Translation of Japanese Original

KENEDIX
Retail REIT Corporation

March 31, 2016

To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
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(Securities Code: 3453)

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Notice Concerning Acquisition and Leasing of Assets (7 Properties)

Kenedix Retail REIT Corporation ("KRR") announced today that Kenedix Real Estate Fund Management, Inc. ("the Asset Manager"), the asset manager for KRR, has decided to acquire and lease assets as follows:

1. Overview of the Acquisition

Property number	Property name	Location	Type of acquisition	Anticipated acquisition price (million yen)	Estimated NOI yield (%) (Note)
T-15	Nakamachidai Tokyu Store	Tsuzuki-ku, Yokohama, Kanagawa	Trust beneficiary interest in real estate	3,360	5.3
T-16	Central Wellness Club Nagatsuta Minamidai	Midori-ku, Yokohama, Kanagawa	Trust beneficiary interest in real estate	1,724	5.6
T-17	Life Kameido	Koto-ku, Tokyo	Trust beneficiary interest in real estate	1,450	4.4
O-10	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	Trust beneficiary interest in real estate	3,723	4.4
N-4	Homecenter Kohnan Sunadabashi	Higashi-ku, Nagoya, Aichi	Trust beneficiary interest in real estate	7,140	5.1
R-7	Solala Plaza	Aoba-ku, Sendai, Miyagi	Trust beneficiary interest in real estate	5,720	5.0
R-8	P-1 Plaza Tenno	Higashi-ku, Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	4,010	5.7
Total/Average				27,127	5.1

(1) Date of contract: March 31, 2016
(2) Anticipated acquisition date: April 20, 2016 (Property number T-16)
April 21, 2016 (Property numbers T-15, T-17, O-10, N-4, R-7)
April 22, 2016 (Property number R-8)

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(3) Seller: Please refer to "4. Overview of Sellers" for details

(4) Acquisition funds: The proceeds from the issuance of new investment units, resolved at the board of directors meeting on March 31, 2016, and borrowings

(5) Settlement method: Payment in full at settlement

(Note) The "estimated NOI yield" is calculated using the following formula:
Estimated NOI yield = (Revenues from the properties to be acquired – Operating expenses for the properties excluding asset custody fees + Depreciation expenses) ÷ Anticipated acquisition price
Revenues from the properties to be acquired, operating expenses for the properties and depreciation expenses are calculated based on an appraisal report with an appraisal value as of February 1, 2016 (excluding Homecenter Kohnan Sunadabashi, which is based on the appraisal report with the appraisal value as of November 1, 2015) and the information, etc. provided by the previous owner (previous beneficiary) of each property and with due consideration of comprehensive information, including the content of the trust agreement, the rental property management agreement, the building management agreement, the engineering report and the damage insurance contract.

2. Reasons for the acquisition

We have decided to acquire the 7 additional properties, based on KRR's "Investment Targets and Policies," to diversify and enhance our portfolio by investing primarily in neighborhood, community and other shopping centers that cater to the day-to-day needs of local area customers, which we believe will ensure both the growth of and steady revenue-generation from our portfolio. The anticipated acquisition price of each property is lower than its appraisal value and hence is considered fair and reasonable. After the acquisition of the 7 additional properties, our portfolio will consist of 40 properties worth a total of 158.7 billion yen on an (anticipated) acquisition price basis.

In addition, we select tenants based on an overall assessment of the set criteria, including the tenant's category, credit profile, sector, use, leasing terms and conditions and the probability of tenant turnover. We believe the tenants for each of the 7 properties satisfy these criteria.

3. Details of the Properties to be Acquired

Overview of individual properties to be acquired

The following tables provide an overview of each property to be acquired. Definitions of the terms used in the tables are as follows:

- "Anticipated acquisition date" indicates the date KRR will acquire the subject property. This is the date anticipated as of today and is subject to change based on the agreement between KRR and the Seller.
- "Property type" indicates one of the following five types of retail properties: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center) and SS (Specialty Store).
- "Type of acquisition" indicates the type of the asset KRR will acquire.
- "Trustee" indicates the trustee for each of the acquired assets which is a trust beneficiary interest in real estate.
- "Trust period" indicates the trust establishment date and the trust maturity date set forth in the trust agreement for the trust beneficiary interest in the property.
- "Location" indicates the residential address. For properties without residential addresses, the building or land address on the registry is shown (only one address is shown for properties with multiple addresses).
- "Form of ownership" of "Land" or "Building" indicates either the type of rights in the property owned by KRR if KRR owns or anticipates owning such property, or the type of rights in the property owned by trustee if KRR owns or anticipates owning the trust beneficiary rights.
- "Land area" of "Land" is based on what is described in the registry and may not necessarily be identical to the

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actual area. For properties in the form of compartmentalized ownership interests, the land area for the entire property is shown.

- "Zoning" of "Land" indicates the type of zoning as set forth in Article 8-1-1 of the City Planning Act.
- "Building coverage ratio" of "Land" indicates either the ratio of the building area to the land area as set forth in Article 53-1 of the Building Standards Act or the upper limit of the building coverage ratio designated in the City Planning Act in accordance with the zoning.
- "Floor-area ratio" of "Land" indicates either the ratio of a building's total floor area to the land area as set forth in Article 52-1 of the Building Standards Act or the upper limit of the floor-area ratio designated in the City Planning Act in accordance with the zoning.
- "Gross floor area" of "Building" indicates the gross floor area of a building and is based on the building description in the registry (excluding annex buildings). As for properties in the form of compartmentalized ownership interests, the gross floor area for the entire building is shown.
- "Date constructed" of "Building" indicates either the registered completion date or the inspection date for completion of the building.
- "Use" of "Building" is based on the description in the registry. As for properties in the form of compartmentalized ownership interests, the Use for the part of the building owned by KRR is shown.
- "Structure/No. of floors" of "Building" is based on what is described in the registry. As for properties in the form of compartmentalized ownership interests, the structure and the number of floors for the entire property are shown.
- "Architect", "Construction company" and "Construction confirmation authorities" represent those companies or institutions that provide relevant services to each of the properties.
- "Master lessee" indicates the master lessee with which KRR has entered or plans to enter into the Master Lease Agreement.
- "Type of master lease" indicates the type of the master lease agreement concluded or to be concluded as of today, which include (i) the "pass-through type" where the rent received by the lessor is in principle the same amount as the rent received by the master lessee from end tenants, and (ii) the "sublease type" where a fixed amount of rent is received from the master lessee.
- "PM" indicates the property manager with which a property management agreement has been or will be concluded.
- "Sub-PM" indicates the sub-property manager with which a sub-property management agreement has been or will be concluded.
- "PML" indicates the probable maximum loss that can arise from an earthquake and is rounded down to the second decimal place based on the "Portfolio PML Report as of March 2016 prepared by Sompo Japan Nippon Koa Risk Management." KRR, however, does not guarantee the accuracy of such report. Also, the content of the Portfolio PML Report is based on the opinions and judgments by Sompo Japan Nippon Koa Risk Management at a specific point in time and neither its validity nor accuracy is guaranteed. KRR/the Asset Manager has no special interest with Sompo Japan Nippon Koa Risk Management.
- "Anticipated acquisition price" indicates the transfer price of the property to be acquired designated in each sale and purchase agreement (excluding the acquisition expenses, property taxes, city planning taxes and consumption taxes, and rounded down to the nearest million yen).
- "Appraisal value (as of the effective date of appraisal)" indicates the appraisal value described in each real estate appraisal report prepared by real estate appraisers, including Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and The Tanizawa Sogo Appraisal Co., Ltd. as requested by KRR. The values are estimated by the real estate appraisers at one point in time, and KRR does not give any representation or other

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assurance with respect to the accuracy or completeness of the appraisal values and other information they provided to us.

- "Appraisal NOI yield" is calculated by dividing the appraisal NOI of each property by the anticipated acquisition price for each property and rounding off the number to the first decimal place.
  The appraisal NOI for each of the properties to be acquired used in the calculation is as described in the real estate appraisal report as of February 1, 2016 (except for Homecenter Kohnan Sunadabashi which is as described in the appraisal report as of November 1, 2015).
- "Appraisal NOI" is the net operating income before depreciation expenses, which is calculated by deducting the operating expenses from the operating revenues described in the appraisal report, and thus, differs from NCF (Net Cash Flow) which is calculated by adding the profit from the investment of tenant deposits to and deducting capital expenditures from NOI. The appraisal NOI here is the NOI calculated using the direct capitalization method. Net operating income for the first fiscal year calculated using the DCF method is used in cases where the direct capitalization method is not applicable.
- "Collateral" indicates the collateral that remains effective after the acquisition by KRR, if any.
- "Number of tenants" indicates the total number of tenants in each of the properties to be acquired as of the end of December 2015. As for the office/retail tenants, if they occupy multiple spaces, each space is counted as one tenant. In a pass-through-type master lease contract, the number of master lessees is followed by the number of end-tenants in parentheses. In a sub-lease-type master lease, only the number of master lessees is shown.
- "Annual rent" indicates the amount obtained by multiplying the monthly rent agreed upon in the lease agreement with each tenant as of the end of December 2015 (including common area charges and excluding the rents for warehouses and consumption taxes) by 12 and rounding the number down to the nearest thousand yen (any changes in rents expected before acquisition dates agreed upon in Memorandum of Understanding ("MoU"), etc. as of the end of December 2015 are reflected). In a sub-lease-type master lease, the annual rent (excluding consumption taxes) agreed upon in the master lease agreement or the amount obtained by multiplying the monthly rent (excluding consumption taxes) agreed upon in the master lease agreement by 12, rounded down to the nearest thousand yen, is shown (any changes in rents planned before the acquisition dates agreed upon in MoU, etc. as of the end of December 2015 are reflected).
- "Tenant deposits" represent the total amount of tenant leasehold and security deposits agreed upon in the lease agreement (excluding those for warehouses) for each property as of the end of December 2015, rounded down to the nearest thousand yen.
- "Leased area" indicates the total leased area based on the lease agreement for each property as of the end of December 2015. As for the lease agreements for buildings, the leased area of warehouses and land (including flat parking lots) are excluded. As for pass-through-type master leases, the leased area based on the lease agreements between the master lessee and end-tenants as of the end of December 2015 is shown. As for sub-lease type leases, the leased area to the master lessee is shown.
- "Leasable area" indicates the gross floor area (or the land area for a land-only property) that KRR considers to be available for lease in each property.
- "Occupancy rate" indicates the ratio of the leased area to the leasable area for each property to be acquired as of the end of December 2015, rounded down to the first decimal place.
- "Remarks" indicates the items that are believed to be important in relation to the rights and uses of each property as well as the items that are believed to be important in terms of their impact on the appraisal value, profitability and marketability, as of today.

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T-15 Nakamachidai Tokyu Store

Property name		Nakamachidai Tokyu Store
Planned acquisition date		April 21, 2016
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd. (planned)
Trust period		April 21, 2016 to the end of September 2036 (planned)
Seller		Mitsubishi Jisho Residence Co., Ltd.
Location		1-4-7 Nakamachidai, Tsuzuki-ku, Yokohama, Kanagawa
Land	Form of ownership	Co-ownership (51.4%)
	Land area	2,619.34 m^2(Note 1)
	Zoning	Neighborhood commercial area
	Building coverage ratio	80%
	Floor-area ratio	400%
Building	Form of ownership	Proprietary ownership
	Gross floor area	12,585.63 m^2(Note 2)
	Date constructed	January 12, 2010
	Use	Retail, parking
	Structure/No. of floors	RC-structure/1 underground and 6 above-ground floors(Note 3)
Architect		Kyouritsu Associates Architects & Engineers
Construction company		Tokyu Construction Co., Ltd. Yokohama Branch
Construction confirmation authority		The Japan Building Equipment and Elevator Center Foundation
Master lessee		Tokyu Store Corporation
Type of master lease		Sublease type
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		CRE, Inc.(planned)
PML		8.15%
Anticipated acquisition price		3,360 million yen
Appraisal value (as of)		3,780 million yen (February 1, 2016)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.4%
Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	1
	Annual rent	Undisclosed(Note 4)
	Tenant deposits	Undisclosed(Note 4)
	Leased area	5,968.71 m^2
	Leasable area	5,968.71 m^2
	Occupancy rate	100%
Remarks		None
Others		(Note 1) The building is subject to compartmentalized ownership, and although KRR is acquiring 510,400/1,000,000 of the ownership interests in the underlying land, the land area for the entire property including the land area for this building is shown. (Note 2) Although this building is subject to compartmentalized ownership, the gross floor area for the entire building is shown (including the floor area in the building owned solely by other owners and the gross floor area of the common areas. The gross floor area we anticipate to acquire totals 5,905.04 m^2). (Note 3) Although this building is subject to compartmentalized ownership, the

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	structure and the number of floors for the entire building are shown (the building located in 1-4-1-101 Nakamachidai is a 4-story SRC-structure building). (Note 4) Undisclosed as KRR has not obtained consent from the lessee.

