

October 16, 2017

To all concerned parties:

Investment Corporation

Japan Retail Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

Representative: Shuichi Namba, Executive Director

URL: <http://www.jrf-reit.com/english/>

Asset Management Company

Mitsubishi Corp.-UBS Realty Inc.

Representative: Toru Tsuji, President & CEO

Inquiries: Keita Araki, Head of Retail Division

TEL: +81-3-5293-7081

Notice Concerning Repurchase of Own Investment Units

(Repurchase of own investment units under the provisions of Article 80-5 of the Act on Investment Trusts and Investment Corporations of Japan)

Japan Retail Fund Investment Corporation (“JRF”) announces the current status of the repurchase of own investment units based on Article 80-2 of the Act on Investment Trusts and Investment Corporations of Japan (hereinafter referred to as the “Investment Trusts Act”) applied pursuant to Article 80-5, Paragraph 2 of the Investment Trusts Act. After the completion of the repurchasing of own investment units, JRF plans to cancel all repurchased own units in this Fiscal Period Ending February 28, 2018 (32nd Fiscal Period)

1. Reasons for the repurchase of own investment units

Reasons
for
implementation

- ① **Recent decrease in opportunities for acquiring properties that combine quality and profitability**
- ② **Use of ample free cash**
- ③ **Useful unitholder returns at relatively cheaper investment unit price levels**

As measures for promoting unitholders’ value over the medium to long term, JRF works to “further extend the scope of its assets,” “replace assets” and “improve the value of existing properties.”

However, as there is a recent decreasing volume of the commercial facilities for sale in highly advantageous locations, JRF’s opportunities for acquiring properties that combine quality and profitability are also declining. JRF will continue to acquire properties that increase the quality of its portfolio, but in such an environment, it considers that endeavoring to acquire carefully selected new properties, instead of hastily pursuing only growth through “further extending the scope of its assets” and “replacing assets,” will contribute to increasing unitholders’ value.

On the other hand, at the end of the August 2017 (31st) fiscal period, JRF had 58.8 billion yen in cash equivalent on its balance sheet, and taking into account the payment of dividends and its planned capital expenditure for future “improving the value of existing properties,” JRF believes that it has ample free cash.

Also, JRF considers that the price of JRF investment units will be at a relatively cheaper level, due to steady decline as can be seen in the reference information “3. JRF’s relative unit price (from January 2017 to present),” and recent ongoing underperformance compared to Tokyo Stock Exchange REIT indices. Reasons for this include worsening investor sentiment regarding investment in commercial facilities in

Japan mainly due to the rise of e-commerce and other factors in association with concerns about commercial facility operations in the United States, and worsening supply and demand due to capital outflow from investment trusts in Japan, which are the main J-REIT investment targets.

In such a situation, JRF has examined the use of its free cash to contribute to increasing unitholders' value, and in the current situation, it considers that using part of the free cash to repurchase own investment units at a relatively cheaper price level will enable it to increase unitholders' value though the increase in dividends per unit, and it has resolved to do that.

2. Details of matters relating to the repurchase

(1) Total number of investment units to be repurchased	60,000 units (maximum) (2.25% of the total number of issued investment units (excluding the number of own investment units))
(2) Total amount of investment units to be repurchased	10,000,000,000 yen (maximum)
(3) Repurchase period	From October 17, 2017 to January 1, 2018

JRF will terminate the transaction regarding the repurchase of own investment units when either the total number of repurchased own investment units or the total repurchase amount reaches the maximum amount, or when the repurchase period ends. With respect to the total repurchase price, it has been determined that the amount mentioned above will not have a great impact on the financial management of JRF in light of the current situation of cash in hand, the LTV level following acquisition of repurchased investment units, and considering the time needed to cancel own investment units during this fiscal year.

(Note) Due to market trends etc., it is possible that the total number of repurchase and total repurchase amount will not reach the maximum level, or there will be no repurchase at all.

3. Method of Repurchase of Own Investment Units

JRF plans to enter into a discretionary transaction contract with a securities company and conduct the market purchase of its own investment units on the Tokyo Stock Exchange.

Also, after the completion of the repurchasing of own investment units, JRF plans to cancel all repurchased own units in this fiscal period upon the resolution of the board of directors of JRF.

(Reference Information)

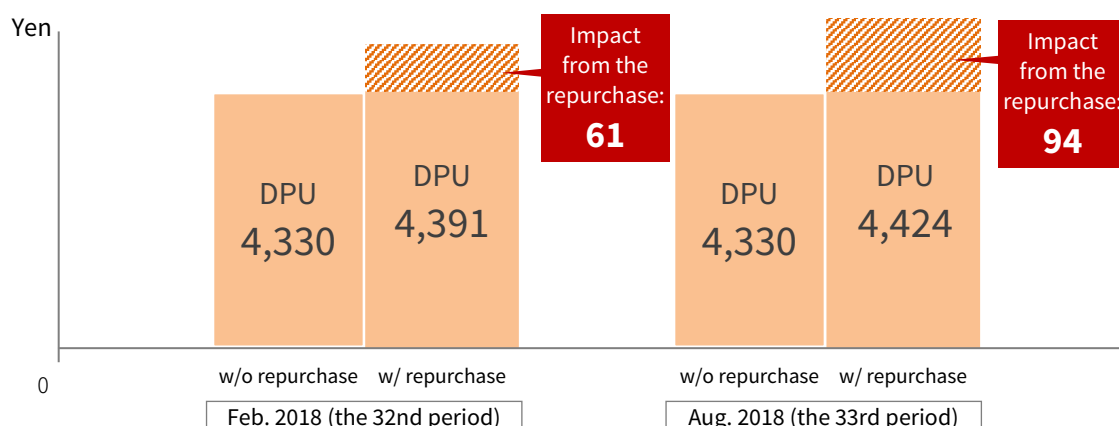
1. The Number of Repurchased Own Investment Units as of October 16, 2017

