

Kenedix Retail REIT Corporation

Security Code:3453

Financial Results

for the 16th Fiscal Period ended March 31, 2023

May 17, 2023



KDX
KENEDIX

Kenedix Retail REIT Corporation



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Executive summary

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External growth

- Increased asset size to more than JPY 270bn, 3-times growth since IPO. Realized stable and diversified portfolio of 70 properties and more than 600 tenants

Internal growth

- Revised billing method for tenants and supply-demand contracts with power companies to reduce the impact of market fluctuations in response to rising electricity prices
- Kitera Plaza Aobadai was reopened in March 2023 as KRR's first conversion project

Growth strategies and issues

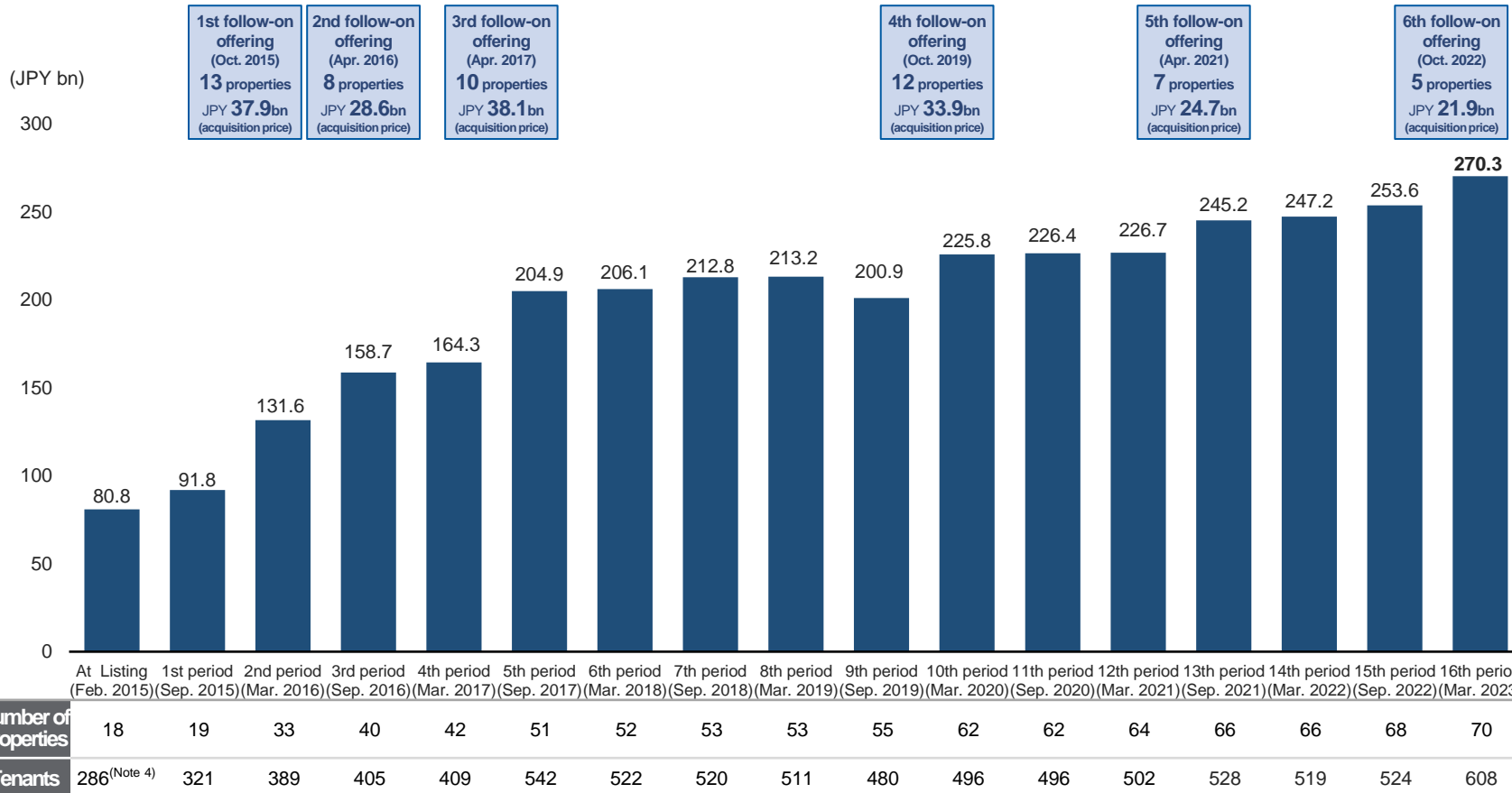
- Recovered DPU of JPY 6,500 range in 16th FP. Continued selective investment by enhancing its pipeline, conducting asset reshuffling with an eye on the market environment, and leveraging public offerings
- Pursue internal and external growth by capturing consumer demand from the recovery of economic activities and solid demand for shopping center for daily needs

Portfolio summary

Characteristics of KRR portfolio^(Note 1)

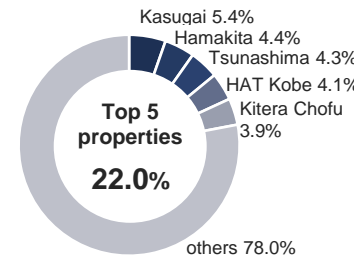
Total appraisal value	Appraisal NOI yield^(Note 2)	NOI yield after depreciation^(Note 2)	Occupancy rate	4 major metropolitan areas	Shopping centers for daily needs	Grocery anchored shopping centers^(Note 3)
JPY 291.6 bn	5.2%	4.2%	99.5%	82.7%	94.2%	89.6%

Trend in AUM (based on acquisition price)

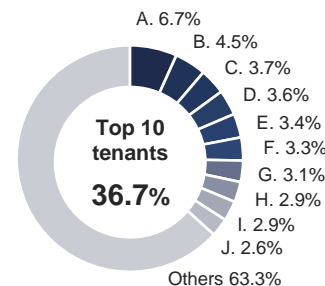


Diversification of portfolio post-offering

Top 5 properties (based on acquisition price)



Top 10 tenants (based on rent)



Note 1: Figures are as of Mar. 31, 2023 for the properties held as of the date of this material.

Note 2: "Appraisal NOI Yield" is calculated by dividing appraisal NOI from the latest appraisal reports by acquisition price. NOI yield after depreciation is calculated by deducting the depreciation from the aforementioned appraisal NOI and dividing the figure by acquisition price.

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

Note 4: "Number of tenants" at listing is figure as of Sep. 30, 2014.

Selective investments adapting to trend changes

Pursuing a portfolio with higher quality and profitability by asset reshuffling, adapting to environmental changes

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

Asset reshuffling considering resilience against e-commerce and COVID-19

12th FP
Mar. 2021

Acquisitions

3 properties, JPY 2.3bn



Chiba-Kita
Distribution Center



Sapporo Shiroishi
Distribution Center



Moenosato Mall
(2 New Buildings)

13th FP
Sep. 2021

4 properties, JPY 22.3bn



Apita Terrace
Yokohama Tsunashima
(Additional interest)



Kitera Town Chofu




Unicus Urawamisono
(Land)




Merado Daikai

14th FP
Mar. 2022


3 properties, JPY 9.6bn



Kitera Town
Fukuoka Nagahama




Tenri
Distribution Center




Kitera Plaza Aobadai
(Before conversion)

15th FP
Sep. 2022


3 properties, JPY 6.3bn



Higashimatsuyama
Shopping Center



Sun Street Hamakita
(Additional interest)



Prima Meat Packers
Kinki Center

16th FP
Mar. 2023

4 properties, JPY 16.7bn



iias Kasugai



Coop Sapporo
Shunko




Unicus Ina
(Restaurant building B)



Kitera Plaza Aobadai
(After conversion)

Dispositions

1 property, JPY 2.6bn



Daikanyama Address Dixsept
(40% quasi co-ownership interest)

*The asset was disposed of in the 12th, 13th and 14th FPs

3 properties, JPY 4.5bn



Hankyu Oasis Hirakatadeguchi



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



Daikanyama Address Dixsept
(30% quasi co-ownership interest)

3 properties, JPY 8.3bn



K's Denki Shonan-Fujisawa
(Land)



Prime Square Jiyugaoka



Daikanyama Address Dixsept
(30% quasi co-ownership interest)

**Total gains on asset sale
(12th period (Mar. 2021) to
14th period (Mar. 2022))**

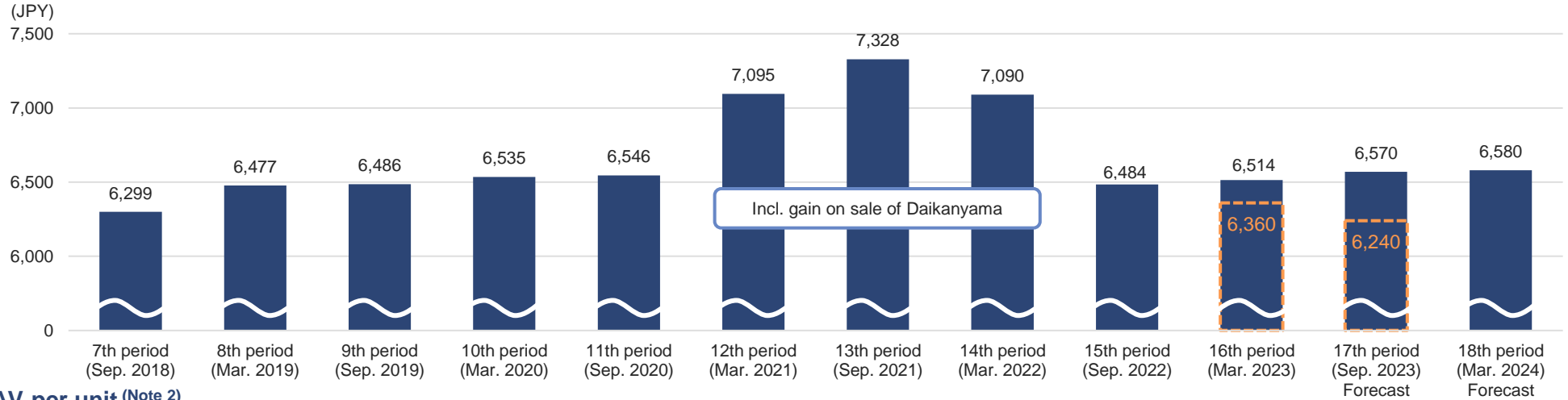
+JPY 1.5bn

**Acquisitions and dispositions since 12th FP
(based on acquisition / disposition price)**

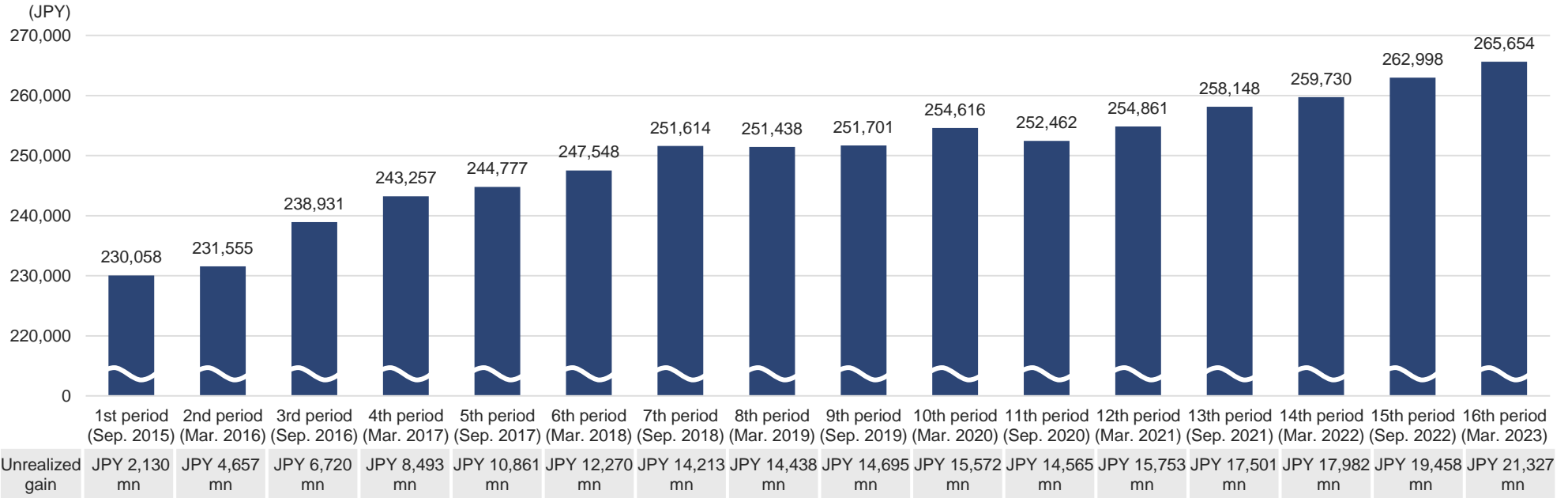
	Acquisitions	Dispositions
Number of properties	16	5
acquisition / disposition Total price	JPY 57.4bn	JPY 15.5bn
Average NOI yield	appraisal NOI/acquisition price 5.0%	based on disposition price 4.4%

DPU, NAV per unit and unrealized gain

DPU (Note 1)



NAV per unit (Note 2)

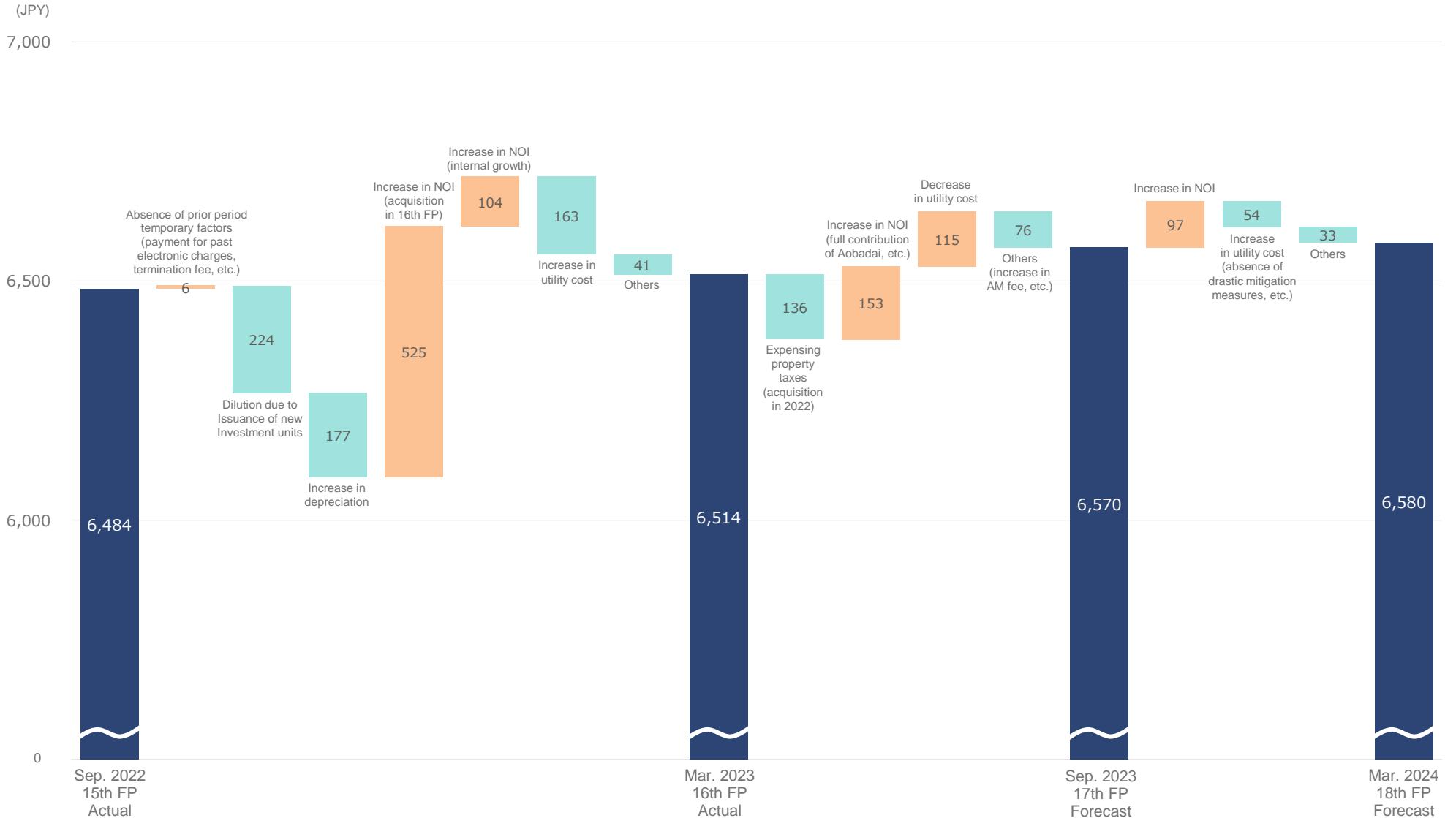


Note 1: The boxes in orange lines indicate the forecasts as of Nov. 16, 2022.

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

DPU impact and forecast assumptions

■ DPU ■ Positive factors ■ Negative factors



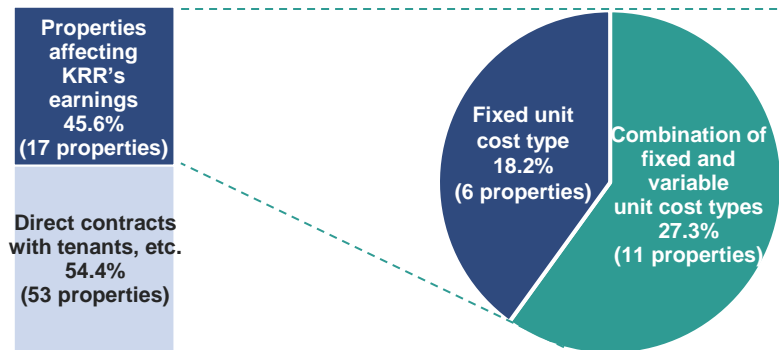
Response to rising electricity prices

Electricity charges borne by tenants in the portfolio (based on acquisition price)

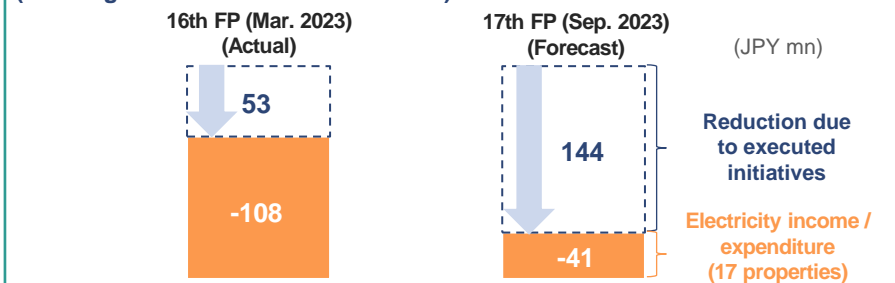
Reviewed the unit price billed to tenants and revised the billing method to reduce the impact of electricity price fluctuations

→ Shifted to a system linked to fixed and variable unit cost that reflects changes in market prices, etc. for properties affecting KRR's earnings

As of the end of April 2023



Improvement and forecast for electricity costs (vs. budget as of the end of the 15th FP)



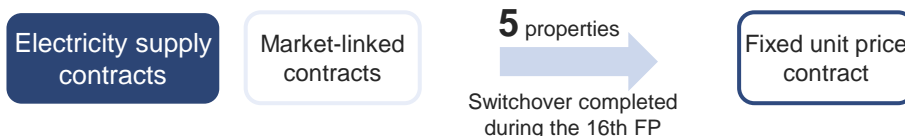
16th FP (Mar. 2023) initiatives and impact

→ The initiatives reduced the impact of fluctuations in electricity prices

Revision of billing method for tenants (percentage of fully fixed unit price method)

	Sep. 30, 2022 (End of the 15th FP)	Apr. 30, 2023
Proportion of variable unit cost type	12.2%	—

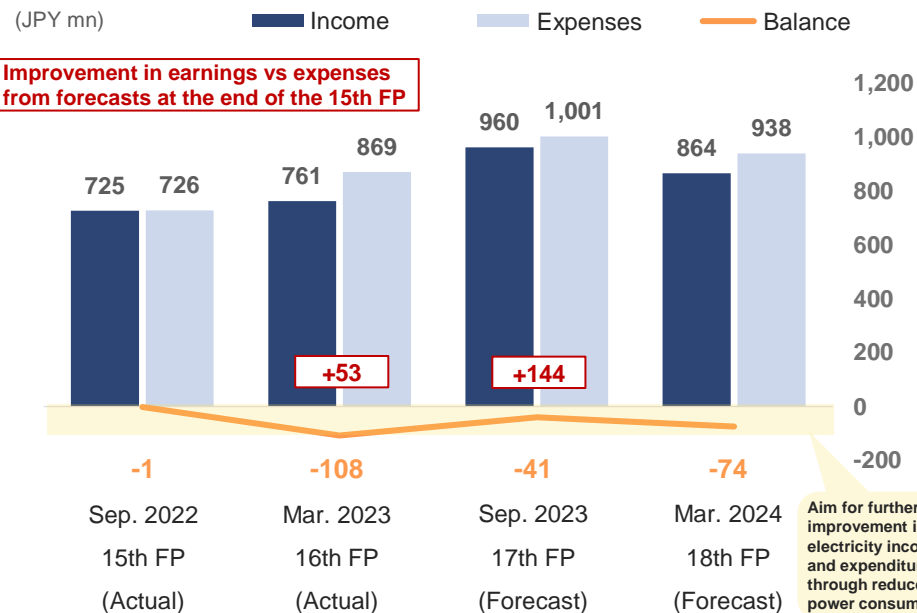
Switchover of electricity supply and demand contracts with electric power companies



Improvement in balance due to the above measures

	Change in billing unit price / method	Revision of electricity supply contracts	Fluctuation in market price / amount used, etc.	Total
16th FP	JPY 13mn	—	JPY 39mn	JPY 53mn
17th FP	JPY 44mn	JPY 55mn	JPY 44mn	JPY 144mn

Trend in electricity charges



Aim for further improvement in electricity income and expenditure through reduced power consumption

Summary of statements of income and retained earnings: 16th FP

(JPY mn)

	Sep. 2022	Mar. 2023		Changes		Remarks on changes from forecasts
	15th FP actual (A)	16th FP forecast (B) ^(Note)	16th FP actual (C)	C - A	C - B	
Rent revenue – real estate	8,011	8,492	8,530	+519	+38	sales-linked rent +21, Fixed rent +14
Other lease business revenue	1,346	1,336	1,394	+47	+57	Utility charge reimbursement +30, revenue from events +18, restoring +6
Gain/loss on sale of real estate	-	-	-	-	-	Net utility charges improved by JPY 55mn
Operating revenues	9,357	9,828	9,924	+566	+96	
Property related expenses (excl. depreciation)	2,705	3,112	3,093	+388	-18	Utility charges -25, repair costs +17, BM fee -3, property taxes -2,
NOI	6,652	6,716	6,830	+178	+114	
Depreciation	1,244	1,354	1,351	+106	-2	
NOI after depreciation	5,408	5,362	5,479	+71	+117	
Other operating expenses	1,001	898	913	-88	+15	AM fee +23
Operating income	4,406	4,463	4,565	+159	+101	
Non-operating income	0	-	-	-	-	
Non-operating expenses	627	637	640	+12	+2	
Ordinary income	3,778	3,826	3,926	+147	+99	
Net income	3,774	3,825	3,922	+147	+97	
DPU (JPY)	6,484	6,360	6,514	+30	+154	

Note : The 16th FP forecast above is as of Nov. 16, 2022.

