

### **Notice Concerning Acquisition of Trust Beneficiary Interest in G-Bldg. Ueno 01**

Mitsubishi Corp.-UBS Realty Inc., the asset manager (the “Asset Manager”) of Japan Retail Fund Investment Corporation (“JRF”), determined today to acquire a trust beneficiary interest in G-Bldg. Ueno 01 (the “Property”) as outlined below.

#### 1. Overview of acquisition

1) Property type	Trust beneficiary right in real estate
2) Property name	G-Bldg. Ueno 01
3) Acquisition price	3,320 million yen
4) Appraisal value	3,540 million yen (as of June 1, 2015)
5) Contract completion date	June 30, 2015 (scheduled)
6) Acquisition date	July 28, 2015 (scheduled)
7) Seller	Domestic special purpose company*
8) Acquisition funds	Debt and cash on hand
9) Payment	Full payment at closing

\*The seller is a domestic special purpose company. Name and other information of the seller are not disclosed since the consent to disclose such information has not been obtained from the seller.

#### 2. Reason for acquisition

JRF is going to acquire the Property with the aim of further diversifying and increasing the profitability of its portfolio. With this acquisition, JRF is also able to further enhance urban retail facilities in the Tokyo metropolitan area in its portfolio.

The entire Property has been leased to a single tenant that operates amusement facilities, and stable revenue can be expected.

For acquisition of the Property, JRF evaluated the following in particular:

### Highlight of acquisition

Amusement facility located in the Ameyoko Area, a busy shopping district that is walking distance from Ueno and Okachimachi stations

### Attractiveness of market

- The area around Ameyoko (Ameya Yokochō) shopping district is popular for both domestic and international tourists with an expected future increase in international tourists.
- A shopping area where it is busy day and night and small shops that sell food, clothes, sundry goods and jewelry are concentrated.

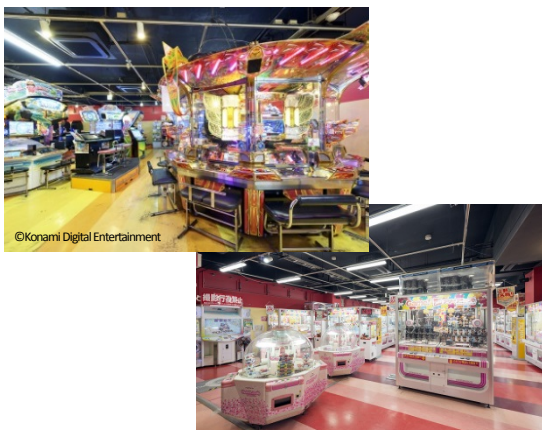
### Attractiveness of location

- The Property is walking distance from Ueno Station on JR Line, Keisei Line and Tokyo Metro Ginza Line/Hibiya Line, Okachimachi Station on JR Line, and Ueno Okachimachi Station on the Toei Oedo Line, which make the Property highly accessible from various locations.
- The Property is located at the fork of Ameyoko Dori and Ueno Naka Dori and therefore is highly visible to pedestrians with high potential as a stand-alone store.

### Attractiveness of facility

- The entire Property has been leased to ADORES, Inc., a leading operator of amusement facilities, and the Company positions the store as its flagship store in the Ueno and Okachimachi area.
- Game machines such as medal game, video/music game and print club sticker machines are in the store. The store is entertaining for both regular customers and tourists.

### Photos and Map



### 3. Overview of Property

Overview of Property				
Property name		G-Bldg. Ueno 01		
Type of asset		Trust beneficiary right in real estate		
Trustee		Resona Bank, Limited		
Trust period		Not determined yet		
Location (address)		9-14 Ueno 4-chome, Taito-ku, Tokyo		
Land				
Area		360.89 m <sup>2</sup>		
Zoning		Commercial district	Type of possession	Ownership
Building				
Structure / stories		4 stories above ground and 1 basement floor, RC-structure building with flat roof		
Total floor area		1,471.80 m <sup>2</sup>		
FAR / building-to-land ratio		480% / 80%	Type	Recreation hall, office and bicycle parking
Completion date		June 7, 2006	Type of possession	Ownership
Design		GAIA ASSOCIATES		
Construction		Taisei Kogyo		
Constructional inspector		Bureau Veritas Japan		
PML		9.0% (Based on the earthquake risk analysis report prepared by Engineering & Risk Services Corporation)		
Acquisition price		3,320 million yen		
Appraisal value		3,540 million yen (as of June 1, 2015)		
Appraiser		DAIWA REAL ESTATE APPRAISAL CO., LTD.		
Tenant summary				
Number of tenant(s)		1 (ADORES)		
Annual rent		150 million yen		
Tenant leasehold / security deposit		100 million yen		
Total leased area		1,471.80 m <sup>2</sup>	Occupancy rate (based on leased area)	100.0%
Total leasable area		1,471.80 m <sup>2</sup>		
Major tenant				
Period of contract		Not disclosed as the tenant has not agreed to the disclosure of information.		
Type of contract				
Revision of rent		N/A		
Early termination		Early termination possible with one year advance notice (obligated to pay 20% to 100% of tenant leasehold as penalty depending on the period that early termination date belongs)		
Collateral conditions		N/A		
Special notes		<ul style="list-style-type: none"><li>• Although the boundary indicator of the Property is partially different from the one in the statement of confirmation of property borderlines agreed upon by the seller and the owner of the adjacent land, the seller has agreed to make utmost effort to resolve the issue by the acquisition date under the seller's responsibility. If the seller fails to resolve it by the acquisition date, the seller has agreed to pay for expenses that arise from fixation of the issue.</li><li>• Although several findings concerning the elevator and escalator were pointed out in the elevator inspection report and other reports, for the elevator, the seller has agreed to fix the problems by instructing the tenant; and for the escalator, the seller has agreed to fix the problems by himself.</li></ul>		

• Amounts of less than one million yen are rounded down, and percentages are rounded to the nearest second decimal place.