Features of the property and overview of the trade area

An NSC in front of a railway station in the area where the population has been growing rapidly, with easy access to central Tokyo

1. Features of the property
   - The subject property is the retail portion of a commercial complex consisting of retail spaces on lower floors and 66 residential units on upper floors, constructed in January 2010 and located in front of Nakamachidai Station on Yokohama Subway Blue Line (about 18 minutes to Yokohama Station and about 35 minutes to Shibuya Station by changing at Azamino Station).
   - A total of 4 floors (B2F, B1F, 1F and 2F) are leased to Tokyu Store Corporation; the entire 1F is occupied by a Tokyu grocery supermarket which sells a wide range of easy-to-consume single portion food products, taking advantage of its location in front of a railway station. 2F is subleased to a specialty discount retailer, restaurants, a laundry and a remodeling shop and B1F is sub-leased to a contact lens shop and a dental clinic, meeting diverse needs of the consumers in the neighborhood.
   - Rent revenues are stabilized through 10-year or longer term lease contracts with the tenants.

2. Overview of the trade area
   (1) Location and access
   - The subject property is located only a 1-minute walk from Nakamachidai Station on Yokohama Subway Blue Line. Nakamachidai Station is elevated and is easily accessible on foot or by bicycle. In addition, 6 bus lines service the station plaza.
   - The neighborhood of Nakamachidai Station is part of the "Kohoku New Town". A large number of condominiums and apartment buildings stand close together in the neighborhood, which is a beautiful and quiet residential area. The tenants in the building are expected to attract not only the residents from the neighborhood but also those living in the upper floors of the building
   - Kohoku New Town is connected to other areas in various directions, including Shin-Yokohama Station on Tokaido Shinkansen and also Narita Airport and Haneda Airport via Yokohama Subway Blue Line and the express buses connecting to the airports through Daisan Keihin Expressway or Tomei Expressway. The area is a popular commuting town especially among the office workers transferred to the Metropolitan area from regional towns or cities.
   - The average number of passengers using Nakamachidai Station was 31,777 in 2014, increased by 8% in 4 years from 29,547 in 2010, the year Nakamachidai Tokyu Store was opened.

   (2) Characteristics of the trade area
   - The population has been growing rapidly in surrounding areas. According to 2010 National Census, the population in the subject trade area is large, with 8,000 residents within a 500-meter radius, 23,000 residents within a one-kilometer radius and 67,000 residents within a two-kilometer radius. In fact, the trade area population has increased about 10% in 5 years since 2005 (increased to 111.0% within a 500-meter radius, 110.9% within a one-kilometer radius and 109.3% within a two-kilometer radius). In addition, the development of surrounding areas, centered around Kohoku New Town, has progressed; both the population and the number of households have been on the rise in these areas.
   - The subject trade area is also characterized by a higher proportion of high-income households; in the subject trade area, the households with an annual income of 7 million yen or over account for more than 31.9% of the total. This ratio is higher than the national average (21.4%) and the average of Kanagawa Prefecture (29.4%).

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T-16 Central Wellness Club Nagatsuta Minamidai

Property name		Central Wellness Club Nagatsuta Minamidai
Planned acquisition date		April 20, 2016
Property type		SS
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation (planned)
Trust period		April 20, 2016 to the end of September, 2036 (planned)
Seller		Individual
Location		1-38-1 Nagatsuta Minamidai, Midori-ku, Yokohama, Kanagawa
Land	Form of ownership	Proprietary ownership
	Land area	2,876.11 m^2
	Zoning	Quasi-residential area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building (Note)	Form of ownership	Proprietary ownership
	Gross floor area	3,994.17 m^2
	Date constructed	August 11, 2008
	Use	Health club, retail
	Structure/No. of floors	S-structure/4-story building
Architect		(Retail building) Daiwa House Industry Co., Ltd. Yokohama Branch Office First-Class Architect Office (Parking building) Daiwa House Industry Co., Ltd. Yokohama Branch Office First-Class Architect Office
Construction company		(Retail building) Daiwa House Industry Co., Ltd., Yokohama Branch Office (Parking building) Daiwa House Industry Co., Ltd. Yokohama Branch Office
Construction confirmation authority		Japan ERI Co., Ltd.
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		Geo-Akamatsu Co., Ltd. (planned)
PML		Retail building 7.70% Parking building 6.36%
Anticipated acquisition price		1,724 million yen
Appraisal value (as of)		1,880 million yen (February 1, 2016)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.7%
Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	2
	Annual rent	116,400 thousand yen
	Tenant deposits	153,121 thousand yen
	Leased area	3,996.70 m^2
	Leasable area	3,996.70 m^2
	Occupancy rate	100%
Remarks		The leasing contract with Central Sports Co., Ltd. stipulates that the lessor has to obtain approval from Central Sports Co., Ltd. when it transfers its interests in the property.
Others		(Note) The parking building is attached to the retail building.
Features of the property and overview of the trade area		
A road-side retail property located in a new town area where the population has been growing rapidly		

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1. Features of the property
   - The subject property is a retail facility, completed in August 2008, with a health club as the core tenant. The tenants also include Treasure Factory, a recycling shop.
   - The multi-story parking in the annex building can accommodate up to 139 cars.

2. Overview of the trade area
   (1) Location and access
   - The subject property is located on one of the major roads in the community in Nagatsuta Minamidai, Midori-ku, Yokohama, and thus is highly visible. The location is about 15 minutes on foot from Nagatsuta Station on the Tokyu Den-en-toshi Line and JR Yokohama Line (8 stations or about 29 minutes to Shibuya Station by express train on the Tokyo Den-en-toshi Line).
   - The subject area is a new town area dominated by single-family houses and condominiums, including a condominium that consists of nearly 160 residential units. The area around the station is increasingly dominated by condominiums. The roads in the area are lined with roadside type shops, including grocery supermarkets, sushi restaurants and convenience stores.
   - The property is easily accessible by car due to its location along a major corridor and which has a large-sized multi-story parking. Shuttle bus service has also helped draw in customers from broader areas.

   (2) Characteristics of the trade area
   - According to 2010 National Census, the populations in the subject trade area are 25,000 within a one-kilometer radius, 91,000 within a two-kilometer radius and 203,000 within a three-kilometer radius. The subject property is surrounded mostly by residential districts dominated by single-family houses due to a number of housing development projects underway. The population also has been growing (increased to 116.6% within a one-kilometer radius, 105.8% within a two-kilometer radius and 105.0% within a three-kilometer radius compared to 2005).
   - The areas around the subject property, especially the neighboring trade areas, are densely populated and thus have relatively large populations among the residential districts in a suburb of Tokyo.

T-17 Life Kameido

Property name		Life Kameido
Planned acquisition date		April 21, 2016
Property type		SM
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking
Trust period		September 30, 2015 to the end of September 2036 (planned)
Seller		G.K. KRF60
Location		9-24-17 Kameido, Koto-ku, Tokyo
Land	Form of ownership	Proprietary ownership
	Land area	2,185.63 m^2
	Zoning	Commercial area (partially quasi-industrial area)
	Building coverage ratio	80% (partially 60%)
	Floor-area ratio	500% (partially 300%)
Building	Form of ownership	Proprietary ownership
	Gross floor area	2,929.58 m^2
	Date constructed	November 15, 2000
	Use	Retail stores
	Structure/No. of floors	S, RC-structure/1 underground and 2 above-ground floors
Architect		Sumitomo Mitsui Construction Co., Ltd. Tokyo Branch Office First-Class Architect Office

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Construction company		Sumitomo Mitsui Construction Co., Ltd. Tokyo Branch
Construction confirmation authority		Koto-ku
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		P&D Consulting Co., Ltd. (planned)
PML		3.79%
Anticipated acquisition price		1,450 million yen
Appraisal value (as of)		1,500 million yen (February 1, 2016)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		4.5%
Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	1
	Annual rent	Undisclosed(Note)
	Tenant deposits	Undisclosed(Note)
	Leased area	2,929.58 m^2
	Leasable area	2,929.58 m^2
	Occupancy rate	100%
Remarks		Part of the boundary is not confirmed in writing. However, there are no disputes regarding the boundaries as of today.
Others		(Note) Undisclosed as KRR has not obtained lessee's consent.

Features of the property and overview of the trade area

A grocery supermarket located in one of the most densely populated retail trade areas in Tokyo, with 71,000 residents within a one-kilometer radius.

1. Features of the property
   - The subject property is a stand-alone Life store located about 1.2km in the direction of Hirai from the south exit of JR Kameido Station (about 12 minutes or 4 stations away from Tokyo Station on the JR Sobu Line and JR Sobu Rapid Line) about National Road 14 (Keiyo Road) or 800m south-east of Kameidosuijin Station on Tobu Kameido Line.
   - The subject property is a relatively new 2-story (B1F + 1F) store that opened in 2000, with a gross floor area of nearly 3,000 m^2. The roof-top parking can accommodate up to 24 cars.
   - The ratio of the total floor area to the total area available for construction is only 33%, implying that the property has a significant upside potential, which we believe can be maximized through renovation/reconstruction. Given its location surrounded by densely populated residential districts, the property may also be converted to residential facilities such as condominiums.
   - Life Corporation, the tenant, is a leading supermarket chain operator listed on the First Section of the Tokyo Stock Exchange. Based on its "dominant strategy", the company has opened stores exclusively in city centers of the Kanto and Kansai regions where the demographic trends in relevant trade areas are favorable.

2. Overview of the trade area
   (1) Location and access
   - The subject property has one of the most populated trade areas, with 71,000 residents within a one-kilometer radius. The trade area for the property spans from the Kameido 7-chome intersection to the Kameido 9-chome intersection. The subject area includes "Kameido Residence," a large-scale condominium consisted of about 700 residential units. The supermarket has added value given its easy access by car from National Road No. 14 (Keiyo Road).

   (2) Characteristics of the trade area

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- According to the 2010 National Census, the retail trade area for the property is densely populated, with 8,500 residents within a 300-meter radius, 71,000 within a one-kilometer radius and 222,000 residents within a two-kilometer radius. In fact, the population is on the rise, with growth rate of 35.9% within a 300-meter radius, 7.7% within a one-kilometer radius and 4.2% within a two-kilometer radius compared to 2005. The recent completion of "Kameido Residence" has especially contributed to the population growth within a 300-meter radius.

O-10 Million Town Tsukaguchi (Land)

Property name		Million Town Tsukaguchi (Land)
Planned acquisition date		April 21, 2016
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd.
Trust period		March 20, 2015 to the end of September 2036 (planned)
Seller		Sumitomo Mitsui Finance and Leasing Co., Ltd.
Location		1-4-1 Kamisakabe, Amagasaki, Hyogo
Land	Form of ownership	Proprietary ownership
	Land area	8,264.46 m^2
	Zoning	Industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building	Form of ownership	—
	Gross floor area	—
	Date constructed	—
	Use	—
	Structure/No. of floors	—
Architect		—
Construction company		—
Construction confirmation authority		—
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		Nippon Commercial Development Co., Ltd. (planned)
PML		—
Anticipated acquisition price		3,723 million yen
Appraisal value (as of)		3,730 million yen (February 1, 2016)
Real estate appraiser		The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal NOI yield		4.6%
Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	1
	Annual rent	Undisclosed(Note)
	Tenant deposits	Undisclosed(Note)
	Leased area	8,264.46 m^2
	Leasable area	8,264.46 m^2
	Occupancy rate	100%
Remarks		None
Others		(Note) Undisclosed as KRR has not obtained lessee's consent.

