

Japan Retail Fund Investment Corporation

October 2003

Mitsubishi Corp. - UBS Realty Inc.

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1 . Results Highlights

Financial highlights

Fiscal period (6 month ending)

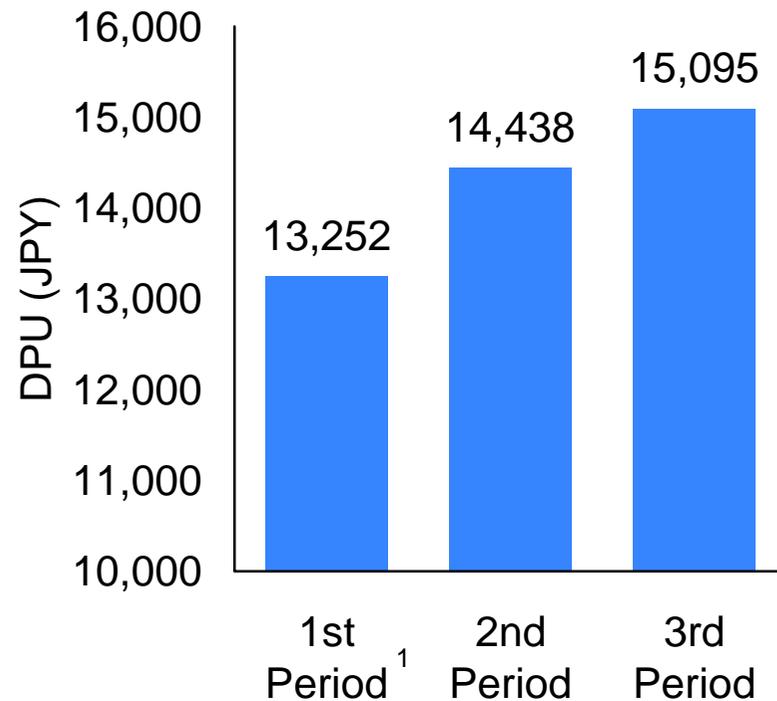
(JPYmn except unit data)	1st Period ¹ (Aug 02)	2nd Period (Feb 03)	3rd Period (Aug 03)	Variance over 2nd Period
Net operating income (NOI)	1,308	1,407	3,878	+175%
Net income	694	756	2,302	+204%
Dividend / unit	13,252	14,438	15,095	+4.5%
FFO ² / unit	18,696	20,067	20,629	+2.8%
Total Assets	44,064	45,012	126,377	+180%
Unitholders' equity	24,356	24,418	76,223	+212%
NAV ³ / unit	464,824	466,010	499,820	+7.2%
Debt ⁴ : Total Assets	20.4%	19.9%	3.3%	-
Liabilities: Total Assets	44.7%	45.8%	39.7%	-

NOTES:

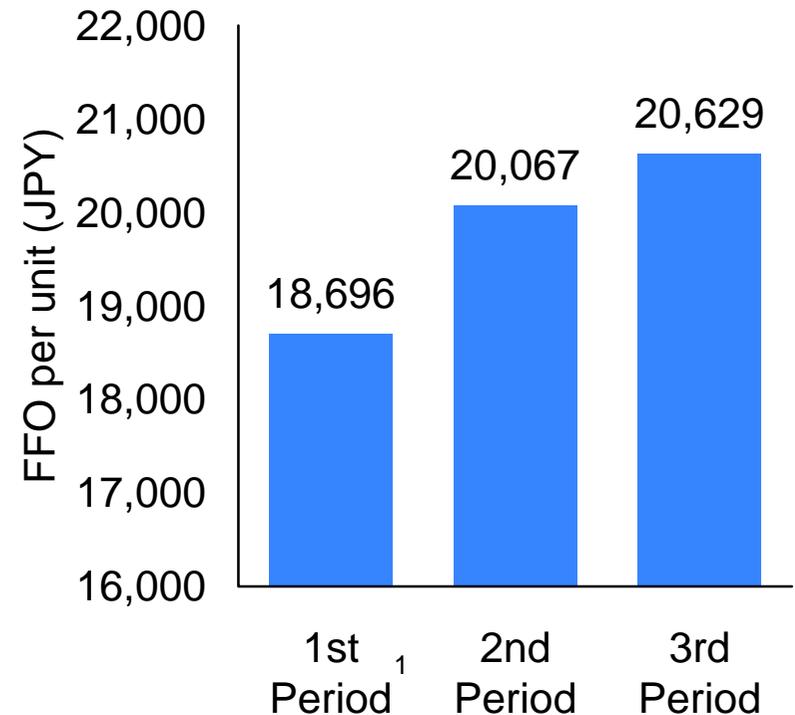
- 1 Irregular operational period of 172 days
- 2 Defined as net income plus depreciation and amortization
- 3 NAV = Net Asset Value
- 4 Total interest-bearing debts

Delivering consistent income returns to investors

Dividend per unit (DPU)



FFO² per unit



NOTES:

- 1 Irregular operational period of 172 days
- 2 Defined as net income plus depreciation and amortization

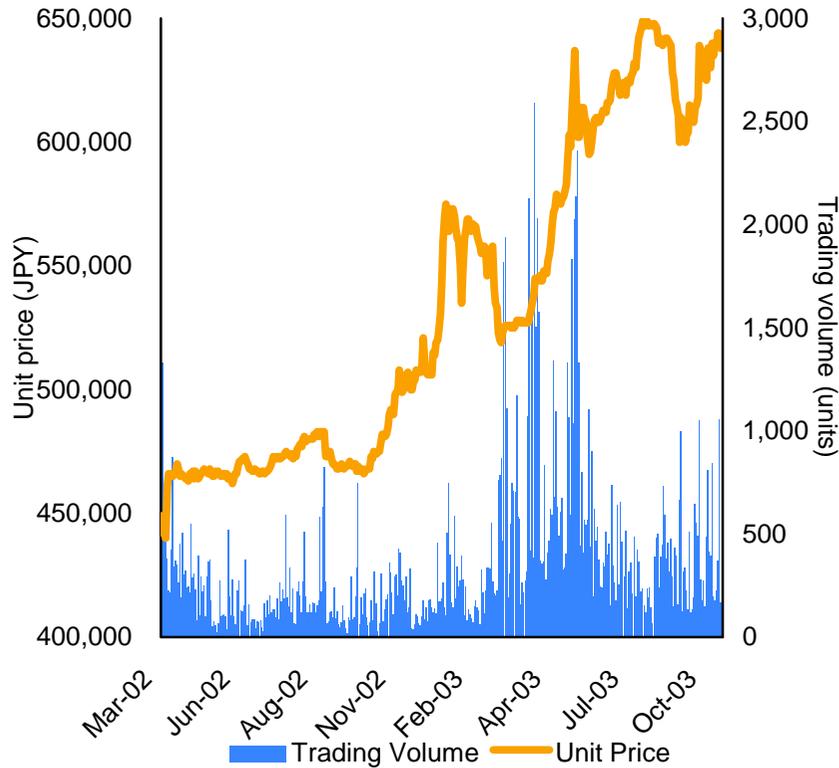
Delivered on forecasts

3rd financial period ended August 2003

	Forecast in January 03 (Offering)	Forecast in April 03 (Reporting)	Actual results for fiscal period	Variance over January forecast
Revenue (JPY mn)	5,212	5,332	5,920	+13.5%
Net income (JPY mn)	2,171	2,212	2,302	+6.0%
Distribution / unit (JPY)	14,236	14,504	15,095	+6.0%

