

Kenedix Retail REIT Corporation

Financial Results Appendix

for the 4th Financial Period
Ended Mar. 2017
May 19, 2017

KENEDIX
Retail REIT Corporation

1

Key characteristics of Kenedix Retail REIT Corporation



Security Code
3453

Portfolio strategies

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Investment criteria

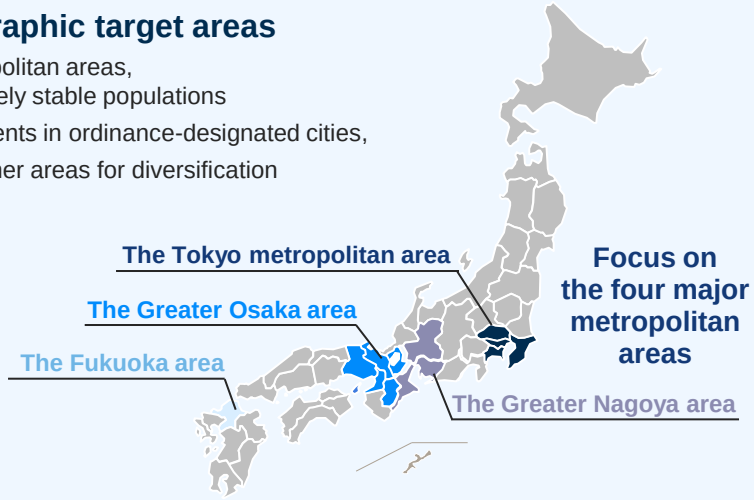
Focus on the following four elements in making investment decisions:

Attractiveness	Location
• Ability to serve particular day-to-day needs of local area customers	• Demographic composition, number of households, competing facilities in local retail trade area

Profitability	Tenant mix
• Occupancy, leasing status, rent level and lease term	• Optimal tenant mix for the property considering tenant credit profiles and retail space usage

Primary geographic target areas

- Four major metropolitan areas, which have relatively stable populations
- Selective investments in ordinance-designated cities, core cities and other areas for diversification



Target portfolio distribution (based on acquisition price)

Retail properties 100%



Investment in land - Seeking additional growth opportunities

We also seek investment opportunities in the underlying land of retail properties for daily needs

- Strong demand from retail tenants (the majority of buildings on land-only properties held by J-REITs are retail facilities)
- Maintain maximum value upon termination of lease term, as the land is expected to be returned in its original state
- Investment in lands would be limited to 20% of the portfolio (based on acquisition price) as our general policy

Beneficial relationship for both Asset Manager and tenants

Advantages to Asset Manager	Advantages to tenants
• Generation of long-term stable rents due to a decrease of vacancy risks because tenants will own buildings pursuant to fixed-term land lease agreements • Stabilization of rent revenue as tenants will pay maintenance costs related to the buildings on such land • Improvement of payout ratio as depreciation costs of buildings are borne by tenants • Limited downside risk related to their asset value caused by external factors, such as fires	• Tenants that are both the lessee and property owner bear a smaller financial burden when opening a store • Increased capital efficiency through treatment of land as off balance sheet • Simplified procedures for interior renovation of buildings

Retail property trends and macroeconomic conditions (1)

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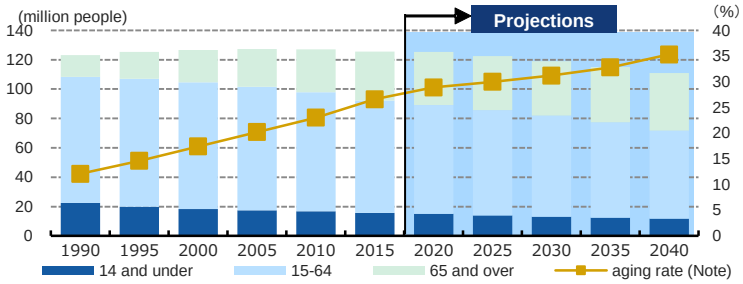
Shrinking retail trade area due to aging population and concentrated population in the four major metropolitan areas

Domestic consumption led by the elderly

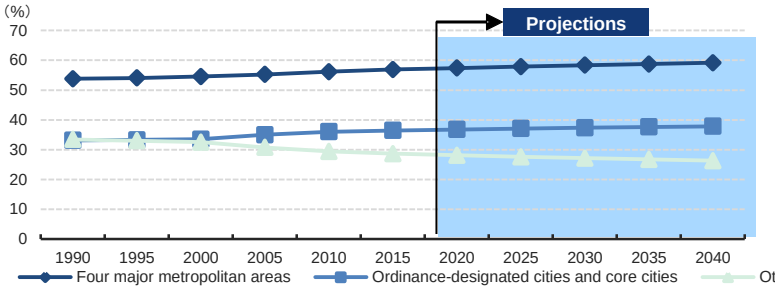
Stable demand for daily necessities

Demographic shift in Japan



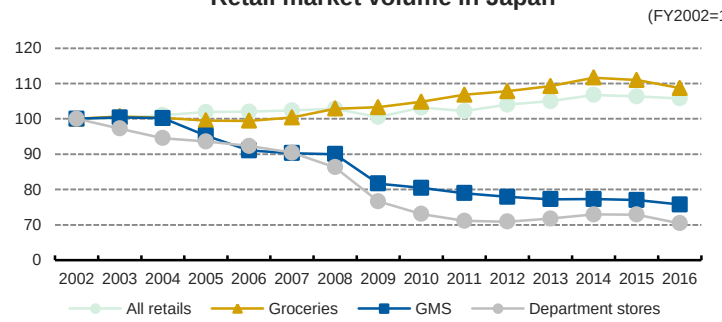
Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research (as of 2017)

Population share in Japan by area



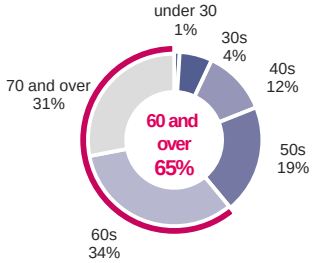
Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research

Retail market volume in Japan



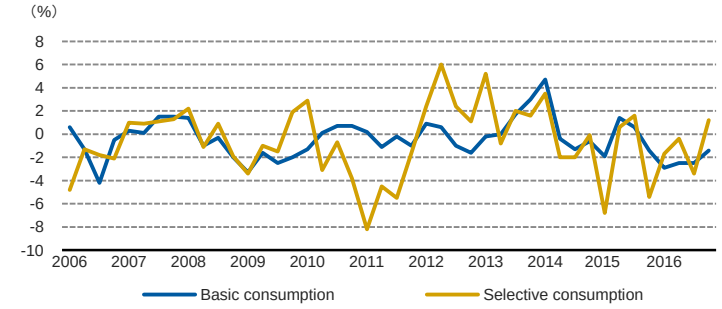
Source: Ministry of Economy, Trade and Industry

Ownership of monetary assets by age group (as of 2014)



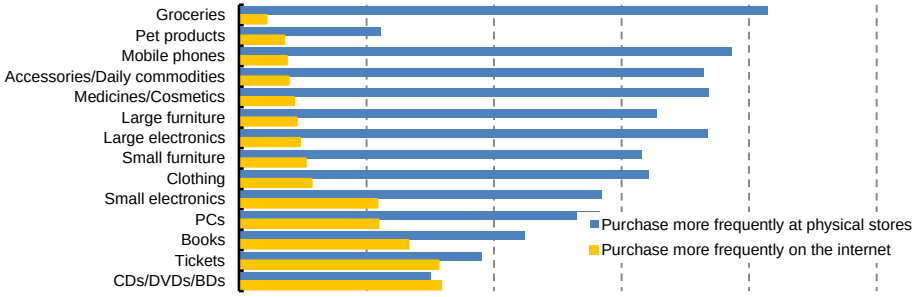
Source: Ministry of Internal Affairs and Communications

Basic and selective consumption trends (YoY% change)



Source: Ministry of Internal Affairs and Communications

Product types for physical stores or online shopping



Source: Ministry of Internal Affairs and Communications (2016)

Note: "Aging rate" refers to the percentage of the population aged 65 and older.

Retail property trends and macroeconomic conditions (2)

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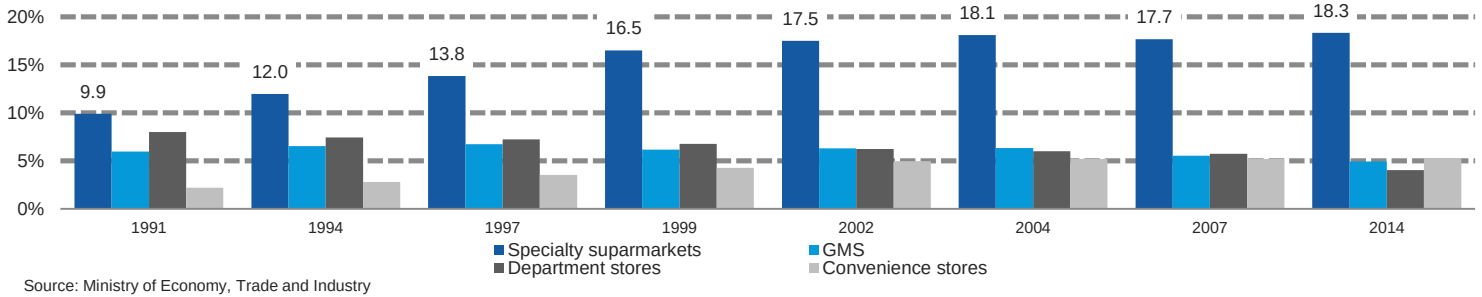
Increase in specialty supermarket market share