• "Location" represents the address of each property or the registered address of the building.

• "Land area," is based on descriptions in registry books.

• "Zoning" represents the classification of land by its use, stipulated in Section 1-1, Article 8 of the City Planning Act.

• "Annual rent" is calculated by taking the total amount of monthly rents and common area fees indicated in lease agreements and other documents expected to be in effect as of the anticipated acquisition date of each of the properties to be acquired, multiplying this amount by 12.

### 4. Overview of seller

The seller is a domestic special purpose company. Name and other information of the seller are not disclosed since the consent to disclose such information has not been obtained from the seller. There are no noteworthy capital, personal or business relationships between JRF, the Asset Manager and the seller. Also, there are no noteworthy capital, personal or business relationships between interested parties and affiliated companies of JRF, the Asset Manager and those of the seller. The seller does not fall under the category of a related party of JRF and the Asset Manager. Also, none of the related parties and affiliated companies of this company fall under the category of the related parties of JRF and the Asset Manager.

## 5. Ownership history of the Property to be acquired

The Property is not acquired from the seller which falls under the category of a related party of JRF and the Asset Manager.

## 6. Brokerage profile

### (1) Broker profile

1)	Name	CBRE K.K.
2)	Location	2-1-1 Marunouchi, Chiyoda-ku, Tokyo
3)	Title & name of representative	President & CEO, Japan: Ben Duncan
4)	Line of business	Provision of comprehensive commercial real estate services to domestic and foreign companies operating in Japan
5)	Capital	150 million yen (as of June 1, 2015)
6)	Date established	February 21, 1970
7)	Relationship with JRF and the Asset Manager	
	Capital relationship	There are no noteworthy capital, personal or business relationships between JRF, the Asset Management Company and the company. In addition, there are no noteworthy capital, personal or business relationships between interested parties and affiliated companies of JRF, the Asset Management Company and those of the company.
	Personal relationship	
	Trade relationship	
	Related parties	The company does not fall under the category of a related party of JRF and the Asset Manager. In addition, none of the related parties and affiliated companies of this company fall under the category of the related parties of JRF and the Asset Manager.

### (2) Brokerage fee and other fee amount and breakdown

The broker, CBRE K.K., has not agreed to disclose the details of the commission.

## 7. Payment

Full payment at closing.

## 8. Planned Acquisition Schedule

Purchase Agreement Signing Date	June 30, 2015 (scheduled)
Payment Date	July 28, 2015 (scheduled)
Acquisition Date	July 28, 2015 (scheduled)

## 9. Future outlook

As the impact of this acquisition on our revenue forecast for the fiscal period ending August 2015 (the 27th period: March 1, 2015 – August 31, 2015) and the fiscal period ending February 2016 (the 28th period: September 1, 2015 – February 29, 2016) is marginal, these forecasts will not be revised.

## 10. Appraisal Report Summary

Appraiser	DAIWA REAL ESTATE APPRAISAL CO., LTD.
Appraisal Value	3,540 million yen
Value Date	June 1, 2015

Item	Value	Notes
Indicated value by income approach		
DC method	3,610 million yen	
Operating income	150 million yen	
Effective gross income	150 million yen	
Loss from vacancy, etc.	0 yen	
Operational cost	16 million yen	
Maintenance and management fee	0 yen	
Utility cost	0 yen	
Repair expenses	0 million yen	
Property manager fee	Not disclosed	As the disclosure of this information may negatively affect JRF's competitiveness and work to the detriment of unitholders, we have decided not to disclose the information, and include it under "other expenses."
Leasing cost	0 yen	
Property tax	13 million yen	
Insurance premium	Not disclosed	As the disclosure of this information may negatively affect JRF's competitiveness and work to the detriment of unitholders, we have decided not to disclose the information, and include it under "other expenses."
Other expenses	1 million yen	
Net operating income	133 million yen	
Operating profit from lump-sum payments	2 million yen	
Capital expenditure	2 million yen	
Net income	133 million yen	
Capitalization rate	3.7%	
DCF method	3,510 million yen	
Discount rate	3.5%	
Terminal capitalization rate	3.9%	
Indicated value by cost approach	2,960 million yen	
Land ratio	90.1%	
Building ratio	9.9%	

Other matters of consideration	N/A
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### 【Reference】

#### Prospective income and expenditures for the Property

Prospective income & expenditures	
NOI (Net Operating Income)	133 million yen
NOI yield	4.0%
Depreciation	10 million yen
NOI yield after depreciation	3.7%

- NOI is based on the annual rent under the lease agreement
- NOI yield is calculated by dividing NOI by the acquisition price and rounding to the nearest second decimal place.
- Depreciation is the approximate estimate as of today.
- NOI yield after depreciation is calculated by dividing NOI after deducting depreciation by the acquisition price and rounding to the nearest second decimal place.

**About JRF:** JRF is the third listed Japanese Real Estate Investment Trust ("J-REIT") and the first J-REIT to focus exclusively on retail properties. As of the date of this release, JRF owns 89 properties containing approximately 3.1 million square meters of leasable space.

Please refer to our website at <http://www.jrf-reit.com/english/index.html> for further details.

**Contacts:** For further information relating to this press release as well as JRF and Mitsubishi Corp.-UBS Realty Inc., its Asset Manager, please feel free to contact:

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*This translation is for informational purposes only, and the Japanese language release should be referred to as the original.*