Financial forecasts: 17th and 18th FPs

(JPY mn)

Key financial information	Mar. 2023 16th FP (actual)	Sep. 2023 17th FP (forecast)	Changes
Operating revenues	9,924	10,275	+350
Gain on sale of real estate	-	-	-
Operating expenses	5,359	5,680	+321
Operating income	4,565	4,594	+28
Non-operating expenses	640	639	-0
Interest expenses & financing-related expenses	625	623	-2
Amortization of investment unit issuance costs	14	16	+1
Ordinary income	3,926	3,954	+28
Net income	3,922	3,951	+28
DPU	6,514	6,570	+56

Sep. 2023 17th FP (forecast)	Mar. 2024 18th FP (forecast)	Changes
10,275	10,195	-79
-	-	-
5,680	5,595	-85
4,594	4,600	+5
639	639	-
623	623	-
16	15	-0
3,954	3,960	+6
3,951	3,957	+6
6,570	6,580	+10

Related key indicator	Mar. 2023 16th FP (actual)	Sep. 2023 17th FP (forecast)	Changes
NOI	6,830	6,921	+90
NOI yield	5.1%	5.1%	-
Depreciation	1,351	1,375	+24
NOI after depreciation	5,479	5,546	+66
NOI yield after depreciation	4.1%	4.1%	-
FFO	5,294	5,347	+53
CAPEX	521	629	+108
LTV	45.0%	44.9%	-

Sep. 2023 17th FP (forecast)	Mar. 2024 18th FP (forecast)	Changes
6,921	6,947	+26
5.1%	5.1%	-
1,375	1,382	+7
5,546	5,565	+18
4.1%	4.1%	-
5,347	5,360	+12
629	992	+363
44.9%	44.9%	-

Memo

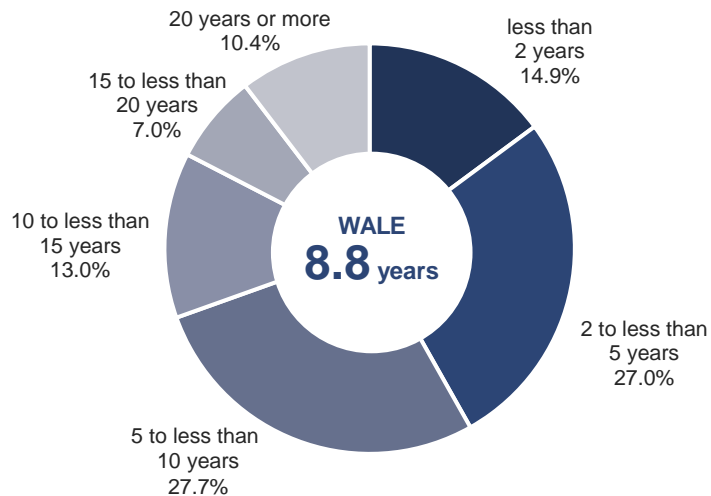


02 KRR highlights and updates

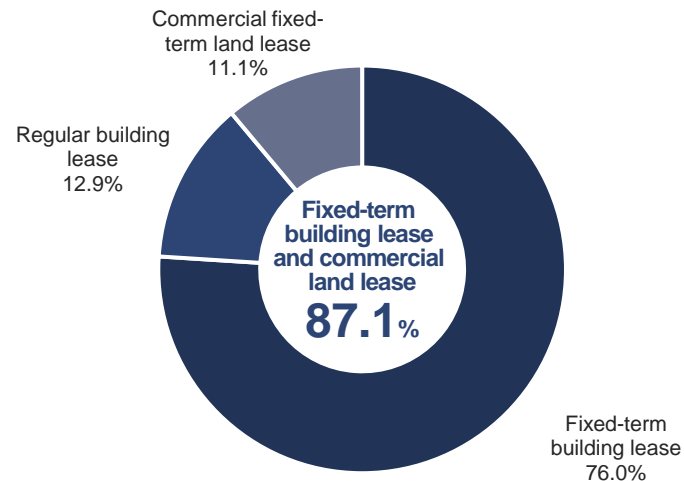
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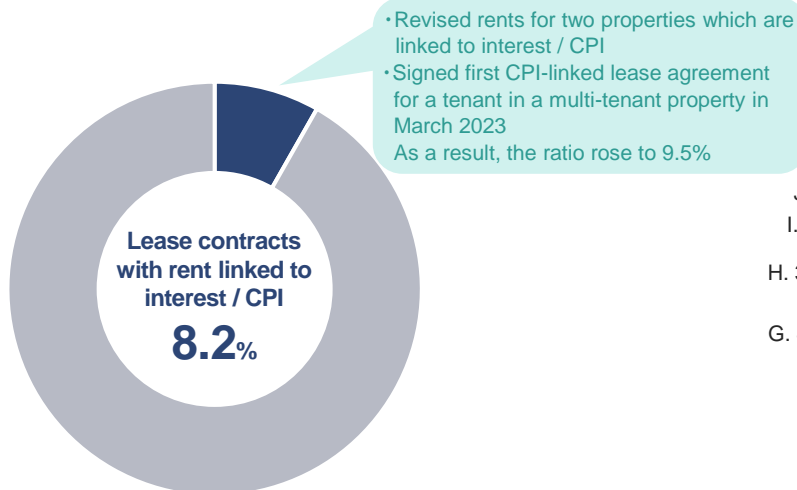
Lease expiry profile (by annual fixed rent)



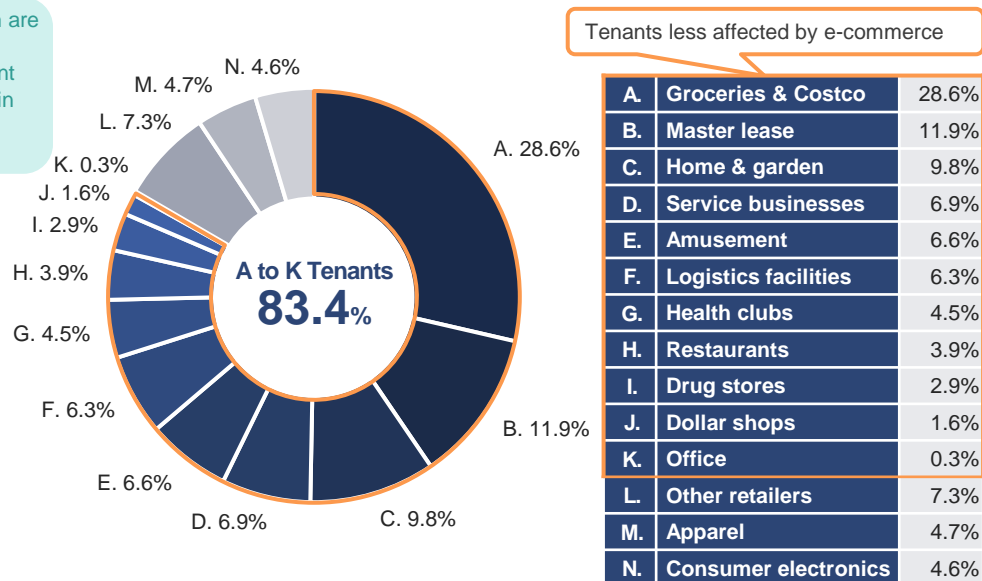
Lease contract type (by annual fixed rent)



Percentage of portfolio with rent linked to interest / CPI (based on rent)

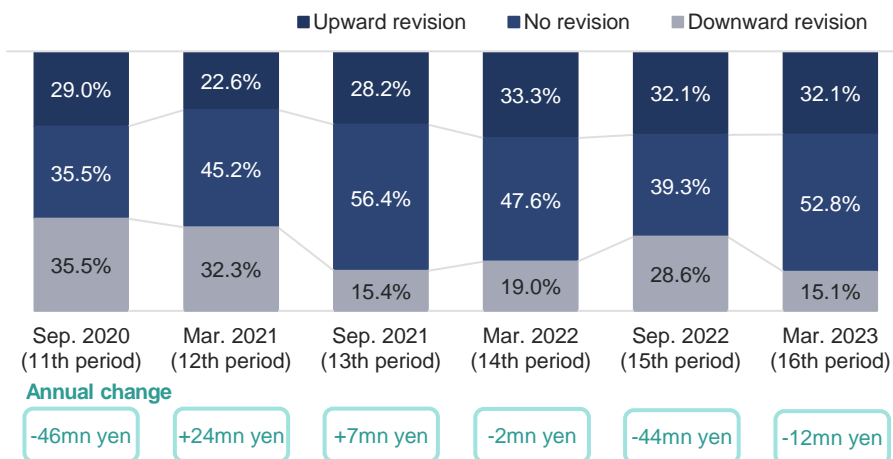


Percentage of tenant categories (based on rents)

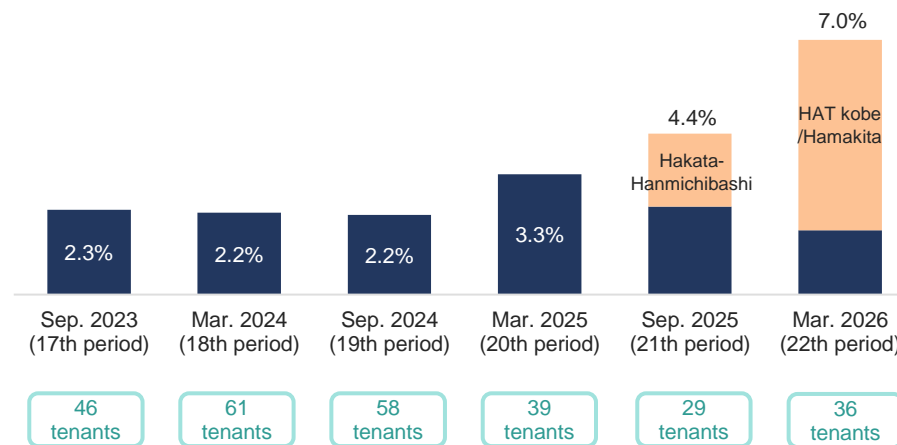


Note 1: The figures are as of Mar. 31, 2023 for the assets owned by KRR as of the date of this material.
 Note 2: Based on the contractual rent determined in the lease contract, including regular building leases.
 Note 3: "Interest/CPI-linked" indicates tenants whose rent contract renews accordingly to the interest rate or CPI.

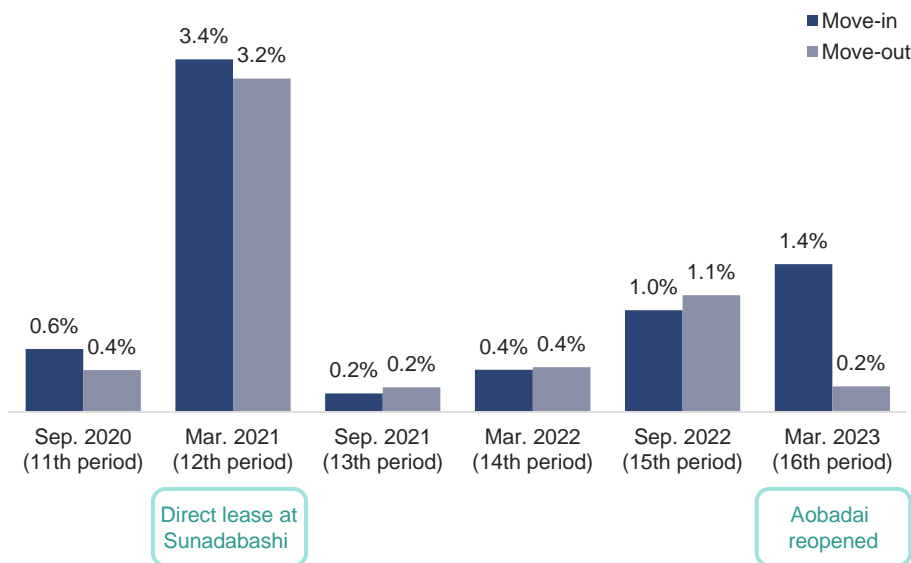
Rent revisions (based on number of revisions) (Note 1)



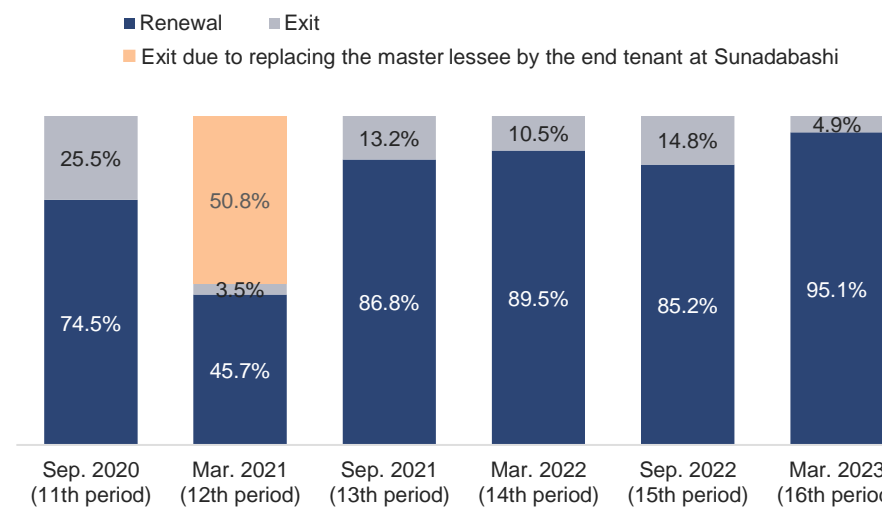
Lease expiry in each financial period (Note 2)



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



Contract renewals at lease expiry in each period



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

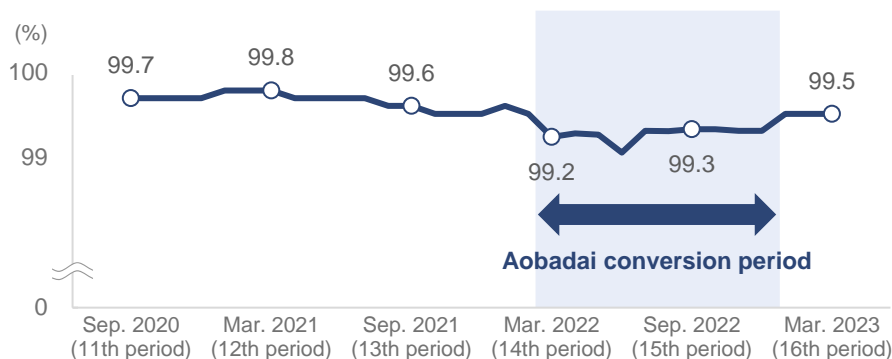
Note 2: Based on the contractual rent determined in the lease contract, including regular building leases, for properties owned as of the date of this material. However, disposed assets are excluded.

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

Response to rent reduction requests amid the pandemic and sales-linked rent

- Occupancy rate stayed stable amid the COVID-19 pandemic
- Achieved rent growth by revision of rents linked to interest / CPI
- Sales-linked rent increased significantly due to the acquisition of iias Kasugai and the recovery in consumption following the convergence of the COVID-19 pandemic

Occupancy rate



Revision of rents linked to interest / CPI and new contracts in the 16th fiscal period

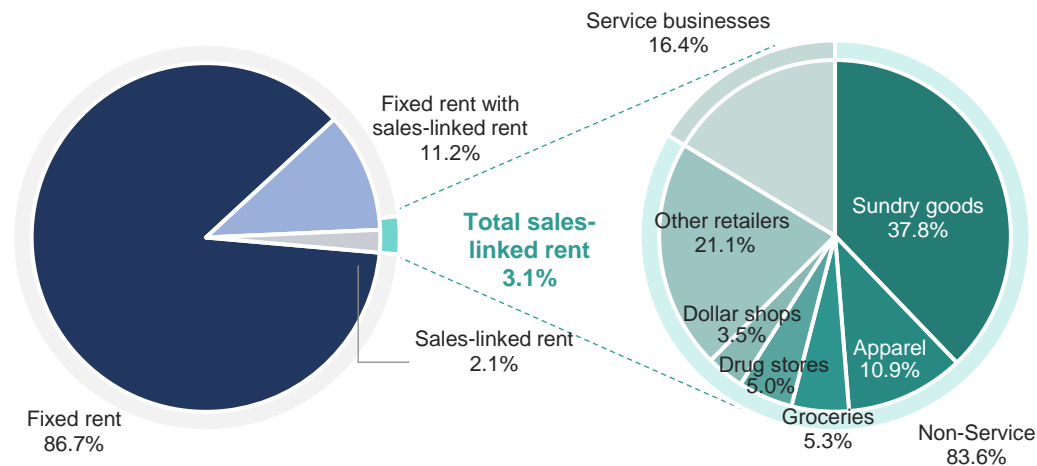
Rents linked to Interest / CPI revisions (2 properties)

Rent increase rate	Rent increase (annual)
Approx. 2.1%	Approx. JPY 9.8mn

First lease agreement linked to CPI for a tenant in a multi-tenant property

Index to be applied	Frequency of revision
Core Core CPI (Composite excluding fresh food and energy)	Every 3 years (First time after 4 years)

Rent type (Oct. 2022 – Mar. 2023) (Note)



Sales-linked rent

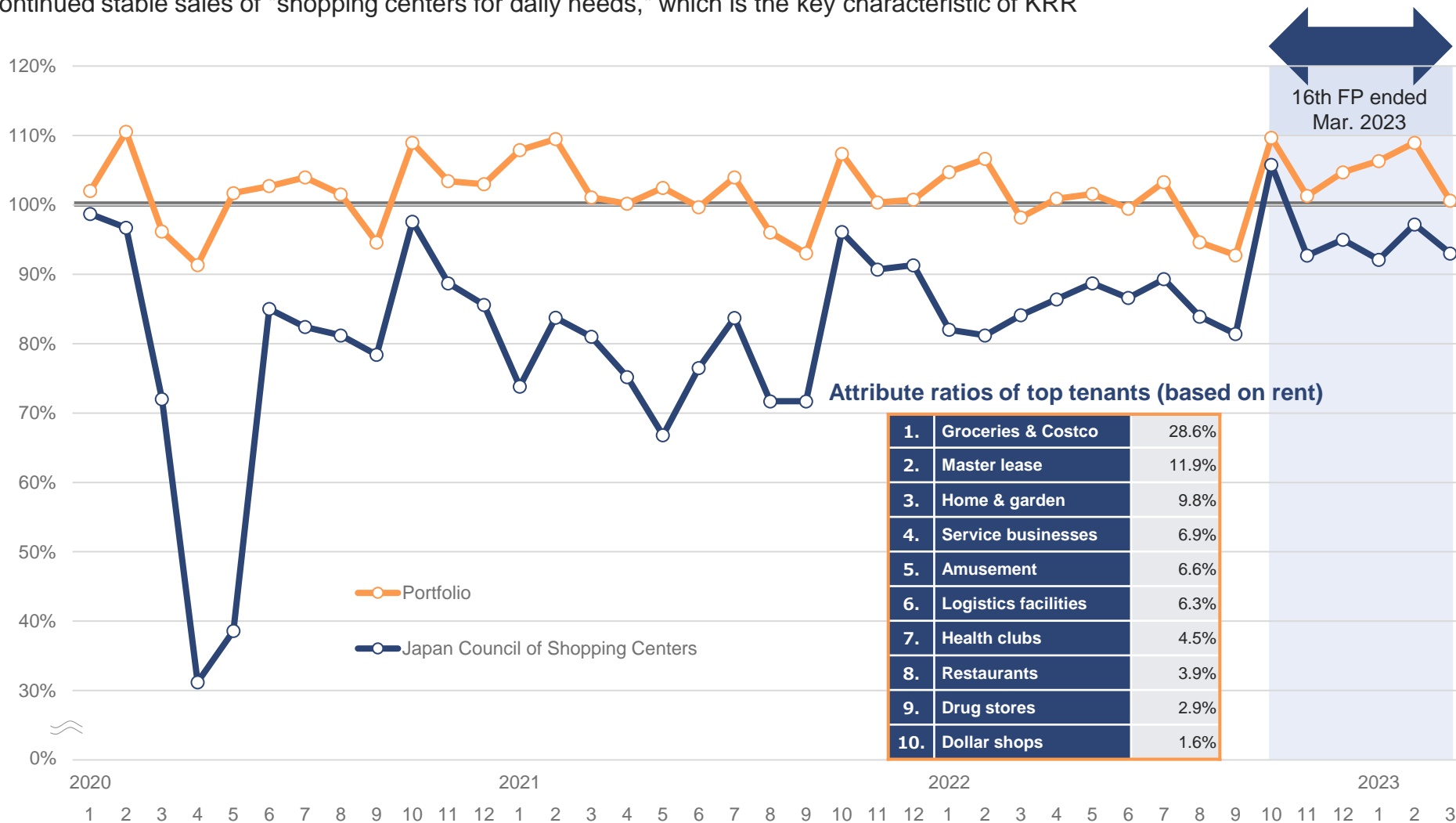
	10th FP Mar. 2020	11th FP Sep. 2020	12th FP Mar. 2021	13th FP Sep. 2021	14th FP Mar. 2022	15th FP Sep. 2022	16th FP Mar. 2023
Total amount of sales-linked rent (JPY mn)	152	116	139	124	133	126	228
Percentage of sales-linked rent (%)	2.6	2.1	2.4	2.1	2.2	2.1	3.1

Acquisition of iias Kasugai led to an increase in the actual amount. Excluding Kasugai, the actual amount recovered to JPY 151mn, the same level as before the COVID-19 pandemic

Note: The figures of "Rent type" is for the 16th FP.

