

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED SEPTEMBER 30, 2021 (REIT)**(April 1, 2021 to September 30, 2021)**

November 16, 2021

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

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

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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, 2021 (April 1, 2021 to September 30, 2021)**(1) Business Results**

(Amounts are rounded down to the nearest million yen)

(Percentages show period-on-period changes)

Fiscal period ended	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2021	9,576	9.8	4,881	11.5	4,262	12.2	4,261	12.2
March 31, 2021	8,717	3.8	4,379	7.3	3,799	8.4	3,798	8.4

Fiscal period ended	Net income per unit	Return on net assets	Ordinary income to total assets	Ordinary income to operating revenues
	Yen	%	%	%
September 30, 2021	7,384	3.3	1.6	44.5
March 31, 2021	7,084	3.1	1.5	43.6

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, 2021	Yen 7,328	Yen 7,274	Yen 54	4,266	4,234	31	99.4	3.1
March 31, 2021	7,095	7,085	10	3,804	3,798	5	100.0	3.1

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

Note 2: The payout ratio is 100.1% for the fiscal period ended March 31, 2021 and 100.1% for the fiscal period ended September 30, 2021 when calculated as follows.
Payout ratio = Total distributions (including excess of earnings) / Net income x 100**(3) Financial Position**

As of	Total assets	Net assets	Net assets to total assets	Net asset per unit
	Millions of yen	Millions of yen	%	Yen
September 30, 2021	272,622	137,052	50.3	235,414
March 31, 2021	251,773	124,701	49.5	232,575

(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, 2021	8,757	-22,416	15,571	24,143
March 31, 2021	7,047	-3,111	-3,510	22,230

This is an English-language translation of the original Japanese announcement on our website released on November 16, 2021. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

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

(Percentages show period-on-period changes)

Fiscal period ending	Operating revenues (Millions of yen)		Operating income (Millions of yen)		Ordinary income (Millions of yen)		Net income (Millions of yen)		Distributions per unit (excluding excess of earnings)	Distributions in excess of earnings per unit	Distributions per unit (including excess of earnings)
	Yen	%	Yen	%	Yen	%	Yen	%	Yen	Yen	Yen
March 31, 2022	9,308	-2.8	4,702	-3.7	4,077	-4.3	4,076	-4.3	7,001	9	7,010
September 30, 2022	9,062	-2.6	4,435	-5.7	3,809	-6.6	3,808	-6.6	6,541	9	6,550

Reference: Forecasted net income per unit (Forecasted net income / Forecasted average number of investment units during the period)
7,001 yen for the fiscal period ending March 31, 2022 and 6,541 yen for the fiscal period ending September 30, 2022

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

*OTHERS

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

- (a) Changes in accounting policies accompanying revisions to accounting standards: Yes
- (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, 2021: 582,177 units

As of March 31, 2021: 536,177 units

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

As of September 30, 2021: 0 units

As of March 31, 2021: 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, 2022 and September 30, 2022" on page 8 for calculation, and our judgment as of November 16, 2021. Actual operating revenues, operating income, ordinary income, net income, distributions per unit and distributions in excess of earnings per unit may vary according to changes in market conditions. These forecasts do not guarantee the distribution amount.

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

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1. Status of Asset Management

(1) Status of Asset Management

(Overview of the Period ended September 30, 2021)

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, 2021 was 582,177 units.

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

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

ii) Investment Environment

During the fiscal year under review, the Japanese economy continued to show signs of recovery, including improvements in corporate capital spending. However, conditions remained challenging with weak consumer spending, particularly in service spending, due to the impact of COVID-19 and the accompanying state of emergency declarations.

Shopping centers for daily needs, in which KRR focuses its investment, sales of service-oriented tenants including restaurants and some apparel stores have been declining amid the COVID-19 pandemic, but specialty stores such as supermarkets and home & garden stores that cater to the day-to-day needs of customers are expected to maintain steady demand. However, there have been some signs of instability, partly due to expectations of tapering of monetary easing in the United States.

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

iii) Management Performance

(A) Acquisition of Assets

KRR acquired four assets (Unicus Urawamisono (Land) with acquisition price (Note 1) of 732 million yen, Kitera Town Chofu with acquisition price of 10,500 million yen, Merado Daikai with acquisition price of 5,440 million yen and Apita Terrace Yokohama Tsunashima (49% trust beneficiary quasi co-ownership interests) with acquisition price of 5,667 million yen). KRR disposed of three assets (Daikanyama Address Dixsept (30% trust beneficiary quasi co-ownership interests) with sale price (Note 2) of 1,993 million yen (acquisition price was 1,617 million yen), Unicus Ina (20% trust beneficiary quasi co-ownership interests) with sale price of 1,048 million yen (acquisition price was 894 million yen) and Hankyu Oasis Hirakatadeguchi with sale price of 1,500 million yen (acquisition price was 1,280 million yen)).

As a result, the portfolio at the end of the period under review (September 30, 2021) consists of 66 properties with the total acquisition price of 245,274 million yen.

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

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

(B) Management and Operation of Assets

KFM provides property management services for all of the properties owned by KRR at the end of the period under review (September 30, 2021) (Note 1). By using the same company for both asset management and property management services, KRR aims to build stronger relationships with tenants and increase returns from its portfolio. Furthermore, by implementing retail property and distribution centers management that better reflects the needs of our tenants, KRR strives to accumulate know-how and improve tenant satisfaction.

KRR invests primarily in neighborhood and community shopping centers that cater to the day-to-day needs of customers. The portfolio is diversified in terms of properties, tenants and other characteristics with a goal to generate consistent long-term cash flows. At the same time,

KRR seeks to explore the upside potential (Note 2) for rental income by optimization of tenant composition and property expansion. By using these measures, KRR aims to pursue a portfolio that achieves both stability and growth.

As of the end of the period under review, portfolio as a whole performed well with an overall occupancy ratio of 99.6%. Furthermore, the portfolio is diversified in terms of tenants as there are 528 end-tenants (Note 3) in KRR's retail properties and distribution centers.

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

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

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

(C) Financing

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

(Equity Finance)

In the fiscal period under review, KRR issued a total of 43,800 new units offered on April 20, 2021, and raised 11,350 million yen that was used to partially fund the acquisition of properties. In addition, 2,200 units were issued through third party allotment on May 18, 2021, raising 570 million yen, which is retained and will be used to fund part of the acquisition of properties or repayment of borrowings in the future. Due to these activities, unitholders' capital increased to 133,103 million yen as of September 30, 2021.

(Debt Finance)

During the fiscal period under review, KRR borrowed 7,500 million yen for the acquisition of properties and 7,200 million yen for refinancing. Consequently, borrowings totaled 112,300 million yen and interest-bearing debt including investment corporation bonds (excluding interest-bearing tenant leasehold and security deposits) totaled 120,300 million yen at the end of the fiscal period under review (September 30, 2021).

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

As a result, the average maturity of debt is 4.4 years, the weighted average interest rate is 0.98%, the long-term debt ratio (Note 1) is 100.0% and the LTV ratio (Note 2) is 44.1%.

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, 2021 is as follows.

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

(Shelf Registration)

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

Planned issue amount	100,000,000,000 yen
Planned issuance period	October 9, 2020 to October 8, 2022
Use of proceeds	Acquisition funds for specified assets (as defined in Article 2, Paragraph 1 of the Investment Trust Law), repayment funds for borrowings, repayment funds for investment corporation bonds (including short-term investment corporation bonds), refund funds for lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc.

iv) Results of Operations

For this period, revenue was 9,576 million yen, operating income was 4,881 million yen, ordinary income was 4,262 million yen and net income was 4,261 million yen.

Furthermore, in accordance with the distribution policy in the KRR Articles of Incorporation, KRR made a distribution (excluding excess of earnings) of 4,234,755,498 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 7,274 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 31,437,558 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 54 yen. Consequently, the distribution per unit was 7,328 yen (of which the distribution in excess of earnings per unit was 54 yen).

(Outlook)

i) Outlook for Asset Management

It is considered necessary to pay attention to the uncertainties in the Japanese economy, such as stagnation of economic activities due to a possible rebound in COVID-19 cases, despite the reduction in the number of COVID-19 cases and the lifting of the fourth state of emergency declaration in September 2021.

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 and home & garden that cater to the day-to-day needs of customers are expected to maintain steady demand.

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

(A) Investment Strategy for New Properties and Disposition Policy

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

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

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

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

(B) Management Strategy for Existing Properties

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

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

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

- Implementing distribution center management

“One-stop” asset management and property management services

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

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

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

Pursuit of internal growth through management of retail properties

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

i. Effectively utilize capital expenditure

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

ii. Optimize tenant mix

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

iii. Realize growth in asset value by pursuing property expansions

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

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

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

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

Implementing distribution center management

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

(C) Financing

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

(D) Disclosure of Information

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

(E) Conflicts of Interests

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

(F) Important Subsequent Events

Not applicable

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

KRR acquired following asset.

Property number	Property type (Note 1)	Property name	Location	Seller	Acquisition price (million yen) (Note 3)	Appraisal value (million yen) (Note 4)	Acquisition date
F-4	NSC	Kitera Town Fukuoka Nagahama	Fukuoka, Fukuoka	G.K. FRP	6,000	6,100	October 1, 2021

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

Note 2: "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 3: Appraisal values are as of September 1, 2021.

(B) Disposition of Assets

KRR disposed of the following asset.

Property number	Property type	Property name	Location	Buyer	Sale price (million yen) (Note 1)	Sale date
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (30% quasi co-ownership interests)	Shibuya ward, Tokyo	Undisclosed (Note 2)	1,993	October 1, 2021

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

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

(C) Financing

KRR borrowed 3,000 million yen (Series 43) on October 1, 2021 for the acquisition of assets.

ii) Earnings Forecasts

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

Fiscal period ending March 31, 2022

Operating revenues	9,308 million yen
Operating Income	4,702 million yen
Ordinary income	4,077 million yen
Net Income	4,076 million yen
Distributions per unit	7,010 yen
Of the above, distributions in excess of earnings	9 yen

Fiscal period ending September 30, 2022

Operating revenues	9,062 million yen
Operating Income	4,435 million yen
Ordinary income	3,809 million yen
Net Income	3,808 million yen
Distributions per unit	6,550 yen
Of the above, distributions in excess of earnings	9 yen

Please refer to “Assumptions for the Earnings Forecasts for the Fiscal Periods Ending March 31, 2022 and September 30, 2022” 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, 2022 and September 30, 2022

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> • The 14th fiscal period: October 1, 2021 to March 31, 2022 (182 days) • The 15th fiscal period: April 1, 2022 to September 30, 2022 (183 days)
Property portfolio	<ul style="list-style-type: none"> • Earnings forecasts for the fiscal period ending March 31, 2022 and September 30, 2022 are based on 66 properties (as of September 30, 2021) which consist of properties and trust beneficiary interest (66 properties in total) owned by KRR as of September 30, 2021 and Kitera Town Fukuoka Nagahama acquired on October 1, 2021, less Daikanyama Address Dixsept (30% quasi-co-ownership interest) disposed of on October 1, 2021. • Forecasts are based on the assumption that portfolio assets other than the above are not subject to change (such as acquisition of new properties and disposition of owned properties). • The actual property portfolio may change due to the acquisition of new properties or the disposal of owned properties.
Operating revenues	<ul style="list-style-type: none"> • Operating revenues are based on the leasing agreements as of September 30, 2021, and other factors, including expectations based on market trends. • Operating revenues from the assets acquired in the 14th period are based on the information provided by the sellers, the leasing agreements on the properties that are effective on the acquisition dates, and other factors, including expectations based on market trends. • Gains on the sale of 350 million yen is assumed for the fiscal period ending March 31, 2022 by disposing Daikanyama Address Dixsept. • Due to the effects of the COVID-19 pandemic, negative impact of 20 million yen is assumed in FP ending March 31, 2022 (14th 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 1,197 million yen, and 1,210 million yen are assumed for the fiscal periods ending March 31, 2022 and September 30, 2022, respectively, using the straight-line depreciation method. • Property-related taxes are assumed at 722 million yen and 813 million yen for the fiscal periods ending March 31, 2022 and September 30, 2022, respectively. When a property is sold, the purchaser of the property typically reimburses the seller, pursuant to the purchase agreement, for the pro rata portion of the property-related taxes that relates to the period from the acquisition date to the end of the calendar year in which the acquisition occurs. As is customary for property transactions in Japan and in accordance with Japanese GAAP, KRR intends to capitalize the portions of the property-related taxes on the properties to be acquired. • With respect to building repair expenses, the amount assumed to be necessary for each property is based on the repair plan of KFM for each fiscal period. However, repair expenses may be substantially different from

Item	Assumptions
	the expected amount due to certain unexpected factors.
Non-operating expenses	<ul style="list-style-type: none"> • The amortization of offering-related costs are expected to be expensed 15 million yen and 15 million yen for the fiscal periods ending March 31, 2022 and September 30, 2022. It is assumed that the offering-related costs are amortized using the straight-line method over three years. • For interest expenses and other debt-related costs, 609 million yen and 610 million yen are expected for the fiscal periods ending March 31, 2022 and September 30, 2022, respectively.
Borrowings and investment corporation bonds	<ul style="list-style-type: none"> • As of today, KRR has an outstanding balance of 116,300 million yen in borrowings and 7,000 million yen in investment corporation bonds. • LTV ratios at the end of the period ending March 31, 2022 and September 30, 2022 are estimated to be approximately 44.8% (rounded to the nearest tenth). • LTV ratios are calculated according to the following formula: $\text{LTV ratio} = (\text{Outstanding borrowings} + \text{Outstanding investment corporation bonds}) / \text{Total assets}$
Investment units	<ul style="list-style-type: none"> • The forecasts are based on our assumption of 582,177 units issued as of today. It is assumed that there will be no changes in the number of investment units due to the new issuance of units until the end of the fiscal period ending September 30, 2022.
Distributions per unit (excluding excess of earnings per unit)	<ul style="list-style-type: none"> • Distributions per unit (excluding excess of earnings per unit) are calculated in accordance with the distribution policy outlined in KRR's Articles of Incorporation. • KRR assumes that there is no effect from the changes in market value of swaps on the distributions per unit for the fiscal periods ending March 31, 2022 and September 30, 2022. • Actual distributions per unit (excluding excess of earnings per unit) may fluctuate due to various factors including movements in investment assets, fluctuations in rental revenues caused by tenant replacements or unexpected repairs.
Distributions in excess of earnings per unit	<ul style="list-style-type: none"> • KRR expects to record Allowance for Temporary Adjustment (ATA) to adjust the temporary differences between treatment of certain transactions under Japanese GAAP and Japanese tax laws in relation to Sunny Noma, which results from the depreciation of fixed term land lease right for business purposes, the expensed interest from asset retirement obligations and depreciation of buildings, during the relevant period (30 years starting from March 16, 2007). Although we assume no effect from the changes in the fair value of swaps on the distributions per unit, we may not record ATA, depending on the fair value, which may change due to the fluctuations in the interest rate market. • KRR has a policy to distribute the amount of increase in ATA, in excess of its earnings. Distributions in excess of earnings are expected to be 9 yen per unit in each period ending March 31, 2022 and September 30, 2022.
Others	<ul style="list-style-type: none"> • Forecasts are based on the assumption that there will be no amendments to the law, taxation system, accounting standards, public listing regulations, requirements of the Investment Trusts Association, Japan, etc. which may affect the aforementioned forecast figures. • Forecasts are based on the assumption that there will be no unexpected significant changes in general economic trends and real estate market trends or other conditions.

(2) Investment Risks

There are no significant changes to the “Investment Risks” in the most recent Securities Registration Statement (submitted on June 24, 2021; prepared in Japanese only). The disclosure is omitted.

2. Financial Statements

(1) Balance Sheets

(in thousands of yen)

	12th Fiscal Period (As of March 31, 2021)	13th Fiscal Period (As of September 30, 2021)
Assets		
Current assets		
Cash and deposits	9,187,157	10,026,355
Cash and deposits in trust	13,251,126	14,309,262
Operating accounts receivable	146,876	181,400
Prepaid expenses	29,604	153,774
Consumption taxes receivable	-	343,985
Other	2,235	6,645
Total current assets	22,617,000	25,021,425
Non-current assets		
Property, plant and equipment		
Buildings	746,570	755,598
Accumulated depreciation	(61,444)	(77,533)
Buildings, net	685,125	678,064
Structures	46,777	46,777
Accumulated depreciation	(4,023)	(5,425)
Structures, net	42,753	41,351
Land	2,956,465	2,956,465
Buildings in trust	62,521,244	67,921,666
Accumulated depreciation	(8,450,403)	(9,332,397)
Buildings in trust, net	*1 54,070,840	58,589,268
Structures in trust	3,491,216	3,491,894
Accumulated depreciation	(600,741)	(644,494)
Structures in trust, net	*1 2,890,475	2,847,400
Machinery and equipment in trust	261,479	248,014
Accumulated depreciation	(53,675)	(58,898)
Machinery and equipment in trust, net	207,804	189,115
Tools, furniture and fixtures in trust	166,797	179,449
Accumulated depreciation	(63,530)	(75,697)
Tools, furniture and fixtures in trust, net	103,267	103,751
Land in trust	*1 162,816,625	176,754,774
Construction in progress in trust	6,177	7,254
Total property, plant and equipment, net	223,779,535	242,167,446
Intangible assets		
Leasehold right in trust	4,300,847	4,296,869
Other	8,223	6,938
Total intangible assets	4,309,070	4,303,807
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	824,049	870,267
Long-term deposits	108,478	102,079
Other	7,668	3,602
Total investments and other assets	1,010,431	1,046,184
Total non-current assets	229,099,037	247,517,438
Deferred assets		
Investment corporation bond issuance costs	34,191	29,851
Investment unit issuance costs	23,179	53,832
Total deferred assets	57,371	83,683
Total assets	251,773,409	272,622,547

(in thousands of yen)