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KENEDIX
Retail REIT Corporation

Features of the property and overview of the trade area
Land ownership interest in a newly opened NSC located in a retail area as a part of the large scale redevelopment project in front of JR Tsukaguchi Station. 1. Features of the property ・ This land-only property houses a newly opened NSC located in a retail area as a part of the large scale redevelopment project on the site of demolished Morinaga & Co., Ltd.'s Tsukaguchi Plant. It opened in February 2016, with supermarket (grocery) Mandai as a core tenant, as well as a drug store and clinics, etc. ・ The grocery supermarket remains open until midnight, which is highly convenient for local residents. A synergistic effect is expected among tenants, with customers visiting more than one shop. ・ Retail stores are on the 1st floor and parts of the 2nd floor of the building. A parking area capable of accommodating 255 vehicles is on the roof-top, the ground area and remainder of the 2nd floor. 2. Overview of the trade area (1) Location and access ・ This land-only property is located near JR Tsukaguchi Station which is about 13 minutes or 3 stations away from JR Osaka Station via JR Fukuchiyama Line. ・ The west side of JR Tsukaguchi Station is a residential area with single-family houses and condominiums. ・ There is a planned development of over 1,200 new single-family houses and condominiums as a part of the ZUTTOCITY plan on the site of the demolished Morinaga Co., Ltd.'s Tsukaguchi Plant. ・ This is a broad retail trade area with existing residential area comprising approximately 540 units of condominium or single-lot houses. ・ Convenient car access with parking area able to accommodate 255 vehicles. (2) Characteristics of the trade area ・ The surrounding retail trade area is densely populated with a residential population of approximately 11, 000 people within a 500-meter radius, 39,000 people within a one-kilometer radius and 135,000 people within a two-kilometer radius according to the national census in 2010. ・ In comparison with 2005, the population in the area has grown by 14.4% within a 500-meter radius and 2.3% within one-kilometer radius and decreased by 0.1% within two-kilometer radius, which indicates a population increase within one-kilometer radius due to the redevelopment project A further increase in population in the surrounding area is expected, with the planned development of condominiums. ・ The surrounding trade area within a 500-kilometer radius and one-kilometer radius has relatively higher ratio of Japanese second-generation baby boomer families and families in their 20's, compared to the Prefecture average.

N-4 Homecenter Kohnan Sunadabashi

Property name		Homecenter Kohnan Sunadabashi
Planned acquisition date		April 21, 2016
Property type		SS
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd. (planned)
Trust period		June 30, 2006 to the end of September 2036 (planned)
Seller		JRP6 G.K.
Location		4-1-60 Sunadabashi, Higashi-ku, Nagoya, Aichi
Land	Form of ownership	Proprietary ownership
	Land area	15,118.47 m^2
	Zoning	Quasi-industrial area
	Building coverage ratio	60%

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	Floor-area ratio	200%
Building	Form of ownership	Proprietary ownership
	Gross floor area	20,329.07 m^2
	Date constructed	February 28, 2006
	Use	Retail, parking
	Structure/No. of floors	RC-structure 6 above-ground floors
Architect		Nankai Sogo Sekkei
Construction company		Obayashi Corporation Nagoya Branch
Construction confirmation authority		Japan ERI Co., Ltd.
Master lessee		Toyota Tsusho Corporation
Type of master lease		Sublease type
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		CRE, Inc. (planned)
PML		7.47%
Anticipated acquisition price		7,140 million yen
Appraisal value (as of)		7,220 million yen (as of November 1, 2015)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.2%
Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	1
	Annual rent	Undisclosed(Note)
	Tenant deposits	Undisclosed(Note)
	Leased area	20,329.07 m^2
	Leasable area	20,329.07 m^2
	Occupancy rate	100%
Remarks		None
Others		(Note) Undisclosed as KRR has not obtained lessee's consent.

Features of the property and overview of the trade area

A retail property consisting of a large home and garden store and a sporting goods store, located in a northern urban area of Nagoya City.

1. Features of the property
   - The property is located in the central urban area of Nagoya City, northern area of Nagoya Subway Meijo Line Chayagasaka Station (approximately 24 minutes or 10 stations away from Nagoya Station).
   - An urban retail property consisting of Kohnan, a home and garden store chain operating more than 300 shops nationwide primarily in the Greater Osaka area on the 1st floor, Sports Depot, a large sporting goods store, on the 2nd floor and parking spaces throughout 3rd, 4th and 5th floors, and rooftop.
   - A large residential property, consisting of about 550 residential units, is currently under development in the neighborhood. Also, planned is the opening of a supermarket (grocery) on the development site which is expected to generate synergies with the home and garden store on the property in terms of customer traffic.
   - Kohnan Shoji Co., Ltd., the operator of the home and garden store Kohnan, is a leading home and garden store chain listed on the 1st section of Tokyo Stock Exchange, and its sales rank third among the home and garden store operators following DCM Holdings Co., Ltd. and Komeri Co., Ltd. Each store, mostly with a selling floor of 1,000 to 3,000 tsubo, offers a wide range of household and life related products, including DIY goods, household goods and automobile & leisure related goods. Kohnan Shoji Co., Ltd.'s goal is to provide goods and information with its DIY specialist staffs in each store.

2. Overview of the trade area
   (1) Location and access

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- Prefectural Route 215 is running through the south side of the property and the property is adjacent to a residential road 300 meters to the north of the Prefectural Route.
- The property has access to the adjacent residential road which has substantial traffic and is connected to Prefectural Route 215.

(2) Characteristics of the trade area

- The surrounding retail trade area has a residential population of 31,000 people in one-kilometer radius, 254,000 people in three-kilometer radius and 657,000 people in five-kilometer radius according to the national census in 2010.
- The trade area is a central urban area surrounded by densely populated residential areas.
- In comparison with 2005, the population in the area has grown by 2.9% in the one-kilometer radius, 2.5% in the three-kilometer radius and 2.8% in the five-kilometer radius.
- The surrounding area has a characteristic of an urban residential area with relatively higher single family ratios.
- Increase in population is expected due to a large residential property, consisting of about 550 residential units under development in the neighborhood.
- The trade area benefits from easy car access, given high car ownership rate in the subject area.

R-7 Solala Plaza

Property name		Solala Plaza
Planned acquisition date		April 21, 2016
Property type		Urban station-front
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd.
Trust period		October 1, 2013 to the end of September 2036 (planned)
Seller		G.K. FOX Investment
Location		1-2-15 Kakyoin, Aoba-ku, Sendai, Miyagi
Land	Form of ownership	Co-ownership (51.3%)
	Land area	3,694.05 m^2(Note 1)
	Zoning	Commercial area
	Building coverage ratio	70%
	Floor-area ratio	700% (partially 600%)
Building	Form of ownership	Compartmentalized ownership
	Gross floor area	24,768.42 m^2(Note 2)
	Date constructed	September 7, 2009
	Use	Retail stores
	Structure/No. of floors	RC-structure above-ground 15 floors(Note 3)
Architect		Yamashita Sekkei, Inc. Tohoku Branch
Construction company		Shimizu Corporation
Construction confirmation authority		Japan ERI Co., Ltd.
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		Shimizu BLC Co., Ltd. (planned)
PML		4.46%
Anticipated acquisition price		5,720 million yen
Appraisal value (as of)		5,740 million yen (February 1, 2016)
Real estate appraiser		Japan Real Estate Institute
Appraisal NOI yield		5.0%

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Collateral		None
Lease summary		(As of the end of December 2015)
	Number of tenants	1
	Annual rent	Undisclosed(Note 4)
	Tenant deposits	Undisclosed(Note 4)
	Leased area	Undisclosed(Note 4)
	Leasable area	Undisclosed(Note 4)
	Occupancy rate	100%
Remarks		None
Others		(Note 1) This building is subject to compartmentalized ownership, and although KRR is acquiring 512,761/1,000,000 of the ownership interests in the underlying land, the land area for the entire property including the land area for this building is shown. (Note 2) Although this building is subject to compartmentalized ownership, the gross floor area for the entire property including this building is shown (including the floor area in the building owned solely by other owners and the gross floor area of the common areas. The gross floor area we will exclusively own, including that in the annex building, totals 12,372.60 m^2). (Note 3) Although this building is subject to compartmentalized ownership, the structure and the number of floors for the entire property, including those of this building, are shown (the building we are acquiring, with the address of 1-239-301, Kakyoin, is an S-structure 9-story building). (Note 4) Undisclosed as KRR has not obtained lessee's consent.

Features of the property and overview of the trade area

A retail building directly accessible by a pedestrian walkway from Sendai Station.

1. Features of the property
   - This urban station-front shopping center was opened in September 2009 and occupies the furniture retailer section of a multi-use complex near Sendai Station. We have a compartmentalized ownership interest in the furniture retailer section, which occupies the third to eighth floors, in addition to certain areas of the first two floors. The areas not subject to compartmentalized ownership houses retail stores on the first two floors and a hotel on the ninth to fourteenth floors of the property.
   - This property is directly accessible by a pedestrian walkway from the west entrance of Sendai Station. The core tenant is IDC Otsuka Kagu's only shop in Tohoku, and along with other retail tenants, it can attract customers in Sendai's central urban area where the population has grown for a long term by capitalizing on the property's locational advantages.
   - A high-class retail facility with an elegant interior for common area such as the entrance hall and the area surrounding elevators on the 1st and 2nd floor, housing a hotel on the upper floors and Otsuka Kagu as its tenants. Also, the property is located in the area where retail facilities and office buildings concentrate, thus has potential for office demands.

2. Overview of the trade area
   (1) Location and access
   - The property is located a 3-minute walk from Sendai Station, and easily accessible from the station by a pedestrian walkway from the west entrance of Sendai Station.
   - With the opening of Subway Tozai Line in December 2015 and multiple development projects planned in the east exit area, the front-central area of Sendai Station is expected to see increased demand as the central office and retail area.

   (2) Characteristics of the trade area
   - The surrounding retail trade area has a residential population of 240,000 people within a three-kilometer

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radius, 530,000 people within a five-kilometer radius according to the national census in 2010.
- In comparison with 2005, the population in the area has grown by 5.7% within a three-kilometer radius and 1.6% within a five-kilometer radius.
- Sendai City is the largest city in the Tohoku area, with the Miyagi Prefectural Office located in the city.
- Sendai City has an estimated population of approximately 1,070,000 people, the largest in the Tohoku area with 46.2% of Miyagi Prefecture's population living in the city. Miyagi Prefecture is the smallest prefecture by size in the Tohoku area.

R-8 P-1 Plaza Tenno

Property name		P-1 Plaza Tenno
Planned acquisition date		April 22, 2016
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd. (planned)
Trust period		April 22, 2016 (planned) to the end of September 2036 (planned)
Seller		Kondo Cotton Spinning Co., Ltd.
Location		1982-1 Tennocho Azasuwa, Higashi-ku, Hamamatsu, Shizuoka
Land	Form of ownership	Proprietary ownership
	Land area	36,218.55 m^2
	Zoning	Industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building	Form of ownership	Proprietary ownership
	Gross floor area	A: 2,528.69 m^2 B: 2,823.36 m^2 C: 1,270.93 m^2 D: 1,057.71 m^2 E: 150.66 m^2 F: 2,587.71 m^2 G: 3,142.61 m^2 H: 905.87 m^2
	Date constructed	A: July 7, 1989 B: December 2, 2008 C: February 16, 2012 D: February 23, 2012 E: February 6, 2012 F: June 20, 2012 G: August 20, 1993 H: March 28, 1995
	Use	A, C, D, E, H Retail stores, B parking space, F relaxation spa, G retail store/warehouse
	Structure/No. of floors	A: S-structure/1-story building B: S-structure/2-story building C: S-structure/2-story building D: S-structure/1-story building E: S-structure/1-story building F: S-structure/2-story building G: S-structure/1-story building H: S-structure/1-story building
Architect		A: First-Class Architect Office Atelier Zero (for new building construction), Entetsu General Constructor First-Class Architect Office (for building expansion)

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	B: Parking Pro Co., Ltd. Tokyo Branch First-Class Architect Office C: Daiwa House Industry Co., Ltd. Hamamatsu Branch Office First-Class Architect Office D: Daiwa House Industry Co., Ltd. Hamamatsu Branch Office E: Daiwa House Industry Co., Ltd. Hamamatsu Branch Office F: DO Design Co., Ltd. G: Akou Co., Ltd. First-Class Architect Office H: Akou Co., Ltd. First-Class Architect Office
Construction company	A: Toei Interior Co., Ltd., Iidagumi Co., Ltd. (for new building construction) Entestsu General Constructor First-Class Architect Office (for building expansion) B: Parking Pro Tokyo Branch C: Daiwa House Industry Co., Ltd. Hamamatsu Branch D: Daiwa House Industry Co., Ltd. Hamamatsu Branch E: Daiwa House Industry Co., Ltd. Hamamatsu Branch F: Toda Corporation Nagoya Branch G: Akou Co., Ltd. H: Akou Co., Ltd.
Construction confirmation authority	A: Hamamatsu City Government B: Kakunin Service Inc. C: Shizuokaken Kenchiku Jyuutaku Machidukuri Center D: Shizuokaken Kenchiku Jyuutaku Machidukuri Center E: Shizuokaken Kenchiku Jyuutaku Machidukuri Center F: Shizuokaken Kenchiku Jyuutaku Machidukuri Center G: Hamamatsu City Government H: Hamamatsu City Government
Master lessee	Tokyo Biso Kogyo Corporation (planned)
Type of master lease	Pass-through type
PM	Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM	Tokyo Biso Kogyo Corporation (planned)
PML	A: 21.66%(Note) B: 11.84% C: 12.29% D: 11.12% E: 13.36% F: 16.98% G: 9.07% H: 12.00%
Anticipated acquisition price	4,010 million yen
Appraisal value (as of)	4,230 million yen (February 1, 2016)
Real estate appraiser	Japan Real Estate Institute
Appraisal NOI yield	5.7%
Collateral	None
Lease summary	(As of the end of December 2015)
Number of tenants	7
Annual rent	270,720 thousand yen
Tenant deposits	300,806 thousand yen
Leased area	12,030.83 m^2
Leasable area	12,030.83 m^2
Occupancy rate	100%
Remarks	A portion of this property does not conform with the Building Standards Act, and KRR has agreed with the seller that the renovation should be done prior to transfer

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	of the property, with the related cost borne by the seller.
Others	(Note) KRR plans to take out an earthquake insurance policy as the PML is higher than 20%.

