

Kenedix Retail REIT Corporation

Financial Results Appendix

for the 1st Financial Period ended Sep. 2015
November 13, 2015

We seek to invest primarily in neighborhood, community and other shopping centers that cater to the day-to-day needs of local area customers with stable demand from both customers and retailers, in order to provide stable investment returns over the long term

Appendix 1

Key characteristics of Kenedix Retail REIT Corporation (KRR)

KENEDIX

Portfolio strategies

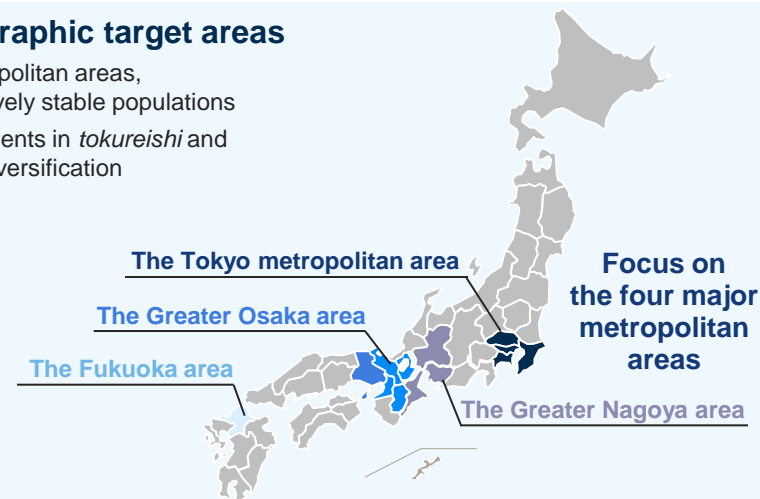
Investment criteria

Focus on the following four elements in making investment decisions:

<p>Attractiveness</p> <ul style="list-style-type: none"> Ability to serve particular day-to-day needs of local area customers 	<p>Location</p> <ul style="list-style-type: none"> Demographic composition, number of households, competing facilities in local retail trade area
<p>Profitability</p> <ul style="list-style-type: none"> Occupancy, leasing status, rent level and lease term 	<p>Tenant mix</p> <ul style="list-style-type: none"> 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 *tokureishi* and other areas for diversification



Target portfolio distribution (based on acquisition price)

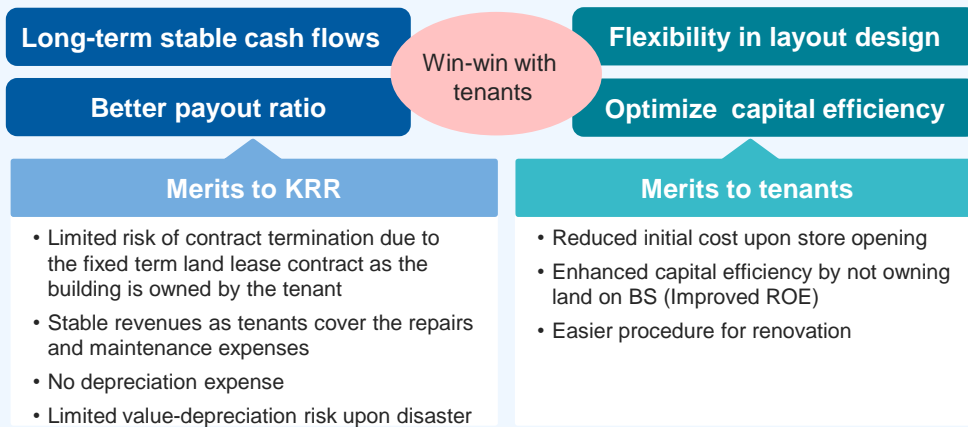
Retail properties **100%**



Investment in land ~Seeking growth opportunities~

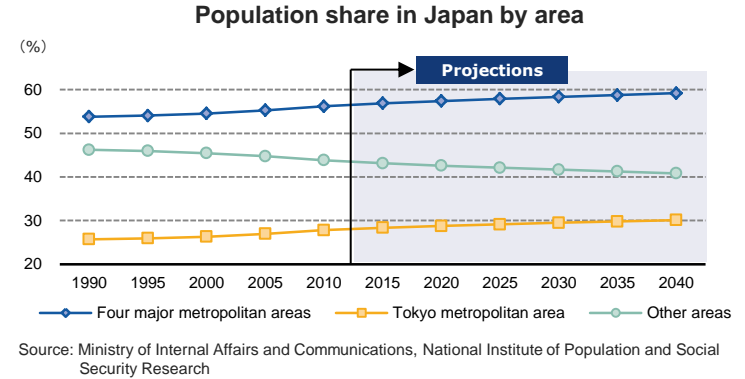
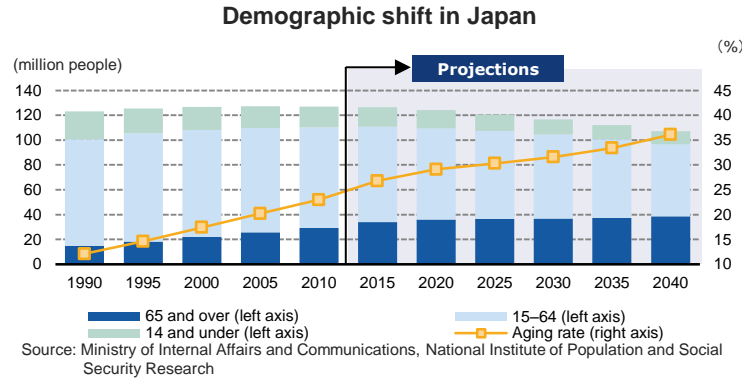
We also seek investment opportunities in land of retail properties for daily needs

- Strong demand from retail tenants to lands (Most land-only properties owned by J-REITs are retail properties)
- Maintain maximum value upon termination of lease term, as the land is expected to be returned as vacant lot
- Investment in lands would be limited to 20% of the portfolio

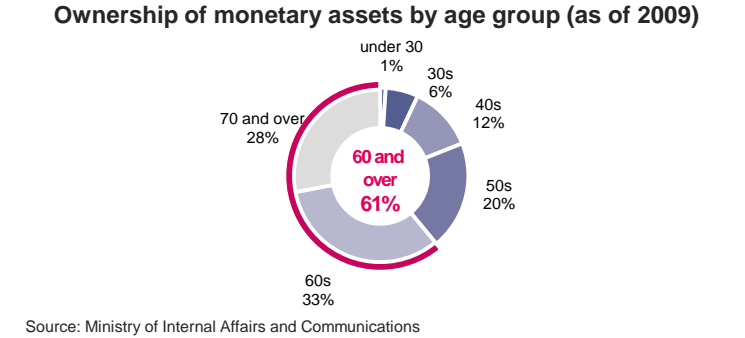


Retail property trends and macroeconomic conditions (1)

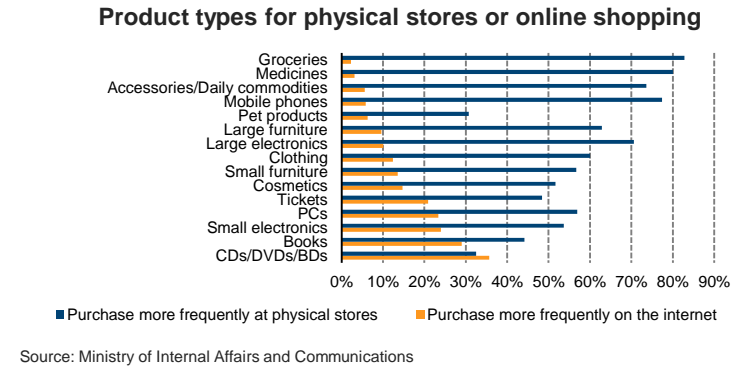
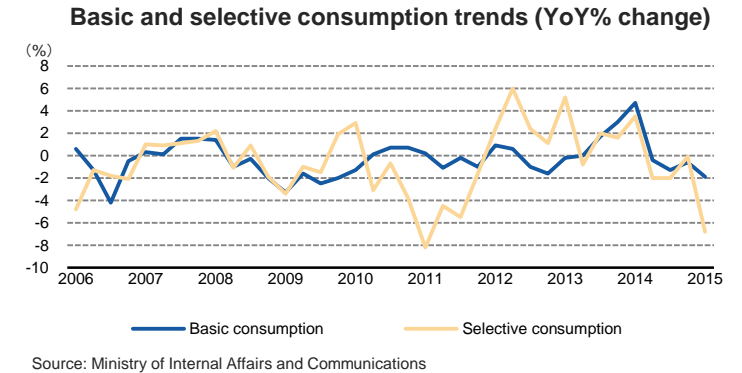
Shrinking retail trade area due to aging population and concentrated population in the four major metropolitan areas



Domestic consumption led by the elderly



Stable demand for daily necessities

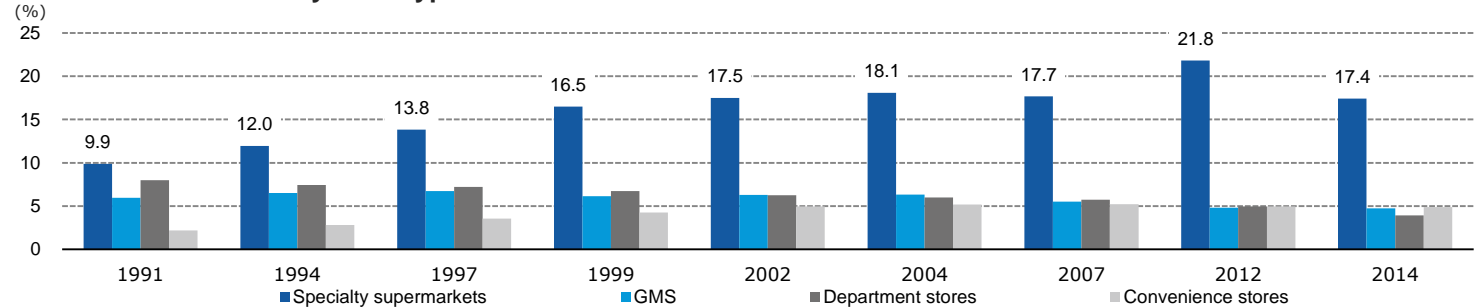


Note: "Aging rate" refers to the percentage of the population aged 65 and older.

