

8953 Japan Retail Fund

<http://www.jrf-reit.com/>

4th Period Results (September 1, 2003 through February 29, 2004)

April 2004
Mitsubishi Corp. - UBS Realty Inc.

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Executive summary

- ◆ Since its listing on TSE in March 2002, the company has been actively engaged in asset acquisitions and fund raising. The 2nd follow-on offering in March this year brought proceeds of approximately 42.2 bn yen, which was used for the acquisition of 9 properties and repayment of short-term debts. Out of 9 properties, 7 properties were acquired in the 3rd and 4th period and 2 additional properties post offering
- ◆ Total assets after the completion of the 2nd follow-on offering exceeded 194.0 bn yen. We originally targeted to achieve 200 bn yen in asset size within 3 years from IPO and this target is almost achieved a year earlier than expected. Our market capitalization has also grown to reach the 160 bn yen level
- ◆ Acquisitions of 6 additional properties contributed to increasing gross revenue to 6.95 bn yen and net income to 2.58 bn yen for the period, which also enabled us to pay per-unit-distribution of 16,918 yen, which was 7.6% higher than the revised estimate of 15,724 yen (revised in January 2004)
- ◆ We will continue to combine investments in income-type and growth-type assets in our portfolio to enhance stability and growth. We continuously seek to provide stable distributions to our unitholders over the mid- to long-term, while trying to implement measures to avoid any dilutive impacts to earnings through equity offerings

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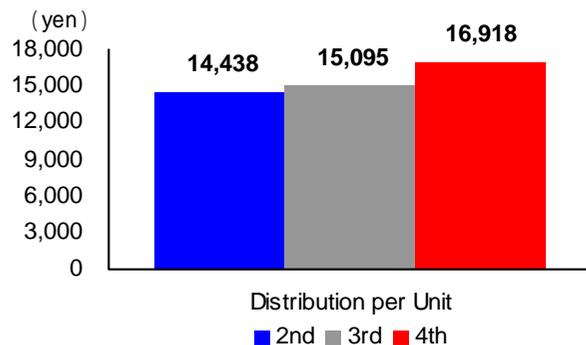
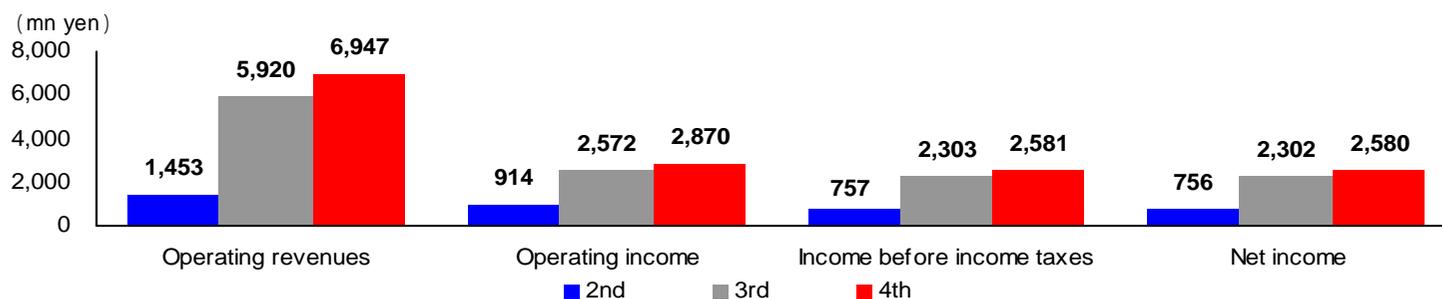
1 . Highlights

Performance overview

1. Status of outstanding units (as of February 29, 2004)

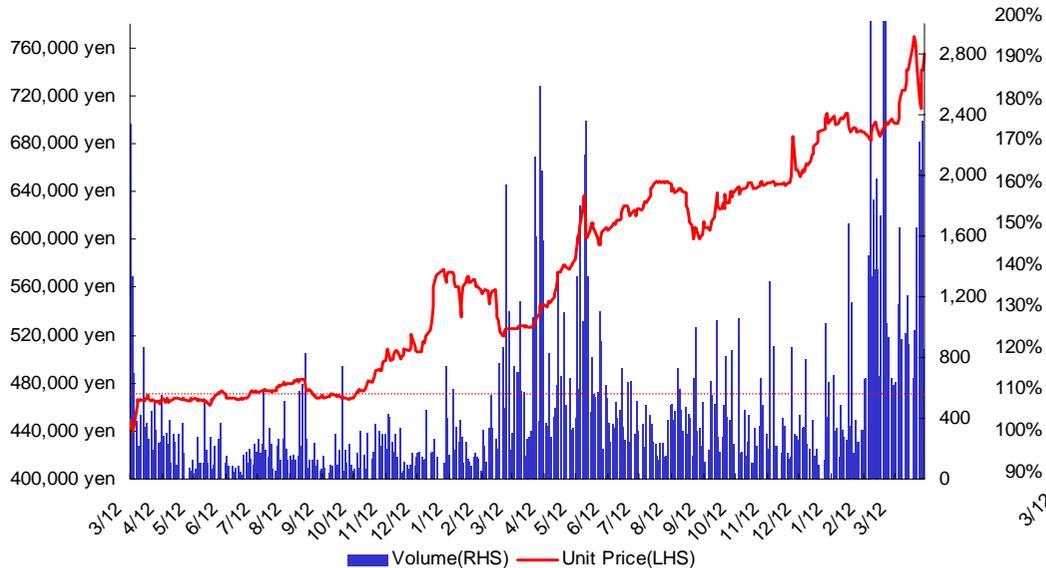
- Market cap 105 bn yen
- Total units outstanding 152,502 units
- Unit price performance See the next page
- # total unitholders 11,481