Changes in portfolio sales (Monthly comparison vs. 2019)

■ Continued stable sales of "shopping centers for daily needs," which is the key characteristic of KRR



Source: A Statistical Survey Report on Shopping Center Sales compiled by Japan Council of Shopping Centers

Financial highlights

	14th FP	15th FP	16th FP
Long-term debt ratio	99.4% >>	99.4% >>	97.6%
Fixed interest debt ratio	98.6% >>	98.6% >>	96.6%
LTV ^(Note 1)	44.7% >>	44.9% >>	45.0%
Number of lenders	18 >>	18 >>	20

Credit rating

Japan Credit Rating Agency (JCR)
Long-term Issuer Rating

AA- (stable)

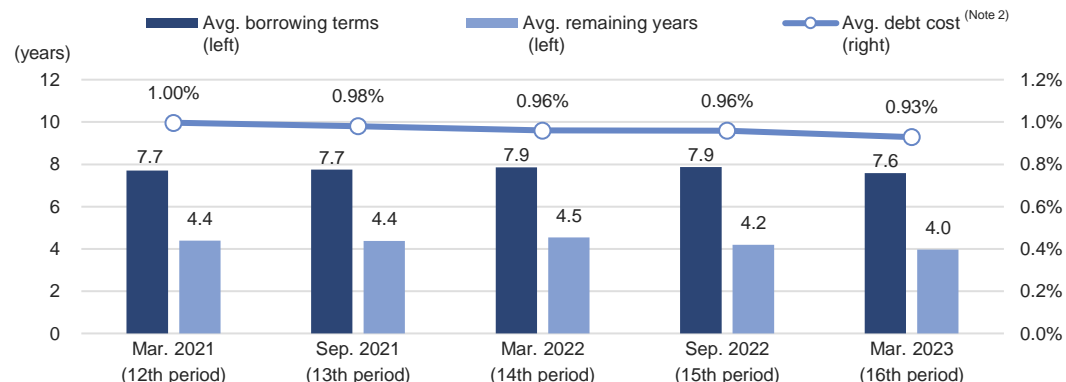
Green finance

Procured JPY 20.8bn in total

	Green bonds		Green loans			
	Outstanding JPY 4.0bn		Outstanding JPY 16.8bn			
	7th Series Investment Corporation Bonds	8th Series Investment Corporation Bonds	Debt Financing Series 46	Debt Financing Series 48	Debt Financing Series 51	Debt Financing Series 52
Amount	JPY 2.0bn	JPY 2.0bn	JPY 7.0bn	JPY 2.05bn	JPY 0.75bn	JPY 7.0bn
Issue / Average borrowing period	10 years	5.3 years	7.4 years	6.3 years	1.0 year	4.5 years

Note 1: LTV = (loan balance + investment corporation bond balance) / total assets
Note 2: The figures include upfront fees.

Average borrowing terms, remaining years to maturity and debt cost



New borrowing terms (incl. refinances and investment corporation bonds)

Adjusted borrowing periods to reduce average debt cost amid unstable interest rate environment

	12th and 13th FP	14th FP	15th FP	16th FP
Average borrowing period	6.1 years	6.9 years	4.7 years	4.0 years
Average debt cost	0.75%	0.75%	0.64%	0.73%

Eligible green assets **Upgraded to AA-**

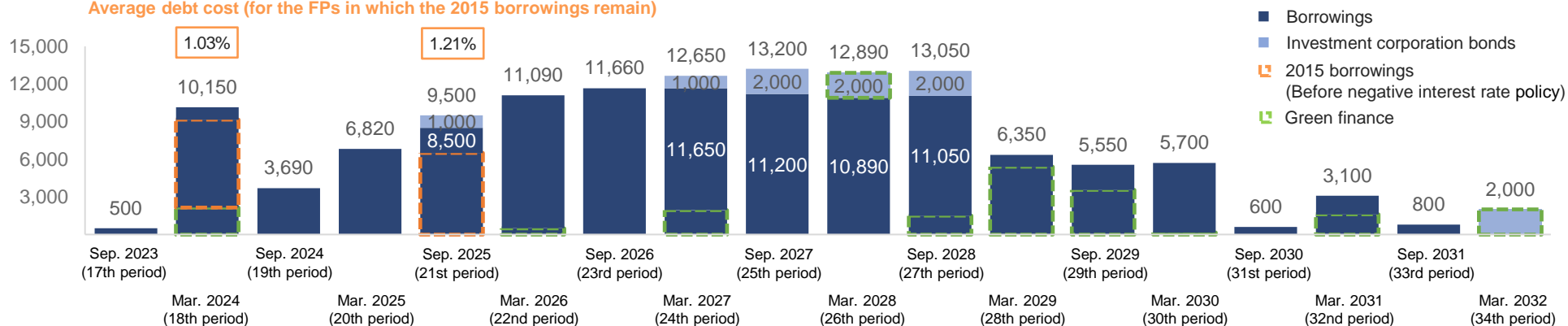
Eligible properties in KRR's portfolio: 23 properties with total acquisition price of JPY 161.5 bn (as of Apr. 30, 2023)

DBJ Green Building Certification "3 stars" or higher	Certification for CASBEE for Real Estate "B+ rank" or higher	BELS Assessment "★★★" or higher
DBJ Green Building		

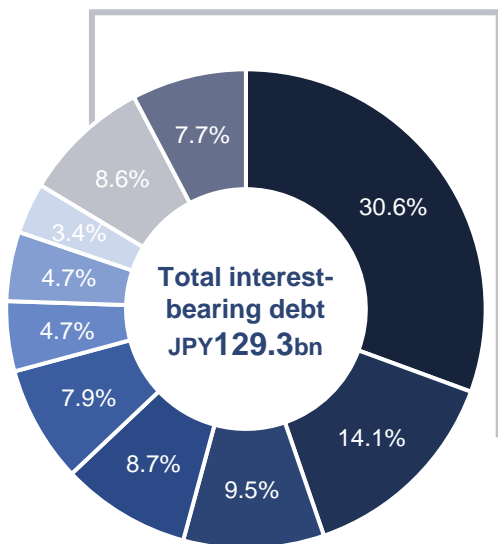
Maturities of interest-bearing debts

(JPY mn)

Average debt cost (for the FPs in which the 2015 borrowings remain)



Breakdown of debt outstanding



Counterparty	(JPY mn)
Sumitomo Mitsui Banking Corp.	39,570
MUFG Bank, Ltd.	18,260
Mizuho Bank, Ltd.	12,270
Development Bank of Japan Inc.	11,290
Sumitomo Mitsui Trust Bank, Ltd.	10,170
Resona Bank, Ltd.	6,100
Mizuho Trust & Banking Co., Ltd.	6,050
Aozora Bank, Ltd.	4,440
SBI Shinsei Bank, Ltd.	1,800
The Bank of Fukuoka, Ltd.	1,500
The Musashino Bank, Ltd.	1,450
Sumitomo Life Insurance Co.	1,000
Shinkin Central Bank	1,000
The Gunma Bank, Ltd.	900
Nippon Life Insurance Co.	700
The Yamaguchi Bank, Ltd.	700
Kansai Mirai Bank, Ltd.	600
The 77 Bank, Ltd.	500
The Nishi-Nippon City Bank, Ltd.	500
The Higo Bank, Ltd.	500
Investment corporation bonds	10,000

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

Counterparty	Maximum amount	End of contract term
Sumitomo Mitsui Banking Corp.	JPY 1,000 mn	Mar. 31, 2024
Mizuho Bank, Ltd.	JPY 1,000 mn	Mar. 31, 2024
MUFG Bank, Ltd.	JPY 1,000 mn	Mar. 31, 2024

Investment corporation bonds

Bond	Amount of issuance	Interest rate	Issuance date	Term
2nd Series	JPY 1,000 mn	0.60%	Oct. 2016	10 years
4th Series	JPY 2,000 mn	0.70%	Aug. 2017	10 years
5th Series	JPY 2,000 mn	0.70%	Apr. 2018	10 years
6th Series	JPY 1,000 mn	0.40%	Apr. 2020	5 years
7th Series (Green bonds)	JPY 2,000 mn	0.46%	Jan. 2022	10 years
8th Series (Green bonds)	JPY 2,000 mn	0.50%	Jun. 2022	5 years and 4 months



03

Growth strategies and ESG initiatives

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- Continue **focused investments in shopping centers for daily needs** as a source of stable cash flow and **selective investment in retail distribution centers** that meet the demand from e-commerce
- **Explore the upside potential by increasing sales-linked rent** with a focus on post-pandemic environment, along with the stability of shopping centers for daily needs as a base
- The impact of electricity charges fluctuations is more limited due to various measures.
Aim to further reduce the impact of electricity charges by promoting energy conservation

Strategies in with/ post-pandemic environment

Increase in unit price

- Grow revenue by improving occupancy rate and increasing sales-linked rent
- Aim to improve the utility cost by installation of solar panels, etc.
- Make distinctive efforts, such as property conversion and expansion
- Stabilized DPU target:
JPY 7,000^(Note)

AUM expansion

- Acquire assets using the sponsor support and proprietary network
- Expand AUM through public offerings at appropriate timing
- Consider asset reshuffling and unit buyback when conducting a public offering is difficult
- AUM target:
JPY 340 bn^(Note)

Credit improvement

- Reduce funding costs
- Financing leveraging high credit rating (AA-)

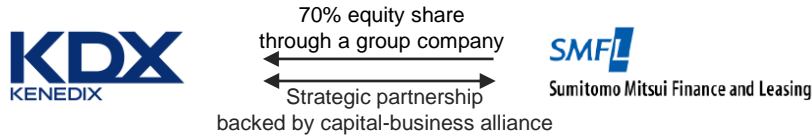
Promotion of ESG initiatives

- Strengthen the initiatives to achieve decarbonization targets
- Further enhance disclosures on ESG in line with TCFD recommendations
- Expand green finance

Leveraging strong support from the Sponsor and Alliance Companies

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

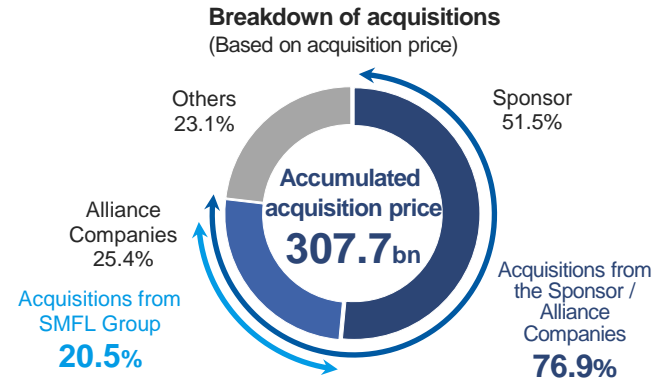
Sponsor's enhancement of support capability



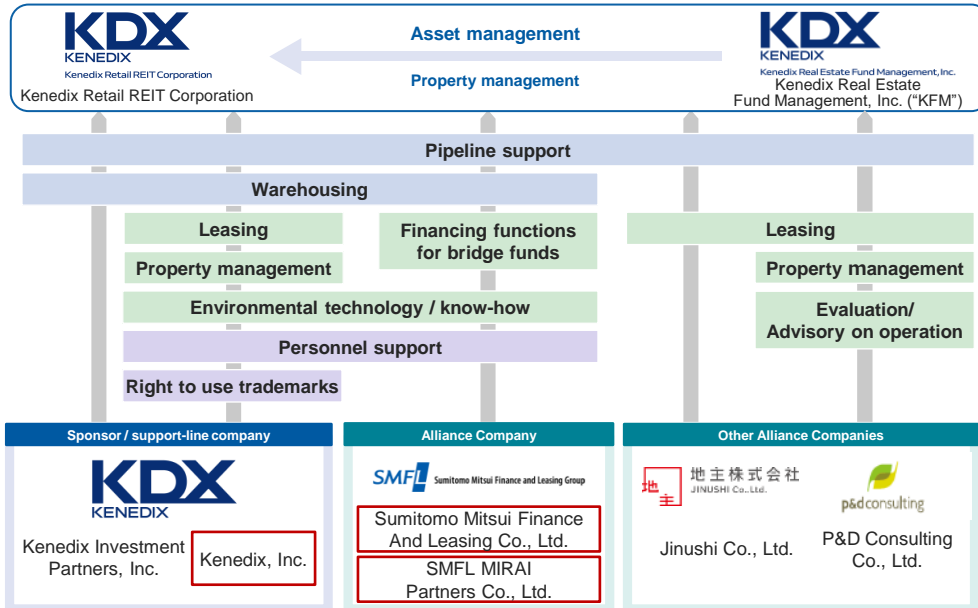
Synergy effects

- Strengthening REIT and private placement fund businesses
- Supplementation of creditworthiness and enhancement of fund-raising capacity
- Expansion of new business domains
- Sharing know-how on SDGs management
- Strengthening competitiveness by sharing experience, knowledge, and know-how through mutual exchange of human resources

External growth by utilizing Sponsor and Alliance Companies pipelines



Strong support from the Kenedix Group and Alliance Companies



Kenedix, Inc. : KFM's parent companies

Sample pipelines (Note)



Note: KRR has not decided to acquire these properties and there is no guarantee that it can acquire these properties in the future.

NSC Neighborhood Shopping Center iias Kasugai

One of the largest NSCs, newly built in Kasugai, Aichi, with a stable retail trade area and diversified tenants



Highlights

- The population of Kasugai is over 300,000, and both population and number of households have been stable. The city has many residential districts including Kozoji New Town, providing a densely populated retail trade area
- The property has good access from several national roads and a highway. It also has two bus routes from the nearest station, Kasugai Station on JR Chuo Line, making the property accessible for customers
- Tenants include Seiyu and one of the nation's largest Mujirushi Ryohin stores. The tenant mix is exercising competitiveness on the back of post-COVID recovery and an outlook for increased demand for enjoyment of experiences, with a high percentage of service-providing tenants, including Round1 housed on the third floor

ESG

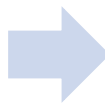
Enhancement of ESG initiatives and further improvement of profitability through the installation of solar panels

Assumed increase in NOI

JPY **9mn**

Capex (Planned)

JPY **82mn**

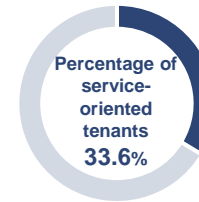


Anticipated NOI yield (Investment return)

11.4%

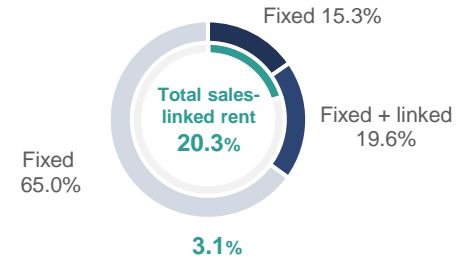
Potential High ratios of service-oriented tenants and sales-linked rent

Percentage of service-oriented tenants (based on actual rent) (Oct. 2022 - Mar. 2023)



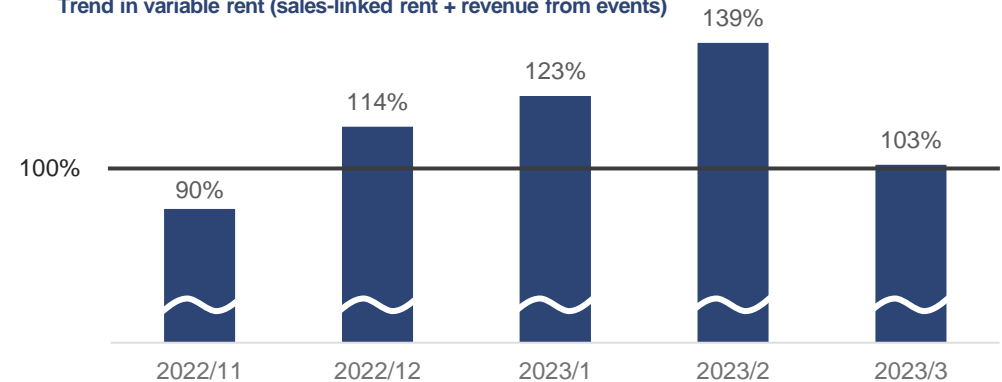
portfolio **21.9%**

Sales-linked rent (based on actual rent) (Oct. 2022 - Mar. 2023)



Internal growth (1) Solid variable rent with the easing of restrictions on activity

Trend in variable rent (sales-linked rent + revenue from events)



Internal growth (2) Realized internal growth by reducing building management costs

Decrease in building management costs

JPY **35mn / year**

Re-evaluation of costs in line with actual operations one year after opening

Completion of conversion of Kitera Plaza Aobadai

- A former health club near Aobadai Station overhauled into an NSC and reopened in March 2023
- The property's core tenant is grocery supermarket OK, and also houses a medical mall and other tenants providing goods and services to support users' daily lives

Overview

Acquisition price ^(Note)	JPY 3,453mn	Appraisal value	JPY 3,680mn
Location	Yokohama, Kanagawa	Appraisal NOI	JPY 162mn
Main tenant	OK Corporation	Appraisal NOI yield	4.6%

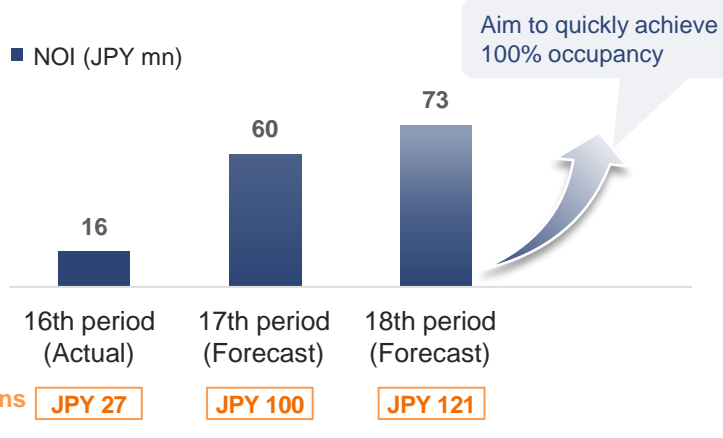
Progress in leasing

- Leasing is more or less on schedule. Further upside is expected going forward

Trend in anticipated occupancy rate

2023/3	2023/9	2024/3
78.0% (Actual)	78.0%	89.5%

Trend in anticipated NOI and contribution to distributions



Key point of the project

- ✓ Covered to a shopping center for daily needs, which is resilient to COVID-19 and e-commerce by utilizing Kenedix group's tenant network

New

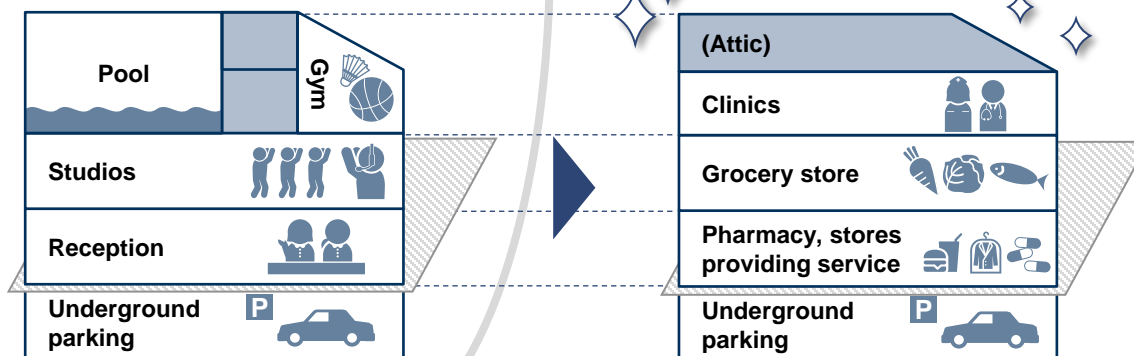
Before conversion

Health club



After conversion

Supermarket, clinics, etc.



Note: The acquisition price includes the JPY 990mn construction cost for conversion

Extension of Unicus Ina

- Unicus Ina was extended for the second time, utilizing unutilized space to improve profitability and asset value
- Facility sales and number of visitors both grew by more than 7% after the start of business of Restaurant building B

Overview of the property



Total construction cost JPY **95** mn

Assumed increase in NOI JPY **11** mn

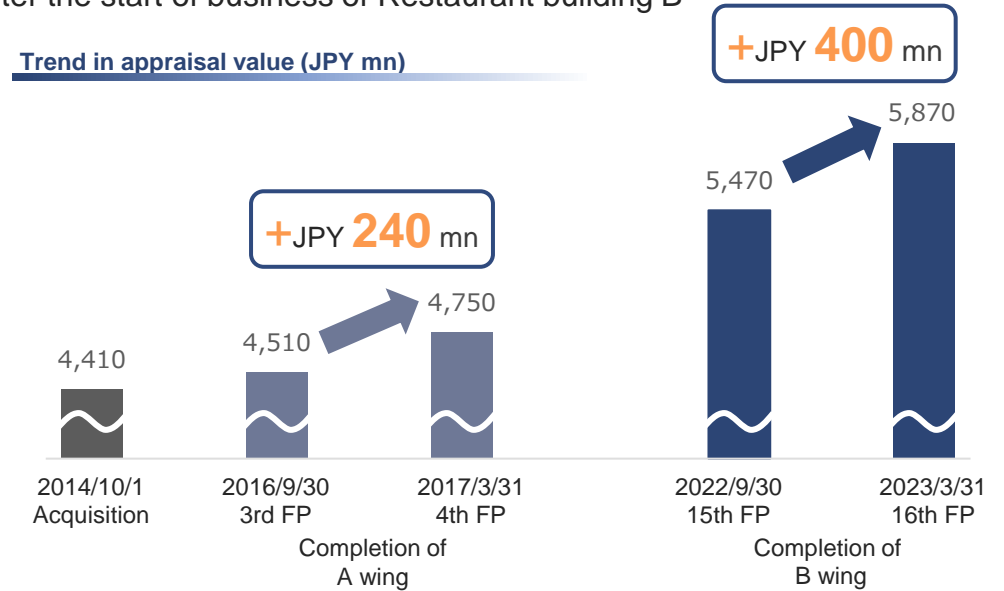
Assumed NOI yield (Investment return) **12.0** %

Total construction cost JPY **172** mn

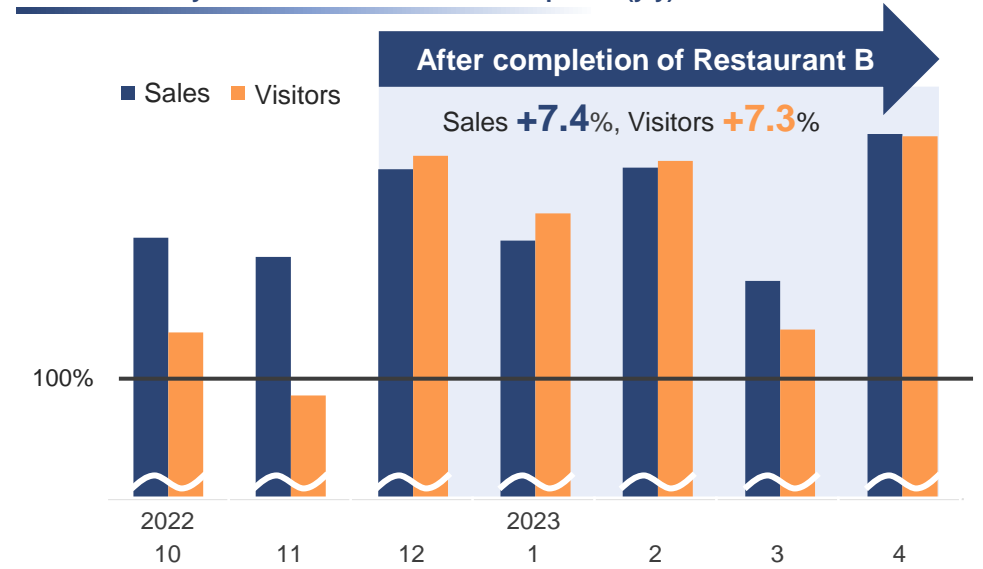
Assumed increase in NOI JPY **16** mn

Assumed NOI yield (Investment return) **9.5** %

Trend in appraisal value (JPY mn)



Trend on facility sales and visitors in the 16th period (y-y)



Note 1: Total construction cost and assumed increase in NOI are calculated based on KRR's equity interest at each point in time.
 Note 2: Appraisal values for Unicus Ina in the 15th and 16th FP are after adjustment of ownership interest.