Retail property trends and macroeconomic conditions (2)

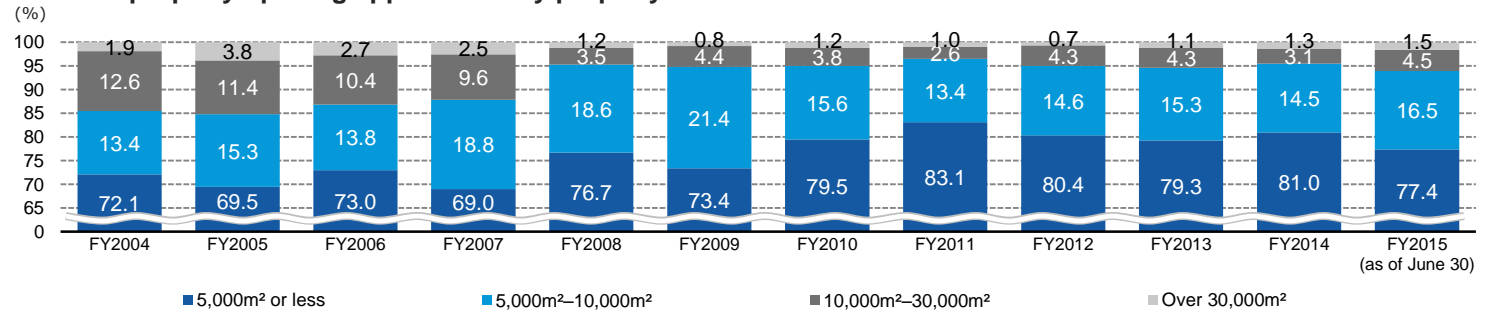
Increase in specialty supermarket market share

● Retail sales shares by store type



Source: Ministry of Economy, Trade and Industry

● Retail property opening applications by property size



Source: Ministry of Economy, Trade and Industry

"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

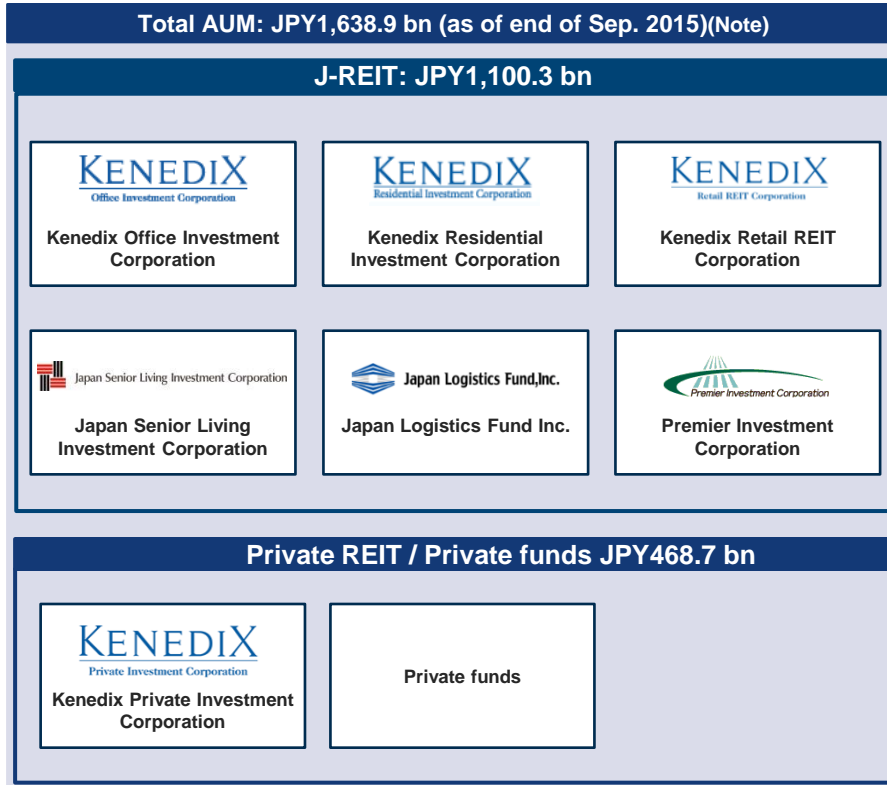
Government promotion of "Compact City"

Leveraging extensive support from Sponsor and Alliance Companies

- We seek leveraging extensive support from our Sponsor, Kenedix, Inc., and Alliance Companies for our external and internal growth

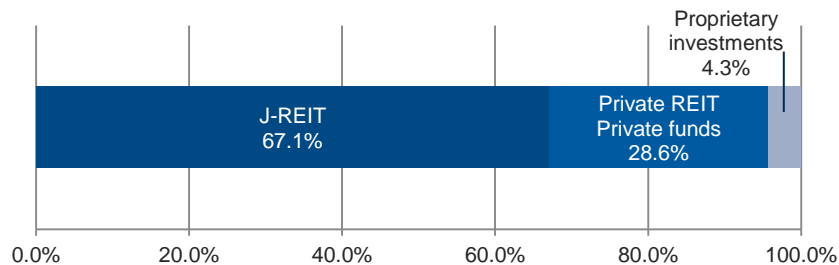
Type of support		Sponsor	Alliance Companies		
		 KENEDIX ケネディクス株式会社	 Sumitomo Mitsui Finance and Leasing Co., Ltd.	 日本商業開発株式会社 Nippon Commercial Development Co., Ltd.	 p&d consulting
Support for external growth	Pipeline support	●	●	●	●
	Warehousing services	●	●		
Support for internal growth	Leasing services	●		●	●
	PM services	●		●	●
	Environmentally-friendly technology/ knowhow	●			
	Evaluation of operating conditions and advisory on operations				●
Other support	Personnel support	●	●		
	Right to use trademarks	●		●	

The Kenedix Group's strong commitment to J-REITs

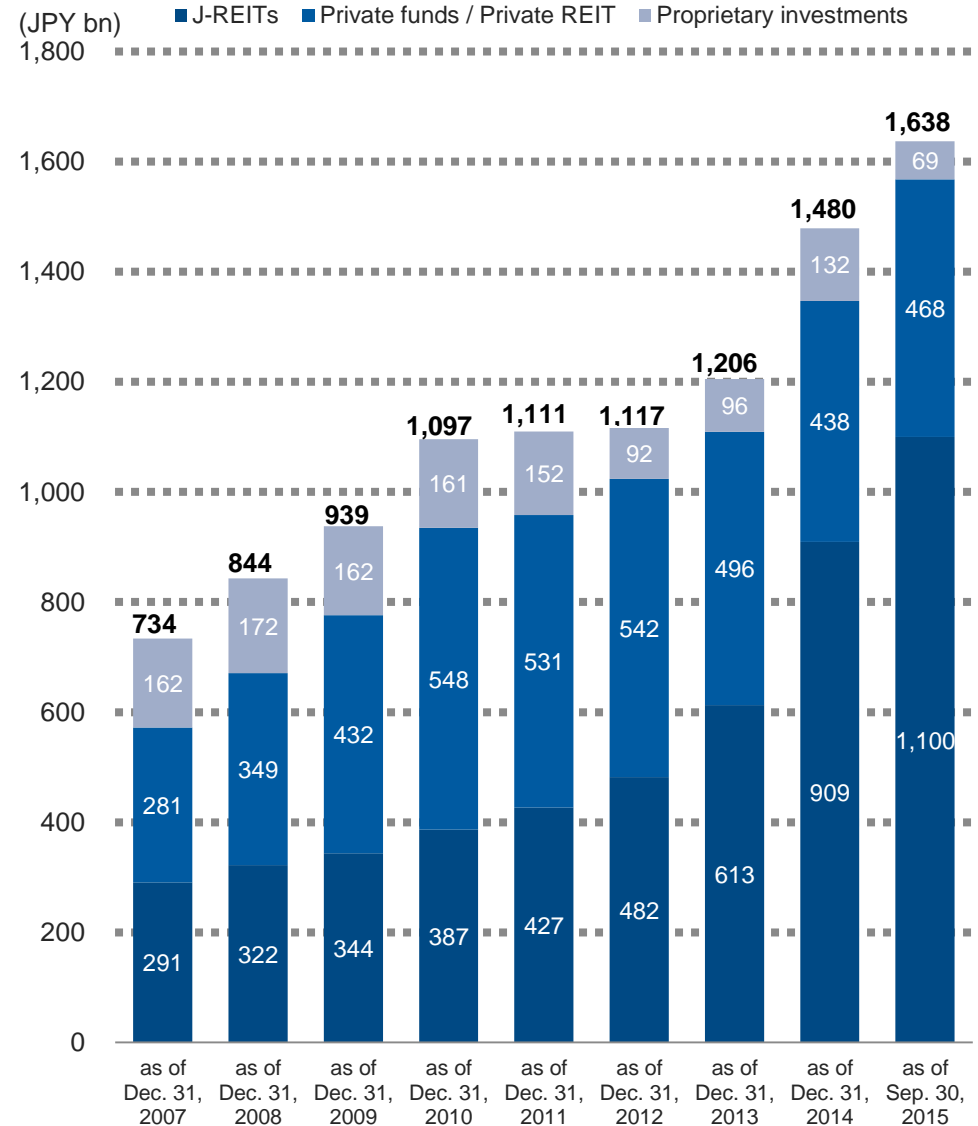


Note: The Kenedix Group's total AUM includes proprietary investments of JPY699 mn.

Breakdown of AUM as of end of Sep. 2015



The Kenedix Group's total AUM



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 of JPY3.9 trillion (on a book value basis, as of March 31, 2015). The largest general leasing company in Japan for fiscal year 2014 by lease transaction volume (with consolidated operating assets of JPY500 bn for the real-estate sector (on a book value basis))
 - 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.



- Founded in Aug. 1998
- Main lines of business: Development and management of retail facilities, retail consulting, etc.
 - Development / management of its own brand "Unicus" (10 locations) and development of other retail facilities (8 locations) (as of Sep. 30, 2015)
- 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.