2. 4th period results of operations (182 days)



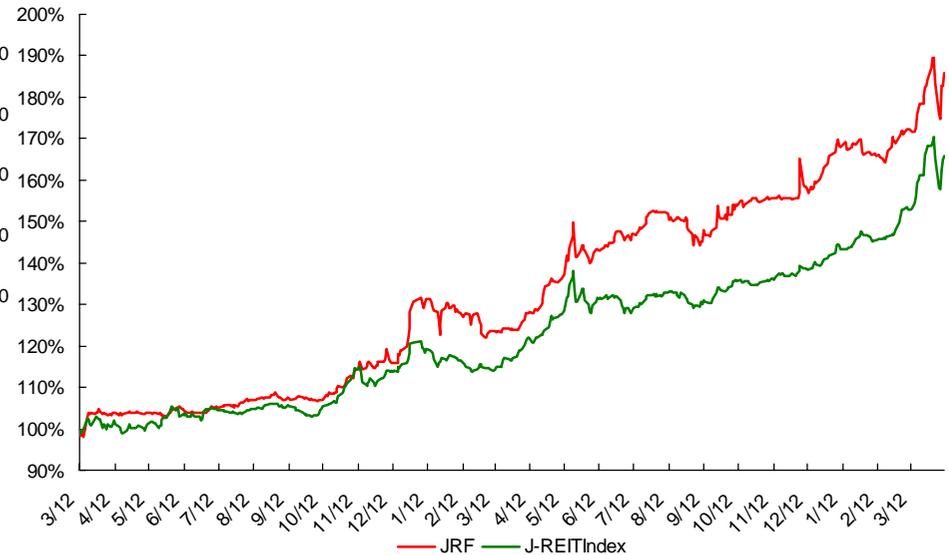
Unit price performance

Historical price and volume



High	779,000 yen (Mar 30, 2004)
Low	433,000 yen (Mar 13, 2002)
Volume weighted average price	605,426 yen (as of Apr 9, 2004)
Total volume	229,311 units (as of Apr 9, 2004)
Daily average volume	446 units (as of Apr 9, 2004)
IPO price	470,000 yen (Mar 13, 2002)
Current price	755,000 yen (as of Apr 9, 2004)
Percentage in price increase	60.6% (as of Apr 9, 2004)

Relative performance vs. J-REIT index



- * Source : Nikkei Quick
- * IPO Price = 100%

2 . 4th period results of operations

Income statements

4th fiscal period - from Sep 1, 2003 to Feb 29, 2004 (yen in thousand)

Items	4th fiscal period		%	3rd fiscal period		%	Change	yoy %	
Recurring Items									
Operating Income (Loss)									
1. Operating revenue									
Rental revenue	6,947,818	6,947,818	100.0	5,920,076	5,920,076	100.0	1,027,742	17.4	
2. Operating expenses									
Property related expenses	3,464,621			2,885,738			578,882	20.1	
Asset management fees	473,213			361,990			111,222	30.7	
Directors fees	1,800			1,800			0	0.0	
Custodian fees	23,208			9,505			13,702	144.2	
General administration fees	58,540			47,161			11,379	24.1	
Other	56,047			41,690			14,356	34.4	
		4,077,431	58.7		3,347,885	56.6		729,544	21.8
Operating Income	2,870,387		41.3	2,572,190		43.4	298,196	11.6	
Non-Operating Revenue (Loss)									
1. Non-operating revenue									
Interests revenue	30			34			-3		
Other	14,945	14,975	0.0	-	34	0.0	14,941	-	
2. Non-operating expenses									
Interests expense	106,397			27,341			79,055	289.1	
Offering costs	158,444			214,407			-55,963		
Amortization of organization costs	13,924			13,924			0		
Other Non-operating expenses	25,553	304,318	4.4	13,413	269,086	4.5	12,139	35,232	13.1
Recurring Profit	2,581,044		37.1	2,303,138		38.9	277,906	12.1	
Income before income taxes		2,581,044			2,303,138			277,906	12.1
Income taxes		1,022			1,068			-47	
Tax Adjustments		-21			18				
Net Income	2,580,043		37.1	2,302,051		38.9	277,992	12.1	
Retained earnings (beginning b'ce)		54			20			34	
Retained earnings (ending b'ce)		2,580,097			2,302,071			278,026	12.1

Contribution of rental revenues from newly acquired 6 properties in the 4th period

• Increase in depreciation and PM fees related to new acquisitions
• Increase in maintenance and sales promotion expenses, loss from disposals of equipments related to Hakata Riverain

Increase in fees due to asset size growth

Increase in short-term debts for acquisitions of 6 new properties

* 4th fiscal period: Sep 1, 2003-Feb 29, 2004 (182 days)

* 3rd fiscal period: Mar 1, 2003-Aug 31, 2003 (184 days)

Balance sheets

4th fiscal period - as of Feb 29, 2004

(yen in thousand)