Promoting ESG initiatives

KRR promotes ESG initiatives for the purpose of enhancing unitholder value in the medium- to long-term

Major ESG initiatives							
E (Environment)	<p>Awarded GRESB Rating in the 2022 GRESB Real Estate</p> <p>Awarded 4 Star Rating for fourth consecutive year</p>	<p>Disclosed analysis on climate change in line with TCFD recommendation</p>	<p>Medium- to long-term targets for GHG emission reduction</p> <table border="1"> <thead> <tr> <th>By FY2030</th> <th>By 2050</th> </tr> </thead> <tbody> <tr> <td>40% reduction (vs. FY2015)</td> <td>Net-zero</td> </tr> </tbody> </table> <p>Updated target in March 2023 (Carbon neutral → Net zero)</p>	By FY2030	By 2050	40% reduction (vs. FY2015)	Net-zero
By FY2030	By 2050						
40% reduction (vs. FY2015)	Net-zero						
S (Social)	<p>Collaboration with local communities</p>	<p>Hosting Clothing Recycling event</p>	<p>Decision to introduce investment unit ownership program</p>				
G (Governance)	<p>Unitholder value-linked management fee structure</p>	<p>Same boat investment by Kenedix, Inc.</p>	<p>Kenedix Group's strong commitment</p>				
Sustainability Office and Sustainability Committee covering REITs managed by KFM		<p>Sustainability Office</p> <ul style="list-style-type: none"> ✓ Dealing with matters relating to sustainability and ESG in KFM ✓ Published the first Sustainability Report of KFM, introducing ESG initiatives of its managing REITs 	<p>Sustainability Committee</p> <ul style="list-style-type: none"> ✓ Chaired by the President of KFM, for the purpose of enhancing approaches to sustainability and ESG 				

ESG initiatives (environment and social)

Environment initiatives

The number of certified properties and certified floor area (as of Apr. 30, 2023)

Newly certified properties

The number of certified properties	Total certified floor area	Ratio (based on gross floor area)
23 properties	608,478.02m²	69.5% (Target: 70%+)

No.	Property Name	DBJ Green Building Certification	Certification for CASBEE for Real Estate	BELS Certification
T-2	MONA Shin-Urayasu	★★★		
T-3	Passaggio Nishiarai	★★★		
T-4	Unicus Ina	★★★		
T-7	Unicus Yoshikawa		S	
T-19	Yumemachi Narashinodai Mall		S	
T-20	Kawamachi Yahagi Mall	★★★		
T-25	Apita Terrace Yokohama Tsunashima		S	★★★★★
T-26	Kalsa Hiratsuka		S	
T-31	Kitera Town Chofu		S	
O-1	Blumer Maitamon		S	
O-4	Blumer HAT Kobe	★★★		
O-5	Carino Esaka		A	
O-6	COMBOX Komyoike		S	
N-4	Homecenter Kohnan Sunadabashi		S	
N-6	Resora Obu Shopping Terrace		S	
N-8	iiias Kasugai			★★★★★
F-4	Kitera Town Fukuoka-Nagahama		A	
R-1	Roseo Mito	★★★		
R-4	Ashico Town Ashikaga	★★★		
R-5	Yorktown Shinden-Higashi		S	
R-10	Sun Street Hamakita	★★★		
R-1	Costco Wholesale Sapporo Warehouse		A	
L-3	Musashi Ranzan Distribution Center		A	

Social initiatives

Contribution to community

Collaboration with local communities

- ✓ Entering into agreements, allowing the property to be used as a temporary shelter at emergency



Ashico Town Ashikaga

Hosting Clothing Recycling event

- ✓ Hosting an event organized by BRING, a project aimed at recycling used clothing



Blumer Maitamon

SDGs educational events for children

- ✓ Holding an event featuring essence of SDGs



Sun Street Hamakita

Supporting Japan for UNHCR

Property name
MONA Shin-Urayasu
Passaggio Nishiarai
Kitera Town Chofu
Blumer Maitamon
Blumer HAT Kobe
Carino Esaka
COMBOX Komyoike
Resora Obu Shopping Terrace



Passaggio Nishiarai

- ✓ Providing common areas of our retail properties for their fund-raising campaign
- ✓ In 2022, the campaign locations were provided at the following 8 properties

Efforts for employees

Introduction of investment unit ownership program

- ✓ In August 2022, Kenedix, Inc. decided to introduce an investment unit ownership program for employees
→For KRR, the application period started in November 2022 (after the announcement of the 15th FP)
- ✓ The introduction of investment unit ownership program aims to facilitate their wealth building as well as to enhance unitholder value over the medium- to long-term by promoting further alignment of interests with KRR's unitholders

Recognized as "2023 Certified Health & Productivity Management Outstanding Organization"

- ✓ Kenedix group is committed to
 - 1) Attracting and retaining talents, and developing their careers,
 - 2) Health and wellbeing of employees, and
 - 3) Diversity and equal opportunities in order to create ideal work environment

ESG initiatives (governance)

The Kenedix Group's strong commitment to J-REITs

The Kenedix Group's J-REIT assets (as of Dec. 31, 2022) constitute about a half of their AUM. Sound growth of the J-REITs is in line with their interests

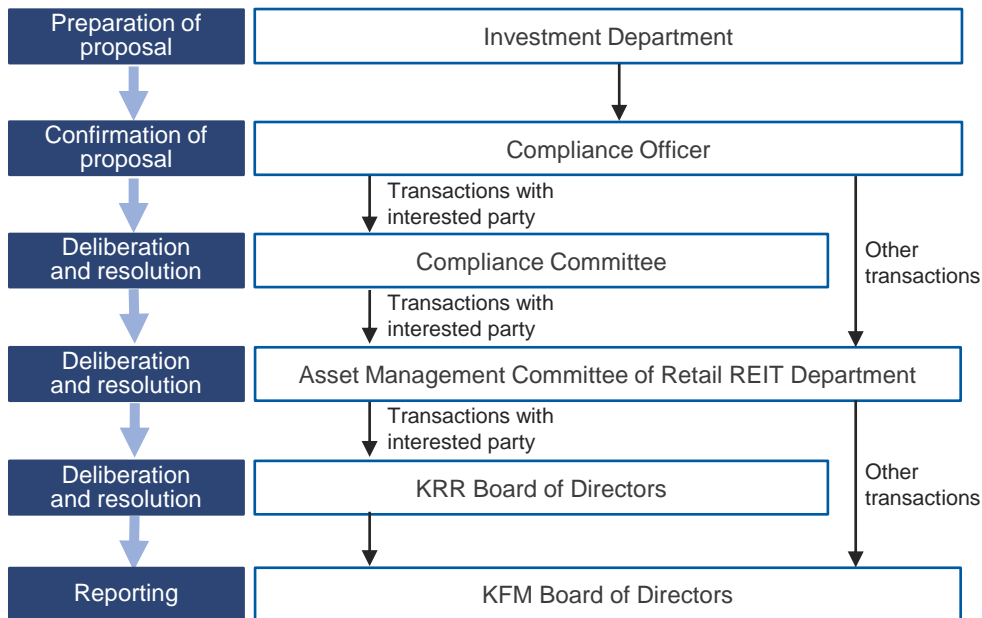


Investment in KRR by Kenedix, Inc.

(As of Mar. 31, 2023)



Decision-making process for related-party transactions

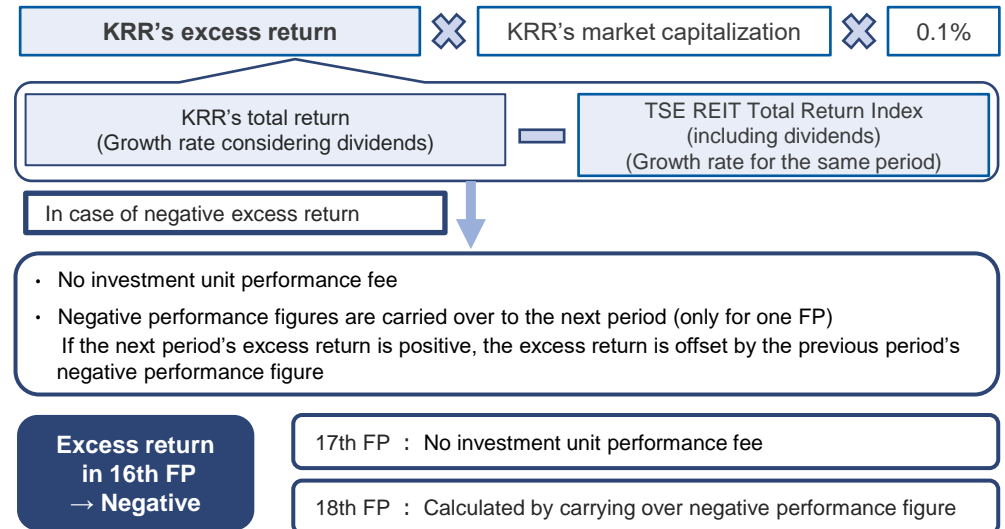


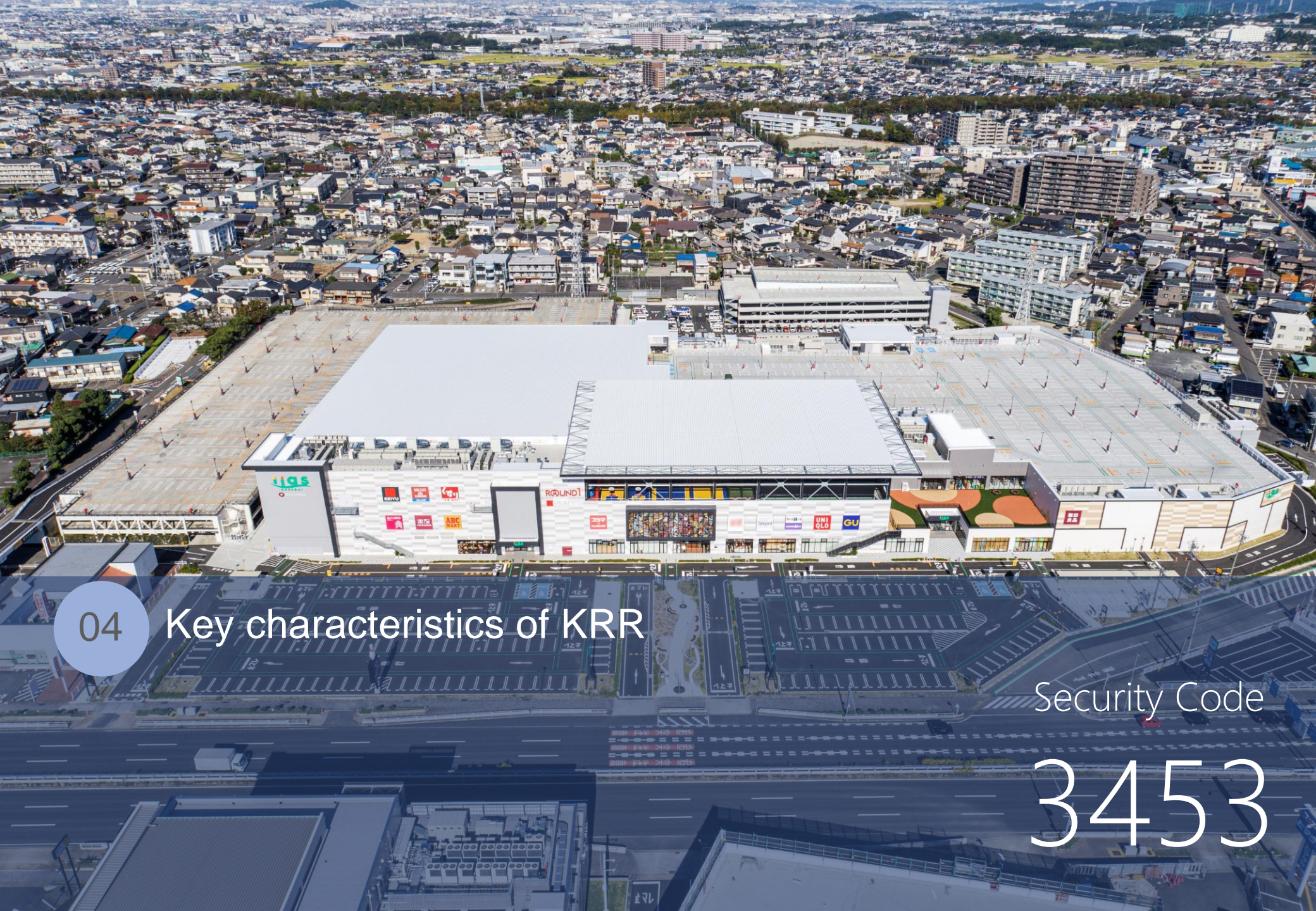
Unitholder value-linked management fee structure

KRR has introduced a fee structure providing incentives to enhance unitholder value

	Fee structure providing incentives to enhance unitholder value
Asset management fee	I Total assets at the end of the previous FP x 0.27% (annual rate)
	II Net income x DPU x 0.0013%
Investment unit performance fee	KRR's excess returns over Tokyo Stock Exchange REIT Total Return Index (including dividends) x Market capitalization x 0.1%
Acquisition fee	Acquisition price x 1.0% (Including acquisition of buildings through property expansion or reconstruction)
Disposition fee	Disposition price x 0.5%
Merger fee	Appraisal value of the assets to be succeeded x 1.0% (maximum)

The investment unit performance fee structure





04

Key characteristics of KRR

Security Code

3453

“Daily / Neighborhood” type

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

“Weekend / Destination” type

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

Small

Trade area

Large

High

Frequency of customer visits

Low

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

Large-scale suburban retail properties

RSC (Regional shopping centers)

GMS (General merchandise stores)

Stand-alone GMS is excluded from our investment criteria

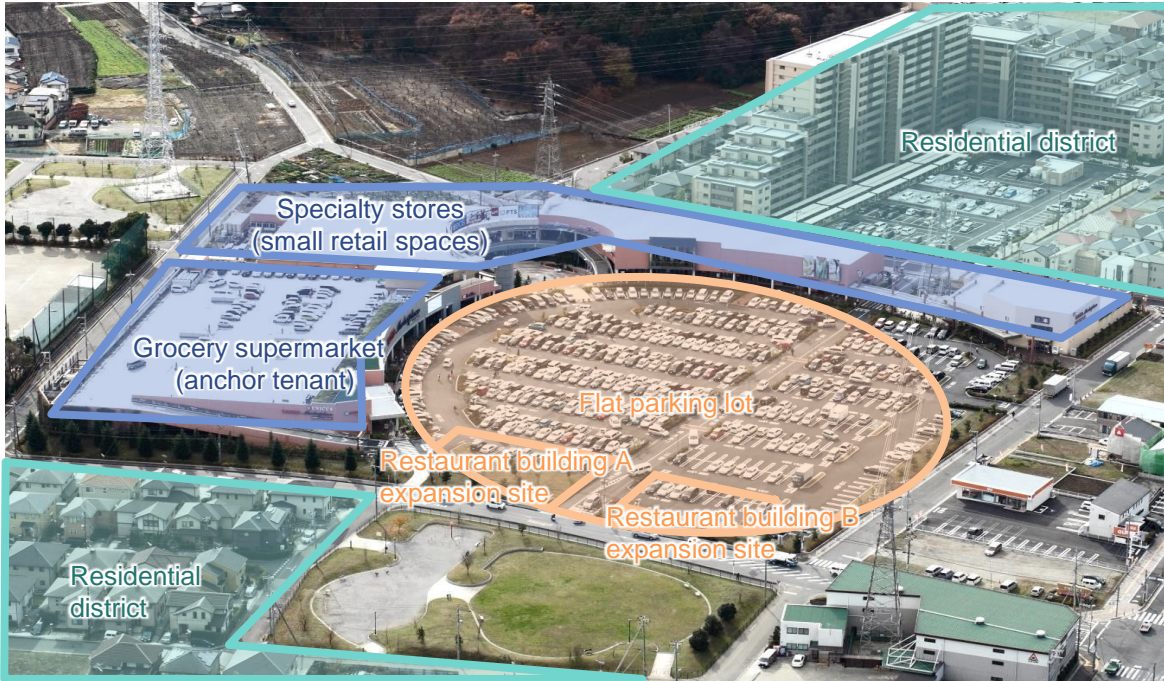
Outlet malls

Urban retail properties featuring

High-end brand shops

Primary characteristics of shopping centers for daily needs

~Unicus Ina~



Location Located within residential areas of a metropolitan commuter district

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

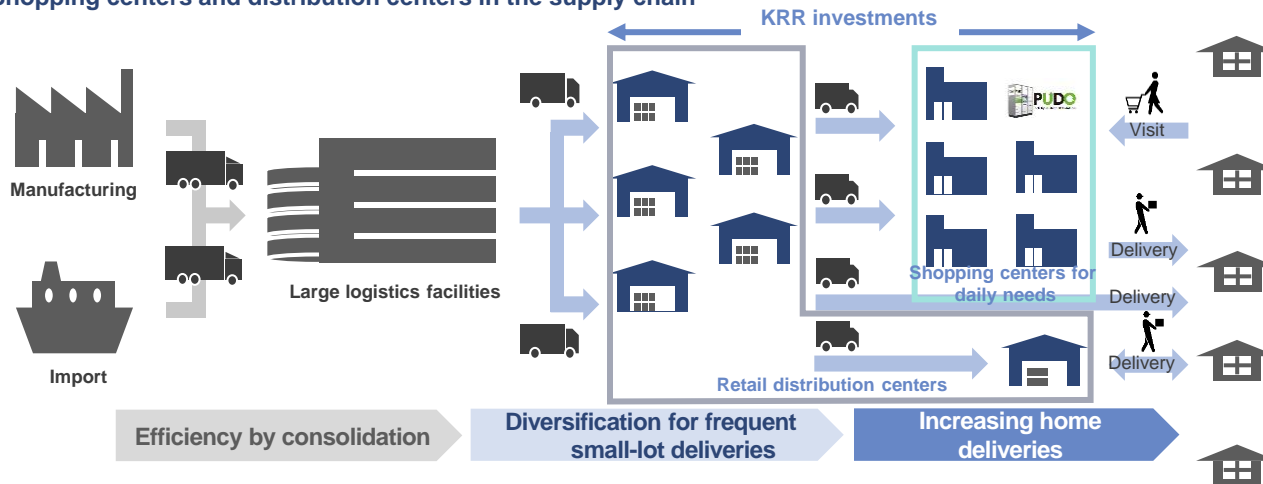
Tenants Providing primarily daily necessities

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

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

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

Shopping centers and distribution centers in the supply chain



Target portfolio distribution



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

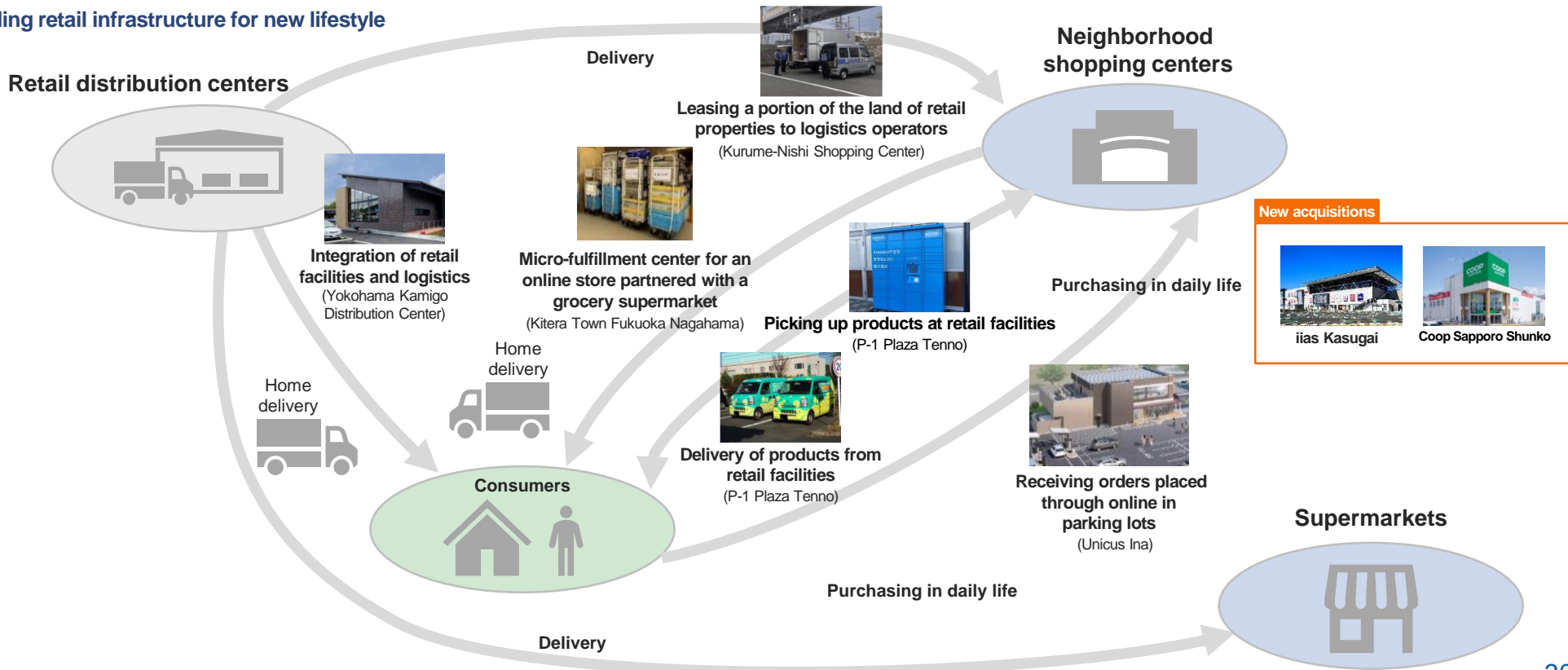
Providing consumers with retail infrastructure that grows in importance amid the pandemic

