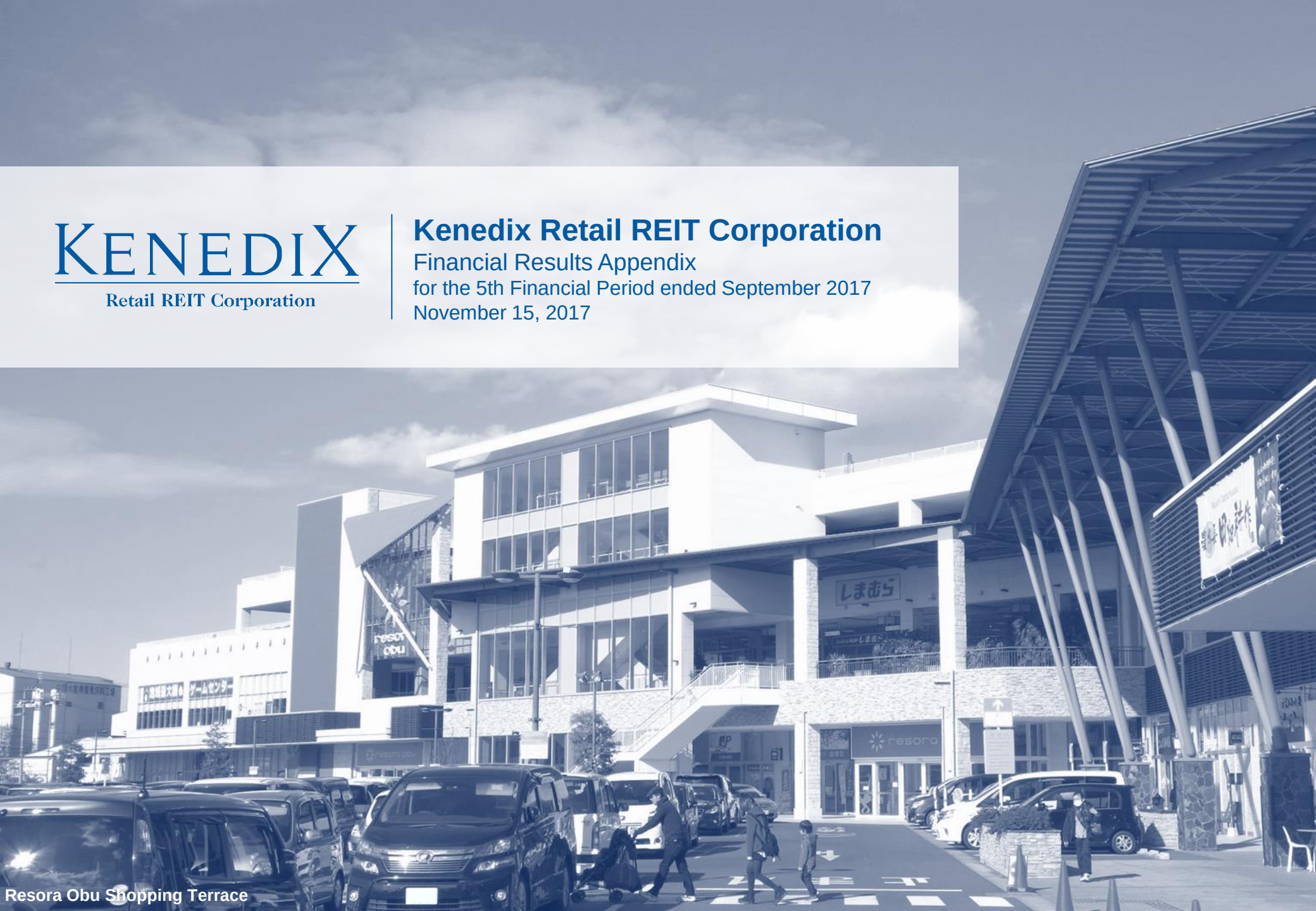
KENEDIX
Retail REIT Corporation

Kenedix Retail REIT Corporation

Financial Results Appendix

for the 5th Financial Period ended September 2017

November 15, 2017



Resora Obu Shopping Terrace

06

Key characteristics of Kenedix Retail REIT Corporation

Security Code
3453



Portfolio strategies

Investment criteria

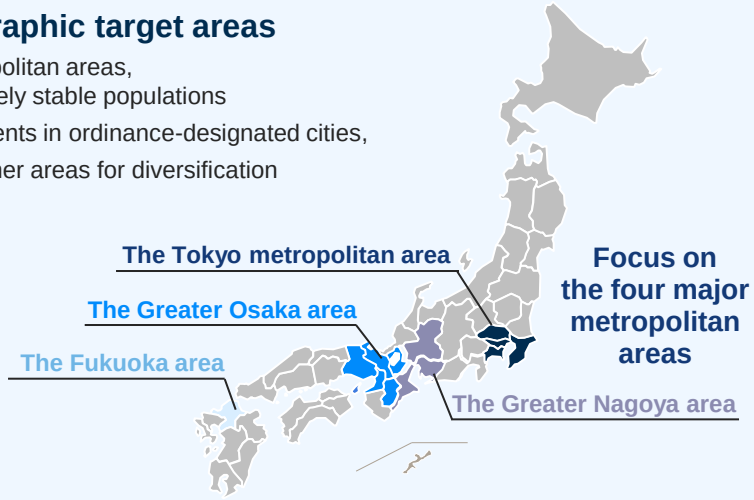
Focus on the following four elements in making investment decisions:

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)

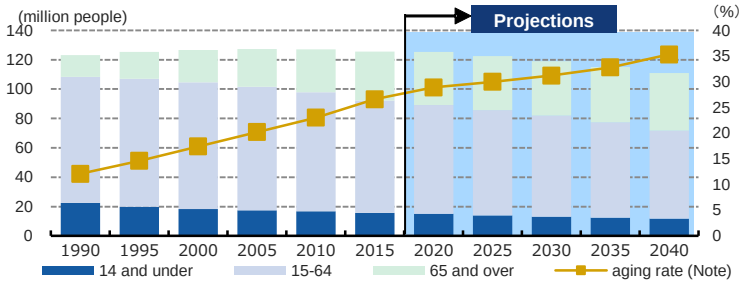
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Shrinking retail trade area due to aging and concentrating population in Japan

Domestic consumption led by the elderly

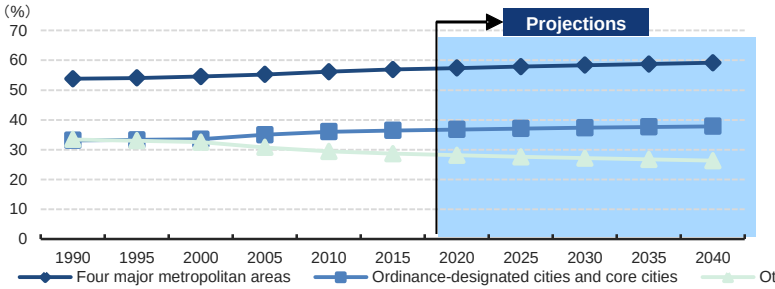
Stable demand for daily necessities

Demographic shift in Japan



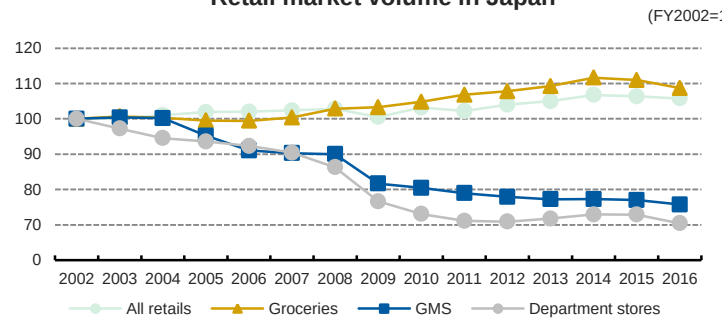
Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research (as of 2017)

