

July 11, 2017

To All Concerned Parties

REIT Issuer:  
Kenedix Retail REIT Corporation  
Representative: Akihiro Asano, Executive Director  
(Securities Code: 3453)

Asset Manager:  
Kenedix Real Estate Fund Management, Inc.  
Representative: Masahiko Tajima, President & CEO  
Contact: Koichiro Nobata, Head of Planning Division,  
Retail REIT Department  
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Notice Concerning Acquisition of Property (Resora Obu Shopping Terrace)

Kenedix Retail REIT Corporation (“KRR”) announced today that Kenedix Real Estate Fund Management, Inc. (“the Asset Manager”), the asset manager for KRR, has decided to acquire the following property as follows.

1. Outline of the acquisition

- |                                   |   |
|-----------------------------------|---|
| (1) Type of acquisition:          | Trust beneficiary interest in real estate   |
| (2) Property name:                | Resora Obu Shopping Terrace   |
| (3) Acquisition price:            | 7,911 million yen<br>(Excluding acquisition costs, adjustment amount of property tax and city-planning tax and consumption tax, etc.) |
| (4) Appraisal NOI yield (Note 1): | 5.2%  |
| (5) Seller:                       | Please refer to Item 4. Seller’s profile for details  |
| (6) Date of contract:             | July 12, 2017   |
| (7) Acquisition date:             | August 1, 2017  |
| (8) Acquisition funds:            | Borrowings (Note 2)   |
| (9) Settlement method:            | Payment in full at settlement   |

(Note 1) “Appraisal NOI yield” is calculated by dividing the appraisal NOI of the anticipated property as on the appraisal report as of June 1, 2017 by the anticipated acquisition price for the property and rounded to the first decimal place. “Appraisal NOI” refers to the net operating income before depreciation expenses, which is calculated by deducting the operating expenses from the operating revenues described in the appraisal report, and thus, differs from NCF (Net Cash Flow) which is calculated by adding the profit from the investment of tenant deposits to and deducting capital expenditures from NOI. The appraisal NOI here is the NOI calculated using the direct capitalization method.

(Note 2) Please refer to press release “Notice Concerning the Borrowings (Series 15)” on July 11, 2017 for details.

2. Reason for the acquisition

The acquisition is made to diversify and enhance the portfolio to realize the growth of asset size and secure stable revenues, in accordance with KRR’s investment targets (“focused investment in neighborhood, community and other shopping centers for daily needs”) and policies as set forth in its Articles of Incorporation. In acquiring the property, KRR especially evaluated the following points.

Acquisition highlight: An NSC located in an area with high population growth and housing grocery supermarket promoting “dominant strategy” in Aichi

(1) Features of the property

The property is the largest NSC in Obu, Aichi, opened in April 2008 as a part of the development project including a medical mall and a condominium. The property houses Yamanaka, a grocery supermarket, which promotes “dominant strategy” in Aichi Prefecture, as its main tenant and over 40 tenants such as a

sports club, a discount retailer and a large apparel store. The property has a flat parking area in addition to parking spaces on the third floor and rooftop that are capable of accommodating over 1,000 vehicles.

(2) Overview of the surrounding area

a. Location and access

- The property is a 15 minute walk from JR Obu Station (about 15 minutes or two stations away from Nagoya Station on the JR Tokaido Main Line by new rapid train). Obu is a city with population growth as a residential area for those commuting to neighboring City of Nagoya and an industrially developed area mainly with automotive industry, together with neighboring Kariya City, where many of Toyota Group companies have their head offices.
- There are many single-family residences in the surrounding neighborhood, as well as a condominium featuring 130 units developed near the property.

b. Characteristics of the surrounding area

- According to the national census in 2010, the surrounding retail trade area has a residential population of approximately 14 thousand people within a one-kilometer radius, 89 thousand people within a three-kilometer radius and 224 thousand people within a five-kilometer radius.
- Compared to the population in 2005, the population in 2010 within a one-kilometer radius is 110.5%, the population within a three-kilometer radius is 106.0%, and the population within a five-kilometer radius is 105.6%, showing an upward trend. The number of households has also notably grown to 114.5% within a one-kilometer radius, 109.6% within a three-kilometer radius and 109.6% within a five-kilometer radius.

