Translation of Japanese Original

KENEDIX
Retail REIT Corporation

March 31, 2017

To All Concerned Parties

REIT Issuer:
Kenedix Retail REIT Corporation
Representative: Akihiro Asano, Executive Director
(Securities Code: 3453)

Asset Manager:
Kenedix Real Estate Fund Management, Inc.
Representative: Masahiko Tajima, CEO and President
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Notice Concerning Acquisition and Leasing of Assets (8 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. The acquisitions from the sellers that are defined as related parties in the Retail REIT Division Related-party Transactions Rules, have been deliberated and approved through a resolution by the Investment Corporation's Board of Directors, and the Asset Management Company has obtained the consent of the Executive Director of the Investment Corporation based on the resolution.

1. Overview of the Acquisition

Property number	Property name	Location	Type of acquisition	Anticipated acquisition price (million yen)	Appraisal NOI yield (%) (Note 1)
T-18	Totsuka-Fukaya Shopping Center (Land)	Totsuka-ku, Yokohama, Kanagawa	Trust beneficiary interest in real estate	4,170	4.6
T-19	Yumemachi Narashinodai Mall	Funabashi, Chiba	Trust beneficiary interest in real estate	3,416	5.2
T-20	Kawamachi Yahagi Mall	Chuo-ku, Chiba, Chiba	Trust beneficiary interest in real estate	3,097	5.2
T-21	Prime Square Jiyugaoka	Meguro-ku, Tokyo	Trust beneficiary interest in real estate	2,820	4.1
T-22	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	Trust beneficiary interest in real estate	1,880	5.2
F-2	Round1 Stadium Hakata-Hanmichibashi	Hakata-ku, Fukuoka, Fukuoka	Trust beneficiary interest in real estate	5,020	5.7
F-3	Kurume-Nishi Shopping Center	Kurume, Fukuoka	Trust beneficiary interest in real estate	1,515	6.0
R-10	Sun Street Hamakita	Hamakita-ku, Hamamatsu, Shizuoka	Trust beneficiary interest in real estate	10,746	5.8
Total/Average				32,664	5.3

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(1) Date of contract: March 31, 2017
(2) Anticipated acquisition date: April 19, 2017 (Property numbers T-18, T-19, T-21, T-22, F-2, F-3)
April 27, 2017 (Property number R-10)
May 18, 2017 (Property number T-20)
(3) Seller: Please refer to "5. 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, 2017, borrowings and own funds (Note 2)
(5) Settlement method: Payment in full at settlement

(Note 1) The "appraisal NOI yield" is calculated and rounded to the second decimal place using the following formula:
Appraisal NOI yield is calculated by dividing the Appraisal NOI of each anticipated property as on appraisal report as of February 1, 2017 (for Prime Square Jiyugaoka as of March 1, 2017) by the anticipated acquisition price for each property. Appraisal NOI refers to 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.

(Note 2) Please refer to "Notice Concerning Issuance of New Investment Units and Secondary Offering" as of March 31, 2017 for details of the issuance of new investment units.

2. Reasons for the acquisition

We have decided to acquire the 8 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 we believe it is fair and reasonable. After the acquisition of the 8 additional properties, our portfolio will consist of 50 properties worth a total of 197.0 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 8 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 or anticipated to be 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 or anticipated to be set forth in the trust agreement for the trust beneficiary interest in the property.

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- "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 actual area.
- "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).
- "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.
- "Structure/No. of floors" of "Building" is based on what is described in the registry.
- "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 2017 prepared by Sompo Risk Management & Health Care." 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 Risk Management & Health Care at a specific point in time and neither its validity nor accuracy is guaranteed. KRR/the Asset Manager has no special interest with Sompo Risk Management & Health Care.
- "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. and Japan Real Estate Institute as requested by KRR. The values are estimated by the real estate appraisers at one

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point in time, and KRR does not give any representation or other 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, 2017 (for Prime Square Jiyugaoka as of March 1, 2017).
- "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 January 2017. 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 January 2017 (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 January 2017 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 January 2017 are reflected).
- "Tenant deposits" represents 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 January 2017, 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 January 2017 (for Kawamachi Yahagi Mall, the leasing forward agreement signed with each tenant as of March 22, 2017. For Prime Square Jiyugaoka where KRR executed an agreement to terminate the current lease agreement on June 30, 2017 and executed a new lease agreement which will be effective on July 1, 2017 with the tenants of the anticipated property, the leasing forward agreement. The same shall apply hereafter). As for the lease agreements for buildings, the leased area of warehouses and land (including flat parking lots) are excluded (Also, leased area may exceed the sum of floor areas of the buildings or the entrusted buildings (excluding annex buildings) on the registry). 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 January 2017 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 January 2017, rounded down to the first decimal place. However, "-" is shown for Kawamachi Yahagi Mall, of which construction has yet to be completed as of the end of January 2017.

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・ "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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Retail REIT Corporation

T-18 Totsuka-Fukaya Shopping Center (Land)

Property name		Totsuka-Fukaya Shopping Center (Land)
Anticipated acquisition date		April 19, 2017
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd.
Trust period		August 28, 2014 to April 30, 2037 (planned)
Seller		Sumitomo Mitsui Finance and Leasing Co., Ltd.
Location		1051-1 Fukaya-cho, Totsuka-ku, Yokohama, Kanagawa
Land	Form of ownership	Proprietary ownership
	Land area	14,092.51 m^2
	Zoning	Quasi-residential area (partially Category I residential 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		–
PML		–
Anticipated acquisition price		4,170 million yen
Appraisal value (as of)		4,290 million yen (February 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		4.6%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	2
	Annual rent	Undisclosed (Note)
	Tenant deposits	Undisclosed (Note)
	Leased area	14,092.51 m^2
	Leasable area	14,092.51 m^2
	Occupancy rate	100.0%
Remarks		None
Others		(Note) Undisclosed as KRR has not obtained consent from the lessee.

Features of the property and overview of the trade area

The land-only property for a relatively new NSC located in an area with high population growth

1. Features of the property
   - The property is the underlying land for an NSC located in a residential area in Totsuka, Yokohama and housing YorkMart (a grocery supermarket) and Royal Homecenter (a home and garden store) opened in March 2017. Stores, with own unique attraction to customers, stand side by side on the premises.
2. Overview of the trading area

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(1) Location and access

- The property is highly accessible by car due to its location along Loop Route 4 in Yokohama and has good connectivity to the retail trade area to the north and south through National Route 1.
- The surrounding area is dominated by single-family homes, residential complexes and condominiums. The residential development projects to the west are expected to help accelerate population growth in the area.

(2) Characteristics of the trade area

- According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 19 thousand people within a one-kilometer radius, 166 thousand people within a three-kilometer radius and 550 thousand people within a five-kilometer radius. The proportion of young family households is relatively high within the five-kilometer radius.
- Compared to the population in 2005, the residential population in the area has slightly declined to 99.9% within a one-kilometer radius, grown to 101.3% and 103.4% within a three-kilometer radius and five-kilometer radius respectively. The number of households has grown to 108.1% within a one-kilometer radius, 106.8% within a three-kilometer radius and 108.1% within a five-kilometer radius.

T-19 Yumemachi Narashinodai Mall

Property name		Yumemachi Narashinodai Mall
Anticipated acquisition date		April 19, 2017
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust period		March 31, 2016 to April 30, 2037
Seller		JRP8 GK
Location		8-58-1 Narashinodai, Funabashi, Chiba
Land	Form of ownership	Proprietary ownership (Note 1)
	Land area	16,633.58 m^2
	Zoning	Quasi-industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building	Form of ownership	Proprietary ownership
	Gross floor area	7,889.24 m^2
	Date constructed	March 31, 2016
	Use	Retail store
	Structure/No. of floors	S-structure/2-story building
Architect		ADX Architects Office
Construction company		Asahi Construction Co., Ltd.
Construction confirmation authority		Japan ERI Co., Ltd.
Master lessee		Orix Corporation (planned)
Type of master lease		Pass-through type
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		Orix Corporation (planned)
PML		8.15%
Anticipated acquisition price		3,416 million yen
Appraisal value (as of)		3,520 million yen (February 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.2%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	13 (Note 2)

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	Annual rent	226,469 thousand yen (Note 3)
	Tenant deposits	155,345 thousand yen
	Leased area	7,827.96 m^2
	Leasable area	7,827.96 m^2
	Occupancy rate	100.0%
Remarks		None
Others		(Note 1) The property (land) carries an easement, with the adjacent land as servient land, for the purpose of maintaining and managing the storm drainage. (Note 2) Represents the number of end tenants. (Note 3) Calculated by multiplying sum of the monthly fixed rent and the common area charges (excluding consumption taxes) as of January 2017 by 12; variable rents such as sales-linked rent is not included). Actual variable rent income (monthly, excluding consumption taxes) from August 2016 is as follows.

	August 2016	September 2016	October 2016	November 2016	December 2016	January 2017
Actual variable rent income (thousand yen)	241	290	290	211	245	242

Features of the property and overview of the trade area

A relatively new NSC located in an area with high population growth and housing a competitive grocery supermarket as the main tenant

1. Features of the property
   - The NSC, a commercial complex opened in April 2016 and houses Lopia, a supermarket (grocery), which specializes in meat products and is popular among consumers for its offering of low-priced goods, as the property's main tenant, in addition to a drug store, a consumer electronics store, an apparel store, a discount retailer, a dentist, a laundry, a restaurant and other retail stores.
   - The property is located in the north-east Funabashi, which has seen steady population growth in recent years, and is located along National Route 296 (Narita Kaido).
   - The property comprises a main two-story building, a separate building that houses an apparel store (GU) and parking spaces for 343 vehicles.

2. Overview of the trade area
   (1) Location and access
   - The subject area has improved its accessibility to the central part of Tokyo since the opening of Toyo Rapid Railway which is connected with Tokyo Metro Tozai Line (approx. 35 minutes from the nearest Funabashi Nichidaimae Station to Otemachi Station).
   - The property's retail trade areas cover Funabashi, Narashino and Yachiyo that are benefitting from remarkable population growth and relatively high income levels and the property is expected to attract young households.
   - The property also provides easy access by car given its location facing National Route 296. National Route 296 is connected to Prefectural Road 57 and 61 to the north of the property, which also connect Yachiyo-midorigaoka with residential districts on the north.

   (2) Characteristics of the trade area
   - According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 20 thousand people within a one-kilometer radius, 214 thousand people within a three-kilometer radius and 541 thousand people within a five-kilometer radius. The proportion of young family households is relatively high in the area.
   - Compared to the population in 2005, the residential population in 2010 in the area has grown to 107.7% within a one-kilometer radius, 104.2% within a three-kilometer radius and 103.7% within a five-kilometer radius, and

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the number of households in the area has grown to 112.7% within a one-kilometer radius, 109.0% within a three-kilometer radius and 108.7% within a five-kilometer radius.