	12th Fiscal Period (As of March 31, 2021)	13th Fiscal Period (As of September 30, 2021)
Liabilities		
Current liabilities		
Operating accounts payable	759,610	815,139
Current portion of investment corporation bonds	1,000,000	2,000,000
Current portion of long-term loans payable	16,950,000	11,800,000
Accounts payable-other	544,740	631,767
Accrued expenses	44,153	58,268
Income taxes payable	873	1,177
Accrued consumption taxes	77,715	53,674
Advances received	1,320,786	1,420,317
Deposits received	16,610	22,202
Other	150,000	563
Total current liabilities	20,864,489	16,803,109
Non-current liabilities		
Investment corporation bonds	7,000,000	6,000,000
Long-term loans payable	87,850,000	100,500,000
Tenant leasehold and security deposits	148,083	148,083
Tenant leasehold and security deposits in trust	*1 10,900,443	11,789,113
Asset retirement obligations	24,534	24,688
Other	283,966	304,728
Total non-current liabilities	106,207,028	118,766,613
Total liabilities	127,071,517	135,569,722
Net assets		
Unitholders' equity		
Unitholders' capital	121,183,494	133,103,750
Deduction from unitholders' capital		
Allowance for temporary difference adjustments	*3 (384,773)	(285,940)
Total deduction from unitholders' capital	(384,773)	(285,940)
Unitholders' capital, net	120,798,721	132,817,810
Surplus		
Unappropriated retained earnings	4,153,672	4,511,908
Total surplus	4,153,672	4,511,908
Total unitholders' equity	124,952,393	137,329,718
Valuation and translation adjustments		
Deferred gains or losses on hedges	(250,501)	(276,894)
Total valuation and translation adjustments	(250,501)	(276,894)
Total net assets	*4 124,701,892	137,052,824
Total liabilities and net assets	251,773,409	272,622,547

(2) Statements of Income and Retained Earnings

		(in thousands of yen)	
		12th Fiscal Period (From October 1, 2020 to March 31, 2021)	13th Fiscal Period (From April 1, 2021 to September 30, 2021)
Operating revenues			
Rent revenue-real estate	*1	7,336,375	7,829,366
Other lease business revenue	*1	927,293	1,072,230
Gain on sale of real estate property	*2	454,244	674,513
Total operating revenues		<u>8,717,914</u>	<u>9,576,109</u>
Operating expenses			
Expenses related to rent business	*1	3,377,837	3,662,177
Asset management fees		808,051	873,967
Asset custody fees		10,178	10,182
Administrative service fees		32,903	33,936
Directors' compensation		4,500	4,500
Other operating expenses		105,424	109,945
Total operating expenses		<u>4,338,895</u>	<u>4,694,708</u>
Operating income		<u>4,379,018</u>	<u>4,881,401</u>
Non-operating income			
Interest income		58	58
Gain on forfeiture of unclaimed dividends		425	343
Other		29	-
Total non-operating income		<u>513</u>	<u>402</u>
Non-operating expenses			
Interest expenses		449,947	470,736
Interest expenses on investment corporation bonds		21,659	21,540
Financing-related expenses		96,325	107,352
Amortization of investment corporation bond issuance costs		4,340	4,340
Amortization of investment unit issuance costs		7,726	15,402
Total non-operating expenses		<u>579,999</u>	<u>619,373</u>
Ordinary income		<u>3,799,531</u>	<u>4,262,430</u>
Income before income taxes		<u>3,799,531</u>	<u>4,262,430</u>
Income taxes			
Current		882	1,186
Total income taxes		<u>882</u>	<u>1,186</u>
Net income		<u>3,798,649</u>	<u>4,261,244</u>
Retained earnings brought forward		<u>355,023</u>	<u>250,664</u>
Unappropriated retained earnings		<u>4,153,672</u>	<u>4,511,908</u>

(3) Statements of Changes in Net Assets

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

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital			Unitholders' capital, net	Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital			Unappropriated retained earnings	Total surplus	
Allowance for temporary difference adjustments		Total deduction from unitholders' capital					
Balance at the beginning of the period	121,183,494	(236,788)	(236,788)	120,946,706	3,716,853	3,716,853	124,663,559
Changes of items during the period							
Dividends from surplus					(3,361,829)	(3,361,829)	(3,361,829)
Distributions in excess of earnings from allowance for temporary difference adjustments		(147,984)	(147,984)	(147,984)			(147,984)
Net income					3,798,649	3,798,649	3,798,649
Net changes of items other than unitholder's equity							
Total changes of items during the period	-	(147,984)	(147,984)	(147,984)	436,819	436,819	288,834
Balance at the end of the period	*1 21,183,494	(384,773)	(384,773)	120,798,721	4,153,672	4,153,672	124,952,393

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

13th Fiscal Period (From April 1, 2021 to September 30, 2021)

(in thousands of yen)

	Unitholders' equity						
	Unitholders' capital				Surplus		Total unitholders' equity
	Unitholders' capital	Deduction from unitholders' capital		Unitholders' capital, net	Unappropriated retained earnings	Total surplus	
Allowance for temporary difference adjustments		Total deduction from unitholders' capital					
Balance at the beginning of the period	121,183,494	(384,773)	(384,773)	120,798,721	4,153,672	4,153,672	124,952,393
Changes of items during the period							
Issuance of new investment units	11,920,256			11,920,256			11,920,256
Dividends from surplus					(3,798,814)	(3,798,814)	(3,798,814)
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		104,194	104,194	104,194	(104,194)	(104,194)	-
Net income					4,261,244	4,261,244	4,261,244
Net changes of items other than unitholder's equity							
Total changes of items during the period	11,920,256	98,832	98,832	12,019,088	358,235	358,235	12,377,324
Balance at the end of the period	*1 133,103,750	(285,940)	(285,940)	132,817,810	4,511,908	4,511,908	137,329,718

	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	(250,501)	(250,501)	124,701,892
Changes of items during the period			
Issuance of new investment units			11,920,256
Dividends from surplus			(3,798,814)
Distributions in excess of earnings from allowance for temporary difference adjustments			(5,361)
Reversal of allowance for temporary difference adjustments			-
Net income			4,261,244
Net changes of items other than unitholder's equity	(26,392)	(26,392)	(26,392)
Total changes of items during the period	(26,392)	(26,392)	12,350,932
Balance at the end of the period	(276,894)	(276,894)	137,052,824

(4) Statements of Cash Distributions

(in yen)

	12th Fiscal Period (From October 1, 2020 to March 31, 2021)	13th Fiscal Period (From April 1, 2021 to September 30, 2021)
I. Retained earnings at the end of period	4,153,672,573	4,511,908,436
II. Distributions in excess of earnings	5,361,770	31,437,558
Of which, allowance for temporary difference adjustments	5,361,770	31,437,558
III. Incorporation into unitholders' capital	104,194,502	-
Of which, reversal of allowance for temporary difference adjustments	104,194,502	-
IV. Total distributions	3,804,175,815	4,266,193,056
Distributions per unit	7,095	7,328
Of which, distributions of earnings	3,798,814,045	4,234,755,498
Of which, distributions of earnings per unit	7,085	7,274
Of which, allowance for temporary difference adjustments	5,361,770	31,437,558
Of which, distributions in excess of earnings per unit (allowance for temporary difference adjustments)	10	54
V. Retained earnings brought forward to the next period	250,664,025	277,152,938
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 ¥3,798,814,045 which is almost the entire amount of income as defined in Article 136-1 of the Investment Trust Act after deduction of reversal of allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations).</p> <p>Furthermore, in accordance with the policy for "Distribution of Money in Excess of Profits" as stated in Article 39-2 of KRR's Articles of Incorporation, KRR made a distribution in excess of earnings of ¥5,361,770 for allowance for temporary difference adjustments (as defined in Article 2-2-30 of the Ordinance on Accountings of Investment Corporations) for the purpose of reflecting the effect on distributions of the difference in earnings calculated under Japanese GAAP and Japanese tax laws (as defined in Article 2-2-30 (a) of the Ordinance on Accountings of Investment Corporations) in association with the amortization of fixed-term land leasehold rights.</p>	<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 ¥4,234,755,498 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 ¥31,437,558 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)

	12th Fiscal Period (From October 1, 2020 to March 31, 2021)	13th Fiscal Period (From April 1, 2021 to September 30, 2021)
Net cash provided by (used in) operating activities		
Income before income taxes	3,799,531	4,262,430
Depreciation and amortization	1,069,574	1,167,650
Amortization of investment corporation bond issuance costs	4,340	4,340
Amortization of investment unit issuance costs	7,726	15,402
Interest income	(58)	(58)
Interest expenses	471,606	492,277
Decrease (increase) in operating accounts receivable	45,247	(34,523)
Decrease (increase) in consumption taxes receivable	-	(343,985)
Decrease (increase) in prepaid expenses	133,675	(124,170)
Increase (decrease) in operating accounts payable	16,504	60,978
Increase (decrease) in accounts payable-other	(11,382)	85,723
Increase (decrease) in accrued consumption taxes	(285,444)	(24,041)
Increase (decrease) in advances received	45,103	99,530
Increase (decrease) in deposits received	(9,430)	5,591
Decrease (increase) in long-term prepaid expenses	(80,467)	(46,218)
Decrease (increase) in long-term deposits	8,532	6,399
Decrease in net property, plant and equipment held in trust due to sale	2,146,120	3,765,046
Other	148,564	(155,716)
Subtotal	7,509,745	9,236,657
Interest income received	58	58
Interest expenses paid	(461,205)	(478,202)
Income taxes paid	(1,112)	(882)
Net cash provided by (used in) operating activities	7,047,485	8,757,631
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(6,484)	(8,026)
Purchase of property, plant and equipment in trust	(3,187,223)	(23,312,613)
Repayments of tenant leasehold and security deposits in trust	(236,364)	(262,886)
Proceeds from tenant leasehold and security deposits in trust	303,544	1,151,556
Proceeds from restricted bank deposits in trust	15,000	15,000
Net cash provided by (used in) investing activities	(3,111,527)	(22,416,969)
Net cash provided by (used in) financing activities		
Repayments of short-term loans payable	(2,750,000)	-
Proceeds from long-term loans payable	15,950,000	14,700,000
Repayments of long-term loans payable	(13,200,000)	(7,200,000)
Proceeds from issuance of investment units	-	11,874,201
Dividends paid	(3,510,170)	(3,802,528)
Net cash provided by (used in) financing activities	(3,510,170)	15,571,672
Net increase (decrease) in cash and cash equivalents	425,787	1,912,335
Cash and cash equivalents at the beginning of the period	21,804,996	22,230,783
Cash and cash equivalents at the end of the period	*1 22,230,783	24,143,118

(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>(1) 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 198 thousand yen and 106,958 thousand yen as of March 31, 2021 and September 30, 2021, respectively.</p> <p>(2) Accounting for revenues The details of main performance obligations concerning revenue generated from contracts between KRR and its customers and the ordinary time to fulfil said performance obligations (ordinary time to recognize revenue) are as follows. a. Sale of real estate property Revenue from sale of real estate properties is recorded as revenue when a buyer who is a customer obtains control over a real estate property following the seller's fulfilment of its obligation to hand over the property which is stipulated in the contract associated with the sale of real estate property. b. Utility charge reimbursements Recording of utility charge reimbursements as revenue is conducted according to the supply of electric power, water, etc. to lessees who are customers based on lease agreements of real estate properties and details of incidental agreements. With regard to utility charge reimbursements which KRR deems to fall under that for an agent, the net amount sought by subtracting the amount paid to another party from the amount that is received as charge for electric power, gas, etc. which is supplied by another concerned party is recognized as revenue.</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 accounting policies for the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in KRR's balance sheet and statement of income and retained earnings. Of the assets in trust accounted for under the respective account items, the following significant items are separately indicated on the balance sheet. 1. Cash and deposits in trust 2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, land in trust, construction in progress in trust 3. Leasehold right in trust 4. Lease and guarantee deposits in trust 5. Tenant leasehold and security deposits in trust</p> <p>(2) Accounting method for consumption taxes Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>

(Notes concerning the change of accounting policy)

1. Application of Accounting Standard for Revenue Recognition

The Accounting Standard for Revenue Recognition (Accounting Standards Board of Japan (“ASBJ”) Statement No. 29, March 31, 2020), etc. have been applied since the beginning of the fiscal period under review. In accordance with this accounting standard, KRR recognizes revenue as the amount expected to be received in exchange for the promised goods or services when the control of the goods or services is transferred to the customer.

The application of the Accounting Standard for Revenue Recognition is pursuant to the transitional treatment stipulated in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect when applying the new accounting policy retrospectively from before the beginning of the fiscal period under review is added to or subtracted from the retained earnings at the beginning of the fiscal period under review before applying the new accounting policy from the beginning-of-period balance. The impact of these changes on the financial statement of the fiscal period under review is minor.

Furthermore, in accordance with the transitional treatment stipulated in Paragraph 89-3 of the Accounting Standard for Revenue Recognition, the note on revenue recognition relationship concerning the previous fiscal period is not shown.

2. Application of Accounting Standard for Fair Value Measurement, Etc.

The “Accounting Standard for Fair Value Measurement” (ASBJ Statement No. 30, July 4, 2019), etc., have been applied since the beginning of the fiscal period under review. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), KRR has decided to apply the new accounting policies set forth by the Accounting Standard for Fair Value Measurement, etc. in the future. The impact of these changes on the financial statement of the fiscal period under review is minor.

(Additional Information)

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

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

1. Reasons, related assets and allowance

(in thousands of yen)

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

2. Reasons, related assets and reversal of allowance

(in thousands of yen)

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

3. Method of reversal

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

13th Fiscal Period (From April 1, 2021 to September 30, 2021)

1. Reasons, related assets and allowance

(in thousands of yen)

Related assets, etc.	Reason	Allowance for temporary difference adjustments
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	5,045
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	26,392

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	12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
Buildings in trust	650,807	640,897
Structures in trust	21,582	20,379
Land in trust	2,709,001	2,709,001
Total	3,381,391	3,370,278

Secured liabilities	12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
Tenant leasehold and security deposits in trust	414,070	392,072
Total	414,070	392,072

2. Commitment line contracts

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

(in thousands of yen)

	12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
Total amount of commitment line contracts	3,000,000	3,000,000
Balance of loans payable outstanding	-	-
Remaining amount	3,000,000	3,000,000

* 3. Allowance for temporary difference adjustments

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

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

(in thousands of yen)

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

2. Method of reversal

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

13th Fiscal Period (As of September 30, 2021)

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

(in thousands of yen)

Related assets, etc.	Reason for allowance	Initial amount	Balance at the beginning of the period	Allowance during the period	Reversal during the period	Balance at the end of the period	Reason for reversal
Buildings in trust, Leasehold right in trust	Amortization of leasehold right in trust and the amount in excess of depreciation	35,477	30,115	5,361	-	35,477	-
Deferred gains or losses on hedges	Loss on interest-rate swaps recognized at the end of the fiscal period	354,657	354,657	-	(104,194)	250,463	Changes in fair value of derivative transactions
Total		390,135	384,773	5,361	(104,194)	285,940	-

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)

12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
50,000	50,000

(Notes to Statements of Income and Retained Earnings)

* 1. Breakdown of real estate rental revenues and expenses

(in thousands of yen)

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
A. Rental and other operating revenues:		
Rent revenue-real estate:		
Rental revenues	6,092,542	6,572,739
Rental revenues from limited proprietary rights of land	990,413	1,008,625
Common area charges	253,420	248,000
Subtotal	7,336,375	7,829,366
Other lease business revenue:		
Parking space rental revenues	192,921	197,192
Utility charge reimbursement	476,555	625,364
Miscellaneous	257,816	249,673
Subtotal	927,293	1,072,230
Total rental and other operating revenues	8,263,669	8,901,596
B. Property-related expenses:		
Expenses related to rent business:		
Property management fees and facility management fees	679,143	693,617
Utilities	408,770	543,389
Taxes	735,593	729,881
Repairs and maintenance	185,140	247,928
Insurance	14,279	14,642
Trust fees	25,811	26,482
Depreciation	1,068,289	1,166,365
Others	260,808	239,869
Total property-related expenses	3,377,837	3,662,177
C. Net operating income from real estate rental business (A-B)	4,885,831	5,239,419

* 2. Gain on sale of real estate property

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

(in thousands of yen)

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

Kenedix Retail REIT Corporation (3453)

13th Fiscal Period (From April 1, 2021 to September 30, 2021)

(in thousands of yen)

Daikanyama Address Dixsept(30.0% quasi co-ownership interest)	
Revenue from sale of real estate property	1,993,200
Cost of real estate property	1,607,332
Other sales expenses	40,216
Gain on sale of real estate property	345,651

Unicus Ina (20.0% quasi co-ownership interest)	
Revenue from sale of real estate property	1,048,000
Cost of real estate property	872,862
Other sales expenses	7,443
Gain on sale of real estate property	167,694

Hankyu Oasis Hirakatadeguchi	
Revenue from sale of real estate property	1,500,000
Cost of real estate property	1,284,851
Other sales expenses	53,981
Gain on sale of real estate property	161,167

(Notes to Statements of Changes in Net Assets)

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

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Total number of authorized investment units	5,000,000 units	5,000,000 units
Total number of investment units issued and outstanding	536,177 units	582,177 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)

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Cash and deposits	9,187,157	10,026,355
Cash and deposits in trust	13,251,126	14,309,262
Restricted bank deposits in trust (Note)	(207,500)	(192,500)
Cash and cash equivalents	22,230,783	24,143,118

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)

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Due within 1 year	10,500	10,500
Due after 1 year	157,048	151,798
Total	167,548	162,298

Operating lease transactions (Lessor)
Future minimum lease income

(in thousands of yen)

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Due within 1 year	9,922,641	10,388,223
Due after 1 year	59,207,166	59,556,245
Total	69,129,807	69,944,468

(Notes to the Financial Instruments)

1. Overview

(1) Policy for financial instruments

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

(2) Types of financial instruments and related risk

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

Loans payable and investment corporation bonds, which are made or issued primarily for the purpose of procuring funds for the acquisition of real estate and trust beneficiary interests in real estate and have a repayment date of a maximum of 9 years and 7 months for loans payable and also have a redemption date of a maximum of 6 years and 7 month for investment corporation bonds as of September 30, 2021, the end of the 13th 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

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. Furthermore, "cash and deposits" and "short-term loans payable" are omitted as they are settled with cash and in a short span of time and are therefore similar in fair value to the book value. Also, "tenant leasehold and security deposits in trust" is omitted as it lacks in significance.

12th Fiscal Period
As of March 31, 2021

(in thousands of yen)

	Carrying amount	Estimated fair value	Difference
(1) Current portion of investment corporation bonds	1,000,000	998,600	(1,400)
(2) Current portion of long-term loans payable	16,950,000	16,974,527	24,527
(3) Investment corporation bonds	7,000,000	6,969,900	(30,100)
(4) Long-term loans payable	87,850,000	88,207,532	357,532
Total	112,800,000	113,150,560	350,560
Derivative transactions	(250,501)	(250,501)	-

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

13th Fiscal Period
As of September 30, 2021

(in thousands of yen)

	Carrying amount	Estimated fair value	Difference
(1) Current portion of investment corporation bonds	2,000,000	1,998,700	(1,300)
(2) Current portion of long-term loans payable	11,800,000	11,798,045	(1,954)
(3) Investment corporation bonds	6,000,000	5,991,000	(9,000)
(4) Long-term loans payable	100,500,000	100,837,304	337,304
Total	120,300,000	120,625,049	325,049
Derivative transactions	(276,894)	(276,894)	-

*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

Liabilities

(1) Current portion of investment corporation bonds and (3) Investment corporation bonds

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

(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.)