Features of the property and overview of the trade area

An NSC located in a large scale retail area in northeast Hamamatsu with a concentration of road-side retail facilities.

1. Features of the property
   - The property is located in a large-scale retail area in northeast Hamamatsu where road-side retail facilities concentrate. The NSC houses tenants such as a local supermarket, a drug store, a relaxation spa, a footwear store, a software rental shop, an eyeglass store, a mobile phone store and, other retails stores.
   - The property has a diversified tenant mix including a competitive drug store that also sells groceries and daily necessities as one of its core tenants. Entestsu store, a grocery supermarket focusing on the Hamamatsu area and another core tenant in this property, have high brand awareness in local community. Kitanoyu is a relaxation spa brand with 6 facilities in Aichi, Gifu and Shizuoka. The tenant of the drug store is Kyorindo Co., Ltd. founded in 1900 and offers a wide range of goods, including groceries, medicines and daily necessities. Kyorindo Co., Ltd. also operates an online shopping business, offering a wide range of goods including groceries, daily necessities and medicines, with a delivery zone covering a broad area in Hamamatsu.
     The retail stores surround a large parking lot capable of holding 595 vehicles, making it highly convenient for customers visiting by car.

2. Overview of the trade area
   (1) Location and access
   - The property is located in a large retail area where large retail shops such as Aeon Mall, K's Denki and DCM Kahma 21 concentrate, which are expected to be synergistic with the well-known tenants of this property that provide daily convenience.
   - The property faces a main road and benefits from good car traffic.

   (2) Characteristics of the trade area
   - The surrounding retail trade area has a residential population of 12,000 people within a one-kilometer radius, 120,000 people within a three-kilometer radius and 296,000 people within a five-kilometer radius according to the national census in 2010.
   - Many relatively young families live in the surrounding area.

4. Overview of Sellers

T-15 Nakamachidai Tokyu Store

Name	Mitsubishi Jisho Residence Co., Ltd.
Address	1-6-1 Otemachi, Chiyoda-ku, Tokyo
Name and title of representative	Masamichi Ono, Representative Director
Description of business	1. Purchase/sale, brokerage and appraisal of real estate properties 2. Acquisition, holding, disposition, leasing and management of real estate properties 3. Designing and construction of residential properties 4. Development and preparation of housing sites, vacation home sites, etc. 5. Holding, leasing and operation of leisure facilities, restaurants, accommodation facilities including hotels 6. Designing, construction, supervision and contract work for civil engineering and construction work 7. Operation of agriculture and forestry businesses 8. Operation of worker dispatch business 9. Business based on Real Estate Specified Joint Enterprise Act

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	10. Equity investment in specified purpose companies, special purpose companies (a form of company set forth in Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.) and REITs; purchase/sale, brokerage and management of such equity interests 11. Solar and other power generation and sale of electricity 12. All kinds of services ancillary/related to the above businesses
Capital	50.0 billion yen
Incorporation	June 1, 1957
Net assets	283.5 billion yen
Total assets	435.8 billion yen
Major shareholders (Shareholding ratios)	Mitsubishi Estate Co., Ltd. 100%
Relationship between KRR/the Asset Manager and the seller	
Capital relationship	No special capital relationship between KRR/the Asset Manager and the seller. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
Business relationship	No special business relationship between KRR/the Asset Manager and the seller.
Related party transactions	The seller is not deemed a related party under either the Investment Trust Law or the Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset Manager.

* as of March 31, 2015

T-16 Central Wellness Club Nagatsuta Minamidai

The seller is an individual, and the name of seller and other information are undisclosed as KRR has not obtained the seller's consent. Additionally, there is no special capital, personnel, business relationship between KRR/the Asset Manager and the seller.

T-17 Life Kameido

Name	G.K. KRF60(Note)
Address	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative	Representative partner: Chateldon Investors Ippan Shadan Hojin 2-8-7 Hatsudai, Shibuya-ku, Tokyo Takashi Jougan, Director
Description of business	1. Acquisition, holding, disposition, leasing and management of real estate properties 2. Acquisition, holding and disposition of trust beneficiary interests in real estate 3. All kinds of services ancillary/related to the above businesses
Capital	1.0 million yen
Incorporation	June 19, 2015
Net assets	Undisclosed as KRR has not obtained the seller's consent
Total assets	Undisclosed as KRR has not obtained the seller's consent
Relationship between KRR/the Asset Manager and the seller	
Capital relationship	Ippan Shadan Hojin holds all shares in the seller, and Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager, has provided funds to Ippan Shadan Hojin. Also, Kenedix holds 100% of the stake in Tokumei Kumiai operated by the seller and in subordinated loans for the seller.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
Business relationship	Kenedix, Inc. is entrusted with asset management by the seller.
Related party transactions	The seller is deemed a related party under both the Investment Trust Law and Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset

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		Manager.

* as of February 25, 2016

(Note) The seller of Life Kameido, G.K. KRF60, has disosolved as of today, with the consent from all partners. On anticipated acquisition date, the seller will deal with the transaction as a corporation in the course of clearing procedure.

O-10 Million Town Tsukaguchi (Land)

Name	Sumitomo Mitsui Finance and Leasing Co., Ltd.
Location	1-3-2 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Yoshinori Kawamura, President
Description of business	1. Acquisition and leasing of a range of equipment and facilities, including ships, aircrafts, vehicles, industrial machinery, machine tools, electronic computers, office appliance, medical equipment, commercial equipment property, real estate, etc. 2. Purchase/sale of used equipment/facilities and used property of the same types as above 3. Maintenance of equipment/facilities and properties of the same types as above 4. Commissioned office work using electronic computers 5. Consulting on office automation and management rationalization 6. Financial services 7. Data processing 8. Transaction of financial instruments 9. Marketing of life insurance policies 10. Acquisition of and investment in stocks and other securities 11. All kinds of services ancillary to the above businesses
Capital	15.0 billion yen
Incorporation	February 4, 1963
Net assets	718,677 million yen (Consolidated, as of the end of September 2015)
Total assets	4,643,045 million yen (Consolidated, as of the end of September 2015)
Major shareholders (Shareholding ratios)	Sumitomo Mitsui Financial Group, Inc. 58.23% Sumitomo Corporation 38.82% (as of the end of September 2015)
Relationship between KRR/the Asset Manager and the seller	
Capital relationship	No special Capital relationship between KRR/the Asset Manager and the seller.
Personnel relationship	The Asset Manager has an assigned employee from the seller as of today.
Business relationship	The seller, as an Alliance Company for KRR, provides services and property information preferentially to KRR in accordance with an alliance agreement.
Related party transactions	The seller is not deemed a related party under either the Investment Trust Law or the Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset Manager.

* as of March 31, 2016

N-4 Homecenter Kohnan Sunadabashi

Name	JRP6 G.K.
Location	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative	Representative partner: Ippan Shadan Hojin JRP6 6-10-12 Todoroki, Setagaya-ku, Tokyo Kazumasa Iizuka, Director
Description of business	1. Acquisition, holding, disposition, leasing and management of real estate properties 2. Acquisition, holding and disposition of trust beneficiary interests in real estate 3. All kinds of services ancillary/related to the above businesses

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Capital		1.0 million yen
Incorporation		June 1, 2015
Net assets		Undisclosed as KRR has not obtained the seller's consent
Total assets		Undisclosed as KRR has not obtained the seller's consent
Relationship between KRR/the Asset Manager and the seller		
	Capital relationship	Ippan Shadan Hojin which is wholly-owned by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager that has provided funds to the Ippan Shadan Hojin, holds 100% of the sum of the total shares in the seller. In addition, Kenedix Inc. holds the total stake in Tokumei Kumiai whose operator is the seller.
	Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
	Business relationship	Kenedix, Inc. is entrusted with asset management by the seller.
	Related party transactions	The seller is deemed a related party under both the Investment Trust Law and Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset Manager.

* as of February 18, 2016

R-7 Solala Plaza

Name		G.K. FOX Investment
Location		6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative		Representative partner: Ippan Shadan Hojin FOX Investment 6-10-12 Todoroki, Setagaya-ku, Tokyo Kazumasa Iizuka, Director
Description of business		1. Acquisition and holding of real estate properties 2. Leasing and management of real estate properties 3. Acquisition, holding and disposition of trust beneficiary interests in real estates 4. All kinds of businesses ancillary/related to the above businesses
Capital		1.0 million yen
Incorporation		October 16, 2013
Net assets		Undisclosed as KRR has not obtained the seller's consent
Total assets		Undisclosed as KRR has not obtained the seller's consent
Relationship between KRR/the Asset Manager and the seller		
	Capital relationship	Ippan Shadan Hojin and Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager that has provided funds to the Ippan Shadan Hojin, in aggregate, hold 16.77% of the sum of the total shares in the seller and the total stake in Tokumei Kumiai by the seller.
	Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
	Business relationship	Kenedix, Inc. is entrusted with asset management by the seller.
	Related party transactions	The seller is deemed a related party under both the Investment Trust Law and Retail REIT Division's Internal Regulations on Related Party Transactions of the Asset Manager.

* as of June 17, 2015

R-8 P-1 Plaza Tenno

Name	Kondo Cotton Spinning Co., Ltd.
Location	2-18-25 Marunouchi, Naka-ku, Nagoya, Aichi
Name and title of representative	Taiki Kondo, Representative Director
Description of business	1. Manufacturing and processing of a diverse kinds of fibers, such as textiles, fabrics and twisted yarns 2. Forging, manufacturing and processing of a range of machinery, appliances and parts 3. Purchase and sale of grains

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	4. Holding of marketable securities 5. Operation and management of companies 6. Operation and management of sporting, cultural facilities, cultural facilities and entertainment 7. Operation and management of health and relaxation spas. 8. Operation and management of restaurants, rest houses, cafes, hotels and Japanese-style hotels 9. Sale of grocery, liquors, tobaccos, sports & leisure goods, medical supplies and medicines 10. Operation of parking lots 11. Purchase/sale, exchange and leasing of real estate properties; brokerage and agency of such services; and appraisal and management of real estate properties 12. Commissioned building construction; planning, designing and supervision of building construction 13. Planning, designing, construction, purchase/sale of residential properties; and development and purchase/sale of residential sites 14. Planning, designing, construction and supervision of buildings subject to compartmentalized ownership 15. Leasing of goods 16. Import/export of textiles for clothes 17. Commissioned management of building cleaning services 18. Sale of electricity generated from renewable energy sources 19. All kinds of services ancillary to the above businesses
Capital	100.0 million yen
Incorporation	December 24, 1917
Net assets	Undisclosed as KRR has not obtained the seller's consent.
Total assets	Undisclosed as KRR has not obtained the seller's consent.
Major shareholders (Shareholding ratios)	Undisclosed as KRR has not obtained the seller's consent.
Relationship between KRR/the Asset Manager and the seller	
Capital relationship	No special capital relationship between KRR/the Asset Manager and the seller. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
Business relationship	No special business relationship between KRR/the Asset Manager and the seller.
Related party transactions	The seller is not deemed a related party under either the Investment Trust Law or the "Retail REIT Division's Internal Regulations on Related Party Transactions" of the Asset Manager.