Items	4th fiscal period		3rd fiscal period		Change	
	Amount	%	Amount	%	Amount	yoy %
ASSETS						
Current assets						
Cash and cash equivalents	1,369,728		310,315		1,059,413	
Entrusted cash and cash equivalents	4,755,143		6,867,939		-2,112,796	
Rental receivables	398,188		309,870		88,319	
Consumption tax refundable	911,720		1,586,232		-674,512	
Other current assets	245,328		225,065		20,263	
Total current assets	7,680,109	4.5	9,299,422	7.4	-1,619,312	-17.4
Non-current assets						
1. Property and equipment, at cost						
Buildings	65,539,899		46,734,178		18,805,720	
Building improvements	3,339,829		1,838,109		1,501,720	
Machinery and equipment	136,414		102,169		34,245	
Tools, Furniture & Fixtures	645,196		252,464		392,731	
Land	85,644,426		62,440,764		23,203,661	
Net property and equipment	155,305,766	91.4	111,367,685	88.1	43,938,081	39.5
2. Intangible assets						
Leasehold land	3,595,259		2,467,714		1,127,545	
Other intangible assets	123,383		97,643		25,740	
Total intangible assets	3,718,643	2.1	2,565,358	2.0	1,153,285	45.0
3. Investments						
Deposit	2,834,977		2,842,594		-7,617	
Long-term prepaid expenses	41,025		29,612		11,413	
Deferred hedge loss	42,074		2,812		39,262	
Other	198,940		186,901		12,039	
Total investments	3,117,017	1.8	3,061,920	2.4	55,096	1.8
Total non-current assets	162,141,427	95.4	116,994,964	92.5	45,146,462	38.6
Deferred assets						
Organization costs	69,620		83,544		-13,924	
Total deferred assets	69,620	0.0	83,544	0.1	-13,924	
TOTAL ASSETS	169,891,156	100.0	126,377,931	100.0	43,513,225	34.4

Withdrawal from reserves for Kamifukuoka acquisition

Item	4th fiscal period		3rd fiscal period		Change	
	Amount	%	Amount	%	Amount	yoy %
LIABILITIES						
Current liabilities						
Accounts payable	461,242		436,859		24,383	
Short-term debt	38,528,000		-		38,528,000	
Accrued liabilities	13,749		332,835		-319,086	
Accrued expenses	517,115		224,726		292,389	
Accrued income taxes	1,022		605		417	
Rent received in advance	553,118		367,762		185,356	
Deposits	710,288		835,410		-125,122	
Other	208,900		79,543		129,357	
Total current liabilities	40,993,438	24.1	2,277,744	1.8	38,715,694	1,699.7
Non-current liabilities						
Long-term debt	4,170,000		4,170,000		0	
Tenant leasehold and security deposits	48,183,934		43,703,691		4,480,243	
Other	42,074		2,812		39,262	
Total non-current	52,396,008	30.8	47,876,503	37.9	4,519,505	9.4
TOTAL LIABILITIES	93,389,446	55.0	50,154,247	39.7	43,235,199	86.2
UNITHOLDERS' EQUITY						
Total investment						
Unitholders' capital	73,921,612	43.5	73,921,612	58.5	0	
Retained earning						
Retained earning of 4th Fiscal Period	2,580,097		2,302,071		0	
Total retained earnings	2,580,097		2,302,071	1.8	278,026	12.1
Total unitholders' equity	76,501,709	45.0	76,223,684	60.3	278,025	0.4
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	169,891,156	100.0	126,377,931	100.0	43,513,225	34.4

Short-term debt for newly acquired 6 properties

Increase in tenant deposits related to newly acquired 6 properties

Impacted by newly acquired 6 properties

* 4th fiscal period: Sep 1, 2003-Feb 29, 2004 (182 days)

* 3rd fiscal period: Mar 1, 2003-Aug 31, 2003 (184 days)

Cashflow statements

4th fiscal period - from Sep 1, 2003 to Feb 29, 2004 (yen in thousand)

Items	4th fiscal period	3rd fiscal period
Cashflow from Operating Activities		
Income before income taxes	2,581,044	2,303,138
Depreciation and amortization	1,081,214	844,023
Other	792,643	-111,207
Net cash from operating activities	4,454,901	3,035,954
Cashflow from Investing Activities		
Purchases of property and equipment	-45,060,306	-69,180,593
Purchases of intangible assets	-1,157,157	-2,568,654
Tenant deposits	7,616	-2,842,594
Other investments/other acquisition of assets	-12,038	-186,901
Proceeds from tenant leasehold and security deposits	4,480,243	32,511,933
Other	—	—
Net Cash used in Investing Activities	-41,741,642	-42,266,809
Cashflow from Financing Activities		
Proceeds from shorr-term debt	38,528,000	—
Repayments of short-term debt	—	-4,830,000
Proceeds from long-term debt	—	—
Dividend Payment	-2,294,641	-753,721
Proceeds from issuance of investment units	—	50,259,212
Net cash from Financing Activities	36,233,358	44,675,491
Net change in cash and cash equivalentents	-1,053,383	5,444,636
Cash and cash equivalentents at beginning of period	7,178,254	1,733,618
Cash and cash equivalentents at end of period	6,124,871	7,178,254

* 4th fiscal period: Sep 1, 2003 - Feb 29, 2004 (182 days)

* 3rd fiscal period: Mar 1, 2003 - Aug 31, 2003 (184 days)

Distribution statements

4th fiscal period - from Sep 1, 2003 to Feb 29, 2004

(yen in thousand)

Items	4th fiscal period	3rd fiscal period
Net income	2,580,043	2,302,051
Retained earnings	69	54
Distributed amounts	2,580,028	2,302,017
(DPU)	(16,918 yen)	(15,095 yen)

* 4th fiscal period: Sep 1, 2003-Feb 29, 2004 (182 days)

* 3rd fiscal period: Mar 1, 2003-Aug 31, 2003 (184 days)

Performance by property

4th fiscal period- from Sep 1, 2003 to Feb 29, 2004

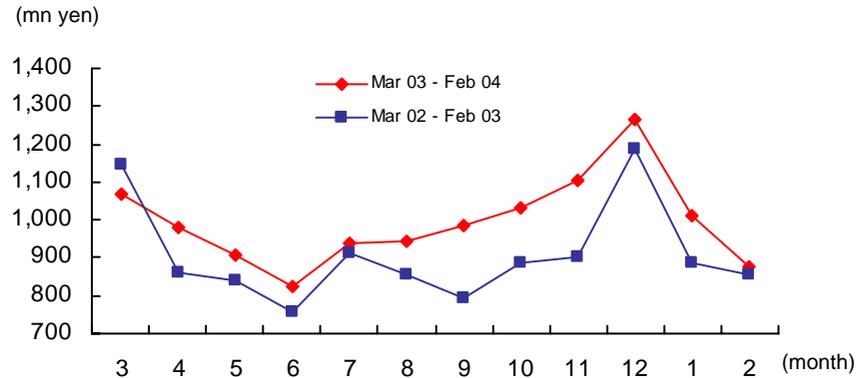
(yen in million)