Derivative transactions

Please refer to “Notes to Derivative Transactions”.

Note 2: Redemption of long-term loans payable and other interest-bearing debt scheduled to be due after the balance sheet date

12th Fiscal Period
As of March 31, 2021

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Investment corporation bonds	1,000,000	1,000,000	-	-	1,000,000	5,000,000
Long-term loans payable	16,950,000	9,050,000	7,500,000	8,810,000	16,090,000	46,400,000
Total	17,950,000	10,050,000	7,500,000	8,810,000	17,090,000	51,400,000

13th Fiscal Period
As of September 30, 2021

(in thousands of yen)

	Due in 1 year or less	Due after 1 year through 2 years	Due after 2 years through 3 years	Due after 3 years through 4 years	Due after 4 years through 5 years	Due after 5 years
Investment corporation bonds	2,000,000	-	-	1,000,000	-	5,000,000
Long-term loans payable	11,800,000	7,500,000	9,490,000	15,320,000	19,850,000	48,340,000
Total	13,800,000	7,500,000	9,490,000	16,320,000	19,850,000	53,340,000

(Notes to Derivative Transactions)

(1) Transactions not subject to hedge accounting

12th Fiscal Period (As of March 31, 2021) and 13th Fiscal Period (As of September 30, 2021): Not applicable

(2) Transactions subject to hedge accounting

12th Fiscal Period
As of March 31, 2021

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

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

13th Fiscal Period

As of September 30, 2021

Hedge accounting method	Type of derivative transactions	Hedged items	Contract amount (in thousands of yen)		Fair value (in thousands of yen)	Calculation method for applicable fair value
				Maturing after 1 year		
Principle method	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	60,210,000	58,160,000	(276,894)	Based on the amount provided by counterparty financial institutions
Special treatment of interest-rate swaps	Interest rate swap transaction: Receive/floating and pay/fixed	Long-term loans payable	26,400,000	21,000,000	*	-
Total			86,610,000	79,160,000	(276,894)	

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

(Notes to the Related-Party Transactions)

- Parent Company, major corporate unitholders and other
12th Fiscal Period (From October 1, 2020 to March 31, 2021) and 13th Fiscal Period (From April 1, 2021 to September 30, 2021): Not applicable
- Affiliated companies and other
12th Fiscal Period (From October 1, 2020 to March 31, 2021) and 13th Fiscal Period (From April 1, 2021 to September 30, 2021): Not applicable
- Fellow subsidiary companies and other
12th Fiscal Period (From October 1, 2020 to March 31, 2021) and 13th Fiscal Period (From April 1, 2021 to September 30, 2021): Not applicable
- Directors, major individual unitholders and other
12th Fiscal Period (From October 1, 2020 to March 31, 2021) and 13th Fiscal Period (From April 1, 2021 to September 30, 2021): Not applicable

(Notes to the Tax-Effect Accounting)

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

	(in thousands of yen)	
	12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
Deferred tax assets:		
Enterprise tax payable	13	27
Amortization of leasehold right in trust	15,437	16,688
Depreciation	5,556	6,007
Asset retirement obligations	7,718	7,767
Deferred gains or losses on hedges	78,807	87,110
Subtotal deferred tax assets	107,533	117,601
Valuation allowance	(107,533)	(117,601)
Total deferred tax assets	-	-

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

	(unit: %)	
	12th Fiscal Period As of March 31, 2021	13th Fiscal Period As of September 30, 2021
Statutory tax rate	31.46	31.46
Deductible cash distributions	(31.50)	(31.49)
Others	0.06	0.05
Effective tax rate	0.02	0.02

(Notes to Asset Retirement Obligations)

Asset retirement obligations reported on balance sheets

- Summary of the asset retirement obligations
KRR has recognized the original state restoration obligations assumed under the fixed-term business-purpose land leasehold agreement as the asset retirement obligations in connection with Sunny Noma acquired on February 10, 2015.
- Method of calculating asset retirement obligations
Asset retirement obligations are calculated based on a discount rate of 1.256% after the useful life has been estimated to be 22 years and two months based on the time period from the date of acquisition to the expiration of the agreement.
- Changes in the amount of applicable asset retirement obligations consisted of the following

	(in thousands of yen)	
	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Balance at the beginning of the period	24,381	24,534
Accretion adjustment	153	154
Balance at the end of the period	24,534	24,688

(Notes on Revenue Recognition)

1. Information from analysis of revenues generated from contracts with customers
13th Fiscal Period (From April 1, 2021 to September 30, 2021)

(in thousands of yen)

	Revenues generated from contracts with customers *1	Sales to external customers
Revenue from sale of real estate property	2,548,000	*2 328,862
Utility charge reimbursements	625,364	625,364
Other	-	8,621,883
Total	3,173,364	9,576,109

*1 Rental revenues, etc. which are subject to Accounting Standard for Lease Transactions (ASBJ Statement No. 13) and the transfer of real estate properties which are subject to the "Practical Guidelines on Accounting by Transferors for Securitization of Real Estate Using Special Purpose Companies" (Accounting System Committee Report No.15 of the Japanese Institute of Certified Public Accountants) are not included in the above amounts as they are excluded from revenue recognition accounting standards. Furthermore, revenue generated from contracts with major customers comprise of revenue from sale of real estate properties and utility charge reimbursements.

*2 As proceeds from sale of real estate property is recorded as gain on sale of real estate property in the statements of income and retained earnings, the amount sought by deducting the cost of real estate property sales and other sales expenses from proceeds from sale of real estate property is indicated.

2. Foundational information for understanding revenues generated from contracts with customers

13th Fiscal Period (From April 1, 2021 to September 30, 2021)

The foundational information for understanding revenues generated from contracts with customers is as indicated in the Summary of Significant Accounting Policies.

3. Information on relationship of fulfillment of performance obligations based on contracts with customers with cashflow generated from said contracts and amount and period of revenue expected to be recognized in the next fiscal period or thereafter from contracts with customers existing at the end of the fiscal period under review

(1) Balance of contract assets and contract liabilities, etc.

(in thousands of yen)

	13th Fiscal Period From April 1, 2021 to September 30, 2021
Claims generated from contracts with customers (balance at beginning of fiscal year)	95,208
Claims generated from contracts with customers (balance at end of fiscal year)	138,197
Contract assets (balance at beginning of fiscal year)	-
Contract assets (balance at end of fiscal year)	-
Contract liabilities (balance at beginning of fiscal year)	-
Contract liabilities (balance at end of fiscal year)	-

(2) Transaction value allocated to remaining performance obligations

Not applicable.

KRR does not include contracts whose terms are initially expected to be less than one year as a target of the note on transaction value allocated to remaining performance obligations as an expedient in practice.

Also, with regard to utility charge reimbursements, as KRR has the right to receive from customers an amount directly corresponding to the value for the lessees who are customers of sections for which performance is complete by the end of the fiscal period, the amount it has the right to claim according to Paragraph 19 of the Application Guidelines of the Accounting Standard for Revenue Recognition is recognized as revenue. Accordingly, such is not included in the note on transaction value allocated to remaining performance obligations through application of the provisions of Paragraph 80-22 (2) of the Accounting Standard for Revenue Recognition.

(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)

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

1. Information about each product and service

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

2. Information about each geographic area

(1) Net sales

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

(2) Property, plant and equipment

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

3. Information about each major customer

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

13th Fiscal Period (From April 1, 2021 to September 30, 2021)

1. Information about each product and service

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

2. Information about each geographic area

(1) Net sales

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

(2) Property, plant and equipment

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

3. Information about each major customer

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

(Notes to Investment and Rental Properties)

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

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

			(in thousands of yen)	
			12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Book value				
	Balance at the beginning of the period		228,266,280	228,086,747
	Changes during the period		(179,533)	18,382,952
	Balance at the end of the period		228,086,747	246,469,699
Fair value at the end of the period			244,270,400	264,092,200

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 12th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interest in 2 properties totaling 2,106,845 thousand yen and additional acquisition of 2 real estate trust beneficiary interests amounting to 372,441 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 1 property totaling 2,146,120 thousand yen and depreciation of 1,068,136 thousand yen and during the 13th fiscal period, the principal increase was the acquisition of real estate trust beneficiary interest in 3 properties totaling 16,922,833 thousand yen and additional acquisition of 1 real estate trust beneficiary interests amounting to 5,761,375 thousand yen and the principal decrease was the sales of real estate trust beneficiary interests in 3 properties totaling 3,765,046 thousand yen and depreciation of 1,167,191 thousand yen.

Note 3: The fair value at the end of the period is the appraisal value determined by outside appraisers. The fair value of Daikanyama Address Dixsept(60.0% quasi co-ownership interest), Hankyu Oasis Hirakatadeguchi and Unicus Ina(20.0% quasi co-ownership interest) as of March 31, 2021 are based on the sales price (3,986,400 thousand yen, 1,500,000 thousand yen, and 1,048,000 thousand yen) under the trust beneficiary interest sales contracts entered on November 17, 2020, February 25, 2021, and April 7, 2021, respectively. The fair value of Daikanyama Address Dixsept(30.0% quasi co-ownership interest) as of September 30, 2021 is based on the sales price (1,993,200 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)

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Net asset value per unit	232,575 yen	235,414 yen
Net income per unit	7,084 yen	7,384 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:

	12th Fiscal Period From October 1, 2020 to March 31, 2021	13th Fiscal Period From April 1, 2021 to September 30, 2021
Net income (in thousands of yen)	3,798,649	4,261,244
Net income not attributable to ordinary unitholders (in thousands of yen)	-	-
Net income attributable to ordinary unitholders (in thousands of yen)	3,798,649	4,261,244
Weighted average number of units during the period (units)	536,177	577,064

(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 7)		Notes
		Increase	Balance	Increase	Balance	
April 18, 2017	Public offering	81,250	503,700	18,244	112,500	(Note 1)
May 17, 2017	Capital increase through third-party allocation	4,000	507,700	898	113,399	(Note 2)
October 23, 2019	Public offering	27,300	535,000	7,462	120,861	(Note 3)
November 14, 2019	Capital increase through third-party allocation	1,177	536,177	321	121,183	(Note 4)
April 20, 2021	Public offering	43,800	579,977	11,350	132,533	(Note 5)
May 18, 2021	Capital increase through third-party allocation	2,200	582,177	570	133,103	(Note 6)

Note 1: Issued at issue price of 232,537 yen per unit (issue amount of 224,547 yen per unit) for acquisition of new properties.

Note 2: Issued at issue amount of 224,547 yen per unit for repayment of borrowings.

Note 3: Issued at issue price of 282,847 yen per unit (issue amount of 273,360 yen per unit) for acquisition of new properties.

Note 4: Issued at issue amount of 273,360 yen per unit for part of future purchase funds for specified assets or repayment of borrowings.

Note 5: Issued at issue price of 267,930 yen per unit (issue amount of 259,136 yen per unit) for acquisition of new properties.

Note 6: Issued at issue amount of 259,136 yen per unit for part of future purchase funds for specified assets or repayment of borrowings.

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

3. Reference Information

(1) Information on Price of the Managed Assets

i) Component of Assets

Type of specified asset	Property type	Areas (Note 1)	12th fiscal period as of March 31, 2021		13th fiscal period as of September 30, 2021	
			Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)	Total amount held (Millions of Yen) (Note 2)	Ratio (%) (Note 3)
Trust beneficiary interest in real estate	Shopping centers for daily needs	Tokyo metropolitan area	94,736	37.6	109,236	40.1
		Greater Osaka area	46,036	18.3	50,227	18.4
		Greater Nagoya area	21,959	8.7	21,859	8.0
		Fukuoka area	7,855	3.1	7,815	2.9
		Ordinance-designated cities, core cities and other areas	43,765	17.4	43,671	16.0
	Other retail properties	-	-	-	-	
	Logistics facilities	-	10,049	4.0	9,983	3.7
Total of trust beneficiary interests in real estate			224,402	89.1	242,793	89.1
Real estate	Logistics facilities	-	3,684	1.5	3,675	1.3
Total of real estate			3,684	1.5	3,675	1.3
Bank deposits and other assets			23,686	9.4	26,152	9.6
Total assets			251,773	100.0	272,622	100.0

	12th fiscal period as of March 31, 2021		13th fiscal period as of September 30, 2021	
	Amount (Millions of Yen)	Ratio (%) (Note 3)	Amount (Millions of Yen)	Ratio (%) (Note 3)
Total liabilities (Note 4)	127,071	50.5	135,569	49.7
Total net assets (Note 4)	124,701	49.5	137,052	50.3
Total assets	251,773	100.0	272,622	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, 2021.

Property number	Property type (Note 1)	Property name	Location (Note 2)	Ownership form	Book value (in millions)	Evaluation value (in millions) (Note 3)	Acquisition price (in millions) (Note 4)	Share (%) (Note 5)
T-2	Urban Station-Front SC	MONA Shin-Urayasu	Urayasu, Chiba	Trust beneficiary interest in real estate	9,070	9,700	8,063	3.3
T-3	Urban Station-Front SC	Passaggio Nishiara	Adachi ward, Tokyo	Trust beneficiary interest in real estate	5,657	6,570	5,850	2.4
T-4	Urban Station-Front SC	Daikanyama Address Dixsept (Note 6)	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	1,602	1,872	1,617 (Note 7)	0.7
T-5	NSC	Unicus Ina	Kitaadachi-gun, Saitama	Trust beneficiary interest in real estate	3,468	4,216	3,576 (Note 7)	1.5
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	3,839	4,350	4,000	1.6
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	Trust beneficiary interest in real estate	3,488	3,870	3,600	1.5
T-8	SS	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	Trust beneficiary interest in real estate	2,428	2,770	2,586	1.1
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	Trust beneficiary interest in real estate	4,890	5,560	4,815	2.0
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	Trust beneficiary interest in real estate	3,210	3,450	3,169	1.3
T-11	NSC	Unicus Kamisato (Land)	Kodama-gun, Saitama	Trust beneficiary interest in real estate	3,043	3,050	3,000	1.2
T-12	NSC	Unicus Konosu (Land)	Konosu, Saitama	Trust beneficiary interest in real estate	1,726	1,790	1,700	0.7
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,462	1,380	1,442	0.6
T-15	NSC	Nakamachidai Tokyu Store	Yokohama, Kanagawa	Trust beneficiary interest in real estate	3,290	3,740	3,360	1.4
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,725	1,780	1,724	0.7
T-17	SM	Life Kameido	Koto ward, Tokyo	Trust beneficiary interest in real estate	1,475	1,480	1,450	0.6
T-18	NSC	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	Trust beneficiary interest in real estate	4,228	4,340	4,170	1.7
T-19	NSC	Yumemachi Narashinodai Mall	Funabashi, Chiba	Trust beneficiary interest in real estate	3,355	3,480	3,416	1.4
T-20	NSC	Kawamachi Yahagi Mall	Chiba, Chiba	Trust beneficiary interest in real estate	3,104	3,250	3,097	1.3
T-21	SS	Prime Square Jiyugaoka	Meguro-ward, Tokyo	Trust beneficiary interest in real estate	2,995	2,820	2,820	1.1
T-22	SS	Round I Ichikawa-Onitaka	Ichikawa, Chiba	Trust beneficiary interest in real estate	1,827	1,950	1,880	0.8
T-23	SM	Ozeki Tokiwadai	Itabashi ward, Tokyo	Trust beneficiary interest in real estate	1,268	1,340	1,263	0.5
T-24	SS	Konami Sports Club Shibuya	Shibuya ward, Tokyo	Trust beneficiary interest in real estate	3,603	3,380	3,400	1.4
T-25	NSC	Apita Terrace Yokohama Tsunashima	Yokohama, Kanagawa	Trust beneficiary interest in real estate	11,601	12,100	11,567	4.7
T-26	NSC	Kalsa Hiratsuka	Hiratsuka, Kanagawa	Trust beneficiary interest in real estate	5,974	6,050	5,980	2.4
T-27	NSC	Monenosato Mall	Yotsukaido, Chiba	Trust beneficiary interest in real estate	2,841	2,940	2,753	1.1
T-28	NSC	KDX Chofu Building (Retail wing)	Chofu, Tokyo	Trust beneficiary interest in real estate	2,403	2,410	2,300	0.9
T-29	NSC	Across Plaza Urayasu Higashino (Land)	Urayasu, Chiba	Trust beneficiary interest in real estate	2,283	2,310	2,248	0.9
T-30	SM	Comfort Market Nishi-Magome	Ota ward, Tokyo	Trust beneficiary interest in real estate	1,997	2,040	1,920	0.8
T-31	NSC	Kitera Town Chofu	Chofu, Tokyo	Trust beneficiary interest in real estate	10,621	11,400	10,500	4.3
T-32	NSC	Unicus Urawamisono (Land)	Saitama, Saitama	Trust beneficiary interest in real estate	748	817	732	0.3
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	Trust beneficiary interest in real estate	8,372	9,600	8,389	3.4
O-2	SM	Life Takadono (Land)	Osaka, Osaka	Trust beneficiary interest in real estate	2,727	3,200	2,685	1.1
O-3	NSC	DCM Kahma MEGA Don Quijote UNY	Omihachiman, Shiga	Trust beneficiary interest in real estate	2,101	2,590	2,140	0.9