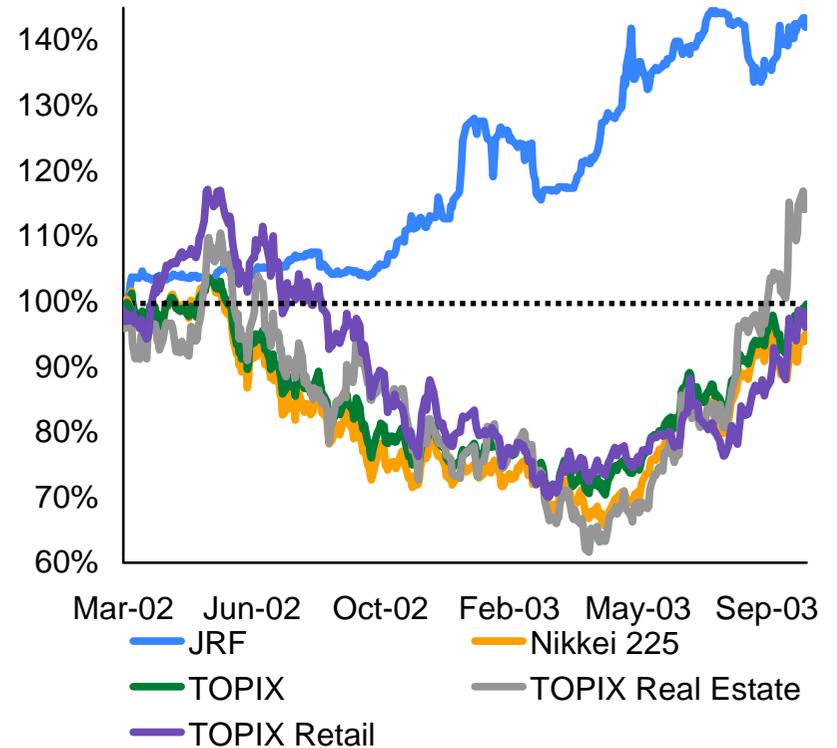
Unit price performance

Unit price performance



SOURCE: Bloomberg

Relative performance

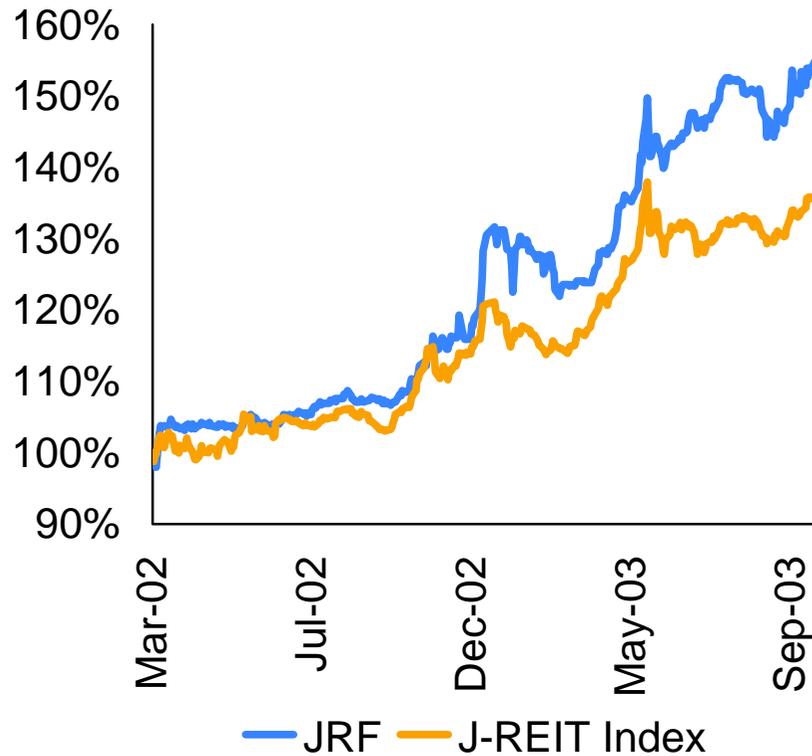


SOURCE: Bloomberg

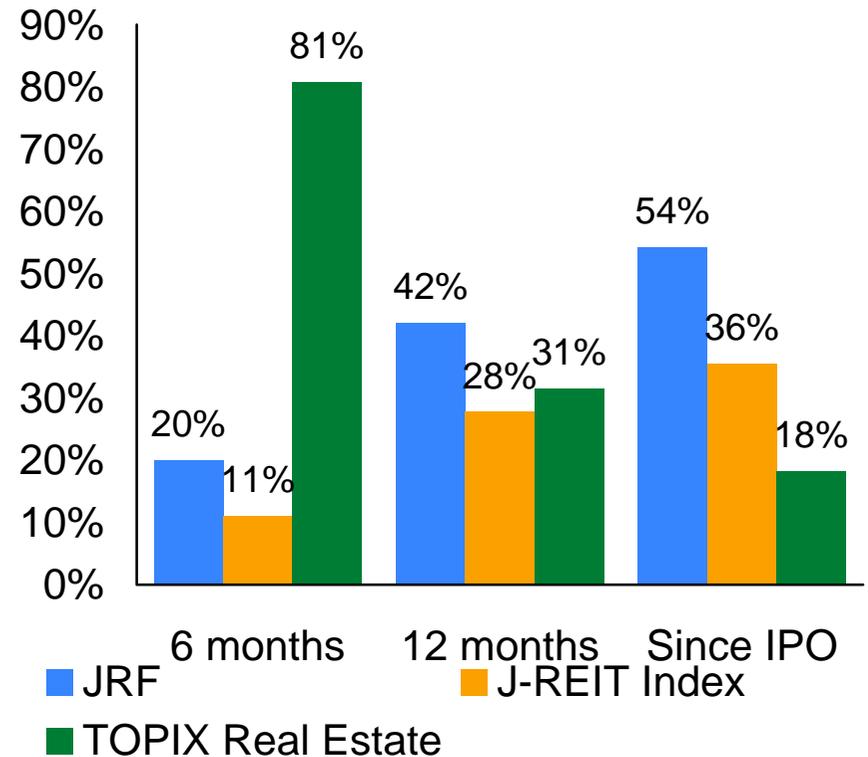
NOTES: 100% as of 12 March 2002

Total returns comparison

Total returns



Total returns to 17 October 2003



SOURCE: Nikkei Quick

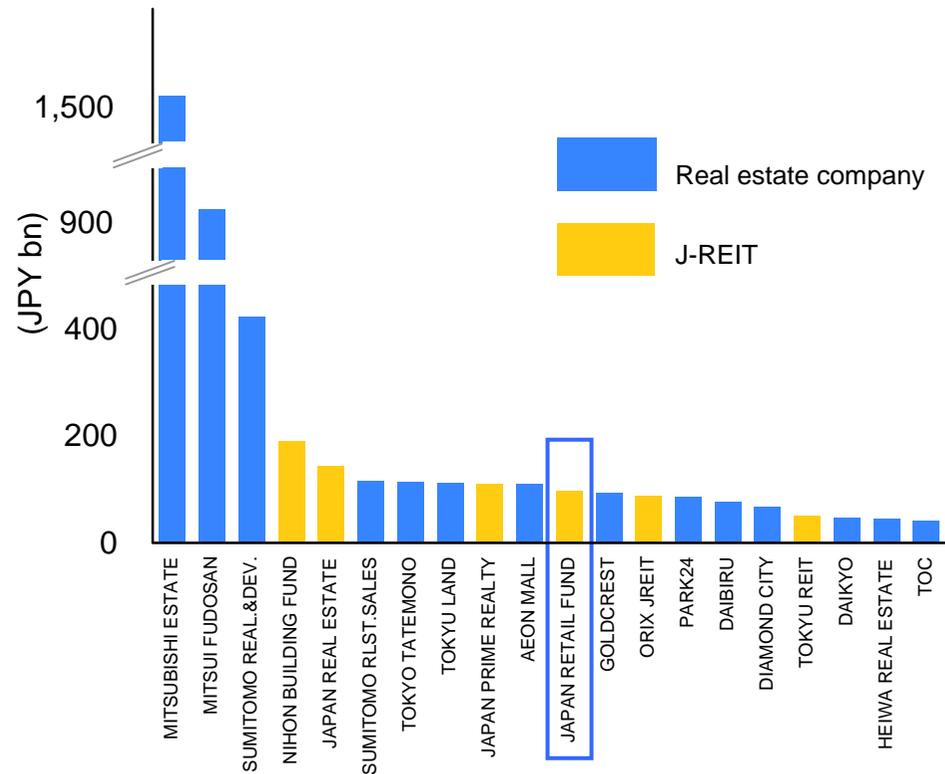
NOTES:

