	1,907
Total current assets	20,115,374	22,384,807
Non-current assets		
Property, plant and equipment		
Buildings	735,397	745,164
Accumulated depreciation	(29,574)	(45,386)
Buildings, net	705,823	699,778
Structures	38,751	38,751
Accumulated depreciation	(1,954)	(2,955)
Structures, net	36,796	35,795
Land	2,951,386	2,951,386
Construction in progress	5,062	-
Buildings in trust	60,239,912	61,177,360
Accumulated depreciation	(6,621,134)	(7,556,164)
Buildings in trust, net	*1 53,618,778	53,621,196
Structures in trust	3,419,821	3,439,796
Accumulated depreciation	(474,705)	(539,341)
Structures in trust, net	*1 2,945,115	2,900,455
Machinery and equipment in trust	220,898	262,338
Accumulated depreciation	(39,592)	(46,502)
Machinery and equipment in trust, net	181,305	215,835
Tools, furniture and fixtures in trust	147,539	150,938
Accumulated depreciation	(40,505)	(52,512)
Tools, furniture and fixtures in trust, net	107,034	98,425
Land in trust	*1 163,155,870	163,431,237
Construction in progress in trust	4,115	-
Total property, plant and equipment, net	223,711,288	223,954,110
Intangible assets		
Leasehold right in trust	4,308,804	4,304,826
Other	9,937	9,507
Total intangible assets	4,318,742	4,314,334
Investments and other assets		
Lease and guarantee deposits	10,000	10,000
Lease and guarantee deposits in trust	60,236	60,236
Long-term prepaid expenses	830,025	743,581
Long-term deposits	117,110	117,010
Other	8,339	2,258
Total investments and other assets	1,025,711	933,086
Total non-current assets	229,055,742	229,201,531
Deferred assets		
Investment corporation bond issuance costs	36,615	38,532
Investment unit issuance costs	38,633	30,906
Total deferred assets	75,248	69,438
Total assets	249,246,364	251,655,777

(in thousands of yen)

	10th Fiscal Period (As of March 31, 2020)	11th Fiscal Period (As of September 30, 2020)
Liabilities		
Current liabilities		
Operating accounts payable	692,883	983,154
Short-term loans payable	3,450,000	2,750,000
Current portion of long-term loans payable	13,200,000	20,400,000
Accounts payable-other	463,187	474,759
Accrued expenses	32,558	33,791
Income taxes payable	956	1,104
Accrued consumption taxes	120,675	363,159
Advances received	1,266,351	1,275,682
Deposits received	20,626	26,041
Other	-	291
Total current liabilities	19,247,239	26,307,983
Non-current liabilities		
Investment corporation bonds	7,000,000	8,000,000
Long-term loans payable	87,250,000	81,650,000
Tenant leasehold and security deposits	148,083	148,083
Tenant leasehold and security deposits in trust	*1 10,878,319	10,833,263
Asset retirement obligations	24,229	24,381
Other	247,638	383,202
Total non-current liabilities	105,548,270	101,038,930
Total liabilities	124,795,509	127,346,914
Net assets		
Unitholders' equity		
Unitholders' capital	121,183,494	121,183,494
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (305,743)	(236,788)
Total deduction from unitholders' capital	(305,743)	(236,788)
Unitholders' capital, net	120,877,750	120,946,706
Surplus		
Unappropriated retained earnings	3,784,993	3,716,853
Total surplus	3,784,993	3,716,853
Total unitholders' equity	124,662,744	124,663,559
Valuation and translation adjustments		
Deferred gains or losses on hedges	(211,889)	(354,696)
Total valuation and translation adjustments	(211,889)	(354,696)
Total net assets	*4 124,450,854	124,308,863
Total liabilities and net assets	249,246,364	251,655,777

(2) Statements of Income and Retained Earnings

		(in thousands of yen)	
		10th Fiscal Period (From October 1, 2019 to March 31, 2020)	11th Fiscal Period (From April 1, 2020 to September 30, 2020)
Operating revenues			
Rent revenue-real estate	*1	7,238,807	7,276,824
Other lease business revenue	*1	996,119	995,638
Gain on sale of real estate property	*2	56,596	126,174
Total operating revenues		8,291,523	8,398,638
Operating expenses			
Expenses related to rent business	*1	3,359,716	3,479,410
Asset management fees		685,500	706,110
Asset custody fees		9,643	10,098
Administrative service fees		32,189	32,656
Directors' compensation		4,500	4,500
Other operating expenses		98,176	83,784
Total operating expenses		4,189,726	4,316,561
Operating income		4,101,796	4,082,076
Non-operating income			
Interest income		57	55
Dividends and redemption-prescription		565	310
Interest on refund		-	2,912
Other		-	10
Total non-operating income		622	3,288
Non-operating expenses			
Interest expenses		453,558	450,956
Interest expenses on investment corporation bonds		19,671	21,199
Financing-related expenses		98,913	95,298
Amortization of organization costs		55	-
Amortization of investment corporation bond issuance costs		3,714	4,340
Amortization of investment unit issuance costs		26,980	7,726
Total non-operating expenses		602,893	579,521
Ordinary income		3,499,525	3,505,844
Income before income taxes		3,499,525	3,505,844
Income taxes			
Current		965	1,112
Total income taxes		965	1,112
Net income		3,498,560	3,504,731
Retained earnings brought forward		286,433	212,121
Unappropriated retained earnings		3,784,993	3,716,853

(3) Statements of Changes in Net Assets

10th Fiscal Period (From October 1, 2019 to March 31, 2020)

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Surplus			Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus	
	Allowance for temporary difference adjustments	Total deduction from unitholders' capital					
Balance at the beginning of the period	113,399,022	(181,865)	(181,865)	113,217,156	3,455,496	3,455,496	116,672,653
Changes of items during the period							
Issuance of new investment units	7,784,472			7,784,472			7,784,472
Dividends from surplus					(3,169,063)	(3,169,063)	(3,169,063)
Distributions in excess of earnings from allowance for temporary difference adjustments		(123,878)	(123,878)	(123,878)			(123,878)
Net income					3,498,560	3,498,560	3,498,560
Net changes of items other than unitholder's equity							
Total changes of items during the period	7,784,472	(123,878)	(123,878)	7,660,593	329,496	329,496	7,990,090
Balance at the end of the period	*1 121,183,494	(305,743)	(305,743)	120,877,750	3,784,993	3,784,993	124,662,744

	Valuation and translation adjustments		Total net assets
	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at the beginning of the period	(286,206)	(286,206)	116,386,446
Changes of items during the period			
Issuance of new investment units			7,784,472
Dividends from surplus			(3,169,063)
Distributions in excess of earnings from allowance for temporary difference adjustments			(123,878)
Net income			3,498,560
Net changes of items other than unitholder's equity	74,317	74,317	74,317
Total changes of items during the period	74,317	74,317	8,064,408
Balance at the end of the period	(211,889)	(211,889)	124,450,854

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

(in thousands of yen)

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

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

(4) Statements of Cash Distributions

(in yen)

	10th Fiscal Period (From October 1, 2019 to March 31, 2020)	11th Fiscal Period (From April 1, 2020 to September 30, 2020)
I. Retained earnings at the end of period	3,784,993,657	3,716,853,291
II. Distributions in excess of earnings	5,361,770	147,984,852
Of which, allowance for temporary difference adjustments	5,361,770	147,984,852
III. Incorporation into unitholders' capital	74,317,226	-
Of which, reversal of allowance for temporary difference adjustments	74,317,226	-
IV. Total distributions	3,503,916,695	3,509,814,642
Distributions per unit	6,535	6,546
Of which, distributions of earnings	3,498,554,925	3,361,829,790
Of which, distributions of earnings per unit	6,525	6,270
Of which, allowance for temporary difference adjustments	5,361,770	147,984,852
Of which, distributions in excess of earnings per unit (allowance for temporary difference adjustments)	10	276
V. Retained earnings brought forward to the next period	212,121,506	355,023,501
Method of calculating distribution amount	<p>In accordance with the policy described in Article 39-1 of its Articles of Incorporation, KRR determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law and shall be up to its profits as the maximum amount. Following this policy, KRR has decided that it shall distribute ¥3,498,554,925 which is almost the entire amount of income as defined in Article 136-1 of the Investment Trust Act after deduction of reversal of allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations).</p> <p>Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in Article 39-2 of KRR's Articles of Incorporation, KRR made a distribution in excess of earnings of ¥5,361,770 for allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with the amortization of fixed-term land leasehold rights.</p>	<p>In accordance with the policy described in Article 39-1 of its Articles of Incorporation, KRR determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law and shall be up to its profits as the maximum amount. Following this policy, KRR has decided that it shall distribute ¥3,361,829,790 which is almost the entire amount of income as defined in Article 136-1 of the Investment Trust Act.</p> <p>Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in Article 39-2 of KRR's Articles of Incorporation, KRR made a distribution in excess of earnings of ¥147,984,852 for allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with the amortization of fixed-term land leasehold rights and of the item deducted from net asset (as defined in Article 2-2-30 (b) of the Ordinance on Accountings of Investment Corporations) in association with deferred losses on hedges.</p>

(5) Statements of Cash Flows

	(in thousands of yen)	
	10th Fiscal Period (From October 1, 2019 to March 31, 2020)	11th Fiscal Period (From April 1, 2020 to September 30, 2020)
Net cash provided by (used in) operating activities		
Income before income taxes	3,499,525	3,505,844
Depreciation and amortization	1,025,511	1,041,266
Amortization of organization costs	55	-
Amortization of investment corporation bond issuance costs	3,714	4,340
Amortization of investment unit issuance costs	26,980	7,726
Interest income	(57)	(55)
Interest expenses	473,230	472,156
Decrease (increase) in operating accounts receivable	63,055	(25,162)
Decrease (increase) in consumption taxes receivable	(863,462)	863,462
Decrease (increase) in prepaid expenses	104,132	(130,377)
Increase (decrease) in operating accounts payable	(101,513)	104,472
Increase (decrease) in accounts payable-other	(56,055)	10,077
Increase (decrease) in accrued consumption taxes	(435,763)	242,484
Increase (decrease) in advances received	72,761	9,330
Increase (decrease) in deposits received	(50,778)	5,414
Decrease (increase) in long-term prepaid expenses	(4,072)	86,443
Increase (decrease) in long-term deposits received	40,000	100
Decrease in net property, plant and equipment held in trust due to sale	497,568	1,390,848
Other	(65)	(3,503)
Subtotal	4,294,767	7,584,869
Interest income received	57	55
Interest expenses paid	(464,671)	(470,942)
Income taxes paid	(1,117)	(965)
Net cash provided by (used in) operating activities	3,829,036	7,113,017
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(884,765)	(9,767)
Purchase of property, plant and equipment in trust	(25,672,644)	(2,474,133)
Purchase of intangible assets	(3,580)	(836)
Proceeds from lease and guarantee deposits in trust	20	-
Proceeds from tenant leasehold and security deposits	19,460	-
Repayments of tenant leasehold and security deposits in trust	(151,208)	(171,871)
Proceeds from tenant leasehold and security deposits in trust	1,093,091	129,316
Proceeds from restricted bank deposits in trust	15,000	17,500
Net cash provided by (used in) investing activities	(25,584,626)	(2,509,792)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,750,000	-
Decrease in short-term loans payable	(3,370,000)	(700,000)
Proceeds from long-term loans payable	14,540,000	2,600,000
Repayments of long-term loans payable	(9,120,000)	(1,000,000)
Proceeds from issuance of investment corporation bonds	-	993,742
Proceeds from issuance of investment units	7,738,113	-
Dividends paid	(3,292,016)	(3,502,111)
Net cash provided by (used in) financing activities	9,246,096	(1,608,369)
Net increase (decrease) in cash and cash equivalents	(12,509,493)	2,994,855
Cash and cash equivalents at the beginning of the period	31,319,634	18,810,140
Cash and cash equivalents at the end of the period	*1 18,810,140	21,804,996

(6) Notes on Assumption of Going Concern

Not applicable

(7) Summary of Significant Accounting Policies

1. Method of depreciation of non-current assets	<p>(1) Property, plant and equipment (including trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 2 to 70 years Structures: 8 to 59 years Machinery and equipment: 2 to 25 years Tools, furniture and fixtures: 3 to 15 years</p> <p>(2) Intangible assets (including trust assets) The straight-line method is applied.</p> <p>(3) Long-term prepaid expenses The straight-line method is applied.</p>
2. Accounting for deferred assets	<p>(1) Investment unit issuance costs Investment unit issuance costs are amortized over a period of 3 years under the straight-line method.</p> <p>(2) Investment corporation bond issuance costs Investment corporation bond issuance costs are amortized over a maturity period under the straight-line method.</p>
3. Accounting for revenues and expenses	<p>Accounting for property-related taxes Property-related taxes including property taxes, city planning taxes and depreciable property taxes are imposed on properties on a calendar year basis. These taxes are generally charged to operating expenses for the period, for the portion of such taxes corresponding to said period. Under Japanese tax regulations, the seller of the property is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued property-related tax liabilities. When KRR purchases properties, it typically allocates the portion of the property-related taxes related to the period following the purchase date of each property through the end of the calendar year. The amounts of those allocated portions of the property-related taxes are capitalized as part of the acquisition costs of the related properties. Capitalized property-related taxes amounted to 32,362 thousand yen and 2,495 thousand yen as of March 31, 2020 and September 30, 2020, respectively.</p>
4. Method of hedge accounting	<p>(1) Hedge accounting method Deferral hedge accounting is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria for special treatment.</p> <p>(2) Hedging instruments and hedged items Hedge instruments Interest-rate swap transactions Hedged items Interest payments on debts</p> <p>(3) Hedging policy KRR enters into derivative transactions based on its risk management policies with the objective of hedging risks provided in its Articles of Incorporation.</p> <p>(4) Method of assessing the effectiveness of hedging As for the method of assessment of the effectiveness of the hedge in the period from the inception of the hedge to the time of judgment of its effectiveness, the cumulative changes in cash flow of the hedged items and hedging instruments are compared and a judgment is made based on changed amount, etc. However, an assessment of the effectiveness of hedging activities is omitted in the case of interest rate swaps that meet the requirements for special treatment.</p>
5. Scope of cash and cash equivalents on statements of cash flows	Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of market value fluctuation, with maturities of three months or less from the date of purchase.
6. Other significant accounting policies for the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in KRR's balance sheet and statement of income and retained earnings. Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet.</p> <ol style="list-style-type: none"> 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, construction in progress in trust 3. Leasehold right in trust 4. Lease and guarantee deposits in trust 5. Tenant leasehold and security deposits in trust <p>(2) Accounting method for consumption taxes Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