3. Details of the property

|                                     |                         |  |
|-------------------------------------|-------------------------|--|
| Property name                       |                         | Resora Obu Shopping Terrace                                |
| Anticipated acquisition date        |                         | August 1, 2017   |
| Property type (Note 1)              |                         | NSC  |
| Type of specified asset             |                         | Trust beneficiary interest in real estate                  |
| Trustee                             |                         | Mitsubishi UFJ Trust and Banking Corporation (planned)     |
| Trust period                        |                         | November 11, 2014 to April 30, 2037 (planned)              |
| Seller                              |                         | Hulk Property GK   |
| Location                            |                         | 1-98 Hiiragiyama-cho, Obu, Aichi                           |
| Land                                | Form of ownership       | Proprietary ownership                                      |
|                                     | Land area               | 29,359.74 m <sup>2</sup>                                   |
|                                     | Zoning                  | Neighborhood commercial area                               |
|                                     | Building coverage ratio | 80%  |
|                                     | Floor-area ratio        | 200%   |
| Building                            | Form of ownership       | Proprietary ownership                                      |
|                                     | Gross floor area        | 24,093.43 m <sup>2</sup>                                   |
|                                     | Date constructed        | March 21, 2008   |
|                                     | Use                     | Retail store   |
|                                     | Structure/No. of floors | S-structure/2-story building with flat roof                |
| Architect                           |                         | Yahagi Construction Co., Ltd. First-Class Architect Office |
| Construction company                |                         | Yahagi Construction Co., Ltd.                              |
| Construction confirmation authority |                         | Bureau Veritas Japan Co., Ltd.                             |
| Master lessee                       |                         | Keihan Ryutsu Systems Co., Ltd. (planned)                  |
| Type of master lease                |                         | Pass-through type (planned)                                |
| PM                                  |                         | Kenedix Real Estate Fund Management, Inc. (planned)        |

| Sub-PM                                     | Keihan Ryutsu Systems Co., Ltd. (planned)  |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|--|--|-------------------------------|---------------|------------|------------|----------|--|---------------|--------------|---------------|------------|------------|----------|--|-------|-------|-------|-------|-------|-------|
| PML  | 6.95%  |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Acquisition price                          | 7,911 million yen  |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Appraisal value (as of)                    | 7,990 million yen (June 1, 2017)   |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Real estate appraiser                      | The Tanizawa Sōgō Appraisal Co., Ltd.  |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Appraisal NOI yield                        | 5.2% (Note 2)  |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Collateral                                 | None   |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Lease summary                              | (as of May 31, 2017)   |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Number of tenants  | 43                            |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Annual rent  | 488,890 thousand yen (Note 3) |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Tenant deposits  | 323,499 thousand yen          |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Leased area  | 19,878.29 m <sup>2</sup>      |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Leasable area  | 19,990.40 m <sup>2</sup>      |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
|  | Occupancy rate   | 99.4%                         |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Remarks                                    | None   |                               |               |            |            |          |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Others                                     | <p>Notes:</p> <ol style="list-style-type: none"> <li>Properties are categorized into the following five types of retail properties: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center) and SS (Specialty Store).</li> <li>“Appraisal NOI yield” is calculated by dividing the appraisal NOI of the anticipated property as on the appraisal report by the anticipated acquisition price for the property and rounded to the first decimal place. “Appraisal NOI” refers to the net operating income before depreciation expenses, which is calculated by deducting the operating expenses from the operating revenues described in the appraisal report.</li> <li>Calculated by multiplying sum of the monthly fixed rent and the common area charges (excluding consumption taxes) as of May 2017 by twelve; variable rents such as sales-linked rent is not included). Actual variable rent income (monthly, excluding consumption taxes) since December 2016 is as follows.</li> </ol> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>December 2016</th> <th>January 2017</th> <th>February 2017</th> <th>March 2017</th> <th>April 2017</th> <th>May 2017</th> </tr> </thead> <tbody> <tr> <td>Actual variable rent income (thousand yen)</td> <td style="text-align: center;">1,628</td> <td style="text-align: center;">2,554</td> <td style="text-align: center;">1,638</td> <td style="text-align: center;">1,139</td> <td style="text-align: center;">1,758</td> <td style="text-align: center;">1,680</td> </tr> </tbody> </table> |                               |               |            |            |          |  | December 2016 | January 2017 | February 2017 | March 2017 | April 2017 | May 2017 | Actual variable rent income (thousand yen) | 1,628 | 2,554 | 1,638 | 1,139 | 1,758 | 1,680 |
|  | December 2016  | January 2017                  | February 2017 | March 2017 | April 2017 | May 2017 |  |               |              |               |            |            |          |  |       |       |       |       |       |       |
| Actual variable rent income (thousand yen) | 1,628  | 2,554                         | 1,638         | 1,139      | 1,758      | 1,680    |  |               |              |               |            |            |          |  |       |       |       |       |       |       |