Items	Sendai Nakayama SC		ESPA Kawasaki		Osaka Shinsaibashi Bldg.		JUSCO Chigasaki SC		Hakata Riverain		Ito Yokado Narumi		Minami Aoyama Bldg.	
	4th	3rd	4th	3rd	4th	3rd	4th	3rd	4th	3rd	4th	3rd	4th	3rd
Rental revenue	439	466	351	351	418	418	274	274	1,017	887	331	325	160	158
Other income	0	0	0	0	0	0	0	1	258	186	0	0	10	10
Total property income	439	466	351	351	418	418	274	275	1,275	1,073	331	325	170	168
Tax and public charges	42	42	60	60	31	31	44	44	0	0	0	0	0	0
Facilities management	6	3	0	0	1	0	0	1	441	402	0	0	13	10
Property management fees	14	14	13	13	7	7	6	6	56	52	7	8	5	7
Other property expenses	2	2	2	2	1	1	2	2	354	175	2	2	0	0
D&A	77	77	82	81	80	80	63	63	171	156	74	74	9	9
Total expenses	141	138	157	156	120	119	115	116	1,022	785	84	84	27	26
Operating income	298	328	194	195	299	299	159	159	253	288	247	241	143	142
Rental deposits	957	956	981	981	799	799	746	746	751	722	539	539	283	283
Guarantee deposits	801	802	3,924	3,924	0	0	2,984	2,984	0	0	4,850	4,850	0	0
Deposits (ending b'ce)	1,758	1,758	4,905	4,905	799	799	3,730	3,730	751	722	5,389	5,389	283	283

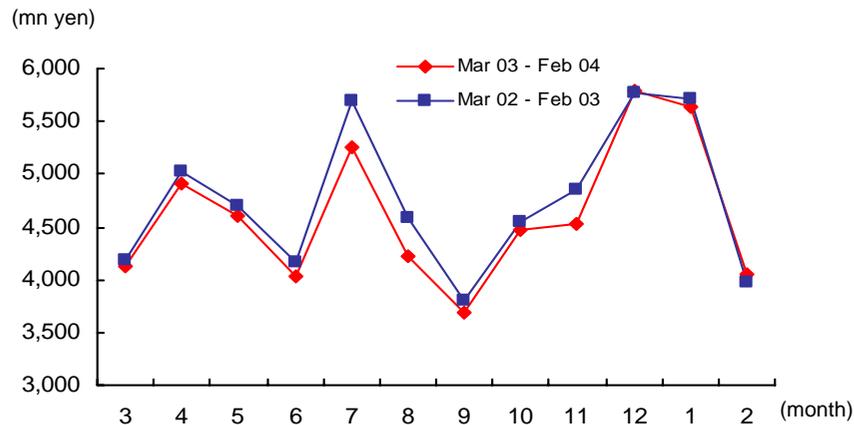
Items	Nara Family		Abiko Shopping Plaza		Ito Yokado Yabashira		Ito Yokado Kamifukuoka	Ito Yokado Nishikicho	Daikanyama Bldg.	Aeon Higashiura SC	Harajuku FACE Bldg.	Aeon Kashiwaha SC	Total	
	4th	3rd	4th	3rd	4th	3rd	4th	4th	4th	4th	4th	4th	4th	3rd
Rental revenue	1,904	1,898	497	489	79	33	232	229	16	97	21	87	6,153	5,299
Other income	329	321	194	103	0	0	0	0	1	0	4	0	794	621
Total property income	2,232	2,219	691	592	79	33	232	229	17	97	25	87	6,948	5,920
Tax and public charges	0	0	0	0	0	0	1	1	1	1	1	1	183	177
Facilities management	401	473	198	149	1	0	0	0	1	0	1	0	1,064	1,037
Property management fees	224	176	44	57	2	1	4	2	0	1	0	1	387	341
Other property expenses	323	281	32	22	1	0	3	2	1	22	1	1	750	488
D&A	218	216	80	79	18	9	48	90	2	33	3	33	1,081	844
Total expenses	1,166	1,146	354	307	23	10	56	96	5	57	5	36	3,465	2,886
Operating income	1,066	1,073	338	285	55	23	176	132	12	40	20	51	3,483	3,034
Rental deposits	5,712	5,703	907	906	450	450	775	590	125	496	177	700	14,987	12,085
Guarantee deposits	13,798	14,181	4,830	4,878	0	0	2,010	0	0	0	0	0	33,197	31,619
Deposits (ending b'ce)	19,510	19,884	5,737	5,784	450	450	2,785	590	125	496	177	700	48,184	43,704