T-20 Kawamachi Yahagi Mall

Property name		Kawamachi Yahagi Mall
Anticipated acquisition date		May 18, 2017
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Sumitomo Mitsui Trust Bank, Ltd.
Trust period		September 30, 2016 to April 30, 2037 (planned)
Seller		GK KRF63
Location		57-1 Yahagi-cho, Chuo-ku, Chiba, Chiba
Land	Form of ownership	Proprietary ownership
	Land area	18,010.00 m^2
	Zoning	Category II residential area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building (Note 1)	Form of ownership	Proprietary ownership
	Gross floor area	A: 4,031.43 m^2 B: 1,684.75 m^2 (Note 2)
	Date constructed	A: March 8, 2017 B: March 8, 2017
	Use	A: Retail stores B: Sports club (Note 2)
	Structure/No. of floors	A: S-Structure with flat roof B: S-Structure/2-story building (Note 2)
Architect		Main building: ADX Architects Office Uniqlo building: Akasaka Architects Office Holiday building: Akashi architect & associates
Construction company		Main building/Uniqlo building: Asahi Construction Co., Ltd. Holiday building: Fujiko Co., Ltd.
Construction confirmation authority		Main building/Uniqlo building: Japan ERI Co., Ltd. Holiday building: Japan ERI Co., Ltd.
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		Main building: 3.83% Uniqlo building: 3.88% Holiday building: 3.72%
Anticipated acquisition price		3,097 million yen
Appraisal value (as of)		3,220 million yen (February 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.2%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	12 (Note 3)
	Annual rent	193,105 thousand yen
	Tenant deposits	106,792 thousand yen
	Leased area	6,397.05 m^2

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	Leasable area	6,397.05 m^2
	Occupancy rate	– Occupancy rate is undisclosed as the property is not operating as of the date of this document. The occupancy rate as of the opening of the property is expected to be 100.0%.
Remarks		・Although part of the boundary lines with adjacent land have yet to be confirmed in wiring, no conflicts has occurred with the owner of the adjacent land as of today. ・The waterway on the east of the property is used as a pathway for visitors, based on the approval by Chiba City Government.
Others		(Note 1) A refers to the main and Uniqlo buildings and B refers to the Holiday building. (Note 2) "Gross floor area," "Use" and "Structure/No. of floors" are based on the descriptions in the registry application documents. (Note 3) Represents the number of end tenants.

Features of the property and overview of the trade area

A new NSC developed by Kenedix housing tenants with a high level of customer attraction potential

1. Features of the property
   - This NSC is planned to be opened in April 2017 and will house Landrome as the main tenant, in addition to a drug store, a discount retailer, service stores, a major apparel store and a fitness club. Landrome is a local grocery supermarket, offering quality perishable groceries including those fresh from farms and promoting "dominant strategy" (which refers to a strategy to open stores in a specific region to get dominant position in the relevant region) in Chiba.
   - The property comprises a one-story building and flat parking areas for 320 vehicles.

2. Overview of the trade area
   (1) Location and access
   - This shopping center is located three kilometers to the east of Chiba Station in a residential district, on the peripheral of the areas around Chiba Station, which has seen notable population growth and is close to National Route 126 and Chiba-higashi Junction.
   - The property, as a road-side shopping center, serves primarily the customers visiting by car, given its location along a roadway. The road to the east of the property is connected to National Route 126 (Togane Kaido) to the north and the south of the property faces the community road to Soga Station.

   (2) Characteristics of the trade area
   - According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 15 thousand people within a one-kilometer radius, 58 thousand people within a two-kilometer radius and 154 thousand people within a three-kilometer radius. The proportion of young family households is relatively higher, on the back of recent increases in single-family homes nearby and increases in condominiums and apartments to the west of Chiba Station.
   - Compared to the population in 2005, the residential population in 2010 in the area has grown to 100.7% within a one-kilometer radius, 101.3% within a two-kilometer radius and 106.1% within a three-kilometer radius, and the number of households in the area has grown to 105.9% within a one-kilometer radius, 106.0% within a two-kilometer radius and 112.1% within a three-kilometer radius.

T-21 Prime Square Jiyugaoka

Property name	Prime Square Jiyugaoka
Anticipated acquisition date	April 19, 2017
Property type	SS
Type of acquisition	Trust beneficiary interest in real estate
Trustee	Sumitomo Mitsui Trust Bank, Ltd. (planned)

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KENEDIX
Retail REIT Corporation

Trust period		April 19, 2017 to April 30, 2037 (planned)
Seller		Undisclosed (Note 1)
Location		1-14-18 Nakane, Meguro-ku, Tokyo
Land	Form of ownership	Proprietary ownership
	Land area	1,290.16 m^2
	Zoning	Category I residential area (partially Category I low-rise exclusive residential area)
	Building coverage ratio	60% (partially 50%)
	Floor-area ratio	300% (partially 100%)
Building	Form of ownership	Proprietary ownership
	Gross floor area	3,512.55 m^2
	Date constructed	June 25, 1992
	Use	Sports club
	Structure/No. of floors	RC-structure/6-story building with 1 basement floor and flat roof
Architect		Daiken Sekkei Inc. Tokyo Office
Construction company		Toda Corporation
Construction confirmation authority		Meguro Ward
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		CRE, Inc. (planned)
PML		6.92%
Anticipated acquisition price		2,820 million yen
Appraisal value (as of)		2,850 million yen (March 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		4.1%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	2
	Annual rent	Undisclosed (Note 2)
	Tenant deposits	Undisclosed (Note 2)
	Leased area	3,512.55 m^2
	Leasable area	3,512.55 m^2
	Occupancy rate	100.0%
Remarks		・Part of this property conflicts with the Building Standards Act and the Fire Service Act. KRR, however, has agreed with the seller that renovation and improvement be completed prior to the transfer of the property at the expense and responsibility of the seller within 3 months, following the acquisition of the property by KRR. ・KRR has agreed with Central Sports Co., Ltd., the tenant of the property, that the renovation and improvement of the exterior walls and interior of the property will be conducted at the expense of KRR (with an upper limit of 80 million yen) after the acquisition of the property.
Others		(Note 1) Undisclosed as KRR has not obtained consent from the previous owner (trust beneficiary). The previous owner is a foreign company engaged in investment business. (Note 2) Undisclosed as KRR has not obtained consent from tenants.

Features of the property and overview of the trade area
A sports club located in the Jiyugaoka area along popular Tokyu Toyoko Line 1. Features of the property

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- The property is located along Meguro Street, between Toritsu-daigaku Station and Jiyugaoka Station on Tokyu Toyoko Line.
- The property is leased to Central Fitness Club, a major fitness club, which has swimming pools, gyms, dance studios, indoor and outdoor driving ranges, squash courts and other sports facilities, catering to the sporting needs of customers of a wide range of ages.

2. Overview of the trade area

(1) Location and access

- Meguro Street, the facing road, connects central Tokyo and Daisan Keihin Expressway and is lined with many retail facilities including imported car dealerships and interior design stores, making this area as a highly attractive roadside destination.
- The property is an approx. seven-minute walk of the nearest Toritsu-daigaku Station and is easily accessible by car due to its location facing Meguro Street.
- The area surrounding the property is a high-end residential area where the number of apartment buildings has been on the increase.

(2) Characteristics of the trade area

- According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 51 thousand people within a one-kilometer radius, 203 thousand people within a two-kilometer radius and 471 thousand people within a three-kilometer radius.
- Compared to the population in 2005, the residential population in 2010 in the area has grown to 101.3% within a one-kilometer radius, 102.2% within a two-kilometer radius and 102.5% within a three-kilometer radius, and the number of households in the area has grown to 109.3% within a one-kilometer radius, 109.6% within a two-kilometer radius and 109.2% within a three-kilometer radius.

T-22 Round1 Ichikawa-Onitaka

Property name		Round1 Ichikawa-Onitaka
Anticipated acquisition date		April 19, 2017
Property type		SS
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust period		February 26, 2008 to April 30, 2037 (planned)
Seller		Sumitomo Mitsui Finance & Leasing Co., Ltd.
Location		4-1-3, Onitaka, Ichikawa, Chiba
Land	Form of ownership	Proprietary ownership
	Land area	4,883.00 m^2
	Zoning	Industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building	Form of ownership	Proprietary ownership
	Gross floor area	8,270.90 m^2
	Date constructed	November 27, 2009
	Use	Amusement place
	Structure/No. of floors	S-structure/6-story building with flat galvanized steel sheet roof
Architect		Axxis Inc. First-Class Architect Office
Construction company		Asanuma Corporation K.K. Tokyo Main Office
Construction confirmation authority		Japan ERI Co., Ltd.
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)

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Sub-PM		ITOCHU Urban Community Ltd. (planned)
PML		Main building/Tenant building: 7.22% Parking building: 10.53%
Anticipated acquisition price		1,880 million yen
Appraisal value (as of)		1,970 million yen (as of February 1, 2017)
Real estate appraiser		Daiwa Real Estate Appraisal Co., Ltd.
Appraisal NOI yield		5.2%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	1
	Annual rent	Undisclosed (Note 1)
	Tenant deposits	Undisclosed (Note 1)
	Leased area	11,963.61 m^2 (Note 2)
	Leasable area	11,963.61 m^2 (Note 2)
	Occupancy rate	100.0%
Remarks		None
Others		(Note 1) Undisclosed as KRR has not obtained lessee's consent. (Note 2) Including the parking places which is deemed as an annex building on the registry.

Features of the property and overview of the trade area

A road-side amusement facility conveniently located in an area with high population growth

1. Features of the property
   - The property is a multi-purpose amusement facility opened in December 2009 and consists of a bowling alley, an arcade game center, karaoke rooms and other entertainment facilities. The property is located near the Keiyo Road Ichikawa Interchange in Ichikawa, Chiba. Although the tenant of the property operates other stores, the retail trade areas do not overlap each other, and the ratio of rent to sales is relatively low.
   - The property consists of a 6-story main building and a separate building housing a parking and restaurants; the main building comprises 52 bowling lanes, 22 karaoke rooms, 310 arcade gaming machines, dartboards and billiard tables, while the separate building comprises of restaurants and parking spaces capable of holding 210 vehicles.

2. Overview of the trade area
   (1) Location and access
   - The property is located along Prefectural Route 283 which is close to Keiyo Road and National Route 14, and in Ichikawa City, Chiba Prefecture where the population has been growing steadily.
   - The property is located in an attractive road-side area facing Prefectural Route 283, a major road in residential communities, lined with diverse retail stores, including grocery supermarkets, drug stores, convenience stores, CD/DVD rental stores and sporting goods stores.
   - The property is easily accessible by car and has a shuttle bus to/from Nishi-Funabashi Station. The property is also expected to attract customers on foot and by bicycle as it is surrounded by large residential districts.
   - The property has the potential to convert into a logistics facility given its proximity to Ichikawa Interchange and the expected opening of Keiyo Junction.

   (2) Characteristics of the trade area
   - According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 33 thousand people within a one-kilometer radius, 334 thousand people within a three-kilometer radius and 806 thousand people within a five-kilometer radius. The proportion of young family households is relatively high as condominiums are increasingly developed in the neighborhood.
   - Compared to the population in 2005, the residential population in 2010 in the area has grown to 102.1% within

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	a one-kilometer radius, 103.5% within a three-kilometer radius and 103.7% within a five-kilometer radius, and the number of households in the area has grown to 110.4% within a one-kilometer radius, 110.7% within a three-kilometer radius and 110.2% within a five-kilometer radius.