1 Analysis based on JRF unit price (including dividend), J-REIT Index (including dividend), and TOPIX Real Estate (including dividend)

2 Assuming 12 Mar 2002=100%

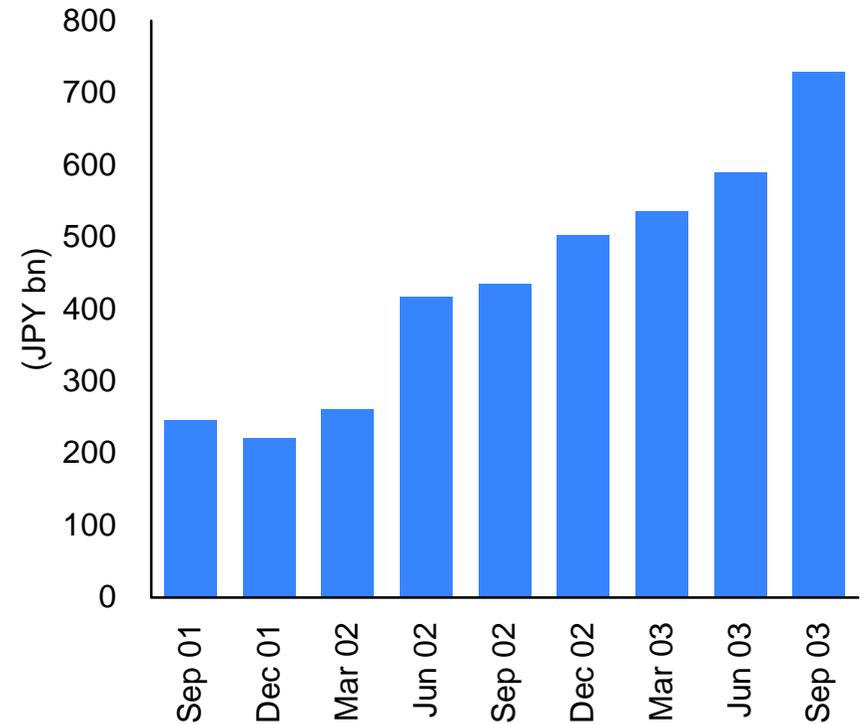
J-REIT market continues to deepen and expand

Top 20 TSE listed Real Estate Stocks



SOURCE: Datastream (17 October 2003)

J-REIT market capitalization



SOURCE: Datastream

Balance sheet remains very strong

Fiscal period (6 month ending) (JPYmn)	1st Period	2nd Period	3rd Period
Net property and equipment	41,314	43,027	111,367
Other assets	2,750	1,984	15,010
Total assets	44,064	45,012	126,377
Debt ¹	9,000	9,000	4,170
Tenant leasehold and security deposits	10,229	11,191	43,703
Other liabilities	479	401	2,280
Total liabilities	19,708	20,593	50,154
Unitholders' equity	24,356	24,418	76,223
Debt ¹ : Total Assets	20.4%	19.9%	3.2%
Liabilities: Total Assets	44.7%	45.8%	39.7%

NOTES:

1 Total interest-bearing debts

◆ Debt levels is low

- Significant capacity for additional debt-financed property acquisitions

Forecasts

(JPYmn except unit data)	Actual 3rd Period (184 days) ²	Forecast 4th Period (182 days) ²	Forecast 5th Period ¹ (184 days) ²
Revenue	5,920	6,368	6,371
Recurring profit	2,303	2,374	2,008
Net income	2,302	2,372	2,006
Dividend / unit	15,095	15,553	13,153

NOTES:

- 1 Property related tax of approx. JPY 430 mn for newly acquired 7 properties post IPO is accounted as an operating cost from the 5th period (impact on dividend / unit : -JPY2,820)
- 2 Actual operating days
- 3 TSE Press Release of 23 October 2003

2 . Asset Management

Intensive asset management on new growth type properties

Growth-type

8953 Hakata Riverain

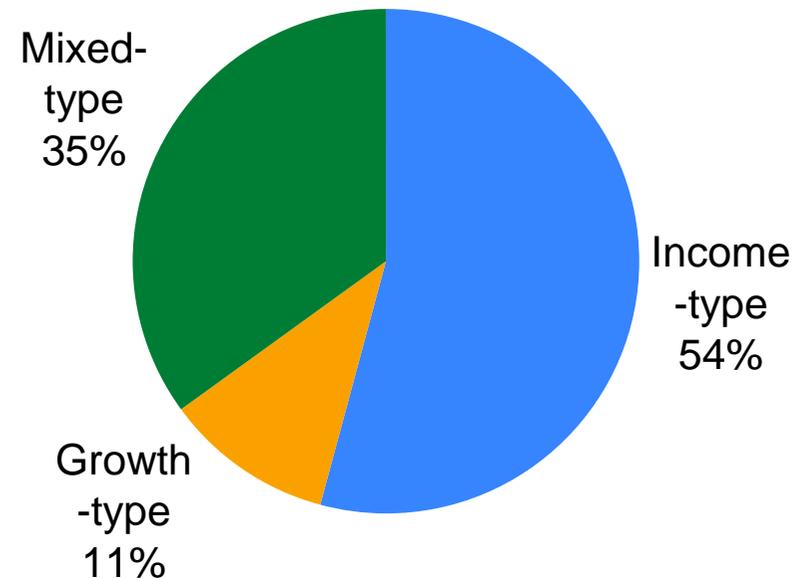
Growth/Income (Mixed)-type

Nara Family
Abiko Shopping Plaza

Income-type

Ito-Yokado Yabashira SC
Ito-Yokado Kamifukuoka SC
Ito-Yokado Narumi
Minami Aoyama 2002 Bldg.
Sendai Nakayama SC
Espa Kawasaki
Osaka Shinsaibashi Bldg.
JUSCO Chigasaki SC

Property type diversification

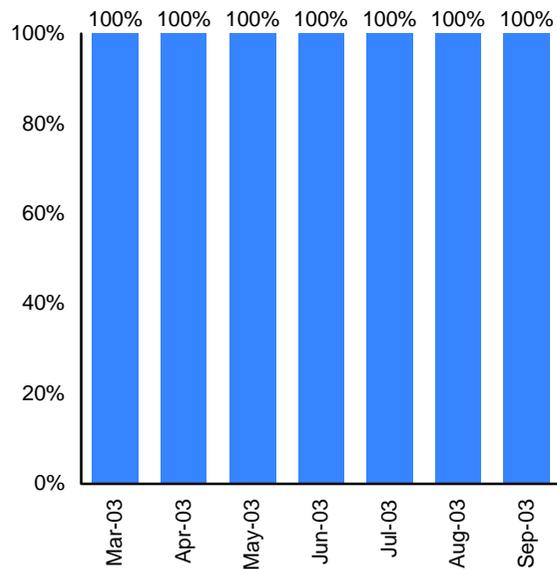


NOTE:

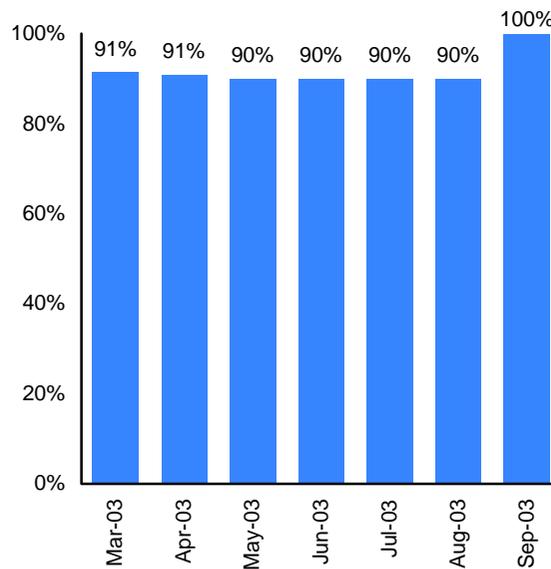
- 1 Sector allocations by appraisal value as of August 2003 including Kamifukuoka
- 2 Round-off number

