

**Notice Concerning Acquisition of Trust Beneficiary Interest in
 Kasugai (Land with leasehold interest)**

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 Kasugai (Land with leasehold interest) (the “Property”) as outlined below.

1. Overview of acquisition

1) Property type	Trust beneficiary right in real estate
2) Property name	Kasugai (Land with leasehold interest)
3) Acquisition price	6,350 million yen
4) Appraisal value	6,420 million yen (as of September 28, 2016)
5) Contract completion date	September 30, 2016 (scheduled)
6) Acquisition date	Not determined yet ^(Note 1)
7) Seller	Two domestic business companies ^(Note 2)
8) Acquisition funds	Not determined yet
9) Payment	Full payment at closing

(Note 1) Acquisition is scheduled after issuance of building inspection certificate for the planned building construction whose tenants consist of a food supermarket etc. (Planned Building A: See page 3.).

Acquisition is currently scheduled for around August 2017.

(Note 2) We have not obtained the necessary permission from the sellers, which are two domestic corporations, to disclose its name.

JRF will acquire the asset after the planned construction of a building, whose tenants consist of a food supermarket etc. (Planned Building A), is completed. This eliminates the risk of the lessee’s inability to operate stores in the premises, and further secures the reliability of rent payments.

2. Reason for acquisition

JRF is boosting the ratio of urban assets in the medium term, while carefully selecting suburban assets particularly from the perspectives of location, tenant replaceability and tenant continuity.

The target of the acquisition is a land with leasehold interest for a suburban commercial property scheduled to be completed in August 2017. The Property is situated in a favorable location northeast of central Nagoya city with good potential for population growth. This quality suburban asset has good tenant replaceability, such that several retail tenants have considered new store openings following announcement of the development plan.

Furthermore, a long-term commercial fixed-term land lease contract has been concluded with the lessee, which assures high tenant continuity with a stable long-term income flow.

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

Highlight of acquisition

Land with leasehold interest of commercial properties focused on daily needs in a densely housed area located northeast of Nagoya city

Attractiveness of market

- The population of Kasugai city, located northeast of Nagoya city, experienced an upward trend to 2015, increasing 111.1% from 1995.
- The population of the trade area by distance is approx. 17 thousand within a 1-km radius and approx. 161 thousand within a 3-km radius, representing a high population density for a suburban district of Nagoya city.

Attractiveness of location

- The Property is located within a seven-minute walk from Katsukawa station, which is within approx. 20 minutes from Nagoya station on the JR Tokai Chuo Line, and is close to Katsukawa IC of the Nagoya Daini Kanjo Expressway, offering easy access to central Nagoya city.
- At an adjacent area, a large condominium building is under construction with 158 units selling in the first phase and another construction is scheduled for the second phase, leading to the expectation of future population growth.

Attractiveness of facility

- A planned construction of commercial properties that cater to the day-to-day needs of local area customers in the premises of the Property expects tenants including a supermarket, as well as specialty stores operated by a TSE First Section-listed company, which operates supermarkets, drug stores, and home improvement retailers based in the Chubu area.
- A long-term commercial fixed term land lease contract has been concluded.