Population share in Japan by area



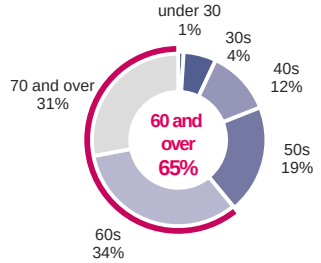
Source: Ministry of Internal Affairs and Communications, National Institute of Population and Social Security Research

Retail market volume in Japan



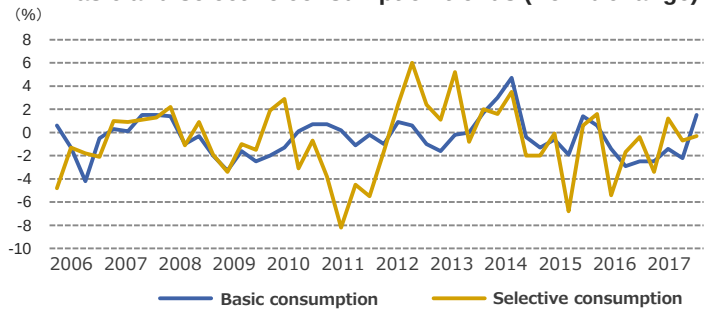
Source: Ministry of Economy, Trade and Industry

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



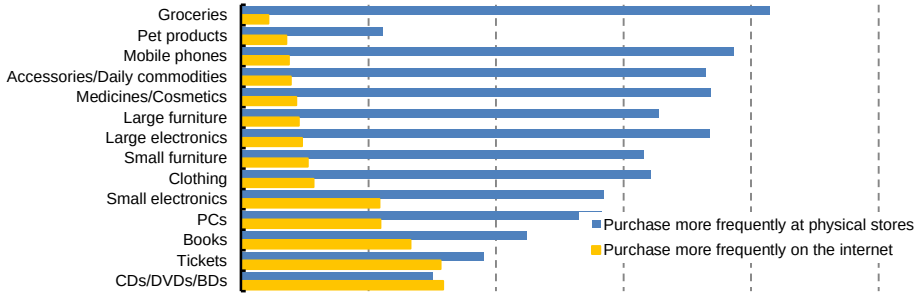
Source: Ministry of Internal Affairs and Communications

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)

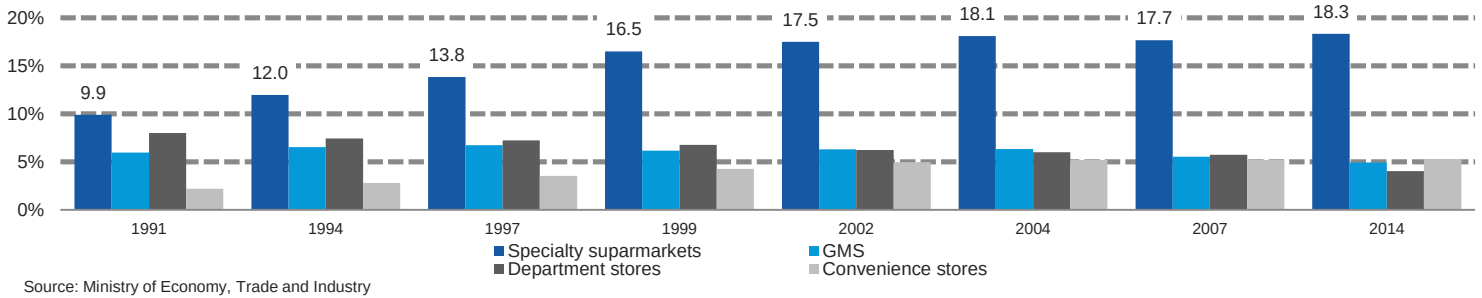
Note: "Aging rate" refers to the percentage of the population aged 65 and older.

Retail property trends and macroeconomic conditions (2)

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Increase in specialty supermarket market share

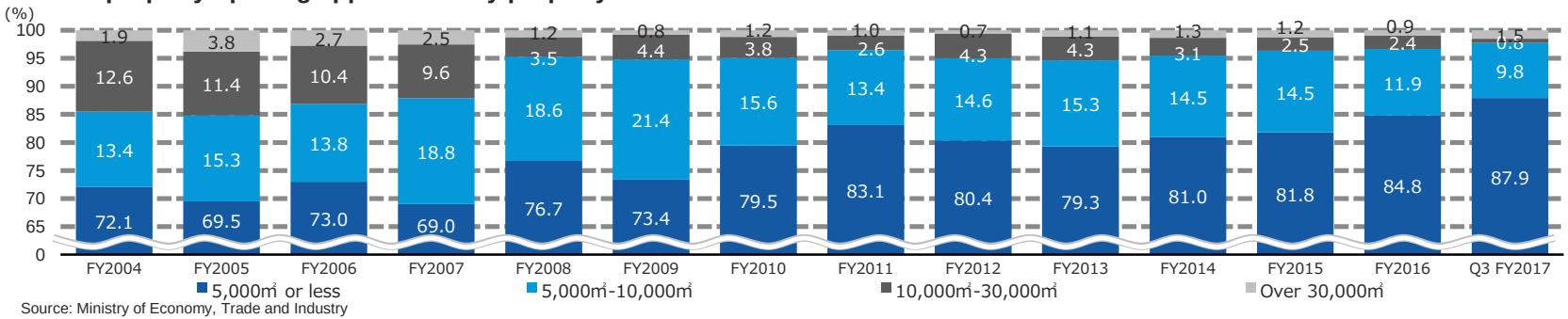
- **Retail sales shares by store type**



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

Difference of SC distribution and consumptive behavior between Japan and the US

KENEDIX Retail REIT Corporation

		Japan	US
Land area (km^2) (Source 1)		377,915	9,833,517
Habitable area (km^2) (Source 2)		114,622	6,103,372
Population (thousand) (Source 3)		126,901	323,298
Population density (Land area) (persons/km^2)		336	33
Population density (Habitable area) (persons/km^2)		1,107	53
Number of SC (Source 4)		3,211	46,860
Total floor area for SC (m^2) (Source 4)		51,724,612	619,810,000
Number of SC per million people		25	144
Floor area for SC per capita (m^2/person)		0.41	1.92
Share of EC (Source 5)		5.8%	7.7%
Share of expenses for meats, fishes and fresh vegetables to all food expense (Source 6)		27.4%	20.2%
% of people who buy twice or more in a week (Source 7)	Meats	48.0%	23.0%
	Fishes	44.0%	13.0%
	Vegetables	58.0%	32.0%
Share of expense for restaurant meals to all food expense (Source 8)		16.9%	42.8%

Source 1: Central Intelligence Agency "The World Factbook"
Source 2: World Bank, World Development Indicators (2013)
Source 3: International Monetary Fund "World Economic Outlook Database" (2016)
Source 4: Japan Council of Shopping Center (2016) (Japan), Japan Council of Shopping Center "SC White paper" (2016, excluding CVC) (US)
Source 5: eMarketer (2016)
Source 6: The Ministry of Internal Affairs and Communications "Family budget survey" (2016) (Japan), Bureau of labor statistics (2015) (US)
Source 7: The Nielsen Company Japan "Global survey about fresh food"
Source 8: The Ministry of Internal Affairs and Communications "Family budget survey" (May 2017) (Japan), Bureau od labor statistics (2015) (US)

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 JPY 4.9 tn. The top-class general leasing company in Japan by lease transaction volume (with consolidated operating assets of JPY 600 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 1,895.7 bn (as of Sep. 30, 2017) (Note)