High occupancy levels continue

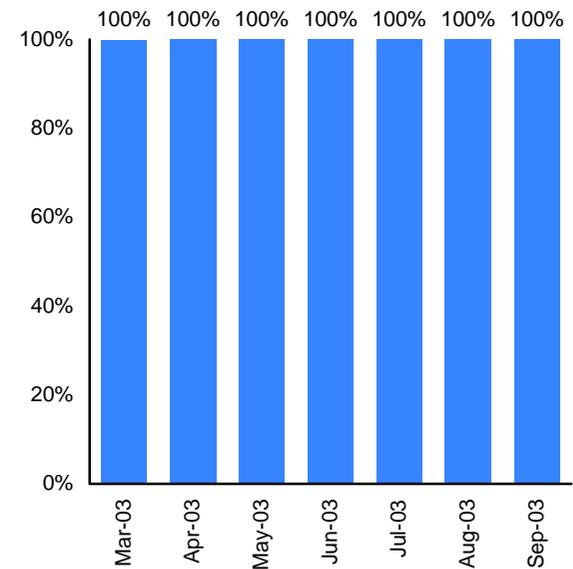
Income-type



Growth-type



Mixed-type



- ◆ Portfolio occupancy level of 100% underpinned by income properties
- ◆ Recovery in occupancy of the growth / mixed type properties reflects success of asset repositioning and intensive asset management

8953 Hakata Riverain

Upscale urban shopping center, focused on luxury brand boutiques



Location : Hakata, Fukuoka, Japan
Land area : 15,932.95m² (whole building)
Building area : 42,746.89m² (appropriate area)
Year built : 1998
Anchor retailers : Otsuka Kagu, Louis Vuitton, GUCCI, DKNY, Kicho, Tenichi, etc.
Total retailers : 77
Investment type : Growth
Acquisition date : March 4th, 2003



Case Study of value-added asset management

- ◆ Otsuka Kagu successfully installed in upper levels
- ◆ Basement levels repositioning strategy executed
 - Renovations completed in line with budget and on time
 - 38 retailers occupy this space
- ◆ Property now 99.9% occupied
- ◆ Grand re-opening ceremony on 12 September 2003
 - Relaunch of 8953 Hakata Riverain
- ◆ Independent appraisal value reflects the repositioning
 - August 03 appraisal value: JPY13.3bn
 - Up 5.5% from Feb 03 appraisal value of JPY12.6bn

Implementation of new asset management strategy

Exterior and interior after renewal

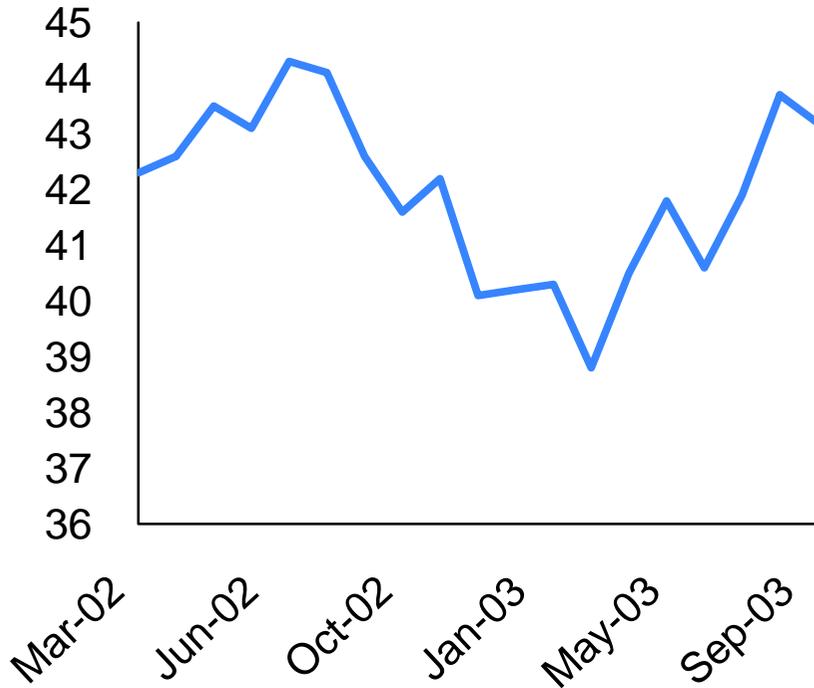


Renewal/opening ceremony



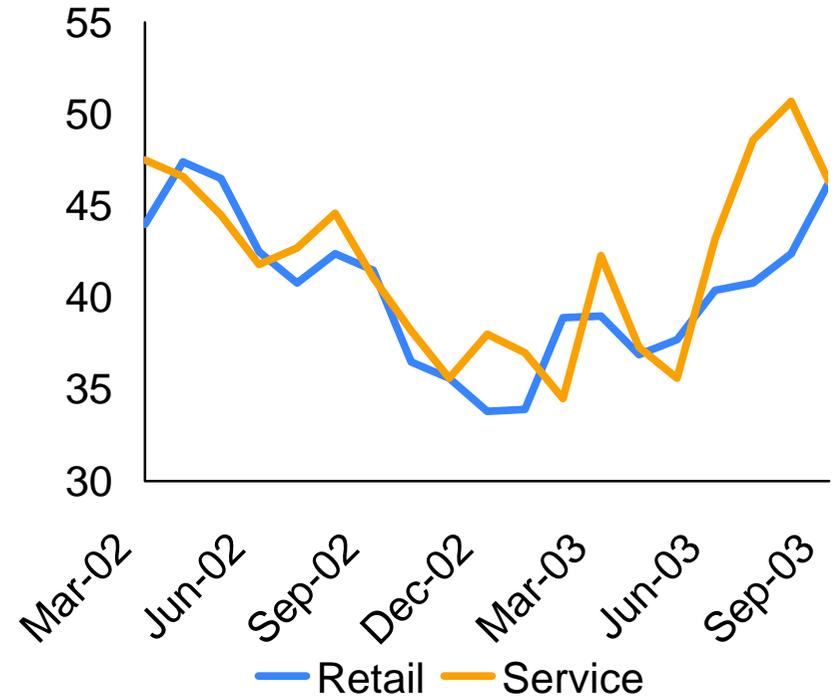
Macro environment for retailers and consumers improving

Consumer Confidence Index



SOURCE: Economic and Social Research Institute (ESRI)

Business services / Retailers DI Index



SOURCE: ESRI (Economy Watchers Survey)

