

August 30, 2017

To all concerned parties:

Investment Corporation

Japan Retail Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

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Asset Management Company

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Notice Concerning Additional Acquisition of Real Estate in Japan
(Oyama Yuen Harvest Walk (UNIQLO building))

Japan Retail Investment Fund Corporation (“JRF”) announced today that it has decided to acquire an additional property in Japan (the “Acquisition”) at “Oyama Yuen Harvest Walk” (located in Oyama-shi, Tochigi; the “Property”), managed by JRF’s asset manager, Mitsubishi Corp.-UBS Realty Inc. (the “Asset Manager”), as outlined below.

1. Summary of Acquisition

1) Property type	Real estate (acquisition of UNIQLO building) * Acquire directly as real estate and then added to a trust beneficiary right for JRF’ possession
2) Property name	Oyama Yuen Harvest Walk
3) Acquisition price (scheduled)	255 million yen
4) Appraisal value	264 million yen (as of June 30, 2017)
5) Contract completion date (scheduled)	August 31, 2017
6) Acquisition date (scheduled)	August 31, 2017
7) Seller	MUL Property Co., Ltd. ^(Note)
8) Acquisition funds	Cash on hand
9) Payment	Full payment at closing

(Note) A purchase agreement will be concluded between JRF and MUL Property Co., Ltd.. The ownership rights of the UNIQLO building will be directly transferred from the current owner of the building, Mitsubishi UFJ Lease & Finance Company Limited to JRF. For information of the current owner, including the planned acquisition price under the purchase agreement concluded between Mitsubishi UFJ Lease & Finance Company Limited and MUL Property Co., Ltd., please refer to “5. Ownership History of the Building to Be Acquired.”

2. Reasons for Acquisition

Since acquiring the Property in 2007, JRF has continued the stable management of the Property while implementing various measures including extension, alteration and renewal works to maintain its positioning as the best shopping complex in the area.

The UNIQLO building, the subject of the Acquisition, is a key store in the Property, and has experienced strong sales since UNIQLO moved in.

Also, the parking lot in front of the UNIQLO building is located in the area undergoing environment improvement works expected to be completed in October 2017, which will make the area a mainstay for attracting customers in the future through holding events and other activities. Accordingly, the Acquisition in conjunction with the environment improvement works will contribute to the profitability of the Property as a whole.

On comprehensive consideration of the above matters, JRF has concluded that the Acquisition will further enhance the long-term stability of the Property's revenue base and increase management flexibility with respect to all the buildings held on the Property, and has thus decided to carry out the Acquisition.