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

10th Fiscal Period (From October 1, 2019 to March 31, 2020)

1. Reasons, related assets and allowance

(in thousands of yen)

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

2. Reasons, related assets and reversal of allowance

(in thousands of yen)

Related assets, etc.	Reason	Reversal of allowance for temporary
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		difference adjustments
Deferred gains or losses on hedges	Changes in the fair value of derivative instruments	74,317

3. Method of reversal

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

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

1. Reasons, related assets and allowance

(in thousands of yen)

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

2. Method of reversal

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

(8) Notes to Financial Statements

(Notes to Balance Sheets)

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

(in thousands of yen)

Assets pledged as collateral	10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
Buildings in trust	668,630	658,814
Structures in trust	23,989	22,786
Land in trust	2,709,001	2,709,001
Total	3,401,621	3,390,602
Secured liabilities	10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
Tenant leasehold and security deposits in trust	460,565	436,067
Total	460,565	436,067

2. Commitment line contracts

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

(in thousands of yen)

	10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
Total amount of commitment line contracts	3,000,000	3,000,000
Balance of loans payable outstanding	-	-
Remaining amount	3,000,000	3,000,000

* 3. Allowance for temporary difference adjustments

10th Fiscal Period (As of March 31, 2020)

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

(in thousands of yen)

Related assets, etc.	Reason for allowance	Initial amount	Balance at the beginning of the period	Allowance during the period	Reversal during the period	Balance at the end of the period	Reason for reversal
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	19,575	14,324	5,251	-	19,575	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the	286,168	167,541	118,627	-	286,168	-

	end of the fiscal period						
	Total	305,743	181,865	123,878	-	305,743	-

2. Method of reversal

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

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

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

(in thousands of yen)

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

2. Method of reversal

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

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

(in thousands of yen)

10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
50,000	50,000

(Notes to Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental revenues and expenses

(in thousands of yen)

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
A. Rental and other operating revenues:		
Rent revenue-real estate:		
Rental revenues	5,957,213	5,990,907
Rental revenues from limited proprietary rights of land	1,014,174	1,024,012
Common area charges	267,419	261,904
Subtotal	7,238,807	7,276,824
Other lease business revenue:		
Parking space rental revenues	204,170	197,975
Utility charge reimbursement	529,178	576,777
Miscellaneous	262,770	220,885
Subtotal	996,119	995,638
Total rental and other operating revenues	8,234,927	8,272,463
B. Property-related expenses:		
Expenses related to rent business:		
Property management fees and facility management fees	675,050	685,656
Utilities	495,587	517,438

Kenedix Retail REIT Corporation (3453)

Taxes	629,029	739,968
Repairs and maintenance	208,221	239,310
Insurance	13,470	13,375
Trust fees	23,926	24,883
Depreciation	1,024,057	1,040,001
Others	290,373	218,776
Total property-related expenses	3,359,716	3,479,410
C. Net operating income from real estate rental business (A-B)	4,875,211	4,793,053

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

10th Fiscal Period (From October 1, 2019 to March 31, 2020)

(in thousands of yen)

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

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

(in thousands of yen)

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

(Notes to Statements of Changes in Net Assets)

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

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	536,177 units	536,177 units

(Notes to Statements of Cash Flows)

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

(in thousands of yen)

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Cash and deposits	6,125,619	9,152,961
Cash and deposits in trust	12,924,521	12,874,534
Restricted bank deposits in trust (Note)	(240,000)	(222,500)
Cash and cash equivalents	18,810,140	21,804,996

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

(Notes to Lease Transactions)

 Operating lease transactions (Lessee)
 Future minimum lease payments

(in thousands of yen)

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Due within 1 year	10,500	10,500

Due after 1 year	167,548	162,298
Total	178,048	172,798

Operating lease transactions (Lessor)
Future minimum lease income

	(in thousands of yen)	
	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Due within 1 year	9,818,120	9,738,412
Due after 1 year	59,381,345	56,344,730
Total	69,199,466	66,083,142

(Notes to the Financial Instruments)

1. Overview

(1) Policy for financial instruments

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

(2) Types of financial instruments and related risk

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

Loans payable and investment corporation bonds, which are made or issued primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 1 month for loans payable and also have a redemption date of a maximum of 7 years and 7 month for investment corporation bonds as of September 30, 2020, the end of the 11th fiscal period, are exposed to liquidity risk where alternative funds may not be procured by the repayment date. Also, loans payable with floating interest rates are exposed to interest rate fluctuation risk. Derivatives are used for the purpose of hedging interest rate fluctuation risk for a certain portion of the loans payable.

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

(3) Risk management for financial instruments

a. Credit risk

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

b. Market risk

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

c. Liquidity risk

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

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

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

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

2. Estimated fair value of financial instruments

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

10th Fiscal Period
As of March 31, 2020

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

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

11th Fiscal Period
As of September 30, 2020

(in thousands of yen)

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

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

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

Assets

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

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

Liabilities

(1) Short-term loans payable

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

(2) Current portion of long-term loans payable and (4) Long-term loans payable

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

(3) Investment corporation bonds

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

(5) Tenant leasehold and security deposits in trust

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

Derivative transactions

Please refer to "Notes to Derivative Transactions".

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

(in thousands of yen)

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

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

(in thousands of yen)

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

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

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

10th Fiscal Period
As of March 31, 2020

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Cash and deposits	6,125,619	-	-	-	-	-
Cash and deposits in trust	12,924,521	-	-	-	-	-
Total	19,050,140	-	-	-	-	-

Kenedix Retail REIT Corporation (3453)

 11th Fiscal Period
 As of September 30, 2020

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

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

 10th Fiscal Period
 As of March 31, 2020

(in thousands of yen)						
	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Short-term loans payable	3,450,000	-	-	-	-	-
Investment corporation bonds	-	1,000,000	1,000,000	-	-	5,000,000
Long-term loans payable	13,200,000	13,300,000	9,050,000	7,500,000	8,810,000	48,590,000
Tenant leasehold and security deposits in trust	13,995	13,995	13,995	13,995	13,995	75,806
Total	16,663,995	14,313,995	10,063,995	7,513,995	8,823,995	53,665,806

 11th Fiscal Period
 As of September 30, 2020

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

(Notes to Derivative Transactions)

(1) Transactions not subject to hedge accounting

10th Fiscal Period (As of March 31, 2020) and 11th Fiscal Period (As of September 30, 2020): Not applicable

(2) Transactions subject to hedge accounting

 10th Fiscal Period
 As of March 31, 2020

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Principle method	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	38,710,000	38,710,000	(211,889)	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	31,900,000	26,400,000	*	-
Total			70,610,000	65,110,000	(211,889)	

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

 11th Fiscal Period
 As of September 30, 2020

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

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

derivative transactions; Liabilities (2) Current portion of long-term loans payable and (4) Long-term loans payable.)

(Notes to the Related-Party Transactions)

1. Parent Company, major corporate unitholders and other
10th Fiscal Period (From October 1, 2019 to March 31, 2020) and 11th Fiscal Period (From April 1, 2020 to September 30, 2020): Not applicable
2. Affiliated companies and other
10th Fiscal Period (From October 1, 2019 to March 31, 2020) and 11th Fiscal Period (From April 1, 2020 to September 30, 2020): Not applicable
3. Fellow subsidiary companies and other
10th Fiscal Period (From October 1, 2019 to March 31, 2020) and 11th Fiscal Period (From April 1, 2020 to September 30, 2020): Not applicable
4. Directors, major individual unitholders and other
10th Fiscal Period (From October 1, 2019 to March 31, 2020) and 11th Fiscal Period (From April 1, 2020 to September 30, 2020): Not applicable

(Notes to the Tax-Effect Accounting)

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

	(in thousands of yen)	
	10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
Deferred tax assets:		
Enterprise tax payable	17	24
Amortization of leasehold right in trust	12,933	14,185
Depreciation	4,655	5,106
Asset retirement obligations	7,622	7,670
Deferred gains or losses on hedges	66,660	111,587
Subtotal deferred tax assets	91,889	138,573
Valuation allowance	(91,889)	(138,573)
Total deferred tax assets	-	-

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

	(unit: %)	
	10th Fiscal Period As of March 31, 2020	11th Fiscal Period As of September 30, 2020
Statutory tax rate	31.46	31.46
Deductible cash distributions	(31.50)	(31.50)
Others	0.07	0.07
Effective tax rate	0.03	0.03

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

1. Summary of the asset retirement obligations

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

2. Method of calculating asset retirement obligations

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

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

	(in thousands of yen)	
	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Balance at the beginning of the period	24,077	24,229
Accretion adjustment	151	152
Balance at the end of the period	24,229	24,381

(Notes to the Segment Information)

(Segment information)

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

(Related information)

10th Fiscal Period (From October 1, 2019 to March 31, 2020)

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income and retained earnings.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheets.

3. Information about each major customer

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

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

1. Information about each product and service

Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income and retained earnings.

2. Information about each geographic area

(1) Net sales

Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income and retained earnings.

(2) Property, plant and equipment

Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheets.

3. Information about each major customer

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

(Notes to Investment and Rental Properties)

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

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

		(in thousands of yen)	
		10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Book value	Balance at the beginning of the period	203,168,529	228,027,561
	Changes during the period	24,859,032	238,719
	Balance at the end of the period	228,027,561	228,266,280
Fair value at the end of the period		243,687,900	243,356,000

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

Note 2: Among changes in the amount of real estate for rental purposes that occurred during the 10th fiscal period, the principal increase was the acquisition of real estate and real estate trust beneficiary interest in 8 property totaling 25,882,004 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 497,568 thousand yen and depreciation of 1,023,906 thousand yen and during the 11th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interest in 1 property totaling 2,006,474 thousand yen and additional acquisition of real estate trust beneficiary interest amounting to 128,651 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 1,390,848 thousand yen and depreciation of 1,039,848 thousand yen.

Note 3: The fair value at the end of the period is the appraisal value determined by outside appraisers. The fair value of K's Denki Shin-Moriyama (Land) as of March 31, 2020 is based on the sales price (1,527,900 thousand yen) under the trust beneficiary interest sales contracts entered on March 31, 2020. The fair value of Daikanyama Address Dixsept as of September 30, 2020 is based on the sales price (6,644,000 thousand yen) under the trust beneficiary interest sales contracts entered on November 17, 2020.

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

(Notes to Per Unit Information)

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Net asset value per unit	232,107 yen	231,842 yen
Net income per unit	6,568 yen	6,536 yen

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

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

	10th Fiscal Period From October 1, 2019 to March 31, 2020	11th Fiscal Period From April 1, 2020 to September 30, 2020
Net income (in thousands of yen)	3,498,560	3,504,731
Net income not attributable to ordinary unitholders (in thousands of yen)	-	-
Net income attributable to ordinary unitholders (in thousands of yen)	3,498,560	3,504,731
Weighted average number of units during the period (units)	532,612	536,177

(Notes to Significant Subsequent Events)

Not applicable

(Omission of Disclosure)

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

(9) Changes in Investment Units Issued and Outstanding

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

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

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

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

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

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

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

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

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

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

Note 9: Distributions in excess of earnings for the allowance for temporary difference adjustments are not considered.

3. Reference Information

(1) Information on Price of the Managed Assets

i) Component of Assets

Type of specified asset	Property type	Areas (Note 1)	10th fiscal period as of March 31, 2020		11th fiscal period as of September, 2020	
			Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)	Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)
Trust beneficiary interest in real estate	Shopping centers for daily needs	Tokyo metropolitan area	94,703	38.0	96,613	38.4
		Greater Osaka area	46,272	18.6	46,140	18.3
		Greater Nagoya area	23,542	9.4	22,055	8.8
		Fukuoka area	7,932	3.2	7,891	3.1
		Ordinance-designated cities, core cities and other areas	43,994	17.7	43,923	17.5
	Other retail properties	-	-	-	-	
	Logistics facilities	Tokyo metropolitan area	7,883	3.2	7,954	3.2
Total of trust beneficiary interests in real estate			224,328	90.0	224,579	89.2
Real estate	Logistics facilities	Tokyo metropolitan area	3,699	1.5	3,686	1.5
Total of real estate			3,699	1.5	3,686	1.5
Bank deposits and other assets			21,218	8.5	23,389	9.3
Total assets			249,246	100.0	251,655	100.0

	10th fiscal period as of March 31, 2020		11th fiscal period as of September 30, 2020	
	Amount (Millions of Yen)	Ratio (%) (Note 3)	Amount (Millions of Yen)	Ratio (%) (Note 3)
Total liabilities (Note 4)	124,795	50.1	127,346	50.6
Total net assets (Note 4)	124,450	49.9	124,308	49.4
Total assets	249,246	100.0	251,655	100.0

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

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

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

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

ii) Overview of the Portfolio

(A) Overview of Assets Owned

The following summarizes the real estate or the real estate properties in trust owned by KRR as of September 30, 2020.