4. Overview of the seller

|                                  |  |
|----------------------------------|--|
| Company name                     | Hulk Property GK   |
| Address                          | 2-1-1 Marunouchi, Chiyoda-ku, Tokyo  |
| Name and title of representative | Representative partner: Ippan Shadan Hojin Hulk Holding 1<br>Hisayoshi Kitagawa, Director  |
| Description of business          | <ol style="list-style-type: none"> <li>Acquisition, holding, disposition, leasing and management of real estate properties</li> <li>Acquisition, holding and disposition of trust beneficiary interests in real estate</li> <li>All kinds of services ancillary/related to the above businesses</li> </ol> |
| Capital                          | 150 thousand yen   |

|   |  |
|---|--|
| Incorporation   | October 1, 2013  |
| Relationship between KRR/the Asset Manager and the seller |  |
| Capital relationship                                      | No special capital relationship between KRR/the Asset Manager and the seller. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.    |
| Personnel relationship                                    | No special personnel relationship between KRR/the Asset Manager and the seller. Also, no special personal relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller. |
| Business relationship                                     | No special business relationship between KRR/the Asset Manager and the seller. Also, no special business relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.  |
| Related party transactions                                | The seller is not deemed a related party under either the Investment Trust Law or the “Retail REIT Department’s Internal Regulations on Related Party Transactions” of the Asset Manager.  |

As of June 16, 2017

5. Status of property acquirer, etc.

Details are omitted since the seller of the property is not a special related party of KRR or the Asset Manager.

6. Details of brokerage

The broker is a domestic company, and the name of broker and other information are undisclosed as KRR has not obtained the broker's consent. The broker is not deemed a related party under either the Investment Trust Law or the “Retail REIT Department’s Internal Regulations on Related Party Transactions” of the Asset Manager, and there is no special capital, personnel, business relationship between KRR/the Asset Manager and the broker.

7. Transactions with related parties

KRR will conclude a property management agreement with the Asset Manager. For the transaction, the Asset Manager, pursuant to its Retail REIT Department’s Internal Regulations on Related Party Transactions, is required fully to comply with statutory and other regulatory requirements. The Asset Manager submits the transaction for deliberation and resolution by the Compliance Committee. Following the approval by the Compliance Committee, the transaction is submitted to the Retail REIT Department’s Asset Management Committee for resolution. Fees to the Asset Manager regarding the property are at the same level as that of existing properties.

[Details of property management fee]

Property management fee (annual): Income from properties × 1.5% + on-site personnel expenses

Fees associated with the management of construction projects:

| Construction price                           | Fees  |
|--|---|
| Less than 1 million yen                      | None  |
| 1 million yen to less than 2 million yen     | 6%  |
| 2 million yen to less than 5 million yen     | 120,000 yen + 5% on the portion exceeding 2 million yen     |
| 5 million yen to less than 10 million yen    | 270,000 yen + 4% on the portion exceeding 5 million yen     |
| 10 million yen to less than 100 million yen  | 470,000 yen + 3% on the portion exceeding 10 million yen    |
| 100 million yen to less than 200 million yen | 3,170,000 yen + 2% on the portion exceeding 100 million yen |
| 200 million yen or more                      | 5,170,000 yen + 1% on the portion exceeding 200 million yen |

8. Acquisition schedule

|                           |                         |
|---------------------------|-------------------------|
| Acquisition decision date | July 11, 2017           |
| Scheduled contract date   | July 12, 2017 (planned) |

|  |                          |
|--|--------------------------|
| Scheduled payment date / delivery date | August 1, 2017 (planned) |
|--|--------------------------|

9. Future Outlook

There are no changes to the forecasts of financial results of KRR published in the “Financial Report for the Fiscal Period Ended March 31, 2017” dated May 18, 2017 as the impact on the financial results is minimal.