*as of February 25, 2016

5. Transaction with Related Parties

KRR plans to make the following transactions with related parties or the Asset Manager in relation to the acquisition of the real estate properties to be acquired. For these transactions, the Asset Manager, pursuant to Investment Trust Act and its Retail REIT Division's Internal Regulations on Related Party Transactions, is required fully to comply with statutory and other regulatory requirements. The Asset Manager submits all transactions for deliberation and resolution by the Compliance Committee. Following the approval by the Compliance Committee, each transaction is submitted to the Retail REIT Division's Asset Management Committee for resolution. Then the approval of each transaction is resolved at KRR's Board of Directors Meeting held on March 31, 2016 and agreed upon by the

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executive officers of KRR based on such resolution. The Asset Manager also submits written notices concerning the transactions with related parties to KRR in accordance with the Investment Trust Law.

(1) Acquisition of assets

The assets to be acquired through transactions with related parties include:

Name of seller	Property name	Anticipated acquisition price (million yen)
G.K. KRF60	Life Kameido	1,450
JRP6 G.K.	Homecenter Kohnan Sunadabashi	7,140
G.K. FOX Investment	Solala Plaza	5,720

(2) Delegation of property management to the Asset Manager

KRR will conclude property management agreements with trustees and the Asset Manager. Fees to the Assets Manager under each property management agreement consist of the components as follows:

Property management fees for two multi-tenant retail properties:

Services provided by	Property name	Services provided	Property management fee (annual)
Kenedix Real Estate Fund Management, Inc.	Central Wellness Club Nagatsuta Minamidai P-1 Plaza Tenno	Property management	Income from properties × 1.5% + on-site personnel expenses

Property management fees for four single-tenant retail properties:

Services provided by	Property name	Services provided	Property management fee (annual)
Kenedix Real Estate Fund Management, Inc.	Nakamachidai Tokyu Store Life Kameido Homecenter Kohnan Sunadabashi Solala Plaza	Property management	14.4 million yen (3.6 million yen per property)

Property management fees for one land-only property:

Services provided by	Property name	Services provided	Property management fee (annual)
Kenedix Real Estate Fund Management, Inc.	Million Town Tsukaguchi (Land)	Property management	2.4 million yen

Fees associated with the management of construction projects:

Construction price	Fees
Less than 1 million yen	None
1 million yen to less than 2 million yen	6%
2 million yen to less than 5 million yen	120,000 yen + 5% on the portion exceeding 2 million yen
5 million yen to less than 10 million yen	270,000 yen +4% on the portion exceeding 5 million yen
10 million yen to less than 100 million yen	470,000 yen + 3% on the portion exceeding 10 million yen
100 million yen or more	Amount agreed upon by relevant parties

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6. Status of Property Acquirer

The acquisitions of properties from parties with a special vested interest are as follows. The table below lists the (1) name of the company, (2) relationship with the party with a special vested interest, and (3) background/reasons for the acquisition.

Property name	KRR	Seller (previous owner/trust beneficiary)	Second previous owner/trust beneficiary
*	(3) Acquisition (transfer) price Acquisition (transfer) date	(1), (2) and (3) Acquisition (transfer) price Acquisition (transfer) date	(1), (2) and (3) Acquisition (transfer) price Acquisition (transfer) date
Life Kameido	(3) Reasons for the acquisition: The asset satisfies KRR's investment criteria and is a highly competitive property that will keep generating profits over the medium to long term. The acquisition price is considered fair as it is below the appraisal value by Daiwa Real Estate Appraisal Co., Ltd. (1,500 million yen)	(1) G.K. KRF60 (2) G.K. KRF60 is a private fund which has delegated asset to Kenedix, Inc., the parent of the Asset Manager (3) Acquired by acquisition of the second last owner	(1) Yamanaka Corporation (2) 100% subsidiary of Kenedix, Inc. parent company of the Asset Manager (3) Acquired for investment management purposes
	1,450 million yen (before tax)	None	Details omitted as the previous owner/trust beneficiary had owned the property for more than one year
	April 2016	October 2015	September 1994
Homecenter Kohnan Sunadabashi	(3) Reasons for the acquisition: The asset satisfies KRR's investment criteria and is a highly competitive property that will keep generating profits over the medium to long term. The acquisition price is considered fair as it is below the appraisal value by Daiwa Real Estate Appraisal Co., Ltd. (7,220 million yen)	(1) JRP6 G.K. (2) JRP6 G.K. is a private fund which has delegated asset to Kenedix, Inc., the parent of the Asset Manager (3) Acquired for investment management purposes	Parties other than special interested parties
	7,140 million yen (before tax)	7,000 million yen (before tax)	—
	April 2016	January 2016	—
Solala Plaza	(3) Reasons for the acquisition: The asset satisfies KRR's investment criteria and is a highly competitive property that will keep generating profits over the medium to long term. The acquisition price has been decided based on negotiations on various conditions after receiving information on the acquisition cost, including a broker's fee (and the cost related to establishment, management and disposition of the fund), the previous owner paid for the third party and is considered fair as it is below the appraisal value by Daiwa Real Estate Appraisal Co., Ltd. (5,740 million yen)	(1) G.K. FOX Investment (2) G.K. FOX Investment is a private fund which has delegated asset to Kenedix, Inc., the parent of the Asset Manager (3) Acquired for investment management purposes	Parties other than special interested parties
	5,720 million yen (before tax)	5,150 million yen (before tax)	—
	April 2016	June 2015	—

Nakamachidai Tokyu Store, Central Wellness Club Nagatsuta Minamidai, Million Town Tsukaguchi (Land) and P-1 Plaza Tenno are not acquired form parties with a special vested interest in KRR or the Asset Manager.

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7. Broker Profile

T-15 Nakamachidai Tokyu Store

Name	Nomura Real Estate Development Co., Ltd.
Location	1-26-2 Nishi Shinjuku, Shinjuku-ku, Tokyo
Name and title of representative	Seiichi Miyajima, President
Description of business	1. Holding, leasing and management of real estate properties 2. Purchase/sale, brokerage and appraisal of real estate properties 3. Development, preparation and sale of residential, commercial and industrial sites 4. Building construction; designing, supervision and commissioning of civil engineering work 5. Holding, leasing and operation of hotels, restaurants, sporting facilities, etc. 6. Real estate specified joint business pursuant to Real Estate Specified 7. Equity investment in specified purpose companies, special purpose companies (a form of company set forth in Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc.) and REITs; purchase/sale, brokerage and management of such equity interests 8. Type II financial instruments business, investment advisory and agency business as defined by Japanese Financial Instruments and Exchange Act 9. General Type II telecommunications business as defined by Telecommunications Business Law 10. Purchase/sale and brokerage of mortgage securities 11. Sale of furniture, interior accessories and interior facilities; commissioned interior decoration and installation of interior accessories and facilities; and interior coordination 12. P&C insurance agency business and life insurance solicitation business 13. Sale of tobaccos, stamps and food & beverages 14. Credit guarantee business 15. All kinds of services ancillary/related to the above businesses
Capital	2.0 billion yen
Incorporation	April 15, 1957
Brokerage fee	100,800,000 yen (excluding consumption tax of 8,064,000 yen)
Relationship between KRR/the Asset Manager and the brokerage firm	
Capital relationship	No special capital relationship between KRR/the Asset Manager and the seller. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller.
Business relationship	No special business relationship between KRR/the Asset Manager and the brokerage firm.
Related party transactions	The brokerage firm is not deemed a related party under either the Investment Trust Law or the “Retail REIT Division’s Internal Regulations on Related Party Transactions” of the Asset Manager.

*as of March 31, 2015

T-16 Central Wellness Club Nagatsuta Minamidai

This is undisclosed due to the failure of gaining approval from the brokerage firm, an industrial company. Please note that we have an employee from the brokerage firm as of March 31, 2016 and there is no other special capital, personal, and business relationship between KRR/the Asset Manager and the brokerage firm that need to be recorded.

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R-8 P-1 Plaza Tenno

Name	Sumitomo Mitsui Trust Bank, Ltd.
Location	1-4-1 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Hitoshi Tsunekage, President
Description of business	1. Trust business (including secondhand dealing business as part of the trust business) 2. Acceptance of deposits and installment savings, lending of funds, discounting of bills and notes, and currency exchange transactions 3. Guarantee of obligations, acceptance of bills and notes, and any other businesses ancillary to the above banking businesses 4. Underwriting, primary/secondary offering and purchase/sale of government bonds, municipal bonds, government-guaranteed bonds and other securities; and any other businesses allowed for banks and trust companies under the Financial Instruments and Exchange Act 5. Other businesses allowed for banks and trust companies under the Secured Bonds Trust Act and other laws 6. All kinds of services ancillary/related to the above businesses
Capital	342.0 billion yen
Incorporation	July 28, 1925
Brokerage fee	Undisclosed as KRR has not obtained the brokerage firm's consent.
Relationship between KRR/the Asset Manager and the brokerage firm	
Capital relationship	No special capital relationship between KRR/the Asset Manager and the brokerage firm. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the brokerage firm.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the brokerage firm.
Business relationship	No special business relationship between KRR/the Asset Manager and the brokerage firm.
Related party transactions	The brokerage firm is not deemed a related party under either the Investment Trust Law or the “Retail REIT Division’s Internal Regulations on Related Party Transactions” of the Asset Manager.

*as of February 25, 2016

Name	Mitsubishi UFJ Trust and Banking Corporation
Location	1-4-5 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Tatsuo Wakabayashi, President and Chairman
Description of business	1. Trust business 2. Acceptance of deposits and installment savings, lending of funds, discounting of bills and notes and currency exchange transactions 3. Guarantee of obligations, acceptance of bills and notes, and any other businesses ancillary to the above banking businesses 4. Underwriting, primary/secondary offering and purchase/sale of government bonds, municipal bonds, government-guaranteed bonds and other marketable securities; and other relevant services 5. Other businesses allowed for banks and trust companies under the Banking Act, the Secured Bonds Trust Act and other laws, in addition to the above businesses 6. All kinds of services ancillary/related to the above businesses
Capital	324.2 billion yen
Incorporation	March 10, 1927
Brokerage fee	Undisclosed as KRR has not obtained the brokerage firm's consent.

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Relationship between KRR/the Asset Manager and the brokerage firm	
Capital relationship	No special capital relationship between KRR/the Asset Manager and the brokerage firm. Also, no special capital relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the brokerage firm.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the brokerage firm.
Business relationship	No special business relationship between KRR/the Asset Manager and the brokerage firm.
Related party transactions	The brokerage firm is not deemed a related party under either the Investment Trust Law or the "Retail REIT Division's Internal Regulations on Related Party Transactions" of the Asset Manager

*as of February 25, 2016

8. Acquisition schedule

No.	Property name	Acquisition decision date Contract date	Payment date (anticipated) Acquisition date (anticipated)
T-15	Nakamachidai Tokyu Store	March 31, 2016	April 21, 2016
T-16	Central Wellness Club Nagatsuta Minamidai		April 20, 2016
T-17	Life Kameido		April 21, 2016
O-10	Million Town Tsukaguchi (Land)		
N-4	Homecenter Kohnan Sunadabashi		
R-7	Solala Plaza		
R-8	P-1 Plaza Tenno		April 22, 2016

9. Outlook

Please refer to "Notice Concerning Revisions to Earnings, and Distributions Forecasts for the Fiscal Periods Ended March 31, 2016 and Ending September 30, 2016, and the Earnings and Distributions Forecasts for the Fiscal Period Ending March 31, 2017".

10. Summary of Real Estate Appraisal Report

T-15 Nakamachidai Tokyu Store

Summary of real estate appraisal report			
Appraisal value	3,780,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		3,780,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		3,830,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue(Note) (a)－b))	－	
	a) General operating revenue	－	
	b) Vacancy-related loss	－	
(2)	Operating expenses(Note)	－	
	Maintenance fees	－	

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			Utility expenses	—	
			Repairs	0 yen	Included in Capex
			PM fees	3,600,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
			Tenant marketing expenses	0 yen	None assuming long-term tenancy
			Real estate taxes	—	
			Insurance expenses	—	
			Other property-related expenses	—	
		(3)	Net operating income (NOI=(1)−(2))	182,751,469 yen	
		(4)	One-time gain	4,390,027 yen	Calculated on assumption that the investment yield is 2.0%
		(5)	Capital expenditure	7,349,760 yen	Calculated based on revised amount of overall maintenance fee received from the requestor
		(6)	Net cash flow (NCF=(3)+(4)−(5))	179,791,736 yen	
		(7)	Cap rate	4.7%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method			3,760,000,000 yen	
			Discount rate	4.5%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
			Terminal cap rate	4.9%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property
Value based on cost method				2,910,000,000 yen	
	Ratio of land			53.5%	
	Ratio of building			46.5%	
Adjustments in estimated values and considerations taken into account in determining appraisal value				The subject property is well positioned in terms of both traffic convenience and visibility, for its location on a lot facing four roads and the station plaza of Nakamachidai Station on Yokohama Subway Blue Line. The subject area is part of the "Kohoku New Town" centered around the Chigasaki area in Tsuzuki-ku, Yokohama, and is surrounded by extensive residential districts dominated by condominiums, apartment buildings and single-family houses. The bicycle and car parking lots on the premises allow for easy access also by bicycles and cars. We therefore believe that the subject property, as a retail property for daily needs, can attract significant demand from the passengers using Nakamachidai Station and the residents in the surrounding areas. All these factors have been taken into account in the appraisal.	

