

Completion of Acquisition of Trust Beneficiary Interest in DFS T GALLERIA OKINAWA

Japan Retail Fund Investment Corporation hereby announces the completion of its acquisition of trust beneficiary interest in DFS T GALLERIA OKINAWA, as announced in the news release titled “Japan Retail Fund Investment Corporation to Acquire and Lease 5 Properties in Japan” dated September 4, 2014.

1. Contents finalized upon completion of the acquisition (changes are indicated by underline)

(1) P1 “1. Summary of Anticipated Properties”

[Before]

Property name	Location	Seller	<u>Anticipated</u> acquisition price (A) (¥ million) (Note 5)	<u>Appraisal</u> value (B) (¥ million)	(A/B)	NOI yield (before depreciation) (Note 6)	NOI yield (after depreciation) (Note 6)	Anticipated acquisition date (Note 7)
DFS T GALLERIA OKINAWA	Naha-shi, Okinawa	Omoromachi 41 LLC, and another company	15,600	<u>16,900</u>	<u>92.3%</u>	5.3%	3.6%	Oct. 1, 2014 Jan. 15, 2016

(Unchanged sections are intentionally omitted)

(Note 5) All anticipated acquisition prices are subject to change by consultation between the sellers and us in case there are changes in the status of the trust property (including but not limited to change in lease conditions with tenants). The anticipated acquisition price of DFS T GALLERIA OKINAWA includes the anticipated acquisition price of a certain portion of the underlying land (2,470 million yen), which we intend to acquire on January 15, 2016.

[After]

Property name	Location	Seller	<u>Acquisition</u> price (A) (¥ million) (Note 5)	<u>Researched</u> value (B) (¥ million)	(A/B)	NOI yield (before depreciation) (Note 6)	NOI yield (after depreciation) (Note 6)	Anticipated acquisition date (Note 7)
DFS T GALLERIA OKINAWA	Naha-shi, Okinawa	Omoromachi 41 LLC, and another company	15,600	<u>17,600</u>	<u>88.6%</u>	5.3%	3.6%	Oct. 1, 2014 Jan. 15, 2016

(Unchanged sections are intentionally omitted)

(Note 5) All anticipated acquisition prices are subject to change by consultation between the sellers and us in case there are changes in the status of the trust property (including but not limited to change in lease conditions with tenants). The acquisition price of DFS T GALLERIA OKINAWA includes the acquisition price of a certain portion of the underlying land (2,470 million yen), which we acquired on January 15, 2016.

* Researched value is calculated considering this acquisition and is as of August 31, 2015. Please refer to “Reference: The Researched Value Summary” on page 5.

(2) P4 “3. Description of Anticipated Properties, DFS T GALLERIA OKINAWA, (1) Property Summary”

[Before]

Type of asset	Trust beneficiary right in real estate / real estate	
<u>Anticipated</u> acquisition date	October 1, 2014 January 15, 2016 ^(Note 1)	
<u>Anticipated</u> acquisition price	15,600 million yen ^(Note 2)	
Summary of trust Beneficiary rights	Date of trust beneficiary rights set	(1) December 19, 2003 (2) August 16, 2013
	Trustee	(1) Mizuho Trust & Banking Co., Ltd. (2) Mitsubishi UFJ Trust and Banking Corp.
	Trust period end	(1) December 19, 2023 (2) December 19, 2023
	Trust period start	(1) December 19, 2003 (2) August 16, 2013
Land	Location (address)	1-1, Omoromachi 4-chome, Naha-shi, Okinawa
	Area	17,391.99 m ²
	Zoning	Commercial district
	FAR/building-to-land Ratio ^(Note 3)	400%/80%
	Type of possession ^(Note 4)	Ownership, leasehold

(Unchanged sections are intentionally omitted)

Special notes:

(Unchanged sections are intentionally omitted)

• We intend to acquire a certain portion of the underlying land on January 15, 2016 (anticipated acquisition price of 2,470 million yen) under a forward commitment contract. Under the purchase agreement, in which we will succeed to the status of purchaser, the seller may claim a penalty of 100% of the sale price if the purchaser fails to pay the sale price for such portion of the underlying land on the closing date. Furthermore, the purchaser's completion of financing necessary to fund the acquisition of such portion of the remainder of the underlying land is not a condition to the purchase. However, if we do not have the necessary internal authorization and approval to enter into the trust beneficiary interest purchase agreement, which includes the provision that we would succeed to the status of purchaser of the underlying land, we will not succeed to the purchase agreement. The advance deposit as described in the purchase agreement (1,000 million yen) was already paid, and therefore, we will succeed to the remaining payment obligation of 1,470 million yen. We will pay the assignor of the purchaser's status an equivalent of the advance deposit on October 1, 2014.