Performance of growth-type properties

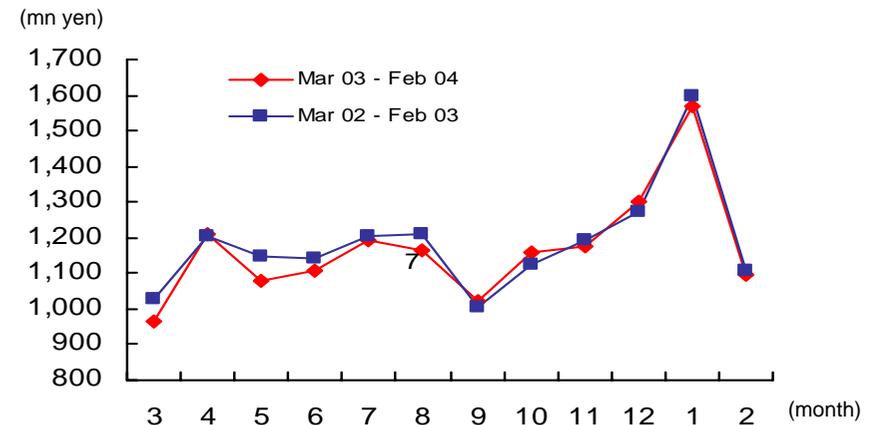
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Nara Family

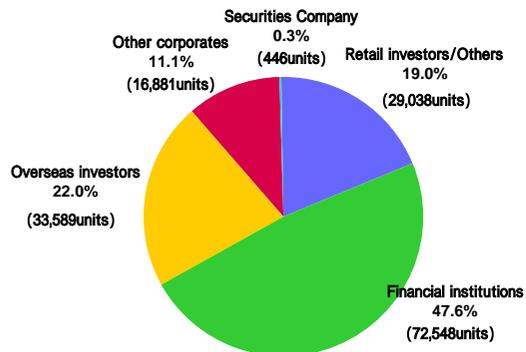


Abiko Shopping Plaza



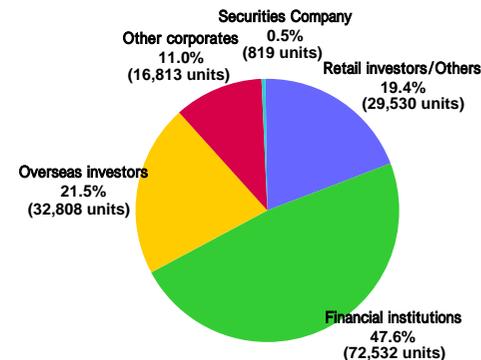
Unitholder compositions

Number of units (as of Feb 29, 2004)



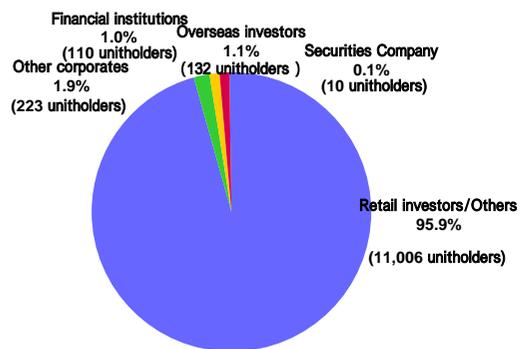
Total : 152,502 units

Number of units (as of Aug 31, 2003)



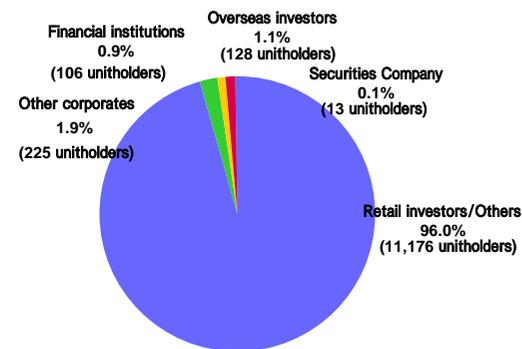
Total : 152,502 units

Number of unitholders (as of Feb 29, 2004)



Total : 11,481 unitholders

Number of unitholders (as of Aug 31, 2003)



Total : 11,648 unitholders

Major unitholders

Top 20 unitholders as of February 29, 2004

Rank	4th fiscal period			3rd Fiscal Period		
	Name of unitholder	Number of units	% total units	Name of unitholder	Number of units	% total units
1	Mitsubishi Corporation	9,602	6.30	Mitsubishi Corporation	9,602	6.30
2	Chugoku Bank	6,397	4.19	Chugoku Bank	7,229	4.74
3	Joyo Bank	5,948	3.90	Joyo Bank	5,948	3.90
4	Goldman Sachs International	5,489	3.60	Hiroshima Bank	5,214	3.42
5	Hiroshima Bank	4,501	2.95	Shinwa Bank	4,500	2.95
6	Shinwa Bank	4,500	2.95	Bank of Ikeda	4,402	2.89
7	Bank of Ikeda	4,402	2.89	Fuji Fire & Marine	3,100	2.03
8	The Bank of New York	3,968	2.60	Goldman Sachs International	2,752	1.80
9	Japan Trustee Services Bank Trust Account	3,603	2.36	Japan Trustee Services Bank Trust Account	2,395	1.57
10	Trust & Custody Services Bank Trust Account	2,810	1.84	Yamanashi Chuo Bank	2,380	1.56
11	Yamanashi Chuo Bank	2,380	1.56	The Chase Manhattan Bank NY London SL Omnibus Acc	2,260	1.48
12	Gibraltar Life, units are held in the general and other ac	2,100	1.38	BBH Lux Fidelity Funds Japan Fund	2,124	1.39
13	Fuji Fire & Marine	1,936	1.27	AIG Star Life Insurance, General account	1,996	1.31
14	Mellon Bank - ABN Amro Global custody N.V.	1,879	1.23	Hachijuni Bank	1,800	1.18
15	Hachijuni Bank	1,800	1.18	Bank of Kansai	1,788	1.17
16	North Pacific Bank	1,700	1.11	Fukuoka City Bank	1,776	1.16
17	Numazu Shinkin Bank	1,644	1.08	Boston Safe Deposit - ABN Amro global custody	1,703	1.12
18	Aichi Bank	1,638	1.07	The Bank of New York	1,697	1.11
19	Senshu Bank	1,619	1.06	Numazu Shinkin Bank	1,628	1.07
20	Morgan Stanley and Company International	1,599	1.05	The Bank of New York Europe Ltd.	1,365	0.90
Total		69,515	45.57	Total	65,659	43.05