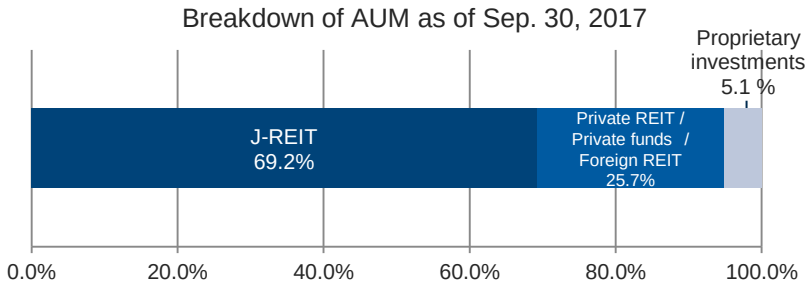
J-REIT: JPY 1,311.2 bn

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

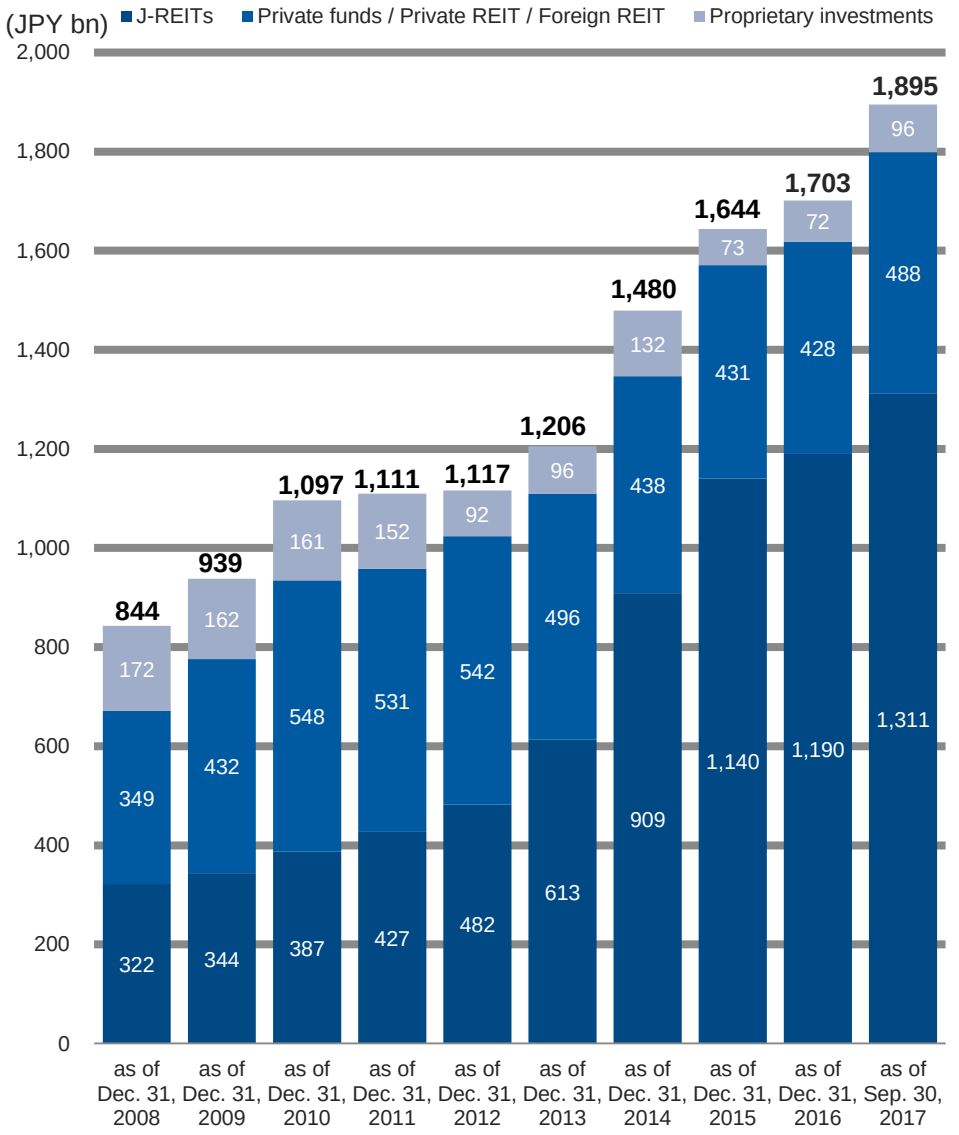
Private REIT / Private funds / Foreign REIT : JPY 488.0 bn

- Kenedix Private Investment Corporation
- Private funds
- Foreign REIT

Note: The Kenedix Group's total AUM includes proprietary investments of JPY 96.4 bn.

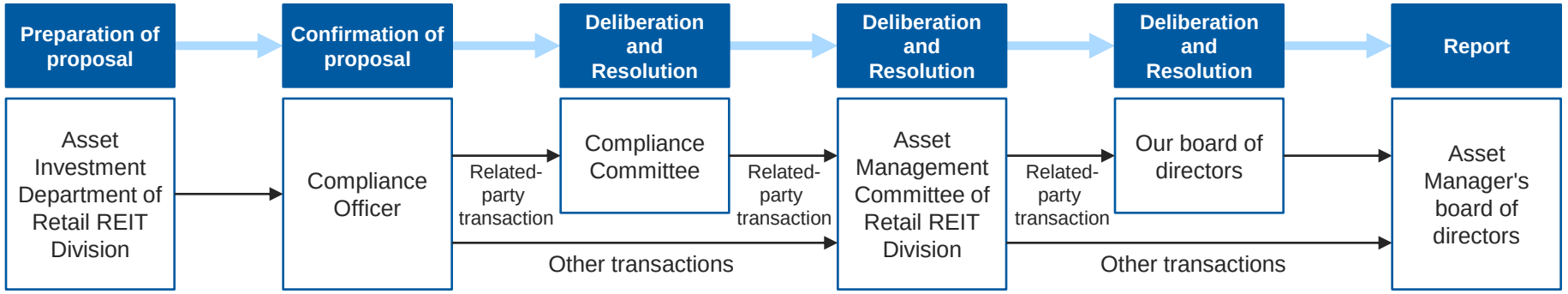


The Kenedix Group's total AUM



Governance structure

Decision-making process for acquisition and sale of properties



Investment in Kenedix Retail REIT by the Kenedix Group

As of Sep. 30, 2017, The Kenedix Group owns about 1.1% (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.

Memo

07

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 (JPY mn)	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	7.2%	3.9%	2.9%	2.6%	2.2%	2.0%	1.8%	1.3%	2.3%	1.5%	1.5%
	Net book value (JPY mn)	14,909	8,523	5,852	5,420	4,401	3,961	3,607	2,546	4,890	3,210	3,043
	Appraisal value (JPY mn)	15,200	8,820	6,370	5,940	4,850	4,310	3,840	2,750	5,400	3,530	3,050
	Ratio	7.0%	4.0%	2.9%	2.7%	2.2%	2.0%	1.8%	1.3%	2.5%	1.6%	1.4%
Lease Information	Number of tenants	48	1 (70)	1 (42)	1 (27)	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)	75,629.94	9,201.92	10,528.25	4,950.90	13,462.71		10,648.27	3,120.87	67,325.95	15,578.58	67,854.47
	Occupancy ratio as of Mar. 31, 2017	99.4%	95.9%	99.8%	97.9%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days
	(1)Rental and other operating revenues (JPY thousands)	733,963	483,459	305,575	268,626	139,635	- (Note)	133,096	- (Note)	- (Note)	- (Note)	72,610
	Rental revenues	616,581	341,450	201,738	184,703	139,501		130,633				72,610
	Other operating revenues	117,381	142,009	103,837	83,922	133		2,463				–
	(2)Property-related expenses (JPY thousands)	356,433	267,818	167,166	141,281	24,415		40,011				6,243
	Property management fees	142,813	87,398	51,491	52,326	1,800		24,154				1,200
	Taxes	71,034	23,000	34,940	11,879	10,304		14,588				4,777
	Utilities	69,583	56,551	40,620	37,204	–		-				–
	Repairs and maintenance	21,744	33,181	5,056	3,333	11,475		604				–
	Insurance	1,706	754	497	282	308		238				–
	Trust fees and other expenses	49,551	66,931	34,559	36,255	526		425				266
	(3)NOI(=(1)-(2)) (JPY thousands)	377,529	215,641	138,408	127,344	115,219	105,340	91,335	63,556	103,427	79,386	66,366
	(4)Depreciation (JPY thousands)	86,401	53,380	32,281	16,014	31,157	20,466	15,614	15,127	–	–	–
	(5)Rental operating income (=(3)-(4)) (JPY thousands)	291,127	162,261	106,126	111,330	84,061	84,873	75,720	48,428	103,427	79,386	66,366
	(6)Capital expenditures (JPY thousands)	44,136	170,093	495	8,735	–	–	523	–	–	–	–
	(7)NCF (=(3)-(6)) (JPY thousands)	333,393	45,548	137,913	118,609	115,219	105,340	90,811	63,556	103,427	79,386	66,366