Property number	Property type (Note 1)	Property name	Location (Note 2)	Ownership form	Book value (in millions)	Evaluation value (in millions) (Note 3)	Acquisition price (in millions) (Note 4)	Share (%) (Note 5)
T-2	Urban Station-Front SC	MONA Shin-Urayasu	Urayasu, Chiba	Trust beneficiary interest in real estate	8,866	10,000	8,063	3.6
T-3	Urban Station-Front SC	Passaggio Nishiari	Adachi ward, Tokyo	Trust beneficiary interest in real estate	5,695	6,620	5,850	2.6
T-4	Urban Station-Front SC	Daikanyama Address Dixsept	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	5,363	6,120	5,390	2.4
T-5	NSC	Unicus Ina	Kitaadachi-gun, Saitama	Trust beneficiary interest in real estate	4,404	5,240	4,470	2.0
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	3,881	4,350	4,000	1.8
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	Trust beneficiary interest in real estate	3,518	3,860	3,600	1.6
T-8	SS	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	Trust beneficiary interest in real estate	2,457	2,750	2,586	1.1
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	Trust beneficiary interest in real estate	4,890	5,470	4,815	2.1
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	Trust beneficiary interest in real estate	3,210	3,470	3,169	1.4
T-11	NSC	Unicus Kamisato (Land)	Kodama-gun, Saitama	Trust beneficiary interest in real estate	3,043	3,050	3,000	1.3
T-12	NSC	Unicus Konosu (Land)	Konosu, Saitama	Trust beneficiary interest in real estate	1,726	1,780	1,700	0.8
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,462	1,390	1,442	0.6
T-15	NSC	Nakamachidai Tokyu Store	Yokohama, Kanagawa	Trust beneficiary interest in real estate	3,331	3,750	3,360	1.5
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,740	1,780	1,724	0.8
T-17	SM	Life Kameido	Koto ward, Tokyo	Trust beneficiary interest in real estate	1,481	1,490	1,450	0.6
T-18	NSC	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	4,228	4,320	4,170	1.8
T-19	NSC	Yumemachi Narashinodai Mall	Funabashi, Chiba	Trust beneficiary interest in real estate	3,380	3,520	3,416	1.5
T-20	NSC	Kawamachi Yahagi Mall	Chiba, Chiba	Trust beneficiary interest in real estate	3,125	3,240	3,097	1.4
T-21	SS	Prime Square Jiyugaoka	Meguro-ku, Tokyo	Trust beneficiary interest in real estate	2,979	2,820	2,820	1.2
T-22	SS	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	Trust beneficiary interest in real estate	1,843	1,970	1,880	0.8
T-23	SM	Ozeki Tokiwadai	Itabashi ward, Tokyo	Trust beneficiary interest in real estate	1,273	1,340	1,263	0.6
T-24	SS	Konami Sports Club Shibuya	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	3,593	3,390	3,400	1.5
T-25	NSC	Apita Terrace Yokohama Tsunashima	Yokohama, Kanagawa	Trust beneficiary interest in real estate	5,924 (Note 6)	6,170 (Note 6)	5,899 (Note 6)	2.6 (Note 6)
T-26	NSC	Kalsa Hiratsuka	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	6,017	6,020	5,980	2.6
T-27	NSC	Monenosato Mall	Yotsukaido, Chiba	Trust beneficiary interest in real estate	2,499	2,530	2,410	1.1
T-28	NSC	KDX Chofu Building (Retail wing) (Note 7)	Chofu, Tokyo	Trust beneficiary interest in real estate	2,387	2,480	2,300	1.0
T-29	NSC	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	Trust beneficiary interest in real estate	2,283	2,310	2,248	1.0
T-30	SM	Comfort Market Nishi-Magome	Ota ward, Tokyo	Trust beneficiary interest in real estate	2,003	2,000	1,920	0.8
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	Trust beneficiary interest in real estate	8,388	9,610	8,389	3.7
O-2	SM	Life Takadono (Land)	Osaka, Osaka	Trust beneficiary interest in real estate	2,727	3,140	2,685	1.2
O-3	NSC	DCM Kahma MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	Trust beneficiary interest in real estate	2,122	2,590	2,140	0.9
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	Trust beneficiary interest in real estate	11,260	11,000	11,000	4.9

Property number	Property type (Note 1)	Property name	Location (Note 2)	Ownership form	Book value (in millions)	Evaluation value (in millions) (Note 3)	Acquisition price (in millions) (Note 4)	Share (%) (Note 5)
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	Trust beneficiary interest in real estate	6,762	7,190	6,555	2.9
O-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	Trust beneficiary interest in real estate	6,206	6,490	6,450	2.8
O-7	SM	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	Trust beneficiary interest in real estate	1,295	1,330	1,280	0.6
O-9	SM	Life Nishi-Tengachaya	Osaka, Osaka	Trust beneficiary interest in real estate	1,535	1,690	1,505	0.7
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	Trust beneficiary interest in real estate	3,772	3,980	3,723	1.6
O-11	NSC	Habikigaoka Shopping Center	Habikino, Osaka	Trust beneficiary interest in real estate	2,069	2,020	2,000	0.9
N-1	SS	DCM Kahma Nakagawa Tomita (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,351	2,690	2,311	1.0
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	Trust beneficiary interest in real estate	2,133	2,360	2,174	1.0
N-4	SS	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	Trust beneficiary interest in real estate	6,888	7,280	7,140	3.2
N-6	NSC	Resora Obu Shopping Terrace	Obu, Aichi	Trust beneficiary interest in real estate	8,095	7,050	7,911	3.5
N-7	SM	Valor Nakashidami (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,587	2,560	2,551	1.1
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	1,390	1,640	1,497	0.7
F-2	SS	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	4,950	5,760	5,020	2.2
F-3	NSC	Kurume-Nishi Shopping Center	Kurume, Fukuoka	Trust beneficiary interest in real estate	1,550	1,840	1,515	0.7
R-1	NSC	Roseo Mito	Mito, Ibaraki	Trust beneficiary interest in real estate	9,718	12,000	10,046	4.4
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	Trust beneficiary interest in real estate	1,436	1,520	1,469	0.6
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	Trust beneficiary interest in real estate	864	912	898	0.4
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	Trust beneficiary interest in real estate	4,441	4,660	4,180	1.8
R-5	NSC	Yorktown Shinden-Higashi	Sendai, Miyagi	Trust beneficiary interest in real estate	3,237	2,610	3,252	1.4
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Trust beneficiary interest in real estate	836	879	830	0.4
R-8	NSC	P-1 Plaza Tenno	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	4,135	4,350	4,010	1.8
R-9	NSC	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	Trust beneficiary interest in real estate	4,320	4,260	4,111	1.8
R-10	NSC	Sun Street Hamakita	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	10,661 (Note 6)	11,160 (Note 6)	10,746 (Note 6)	4.7 (Note 6)
R-11	SS	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	Trust beneficiary interest in real estate	4,271	4,420	4,210	1.9
L-1	L	Zama Distribution Center	Zama, Kanagawa	Real estate	1,472	1,690	1,400	0.6
L-2	L	Oppama Distribution Center	Yokosuka, Kanagawa	Real estate	1,357	1,600	1,300	0.6
L-3	L	Musashi Ranzan Distribution Center	Hiki-gun, Saitama	Trust beneficiary interest in real estate	3,836 (Note 6)	4,090 (Note 6)	3,879 (Note 6)	1.7 (Note 6)
L-4	L	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	Trust beneficiary interest in real estate	957	970	790	0.4
L-5	L	Gyoda Distribution Center	Gyoda, Saitama	Trust beneficiary interest in real estate	3,160	3,440	3,160	1.4
L-6	L	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Real estate	856	821	810	0.4
Total					228,266	242,832	226,479	100.0

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

We categorize shopping centers for daily needs as follows.

Type of shopping centers for daily needs	Features	Trade area
NSC (Neighborhood Shopping Centers)	Shopping centers with a supermarket as an anchor or core tenant and several specialty store tenants	3km-5km
SM (Supermarkets)	Stand-alone stores that primarily provide groceries, with a retail trade area	3km

CSC (Community Shopping Centers)	Larger shopping centers than NSC, which have a supermarket as an anchor or core tenant in addition to specialty store tenants	5km-10km
Urban Station-Front Shopping Centers	Shopping centers that are located in the immediate vicinity of an urban public transportation station, which take advantage of stable foot traffic	3km-10km
SS (Specialty Stores)	Single- or multiple-tenant shopping centers that specialize in a single type of merchandise or service, such as drug stores, convenience stores, health clubs or electronic appliance stores	1km-10km

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

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

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

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

Note 6: The amount and proportion of quasi co-ownership interests that KRR owns are shown.

Note 7: KRR changed the property name as follows.

Property number	New name	Previous name	Effective date
T-28	KDX Chofu Building (Retail wing)	Chofu Center Building (Retail wing)	August 1, 2020

(B) Overview of tenants as of September 30, 2020

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

Property number	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (thousands) (Note 5)	Amount of security deposits (millions) (Note 6)
T-2	MONA Shin-Urayasu	9,956.85	9,722.73	97.6	1(55)	638,809	600
T-3	Passaggio Nishiarai	10,530.85	10,530.85	100.0	1(41)	436,662	264
T-4	Daikanyama Address Dixsept	5,056.39	4,856.58	96.0	1(26)	360,958	314
T-5	Unicus Ina	13,462.71	13,462.71	100.0	1	279,002	141
T-6	Yorktown Kita-Kaname	- (Note 7)	- (Note 7)	100.0	1	- (Note 7)	- (Note 7)
T-7	Unicus Yoshikawa	10,648.27	10,605.26	99.6	1(10)	260,642	203
T-8	Sports Club Renaissance Fujimidai	3,120.87	3,120.87	100.0	1	- (Note 7)	- (Note 7)
T-9	Super Viva Home Iwatsuki (Land)	67,325.95	67,325.95	100.0	1		- (Note 7)
T-10	K's Denki Shonan-Fujisawa (Land)	15,578.58	15,578.58	100.0	1		141
T-11	Unicus Kamisato (Land)	67,854.47	67,854.47	100.0	1	150,595	70
T-12	Unicus Konosu (Land)	19,329.00	19,329.00	100.0	1	86,063	39
T-13	Inageya Yokohama Minamihonjuku (Land)	4,405.41	4,405.41	100.0	1	- (Note 7)	- (Note 7)
T-15	Nakamachidai Tokyu Store	5,968.71	5,968.71	100.0	1		
T-16	Central Wellness Club Nagatsuta Minamidai	3,996.70	3,238.80	81.0	1		
T-17	Life Kameido	2,929.58	2,929.58	100.0	1		
T-18	Totsuka-Fukaya Shopping Center (Land)	14,092.51	14,092.51	100.0	2		
T-19	Yumemachi Narashinodai Mall	7,827.96	7,827.96	100.0	1(14)	227,309	155
T-20	Kawamachi Yahagi Mall	6,397.05	6,397.05	100.0	1(12)	193,105	106
T-21	Prime Square Jiyugaoka	3,512.55	3,512.55	100.0	2	- (Note 7)	- (Note 7)
T-22	Round1 Ichikawa-Onitaka	11,963.61	11,963.61	100.0	1		
T-23	Ozeki Tokiwadai	1,217.02	1,217.02	100.0	1		
T-24	Konami Sports Club Shibuya	- (Note 7)	- (Note 7)	100.0	1		
T-25	Apita Terrace Yokohama Tsunashima	22,729.71 (Note 11)	22,729.71 (Note 11)	100.0	1	- (Note 7) (Note 11)	- (Note 7) (Note 11)
T-26	Kalsa Hiratsuka	14,195.00	14,195.00	100.0	3	(Note 7)	(Note 7)
T-27	Monenosato Mall	6,255.19	6,255.19	100.0	1(6)	145,396	92
T-28	KDX Chofu Building (Retail wing)	12,119.00	12,119.00	100.0	3	150,419	57
T-29	Across Plaza Urayasu Higashino (Land)	6,229.32	6,229.32	100.0	1	- (Note 7)	- (Note 7)
T-30	Comfort Market Nishi-Magome	1,456.86	1,456.86	100.0	1	96,000	80
O-1	Blumer Maitamon	30,290.85	30,187.69	99.7	50	714,902	436
O-2	Life Takadono (Land)	4,437.07	4,437.07	100.0	1	- (Note 7)	- (Note 7)
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	14,313.00	14,313.00	100.0	2		
O-4	Blumer HAT Kobe	23,775.88	23,562.97	99.1	1(41)	725,821	814
O-5	Carino Esaka	7,540.58	7,345.26	97.4	1(28)	294,413	242