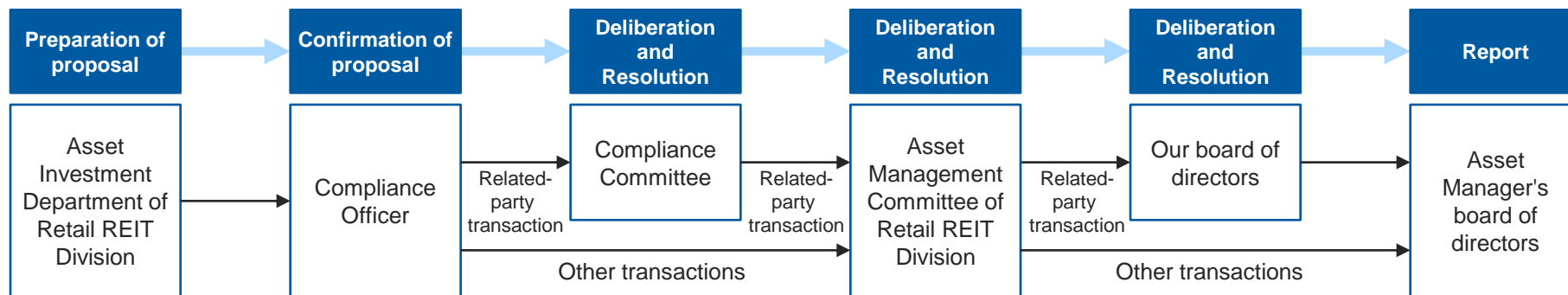


- Founded in Apr. 2000
 - Listed on the Tokyo Stock Exchange 1st Section and the Nagoya Stock Exchange 1st Section
- Main lines of business: Real estate investment, sub-leasing / leasing / fund fee businesses
 - "JINUSHI BUSINESS" to invest in land ownership interests
 - Successful track record of JINUSHI projects (as of July 31, 2015): 53 projects, approx. 550,000 m² (land area) and JPY87.0 bn (book value)
- Description of support
 - Sourcing of land acquisition opportunities through "JINUSHI BUSINESS" (pipeline support)
 - Connections with broad tenants, developed through the "JINUSHI BUSINESS"
 - PM services and tenant leasing services
 - Right to use "JINUSHI"-related trademarks
- 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
- Characteristics of Nippon Commercial Development's "JINUSHI BUSINESS"

Investments in land assets
which can be converted to
residential use

Seek long-term stable
cash flow

Decision-making process for acquisition and sale of properties



Investment in Kenedix Retail REIT by the Kenedix Group

As of October 31, 2015, The Kenedix Group owns about 1.6% (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

As of Sep. 30, 2015, the Kenedix Group is the only real estate investment manager in Japan whose J-REIT assets constitute the majority of their AUM. 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.

Appendix 2

Detailed financial results and portfolio information

KENEDIX

Earnings performance for the individual properties (1)

Location		Tokyo metropolitan area							
Property No.		T-1	T-2	T-3	T-4	T-5	T-6	T-7	T-8
Property Name		Fululu Garden Yachiyo	MONA Shin-Urayasu	Passaggio Nishiarai	Daikanyama Address Dixsept	Unicus Ina	Yorktown Kita-Kaname	Unicus Yoshikawa	Sports Club Renaissance Fujimidai
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
Price Information	Acquisition price (In millions of yen)	14,848	8,063	5,850	5,390	4,379	4,000	3,600	2,586
	Percentage of total portfolio	16.2%	8.8%	6.4%	5.9%	4.8%	4.4%	3.9%	2.8%
	Net book value (In millions of yen)	15,048	8,223	5,964	5,454	4,411	4,038	3,657	2,607
	Appraisal value (In millions of yen)	15,100	8,360	6,200	5,450	4,430	4,220	3,690	2,640
	Ratio	15.8%	8.7%	6.5%	5.7%	4.6%	4.4%	3.9%	2.8%
Lease Information	Number of tenants	49	1(72)	1(40)	1(26)	1	1	1(11)	1
	Leasable floor area (m ²)	77,057.56	9,568.31	10,546.25	5,056.39	13,044.37	-	10,620.04	3,120.87
	Leased floor area (m ²)	76,707.48	9,376.34	10,366.25	4,748.56	13,044.37	(Note)	10,620.04	3,120.87
	Occupancy ratio as of March 31, 2015	99.5%	98.0%	98.3%	93.9%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information for the 1st Fiscal Period	Operating periods	233 days	233 days	233 days	233 days	233 days	233 days	233 days	233 days
	(1)Rental and other operating revenues (In thousands of yen)	978,001	672,980	404,875	324,660	169,248	-	167,013	-
	Rental revenues	811,299	455,106	265,884	228,139	168,590	-	163,317	-
	Other operating revenues	166,701	217,873	138,991	96,521	657	-	3,695	-
	(2)Property-related expenses (In thousands of yen)	396,759	323,537	177,631	176,144	14,282	-	33,313	-
	Property management fees	183,801	108,392	59,760	67,224	2,303	-	30,854	-
	Taxes	21	8	14	8	120	(Note)	209	(Note)
	Utilities	106,108	90,869	60,688	50,921	-	-	-	-
	Repairs and maintenance	37,462	25,716	7,269	10,892	10,779	-	1,344	-
	Insurance	2,423	1,056	705	396	420	-	320	-
	Trust fees and other expenses	66,941	97,493	49,192	46,701	658	-	584	-
	(3)NOI(=(1)-(2)) (In thousands of yen)	581,241	349,442	227,244	148,515	154,966	143,055	133,699	83,144
	(4)Depreciation (In thousands of yen)	106,010	52,094	41,615	19,508	38,276	26,327	20,526	19,757
(5)Rental operating income (=(3)-(4)) (In thousands of yen)	475,231	297,348	185,628	129,007	116,689	116,728	113,172	63,386	
(6)Capital expenditures (In thousands of yen)	21,569	70,767	26,814	1,085	-	-	-	-	
(7)NCF (=(5)-(6)) (In thousands of yen)	559,672	278,674	200,430	147,430	154,966	143,055	133,699	83,144	

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)

Location		Greater Osaka area				Greater Nagoya area			Fukuoka area	Tokureishi and other areas		
Property No.		O-1	O-2	O-3	O-4	N-1	N-2	N-3	F-1	R-1	R-2	R-3
Property Name		Blumer Maitamon	Central Square Takadono (Land)	Piago Kahma Home Center Omihachiman	Blumer HAT Kobe	Kahma Home Center Nakagawa Tomita (Land)	Valor Ichinomiya-Nishi	K's Denki Nakagawa Tomita (Land)	Sunny Noma	Roseo Mito	K's Denki Aomori Honten	Super Sports Xebio Aomori-Chuo
Acquisition Date		Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Apr. 16, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015	Feb. 10, 2015
Price Information	Acquisition price (In millions of yen)	8,389	2,685	2,140	11,000	2,311	2,174	889	1,497	9,675	1,469	898
	Percentage of total portfolio	9.1%	2.9%	2.3%	12.0%	2.5%	2.4%	1.0%	1.6%	10.5%	1.6%	1.0%
	Net book value (In millions of yen)	8,498	2,727	2,178	11,494	2,351	2,199	907	1,527	9,871	1,499	913
	Appraisal value (In millions of yen)	8,820	2,870	2,390	11,600	2,500	2,200	945	1,500	10,300	1,590	901
	Ratio	9.2%	3.0%	2.5%	12.1%	2.6%	2.3%	1.0%	1.6%	10.8%	1.7%	0.9%
Lease Information	Number of tenants	48	1	2	1(41)	1	1	1	1	1(22)	1	1
	Leasable floor area (m ²)	30,037.11	4,437.07	14,313.00	24,185.02	-	9,447.48	-	2,814.67	45,654.67	10,083.41	-
	Leased floor area (m ²)	29,888.11	4,437.07	14,313.00	24,055.88	(Note)	9,447.48	(Note)	2,814.67	45,654.67	10,083.41	(Note)
	Occupancy ratio as of March 31, 2015	99.5%	100.0%	100.0%	99.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Income and Retained Earnings Information for the 1st Fiscal Period	Operating periods	233 days	233 days	233 days	168 days	233 days	233 days	233 days	233 days	233 days	233 days	233 days
	(1)Rental and other operating revenues (In thousands of yen)	630,766			473,998					456,990		
	Rental revenues	456,479			347,234					410,834		
	Other operating revenues	174,286			126,763					46,155		
	(2)Property-related expenses (In thousands of yen)	251,684			194,174					70,036		
	Property management fees	78,705	-	-	78,791	-	-	-	-	23,645	-	-
	Taxes	33	(Note)	(Note)	3	(Note)	(Note)	(Note)	(Note)	12	(Note)	(Note)
	Utilities	123,290			78,362					37,857		
	Repairs and maintenance	17,580			19,441					3,043		
	Insurance	1,059			900					841		
	Trust fees and other expenses	31,013			16,675					4,635		
	(3)NOI(=(1)-(2)) (In thousands of yen)	379,081	54,744	119,519	279,824	83,082	96,380	31,865	55,040	386,953	69,655	40,389
	(4)Depreciation (In thousands of yen)	65,995	-	13,654	48,200	-	19,321	-	18,978	55,745	8,444	6,498
	(5)Rental operating income (=(3)-(4)) (In thousands of yen)	313,086	54,744	105,864	231,623	83,082	77,059	31,865	36,062	331,207	61,210	33,890
	(6)Capital expenditures (In thousands of yen)	10,231	-	-	658	-	-	-	-	-	-	-
(7)NCF (=(5)-(6)) (In thousands of yen)	368,850	54,744	119,519	279,166	83,082	96,380	31,865	55,040	386,953	69,655	40,389	

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

Balance sheet

(in thousands of yen)

Reporting Period
(As of Sep. 30, 2015)

Assets	
Current assets	
Cash and deposits	3,950,551
Cash and deposits in trust	7,829,874
Operating accounts receivable	163,767
Prepaid expenses	16,763
Consumption taxes receivable	2,071,748
Other	10,783
Total current assets	14,043,489
Noncurrent assets	
Property, plant and equipment	
Construction in progress	96,745
Buildings in trust	25,766,439
Accumulated depreciation	-518,285
Buildings in trust, net	25,248,154
Structures in trust	1,118,727
Accumulated depreciation	-35,074
Structures in trust, net	1,083,653
Machinery and equipment in trust	29,194
Accumulated depreciation	-869
Machinery and equipment in trust, net	28,324
Tools, furniture and fixtures in trust	26,211
Accumulated depreciation	-1,231
Tools, furniture and fixtures in trust, net	24,979
Land in trust	66,910,436
Construction in progress in trust	12,025
Total property, plant and equipment, net	93,404,319
Intangible assets	
Leasehold right trust	171,078
Other	2,445
Total intangible assets	173,523
Investments and other assets	
Lease and guarantee deposits	10,000
Lease and guarantee deposits in trust	5,320
Long-term prepaid expenses	418,520
Long-term deposits	124,960
Total investments and other assets	558,800
Total noncurrent assets	94,136,642
Deferred assets	
Deferred organization expenses	40,501
Investment unit issuance costs	161,506
Total deferred assets	202,008
Total assets	108,382,141

(in thousands of yen)

Reporting Period
(As of Sep. 30, 2015)

Liabilities	
Current liabilities	
Operating accounts payable	330,055
Short-term loans payable	2,000,000
Accounts payable-other	257,854
Accrued expenses	3,412
Income taxes payable	6,321
Advances received	518,706
Deposits received	359,954
Total current liabilities	3,476,305
Noncurrent liabilities	
Long-term loans payable	36,350,000
Tenant leasehold and security deposits	20,000
Tenant leasehold and security deposits in trust	8,722,663
Asset retirement obligations	22,901
Total noncurrent liabilities	45,115,565
Total liabilities	48,591,870
Net assets	
Unitholders' equity	
Unitholders' capital	57,857,000
Surplus	
Unappropriated retained earnings	1,933,270
Total surplus	1,933,270
Total unitholders' equity	59,790,270
Total net assets	59,790,270
Total liabilities and net assets	108,382,141