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

Earnings performance for the individual properties (2)

KENEDIX Retail REIT Corporation

Location		Tokyo metropolitan area									
Property No.		T-12	T-13	T-14	T-15	T-16	T-17	T-18	T-19	T-20	T-21
Property Name		Unicus Konosu (Land)	Inageya Yokohama Minamihonjuku (Land)	Gourmet City Chiba-Chuo	Nakamachidai Tokyu Store	Central Wellness Club Nagatsuta Minamidai	Life Kameido	Totsuka-Fukaya Shopping Center (Land)	Yumemachi Narashinodai Mall	Kawamachi Yahagi Mall	Prime Square Jiyugaoka
Acquisition Date		Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Apr. 21, 2016	Apr. 20, 2016	Apr. 21, 2016	Apr. 19, 2017	Apr. 19, 2017	May 18, 2017	Apr. 19, 2017
Price Information	Acquisition price (JPY mn)	1,700	1,442	760	3,360	1,724	1,450	4,170	3,416	3,097	2,820
	Percentage of total portfolio	0.8%	0.7%	0.4%	1.6%	0.8%	0.7%	2.0%	1.7%	1.5%	1.4%
	Net book value (JPY mn)	1,726	1,462	761	3,453	1,787	1,467	4,228	3,456	3,130	2,905
	Appraisal value (JPY mn)	1,770	1,430	807	3,820	1,910	1,520	4,300	3,520	3,260	2,840
	Ratio	0.8%	0.7%	0.4%	1.7%	0.9%	0.7%	2.0%	1.6%	1.5%	1.3%
Lease Information	Number of tenants	1	1	1	1	2	1	2	1 (14)	1 (12)	2
	Leasable floor area (m^2)	19,329.00	4,405.41	3,488.77	5,968.71	3,996.70	2,929.58	14,092.51	7,827.96	6,937.05	3,512.55
	Leased floor area (m^2)	19,329.00	4,405.41	3,488.77	5,968.71	3,996.70	2,929.58	14,092.51	7,827.96	6,397.05	3,512.55
	Occupancy ratio as of Mar. 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	183 days	183 days	183 days	183 days	183 days	183 days	165 days	165 days	136 days	165 days
	(1)Rental and other operating revenues (JPY thousands)	41,529	- (Note)	- (Note)	- (Note)	59,748	- (Note)	- (Note)	128,328	88,968	- (Note)
	Rental revenues	41,507				58,200			103,757	69,833	
	Other operating revenues	22				1,548			24,570	19,134	
	(2)Property-related expenses (JPY thousands)	4,595				10,824			38,525	24,203	
	Property management fees	1,200				3,618			10,442	6,554	
	Taxes	3,129				6,196			9	10	
	Utilities	–				341			25,522	16,181	
	Repairs and maintenance	–				127			15	–	
	Insurance	–				127			180	119	
	Trust fees and other expenses	266				413			2,355	1,338	
	(3)NOI(=(1)-(2)) (JPY thousands)	36,934	31,851	17,368	88,660	48,923	31,996	90,165	89,802	64,764	62,713
	(4)Depreciation (JPY thousands)	–	–	9,780	20,306	7,745	2,980	–	14,058	7,427	6,886
	(5)Rental operating income (=(3)-(4)) (JPY thousands)	36,934	31,851	7,588	68,354	41,178	29,016	90,165	75,744	57,336	55,827
	(6)Capital expenditures (JPY thousands)	–	–	880	–	–	–	–	180	–	–
	(7)NCF (=(3)-(6)) ((JPY thousands)	36,934	31,851	16,488	88,660	48,923	31,996	90,165	89,622	64,764	62,713

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

Earnings performance for the individual properties (3)

KENEDIX Retail REIT Corporation

Location		Tokyo metropolitan area	Greater Osaka area								
Property No.		T-22	O-1	O-2	O-3	O-4	O-5	O-6	O-7	O-8	O-9
Property Name		Round1 Ichikawa-Onitaka	Blumer Maitamon	Life Takadono (Land)	Piago Kahma Home Center Omihachiman	Blumer HAT Kobe	Carino Esaka	COMBOX Komyoike	Hankyu Oasis Hirakatadeguchi	Welcia Kishiwadakamori (Land)	Life Nishi-Tengachaya
Acquisition Date		Apr. 19, 2017	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Apr. 16, 2015	Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Oct. 2, 2015	Jan. 21, 2016
Price Information	Acquisition price (JPY mn)	1,880	8,389	2,685	2,140	11,000	6,555	6,450	1,280	487	1,505
	Percentage of total portfolio	0.9%	4.1%	1.3%	1.0%	5.4%	3.2%	3.1%	0.6%	0.2%	0.7%
	Net book value (JPY mn)	1,908	8,367	2,727	2,137	11,509	6,649	6,403	1,317	497	1,563
	Appraisal value (JPY mn)	1,970	9,340	3,040	2,430	11,600	6,910	6,840	1,330	488	1,650
	Ratio	0.9%	4.3%	1.4%	1.1%	5.3%	3.2%	3.1%	0.6%	0.2%	0.8%
Lease Information	Number of tenants	1	50	1	2	1 (42)	1 (30)	1	1	1	1
	Leasable floor area (m^2)	11,963.61	30,290.55	4,437.07	14,313.00	23,775.88	7,540.58	25,530.44	2,960.38	3,033.45	2,679.52
	Leased floor area (m^2)	11,963.61	29,752.83	4,437.07	14,313.00	23,475.76	7,371.52	25,530.44	2,960.38	3,033.45	2,679.52
	Occupancy ratio as of Mar. 31, 2017	100.0%	98.2%	100.0%	100.0%	98.7%	97.8%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	165 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days
	(1)Rental and other operating revenues (JPY thousands)	- (Note)	509,247	- (Note)	- (Note)	489,901	305,930	226,190	- (Note)	- (Note)	44,870
	Rental revenues		361,863			357,195	195,324	226,190			44,870
	Other operating revenues		147,384			132,706	110,605	–			–
	(2)Property-related expenses (JPY thousands)		233,373			241,699	127,795	33,244			5,639
	Property management fees		61,106			65,728	41,171	1,800			1,800
	Taxes		42,330			47,190	24,524	30,393			3,378
	Utilities		89,978			87,313	45,344	–			–
	Repairs and maintenance		15,667			21,736	12,372	–			–
	Insurance		741			856	659	637			50
	Trust fees and other expenses		23,550			18,874	3,723	414			410
	(3)NOI(=(1)-(2)) (JPY thousands)	59,212	275,874	63,872	66,807	248,202	178,134	192,945	37,238	10,697	39,231
	(4)Depreciation (JPY thousands)	10,888	51,072	–	10,538	53,852	30,965	32,894	5,201	–	4,682
	(5)Rental operating income (=(3)-(4)) (JPY thousands)	48,323	224,802	63,872	56,269	194,350	147,168	160,051	32,037	10,697	34,548
	(6)Capital expenditures (JPY thousands)	–	2,034	–	580	73,632	57,755	–	–	–	–
	(7)NCF (=(3)-(6)) (JPY thousands)	59,212	273,839	63,872	66,227	174,569	120,378	192,945	37,238	10,697	39,231