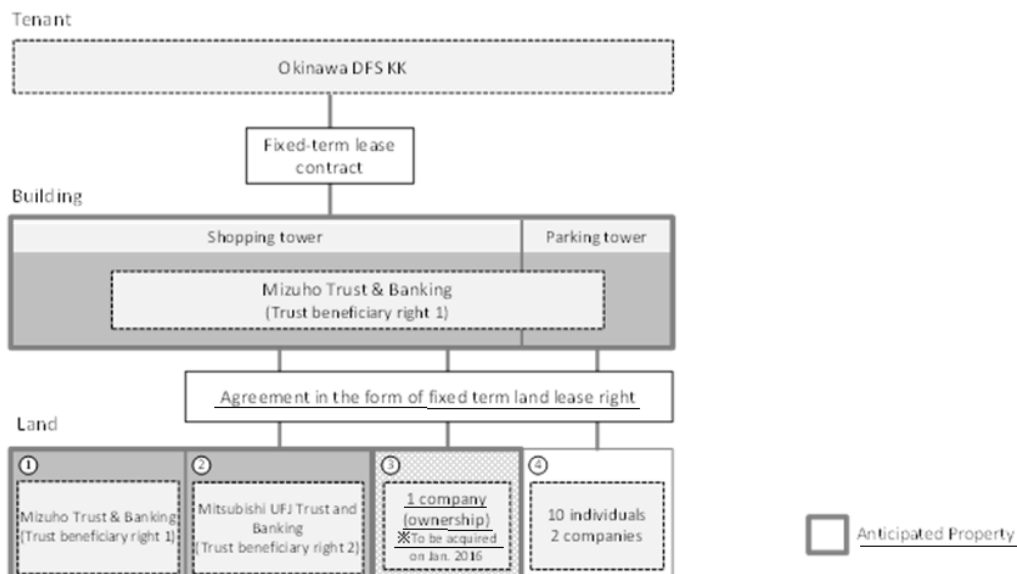
(Note 1) Information in the above table is for the property as a whole although we intend to acquire a certain portion of the underlying land on January 15, 2016 (anticipated acquisition price of 2,470 million yen) (land parcel 3 in the below chart). We intend to fund the acquisition of such land with the proceeds from the issuance of new investment units or third-party allotment in accordance to a resolution that JRF passed at its Board of Directors meeting held today and new borrowings in connection with such issuance as stated in the press released title "Notice Concerning Debt Financing (New Debt Financing)" dated today.

(Note 2) Anticipated acquisition price includes anticipated acquisition price of the portion of the underlying land that we intend to acquire on January 15, 2016.

(Note 3) Because the property is a fireproof building in a fire control area, the building-to-land ratio for the property has been amended to 100%.

(Note 4) With respect to the portion of the underlying land of the property (land parcels 2-4 in the below chart), Mizuho Trust & Banking Co., Ltd., the owner of the building, has entered into agreements in the form of fixed-term land lease rights for business purposes, with each land owner (with Mitsubishi UFJ Trust and Banking Corporation with respect to parcel 2, with one business corporation with respect to parcel 3, and with 10 individuals and two business corporations (compartmentalized ownership) with respect to parcel 4 in the below chart).