F-2 Round1 Stadium Hakata-Hanmichibashi

Property name		Round1 Stadium Hakata-Hanmichibashi
Anticipated acquisition date		April 19, 2017
Property type		SS
Type of acquisition		Trust beneficiary interest in real estate
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust period		March 27, 2006 to April 30, 2037
Seller		Sumitomo Mitsui Finance & Leasing Co., Ltd.
Location		2-2-8 Hanmichibashi, Hakata-ku, Fukuoka, Fukuoka
Land	Form of ownership	Proprietary ownership
	Land area	14,211.76 m^2
	Zoning	Industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building (Note 1)	Form of ownership	Proprietary ownership
	Gross floor area	A: 18,758.47 m^2 B: 313.42 m^2 C: 321.85 m^2
	Date constructed	A: July 26, 2007 B: July 26, 2007 C: July 26, 2007
	Use	A: Amusement place B: Retail Store C: Retail Store
	Structure/No. of floors	A: S-structure/6 story-building with galvanized steel sheet roof B: S-structure/1-story building with flat roof C: S-structure/1-story building with flat roof
Architect		Axxis Inc. First-Class Architect Office
Construction company		Kajima Corporation
Construction confirmation authority		General Building Research Corporation of Japan
Master lessee		—
Type of master lease		—
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		CRE, Inc. (planned)
PML		Main building: 2.17% Parking building: 0.48% Tenant building A: 0.05% Tenant building B: 0.05%
Anticipated acquisition price		5,020 million yen
Appraisal value (as of)		5,190 million yen (February 1, 2017)
Real estate appraiser		Japan Real Estate Institute
Appraisal NOI yield		5.7%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	1
	Annual rent	Undisclosed (Note 2)

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	Tenant deposits	Undisclosed (Note 2)
	Leased area	28,026.61 m^2
	Leasable area	28,026.61 m^2
	Occupancy rate	100.0%
Remarks		・ The waterway on the property's premises is used as a pathway for visitors, based on the approval from Fukuoka City Government and the agreement with the irrigation association of Tokoji Temple.
Others		(Note 1) A refers to the Main building, B refers to the Tenant building A and C refers to the Tenant building B. (Note 2) Undisclosed as KRR has not obtained consent from tenants.

Features of the property and overview of the trade area

A large-scale flagship store for Round One in Kyushu, offering a variety of amusement and sporting facilities

1. Features of the property
   - This large, multi-purpose amusement facility opened in August 2007, in Hakata, Fukuoka near the Fukuoka Airport, is a flagship property of Round One and houses a bowling alley, an arcade game center, karaoke rooms and other entertainment facilities. This property is a large "stadium-type" property offering "Spo-cha," a service charged based on time, and ranks higher in terms of sales among all Round One properties.
   - The property comprises a six-story main building, which houses 50 bowling alleys, 23 karaoke rooms, 340 arcade gaming machines, dartboards and billiard tables, and a restaurant building, which houses three restaurants and a parking building capable of holding 590 vehicles.
   - "Spo-cha" is a service to allow customers to enjoy a wide variety of sporting activities, including a driving range, futsal, tennis, throwing ball and batting, mini golf, archery, roller skating, basketball, badminton and table tennis, within a selected time range.

2. Overview of the trade area
   (1) Location and access
   - This property is located in Hakata, Fukuoka near the Fukuoka Airport and along National Route 3, which connects to the North Kyushu area, and Prefectural Route 112, which connect to Hakata Station.
   - National Route 3 and Prefectural Route 112 are lined with consumer electronic stores, car dealerships, automotive parts stores, fishing stores, family restaurants and other retail stores, making this area a highly attractive roadside destination.
   - The property is easily accessible by car and has a free shuttle bus to/from Hakata Station.

   (2) Characteristics of the trade area
   - According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 17 thousand people within a one-kilometer radius, 206 thousand people within a three-kilometer radius and 593 thousand people within a five-kilometer radius.
   - The young generations in their twenties and thirties account for a high proportion of the residents in the area due to its proximity to central Fukuoka, which is in favor of the amusement facility.
   - Compared to the population in 2005, the residential population in 2010 in the area has grown to 114.2% within a one-kilometer radius, 108.4% within a three-kilometer radius and 107.2% within a five-kilometer radius, and the number of households in the area has grown to 133.8% within a one-kilometer radius, 122.0% within a three-kilometer radius and 117.7% within a five-kilometer radius.

F-3 Kurume-Nishi Shopping Center

Property name	Kurume-Nishi Shopping Center
Anticipated acquisition date	April 19, 2017
Property type	NSC
Type of acquisition	Trust beneficiary interest in real estate

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KENEDIX
Retail REIT Corporation

Trustee		Sumitomo Mitsui Trust Bank, Ltd. (planned)
Trust period		April 19, 2017 to April 30, 2037 (planned)
Seller		M&K Tokutei Mokuteki Kaisha
Location		490-11 Umemitsumachi, Kurume, Fukuoka
Land	Form of ownership	Proprietary ownership
	Land area	11,997.40 m^2
	Zoning	Industrial area
	Building coverage ratio	60%
	Floor-area ratio	200%
Building (Note)	Form of ownership	Proprietary ownership
	Gross floor area	A: 2,977.88 m^2 B: 1,543.04 m^2 C: 94.86 m^2
	Date constructed	A: October 10, 2007 B: October 10, 2007 C: October 10, 2007
	Use	A: Retail store B: Retail store C: Retail store
	Structure/No. of floors	A: S-structure/1-story building with galvanized steel sheet roof B: S-structure/1-story building with galvanized steel sheet roof C: Wood-structure/1-story building with slate roof
Architect		M building/AB building: Fujita Corporation Kyushu Branch First-Class Architect Office C building: Zen Environmental Design First-Class Architect Office
Construction company		Fujita Corporation Kyushu Branch
Construction confirmation authority		M building/AB building: City of Kurume C building: Japan ERI Co., Ltd.
Master lessee		–
Type of master lease		–
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		CRE, Inc. (planned)
PML		M building: 2.37% AB building: 2.39% C building: 4.58%
Anticipated acquisition price		1,515 million yen
Appraisal value (as of)		1,600 million yen (February 1, 2017)
Real estate appraiser		Japan Real Estate Institute
Appraisal NOI yield		6.0%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	4
	Annual rent	103,364 thousand yen
	Tenant deposits	62,263 thousand yen
	Leased area	4,641.10 m^2
	Leasable area	4,641.10 m^2
	Occupancy rate	100.0%
Remarks		None
Others		(Note) A refers to the building M, B refers to the building AB, C refers to the building C respectively.
Features of the property and overview of the trade area		

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An NSC located in a residential district on the peripheral of the urban areas in central Kurume City and housing tenants including a grocery supermarket and a drug store

1. Features of the property
   - The NSC is located on the peripheral of central urban areas and houses Maxvalu, a large grocery supermarket, as the core tenant.
   - The property is located along National Route 264 and houses a Sundrug store, a Nishimatsuya baby goods store and a restaurant, besides the grocery supermarket. The property consists of three one-story buildings and has flat parking areas capable of holding over 150 vehicles in front of the property.

2. Overview of the trade area
   (1) Location and access
   - This property is located one kilometer to the south of JR Kurume Station on the peripheral of urban areas, surrounded by large residential districts and with Chikugo River to the west and central urban areas to the east of the property.
   - This property faces National Route 264 on the north and a single-lane community road running north and south has made the NSC highly accessible by car and is suitable for the NSC which holds a grocery supermarket as the core tenant.
   - Kurume is an industrially developed area centered around the rubber industry, where Bridgestone Corporation, one of the world's largest tire and rubber companies, was founded and operates a factory.

   (2) Characteristics of the trade area
   - According to the national census in 2010, the surrounding retail trade areas has a residential population of approx. 18 thousand people within a one-kilometer radius, 60 thousand people within a two-kilometer radius and 108 thousand people within a three-kilometer radius. Urban areas to the east and southeast of the property are densely populated areas that are located within the property's retail trade area.
   - Compared to the population in 2005, the residential population in 2010 in the area remained stable within a one-kilometer radius, and the residential population in the area has grown to 101.1% within a two-kilometer radius and 100.1% within a three-kilometer radius, and the number of households in the area has grown to 107.0% within a one-kilometer radius, 107.7% within a two-kilometer radius and 106.2% within a three-kilometer radius.

R-10 Sun Street Hamakita

Property name		Sun Street Hamakita
Anticipated acquisition date		April 27, 2017
Property type		NSC
Type of acquisition		Trust beneficiary interest in real estate (90% trust beneficiary co-ownership interest) (Note 1)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Trust period		March 28, 2008 to April 30, 2037 (planned)
Seller		JRP9 GK
Location		5695 Hirakuchi, Hamakita-ku, Hamamatsu, Shizuoka
Land (Note 2)	Form of ownership	Proprietary ownership and land leasehold interest
	Land area	96,832.21 m^2
	Zoning	–
	Building coverage ratio	60%
	Floor-area ratio	200%
Building (Note 2) (Note 3)	Form of ownership	Proprietary ownership
	Gross floor area	A: 34,236.71 m^2 B: 23,181.39 m^2 C: 1,984.37 m^2

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		D: 686.44 m^2
	Date constructed	A: July 5, 2007 B: July 5, 2007 C: November 26, 2007 D: August 8, 2009
	Use	A: Retail store B: Retail store, movie theater C: Amusement place D: Retail store
	Structure/No. of floors	A: S-structure/3-story building with flat roof B: S-structure/4-story building with flat roof C: S-structure/1-story building with flat roof D: S-structure/1-story building galvanized steel sheet roof
Architect		Main building/Mall building/Wing building: Kajima Corporation Architectural Design Division Colore building: FPC K.K. First-Class Architect Office
Construction company		Main building/Mall building/Wing building: Kajima Corporation Yokohama Branch Colore building: Suzuyo Kensetsu
Construction confirmation authority		Main building/Mall building/Wing building: The Building Center of Japan Colore building: Bureau Veritas Japan
Master lessee		Sojitz Commerce Development Corporation (planned)
Type of master lease		Pass-through type
PM		Kenedix Real Estate Fund Management, Inc. (planned)
Sub-PM		Sojitz Commerce Development Corporation (planned)
PML		Main building: 10.58% Mall building: 19.67% Colore building: 9.35% Wing building: 9.43%
Anticipated acquisition price		10,746 million yen
Appraisal value (as of)		10,890 million yen (February 1, 2017) (Note 4)
Real estate appraiser		Japan Real Estate Institute
Appraisal NOI yield		5.8%
Collateral		None
Lease summary		(As of the end of January 2017)
	Number of tenants	51 (Note 2) (Note 5)
	Annual rent	836,549 thousand yen (Note 6)
	Tenant deposits	487,755 thousand yen (Note 4)
	Leased area	47,960.46 m^2 (Note 4)
	Leasable area	49,023.30 m^2 (Note 4)
	Occupancy rate	97.8% (Note 7)
Remarks		・ KRR will execute a trust beneficiary co-ownership interest quasi-co-ownership agreement with Sojitz Commerce Development Corporation, a quasi-co-owner of the property. The agreement will stipulate the method of decision making concerning the property, for example the preferential offer to the other quasi-owner in the sale of quasi-co-ownership. ・ Of the entire land for the property, the trustee has leased 67,399.00 m^2 from a few individuals and two corporations. ・ As of March 23, 2017, of all the boundary lines with adjacent lands, the boundaries with the road on the southeast and with the irrigation ditch have not been confirmed in writing. The trustee, however, has applied for confirmation concerning the boundary with the road and sewage waterway.