(Note) Figures used in the direct capitalization method include information that KRR has not obtained consent from the lessees for its disclosure. Such information or figures that can make calculation of such information are not disclosed in (1) and (2) above.

T-16 Central Wellness Club Nagatsuta Minamidai

Summary of real estate appraisal report			
Appraisal value	1,880,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		1,880,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		1,890,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
	(1) Gross operating revenue (a)−b))	118,627,824 yen	

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			a) General operating	119,297,424 yen	Calculated based on the fair rent level that is expected to remain stable over the medium term
			b) Vacancy-related loss	669,600 yen	Calculated based on the occupancy rate level that is expected to remain stable over the medium term
		(2)	Operating expenses	20,988,800 yen	
			Maintenance fees	2,388,000 yen	Calculated based on the actual maintenance fees in the past years
			Utility expenses	800,000 yen	Calculated based on the actual utility expenses in the past years
			Repairs	1,103,760 yen	Calculated based on the average annual repairs described in the engineering report
			PM fees	4,200,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
			Tenant marketing expenses	180,420 yen	Calculated based on tenant marketing expense levels for comparable properties
			Real estate taxes	11,948,700 yen	Calculated based on standard real estate taxes for FY2015
			Insurance expenses	367,920 yen	Calculated based on actual insurance premium rates for comparable properties
			Other property-related expenses	0 yen	None
		(3)	Net operating income (NOI=(1)−(2))	97,639,024 yen	
		(4)	One-time gain	1,781,400 yen	Calculated on assumption that the investment yield is 2.0%
		(5)	Capital expenditure	2,779,400 yen	Based on the average annual renovation expenses described in the engineering report plus CM fees
		(6)	Net cash flow (NCF=(3)+(4)−(5))	96,641,024 yen	
		(7)	Cap rate	5.1%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method			1,880,000,000 yen	
			Discount rate	4.9%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
			Terminal cap rate	5.3%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property
Value based on cost method				2,450,000,000 yen	
	Ratio of land			68.5%	
	Ratio of building			31.5%	
Adjustments in estimated values and considerations taken into account in determining appraisal value				The subject property is about 15 minutes on foot from Nagatsuta Station on JR Yokohama Line and Tokyu Den-en-toshi Line. The 18m-wide frontal road is a major road extending to Nagatsuta Station and connected with National Road 246, providing easy access by car to the property. The neighborhood is part of the new town area developed under the Nagatsuta Specified Land Readjustment Project; the trade area includes extensive residential districts. The subject property thus can attract significant demand from both the motorists driving on the frontal road and the residents in the neighborhood, the target customers for the fitness club and stores. All these factors have been taken into account in the appraisal.	

T-17 Life Kameido

Summary of real estate appraisal report	
Appraisal value	1,500,000,000 yen

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Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		1,500,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
	Value based on direct capitalization method	1,510,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
	(1) Gross operating revenue (Note) (a)－b))	－	
	a) General operating revenue	－	
	b) Vacancy-related loss	－	
	(2) Operating expenses(Note)	－	
	Maintenance fees	0 yen	None on assumption that the expenses are borne by lessees
	Utility expenses	0 yen	None on assumption that the expenses are borne by lessees
	Repairs	－	
	PM fees	3,600,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
	Tenant marketing expenses	0 yen	None assuming long-term tenancy
	Real estate taxes	－	
	Insurance expenses	－	
	Other property-related expenses	0 yen	None
	(3) Net operating income (NOI＝(1)－(2))	65,262,694 yen	
	(4) One-time gain	1,000,000 yen	Calculated on assumption that the investment yield is 2.0%
	(5) Capital expenditure	1,364,656 yen	Based on the average annual renovation expenses described in the engineering report plus CM fees
	(6) Net cash flow (NCF＝(3)＋(4)－(5))	64,898,038 yen	
	(7) Cap rate	4.3%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method	1,490,000,000 yen	
	Discount rate	4.0%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
	Terminal cap rate	4.5%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property
Value based on cost method		1,910,000,000 yen	
	Ratio of land	89.8%	
	Ratio of building	10.2%	

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Adjustments in estimated values and considerations taken into account in determining appraisal value	The subject property is conveniently situated and easily accessible by car due to its location within a walking distance of Kameido Station on JR Sobu Line and Higashiojima Station on Toei Subway Shinjuku Line and facing Keiyo Road. The subject area is a commercial district dominated by retail buildings and condominiums. Keiyo Road, the facing road, is a trunk road with heavy traffic, connecting central Tokyo and Chiba Prefecture. Also, the population in surrounding areas is on the rise, with many condominiums currently under construction in these areas, implying that the property is well located to attract a certain number of customers on both weekdays and weekends. All these factors have been taken into account in the appraisal.

(Note) Figures used in the direct capitalization method include information that KRR has not obtained consent from the lessees for its disclosure. Such information or figures that can make calculation of such information are not disclosed in (1) and (2) above.

O-10 Million Town Tsukaguchi (Land)

Summary of real estate appraisal report			
Appraisal value	3,730,000,000 yen		
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		3,730,000,000 yen	Calculated by the DCF method
Value based on direct capitalization method		—	
(1)	Gross operating revenue (a)−b))	—	
	a) General operating revenue	—	
	b) Vacancy-related loss	—	
(2)	Operating expenses	—	
	Maintenance fees	—	
	Utility expenses	—	
	Repairs	—	
	PM fees	—	
	Tenant marketing expenses, etc.	—	
	Real estate taxes	—	
	Insurance premium expenses	—	
	Other property-related expenses	—	
(3)	Net operating income (NOI=(1)−(2))	—	
(4)	One-time gain	—	
(5)	Capital expenditure	—	
(6)	Net cash flow (NCF=(3)+(4)−(5))	—	
(7)	Cap rate	—	
Value based on DCF method		3,730,000,000 yen	
	Discount rate	1st fiscal year to 20th fiscal year: 4.4% 21st fiscal year to 40.1 fiscal year: 4.6%	Calculated based on transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield.
	Terminal cap rate	—	—
Value based on cost method		—	
Ratio of land		—	

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	Ratio of building	—	
Adjustments in estimated values and considerations taken into account in determining appraisal value	(The subject property is situated in the south-east end of the former Morinaga Tsukaguchi Plant, currently under redevelopment in front of Tsukaguchi Station on JR Fukuchiyama Line. The surrounding areas are residential & commercial districts dominated by condominiums, apartment buildings and low-rise retail buildings. Currently, "ZUTTOCITY," one of the largest station-front redevelopment projects in the Kansai region is underway. The project, aimed to supply more than 1,200 housing units primarily in condominiums, is expected to accelerate the population growth in the areas north of the subject property. Taxes and dues (property and urban planning taxes) imposed on the site, classified as a large-sized industrial site until the fiscal year 2015, may be raised in the fiscal years 2016 and 2017, which was reflected in the calculation using the DCF method. All these factors have been taken into account in the appraisal.		

N-4 Homecenter Kohnan Sunadabashi

Summary of real estate appraisal report			
Appraisal value	7,220,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	November 1, 2015		
Item		Breakdown	Basis
Income capitalization approach value		7,220,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		7,370,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (Note) (a)－b))	—	
	a) General operating revenue	—	
	Vacancy-related loss	—	
(2)	Operating expenses(Note)	—	
	Maintenance fees	0 yen	None on assumption that the expenses are borne by lessees based on current lease contract
	Utility expenses	0 yen	None on assumption that the expenses are borne by lessees based on current lease contract
	Repairs	0 yen	None on assumption that the expenses are borne by lessees based on current lease contract
	PM fees	3,600,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
	Tenant marketing expenses	0 yen	None assuming long-term tenancy
	Real estate taxes	—	
	Insurance expenses	—	
	Other property-related expenses	—	
(3)	Net operating income (NOI＝(1)－(2))	368,662,528 yen	
(4)	One time gain	6,522,159 yen	Calculated on assumption that the investment yield is 2.0%
(5)	Capital expenditure	14,143,838 yen	The average annual renovation expenses described in the engineering report plus CM fees
(6)	Net cash flow (NCF＝(3)＋(4)－(5))	361,040,849 yen	
(7)	Cap rate	4.9%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
Value based on DCF method		7,150,000,000 yen	

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		Discount rate	4.7%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
		Terminal cap rate	5.1%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property
Value based on cost method			7,660,000,000 yen	
	Ratio of land		61.1%	
	Ratio of building		38.9%	
Adjustments in estimated values and considerations taken into account in determining appraisal value			The subject property is about 4 minutes on foot from Chayagasaka Station on Nagoya Municipal Subway Meijo Line, faces a well-maintained municipal road connected to trunk roads, including Nagoya City Road Nagoya Inner Ring and Dekimachi-dori. The property thus is easily accessible by various methods of transportation, including cars and railways. The subject property was completed in 2006 and is comparatively larger among the competing properties in the neighborhood. A large parking area in the building can accommodate up to approximately 750 cars. In the surrounding areas dominated by large-scale public housings and high-rise condominiums, the population has been growing steadily. We therefore believe that the subject property is competitive as a retail property for daily needs, which targets both the motorists driving on the frontal road and the residents in the neighborhood. All these factors have been taken into account in the appraisal.	

(Note) Figures used in the direct capitalization method include information that KRR has not obtained consent from the lessees for its disclosure. Such information or figures that can make calculation of such information are not disclosed in (1) and (2) above.

R-7 Solala Plaza

Summary of real estate appraisal report			
Appraisal value	5,740,000,000 yen		
Appraiser	Japan Real Estate Institute		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		5,740,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method.
Value based on direct capitalization method		5,780,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate.
(1)	Gross operating revenue (Note) (a)－b))	－	
	a) General operating revenue	－	
	b) Vacancy-related loss	－	
(2)	Operating expenses(Note)	－	
	Maintenance fees	－	
	Utility expenses	0 yen	None on assumption that the expenses are borne by lessees
	Repairs	－	
	PM fees	3,600,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
	Tenant marketing expenses	0 yen	None on assumption
	Real estate taxes	－	
	Insurance expenses	－	
	Other property-related expenses	0 yen	None
(3)	Net operating income	284,760,000 yen	

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		(NOI=(1)−(2))		
		(4) One-time gain	5,768,000 yen	Calculated on assumption that the investment yield is 2.0%
		(5) Capital expenditure	1,470,000 yen	The average annual renovation expenses described in the engineering report plus CM fees
		(6) Net cash flow (NCF=(3)+(4)−(5))	289,058,000 yen	
		(7) Cap rate	5.0%	Calculated based on overall evaluation of the location, building specifications and contract terms of the property
	Value based on DCF method		5,700,000,000 yen	
		Discount rate	4.7%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
		Terminal cap rate	5.2%	Calculated by taking into account the characteristics of the NCF used for the cap rate and future uncertainties/liquidity/marketability of the property
Value based on cost method			3,920,000,000 yen	
	Ratio of land		55.0%	
	Ratio of building		45.0%	
Adjustments in estimated values and considerations taken into account in determining appraisal value			Kakyoin-chiku, where the subject property is located, is well positioned to attract customers, given its easy access to JR Sendai Station. The grade of the building, including the level of equipment, is generally average. However, the property, including the building and the land, is subject to compartmentalized ownership and is less marketable due to limited liquidity, since the flexibility in exercising the relevant rights as an owner (in repair, maintenance, etc.) may be limited compared to cases where a building is owned by a sole owner. However, the property is competitive as an investment property, as the whole building is leased to a single tenant and the rent revenue is stable. All these factors have been taken into account in the appraisal.	

(Note) Figures used in the direct capitalization method include information that KRR has not obtained consent from the lessees for its disclosure. Such information or figures that can make calculation of such information are not disclosed in (1) and (2) above.