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)
		Omiachiman						
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	Trust beneficiary interest in real estate	11,154	11,100	11,000	4.5
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	Trust beneficiary interest in real estate	6,875	7,320	6,555	2.7
O-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	Trust beneficiary interest in real estate	6,140	6,450	6,450	2.6
O-9	SM	Life Nishi-Tengachaya	Osaka, Osaka	Trust beneficiary interest in real estate	1,525	1,720	1,505	0.6
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	Trust beneficiary interest in real estate	3,772	4,070	3,723	1.5
O-11	NSC	Habikigaoka Shopping Center	Habikino, Osaka	Trust beneficiary interest in real estate	2,054	2,020	2,000	0.8
O-12	NSC	Merado Daikai	Kobe, Hyogo	Trust beneficiary interest in real estate	5,502	5,790	5,440	2.2
N-1	SS	DCM Kahma Nakagawa Tomita (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,351	2,690	2,311	0.9
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	Trust beneficiary interest in real estate	2,099	2,360	2,174	0.9
N-4	SS	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	Trust beneficiary interest in real estate	6,806	7,510	7,140	2.9
N-6	NSC	Resora Obu Shopping Terrace	Obu, Aichi	Trust beneficiary interest in real estate	8,013	7,050	7,911	3.2
N-7	SM	Valor Nakashidami (Land)	Nagoya, Aichi	Trust beneficiary interest in real estate	2,587	2,560	2,551	1.0
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	1,367	1,650	1,497	0.6
F-2	SS	Round1 Stadium Hakata-Hannichibashi	Fukuoka, Fukuoka	Trust beneficiary interest in real estate	4,908	5,800	5,020	2.0
F-3	NSC	Kurume-Nishi Shopping Center	Kurume, Fukuoka	Trust beneficiary interest in real estate	1,538	1,840	1,515	0.6
R-1	NSC	Roseo Mito	Mito, Ibaraki	Trust beneficiary interest in real estate	9,622	12,000	10,046	4.1
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	Trust beneficiary interest in real estate	1,423	1,520	1,469	0.6
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	Trust beneficiary interest in real estate	854	912	898	0.4
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	Trust beneficiary interest in real estate	4,406	4,930	4,180	1.7
R-5	NSC	Yorktown Shinden-Higashi	Sendai, Miyagi	Trust beneficiary interest in real estate	3,210	2,570	3,252	1.3
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Trust beneficiary interest in real estate	920	982	830	0.3
R-8	NSC	P-1 Plaza Tenno	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	4,130	4,350	4,010	1.6
R-9	NSC	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	Trust beneficiary interest in real estate	4,320	4,280	4,111	1.7
R-10	NSC	Sun Street Hamakita	Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	10,570	10,980	10,746 (Note 7)	4.4
R-11	SS	Costco Wholesale Sapporo Warehouse	Sapporo, Hokkaido	Trust beneficiary interest in real estate	4,212	4,430	4,210	1.7
L-1	L	Zama Distribution Center	Zama, Kanagawa	Real estate	1,467	1,750	1,400	0.6
L-2	L	Oppama Distribution Center	Yokosuka, Kanagawa	Real estate	1,339	1,650	1,300	0.5
L-3	L	Musashi Ranzan Distribution Center	Hiki-gun, Saitama	Trust beneficiary interest in real estate	3,762	4,250	3,879 (Note 7)	1.6
L-4	L	Yokohama Kamigo Distribution Center	Yokohama, Kanagawa	Trust beneficiary interest in real estate	964	1,040	918	0.4
L-5	L	Gyoda Distribution Center	Gyoda, Saitama	Trust beneficiary interest in real estate	3,178	3,590	3,160	1.3
L-6	L	Shinjuku Nishiochiai Distribution Center	Shinjuku ward, Tokyo	Real estate	869	842	810	0.3
L-7	L	Chiba-Kita Distribution Center	Chiba, Chiba	Trust beneficiary interest in real estate	1,253	1,340	1,250	0.5
L-8	L	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	Trust beneficiary interest in real estate	825	1,030	800	0.3
Total					246,469	263,971	245,274	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: KRR disposed of a quasi-co-ownership interest (40% a quasi-co-ownership interest) in the trust beneficiary interest of Daikanyama Address Dixsept on December 1, 2020, a quasi-co-ownership interest (30% a quasi-co-ownership interest) on April 1, 2021, and a quasi-co-ownership interest (30% a quasi-co-ownership interest) on October 1, 2021.

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

(B) Overview of tenants as of September 30, 2021

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

Property number	Property name	Leasable area (m ²) (Note 1)	Leased area (m ²) (Note 2)	Occupancy rate (%) (Note 3)	Number of tenants (Note 4)	Annual rent (thousands) (Note 5)	Amount of security deposits (millions) (Note 6)		
T-2	MONA Shin-Urayasu	9,955.84	9,352.76	93.9	1(52)	606,861	578		
T-3	Passaggio Nishiarai	10,530.60	10,341.41	98.2	1(41)	438,535	263		
T-4	Daikanyama Address Dixsept	1,516.92 (Note 7)	1,423.10 (Note 7)	93.8	1(24)	104,595 (Note 7)	92 (Note 7)		
T-5	Unicus Ina	10,770.16 (Note 7)	10,770.16 (Note 7)	100.0	1	223,202 (Note 7)	113 (Note 7)		
T-6	Yorktown Kita-Kaname	- (Note 8)	- (Note 8)	100.0	1	- (Note 8)	- (Note 8)		
T-7	Unicus Yoshikawa	10,648.27	10,648.27	100.0	1(10)	262,863	205		
T-8	Sports Club Renaissance Fujimidai	3,120.87	3,120.87	100.0	1	- (Note 8)	- (Note 8)		
T-9	Super Viva Home Iwatsuki (Land)	67,325.95	67,325.95	100.0	1		- (Note 8)	- (Note 8)	
T-10	K's Denki Shonan-Fujisawa (Land)	15,578.58	15,578.58	100.0	1		- (Note 8)	141	
T-11	Unicus Kamisato (Land)	67,854.47	67,854.47	100.0	1	150,595	70		
T-12	Unicus Konosu (Land)	19,329.00	19,329.00	100.0	1	86,063	39		
T-13	Inageya Yokohama Minamihonjuku (Land)	4,405.41	4,405.41	100.0	1	- (Note 8)	- (Note 8)		
T-15	Nakamachidai Tokyu Store	5,968.71	5,968.71	100.0	1			- (Note 8)	- (Note 8)
T-16	Central Wellness Club Nagatsuta Minamidai	3,996.68	3,996.68	100.0	2			- (Note 8)	- (Note 8)
T-17	Life Kameido	2,929.58	2,929.58	100.0	1			- (Note 8)	- (Note 8)
T-18	Totsuka-Fukaya Shopping Center (Land)	14,092.51	14,092.51	100.0	2			- (Note 8)	- (Note 8)
T-19	Yumemachi Narashinodai Mall	7,827.96	7,827.96	100.0	1(14)	226,829	155		
T-20	Kawamachi Yahagi Mall	6,397.05	6,397.05	100.0	1(12)	193,105	106		
T-21	Prime Square Jiyugaoka	3,512.55	3,512.55	100.0	2	- (Note 8)	- (Note 8)		
T-22	Round1 Ichikawa-Onitaka	11,963.61	11,963.61	100.0	1			- (Note 8)	- (Note 8)
T-23	Ozeki Tokiwadai	1,217.02	1,217.02	100.0	1			- (Note 8)	- (Note 8)
T-24	Konami Sports Club Shibuya	- (Note 8)	- (Note 8)	100.0	1			- (Note 8)	- (Note 8)
T-25	Apita Terrace Yokohama Tsunashima	44,568.05	44,568.05	100.0	1	- (Note 8)	- (Note 8)		
T-26	Kalsa Hiratsuka	14,195.00	14,195.00	100.0	3	(Note 8)	(Note 8)		
T-27	Monenosato Mall	6,861.59	6,861.59	100.0	1(11)	168,496	104		
T-28	KDX Chofu Building (Retail wing)	12,119.00	12,119.00	100.0	3	150,419	57		
T-29	Across Plaza Urayasu Higashino (Land)	6,229.32	6,229.32	100.0	1	- (Note 8)	- (Note 8)		
T-30	Comfort Market Nishi-Magome	1,456.86	1,456.86	100.0	1	96,000	80		
T-31	Kitera Town Chofu	10,665.73	10,280.31	96.4	1(26)	650,441	638		
T-32	Unicus Urawamisono (Land)	3,533.59	3,533.59	100.0	1	38,484	19		
O-1	Blumer Maitamon	30,290.85	29,948.33	98.9	50	712,941	433		
O-2	Life Takadono (Land)	4,437.07	4,437.07	100.0	1	- (Note 8)	- (Note 8)		
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	14,313.00	14,313.00	100.0	2			- (Note 8)	- (Note 8)
O-4	Blumer HAT Kobe	23,775.88	23,261.53	97.8	1(39)	712,962	812		

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-5	Carino Esaka	7,542.69	7,440.84	98.6	1(29)	302,441	230
O-6	COMBOX Komyoike	25,530.44 (Note 9)	25,530.44	100.0	1	452,060 (Note 10)	339 (Note 11)
O-9	Life Nishi-Tengachaya	2,679.52	2,679.52	100.0	1	89,740	199
O-10	Million Town Tsukaguchi (Land)	8,264.46	8,264.46	100.0	1	- (Note 8)	- (Note 8)
O-11	Habikigaoka Shopping Center	6,447.81	6,447.81	100.0	2	- (Note 8)	- (Note 8)
O-12	Merado Daikai	11,922.77	11,922.77	100.0	7	297,906	312
N-1	DCM Kahma Nakagawa Tomita (Land)	- (Note 8)	- (Note 8)	100.0	1	- (Note 8)	- (Note 8)
N-2	Valor Ichinomiya-Nishi	9,447.48	9,447.48	100.0	1	- (Note 8)	- (Note 8)
N-4	Homecenter Kohnan Sunadabashi	20,329.07	20,329.07	100.0	1	- (Note 8)	- (Note 8)
N-6	Resora Obu Shopping Terrace	19,909.33	19,634.11	98.6	1(42)	405,927	257
N-7	Valor Nakashidami (Land)	13,480.42	13,480.42	100.0	1	- (Note 8)	- (Note 8)
F-1	Sunny Noma	2,814.67	2,814.67	100.0	1	- (Note 8)	- (Note 8)
F-2	Round1 Stadium Hakata-Hanmichibashi	28,026.61	28,026.61	100.0	1	- (Note 8)	- (Note 8)
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)	703,420	464
R-2	K's Denki Aomori Honten	10,083.41	10,083.41	100.0	1	- (Note 8)	174
R-3	Super Sports Xebio Aomori-Chuo	- (Note 8)	- (Note 8)	100.0	1	- (Note 8)	- (Note 8)
R-4	Ashico Town Ashikaga	65,181.05	64,646.98	99.2	1(29)	392,247	331
R-5	Yorktown Shinden-Higashi	12,768.77	12,768.77	100.0	2	- (Note 8)	- (Note 8)
R-6	Kasumi Technopark Sakura	2,228.04	2,228.04	100.0	1	- (Note 8)	31
R-8	P-1 Plaza Tenno	12,030.83	12,030.83	100.0	1(7)	265,920	245
R-9	Seiyu Rakuichi Moriya (Land)	- (Note 8)	- (Note 8)	100.0	1	- (Note 8)	- (Note 8)
R-10	Sun Street Hamakita	48,697.31 (Note 7)	48,004.76 (Note 7)	98.6	1(49)	846,556 (Note 7)	493 (Note 7)
R-11	Costco Wholesale Sapporo Warehouse	24,006.16	24,006.16	100.0	1	- (Note 8)	- (Note 8)
L-1	Zama Distribution Center	5,479.92	5,479.92	100.0	1	- (Note 8)	- (Note 8)
L-2	Oppama Distribution Center	6,543.87	6,543.87	100.0	1	- (Note 8)	- (Note 8)
L-3	Musashi Ranzan Distribution Center	32,935.55 (Note 7)	32,935.55 (Note 7)	100.0	1	- (Note 7) (Note 8)	- (Note 7) (Note 8)
L-4	Yokohama Kamigo Distribution Center	2,040.05	2,040.05	100.0	2	- (Note 8)	- (Note 8)
L-5	Gyoda Distribution Center	21,956.09	21,956.09	100.0	1	- (Note 8)	- (Note 8)
L-6	Shinjuku Nishiochiai Distribution Center	790.52	790.52	100.0	1	- (Note 8)	- (Note 8)
L-7	Chiba-Kita Distribution Center	5,684.13	5,684.13	100.0	1	- (Note 8)	- (Note 8)
L-8	Sapporo Shiroishi Distribution Center	11,181.15	11,181.15	100.0	1	- (Note 8)	- (Note 8)
Total		997,493.50	993,761.43	99.6	528	5,462,978	11,937

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, 2021. As for lease agreements of buildings, the leased area of warehouses and land are excluded. As for pass-through type master leases, the leased area based on the lease agreements between the master lessee and the end-tenants as of September 30, 2021 is shown. As for sublease type master leases, the leased area to the master lessee is shown.

- Note 3: “Occupancy rate” is calculated by dividing leased area by leasable area as of September 30, 2021, rounded to the nearest tenth. The “Total” of “Occupancy rate” represents the average occupancy rate of all properties in the initial portfolio.
- Note 4: “Number of tenants” is based upon the number of lease agreements with respect to the building(s) (or land in the case of land-only properties with leasehold interest) on each such property used mainly as stores and offices, as of September 30, 2021. Where one lessee leases more than one section of the property, the lessee is counted as a tenant for each section leased within the property. Where pass-through type master lease agreements are entered into, the number of master lessees is with the number of end-tenants indicated in parentheses. Where sublease type master lease agreements are entered into, the indicated, number of master lessee is shown. The “Total” of “Number of tenants” shows the total number of tenants. As for pass-through type master leases, the number of end-tenants is used for calculation. As for sublease type master leases, the number of master lessee is used for calculation.
- Note 5: “Annualized fixed rent” is generally calculated by multiplying the monthly fixed rent and common area charges under a leasing contract with tenants at portfolio properties as of September 30, 2021 (excluding warehouses in the case of retail building lease agreements) by twelve and rounding down to the nearest thousand yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by twelve, rounded down to the nearest thousand yen.
- Note 6: “Tenant leasehold and security deposits” indicates the outstanding balance of any tenant leasehold and security deposit from the relevant end-tenant(s) set forth in lease agreement(s) effective as of September 30, 2021 (excluding warehouses in the case of building lease agreements), rounded down to the nearest million yen.
- Note 7: The area and amount as proportion to the quasi co-ownership interests that KRR owns are shown. The figures are reflected in total even if the figures are undisclosed.
- Note 8: We have not obtained consent from the tenant(s) to release this information.
- Note 9: The total area that we own exclusively as a compartmentalized ownership interest (retail space) is shown.
- Note 10: Calculated by multiplying the monthly rent and common area charges for September 2021 under the leasing contract by twelve and also taking into consideration the ownership ratio (93.20%) under the compartmentalized ownership agreement.
- Note 11: Calculated by multiplying the tenant leasehold and security deposits for the whole building as of September 2021 by the ownership ratio (93.20%).

(C) Overview of the appraisal reports

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

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI (in millions) (Note 1)	Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method							
						Direct capitalization method		DCF method					
Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)									
T-2	MONA Shin-Urayasu	Japan Real Estate Institute	Sep.30 2021	9,700	8,120	9,800	4.6	9,590	4.3	4.8	517	6.4	
T-3	Passaggio Nishiarai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	6,570	9,840	6,660	4.3	6,530	4.1	4.5	294	5.0	
T-4	Daikanyama Address Dixsept (Note 5)	Japan Real Estate Institute	Sep.30 2021	1,872	5,870	6,370	3.3	6,110	3.1	3.5	66	4.1	
T-5	Unicus Ina (Note 5)	Japan Real Estate Institute	Sep.30 2021	4,216	3,940	5,290	4.5	5,250	4.2	4.7	201	5.6	
T-6	Yorktown Kita-Kaname	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	4,350	2,280	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 2021	3,870	4,360	3,920	4.7	3,850	4.5	4.9	186	5.2	
T-8	Sports Club Renaissance Fujimidai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	2,770	1,880	2,800	4.6	2,750	4.4	4.8	129	5.0	
T-9	Super Viva Home Iwatsuki (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	5,560	—	—	—	5,560	(year 1-11) 4.6 (year 12-31.2) 4.7	—	197	4.1	
T-10	K's Denki Shonan-Fujisawa (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	3,450	—	—	—	3,450	(year 1-6) 4.3 (year 7-26.1) 4.4	—	159	5.0	
T-11	Unicus Kamisato (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	3,050	—	—	—	3,050	(year 1-9) 4.6 (year 10-24) 4.7 (year 25-34) 4.8	—	138	4.6	
T-12	Unicus Konosu (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	1,790	—	—	—	1,790	(year 1-9) 4.5 (year 10-24) 4.6 (year 25-34) 4.7	—	77	4.6	
T-13	Inageya Yokohama Minamihonjuku (Land)	Japan Real Estate Institute	Sep.30 2021	1,380	—	—	—	1,380	4.0	—	64	4.5	
T-15	Nakamachidai Tokyu Store	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	3,740	2,730	3,780	4.6	3,720	4.4	4.8	182	5.4	
T-16	Central Wellness Club Nagatsuta Minamidai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	1,780	2,370	1,790	5.0	1,780	4.8	5.2	91	5.3	
T-17	Life Kameido	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	1,480	2,040	1,500	4.2	1,470	3.9	4.4	63	4.4	
T-18	Totsuka-Fukaya Shopping Center (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	4,340	—	4,320	4.7 (Note 3)	4,340	4.6	—	191	4.6	
T-19	Yumemachi Narashinodai Mall	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	3,480	3,290	3,510	4.9	3,460	4.7	5.1	173	5.1	
T-20	Kawamachi Yahagi Mall	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	3,250	3,440	3,310	4.8	3,220	4.6	5.0	159	5.2	
T-21	Prime Square Jiyugaoka	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	2,820	2,880	2,860	3.6	2,800	3.4	3.8	115	4.1	
T-22	Round1 Ichikawa-Onitaka	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	1,950	3,390	1,960	4.8	1,950	4.6	5.0	97	5.2	
T-23	Ozeki Tokiwadai	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	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 2021	3,380	3,720	3,460	3.8	3,340	3.8	4.0	135	4.0	
T-25	Apita Terrace Yokohama Tsunashima	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	12,100	15,000	12,200	4.3	12,000	4.1	4.5	543	4.7	
T-26	Kalsa Hiratsuka	Japan Real Estate Institute	Sep.30 2021	6,050	6,180	6,120	4.4	5,980	4.1	4.6	280	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 2021	2,940	2,640	2,990	4.9	2,880	4.7	5.2	146	5.3
T-28	KDX Chofu Building (Retail wing)	Japan Real Estate Institute	Sep.30 2021	2,410	2,400	2,420	4.6	2,400	4.2	4.8	124	5.4
T-29	Across Plaza Urayasu Higashino (Land)	Daiwa Real Estate Appraisal Co.,	Sep.30 2021	2,310	—	2,330	4.2 (Note3)	2,300	4.1	—	89	4.0
T-30	Comfort Market Nishi-Magome	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	2,040	2,000	2,080	4.1	2,020	(year 1-10) 4.1 (year 11) 4.2	4.3	84	4.4
T-31	Kitera Town Chofu	Japan Real Estate Institute	Sep.30 2021	11,400	11,400	11,400	4.8	11,300	4.5	5.0	549	5.2
T-32	Unicus Urawamisono (Land)	Japan Real Estate Institute	Sep.30 2021	817	—	821	4.1	812	4.0	4.1	33	4.6
O-1	Blumer Maitamon	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	9,600	9,670	9,590	5.2	9,600	5.3	5.4	511	6.1
O-2	Life Takadono (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	3,200	—	—	—	3,200	(year 1-3) 3.8 (year 4-14) 3.9 (year 15-33.8) 4.0	—	128	4.8
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	Japan Real Estate Institute	Sep.30 2021	2,590	2,330	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 2021	11,100	17,300	11,200	4.9	11,000	4.7	5.1	559	5.1
O-5	Carino Esaka	Japan Real Estate Institute	Sep.30 2021	7,320	7,400	7,380	4.3	7,250	4.0	4.5	341	5.2
O-6	COMBOX Komyoike	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	6,450	7,490	6,810	5.3	6,290	4.9	5.4	385	6.0
O-9	Life Nishi-Tengachaya	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	1,720	1,780	1,750	4.5	1,700	4.6	4.7	79	5.3
O-10	Million Town Tsukaguchi (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	4,070	—	—	—	4,070	(year 1-14) 3.9 (year 15-34.4) 4.1	—	157	4.2
O-11	Habikigaoka Shopping Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	2,020	1,720	2,040	5.1	2,010	(year 1-8) 5.1 (after year 9) 5.2	5.3	106	5.3
O-12	Merado Daikai	Japan Real Estate Institute	Sep.30 2021	5,790	5,510	5,830	4.9	5,740	4.6	5.1	291	5.4
N-1	DCM Kahma Nakagawa Tomita (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	2,690	—	—	—	2,690	(year 1-12) 4.3 (year 13-31.7) 4.4	—	116	5.0
N-2	Valor Ichinomiya-Nishi	Japan Real Estate Institute	Sep.30 2021	2,360	1,790	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 2021	7,510	7,220	7,620	4.9	7,460	4.7	5.1	389	5.5
N-6	Resora Obu Shopping Terrace	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	7,050	7,400	7,250	4.9	6,960	5.0	5.1	365	4.6
N-7	Valor Nakashidami (Land)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	2,560	—	—	—	2,560	4.1	—	119	4.7
F-1	Sunny Noma	Japan Real Estate Institute	Sep.30 2021	1,650	1,610	1,690	4.4	1,600	4.2	4.8	78	5.3
F-2	Round1 Stadium Hakata-Hammichibashi	Japan Real Estate Institute	Sep.30 2021	5,800	5,640	5,840	4.9	5,750	4.6	5.1	285	5.7
F-3	Kurume-Nishi Shopping Center	Japan Real Estate Institute	Sep.30 2021	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 2021	12,000	9,270	12,100	4.8	11,900	4.5	5.0	593	5.9
R-2	K's Denki Aomori Honten	Japan Real Estate Institute	Sep.30 2021	1,520	1,690	1,530	5.5	1,510	5.2	5.7	91	6.2
R-3	Super Sports Xebio Aomori-Chuo	Japan Real Estate Institute	Sep.30 2021	912	855	917	5.5	906	5.2	5.7	56	6.3
R-4	Ashico Town Ashikaga	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	4,930	7,160	4,900	5.3 (Building) 5.0	4,940	5.1 (Building) 5.0	5.5	259	6.2

