

December 20, 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 Acquisition of a Trust Beneficiary Right in the Real Estate in Japan
(G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest)) (Contract modification)

Mitsubishi Corp. – UBS Realty Inc., the asset manager (the “Asset Manager”) of Japan Retail Fund Investment Corporation (“JRF”), announced today to modify a part of the contract and acquire a trust beneficiary right in the real estate of G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest) as announced in the news releases titled “Japan Retail Fund Investment Corporation to Acquire 4 Properties in Japan” dated February 27, 2017 and “Japan Retail Fund Investment Corporation Completes the Acquisition of 2 Properties in Japan (G-Bldg. Shinsaibashi 03 (Bldg. B main building) and G-Bldg. Naha-shintoshin 01)” dated March 17, 2017, as outlined below.

The modifications are underlined and shaded.

1. Overview of acquisition

	Before	After
1) Property type	Trust beneficiary right in real estate	Trust beneficiary right in real estate
2) Property name	G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest)	G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest)
3) Location	2-15 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	2-15 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka
4) Acquisition price (scheduled)	400 million yen	400 million yen
5) Researched value or appraisal value ^(Note)	<u>409 million yen (Researched value)</u> <u>(as of February 1, 2017)</u>	<u>1,030 million yen (Appraisal value)</u> <u>(as of December 1, 2017)</u>
6) Contract completion date	March 17, 2017	March 17, 2017
7) Acquisition date (scheduled)	<u>By December 29, 2017</u>	<u>December 21, 2017</u>
8) Seller	Mitsubishi Corporation Urban Development, Inc.	Mitsubishi Corporation Urban Development, Inc.
9) Acquisition funds	Cash on hand	Cash on hand
10) Payment	Full payment at closing	Full payment at closing

(Note) Appraisal value in the newly acquired Appraisal Report in lieu of the researched value in the Research Report that appeared in the news release “Japan Retail Fund Investment Corporation to Acquire 4 Properties in Japan,” dated February 27, 2017

2. Property Summary

		Before	After
Property name		G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest)	G-bldg. Shinsaibashi 03 (Bldg. B) (Land with leasehold interest)
Type of asset		Trust beneficiary right in real estate	Trust beneficiary right in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Corporation
Trust period		September 30, 2016 to September 30, 2026	September 30, 2016 to September 30, 2026
Location (address)		2-15 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	2-15 Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka
Land	Land area	138.96 m ²	138.96 m ²
	Zoning	Commercial district	Commercial district
	Type of possession	Ownership	Ownership
Building	Structure / stories	—	—
	Total floor area	—	—
	FAR / building-to-land ratio	—	—
	Completion date	—	—
	Design	—	—
	Construction	—	—
	Constructional Inspector	—	—
	PML	—	—
Acquisition price		400 million yen	400 million yen
Researched value or appraisal value ^(Note 1)		<u>409 million yen (Researched value)</u> <u>(as of February 1, 2017)</u>	<u>1,030 million yen (Appraised value)</u> <u>(as of December 1, 2017)</u>
Appraiser		CBRE, K.K.	CBRE, K.K.
Tenant summary	Number of tenants (main tenants)	<u>1 (Mitsubishi Corporation Urban Development, Inc.)</u>	<u>1 (Not disclosed)</u> ^(Note 3)
	Annual rent	<u>20 million yen</u>	<u>27 million yen</u>
	Tenant leasehold / security deposit	<u>10 million yen</u>	<u>9 million yen</u>
	Total leased area	138.96 m ²	138.96 m ²
	Total leasable area	138.96 m ²	138.96 m ²
	Occupancy rate (based on leased area)	100 %	100 %
	Period of contract	<u>30 years from the date of the conclusion of the purchase</u>	<u>December 21, 2017 – December 20, 2037 (anticipated)</u>
	Type of contract	<u>Ordinary land lease contract</u>	<u>Fixed-term land lease contract for business purposes</u>
	Revision of rent	Not disclosed	Not disclosed
	Early termination	Not disclosed	Not disclosed
Collateral conditions		None	None