Portfolio Overview

Name	Building age	Leasable area (m ²)	Occupancy rate	Appraisal values (JPY mn)	Acquisition price (JPY mn)	Share (Acquisition price) ²	Cap rate ³	Number of retailers ⁴	PML	Anchor/Core retailers
Existing Properties										
Sendai Nakayama SC	3.9-7.9	46,249	100.0%	10,200	10,200	8.5%	8.0%	2	1.1-2.8%	Aeon
ESPA Kawasaki	3.3	56,891	100.0%	10,200	10,092	8.5%	6.2%	1	10.9%	Ito-Yokado
Osaka Shinsaibashi Building	4.7	13,667	100.0%	14,600	14,300	12.0%	5.2%	1	4.8%	Tokyu Hands
JUSCO Chigasaki SC	3.0	63,652	100.0%	8,350	8,300	7.0%	5.7%	1	9.1%	Aeon
8953 Hakata Riverain	4.8	25,733	99.9%	13,300	12,600	10.6%	6.5%	77	1.9%	Otsuka Kagu
Ito-Yokado Narumi	6.1	50,438	100.0%	8,550	8,540	7.2%	7.4%	1	4.3%	Ito-Yokado
Minami Aoyama 2002 Building	1.6	1,582	100.0%	5,350	5,350	4.5%	5.5%	3	13.0%	HUGO BOSS
Nara Family	10.9	88,789	100.0%	31,700	31,241	26.2%	7.4%	138	4.6%	Kintetsu DS, Aeon
Abiko Shopping Plaza	8.9	43,415	100.0%	10,900	10,200	8.5%	7.2%	51	11.8%	Ito-Yokado
Ito-Yokado Yabashira	21.0	21,582	100.0%	1,750	1,616	1.4%	6.1%	1	7.0%	Ito-Yokado
Ito-Yokado Kamifukuoka-higashi	4.1	28,316	100.0%	6,900	6,900	5.8%	6.3%	1	14.8%	Ito-Yokado
Total / Weighted average	6.7	440,315	100.0%	121,800	119,339	100.0%	6.7%	277	2.6%	

NOTE:

- 1 Data as of September 2003
- 2 Share is calculated based on total acquisition price
- 3 Capitalization rate utilized for the direct capitalization method for the appraisal as of August 2003
- 4 Total number of retailers

3 . Portfolio Strategy

New acquisitions

Suburban Tokyo shopping centers anchored by Ito-Yokado

Ito-Yokado Yabashira



Location	: Matsudo, Chiba, Japan	Year built	: 1982
Property	: Store	Anchor retailer	: Ito-Yokado
	: Parking	Total retailer	: 1
Land area	: 4,293m ²	Investment type	: Income
	: 3,932m ²	Acquisition date	: 16 June 2003
Building area	: 13,104m ²	Acquisition price	: JPY1,616mn
	: 8,203m ²	Appraisal value	: JPY1,750mn
		Cap rate	: 6.1%

Ito-Yokado Kamifukuoka-higashi

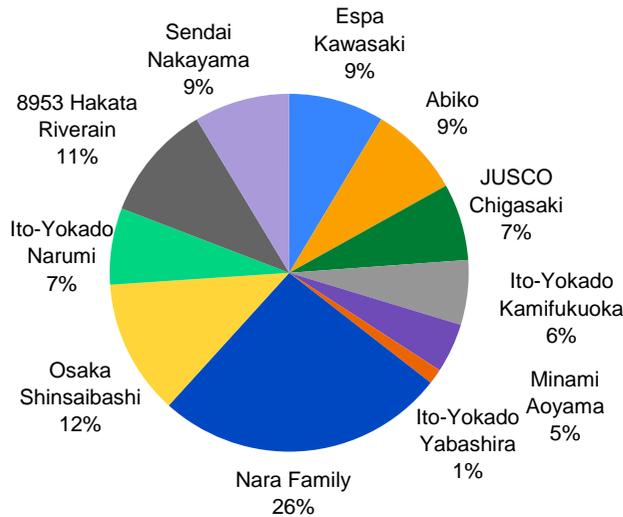


Location	: Kamifukuoka, Saitama, Japan
Land area	: 40,280m ²
Building area	: 26,951m ²
Year built	: 1999
Anchor retailer	: Ito-Yokado
Total retailer	: 1
Investment type	: Income
Acquisition date	: 18 September 2003
Acquisition price	: JPY6,900mn
Appraisal value	: JPY6,900mn
Cap rate	: 6.3%

Portfolio Structure

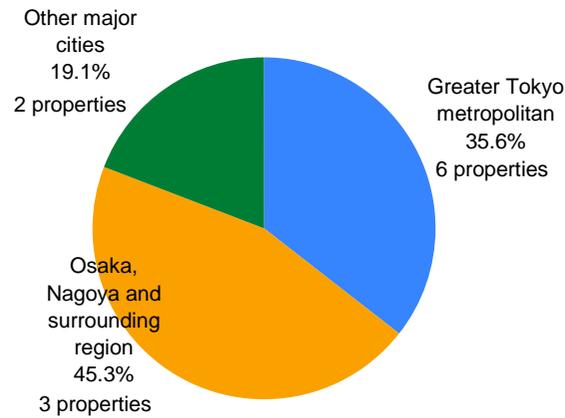
Portfolio structure including Ito-Yokado Kamifukuoka

Property Exposure



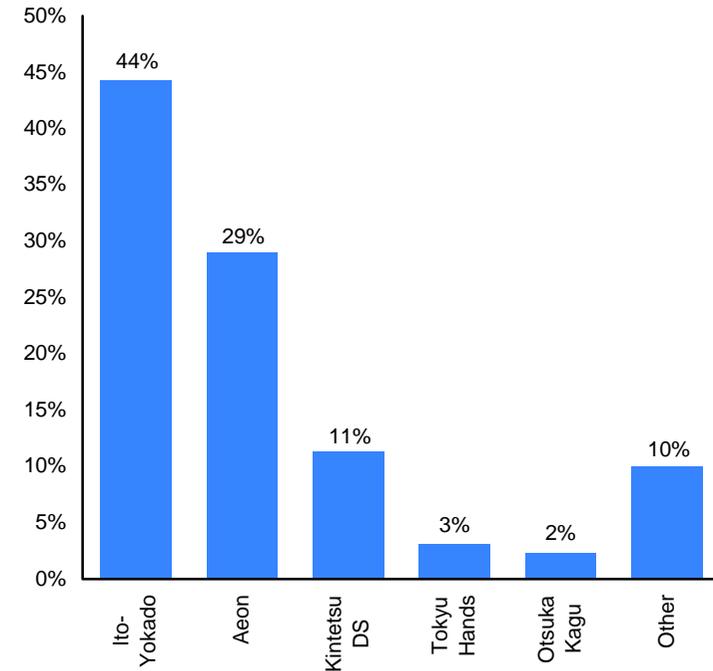
NOTE: Based on the acquisition price, round-off number