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<table>
<tr><td></td><td>・ Part of the land owned by the trustee (650.54 m^2) carries an easement as servient land whereby a power transmission line can be installed in the land.
・ Part of the river in the neighborhood of the property is used for a pathway for visitors and a drainage ditch based on the approval by Hamamatsu City Government.</td></tr>
<tr><td>Others</td><td>(Note 1) The seller co-owns the trust beneficiary interest in the property with Sojitz Commerce Development Corporation (a trust beneficiary co-ownership interest of 10%). KRR plans to acquire the trust beneficiary co-ownership interest held by the seller (a trust beneficiary co-ownership interest of 90%).
(Note 2) Refer to the land and entire buildings of the property.
(Note 3) A refers to Main building, B refers to Mall building, C refers to Colore building and D refers to Wing building respectively.
(Note 4) Represents the amounts corresponding to the trust beneficiary co-ownership interest held by the seller (90% of the trust beneficiary co-ownership interest).
(Note 5) Represents the number of end tenants.
(Note 6) Calculated by multiplying the monthly fixed rent and the common area charges as of January 2017 for the pro rata portion of the trust beneficiary co-ownership interest (90%) held by the seller by 12; Variable rent such as sales-linked rent is not included. Actual variable rent income (monthly, excluding consumption taxes) from August 2016 is as follows.
<table>
<tr><td></td><td>August 2016</td><td>September 2016</td><td>October 2016</td><td>November 2016</td><td>December 2016</td><td>January 2017</td></tr>
<tr><td>Actual variable rent received (thousand yen)</td><td>-2,096 (Note 8)</td><td>1,737</td><td>790</td><td>14,539</td><td>1,266</td><td>2,244</td></tr>
</table>
(Note 7) While the buildings and the underlying land of this property are leased to different tenants, the occupancy rate represents the total occupancy rate of both the buildings and the underlying land.
(Note 8) Refund has been made in some tenants contracts.</td></tr>
<tr><td colspan="2">Features of the property and overview of the trade area</td></tr>
<tr><td colspan="2">A large NSC located in an area with high population growth and with expectation to generate synergies between Seiyu as core tenant and other tenants offering “services and experiences”

1. Features of the property
・ The property is a large NSC that opened in July 2007 and consists of a mall building that houses the core tenant Seiyu operated by a group company of Walmart and is steadily growing with the EDLP (Everyday Low Price) strategy, specialty stores (including a clothing retailer, a discount retailer, etc.), a leading movie theater and a spa with a natural hot spring as its sub-core tenants, and a separate building that houses an automotive parts store, a car dealership and an internet cafe, among other retail stores.
・ The property is located in Hamakita, central Hamamatsu, which has seen a notable population growth in recent years, and is along National Route 152 and Prefectural Route 391, which are both major roads.
・ The property consists of a 3-story main building and other annex buildings, and provides flat parking areas on the ground capable of holding 928 vehicles, and parking spaces on the 2nd floor and on the roof capable of holding 1,134 vehicles.
・ The property is scheduled to reopen in April 2017 after Seiyu, the core tenant, subleases approx. 60% of its leased area to Homecenter Valor, a home and garden store, which will allow Seiyu to benefit from the growing retail market “shift from GMS to specialty stores” and focus on its grocery supermarket operation.
・ We also believe that, by adjacently operating a movie theater and a spa, we can incentivize a wide variety of customers to visit our property, which will develop synergies between the tenants.</td></tr>
</table>

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2. Overview of the trade area

(1) Location and access

- The subject area is located in Hamakita in central Hamamatsu City where the population has been growing rapidly and is also near "Kirari Town Hamakita," a popular new residential district in Hamamatsu.
- The property is easily accessible by car due to its location facing National Route 152 and Prefectural Route 391. These two roads provide access to the property from the north, south, east and west.
- Suzuki Motor Corporation, one of the largest auto manufacturers in Japan, has been consolidating its plants and other development facilities in an area to the northwest of the property and is expected to hire additional employees in the near future. In addition, Yamaha Motor's Hamakita Plant and other facilities are located to the east of the property and the workers in these plants and facilities are expected to stop by the property after work.

(2) Characteristics of the trade area

- According to the national census in 2010, the surrounding retail trade area has a residential population of approx. 58 thousand people within a three-kilometer radius, 157 thousand people within a five-kilometer radius and 517 thousand people within a ten-kilometer radius. The proportion of young family households is relatively high.
- Compared to the population in 2005, the residential population in 2010 in the area has grown to 107.7% within a three-kilometer radius, 103.2% within a five-kilometer radius and 100.4% within a ten-kilometer radius, and the number of households in the area has grown to 112.4% within a three-kilometer radius, 107.2% within a five-kilometer radius and 105.0% within a ten-kilometer radius.

4. Potential impact on KRR's financial position in case the forward commitment, etc. could not be executed

Of all the properties to be acquired, the trust beneficiary interest transfer agreement for Kawamachi Yahagi Mall (the "agreement") falls under the forward commitment, etc. by an investment corporation (Note), as stipulated in the "Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc." enacted by the FSA.
In case either of the parties violates any provisions of the agreement (including the case where the representation and warranty is untrue, but excluding minor violations), and if the violation makes it impossible for the other party to achieve the objective of the agreement, such other party is entitled to terminate the agreement by giving a prior notice, unless otherwise stated in the agreement. In the event the agreement is terminated in such a manner, the violating party shall compensate for the damage resulted from the termination by paying a penalty corresponding to 20% of the acquisition price (excluding consumption taxes and local consumption taxes) to the other party.
The agreement, however, will take effect on the condition precedent of, among others, the completion of KRR's financing through the above-mentioned issuance of new investment units and borrowing. In the event the condition precedent is not satisfied until the closing date, the agreement will be terminated as of the closing date. In this case, as stipulated in the agreement, the seller cannot ask for compensation for the damages, resulted from the failure to meet the condition precedent, to KRR.
KRR therefore believes that even if KRR fails to finance the acquisition through the issuance of new investment units and borrowing and cannot pay for the acquisition, it is unlikely to directly have adverse effect on KRR's financial position, dividends, etc. as the contract terminates and KRR is not asked for any compensation.

(Note) The forward commitment, etc. by an investment corporation means, of real estate transactions by an investment corporation, a forward commitment contract that is conditional on settlement and delivery of properties after the elapse of 1 month or more from the execution of the contract and other contracts in the similar nature.

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5. Overview of Sellers

T-18 Totsuka-Fukaya Shopping Center (Land)
T-22 Round1 Stadium Ichikawa-Onitaka
F-2 Round1 Stadium Hakata-Hanmichibashi

Name	Sumitomo Mitsui Finance and Leasing Co., Ltd.
Address	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	728,821 million yen (Consolidated, as of the end of March 2016)
Total assets	4,736,869 million yen (Consolidated, as of the end of March 2016)
Major shareholders (Shareholding ratios)	Sumitomo Mitsui Financial Group, Inc. 58.23% Sumitomo Corporation 38.82% (as of the end of March 2016)
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	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 February 15, 2017

T-19 Yumemachi Narashinodai Mall

Name	JRP8 GK
Address	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative	Representative partner: Ippan Shadan Hojin JRP8 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

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	3. All kinds of services ancillary/related to the above businesses
Capital	1.0 million yen
Incorporation	October 3, 2016
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	An Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager holds 100% of the total invested capital in the seller. KRR exercised a preferential negotiation right obtained by investing 100 million yen in the capital in the Tokumei Kumiai. Also, Kenedix, Inc. holds 93.2% of the total invested capital in the Tokumei Kumiai.
Personnel relationship	No special personnel relationship between KRR/the Asset Manager and the seller. Also, no special personnel relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.
Business relationship	Other than the stake in Tokumei Kumiai described in Capital relationship above, there is no special business relationship between KRR/the Asset Manager and the seller. Kenedix, Inc. is entrusted with asset management by the seller.
Related party transactions	The seller is deemed a related party under the Investment Trust Law and the "Retail REIT Division's Internal Regulations on Related Party Transactions" of the Asset Manager.

* as of February 22, 2017

T-20 Kawamachi Yahagi Mall

Name	GK KRF63
Location	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative	Representative partner: Ippan Shadan Hojin KRF63 Tadatsugu Ishimoto, 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. Warehousing and warehouse management 4. All kinds of services ancillary/related to the above businesses
Capital	1.0 million yen
Incorporation	March 22, 2016
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	An Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holds 100% of the total invested capital in the seller. Also, Kenedix, Inc. holds 100% of the total invested capital in the Tokumei Kumiai.
Personnel relationship	No special personal relationship between KRR/the Asset Manager and the seller. Also, no special personal relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of 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 the Investment Trust Law and the "Retail REIT Division's Internal Regulations on Related Party Transactions" of the Asset Manager.

* as of February 6, 2017

T-21 Prime Square Jiyugaoka

The seller is a foreign company, and the name of the seller and other information are undisclosed as KRR has not

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obtained the seller's consent. There is no special capital, personnel, business relationship between KRR/the Asset Manager and the seller.

F-3 Kurume-Nishi Shopping Center

Name	M&K Tokutei Mokuteki Kaisha
Location	Ginza Wall Building UCF 5F, 6-13-16 Ginza, Chuo-ku, Tokyo
Name and title of representative	Takamichi Doi, Director
Description of business	1. Operations related to the acquisition, management and disposal of specified assets under an asset liquidation plan in accordance with the Asset Liquidation Act 2. All kinds of services ancillary/related to the above businesses
Special capital	100,000 yen
Preferred equity	1.2 billion yen
Investor of preferred equity	Katayama Kogyo Co., Ltd (100%)
Incorporation	January 13, 2016
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 personal relationship between KRR/the Asset Manager and the seller. Also, no special personal relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of the seller.
Business relationship	No special business relationship between KRR/the Asset Manager and the seller. Also, no special business relationship between the related parties/affiliates of KRR/the Asset Manager and the related parties/affiliates of 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 February6, 2017

R-10 Sun Street Hamakita

Name	JRP9 GK
Location	6-5 Nihombashi Kabutocho, Chuo-ku, Tokyo
Name and title of representative	Representative partner: Ippan Shadan Hojin JRP9 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
Capital	1.0 million yen
Incorporation	December 14, 2016
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	An Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holds 100% of the total invested capital in the seller. Also, Kenedix, Inc. holds 100% of the total invested capital in the Tokumei Kumiai operated by the seller.
Personnel relationship	No special business relationship between KRR/the Asset Manager and the seller. Also, no special business relationship between the related parties/affiliates of KRR/the Asset

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		Manager and the related parties/affiliates of the seller.
	Business relationship	No special business relationship between KRR/the Asset Manager and the seller. Kenedix, Inc. is entrusted with asset management by the seller.
	Related party transactions	The seller is deemed a related party under the Investment Trust Law and the "Retail REIT Division's Internal Regulations on Related Party Transactions" of the Asset Manager.

* as of February 22, 2017

6. 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, 2017 and agreed upon by the executive officers of KRR based on such resolution.