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

KRR's environmental awareness

Medium- to long-term changes in the market environment with the rise of e-commerce		Acceleration of environment changes amid the pandemic Changes in consumer behavior due to the experience of COVID-19	
Changes in retail facilities with the rise of e-commerce	Challenges faced by the logistics sector with the rise of e-commerce	Changes in consumer behavior amid the pandemic	
<ul style="list-style-type: none"> Partnerships between online and brick-and-mortar retailers Delivery of products from retail facilities Pickup of products at retail facilities (click-and-collect, curbside pickup) Integration of retail and logistics facilities 	<ul style="list-style-type: none"> Frequent small deliveries Shorter lead time Managing the last mile issue Expanding needs for distribution centers close to consumption areas 	<ul style="list-style-type: none"> Change in lifestyles with rising stay-at-home demand Increased bulk purchases with less frequent shopping outside 	<ul style="list-style-type: none"> More demand for e-commerce Large increase in home deliveries More people working from home Increased mid-day population in residential areas

Providing retail infrastructure for new lifestyle



Buying goods at GMS

2007

(JPY bn)

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

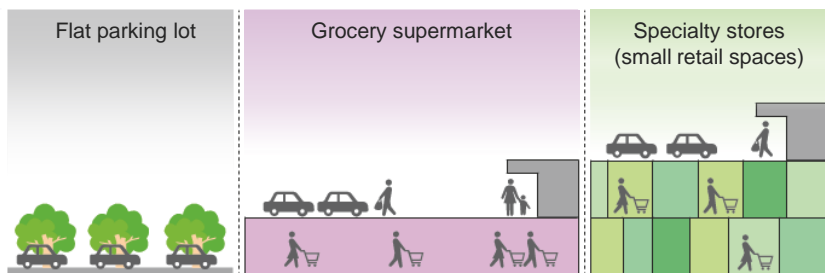
Buying goods at specialty stores

2022

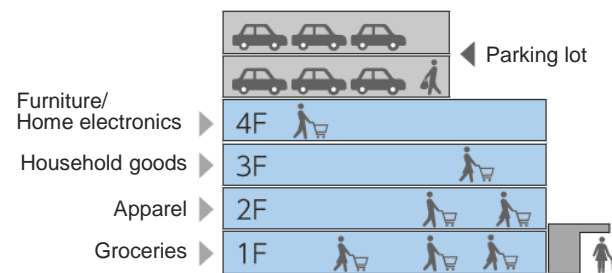
(JPY bn)

	Type of store	Sales	Change
1	Supermarket	18,483.1	+42.6%
2	Convenience store	10,813.7	+45.9%
3	Drug store	9,390.0	+154.3%
4	Other retailers	7,345.4	+27.9%
5	GMS	6,334.7	-26.4%
6	Consumer electronics	5,869.0	+2.6%
7	Apparel	5,413.4	+70.4%
8	Home and garden	3,548.5	+25.1%
9	Department store	3,228.9	-61.0%
10	Consumers' co-operative	2,692.1	+8.2%

Typical shopping center for daily needs



Typical stand-alone GMS



Facilities of shopping center for daily needs

VS

Facilities of stand-alone GMS

Small to medium

Retail trade area

Medium to large

High (low-rise building)

Ease of getting around

Low (high-rise building)

Large flat parking lot

Parking lot

Multilevel parking lot

Grocery supermarket + Specialty stores

Tenants

GMS stand-alone

Real estate value of shopping center for daily needs

VS

Real estate value of stand-alone GMS

Potential rental upside upon tenant replacement or contract renewal

Upside potential

Limited frequency of upward rent revisions

Property expansion leveraging underutilized space

Relatively easy

Tenant replacement

Relatively difficult

Expanding market share

Potential for investment

A number of stand-alone GMSs owned by real-estate funds exited the market

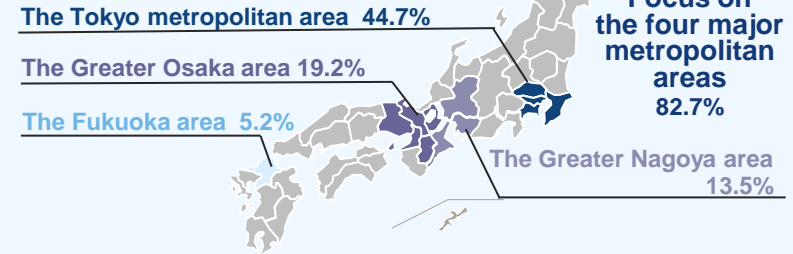
Investment criteria

Focus on the following four elements in making investment decisions:

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

Primary geographic target areas and Percentage of Properties by area (based on acquisition price)

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



Target portfolio distribution (based on acquisition price)

Distribution centers
Other retail facilities
20% or less



Investment in land - Seeking additional growth opportunities

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

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

Beneficial relationship for both Asset Manager and tenants

Advantages to Asset Manager

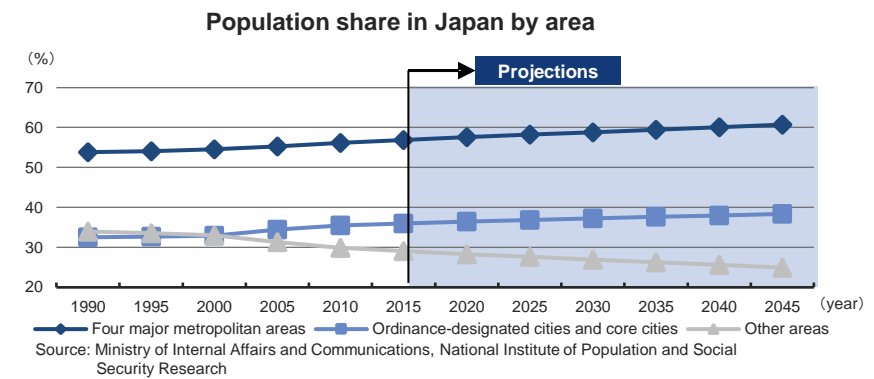
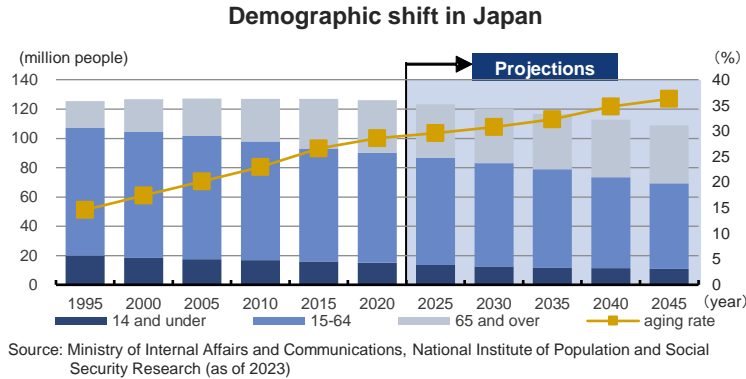
- Generation of long-term stable rents due to a decrease of vacancy risks because tenants will own buildings pursuant to fixed-term land lease agreements
- Stabilization of rent revenue as tenants will pay maintenance costs related to the buildings on such land
- Improvement of payout ratio as depreciation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

Advantages to tenants

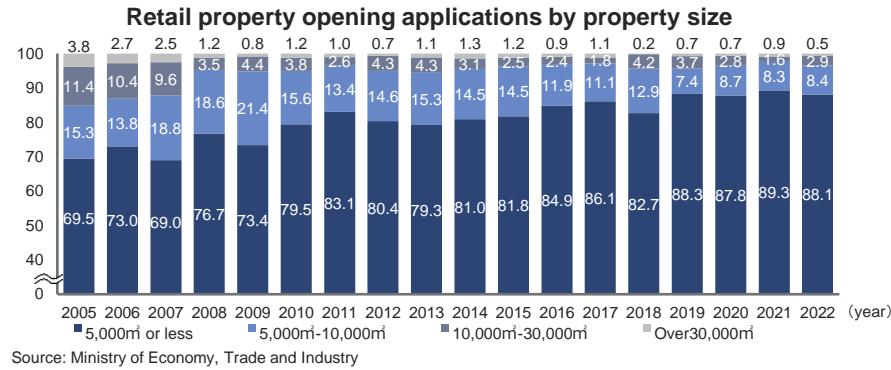
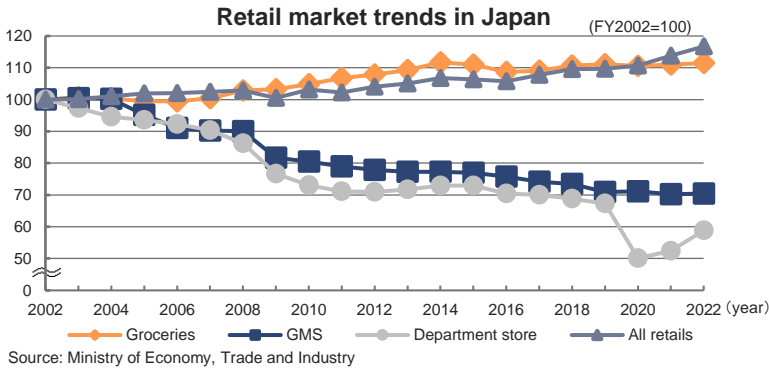
- Tenants that are both the lessee and property owner bear a smaller financial burden when opening a store
- Increased capital efficiency through treatment of land as off-balance sheet
- Simplified procedures for interior renovation of buildings

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

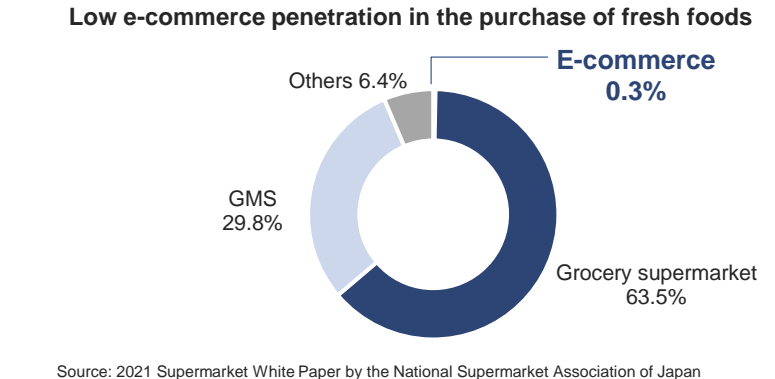
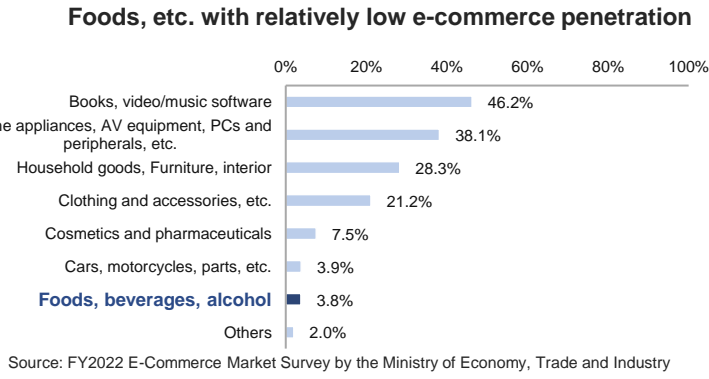
Shrinking retail trade area due to aging and concentrating population in Japan



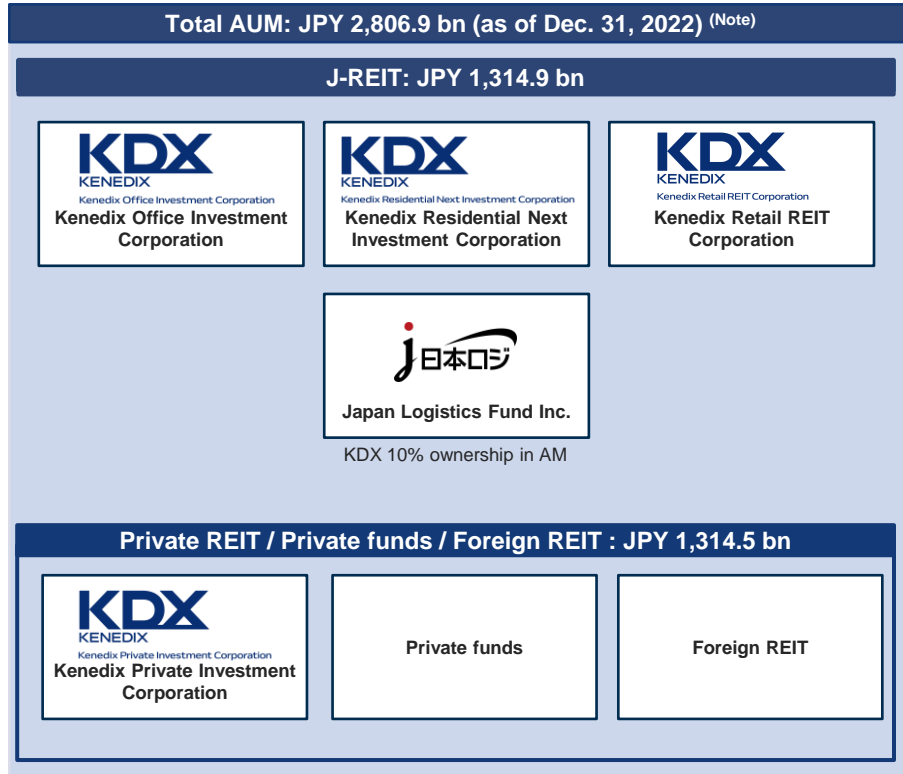
Changing retail facilities



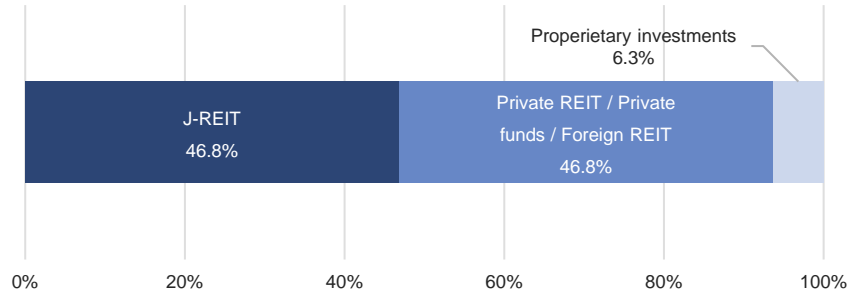
Shopping centers for daily needs are highly resistant to e-commerce



The Kenedix Group's strong commitment to J-REITs

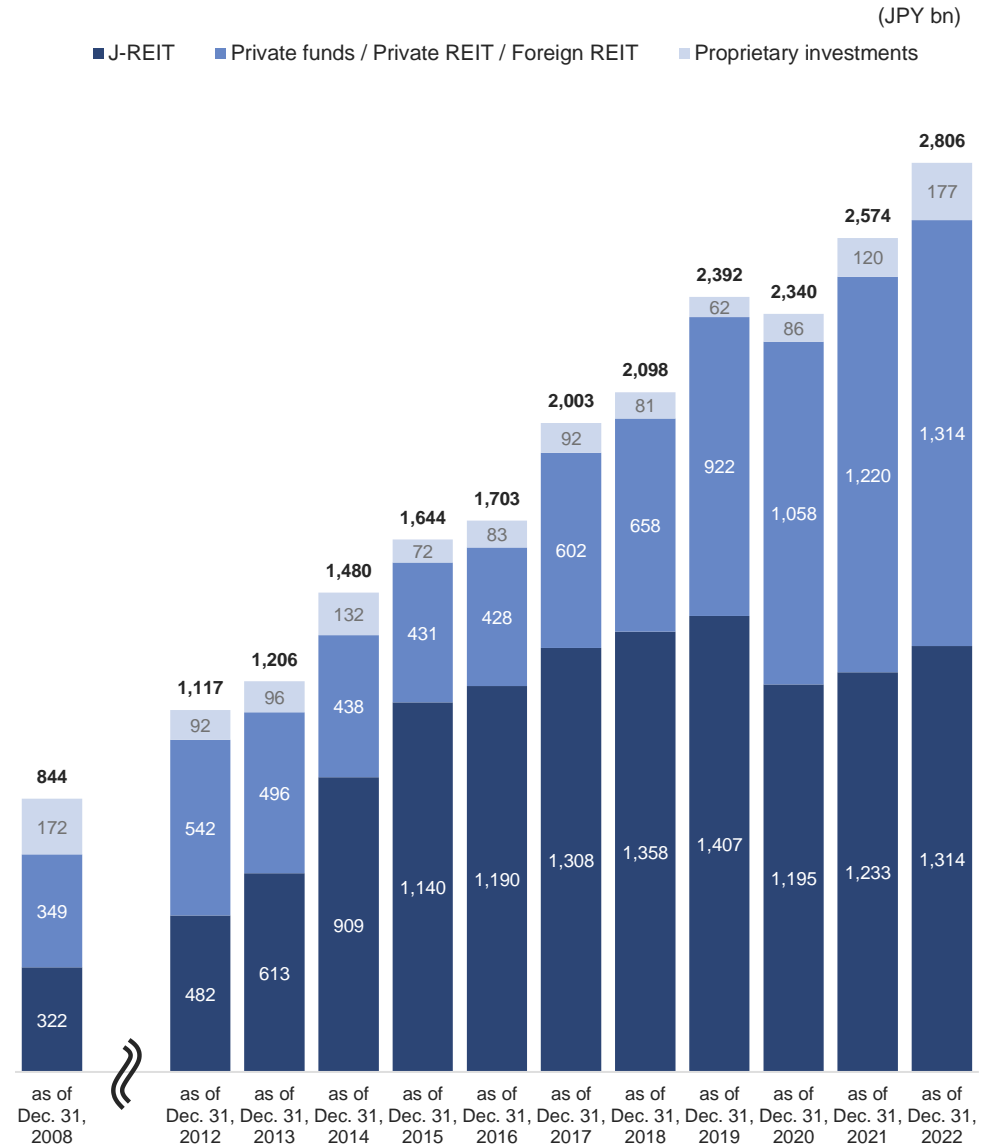


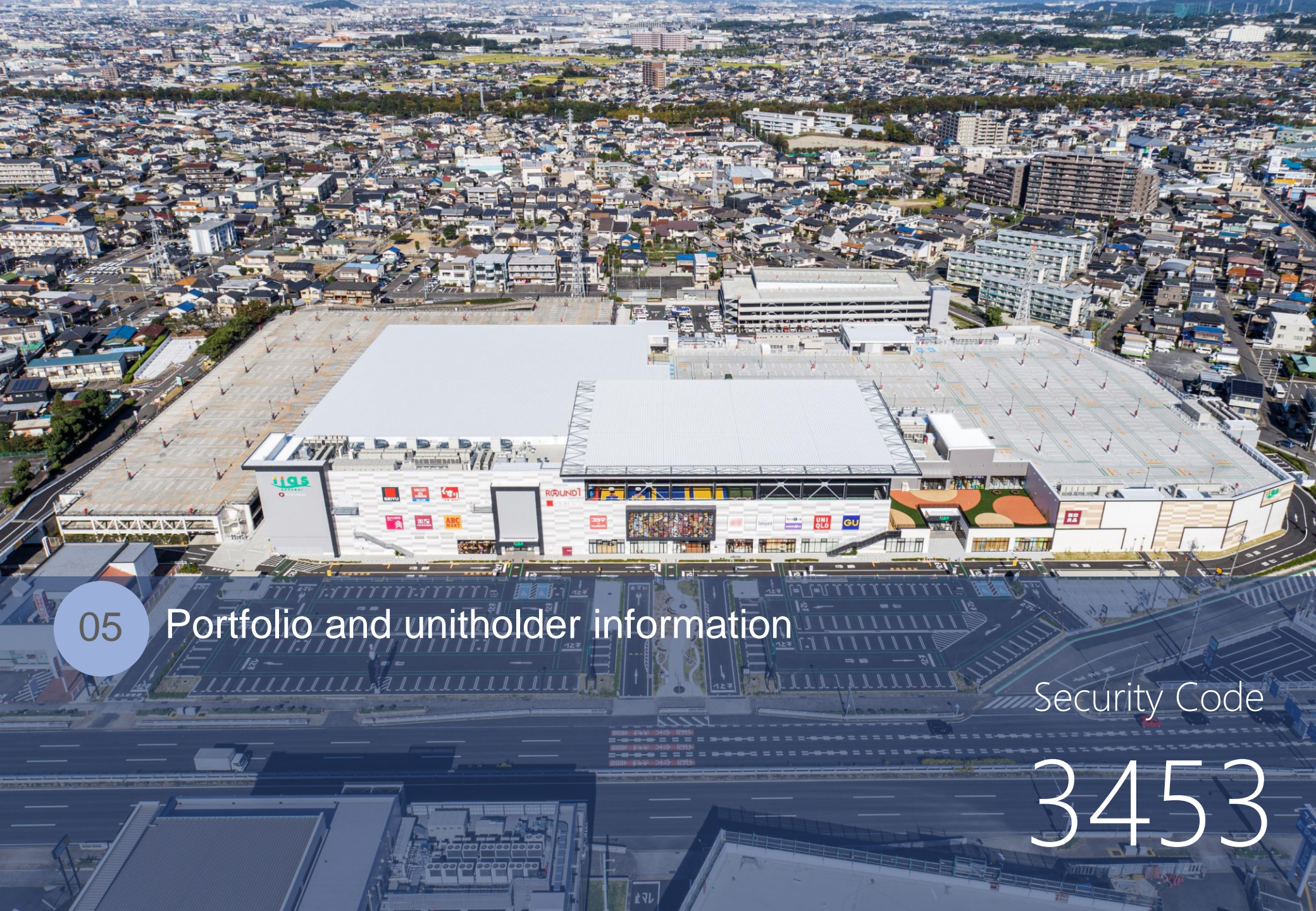
Breakdown of AUM as of Dec. 31, 2022



Note: The Kenedix Group's total AUM includes proprietary investments of JPY 177.4 bn.