Property number	Property name	Appraiser	Evaluation date	Appraisal value (in millions)	Estimated value							Appraisal NOI yield (%) (Note 2)
					Cost method (in millions)	Cash flow-based method					Appraisal NOI (in millions) (Note 1)	
						Direct capitalization method		DCF method				
						Estimated value (in millions)	Cap rate (%)	Estimated value (in millions)	Discount rate (%)	Terminal capitalization rate (%)		
						(Land) (Note 4)		(Land)				
R-5	Yorktown Shinden-Higashi	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	2,570	3,830	2,580	5.6 (Note 6)	2,570	5.4 (Note 6)	5.8 (Note 6)	154	4.8
R-6	Kasumi Technopark Sakura	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	982	938	992	5.1	977	4.9	5.3	51	6.2
R-8	P-1 Plaza Tenno	Japan Real Estate Institute	Sep.30 2021	4,350	4,410	4,390	5.1	4,300	4.8	5.3	231	5.8
R-9	Seiyu Rakuichi Moriya (Land)	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	4,280	—	4,320	4.3 (Note 3)	4,260	4.2	—	166	4.1
R-10	Sun Street Hamakita (Note 5)	Japan Real Estate Institute	Sep.30 2021	10,980	10,000	12,300	5.4	12,000	5.1	5.7	626	5.8
R-11	Costco Wholesale Sapporo Warehouse	Japan Real Estate Institute	Sep.30 2021	4,430	3,590	4,460	4.5	4,390	4.2	4.7	204	4.8
L-1	Zama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	1,750	1,740	1,740	4.5	1,760	4.5	4.7	84	6.0
L-2	Oppama Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	1,650	1,610	1,640	4.6	1,660	4.7	4.8	85	6.6
L-3	Musashi Ranzan Distribution Center (Note 5)	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	4,250	4,630	4,730	5.0	4,720	(year 1-3) 5.0 (year 4-11) 5.1	5.2	222	5.7
L-4	Yokohama Kamigo Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	1,040	1,020	1,060	4.3	1,030	4.4	4.5	46	5.1
L-5	Gyoda Distribution Center	The Tanizawa Sōgō Appraisal Co., Ltd.	Sep.30 2021	3,590	3,440	3,550	4.8	3,600	(year 1-6) 4.7 (year 7-11) 4.8	5.0	180	5.7
L-6	Shinjuku Nishiochiai Distribution Center	Japan Real Estate Institute	Sep.30 2021	842	858	847	4.0	837	3.6	4.1	35	4.4
L-7	Chiba-Kita Distribution Center	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	1,340	996	1,350	4.1	1,330	3.9	4.3	57	4.6
L-8	Sapporo Shiroishi Distribution Center	Daiwa Real Estate Appraisal Co., Ltd.	Sep.30 2021	1,030	360	1,040	5.4	1,020	5.2	5.6	58	7.3
Total/Average				263,971	-	-	-	269,062	-	-	12,874	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.

Note 6: Figures are rounded to the nearest tenth.

(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 within one year (Note 1)
T-2	MONA Shin-Urayasu	Tokio Marine dR Co., Ltd.	Sep. 2019	1,193,651	-
T-3	Passaggio Nishiarai	Tokio Marine dR Co., Ltd.	Mar. 2020	192,726	40,697
T-4	Daikanyama Address Dixsept	Tokio Marine dR Co., Ltd.	Sep. 2019	249,446 (Note 2)	- (Note 2)
T-5	Unicus Ina	Tokio Marine dR Co., Ltd.	Jul. 2019	245,170	750
T-6	Yorktown Kita-Kaname	Tokio Marine dR Co., Ltd.	Mar. 2020	20,469	-
T-7	Unicus Yoshikawa	Tokio Marine dR Co., Ltd.	Sep. 2019	69,782	-
T-8	Sports Club Renaissance Fujimidai	HI International Consultant Co., Ltd.	Jan. 2019	37,340	8,650
T-9	Super Viva Home Iwatsuki (Land)	(Note 3)	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	(Note 3)	-	-	-
T-11	Unicus Kamisato (Land)	(Note 3)	-	-	-
T-12	Unicus Konosu (Land)	(Note 3)	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	(Note 3)	-	-	-
T-15	Nakamachidai Tokyu Store	Tokio Marine dR Co., Ltd.	Feb. 2021	35,691	-
T-16	Central Wellness Club Nagatsuta Minamidai	Tokio Marine dR Co., Ltd.	Feb. 2021	28,717	-
T-17	Life Kameido	Tokio Marine dR Co., Ltd.	Feb. 2021	22,463	-
T-18	Totsuka-Fukaya Shopping Center (Land)	(Note 3)	-	-	-
T-19	Yumemachi Narashinodai Mall	Tokio Marine dR Co., Ltd.	Aug. 2021	48,372	4668
T-20	Kawamachi Yahagi Mall	Tokio Marine dR Co., Ltd.	Aug. 2021	54,613	-
T-21	Prime Square Jiyugaoka	Tokio Marine dR Co., Ltd.	Mar. 2017	190,542	91,365
T-22	Round1 Ichikawa-Onitaka	Tokio Marine dR Co., Ltd.	Sep. 2021	38,887	-
T-23	Ozeki Tokiwadai	Tokio Marine dR Co., Ltd.	Oct. 2017	6,968	-
T-24	Konami Sports Club Shibuya	Tokio Marine dR Co., Ltd.	Mar. 2018	83,179	-
T-25	Apita Terrace Yokohama Tsunashima	Tokio Marine dR Co., Ltd.	Sep. 2019	114,471	-
T-26	Kalsa Hiratsuka	Tokio Marine dR Co., Ltd.	Sep. 2019	182,100	-
T-27	Monenosato Mall (Note 4)	Tokio Marine dR Co., Ltd.	A: Sep. 2019 B: Mar. 2021	A: 13,569 B: 3,264	-
T-28	KDX Chofu Building (Retail wing)	Tokio Marine dR Co., Ltd.	Sep. 2019	233,991	-
T-29	Across Plaza Urayasu Higashino (Land)	(Note 3)	Jun. 2019	-	-
T-30	Comfort Market Nishi-Magome	Tokio Marine dR Co., Ltd.	Mar. 2020	7,723	-
T-31	Kitera Town Chofu	Tokio Marine dR Co., Ltd.	Mar. 2021	117,649	-
T-32	Unicus Urawamisono (Land)	(Note 3)	-	-	-
O-1	Blumer Maitamon	Tokio Marine dR Co., Ltd.	Mar. 2020	250,277	-
O-2	Life Takadono (Land)	(Note 3)	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	HI International Consultant Co., Ltd.	Sep. 2019	64,610	6,310
O-4	Blumer HAT Kobe	Tokio Marine dR Co., Ltd.	Mar. 2020	375,840	131,342
O-5	Carino Esaka	Tokio Marine dR Co., Ltd.	Sep. 2020	483,536	-
O-6	COMBOX Komyoike	Tokio Marine dR 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 within one year (Note 1)
O-9	Life Nishi-Tengachaya	Tokio Marine dR Co., Ltd.	Sep. 2020	20,783	-
O-10	Million Town Tsukaguchi (Land)	(Note 3)	-	-	-
O-11	Habikigaoka Shopping Center	Tokio Marine dR Co., Ltd.	Sep. 2019	71,998	-
O-12	Merado Daikai	Tokio Marine dR Co., Ltd.	Mar. 2021	88,117 (South wing) 54,633 (North wing)	-
N-1	DCM Kahma Nakagawa Tomita (Land)	(Note 3)	-	-	-
N-2	Valor Ichinomiya-Nishi	HI International Consultant Co., Ltd.	Jan. 2019	162,380	1,790
N-4	Homecenter Kohnan Sunadabashi	Tokio Marine dR Co., Ltd.	Feb. 2021	341,724	-
N-6	Resora Obu Shopping Terrace	Tokio Marine dR Co., Ltd.	Jul. 2017	224,228	-
N-7	Valor Nakashidami (Land)	(Note 3)	Jun. 2019	-	-
F-1	Sunny Noma	HI International Consultant Co., Ltd.	Sep. 2019	77,860	100
F-2	Round1 Stadium Hakata-Hanmichibashi	Tokio Marine dR Co., Ltd.	Mar. 2017	57,758	7,042
F-3	Kurume-Nishi Shopping Center	Tokio Marine dR 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 dR Co., Ltd.	Mar. 2020	148,577	46,078
R-3	Super Sports Xebio Aomori-Chuo	Tokio Marine dR Co., Ltd.	Mar. 2020	108,213	22,021
R-4	Ashico Town Ashikaga	Tokio Marine dR Co., Ltd.	Sep. 2020	376,331	-
R-5	Yorktown Shinden-Higashi	Tokio Marine dR Co., Ltd.	Sep. 2020	198,785	-
R-6	Kasumi Technopark Sakura	Tokio Marine dR Co., Ltd.	May 2021	25,451	-
R-8	P-1 Plaza Tenno	Tokio Marine dR Co., Ltd.	Feb. 2021	183,656	13,072
R-9	Seiyu Rakuichi Moriya (Land)	(Note 5)	-	-	-
R-10	Sun Street Hamakita	Tokio Marine dR Co., Ltd.	Sep. 2021	569,307 (Note 2)	- (Note 2)
R-11	Costco Wholesale Sapporo Warehouse	Tokio Marine dR Co., Ltd.	Mar. 2018	80,309	3,175
L-1	Zama Distribution Center	Tokio Marine dR Co., Ltd.	Jan. 2019	100,053	-
L-2	Oppama Distribution Center	Tokio Marine dR Co., Ltd.	Jan. 2019	168,261	-
L-3	Musashi Ranzan Distribution Center	Tokio Marine dR Co., Ltd.	Jan. 2019	153,587 (Note 6)	27,511 (Note 6)
L-4	Yokohama Kamigo Distribution Center (Note 7)	Tokio Marine dR Co., Ltd.	A: Feb. 2019 B: Sep. 2020 C: Feb. 2021	A: 13,874 B: 3,748 C: 326	-
L-5	Gyoda Distribution Center	Tokio Marine dR Co., Ltd.	Sep. 2019	184,472	-
L-6	Shinjuku Nishiochiai Distribution Center	Tokio Marine dR Co., Ltd.	Nov. 2019	27,658	-
L-7	Chiba-Kita Distribution Center	Tokio Marine dR Co., Ltd.	Nov. 2020	38,503	1,529
L-8	Sapporo Shiroishi Distribution Center	Tokio Marine dR Co., Ltd.	Dec. 2020	55,252	15,295
Total				8,646,804	487,836

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

Note 2: Amount for the whole building is shown.

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

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

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

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

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

(E) Overview of seismic PML evaluation report

The following summary is based on the Portfolio Earthquake PML Evaluation Report created by Sampo 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 Sampo Risk Management Inc. and KRR or KFM.

Property number	Property name	PML value in seismic review (%)
T-2	MONA Shin-Urayasu	Retail building 12.0 Parking building 9.5
T-3	Passaggio Nishiarai	8.8
T-4	Daikanyama Address Dixsept	5.9
T-5	Unicus Ina	Mall building 4.2 Restaurant building 6.6
T-6	Yorktown Kita-Kaname	7.8
T-7	Unicus Yoshikawa	6.6
T-8	Sports Club Renaissance Fujimidai	6.7
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	9.1
T-16	Central Wellness Club Nagatsuta Minamidai	Retail building 8.5 Parking building 7.2
T-17	Life Kameido	6.7
T-18	Totsuka-Fukaya Shopping Center (Land)	-
T-19	Yumemachi Narashinodai Mall	7.2
T-20	Kawamachi Yahagi Mall	Main building 7.3 Uniqlo building 7.3 Holiday building 7.4
T-21	Prime Square Jiyugaoka	8.4
T-22	Round1 Ichikawa-Onitaka	Main / Tenant building 8.3 Parking building 9.0
T-23	Ozeki Tokiwadai	7.0
T-24	Konami Sports Club Shibuya	5.3
T-25	Apita Terrace Yokohama Tsunashima	11.3
T-26	Kalsa Hiratsuka	9.4
T-27	Monenosato Mall	Main building 5.6 Service building 5.7 Restaurant building 5.4 Clinic building 5.6
T-28	KDX Chofu Building (Retail wing)	6.3
T-29	Across Plaza Urayasu Higashino (Land)	-
T-30	Comfort Market Nishi-Magome	8.5
T-31	Kitera Town Chofu	8.0
T-32	Unicus Urawamisono (Land)	-
O-1	Blumer Maitamon	2.0
O-2	Life Takadono (Land)	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	MEGA Don Quijote UNY building 3.1 DCM Kahma building 3.2
O-4	Blumer HAT Kobe	3.6
O-5	Carino Esaka	1.7
O-6	COMBOX Komyoike	4.3
O-9	Life Nishi-Tengachaya	5.5
O-10	Million Town Tsukaguchi (Land)	-
O-11	Habikigaoka Shopping Center	Sunplaza A building 3.6 Sunplaza B building 3.4 Joshin building 3.5
O-12	Merado Daikai	South wing 2.3 North wing 2.8

Property number	Property name	PML value in seismic review (%)
N-1	DCM Kahma Nakagawa Tomita (Land)	-
N-2	Valor Ichinomiya-Nishi	4.8
N-4	Homecenter Kohnan Sunadabashi	5.2
N-6	Resora Obu Shopping Terrace	8.9
N-7	Valor Nakashidami (Land)	-
F-1	Sunny Noma	1.1
F-2	Round1 Stadium Hakata-Hanmichibashi	Main building 0.4 Parking building 0.3 Tenant building A 0.1 Tenant building B 0.1
F-3	Kurume-Nishi Shopping Center	M building 1.6 AB building 1.6 C building 2.5
R-1	Roseo Mito	Coffee shop building 5.4 Mall building 4.7 Sports facility building 5.9 Hardware store building 5.8 Secondhand shop building 5.5
R-2	K's Denki Aomori Honten	K's Denki building 1.6 TSUTAYA/Hard-off building 1.5
R-3	Super Sports Xebio Aomori-Chuo	1.6
R-4	Ashico Town Ashikaga	Shopping mall building 1.8 Extensions 1.7 Cinema building 1.5 Road-side building 2.1
R-5	Yorktown Shinden-Higashi	2.9
R-6	Kasumi Technopark Sakura	4.2
R-8	P-1 Plaza Tenno	A building 12.1 B building 6.1 C building 10.9 D building 6.9 E building 8.9 F building 8.7 G building 9.6 H building 8.7
R-9	Seiyu Rakuichi Moriya (Land)	-
R-10	Sun Street Hamakita	Main building 7.0 Mall building 9.6 Colore building 6.2 Wing building 6.2
R-11	Costco Wholesale Sapporo Warehouse	1.8
L-1	Zama Distribution Center	6.2
L-2	Oppama Distribution Center	8.6
L-3	Musashi Ranzan Distribution Center	1.0
L-4	Yokohama Kamigo Distribution Center	Distribution center building 5.3 Restaurant building 7.7 Employee Lounge building 4.8
L-5	Gyoda Distribution Center	3.7
L-6	Shinjuku Nishiochiai Distribution Center	4.7
L-7	Chiba-Kita Distribution Center	6.6
L-8	Sapporo Shiroishi Distribution Center	Building 1 2.1 Building 2 2.5
Portfolio PML value (Note)		3.0

Note: "Portfolio PML value" is the portfolio PML value of 53 properties that KRR owns as of September 30, 2021, excluding land with leasehold interest, based on the Portfolio Earthquake PML Evaluation Report dated September 2021, created by Sompo Risk Management Inc. In July 2021, Sompo Risk Management Inc. notified us of the renewal of the Earthquake PML Evaluation System. The Portfolio Earthquake PML Evaluation Report dated September 2021 is based on the revised system.