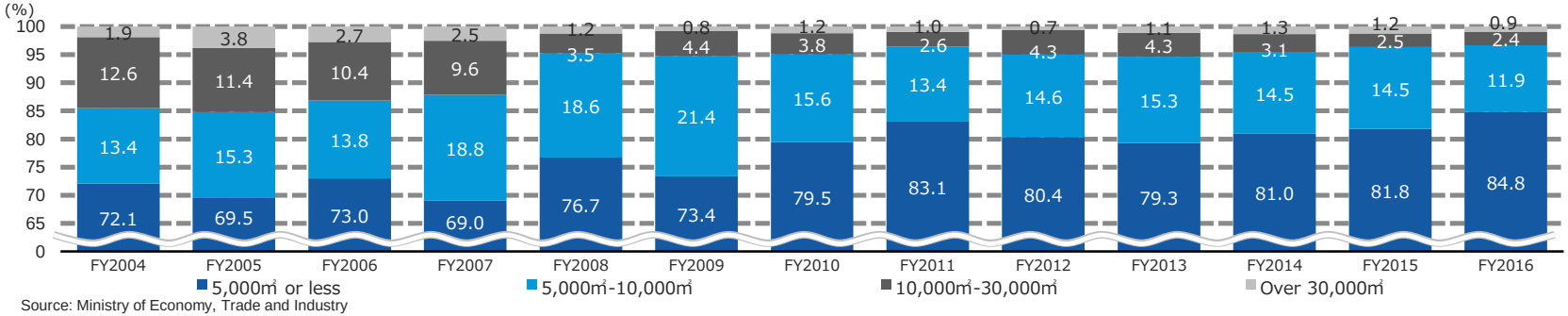
● **Retail sales shares by store type**



Source: Ministry of Economy, Trade and Industry

Decrease in size of retail properties

● **Retail property opening applications by property size**



Source: Ministry of Economy, Trade and Industry

Government promotion of "Compact City"

"Compact City" policy promoted by the Japanese government through Urban Planning Guidelines

Due to factors such as an aging society, the Japanese government has promoted the "Compact City" policy that encourages the formation of highly compact and convenient neighborhoods with high population concentrations

We believe that the importance of neighborhood, community and other shopping centers that cater to the day-to-day needs will increase going forward

Overview of Alliance Companies

KENEDIX Retail REIT Corporation

Sumitomo Mitsui Finance and Leasing Co., Ltd.

SMFL Sumitomo Mitsui Finance and Leasing Co., Ltd.

- Founded in Feb. 1963 (Leasing business since May 1968)
- Main lines of business: Leasing of a variety of equipment and machinery, loans and factoring, etc.
  - Operating assets outstanding of JPY4.9 trillion. The top-class general leasing company in Japan by lease transaction volume (with consolidated operating assets of JPY600 bn for the real-estate sector (on a book value basis)) (Note) The figures are as of end of Mar. 2017
  - Sourcing transactions through the broad customer base of Sumitomo Mitsui Banking Corporation
- Description of support
  - Sourcing of lease properties (pipeline support)
  - Provision of warehousing services, financing, other services to bridge funds and personnel support
- Shareholders: Sumitomo Mitsui Financial Group, Inc. (60%), Sumitomo Corporation (40%)

P&D Consulting Co., Ltd.

p&d consulting

- Founded in Aug. 1998
- Main lines of business: Development and management of retail facilities, retail consulting, etc.
  - Development / management of its own brand "Unicus" (development: 12 locations / management: 11 locations) and development of other retail facilities (9 locations) (as of Mar. 31, 2017)
- Description of support
  - Sourcing of properties developed on its own to Kenedix Retail REIT (pipeline support)
  - PM services, tenant leasing and other services
  - Assessment of operating conditions and advisory on operations
  - Provision of knowhow the company has accumulated through development / management of retail facilities

Nippon Commercial Development Co., Ltd.

日本商業開発株式会社 Nippon Commercial Development Co., Ltd.

- Founded in Apr. 2000
  - Listed on the Tokyo Stock Exchange 1st Section and the Nagoya Stock Exchange 1st Section
- Main lines of business: Real estate investment, sub-leasing / leasing / fund fee businesses
  - "JINUSHI BUSINESS" to invest in land ownership interests
- Description of support
  - Sourcing of land acquisition opportunities (pipeline support)
  - PM services and tenant leasing services
- JINUSHI BUSINESS
  - Nippon Commercial Development's "JINUSHI BUSINESS" is a business model whereby they invest in land ownership interests and lease the land to tenants based on commercial fixed-term land lease agreements to generate stable cash flow (rent) in the long term

ITOCHU Corporation

ITOCHU ITOCHU Corporation

- Founded in Dec. 1949
  - Listed on the Tokyo Stock Exchange 1st Section
- Main lines of business: Domestic trading, import/export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, general products, realty, information and communications technology, and finance, as well as business investment in Japan and overseas
- Description of support
  - Preferential access to potential acquisition opportunities from the retail property development fund, which will be jointly created by ITOCHU and Kenedix, Inc. (pipeline support)
  - Providing information of potential acquisition opportunities to KRR and the Asset Manager, when ITOCHU or its affiliate tries to dispose a property
  - PM services and tenant leasing services

Overview of the Kenedix Group

The Kenedix Group's strong commitment to J-REITs

Total AUM: JPY 1,703.0 bn (as of end of Dec. 2016) (Note)

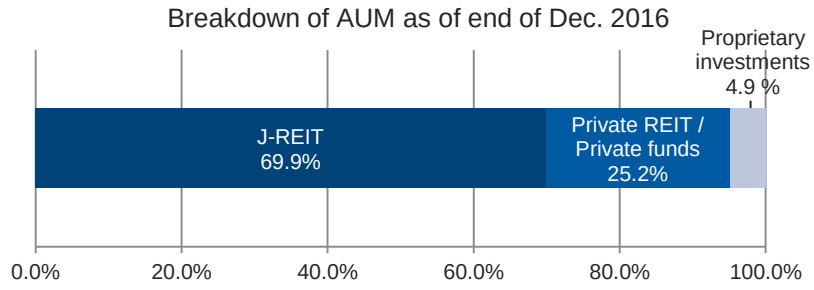
J-REIT: JPY 1,190.6 bn

- Kenedix Office Investment Corporation
- Kenedix Residential Investment Corporation
- Kenedix Retail REIT Corporation
- Japan Senior Living Investment Corporation
- Japan Logistics Fund Inc.
- Premier Investment Corporation

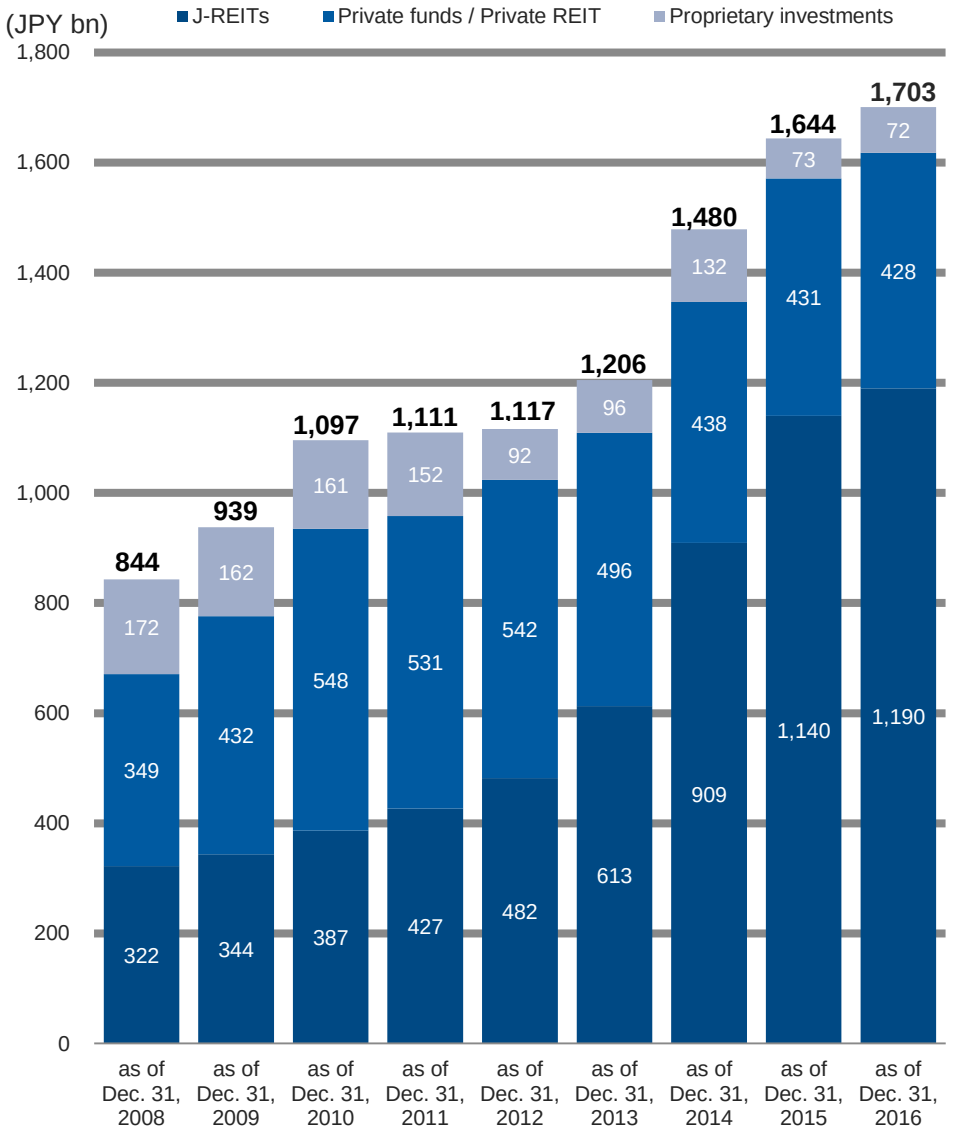
Private REIT / Private funds: JPY 428.6 bn

- Kenedix Private Investment Corporation
- Private funds

Note: The Kenedix Group's total AUM includes proprietary investments of JPY 83.8 bn.