The Kenedix Group's total AUM





05

Portfolio and unitholder information

Security Code

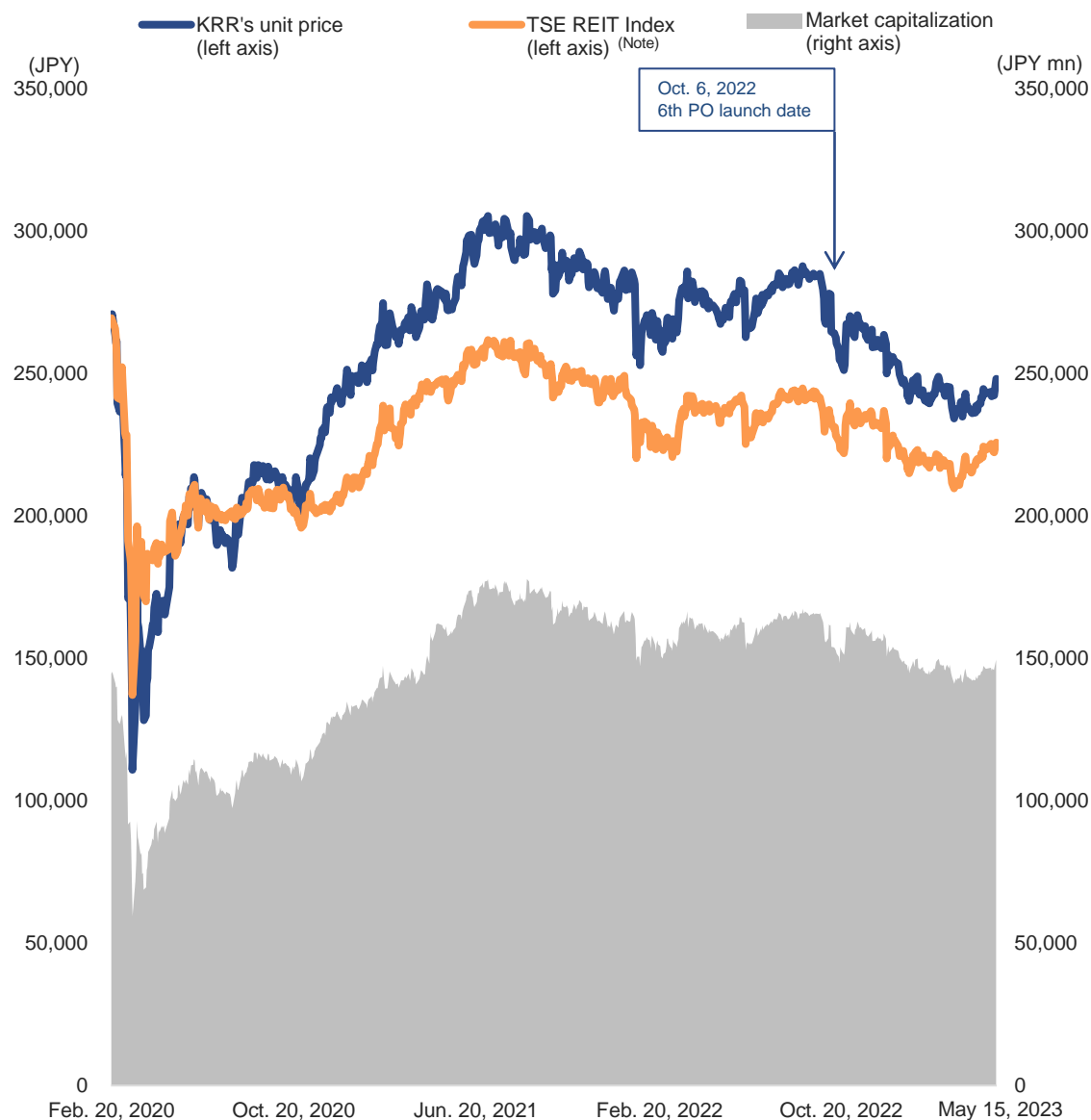
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Summary of the 6th public offering

Overview

Offering format	Domestic offering (with extraordinary report filing, institutional investors-only)
Offering size	Total amount: JPY 5,122 million Public offering: JPY 5,122 million (Of which sold to overseas investors) : JPY 2,049 million
Number of units issued	20,000 units
Total number of units outstanding (post-offering)	602,177 units
Issue price	JPY 256,132
Net proceeds	JPY 4,954 million
Launch date	October 6, 2022
Pricing date	October 13, 2022
Subscription period	October 14, 2022
Payment date	October 19, 2022

Unit price and market capitalization

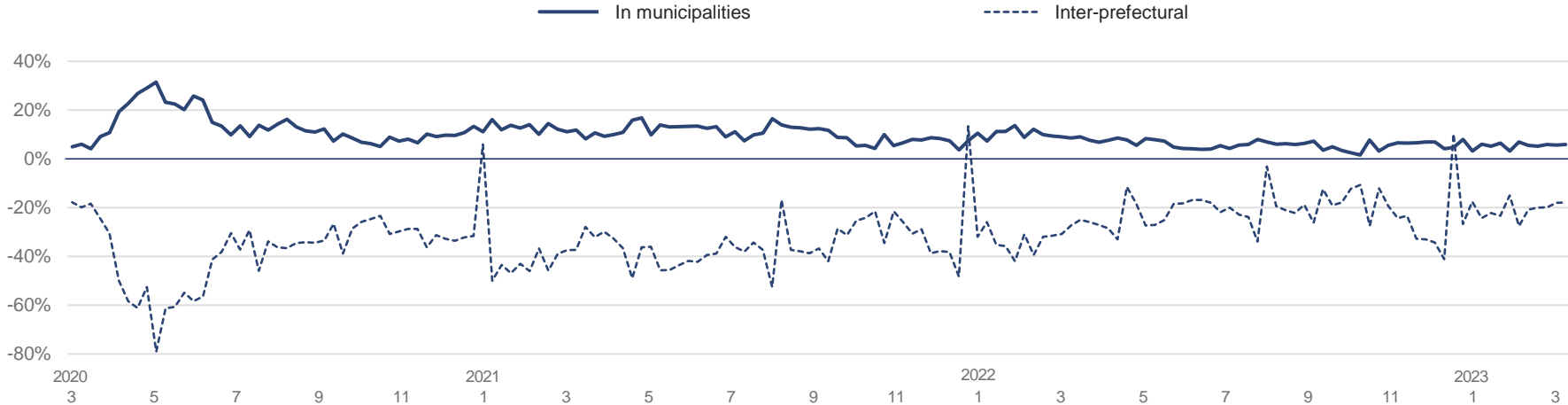


Note: Calculated using the TSE REIT Index as of Feb. 20, 2020 when the 2020 highest price was recorded for the TSE REIT Index as the closing price for KRR unit price.

Trends in the resident population and teleworking implementation rate in Tokyo

Change in the number of people staying in Tokyo (Mar. 2020 - Mar. 2023) (Weekly comparison vs. 2019)

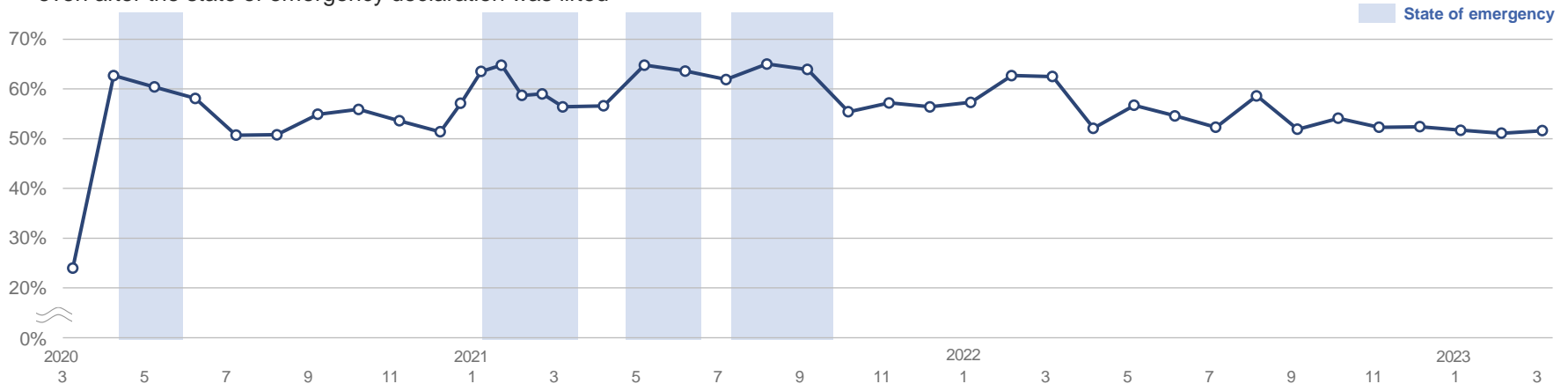
People staying within residential areas have increased amid the pandemic



Source: V-RESAS (provided by the Office for Promotion of Regional Revitalization, Cabinet office, and Secretariat of the Headquarters for Vitalizing Towns, People, and Jobs, Cabinet Secretariat)

Percentage of work-from-home implementation by companies in Tokyo (Mar. 2020 - Mar. 2023)

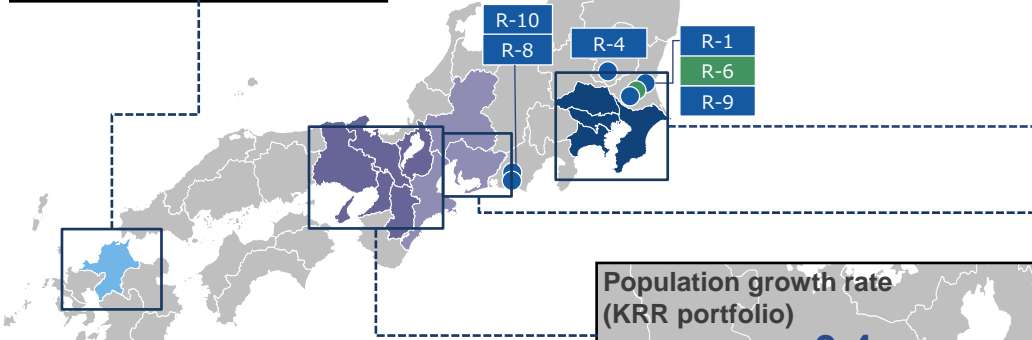
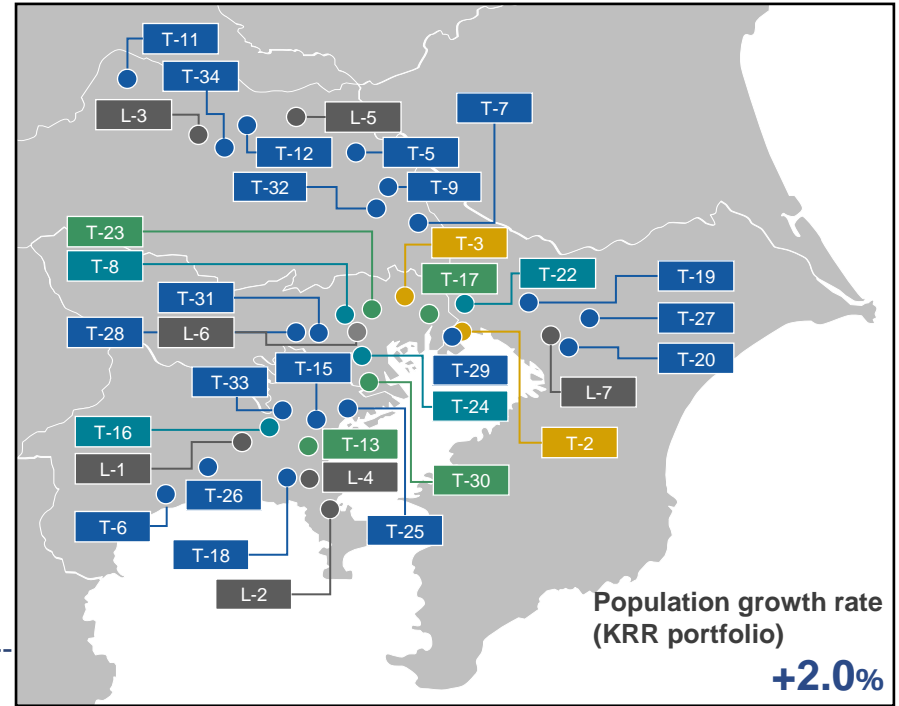
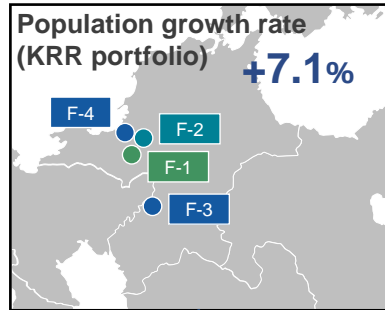
Work-from-home implementation rate rose amid the pandemic and stayed above the pre-pandemic level even after the state of emergency declaration was lifted



Source: Tokyo Metropolitan Government "Survey Results of Percentage of Teleworking Implementation"

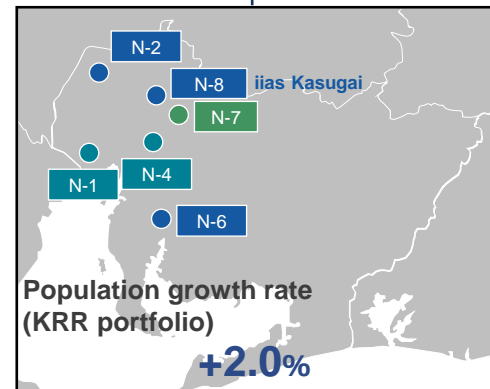
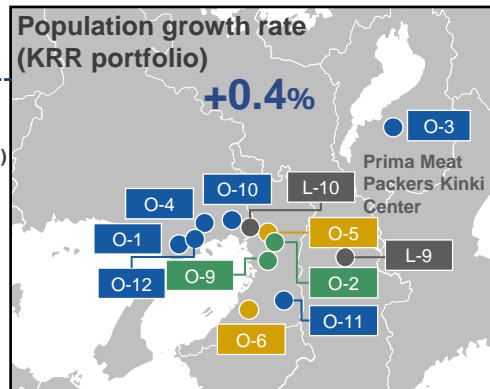
Portfolio map (as of Mar. 31, 2023)

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



Population growth rate (Trade area of KRR portfolio) (Note 1) +1.9%

Population growth rate of Japan (Note 1) -0.8%



Average property age (Note 2) 15.9 years

Portfolio PML value (Note 3) 2.8%

Note 1: "Population growth rates" are based on 2010 and 2015 census. "Population growth rate (Trade area of KRR portfolio)" is calculated as the growth rate of the population within a 3km radius of KRR's retail properties (1km or 2km radius for some of the properties).
 Note 2: "Average property age" is calculated based on the date recorded in the property registry up to Mar. 31, 2023. The figure is rounded to the first decimal place.
 Note 3: "Portfolio PML value" is the portfolio PML value of 58 properties that KRR owns as of Mar. 31, 2023, excluding land with leasehold interest, based on the "Portfolio Earthquake PML Evaluation Report" dated Apr. 2023, created by Sompo Risk Management Inc.

Portfolio overview (as of Mar. 31, 2023) (1)

No.	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Book value (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of tenants
T-2	MONA Shin-Urayasu	Urayasu, Chiba	8,063	9,497	9,210	6.0	98.2	1(56)
T-3	Passaggio Nishiara	Adachi, Tokyo	5,850	5,590	6,630	5.0	100.0	1(43)
T-5	Unicus Ina (80%)	Ina-machi, Kitaadachi-gun, Saitama	3,748	3,583	4,696	5.8	100.0	1
T-6	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	4,000	3,776	4,350	5.4	100.0	1
T-7	Unicus Yoshikawa	Yoshikawa, Saitama	3,600	3,450	3,890	5.2	100.0	1(10)
T-8	Sports Club Renaissance Fujimidai	Nerima, Tokyo	2,586	2,386	2,710	5.0	100.0	1
T-9	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	4,815	4,890	5,880	4.2	100.0	1
T-11	Unicus Kamisato (Land)	Kamisato-cho, Kodama-gun, Saitama	3,000	3,043	3,090	4.6	100.0	1
T-12	Unicus Konosu (Land)	Konosu, Saitama	1,700	1,726	1,830	4.6	100.0	1
T-13	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	1,442	1,462	1,380	4.5	100.0	1
T-15	Nakamachidai Tokyu Store	Yokohama, Kanagawa	3,360	3,229	3,750	5.4	100.0	1
T-16	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	1,724	1,702	1,780	5.3	100.0	2
T-17	Life Kameido	Koto, Tokyo	1,450	1,466	1,480	4.4	100.0	1
T-18	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	4,170	4,228	4,350	4.6	100.0	2
T-19	Yumemachi Narashinodai Mall	Funabashi, Chiba	3,416	3,342	3,650	5.3	97.9	1(13)
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	3,097	3,073	3,290	5.2	100.0	1(12)
T-22	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	1,880	1,794	1,960	5.2	100.0	1
T-23	Ozeki Tokiwadai	Itabashi, Tokyo	1,263	1,261	1,350	4.6	100.0	1
T-24	Konami Sports Club Shibuya	Shibuya, Tokyo	3,400	3,590	3,300	3.9	100.0	1
T-25	Apita Terrace Yokohama Tsunashima	Yokohama, Kanagawa	11,567	11,434	12,100	4.7	100.0	1
T-26	Kalsa Hiratsuka	Hiratsuka, Kanagawa	5,980	5,909	6,190	4.7	100.0	3
T-27	Monenosato Mall	Yotsukaido, Chiba	2,753	2,859	3,040	5.5	100.0	1(11)
T-28	KDX Chofu Building (Retail wing)	Chofu, Tokyo	2,300	2,386	2,250	5.1	99.9	2
T-29	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	2,248	2,283	2,320	4.0	100.0	1
T-30	Comfort Market Nishi-Magome	Ota, Tokyo	1,920	1,987	2,140	4.4	100.0	1
T-31	Kitera Town Chofu	Chofu, Tokyo	10,500	10,499	11,400	5.0	92.4	1(26)
T-32	Unicus Urawamisono (Land)	Saitama, Saitama	732	748	837	4.6	100.0	1
T-33	Kitera Plaza Aobadai	Yokohama, Kanagawa	3,543	3,712	3,680	4.6	78.0	1(11)
T-34	Higashimatsuyama Shopping Center	Higashimatsuyama, Saitama	4,080	4,104	4,650	6.4	100.0	2
O-1	Blumer Maitamon	Kobe, Hyogo	8,389	8,260	10,100	6.1	98.3	49
O-2	Life Takadono (Land)	Osaka, Osaka	2,685	2,727	3,340	4.8	100.0	1
O-3	DCM MEGA Don Quijote UNY Omihachiman	Omihachiman, Shiga	2,140	2,074	2,630	7.1	100.0	2
O-4	Blumer HAT Kobe	Kobe, Hyogo	11,000	11,090	11,100	5.1	97.9	1(39)
O-5	Carino Esaka	Suita, Osaka	6,555	6,790	6,810	4.9	100.0	1(31)
O-6	COMBOX Komyoike	Izumi, Osaka	6,450	6,041	6,070	5.6	100.0	1

Note 1: The figures are as of Mar. 31, 2023.

Note 2: In case of a master lessee with pass-through type master lease agreements, the number of end tenants is in parentheses after the number of master lessee. In the case of a master lessee with a sub-lease type master lease agreement, the number of the master lessee is shown.

Portfolio overview (as of Mar. 31, 2023) (2)

No.	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Book value (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of tenants
O-9	Life Nishi-Tengachaya	Osaka, Osaka	1,505	1,511	1,790	5.2	100.0	1
O-10	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	3,723	3,772	4,260	4.2	100.0	1
O-11	Habikigaoka Shopping Center	Habikino, Osaka	2,000	2,035	2,020	5.3	100.0	2
O-12	Merado Daikai	Kobe, Hyogo	5,440	5,464	5,780	5.3	100.0	7
N-1	DCM Nakagawa Tomita (Land)	Nagoya, Aichi	2,311	2,351	2,790	5.0	100.0	1
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	2,174	2,096	2,410	6.0	100.0	1
N-4	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	7,140	6,684	7,500	5.5	100.0	1
N-6	Resora Obu Shopping Terrace	Obu, Aichi	7,911	7,873	6,630	4.4	99.4	1(41)
N-7	Valor Nakashidami (Land)	Nagoya, Aichi	2,551	2,587	2,630	4.7	100.0	1
N-8	iias Kasugai (70%)	Kasuigai, Aichi	14,490	15,057	14,490	4.6	98.5	1(71)
F-1	Sunny Noma	Fukuoka, Fukuoka	1,497	1,323	1,660	5.3	100.0	1
F-2	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	5,020	4,842	5,880	5.7	100.0	1
F-3	Kurume-Nishi Shopping Center	Kurume, Fukuoka	1,515	1,522	1,870	6.1	100.0	4
F-4	Kitera Town Fukuoka-Nagahama	Fukuoka, Fukuoka	6,000	6,012	6,270	4.6	92.9	1(16)
R-1	Roseo Mito	Mito, Ibaraki	10,046	9,572	12,300	6.0	100.0	1(23)
R-2	K's Denki Aomori Honten	Aomori, Aomori	1,469	1,404	1,550	6.2	100.0	1
R-3	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	898	840	928	6.3	100.0	1
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	4,180	4,315	4,890	6.2	99.2	1(29)
R-5	Yorktown Shinden-Higashi	Sendai, Miyagi	3,252	3,179	2,600	4.7	100.0	2
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	830	911	980	6.2	100.0	1
R-8	P-1 Plaza Tenno	Hamamatsu, Shizuoka	4,010	4,135	4,060	5.2	100.0	1(7)
R-9	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	4,111	4,320	4,320	4.1	100.0	1
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	11,946	11,558	12,100	5.4	98.3	1(49)
R-11	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	4,210	4,116	4,620	4.9	100.0	1
R-12	Coop Sapporo Shunko	Asahikawa, Hokkaido	1,110	1,158	1,220	6.3	100.0	1
L-1	Zama Distribution Center	Zama, Kanagawa	1,400	1,456	1,870	6.1	100.0	1
L-2	Oppama Distribution Center	Yokosuka, Kanagawa	1,300	1,332	1,780	6.6	100.0	1
L-3	Musashi Ranzan Distribution Center (90%)	Ranzan-machi, Hiki-gun, Saitama	3,879	3,659	4,540	5.7	100.0	1
L-4	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	918	953	1,080	5.0	100.0	2
L-5	Gyoda Distribution Center	Gyoda, Saitama	3,160	3,222	3,840	5.7	100.0	1
L-6	Shinjuku Nishiochiai Distribution Center	Shinjuku, Tokyo	810	866	886	4.4	100.0	1
L-7	Chiba-Kita Distribution Center	Chiba, Chiba	1,250	1,230	1,590	5.0	100.0	1
L-8	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	800	816	1,080	7.2	100.0	1
L-9	Tenri Distribution Center	Tenri, Nara	1,070	1,103	1,140	5.5	100.0	1
L-10	Prima Meat Packers Kinki Center (90%)	Osaka, Osaka	1,047	1,066	1,107	5.2	100.0	1
Total / Average			270,381	270,366	291,694	5.2	99.5	608

Note 1: The figures are as of Mar. 31, 2023.

Note 2: In case of a master lessee with pass-through type master lease agreements, the number of end tenants is in parentheses after the number of master lessee. In the case of a master lessee with a sub-lease type master lease agreement, the number of the master lessee is shown.