Property number	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (thousands) (Note 5)	Amount of security deposits (millions) (Note 6)
O-6	COMBOX Komyoike	25,530.44 (Note 8)	25,530.44	100.0	1	451,993 (Note 9)	363 (Note 10)
O-7	Hankyu Oasis Hirakatadeguchi	2,960.38	2,960.38	100.0	1	- (Note 7)	- (Note 7)
O-9	Life Nishi-Tengachaya	2,679.52	2,679.52	100.0	1	89,740	213
O-10	Million Town Tsukaguchi (Land)	8,264.46	8,264.46	100.0	1	-	-
O-11	Habikigaoka Shopping Center	6,447.81	6,447.81	100.0	2		
N-1	DCM Kahma Nakagawa Tomita (Land)	- (Note 7)	- (Note 7)	100.0	1		
N-2	Valor Ichinomiya-Nishi	9,447.48	9,447.48	100.0	1		
N-4	Homecenter Kohnan Sunadabashi	20,329.07	20,329.07	100.0	1		
N-6	Resora Obu Shopping Terrace	19,909.33	19,346.14	97.2	1(40)	418,464	253
N-7	Valor Nakashidami (Land)	13,480.42	13,480.42	100.0	1	-	-
F-1	Sunny Noma	2,814.67	2,814.67	100.0	1		
F-2	Round1 Stadium Hakata-Hanmichibashi	28,026.61	28,026.61	100.0	1		
F-3	Kurume-Nishi Shopping Center	4,641.10	4,641.10	100.0	4	104,617	62
R-1	Roseo Mito	48,296.15	48,296.15	100.0	1(23)	702,815	463
R-2	K's Denki Aomori Honten	10,083.41	10,083.41	100.0	1	-	174
R-3	Super Sports Xebio Aomori-Chuo	- (Note 7)	- (Note 7)	100.0	1		- (Note 7)
R-4	Ashico Town Ashikaga	65,181.05	64,791.54	99.4	1(30)	384,206	334
R-5	Yorktown Shinden-Higashi	12,768.77	12,768.77	100.0	2	-	- (Note 7)
R-6	Kasumi Technopark Sakura	2,047.65	2,047.65	100.0	1		(Note 7)
R-8	P-1 Plaza Tenno	12,030.83	12,030.83	100.0	1(7)	273,120	251
R-9	Seiyu Rakuichi Moriya (Land)	- (Note 7)	- (Note 7)	100.0	2	- (Note 7)	- (Note 7)
R-10	Sun Street Hamakita	48,697.29 (Note 11)	48,560.69 (Note 11)	100.0	1	873,561 (Note 11)	500 (Note 11)
R-11	Costco Wholesale Sapporo Warehouse	24,006.16	24,006.16	100.0	1(7)	-	-
L-1	Zama Distribution Center	5,479.92	5,479.92	100.0	1		
L-2	Oppama Distribution Center	6,543.87	6,543.87	99.7	1(53)		
L-3	Musashi Ranzan Distribution Center	32,935.55 (Note 11)	32,935.55 (Note 11)	100.0	1		
L-4	Yokohama Kamigo Distribution Center	2,014.26	2,014.26	100.0	1		
L-5	Gyoda Distribution Center	21,956.09	21,956.09	100.0	1		
L-6	Shinjuku Nishiochiai Distribution Center	790.52	790.52	100.0	1		
Total		941,020.65	938,185.12	99.7	496	14,406,227	10,981

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

Note 2: "Leased area" indicates the total leased area based on the lease agreements for each property as of September 30, 2020. As for lease agreements of buildings, the leased area of warehouses and land are excluded. As for pass-through type master leases, the leased area based on the lease agreements between the master lessee and the end-tenants as of September 30, 2020 is shown. As for sublease type master leases, the leased area to the master lessee is shown.

Note 3: "Occupancy rate" is calculated by dividing leased area by leasable area as of September 30, 2020, rounded to the nearest tenth. The "Total" of "Occupancy rate" represents the average occupancy rate of all properties in the initial portfolio.

Note 4: "Number of tenants" is based upon the number of lease agreements with respect to the building(s) (or land in the case of land-only properties with leasehold interest) on each such property used mainly as stores and offices, as of September 30, 2020. Where one lessee leases more than one section of the property, the lessee is counted as a tenant for each section leased within the property. Where pass-through type master lease agreements are entered into, the number of master lessees is with the number of end-tenants indicated in parentheses. Where sublease type master lease agreements are entered into, the indicated, number of master lessee is shown. The "Total" of "Number of tenants" shows the total number of tenants. As for pass-through type master leases, the number of end-tenants is used for calculation. As for sublease type

master leases, the number of master lessee is used for calculation.

- Note 5: “Annualized fixed rent” is generally calculated by multiplying the monthly fixed rent and common area charges under a leasing contract with tenants at portfolio properties as of September 30, 2020 (excluding warehouses in the case of retail building lease agreements) by twelve and rounding down to the nearest thousand yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by twelve, rounded down to the nearest thousand yen.
- Note 6: “Tenant leasehold and security deposits” indicates the outstanding balance of any tenant leasehold and security deposit from the relevant end-tenant(s) set forth in lease agreement(s) effective as of September 30, 2020 (excluding warehouses in the case of building lease agreements), rounded down to the nearest million yen.
- Note 7: We have not obtained consent from the tenant(s) to release this information.
- Note 8: The total area that we own exclusively as a compartmentalized ownership interest (retail space) is shown.
- Note 9: Calculated by multiplying the monthly rent and common area charges for September 2020 under the leasing contract by twelve and also taking into consideration the ownership ratio (93.20%) under the compartmentalized ownership agreement.
- Note 10: Calculated by multiplying the tenant leasehold and security deposits for the whole building as of September 2020 by the ownership ratio (93.20%).
- Note 11: The area and amount as proportion to the quasi co-ownership interests that KRR owns are shown. The figures are reflected in total even if the figures are undisclosed.

(C) Overview of the appraisal reports

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

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI (in millions) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method							
						Direct capitalization method		DCF method					
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)			
T-2	MONA Shin-Urayasu	Japan Real Estate Institute	Sep.30 2020	10,000	8,120	10,100	4.6	9,910	4.3	4.8	531	6.6	
T-3	Passaggio Nishiarai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	6,620	10,100	6,690	4.3	6,590	4.1	4.5	295	5.1	
T-4	Daikanyama Address Dixsept	Japan Real Estate Institute	Sep.30 2020	6,120	5,870	6,240	3.3	6,000	3.1	3.5	218	4.0	
T-5	Unicus Ina	Japan Real Estate Institute	Sep.30 2020	5,240	4,020	5,290	4.5	5,190	4.2	4.7	251	5.6	
T-6	Yorktown Kita-Kaname	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	4,350	2,340	4,380	4.9	4,330	4.7	5.1	216	5.4	
T-7	Unicus Yoshikawa	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	3,860	4,470	3,910	4.7	3,840	4.5	4.9	186	5.2	
T-8	Sports Club Renaissance Fujimidai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	2,750	1,900	2,780	4.6	2,730	4.4	4.8	128	5.0	
T-9	Super Viva Home Iwatsuki (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	5,470	-	-	-	5,470	(year 1-12) (year 13-32.2)	4.6 4.7	-	197	4.1
T-10	K's Denki Shonan-Fujisawa (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	3,470	-	-	-	3,470	(year 1-7) (year 8-27.1)	4.3 4.4	-	159	5.0
T-11	Unicus Kamisato (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	3,050	-	-	-	3,050	(year 1-10) (year 11-25) (year 26-35)	4.6 4.7 4.8	-	138	4.6
T-12	Unicus Konosu (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	1,780	-	-	-	1,780	(year 1-10) (year 11-25) (year 26-35)	4.5 4.6 4.7	-	77	4.6
T-13	Inageya Yokohama Minamihonjuku (Land)	Japan Real Estate Institute	Sep.30 2020	1,390	-	-	-	1,390	4.0	-	64	4.5	
T-15	Nakamachidai Tokyu Store	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	3,750	2,660	3,780	4.6	3,730	4.4	4.8	182	5.4	
T-16	Central Wellness Club Nagatsuta Minamidai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	1,780	2,310	1,790	5.0	1,770	4.8	5.2	91	5.3	
T-17	Life Kameido	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	1,490	2,050	1,500	4.2	1,480	3.9	4.4	63	4.4	
T-18	Totsuka-Fukaya Shopping Center (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	4,320	-	4,310	4.7 (Note 3)	4,320	4.6	-	191	4.6	
T-19	Yumemachi Narashinodai Mall	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	3,520	3,230	3,550	4.9	3,500	4.7	5.1	176	5.2	
T-20	Kawamachi Yahagi Mall	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	3,240	3,360	3,300	4.8	3,210	4.6	5.0	160	5.2	
T-21	Prime Square Jiyugaoka	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	2,820	2,880	2,850	3.6	2,800	3.4	3.8	115	4.1	
T-22	Round1 Ichikawa-Onitaka	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	1,970	3,280	1,950	4.8	1,980	4.6	5.0	96	5.2	
T-23	Ozeki Tokiwadai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	1,340	1,550	1,370	4.2	1,330	4.0	4.4	57	4.6	
T-24	Konami Sports Club Shibuya	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	3,390	3,730	3,470	3.8	3,350	3.9	4.0	136	4.0	
T-25	Apita Terrace Yokohama Tsunashima (Note 5)	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	6,170	15,100	12,300	4.3	12,000	4.1	4.5	277	4.7	
T-26	Kalsa Hiratsuka	Japan Real Estate Institute	Sep.30 2020	6,020	6,210	6,080	4.4	5,950	4.1	4.6	279	4.7	

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method					Appraisal NOI (in millions) (Note 1)	
						Direct capitalization method		DCF method				
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)		
T-27	Monenosato Mall	Japan Real Estate Institute	Sep.30 2020	2,530	2,400	2,550	4.9	2,500	4.8	5.3	125	5.2
T-28	KDX Chofu Building (Retail wing)	Japan Real Estate Institute	Sep.30 2020	2,480	2,490	2,480	4.6	2,470	4.2	4.8	127	5.5
T-29	Across Plaza Urayasu Higashino (Land)	Daiwa Real Estate Appraisal Co.,	Sep.30 2020	2,310	-	2,320	4.2 (Note3)	2,300	4.1	-	89	4.0
T-30	Comfort Market Nishi-Magome	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	2,000	1,960	2,030	4.2	1,980	(year 1-10) 4.2 (year 11) 4.3	4.4	85	4.4
O-1	Blumer Maitamon	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	9,610	9,830	9,570	5.2	9,620	5.3	5.4	510	6.1
O-2	Life Takadono (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	3,140	-	-	-	3,140	(year 1-4) 3.9 (year 5-15) 4.0 (year 16-34.8) 4.1	-	128	4.8
O-3	DCM Kahma MEGA Don Quijote UNY Omihachimman	Japan Real Estate Institute	Sep.30 2020	2,590	2,350	2,610	5.8	2,570	5.5	6.0	152	7.1
O-4	Blumer HAT Kobe	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	11,000	17,500	11,100	4.9	11,000	4.7	5.1	556	5.1
O-5	Carino Esaka	Japan Real Estate Institute	Sep.30 2020	7,190	7,340	7,220	4.3	7,150	4.0	4.5	334	5.1
O-6	COMBOX Komyoike	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	6,490	7,640	6,800	5.3	6,360	4.9	5.4	385	6.0
O-7	Hankyu Oasis Hirakatadeguchi	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	1,330	867	1,340	5.5	1,320	5.3	5.7	75	5.9
O-9	Life Nishi-Tengachaya	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	1,690	1,810	1,710	4.6	1,680	4.7	4.8	78	5.2
O-10	Million Town Tsukaguchi (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	3,980	-	-	-	3,980	(year 1-15) 4.0 (year 16-35.4) 4.2	-	157	4.2
O-11	Habikigaoka Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	2,020	1,750	2,030	5.1	2,010	(year 1-9) 5.1 (after year 10) 5.2	5.3	106	5.3
N-1	DCM Kahma Nakagawa Tomita (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	2,690	-	-	-	2,690	(year 1-13) 4.3 (year 14-32.7) 4.4	-	116	5.0
N-2	Valor Ichinomiya-Nishi	Japan Real Estate Institute	Sep.30 2020	2,360	1,810	2,370	5.1	2,340	4.8	5.3	130	6.0
N-4	Homecenter Kohnan Sunadabashi	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	7,280	7,140	7,400	4.8	7,230	4.6	5.0	366	5.1
N-6	Resora Obu Shopping Terrace	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	7,050	7,530	7,240	4.9	6,970	5.0	5.1	364	4.6
N-7	Valor Nakashidami (Land)	Japan Real Estate Institute	Sep.30 2020	2,560	-	-	-	2,560	4.1	-	119	4.7
F-1	Sunny Noma	Japan Real Estate Institute	Sep.30 2020	1,640	1,670	1,680	4.4	1,590	4.2	4.8	78	5.2
F-2	Round1 Stadium Hakata-Hanmichibashi	Japan Real Estate Institute	Sep.30 2020	5,760	5,360	5,790	4.9	5,720	4.6	5.1	283	5.6
F-3	Kurume-Nishi Shopping Center	Japan Real Estate Institute	Sep.30 2020	1,840	1,550	1,850	4.8	1,820	4.5	5.0	92	6.1
R-1	Roseo Mito	Japan Real Estate Institute	Sep.30 2020	12,000	9,380	12,000	4.8	11,900	4.5	5.0	592	5.9
R-2	K's Denki Aomori Honten	Japan Real Estate Institute	Sep.30 2020	1,520	1,710	1,520	5.5	1,510	5.2	5.7	91	6.2
R-3	Super Sports Xebio Aomori-Chuo	Japan Real Estate Institute	Sep.30 2020	912	871	917	5.5	906	5.2	5.7	56	6.3
R-4	Ashico Town Ashikaga	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	4,660	7,290	4,610	5.3 (Building) 5.0 (Land) (Note 4)	4,680	5.1 (Building) 5.0 (Land)	5.5 (Building)	244	5.9
R-5	Yorktown Shinden-Higashi	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	2,610	3,870	2,610	5.5	2,610	5.3	5.7	154	4.8
R-6	Kasumi Technopark Sakura	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	879	732	888	5.1	875	4.9	5.3	46	5.6