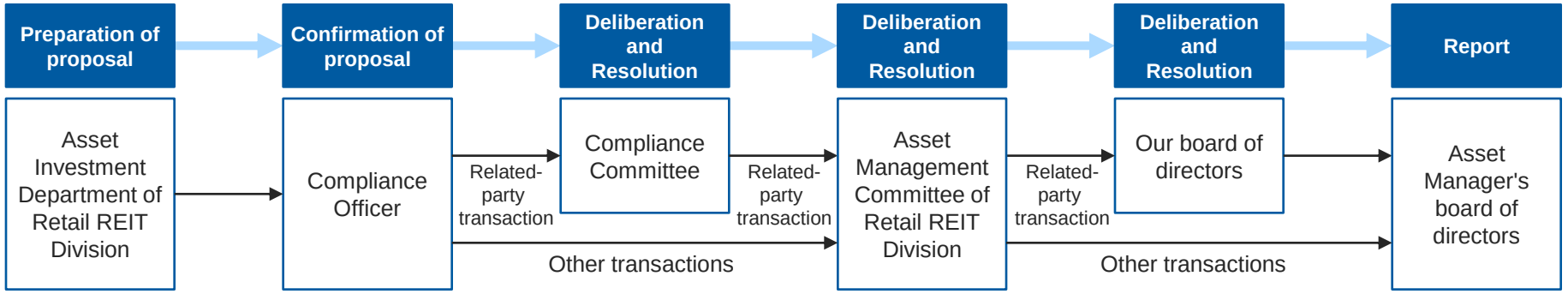


The Kenedix Group's total AUM



Governance structure

Decision-making process for acquisition and sale of properties



Investment in Kenedix Retail REIT by the Kenedix Group

As of Mar. 31, 2017, The Kenedix Group owns about 1.4% (5,750 units) of our total issued units.

Introduction of DPU-linked management fee structure

Fee linked with distribution per unit	We believe the DPU-linked asset management fee structure will encourage the Asset Manager to place utmost emphasis on the growth of income from portfolio properties.

The Kenedix Group's business model that benefits from our growth

Because of the importance of the J-REIT business to the Kenedix Group, we believe that our sound growth is in line with their interests.

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Detailed financial results and portfolio information



Security Code
3453

Earnings performance for the individual properties (1)

KENEDIX Retail REIT Corporation

Location		Tokyo metropolitan area										
Property No.		T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8	T-9	T-10	T-11
Property Name		Fululu Garden Yachiyo	MONA Shin-Urayasu	Passaggio Nishiarai	Daikanyama Address Dixsept	Unicus Ina	Yorktown Kita-Kaname	Unicus Yoshikawa	Sports Club Renaissance Fujimidai	Super Viva Home Iwatsuki (Land)	K's Denki Shonan-Fujisawa (Land)	Unicus Kamisato (Land)
Acquisition Date		Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015
Price Information	Acquisition price (In millions of yen)	14,848	8,063	5,850	5,390	4,470	4,000	3,600	2,586	4,815	3,169	3,000
	Percentage of total portfolio	9.0%	4.9%	3.6%	3.3%	2.7%	2.4%	2.2%	1.6%	2.9%	1.9%	1.8%
	Net book value (In millions of yen)	14,948	8,421	5,883	5,427	4,432	3,982	3,622	2,561	4,890	3,210	3,043
	Appraisal value (In millions of yen)	15,200	8,470	6,360	5,790	4,750	4,300	3,840	2,750	5,380	3,480	3,050
	Ratio	8.7%	4.8%	3.6%	3.3%	2.7%	2.5%	2.2%	1.6%	3.1%	2.0%	1.7%
Lease Information	Number of tenants	48	1(70)	1(41)	1(26)	1	1	1(11)	1	1	1	1
	Leasable floor area (m^2)	77,057.56	9,592.65	10,546.25	5,056.39	13,462.71	- (Note)	10,648.27	3,120.87	67,325.95	15,578.58	67,854.47
	Leased floor area (m^2)	75,694.45	9,180.34	10,342.77	4,905.88	13,462.71		10,648.27	3,120.87	67,325.95	15,578.58	67,854.47
	Occupancy ratio as of March 31, 2017	98.2%	95.7%	98.1%	97.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days
	(1)Rental and other operating revenues (In thousands of yen)	744,902	506,235	309,446	258,816	138,718		133,096				72,610
	Rental revenues	624,013	340,985	211,431	184,154	135,070		130,633				72,610
	Other operating revenues	120,889	165,249	98,014	74,661	3,648		2,463				-
	(2)Property-related expenses (In thousands of yen)	357,840	276,741	161,329	147,098	19,051		40,011				6,247
	Property management fees	141,924	82,690	47,631	53,460	1,800	- (Note)	24,154	- (Note)	- (Note)	- (Note)	1,200
	Taxes	70,946	23,117	35,196	11,880	10,411		14,588				4,782
	Utilities	57,184	48,747	34,644	29,960	-		-				-
	Repairs and maintenance	34,828	31,890	8,243	13,152	4,592		604				-
	Insurance	1,806	795	531	300	320		238				-
	Trust fees and other expenses	51,150	89,500	35,082	38,344	1,927		425				265
	(3)NOI(=(1)-(2)) (In thousands of yen)	387,061	229,493	148,116	111,717	119,667	107,206	93,085	63,662	103,421	79,361	66,362
	(4)Depreciation (In thousands of yen)	85,008	49,863	32,278	15,627	30,411	20,370	15,596	15,127	-	-	-
	(5)Rental operating income (=(3)-(4)) (In thousands of yen)	302,053	179,630	115,837	96,090	89,256	86,836	77,489	48,534	103,421	79,361	66,362
	(6)Capital expenditures (In thousands of yen)	38,505	95,847	633	11,949	8,806	4,589	425	-	-	-	-
	(7)NCF (=(3)-(6)) (In thousands of yen)	348,556	133,645	147,483	99,768	110,860	102,617	92,660	63,662	103,421	79,361	66,362

Note: We have not obtained consent from the tenants of the relevant property to release the information from the table.

Earnings performance for the individual properties (2)

KENEDIX Retail REIT Corporation

Location		Tokyo metropolitan area						Greater Osaka area				
Property No.		T-12	T-13	T-14	T-15	T-16	T-17	O-1	O-2	O-3	O-4	O-5
Property Name		Unicus Konosu (Land)	Inageya Yokohama Minamihonjuku (Land)	Gourmet City Chiba-Chuo	Nakamachidai Tokyu Store	Central Wellness Club Nagatsuta Minamidai	Life Kameido	Blumer Maitamon	Central Square Takadono (Land)	Piago Kahma Home Center Omihachiman	Blumer HAT Kobe	Carino Esaka
Acquisition Date		Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Apr. 21, 2016	Apr. 20, 2016	Apr. 21, 2016	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Apr. 16, 2015	Oct. 2, 2015
Price Information	Acquisition price (In millions of yen)	1,700	1,442	760	3,360	1,724	1,450	8,389	2,685	2,140	11,000	6,555
	Percentage of total portfolio	1.0%	0.9%	0.5%	2.0%	1.0%	0.9%	5.1%	1.6%	1.3%	6.7%	4.0%
	Net book value (In millions of yen)	1,726	1,462	770	3,472	1,795	1,470	8,416	2,727	2,147	11,489	6,622
	Appraisal value (In millions of yen)	1,770	1,430	807	3,820	1,910	1,520	9,230	2,980	2,430	11,600	6,770
	Ratio	1.0%	0.8%	0.5%	2.2%	1.1%	0.9%	5.3%	1.7%	1.4%	6.6%	3.9%
Lease Information	Number of tenants	1	1	1	1	2	1	50	1	2	1(41)	1(30)
	Leasable floor area (m^2)	19,329.00	4,405.41	3,488.77	5,968.71	3,996.70	2,929.58	30,037.11	4,437.07	14,313.00	24,185.02	7,540.58
	Leased floor area (m^2)	19,329.00	4,405.41	3,488.77	5,968.71	3,996.70	2,929.58	29,790.80	4,437.07	14,313.00	23,968.51	7,371.52
	Occupancy ratio as of March 31, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.2%	100.0%	100.0%	99.1%	97.8%
Income and Retained Earnings Information	Operating periods	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days
	(1)Rental and other operating revenues (In thousands of yen)	41,507				59,734		480,332			482,931	289,459
	Rental revenues	41,507				58,200		364,441			375,391	192,456
	Other operating revenues	-				1,534		115,891			107,540	97,002
	(2)Property-related expenses (In thousands of yen)	4,602				5,674		208,413			209,123	109,208
	Property management fees	1,200	- (Note)	- (Note)	- (Note)	3,553	- (Note)	59,159	- (Note)	- (Note)	65,782	40,767
	Taxes	3,136				8		42,615			47,251	24,574
	Utilities	-				324		72,053			68,681	32,053
	Repairs and maintenance	-				1,223		11,175			2,783	8,234
	Insurance	-				128		791			1,051	702
	Trust fees and other expenses	265				437		22,618			23,573	2,875
	(3)NOI(=(1)-(2)) (In thousands of yen)	36,905	31,846	19,686	95,742	54,059	36,832	271,919	63,864	63,617	273,807	180,251
	(4)Depreciation (In thousands of yen)	-	-	9,768	20,306	7,745	2,980	50,998	-	10,534	52,512	28,271
	(5)Rental operating income (=(3)-(4)) (In thousands of yen)	36,905	31,846	9,918	75,435	46,314	33,852	220,921	63,864	53,083	221,295	151,980
	(6)Capital expenditures (In thousands of yen)	-	-	-	-	-	-	1,935	-	-	3,577	63,148
	(7)NCF (=(3)-(6)) (In thousands of yen)	36,905	31,846	19,686	95,742	54,059	36,832	269,984	63,864	63,617	270,229	117,102

Note: We have not obtained consent from the tenants of the relevant property to release the information from the table.