(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)
JRP8 GK	Yumemachi Narashinodai Mall	3,416
GK KRF63	Kawamachi Yahagi Mall	3,097
JRP9 GK	Sun Street Hamakita	10,746

(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 five multi-tenant retail properties:

Services provided by	Property name	Services provided	Property management fee (annual)
Kenedix Real Estate Fund Management, Inc.	Yumemachi Narashinodai Mall Kawamachi Yahagi Mall Prime Square Jiyugaoka Kurume-Nishi Shopping Center Sun Street Hamakita	Property management	Income from properties × 1.5% + on-site personnel expenses

Property management fees for two single-tenant retail properties:

Services provided by	Property name	Services provided	Property management fee (annual)
Kenedix Real Estate Fund Management, Inc.	Round1 Ichikawa-Onitaka Round1 Stadium Hakata-Hanmichibashi	Property management	7.2 million yen (3.6 million yen per property)

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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.	Totsuka-Fukaya Shopping Center (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 to less than 200 million yen	3,170,000 yen + 2% on the portion exceeding 100 million yen
200 million yen or more	5,170,000 yen + 1% on the portion exceeding 200 million yen

7. 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
Yumemachi Narashinodai Mall	(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. (3,520 million yen)	(1) JRP8 GK (2) A private property fund where (i) an Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager, and (ii) Kenedix, Inc. combined hold 93.2% of the sum of the total invested capital in the seller and the Tokumei Kumiai operated by the Seller and Kenedix, Inc. is entrusted with asset management by (3) Acquired for investment management purposes	Parties other than special interested parties
	3,416 million yen (before tax)	3,310 million yen (before tax)	–
	April 2017	November 2016	–
Kawamachi Yahagi Mall	(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 considering the	(1) GK KRF63. (2) A private property fund where (i) an Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act	Parties other than special interested parties

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	fact that the seller has taken a certain level of risks by acquiring the underlying land at the time of development of the property, the property will be 100% occupied at the time of opening and the price below the appraisal value by Daiwa Real Estate Appraisal Co., Ltd. (3,220 million yen)	holding 100% of the Asset Manager, and (ii) Kenedix, Inc. combined hold 100% of the sum of the total invested capital in the seller and the Tokumei Kumiai operated by the Seller and Kenedix, Inc. is entrusted with asset management by (3) Acquired for investment management purposes	
	3,097 million yen (before tax)	2,754 million yen (before tax)	–
	May 2017	Land: September 2016 Building: March 2017	–
Sun Street Hamakita	(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 Japan Real Estate Institute (10,890 million yen)	(1) JRP9 GK (2) A private property fund where (i) an Ippan Shadan Hojin which is wholly owned and provided with funds by Kenedix, Inc., the parent company under the Financial Instruments and Exchange Act holding 100% of the Asset Manager, and (ii) Kenedix, Inc. combined hold 100% of the sum of the total invested capital in the seller and the Tokumei Kumiai operated by the Seller and Kenedix, Inc. is entrusted with asset management by(3) Acquired for investment management purposes	Parties other than special interested parties
	10,746 million yen (before tax)	10,350 million yen (before tax)	–
	April 2017	January 2017	–

Totsuka-Fukaya Shopping Center (Land), Prime Square Jiyugaoka, Round1 Ichikawa-Onitaka, Round1 Stadium Hakata-Hanmichibashi and Kurume-Nishi Shopping Center are not acquired from parties with a special vested interest in KRR or the Asset Manager.

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8. Broker Profile

T-21 Prime Square Jiyugaoka

The profile and other information of the broker, which is a domestic corporation, are not disclosed as KRR has not obtained consent from the broker. The broker 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 and there is no other special capital, personal, and business relationship between KRR/the Asset Manager and the broker that need to be recorded.

F-3 Kurume-Nishi Shopping Center

The profile and other information of the broker, which is a domestic corporation, are not disclosed as KRR has not obtained consent from the broker. The broker is not deemed a related party under either the Investment Trust Law or the Retail REIT Division and there is no other special capital, personal and business relationship between KRR/the Asset Manager and the broker that need to be recorded.

9. Acquisition schedule

No.	Property name	Acquisition decision date Contract date	Payment date (anticipated) Acquisition date (anticipated)
T-18	Totsuka-Fukaya Shopping Center (Land),	March 31, 2017	April 19, 2017
T-19	Yumemachi Narashinodai Mall		
T-20	Kawamachi Yahagi Mall		May 18, 2017
T-21	Prime Square Jiyugaoka		April 19, 2017
T-22	Round1 Ichikawa-Onitaka		
F-2	Round1 Stadium Hakata-Hanmichibashi		
F-3	Kurume-Nishi Shopping Center		
R-10	Sun Street Hamakita		April 27, 2017

10. Outlook

Please refer to "Notice Concerning Revisions to Earnings, and Distributions Forecasts for the Fiscal Period Ending September 30, 2017, and the Earnings and Distributions Forecasts for the Fiscal Period Ending March 31, 2018."

11. Summary of Real Estate Appraisal Report

T-18 Totsuka-Fukaya Shopping Center (Land)

Summary of real estate appraisal report			
Appraisal value	4,290,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		4,290,000,000 yen	Calculated by the DCF method, with the results verified using the term capitalization (inwood capitalization) method
Value based on direct capitalization method (term capitalization).		4,290,000,000 yen	Calculating by multiplying the stabilized NCF with compound present value factor and then adjusting the present value of the land at the end of the lease contract
(1) Gross operating revenue (Note 1)		Undisclosed	

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			(a)－b))		
			a) General operating revenue	Undisclosed	
			b) Vacancy-related loss	0 yen	
		(2)	Operating expenses (Note 1)	Undisclosed	
			Maintenance fees	0 yen	Not applicable as the property is land
			Utility expenses	0 yen	Not applicable as the property is land
			Repairs	0 yen	Not applicable as the property is land
			PM fees	2,400,000 yen	Calculated based on the anticipated PM contract for the property and the PM contracts for comparable properties
			Tenant marketing expenses	0 yen	None assuming long-term tenancy
			Real estate taxes	Undisclosed	
			Insurance expenses	0 yen	Not applicable as the property is land
			Other property-related expenses	0 yen	None
		(3)	Net operating income (NOI＝(1)－(2))	191,007,100 yen	
		(4)	One-time gain	2,022,000 yen	
		(5)	Capital expenditure	0 yen	Not applicable as the property is land
		(6)	Net cash flow (NCF＝(3)＋(4)－(5))	193,029,100 yen	
		(7)	Cap rate (Note 2)	4.7%	Calculated based on overall evaluation of the location and contract terms for the property
	Value based on DCF method			4,290,000,000 yen	
			Discount rate	4.6%	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	4.8%	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				－	
	Ratio of land			－	
	Ratio of building			－	
Adjustments in estimated values and considerations taken into account in determining appraisal value			The property is located about 4.7 km southwest of Totsuka Station on JR Tokaido Honsen, Yokosuka Line, Shonan Shinjuku Line and Yokohama Municipal Subway Blue Line. The property located along Loop Route 4 provides easy car access and is well positioned to attract customers from broader areas. Also the location has a good living environment with a convenient commuting and one of the largest parks in the local area. The surrounding area has a stable retail trade area and a population where a residential development project is undergoing nearby the property. Considering the above-mentioned factors, the retail facility on the underlying land is well located to attract both passengers passing along the road in front of the property by car and local residents. The property is an underlying land under a commercial fixed-term land lease and its rent level is considered fair given market rents and the profitability of the building on the property. For these reasons, stable revenues based on the rent revenues are expected from the property. All these factors have been taken into account in the appraisal.		

(Note 1) Figures used in the direct capitalization (term 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.
(Note 2) Cap rate indicates the discount rate for inwood capitalization method.
(Note 3) The figures described in the appraisal report above are the totals of the two tenants.

T-19 Yumemachi Narashinodai Mall

Summary of real estate appraisal report	
Appraisal value	3,520,000,000 yen
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.

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as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		3,520,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		3,550,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (a)－b))	228,876,926 yen	
	a) General operating	232,320,936 yen	Calculated based on the fair rent level that is expected to remain stable over the medium term
	b) Vacancy-related loss	3,444,010 yen	Calculated based on the occupancy rate level that is expected to remain stable over the medium term
(2)	Operating expenses	52,748,339 yen	
	Maintenance fees	11,500,000 yen	Calculated based on the BM fee estimate obtained from the requestor
	Utility expenses	5,675,424 yen	Calculated based on the actual utility expenses in the past and the level of utility expenses for comparable properties
	Repairs	1,433,640 yen	Calculated based on the levels of repair expenses for comparable properties and the repurchase price of buildings
	PM fees	11,155,077 yen	Calculated based on the anticipated PM fees for the property and the information on PM fees for comparable properties from the requestor
	Tenant marketing expenses	879,598 yen	Calculated based on tenant marketing expense levels for comparable properties
	Real estate taxes	21,067,600 yen	Calculated based on the taxation notice for 2016 and other information (including depreciable assets tax)
	Insurance expenses	537,000 yen	Calculated based on the levels of insurance expenses for comparable properties
	Other property-related expenses	500,000 yen	Calculated based on the information concerning other expenses, including ad expenses, obtained from the requestor and by taking into account the levels of reserves for comparable properties
(3)	Net operating income (NOI＝(1)－(2))	176,128,587 yen	
(4)	One-time gain	1,539,311 yen	Calculated on assumption that the investment yield is 1.0%
(5)	Capital expenditure	3,604,100 yen	Calculated based on the levels of capital expenditure for comparable properties and the repurchase price of buildings, and also taking into account of CM fees
(6)	Net cash flow (NCF＝(3)＋(4)－(5))	174,063,798 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		3,500,000,000 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	5.1%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property

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Value based on cost method		3,220,000,000 yen	
	Ratio of land	69.4%	
	Ratio of building	30.6%	
Adjustments in estimated values and considerations taken into account in determining appraisal value	The subject property is located approx. 1.2 km south of Funabashi-Nichidaimae Station on Toyo Rapid Railway and it is located along National Route 296 which connects Chiba with the center of Tokyo and has comparatively heavy traffic. There are residential areas surrounding the property, and the property can attract residents in the neighborhood as well as car users accessing from the national route. Additionally, the population of the surrounding area is increasing with many relatively young families. Considering the above-mentioned factors, the property is considered as a retail facility with a certain level of attraction to customers. All these factors were taken into account in the appraisal.		