Statement of income and retained earnings

(in thousands of yen)

**Reporting Period
(From October 3, 2014
to September 30, 2015)**

Operating revenues	
Rent revenue-real estate	4,128,035
Other lease business revenue	975,033
Total operating revenue	5,103,069
Operating expenses	
Expenses related to rent business	2,246,179
Asset management fees	313,577
Asset custody fees	5,761
Administrative service fees	20,258
Directors' compensation	8,931
Other operating expenses	45,112
Total operating expenses	2,639,820
Operating income	2,463,248
Non-operating income	
Interest income	1,071
Total non-operating income	1,071
Non-operating expenses	
Interest expenses	208,576
Borrowing related expenses	262,279
Amortization of deferred organization expenses	10,049
Amortization of investment unit issuance costs	43,605
Total non-operating expenses	524,510
Ordinary income	1,939,809
Income before income taxes	1,939,809
Current	6,539
Total income taxes	6,539
Net income	1,933,270
Unappropriated retained earnings	1,933,270

(in thousands of yen)

**Reporting Period
(From October 3, 2014
to September 30, 2015)**

A. Rental and other operating revenues	
Rental and other operating revenues	
Rental revenues	3,643,804
Rental revenues from limited proprietary rights of land	220,680
Common area charges	263,549
Subtotal	4,128,035
Others	
Parking space rental revenues	126,629
Utility charge reimbursement	500,044
Miscellaneous	348,360
Subtotal	975,033
Total rental and other operating revenues	5,103,069
B. Property-related expenses	
Expenses related to rent business	
Property management fees and facility management fees	655,263
Utilities	548,099
Taxes	1,280
Repairs and maintenance	144,732
Insurance	9,662
Trust fees	12,214
Depreciation	560,957
Others	313,968
Total property-related expenses	2,246,179
C. Net operating income from real estate rental business(A-B)	2,856,889

Statement of cash flows

(in thousands of yen)

Reporting Period
(From October 3, 2014 to September 30, 2015)

Reporting Period (From October 3, 2014 to September 30, 2015)	
Net cash provided by (used in) operating activities	
Income before income taxes	1,939,809
Depreciation and amortization	561,321
Amortization of deferred organization expenses	10,049
Amortization of investment unit issuance costs	43,605
Interest income	-1,071
Interest expenses	208,576
Decrease (increase) in operating accounts receivable	-163,767
Decrease (increase) in consumption taxes refund receivable	-2,071,748
Decrease (increase) in prepaid expenses	-16,763
Increase (decrease) in operating accounts payable	304,096
Increase (decrease) in accounts payable-other	257,854
Increase (decrease) in advances received	518,706
Increase (decrease) in deposits received	359,954
Decrease (increase) in long-term prepaid expenses	-418,520
Decrease (increase) in long-term deposits	-124,960
Payment of organization expenses	-50,551
Subtotal	1,356,591
Interest income received	1,071
Interest expenses paid	-205,164
Income taxes paid	-217
Net cash provided by (used in) operating activities	1,152,280
Net cash provided by (used in) investing activities	
Purchase of property, plant and equipment	-96,745
Purchase of property, plant and equipment in trust	-93,814,364
Purchase of intangible assets	-2,809
Purchase of intangible assets in trust	-176,383
Payments for lease and guarantee deposits	-10,000
Payments for lease and guarantee deposits in trust	-5,320
Proceeds of tenant leasehold and security deposits	20,000
Repayments of tenant leasehold and security deposits in trust	-393,751
Proceeds from tenant leasehold and security deposits in trust	9,116,415
Payments of restricted bank deposits in trust	-3,917,992
Proceeds from restricted bank deposits in trust	287,569
Net cash provided by (used in) investing activities	-88,993,382
Net cash provided by (used in) financing activities	
Increase in short-term loans payable	10,222,500
Decrease in short-term loans payable	-8,222,500
Proceeds from long-term loans payable	36,350,000
Proceeds from issuance of investment units	57,651,888
Other	-10,783
Net cash provided by (used in) financing activities	95,991,104
Net increase (decrease) in cash and cash equivalents	8,150,002
Cash and cash equivalents at the beginning of period	-
Cash and cash equivalents at the end of period	8,150,002

Appraisal value (properties as of September 30, 2015)

No.	Property name	Appraisal date	Appraisal value (JPY mn)			Applicable valuation rate									
						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	Previous	Latest	Changes	
T-1	Fululu Garden Yachiyo	Sep. 30, 2015	15,000	15,100	100	4.9	4.8	-0.1	4.7	4.6	-0.1	5.1	5.0	-0.1	
T-2	MONA Shin-Urayasu	Sep. 30, 2015	8,340	8,360	20	5.4	5.4	0.0	5.1	5.1	0.0	5.6	5.6	0.0	
T-3	Passaggio Nishiarai	Sep. 30, 2015	6,020	6,200	180	4.6	4.5	-0.1	4.4	4.3	-0.1	4.8	4.7	-0.1	
T-4	Daikanyama Address Dixsept	Sep. 30, 2015	5,400	5,450	50	4.2	3.9	-0.3	4.0	3.7	-0.3	4.4	4.1	-0.3	
T-5	Unicus Ina	Sep. 30, 2015	4,410	4,430	20	5.2	5.2	0.0	4.9	4.9	0.0	5.4	5.4	0.0	
T-6	Yorktown Kita-Kaname	Sep. 30, 2015	4,120	4,220	100	5.2	5.1	-0.1	5.0	4.9	-0.1	5.4	5.3	-0.1	
T-7	Unicus Yoshikawa	Sep. 30, 2015	3,630	3,690	60	5.0	4.9	-0.1	4.8	4.7	-0.1	5.2	5.1	-0.1	
T-8	Sports Club Renaissance Fujimidai	Sep. 30, 2015	2,600	2,640	40	4.9	4.8	-0.1	4.7	4.6	-0.1	5.1	5.0	-0.1	
O-1	Blumer Maitamon	Sep. 30, 2015	8,520	8,820	300	5.7	5.5	-0.2	5.8	5.6	-0.2	5.9	5.7	-0.2	
O-2	Central Square Takadono (Land)	Sep. 30, 2015	2,700	2,870	170	-	-	-	4.6	4.4	-0.2	4.8	4.6	-0.2	
O-3	Piago Kahma Home Center Omihachiman	Sep. 30, 2015	2,390	2,390	0	6.9	6.5	-0.4	6.6	6.2	-0.4	7.1	6.7	-0.4	
O-4	Blumer HAT Kobe	Sep. 30, 2015	11,200	11,600	400	5.1	5.0	-0.1	4.9	4.8	-0.1	5.3	5.2	-0.1	
N-1	Kahma Home Center Nakagawa Tomita (Land)	Sep. 30, 2015	2,380	2,500	120	-	-	-	5.1	4.8	-0.3	5.2	4.9	-0.3	
N-2	Valor Ichinomiya-Nishi	Sep. 30, 2015	2,190	2,200	10	5.4	5.4	0.0	5.1	5.1	0.0	5.6	5.6	0.0	
N-3	K's Denki Nakagawa Tomita (Land)	Sep. 30, 2015	903	945	42	-	-	-	5.1	4.8	-0.3	5.2	4.9	-0.3	
F-1	Sunny Noma	Sep. 30, 2015	1,500	1,500	0	5.2	5.2	0.0	5.0	5.0	0.0	5.6	5.6	0.0	
R-1	Roseo Mito	Sep. 30, 2015	9,780	10,300	520	5.6	5.7	0.1	5.3	5.3	0.0	5.8	5.8	0.0	
R-2	K's Denki Aomori Honten	Sep. 30, 2015	1,590	1,590	0	5.9	5.9	0.0	5.6	5.6	0.0	6.1	6.1	0.0	
R-3	Super Sports Xebio Aomori-Chuo	Sep. 30, 2015	901	901	0	5.9	5.9	0.0	5.6	5.6	0.0	6.1	6.1	0.0	
Total / Average			93,574	95,706	2,132										

Note: "Previous" refers to appraisal value at the previous appraisal dated October 1, 2014, except for Blumer HAT Kobe, dated March 1, 2015. "Latest" refers to the latest appraisal date. Discount rate for DCF method shows the discount rate for the nearest period.

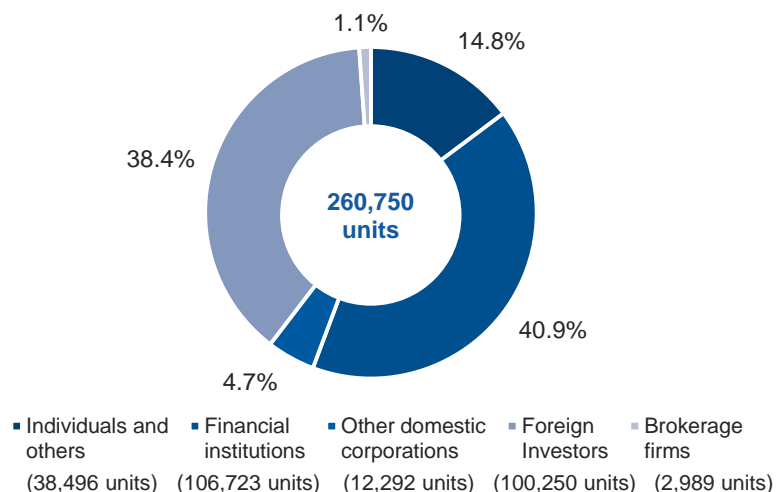
Appraisal value (properties newly acquired related to PO)

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-9	Super Viva Home Iwatsuki (Land)	Jul. 1, 2015	5,210	—	4.7	—
T-10	K's Denki Shonan-Fujisawa (Land)	Jul. 1, 2015	3,410	—	4.6	—
T-11	Unicus Kamisato (Land)	Jul. 1, 2015	3,010	—	4.7	—
T-12	Unicus Konosu (Land)	Jul. 1, 2015	1,730	—	4.6	—
T-13	Inageya Yokohama Minamihonjuku (Land)	Jul. 1, 2015	1,460	—	4.0	4.6
T-14	Gourmet City Chiba-Chuo	Jul. 1, 2015	780	5.3	5.1	5.5
O-5	Carino Esaka	Jul. 1, 2015	6,580	4.9	4.6	5.1
O-6	COMBOX Komyoike	Jul. 1, 2015	6,840	5.3	5.0	5.5
O-7	Hankyu Oasis Hirakatadeguchi	Jul. 1, 2015	1,290	5.7	5.5	5.9
O-8	Welcia Kishiwadakamori (Land)	Jul. 1, 2015	500	—	4.0	4.6
R-4	Ashico Town Ashikaga	Jul. 1, 2015	5,050	5.4 (Building) 5.0 (Land)	5.2 (Building) 5.0 (Land)	5.6 (Building)
R-5	Yorktown Shinden-Higashi	Jul. 1, 2015	3,320	5.6	5.4	5.8
R-6	Kasumi Technopark Sakura	Jul. 1, 2015	847	5.3	5.1	5.5
Total / Average			40,027	—	—	—