Position of UNIQLO Building

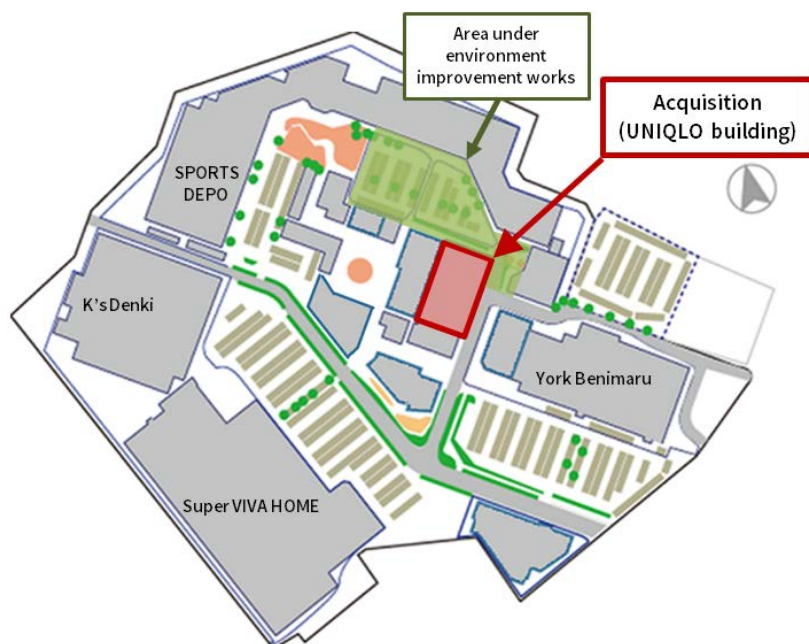


Photo of UNIQLO Building Exterior / Property Location Map



3. Property Summary

		Existing Buildings	UNIQLO Building (Acquisition Part)
Property name		Oyama Yuen Harvest Walk	
Type of asset		Trust beneficiary right in real estate	Real estate ^(Note 1)
Location (address)		1475-52, Aza-kaidonishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc.	
Land	Land area	113,692.86 m ²	
	Zoning	Commercial district	
	Type of possession	Leasehold	
Building	Structure / stories	S-structure, 3 floor above ground, etc.	S-structure, 1 floor above ground
	Completion date	March 1, 2007 March 8, 2007 April 11, 2007 June 13, 2007 June 27, 2007 April 18, 2014	April 5, 2013
	Total floor area	59,040.60 m ²	1,747.55 m ²
	Type	Retail, parking, movie theater	Retail
	Type of possession	Ownership	Ownership
	FAR / building-to-land ratio	400% / 80%	400% / 80%
	PML	3.4% (Based on the earthquake risk analysis report dated March 2017 jointly prepared by Engineering & Risk Services Corporation and OYO RMS Corporation)	3.1% (Based on the earthquake risk analysis report dated July 2017 jointly prepared by Engineering & Risk Services Corporation and OYO RMS Corporation)
Acquisition date		August 31, 2007 and April 25, 2014	August 31, 2017 (Scheduled)
Acquisition price		10,454 million yen	255 million yen (Scheduled)
Appraisal value		9,520 million yen (as of February 28, 2017)	264 million yen (as of June 30, 2017)
Appraiser		Japan Real Estate Institute	
Tenant summary (Note 2)	Number of tenants (main tenants)	63 (York Benimaru, Super Viva Home)	1 (UNIQLO)
	Annual rent	1,231 million yen	Not disclosed as the tenant has not agreed to the disclosure.
	Tenant leasehold /security deposit	902 million yen	20 million yen
	Total leased area	54,959.79 m ²	1,754.97 m ²
	Total leasable area	59,877.18 m ²	1,754.97 m ²
	Occupancy rate (based on leased area)	91.8%	100.0%
Collateral conditions		None	None
Special notes		None	None

(Note 1) Acquire directly as real estate and then added to a trust beneficiary right for JRF' possession.

(Note 2) With respect to the existing buildings, the amounts are the totals of the figures relating to the end-tenants based on the pass-through type master lease agreements with XYMAX ALPHA Corporation and figures relating to the land of the Acquisition.

- Figures of less than one hundred 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.
- Descriptions of "land area," "structure/stories," "total floor area" and "completion date" are all 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.
- In the "Tenant summary," the figures with respect to the "Number of tenants," "Total leased area," "Total leasable area" and "Occupancy rate" of the existing buildings are the figures as at the end of July 2017, the amount of the "Annual rent" for the period is the amount obtained by multiplying the amount at the end of the fiscal period ended February 2017 (the 30th period) by 12, and the "Tenant leasehold/security deposit" is the amount at the end of the fiscal period ended February 2017 (the 30th period). The information with respect to the UNIQLO building is based on the lease contract as of today.

[Reference]

<Design, Construction and Constructional inspector for the UNIQLO building>

Design: Daiwa Lease Co., Ltd.

Construction: Daiwa Lease Co., Ltd.

Constructional inspector: Bureau Veritas Japan Co., Ltd.

4. Profile of the Seller

1) Name	MUL Property Co., Ltd.
2) Location	22-24, Marunouchi 3-chome, Naka-ku, Nagoya-shi, Aichi
3) Name and job title of the representative	Yoshitoshi Kuzuya, President & Representative Director
4) Business	Real estate leasing; real estate rental; sale, purchase, brokerage and management of real estate
5) Capital	251 million yen (as of March 2017)
6) Date established	November 6, 1989
7) Net assets	11,082 million yen (as of March 2017)
8) Total assets	165,005 million yen (as of March 2017)
9) Major shareholder (shareholding ratio)	Mitsubishi UFJ Lease & Finance Company Limited (100%) (as of March 2017)
10) Relationship with JRF / the Asset Management Company	
Capital relationship	The seller is a wholly-owned subsidiary of Mitsubishi UFJ Lease & Finance Company Limited., a company 20% owned by Mitsubishi Corporation, the parent company of the Asset Manager (by a 51% stake).
Personal relationship	There are no personal relationships that need to be addressed between JRF/the Asset Manager and the seller.
Trade relationship	There are no trade relationships that need to be addressed between JRF/the Asset Manager and the seller.
Related parties	The seller does not fall under the category of a related party of JRF or the Asset Manager. The parent company of the seller falls under the category of Interested Persons, etc. in the context of the Act on Investment Trusts and Investment Corporations (Act No. 198 of June 4, 1951).