T-20 Kawamachi Yahagi Mall

Summary of real estate appraisal report			
Appraisal value	3,220,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		3,220,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		3,300,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (Note) (a)－b))	203,490,629 yen	
	a) General operating revenue	204,806,220 yen	Calculated based on the fair rent level that is expected to remain stable over the mid- and long-term
	b) Vacancy-related loss	1,315,591 yen	Calculated based on the occupancy rate level that is expected to remain stable over the mid- and long-term
(2)	Operating expenses (Note)	43,516,023 yen	
	Maintenance fees	8,472,000 yen	Calculated based on the BM fee estimate obtained from the requestor
	Utility expenses	5,860,590 yen	Calculated based on the actual utility expenses in the past and the level of utility expenses for comparable properties
	Repairs	1,102,872 yen	Calculated based on the levels of repair expenses for comparable properties and the repurchase price of buildings
	PM fees	4,000,000 yen	Calculated based on the anticipated PM fees for the property and the information on PM fees for comparable properties from the requestor
	Tenant marketing expenses	203,353 yen	Calculated based on tenant marketing expense levels for comparable properties
	Real estate taxes	15,440,028 yen	Calculated based on the taxation notice for 2016 and other information (including depreciable assets tax)
	Insurance expenses	319,680 yen	Calculated based on actual insurance premium rates for comparable properties
	Other property-related expenses	8,117,500 yen	Calculated based on the information concerning other expenses, including traffic guard expenses obtained from the requestor and by taking into account the levels of reserves for comparable properties
(3)	Net operating income (NOI＝(1)－(2))	159,974,606 yen	
(4)	One-time gain	1,050,765 yen	Calculated on assumption that the investment yield is 1.0%

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		(5) Capital expenditure	2,777,180 yen	Calculated based on the levels of capital expenditure for comparable properties and the repurchase price of buildings, and also taking into account of CM fees
		(6) Net cash flow (NCF=(3)+(4)−(5))	158,248,191 yen	
		(7) Cap rate	4.8%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method		3,180,000,000 yen	
		Discount rate	4.6%	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	5.0%	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			3,380,000,000 yen	
	Ratio of land		75.0%	
	Ratio of building		25.0%	
Adjustments in estimated values and considerations taken into account in determining appraisal value	The subject property is located approx. 2.8 km east of Chiba Chuo Station and facing the 13 to 15-meters wide Kaizuka-cho / Miyazaki-cho Line, a major community road which Togane Kaido on the north side of Miyako River and to Soga Station on the south side of the river. Also, behind and to the south of the property is a large and comfortable residential area. The retail stores in the neighborhood can draw customers from both the frontal road and surrounding residential area. The property will likely remain highly competitive and retain the ability to attract customers in the subject area given the scales and profiles of the prospective tenants. All these factors have been taken into account in the appraisal.			

T-21 Prime Square Jiyugaoka

Summary of real estate appraisal report			
Appraisal value	2,850,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	March 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		2,850,000,000 yen	Calculated using the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		2,890,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
	(1) Gross operating revenue (Note) (a)−b))	Undisclosed	
	a) General operating revenue	Undisclosed	
	b) Vacancy-related loss	Undisclosed	
	(2) Operating expenses (Note)	Undisclosed	
	Maintenance fees	0 yen	None based on assumption that the expenses are borne by tenants
	Utility expenses	0 yen	None based on assumption that the expenses are borne by tenants
	Repairs	Undisclosed	
	PM fees	3,600,000 yen	Calculated based on the anticipated PM fees for the property and the level of PM fees for comparable properties
	Tenant marketing expenses, etc.	Undisclosed	
	Real estate taxes	Undisclosed	

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		Insurance premium expenses	Undisclosed	
		Other property-related expenses	0 yen	None
	(3)	Net operating income (NOI=(1)−(2))	116,805,677 yen	
	(4)	One-time gain	1,346,309 yen	
	(5)	Capital expenditure	14,218,022 yen	Calculated based on the average annual renovation expenses described in the engineering report plus CM fees
	(6)	Net cash flow (NCF=(3)+(4)−(5))	103,933,964 yen	
	(7)	Cap rate	3.6%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
Value based on DCF method			2,830,000,000 yen	
		Discount rate	3.4%	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	3.8%	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			2,650,000,000 yen	
Ratio of land			87.4%	
Ratio of building			12.6%	
Adjustments in estimated values and considerations taken into account in determining appraisal value			The property is a fitness club (partially office) located 500 m southwest of Toritsu-daigaku Station on Tokyu Toyoko Line. It has strong locational advantages from the view point of the number of customers and quality of customer base, as the relevant trade area is highly populated and the local residents are considered to have relatively high income, with the high-quality residential area behind the property. The property is easily accessible by car for its location along Meguro Street and Loop Route 7. Also, KRR performed a comparison of location and facility with comparable properties and confirmed the property meets the needs of customers. With respect to the current tenant, the rent level is considered fair and the stable operation of fitness club is expected. 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 tenants for its disclosure. Such information or figures that can make calculation of such information are not disclosed in (1) and (2) above.

T-22 Round1 Ichikawa-Onitaka

Summary of real estate appraisal report			
Appraisal value	1,970,000,000 yen		
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		1,970,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		1,950,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (Note) (a)−b))	Undisclosed	
	a) General operating revenue	Undisclosed	
	b) Vacancy-related loss	0 yen	Calculated based on the occupancy rate level that is expected to remain stable over the medium term
(2)	Operating expenses (Note)	Undisclosed	
	Maintenance fees	Undisclosed	
	Utility expenses	0 yen	None on assumption that the expenses are borne by

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					tenants
			Repairs	Undisclosed	
			PM fees	3,600,000 yen	Calculated based on the anticipated PM fees for the property and the information on PM fees for comparable properties from the requestor
			Tenant marketing expenses	0 yen	None assuming a long tenancy by the existing tenants
			Real estate taxes	Undisclosed	
			Insurance expenses	Undisclosed	
			Other property-related expenses	Undisclosed	
		(3)	Net operating income (NOI=(1)−(2))	96,917,574 yen	
		(4)	One time gain	400,000 yen	
		(5)	Capital expenditure	3,523,925 yen	Calculated based on the levels of capital expenditure for comparable properties and on the building repurchase price plus CM fees
		(6)	Net cash flow (NCF=(3)+(4)−(5))	93,793,649 yen	
		(7)	Cap rate	4.8%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method			1,980,000,000 yen	
			Discount rate	4.6%	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	5.0%	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				3,250,000,000 yen	
	Ratio of land			60.5%	
	Ratio of building			39.5%	
Adjustments in estimated values and considerations taken into account in determining appraisal value				The property is located approx. 1,200 m south to Motoyawata Station on JR Sobu Honsen Line and Toei Subway Shinjuku Line. The Wakamiya/Nishifuna/Ichikawa prefectural road, a major trunk road running east and west and facing the property, provides easy access by car to the property. Behind the property is a large residential area, with some public facilities and condominiums. The property, therefore, can attract both the residents in the neighborhood and car users accessing from the frontal road. The property is highly competitive compared to other comparable stores in the area, considering the size and characteristics of existing tenants. Considering the above-mentioned factors, the property is considered as a retail facility with a certain level of attraction to customers. Also, strong demands to convert the property to a logistics facility may be expected given its proximity to Ichikawa Interchange and expected opening of Keiyo Junction. 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.

F-2 Round1 Stadium Hakata-Hanmichibashi

Summary of real estate appraisal report			
Appraisal value	5,190,000,000 yen		
Appraiser	Japan Real Estate Institute		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		5,190,000,000 yen	Calculated by relating the direct-capitalization method with the DCF method
	Value based on direct capitalization method	5,210,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate

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		(1) Gross operating revenue (Note) (a)－b))	Undisclosed	
		a) General operating revenue	Undisclosed	
		b) Vacancy-related loss	0 yen	None on assumption due to single-lease property
		(2) Operating expenses (Note)	Undisclosed	
		Maintenance fees	0 yen	None as the tenants are responsible for daily maintenance and management
		Utility expenses	0 yen	None as the expenses are borne by tenants
		Repairs	Undisclosed	
		PM fees	3,600,000 yen	Calculated based on the anticipated PM fees for the property and the PM fees for comparable properties
		Tenant marketing expenses	0 yen	None as tenant replacement or contract renewal expenses should be considered in the calculation of cap rate
		Real estate taxes	Undisclosed	
		Insurance expenses	Undisclosed	
		Other property-related expenses	Undisclosed	
		(3) Net operating income (NOI＝(1)－(2))	286,090,000 yen	
		(4) One-time gain	3,900,000 yen	
		(5) Capital expenditure	3,557,000 yen	Calculated based on the average annual renovation expenses described in the engineering report plus CM fees
		(6) Net cash flow (NCF＝(3)＋(4)－(5))	286,433,000 yen	
		(7) Cap rate	5.5%	Calculated based on overall evaluation of the location, building specifications and contract terms of the property
	Value based on DCF method		5,160,000,000 yen	
		Discount rate	5.2%	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	5.7%	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			4,800,000,000 yen	
	Ratio of land		70.3%	
	Ratio of building		29.7%	
Adjustments in estimated values and considerations taken into account in determining appraisal value			The property is in a relatively good location as a suburban retail property, with a easy access by car due to its location on a trunk road and near National Route 3, Prefectural Route 112 (former National Route 3) and Hanmichibashi exit/entrance on Fukuoka Urban Expressway and on foot as it is within walking distance from Higashi-Hie Station on Fukuoka City Subway Airport Line and has enough population in the relevant trade area. While the property lacks tenant substitutability and the continuity of the current tenant is important, stable revenues are guaranteed considering the tenant's creditability. In addition, even after the expiration of the current lease contract, the probability of renewal of the contract is relatively high given the current tenant's business conditions and the competitiveness of the facility. The property also has enough competitiveness in the market given that the property is easy to manage and operate as it is a single-lease of so-called "skeleton building." All these factors have been taken into account in the appraisal.	

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F-3 Kurume-Nishi Shopping Center

Summary of real estate appraisal report			
Appraisal value	1,600,000,000 yen		
Appraiser	Japan Real Estate Institute		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		1,600,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		1,610,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (a)－b))	103,365,000 yen	
	a) General operating revenue	103,365,000 yen	Calculated based on the fair rent level that is expected to remain stable over the medium term
	b) Vacancy-related loss	0 yen	Calculated based on the occupancy rate that is expected to remain stable over the medium term
(2)	Operating expenses	12,695,000 yen	
	Maintenance fees	0 yen	None as the tenants are responsible for daily maintenance and management
	Utility expenses	0 yen	None as the expenses are borne by tenants
	Repairs	1,718,000 yen	Calculated based on the average annual repair expenses in the engineering report, with reference to the actual amount in the past years
	PM fees	3,700,000 yen	Calculated based on the anticipated PM fees for the property and the level of PM fee rates for comparable properties
	Tenant marketing expenses	0 yen	None as tenant replacement or contract renewal expenses should be considered in the calculation of cap rate
	Real estate taxes	7,005,000 yen	Calculated based on relevant documents on taxes
	Insurance expenses	272,000 yen	Calculated based on insurance premiums for planned insurance contracts and actual insurance premium rates for comparable properties
	Other property-related expenses	0 yen	None
(3)	Net operating income (NOI＝(1)－(2))	90,670,000 yen	
(4)	One-time gain	623,000 yen	Calculated on assumption that the investment yield is 1.0%
(5)	Capital expenditure	4,229,000 yen	Calculated based on the average annual renovation expenses described in the engineering report plus CM fees
(6)	Net cash flow (NCF＝(3)＋(4)－(5))	87,064,000 yen	
(7)	Cap rate	5.4%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
Value based on DCF method		1,590,000,000 yen	
	Discount rate	5.1%	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	5.6%	Calculated by taking into account the characteristics of the NCF used for the capitalization rate and future uncertainties/liquidity/marketability of the property

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Value based on cost method		1,470,000,000 yen	
	Ratio of land	79.8%	
	Ratio of building	20.2%	
Adjustments in estimated values and considerations taken into account in determining appraisal value	The property is an NSC housing retail stores and is located in the peripheral of urban areas in central Kurume between Nishitetsu Kurume Station and JR Kurume Station. The NSC is conveniently located and is highly accessible to the central area of Kurume and trunk roads. The structure of the property is highly adaptable for use with high ceilings and therefore relatively easy to attract tenants for a variety purposes. While the property is under a long fixed-term building lease contract and rent renewal clauses are included in the contract, the property has competitiveness in the market as a property for investment purposes given the stability of contract as there is a penalty fee for termination of the contract during the contract period. All these factors have been taken into account in the appraisal.		