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method					Appraisal NOI (in millions) (Note 1)	
						Direct capitalization method		DCF method				
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)		
R-8	P-1 Plaza Tenno	Japan Real Estate Institute	Sep.30 2020	4,350	4,420	4,390	5.1	4,310	4.8	5.3	231	5.8
R-9	Seiyu Rakuichi Moriya (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2020	4,260	-	4,300	4.3 (Note 4)	4,240	4.2	-	166	4.1
R-10	Sun Street Hamakita (Note 5)	Japan Real Estate Institute	Sep.30 2020	11,160	9,690	12,500	5.4	12,300	5.1	5.7	630	5.9
R-11	Costco Wholesale Sapporo Warehouse	Japan Real Estate Institute	Sep.30 2020	4,420	3,520	4,440	4.5	4,390	4.2	4.7	203	4.8
L-1	Zama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	1,690	1,560	1,650	4.7	1,700	4.7	4.9	84	6.0
L-2	Oppama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	1,600	1,500	1,560	4.8	1,620	4.9	5.0	85	6.5
L-3	Musashi Ranzan Distribution Center (Note 5)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	4,090	4,290	4,530	5.2	4,550	(year 1-4) 5.2 (year 5-11) 5.3	5.4	221	5.7
L-4	Yokohama Kamigo Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2020	970	972	986	4.5	963	(year 1-7) 4.5 (after year 8) 4.6	4.7	45	5.0
L-5	Gyoda Distribution Center	Gyoda, Saitama	Sep.30 2020	3,440	3,210	3,380	5.0	3,460	(year 1-7) 4.9 (year 8-11) 5.0	5.2	179	5.7
L-6	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Sep.30 2020	821	859	825	4.0	816	3.6	4.1	34	4.3
Total/Average				242,832	-	-	-	249,000	-	-	11,830	5.2

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

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

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

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

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

(D) Overview of building condition investigation reports

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

Property Number	Property name	Investigation company	Investigation performed in	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen) (Note 1)	Required over the next 12 years (thousand yen) (Note 1)
T-2	MONA Shin-Urayasu	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	1,193,651	-
T-3	Passaggio Nishiarai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	192,726	40,697
T-4	Daikanyama Address Dixsept	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	249,446	-
T-5	Unicus Ina	HI International Consultant Co., Ltd.	Jul. 2019	245,170	750
T-6	Yorktown Kita-Kaname	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	20,469	-
T-7	Unicus Yoshikawa	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	69,782	-
T-8	Sports Club Renaissance Fujimidai	HI International Consultant Co., Ltd.	Jan. 2019	37,340	8,650
T-9	Super Viva Home Iwatsuki (Land)	(Note 2)	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	(Note 2)	-	-	-
T-11	Unicus Kamisato (Land)	(Note 2)	-	-	-
T-12	Unicus Konosu (Land)	(Note 2)	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	(Note 2)	-	-	-
T-15	Nakamachidai Tokyu Store	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	28,394	-
T-16	Central Wellness Club Nagatsuta Minamidai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	16,888	-
T-17	Life Kameido	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	21,442	-
T-18	Totsuka-Fukaya Shopping Center (Land)	(Note 2)	-	-	-
T-19	Yumemachi Narashinodai Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	34,877	-
T-20	Kawamachi Yahagi Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	36,737	-
T-21	Prime Square Jiyugaoka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	190,542	91,365
T-22	Round1 Ichikawa-Onitaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	13,695	-
T-23	Ozeki Tokiwadai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Oct. 2017	6,968	-
T-24	Konami Sports Club Shibuya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2018	83,179	-
T-25	Apita Terrace Yokohama Tsunashima	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	114,471 (Note 4)	-
T-26	Kalsa Hiratsuka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	182,100	-
T-27	Monenosato Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	13,569	-
T-28	KDX Chofu Building (Retail wing)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	233,991	-
T-29	Across Plaza Urayasu Higashino (Land)	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jun. 2019	-	-
T-30	Comfort Market Nishi-Magome	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	7,723	-
O-1	Blumer Maitamon	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	250,277	-
O-2	Life Takadono (Land)	(Note 2)	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	HI International Consultant Co., Ltd.	Sep. 2019	64,610	6,310
O-4	Blumer HAT Kobe	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	375,840	131,342
O-5	Carino Esaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	483,536	-
O-6	COMBOX Komyoike	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	401,052	-

Property Number	Property name	Investigation company	Investigation performed in	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen) (Note 1)	Required over the next 12 years (thousand yen) (Note 1)
O-7	Hankyu Oasis Hirakatadeguchi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	62,465	-
O-9	Life Nishi-Tengachaya	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	20,783	-
O-10	Million Town Tsukaguchi (Land)	(Note 2)	-	-	-
O-11	Habikigaoka Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	71,998	-
N-1	DCM Kahma Nakagawa Tomita (Land)	(Note 2)	-	-	-
N-2	Valor Ichinomiya-Nishi	HI International Consultant Co., Ltd.	Jan. 2019	162,380	1,790
N-4	Homecenter Kohnan Sunadabashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Dec. 2015	336,943	-
N-6	Resora Obu Shopping Terrace	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jul. 2017	224,228	-
N-7	Valor Nakashidami (Land)	(Note 2)	Jun. 2019	-	-
F-1	Sunny Noma	HI International Consultant Co., Ltd.	Sep. 2019	77,860	100
F-2	Round1 Stadium Hakata-Hanmichibashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	57,758	7,042
F-3	Kurume-Nishi Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2017	68,712	19,811
R-1	Roseo Mito	HI International Consultant Co., Ltd.	Jan. 2019	321,090	46,630
R-2	K's Denki Aomori Honten	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	148,577	46,078
R-3	Super Sports Xebio Aomori-Chuo	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2020	108,213	22,021
R-4	Ashico Town Ashikaga	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	376,331	-
R-5	Yorktown Shinden-Higashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	198,785	-
R-6	Kasumi Technopark Sakura	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2020	20,036	-
R-8	P-1 Plaza Tenno	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2016	159,757	28,423
R-9	Seiyu Rakuichi Moriya (Land)	(Note 3)	-	-	-
R-10	Sun Street Hamakita	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2017	494,063 (Note 4)	- (Note 4)
R-11	Costco Wholesale Sapporo Warehouse	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Mar. 2018	80,309	3,175
L-1	Zama Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	100,053	-
L-2	Oppama Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	168,261	-
L-3	Musashi Ranzan Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Jan. 2019	153,587 (Note 5)	27,511 (Note 5)
L-4	Yokohama Kamigo Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Feb. 2019 (Sep. 2020 for Restaurant building)	17,622	-
L-5	Gyoda Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Sep. 2019	184,472	-
L-6	Shinjuku Nishiochiai Distribution Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	Nov. 2019	27,658	-
Total				8,165,416	481,695

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

Note 2: Since these are land-only properties, KRR did not obtain the engineering report but obtained history survey report on the land use from Field Partners.

Note 3: Since this is a land-only property, KRR did not obtain the engineering report but obtained history survey report on the land use from Tokio Marine & Nichido Risk Consulting Co., Ltd.

Note 4: Amount for the whole building is shown.

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

(E) Overview of seismic PML evaluation report

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

Property number	Property name	PML value in seismic review (%) (Note 1)
T-2	MONA Shin-Urayasu	Retail building 5.98 Parking building 5.97
T-3	Passaggio Nishiarai	3.13
T-4	Daikanyama Address Dixsept	11.11
T-5	Unicus Ina	Mall building 4.51 Restaurant building 6.80
T-6	Yorktown Kita-Kaname	8.72
T-7	Unicus Yoshikawa	3.26
T-8	Sports Club Renaissance Fujimidai	7.09
T-9	Super Viva Home Iwatsuki (Land)	-
T-10	K's Denki Shonan-Fujisawa (Land)	-
T-11	Unicus Kamisato (Land)	-
T-12	Unicus Konosu (Land)	-
T-13	Inageya Yokohama Minamihonjuku (Land)	-
T-15	Nakamachidai Tokyu Store	8.15
T-16	Central Wellness Club Nagatsuta Minamidai	Retail building 7.70 Parking building 6.36
T-17	Life Kameido	3.79
T-18	Totsuka-Fukaya Shopping Center (Land)	-
T-19	Yumemachi Narashinodai Mall	8.15
T-20	Kawamachi Yahagi Mall	Main building 3.83 Uniqlo building 3.88 Holiday building 3.72
T-21	Prime Square Jiyugaoka	6.92
T-22	Round1 Ichikawa-Onitaka	Main / Tenant building 7.22 Parking building 10.53
T-23	Ozeki Tokiwadai	5.93
T-24	Konami Sports Club Shibuya	5.80
T-25	Apita Terrace Yokohama Tsunashima	3.59
T-26	Kalsa Hiratsuka	8.81
T-27	Monenosato Mall	Main building 6.76 Service building 6.85
T-28	KDX Chofu Building (Retail wing)	11.14
T-29	Across Plaza Urayasu Higashino (Land)	-
T-30	Comfort Market Nishi-Magome	6.84
O-1	Blumer Maitamon	1.52
O-2	Life Takadono (Land)	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	MEGA Don Quijote UNY building 3.95 DCM Kahma building 5.22
O-4	Blumer HAT Kobe	4.69
O-5	Carino Esaka	3.17
O-6	COMBOX Komyoike	5.04
O-7	Hankyu Oasis Hirakatadeguchi	4.11
O-9	Life Nishi-Tengachaya	6.32
O-10	Million Town Tsukaguchi (Land)	-
O-11	Habikigaoka Shopping Center	Sunplaza A building 5.61 Sunplaza B building 5.13 Joshin building 5.33
N-1	DCM Kahma Nakagawa Tomita (Land)	-
N-2	Valor Ichinomiya-Nishi	10.18
N-4	Homecenter Kohnan Sunadabashi	7.47
N-6	Resora Obu Shopping Terrace	6.95

Property number	Property name	PML value in seismic review (%) (Note 1)
N-7	Valor Nakashidami (Land)	-
F-1	Sunny Noma	1.95
F-2	Round1 Stadium Hakata-Hanmichibashi	Main building 2.17 Parking building 0.48 Tenant building A 0.05 Tenant building B 0.05
F-3	Kurume-Nishi Shopping Center	M building 2.37 AB building 2.39 C building 4.58
R-1	Roseo Mito	Coffee shop building 7.41 Mall building 6.70 Sports facility building 9.69 Hardware store building 9.68 Secondhand shop building 7.85
R-2	K's Denki Aomori Honten	K's Denki building 1.61 TSUTAYA/ Hard-off building 1.51
R-3	Super Sports Xebio Aomori-Chuo	1.52
R-4	Ashico Town Ashikaga	Shopping mall building 2.16 Extensions 1.91 Cinema building 2.28 Road-side building 2.59
R-5	Yorktown Shinden-Higashi	3.43
R-6	Kasumi Technopark Sakura	6.40
R-8	P-1 Plaza Tenno	A building 21.66 (Note 2) B building 11.84 C building 12.29 D building 11.12 E building 13.36 F building 16.98 G building 9.07 H building 12.00
R-9	Seiyu Rakuichi Moriya (Land)	-
R-10	Sun Street Hamakita	Main building 10.58 Mall building 19.67 Colore building 9.35 Wing building 9.43
R-11	Costco Wholesale Sapporo Warehouse	1.32
L-1	Zama Distribution Center	6.83
L-2	Oppama Distribution Center	9.13
L-3	Musashi Ranzan Distribution Center	1.46
L-4	Yokohama Kamigo Distribution Center	Distribution center building 9.16 Restaurant building 11.12
L-5	Gyoda Distribution Center	2.79
L-6	Shinjuku Nishiochiai Distribution Center	6.65
Portfolio PML value (Note 3)		2.08

Note 1: PML is rounded to the nearest hundredth.

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

Note 3: "Portfolio PML value" is the portfolio PML value of 50 properties that KRR owns as of September 30, 2020, excluding Super Viva Home Iwatsuki (Land), K's Denki Shonan-Fujisawa (Land), Unicus Kamisato (Land), Unicus Konosu (Land), Inageya Yokohama Minamihonjuku (Land), Life Takadono (Land), Million Town Tsukaguchi (Land), DCM Kahma Nakagawa Tomita (Land), Seiyu Rakuichi Moriya (Land), Totsuka-Fukaya Shopping Center (Land), Across Plaza Urayasu Higashino (Land) and Valor Nakashidami (Land) which is based on the Portfolio Earthquake PML Evaluation Report dated November 2020, created by Somp Risk Management Inc.

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

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

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

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

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

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

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

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

(G) Overview of portfolio

i. Distribution by property type

Property type	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note)
Shopping centers for daily needs	56	215,020	94.9
NSC (Neighborhood Shopping Centers)	29	129,662	57.3
SM (Supermarkets)	10	16,423	7.3
CSC (Community shopping Centers)	-	-	-
Urban Station-Front Shopping Centers	5	32,308	14.3
SS (Specialty Store)	13	36,627	16.2
Other retail properties	-	-	-
Logistics facilities	6	11,458	5.1
Total	62	226,479	100.0

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

ii. Distribution by location

Region	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note)
Four major metropolitan areas	52	182,727	80.7
Tokyo metropolitan area	34	106,881	47.2
Greater Osaka area	10	45,727	20.2
Greater Nagoya area	5	22,087	9.8
Fukuoka area	3	8,032	3.5
Ordinance-designated cities, core cities and other areas	10	43,752	19.3
Total	62	226,479	100.0

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

iii. Distribution by property age

Property age (Note 1)	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note 2)
Less than 5 years	6	18,005	9.4
5 years or more but less than 10 years	3	10,489	5.5
10 years or more	41	162,059	85.0
Total	50	190,554	100.0

Note 1: Property age refers to the number of years from the date of the new construction of the property set out in the real estate registry to September 30, 2020. Where multiple buildings exist on the property, the property age is calculated using the average age of those buildings.