Earnings performance for the individual properties (3)

KENEDIX Retail REIT Corporation

Location		Greater Osaka area					Greater Nagoya area				
Property No.		O-6	O-7	O-8	O-9	O-10	N-1	N-2	N-3	N-4	N-5
Property Name		COMBOX Komyoike	Hankyu Oasis Hirakatadeguchi	Welcia Kishiwadakamori (Land)	Life Nishi-Tengachaya	Million Town Tsukaguchi (Land)	Kahma Home Center Nakagawa Tomita (Land)	Valor Ichinomiya-Nishi	K's Denki Nakagawa Tomita (Land)	Homecenter Kohnan Sunadabashi	K's Denki Shin-Moriyama (Land)
Acquisition Date		Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Jan. 21, 2016	Apr. 21, 2016	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Apr. 21, 2016	Nov. 1, 2016
Price Information	Acquisition price (In millions of yen)	6,450	1,280	487	1,505	3,723	2,311	2,174	889	7,140	1,370
	Percentage of total portfolio	3.9%	0.8%	0.3%	0.9%	2.3%	1.4%	1.3%	0.5%	4.3%	0.8%
	Net book value (In millions of yen)	6,436	1,322	497	1,568	3,772	2,351	2,155	907	7,165	1,390
	Appraisal value (In millions of yen)	6,950	1,330	488	1,660	3,820	2,590	2,310	980	7,310	1,420
	Ratio	4.0%	0.8%	0.3%	0.9%	2.2%	1.5%	1.3%	0.6%	4.2%	0.8%
Lease Information	Number of tenants	1	1	1	1	1	1	1	1	1	1
	Leasable floor area (m^2)	25,530.44	2,960.38	3,033.45	2,679.52	8,264.46	-	9,447.48	-	20,329.07	-
	Leased floor area (m^2)	25,530.44	2,960.38	3,033.45	2,679.52	8,264.46	(Note)	9,447.48	(Note)	20,329.07	(Note)
	Occupancy ratio as of March 31, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	151 days
	(1) Rental and other operating revenues (In thousands of yen)	226,261			44,870						
	Rental revenues	226,261			44,870						
	Other operating revenues	-			-						
	(2) Property-related expenses (In thousands of yen)	33,363			2,270						
	Property management fees	1,800	-	-	1,800	-	-	-	-	-	-
	Taxes	30,476	(Note)	(Note)	8	(Note)	(Note)	(Note)	(Note)	(Note)	(Note)
	Utilities	-			-						
	Repairs and maintenance	-			-						
	Insurance	674			53						
	Trust fees and other expenses	413			408						
	(3) NOI (=(1)-(2)) (In thousands of yen)	192,898	37,207	10,689	42,599	88,527	60,029	62,073	22,951	190,249	26,737
	(4) Depreciation (In thousands of yen)	32,894	5,201	-	4,682	-	-	14,526	-	40,500	-
	(5) Rental operating income (=(3)-(4)) (In thousands of yen)	160,003	32,006	10,689	37,917	88,527	60,029	47,546	22,951	149,749	26,737
	(6) Capital expenditures (In thousands of yen)	-	-	-	-	-	-	-	-	-	-
	(7) NCF (=(3)-(6)) (In thousands of yen)	192,898	37,207	10,689	42,599	88,527	60,029	62,073	22,951	190,249	26,737

Note: We have not obtained consent from the tenants of the relevant property to release the information.

Earnings performance for the individual properties (4)

KENEDIX Retail REIT Corporation

Location		Fukuoka area	Ordinance-designed cities, core cities and other areas								
Property No.		F-1	R-1	R-2	R-3	R-4	R-5	R-6	R-7	R-8	R-9
Property Name		Sunny Noma	Roseo Mito	K's Denki Aomori Honten	Super Sports Xebio Aomori-Chuo	Ashico Town Ashikaga	Yorktown Shinden-Higashi	Kasumi Technopark Sakura	Solala Plaza	P-1 Plaza Tenno	Seiyu Rakuichi Moriya (Land)
Acquisition Date		Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Apr. 21, 2016	Apr. 22, 2016	Jan. 31, 2017
Price Information	Acquisition price (In millions of yen)	1,497	10,046	1,469	898	4,180	3,252	830	5,720	4,010	4,111
	Percentage of total portfolio	0.9%	6.1%	0.9%	0.5%	2.5%	2.0%	0.5%	3.5%	2.4%	2.5%
	Net book value (In millions of yen)	1,485	10,031	1,480	898	4,379	3,329	854	5,718	4,187	4,320
	Appraisal value (In millions of yen)	1,530	11,000	1,550	928	5,060	3,330	873	5,960	4,340	4,210
	Ratio	0.9%	6.3%	0.9%	0.5%	2.9%	1.9%	0.5%	3.4%	2.5%	2.4%
Lease Information	Number of tenants	1	1(22)	1	1	1(29)	2	1	1	7	1
	Leasable floor area (m^2)	2,814.67	48,296.15	10,083.41	-	65,616.31	12,768.77	2,047.65	-	12,030.83	-
	Leased floor area (m^2)	2,814.67	48,161.79	10,083.41	(Note)	65,616.31	12,768.77	2,047.65	(Note)	12,030.83	(Note)
	Occupancy ratio as of March 31, 2017	100.0%	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	182 days	160 days
	(1) Rental and other operating revenues (In thousands of yen)		375,123			270,886				136,260	
	Rental revenues		345,065			203,746				135,630	
	Other operating revenues		30,058			67,139				630	
	(2) Property-related expenses (In thousands of yen)		74,688			139,330				13,392	
	Property management fees	-	19,014	-	-	38,871	-	-	-	2,843	-
	Taxes	(Note)	27,346	(Note)	(Note)	25,382	(Note)	(Note)	(Note)	8	(Note)
	Utilities		23,723			54,568				264	
	Repairs and maintenance		2,257			10,251				9,077	
	Insurance		679			658				721	
	Trust fees and other expenses		1,666			9,600				477	
	(3) NOI (=(1)-(2)) (In thousands of yen)	40,385	300,435	46,054	28,394	131,555	98,810	22,726	159,004	122,868	9,212
	(4) Depreciation (In thousands of yen)	14,253	47,286	6,365	4,894	28,348	13,621	2,661	43,111	15,857	-
	(5) Rental operating income (=(3)-(4)) (In thousands of yen)	26,132	253,148	39,688	23,500	103,207	85,188	20,064	115,892	107,010	9,212
	(6) Capital expenditures (In thousands of yen)	-	-	-	-	37,408	368	-	-	8,962	-
	(7) NCF (=(3)-(6)) (In thousands of yen)	40,385	300,435	46,054	28,394	94,146	98,442	22,726	159,004	113,905	9,212

Note: We have not obtained consent from the tenants of the relevant property to release the information.

Appraisal value (properties as of March 31, 2017)