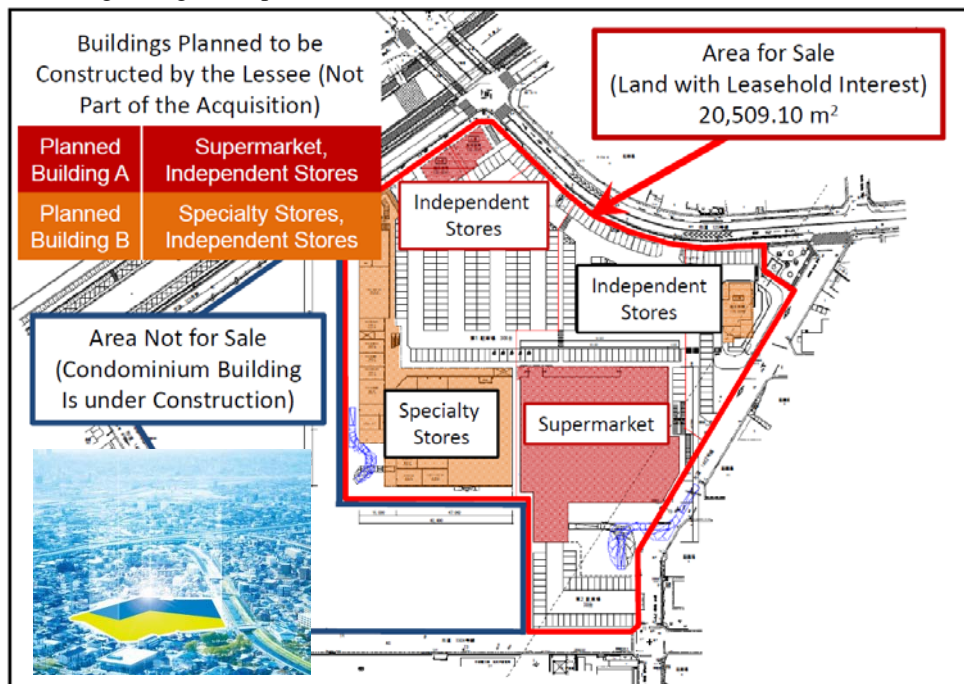
Photo



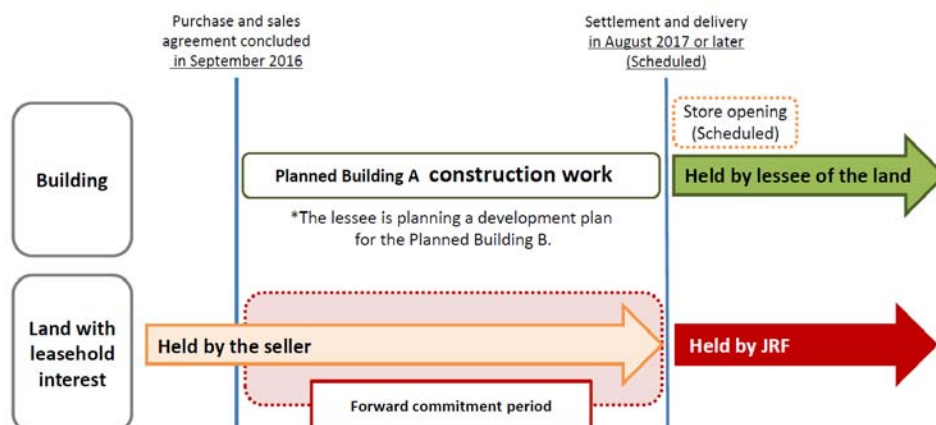
Map



<Building arrangement plan of the asset>



<Schedule for acquisition of the Property and lessee's construction of the commercial properties>



3. Overview of Property

Overview of Property			
Property name	Kasugai (Land with leasehold interest)		
Type of asset	Trust beneficiary right in real estate		
Trustee	Mitsubishi UFJ Trust and Banking Corporation		
Trust period	January 29, 2016 - February 28, 2026		
Location (address)	1-1 Onocho 2-chome, Kasugai-shi, Aichi		
Land			
Area	20,509.10 m ²		
Zoning	Industrial area	Type of possession	Ownership
Building			
Structure/stories	-		
Total floor area	-		
FAR/building-to-land ratio	-	Type	-
Completion date	-	Type of possession	-
Design	-		
Construction	-		
Constructional inspector	-		
PML	-		
Acquisition price	6,350 million yen		
Appraisal value	6,420 million yen (as of September 28, 2016)		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
Tenant summary			
Number of tenant(s) (main tenant)	1 (Not disclosed as the tenant has not agreed to the disclosure of information.)		
Annual rent	Not disclosed as the tenant has not agreed to the disclosure of information.		
Tenant leasehold/security deposit	Not disclosed as the tenant has not agreed to the disclosure of information.		
Total leased area	20,509.10 m ²	Occupancy rate (based on leased area)	100.0%
Total leasable area	20,509.10 m ²		
Major tenant			
Period of contract	Not disclosed as the tenant has not agreed to the disclosure of information.		
Type of contract			
Revision of rent			
Early termination			
Collateral conditions	N/A		
Special notes	N/A		

* 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.

4. Overview of sellers

The sellers are two domestic business companies. Name and other information of the sellers are not disclosed since the consent to disclose such information has not been obtained from the sellers. There are no noteworthy capital, personal or business relationships between JRF, the Asset Manager and each of the sellers. 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 sellers. The sellers do 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 each of the sellers fall under the category of the related parties of JRF and the Asset Manager.

5. Brokerage profile

N/A

6. Matters concerning forward commitment

This acquisition is considered as a "forward commitment by investment corporations" ^(Note) as provided in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators." In case, the forward

commitment cannot be carried out, 20% of the expected purchase price shall be paid as a penalty for breach of purchase and sales agreement.

(Note) Forward commitment is defined as “a postdated sales and purchase agreement which provides for the delivery and settlement to take place one month or more from the effective date of the agreement or any other related agreements.”

7. Payment

Following confirmation of the issuance of the building inspection certificate for the building (Planned Building A) with tenants including a food supermarket to be constructed by the lessee, the payment shall be made in a lump sum to the seller on a day agreed between the seller and buyer in writing (no later than one month from the issuance of the certificate planned in August 2017).

8. Acquisition schedule

Decision-making date	September 28, 2016
Purchase and sales agreement signing date	September 30, 2016 (scheduled)
Payment date	August, 2017 (scheduled)
Acquisition date	August, 2017 (scheduled)

9. Future outlook

As the impact of this acquisition on our revenue forecasts for the fiscal period ending August 2016 (the 29th period: March 1, 2016 – August 31, 2016) and the fiscal period ending February 2017 (the 30th period: September 1, 2016 – February 28, 2017) are marginal, these forecasts will not be revised.

10. Appraisal Report Summary

Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Value	6,420 million yen
Value Date	September 28, 2016

Item	Value	Notes
Indicated value by income approach	6,420 million yen	
DCF method	6,420 million yen	
Discount rate	4.2%	
Terminal capitalization rate	-	The terminal capitalization rate is not adopted because it is assumed that, based on the land lease agreement, the land will be returned as a vacant site after the expiry of the lease term.
Other matters of consideration	N/A	

【Reference】

Prospective income and expenditures for the Property

Prospective income & expenditures	
NOI (Net Operating Income)	264 million yen
NOI yield	4.2%
Depreciation	-
NOI yield after depreciation	4.2%

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

Contacts: For further information relating to this news 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.