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

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

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
T-25	Apita Terrace Yokohama Tsunashima	Kiuchi Construction Co., Ltd. First-Class Architect Office	E-NOAH Design Solutions Co.	Kiuchi Construction Co., Ltd. Tokyo Office	Urban Housing Evaluation Center Co.
T-26	Kalsa Hiratsuka	MOVE Architects & Structure	Structure Nana Co., Ltd.	Daiwa Odakyu Construction Co., Ltd	Center of International Architectural Standard Co., Ltd.
T-27	Monenosato Mall	(Main Building) ADX Architects Office (Service Building) ADX Architects Office (Restaurant Building) ADX Architects Office (Clinic Building) ADX Architects Office	(Main building) Sumikin System Co., Ltd. First-Class Architects Office S.A.I. Structural Design Co., Ltd. First-Class Architect Office (Service building) ADX Architects Office (Restaurant Building) HKT Structure Design Office (Clinic Building) ADX Architects Office	(Main Building) Asahi Construction Co., Ltd. (Service Building) Asahi Construction Co., Ltd. (Restaurant Building) Kunii Construction Co., Ltd. (Clinic Building) Kunii Construction Co., Ltd.	(Main building) Japan ERI Co., Ltd. (Service building) Japan ERI Co., Ltd. (Restaurant Building) Japan ERI Co., Ltd. (Clinic Building) Japan ERI Co., Ltd.
T-28	KDX Chofu Building (Retail wing)	(Retail building) NIHON SEKKEI, INC. (ATM building) Tohmei Co., Ltd. First-Class Architect Office	(Retail building) NIHON SEKKEI, INC. (ATM building) Unknown	(Retail building) Nishimatsu Construction Co., Ltd. (ATM building) Tohmei Co., Ltd.	Tokyo Prefecture
T-29	Across Plaza Urayasu Higashino (Land)	-	-	-	-
T-30	Comfort Market Nishi-Magome	Ar Co., Ltd. First-Class Architect Office	Ichiken Co., Ltd. First-Class Architect Office	Choeihands Co., Ltd.	Japan Constructive Inspect Association
T-31	Kitera Town Chofu	Ito Architects & Engineers Inc.	Ito Architects & Engineers Inc.	Ichiken Co., Ltd.	Bureau Veritas Japan Co., Ltd.
T-32	Unicus Urawamisono (Land)	-	-	-	-
O-1	Blumer Maitamon	Asanuma Corporation	Asanuma Corporation	Daiwa System Co., Ltd.	Bureau Veritas Japan Co., Ltd.
O-2	Life Takadono (Land)	-	-	-	-
O-3	DCM Kahma MEGA Don Quijote UNY Omihachiman	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Daiken Tosikaihatu Co., Ltd.	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Daiken Tosikaihatu Co., Ltd.	(MEGA Don Quijote UNY building) Kiuchi Construction Co., Ltd. (DCM Kahma building) Aisawa Construction Co., Ltd. (Note2)	K.K. Organization of Confirmation & Inspection Annex
O-4	Blumer HAT Kobe	Obayashi Corporation	Obayashi Corporation	Obayashi Corporation	Center of International Architectural Standard Co., Ltd.
O-5	Carino Esaka	Tokyu Architects & Engineers Inc. (for new building construction) Tokyu Construction Co., Ltd. (for property expansion)	Tokyu Architects & Engineers Inc.	Tokyu Construction Co., Ltd.	Suita City
O-6	COMBOX Komyoike	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	Daiwa House Industry Co., Ltd.	General Building Research Corporation of Japan
O-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.
O-12	Merado Daikai	Takenaka Corporation	Takenaka Corporation	Takenaka Corporation	Kobe City
N-1	DCM Kahma Nakagawa Tomita (Land)	-	-	-	-

Property number	Property name	Architect	Structural engineer	Construction company	Construction confirmation authority
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)	-	-	-	-
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) Individual (Note 3) 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 Kenchikusekai Co., Ltd.	Office Okano Kenchikusekai Co., Ltd.	Nakano Corporation Co., Ltd.	Ibaraki Prefecture

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

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

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

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

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

(G) Overview of portfolio

i. Distribution by property type

Property type	Number of properties	Acquisition price (in millions)	Percentage of total portfolio acquisition price (%) (Note)
Shopping centers for daily needs	58	231,756	94.5
NSC (Neighborhood Shopping Centers)	32	151,451	61.7
SM (Supermarkets)	9	15,143	6.2
CSC (Community shopping Centers)	-	-	-
Urban Station-Front Shopping Centers	5	28,535	11.6
SS (Specialty Store)	12	36,627	14.9
Other retail properties	-	-	-
Logistics facilities	8	13,517	5.5
Total	66	245,274	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	55	200,722	81.8
Tokyo metropolitan area	37	120,716	49.2
Greater Osaka area	10	49,887	20.3
Greater Nagoya area	5	22,087	9.0
Fukuoka area	3	8,032	3.3
Ordinance-designated cities, core cities and other areas	11	44,552	18.2
Total	66	245,274	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	31,100	14.8
5 years or more but less than 10 years	2	4,334	2.1
10 years or more	46	174,462	83.1
Total	54	209,896	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, 2021. Where multiple buildings exist on the property, the property age is calculated using the average age of those buildings.

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

iv. Distribution by lease term remaining

Lease term (remaining period) (Note 1)	Annual fixed rent (in millions) (Note 2)	Ratio (%) (Note 3)
Less than 2 years	2,134	13.8
2 to less than 5 years	3,007	19.4
5 to less than 10 years	5,514	35.7
10 to less than 15 years	1,195	7.7
15 to less than 20 years	1,703	11.0
20 years or more	1,908	12.3
Total	15,462	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, 2021 (excluding warehouses for building lease agreements) for each acquired property and to-be acquired property.

Note 2: "Annual fixed rent" for acquired property is calculated by multiplying the monthly fixed rent and common area charges for the month ended September 30, 2021 (excluding warehouses in the case of building lease agreements) by twelve and rounding down to the nearest million yen. For master leases, where the master lease company subleases space to other tenants, the fixed monthly rent under the master lease contract is multiplied by 12, rounded down to the nearest million yen.

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

v. Distribution by lease contract type

Type of lease contract	Ratio (%) (Note)
Fixed-term building lease	75.3
Regular building lease	11.6
Commercial fixed-term land lease	13.1
Others	0.0
Total	100.0

Note: "Ratio" is based on the annual fixed rent as indicated in Note 2 of iv. 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	88.8
Fixed rent with sales-linked rent	9.7
Sales-linked rent	1.5
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, 2021 and September 30, 2021, rounded to the nearest tenth. As a result, simple aggregation of "ratio" figures may not be the same as the total figure.

(2) Capital Expenditures on the Managed Assets

i) Planned capital expenditures

The table below shows major capital expenditures (Note) for renovations, repairs and other projects that are planned for the 14th fiscal period ending March 31, 2022. These expenditures are for real estate owned by KRR and real estate in trusts in which KRR owns trust beneficiary rights. These planned projects may include some expenditures that will be recorded as expenses rather than capital expenditures for accounting purposes.

Property number	Property name	Location	Purpose	Schedule	Planned amount of capital expenditure (Millions of yen)		
					Total	Payment for the period	Total amount already paid
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air conditioning equipment replacement (phase 4)	From October 2021 to March 2022	278	-	-
T-27	Monenosato Mall	Yotsukaido, Chiba	Solar panel installation	From October 2021 to March 2022	110	-	-
L-5	Gyoda Distribution Center	Gyoda, Saitama	Air conditioning equipment replacement	From October 2021 to March 2022	66	-	-
L-2	Oppama Distribution Center	Yokosuka, Kanagawa	Water supply system replacement	From October 2021 to March 2022	14	-	-
L-8	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	Elevator renewal	From October 2021 to March 2022	10	-	-
L-8	Sapporo Shiroishi Distribution Center	Sapporo, Hokkaido	Cubicle replacement	From October 2021 to March 2022	10	-	-

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 628 million yen. There were also expenditures of 247 million yen that were recorded as repair expenses. In total, we spent 876 million yen on the projects.

Property number	Property name	Location	Purpose	Schedule	Capital expenditure (Millions of yen)
O-5	Carino Esaka	Suita, Osaka	Replacement of heat source and air conditioning equipment (phase 1)	From April 2021 to September 2021	190
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	Repair work in relation to floor Expansion	From January 2021 to April 2021	89
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Air conditioning equipment replacement (phase 3)	From April 2021 to September 2021	65
T-2	MONA Shin-Urayasu	Urayasu, Chiba	Exterior wall repair work (phase 2)	From April 2021 to September 2021	56
T-21	Prime Square Jiyugaoka	Meguro ward, Tokyo	Exterior wall repair work	From April 2021 to July 2021	18
Others					207
Total					628

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, 2021.

Name of end tenants	Type of business (Note 1)	Property name	Total leased area (m ²)	Ratio (%) (Note 2)	Annual fixed rent (in thousands of yen) (Note 3)	Tenant leasehold and security deposits (in millions of yen) (Note 4)
P&D Consulting Co., Ltd.	Real estate	A Unicus Ina B Unicus Kamisato (Land) C Unicus Konosu (Land) D Unicus Urawamisino (Land) E Ashico Town Ashikaga	105,651.76	10.6	498,345	242
York Co., Ltd.	Retail	A Yorktown Kita-Kaname B Totsuka-Fukaya Shopping Center (Land) C Monenosato Mall D Comfort Market Nishi-Magome	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Life Corporation	Retail	A Unicus Yoshikawa, B Life Kameido C Kitera Town Chofu D Life Takadono (Land) E Life Nishi-Tengachaya	16,185.56	1.6	- (Note 5)	- (Note 5)
Kohnan Shoji Co., Ltd.	Retail	A Unicus Yoshikawa B Homecenter Kohnan Sunadabashi	27,819.27	2.8	- (Note 5)	- (Note 5)
Viva Home Corporation	Retail	A Super Viva Home Iwatsuki (Land) B Roseo Mito	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Round One Corporation	Service	A Round1 Ichikawa-Onitaka B Round1 Stadium Hakata-Hanmichibashi	39,990.22	4.0	- (Note 5)	- (Note 5)
UNY Co., Ltd.	Retail	A Apita Terrace Yokohama Tsunashima B DCM Kahma MEGA Don Quijote UNY Omihachiman	52,910.05	5.3	- (Note 5)	- (Note 5)
DCM Co., Ltd	Retail	A Kalsa Hiratsuka B DCM Kahma MEGA Don Quijote UNY Omihachiman C DCM Kahma Nakagawa Tomita (Land)	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)
Daiwa House Realty Mgt. Co., Ltd. (Note 6)	Real estate	COMBOX Komyoike	25,530.44	2.6	451,993	339
Seiyu GK	Retail	A Sunny Noma B Seiyu Rakuichi Moriya (Land) C Sun Street Hamakita	- (Note 5)	- (Note 5)	- (Note 5)	- (Note 5)

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

Note 2: "Ratio" is the ratio of leased area of the end-tenant to total leasable area of the portfolio as of September 30, 2021, rounded to the nearest tenth.

Note 3: "Annual fixed-rent" for each property is based on monthly contracted rent (including common area charges) as set forth in the relevant lease agreements effective as of September 30, 2021 (excluding warehouses for building lease agreements) for each property or property in trust, truncated to thousands of yen. In a sublease type master lease, the annual rent (excluding consumption taxes) agreed upon in the master lease agreement or the amount obtained by multiplying the monthly rent (excluding consumption taxes) agreed upon in the master lease agreement by 12, rounded down to the nearest thousand yen, is shown.

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

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

Note 6: Daiwaroyal Co., Ltd. merged with Daiwa Information Service Co., Ltd. effective October 1, 2021, with Daiwa Information Service Co., Ltd. as the surviving company and Daiwaroyal Co., Ltd. as the dissolving company. The merged company changed its name to Daiwa House Realty Mgt. Co., Ltd. As of September 30, 2021, the tenant of COMBOX Komyoike was Daiwaroyal Co., Ltd. and the tenant of Across Plaza Urayasu Higashino (Land) was Daiwa Information Service Co., Ltd.

ii) Top End-Tenants in Terms of Leased Area

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

Name of end tenants	Type of business	Property name	Total leased area (m ²)	Annual fixed rent (in thousands of yen)	Tenant leasehold and security deposits (in millions of yen)	Lease term end	Lease renewal
P&D Consulting Co., Ltd. (Note 2)	Real estate	A Unicus Ina B Unicus Kamisato (Land) C Unicus Konosu (Land) D Unicus Urawamisino (Land) E Ashico Town Ashikaga	105,651.76	498,345	242	A Sep. 25, 2042 (Note 1) B Oct. 1, 2055 C Oct. 1, 2055 D Apr. 8, 2061 E Mar. 31, 2026	A Not Applicable (Note 1) B Not Applicable C Not Applicable D Not Applicable E 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 10.7% of the total leased area of the portfolio as of September 30, 2021, 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	Unicus Yoshikawa	702.27	30,989	25	Mar. 31, 2035	Not Applicable
Leases to the relevant tenant (total)	-	106,354.03	529,335	268	-	-

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	Tokyo metropolitan area													
Property No.	T-2	T-3	T-4(Note 2)	T-5(Note 3)	T-6	T-7	T-8	T-9	T-10	T-11	T-12	T-13	T-15	
Property Name	MONA Shin-Urayasu	Passaggio Nishiirai	Daikanyama Address Dixsept(30.0% quasi co-ownership interest)	Unicus Ina (80.0% quasi co-ownership interest)	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	1,617	3,576	4,000	3,600	2,586	4,815	3,169	3,000	1,700	1,442	3,360
	Percentage of total portfolio	3.3%	2.4%	0.7%	1.5%	1.6%	1.5%	1.1%	2.0%	1.3%	1.2%	0.7%	0.6%	1.4%
	Net book value (In millions of yen)	9,070	5,657	1,602	3,468	3,839	3,488	2,428	4,890	3,210	3,043	1,726	1,462	3,290
	Appraisal value at the end of period (In millions of yen)	9,700	6,570	1,872	4,216	4,350	3,870	2,770	5,560	3,450	3,050	1,790	1,380	3,740
	Percentage of total appraisal value	3.7%	2.5%	0.7%	1.6%	1.6%	1.5%	1.0%	2.1%	1.3%	1.2%	0.7%	0.5%	1.4%
Lease Information	Number of tenants	1 (52)	1 (41)	1 (24)	1	1	1 (10)	1	1	1	1	1	1	1
	Leasable floor area (㎡)	9,955.84	10,530.60	1,516.92	10,770.16	(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 (㎡)	9,352.76	10,341.41	1,423.10	10,770.16	(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
	Occupancy ratio													
	As of September 30, 2021	93.9%	98.2%	93.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2021	94.6%	100.0%	97.2%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	97.6%	100.0%	96.0%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	99.5%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	100.0%	100.0%	99.1%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2019	98.8%	98.6%	97.2%	100.0%	100.0%	99.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	①Rental and other operating revenues (In thousands of yen)	478,947	298,018	75,476	115,005	(Note 1)	132,874	(Note 1)	(Note 1)	(Note 1)	75,306	43,031	(Note 1)	(Note 1)
	Rental revenues	334,779	222,199	53,801	112,841	(Note 1)	130,911	(Note 1)	(Note 1)	(Note 1)	75,297	43,031	(Note 1)	(Note 1)
	Other operating revenues	144,167	75,819	21,674	2,164	(Note 1)	1,963	(Note 1)	(Note 1)	(Note 1)	9	—	(Note 1)	(Note 1)
	②Property-related expenses (In thousands of yen)	257,539	132,050	42,472	18,541	(Note 1)	46,828	(Note 1)	(Note 1)	(Note 1)	6,243	4,591	(Note 1)	(Note 1)
	Property management fees	79,849	50,449	15,779	1,456	(Note 1)	25,094	(Note 1)	(Note 1)	(Note 1)	1,200	1,200	(Note 1)	(Note 1)
	Taxes	22,406	34,891	5,684	9,515	(Note 1)	13,924	(Note 1)	(Note 1)	(Note 1)	4,777	3,130	(Note 1)	(Note 1)
	Utilities	49,409	28,773	9,616	—	(Note 1)	—	(Note 1)	(Note 1)	(Note 1)	—	—	(Note 1)	(Note 1)
	Repairs and maintenance	51,656	6,727	791	6,412	(Note 1)	6,690	(Note 1)	(Note 1)	(Note 1)	—	—	(Note 1)	(Note 1)
	Insurance	493	456	64	242	(Note 1)	208	(Note 1)	(Note 1)	(Note 1)	—	—	(Note 1)	(Note 1)
Trust fees and other expenses	53,724	10,752	10,535	916	(Note 1)	911	(Note 1)	(Note 1)	(Note 1)	266	261	(Note 1)	(Note 1)	
③NOI (=①-②) (In thousands of yen)	221,407	165,967	33,003	96,464	103,144	86,045	63,319	98,696	79,372	69,063	38,440	31,865	85,556	
④Depreciation (In thousands of yen)	68,284	34,273	4,802	29,651	21,034	15,964	15,180	—	—	—	—	—	20,332	
⑤Rental operating income (=③-④) (In thousands of yen)	153,123	131,693	28,201	66,812	82,110	70,080	48,138	98,696	79,372	69,063	38,440	31,865	65,223	
⑥Capital expenditures (In thousands of yen)	146,351	30,535	220	592	—	472	1,568	—	—	—	—	—	—	
⑦NCF (=⑤-⑥) (In thousands of yen)	75,056	135,431	32,783	95,872	103,144	85,573	61,750	98,696	79,372	69,063	38,440	31,865	85,556	
Reference	Expense ratio (=②/①)	53.8%	44.3%	56.3%	16.1%	12.2%	35.2%	13.2%	13.5%	6.4%	8.3%	10.7%	11.4%	27.1%
	Property tax for the year 2021 (In thousands of yen)	44,811	69,774	25,495	20,970	13,549	27,847	10,991	27,866	7,981	9,551	6,257	5,284	14,290
	Assets pledged as collateral	—	—	—	—	—	—	—	—	—	—	—	—	—