Geographic Distribution



NOTE: Based on the acquisition price, round-off number

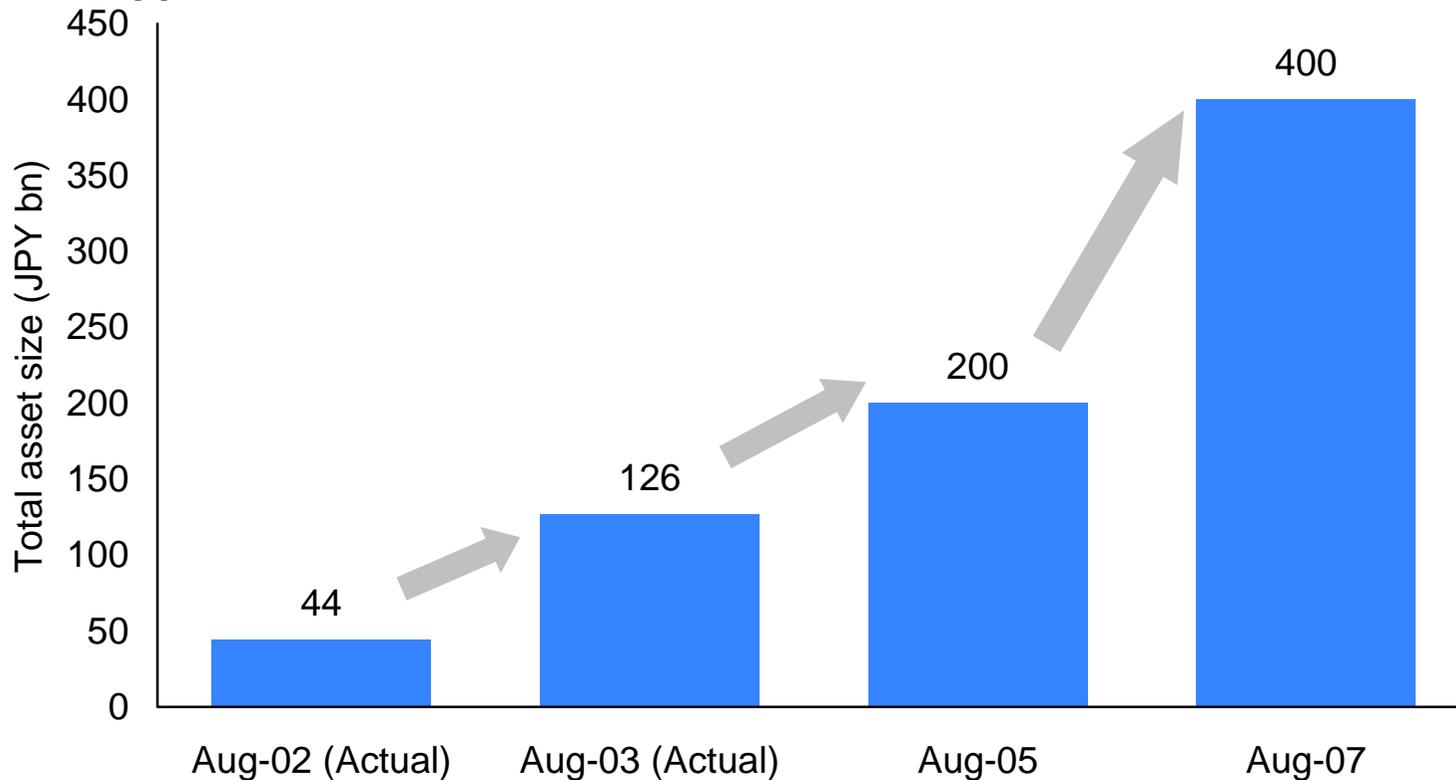
Retailer Exposure



NOTE: Based on leased area

Growth strategy remains on track

- ◆ Continue to see excellent deal flow going forward
 - Number of Properties : 30+
 - Total Property Value : 300 billion yen+
- ◆ Balance sheet capacity to seize further property acquisition opportunities



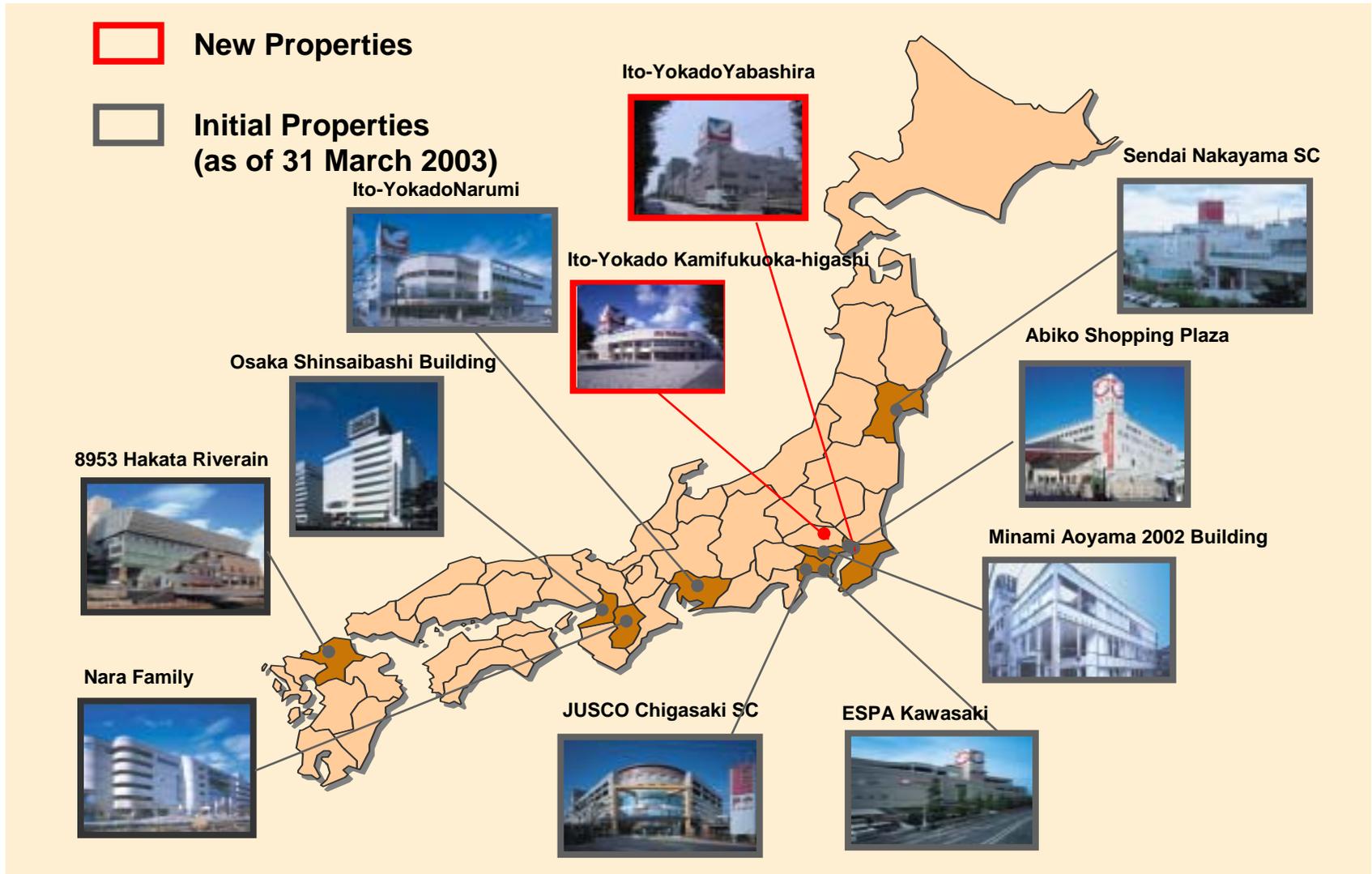
Investment Highlights

- ◆ Delivered stable dividends to investors
- ◆ Active asset management has delivered enhanced property returns
- ◆ Signs of improved consumer sentiment in line with expected economic recovery
- ◆ Growth of portfolio has continued
 - Seek to continue selected acquisitions
 - pipeline of quality properties remains solid and financial position is strong