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

Earnings performance for the individual properties (4)

KENEDIX Retail REIT Corporation

Location		Greater Osaka area	Greater Nagoya area						Fukuoka area		
Property No.		O-10	N-1	N-2	N-3	N-4	N-5	N-6	F-1	F-2	F-3
Property Name		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)	Resora Obu Shopping Terrace	Sunny Noma	Round1 Stadium Hakata-Hanmichibashi	Kurume-Nishi Shopping Center
Acquisition Date		Apr. 21, 2016	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Apr. 21, 2016	Nov. 1, 2016	Aug. 1, 2017	Feb. 10, 2015	Apr. 19, 2017	Apr. 19, 2017
Price Information	Acquisition price (JPY mn)	3,723	2,311	2,174	889	7,140	1,370	7,911	1,497	5,020	1,515
	Percentage of total portfolio	1.8%	1.1%	1.1%	0.4%	3.5%	0.7%	3.9%	0.7%	2.4%	0.7%
	Net book value (JPY mn)	3,772	2,351	2,143	905	7,126	1,390	8,242	1,471	5,079	1,582
	Appraisal value (JPY mn)	3,870	2,630	2,320	995	7,310	1,430	7,990	1,560	5,290	1,630
	Ratio	1.8%	1.2%	1.1%	0.5%	3.3%	0.7%	3.7%	0.7%	2.4%	0.7%
Lease Information	Number of tenants	1	1	1	1	1	1	1 (43)	1	1	4
	Leasable floor area (m^2)	8,264.46	- (Note)	9,447.48	- (Note)	20,329.07	- (Note)	19,990.40	2,814.67	28,026.61	- (Note)
	Leased floor area (m^2)	8,264.46		9,447.48		20,329.07		19,878.29	2,814.67	28,026.61	
	Occupancy ratio as of Mar. 31, 2017	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	99.4%	100.0%	100.0%	100.0%
Income and Retained Earnings Information	Operating periods	183 days	183 days	183 days	183 days	183 days	183 days	61 days	183 days	183 days	165 days
	(1)Rental and other operating revenues (JPY thousands)	- (Note)	- (Note)	- (Note)	- (Note)	- (Note)	- (Note)	113,011	- (Note)	- (Note)	46,513
	Rental revenues							83,735			46,513
	Other operating revenues							29,275			–
	(2)Property-related expenses (JPY thousands)							40,866			3,315
	Property management fees							12,802			1,669
	Taxes							7			8
	Utilities							20,887			–
	Repairs and maintenance							2,463			1,044
	Insurance							193			132
	Trust fees and other expenses							4,512			460
	(3)NOI(=(1)-(2)) (JPY thousands)	78,688	60,036	64,781	22,958	181,447	29,991	72,144	35,265	161,037	43,198
	(4)Depreciation (JPY thousands)	–	–	14,548	–	40,520	–	15,710	14,253	22,004	5,611
	(5)Rental operating income (=(3)-(4)) (JPY thousands)	78,688	60,036	50,232	22,958	140,927	29,991	56,433	21,011	139,033	37,586
	(6)Capital expenditures (JPY thousands)	–	–	1,992	–	638	–	–	–	–	–
	(7)NCF (=(3)-(6)) (JPY thousands)	78,688	60,036	62,788	22,958	180,809	29,991	72,144	35,265	161,037	43,198

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

Earnings performance for the individual properties (5)

KENEDIX Retail REIT Corporation

Location		Ordinance-designed cities, core cities and other areas									
Property No.		R-1	R-2	R-3	R-4	R-5	R-6	R-7	R-8	R-9	R-10
Property Name		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)	Sun Street Hamakita
Acquisition Date		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	Apr. 27, 2017
Price Information	Acquisition price (JPY mn)	10,046	1,469	898	4,180	3,252	830	5,720	4,010	4,111	10,746
	Percentage of total portfolio	4.9%	0.7%	0.4%	2.0%	1.6%	0.4%	2.8%	2.0%	2.0%	5.2%
	Net book value (JPY mn)	9,984	1,474	893	4,351	3,315	851	5,675	4,171	4,320	10,835
	Appraisal value (JPY mn)	11,300	1,580	947	5,060	3,330	876	5,960	4,340	4,220	11,160
	Ratio	5.2%	0.7%	0.4	2.3%	1.5%	0.4%	2.7%	2.0%	1.9%	5.1%
Lease Information	Number of tenants	1 (22)	1	1	1 (29)	2	1	1	7	1	1 (51)
	Leasable floor area (m^2)	48,296.15	10,083.41	- (Note)	65,616.31	12,768.77	2,047.65	- (Note)	12,030.83	- (Note)	49,023.34
	Leased floor area (m^2)	48,161.79	10,083.41		65,616.31	12,768.77	2,047.65		12,030.83		48,023.37
	Occupancy ratio as of Mar. 31, 2017	99.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	98.0%
Income and Retained Earnings Information	Operating periods	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	183 days	157 days
	(1)Rental and other operating revenues (JPY thousands)	379,870			288,207				136,253		458,055
	Rental revenues	345,234			209,632				135,630		376,118
	Other operating revenues	34,635			78,575				623		81,937
	(2)Property-related expenses (JPY thousands)	83,981			149,599				22,747		177,689
	Property management fees	19,368	- (Note)	- (Note)	40,116	- (Note)	- (Note)	- (Note)	3,124	- (Note)	61,844
	Taxes	27,238			25,219				14,945		21
	Utilities	28,072			65,740				230		46,844
	Repairs and maintenance	1,239			9,533				3,667		10,108
	Insurance	639			618				357		933
	Trust fees and other expenses	7,424			8,371				421		57,936
	(3)NOI(=(1)-(2)) (JPY thousands)	295,888	46,107	28,430	138,608	87,205	22,799	140,945	113,505	91,892	280,366
	(4)Depreciation (JPY thousands)	47,121	6,365	4,894	29,342	13,632	2,661	43,111	16,058	–	69,536
	(5)Rental operating income (=(3)-(4)) (JPY thousands)	248,767	39,741	23,535	109,265	73,573	20,137	97,833	97,447	91,892	210,829
	(6)Capital expenditures (JPY thousands)	–	–	–	686	–	–	–	–	–	4,916
	(7)NCF (=(3)-(6)) (JPY thousands)	295,888	46,107	28,430	137,922	87,205	22,799	140,945	113,505	91,892	275,450

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

Appraisal value (properties as of Sep. 30, 2017) (1)