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	Tokyo metropolitan area													
Property No.	T-16	T-17	T-18	T-19	T-20	T-21	T-22	T-23	T-24	T-25	T-26	T-27	T-28	
Property Name	Central Wellness Club Nagatsuta Minamidai	Life Kameido	Totsuka-Fukaya Shopping Center (Land)	Yumemachi Narashinodai Mall	Kawamachi Yahagi Mall	Prime Square Jiyugaoka	Round1 Ichikawa-Onitaka	Ozeki Tokiwadai	Konami Sports Club Shibuya	Apita Terrace Yokohama Tsunashima	Kalsa Hiratsuka	Monenosato Mall	KDX Chofu Building (Retail wing)	
Acquisition Date	April 20, 2016	April 21, 2016	April 19, 2017	April 19, 2017	May 18, 2017	April 19, 2017	April 19, 2017	February 13, 2018	April 27, 2018	November 1, 2019	November 1, 2019	October 24, 2019	October 24, 2019	
Price Information	Acquisition price (In millions of yen)	1,724	1,450	4,170	3,416	3,097	2,820	1,880	1,263	3,400	11,567	5,980	2,753	2,300
	Percentage of total portfolio	0.7%	0.6%	1.7%	1.4%	1.3%	1.1%	0.8%	0.5%	1.4%	4.7%	2.4%	1.1%	0.9%
	Net book value (In millions of yen)	1,725	1,475	4,228	3,355	3,104	2,995	1,827	1,268	3,603	11,601	5,974	2,841	2,403
	Appraisal value at the end of period (In millions of yen)	1,780	1,480	4,340	3,480	3,250	2,820	1,950	1,340	3,380	12,100	6,050	2,940	2,410
	Percentage of total appraisal value	0.7%	0.6%	1.6%	1.3%	1.2%	1.1%	0.7%	0.5%	1.3%	4.6%	2.3%	1.1%	0.9%
Lease Information	Number of tenants	2	1	2	1 (14)	1 (12)	2	1	1	1	1	3	1 (11)	3
	Leasable floor area (㎡)	3,996.68	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02	(Note 1)	44,568.05	14,195.00	6,861.59	12,119.00
	Leased floor area (㎡)	3,996.68	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55	11,963.61	1,217.02	(Note 1)	44,568.05	14,195.00	6,861.59	12,119.00
	Occupancy ratio													
	As of September 30, 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2021	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2020	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2019	81.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	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%	—	—	—
Income and Retained Earnings Information	Operating periods	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	①Rental and other operating revenues (In thousands of yen)				149,438	114,881							110,158	85,661
	Rental revenues				115,180	96,552							84,368	75,209
	Other operating revenues				34,258	18,329							25,789	10,452
	②Property-related expenses (In thousands of yen)				54,800	31,581							35,936	34,390
	Property management fees	(Note 1)	(Note 1)	(Note 1)	11,975	9,351	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	6,099	7,233
	Taxes				11,760	9,835							8,374	11,379
	Utilities				27,815	11,183							20,399	—
	Repairs and maintenance				958	425							230	14,654
	Insurance				161	142							124	303
Trust fees and other expenses				2,129	643							709	820	
③NOI (=①-②) (In thousands of yen)	50,201	32,555	95,251	94,638	83,300	51,224	45,714	28,565	63,909	273,575	139,685	74,221	51,271	
④Depreciation (In thousands of yen)	7,757	2,994	—	14,821	10,472	10,958	11,012	2,307	9,001	55,614	21,576	14,547	8,752	
⑤Rental operating income (=③-④) (In thousands of yen)	42,443	29,561	95,251	79,817	72,828	40,266	34,702	26,258	54,908	217,961	118,108	59,673	42,518	
⑥Capital expenditures (In thousands of yen)	—	—	—	—	130	29,900	2,750	—	2,792	—	—	—	15,914	
⑦NCF (=⑤-⑥) (In thousands of yen)	50,201	32,555	95,251	79,817	72,698	40,136	31,952	26,258	52,116	217,961	118,108	59,673	26,604	
Reference	Expense ratio (=②/①)	18.0%	16.8%	6.3%	36.7%	27.5%	29.6%	28.5%	17.3%	22.0%	9.3%	13.4%	32.6%	40.1%
	Property tax for the year 2021 (In thousands of yen)	12,138	8,608	9,874	23,519	19,667	12,792	19,902	5,747	21,956	98,852	35,830	16,744	22,757
	Assets pledged as collateral	—	—	—	—	—	—	—	—	—	—	—	—	—

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	Tokyo metropolitan area				Greater Osaka area									
	T-29	T-30	T-31	T-32	O-1	O-2	O-3	O-4	O-5	O-6	O-9	O-10	O-11	
Property No.														
Property Name	Across Plaza Urayasu Higashino (Land)	Comfort Market Nishi-Magome	Kitera Town Chofu	Unicus Urawamisono (Land)	Blumer Maitamon	Life Takadono (Land)	DCM Kahma MEGA Don Quijote UNY Omihachiman	Blumer HAT Kobe	Carino Esaka	COMBOX Komyoike	Life Nishi-Tengachaya	Million Town Tsukaguchi (Land)	Habikigaoka Shopping Center	
Acquisition Date	October 24, 2019	April 15, 2020	April 21, 2021	April 9, 2021	February 10, 2015	February 10, 2015	February 10, 2015	April 16, 2015	October 2, 2015	October 2, 2015	January 21, 2016	April 21, 2016	September 27, 2019	
Price Information	Acquisition price (In millions of yen)	2,248	1,920	10,500	732	8,389	2,685	2,140	11,000	6,555	6,450	1,505	3,723	2,000
	Percentage of total portfolio	0.9%	0.8%	4.3%	0.3%	3.4%	1.1%	0.9%	4.5%	2.7%	2.6%	0.6%	1.5%	0.8%
	Net book value (In millions of yen)	2,283	1,997	10,621	748	8,372	2,727	2,101	11,154	6,875	6,140	1,525	3,772	2,054
	Appraisal value at the end of period (In millions of yen)	2,310	2,040	11,400	817	9,600	3,200	2,590	11,100	7,320	6,450	1,720	4,070	2,020
	Percentage of total appraisal value	0.9%	0.8%	4.3%	0.3%	3.6%	1.2%	1.0%	4.2%	2.8%	2.4%	0.7%	1.5%	0.8%
Lease Information	Number of tenants	1	1	1 (26)	1	50	1	2	1 (39)	1 (29)	1	1	1	2
	Leasable floor area (㎡)	6,229.32	1,456.86	10,665.73	3,533.59	30,290.85	4,437.07	14,313.00	23,775.88	7,542.69	25,530.44	2,679.52	8,264.46	6,447.81
	Leased floor area (㎡)	6,229.32	1,456.86	10,280.31	3,533.59	29,948.33	4,437.07	14,313.00	23,261.53	7,440.84	25,530.44	2,679.52	8,264.46	6,447.81
	Occupancy ratio													
	As of September 30, 2021	100.0%	100.0%	96.4%	100.0%	98.9%	100.0%	100.0%	97.8%	98.6%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2021	100.0%	100.0%	—	—	99.8%	100.0%	100.0%	98.8%	98.6%	100.0%	100.0%	100.0%	100.0%
	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%
	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%
	As of September 30, 2019	—	—	—	—	99.7%	100.0%	100.0%	84.4%	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%	—
As of September 30, 2018	—	—	—	—	99.7%	100.0%	100.0%	98.0%	99.5%	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%	—	
As of September 30, 2017	—	—	—	—	98.2%	100.0%	100.0%	98.7%	97.8%	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%	—	
Income and Retained Earnings Information	Operating periods	183days	183days	163days	175days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	①Rental and other operating revenues (In thousands of yen)		48,000	364,791	18,392	490,217			466,791	293,686	226,019	44,870		
	Rental revenues		48,000	293,756	18,386	366,228			364,427	187,563	226,019	44,870		
	Other operating revenues		—	71,035	5	123,988			102,364	106,123	—	—		
	②Property-related expenses (In thousands of yen)		5,877	86,438	1,395	203,313			192,675	124,236	33,075	5,533		
	Property management fees	(Note 1)	1,800	27,053	1,146	63,710	(Note 1)	(Note 1)	68,600	42,140	1,800	1,800	(Note 1)	(Note 1)
	Taxes		3,622	35	3	41,424			47,263	24,539	30,269	3,276		
	Utilities		—	43,463	—	62,922			55,310	29,481	—	—		
	Repairs and maintenance		—	2,489	—	11,283			8,260	25,379	—	—		
	Insurance		45	529	—	673			787	591	590	46		
Trust fees and other expenses		409	12,866	244	23,298			12,453	2,102	414	410			
③NOI (=①-②) (In thousands of yen)	45,225	42,122	278,353	16,996	286,904	63,878	73,231	274,116	169,450	192,943	39,336	78,706	53,827	
④Depreciation (In thousands of yen)	—	3,136	40,586	—	59,949	—	11,650	57,276	46,902	32,894	4,682	—	7,434	
⑤Rental operating income (=③-④) (In thousands of yen)	45,225	38,986	237,766	16,996	226,954	63,878	61,580	216,839	122,548	160,049	34,654	78,706	46,393	
⑥Capital expenditures (In thousands of yen)	—	—	—	—	4,005	—	265	3,329	190,927	—	—	—	—	
⑦NCF (=⑤-⑥) (In thousands of yen)	45,225	42,122	278,353	16,996	282,898	63,878	72,965	270,787	(21,476)	192,943	39,336	78,706	53,827	
Reference	Expense ratio (=②/①)	11.1%	12.2%	23.7%	7.6%	41.5%	7.1%	21.9%	41.3%	42.3%	14.6%	12.3%	12.5%	16.6%
	Property tax for the year 2021 (In thousands of yen)	8,382	7,244	70,838	2,568	82,830	6,806	28,396	94,529	49,079	60,535	6,552	19,665	16,081
	Assets pledged as collateral	—	—	—	—	—	—	○	—	—	—	○	—	—

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	Greater Osaka area	Greater Nagoya area					Fukuoka area			Ordinance-designated cities, core cities and other areas				
Property No.	O-12	N-1	N-2	N-4	N-6	N-7	F-1	F-2	F-3	R-1	R-2	R-3	R-4	
Property Name	Merado Daikai	DCM Kahma Nakagawa Tomita (Land)	Valor Ichinomiya-Nishi	Homecenter Kohnan Sunadabashi	Resora Obu Shopping Terrace	Valor Nakashidami (Land)	Sunny Noma	Round1 Stadium Hakata-Hammichibashi	Kurume-Nishi Shopping Center	Rosco Mito	K's Denki Aomori Honten	Super Sports Xebio Aomori-Chuo	Ashiko Town Ashikaga	
Acquisition Date	April 21, 2021	February 10, 2015	February 10, 2015	April 21, 2016	August 1, 2017	November 1, 2019	February 10, 2015	April 19, 2017	April 19, 2017	February 10, 2015	February 10, 2015	February 10, 2015	October 2, 2015	
Price Information	Acquisition price (In millions of yen)	5,440	2,311	2,174	7,140	7,911	2,551	1,497	5,020	1,515	10,046	1,469	898	4,180
	Percentage of total portfolio	2.2%	0.9%	0.9%	2.9%	3.2%	1.0%	0.6%	2.0%	0.6%	4.1%	0.6%	0.4%	1.7%
	Net book value (In millions of yen)	5,502	2,351	2,099	6,806	8,013	2,587	1,367	4,908	1,538	9,622	1,423	854	4,406
	Appraisal value at the end of period (In millions of yen)	5,790	2,690	2,360	7,510	7,050	2,560	1,650	5,800	1,840	12,000	1,520	912	4,930
	Percentage of total appraisal value	2.2%	1.0%	0.9%	2.8%	2.7%	1.0%	0.6%	2.2%	0.7%	4.5%	0.6%	0.3%	1.9%
Lease Information	Number of tenants	7	1	1	1	1 (42)	1	1	1	4	1 (23)	1	1	1 (29)
	Leasable floor area (㎡)	11,922.77	(Note 1)	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
	Leased floor area (㎡)	11,922.77	(Note 1)	9,447.48	20,329.07	19,634.11	13,480.42	2,814.67	28,026.61	4,641.10	48,296.15	10,083.41	(Note 1)	64,646.98
	Occupancy ratio													
	As of September 30, 2021	100.0%	100.0%	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.2%
	As of March 31, 2021	—	100.0%	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.1%
	As of September 30, 2020	—	100.0%	100.0%	100.0%	97.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%
	As of March 31, 2020	—	100.0%	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%
	As of September 30, 2019	—	100.0%	100.0%	100.0%	95.5%	—	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	95.0%
	As of March 31, 2019	—	100.0%	100.0%	100.0%	86.3%	—	100.0%	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%
As of September 30, 2018	—	100.0%	100.0%	100.0%	99.0%	—	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	
As of March 31, 2018	—	100.0%	100.0%	100.0%	99.2%	—	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	
As of September 30, 2017	—	100.0%	100.0%	100.0%	99.4%	—	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	
As of March 31, 2017	—	100.0%	100.0%	100.0%	—	—	100.0%	—	—	99.7%	100.0%	100.0%	100.0%	
Income and Retained Earnings Information	Operating periods	163days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days	183days
	①Rental and other operating revenues (In thousands of yen)	177,246				282,570				52,865	386,578			271,889
	Rental revenues	132,402				217,724				52,308	350,968			202,044
	Other operating revenues	44,844				64,845				557	35,609			69,845
	②Property-related expenses (In thousands of yen)	31,646				125,775				6,090	87,478			134,712
	Property management fees	5,183	(Note 1)	(Note 1)	(Note 1)	37,955	(Note 1)	(Note 1)	(Note 1)	1,868	20,392	(Note 1)	(Note 1)	37,757
	Taxes	10				26,311				3,414	26,512			24,530
	Utilities	25,588				42,624				—	22,237			55,187
	Repairs and maintenance	138				4,492				223	16,181			9,416
	Insurance	330				553				71	595			555
	Trust fees and other expenses	396				13,838				512	1,557			7,264
③NOI (=①-②) (In thousands of yen)	145,600	58,021	66,818	199,766	156,794	59,557	36,993	144,301	46,774	299,100	45,248	28,058	137,176	
④Depreciation (In thousands of yen)	16,049	—	16,828	40,780	51,850	—	14,618	22,245	5,667	47,850	6,318	4,857	35,176	
⑤Rental operating income (=③-④) (In thousands of yen)	129,551	58,021	49,989	158,985	104,944	59,557	22,375	122,055	41,107	251,250	38,930	23,201	102,000	
⑥Capital expenditures (In thousands of yen)	5,730	—	—	—	9,694	—	2,120	—	—	—	—	—	14,740	
⑦NCF (=⑤-⑥) (In thousands of yen)	139,870	58,021	49,989	158,985	95,250	59,557	20,255	122,055	41,107	251,250	38,930	23,201	87,260	
Reference	Expense ratio (=⑥/⑤)	17.9%	10.1%	15.3%	10.4%	44.5%	2.6%	28.5%	12.2%	11.5%	22.6%	16.9%	16.1%	49.5%
	Property tax for the year 2021 (In thousands of yen)	32,012	10,161	19,015	39,939	52,385	—	7,722	34,699	6,829	53,023	13,725	6,130	49,060
	Assets pledged as collateral	—	—	—	—	—	—	—	—	—	—	—	—	—

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	Ordinance-designated cities, core cities and other areas						—							
Property No.	R-5	R-6	R-8	R-9	R-10	R-11	L-1	L-2	L-3	L-4	L-5	L-6	L-7	
Property Name	Yorktown Shinden-Higashi	Kasumi Technopark Sakura	P-1 Plaza Tenno	Seiyu Rakuichi Moriya (Land)	Sun Street Hamakita	Costco Wholesale Sapporo Warehouse	Zama Distribution Center	Oppama Distribution Center	Musashi Ranzan Distribution Center	Yokohama Kamigo Distribution Center	Gyoda Distribution Center	Shinjuku Nishiochiai Distribution Center	Chiba-Kita Distribution Center	
Acquisition Date	October 2, 2015	October 2, 2015	April 22, 2016	January 31, 2017	April 27, 2017	May 31, 2018	April 5, 2019	April 5, 2019	March 26, 2019	April 11, 2019	October 1, 2019	January 10, 2020	December 25, 2020	
Price Information	Acquisition price (In millions of yen)	3,252	830	4,010	4,111	10,746	4,210	1,400	1,300	3,879	918	3,160	810	1,250
	Percentage of total portfolio	1.3%	0.3%	1.6%	1.7%	4.4%	1.7%	0.6%	0.5%	1.6%	0.4%	1.3%	0.3%	0.5%
	Net book value (In millions of yen)	3,210	920	4,130	4,320	10,570	4,212	1,467	1,339	3,762	964	3,178	869	1,253
	Appraisal value at the end of period (In millions of yen)	2,570	982	4,350	4,280	10,980	4,430	1,750	1,650	4,250	1,040	3,590	842	1,340
	Percentage of total appraisal value	1.0%	0.4%	1.6%	1.6%	4.2%	1.7%	0.7%	0.6%	1.6%	0.4%	1.4%	0.3%	0.5%
Lease Information	Number of tenants	2	1	1 (7)	1	1 (49)	1	1	1	2	1	1	1	
	Leasable floor area (㎡)	12,768.77	2,228.04	12,030.83	(Note 1)	48,697.31	24,006.16	5,479.92	6,543.87	32,935.55	2,040.05	21,956.09	790.52	5,684.13
	Leased floor area (㎡)	12,768.77	2,228.04	12,030.83	(Note 1)	48,004.76	24,006.16	5,479.92	6,543.87	32,935.55	2,040.05	21,956.09	790.52	5,684.13
	Occupancy ratio													
	As of September 30, 2021	100.0%	100.0%	100.0%	100.0%	98.6%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of March 31, 2021	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of September 30, 2020	100.0%	100.0%	100.0%	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	—
	As of March 31, 2020	100.0%	100.0%	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	—
	As of September 30, 2019	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%	100.0%	100.0%	—	—	—
	As of March 31, 2019	100.0%	100.0%	100.0%	100.0%	99.3%	100.0%	—	—	100.0%	—	—	—	—
As of September 30, 2018	100.0%	100.0%	100.0%	100.0%	99.3%	100.0%	—	—	—	—	—	—	—	
As of March 31, 2018	100.0%	100.0%	100.0%	100.0%	99.2%	—	—	—	—	—	—	—	—	
As of September 30, 2017	100.0%	100.0%	100.0%	100.0%	98.0%	—	—	—	—	—	—	—	—	
As of March 31, 2017	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	
	①Rental and other operating revenues (In thousands of yen)			133,935		525,022								
	Rental revenues			133,230		436,119								
	Other operating revenues			705		88,903								
	②Property-related expenses (In thousands of yen)			18,848		219,875								
	Property management fees	(Note 1)	(Note 1)	3,088	(Note 1)	73,192	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	(Note 1)	
	Taxes			14,542		25,530								
	Utilities			117		40,321								
	Repairs and maintenance			336		11,463								
	Insurance			347		809								
Trust fees and other expenses			416		68,557									
③NOI (=①-②) (In thousands of yen)	73,502	19,217	115,087	82,979	305,146	101,691	48,737	53,400	112,566	22,347	74,022	16,564	29,192	
④Depreciation (In thousands of yen)	13,800	3,403	18,550	—	81,648	33,881	7,032	9,611	37,223	3,636	24,921	846	9,323	
⑤Rental operating income (=③-④) (In thousands of yen)	59,702	15,813	96,537	82,979	223,497	67,809	41,704	43,788	75,342	18,711	49,100	15,717	19,869	
⑥Capital expenditures (In thousands of yen)	—	89,667	11,972	—	34,954	895	—	1,390	—	—	12,745	7,638	950	
⑦NCF (=⑤-⑥) (In thousands of yen)	73,502	(70,450)	103,114	82,979	270,192	100,796	48,737	52,010	112,566	22,347	61,276	8,926	28,242	
Reference	Expense ratio (=②/①)	45.4%	37.6%	14.1%	13.3%	41.9%	16.2%	14.8%	12.1%	11.2%	19.9%	32.3%	13.7%	12.9%
	Property tax for the year 2021 (In thousands of yen)	30,475	3,629	29,084	22,483	51,057	33,068	7,845	9,385	23,358	5,685	22,999	4,037	5,880
	Assets pledged as collateral	—	—	—	—	—	—	—	—	—	—	—	—	—