10. Summary of real estate appraisal report

(The numbers are in yen unless otherwise noted)

| Summary of real estate appraisal report     |                                       |  |
|---|---------------------------------------|--|
| Appraisal value                             | 7,990,000,000 yen                     |  |
| Appraiser                                   | The Tanizawa Sōgō Appraisal Co., Ltd. |  |
| Date of appraisal                           | June 1, 2017                          |  |
| Item  | Content                               | Basis  |
| Income capitalization approach value        | 7,990,000,000 yen                     | Calculated by the DCF method, with the results verified using the direct-capitalization method   |
| Value based on direct capitalization method | 8,180,000,000 yen                     | Calculated by dividing the stabilized NCF by the cap rate  |
| (1) Gross operating revenue                 | 683,946,592 yen                       |  |
| Effective gross operating revenue           | 693,410,559 yen                       | Calculated based on the fair rent level that is expected to remain stable over the medium term   |
| Loss from vacancy, etc.                     | 9,463,967 yen                         | Calculated based on the occupancy rate level that is expected to remain stable over the medium term  |
| (2) Operating expenses                      | 273,897,074 yen                       |  |
| Maintenance expenses                        | 41,260,186 yen                        | Calculated by comparing the actual maintenance expenses during the past fiscal year for the property and the maintenance expense levels for comparable properties              |
| Utility expenses                            | 102,430,810 yen                       | Calculated based on the utility expenses in the past years and those for comparable properties   |
| Repair expenses                             | 6,345,000 yen                         | Calculated based on the average annual repair expenses described in the engineering report plus CM fees  |
| PM fees                                     | 33,672,873 yen                        | Calculated based on anticipated PM fees for the property and the PM fee rates for comparable properties  |
| Tenant recruit expenses, etc.               | 2,925,122 yen                         | Calculated based on the anticipated PM fees for the property and tenant recruit expense levels for comparable properties   |
| Taxes and dues                              | 54,652,000 yen                        | Calculated based on the actual taxes and dues for 2017   |
| Insurance premium                           | 1,149,540 yen                         | Calculated based on actual insurance premiums and the comparison with insurance premium rates for comparable properties  |
| Other expenses                              | 31,461,543 yen                        | Calculated based on actual advertisement and other expenses for the past fiscal year   |
| (3) Net operating income (NOI= (1)-(2))     | 410,049,518 yen                       |  |
| (4) Profit from security deposits           | 3,253,451 yen                         | Calculated on assumption that the investment yield is 1.0%   |
| (5) Capital expenditure                     | 12,690,000 yen                        | The average annual renovation expenses described in the engineering report plus CM fees  |
| (6) Net cash flow (NCF=(3)+(4)-(5))         | 400,612,969 yen                       |  |
| (7) Cap rate                                | 4.9%                                  | Calculated based on overall evaluation of the location, building specifications and contract terms of the property   |
| Value based on DCF method                   | 7,910,000,000 yen                     |  |
| Discount rate                               | 5.0%                                  | Calculated based on transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield |
| Terminal cap rate                           | 5.1%                                  | Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/ liquidity/ marketability of the property           |

|   |   |  |
|---|---|--|
| Value based on cost method  | 7,960,000,000 yen   |  |
| Ratio of land   | 61.4%   |  |
| Ratio of building   | 38.6%   |  |
| Adjustments in estimated value and considerations taken into account in determining appraisal value | <p>The property is a retail property located approx. 1.1 km north to Obu Station on JR Tokaido Main Line and Taketoyo Line. The property is easily accessible by car for good connectivity with main road despite its location between railway tracks and a river. In addition, the population in the neighborhood has been in a growing trend for a long time and this trend is expected to continue, which is expected to give the property high commercial potential. The property is the largest retail property in Obu and expected to have a high ability to draw in customers. A large flat parking lot also provides convenience to customers and competitive advantages to the property. Taking these points into account, the property is considered to have competitiveness in the market.</p> <p>In adopting income capitalization approach, we have considered the possibility property tax and city-planning tax of land, which were imposed as a medium- and small-scale factory before 2017, may be increased from 2018.</p> <p>All these factors were taken into account in determining the appraisal value.</p> |  |