5. Ownership History of the Building to Be Acquired

MUL Property Co., Ltd., which will conclude a purchase agreement with JRF, does not fall under the category of interested party of JRF or the Asset Manager. However, Mitsubishi UFJ Lease & Finance Company Limited, which will transfer the ownership rights to JRF, does fall under the category of interested party. Information about Mitsubishi UFJ Lease & Finance Company Limited is disclosed as follows.

Owner history	Current owner	Previous owner
Name	Mitsubishi UFJ Lease & Finance Company Limited	—
Relationship with interested parties of JRF/ the Asset Manager	A company 20% owned by Mitsubishi Corporation, the parent company of the Asset Manager (by a 51% stake)	—
Background/ reasons for acquisition price	Development for rental	—
Acquisition price	Not disclosed as the current owner has owned the building more than 1 year as of anticipated acquisition date. The acquisition price stated in the purchase agreement between Mitsubishi UFJ Lease & Finance Company Limited and MUL Property Co., Ltd. is 255 million yen.	—
Acquisition date	April 5, 2013	—

6. Broker

None

7. Matters Concerning Forward Commitment

None

8. Means of Payment

Full payment at closing

9. Planned Acquisition Schedule

Purchase Agreement Signing Date	August 31, 2017 (Scheduled)
Payment Date	August 31, 2017 (Scheduled)
Acquisition Date	August 31, 2017 (Scheduled)

10. Future Outlook

The impact of the Acquisition on our forecasts for the fiscal periods ending August 2017 (the 31st period: March 1, 2017 – August 31, 2017) and February 2018 (the 32nd period: September 1, 2017 – February 28, 2018) is minimal. As a result, the forecasts will not be revised.

11. Appraisal Report Summary (the Acquisition part)

Appraiser	Japan Real Estate Institute
Appraisal Value	264 million yen
Value Date	June 30, 2017

The Acquisition part will be operated together with the other tenants comprising the facilities of the Property and will have a mutually complementary relationship with the other tenants. Also, the building on the Acquisition part has land leasehold rights but the land leasehold rights are not considered to have any value as they are for the definite period of the contractual term and so on. The appraisal value was determined by the following appraisal procedures.

■ Appraisal Procedures

Item	Amount / Ratio	Notes
① Building and site value as a whole (Note)	13,200 million yen	See below
② Building ratio of indicated value by cost approach	67.9%	See below
③ Value of building as a whole	8,960 million yen	① × ②
④ Distribution ratio of Acquisition part	2.95%	Exclusive area of Acquisition part ÷ Exclusive area of Property
⑤ Appraisal value of Acquisition part	264 million yen	③ × ④

(Note) The Property has a building with land leasehold rights and the value of the building and site overall is the value in the case of ownership of the land.

■ Value of the Property in the Case of Ownership of the Land

Item	Value	Notes
Indicated value by income approach	13,200 million yen	
DC method	13,400 million yen	
Operating income	1,595 million yen	
Effective gross income	1,616 million yen	
Losses from vacancy, etc.	△21 million yen	
Operational cost	797 million yen	
Maintenance and management fee	203 million yen	
Utility cost	245 million yen	
Repair expenses	14 million yen	
Property manager fee	Not disclosed	As the disclosure of this item may negatively affect JRF's competitiveness and business to the detriment of its unitholders, we have decided not to disclose this information here, and have included it under "Other expenses" instead.
Leasing cost	7 million yen	
Property tax	116 million yen	
Insurance premium	Not disclosed	As the disclosure of this item may negatively affect JRF's competitiveness and business to the detriment of its unitholders, we have decided not to disclose this information here, and have included it under "Other expenses" instead.
Other expenses	210 million yen	
Net Operating Income	797 million yen	
Operating profit on lump-sum payments	10 million yen	
Capital expenditure	20 million yen	
Net cash flow	787 million yen	
Capitalization rate	5.9%	
DCF method	13,000 million yen	
Discount rate	5.7%	
Terminal capitalization rate	6.2%	
Indicated value by cost approach	11,300 million yen	
Land ratio	32.1%	
Building ratio	67.9%	

[Reference]

Prospective Income and Expenditures for the UNIQLO Building

	Prospective Income and Expenditures for the UNIQLO Building
NOI (Net Operating Income)	20 million yen
NOI yield	7.9%
Depreciation	7 million yen
NOI yield after depreciation	5.1%

- NOI is based on the annual income according to the lease contract as of today.
- NOI yield is calculated by dividing NOI by the acquisition price and rounded 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 rounded to the nearest second decimal place.

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