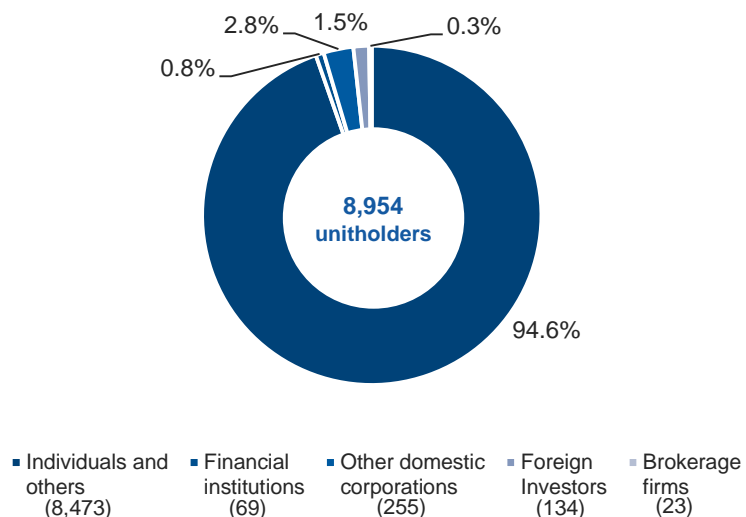
Note: Discount rate for DCF method shows the discount rate for the nearest period.

Unitholder information (as of Sep. 30, 2015)

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.)	38,222	14.65%
2	THE MASTER TRUST BANK OF JAPAN, LTD. (Trust Acct.)	24,577	9.42%
3	TRUST & CUSTODY SERVICE BANK, LTD. (Securities Investment Trust Acct.)	16,332	6.26%
4	THE BANK OF NEW YORK MELLON SA/NV 10	9,242	3.54%
5	BARCLAYS BANK PLC A/C CLIENT SEGREGATED A/C PB CAYMAN CLIENTS	7,976	3.05%
6	STATE STREET BANK AND TRUST COMPANY 505225	6,620	2.53%
7	CBLDN-STICHTING PGGM DEPOSITARY – LISTED REAL ESTATE PF FUND	6,388	2.44%
8	THE NOMURA TRUST AND BANKING CO., LTD. (Investment Trust Acct.)	6,102	2.34%
9	KENEDIX, INC.	5,750	2.20%
10	NORTHERN TRUST CO. (AVFC) RE COLONIAL FIRST STATE INVESTMENTS LIMITED	5,748	2.20%

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

Portfolio overview

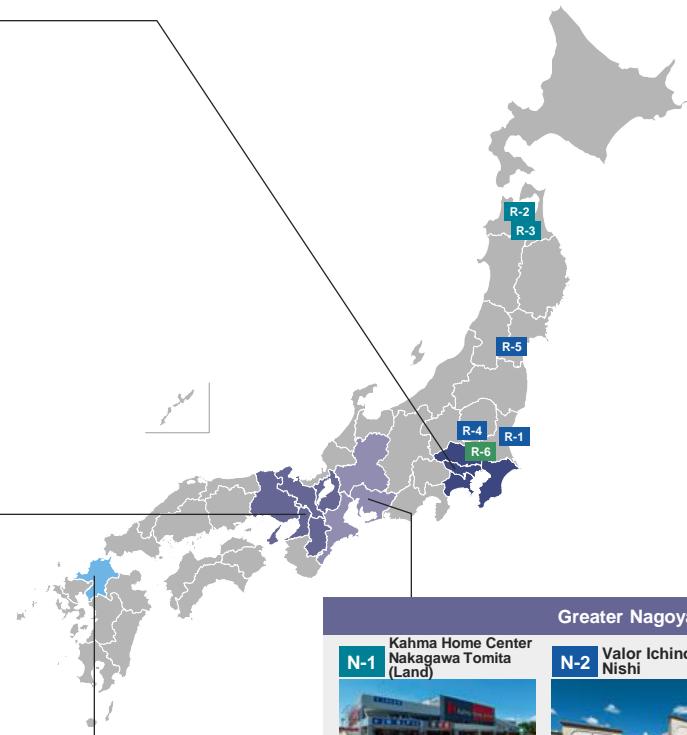
Tokyo metropolitan area

T-1 Fululu Garden Yachiyo	T-2 MONA Shin-Urayasu	T-3 Passaggio Nishiarae	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	

Greater Osaka area

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)

■ NSC
 ■ SM
 ■ CSC
 ■ Urban Station-Front SC
 ■ SS



Greater Nagoya area

N-1 Kahma Home Center Nakagawa Tomita (Land)	N-2 Valor Ichinomiya-Nishi	N-3 K's Denki Nakagawa Tomita (Land)
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Tokureishi and other areas

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

Fukuoka area

F-1 Sunny Noma

Portfolio list

Total acquisition price	JPY129,763 mn	Total appraisal value	JPY135,733 mn	Portfolio appraisal NOI yield	5.4%	Weighted average occupancy rate	99.0%	Number of tenants	388
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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	15,100	5.2	99.5	49
T-2	MONA Shin-Urayasu	Urayasu, Chiba	8,063	8,360	6.1	98.0	72
T-3	Passaggio Nishiarai	Adachi ward, Tokyo	5,850	6,200	5.0	98.3	40
T-4	Daikanyama Address Dixsept	Shibuya ward, Tokyo	5,390	5,450	4.3	93.9	26
T-5	Unicus Ina	Kitaadachi-gun, Saitama	4,379	4,430	5.4	100.0	1
T-6	Yorktown Kita-Kaname	Hiratsuka, Kanagawa	4,000	4,220	5.4	100.0	1
T-7	Unicus Yoshikawa	Yoshikawa, Saitama	3,600	3,690	5.1	100.0	11
T-8	Sports Club Renaissance Fujimidai	Nerima ward, Tokyo	2,586	2,640	4.9	100.0	1
O-1	Blumer Maitamon	Kobe, Hyogo	8,389	8,820	5.8	99.5	48
O-2	Central Square Takadono (Land)	Osaka, Osaka	2,685	2,870	4.8	100.0	1
O-3	Piagio Kahma Home Center Omihachiman	Omihachiman, Shiga	2,140	2,390	7.5	100.0	2
N-1	Kahma Home Center Nakagawa Tomita (Land)	Nagoya, Aichi	2,311	2,500	5.2	100.0	1
N-2	Valor Ichinomiya-Nishi	Ichinomiya, Aichi	2,174	2,200	5.9	100.0	1
N-3	K's Denki Nakagawa Tomita (Land)	Nagoya, Aichi	889	945	5.2	100.0	1
F-1	Sunny Noma	Fukuoka, Fukuoka	1,497	1,500	5.4	100.0	1
R-1	Roseo Mito	Mito, Ibaraki	9,675	10,300	5.7	100.0	22
R-2	K's Denki Aomori Honten	Aomori, Aomori	1,469	1,590	6.7	100.0	1
R-3	Super Sports Xebio Aomori-Chuo	Aomori, Aomori	898	901	6.4	100.0	1
O-4	Blumer HAT Kobe	Kobe, Hyogo	11,000	11,600	5.3	99.5	41
NEW T-9	Super Viva Home Iwatsuki (Land)	Saitama, Saitama	4,815	5,210	4.3	100.0	1
T-10	K's Denki Shonan-Fujisawa (Land)	Fujisawa, Kanagawa	3,169	3,410	5.0	100.0	1
T-11	Unicus Kamisato (Land)	Kodama-gun, Saitama	3,000	3,010	4.6	100.0	1
T-12	Unicus Konosu (Land)	Konosu, Saitama	1,700	1,730	4.6	100.0	1
T-13	Inageya Yokohama Minamihonjuku (Land)	Yokohama, Kanagawa	1,442	1,460	4.5	100.0	1
T-14	Gourmet City Chiba-Chuo	Chiba, Chiba	760	780	5.7	100.0	1
O-5	Carino Esaka	Suita, Osaka	6,555	6,580	5.3	99.1	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	1,290	5.9	100.0	1
O-8	Welcia Kishiwadakamori (Land)	Kishiwada, Osaka	487	500	4.5	100.0	1
R-4	Ashico Town Ashikaga	Ashikaga, Tochigi	4,180	5,050	6.4	92.7	25
R-5	Yorktown Shinden-Higashi	Sendai, Miyagi	3,252	3,320	6.0	100.0	2
R-6	Kasumi Technopark Sakura	Tsukuba, Ibaraki	830	847	5.6	100.0	1

Note: "Appraisal value" of 18 assets properties acquired at the listing and Blumer HAT Kobe, "Occupancy rate" and "number of tenants" are as of September 30, 2015. "Appraisal value" of 13 properties acquired at October 2, 2015 is as of July 1, 2015. "Appraisal NOI yield" is based on the latest appraisal report at the acquisition date..

CSC

Community Shopping Center

Fululu Garden Yachiyo



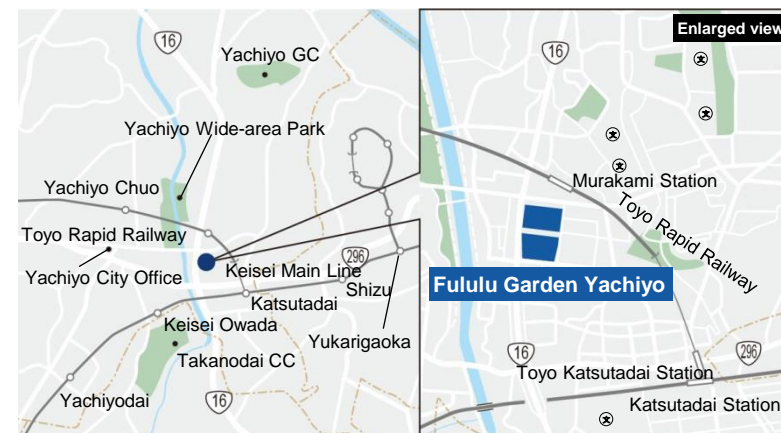
Acquisition price	JPY14,848 mn
Location	Yachiyo, Chiba
Land area	Ito-Yokado building: 22,207.34 m ² Specialty store building: 23,292.14 m ²
GFA	Ito-Yokado building: 50,960.84 m ² Specialty store building: 65,698.32 m ²
Core tenant	Ito-Yokado Co., Ltd.
Appraisal NOI	JPY773 mn
Appraisal NOI yield	5.2%

1. Property features

- Opened in October 2002
- Competitive tenants include a major casual clothing store, sporting goods store, a baby goods store and a specialty discount retailer
- The top retail facility within a 3 km radius
- Conveniently located on National Route 16 with easy car access

2. Overview of retail trade area

- An 8% increase in population within a 1 km radius from 2005 to 2010



"Appraisal NOI" and "Appraisal NOI yield", herein after are based on the latest appraisal report at the acquisition date.