3 . 2nd follow-on offering summary

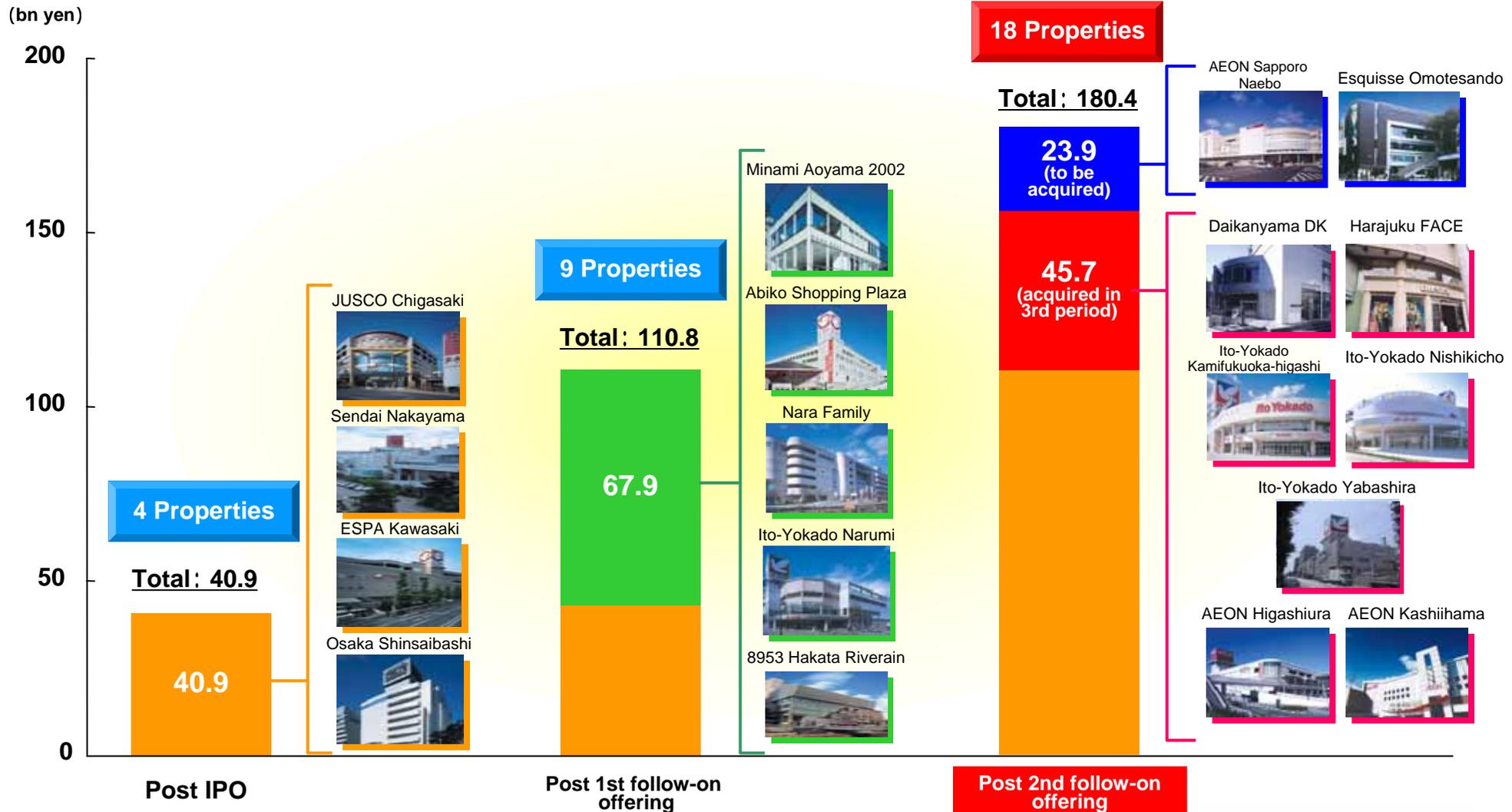
2nd follow-on offering summary

Offering Summary



Offering type :	Rule 144A global offering
Offering price:	654,910 yen (at 2.0% discount)
Offering size:	67,000 units (Domestic: 44,300 units/International: 22,700 units)
Over-allotment:	3,427 units
Total proceeds:	46,123 mn yen (including over-allotment of 2,244 mn yen)
Payment date	March 1, 2004
Units outstanding:	219,502 units (Pre-offering : 152,502 units)
Total equity :	116,189 mn yen (Pre-offering: 73,922 mn yen)