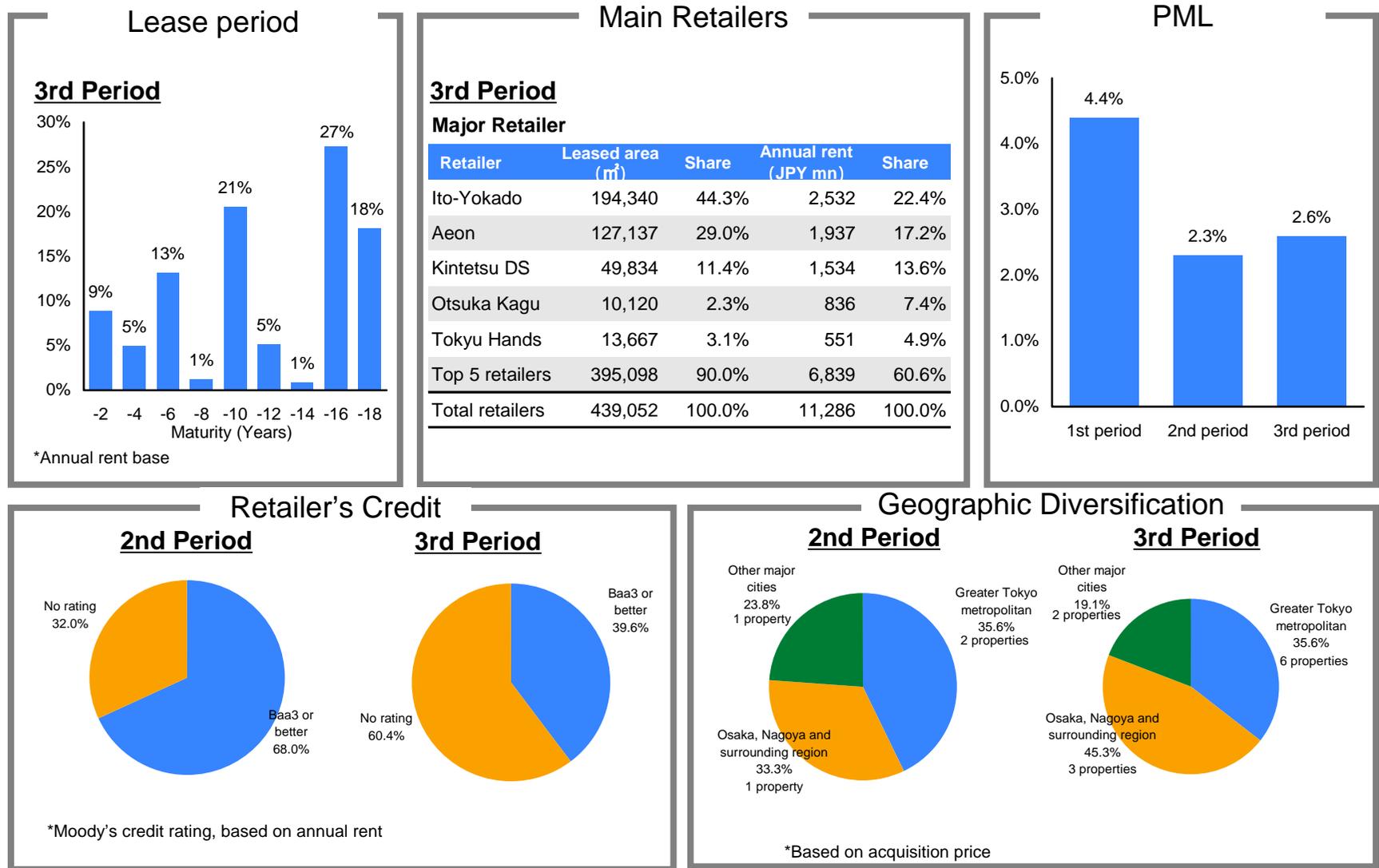
4 . Appendices

A. Portfolio analysis

Geographic Diversification



Diversification of portfolio



Summary of property management service providers

Property	Company
Sendai Nakayama SC	Xymax
ESPA Kawasaki	Diamond City
Osaka Shinsaibashi Building	Xymax
JUSCO Chigasaki SC	Geo Akamatsu
8953 Hakata Riverain	Geo Akamatsu
Ito-Yokado Narumi	Xymax
Minami Aoyama 2002 Building	Ikoma/CBRE
Nara Family	Diamond Family
Abiko Shopping Plaza	Diamond City
Ito-YokadoYabashira	Xymax
Ito-Yokado Kamifukuoka-higashi	Geo Akamatsu

B. 3rd Fiscal Period Results

3rd Fiscal Period Income Statement

3rd Fiscal Period ended August 2003

(JPY '000)

Item	3rd period		(%)	2nd Period		(%)	Variance		(%)
Operating revenues									
Rental revenue	5,920,076	5,920,076	100.0	1,453,446	1,453,446	100.0	4,466,630		307.3
Operating expenses									
Property related expenses	2,885,738			340,981			2,544,756		
Asset management fees	361,990			132,509			229,480		
Directors fees	1,800			1,800			0		
Custodian fees	9,505			8,676			828		
General administration fees	47,161			28,356			18,805		
Other	41,690	3,347,885	56.6	26,792	539,116	37.1	14,897	2,808,767	521.0
Operating income	2,572,190		43.4	914,330		62.9	1,657,859		181.3
Non-operating revenues									
Interest revenue	34			48			-13		
Other revenues	-	34	0.0	1,064	1,113	0.1	-1,064	-1,079	
Non-operating expenses									
Interest expense	27,341			48,828			-21,488		
Offering costs	214,407			74,161			140,245		
Offering related costs	-			8,242			-		
Amortization of organization costs	13,924			13,924			0		
Other non-operating expenses	13,413	269,086	4.5	12,734	157,890	10.8	678	111,196	70.4
Recurring profit	2,303,138		38.9	757,552		52.1	1,545,586		204.0
Income before income taxes		2,303,138			757,552			1,545,586	
Income taxes		1,068			973			94	
Tax adjustments		18			19			-1	
Net Income	2,302,051		38.9	756,559		52.1	1,545,492		204.3
Retained earnings at beginning of period		20			12			8	
Retained earning at end of period	2,302,071			756,571			1,545,500		204.3

* 3rd period: 1 March 2003-31 August 2003 (184days)

* 2nd period: 1 September 2002-28 February 2003 (181days)

3rd Fiscal Period Balance Sheet

As of 31 August 2003

Item	31-Aug-03		28-Feb-03		Variance	
	JPY '000	%	JPY '000	%	JPY '000	%
Assets						
Current Assets						
Cash and cash equivalents	7,178,254		1,733,617		5,444,637	
Rental receivables	309,870		44,688		265,183	
Consumption tax refundable	1,586,232		-		1,586,232	
Others	225,065		16,419		208,646	
Total current assets	9,299,422	7.4	1,794,726	4.0	7,504,697	418.2
Non-current assets						
1.Tangible assets						
Buildings	46,734,178		14,461,548		32,272,629	
Land	62,440,764		27,551,906		34,888,857	
Others	2,192,742		1,014,363		1,178,378	
Total tangible assets	111,367,685	88.1	43,027,819	95.6	68,339,866	158.8
2.Intangible assets						
Leasehold rights	2,467,714		-		2,467,714	
Others	97,643		-		97,643	
Total intangible assets	2,565,358	2.0	-	0.0	2,565,358	
3.Investments						
Tenant leasehold and security deposit receivable	2,842,594		-		2,842,594	
Others	219,325		92,028		127,296	
Total investments	3,061,920	2.4	92,028	0.2	2,969,891	3,227.2
Total non-current assets	116,994,964	92.5	43,119,848	95.8	73,875,115	171.3
Deferred assets						
Organization cost	83,544		97,468		-13,924	
Total deferred assets	83,544	0.1	97,468	0.2	-13,924	
Total assets	126,377,931	100.0	45,012,042	100.0	81,365,889	180.8

Item	31-Aug-03		28-Feb-03		Variance	
	JPY '000	%	JPY'000	%	JPY'000	%
Liabilities						
Current liabilities						
Short-term debt	-		4,830,000		-4,830,000	
Account payable	436,859		-		-	
Others	1,840,885		342,140		1,498,745	438.1
Total current liabilities	2,277,744	1.8	5,172,142	11.5	-2,894,398	-56.0
Non-current liabilities						
Long-term debt	4,170,000		4,170,000		-	
Tenant leasehold and security deposit payable	43,703,691		11,191,757		32,511,934	290.5
Others	2,812		59,171		-56,359	(95.2)
Total non-current liabilities	47,876,503	37.9	15,420,928	34.3	32,455,575	210.5
Total Liabilities	50,154,247	39.7	20,593,071	45.8	29,561,176	143.5
Unitholders' equity						
Unitholders' capital	73,921,612	58.5	23,662,400	52.6	50,259,212	212.4
Retained earnings	2,302,071	1.8	756,571	1.7	1,545,500	204.3
Total unitholders' equity	76,223,684	60.3	24,418,971	54.2	51,804,713	212.1
Total liabilities and equity	126,377,931	100.0	45,012,042	100.0	81,365,889	180.8

* 3rd period: 1 March 2003-31 August 2003 (184days)

* 2nd period: 1 September 2002-28 February 2003 (181days)

3rd Fiscal Period Cash Flows Statement

3rd Fiscal Period ended August 2003

(JPY '000)