NSC

Neighborhood
Shopping Center

Blumer Maitamon



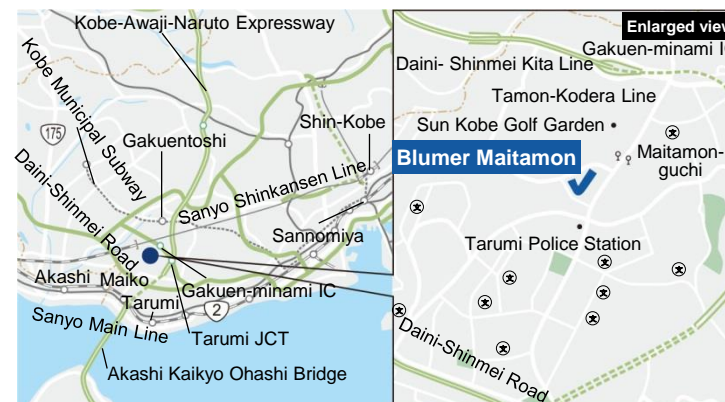
Acquisition price	JPY8,389 mn
Location	Kobe, Hyogo
Land area	54,838.70 m ²
GFA	36,349.60 m ²
Core tenant	EDION Corporation
Appraisal NOI	JPY490 mn
Appraisal NOI yield	5.8%

1. Property features

- Consists of approximately 45 tenants, including a supermarket (grocery), an electronic appliance store, a major clothing store and a baby goods store as the core tenants
- Large parking area encircled by a two-story retail building

2. Overview of retail trade area

- Population in the surrounding retail trade area:
 - 1 km radius: 18,000 people
 - 3 km radius: 179,000 people
 - 5 km radius: 414,000 people
- The surrounding area encompasses the corner of a new residential development and the property continues to benefit from such expansions



NSC

Neighborhood
Shopping Center

Unicus Ina



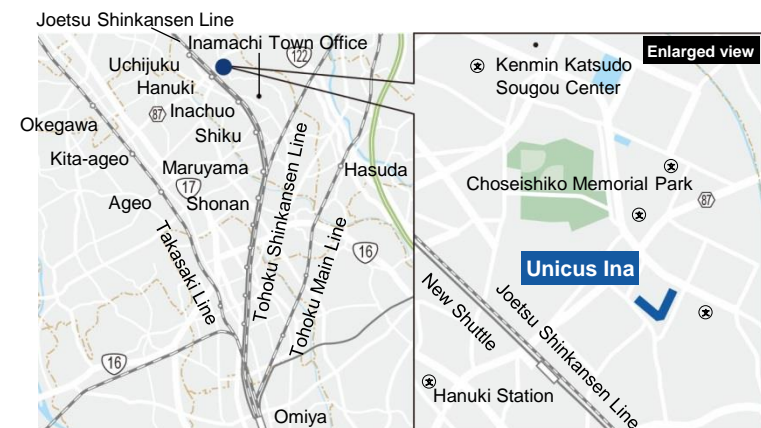
Acquisition price	JPY4,379 mn
Location	Kitaadachi-gun, Saitama
Land area	32,553.16 m ²
GFA	14,160.04 m ²
Core tenant	P&D Consulting
Appraisal NOI	JPY235 mn
Appraisal NOI yield	5.4%

1. Property features

- Opened in April 2006
- Core tenants: a supermarket (grocery), a drug store, a specialty discount retailer, clothing stores and a movie rental store

2. Overview of retail trade area

- The surrounding area is within a land readjustment project area designated for urbanization
- The population in the surrounding areas has continued to increase on the back of continued development and sale of residential properties
- A marked increase in Ina city's population relative to its surrounding cities with a 5.8% population increase during the years 2009–2014



Urban Station-Front Shopping Center

MONA Shin-Urayasu



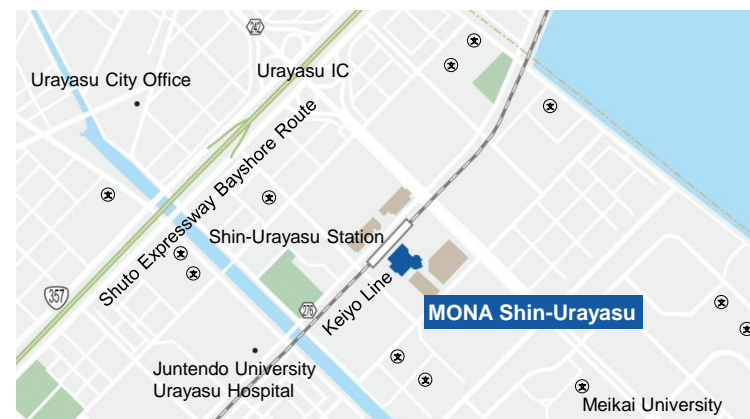
Acquisition price	JPY8,063 mn
Location	Urayasu, Chiba
Land area ^(Note)	15,875.86 m ² (for a single building)
GFA ^(Note)	76,767.24 m ² (for a single building)
Core tenant	Undisclosed
Appraisal NOI	JPY493 mn
Appraisal NOI yield	6.1%

1. Property features

- Opened in November 1990
- Directly accessible by a pedestrian walkway from Shin-Urayasu Station which has a daily passenger traffic of over 100,000 people
- Approximately 70 tenants, ranging from supermarkets (grocery), clothing stores, restaurants, commercial goods stores to service businesses

2. Overview of retail trade area

- Population in the surrounding retail trade area:
 - 1 km radius: 33,000 people
 - 3 km radius: 205,000 people
 - 5 km radius: 510,000 people
 - 4–5% of population increase in 3–5 km radius from 2005 to 2010
- 17 minute train-ride from Tokyo Station and only 1 station from Maihama station, where Tokyo Disney Resort is located
- The area surrounding Shin-Urayasu Station, an entrance to highly popular residential areas, has significant growth potential as a commercial district



NSC Neighborhood Shopping Center

Unicus Yoshikawa



- Opened in September 2011
- A supermarket (grocery) and a hardware store are its core tenants, in addition to 8 specialty and service stores such as a dental office, a dry cleaner, a beauty salon, a music school and a veterinary clinic
- Conveniently located on a heavily traveled road that runs across Yoshikawa city

Acquisition price	JPY3,600 mn
Location	Yoshikawa, Saitama
Land area	22,239.94 m ²
GFA	11,450.70 m ²
Core tenant	Kohnan Shoji Co., Ltd.
Appraisal NOI	JPY184 mn
Appraisal NOI yield	5.1%



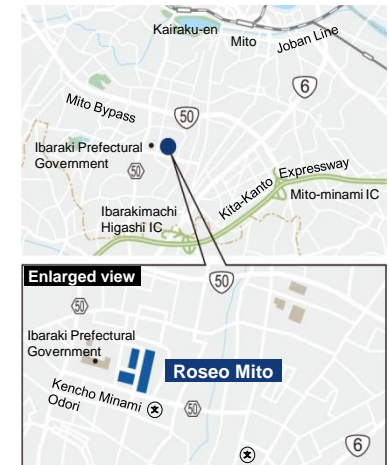
NSC Neighborhood Shopping Center

Roseo Mito



- Opened in April 2009, with a supermarket (grocery) and a hardware store as its core tenants
- Located in a highly accessible area by car
- Families with young children in the surrounding area are increasing due to the abundance of new residential developments

Acquisition price	JPY9,675 mn												
Location	Mito, Ibaraki												
Land area	73,940.62 m ²												
GFA	<table border="0"> <tr> <td>A:</td> <td>138.32 m²</td> </tr> <tr> <td>B:</td> <td>9,684.79 m²</td> </tr> <tr> <td>C:</td> <td>4,549.60 m²</td> </tr> <tr> <td>D:</td> <td>13,047.79 m²</td> </tr> <tr> <td>E:</td> <td>330.75 m²</td> </tr> <tr> <td>F:</td> <td>265.65 m²</td> </tr> </table>	A:	138.32 m ²	B:	9,684.79 m ²	C:	4,549.60 m ²	D:	13,047.79 m ²	E:	330.75 m ²	F:	265.65 m ²
A:	138.32 m ²												
B:	9,684.79 m ²												
C:	4,549.60 m ²												
D:	13,047.79 m ²												
E:	330.75 m ²												
F:	265.65 m ²												
Core tenant	LIXIL Viva Corporation												
Appraisal NOI	JPY554 mn												
Appraisal NOI yield	5.7%												



Urban Station-Front Shopping Center

Passaggio Nishiarai



- Opened in April 2010
- Highly stylish building with an atrium at the center and retail stores located from the basement floor to the fourth floor
- The surrounding area has recently experienced a significant inflow of families with young children due to large-scale residential development

Acquisition price	JPY5,850 mn
Location	Adachi ward, Tokyo
Land area	5,079.68 m ²
GFA	21,996.90 m ²
Core tenant	Undisclosed
Appraisal NOI	JPY289 mn
Appraisal NOI yield	5.0%



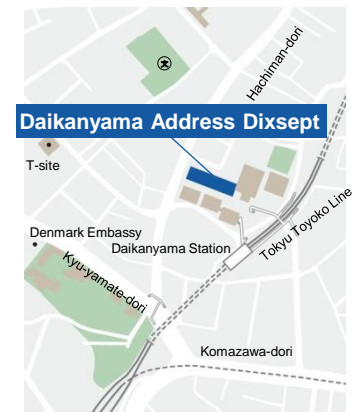
Urban Station-Front Shopping Center

Daikanyama Address Dixsept



- Opened in August 2000 as a landmark property in Daikanyama
- The property occupies the retail section of a large multi-complex facility in Daikanyama
- In addition to sophisticated and stylish retailers typically found in Daikanyama, the property also houses tenants that cater to day-to-day needs of customers, such as a supermarket (grocery), a drug store and a variety goods store

Acquisition price	JPY5,390 mn
Location	Shibuya ward, Tokyo
Land area	17,262.00 m ² (for a single building)
GFA	92,064.43 m ² (for a single building)
Core tenant	Undisclosed
Appraisal NOI	JPY232 mn
Appraisal NOI yield	4.3%