Note: KRR website address: <http://www.krr-reit.com/en/>

*This notice is the English translation of the Japanese announcement on July 11, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.*

**Attached materials**

Reference material 1. Property photographs

Reference material 2. Map

Reference material 3. Property portfolio of KRR (after the acquisition)

Reference material 1. Property photographs



Reference material 2. Map





Reference material 3. Property portfolio of KRR (after the acquisition)

| No.  | Type (Note 1)          | Property name                             | Location                | (Anticipated) acquisition date | (Anticipated) acquisition price (million yen) (Note 2) | Appraisal value (million yen) (Note 3) | Share (%) (Note 4) |
|------|------------------------|---|-------------------------|--------------------------------|--|--|--------------------|
| T-1  | CSC                    | Fululu Garden Yachiyo                     | Yachiyo, Chiba          | February 10, 2015              | 14,848   | 15,200                                 | 7.2                |
| T-2  | Urban Station-Front SC | MONA Shin-Urayasu                         | Urayasu, Chiba          | February 10, 2015              | 8,063  | 8,470                                  | 3.9                |
| T-3  | Urban Station-Front SC | Passaggio Nishiarai                       | Adachi-ku, Tokyo        | February 10, 2015              | 5,850  | 6,360                                  | 2.9                |
| T-4  | Urban Station-Front SC | Daikanyama Address Dixsept                | Shibuya-ku, Tokyo       | February 10, 2015              | 5,390  | 5,790                                  | 2.6                |
| T-5  | NSC                    | Unicus Ina                                | Kitaadachi-gun, Saitama | February 10, 2015 (Note 5)     | 4,470  | 4,750                                  | 2.2                |
| T-6  | NSC                    | Yorktown Kita-Kaname                      | Hiratsuka, Kanagawa     | February 10, 2015              | 4,000  | 4,300                                  | 2.0                |
| T-7  | NSC                    | Unicus Yoshikawa                          | Yoshikawa, Saitama      | February 10, 2015              | 3,600  | 3,840                                  | 1.8                |
| T-8  | SS                     | Sports Club Renaissance Fujimidai         | Nerima-ku, Tokyo        | February 10, 2015              | 2,586  | 2,750                                  | 1.3                |
| T-9  | NSC                    | Super Viva Home Iwatsuki (Land)           | Saitama, Saitama        | October 2, 2015                | 4,815  | 5,380                                  | 2.3                |
| T-10 | SS                     | K's Denki Shonan-Fujisawa (Land)          | Fujisawa, Kanagawa      | October 2, 2015                | 3,169  | 3,480                                  | 1.5                |
| T-11 | NSC                    | Unicus Kamisato (Land)                    | Kodama-gun, Saitama     | October 2, 2015                | 3,000  | 3,050                                  | 1.5                |
| T-12 | NSC                    | Unicus Konosu (Land)                      | Konosu, Saitama         | October 2, 2015                | 1,700  | 1,770                                  | 0.8                |
| T-13 | SM                     | Inageya Yokohama Minamihonjuku (Land)     | Yokohama, Kanagawa      | October 2, 2015                | 1,442  | 1,430                                  | 0.7                |
| T-14 | SM                     | Gourmet City Chiba-Chuo                   | Chiba, Chiba            | October 2, 2015                | 760  | 807                                    | 0.4                |
| T-15 | NSC                    | Nakamachidai Tokyu Store                  | Yokohama, Kanagawa      | April 21, 2016                 | 3,360  | 3,820                                  | 1.6                |
| T-16 | SS                     | Central Wellness Club Nagatsuta Minamidai | Yokohama, Kanagawa      | April 20, 2016                 | 1,724  | 1,910                                  | 0.8                |
| T-17 | SM                     | Life Kameido                              | Koto-ku, Tokyo          | April 21, 2016                 | 1,450  | 1,520                                  | 0.7                |
| T-18 | NSC                    | Totsuka-Fukaya Shopping Center (Land)     | Yokohama, Kanagawa      | April 19, 2017                 | 4,170  | 4,290                                  | 2.0                |
| T-19 | NSC                    | Yumemachi Narashinodai Mall               | Funabashi, Chiba        | April 19, 2017                 | 3,416  | 3,520                                  | 1.7                |
| T-20 | NSC                    | Kawamachi Yahagi Mall                     | Chiba, Chiba            | May 18, 2017                   | 3,097  | 3,220                                  | 1.5                |
| T-21 | SS                     | Prime Square Jiyugaoka                    | Meguro-ku, Tokyo        | April 19, 2017                 | 2,820  | 2,850                                  | 1.4                |
| T-22 | SS                     | Round1 Ichikawa-Onitaka                   | Ichikawa, Chiba         | April 19, 2017                 | 1,880  | 1,970                                  | 0.9                |
| O-1  | NSC                    | Blumer Maitamon                           | Kobe, Hyogo             | February 10, 2015              | 8,389  | 9,230                                  | 4.1                |
| O-2  | SM                     | Central Square Takadono (Land)            | Osaka, Osaka            | February 10, 2015              | 2,685  | 2,980                                  | 1.3                |