KENEDIX
Retail REIT Corporation

No.	Property name	Appraisal date	Appraisal value (JPY mn)			Income capitalization approach value								
						Direct capitalization method			DCF method					
						Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)		
			Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
T-1	Fululu Garden Yachiyo	Mar. 31, 2017	15,200	15,200	0	4.7	4.6	-0.1	4.5	4.4	-0.1	4.9	4.8	-0.1
T-2	MONA Shin-Urayasu	Mar. 31, 2017	8,560	8,470	-90	5.2	5.2	0.0	4.9	4.8	-0.1	5.4	5.3	-0.1
T-3	Passaggio Nishiarai	Mar. 31, 2017	6,370	6,360	-10	4.4	4.3	-0.1	4.2	4.1	-0.1	4.6	4.5	-0.1
T-4	Daikanyama Address Dixsept	Mar. 31, 2017	5,740	5,790	50	3.8	3.7	-0.1	3.6	3.5	-0.1	4.0	3.9	-0.1
T-5	Unicus Ina	Mar. 31, 2017	4,510	4,750	240	5.2	5.1	-0.1	4.8	4.8	0.0	5.3	5.3	0.0
T-6	Yorktown Kita-Kaname	Mar. 31, 2017	4,300	4,300	0	5.0	4.9	-0.1	4.8	4.7	-0.1	5.2	5.1	-0.1
T-7	Unicus Yoshikawa	Mar. 31, 2017	3,800	3,840	40	4.8	4.7	-0.1	4.6	4.5	-0.1	5.0	4.9	-0.1
T-8	Sports Club Renaissance Fujimidai	Mar. 31, 2017	2,720	2,750	30	4.7	4.6	-0.1	4.5	4.4	-0.1	4.9	4.8	-0.1
T-9	Super Viva Home Iwatsuki (Land)	Mar. 31, 2017	5,280	5,380	100	-	-	-	4.7	4.6	-0.1	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	Mar. 31, 2017	3,440	3,480	40	-	-	-	4.5	4.4	-0.1	-	-	-
T-11	Unicus Kamisato (Land)	Mar. 31, 2017	3,010	3,050	40	-	-	-	4.7	4.6	-0.1	-	-	-
T-12	Unicus Konosu (Land)	Mar. 31, 2017	1,740	1,770	30	-	-	-	4.6	4.5	-0.1	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	Mar. 31, 2017	1,460	1,430	-30	-	-	-	4.0	4.0	0.0	4.6	4.7	0.1
T-14	Gourmet City Chiba-Chuo	Mar. 31, 2017	799	807	8	5.2	5.1	-0.1	5.0	4.9	-0.1	5.4	5.3	-0.1
T-15	Nakamachidai Tokyu Store	Mar. 31, 2017	3,780	3,820	40	4.7	4.6	-0.1	4.5	4.4	-0.1	4.9	4.8	-0.1
T-16	Central Wellness Club Nagatsuta Minamidai	Mar. 31, 2017	1,900	1,910	10	5.1	5.0	-0.1	4.9	4.8	-0.1	5.3	5.2	-0.1
T-17	Life Kameido	Mar. 31, 2017	1,500	1,520	20	4.3	4.2	-0.1	4.0	3.9	-0.1	4.5	4.4	-0.1
O-1	Blumer Maitamon	Mar. 31, 2017	8,990	9,230	240	5.4	5.3	-0.1	5.5	5.4	-0.1	5.6	5.5	-0.1
O-2	Central Square Takadono (Land)	Mar. 31, 2017	2,930	2,980	50	-	-	-	4.3	4.2	-0.1	-	-	-
O-3	Piago Kahma Home Center Omihachiman	Mar. 31, 2017	2,440	2,430	-10	6.3	6.2	-0.1	6.0	5.9	-0.1	6.5	6.4	-0.1
O-4	Blumer HAT Kobe	Mar. 31, 2017	11,600	11,600	0	4.9	4.8	-0.1	4.7	4.6	-0.1	5.1	5.0	-0.1
O-5	Carino Esaka	Mar. 31, 2017	6,590	6,770	180	4.8	4.7	-0.1	4.5	4.4	-0.1	5.0	4.9	-0.1
O-6	COMBOX Komyoike	Mar. 31, 2017	6,940	6,950	10	5.2	5.1	-0.1	4.9	4.8	-0.1	5.4	5.3	-0.1
O-7	Hankyu Oasis Hirakatadeguchi	Mar. 31, 2017	1,310	1,330	20	5.6	5.5	-0.1	5.4	5.3	-0.1	5.8	5.7	-0.1
O-8	Welcia Kishiwadakamori (Land)	Mar. 31, 2017	500	488	-12	-	-	-	4.0	4.0	0.0	4.6	4.7	0.1
O-9	Life Nishi-Tengachaya	Mar. 31, 2017	1,650	1,660	10	4.8	4.7	-0.1	4.9	4.8	-0.1	5.0	4.9	-0.1
O-10	Million Town Tsukaguchi (Land)	Mar. 31, 2017	3,810	3,820	10	-	-	-	4.3	4.2	-0.1	-	-	-
N-1	Kahma Home Center Nakagawa Tomita (Land)	Mar. 31, 2017	2,540	2,590	50	-	-	-	4.7	4.5	-0.2	-	-	-
N-2	Valor Ichinomiya-Nishi	Mar. 31, 2017	2,280	2,310	30	5.2	5.1	-0.1	4.9	4.8	-0.1	5.4	5.3	-0.1
N-3	K's Denki Nakagawa Tomita (Land)	Mar. 31, 2017	960	980	20	-	-	-	4.7	4.5	-0.2	-	-	-
N-4	Homecenter Kohnan Sunadabashi	Mar. 31, 2017	7,220	7,310	90	4.9	4.8	-0.1	4.7	4.6	-0.1	5.1	5.0	-0.1
N-5	K's Denki Shin-moriyama (Land)	Mar. 31, 2017	1,410	1,420	10	-	-		4.1	4.0	-0.1	4.3	4.3	
F-1	Sunny Noma	Mar. 31, 2017	1,520	1,530	10	5.1	5.0	-0.1	4.9	4.8	-0.1	5.5	5.4	-0.1
R-1	Roseo Mito	Mar. 31, 2017	10,900	11,000	100	5.4	5.3	-0.1	5.1	5.0	-0.1	5.6	5.5	-0.1
R-2	K's Denki Aomori Honten	Mar. 31, 2017	1,550	1,550	0	5.7	5.6	-0.1	5.4	5.3	-0.1	5.9	5.8	-0.1
R-3	Super Sports Xebio Aomori-Chuo	Mar. 31, 2017	924	928	4	5.7	5.6	-0.1	5.4	5.3	-0.1	5.9	5.8	-0.1
R-4	Ashico Town Ashikaga	Mar. 31, 2017	5,060	5,060	0	5.4	5.3	-0.1	5.2	5.1	-0.1	5.6	5.5	-0.1
R-5	Yorktown Shinden-Higashi	Mar. 31, 2017	3,310	3,330	20	5.6	5.5	-0.1	5.4	5.3	-0.1	5.8	5.7	-0.1
R-6	Kasumi Technopark Sakura	Mar. 31, 2017	861	873	12	5.2	5.1	-0.1	5.0	4.9	-0.1	5.4	5.3	-0.1
R-7	Solala Plaza	Mar. 31, 2017	5,910	5,960	50	4.9	4.8	-0.1	4.6	4.5	-0.1	5.1	5.0	-0.1
R-8	P-1 Plaza Tenno	Mar. 31, 2017	4,260	4,340	80	5.3	5.1	-0.2	4.9	4.8	-0.1	5.4	5.3	-0.1
R-9	Seiyu Rakuichi Moriya (Land)	Mar. 31, 2017	4,190	4,210	20	4.3	4.3	0.0	4.2	4.2	0.0	4.4	4.4	0.0
Total			173,764	175,276	1,512	-	-	-	-	-	-	-	-	-

Note: "Previous" refers to appraisal value at the previous appraisal dated Sep. 30, 2016 for properties acquired by 3rd period, dated Oct. 1, 2016 for "K's Denki Shin-moriyama (Land)" and Jan. 1, 2017 "Seiyu Rakuichi Moriya (Land)"properties acquired in 3rd period.
"Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

Appraisal value (properties newly acquired related to 3rd PO)

KENEDIX
Retail REIT Corporation

No.	Property name	Appraisal date	Appraisal value (JPY mn)	Income capitalization approach value		
				Direct capitalization method	DCF method	
				Direct cap rate (%)	Discount rate (%)	Terminal cap rate (%)
T-18	Totsuka-Fukaya Shopping Center (Land)	Feb. 1, 2017	4,290	4.7	4.6	4.8
T-19	Yumemachi Narashinodai Mall	Feb. 1, 2017	3,520	4.9	4.7	5.1
T-20	Kawamachi Yahagi Mall	Feb. 1, 2017	3,220	4.8	4.6	5.0
T-21	Prime Square Jiyugaoka	Mar. 1, 2017	2,850	3.6	3.4	3.8
T-22	Round1 Ichikawa-Onitaka	Feb. 1, 2017	1,970	4.8	4.6	5.0
F-2	Round1 Stadium Hakata-Hanmichibashi	Feb. 1, 2017	5,190	5.5	5.2	5.7
F-3	Kurume-Nishi Shopping Center	Feb. 1, 2017	1,600	5.4	5.1	5.6
R-10	Sun Street Hamakita	Feb. 1, 2017	10,890	5.5	5.2	5.8
Total/Average			33,530	-	-	-

Unitholder information (as of March 31, 2017)

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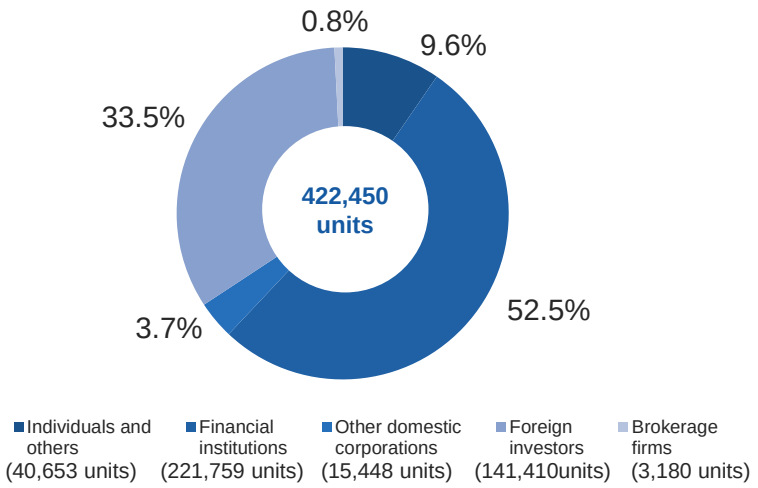
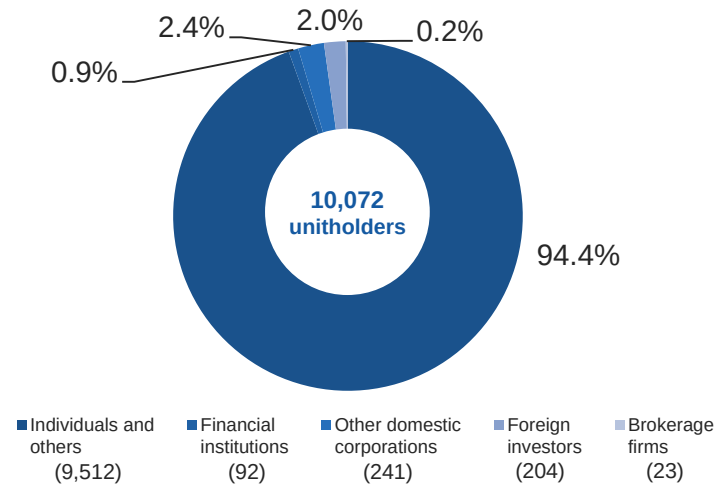
Ownership ratio by investor type