Item	3rd Period	2nd Period
Cash Flows from Operating Activities		
Income before income taxes	2,303,138	757,552
Depreciation	844,023	294,975
Others, net	-111,207	662,937
Net cash from operating activities	3,035,954	1,715,464
Cash Flows from Investing Activities		
Purchases of tangible assets	-69,180,593	-2,008,580
Purchases of intangible assets	-2,568,654	-
Proceeds from tenant leasehold and security deposits	32,511,933	962,719
Others, net	-3,029,495	-
Net cash from investing activities	-42,266,809	-1,045,861
Cash Flows from Financing Activities		
Proceeds from short-term debt	0	4,830,000
Repayments of short-term debt	-4,830,000	-4,830,000
Proceeds from long-term debt	-	-
Dividend payments	753,721	-688,640
Proceeds from new issuance	50,259,212	-
Net cash from financing activities	44,675,491	-688,640
Net change in cash and cash equivalents	5,514,636	-19,036
Cash and cash equivalents at beginning of period	1,733,618	1,752,654
Cash and cash equivalents at end of period	7,178,254	1,733,618

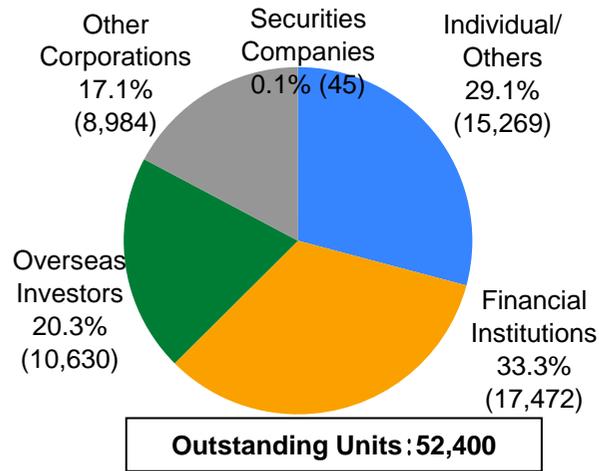
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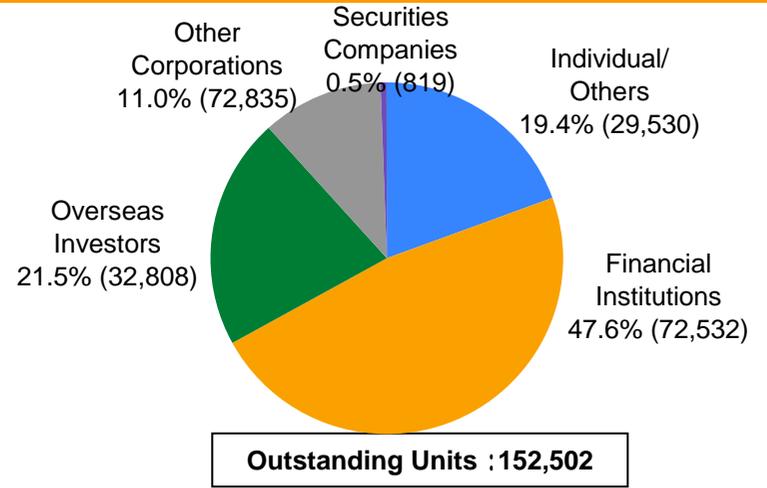
C. Unitholders Analysis

Unitholders Analysis

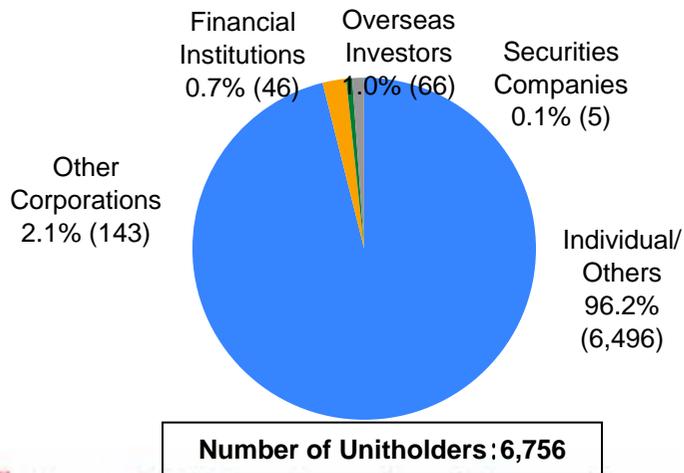
Number of Units (As of February 2003)



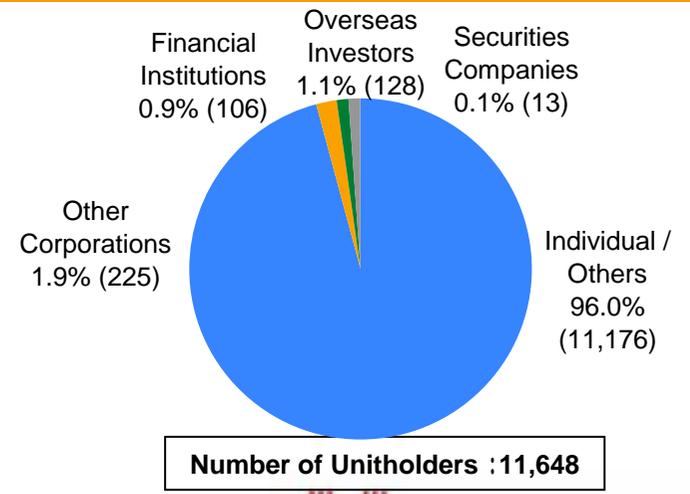
Number of Units (As of August 2003)



Number of Unitholders (As of February)



Number of Unitholders (As of August 2003)



Top Unitholders List

Top 20 Unitholders as of August 2003

No.	3rd Fiscal Period			2nd Fiscal Period		
	Unitholders	Number of Units	% of total outstanding	Unitholders	Number of Units	% of total outstanding
1	Mitsubishi Corporation	9,602	6.30	Mitsubishi Corporation	5,102	9.74
2	The Chugoku Bank	7,229	4.74	Goldman Sachs International	1,801	3.44
3	The Jyo Bank	5,948	3.90	The Shinwa Bank	1,800	3.44
4	The Hiroshima Bank	5,214	3.42	The Bank of Kansai	1,788	3.41
5	The Shinwa Bank	4,500	2.95	Nikko Citigroup Limited	1,700	3.24
6	The Bank of Ikeda	4,402	2.89	The Hiroshima Bank	1,494	2.85
7	The FujiFire and Marine Insurance	3,100	2.03	Numazu Shinyo Kinko	1,409	2.69
8	Goldman Sachs International	2,752	1.80	Japan Trustee Service Bank Trust Account	1,066	2.03
9	Japan Trustee Service Bank Trust Account	2,395	1.57	Yamanashi Chuo Bank	1,038	1.98
10	Yamanashi Chuo Bank	2,380	1.56	Kyoei Fire & Marine Insurance	1,000	1.91
11	The Chase Manhattan Bank NA London	2,260	1.48	Hachijiyuni Bank, Ltd.	896	1.71
12	BBH Lux Fidelity Funds Japan Fund	2,124	1.39	Nippon Tosho Fukyu Co.,LTD.	790	1.51
13	AIG Star Life Insurance General Account	1,996	1.31	Bank of Bermuda Guernsey Special A/C Excl. Bene. Clients	788	1.50
14	Hachijiyuni Bank, Ltd.	1,800	1.18	Maruto Kogyo	676	1.29
15	The Bank of Kansai	1,788	1.17	The Kiyo Bank	651	1.24
16	Fukuoka City Bank	1,776	1.16	The Senshu Bank	627	1.20
17	Boston Safety Deposit ABN Amro Global Custody	1,703	1.12	Mitsu Asset Trust and Banking Company	614	1.17
18	Bank of New York	1,697	1.11	The Iyo Bank	600	1.15
19	Numazu Shinyo Kinko	1,628	1.07	Boston Sage Deposit Sub A/C ABN Amro Global Custody	586	1.12
20	Bank of New York Europe Limited 131705	1,365	0.90	Dai-ichi Hoki	539	1.03
	Total	65,659	43.05	Total	24,965	47.64