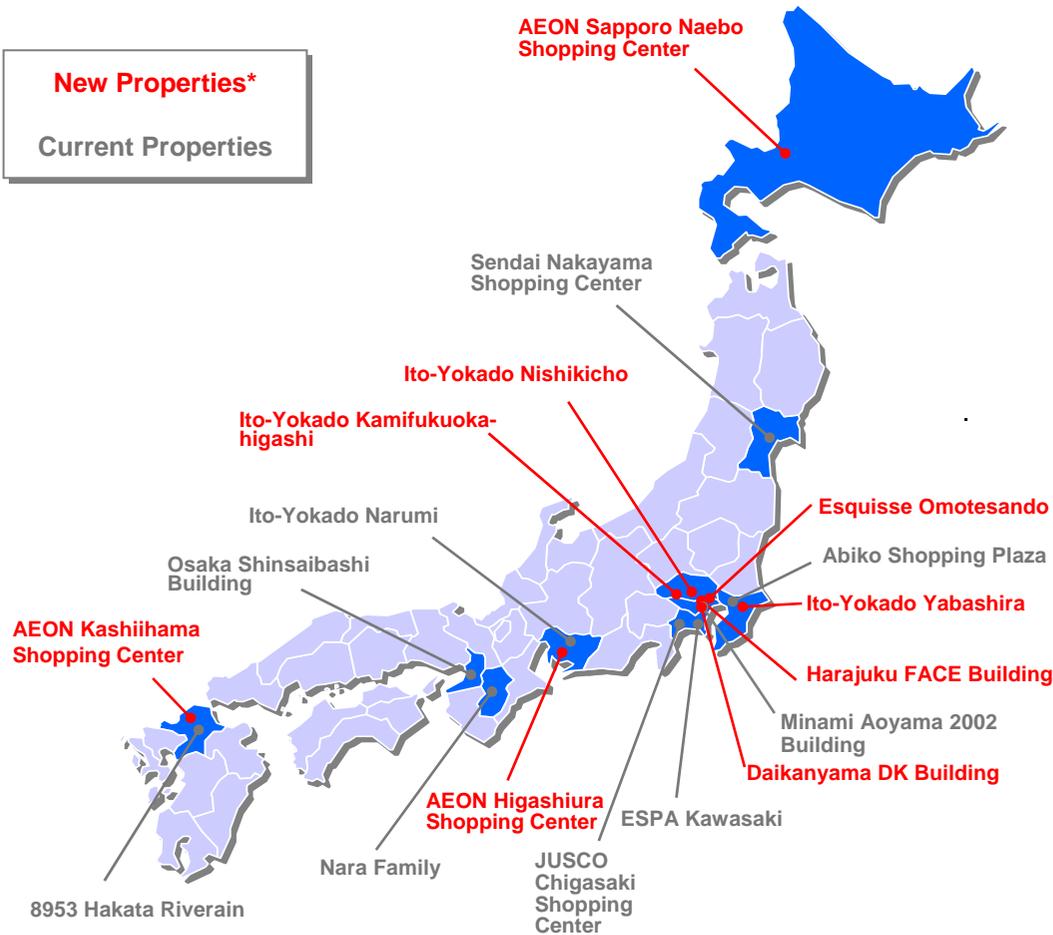
Track record of growth



Note: Based on acquisition price or anticipated acquisition price

Portfolio map

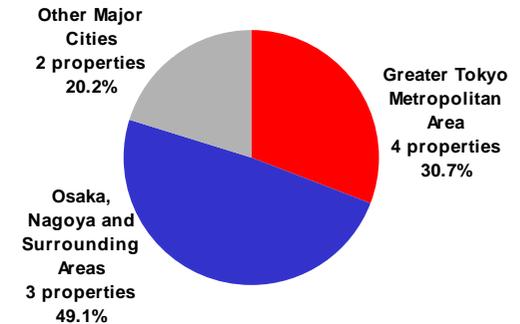
New Properties*
Current Properties



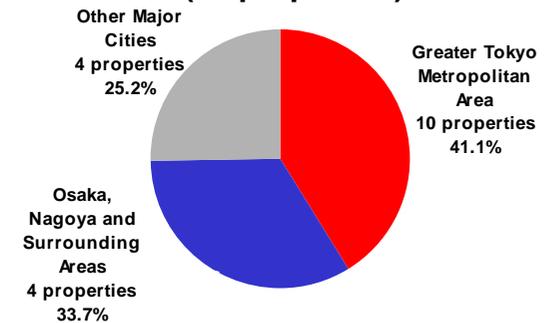
* Properties acquired or anticipated to be acquired after the 1st follow-on offering

Geographic Diversification

Post 1st Follow-On Offering (9 properties)



Post 2nd Follow-On Offering (18 properties)