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	Sep. 30, 2017	15,200	15,200	0	4.6	4.7	0.1	4.4	4.5	0.1	4.8	4.9	0.1
T-2	MONA Shin-Urayasu	Sep. 30, 2017	8,470	8,820	350	5.2	5.0	-0.2	4.8	4.7	-0.1	5.3	5.2	-0.1
T-3	Passaggio Nishiarai	Sep. 30, 2017	6,360	6,370	10	4.3	4.3	0.0	4.1	4.1	0.0	4.5	4.5	0.0
T-4	Daikanyama Address Dixsept	Sep. 30, 2017	5,790	5,940	150	3.7	3.6	-0.1	3.5	3.4	-0.1	3.9	3.8	-0.1
T-5	Unicus Ina	Sep. 30, 2017	4,750	4,850	100	5.1	5.0	-0.1	4.8	4.7	-0.1	5.3	5.2	-0.1
T-6	Yorktown Kita-Kaname	Sep. 30, 2017	4,300	4,310	10	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-7	Unicus Yoshikawa	Sep. 30, 2017	3,840	3,840	0	4.7	4.7	0.0	4.5	4.5	0.0	4.9	4.9	0.0
T-8	Sports Club Renaissance Fujimidai	Sep. 30, 2017	2,750	2,750	0	4.6	4.6	0.0	4.4	4.4	0.0	4.8	4.8	0.0
T-9	Super Viva Home Iwatsuki (Land)	Sep. 30, 2017	5,380	5,400	20	-	-	-	4.6	4.6	0.0	-	-	-
T-10	K's Denki Shonan-Fujisawa (Land)	Sep. 30, 2017	3,480	3,530	50	-	-	-	4.4	4.3	-0.1	-	-	-
T-11	Unicus Kamisato (Land)	Sep. 30, 2017	3,050	3,050	0	-	-	-	4.6	4.6	0.0	-	-	-
T-12	Unicus Konosu (Land)	Sep. 30, 2017	1,770	1,770	0	-	-	-	4.5	4.5	0.0	-	-	-
T-13	Inageya Yokohama Minamihonjuku (Land)	Sep. 30, 2017	1,430	1,430	0	-	-	-	4.0	4.0	0.0	4.7	4.7	0.0
T-14	Gourmet City Chiba-Chuo	Sep. 30, 2017	807	807	0	5.1	5.1	0.0	4.9	4.9	0.0	5.3	5.3	0.0
T-15	Nakamachidai Tokyu Store	Sep. 30, 2017	3,820	3,820	0	4.6	4.6	0.0	4.4	4.4	0.0	4.8	4.8	0.0
T-16	Central Wellness Club Nagatsuta Minamidai	Sep. 30, 2017	1,910	1,910	0	5.0	5.0	0.0	4.8	4.8	0.0	5.2	5.2	0.0
T-17	Life Kameido	Sep. 30, 2017	1,520	1,520	0	4.2	4.2	0.0	3.9	3.9	0.0	4.4	4.4	0.0
T-18	Totsuka-Fukaya Shopping Center (Land)	Sep. 30, 2017	4,290	4,300	10	4.7	4.7	0.0	4.6	4.6	0.0	-	-	-
T-19	Yumemachi Narashinodai Mall	Sep. 30, 2017	3,520	3,520	0	4.9	4.9	0.0	4.7	4.7	0.0	5.1	5.1	0.0
T-20	Kawamachi Yahagi Mall	Sep. 30, 2017	3,220	3,260	40	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
T-21	Prime Square Jiyugaoka	Sep. 30, 2017	2,850	2,840	-10	3.6	3.6	0.0	3.4	3.4	0.0	3.8	3.8	0.0
T-22	Round1 Ichikawa-Onitaka	Sep. 30, 2017	1,970	1,970	0	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
O-1	Blumer Maitamon	Sep. 30, 2017	9,230	9,340	110	5.3	5.3	0.0	5.4	5.4	0.0	5.5	5.5	0.0
O-2	Central Square Takadono (Land)	Sep. 30, 2017	2,980	3,040	60	-	-	-	4.2	4.1	-0.1	-	-	-
O-3	Piago Kahma Home Center Omihachiman	Sep. 30, 2017	2,430	2,430	0	6.2	6.2	0.0	5.9	5.9	0.0	6.4	6.4	0.0
O-4	Blumer HAT Kobe	Sep. 30, 2017	11,600	11,600	0	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0

Note: "Previous" refers to appraisal value at the previous appraisal dated Mar. 31, 2017 for properties acquired by 4th period, dated Feb. 1, 2017 (Mar. 1, 2017 for "Prime Square Jiyugaoka" and Jun. 1, 2017 "Resora Obu Shopping Terrace") for properties acquired in 5th period.
"Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

Appraisal value (properties as of Sep. 30, 2017) (2)

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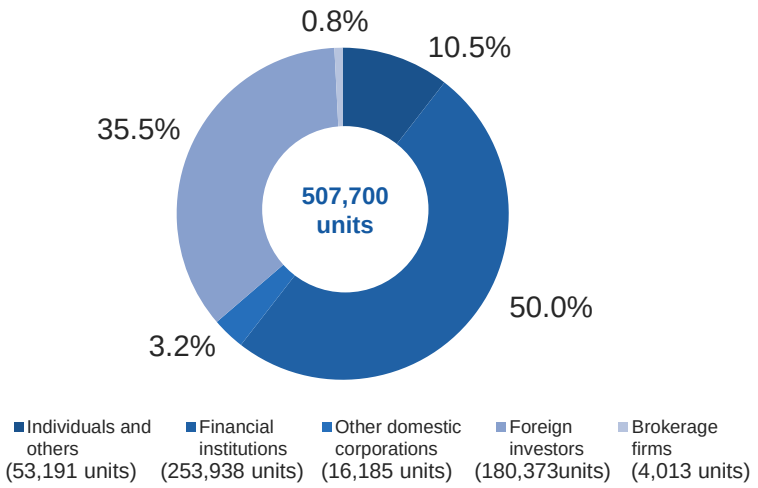
No.	Property name	Appraisal date	Appraisal value (JPY mn)			Income capitalization approach value								
						Direct capitalization method			DCF method					
						Direct cap rate (%)			Discount rate (%)			Terminal cap rate (%)		
			Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes	Previous	Latest	Changes
O-5	Carino Esaka	Sep. 30, 2017	6,770	6,910	140	4.7	4.6	-0.1	4.4	4.3	-0.1	4.9	4.8	-0.1
O-6	COMBOX Komyoike	Sep. 30, 2017	6,950	6,840	-110	5.1	5.1	0.0	4.8	4.8	0.0	5.3	5.3	0.0
O-7	Hankyu Oasis Hirakatadeguchi	Sep. 30, 2017	1,330	1,330	0	5.5	5.5	0.0	5.3	5.3	0.0	5.7	5.7	0.0
O-8	Welcia Kishiwadakamori (Land)	Sep. 30, 2017	488	488	0	-	-	-	4.0	4.0	0.0	4.7	4.7	0.0
O-9	Life Nishi-Tengachaya	Sep. 30, 2017	1,660	1,650	-10	4.7	4.7	0.0	4.8	4.8	0.0	4.9	4.9	0.0
O-10	Million Town Tsukaguchi (Land)	Sep. 30, 2017	3,820	3,870	50	-	-	-	4.2	4.2	-0.1	-	-	-
N-1	Kahma Home Center Nakagawa Tomita (Land)	Sep. 30, 2017	2,590	2,630	40	-	-	-	4.5	4.5	-0.2	-	-	-
N-2	Valor Ichinomiya-Nishi	Sep. 30, 2017	2,310	2,320	10	5.1	5.1	0.0	4.8	4.8	0.0	5.3	5.3	0.0
N-3	K's Denki Nakagawa Tomita (Land)	Sep. 30, 2017	980	995	15	-	-	-	4.5	4.4	-0.1	-	-	-
N-4	Homecenter Kohnan Sunadabashi	Sep. 30, 2017	7,310	7,310	0	4.8	4.8	0.0	4.6	4.6	0.0	5.0	5.0	0.0
N-5	K's Denki Shin-moriyama (Land)	Sep. 30, 2017	1,420	1,430	10	-	-	-	4.0	3.9	-0.1	4.3	4.3	0.0
N-6	Resora Obu Shopping Terrace	Sep. 30, 2017	7,990	7,990	0	4.9	4.9	0.0	5.0	5.0	0.0	5.1	5.1	0.0
F-1	Sunny Noma	Sep. 30, 2017	1,530	1,560	30	5.0	4.9	-0.1	4.8	4.7	-0.1	5.4	5.3	-0.1
F-2	Round1 Stadium Hakata-Hanmichibashi	Sep. 30, 2017	5,190	5,290	100	5.5	5.4	-0.1	5.2	5.1	-0.1	5.7	5.6	-0.1
F-3	Kurume-Nishi Shopping Center	Sep. 30, 2017	1,600	1,630	30	5.4	5.3	-0.1	5.1	5.0	-0.1	5.6	5.5	-0.1
R-1	Roseo Mito	Sep. 30, 2017	11,000	11,300	300	5.3	5.2	-0.1	5.0	4.9	-0.1	5.5	5.4	-0.1
R-2	K's Denki Aomori Honten	Sep. 30, 2017	1,550	1,580	30	5.6	5.5	-0.1	5.3	5.2	-0.1	5.8	5.7	-0.1
R-3	Super Sports Xebio Aomori-Chuo	Sep. 30, 2017	928	947	19	5.6	5.5	-0.1	5.3	5.2	-0.1	5.8	5.7	-0.1
R-4	Ashico Town Ashikaga	Sep. 30, 2017	5,060	5,060	0	5.3	5.1	-0.2	5.1	5.1	0.0	5.5	5.5	0.0
R-5	Yorktown Shinden-Higashi	Sep. 30, 2017	3,330	3,330	0	5.5	5.5	0.0	5.3	5.3	0.0	5.7	5.7	0.0
R-6	Kasumi Technopark Sakura	Sep. 30, 2017	873	876	3	5.1	5.1	0.0	4.9	4.9	0.0	5.3	5.3	0.0
R-7	Solala Plaza	Sep. 30, 2017	5,960	5,960	0	4.8	4.8	0.0	4.5	4.5	0.0	5.0	5.0	0.0
R-8	P-1 Plaza Tenno	Sep. 30, 2017	4,340	4,340	0	5.1	5.1	0.0	4.8	4.8	0.0	5.3	5.3	0.0
R-9	Seiyu Rakuichi Moriya (Land)	Sep. 30, 2017	4,210	4,220	10	4.3	4.3	0.0	4.2	4.2	0.0	-	-	-
R-10	Sun Street Hamakita	Sep. 30, 2017	10,890	11,160	270	5.5	5.4	-0.1	5.2	5.1	-0.1	5.8	5.7	-0.1
Total			216,796	218,633	1,837	-	-	-	-	-	-	-	-	-