NSC

Neighborhood
Shopping Center

Yorktown Kita-Kaname



- Opened in April 2009 with York Mart, a supermarket (grocery), as its core tenant, in addition to an electronics appliance store, a drug store, a specialty discount retailer and restaurant
- The property plays an important role in the local community due to its central location and the synergy between the tenants, which cater to the needs of local area customers

Acquisition price	JPY4,000 mn
Location	Hiratsuka, Kanagawa
Land area	9,996.36 m ²
GFA	8,528.68 m ²
Core tenant	YorkMart Co., Ltd.
Appraisal NOI	JPY214 mn
Appraisal NOI yield	5.4%



Enlarged view

SS

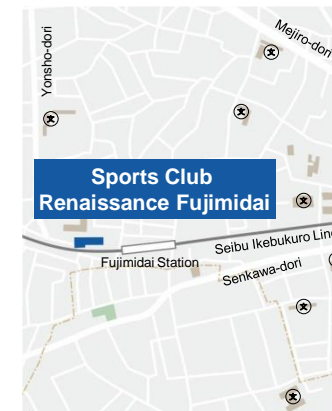
Specialty Store

Sports Club Renaissance Fujimidai



- A well-equipped membership-based health club with a gym, two studios and a pool on the basement to the second floors

Acquisition price	JPY2,586 mn
Location	Nerima ward, Tokyo
Land area	1,729.24 m ²
GFA	3,109.74 m ²
Core tenant	Renaissance Inc.
Appraisal NOI	JPY127 mn
Appraisal NOI yield	4.9%



SM

Supermarket

**Central Square Takadono
(Land)**



- Central Square Takadono, a supermarket, opened on the land in July 2015. Life Corporation, the tenant, operates numerous other stores in the surrounding area based on the "dominant strategy"
- Located in a densely populated area bordering central Osaka, which is serviced extensively by multiple major train lines

NSC

Neighborhood Shopping Center

**Piago Kahma Home Center
Omihachiman**

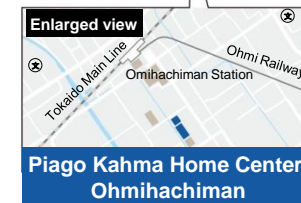
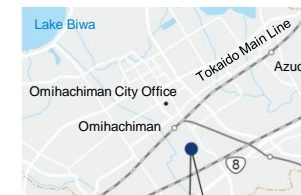


- Opened in 2005 and consists of two buildings, Piago Omihachiman, a UNY Group Holdings supermarket, and Kahma Home Center Omihachiman
- The property's retail trade area surrounding Omihachiman Station consists primarily of residential properties including condominiums, with a high concentration of families with young children within a 1 km radius

Acquisition price	JPY2,685 mn
Location	Osaka, Osaka
Land area	4,437.07 m ²
GFA	-
Core tenant	Life Corporation
Appraisal NOI	JPY127 mn
Appraisal NOI yield	4.8%



Acquisition price	JPY2,140 mn
Location	Omihachiman, Shiga
Land area	29,410.00 m ²
GFA	12,283.85 m ² (aggregate of 2 buildings)
Core tenant	UNY Co., Ltd.
Appraisal NOI	JPY161 mn
Appraisal NOI yield	7.5%



SS

Specialty Store

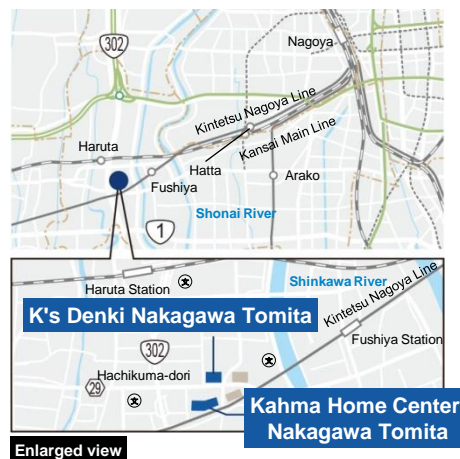
Kahma Home Center Nakagawa Tomita (Land) K's Denki Nakagawa Tomita (Land)



- An integrated retail zone is formed in the surrounding area, together with a supermarket (grocery) and a sporting goods store on the adjacent lot
- All stores in this zone were opened in 2013 and create synergy with each other

Kahma Home Center Nakagawa Tomita (Land)	
Acquisition price	JPY2,311 mn
Location	Nagoya, Aichi
Land area	17,431.00 m ²
GFA	-
Core tenant	DCM KAHMA CO.,LTD.
Appraisal NOI	JPY120 mn
Appraisal NOI yield	5.2%

K's Denki Nakagawa Tomita (Land)	
Acquisition price	JPY889 mn
Location	Nagoya, Aichi
Land area	5,560.23 m ²
GFA	-
Core tenant	Undisclosed
Appraisal NOI	JPY46 mn
Appraisal NOI yield	5.2%



NSC

Neighborhood Shopping Center

Valor Ichinomiya-Nishi



- Opened in 2002, with Valor, a successful supermarket chain in the Chubu region, as its core tenant, in addition to an electronic appliance store and a health club operated by Valor Group
- Located 1.1 km from major train stations which are a 10-minute train-ride from Nagoya
- The residential area surrounding Owari Ichinomiya Station, conveniently serviced by various railways and roads, is a commuter town for Nagoya

Acquisition price	JPY2,174 mn
Location	Ichinomiya, Aichi
Land area	16,736.18 m ²
GFA	9,447.48 m ²
Core tenant	Valor Co., Ltd.
Appraisal NOI	JPY128 mn
Appraisal NOI yield	5.9%



SM

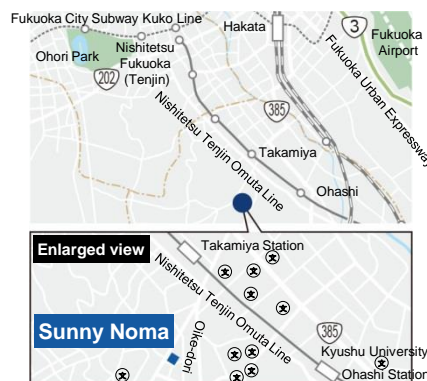
Supermarket

Sunny Noma



- The supermarket which was originally built in 1970 and enjoyed strong support from the local community, was rebuilt in 2007
- Sunny Noma is the strongest performing supermarket among other Sunny supermarkets that operate in the surrounding area
- The closest station to the property is 3 train stops, or a 5 minute ride, from the central urban areas of Fukuoka
- The area is popular among single people and families with young children

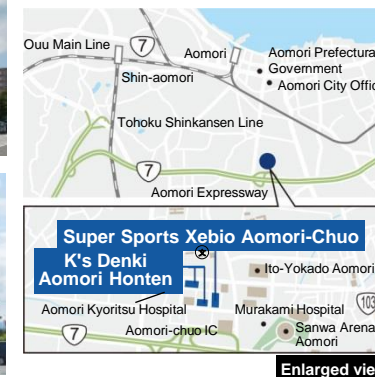
Acquisition price	JPY1,497 mn
Location	Fukuoka, Fukuoka
Land area	5,973.03 m ² (including leasehold interest)
GFA	2,814.67 m ²
Core tenant	Seiyu GK
Appraisal NOI	JPY81 mn
Appraisal NOI yield	5.4%



SS

Specialty Store

K's Denki Aomori Honten Super Sports Xebio Aomori-Chuo



- Opened in 2005 in Hamada District in Aomori, which has the highest concentration of retail properties with a significant inflow of suburban retailers, including Ito-Yokado, since a land readjustment project launched in 1996
- With National Route 103 on the east and Route 120 on the west running through the city and National Route 7 (Aomori Kanjo Bypass) on the south, the district brings customers from a broad retail trade area that covers the entire Aomori city area

K's Denki Aomori Honten	
Acquisition price	JPY1,469 mn
Location	Aomori, Aomori
Land area	Tsutaya/Hard Off: 8,872.04 m ² K's Denki: 8,296.06 m ²
GFA	Tsutaya/Hard Off: 3,644.72 m ² K's Denki: 6,346.50 m ²
Core tenant	Denkodo Co., Ltd.
Appraisal NOI	JPY98 mn
Appraisal NOI yield	6.7%

Super Sports Xebio Aomori-Chuo	
Acquisition price	JPY898 mn
Location	Aomori, Aomori
Land area	7,725.42 m ²
GFA	4,684.12 m ²
Core tenant	XEBIO Corporation
Appraisal NOI	JPY57 mn
Appraisal NOI yield	6.4%

NSC Neighborhood Shopping Center

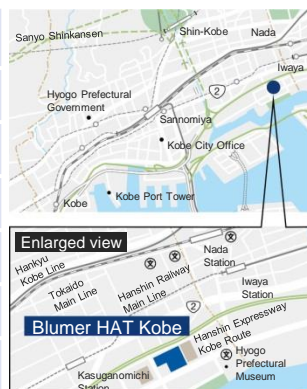
Blumer HAT Kobe

Landmark NSC in "HAT Kobe District", a revival symbol project from the Kobe earthquake



- Opened in October 2005 as a landmark in the "HAT Kobe District," an area redeveloped as a symbol of reconstruction from the Kobe earthquake
- Tenants include a cinema complex, a grocery store, clothing stores and restaurants
- Accessible from Nada Station (1 stop from Sannomiya) and Iwaya Station (2 stops from Kobe Sannomiya). Also easily accessible by car from Hanshin Expressway Route 3 and National Route 2
- Residential population in the surrounding retail trade area has been on the rise since 2005

Acquisition price	JPY11,000 mn
Location	Kobe, Hyogo
Land area	19,116.12 m ²
GFA	50,538.47 m ²
Core tenant	Tokyu Recreation Co., Ltd.
Appraisal NOI	JPY577 mn
Appraisal NOI yield	5.3%



Urban Station-Front Shopping Center

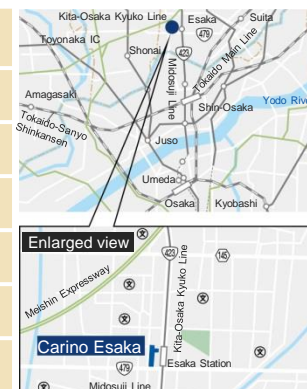
Carino Esaka

Attractively located near Esaka Station, only 5 stops/10 minutes away from Umeda Station



- The retail portion of a multi-use shopping complex with shopping centers on its lower floors and a hotel in the upper floors
- One of the landmark shopping centers in the neighborhood of Esaka Station with a well-known variety goods store as the anchor tenant
- 1-minute walk from Esaka Station, which is only 5 stops or 10 minutes away from Umeda Station. The retail trade area is popular among families with young children due to its accessibility to the city center and high-quality living environment