R-10 Sun Street Hamakita

Summary of real estate appraisal report			
Appraisal value	10,890,000,000 yen		
Appraiser	Japan Real Estate Institute		
as of	February 1, 2017		
Item		Breakdown	Basis
Income capitalization approach value		12,100,000,000 yen	Calculated by the DCF method, with the results verified using the direct-capitalization method
Value based on direct capitalization method		12,200,000,000 yen	Calculated by dividing the stabilized NCF by the cap rate
(1)	Gross operating revenue (Note) (a)－b))	1,182,159,000 yen	
	a) General operating revenue	1,187,676,000 yen	Calculated based on the current lease contract
	b) Vacancy-related loss	5,517,000 yen	Calculated based on the occupancy rate level that is expected to remain stable over the medium term
(2)	Operating expenses (Note)	488,678,000 yen	
	Maintenance fees	76,837,000 yen	Calculated based on the current maintenance outsourcing expenses and the levels of maintenance fees of comparable properties
	Utility expenses	110,317,000 yen	Calculated based on the actual utility expenses in the past years and by taking into account the occupancy rates of the property
	Repairs	12,350,000 yen	Calculated based on the average annual repair expenses described in the engineering report and also by taking into account short-term repair expenses
	PM fees	60,200,000 yen	Calculated based on anticipated PM fees for the property and the PM fees for comparable properties
	Tenant marketing expenses	2,253,000 yen	Calculated based on tenant marketing expense levels for comparable properties
	Real estate taxes	57,375,000 yen	Calculated based on the documents related to taxes
	Insurance expenses	2,137,000 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	167,209,000 yen	Calculated based on the actual amounts in the past years
(3)	Net operating income (NOI＝(1)－(2))	693,481,000 yen	
(4)	One-time gain	5,253,000 yen	Calculated on assumption that the investment yield is 1.0%
(5)	Capital expenditure	30,125,000 yen	Calculated based on the average annual renovation expenses described in the engineering report plus CM fees
(6)	Net cash flow	668,609,000 yen	

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		(NCF=(3)+(4)−(5))		
		(7) Cap rate	5.5%	Calculated based on overall evaluation of the location, building specifications and contract terms for the property
	Value based on DCF method		11,900,000,000 yen	
		Discount rate	5.2%	Calculated based on the overall assessment of the unique features for the property and also by taking into account the investment return for comparable properties
		Terminal cap rate	5.8%	Calculated based on the analysis of cap rates and taking into account of future uncertainties
Value based on cost method			9,820,000,000 yen	
	Ratio of land		60.3%	
	Ratio of building		39.7%	
Adjustments in estimated values and considerations taken into account in determining appraisal value			The property is conveniently located facing National Route 152, an artery road in Hamamatsu City, near Hamamatsu Hamakita Interchange on Shin-Tomei Expressway and Hamamatsu Interchange and Hamamatsunishi Interchange on Tomei Expressway, providing easy access from all directions in Hamamatsu City and from broader regions. Behind the property is "Kirari Town Hamakita," a highly developed residential district that would allow the property enjoy demand from residents on weekdays. The land is divided into four sections, but services customers and contributes to revenues as one. Also, the property generates stable revenues and is highly competitive as an investment asset due to the long-term leasing contracts in place with quality tenants such as Seiyu and TOHO Cinemas. All these factors have been taken into account in the appraisal.	

(Note) The appraisal value represents the value of the trust beneficiary co-ownership interest held by the seller (a trust beneficiary co-ownership interest of 90%), while other figures and amounts represent the amounts and figures for the land and all buildings of the property. The total of the appraisal value for the property and the underlying land is 12,100,000,000 yen.

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

This notice is the English translation of the Japanese announcement on March 31, 2017. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

<Attached materials>

Reference material 1. Summary of building condition investigation reports

Reference material 2. Property photographs and maps

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

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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	Document date	Repairs, maintenance and renovation expenses	
				Required over the next 12 years (thousand yen)(Note 1)	Required within one year (thousand yen) (Note 1)
T-18	Totsuka-Fukaya Shopping Center (Land)	–	–	–	–
T-19	Yumemachi Narashinodai Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	34,877	0
T-20	Kawamachi Yahagi Mall	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	36,737	0
T-21	Prime Square Jiyugaoka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	190,542	91,365
T-22	Round1 Ichikawa-Onitaka	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	13,695	0
F-2	Round1 Stadium Hakata-Hanmichibashi	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	57,758	7,042
F-3	Kurume-Nishi Shopping Center	Tokio Marine & Nichido Risk Consulting Co., Ltd.	March 2017	68,712	19,811
R-10	Sun Street Hamakita	Tokio Marine & Nichido Risk Consulting Co., Ltd.	January 2017	494,063 (Note 2)	0 (Note 2)
Total				896,384	118,218

(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.

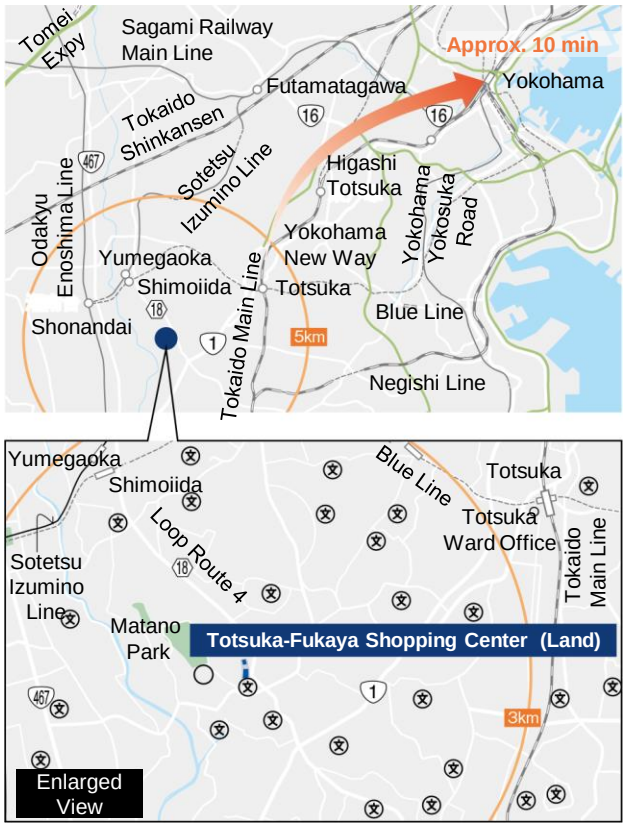
(Note 2) Represent the amounts for all buildings of the property.

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Reference material 2. Property photographs and maps

T-18　Totsuka-Fukaya Shopping Center (Land)

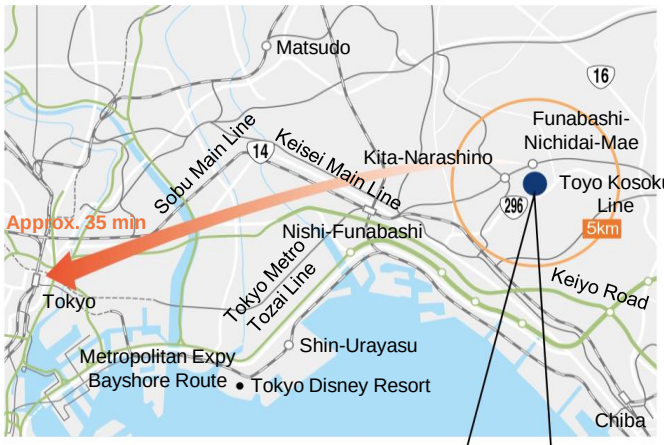


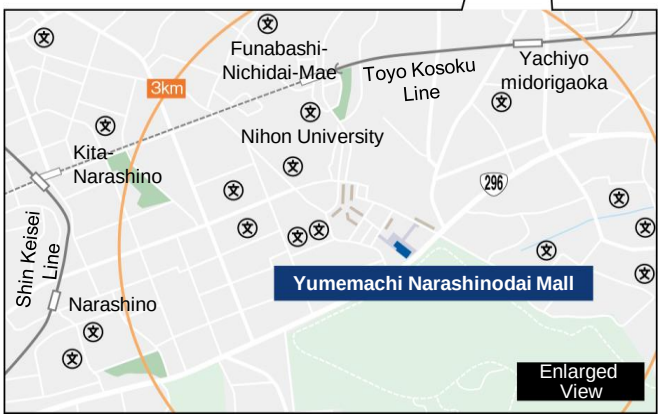


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T-19 Yumemachi Narashinodai Mall







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T-20 Kawamachi Yahagi Mall





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T-21 Prime Square Jiyugaoka

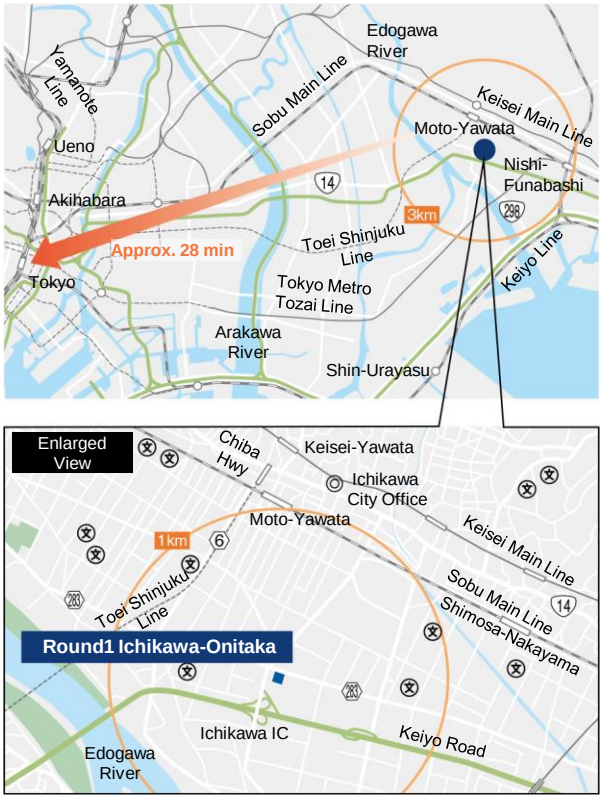




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T-22 Round1 Ichikawa-Onitaka

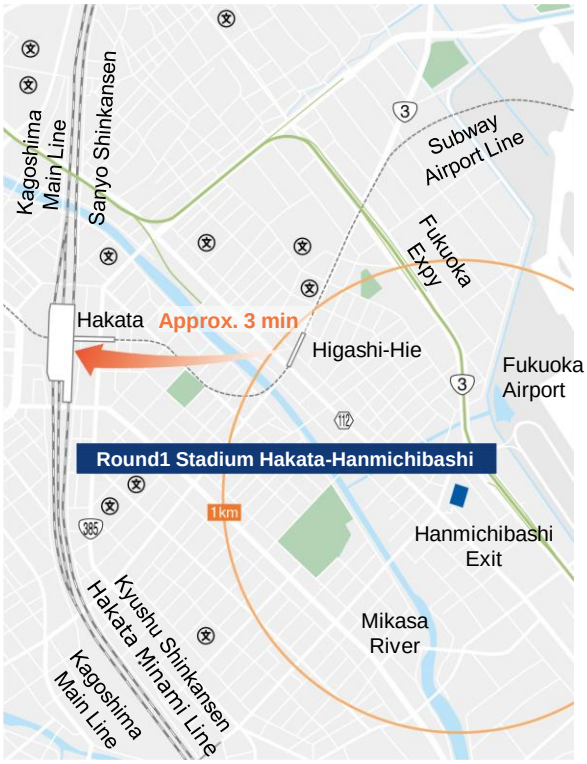




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F-2 Round1 Stadium Hakata-Hanmichibashi