【Contract Chart】



[After]

Type of asset	Trust beneficiary right in real estate / real estate (Asset acquired on January 15, 2016 is directly acquired as property and then place in trust on the same day.)	
Acquisition date	October 1, 2014 January 15, 2016 ^(Note 1)	
Acquisition price	15,600 million yen ^(Note 2)	
Summary of trust Beneficiary rights	Date of trust beneficiary rights set	(1) December 19, 2003 (2) August 16, 2013
	Trustee	(1) Mizuho Trust & Banking Co., Ltd. (2) Mitsubishi UFJ Trust and Banking Corp.
	Trust period end	(1) December 19, 2023 (2) December 19, 2023
Land	Location (address)	1-1, Omoromachi 4-chome, Naha-shi, Okinawa
	Area	17,391.99 m ²
	Zoning	Commercial district
	FAR/building-to-land Ratio ^(Note 3)	400%/80%
	Type of possession ^(Note 4)	Ownership, leasehold

(Unchanged sections are intentionally omitted)

Special notes:

(Unchanged sections are intentionally omitted)

- We have completed the acquisition of certain portion of the land (acquisition price: 2,470 million yen) on January 15, 2016. The advance deposit as described in the purchase agreement (1,000 million yen) was already paid, and therefore, we succeeded the remaining payment obligation of 1,470 million yen and completed the payment on January 15, 2016. We paid the assigner of the purchaser's status an equivalent of the advance deposit on October 1, 2014.

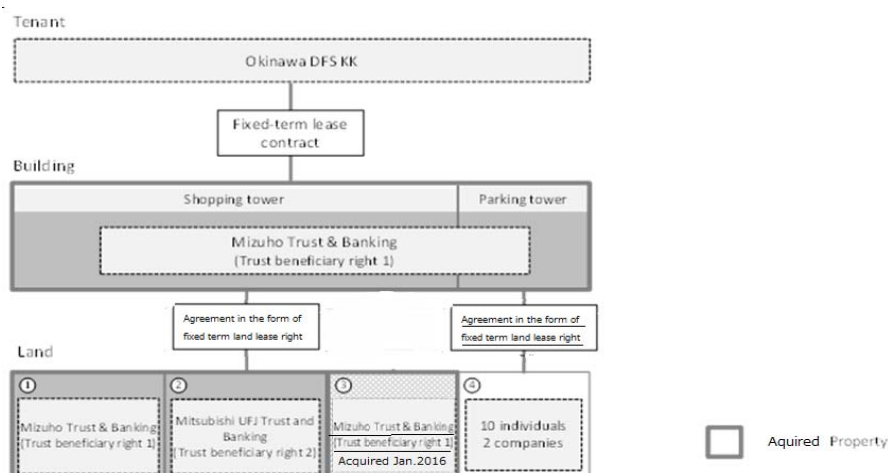
(Note 1) Information in the above table is for the property as a whole although we acquired a certain portion of the underlying land on January 15, 2016 (acquisition price of 2,470 million yen) (land parcel 3 in the below chart). We funded the acquisition of such land with the proceeds from the issuance of new investment units or third-party allotment in accordance to a resolution that JRF passed at its Board of Directors meeting held on September 4, 2014 and new borrowings in connection with such issuance as stated in the press released title "Notice Concerning Debt Financing (New Debt Financing)" dated September 4, 2014.

(Note 2) Acquisition price includes acquisition price of the portion of the underlying land that we acquired on January 15, 2016.

(Note 3) Because the property is a fireproof building in a fire control area, the building-to-land ratio for the property has been amended to 100%.

(Note 4) With respect to the portion of the underlying land of the property (land parcels 2 and 4 in the below chart), Mizuho Trust & Banking Co., Ltd., the owner of the building, has entered into agreements in the form of fixed-term land lease rights for business purposes, with each land owner (with Mitsubishi UFJ Trust and Banking Corporation with respect to parcel 2, with one business corporation with respect to parcel 3, and with 10 individuals and two business corporations (compartmentalized ownership) with respect to parcel 4 in the below chart).

【Contract Chart】



Reference: The Researched Value ^(Note) Summary

Valuer	CBRE, K.K
Researched value	17,600 million yen
Research date	August 31, 2015
DC method	17,600 million yen
Capitalization rate	4.8%
DCF method	17,600 million yen
Discount rate	4.4% (Year 1-8), 4.5% (Year 9 and after)
Terminal capitalization rate	6.8%

(Note) The researched value is as of August 31, 2016 and for all acquired assets including this acquisition of land (<building> and <land> i) to iii) in the aforementioned contract chart). For the appraisal value as of the decision-making date of this acquisition, please refer to the news release titled "Japan Retail Fund Investment Corporation to Acquire and Lease 5 Properties in Japan" dated September 4, 2014.

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.