Note: "Previous" refers to appraisal value at the previous appraisal dated Mar. 31, 2017 for properties acquired by 4th period, dated Feb. 1, 2017 (Mar. 1, 2017 for "Prime Square Jiyugaoka" and Jun. 1, 2017 "Resora Obu Shopping Terrace") for properties acquired in 5th period.
"Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

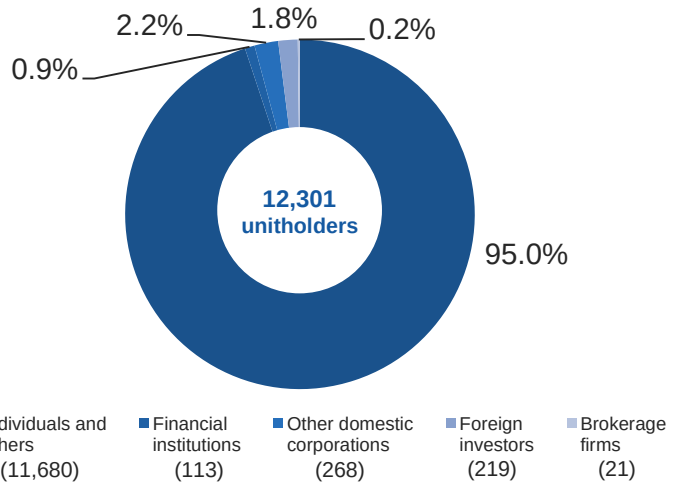
Unitholder information (as of Sep. 30, 2017)

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Ownership ratio by investor type



Number of unitholders by investor type

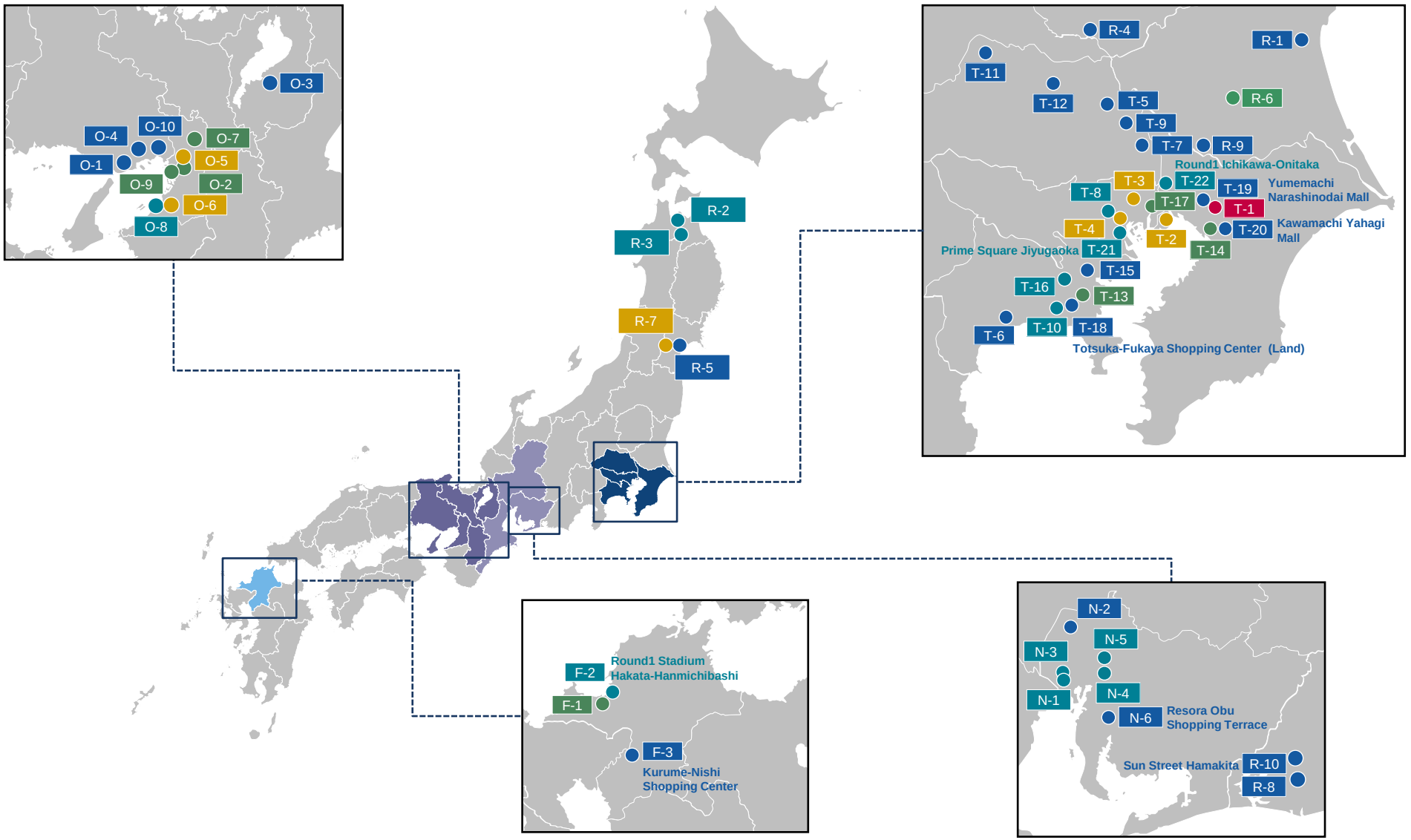


Major unitholders

Rank	Name	# of units held	(%)(Note)
1	JAPAN TRUSTEE SERVICES BANK, LTD. (Trust Acct.)	73,162	14.41%
2	THE MASTER TRUST BANK OF JAPAN, LTD. (Trust Acct.)	72,492	14.27%
3	TRUST & CUSTODY SERVICE BANK, LTD. (Securities Investment Trust Acct.)	24,305	4.78%
4	THE NOMURA TRUST AND BANKING CO., LTD. (Investment Trust Acct.)	21,021	4.14%
5	THE BANK OF NEW YORK MELLON SA/NV 10	17,015	3.35%
6	JP MORGAN CHASE BANK 385628	16,318	3.21%
7	THE BANK OF NEW YORK, NON-TREATY JASDEC ACCOUNT	10,453	2.05%
8	MITSUBISHI UFJ TRUST AND BANKING CORPORATION	8,621	1.69%
9	STATE STREET BANK AND TRUST COMPANY 505223	8,251	1.62%
10	SIX SIS LTD.	7,589	1.49%