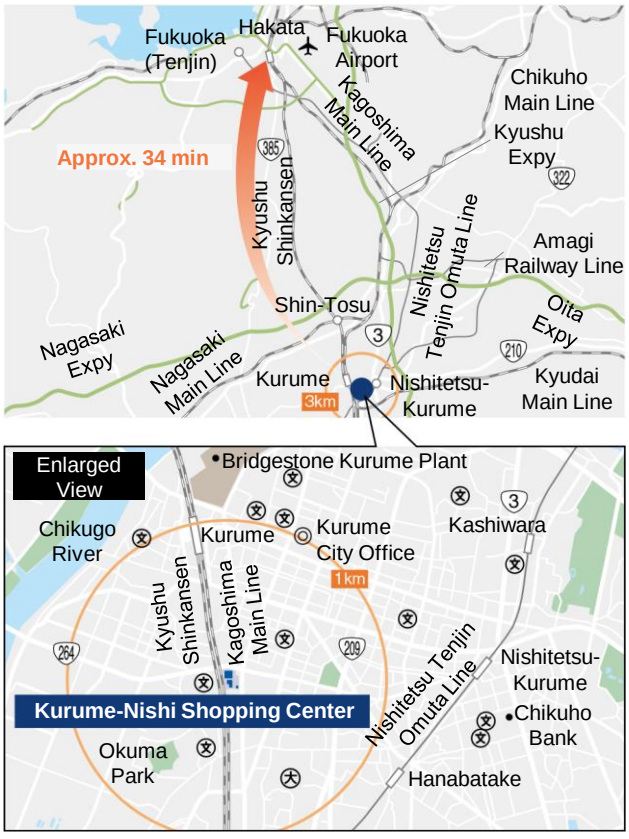




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F-3 Kurume-Nishi Shopping Center



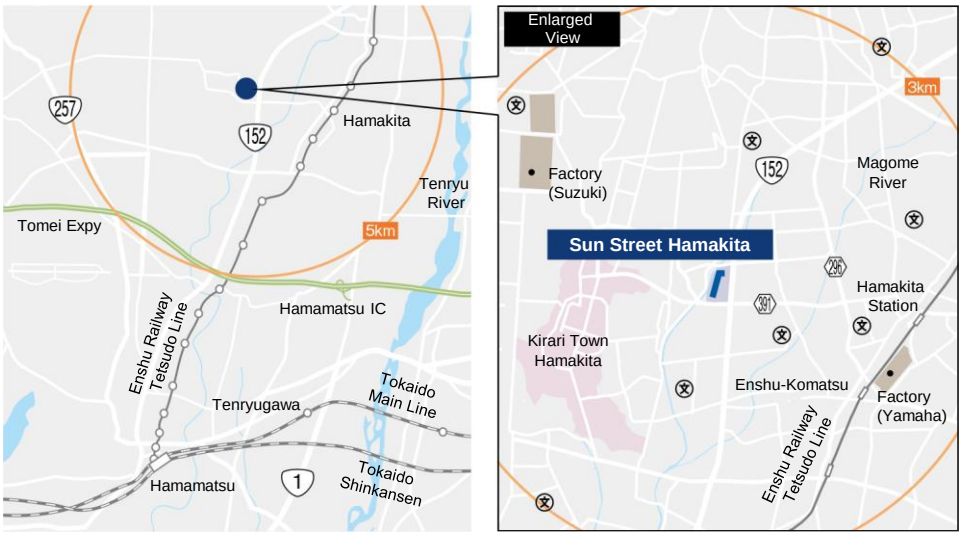


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R-10 Sun Street Hamakita





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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, and share of each of the properties acquired or anticipated to be acquired, etc. are as follows:

No.	Type (Note1)	Property name	Location	(Anticipated) acquisition date	(Anticipated) acquisition price (million yen) (Note2)	Appraisal value (million yen) (Note 3)	Share (%) (Note 4)
T-1	CSC	Fululu Garden Yachiyo	Yachiyo, Chiba	February 10, 2015	14,848	15,200	7.5
T-2	Urban Station-Front SC	MONA Shin-Urayasu	Urayasu, Chiba	February 10, 2015	8,063	8,560	4.1
T-3	Urban Station-Front SC	Passaggio Nishiarai	Adachi-ku, Tokyo	February 10, 2015	5,850	6,370	3.0
T-4	Urban Station-Front SC	Daikanyama Address Dixsept	Shibuya-ku, Tokyo	February 10, 2015	5,390	5,740	2.7
T-5	NSC	Unicus Ina	Kitaadachi-gun, Saitama	February 10, 2015 (Note 5)	4,470	4,510	2.3
T-6	NSC	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	February 10, 2015	4,000	4,300	2.0
T-7	NSC	Unicus Yoshikawa	Yoshikawa, Saitama	February 10, 2015	3,600	3,800	1.8
T-8	SS	Sports Club Renaissance Fujimidai	Nerima-ku, Tokyo	February 10, 2015	2,586	2,720	1.3
T-9	NSC	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	October 2, 2015	4,815	5,280	2.4
T-10	SS	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	October 2, 2015	3,169	3,440	1.6
T-11	NSC	Unicus Kamisato (Land)	Kodama-gun, Saitama	October 2, 2015	3,000	3,010	1.5
T-12	NSC	Unicus Konosu (Land)	Konosu, Saitama	October 2, 2015	1,700	1,740	0.9
T-13	SM	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	October 2, 2015	1,442	1,460	0.7
T-14	SM	Gourmet City Chiba-Chuo	Chiba, Chiba	October 2, 2015	760	799	0.4
T-15	NSC	Nakamachidai Tokyu Store	Yokohama, Kanagawa	April 21, 2016	3,360	3,780	1.7
T-16	SS	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	April 20, 2016	1,724	1,900	0.9
T-17	SM	Life Kameido	Koto-ku, Tokyo	April 21, 2016	1,450	1,550	0.7
O-1	NSC	Blumer Maitamon	Kobe, Hyogo	February 10, 2015	8,389	8,990	4.3

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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)	Share (%) (Note 4)
O-2	SM	Central Square Takadono (Land)	Osaka, Osaka	February 10, 2015	2,685	2,930	1.4
O-3	NSC	Piago Kahma Home Center Omihachiman	Omihachiman, Shiga	February 10, 2015	2,140	2,440	1.1
O-4	NSC	Blumer HAT Kobe	Kobe, Hyogo	April 16, 2015	11,000	11,600	5.6
O-5	Urban Station-Front SC	Carino Esaka	Suita, Osaka	October 2, 2015	6,555	6,590	3.3
O-6	Urban Station-Front SC	COMBOX Komyoike	Izumi, Osaka	October 2, 2015	6,450	6,940	3.3
O-7	SM	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	October 2, 2015	1,280	1,310	0.6
O-8	SS	Welcia Kishiwadakamori (Land)	Kishiwada, Osaka	October 2, 2015	487	500	0.2
O-9	SM	Life Nishi-Tengachaya	Osaka, Osaka	January 21, 2016	1,505	1,650	0.8
O-10	NSC	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	April 21, 2016	3,723	3,810	1.9
N-1	SS	Kahma Home Center Nakagawa Tomita (Land)	Nagoya, Aichi	February 10, 2015	2,311	2,540	1.2
N-2	NSC	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	February 10, 2015	2,174	2,280	1.1
N-3	SS	K's Denki Nakagawa Tomita (Land)	Nagoya, Aichi	February 10, 2015	889	960	0.5
N-4	SS	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	April 21, 2016	7,140	7,220	3.6
N-5	SS	K's Denki Shin-Moriyama (Land)	Nagoya, Aichi	November 1, 2016	1,370	1,410	0.7
F-1	SM	Sunny Noma	Fukuoka, Fukuoka	February 10, 2015	1,497	1,520	0.8
R-1	NSC	Roseo Mito	Mito, Ibaraki	February 10, 2015 (Note 6)	10,046	10,900	5.1
R-2	SS	K's Denki Aomori Honten	Aomori, Aomori	February 10, 2015	1,469	1,550	0.7
R-3	SS	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	February 10, 2015	898	924	0.5
R-4	NSC	Ashico Town Ashikaga	Ashikaga, Tochigi	October 2, 2015	4,180	5,060	2.1
R-5	NSC	Yorktown Shinden-Higashi	Sendai, Miyagi	October 2, 2015	3,252	3,310	1.7
R-6	SM	Kasumi Technopark Sakura	Tsukuba, Ibaraki	October 2, 2015	830	861	0.4

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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)	Share (%) (Note 4)
R-7	Urban Station-Front SC	Solala Plaza	Sendai, Miyagi	April 21, 2016	5,720	5,910	2.9
R-8	NSC	P-1 Plaza Tenno	Hamamatsu, Shizuoka	April 22, 2016	4,010	4,260	2.0
R-9	NSC	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	January 31, 2017	4,111	4,190	2.1
Anticipated properties							
T-18	NSC	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	April 19, 2017	4,170	4,290	2.1
T-19	NSC	Yumemachi Narashinodai Mall	Funabashi, Chiba	April 19, 2017	3,416	3,520	1.7
T-20	NSC	Kawamachi Yahagi Mall	Chiba, Chiba	May 18, 2017	3,097	3,220	1.6
T-21	SS	Prime Square Jiyugaoka	Meguro-ku, Tokyo	April 19, 2017	2,820	2,850	1.4
T-22	SS	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	April 19, 2017	1,880	1,970	1.0
F-2	SS	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	April 19, 2017	5,020	5,190	2.5
F-3	NSC	Kurume-Nishi Shopping Center	Kurume, Fukuoka	April 19, 2017	1,515	1,600	0.8
R-10	NSC	Sun Street Hamakita	Hamamatsu, Shizuoka	April 27, 2017	10,746	10,890 (Note 7)	5.5
Total/Average					197,002	207,294	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). (As for the properties with building expansion, the price includes the amount described in the construction contract and construction design/supervision outsourcing contracts related to construction of the building for the secondhand shop building (excluding expenses and taxes and rounded down to the nearest million yen).

(Note 3) "Appraisal values" are the values as of the end of September 2016 for the properties held as of September 30, 2016, as of October 1, 2016 for K's Denki Shin-Moriyama (Land), and as of January 1, 2017 for Seiyu Rakuichi Moriya (Land). "Appraisal values" for the properties to be acquired are the values as of February 1, 2017 (for Prime Square Jiyugaoka as of March 1, 2017).

(Note 4) "Share" indicates the percentage of the (anticipated) acquisition price for each property in the total (anticipated) acquisition price, rounded down to the first decimal place.

(Note 5) A restaurant building additionally acquired on January 16, 2017.

(Note 6) A second-hand store building additionally acquired on November 26, 2015.

(Note 7) Represents the amount corresponding to the trust beneficiary co-ownership interest (a trust beneficiary co-ownership interest of 90%).

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