| No.  | Type<br>(Note1)        | Property name                            | Location            | (Anticipated)<br>acquisition<br>date | (Anticipated)<br>acquisition price<br>(million yen)<br>(Note 2) | Appraisal<br>value<br>(million yen)<br>(Note 3) | Share<br>(%)<br>(Note 4) |
|------|------------------------|--|---------------------|--------------------------------------|---|---|--------------------------|
| O-3  | NSC                    | Piago Kahma Home Center Omihachiman      | Omihachiman, Shiga  | February 10, 2015                    | 2,140   | 2,430   | 1.0                      |
| O-4  | NSC                    | Blumer HAT Kobe                          | Kobe, Hyogo         | April 16, 2015                       | 11,000  | 11,600  | 5.4                      |
| O-5  | Urban Station-Front SC | Carino Esaka                             | Suita, Osaka        | October 2, 2015                      | 6,555   | 6,770   | 3.2                      |
| O-6  | Urban Station-Front SC | COMBOX Komyoike                          | Izumi, Osaka        | October 2, 2015                      | 6,450   | 6,950   | 3.1                      |
| O-7  | SM                     | Hankyu Oasis Hirakatadeguchi             | Hirakata, Osaka     | October 2, 2015                      | 1,280   | 1,330   | 0.6                      |
| O-8  | SS                     | Welcia Kishiwadakamori (Land)            | Kishiwada, Osaka    | October 2, 2015                      | 487   | 488   | 0.2                      |
| O-9  | SM                     | Life Nishi-Tengachaya                    | Osaka, Osaka        | January 21, 2016                     | 1,505   | 1,660   | 0.7                      |
| O-10 | NSC                    | Million Town Tsukaguchi (Land)           | Amagasaki, Hyogo    | April 21, 2016                       | 3,723   | 3,820   | 1.8                      |
| N-1  | SS                     | Kahma Home Center Nakagawa Tomita (Land) | Nagoya, Aichi       | February 10, 2015                    | 2,311   | 2,590   | 1.1                      |
| N-2  | NSC                    | Valor Ichinomiya-Nishi                   | Ichinomiya, Aichi   | February 10, 2015                    | 2,174   | 2,310   | 1.1                      |
| N-3  | SS                     | K's Denki Nakagawa Tomita (Land)         | Nagoya, Aichi       | February 10, 2015                    | 889   | 980   | 0.4                      |
| N-4  | SS                     | Homecenter Kohnan Sunadabashi            | Nagoya, Aichi       | April 21, 2016                       | 7,140   | 7,310   | 3.5                      |
| N-5  | SS                     | K's Denki Shin-Moriyama (Land)           | Nagoya, Aichi       | November 1, 2016                     | 1,370   | 1,420   | 0.7                      |
| N-6  | NSC                    | Resora Obu Shopping Terrace              | Obu, Aichi          | August 1, 2017                       | 7,911   | 7,990   | 3.9                      |
| F-1  | SM                     | Sunny Noma                               | Fukuoka, Fukuoka    | February 10, 2015                    | 1,497   | 1,530   | 0.7                      |
| F-2  | SS                     | Round1 Stadium Hakata-Hanmichibashi      | Fukuoka, Fukuoka    | April 19, 2017                       | 5,020   | 5,190   | 2.4                      |
| F-3  | NSC                    | Kurume-Nishi Shopping Center             | Kurume, Fukuoka     | April 19, 2017                       | 1,515   | 1,600   | 0.7                      |
| R-1  | NSC                    | Roseo Mito                               | Mito, Ibaraki       | February 10, 2015<br>(Note 6)        | 10,046  | 11,000  | 4.9                      |
| R-2  | SS                     | K's Denki Aomori Honten                  | Aomori, Aomori      | February 10, 2015                    | 1,469   | 1,550   | 0.7                      |
| R-3  | SS                     | Super Sports Xebio Aomori-Chuo           | Aomori, Aomori      | February 10, 2015                    | 898   | 928   | 0.4                      |
| R-4  | NSC                    | Ashico Town Ashikaga                     | Ashikaga, Tochigi   | October 2, 2015                      | 4,180   | 5,060   | 2.0                      |
| R-5  | NSC                    | Yorktown Shinden-Higashi                 | Sendai, Miyagi      | October 2, 2015                      | 3,252   | 3,330   | 1.6                      |
| R-6  | SM                     | Kasumi Technopark Sakura                 | Tsukuba, Ibaraki    | October 2, 2015                      | 830   | 873   | 0.4                      |
| R-7  | Urban Station-Front SC | Solala Plaza                             | Sendai, Miyagi      | April 21, 2016                       | 5,720   | 5,960   | 2.8                      |
| R-8  | NSC                    | P-1 Plaza Tenno                          | Hamamatsu, Shizuoka | April 22, 2016                       | 4,010   | 4,340   | 2.0                      |