Appraisal value (properties as of Mar. 31, 2023) (1)

No.	Property name	Appraisal value (JPY mn)			Income capitalization approach value								
					Direct capitalization method			DCF method					
		Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)					
		Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
T-2	MONA Shin-Urayasu	9,250	9,210	-40	4.6	4.5	-0.1	4.3	4.2	-0.1	4.8	4.7	-0.1
T-3	Passaggio Nishiarai	6,580	6,630	50	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-5	Unicus Ina (80%)	4,376	4,696	320	4.7	4.4	-0.3	4.2	4.1	-0.1	4.7	4.6	-0.1
T-6	Yorktown Kita-Kaname	4,350	4,350	0	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-7	Unicus Yoshikawa	3,870	3,890	20	4.7	4.7	0.0	4.5	4.5	0.0	4.9	4.9	0.0
T-8	Sports Club Renaissance Fujimidai	2,770	2,710	-60	4.6	4.7	0.1	4.4	4.5	0.1	4.8	4.9	0.1
T-9	Super Viva Home Iwatsuki (Land)	5,740	5,880	140	-	-	-	4.5	4.5	0.0	-	-	-
T-11	Unicus Kamisato (Land)	3,100	3,090	-10	-	-	-	4.5	4.5	0.0	-	-	-
T-12	Unicus Konosu (Land)	1,810	1,830	20	-	-	-	4.4	4.4	0.0	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	1,380	1,380	0	-	-	-	4.0	4.0	0.0	-	-	-
T-15	Nakamachidai Tokyu Store	3,740	3,750	10	4.6	4.6	0.0	4.4	4.4	0.0	4.8	4.8	0.0
T-16	Central Wellness Club Nagatsuta Minamidai	1,780	1,780	0	5.0	5.0	0.0	4.8	4.8	0.0	5.2	5.2	0.0
T-17	Life Kameido	1,480	1,480	0	4.2	4.2	0.0	3.9	3.9	0.0	4.4	4.4	0.0
T-18	Totsuka-Fukaya Shopping Center (Land)	4,350	4,350	0	4.7	4.7	0.0	4.6	4.6	0.0	-	-	-
T-19	Yumemachi Narashinodai Mall	3,600	3,650	50	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-20	Kawamachi Yahagi Mall	3,270	3,290	20	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
T-22	Round1 Ichikawa-Onitaka	1,950	1,960	10	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
T-23	Ozeki Tokiwadai	1,340	1,350	10	4.2	4.2	0.0	4.0	4.0	0.0	4.4	4.4	0.0
T-24	Konami Sports Club Shibuya	3,370	3,300	-70	3.8	3.7	-0.1	3.8	3.7	-0.1	4.0	3.9	-0.1
T-25	Apita Terrace Yokohama Tsunashima	12,100	12,100	0	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-26	Kalsa Hiratsuka	6,050	6,190	140	4.4	4.3	-0.1	4.1	4.0	-0.1	4.6	4.5	-0.1
T-27	Monenosato Mall	3,000	3,040	40	4.9	4.9	0.0	4.7	4.7	0.0	5.2	5.2	0.0
T-28	KDX Chofu Building (Retail wing)	2,240	2,250	10	4.6	4.6	0.0	4.2	4.2	0.0	4.8	4.8	0.0
T-29	Across Plaza Urayasu Higashino (Land)	2,320	2,320	0	4.2	4.2	0.0	4.1	4.1	0.0	-	-	-
T-30	Comfort Market Nishi-Magome	2,080	2,140	60	4.0	3.9	-0.1	4.0	3.9	-0.1	4.2	4.1	-0.1
T-31	Kitera Town Chofu	11,400	11,400	0	4.8	4.6	-0.2	4.5	4.3	-0.2	5.0	4.8	-0.2
T-32	Unicus Urawamisono (Land)	817	837	20	4.1	4.0	-0.1	4.0	3.9	-0.1	4.1	4.0	-0.1
T-33	Kitera Plaza Aobadai	3,650	3,680	30	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-34	Higashimatsuyama Shopping Center	4,650	4,650	0	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
O-1	Blumer Maitamon	9,760	10,100	340	5.1	5.0	-0.1	5.2	5.1	-0.1	5.3	5.2	-0.1
O-2	Life Takadono (Land)	3,260	3,340	80	-	-	-	3.7	3.6	0.0	-	-	-
O-3	DCM MEGA Don Quijote UNY Omihachiman	2,590	2,630	40	5.8	5.7	-0.1	5.5	5.4	-0.1	6.0	5.9	-0.1
O-4	Blumer HAT Kobe	11,100	11,100	0	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
O-5	Carino Esaka	7,400	6,810	-590	4.3	4.3	0.0	4.0	4.0	0.0	4.5	4.5	0.0
O-6	COMBOX Komyoike	6,380	6,070	-310	5.3	5.3	0.0	4.9	4.9	0.0	5.4	5.4	0.0
O-9	Life Nishi-Tengachaya	1,750	1,790	40	4.4	4.3	-0.1	4.5	4.4	-0.1	4.6	4.5	-0.1

Note: "Previous" refers to appraisal value as of Sep. 30, 2022 for properties held as of the end of 15th period. "Latest" refers to appraisal value as of Mar. 31, 2023. Discount rate for DCF method shows the discount rate for the nearest period.

Appraisal value (properties as of Mar. 31, 2023) (2)

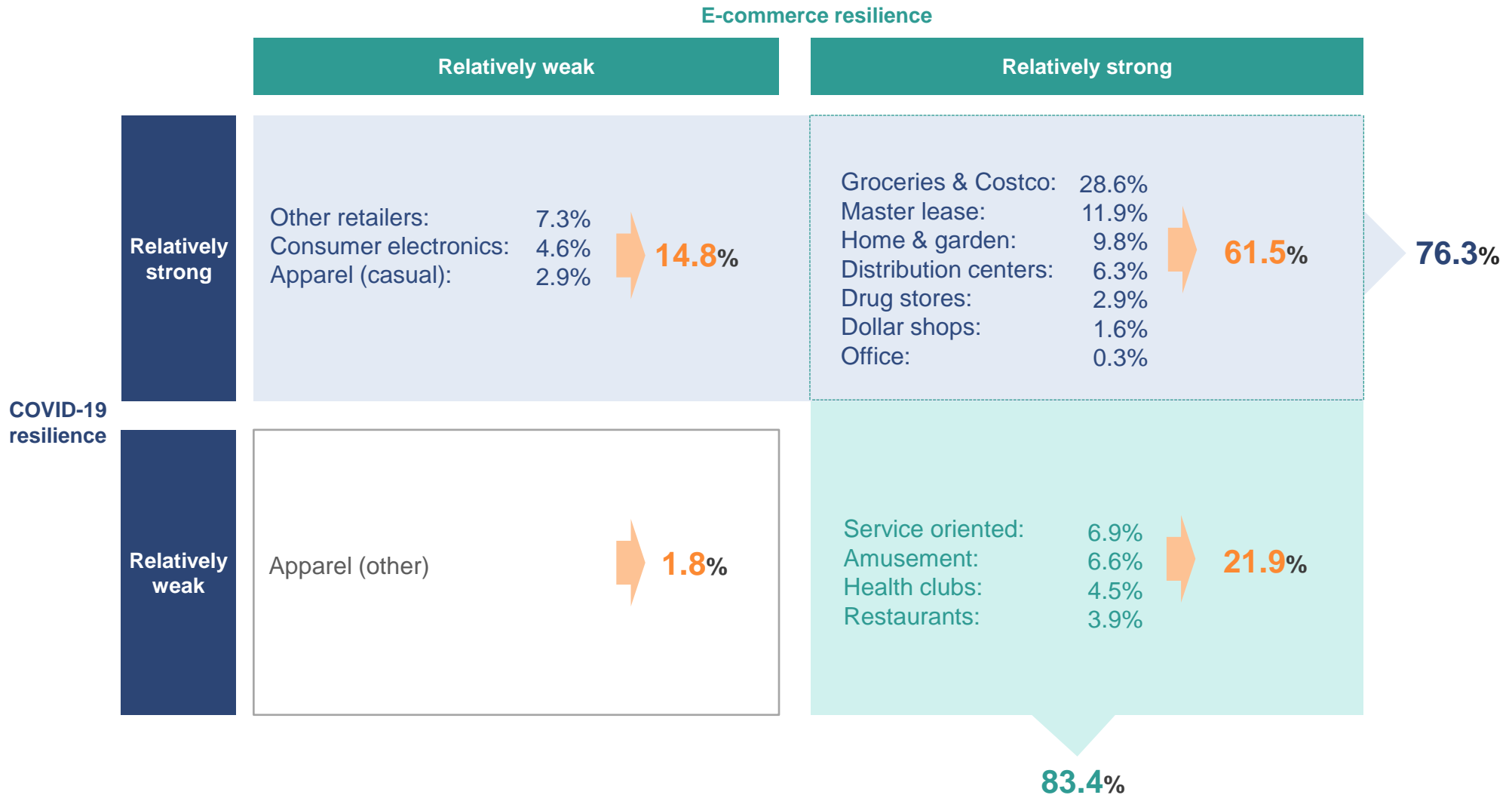
No.	Property name	Appraisal value (JPY mn)			Income capitalization approach value								
					Direct capitalization method			DCF method					
		Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)					
		Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
O-10	Million Town Tsukaguchi (Land)	4,160	4,260	100	-	-	-	3.8	3.7	-0.1	-	-	-
O-11	Habikigaoka Shopping Center	2,020	2,020	0	5.1	5.1	0.0	5.1	5.1	0.0	5.3	5.3	0.0
O-12	Merado Daikai	5,780	5,780	0	4.9	4.9	0.0	4.6	4.6	0.0	5.1	5.1	0.0
N-1	DCM Nakagawa Tomita (Land)	2,740	2,790	50	-	-	-	4.2	4.1	-0.1	-	-	-
N-2	Valor Ichinomiya-Nishi	2,360	2,410	50	5.1	5.0	-0.1	4.8	4.7	-0.1	5.3	5.2	-0.1
N-4	Homecenter Kohnan Sunadabashi	7,500	7,500	0	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
N-6	Resora Obu Shopping Terrace	6,770	6,630	-140	4.9	4.9	0.0	5.0	5.0	0.0	5.1	5.1	0.0
N-7	Valor Nakashidami (Land)	2,590	2,630	40	-	-	-	4.0	3.9	-0.1	-	-	-
N-8	iias Kasugai (70%)	14,490	14,490	0	4.5	4.5	0.0	4.2	4.2	0.0	4.7	4.7	0.0
F-1	Sunny Noma	1,650	1,660	10	4.4	4.4	0.0	4.2	4.2	0.0	4.8	4.8	0.0
F-2	Round1 Stadium Hakata-Hanmichibashi	5,760	5,880	120	4.9	4.8	-0.1	4.6	4.5	-0.1	5.1	5.0	-0.1
F-3	Kurume-Nishi Shopping Center	1,830	1,870	40	4.8	4.7	-0.1	4.5	4.4	-0.1	5.0	4.9	-0.1
F-4	Kitera Town Fukuoka Nagahama	6,270	6,270	0	4.4	4.4	0.0	4.0	4.0	0.0	4.5	4.5	0.0
R-1	Roseo Mito	12,100	12,300	200	4.8	4.7	-0.1	4.5	4.4	-0.1	5.0	4.9	-0.1
R-2	K's Denki Aomori Honten	1,520	1,550	30	5.5	5.4	-0.1	5.2	5.1	-0.1	5.7	5.6	-0.1
R-3	Super Sports Xebio Aomori-Chuo	911	928	17	5.5	5.4	-0.1	5.2	5.1	-0.1	5.7	5.6	-0.1
R-4	Ashico Town Ashikaga	4,970	4,890	-80	5.3	5.4	0.1	5.1	5.2	0.1	5.5	5.6	0.1
R-5	Yorktown Shinden-Higashi	2,600	2,600	0	5.5	5.5	0.0	5.3	5.3	0.0	5.7	5.7	0.0
R-6	Kasumi Technopark Sakura	980	980	0	5.1	5.1	0.0	4.9	4.9	0.0	5.3	5.3	0.0
R-8	P-1 Plaza Tenno	4,050	4,060	10	4.9	4.9	0.0	4.6	4.6	0.0	5.1	5.1	0.0
R-9	Seiyu Rakuichi Moriya (Land)	4,300	4,320	20	4.3	4.3	0.0	4.2	4.2	0.0	-	-	-
R-10	Sun Street Hamakita	11,800	12,100	300	5.2	5.1	-0.1	4.9	4.8	-0.1	5.5	5.4	-0.1
R-11	Costco Wholesale Sapporo Warehouse	4,430	4,620	190	4.5	4.4	-0.1	4.2	4.1	-0.1	4.7	4.6	-0.1
R-12	Coop Sapporo Shunko	1,220	1,220	0	5.5	5.5	0.0	5.3	5.3	0.0	5.7	5.7	0.0
L-1	Zama Distribution Center	1,830	1,870	40	4.3	4.2	-0.1	4.3	4.2	-0.1	4.5	4.4	-0.1
L-2	Oppama Distribution Center	1,720	1,780	60	4.4	4.3	-0.1	4.5	4.4	-0.1	4.6	4.5	-0.1
L-3	Musashi Ranzan Distribution Center (90%)	4,420	4,540	120	4.8	4.7	-0.1	4.8	4.7	-0.1	5.0	4.9	-0.1
L-4	Yokohama Kamigo Distribution Center	1,050	1,080	30	4.2	4.1	-0.1	4.3	4.2	-0.1	4.4	4.3	-0.1
L-5	Gyoda Distribution Center	3,740	3,840	100	4.6	4.5	-0.1	4.5	4.4	-0.1	4.8	4.7	-0.1
L-6	Shinjuku Nishiochiai Distribution Center	864	886	22	3.9	3.8	-0.1	3.5	3.4	-0.1	4.0	3.9	-0.1
L-7	Chiba-Kita Distribution Center	1,540	1,590	50	3.9	3.8	-0.1	3.7	3.6	-0.1	4.1	4.0	-0.1
L-8	Sapporo Shiroishi Distribution Center	1,060	1,080	20	5.2	5.1	-0.1	5.0	4.9	-0.1	5.4	5.3	-0.1
L-9	Tenri Distribution Center	1,110	1,140	30	4.8	4.7	-0.1	4.6	4.5	-0.1	5.0	4.9	-0.1
L-10	Prima Meat Packers Kinki Center (90%)	1,107	1,107	0	4.3	4.3	0.0	4.0	4.0	0.0	4.6	4.6	0.0
	Total	289,895	291,694	1,799	-	-	-	-	-	-	-	-	-

Note 1: "Previous" refers to appraisal value as of Sep. 30, 2022, for properties held as of the end of 15th period, Sep. 1, 2022, for iias Kasugai and Coop Sapporo Shunko. "Latest" refers to appraisal value as of Mar. 31, 2023. Discount rate for DCF method shows the discount rate for the nearest period.

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

Resilience against COVID-19 and e-commerce

- 76.3% of the portfolio is COVID-19 resilient and 83.4% is e-commerce resilient
- More than half of the portfolio is both COVID-19 and e-commerce resilient



Note 1: The figures are as of Mar. 31, 2023.

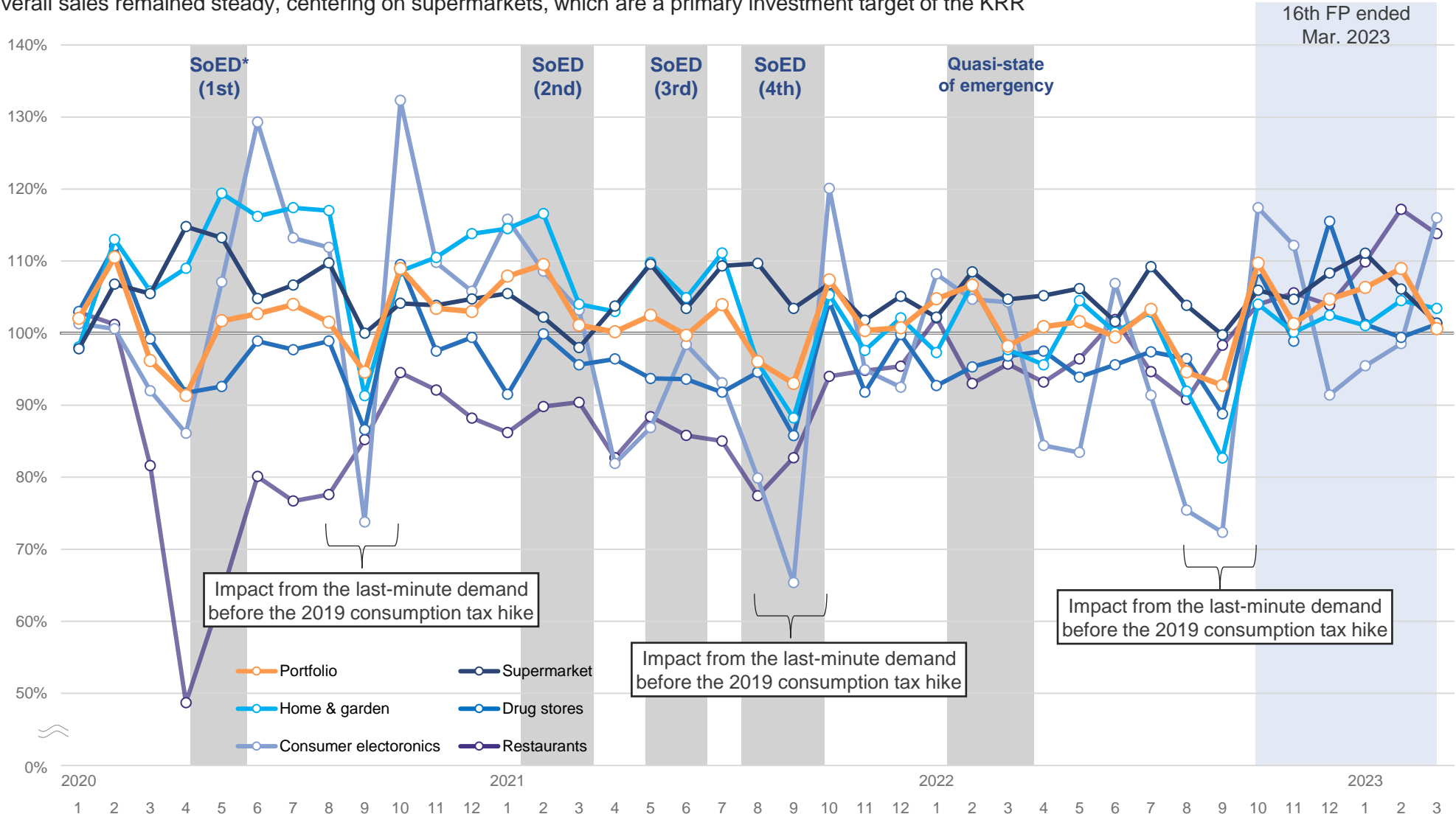
Note 2: Based on the contractual rent determined in the lease contract, including regular building leases.

Changes in tenant sales (Jan. 2020 – Mar. 2023)

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

Portfolio monthly tenant sales remained stable at 103% from October 2022 to March 2023 compared to the same period of 2019

Overall sales remained steady, centering on supermarkets, which are a primary investment target of the KRR



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

Income and expenses of assets

Revenues and expenses of ten assets with sales-linked rent (Note 1)

(JPY mn)

	Shin-Urayasu		Nishiarai		Kitera Chofu		Maitamon		HAT Kobe		Esaka		Obu		Kasugai		Ashikaga		Hamakita (Note 2)		
	FP	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th	15th	16th
Rent (fixed)		312	316	218	221	309	312	353	353	354	353	156	160	210	210	-	303	196	197	450	439
Rent (sales-linked)		35	42	10	18	5	5	8	11	7	8	30	33	14	15	-	77	7	7	7	8
Utility charge reimbursement		44	50	43	41	60	48	101	75	95	85	35	34	60	55	-	95	81	82	78	76
Penalty restoring reimbursement		4	4	-	-	-	-	-	-	-	6	-	-	-	-	-	0	1	-	24	0
Other revenues		99	102	32	32	18	18	30	30	38	37	80	77	15	15	-	99	10	9	30	31
Revenues		496	517	303	314	393	384	493	470	495	491	302	305	301	297	-	576	297	296	591	557
PM fees		80	76	48	47	30	30	61	60	68	68	43	42	37	38	-	119	37	36	78	79
Utilities		97	111	49	60	79	64	79	80	73	85	41	43	66	69	-	94	84	93	67	73
Taxes		22	22	35	35	35	35	41	41	48	48	25	25	26	26	-	0	24	24	25	25
Repairs and maintenance		8	14	5	6	3	1	1	10	2	7	7	6	10	7	-	0	3	1	3	14
Others		48	54	14	13	13	12	20	19	15	16	3	4	12	13	-	82	7	10	72	76
Expenses		257	279	153	164	162	144	204	212	208	226	121	121	153	155	-	296	157	167	247	269
NOI		238	238	150	149	231	239	289	258	287	265	180	184	148	142	-	279	140	129	344	287

Revenues and expenses of assets without / with negligible amount of sales-linked rent (Note 1)

	Existing properties (Note 3)				Properties acquired since 15th FP				
	Multi-tenant properties		Single-tenant properties		Multi-tenant properties		Single-tenant properties		
	FP	15th	16th	15th	16th	15th	16th	15th	16th
Rent (fixed)		1,938	1,972	3,221	3,230	128	151	32	79
Rent (sales-linked)		0	0	-	-	-	-	-	-
Utility charge reimbursement		189	191	19	19	-	-	-	-
Penalty restoring reimbursement		84	-	-	-	-	-	-	-
Other revenues		57	61	7	7	0	-	0	0
Revenues		2,270	2,225	3,248	3,257	128	151	33	79
PM fees		122	124	74	77	1	1	3	6
Utilities		165	174	19	19	-	-	-	-
Taxes		199	199	321	321	0	-	0	0
Repairs and maintenance		35	26	20	36	-	-	0	1
Others		44	37	28	28	0	0	0	1
Expenses		567	563	464	482	2	2	4	8
NOI		1,703	1,662	2,784	2,774	126	148	28	70

Note 1: Revenues and expenses of Kitera Town Fukuoka-Nagahama, with sales linked rent, is included in "Revenues and expenses of assets without / with negligible amount of sales-linked rent" as the amount of sales-linked rent is minimal.

Note 2: Sun Street Hamakita acquired an additional interest (10%) in April 2022.

Note 3: "Existing properties" refer to properties acquired by the end of 14th FP, excluding disposed properties.