Number of unitholders by investor type

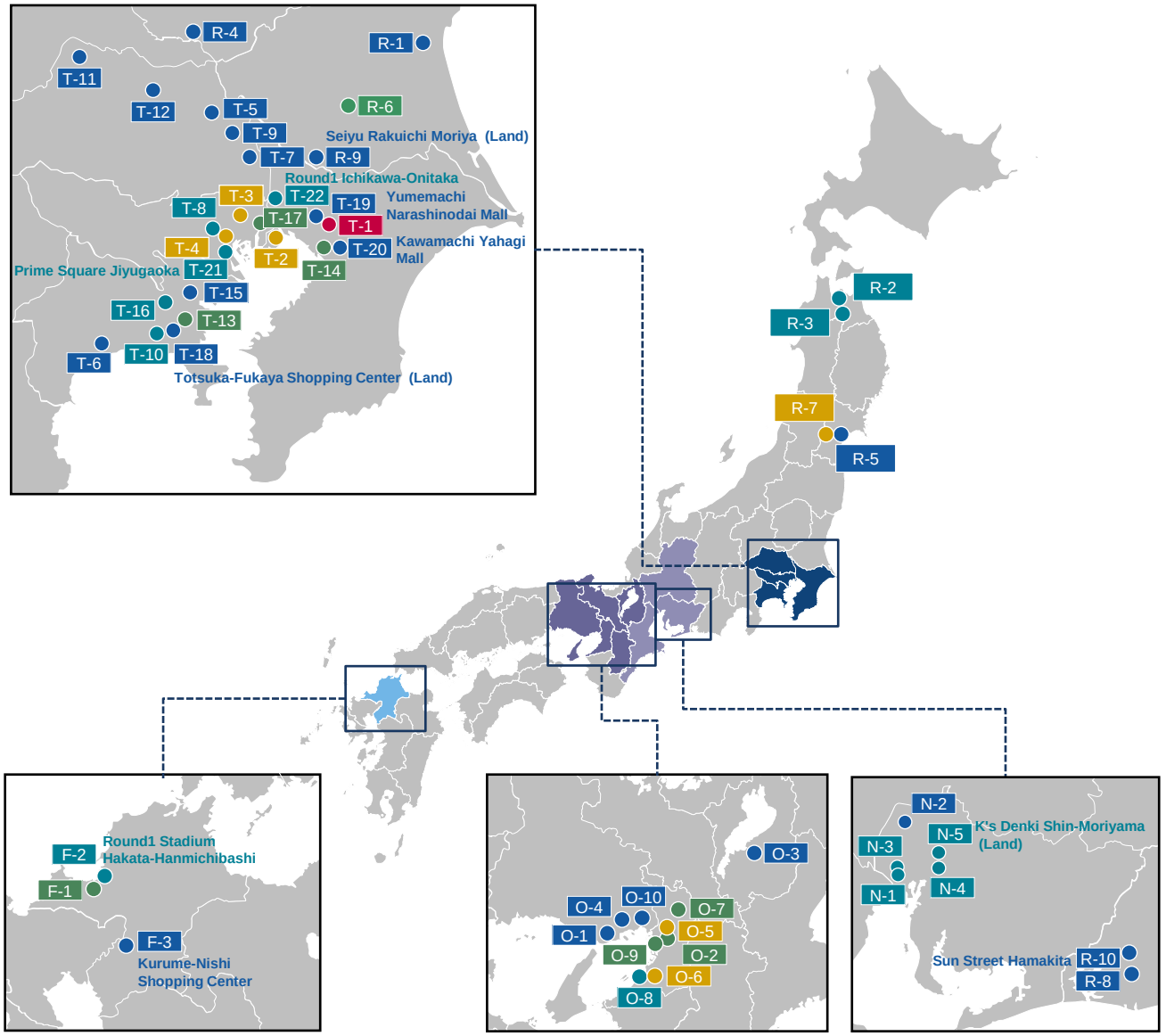


Major unitholders

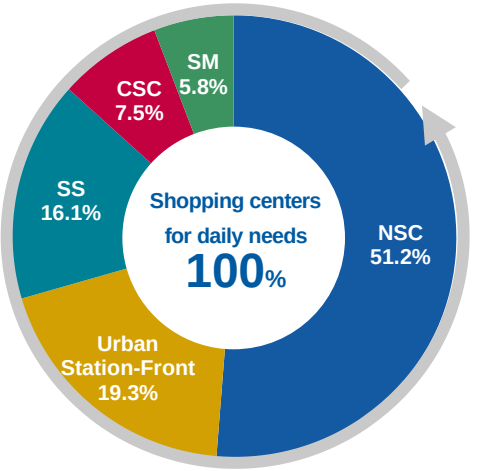
Rank	Name	# of units held	(%)(Note)
1	JAPAN TRUSTEE SERVICES BANK, LTD. (Trust Acct.)	87,101	20.61%
2	THE MASTER TRUST BANK OF JAPAN, LTD. (Trust Acct.)	43,753	10.35%
3	TRUST & CUSTODY SERVICE BANK, LTD. (Securities Investment Trust Acct.)	29,193	6.91%
4	THE NOMURA TRUST AND BANKING CO., LTD. (Investment Trust Acct.)	16,873	3.99%
5	JP MORGAN CHASE BANK 385628	16,318	3.86%
6	THE BANK OF NEW YORK MELLON SA/NV 10	12,758	3.02%
7	THE BANK OF NEW YORK, NON-TREATY JASDAC ACCOUNT	8,018	1.89%
8	SIX SIS LTD.	5,857	1.38%
9	KENEDIX, INC.	5,750	1.36%
10	GOLDMAN SACHS INTERNATIONAL	5,248	1.24%

Note: Figures are based on number of units and rounded down to the 2nd decimal place.

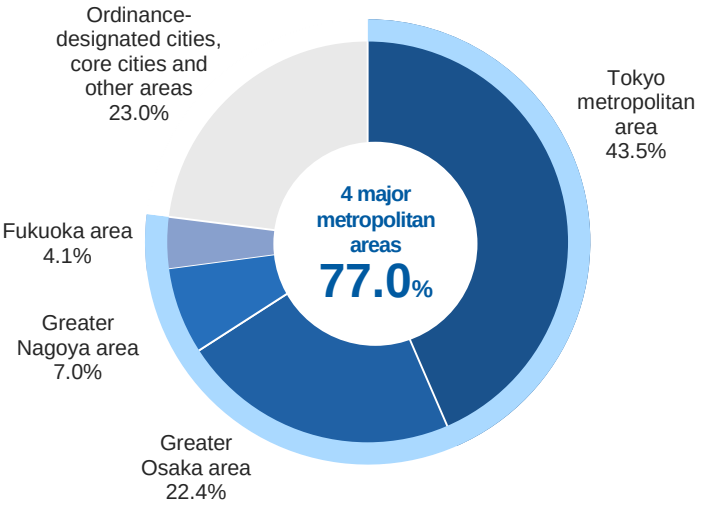
Portfolio map



Types of retail property (by acquisition price)



Location (by acquisition price)



Portfolio overview

KENEDIX
Retail REIT Corporation

T-1 Fululu Garden Yachiyo



T-2 MONA Shin-Urayasu



T-3 Passaggio Nishiarai



T-4 Daikanyama Address Dixsept



T-5 Unicus Ina



T-6 Yorktown Kita-Kaname



T-7 Unicus Yoshikawa



T-8 Sports Club Renaissance Fujimidai



T-9 Super Viva Home Iwatsuki (Land)



T-10 K's Denki Shonan-Fujisawa (Land)



T-11 Unicus Kamisato (Land)



T-12 Unicus Konosu (Land)



T-13 Inageya Yokohama Minamihonjuku (Land)



T-14 Gourmet City Chiba-Chuo



T-15 Nakamachidai Tokyu Store



T-16 Central Wellness Club Nagatsuta Minamidai



T-17 Life Kameido



O-1 Blumer Maitamon



O-2 Central Square Takadono (Land)



O-3 Piago Kahma Home Center Omihachiman



O-4 Blumer HAT Kobe



O-5 Carino Esaka



O-6 COMBOX Komyoike



O-7 Hankyu Oasis Hirakatadeguchi



O-8 Welcia Kishiwadakamori (Land)



O-9 Life Nishi-Tengachaya



O-10 Million Town Tsukaguchi (Land)



N-1 Kahma Home Center Nakagawa Tomita (Land)



N-2 Valor Ichinomiya-Nishi



N-3 K's Denki Nakagawa Tomita (Land)



N-4 Homecenter Kohnan Sunadabashi



N-5 K's Denki Shin-Moriyama (Land)



F-1 Sunny Noma



R-1 Roseo Mito



R-2 K's Denki Aomori Honten



R-3 Super Sports Xebio Aomori-Chuo



R-4 Ashico Town Ashikaga



R-5 Yorktown Shinden-Higashi



R-6 Kasumi Technopark Sakura



R-7 Solala Plaza



R-8 P-1 Plaza Tenno

R-9 Seiyu Rakuichi Moriya (Land)