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

iv. Distribution by lease term remaining

Lease term (remaining period) (Note 1)	Annual fixed rent (in millions) (Note 2)	Ratio (%) (Note 3)
Less than 2 years	2,617	18.2
2 to less than 5 years	1,979	13.7
5 to less than 10 years	5,414	37.6
10 to less than 15 years	1,234	8.6
15 to less than 20 years	1,806	12.5
20 years or more	1,353	9.4
Total	14,406	100.0

Note 1: "Lease term (remaining period)" is based on period until the last date of the lease as set forth in the relevant lease agreements as of September 30, 2020 (excluding warehouses for building lease agreements) for each acquired property and to-be acquired property.

Note 2: "Annual fixed rent" for acquired property is calculated by multiplying the monthly fixed rent and common area charges for the month ended September 30, 2020 (excluding warehouses in the case of building lease agreements) by twelve and rounding down to the nearest million yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by 12, rounded down to the nearest million yen.

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

v. Distribution by lease contract type

Type of lease contract	Ratio (%) (Note)
Fixed-term building lease	73.3
Regular building lease	13.8
Commercial fixed-term land lease	12.9
Others	0.0
Total	100.0

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

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

Rent type (Note 1) (Fixed / Sales-linked rent)	Ratio (%) (Note 2)
Fixed rent	87.2
Fixed rent with sales-linked rent	11.2
Sales-linked rent	1.6
Total	100.0

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

Note 2: "Ratio" is calculated according to the actual rent effective between April 1, 2020 and September 30, 2020, rounded to the nearest tenth. As a result, simple aggregation of "ratio" figures may not be the same as the total figure.

(2) Capital Expenditures on the Managed Assets

i) Planned capital expenditures

The table below shows major capital expenditures (Note) for renovations, repairs and other projects that are planned for the 12th fiscal period ending March 31, 2021. These expenditures are for real estate owned by KRR and real estate in trusts in which KRR owns trust beneficiary rights. These planned projects may include some expenditures that will be recorded as expenses rather than capital expenditures for accounting purposes.

Property number	Property name	Location	Purpose	Schedule	Planned amount of capital expenditure (Millions of yen)		
					Total	Payment for the period	Total amount already paid
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Exterior wall repair work (Phase 1)	From October 2020 to March 2021	99	-	-
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air Conditioning Equipment Replacement (Phase 2)	From October 2020 to March 2021	95	-	-
O-1	Blumer Maitamon	Kobe, Hyogo	Exterior wall repair work (Phase 2)	From October 2020 to March 2021	76	-	-
L-5	Gyoda Distribution Center	Gyoda, Saitama	Exterior wall repair work	From October 2020 to March 2021	66	-	-
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	Solar panel installation	From October 2020 to March 2021	51	-	-
L-2	Oppama Distribution Center	Yokosuka, Kanagawa	Water supply system Replacement	From October 2020 to March 2021	17	-	-
L-1	Zama Distribution Center	Zama, Kanagawa	Lighting system Replacement	From October 2020 to March 2021	15	-	-

ii) Capital expenditures during the period under review

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

The amount of capital expenditures in the period under review was 544 million yen. There were also expenditures of 239 million yen that were recorded as repair expenses. In total, we spent 783 million yen on the projects.

Property number	Property name	Location	Purpose	Schedule	Capital expenditure (Millions of yen)
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air Conditioning Equipment Replacement (Phase 1)	From April 2020 to September 2020	183
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	Compartment division Construction	From June 2020 to September 2020	89
O-1	Blumer Maitamon	Kobe, Hyogo	Exterior wall repair work	From April 2020 to September 2020	75
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	Solar panel installation	From June 2020 to July 2020	41
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	Installation of a parking lot fill-up control system	From July 2020 to September 2020	26 (Note 1)
Others					128
Total					544

Note 1: The amount corresponding to the quasi co-ownership interest held by the KRR is shown.

Note 2: Construction work related to the construction (property expansion) of the restaurant building at the L-4 Yokohama Kamigo Distribution Center is not included in this item ii), as it involves the acquisition of a new building and does not fall under the category of capital expenditures for renovation, etc.

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

Not applicable

(3) Information Concerning Major Tenants

i) Top End-Tenants in Terms of Rent

The following summarizes top ten tenants (end-tenants or sublease type master lessee) as of September 30, 2020.

Name of end tenants	Type of business (Note 1)	Property name	Total leased area (m ²)	Ratio (%) (Note 2)	Annual fixed rent (in thousands of yen) (Note 3)	Tenant leasehold and security deposits (in millions of yen) (Note 4)
P&D Consulting Co., Ltd.	Real estate	A Unicus Ina B Unicus Kamisato (Land) C Unicus Konosu (Land) D Ashico Town Ashikaga	104,810.72	11.1	515,662	251
York Co., Ltd. (Note 5)	Retail	A Yorktown Kita-Kaname B Totsuka-Fukaya Shopping Center (Land) C Monenosato Mall D Comfort Market Nishi-Magome	- (Note 6)	- (Note 6)	- (Note 6)	- (Note 6)
Life Corporation	Retail	A Unicus Yoshikawa, B Life Kameido C Life Takadono (Land) D Life Nishi-Tengachaya	12,501.97	1.3	- (Note 6)	- (Note 6)
Lixil Viva Corporation	Retail	A Super Viva Home Iwatsuki (Land) B Roseo Mito	- (Note 6)	- (Note 6)	- (Note 6)	- (Note 6)
Round One Corporation	Service	A Round1 Ichikawa-Onitaka B Round1 Stadium Hakata-Hanmichibashi	39,990.22	4.2	- (Note 6)	- (Note 6)
UNY Co., Ltd.	Retail	A Apita Terrace Yokohama Tsunashima B DCM Kahma MEGA Don Quijote UNY Omihachiman	31,071.71	3.3	- (Note 6)	- (Note 6)
DCM Kahma Co., Ltd	Retail	A Kalsa Hiratsuka B DCM Kahma MEGA Don Quijote UNY Omihachiman C DCM Kahma Nakagawa Tomita (Land)	- (Note 6)	- (Note 6)	- (Note 6)	- (Note 6)
Daiwaroyal Co., Ltd.	Real estate	COMBOX Komyoike	25,530.44	2.7	451,993	363
Toyota Tsusho Corporation	Wholesale	Homecenter Kohnan Sunadabashi	20,329.07	2.2	- (Note 6)	- (Note 6)
Seiyu GK	Retail	A Sunny Noma B Seiyu Rakuichi Moriya (Land)	- (Note 6)	- (Note 6)	- (Note 6)	- (Note 6)

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

Note 2: "Ratio" is the ratio of leased area of the end-tenant to total leasable area of the portfolio as of September 30, 2020, rounded to the nearest tenth.

Note 3: "Annual fixed-rent" for each property is based on monthly contracted rent (including common area charges) as set forth in the relevant lease agreements effective as of September 30, 2020 (excluding warehouses for building lease agreements) for each property or property in trust, truncated to thousands of yen. In a sublease type master lease, the annual rent (excluding consumption taxes) agreed upon in the master lease agreement or the amount obtained by multiplying the monthly rent (excluding consumption taxes) agreed upon in the master lease agreement by 12, rounded down to the nearest thousand yen, is shown.

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

Note 5: York Mart, Co., Ltd. has changed its name to York Co., Ltd. as of June 1, 2020.

Note 6: We have not obtained consent from the tenant to release this information.

ii) Top End-Tenants in Terms of Leased Area

The end-tenants or the sublease type master lessees that cover over 10% of the total leased area of portfolio as of September 30, 2020 are as follows.

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

Note 1: Based on Mall building's leasing contract.

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

	Property name	Total leased area (m ²)	Annual fixed rent (in thousands of yen)	Tenant leasehold and security deposits (in millions of yen)	Lease term end	Lease renewal
Lease as a pass-through master leasing company	A Unicus Yoshikawa B Ashico Town Ashikaga	25,083.70	327,829	306	A Mar. 31, 2035 B Mar. 31, 2026	A Not Applicable B Not Applicable
Leases to the relevant tenant (total)	-	125,729.88 (Note)	843,491	558	-	-

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

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Tokyo metropolitan area												
Property No.	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	T-10	T-11	T-12	T-13	T-15	
Property Name	MONA Shin-Urayasu	Passaggio Nishiarai	Daikanyama Address Dixsept	Unicus Ina	Yorktown Kita-Kaname	Unicus Yoshikawa	Sports Club Renaissance Fujimidai	Super Viva Home Iwatsuki (Land)	K's Denki Shonan-Fujisawa (Land)	Unicus Kamisato (Land)	Unicus Konosu (Land)	Inageya Yokohama Minamihonjuku (Land)	Nakamachidai Tokyu Store	
Acquisition Date	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	February 10, 2015	October 2, 2015	October 2, 2015	October 2, 2015	October 2, 2015	October 2, 2015	April 21, 2016	
Price Information	Acquisition price (In millions of yen)	8,063	5,850	5,390	4,470	4,000	3,600	2,586	4,815	3,169	3,000	1,700	1,442	3,360
	Percentage of total portfolio	3.6%	2.6%	2.4%	2.0%	1.8%	1.6%	1.1%	2.1%	1.4%	1.3%	0.8%	0.6%	1.5%
	Net book value (In millions of yen)	8,866	5,695	5,363	4,404	3,881	3,518	2,457	4,890	3,210	3,043	1,726	1,462	3,331
	Appraisal value at the end of period (In millions of yen)	10,000	6,620	6,120	5,240	4,350	3,860	2,750	5,470	3,470	3,050	1,780	1,390	3,750
	Percentage of total appraisal value	4.1%	2.7%	2.5%	2.2%	1.8%	1.6%	1.1%	2.3%	1.4%	1.3%	0.7%	0.6%	1.5%
Lease Information	Number of tenants	1 (55)	1 (41)	1 (26)	1	1	1 (10)	1	1	1	1	1	1	1
	Leasable floor area (㎡)	9,956.85	10,530.85	5,056.39	13,462.71	(Note 1)	10,648.27	3,120.87	67,325.95	15,578.58	67,854.47	19,329.00	4,405.41	5,968.71
	Leased floor area (㎡)	9,722.73	10,530.85	4,856.58	13,462.71	(Note 1)	10,605.26	3,120.87	67,325.95	15,578.58	67,854.47	19,329.00	4,405.41	5,968.71
	Occupancy ratio													
	As of September 30, 2020	97.6%	100.0%	96.0%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	99.5%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	100.0%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2019	98.8%	98.6%	97.2%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2018	98.3%	98.6%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2018	87.8%	98.6%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
As of September 30, 2017	95.9%	99.8%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of March 31, 2017	95.7%	98.1%	97.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2016	95.6%	98.1%	98.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of March 31, 2016	96.1%	98.3%	98.7%	100.0%	100.0%	99.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)	498,998	279,640	250,599	141,626	(Note 1)	134,246	(Note 1)	(Note 1)	(Note 1)	75,305	43,054	(Note 1)	(Note 1)
	Rental revenues	346,409	215,106	175,971	139,501	(Note 1)	130,321	(Note 1)	(Note 1)	(Note 1)	75,297	43,031	(Note 1)	(Note 1)
	Other operating revenues	152,589	64,534	74,627	2,124	(Note 1)	3,924	(Note 1)	(Note 1)	(Note 1)	7	22	(Note 1)	(Note 1)
	Property-related expenses (In thousands of yen)	222,457	140,140	137,611	29,064	(Note 1)	43,695	(Note 1)	(Note 1)	(Note 1)	6,243	4,596	(Note 1)	(Note 1)
	Property management fees	78,307	47,941	53,281	1,800	(Note 1)	25,002	(Note 1)	(Note 1)	(Note 1)	1,200	1,200	(Note 1)	(Note 1)
	Taxes	23,581	35,253	12,762	10,628	(Note 1)	14,092	(Note 1)	(Note 1)	(Note 1)	4,777	3,130	(Note 1)	(Note 1)
	Utilities	54,234	29,251	33,641	-	(Note 1)	-	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Repairs and maintenance	27,201	18,698	3,031	15,817	(Note 1)	3,407	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Insurance	493	456	250	294	(Note 1)	208	(Note 1)	(Note 1)	(Note 1)	-	-	(Note 1)	(Note 1)
	Trust fees and other expenses	38,639	8,540	34,646	524	(Note 1)	984	(Note 1)	(Note 1)	(Note 1)	266	266	(Note 1)	(Note 1)
	NOI (= -) (In thousands of yen)	276,541	139,499	112,987	112,561	108,219	90,551	64,328	98,690	79,386	69,061	38,457	31,851	86,328
Depreciation (In thousands of yen)	58,530	33,810	15,327	35,503	20,994	15,892	15,112	-	-	-	-	-	-	20,332
Rental operating income (= -) (In thousands of yen)	218,010	105,689	97,659	77,058	87,225	74,658	49,215	98,690	79,386	69,061	38,457	31,851	65,996	
Capital expenditures (In thousands of yen)	185,665	4,340	11,776	7,863	760	-	678	-	-	-	-	-	-	-
NCF (= -) (In thousands of yen)	90,876	135,159	101,210	104,698	107,459	90,551	63,649	98,690	79,386	69,061	38,457	31,851	86,328	
Reference	Expense ratio (= /)	44.6%	50.1%	54.9%	20.5%	7.9%	32.5%	11.8%	13.5%	6.4%	8.3%	10.7%	11.4%	26.7%
	Property tax for the year 2020 (In thousands of yen)	47,163	70,109	25,446	21,256	13,844	28,183	11,092	27,869	7,981	9,551	6,257	5,284	14,313
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Tokyo metropolitan area													
Property No.		T-16	T-17	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	
Property Name		Central Wellness Club Nagatsuta Minamidai	Life Kameido	Totsuka-Fukaya Shopping Center (Land)	Yumemachi Narashinodai Mall	Kawamachi Yahagi Mall	Prime Square Jiyugaoka	Round1 Ichikawa-Onitaka	Ozeki Tokiwadai	Konami Sports Club Shibuya	Apita Terrace Yokohama Tsunashima	Kalsa Hiratsuka	Monenosato Mall	KDX Chofu Building (Retail wing)	
Acquisition Date		April 20, 2016	April 21, 2016	April 19, 2017	April 19, 2017	May 18, 2017	April 19, 2017	April 19, 2017	February 13, 2018	April 27, 2018	November 1, 2019	November 1, 2019	October 24, 2019	October 24, 2019	
Price Information	Acquisition price (In millions of yen)	1,724	1,450	4,170	3,416	3,097	2,820	1,880	1,263	3,400	5,899	5,980	2,410	2,300	
	Percentage of total portfolio	0.8%	0.6%	1.8%	1.5%	1.4%	1.2%	0.8%	0.6%	1.5%	2.6%	2.6%	1.1%	1.0%	
	Net book value (In millions of yen)	1,740	1,481	4,228	3,380	3,125	2,979	1,843	1,273	3,593	5,924	6,017	2,499	2,387	
	Appraisal value at the end of period (In millions of yen)	1,780	1,490	4,320	3,520	3,240	2,820	1,970	1,340	3,390	6,170	6,020	2,530	2,480	
	Percentage of total appraisal value	0.7%	0.6%	1.8%	1.4%	1.3%	1.2%	0.8%	0.6%	1.4%	2.5%	2.5%	1.0%	1.0%	
Lease Information	Number of tenants	1	1	2	1 (14)	1 (12)	2	1	1	1	1	3	1 (6)	3	
	Leasable floor area (㎡)	3,996.70	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02	(Note 1)	22,729.71	14,195.00	6,255.19	12,119.00	
	Leased floor area (㎡)	3,238.80	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02		22,729.71	14,195.00	6,255.19	12,119.00	
	Occupancy ratio														
	As of September 30, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of March 31, 2019	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of September 30, 2018	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-
	As of March 31, 2018	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
As of September 30, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	-	
As of March 31, 2017	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	
As of September 30, 2016	100.0%	100.0%	-	-	-	-	-	-	-	-	-	-	-	-	
As of March 31, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	
	Rental and other operating revenues (In thousands of yen)				142,295	112,703							96,692	85,236	
	Rental revenues				115,225	94,956							73,112	74,589	
	Other operating revenues				27,070	17,747							23,580	10,647	
	Property-related expenses (In thousands of yen)				53,389	33,677							34,215	28,062	
	Property management fees	(Note 1)	(Note 1)	(Note 1)	11,975	9,333	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	4,144	7,929	
	Taxes				11,819	9,672							8,555	11,556	
	Utilities				27,943	13,637							20,331	-	
	Repairs and maintenance				266	137							312	7,711	
	Insurance				160	131							104	302	
	Trust fees and other expenses				1,225	764							768	561	
	NOI (= -) (In thousands of yen)	29,498	32,534	95,246	88,905	79,026	31,305	48,198	27,512	64,844	139,883	139,030	62,476	57,174	
Depreciation (In thousands of yen)	7,745	3,020	-	14,687	9,845	10,446	10,888	2,307	9,063	28,161	21,576	9,232	7,534		
Rental operating income (= -) (In thousands of yen)	21,753	29,513	95,246	74,218	69,181	20,859	37,309	25,205	55,781	111,721	117,453	53,244	49,639		
Capital expenditures (In thousands of yen)	-	-	-	490	41,440	480	-	-	6,259	-	-	-	-		
NCF (= -) (In thousands of yen)	29,498	32,534	95,246	88,415	37,586	30,825	48,198	27,512	58,584	139,883	139,030	62,476	57,174		
Reference	Expense ratio (= /)	26.0%	16.9%	6.3%	37.5%	29.9%	46.1%	24.6%	17.9%	20.9%	16.3%	13.6%	35.4%	32.9%	
	Property tax for the year 2020 (In thousands of yen)	12,256	8,651	9,874	23,637	19,342	12,913	20,237	5,785	21,588	51,033	36,058	17,107	23,113	
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-	