R-8 P-1 Plaza Tenno

Summary of real estate appraisal report			
Appraisal value	4,230,000,000 yen		
Appraiser	Japan Real Estate Institute		
as of	February 1, 2016		
Item		Breakdown	Basis
Income capitalization approach value		4,230,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		4,230,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
	(1) Gross operating revenue (a)−b))	270,501,000 yen	
	a) General operating revenue	273,232,000 yen	Calculated based on the current lease contract
	b) Vacancy-related loss	2,731,000 yen	Calculated based on the occupancy rate level that is expected to remain stable over the medium term
	(2) Operating expenses	43,127,000 yen	
	Maintenance fees	0 yen	None on assumption that the expenses are borne by lessees
	Utility expenses	0 yen	None on assumption that the expenses and incomes from the utility were almost the same in the past years

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			Repairs	3,993,000 yen	Calculated based on the average annual repairs described in the engineering report and also by taking into account short-term repairs
			PM fees	5,100,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
			Tenant marketing expenses	620,000 yen	Calculated based on tenant marketing expense levels for comparable properties
			Real estate taxes	31,800,000 yen	Calculated based on standard real estate taxes for FY2015
			Insurance expenses	1,614,000 yen	Calculated based on insurance premiums for planned insurance contracts and actual insurance premium rates for the subject building and comparable properties
			Other property-related expenses	0 yen	None
		(3)	Net operating income (NOI=(1)−(2))	227,374,000 yen	
		(4)	One-time gain	5,868,000 yen	Calculated on assumption that the investment yield is 2.0%
		(5)	Capital expenditure	9,317,000 yen	The average annual renovation expenses described in the engineering report plus CM fees
		(6)	Net cash flow (NCF=(3)+(4)−(5))	223,925,000 yen	
		(7)	Cap rate	5.3%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method			4,220,000,000 yen	
			Discount rate	4.9%	Calculated based on the past transactions of comparable properties and by taking into account the uniqueness of real estate properties as financial assets in terms of investment yield
			Terminal cap rate	5.4%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property
Value based on cost method				4,350,000,000 yen	
	Ratio of land			80.0%	
	Ratio of building			20.0%	
Adjustments in estimated values and considerations taken into account in determining appraisal value				The subject property is conveniently located near the center of Hamamatsu City, major thoroughfares and Hamamatsu IC on Tomei Expressway. AEON Mall Hamamatsu Ichino to the north has helped boost the area's ability to attract customers. Although the building is leased to multiple tenants, a large flat parking area is expected to attract many visitors by car. We believe the property is sufficiently competitive as an investment property, since the tenants cannot cancel their leasing contracts before maturity without paying penalty, and thus, the rent revenues are stabilized. All these factors have been taken into account in the appraisal.		

KRR website address: http://www.krr-reit.com/en/

<Attached materials>

Reference material 1. Summary of building condition investigation reports

Reference mateiral 2. Property photographs and maps

Reference material 3. Property portfolio of KRR (after acquisition of the properties to be acquired)

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KENEDIX
Retail REIT Corporation

Reference material 1. Summary of building condition investigation reports

KRR has obtained engineering reports, containing the diagnosis of building deteriorations, a short-and long-term repair and maintenance plan, the assessment of legal compliance with the Building Standard Laws, the investigation of hazardous substances in a building and soil environment, from Tokio Marine & Nichido Risk Consulting Co., Ltd. Those engineering reports reflect the conclusions and views of the above company at a certain time point, and hence, we cannot guarantee the accuracy and appropriateness of the description in the reports.

No.	Property name	Investigation company	Investigation performed in	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen)(Note 1)	Required within one year (thousand yen) (Note 1)
T-15	Nakamachidai Tokyu Store	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2016	28,394	0
T-16	Central Wellness Club Nagatsuta Minamidai	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2016	16,888	0
T-17	Life Kameido	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2016	21,442	0
O-10	Million Town Tsukaguchi (Land)	(Note 2)	—	—	—
N-4	Homecenter Kohnan Sunadabashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	December 2015	336,943	0
R-7	Solala Plaza	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2016	25,430	0
R-8	P-1 Plaza Tenno	Tokio Marine & Nichido Risk Consulting Co., Ltd.	February 2016	159,757	28,423
Total				588,854	28,423

(Note 1) Of the "Repairs, maintenance and renovation expenses," "Required over the next 12 years" indicates the total expenses required during the next 12 years from the date of the investigation report and "Required within one year" indicates the total expenses required within 1 year from the date of the investigation report. All figures are truncated to thousands of yen as in the investigation reports.

(Note 2) Since Million Town Tsukaguchi (Land) is a land-only property, KRR did not obtain the engineering report but obtained history survey report on the land use from Field Partners.

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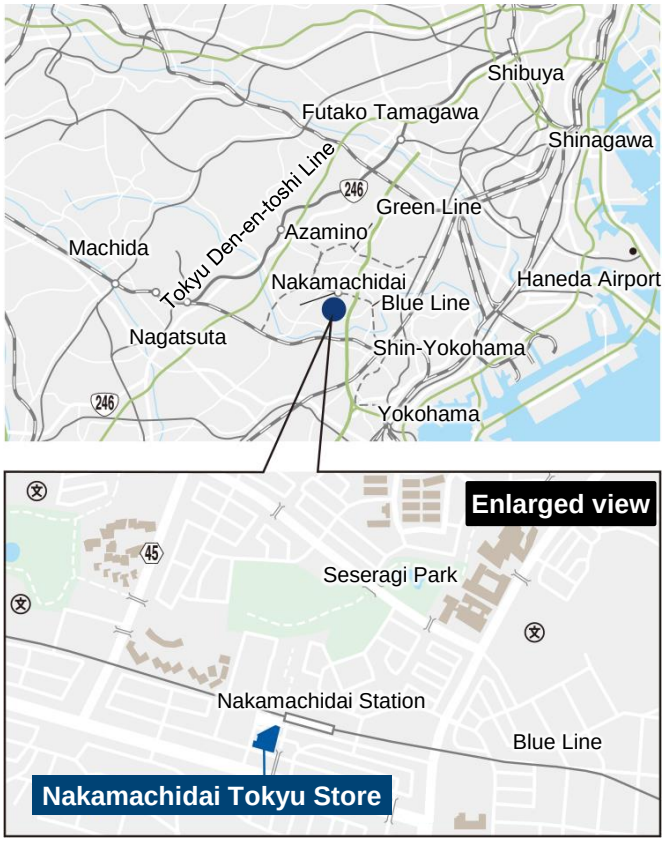
Reference material 2. Property photographs and maps

T-15 Nakamachidai Tokyu Store





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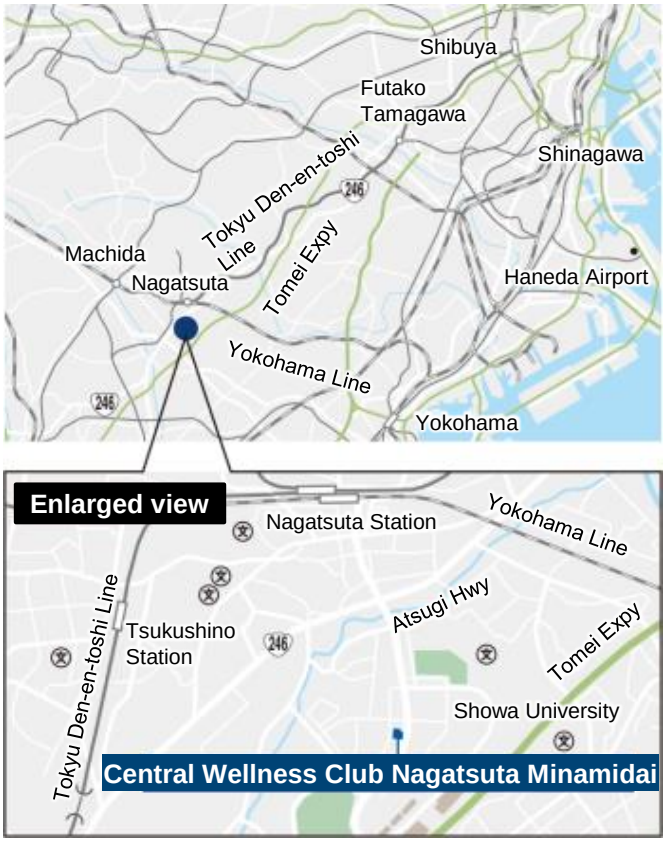
T-16 Central Wellness Club Nagatsuta Minamidai





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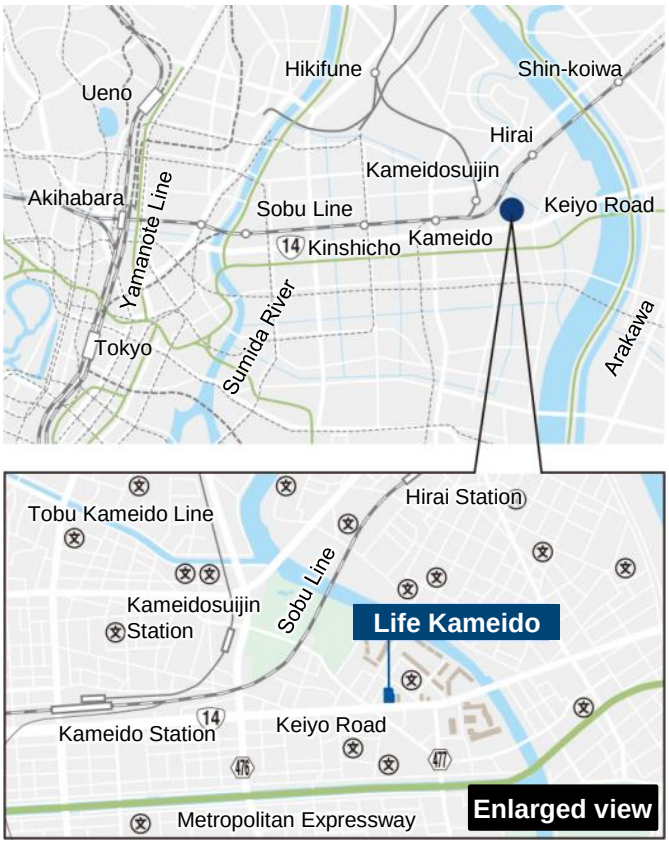
T-17 Life Kameido





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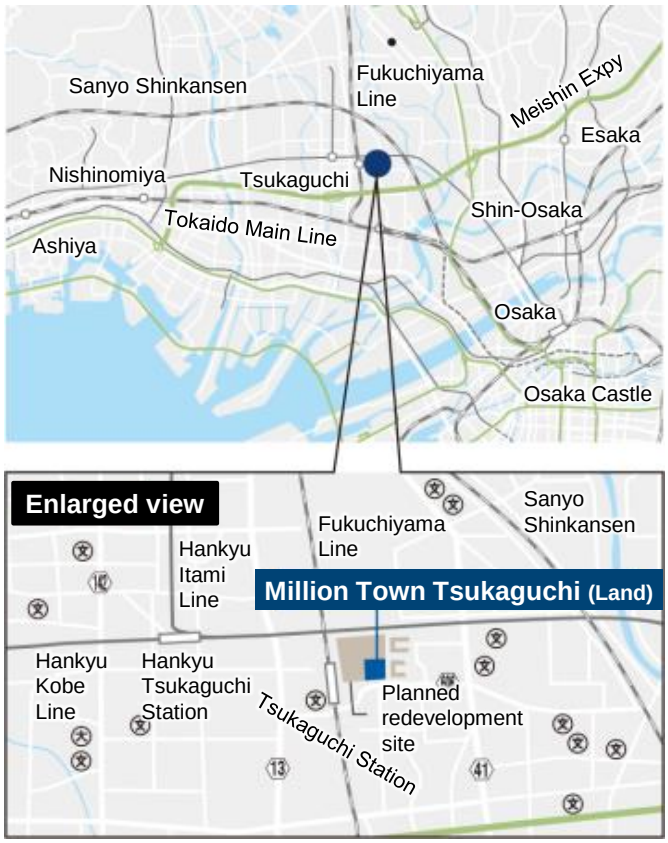
O-10 Million Town Tsukaguchi (Land)