T-18 Totsuka-Fukaya Shopping Center (Land)

T-19 Yumemachi Narashinodai Mall

T-20 Kawamachi Yahagi Mall

T-21 Prime Square Jiyugaoka

T-22 Round1 Ichikawa-Onitaka

F-2 Round1 Stadium Hakata-Hanmichibashi

F-3 Kurume-Nishi Shopping Center

R-10 Sun Street Hamakita

Portfolio overview

KENEDIX
Retail REIT Corporation

Total acquisition price

JPY197,002 mn

Total appraisal value

JPY208,806 mn

Average appraisal NOI yield

5.3%

Weighted average occupancy rate

99.5%

Number of tenants

496

No	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of Tenants
Existing properties as of Mar. 31, 2017							
T-1	Fululu Garden Yachiyo	Yachiyo, Chiba	14,848	15,200	5.1	98.2	48
T-2	MONA Shin-Urayasu	Urayasu, Chiba	8,063	8,470	6.1	95.7	70
T-3	Passaggio Nishiarai	Adachi ward, Tokyo	5,850	6,360	4.9	98.1	41
T-4	Daikanyama Address Dixsept	Shibuya ward, Tokyo	5,390	5,790	4.1	97.0	26
T-5	Unicus Ina	Kitaadachi-gun, Saitama	4,470	4,750	5.6	100.0	1
T-6	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	4,000	4,300	5.4	100.0	1
T-7	Unicus Yoshikawa	Yoshikawa, Saitama	3,600	3,840	5.2	100.0	11
T-8	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	2,586	2,750	5.0	100.0	1
T-9	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	4,815	5,380	4.3	100.0	1
T-10	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	3,169	3,480	5.0	100.0	1
T-11	Unicus Kamisato (Land)	Kodama-gun, Saitama	3,000	3,050	4.6	100.0	1
T-12	Unicus Konosu (Land)	Konosu, Saitama	1,700	1,770	4.6	100.0	1
T-13	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	1,442	1,430	4.5	100.0	1
T-14	Gourmet City Chiba-Chuo	Chiba, Chiba	760	807	5.8	100.0	1
T-15	Nakamachidai Tokyu Store	Yokohama, Kanagawa	3,360	3,820	5.4	100.0	1
T-16	Central Wellness Club Nagatsuta Minamidai	Yokohama, Kanagawa	1,724	1,910	5.7	100.0	2
T-17	Life Kameido	Koto ward, Tokyo	1,450	1,520	4.5	100.0	1
O-1	Blumer Maitamon	Kobe, Hyogo	8,389	9,230	5.9	99.2	50
O-2	Central Square Takadono (Land)	Osaka, Osaka	2,685	2,980	4.8	100.0	1
O-3	Piago Kahma Home Center Omihachiman	Omihachiman, Shiga	2,140	2,430	7.1	100.0	2
O-4	Blumer HAT Kobe	Kobe, Hyogo	11,000	11,600	5.1	99.1	41
O-5	Carino Esaka	Suita, Osaka	6,555	6,770	5.2	97.8	30
O-6	COMBOX Komyoike	Izumi, Osaka	6,450	6,950	6.0	100.0	1
O-7	Hankyu Oasis Hirakatadeguchi	Hirakata, Osaka	1,280	1,330	5.9	100.0	1
O-8	Welcia Kishiwadakamori (Land)	Kishiwada, Osaka	487	488	4.5	100.0	1
O-9	Life Nishi-Tengachaya	Osaka, Osaka	1,505	1,660	5.3	100.0	1
O-10	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	3,723	3,820	4.3	100.0	1
N-1	Kahma Home Center Nakagawa Tomita (Land)	Nagoya, Aichi	2,311	2,590	5.2	100.0	1
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	2,174	2,310	5.9	100.0	1
N-3	K's Denki Nakagawa Tomita (Land)	Nagoya, Aichi	889	980	5.2	100.0	1
N-4	Homecenter Kohnan Sunadabashi	Nagoya, Aichi	7,140	7,310	5.2	100.0	1
N-5	K's Denki Shin-Moriyama (Land)	Nagoya, Aichi	1,370	1,420	4.4	100.0	1
F-1	Sunny Noma	Fukuoka, Fukuoka	1,497	1,530	5.4	100.0	1
R-1	Roseo Mito	Mito, Ibaraki	10,046	11,000	5.9	99.7	22
R-2	K's Denki Aomori Honten	Aomori, Aomori	1,469	1,550	6.3	100.0	1
R-3	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	898	928	6.4	100.0	1
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	4,180	5,060	6.4	100.0	29
R-5	Yorktown Shinden-Higashi	Sendai, Miyagi	3,252	3,330	6.0	100.0	2
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	830	873	5.6	100.0	1
R-7	Solala Plaza	Sendai, Miyagi	5,720	5,960	5.0	100.0	1
R-8	P-1 Plaza Tenno	Hamamatsu, Shizuoka	4,010	4,340	5.7	100.0	7
R-9	Seiyu Rakuichi Moriya (Land)	Moriya, Ibaraki	4,111	4,210	4.1	100.0	1
Properties acquired in Apr. and May 2017							
T-18	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	4,170	4,290	4.6	100.0	2
T-19	Yumemachi Narashinodai Mall	Funabashi, Chiba	3,416	3,520	5.2	100.0	13
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	3,097	3,220	5.2	100.0	12
T-21	Prime Square Jiyugaoka	Meguro ward, Tokyo	2,820	2,850	4.1	100.0	2
T-22	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	1,880	1,970	5.2	100.0	1
F-2	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	5,020	5,190	5.7	100.0	1
F-3	Kurume-Nishi Shopping Center	Kurume, Fukuoka	1,515	1,600	6.0	100.0	4
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	10,746	10,890	5.8	97.9	52

Note: The figures are as of Mar. 31, 2017. The figures of "Appraisal value" and "Appraisal NOI yield" of the properties acquired in Apr. and May 2017 are based on the appraisal report as of Feb. 1, 2017 ("Prime Square Jiyugaoka" is as of Mar. 1, 2017).

Portfolio highlights (1)

Name	T-1 Fululu Garden Yachiyo	T-2 MONA Shin-Urayasu	T-3 Passaggio Nishiarai	T-4 Daikanyama Address Dixsept	T-5 Unicus Ina
Photo					
Location	Yachiyo, Chiba	Urayasu, Chiba	Adachi ward, Tokyo	Shibuya ward, Tokyo	Kitaadachi-gun, Saitama
Acquisition price (JPY)	14,848 mn	8,063 mn	5,850 mn	5,390 mn	4,379 mn
Highlights	● CSC in an area with population growth (40 min to Otemachi Sta. by train) ● Approximately 50 stores in the specialty store bldg. ● Ito-Yokado provides online supermarket business delivered from this store	● Located in front of Shin-Urayasu Sta. (17 min from Tokyo Sta. by train) ● Entrance to highly popular residential areas ● Approx. 70 tenants, including supermarkets and clothing stores	● The surrounding area has a significant inflow of families due to large developments ● Houses a home appliance store, an apparel store, restaurants, etc.	● Occupies the retail section of a large complex facility in front of Daikanyama Sta. ● Houses sophisticated and stylish retailers as well as tenants that cater to day-to-day needs of customers	● Highly competitive by housing supermarket Yaoko among other tenants ● The population in the surrounding area is increasing by continued residential developments ● Constructed a restaurant building in 2017

Name	T-6 Yorktown Kita-Kaname	T-7 Unicus Yoshikawa	T-8 Sports Club Renaissance Fujimidai	T-9 Super Viva Home Iwatsuki (Land)	T-10 K's Denki Shonan-Fujisawa (Land)
Photo					
Location	Hiratsuka, Kanagawa	Yoshikawa, Saitama	Nerima ward, Tokyo	Saitama, Saitama	Fujisawa, Kanagawa
Acquisition price (JPY)	4,000 mn	3,600 mn	2,586 mn	4,815 mn	3,169 mn
Highlights	● Population increase with residential developments ● Plays an important role in the local community by housing tenants including a supermarket, a drug store and a restaurant	● Conveniently located along a heavily traveled road in a population increasing area ● Houses a supermarket, Life, and a home and garden store, Kohnan, as anchor tenants	● A well-equipped membership-based health club with a gym, two studios and a swimming pool ● Large housing developments surrounding Fujimidai Sta. (15min from Ikebukuro Sta. by train)	● Comprises a large home and garden store, a supermarket and a food court ● A number of major routes near the property potentially enlarge trade areas including adjacent cities	● Faces major routes, which gives the property a wide retail trade area ● More than ten years remain on a fixed-term land lease with K's Holdings

NSC SM CSC Urban Station-Front Shopping Centers SS

Portfolio highlights (2)

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Name	T-11 Unicus Kamisato (Land)	T-12 Unicus Konosu (Land)	T-13 Inageya Yokohama Minamihonjuku (Land)	T-14 Gourmet City Chiba-Chuo	T-15 Nakamachidai Tokyu Store
Photo					
Location	Kodama-gun, Saitama	Konosu, Saitama	Yokohama, Kanagawa	Chiba, Chiba	Yokohama, Kanagawa
Acquisition price (JPY)	3,000 mn	1,700 mn	1,442 mn	760 mn	3,360 mn
Highlights	● Underlying land of the largest NSC in Kamisato developed by P&D ● Competitive due to its concentration of highly recognizable tenants including a supermarket and a cinema complex	● Underlying land of the largest NSC in Konosu developed by P&D ● Easy access and high visibility by car given its location facing the largest trunk road within the relevant trade area	● Underlying land of Inageya grocery supermarket opened in March 2015 ● Comprises a trade area that cater daily needs together with a restaurant and a drug store nearby	● Large daytime population due to the concentration of government offices in the area ● Synergistically consisted of a grocery supermarket and clinics	● A station-front NSC in an area with high population growth and easy access to central Tokyo ● Houses a supermarket and other retailers that cater daily needs