【Reference】

Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021): 183 days ※As of September 30, 2021

Location	—		
Property No.	L-8	Total of 66 properties	
Property Name	Sapporo Shiroishi Distribution Center		
Acquisition Date	December 24, 2020		
Price Information	Acquisition price (In millions of yen)	800	245,274
	Percentage of total portfolio	0.3%	100.0%
	Net book value (In millions of yen)	825	246,469
	Appraisal value at the end of period (In millions of yen)	1,030	263,971
	Percentage of total appraisal value	0.4%	100.0%
Lease Information	Number of tenants	1	528
	Leasable floor area (㎡)	11,181.15	997,493.50
	Leased floor area (㎡)	11,181.15	993,761.43
	Occupancy ratio		
	As of September 30, 2021	100.0%	99.6%
	As of March 31, 2021	100.0%	99.8%
	As of September 30, 2020	—	99.7%
	As of March 31, 2020	—	99.4%
	As of September 30, 2019	—	98.9%
	As of March 31, 2019	—	99.2%
As of September 30, 2018	—	99.4%	
As of March 31, 2018	—	99.5%	
As of September 30, 2017	—	99.6%	
As of March 31, 2017	—	99.6%	
Income and Retained Earnings Information	Operating periods	183days	182days
	①Rental and other operating revenues (In thousands of yen)		8,872,588
	Rental revenues		7,800,358
	Other operating revenues		1,072,230
	②Property-related expenses (In thousands of yen)		2,491,615
	Property management fees	(Note 1)	692,367
	Taxes		727,319
	Utilities		543,389
	Repairs and maintenance		247,928
	Insurance		14,610
Trust fees and other expenses		265,999	
③NOI (=①-②) (In thousands of yen)	30,747	6,380,973	
④Depreciation (In thousands of yen)	11,719	1,161,695	
⑤Rental operating income (=③-④) (In thousands of yen)	19,027	5,219,277	
⑥Capital expenditures (In thousands of yen)	6,234	628,486	
⑦NCF (=⑤-⑥) (In thousands of yen)	24,513	5,752,486	
Reference	Expense ratio (=②/①)	9.2%	28.1%
	Property tax for the year 2021 (In thousands of yen)	3,776	1,624,049
	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: The figures of Income and Retained Earnings Information and Reference include those of Daikanyama Address Dixsept (30.0% quasi co-ownership interest) that was sold on April 1, 2021.

Daikanyama Address Dixsept is counted as one of the owned properties as of the end of the 13th fiscal period because the 30% quasi co-ownership interest is owned by the Investment Corporation as of the end of the 13th fiscal period after the sale of 40% quasi co-ownership interest on December 1, 2020 and 30% quasi co-ownership interest on April 1, 2021.

Note 3: The figures of Income and Retained Earnings Information and Reference include those of Unicus Ina (20.0% quasi co-ownership interest) that was sold on April 9, 2021.

Unicus Ina is counted as one of the owned properties as of the end of the 13th fiscal period because the 80% quasi co-ownership interest is owned by the Investment Corporation

【Reference】 Earnings Performance for the Individual Properties for the 13th Fiscal Period (April 1, 2021 to September 30, 2021) : 183 days ※As of September 30, 2021

Location		Tokyo metropolitan area	Greater Osaka area			
Property No.		T-4(Note 1)	T-5(Note 2)	O-7(Note 3)	Total of 1 Property Sold (Notes4,5)	Total of 67 Properties
Property Name		Daikanyama Address Dixsept(30.0% quasi co-ownership interest)	Unicus Ina (20.0% quasi co-ownership interest)	Hankyu Oasis Hirakatadeguchi		
Acquisition Date		February 10, 2015	February 10, 2015	October 2, 2015		
Price Information	Acquisition price (In millions of yen)	1,617	894	1,280	3,791	249,065
	Percentage of total portfolio	42.7%	23.6%	33.8%	100.0%	—
	Revenue from sale of real estate property (In millions of yen)	1,993	1,048	1,500	4,541	—
	Cost of real estate property (In millions of yen)	1,607	872	1,284	3,765	—
	Gain on sale of real estate property (In millions of yen)	345	167	161	674	—
Lease Information	Number of tenants	—	—	—	—	—
	Leasable floor area (㎡)	—	—	—	—	—
	Leased floor area (㎡)	—	—	—	—	—
	Occupancy ratio					
	As of September 30, 2021	—	—	—	—	—
	As of March 31, 2021	97.2%	100.0%	100.0%	—	—
	As of September 30, 2020	96.0%	100.0%	100.0%	—	—
	As of March 31, 2020	99.1%	100.0%	100.0%	—	—
	As of September 30, 2019	99.1%	100.0%	100.0%	—	—
	As of March 31, 2019	97.2%	100.0%	100.0%	—	—
Income and Retained Earnings Information	Operating periods	- days	8days	123days	43days	180days
	①Rental and other operating revenues (In thousands of yen)					8,901,596
	Rental revenues					7,829,366
	Other operating revenues					1,072,230
	②Property-related expenses (In thousands of yen)					2,495,811
	Property management fees	(Note 4)	(Note 5)	(Note 6)	(Note 6)	693,617
	Taxes					729,881
	Utilities					543,389
	Repairs and maintenance					247,928
	Insurance					14,642
Trust fees and other expenses					266,351	
③NOI (=①-②) (In thousands of yen)			24,811	24,811	6,405,784	
④Depreciation (In thousands of yen)			4,670	4,670	1,166,365	
⑤Rental operating income (=③-④) (In thousands of yen)	(Note 4)	(Note 5)	20,141	20,141	5,239,419	
⑥Capital expenditures (In thousands of yen)			—	—	628,486	
⑦NCF (=⑤-⑥) (In thousands of yen)			24,811	24,811	5,777,298	
Reference	Expense ratio (=②/①)			14.5%	14.5%	28.0%
	Property tax for the year 2021 (In thousands of yen)	(Note 4)	(Note 5)	—	—	—
	Assets pledged as collateral			—	—	—

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

Note 1:Daikanyama Address Dixsept(30.0% quasi co-ownership interest) was sold on April 1, 2021.

Note 2:Unicus Ina(20.0% quasi co-ownership interest) was sold on April 9, 2021.

Note 3:Hankyu Oasis Hirakatadeguchi was sold on August 2, 2021.

Note 4:The figures of Income and Retained Earnings Information and Reference are included in the said corresponding area of Daikanyama Address Dixsept(30.0% quasi co-ownership interest) .

"Total of 1 Property Sold" does not count Daikanyama Address Dixsept(30.0% quasi co-ownership interest) is owned by the Investment Corporation as of the end of the 13th fiscal period after the sale of 40% quasi co-ownership interest on December 1, 2020 and 30% quasi co-ownership interest on April 1, 2021.

Note 5:The figures of Income and Retained Earnings Information and Reference are included in the said corresponding area of Unicus Ina (20.0% quasi co-ownership interest).

"Total of 1 Property Sold" does not count Unicus Ina(80.0% quasi co-ownership interest) is owned by the Investment Corporation as of the end of the 13th fiscal period after the sale of 20% quasi co-ownership interest on April 9, 2021.

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

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(Reference) Borrowings

Borrowings as of September 30, 2021 are as follows:

Classification	Lender	Balance at the beginning of period (Thousands of yen)	Increase during the period (Thousands of yen)	Decrease during the period (Thousands of yen)	Balance at the end of period (Thousands of yen)	Average interest rate (Note 1) (Note 2) (%)	Payment due date (Note 3)	Use	Remarks
Current Portion of Long-Term Loans Payable	The Gunma Bank, Ltd. (Note5)	500,000	—	500,000	—	0.550	September 30, 2021	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	2,600,000	—	2,600,000	—	0.485	April 27, 2021		
	Aozora Bank, Ltd.	500,000	—	500,000	—				
	MUFG Bank, Ltd.	400,000	—	400,000	—				
	Sumitomo Mitsui Trust Bank, Ltd.	300,000	—	300,000	—				
	Resona Bank, Ltd.	300,000	—	300,000	—	0.400	April 27, 2021		
	MUFG Bank, Ltd. (Note5)	600,000	—	600,000	—				
	Development Bank of Japan Inc. (Note5)	500,000	—	500,000	—				
	Mizuho Bank, Ltd. (Note5)	400,000	—	400,000	—	0.553	April 27, 2021		
	Mizuho Trust & Banking Co., Ltd. (Note5)	200,000	—	200,000	—	0.553			
	Sumitomo Mitsui Banking Corporation	900,000	—	900,000	—	0.477	April 30, 2021		
	Sumitomo Mitsui Banking Corporation	2,600,000	—	—	2,600,000	0.978	February 10, 2022		
	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				
	Sumitomo Mitsui Banking Corporation	2,750,000	—	—	2,750,000	1.033	February 10, 2022		
MUFG Bank, Ltd. (Note6)	1,250,000	—	—	1,250,000	0.484	January 31, 2022			
Mizuho Bank, Ltd. (Note6)	800,000	—	—	800,000	0.603	August 31, 2022			
Sub Total	19,000,000	—	7,200,000	11,800,000					
Long-Term Loans Payable	Sumitomo Mitsui Banking Corporation	4,600,000	—	—	4,600,000	1.366	April 16, 2025	(Note 4)	Unsecured/ Unguaranteed
	MUFG Bank, Ltd.	1,000,000	—	—	1,000,000	0.975	March 31, 2023		
	Sumitomo Mitsui Trust Bank, Ltd.	600,000	—	—	600,000				
	Mizuho Bank, Ltd.	400,000	—	—	400,000				
	Resona Bank, Ltd.	400,000	—	—	400,000				
	Mizuho Trust & Banking Co., Ltd.	400,000	—	—	400,000				
	MUFG Bank, Ltd.	400,000	—	—	400,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	—	—	1,500,000	0.994	March 31, 2023		
	MUFG Bank, Ltd.	450,000	—	—	450,000	0.987	March 31, 2023		
	Resona Bank, Ltd.	200,000	—	—	200,000				
	The Musashino Bank, Ltd.	150,000	—	—	150,000				
	Development Bank of Japan Inc. (Note5)	1,500,000	—	—	1,500,000	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				
	Sumitomo Mitsui Banking Corporation	1,500,000	—	—	1,500,000	1.243	April 16, 2025		
	MUFG Bank, Ltd.	400,000	—	—	400,000	0.803	September 30, 2024		
	Sumitomo Mitsui Trust Bank, Ltd.	450,000	—	—	450,000				
	Development Bank of Japan Inc. (Note5)	890,000	—	—	890,000				
	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				
	Resona Bank, Ltd.	500,000	—	—	500,000				
	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					

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	MUFG Bank, Ltd. (Note5)	600,000	—	—	600,000	0.696	October 31, 2024	(Note 4)	Unsecured/ Unguaranteed
	Mizuho Bank, Ltd. (Note5)	600,000	—	—	600,000	0.815			
	Development Bank of Japan Inc. (Note5)	500,000	—	—	500,000	0.814			
	Mizuho Trust & Banking Co., Ltd. (Note5)	200,000	—	—	200,000	0.814			
	MUFG Bank, Ltd. (Note5)	500,000	—	—	500,000	0.903	October 31, 2026		
	Sumitomo Mitsui Banking Corporation	500,000	—	—	500,000	1.033	May 18, 2027		
	Sumitomo Mitsui Trust Bank, Ltd.	500,000	—	—	500,000				
	Resona Bank, Ltd.	400,000	—	—	400,000				
	Development Bank of Japan Inc. (Note5)	500,000	—	—	500,000	1.050	May 18, 2027		
	Mizuho Bank, Ltd. (Note5)	500,000	—	—	500,000	1.049			
	Mizuho Trust & Banking Co., Ltd. (Note5)	300,000	—	—	300,000	1.050			
	MUFG Bank, Ltd. (Note5)	500,000	—	—	500,000	0.670	September 29, 2023		
	Sumitomo Mitsui Trust Bank, Ltd.	1,500,000	—	—	1,500,000	0.918	September 30, 2026		
	MUFG Bank, Ltd. (Note5)	500,000	—	—	500,000	0.930	September 29, 2027		
	Mizuho Bank, Ltd. (Note5)	1,500,000	—	—	1,500,000	1.029			
	Sumitomo Mitsui Trust Bank, Ltd.	1,500,000	—	—	1,500,000	1.100	September 29, 2028		
	Sumitomo Mitsui Banking Corporation	500,000	—	—	500,000	1.035	October 3, 2027		
	MUFG Bank, Ltd. (Note5)	1,200,000	—	—	1,200,000	1.000	February 10, 2028		
	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		
	Mizuho Trust & Banking Co., Ltd. (Note5)	650,000	—	—	650,000	0.670	April 30, 2028		
	MUFG Bank, Ltd. (Note5)	1,500,000	—	—	1,500,000	0.520	October 31, 2026		
	Sumitomo Mitsui Banking Corporation	1,000,000	—	—	1,000,000	0.644			
	Mizuho Bank, Ltd.	1,000,000	—	—	1,000,000	0.644			
	Mizuho Trust & Banking Co., Ltd. (Note5)	500,000	—	—	500,000	0.550			
	Resona Bank, Ltd.	300,000	—	—	300,000	0.644	October 31, 2029		
	Development Bank of Japan Inc. (Note5)	500,000	—	—	500,000	0.830			
The Gunma Bank, Ltd.	400,000	—	—	400,000	0.498	January 31, 2025			
The Musashino Bank, Ltd. (Note5)	400,000	—	—	400,000	0.478	January 31, 2025			
Sumitomo Mitsui Banking Corporation	700,000	—	—	700,000	0.758	September 30, 2028			
Aozora Bank, Ltd.	450,000	—	—	450,000	0.725	January 31, 2029			
Sumitomo Mitsui Banking Corporation	3,000,000	—	—	3,000,000	0.809	January 31, 2030			
MUFG Bank, Ltd.	700,000	—	—	700,000					
Sumitomo Mitsui Trust Bank, Ltd.	500,000	—	—	500,000					
Resona Bank, Ltd.	450,000	—	—	450,000					
Mizuho Bank, Ltd.	400,000	—	—	400,000					

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	Development Bank of Japan Inc. (Note5)	1,500,000	—	—	1,500,000	0.888	January 31, 2031	(Note 4)	Unsecured/ Unguaranteed
	Sumitomo Mitsui Banking Corporation	2,400,000	—	—	2,400,000	0.535	February 28, 2026		
	MUFG Bank, Ltd.	1,600,000	—	—	1,600,000				
	Sumitomo Mitsui Trust Bank, Ltd.	550,000	—	—	550,000				
	Resona Bank, Ltd.	500,000	—	—	500,000				
	Aozora Bank, Ltd.	500,000	—	—	500,000				
	Mizuho Bank, Ltd.	350,000	—	—	350,000				
	Mizuho Trust & Banking Co., Ltd.	300,000	—	—	300,000				
	Sumitomo Mitsui Banking Corporation	—	600,000	—	600,000	0.407	April 30, 2025		
	Mizuho Bank, Ltd.	—	500,000	—	500,000				
	Resona Bank, Ltd.	—	400,000	—	400,000				
	MUFG Bank, Ltd. (Note5)	—	500,000	—	500,000	0.400	April 30, 2025		
	Aozora Bank, Ltd.	—	500,000	—	500,000	0.461	April 30, 2026		
	Mizuho Trust & Banking Co., Ltd.	—	200,000	—	200,000				
	Sumitomo Mitsui Banking Corporation	—	1,000,000	—	1,000,000	0.490	October 31, 2026		
	MUFG Bank, Ltd. (Note5)	—	400,000	—	400,000	0.475	October 31, 2026		
	Sumitomo Mitsui Banking Corporation	—	1,600,000	—	1,600,000	0.548	October 31, 2027		
	Mizuho Bank, Ltd.	—	400,000	—	400,000				
	Sumitomo Mitsui Trust Bank, Ltd.	—	300,000	—	300,000				
	Resona Bank, Ltd.	—	300,000	—	300,000				
	MUFG Bank, Ltd. (Note5)	—	600,000	—	600,000	0.525	October 31, 2027		
	Development Bank of Japan Inc. (Note5)	—	500,000	—	500,000	0.856	April 30, 2031		
	The 77 Bank, Ltd.	—	500,000	—	500,000	0.426	April 30, 2026		
	The Musashino Bank, Ltd. (Note5)	—	500,000	—	500,000	0.350	April 30, 2026		
	Sumitomo Mitsui Banking Corporation	—	800,000	—	800,000	0.601	April 30, 2028		
	Sumitomo Mitsui Trust Bank, Ltd.	—	700,000	—	700,000				
	Mizuho Trust & Banking Co., Ltd.	—	600,000	—	600,000				
	Aozora Bank, Ltd.	—	600,000	—	600,000				
	Mizuho Bank, Ltd.	—	500,000	—	500,000				
	MUFG Bank, Ltd. (Note5)	—	500,000	—	500,000	0.550	April 30, 2028		
	SUMITOMO LIFE INSURANCE COMPANY (Note5)	—	500,000	—	500,000	0.824	April 30, 2031		
	Development Bank of Japan Inc. (Note5)	—	300,000	—	300,000				
	Mizuho Bank, Ltd.	—	500,000	—	500,000	0.357	April 30, 2024		
MUFG Bank, Ltd. (Note5)	—	200,000	—	200,000	0.525	October 31, 2027			
Aozora Bank, Ltd.	—	200,000	—	200,000	0.601	April 30, 2028			
The Gunma Bank, Ltd. (Note5)	—	500,000	—	500,000	0.450	September 30, 2026			
	Sub Total	85,800,000	14,700,000	—	100,500,000				
	Total	104,800,000	14,700,000	7,200,000	112,300,000				

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

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

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

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

Note 5: Borrowings at a fixed rate.

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