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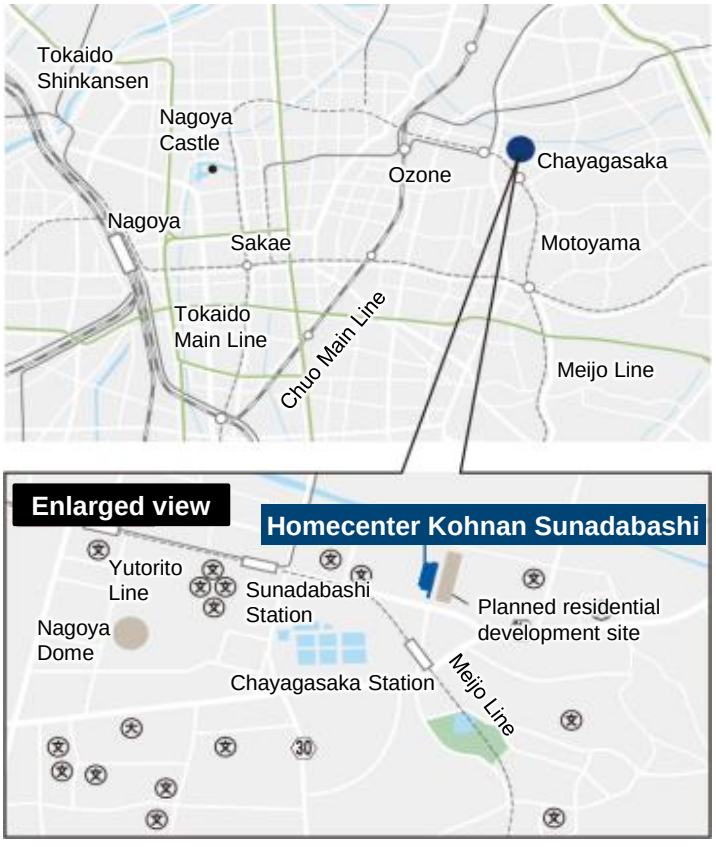
N-4 Homecenter Kohnan Sunadabashi





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R-7 Solala Plaza





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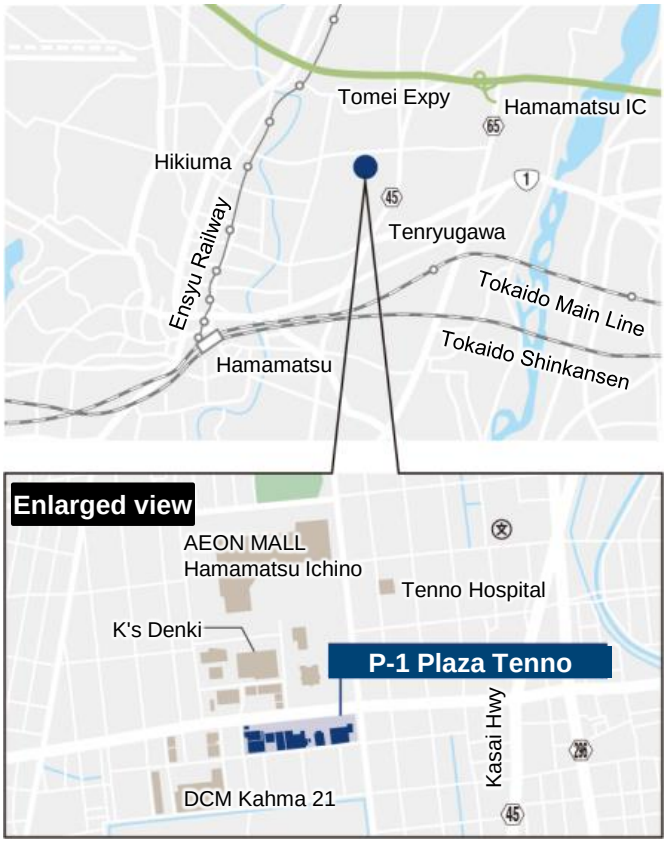
R-8 P-1 Plaza Tenno





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Reference material 3. Property portfolio of KRR (after acquisition of the properties to be acquired)

The type, location, (anticipated) acquisition date, (anticipated) acquisition price, appraisal value, appraisal NOI yield, occupancy rate and share of each of the properties acquired or anticipated to be acquired are as follows;

No.	Type (Note1)	Property name	Location	(Anticipated) acquisition date	(Anticipated) acquisition price (million yen) (Note2)	Appraisal value (million yen) (Note 3)	Appraisal NOI yield (%) (Note 4)	Occupancy rate (%) (Note 5)	Share (%) (Note 6)
Properties acquired									
T-1	CSC	Fululu Garden Yachiyo	Yachiyo, Chiba	February 10, 2015	14,848	15,100	5.2	99.4	9.4
T-2	Urban Station-Front SC	MONA Shin-Urayasu	Urayasu, Chiba	February 10, 2015	8,063	8,360	6.2	98.0	5.1
T-3	Urban Station-Front SC	Passaggio Nishiarai	Adachi-ku, Tokyo	February 10, 2015	5,850	6,200	5.0	98.3	3.7
T-4	Urban Station-Front SC	Daikanyama Address Dixsept	Shibuya-ku, Tokyo	February 10, 2015	5,390	5,450	4.1	98.7	3.4
T-5	NSC	Unicus Ina	Kitaadachi-gun, Saitama	February 10, 2015	4,379	4,430	5.4	100.0	2.8
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	February 10, 2015	4,000	4,220	5.4	100.0	2.5
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	February 10, 2015	3,600	3,690	5.1	100.0	2.3
T-8	SS	Sports Club Renaissance Fujimidai	Nerima-ku, Tokyo	February 10, 2015	2,586	2,640	4.9	100.0	1.6
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	October 2, 2015	4,815	5,210	4.3	100.0	3.0
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	October 2, 2015	3,169	3,410	5.0	100.0	2.0
T-11	NSC	Unicus Kamisato (Land)	Kodama-gun, Saitama	October 2, 2015	3,000	3,010	4.6	100.0	1.9
T-12	NSC	Unicus Konosu (Land)	Konosu, Saitama	October 2, 2015	1,700	1,730	4.6	100.0	1.1
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	October 2, 2015	1,442	1,460	4.5	100.0	0.9
T-14	SM	Gourmet City Chiba-Chuo	Chiba, Chiba	October 2, 2015	760	780	5.7	100.0	0.5
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	February 10, 2015	8,389	8,820	5.8	99.5	5.3
O-2	SM	Central Square Takadono (Land)	Osaka, Osaka	February 10, 2015	2,685	2,870	4.8	100.0	1.7

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No.	Type (Note1)	Property name	Location	(Anticipated) acquisition date	(Anticipated) acquisition price (million yen) (Note2)	Appraisal value (million yen) (Note 3)	Appraisal NOI yield (%) (Note 4)	Occupancy rate (%) (Note 5)	Share (%) (Note 6)
O-3	NSC	Piago Kahma Home Center Omihachiman	Omihachiman, Chiba	February 10, 2015	2,140	2,390	7.1	100.0	1.3
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	April 16, 2015	11,000	11,600	5.3	99.5	6.9
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	October 2, 2015	6,555	6,580	5.3	99.1	4.1
O-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	October 2, 2015	6,450	6,840	6.0	100.0	4.1
O-7	SM	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	October 2, 2015	1,280	1,290	5.9	100.0	0.8
O-8	SS	Welcia Kishiwadakamori (Land)	Kishiwada, Osaka	October 2, 2015	487	500	4.5	100.0	0.3
O-9	SM	Life Nishi-Tengachaya	Nishinari-ku, Osaka, Osaka	January 21, 2016	1,505	1,620	5.2	100.0	0.9
N-1	SS	Kama Home Center Nakagawa Tomita (Land)	Nakagawa-ku, Nagoya, Aichi	February 10, 2015	2,311	2,500	5.2	100.0	1.5
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	February 10, 2015	2,174	2,200	6.0	100.0	1.4
N-3	SS	K's Denki Nakagawa Tomita (Land)	Nagoya, Aichi	February 10, 2015	889	945	5.2	100.0	0.6
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	February 10, 2015	1,497	1,500	5.4	100.0	0.9
R-1	NSC	Roseo Mito	Mito, Ibaraki	February 10, 2015(Note 7)	10,046	10,300	5.9	100.0 (Note 8)	6.3
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	February 10, 2015	1,469	1,590	6.7	100.0	0.9
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	February 10, 2015	898	901	6.5	100.0	0.6
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	October 2, 2015	4,180	5,050	6.4	99.1 (Note 8)	2.6
R-5	NSC	York Town Shinden-Higashi	Sendai, Miyagi	October 2, 2015	3,252	3,320	6.0	100.0	2.0
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	October 2, 2015	830	847	5.6	100.0	0.5
Properties to be acquired									
T-15	NSC	Nakamachidai Tokyu Store	Tsuzuki-ku, Yokohama, Kanagawa	April 21, 2016	3,360	3,780	5.4	100.0	2.1
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Midori-ku, Yokohama, Kanagawa	April 20, 2016	1,724	1,880	5.7	100.0	1.1

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T-17	SM	Life Kameido	Koto-ku, Tokyo	April 21, 2016	1,450	1,500	4.5	100.0	0.9
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	April 21, 2016	3,723	3,730	4.6	100.0	2.3
N-4	SS	Homecenter Kohnan Sunadabashi	Higashi-ku, Nagoya, Aichi	April 21, 2016	7,140	7,220	5.2	100.0	4.5
R-7	Urban Station-Front SC	Solala Plaza	Aoba-ku, Sendai, Miyagi	April 21, 2016	5,720	5,740	5.0	100.0	3.6
R-8	NSC	P-1 Plaza Tenno	Higashi-ku, Hamamatsu, Shizuoka	April 22, 2016	4,010	4,230	5.7	100.0	2.5
Total/Average					158,766	165,433	5.4	99.7	100.0

(Note 1) Properties are categorized into the following five types of retail properties for daily needs: NSC (Neighborhood Shopping Center), SM (Supermarket), CSC (Community Shopping Center), Urban Station-Front SC (Urban Station-Front Shopping Center) and SS (Specialty Store).

(Note 2) "(Anticipated) acquisition price" indicates the purchase price of each trust beneficiary interest specified in purchase agreement in relation to the acquisition of each property (excluding acquisition costs, adjustment in property tax and city-planning tax, and consumption tax; and rounded down to the nearest one million yen). In addition, for Roseo Mito, anticipated acquisition price includes 371 million yen (excluding expenses and taxes and rounded down to the nearest million yen) on the construction contract and construction design/supervision outsourcing contracts related to construction of the building for the secondhand shop building (building expansion).

(Note 3) "Appraisal values" for existing properties excluding the 13 properties we acquired on October 2, 2015 in connection with the last offerings are as of September 30, 2015. Appraisal values for the 13 properties we acquired on October 2, 2015 in connection with the last offerings are as of July 1, 2015, appraisal value for Life Nishi-Tengachaya is as of September 1, 2015 and appraisal values for the anticipated acquisitions are as of February 1, 2016. (Appraisal value for Homecenter Kohnan Sunadabashi is as of November 1, 2015).

(Note 4) "Appraisal NOI yield" indicates the value calculated using the following formula and rounded down to the first decimal point and the "Total/average" of "Appraisal NOI yield" indicates the average appraisal NOI yield which is a weighted average of appraisal NOI yields of all acquired properties: Appraisal NOI of each property ÷ Anticipated acquisition price for each property.
Please note that "Appraisal NOI" is the net operating income calculated by subtracting the amount of operating expenses from the operating revenue described in relevant appraisal reports, meaning that Appraisal NOI is the income before depreciation and differs from NCF (Net Cash Flow) which is calculated by adding investment gains from such as deposits and subtracting capex from NOI. Appraisal NOI above is calculated using the direct capitalization method. However, where the direct capitalization method is not applicable, appraisal NOI indicates the net operating income for the first year based on the DCF method. (Note that Unicus Kamisato (Land) and Unicus Konosu (Land) use NOI for the fourth year, when ordinary operations are expected to take place.)

(Note 5) "Occupancy rate" indicates the proportion of the leased area in the total leasable area of all the acquired properties and the properties to be acquired, and is calculated by dividing the total leased area as of the end of December 2015 by the total leasable area of all the acquired properties and the properties to be acquired. All occupancy rate numbers are rounded down to the first decimal point. The "Total/average" of "Occupancy rate" indicates the average occupancy rate of all properties in the portfolio after the anticipated acquisitions, and the occupancy rate is obtained by dividing the total leased area by the total leasable area of the existing properties and anticipated properties.

(Note 6) "Share" indicates the percentage of the (anticipated) acquisition price for each property in the total (anticipated) acquisition price, rounded down to the first decimal point.

(Note 7) KRR acquired the seondhand shop building on November 26, 2015.

(Note 8) Although the building and the land are leased separately to different tenants, the occupancy rate reflects the occupancy of both the building and the land.

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