Acquisition price	JPY6,555 mn
Location	Suita, Osaka
Land area	5,830.66 m ² (*)
GFA	42,681.56 m ² (*)
Core tenant	Tokyu Hands Inc.
Appraisal NOI	JPY344 mn
Appraisal NOI yield	5.3%



NSC Neighborhood Shopping Center

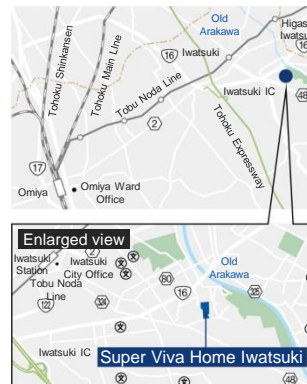
Super Viva Home Iwatsuki (Land)

Underlying land with strong value growth potential, in the proximity to a national route



- Underlying land of an NSC which opened in February 2013
- The NSC comprises a large hardware store, a grocery supermarket and a food court
- The target trade areas include adjacent cities, as the property is within a short distance to a number of major routes

Acquisition price	JPY4,815 mn
Location	Saitama, Saitama
Land area	67,325.95 m ²
GFA	-
Core tenant	LIXIL Viva Corporation
Appraisal NOI	JPY207 mn
Appraisal NOI yield	4.3%



SS Specialty store

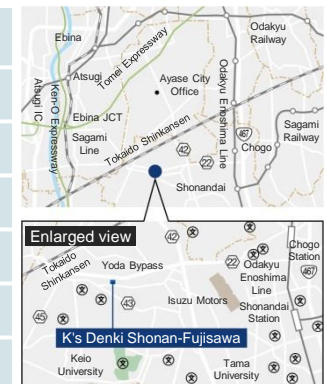
K's Denki Shonan-Fujisawa (Land)

Easy car access and more than ten years remaining on a long-term fixed business lease



- Land-only property houses a stand-alone store for K's Denki, which opened in July 2008
- More than ten years remain on a long-term fixed business land lease with K's Holdings
- Faces major routes, which give the property a wide retail trade area, including a dense mixture of single-family homes and logistics and other facilities in the nearby area

Acquisition price	JPY3,169 mn
Location	Fujisawa, Kanagawa
Land area	15,578.58 m ²
GFA	-
Core tenant	K's Holdings Corporation
Appraisal NOI	JPY159 mn
Appraisal NOI yield	5.0%



NSC Neighborhood Shopping Center

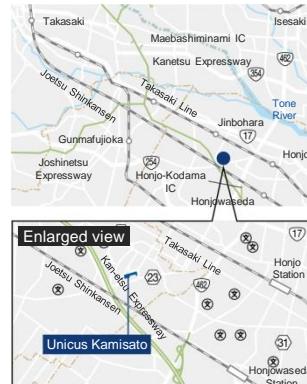
Unicus Kamisato (Land)

Underlying land of a shopping center with a cinema complex in the Kamisato area



- Underlying land of an NSC developed by P&D with a total store floor area of 13,000 m²
- The NSC is competitive due to its concentration of highly recognizable tenants including a supermarket as the core tenant, a drug stores, and a cinema complex
- Located close to major prefectural road and national roads with high accessibility by car from all directions

Acquisition price	JPY3,000 mn
Location	Kodama-gun, Saitama
Land area	67,854.47 m ²
GFA	-
Core tenant	P&D Consulting Co., Ltd.
Appraisal NOI	JPY138 mn
Appraisal NOI yield	4.6%



NSC Neighborhood Shopping Center

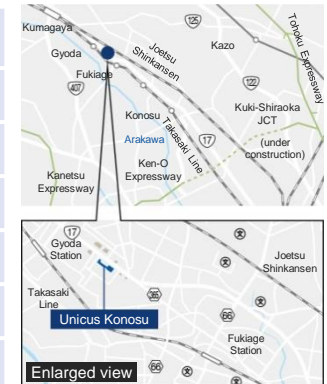
Unicus Konosu (Land)

Underlying land of one of the largest shopping centers in the Konosu area



- Underlying land of an NSC developed by P&D which opened in September 2010, with a total store floor area of 6,400 m²
- The NSC comprises a grocery supermarket as the anchor tenant
- Easy access by car given its location facing the largest trunk road within the relevant trade area, and highly visible due to the wide store front

Acquisition price	JPY1,700 mn
Location	Konosu, Saitama
Land area	19,329 m ² (provisional replotting)
GFA	-
Core tenant	P&D Consulting Co., Ltd.
Appraisal NOI	JPY77 mn
Appraisal NOI yield	4.6%



NSC Neighborhood Shopping Center

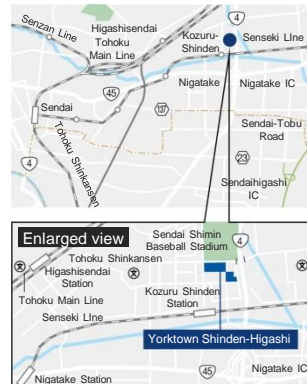
Yorktown Shinden-Higashi

Located in a rapidly-growing commuting neighborhood close to central Sendai



- An NSC opened in November 2004 with a supermarket and a hardware store as core tenants
- Located in eastern Sendai, 10 minutes by train to Sendai Station from the nearest Kozuru-Shinden Station
- Development of residential areas is underway in the surrounding area, particularly of single-family houses

Acquisition price	JPY3,252 mn
Location	Sendai, Miyagi
Land area	33,081.87 m ² (partly on leasehold)
GFA	12,272.42 m ²
Core tenant	York-Benimaru Co., Ltd.
Appraisal NOI	JPY196 mn
Appraisal NOI yield	6.0%



SM Supermarket

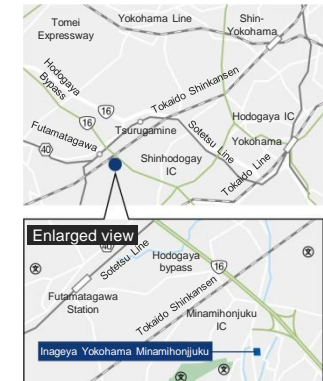
Inageya Yokohama Minamihonjuku (Land)

Underlying land of a March 2015-opened supermarket in a highly populated trade area



- Underlying land of Inageya grocery supermarket opened in March 2015
- Community-based supermarket attracting customers from the highly populated residential district to the northeast and southeast of the property
- Approx. 14 minutes by train to Yokohama Station from the nearest Futamatagawa Station, which has about 80,000 daily passengers on average

Acquisition price	JPY1,442 mn
Location	Yokohama, Kanagawa
Land area	4,405.41 m ²
GFA	-
Core tenant	Inageya Corporation
Appraisal NOI	JPY64 mn
Appraisal NOI yield	4.5%



SM Supermarket

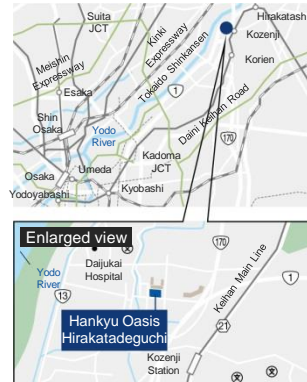
Hankyu Oasis Hirakatadeguchi

Supermarket located in a highly populated area, with 10,000 residents within a 500m radius



- A Hankyu Oasis grocery supermarket combining a bakery and a specialty discount store, opened in August 2006
- 25 minutes from the nearest Kozenji Station to Yodoyabashi Station in central Osaka, making it highly convenient for commuters
- Many single-family houses and relatively new condominiums located nearby, with young families

Acquisition price	JPY1,280 mn
Location	Hirakata, Osaka
Land area	4,978.38 m ²
GFA	2,961.02 m ²
Core tenant	Hanshoku Co., Ltd.
Appraisal NOI	JPY75 mn
Appraisal NOI yield	5.9%



SM Supermarket

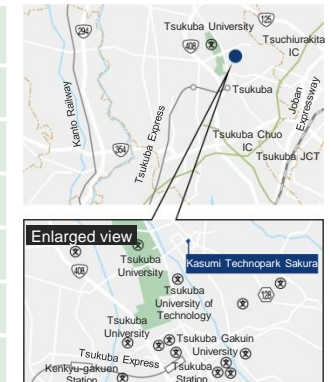
Kasumi Technopark Sakura

A 24-hour operated store of a leading supermarket brand headquartered in Tsukuba



- A 24-hour Kasumi supermarket opened in May 1997, with a sales floor area of 1,563 m²
- Kasumi is headquartered in Tsukuba, and has a dominant presence in the area
- The retail trade area includes the college town of Tsukuba University, with Tsukuba University's campus located to the west of the property
- A major development of single-family residences planned in a nearby site

Acquisition price	JPY830 mn
Location	Tsukuba, Ibaraki
Land area	5,157.72 m ²
GFA	2,047.65 m ²
Core tenant	Kasumi Co., Ltd.
Appraisal NOI	JPY46 mn
Appraisal NOI yield	5.6%



SM Supermarket

Gourmet City Chiba-Chuo

A 24-hour supermarket housing a clinic in the complex



- The retail portion of Qiball, a joint public and private facility located near the Chiba Prefectural Office
- Opened in September 2007, comprising Gourmet City, a 24-hour supermarket, on the first floor, and a clinic on the second floor
- Large daytime population given the concentration of government offices in the area
- The areas to the east of the property dominated by residential districts with condominiums and single-family houses, with the population in the surrounding retail trade area rapidly increasing due to development of large-scale condominiums

Acquisition price	JPY760 mn
Location	Chiba, Chiba
Land area	6,614.13 m ²
GFA	49,829.47 m ²
Core tenant	Daiei, Inc.
Appraisal NOI	JPY43 mn
Appraisal NOI yield	5.7%



SS Specialty Store

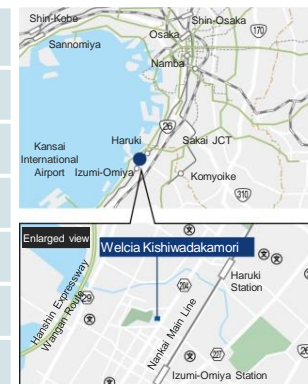
Welcia Kishiwadakamori (Land)

Underlying land of a leading domestic drug store brand newly opened in 2015



- Underlying land of a Welcia store opened in March 2015, which also sells groceries and features a boxed lunch store on its premises
- Welcia has many stores in the local area and has a dominant presence in the area
- 30 minutes by train from the nearest Izumi-Omiya Station to Namba Station in central Osaka
- Surrounded by residential districts dominated by single-family houses, expecting customers on bicycles as well as those coming to the property by car

Acquisition price	JPY487 mn
Location	Kishiwada, Osaka
Land area	3,033.45 m ²
GFA	-
Core tenant	Welcia Yakkyoku Co., Ltd.
Appraisal NOI	JPY21 mn
Appraisal NOI yield	4.5%



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