Total Number of Issued Investment Units (excluding the number of repurchased own investment units)	2,667,198 units
The Number of Repurchased Own Investment Units	Nil

2. Impact on DPU amount from the Repurchase and Cancellation of Own Investment Units

In the event that own investment units will be repurchased until the total of the repurchased amount reaches the maximum amount, and all the repurchased own investment units are cancelled during the February 2018 (the 32nd) fiscal period, the impact on dividends per unit will be as set forth below.

Expected DPU amounts for each fiscal year (taking the repurchase into consideration) are as follows.



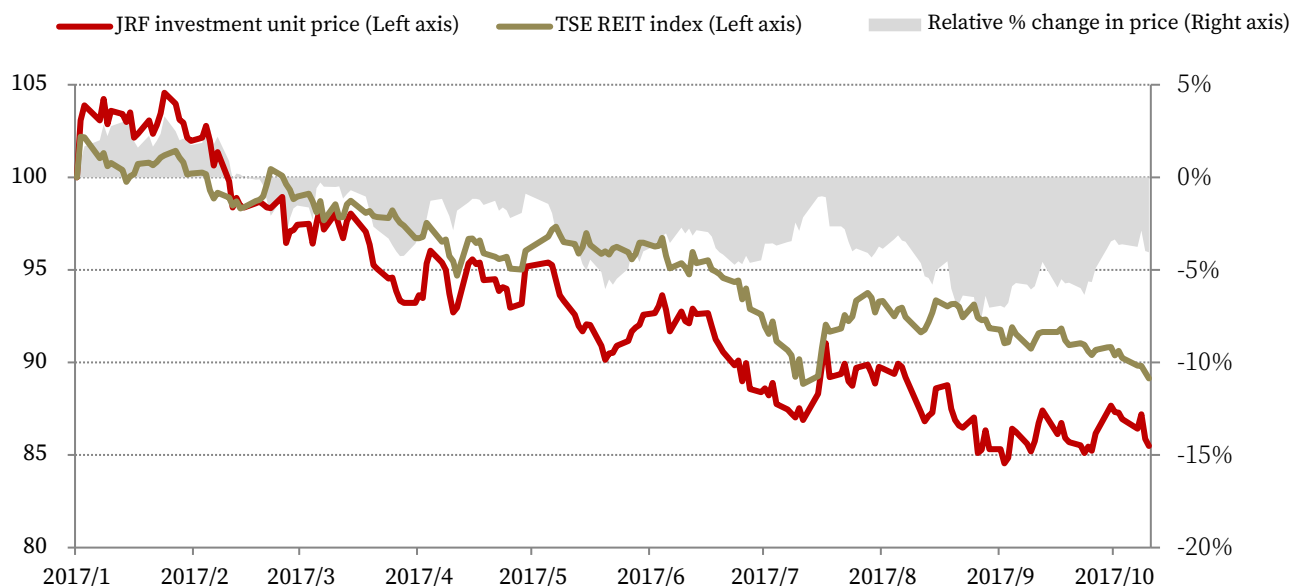
(Note 1) The expected numbers are calculated based on the certain conditions as at the date hereof and the actual DPU amount may differ in accordance with changes in the situation. Also, there are no guarantees provided with respect to the amount of DPU.

(Note 2) For the details of “Expected net income for the 32nd fiscal period” and “Expected DPU amount for the 32nd fiscal period (without taking into consideration the repurchase),” please refer to “Summary of Financial Results (REIT) for the Fiscal Period Ended August 31, 2017 (the 31st fiscal period)” which was released today.

(Note 3) “Expected DPU amount for the 32nd fiscal period (taking into consideration the repurchase)” is calculated based on the case where JRF repurchases its own investment units at 200,300, which is the closing price of JRF’s investment units as of October 13, 2017, until the total repurchase amount mentioned above reaches the maximum amount (in this case, the total number of repurchased own investment units is 49,925 units). Please note that the impact on expected DPU varies according to the actual number of repurchased own investment units and actual repurchase price.

(Note 4) “The effect of repurchase” refers to the change from “DPU without taking into consideration the repurchase” to “DPU with taking into consideration the repurchase.”

3. JRF’s relative unit price (from January 2017 to present)



(Note 1) Based on the closing price

(Note 2) Changes in the price of units are shown relative to the closing price of units of 100 on January 4, 2017.

(Note 3) The relative change rate refers to the gap between JRF’s relative price and the REIT Index’s relative price.

(Reference) Bloomberg

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