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Tokyo metropolitan area		Greater Osaka area									Greater Nagoya area		
Property No.	T-29	T-30	O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-9	O-10	O-11	N-1		
Property Name	Across Plaza Urayasu Higashino (Land)	Comfort Market Nishi-Magome	Blumer Maitamon	Life Takadono (Land)	DCM Kahma MEGA Don Quijote UNY Omihachiman	Blumer HAT Kobe	Carino Esaka	COMBOX Komyoike	Hankyu Oasis Hirakatadeguchi	Life Nishi- Tengachaya	Million Town Tsukaguchi (Land)	Habikigaoka Shopping Center	DCM Kahma Nakagawa Tomita (Land)		
Acquisition Date	October 24, 2019	April 15, 2020	February 10, 2015	February 10, 2015	February 10, 2015	April 16, 2015	October 2, 2015	October 2, 2015	October 2, 2015	January 21, 2016	April 21, 2016	September 27, 2019	February 10, 2015		
Price Information	Acquisition price (In millions of yen)	2,248	1,920	8,389	2,685	2,140	11,000	6,555	6,450	1,280	1,505	3,723	2,000	2,311	
	Percentage of total portfolio	1.0%	0.8%	3.7%	1.2%	0.9%	4.9%	2.9%	2.8%	0.6%	0.7%	1.6%	0.9%	1.0%	
	Net book value (In millions of yen)	2,283	2,003	8,388	2,727	2,122	11,260	6,762	6,206	1,295	1,535	3,772	2,069	2,351	
	Appraisal value at the end of period (In millions of yen)	2,310	2,000	9,610	3,140	2,590	11,000	7,190	6,490	1,330	1,690	3,980	2,020	2,690	
	Percentage of total appraisal value	1.0%	0.8%	4.0%	1.3%	1.1%	4.5%	3.0%	2.7%	0.5%	0.7%	1.6%	0.8%	1.1%	
Lease Information	Number of tenants	1	1	50	1	2	1 (41)	1 (28)	1	1	1	1	2	1	
	Leasable floor area (㎡)	6,229.32	1,456.86	30,290.85	4,437.07	14,313.00	23,775.88	7,540.58	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81	(Note 1)	
	Leased floor area (㎡)	6,229.32	1,456.86	30,187.69	4,437.07	14,313.00	23,562.97	7,345.26	25,530.44	2,960.38	2,679.52	8,264.46	6,447.81		
	Occupancy ratio														
	As of September 30, 2020	100.0%	100.0%	99.7%	100.0%	100.0%	99.1%	97.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	100.0%	-	99.7%	100.0%	100.0%	99.5%	98.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	-	-	99.7%	100.0%	100.0%	84.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2019	-	-	99.7%	100.0%	100.0%	99.3%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%
	As of September 30, 2018	-	-	99.7%	100.0%	100.0%	98.0%	99.5%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%
	As of March 31, 2018	-	-	98.4%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%
As of September 30, 2017	-	-	98.2%	100.0%	100.0%	98.7%	97.8%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	
As of March 31, 2017	-	-	99.2%	100.0%	100.0%	99.1%	97.8%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	
As of September 30, 2016	-	-	99.1%	100.0%	100.0%	99.1%	99.1%	100.0%	100.0%	100.0%	100.0%	-	100.0%	100.0%	
As of March 31, 2016	-	-	99.5%	100.0%	100.0%	98.7%	99.1%	100.0%	100.0%	100.0%	-	-	100.0%	100.0%	
Income and Retained Earnings Information	Operating periods	183days	169days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	
	Rental and other operating revenues (In thousands of yen)		44,266	485,220			477,555	280,872	225,999		44,870				
	Rental revenues		44,266	360,802			365,641	177,226	225,999		44,870				
	Other operating revenues		-	124,418			111,914	103,646	-		-				
	Property-related expenses (In thousands of yen)		2,080	194,826			190,363	109,737	33,089		7,772				
	Property management fees	(Note 1)	1,660	62,414	(Note 1)	(Note 1)	68,404	42,198	1,800	(Note 1)	1,800	(Note 1)	(Note 1)	(Note 1)	
	Taxes		0	41,544			47,775	25,693	30,284		3,301				
	Utilities		-	63,266			56,680	33,233	-		-				
	Repairs and maintenance		-	6,782			2,731	5,108	-		2,214				
	Insurance		41	672			787	591	590		46				
	Trust fees and other expenses		377	20,145			13,984	2,912	414		410				
NOI (= -) (In thousands of yen)	45,225	42,186	290,394	63,877	75,680	287,191	171,135	192,910	37,288	37,097	78,701	53,700	58,016		
Depreciation (In thousands of yen)	-	3,136	56,943	-	11,525	57,065	42,401	32,894	5,604	4,682	-	7,434	-		
Rental operating income (= -) (In thousands of yen)	45,225	39,050	233,450	63,877	64,155	230,126	128,733	160,015	31,683	32,415	78,701	46,266	58,016		
Capital expenditures (In thousands of yen)	-	-	78,763	-	1,865	7,369	322	-	-	-	-	-	-		
NCF (= -) (In thousands of yen)	45,225	42,186	211,630	63,877	73,815	279,822	170,813	192,910	37,288	37,097	78,701	53,700	58,016		
Reference	Expense ratio (= /)	11.1%	4.7%	40.2%	7.1%	19.3%	39.9%	39.1%	14.6%	14.3%	17.3%	12.6%	16.9%	10.1%	
	Property tax for the year 2020 (In thousands of yen)	8,382	3,498	83,072	6,806	28,635	95,525	51,267	60,564	7,712	6,601	19,665	16,197	10,161	
	Assets pledged as collateral	-	-	-	-	○	-	-	-	-	○	-	-	-	

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Greater Nagoya area				Fukuoka area			Ordinance-designated cities, core cities and other areas					
Property No.		N-2	N-4	N-6	N-7	F-1	F-2	F-3	R-1	R-2	R-3	R-4	R-5	R-6
Property Name		Valor Ichinomiya-Nishi	Homecenter Kohnan Sunadabashi	K's Denki Shin-Moriyama (Land)	Resora Obu Shopping Terrace	Valor Nakashidami (Land)	Round1 Stadium Hakata-Hannichibashi	Kurume-Nishi Shopping Center	Roseo Mito	K's Denki Aomori Honten	Super Sports Xebio Aomori-Chuo	Ashico Town Ashikaga	Yorktown Shinden-Higashi	Kasumi Technopark Sakura
Acquisition Date		February 10, 2015	April 21, 2016	November 1, 2016	August 1, 2017	November 1, 2019	April 19, 2017	April 19, 2017	February 10, 2015	February 10, 2015	February 10, 2015	October 2, 2015	October 2, 2015	October 2, 2015
Price Information	Acquisition price (In millions of yen)	2,174	7,140	7,911	2,551	1,497	5,020	1,515	10,046	1,469	898	4,180	3,252	830
	Percentage of total portfolio	1.0%	3.2%	3.5%	1.1%	0.7%	2.2%	0.7%	4.4%	0.6%	0.4%	1.8%	1.4%	0.4%
	Net book value (In millions of yen)	2,133	6,888	8,095	2,587	1,390	4,950	1,550	9,718	1,436	864	4,441	3,237	836
	Appraisal value at the end of period (In millions of yen)	2,360	7,280	7,050	2,560	1,640	5,760	1,840	12,000	1,520	912	4,660	2,610	879
	Percentage of total appraisal value	1.0%	3.0%	2.9%	1.1%	0.7%	2.4%	0.8%	4.9%	0.6%	0.4%	1.9%	1.1%	0.4%
Lease Information	Number of tenants	1	1	1 (40)	1	1	1	4	1 (23)	1	1	1 (30)	2	1
	Leasable floor area (㎡)	9,447.48	20,329.07	19,909.33	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	65,181.05	12,768.77	2,047.65
	Leased floor area (㎡)	9,447.48	20,329.07	19,346.14	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	64,791.54	12,768.77	2,047.65
	Occupancy ratio													
	As of September 30, 2020	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	100.0%
	As of March 31, 2020	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%
	As of September 30, 2019	100.0%	100.0%	95.5%	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%	100.0%	100.0%
	As of March 31, 2019	100.0%	100.0%	86.3%	-	100.0%	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2018	100.0%	100.0%	99.0%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2018	100.0%	100.0%	99.2%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%
As of September 30, 2017	100.0%	100.0%	99.4%	-	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of March 31, 2017	100.0%	100.0%	-	-	100.0%	-	-	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	
As of September 30, 2016	100.0%	100.0%	-	-	100.0%	-	-	99.7%	100.0%	100.0%	99.1%	100.0%	100.0%	
As of March 31, 2016	100.0%	-	-	-	100.0%	-	-	100.0%	100.0%	100.0%	99.1%	100.0%	100.0%	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)			285,626				52,548	382,717			255,768		
	Rental revenues			222,124				52,308	350,949			181,631		
	Other operating revenues			63,501				240	31,768			74,137		
	Property-related expenses (In thousands of yen)			140,264				6,470	89,942			155,224		
	Property management fees	(Note 1)	(Note 1)	37,930	(Note 1)	(Note 1)	(Note 1)	1,868	19,152	(Note 1)	(Note 1)	39,808	(Note 1)	(Note 1)
	Taxes			26,471				3,448	26,687			24,925		
	Utilities			42,874				-	26,051			56,114		
	Repairs and maintenance			22,894				565	15,841			28,241		
	Insurance			552				71	595			555		
	Trust fees and other expenses			9,541				516	1,614			5,580		
	NOI (= -) (In thousands of yen)	61,782	176,770	145,361	59,552	40,226	143,716	46,078	292,774	46,302	28,263	100,543	83,483	22,897
Depreciation (In thousands of yen)	16,716	40,780	50,954	-	14,368	22,138	5,643	47,850	6,318	4,857	32,644	13,792	2,480	
Rental operating income (= -) (In thousands of yen)	45,065	135,989	94,406	59,552	25,857	121,577	40,434	244,924	39,983	23,406	67,898	69,690	20,416	
Capital expenditures (In thousands of yen)	6,571	-	6,714	-	-	-	837	-	-	-	100,359	1,354	-	
NCF (= -) (In thousands of yen)	55,211	176,770	138,647	59,552	40,226	143,716	45,241	292,774	46,302	28,263	184	82,128	22,897	
Reference	Expense ratio (= /)	21.6%	13.2%	49.1%	2.6%	22.3%	12.6%	12.3%	23.5%	16.7%	16.1%	60.7%	40.7%	18.8%
	Property tax for the year 2020 (In thousands of yen)	19,243	40,339	52,941	-	7,800	35,167	6,895	53,372	13,869	6,206	49,849	30,855	3,690
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-	-	-