Name	T-16 Central Wellness Club Nagatsuta Minamidai	T-17 Life Kameido	T-18 Totsuka Fukaya Shopping Center (Land)	T-19 Yumemachi Narashinodai Mall	T-20 Kawamachi Yahagi Mall
Photo					
Location	Yokohama, Kanagawa	Koto ward, Tokyo	Yokohama, Kanagawa	Funabashi, Chiba	Chiba, Chiba
Acquisition price (JPY)	1,724 mn	1,450 mn	4,170 mn	3,416 mn	3,097 mn
Highlights	● Located in an area with high population growth, housing a health club as its core tenant ● Convenient car access due to its roadside location, with good visibility	● A supermarket located in one of the most densely populated retail trade areas in Tokyo ● "Kameido Residence", a large-scale condominium consisting of approx. 700 residential units in the neighborhood	● Underlying land of an NSC opened in March 2015 ● NSC houses a grocery supermarket and a home and garden store ● Located in an area with population growth, with new residential development in surrounding areas	● Located in an area with high population growth, housing a competitive supermarket as the anchor tenant ● The tenants, including the core grocery supermarket, cater to diverse daily needs of consumers	● A new NSC developed by Kenedix housing tenants with a high level of customer attraction ● Located in an area with significant population growth potential, near a national road and a highway JCT ● Flat parking lot for up to 320 vehicles

Portfolio highlights (3)

KENEDIX
Retail REIT Corporation

Name	T-21 Prime Square Jiyugaoka	T-22 Round1 Ichikawa-Onitaka	O-1 Blumer Maitamon	O-2 Central Square Takadono (Land)	O-3 Piago Kahma Home Center Omihachiman
Photo					
Location	Meguro Ward, Tokyo	Ichikawa, Chiba	Kobe, Hyogo	Osaka, Osaka	Omihachiman, Shiga
Acquisition price (JPY)	2,820 mn	1,880 mn	8,389 mn	2,685 mn	2,140 mn
Highlights	● Located in the neighborhood of Jiyugaoka along the Tokyu Toyoko Line ● Leased to Central Sports Co., Ltd., a leading fitness club operator	● A rode-side amusement facility located in an area with easy access and high population growth ● Attractive occupancy cost and no other Round One stores near the retail trade area	● Located within a newly developed residential area ● Consists of approx. 45 tenants, including a supermarket, an electronic appliance store and a major clothing store as core tenants	● A new brand supermarket which Life Corporation opened on the land in 2015 ● Located in a densely populated area bordering central Osaka ● Highly accessible by car as well	● NSC consisted of two buildings, Piago (supermarket) and Kahma (home and garden store) ● The trade area surrounding Omihachiman Sta. is residential area with young families

Name	O-4 Blumer HAT Kobe	O-5 Carino Esaka	O-6 COMBOX Komyoike	O-7 Hankyu Oasis Hirakatadeguchi	O-8 Welcia Kishiwadakamori (Land)
Photo					
Location	Kobe, Hyogo	Suita, Osaka	Izumi, Osaka	Hirakata, Osaka	Kishiwada, Osaka
Acquisition price (JPY)	11,000 mn	6,555 mn	6,450 mn	1,280 mn	487 mn
Highlights	● Landmark NSC in "HAT Kobe District", a revival symbol project from the Kobe earthquake ● Houses a cinema complex, a grocery store, clothing stores and restaurants	● Attractively located near Esaka Sta., only 10min from Umeda Sta. ● The retail trade area is popular among young families ● Core tenant is Tokyu Hands	● The largest retail property in the central area of Komyoike ● Located in the area accessible to Namba Sta. in 30 min by train ● A new condominium project nearby is planned	● A supermarket located in a highly populated area ● Approx. 100 car parking lots make easy accessibility by car in addition to consumers coming on foot	● Underlying land of a Welcia store opened in 2015, which also sells groceries ● Surrounded by residential districts, expecting customers on bicycles as well as those by car

Portfolio highlights (4)

Name	O-9 Life Nishi-Tengachaya	O-10 Million Town Tsukaguchi (Land)	N-1 Kahma Home Center Nakagawa Tomita (Land)	N-2 Valor Ichinomiya-Nishi	N-3 K's Denki Nakagawa Tomita (Land)
Photo					
Location	Osaka, Osaka	Amagasaki, Hyogo	Nagoya, Aichi	Ichinomiya, Aichi	Nagoya, Aichi
Acquisition price (JPY)	1,505 mn	3,723 mn	2,311 mn	2,174 mn	889 mn
Highlights	● A supermarket located in a densely populated retail area ● The tenant, Life Corporation, has dominant strategy in Osaka and continues store opening	● A newly opened NSC located in an area as a part of the large-scale redevelopment project in front of Tsukaguchi Sta. ● Increasing in population in the surrounding area is expected, with the planned development	● Located near a number of major routes ● Comprises an integrated retail zone in the surrounding area, together with a supermarket and a sporting goods store on the adjacent lot	● Located in a commuter town for Nagoya (10 min from Nagoya Sta. by train) ● NSC composed of Valor, a successful supermarket chain in the Chubu Region, as its core tenant, in addition to an electronic appliance store and a health club	● Located in an area 15min from Nagoya Sta. by train ● As Kahma Home Center Nakagawa Tomita, comprises an integrated retail zone in the surrounding area

Name	N-4 Homecenter Kohnan Sunadabashi	N-5 K's Denki Shin-Moriyama (Land)	F-1 Sunny Noma	F-2 Round1 Stadium Hakata-Hanmichibashi	F-3 Kurume-Nishi Shopping Center
Photo					
Location	Nagoya, Aichi	Nagoya, Aichi	Fukuoka, Fukuoka	Fukuoka, Fukuoka	Kurume, Fukuoka
Acquisition price (JPY)	7,140 mn	1,370 mn	1,497 mn	5,020 mn	1,515 mn
Highlights	● Houses a large home and garden store and a large sporting goods store ● Located in a northern urban area of Nagoya ● The population is expected to further increase in the surrounding area	● Land on which an electronics retail store resides. Located in a high population growth area, facing a major roadway with heavy traffic ● Many road-side stores along the road and many single-family residences in the surrounding neighborhood	● Rebuilt in 2007 after enjoying strong support from the local community for 35 years ● The strongest performing supermarket among other Sunny supermarkets in the surrounding area	● A large-scale flagship store for Round One that offers a variety of amusement and sporting facilities ● Located in Hakata-ku, Fukuoka with population growth ● The store ranks high in sales among all Round One stores	● An NSC located in a residential district near downtown Kurume City ● Tenants include a grocery supermarket, a baby goods store and a drug store ● Facing a national route, providing good visibility

Portfolio highlights (5)

KENEDIX Retail REIT Corporation

Name	R-1 Roseo Mito	R-2 K's Denki Aomori Honten	R-3 Super Sports Xebio Aomori-Chuo	R-4 Ashico Town Ashikaga	R-5 Yorktown Shinden-Higashi
Photo					
Location	Mito, Ibaraki	Aomori, Aomori	Aomori, Aomori	Ashikaga, Tochigi	Sendai, Miyagi
Acquisition price (JPY)	10,046 mn	1,469 mn	898 mn	4,180 mn	3,252 mn
Highlights	● Located in a population growing area with many young families ● Houses a supermarket and a home and garden store as core tenants ● Constructed a secondhand shop building in 2015	● Opened in 2005 in Hamada District in Aomori, which has the highest concentration of retailers in Aomori	● Also in Hamada district in Aomori, some major routes bring customers from broad retail trade area	● A large-scale multi-tenant NSC with supermarket as a core tenant ● Easily accessibility by car due to its location along a major local route ● Cinema reopened in March, 2016	● Located in eastern Sendai conveniently commutable to Sendai Sta. ● Houses a supermarket and a home and garden store as core tenants

Name	R-6 Kasumi Technopark Sakura	R-7 Solala Plaza	R-8 P-1 Plaza Tenno	R-9 Seiyu Rakuichi Moriya (Land)	R-10 Sun Street Hamakita
Photo					
Location	Tsukuba, Ibaraki	Sendai, Miyagi	Hamamatsu, Shizuoka	Moriya, Ibaraki	Hamamatsu, Shizuoka
Acquisition price (JPY)	830 mn	5,720 mn	4,010 mn	4,111 mn	10,746 mn
Highlights	● A 24-hour Kasumi supermarket ● The retail trade area includes the college town of Tsukuba University ● Kasumi is headquartered in Tsukuba, and has a dominant presence in the area	● A retail building directly accessible by a pedestrian walkway from Sendai Sta. ● Houses IDC Otsuka Kagu, their only shop in Tohoku Region	● Located in a large scale retail area in northeast Hamamatsu where road-side retail facilities concentrate ● Houses tenants including a local supermarket, a drug store and a relaxation spa	● Underlying land of an NSC popular among consumers, with a grocery supermarket as the anchor tenant ● Located in a population growing area with the 2005 opening of Tsukuba Express ● Land acquired at a price lower than the official land price	● Located in an area with high population growth ● Expected to generate synergies among the tenants that offer services and experiences, with Seiyu as the core tenant ● Seiyu focuses on groceries in the trend of "shift from GMS to specialty stores"

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