Portfolio highlights (Tokyo metropolitan area) (1)

Name	T-2 MONA Shin-Urayasu	T-3 Passaggio Nishiarai	T-5 Unicus Ina	T-6 Yorktown Kita-Kaname	T-7 Unicus Yoshikawa
Photo					
Location	Urayasu, Chiba	Adachi ward, Tokyo	Kitaadachi-gun, Saitama	Hiratsuka, Kanagawa	Yoshikawa, Saitama
Acquisition price (JPY)	8,063 mn	5,850 mn	3,748 mn	4,000 mn	3,600 mn
Highlights	<ul style="list-style-type: none"> • Located in front of Shin-Urayasu Sta. (17 min from Tokyo Sta. by train) • Approx. 60 tenants, including supermarkets and apparel stores • Conducted renovations in 2017 and 2018 	<ul style="list-style-type: none"> • The surrounding area has a significant inflow of families due to large developments • Houses an apparel store, restaurants, etc. 	<ul style="list-style-type: none"> • Highly competitive by housing supermarket Yaoko among other tenants • The population in the surrounding area is increasing by continued residential developments • Constructed a restaurant building in 2017 	<ul style="list-style-type: none"> • Population increase with residential developments • Plays an important role in the local community by housing tenants including a supermarket, a drug store and a restaurant 	<ul style="list-style-type: none"> • Conveniently located along a heavily traveled road in a population increasing area • Houses a supermarket, Life, and a home and garden store, Kohnan, as anchor tenants
Name	T-8 Sports Club Renaissance Fujimidai	T-9 Super Viva Home Iwatsuki (Land)	T-11 Unicus Kamisato (Land)	T-12 Unicus Konosu (Land)	T-13 Inageya Yokohama Minamihonjuku (Land)
Photo					
Location	Nerima ward, Tokyo	Saitama, Saitama	Kodama-gun, Saitama	Konosu, Saitama	Yokohama, Kanagawa
Acquisition price (JPY)	2,586 mn	4,815 mn	3,000 mn	1,700 mn	1,442 mn
Highlights	<ul style="list-style-type: none"> • A well-equipped membership-based health club with a gym, two studios and a swimming pool • Large housing developments surrounding Fujimidai Sta. (15min from Ikebukuro Sta. by train) 	<ul style="list-style-type: none"> • Comprises a large home and garden store, a supermarket and a food court • A number of major routes near the property potentially enlarge trade areas including adjacent cities 	<ul style="list-style-type: none"> • Underlying land of the largest NSC in Kamisato developed by P&D • Competitive due to its concentration of highly recognizable tenants including a supermarket and a cinema complex 	<ul style="list-style-type: none"> • Underlying land of the largest NSC in Konosu developed by P&D • Easy access and high visibility by car given its location facing the largest trunk road within the relevant trade area 	<ul style="list-style-type: none"> • Underlying land of Inageya grocery supermarket opened in Mar. 2015 • Comprises a trade area that cater daily needs together with a restaurant and a drug store nearby

Portfolio highlights (Tokyo metropolitan area) (2)

Name	T-15 Nakamachidai Tokyo Store	T-16 Central Wellness Club Nagatsuta Minamidai	T-17 Life Kameido	T-18 Totsuka Fukaya Shopping Center (Land)	T-19 Yumemachi Narashinodai Mall
Photo					
Location	Yokohama, Kanagawa	Yokohama, Kanagawa	Koto ward, Tokyo	Yokohama, Kanagawa	Funabashi, Chiba
Acquisition price (JPY)	3,360 mn	1,724 mn	1,450 mn	4,170 mn	3,416 mn
Highlights	<ul style="list-style-type: none"> • A station-front NSC in an area with high population growth and easy access to central Tokyo • Houses a supermarket and other retailers that cater daily needs 	<ul style="list-style-type: none"> • Located in an area with high population growth, housing a health club as its core tenant • Convenient car access due to its roadside location, with good visibility 	<ul style="list-style-type: none"> • A supermarket located in one of the most densely populated retail trade areas in Tokyo • A large-scale condominium consisting of approx. 700 residential units in the neighborhood 	<ul style="list-style-type: none"> • Underlying land of an NSC opened in Mar. 2015 • NSC houses a grocery supermarket and a home and garden store • Located in an area with population growth, with new residential development in surrounding areas 	<ul style="list-style-type: none"> • Located in an area with high population growth, housing a competitive supermarket as the anchor tenant • The tenants, including the core grocery supermarket, cater to diverse daily needs of consumers
Name	T-20 Kawamachi Yahagi Mall	T-22 Round1 Ichikawa-Onitaka	T-23 Ozeki Tokiwadai	T-24 Konami Sports Club Shibuya	T-25 Apita Terrace Yokohama Tsunashima
Photo					
Location	Chiba, Chiba	Ichikawa, Chiba	Itabashi ward, Tokyo	Shibuya ward, Tokyo	Yokohama, Kanagawa
Acquisition price (JPY)	3,097 mn	1,880 mn	1,263 mn	3,400 mn	11,567 mn
Highlights	<ul style="list-style-type: none"> • A new NSC housing tenants with a high level of customer attraction • Located in an area with significant population growth potential, near a national road and a highway JCT • Flat parking lot for up to 320 vehicles 	<ul style="list-style-type: none"> • A road-side amusement facility located in an area with easy access and high population growth • Attractive occupancy cost and no other Round One stores near the retail trade area 	<ul style="list-style-type: none"> • New supermarket opened in Sep. 2017, located in one of the most densely populated retail trade areas in Tokyo • Leased to Ozeki Co., Ltd., which runs many stores in densely populated areas near train stations in Tokyo metropolitan area 	<ul style="list-style-type: none"> • A health club located in an upper-class residential area, approx. 12 minutes from JR Shibuya Sta. • Konami Sports Club is the largest health club operator in Japan, with Shibuya ward as its strategic focus area 	<ul style="list-style-type: none"> • NSC that meets diverse customer needs and constitutes a next-generation urban smart city in an area with a dense and growing population • Opened in March 2018, located between Tsunashima and Hiyoshi Stations

Portfolio highlights (Tokyo metropolitan area) (3)

Name	T-26 Kalsa Hiratsuka	T-27 Monenosato Mall	T-28 KDX Chofu Building (Retail wing)	T-29 Across Plaza Urayasu Higashino (Land)	T-30 Comfort Market Nishi-Magome
Photo					
Location	Hiratsuka, Kanagawa	Yotsukaido, Chiba	Chofu, Tokyo	Urayasu, Chiba	Ota ward, Tokyo
Acquisition price (JPY)	5,980 mn	2,753 mn	2,300 mn	2,248 mn	1,920 mn
Highlights	<ul style="list-style-type: none"> • NSC with the retail trade area covering Hiratsuka and Chigasaki, the core of the Shonan area • Tenants include a grocery supermarket, a home & garden store, and a general sporting goods shop 	<ul style="list-style-type: none"> • NSC opened in March 2019 in “Monenosato,” a new town undergoing residential development • Tenants include a grocery supermarket Yorkmart, a drugstore, an apparel store and a dollar shop 	<ul style="list-style-type: none"> • NSC located in the commercial and residential district within walking distance of Chofu Station • Tenants include grocery supermarket, a dollar shop, a drug store, beauty salon, and a health club 	<ul style="list-style-type: none"> • Underlying land for an NSC opened in December 2017 • The population of the area has been consistently growing by good accessibility to Tokyo CBD from the nearest Maihama Station 	<ul style="list-style-type: none"> • A new-brand grocery supermarket adjacent to Nishi-magome station, convenient for commuting to central Tokyo • The first and second floors are used as the store space, while the third and fourth floors are used as a nursery school
Name	T-31 Kitera Town Chofu	T-32 Unicus Urawamisono (Land)	T-33 Kitera Plaza Aobadai	T-34 Higashimatsuyama Shopping Center	
Photo					
Location	Chofu, Tokyo	Saitama, Saitama	Yokohama, Kanagawa	Higashimatsuyama, Saitama	
Acquisition price (JPY)	10,500 mn	732 mn	3,543 mn	4,080 mn	
Highlights	<ul style="list-style-type: none"> • NSC designed for frequent customer visits in the Chofu area, a location experiencing high population growth and large-scale residential and infrastructure development • Convenient car access due to its location along the Koshu-Kaido Road 	<ul style="list-style-type: none"> • NSC located in a new town close to Urawa-Misono station, the starting station on the Saitama Rapid Railway Line • There are over 20 end tenants, including Yaoko supermarket as well as a drug store and a dollar shop 	<ul style="list-style-type: none"> • A former Health club near Aobadai station overhauled into an NSC and reopened in March 2023 • The property’s core tenant is grocery supermarket OK, but it also houses a medical mall and other tenants providing goods and services to support daily life 	<ul style="list-style-type: none"> • NSC consisting of Seiyu building providing groceries as well as other daily necessities and Sundrug building • Easy access to wide areas including the city center • Tenants of Seiyu building includes a dollar shop and service-oriented tenants 	

Portfolio highlights (Greater Osaka area)

Name	O-1 Blumer Maitamon	O-2 LifeTakadono (Land)	O-3 DCM MEGA Don Quijote UNY Omihachiman	O-4 Blumer HAT Kobe	O-5 Carino Esaka
Photo					
Location	Kobe, Hyogo	Osaka, Osaka	Omihachiman, Shiga	Kobe, Hyogo	Suita, Osaka
Acquisition price (JPY)	8,389 mn	2,685 mn	2,140 mn	11,000 mn	6,555 mn
Highlights	<ul style="list-style-type: none"> • Located within a newly developed residential area • Consists of approx. 50 tenants, including a supermarket, an electronic appliance store and a major clothing store as core tenants 	<ul style="list-style-type: none"> • A supermarket which Life Corporation opened on the land in 2015 • Located in a densely populated area bordering central Osaka • Highly accessible by car as well 	<ul style="list-style-type: none"> • NSC consisted of two buildings, MEGA Don Quijote UNY and DCM (home and garden store) • The trade area surrounding Omihachiman Sta. is a residential area with young families 	<ul style="list-style-type: none"> • Landmark NSC in "HAT Kobe District", a revival symbol project from the Kobe earthquake • Houses a cinema complex, a grocery store, clothing stores and restaurants 	<ul style="list-style-type: none"> • Attractively located near Esaka Sta., only 10min from Umeda Sta. • The retail trade area is popular among young families • Core tenant is Tokyu Hands
Name	O-6 COMBOX Komyoike	O-9 Life Nishi-Tengachaya	O-10 Million Town Tsukaguchi (Land)	O-11 Habikigaoka Shopping Center	O-12 Merado Daiki
Photo					
Location	Izumi, Osaka	Osaka, Osaka	Amagasaki, Hyogo	Habikino, Osaka	Kobe, Hyogo
Acquisition price (JPY)	6,450 mn	1,505 mn	3,723 mn	2,000 mn	5,440 mn
Highlights	<ul style="list-style-type: none"> • The largest retail property in the central area of Komyoike • Located in the area accessible to Namba Sta. in 30 min by train 	<ul style="list-style-type: none"> • A supermarket located in a densely populated retail area • The tenant, Life Corporation, has dominant strategy in Osaka and continues store opening 	<ul style="list-style-type: none"> • A newly opened NSC located in an area as a part of the large-scale redevelopment project in front of Tsukaguchi Sta. • Opened with grocery supermarket Mandai as a core tenant, as well as a drug store and clinics 	<ul style="list-style-type: none"> • NSC located in New Town with housing developments in the southeastern part of Osaka Prefecture • Consists of Sunplaza, a grocery supermarket, and Joshin, a consumer electronics store, as core tenants 	<ul style="list-style-type: none"> • Located in an area with high population density in Hyogo-ku, Kobe and convenient within walking distance of 3 stations on 3 lines • Kansai Supermarket, a grocery supermarket in Osaka and Hyogo region, is the core tenant


Portfolio highlights (Greater Nagoya area / Fukuoka)

Name	N-1 DCM Nakagawa Tomita (Land)	N-2 Valor Ichinomiya-Nishi	N-4 Homecenter Kohnan Sunadabashi	N-6 Resora Obu Shopping Terrace	N-7 Valor Nakashidami (Land)
Photo					
Location	Nagoya, Aichi	Ichinomiya, Aichi	Nagoya, Aichi	Obu, Aichi	Nagoya, Aichi
Acquisition price (JPY)	2,311 mn	2,174 mn	7,140 mn	7,911 mn	2,551 mn
Highlights	<ul style="list-style-type: none"> • Located near a number of major routes • Comprises an integrated retail zone in the surrounding area, together with a supermarket and a sporting goods store on the adjacent lot 	<ul style="list-style-type: none"> • Located in a commuter town for Nagoya (10 min from Nagoya Sta. by train) • NSC composed of Valor, a successful supermarket chain in the Chubu Region, as its core tenant, in addition to an electronic appliance store and a health club 	<ul style="list-style-type: none"> • Houses a large home and garden store and a large sporting goods store • A large residential property was developed in the neighborhood. A supermarket also opened, generating synergies with the home and garden store 	<ul style="list-style-type: none"> • The largest NSC in Obu, Aichi, opened in Apr. 2008 as a part of the development project including a medical mall and a condominium • Yamanaka, a grocery supermarket as its main tenant and over 40 tenants 	<ul style="list-style-type: none"> • Underlying land for a standalone grocery supermarket in the Valor chain • Valor is a supermarket chain with strong strategic dominance in the Tokai region
Name	N-8 Iias Kasugai	F-1 Sunny Noma	F-2 Round1 Stadium Hakata-Hanmichibashi	F-3 Kurume-Nishi Shopping Center	F-4 Kitera Town Fukuoka Nagahama
Photo					
Location	Kasugai, Aichi	Fukuoka, Fukuoka	Fukuoka, Fukuoka	Kurume, Fukuoka	Fukuoka, Fukuoka
Acquisition price (JPY)	14,490 mn	1,497 mn	5,020 mn	1,515 mn	6,000 mn
Highlights	<ul style="list-style-type: none"> • A roadside NSC located along National Route 19 in Kasugai, with a stable retail trade area • Seiyu, Round1, Uniqlo and Muji have opened new large stores with unique ability to attract customers and making the facility competitive 	<ul style="list-style-type: none"> • Rebuilt in 2007 after enjoying strong support from the local community for 35 years • The strongest performing supermarket among other Sunny supermarkets in the surrounding area 	<ul style="list-style-type: none"> • A large-scale flagship store for Round One that offers a variety of amusement and sporting facilities • Located in Fukuoka with population growth • The store ranks high in sales among all Round One stores 	<ul style="list-style-type: none"> • An NSC located in a residential district near downtown Kurume City • Tenants include a grocery supermarket, a baby goods store and a drug store • Facing a national route, providing good visibility 	<ul style="list-style-type: none"> • An NSC opened in Feb. 2021 in an area with high population growth, neighboring Tenjin area • Sunny is open 24-hours and provides delivery service for its online supermarket

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

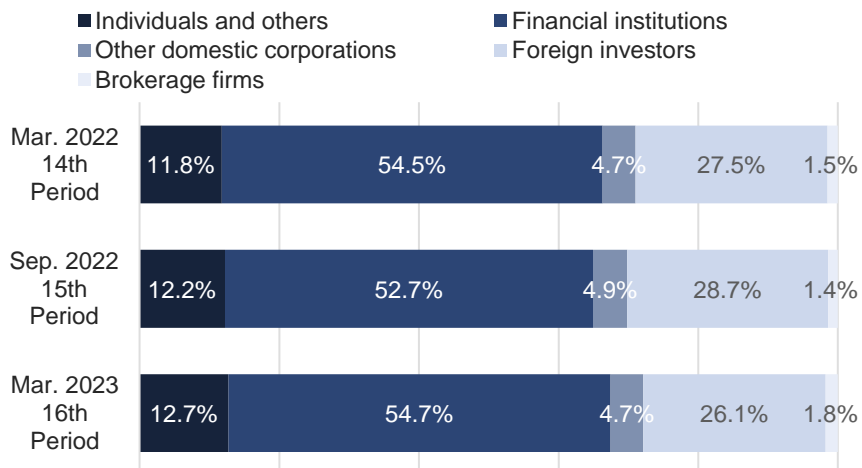
Name	R-1	Roseo Mito	R-2	K's Denki Aomori Honten	R-3	Super Sports Xebio Aomori-Chuo	R-4	Ashico Town Ashikaga	R-5	Yorktown Shinden-Higashi	
Photo											
Location	Mito, Ibaraki		Aomori, Aomori		Aomori, Aomori		Ashikaga, Tochigi		Sendai, Miyagi		
Acquisition price (JPY)	10,046 mn		1,469 mn		898 mn		4,180 mn		3,252 mn		
Highlights	<ul style="list-style-type: none"> • Located in a population growing area with many young families • Houses a supermarket and a home and garden store as core tenants • Constructed a secondhand shop building in 2015 		<ul style="list-style-type: none"> • Opened in 2005 in Hamada District in Aomori, which has the highest concentration of retailers in Aomori 		<ul style="list-style-type: none"> • Located in Hamada district in Aomori • Some major routes bring customers from broad retail trade area 		<ul style="list-style-type: none"> • A large-scale multi-tenant NSC with supermarket as a core tenant • Easily accessibility by car due to its location along a major local route • Cinema reopened in Mar. 2016 		<ul style="list-style-type: none"> • Located in eastern Sendai conveniently commutable to Sendai Sta. • Houses a supermarket and a home and garden store as core tenants 		
R-6	Kasumi Technopark Sakura	R-8	P-1 Plaza Tenno	R-9	Seiyu Rakuichi Moriya (Land)	R-10	Sun Street Hamakita	R-11	Costco Wholesale Sapporo Warehouse	R-12	Coop Sapporo Shunko
	Tsukuba, Ibaraki 830 mn		Hamamatsu, Shizuoka 4,010 mn		Moriya, Ibaraki 4,111 mn		Hamamatsu, Shizuoka 11,946 mn		Sapporo, Hokkaido 4,210 mn		Asahikawa, Hokkaido 1,110 mn
	<ul style="list-style-type: none"> • 24-hour Kasumi supermarket • The retail trade area includes the college town of Tsukuba University • Kasumi is headquartered in Tsukuba, and has a dominant presence in the area 		<ul style="list-style-type: none"> • Located in a large-scale retail area in northeast Hamamatsu where roadside retail facilities concentrate • Houses tenants including a local supermarket, a drug store and a relaxation spa 		<ul style="list-style-type: none"> • Underlying land of an NSC with a grocery supermarket as the anchor tenant • Located in a population growing area with the 2005 opening of Tsukuba Express • Land acquired at a price lower than the official land price 		<ul style="list-style-type: none"> • An NSC located in a residential area in central Hamamatsu where the population • The property is easily accessible by car due to its location facing National Route 152 and Prefectural Route 391 		<ul style="list-style-type: none"> • Costco is a "membership warehouse club" with over 740 warehouse stores worldwide • Sapporo Warehouse is the only Costco warehouse in Hokkaido and covers Sapporo metropolitan area as its trade area 		<ul style="list-style-type: none"> • An NSC for daily needs of local residents, housing Coop Sapporo as the core tenant, located in Asahikawa, Hokkaido's second-largest city • Facing Suehiro-takadai-dori Avenue, which can be accessed from National Road 40

Portfolio highlights (Distribution centers)

Name	L-1 Zama Distribution Center	L-2 Oppama Distribution Center	L-3 Musashi Ranzan Distribution Center	L-4 Yokohama Kamigo Distribution Center	L-5 Gyoda Distribution Center
Photo					
Location	Zama, Kanagawa	Yokosuka, Kanagawa	Hiki-gun, Saitama	Yokohama, Kanagawa	Gyoda, Saitama
Acquisition price (JPY)	1,400 mn	1,300 mn	3,879 mn	918 mn	3,160 mn
Highlights	<ul style="list-style-type: none"> • Distribution center for a major convenience store chain that delivers to its stores • Located within Zama area in Kanagawa Prefecture, with a concentration of logistics facilities • The tenant is a major convenience store chain 	<ul style="list-style-type: none"> • Core distribution center of a major convenience store chain that delivers to its stores and features a process center function • Located within Tokyo metropolitan bay area • Location with high potential for local deliveries as well as wide area distribution 	<ul style="list-style-type: none"> • Distribution center in an area with a concentration of logistics facilities, near a Kan-Etsu Expressway interchange • The location allows the tenant to make daily deliveries to Tokyo Metropolitan area and 24-hour operation 	<ul style="list-style-type: none"> • Distribution center of a home delivery service firm within a residential district • Spaces for distribution centers are limited in the area • Currently leased to a major home delivery service firm • Newly constructed a restaurant building 	<ul style="list-style-type: none"> • A highly versatile storage-type distribution center for regional and wider area delivery in the metropolitan area • Nippon Express Co., Ltd., a major logistics company, is using the distribution center for shippers of food-related and home appliances
Name	L-6 Shinjuku Nishiochiai Distribution Center	L-7 Chiba-kita Distribution Center	L-8 Sapporo Shiroishi Distribution Center	L-9 Tenri Distribution Center	L-10 Prima Meat Packers Kinki Center
Photo					
Location	Shinjuku ward, Tokyo	Chiba, Chiba	Sapporo, Hokkaido	Tenri, Nara	Osaka, Osaka
Acquisition price (JPY)	810 mn	1,250 mn	800 mn	1,070 mn	1,047 mn
Highlights	<ul style="list-style-type: none"> • This facility is highly scarce and has optimal facility specifications as a last-mile distribution center • A major delivery company, Yamato Transport Co., Ltd., is the tenant of the facility 	<ul style="list-style-type: none"> • The property is located adjacent to an interchange on an expressway and National Route 16 • There is strong demand for logistics facilities in the area because of an easy access to the Tokyo metropolitan area 	<ul style="list-style-type: none"> • The property is located in Sapporo, within the Ryutsu Center District, one of the districts with the highest potential for logistics facilities in the Sapporo area • The facility is expected to be able to meet the needs of a wide range of tenants 	<ul style="list-style-type: none"> • Located in Tenri City, Nara Prefecture, in an area suitable for regional distribution and manufactures' storing and distribution. • Nippon Express Co., Ltd., a major logistics company, is the current end tenant 	<ul style="list-style-type: none"> • Located in Nishiyodogawaku, where logistics facilities concentrate along Osaka Bay with advantages in easy access to CBD • Prima Meat Packers, Ltd., a major food company, is the current tenant

Unitholder information (as of Mar. 31, 2023)

Ownership ratio by investor type



Number of unitholders by investor type

		Mar. 2022 14th FP	Sep. 2022 15th FP	Mar. 2023 16th FP
Individuals and others		13,408	13,353	13,815
Financial institutions	City/ Trust banks	10	9	9
	Regional banks	23	24	26
	Shinkin banks and others	81	79	85
	Life/ Nonlife	6	8	8
	Total	120	120	128
Other domestic corporations		307	310	330
Foreign investors		264	280	273
Brokerage firms		26	25	25
Total		14,125	14,088	14,571

Major unitholders

Name	# of units held	Ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	117,099	19.44%
Custody Bank of Japan, Ltd. (Trust Acct.)	100,510	16.69%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Acct.)	30,974	5.14%
Kenedix, Inc.	16,950	2.81%
State Street Bank West Client-Treaty 505234	12,501	2.07%
SSBTC Client Omnibus Account	11,615	1.92%
JP Morgan Chase Bank 385781	8,264	1.37%
State Street Bank and Trust Company 505103	7,408	1.23%
State Street Bank and Trust Company for DWS RREEF Real Assets Fund	6,905	1.14%
DFA International Real Estate Securities Portfolio	6,800	1.12%

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

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Revised editions of this document will be posted on our website (<https://www.krr-reit.com/en>) should there be major corrections going forward.

Abbreviations of property names

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

Memo

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KDX
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