

Notice Concerning Renewal Plan at KAMISHIN PLAZA

Mitsubishi Corp. – UBS Realty Inc., the asset manager (the “Asset Manager”) of Japan Retail Fund Investment Corporation (“JRF”), decided to conduct a renewal project (the “Renewal Plan”) at KAMISHIN PLAZA (Osaka-shi, Osaka) (the “Property”), with a focus on replacing tenants on the main floor of the first basement level of the Property, as part of its internal growth strategy.

1. Purpose and Content of the Renewal Plan

To maintain and improve the competitiveness of its retail facilities, JRF continuously takes various measures to increase customer satisfaction by creating an optimal tenant mix and enhancing convenience, comfort, and design using its SC management capabilities for inviting tenants (leasing) and conducting renovation.

The Property, located in a dense residential area in the northeast part of Osaka City, is a community-based complex retail facility, which has a supermarket (“SM”) as its anchor tenant, and is surrounded by a big market with a population within a two-kilometer trade area of about 160,000. JRF had managed the Property stably since its acquisition in 2013. In recent years, however, sales revenue generated by the Property has been declining due to increased competition faced by SM, the anchor tenant. As a result, sales revenue generated by other tenants on the first basement level has also been on a downward trend.

As the existing fixed-term building lease contract with tenants on the floor is due to expire, JRF will take this instance to replace tenants and undertake renewal work on the first basement level to improve the Property. This will, as a result, differentiate the Property from competing retail facilities and establish a long-lasting, stable profit base through improved NOI and enhanced facility competitiveness.

Objective

Improve NOI and facility competitiveness by replacing tenants on the main floor and enhancing the commercial environment of the Property to establish a long-lasting and stable profit base.

Renewal Plan

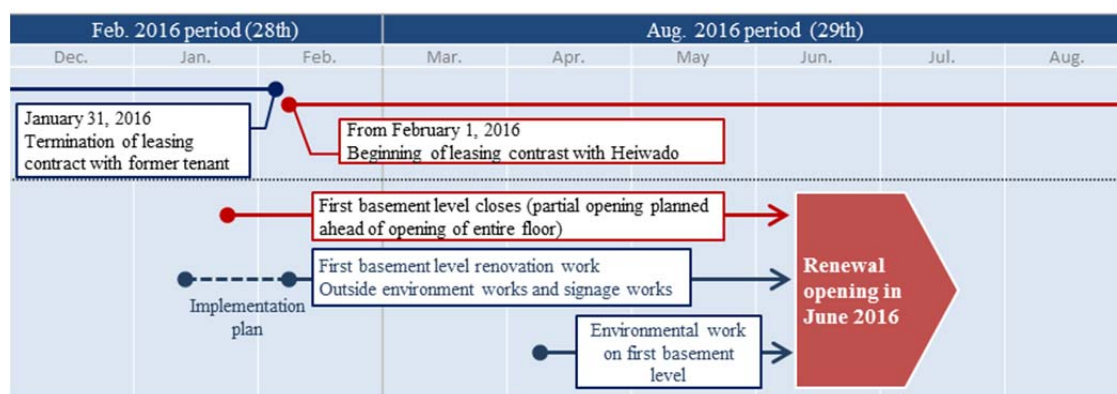
- ✓ Replace SM considering the market characteristics of the trade area
- ✓ Review the tenant mix and common area environment of the first basement level, the main floor of the shopping center
- ✓ Improve the outside environment, including a review of signage of the entire building

2. Tenant Replacement

We expect to increase the competitiveness and sales revenue of the Property by inviting new tenants that provide price competitiveness and fulfill customers’ daily needs, taking into account the market characteristics of the trade area surrounding the Property. We will aim to further increase sales revenue by expanding the retail space for SM, the new anchor tenant of the Property, Heiwado, which has an established reputation for prices and merchandises, to improve competitiveness of the Property.

Heiwado Co., Ltd., the new anchor tenant, and JRF have already concluded a fixed-term building lease agreement (leasing term: 15 years) that will take effect in February 2016.

3. Schedule of the Renewal Plan (planned)



4. Effects of the Renewal Plan

JRF estimates the effects of the renewal on the entire facility as follows:

Estimated Total Expenditure ^(*)	Estimated Increase in NOI ^(*)	Estimated Increase in NOI / Estimated Total Expenditure
299 million yen	46 million yen / year	15.5%

(*) "Estimated total expenditure" is the sum of construction cost, design cost, facility replacement cost and accompanying costs, and furniture and fixtures transfer cost, removal cost, etc.

(*) The amount is the difference between the sum of the actual NOIs for the fiscal period ended August 2014 (the 25th period) and the fiscal period ended February 2015 (the 26th period), and the estimated stabilized NOI for the year 2017 after the renewal.

5. Future Outlook

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

<Reference>

1) Images after renewal

■ Common-use space on the first basement level

Clean, white-themed interiors of the common-use space produce a bright and open atmosphere, with plants placed as accents to create a lively space. A playful kids' space is available in an area where many people gather, creating a common-use space that is safe and fun for families to spend time.

After (Note)



Before



■ Food court on first basement level

A food court in an open space allows the sound of customers enjoying their meals to fill the floor. The food court features a warm, wood-based design that creates a contrast with the white-themed common-use space .

After (Note)



Before



■ Outside Environment

For the entrance space, which is the face of the shopping center, adopts a simple design using light colors with bright green plants planted to create a comfortable space for customers' daily visits.

After (Note)



Before



(Note) The images after the renewal are based on the basic design and may change in the process of creating final design.

2) Descriptions of the Property

Location	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka
Acquisition date	October 3, 2013
Acquisition price	3,900 million yen
Land area	12,764.54 m ²
Zoning	Neighborhood commercial district
Total floor area	18,664.26 m ²
Structure/stories	Main building: 3 stories (2 floors above ground and 1 basement floor), RC-structure building with flat roof Annex: 2 stories, S-structure building with flat roof Machinery building: S-structure building with flat roof Food court building : 2 stories, S-structure building with galvanized steel sheet roof
Completion date	May 1, 1980 / November 30, 2002
Rent NOI	272 million yen (calculated from the total of the actual figures for the fiscal period ended February 2015 and the fiscal period ended August 2015)
Net operating profit from real-estate rental	217 million yen (calculated from the total of the actual figures for the fiscal period ended February 2015 and the fiscal period ended August 2015)

3) Photo and map of the property



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

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