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Ordinance-designated cities, core cities and other areas				Tokyo metropolitan area						Total of 62 properties
Property No.	R-8	R-9	R-10	R-11	L-1	L-2	L-3	L-4	L-5	L-6		
Property Name	P-1 Plaza Tenno	Seiyu Rakuichi Moriya (Land)	Sun Street Hamakita	Costco Wholesale Sapporo Warehouse	Zama Distribution Center	Oppama Distribution Center	Musashi Ranzan Distribution Center	Yokohama Kamigo Distribution Center	Gyoda Distribution Center	Shinjuku Nishiochiai Distribution Center		
Acquisition Date	April 22, 2016	January 31, 2017	April 27, 2017	May 31, 2018	April 5, 2019	April 5, 2019	March 26, 2019	April 11, 2019	October 1, 2019	January 10, 2020		
Price Information	Acquisition price (In millions of yen)	4,010	4,111	10,746	4,210	1,400	1,300	3,879	909	3,160	810	226,479
	Percentage of total portfolio	1.8%	1.8%	4.7%	1.9%	0.6%	0.6%	1.7%	0.4%	1.4%	0.4%	100.0%
	Net book value (In millions of yen)	4,135	4,320	10,661	4,271	1,472	1,357	3,836	957	3,160	856	228,266
	Appraisal value at the end of period (In millions of yen)	4,350	4,260	11,160	4,420	1,690	1,600	4,090	970	3,440	821	242,832
	Percentage of total appraisal value	1.8%	1.8%	4.6%	1.8%	0.7%	0.7%	1.7%	0.4%	1.4%	0.3%	100.0%
Lease Information	Number of tenants	1 (7)	1	1 (53)	1	1	1	1	2	1	1	496
	Leasable floor area (㎡)	12,030.83	(Note 1)	48,697.29	24,006.16	5,479.92	6,543.87	32,935.55	2,014.26	21,956.09	790.52	941,020.65
	Leased floor area (㎡)	12,030.83		48,560.69	24,006.16	5,479.92	6,543.87	32,935.55	2,014.26	21,956.09	790.52	938,185.12
	Occupancy ratio											
	As of September 30, 2020	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.7%
	As of March 31, 2020	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%
	As of September 30, 2019	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	98.9%
	As of March 31, 2019	100.0%	100.0%	99.3%	100.0%	-	-	100.0%	-	-	-	99.2%
	As of September 30, 2018	100.0%	100.0%	99.3%	100.0%	-	-	-	-	-	-	99.4%
	As of March 31, 2018	100.0%	100.0%	99.2%	-	-	-	-	-	-	-	99.5%
As of September 30, 2017	100.0%	100.0%	98.0%	-	-	-	-	-	-	-	99.6%	
As of March 31, 2017	100.0%	100.0%	-	-	-	-	-	-	-	-	99.6%	
As of September 30, 2016	100.0%	-	-	-	-	-	-	-	-	-	99.7%	
As of March 31, 2016	-	-	-	-	-	-	-	-	-	-	99.6%	
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	Rental and other operating revenues (In thousands of yen)	138,079		513,533								8,239,049
	Rental revenues	136,830		434,060								7,243,410
	Other operating revenues	1,249		79,472								995,638
	Property-related expenses (In thousands of yen)	21,239		209,568								2,434,450
	Property management fees	3,150	(Note 1)	68,160	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	684,462
	Taxes	14,611		25,852								736,763
	Utilities	127		40,818								517,438
	Repairs and maintenance	2,580		13,120								239,310
	Insurance	347		808								13,375
	Trust fees and other expenses	422		60,807								243,099
	NOI (= -) (In thousands of yen)	116,840	82,988	303,965	101,839	50,053	49,896	103,120	13,165	84,191	13,275	5,804,598
Depreciation (In thousands of yen)	17,397	-	79,390	33,097	6,633	9,495	37,179	1,988	23,883	684	1,040,001	
Rental operating income (= -) (In thousands of yen)	99,443	82,988	224,575	68,741	43,420	40,400	65,941	11,177	60,307	12,591	4,764,597	
Capital expenditures (In thousands of yen)	22,926	-	31,945	10,725	1,537	4,692	324	836	4,153	3,537	544,587	
NCF (= -) (In thousands of yen)	93,913	82,988	272,019	91,114	48,516	45,203	102,796	12,328	80,038	9,738	5,260,011	
Reference	Expense ratio (= /)	15.4%	13.3%	40.8%	16.1%	12.5%	17.8%	18.6%	28.1%	23.0%	30.9%	29.5%
	Property tax for the year 2020 (In thousands of yen)	29,221	22,483	51,701	33,871	8,108	9,828	23,864	4,906	24,061	4,064	1,480,388
	Assets pledged as collateral	-	-	-	-	-	-	-	-	-	-	-

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

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

【Reference】

Earnings Performance for the Individual Properties for the 11th Fiscal Period (April 1, 2020 to September 30, 2020): 183 days As of September 30, 2020

Location		Greater Nagoya area	Total of 1 Property Sold	Total of 63 Properties
Property No.		N-5		
Property Name		K's Denki Shin-Moriyama (Land)		
Acquisition Date		November 1, 2016		
Price Information	Acquisition price (In millions of yen)	1,370	1,370	227,849
	Percentage of total portfolio	100.0%	100.0%	-
	Revenue from sale of real estate property (In millions of yen)	1,527	1,527	-
	Cost of real estate property (In millions of yen)	1,390	1,390	-
	Gain on sale of real estate property (In millions of yen)	126	126	-
Lease Information	Number of tenants	-	-	-
	Leasable floor area (㎡)	-	-	-
	Leased floor area (㎡)	-	-	-
	Occupancy ratio			
	As of September 30, 2020	-	-	-
	As of March 31, 2020	100.0%	-	-
	As of September 30, 2019	100.0%	-	-
	As of March 31, 2019	100.0%	-	-
	As of September 30, 2018	100.0%	-	-
	As of March 31, 2018	100.0%	-	-
Income and Retained Earnings Information	Operating periods	182days	182days	183days
	Rental and other operating revenues (In thousands of yen)			8,272,463
	Rental revenues			7,276,824
	Other operating revenues			995,638
	Property-related expenses (In thousands of yen)			2,439,409
	Property management fees	(Note 1)	(Note 1)	685,656
	Taxes			739,968
	Utilities			517,438
	Repairs and maintenance			239,310
	Insurance			13,375
	Trust fees and other expenses			243,659
	NOI (= -) (In thousands of yen)	28,455	28,455	5,833,054
	Depreciation (In thousands of yen)	-	-	1,040,001
Rental operating income (= -) (In thousands of yen)	28,455	28,455	4,793,053	
Capital expenditures (In thousands of yen)	-	-	544,587	
NCF (= -) (In thousands of yen)	28,455	28,455	5,288,466	
Reference	Expense ratio (= /)	14.8%	14.8%	29.5%
	Property tax for the year 2020 (In thousands of yen)	-	-	-
	Assets pledged as collateral	-	-	-

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

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

Note 2: K's Denki Shin-Moriyama (Land) was sold on September 30, 2020.

Kenedix Retail REIT Corporation (3453)

(Reference) Borrowings

Borrowings as of September 30, 2020 are as follows:

Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks
Short-Term Loans Payable	Sumitomo Mitsui Banking Corporation	700,000	-	700,000	-	0.459	September 30, 2020	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	2,750,000	-	-	2,750,000	0.459	January 31, 2021		
	Sub Total	3,450,000	-	700,000	2,750,000				
Current Portion of Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	0.865	February 10, 2021	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	700,000	-	-	700,000				
	Sumitomo Mitsui Trust Bank, Ltd.	500,000	-	-	500,000				
	Aozora Bank, Ltd.	450,000	-	-	450,000				
	Resona Bank, Ltd.	450,000	-	-	450,000				
	Mizuho Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000	0.925	February 10, 2021		
	Sumitomo Mitsui Banking Corporation	2,400,000	-	-	2,400,000	0.459	February 28, 2021		
	MUFG Bank, Ltd.	1,600,000	-	-	1,600,000				
	Sumitomo Mitsui Trust Bank, Ltd.	550,000	-	-	550,000				
	Resona Bank, Ltd.	500,000	-	-	500,000				
	Aozora Bank, Ltd.	500,000	-	-	500,000				
	Mizuho Bank, Ltd.	350,000	-	-	350,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	-	-	300,000				
	The Gunma Bank, Ltd. (Note5) (Note6)	500,000	-	-	500,000	0.550	September 30, 2021		
	Sumitomo Mitsui Banking Corporation (Note6)	2,600,000	-	-	2,600,000	0.485	April 27, 2021		
	Aozora Bank, Ltd. (Note6)	500,000	-	-	500,000				
	MUFG Bank, Ltd. (Note6)	400,000	-	-	400,000				
	Sumitomo Mitsui Trust Bank, Ltd. (Note6)	300,000	-	-	300,000				
	Resona Bank, Ltd. (Note6)	300,000	-	-	300,000				
	MUFG Bank, Ltd. (Note5) (Note6)	600,000	-	-	600,000	0.400	April 27, 2021		
	Development Bank of Japan Inc. (Note5) (Note6)	500,000	-	-	500,000	0.553			
	Mizuho Bank, Ltd. (Note5) (Note6)	400,000	-	-	400,000	0.553			
Mizuho Trust & Banking Co., Ltd. (Note5) (Note6)	200,000	-	-	200,000	0.553				
Sumitomo Mitsui Banking Corporation (Note7)	-	1,900,000	1,000,000	900,000	0.460	April 30, 2021			
Sub Total	19,500,000	1,900,000	1,000,000	20,400,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	2,600,000	-	-	2,600,000	0.978	February 10, 2022	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	800,000	-	-	800,000				
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	-	-	600,000				
	Aozora Bank, Ltd.	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000				
	Mizuho Bank, Ltd.	300,000	-	-	300,000				
	Resona Bank, Ltd.	300,000	-	-	300,000				
	Development Bank of Japan Inc. (Note5)	1,600,000	-	-	1,600,000	1.033	February 10, 2022		
	Sumitomo Mitsui Banking Corporation	4,600,000	-	-	4,600,000	1.366	April 16, 2025		
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000	0.975	March 31, 2023		
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	-	-	600,000				
	Mizuho Bank, Ltd.	400,000	-	-	400,000				
	Resona Bank, Ltd.	400,000	-	-	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	-	-	400,000				
	MUFG Bank, Ltd.	400,000	-	-	400,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000	0.994	March 31, 2023		
	MUFG Bank, Ltd.	450,000	-	-	450,000	0.987	March 31, 2023		
	Resona Bank, Ltd.	200,000	-	-	200,000				
	The Musashino Bank, Ltd.	150,000	-	-	150,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	-	-	1,500,000	1.013	March 31, 2023		
	Sumitomo Mitsui Banking Corporation	3,000,000	-	-	3,000,000	1.110	March 31, 2024		
	Mizuho Bank, Ltd.	1,150,000	-	-	1,150,000				
	MUFG Bank, Ltd.	1,000,000	-	-	1,000,000				
Mizuho Trust & Banking Co., Ltd.	700,000	-	-	700,000					
Sumitomo Mitsui Trust Bank, Ltd.	650,000	-	-	650,000					
Resona Bank, Ltd.	500,000	-	-	500,000					

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

Kenedix Retail REIT Corporation (3453)

Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks	
Long-Term Loans Payable	Mizuho Trust & Banking Co., Ltd. (Note5)	650,000	-	-	650,000	0.670	April 30, 2028	(Note 4)	Unsecured/ Unguaranteed	
	MUFG Bank, Ltd. (Note5)	1,500,000	-	-	1,500,000	0.520	October 31, 2026			
	Sumitomo Mitsui Banking Corporation	1,000,000	-	-	1,000,000	0.644				
	Mizuho Bank, Ltd.	1,000,000	-	-	1,000,000	0.644				
	Mizuho Trust & Banking Co., Ltd. (Note5)	500,000	-	-	500,000	0.550				
	Resona Bank, Ltd.	300,000	-	-	300,000	0.644				
	Development Bank of Japan Inc. (Note5)	500,000	-	-	500,000	0.830				October 31, 2029
	The Gunma Bank, Ltd.	400,000	-	-	400,000	0.498				January 31, 2025
	The Musashino Bank, Ltd. (Note5)	400,000	-	-	400,000	0.478				January 31, 2025
	Sumitomo Mitsui Banking Corporation	-	700,000	-	700,000	0.758				September 30, 2028
	Sub Total	80,950,000	700,000	-	81,650,000					
Total	103,900,000	2,600,000	1,700,000	104,800,000						

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

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

Note 3: All the repayment methods of debt financing except for the following Note 7 are lump-sum repayments on the due date.

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

Note 5: Borrowings at a fixed rate.

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

Note 7: Partial prepayment of 1,000,000 thousand yen was made on April 30, 2020.