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

Portfolio map



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



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



O-1 Blumer Maitamon



O-2 Life 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)



N-6 Resora Obu Shopping Terrace



F-1 Sunny Noma



F-2 Round1 Stadium Hakata-Hanmichibashi



F-3 Kurume-Nishi Shopping Center

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)

R-10 Sun Street Hamakita

Portfolio overview

KENEDIX
Retail REIT Corporation

No	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of Tenants
T-1	Fululu Garden Yachiyo	Yachiyo, Chiba	14,848	15,200	5.2	98.4	48
T-2	MONA Shin-Urayasu	Urayasu, Chiba	8,063	8,820	6.1	95.9	70
T-3	Passaggio Nishiarai	Adachi ward, Tokyo	5,850	6,370	4.9	99.8	42
T-4	Daikanyama Address Dixsept	Shibuya ward, Tokyo	5,390	5,940	4.1	97.9	27
T-5	Unicus Ina	Kitaadachi-gun, Saitama	4,470	4,850	5.6	100.0	1
T-6	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	4,000	4,310	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	5,400	4.3	100.0	1
T-10	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	3,169	3,530	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	3,840	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
T-18	Totsuka-Fukaya Shopping Center (Land)	Yokohama, Kanagawa	4,170	4,300	4.6	100.0	2
T-19	Yumemachi Narashinodai Mall	Funabashi, Chiba	3,416	3,520	5.2	100.0	14
T-20	Kawamachi Yahagi Mall	Chiba, Chiba	3,097	3,260	5.2	100.0	12
T-21	Prime Square Jiyugaoka	Meguro ward, Tokyo	2,820	2,840	4.1	100.0	2
T-22	Round1 Ichikawa-Onitaka	Ichikawa, Chiba	1,880	1,970	5.2	100.0	1
O-1	Blumer Maitamon	Kobe, Hyogo	8,389	9,340	6.0	98.2	50
O-2	Life Takadono (Land)	Osaka, Osaka	2,685	3,040	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	98.7	42

Note: The figures are as of Sep. 30, 2017.

Portfolio overview

KENEDIX
Retail REIT Corporation

No	Name of property	Location (city/ward, prefecture)	Acquisition price (JPY mn)	Appraisal value (JPY mn)	Appraisal NOI yield (%)	Occupancy rate (%)	Number of Tenants
O-5	Carino Esaka	Suita, Osaka	6,555	6,910	5.2	97.8	30
O-6	COMBOX Komyoike	Izumi, Osaka	6,450	6,840	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	1,650	5.2	100.0	1
O-10	Million Town Tsukaguchi (Land)	Amagasaki, Hyogo	3,723	3,870	4.2	100.0	1
N-1	Kahma Home Center Nakagawa Tomita (Land)	Nagoya, Aichi	2,311	2,630	5.2	100.0	1
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	2,174	2,320	5.9	100.0	1
N-3	K's Denki Nakagawa Tomita (Land)	Nagoya, Aichi	889	995	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	1,430	4.4	100.0	1
N-6	Resora Obu Shopping Terrace	Obu, Aichi	7,911	7,990	5.2	99.4	43
F-1	Sunny Noma	Fukuoka, Fukuoka	1,497	1,560	5.4	100.0	1
F-2	Round1 Stadium Hakata-Hanmichibashi	Fukuoka, Fukuoka	5,020	5,290	5.7	100.0	1
F-3	Kurume-Nishi Shopping Center	Kurume, Fukuoka	1,515	1,630	5.9	100.0	4
R-1	Roseo Mito	Mito, Ibaraki	10,046	11,300	6.0	99.7	22
R-2	K's Denki Aomori Honten	Aomori, Aomori	1,469	1,580	6.3	100.0	1
R-3	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	898	947	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	876	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	4,220	4.1	100.0	1
R-10	Sun Street Hamakita	Hamamatsu, Shizuoka	10,746	11,160	6.5	98.0	51
Total / Average			**204,913**	**218,633**	**5.4**	**99.6**	**542**

Note: The figures are as of Sep. 30, 2017.

Portfolio highlights (Tokyo metropolitan area) (1)

KENEDIX Retail REIT Corporation

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 give 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 (Tokyo metropolitan area) (2)

KENEDIX Retail REIT Corporation

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 Mar. 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 Mar. 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 (Tokyo metropolitan area) (3)

Name	T-21 Prime Square Jiyugaoka	T-22 Round1 Ichikawa-Onitaka
Photo		
Location	Meguro Ward, Tokyo	Ichikawa, Chiba
Acquisition price (JPY)	2,820 mn	1,880 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 road-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

Portfolio highlights (Greater Osaka area)

KENEDIX Retail REIT Corporation

Name	O-1 Blumer Maitamon	O-2 LifeTakadono (Land)	O-3 Piago Kahma Home Center Omihachiman	O-4 Blumer HAT Kobe	O-5 Carino Esaka
Photo					
Location	Kobe, Hyogo	Osaka, Osaka	Omihachiman, Shiga	Kobe, Hyogo	Suita, Osaka
Acquisition price (JPY)	8,389 mn	2,685 mn	2,140 mn	11,000 mn	6,555 mn
Highlights	● 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 a residential area with young families	● 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

Name	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)
Photo					
Location	Izumi, Osaka	Hirakata, Osaka	Kishiwada, Osaka	Osaka, Osaka	Amagasaki, Hyogo
Acquisition price (JPY)	6,450 mn	1,280 mn	487 mn	1,505 mn	3,723 mn
Highlights	● 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	● 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

Portfolio highlights (Greater Nagoya area / Fukuoka area)

KENEDIX Retail REIT Corporation

Name	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)
Photo					
Location	Nagoya, Aichi	Ichinomiya, Aichi	Nagoya, Aichi	Nagoya, Aichi	Nagoya, Aichi
Acquisition price (JPY)	2,311 mn	2,174 mn	889 mn	7,140 mn	1,370 mn
Highlights	● 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	● 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

Name	N-6 Resora Obu Shopping Terrace	F-1 Sunny Noma	F-2 Round1 Stadium Hakata-Hanmichibashi	F-3 Kurume-Nishi Shopping Center
Photo				
Location	Obu, Aichi	Fukuoka, Fukuoka	Fukuoka, Fukuoka	Kurume, Fukuoka
Acquisition price (JPY)	7,911 mn	1,497 mn	5,020 mn	1,515 mn
Highlights	● The largest NSC in Obu, Aichi, opened in Apr. 2008 as a part of the development project including a medical mall and a condominium ● Yamanaka, a grocery supermarket as its main tenant and over 40 tenants	● 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 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 (Ordinance-designed cities, core cities and other areas)

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 Mar. 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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