| No.           | Type<br>(Note 1) | Property name                   | Location               | (Anticipated)<br>acquisition<br>date | (Anticipated)<br>acquisition price<br>(million yen)<br>(Note 2) | Appraisal<br>value<br>(million yen)<br>(Note 3) | Share<br>(%)<br>(Note 4) |
|---------------|------------------|---------------------------------|------------------------|--------------------------------------|---|---|--------------------------|
| R-9           | NSC              | Seiyu Rakuichi Moriya<br>(Land) | Moriya, Ibaraki        | January 31,<br>2017                  | 4,111   | 4,210   | 2.0                      |
| R-10          | NSC              | Sun Street Hamakita             | Hamamatsu,<br>Shizuoka | April 27,<br>2017                    | 10,746  | 10,890<br>(Note 7)                              | 5.2                      |
| Total/Average |                  |                                 |                        |                                      | 204,913   | 216,796   | 100.0                    |

(Note 1) Properties are categorized into the following five types of retail properties for daily needs: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center) and SS (Specialty Store).

(Note 2) “(Anticipated) acquisition price” indicates the purchase price of each trust beneficiary interest specified in purchase agreement in relation to the acquisition of each property (excluding acquisition costs, adjustment in property tax and city-planning tax, and consumption tax; and rounded down to the nearest one 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 related to construction of the building for the secondhand shop building (excluding expenses and taxes and rounded down to the nearest million yen).

(Note 3) “Appraisal values” are the values as of the end of March 2017 for the properties held as of March 31, 2017, as of February 1, 2017 for Totsuka-Fukaya Shopping Center (Land), Yumemachi Narashinodai Mall, Kawamachi Yahagi Mall, Round1 Ichikawa-Onitaka, Round1 Stadium Hakata-Hanmichibashi, Kurume-Nishi Shopping Center, Sun Street Hamakita, as of March 1, 2017 for Prime Square Jiyugaoka and as of June 1, 2017 for Resora Obu Shopping Terrace.

(Note 4) “Share” indicates the percentage of the (anticipated) acquisition price for each property in the total (anticipated) acquisition price, rounded down to the first decimal place.

(Note 5) A restaurant building additionally acquired on January 16, 2017.

(Note 6) A second-hand store building additionally acquired on November 26, 2015.

(Note 7) Represents the amount corresponding to the trust beneficiary co-ownership interest (a trust beneficiary co-ownership interest of 90%).