Special notes	<p>If it can be reasonably determined that the Third Party's Building in the schematics of the acquisition can be rebuilt, or if we agree with the seller that it is reasonable to postpone the purchase and sale of the land marked as ② (Note 4) and we and the seller agree to postpone the date of acquisition, it will be postponed until a later date agreed upon by the seller and us. In addition, if it can be reasonably determined that the Third Party's Building can be rebuilt with conditions that are satisfactory to us, we may negotiate in good faith with the seller to purchase the new building.</p> <p>(Note) Mitsubishi Corporation Urban Development, Inc., which is the owner of the building on ②, and Mitsubishi UFJ Trust and Banking Corporation, which is the current owner and trustee of the land marked as ② plan to execute a lease agreement for the land marked as ② (138.96m²) on or before the date we acquire the land marked as ②.</p>	<p>Upon consideration of the feasibility of rebuilding the building owned by the Third Party marked in the schematics below, JRF determined as of today that rebuilding under conditions satisfactory to JRF is unfeasible. Accordingly, there has been no postponement of the acquisition date, and the sale shall proceed on December 21, 2017 as planned. In addition, Mitsubishi Corporation Urban Development, Inc., which is the owner of the building, plans to sell it to the current tenant of the building (Note 3) on December 21, 2017, which is the date JRF anticipates acquiring the land. Accordingly, the land lease contract, which Mitsubishi UFJ Trust and Banking Corporation (the current owner and trustee of the land due for acquisition marked in the schematics) and Mitsubishi Corporation Urban Development, Inc. planned to conclude on or before the conclusion of the purchase contract, will not proceed. In lieu of this, Mitsubishi UFJ Trust and Banking Corporation plans to conclude on December 21, 2017 (the anticipated date of JRF's acquisition) with the current tenant of the building (Note 3) after they acquired the building, a fixed-term land lease contract for business purpose.</p>
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- Figures 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.
- "Number of tenants" represents the total number of lease contracts as of today.
- "Total leased area" and "Total leasable area" represent the total sums and areas in the lease contracts, etc. as of today.
- The amounts/areas in "Annual rent", "Tenant leasehold/security deposit", "Total leased area" and "Total leasable area" appearing in the Before column are in accordance with the anticipated leasehold agreements at the conclusion of the purchase agreement, while those in the After column are in accordance with the leasehold agreements, etc., which are due to be concluded on the acquisition date of December 21, 2017.

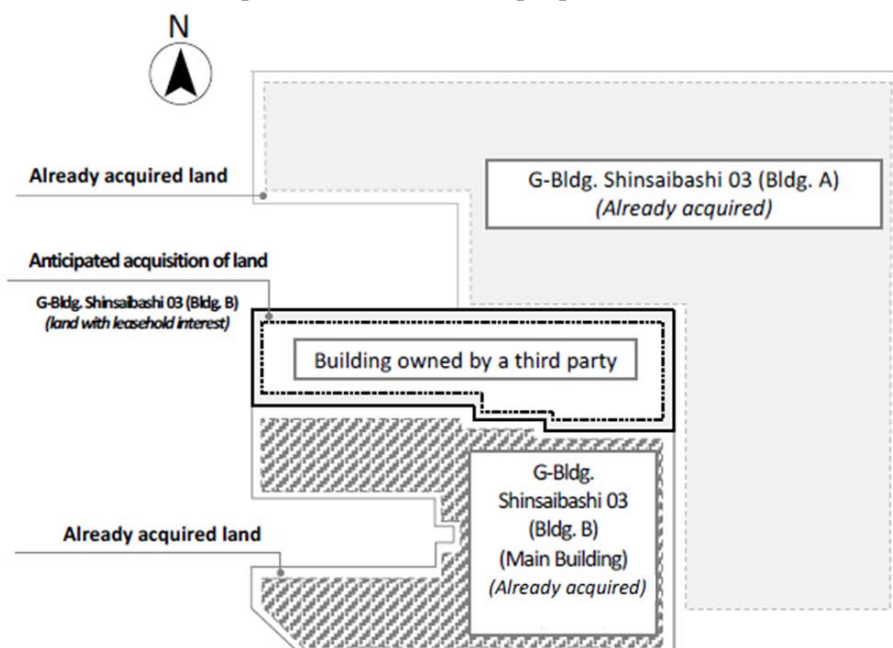
(Note 1) Indicates the appraisal value in the newly acquired Appraisal Report in lieu of the researched value in the news release titled "Japan Retail Fund Investment Corporation to Acquire 4 Properties in Japan" dated February 27, 2017.

(Note 2) Tenant summary likely to change on December 21, 2017.

(Note 3) Not disclosed as the tenant has not agreed to the disclosure.

(Note 4) Indicates the anticipated acquisition of land marked in the schematics.

< Schematics of the acquisition (for reference purposes) >



(Note) Above Schematics of the acquisition was created by the Asset Manager to help understanding the current situation of the property's building and land, and the actual shape and ratio of each building and land's size may differ from the image.

[Reference]

Prospective Income and Expenditures for the Property

Prospective Income and Expenditures	
NOI (Net Operating Income)	23 million yen
NOI yield	5.8%
Depreciation	0 yen
NOI yield after depreciation	5.8%

- NOI is based on the annual income according to the lease contract as of December 21, 2017.
- 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.