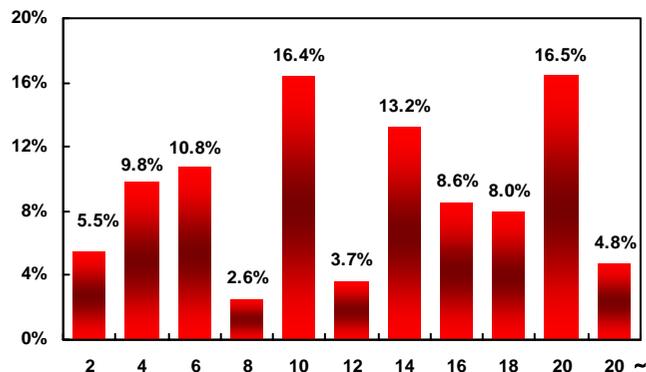


* Based on appraisal value

Tenancy profile

Lease expiration schedule

Post-offering

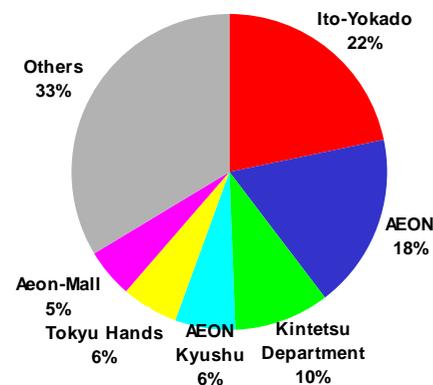


* Based on estimated annual rents

* Calculations based on years remaining as of Dec 31, 2003

6 Major tenants

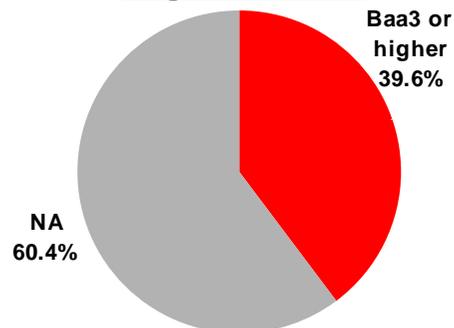
Post-offering



* Based on estimated annual rents

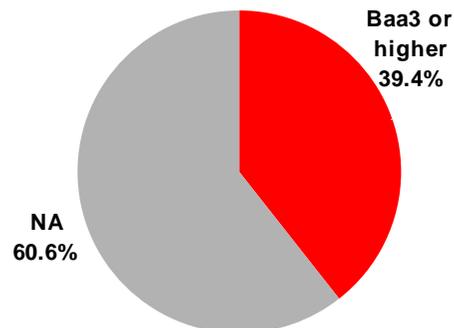
Tenant credit

August 31, 2003



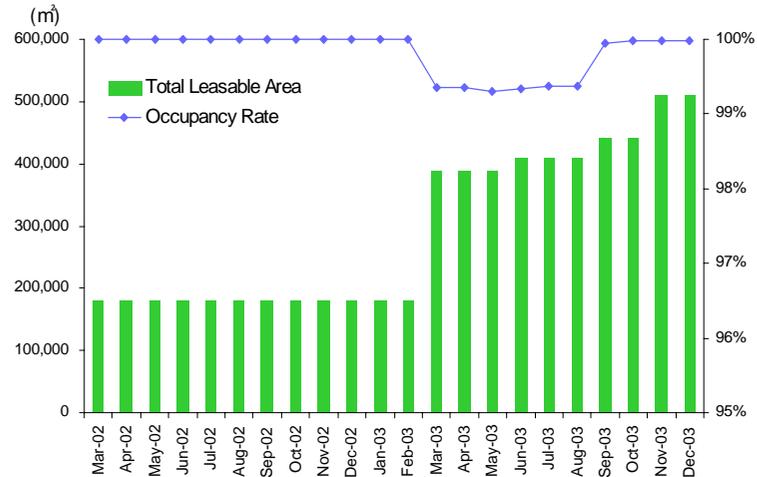
* Based on estimated annual rents

Post-offering

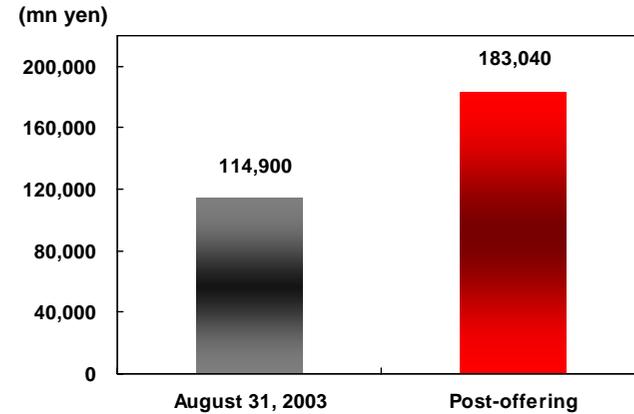


Portfolio characteristics

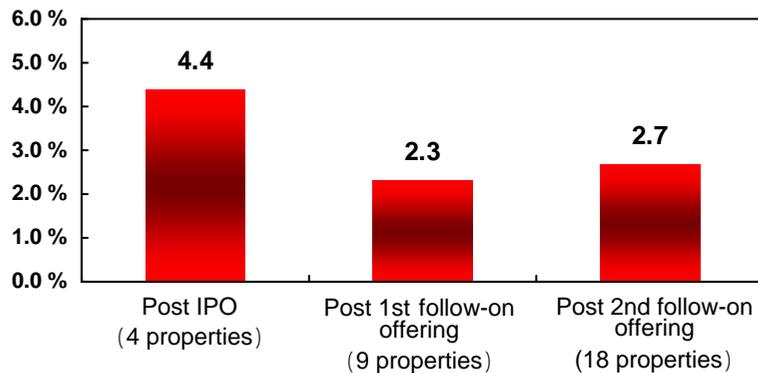
Leasable area and occupancy rate



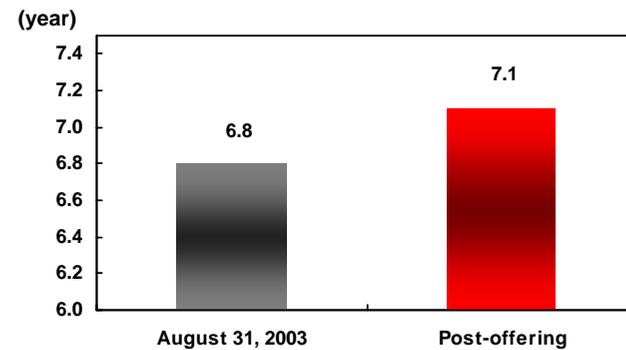
Portfolio value



PML (Seismic risk)



Average building age



* Based on appraisal value

Portfolio property list

	Investment Style	Building age	Leasable Area (m ²)	Occupancy Rate	Portfolio Value (mn yen)	percentage (%)	Acquisition price (mn yen)	Cap Rate	Number of Tenants	PML (Seismic Risk)	Anchor/Core Tenants	PM companies
<u>Post 1st Follow-on Offering</u>												
Eny Meeny Miny Mo	Growth	5.2	25,734	99.1%	13,400	7.3%	12,600	6.5%	79	1.9%	IDC Otsuka Kagu, LOUIS VUITTON, Gu	Geo Akamatsu
Minami Aoyama 2002 Bldg.	Income	2.0	1,582	100.0%	5,330	2.9%	5,350	5.5%	3	13.0%	Hugo Boss	Ikoma CB Richard Ellis
Nara Family	Income / Growth	10.8-11.3	85,337	99.8%	32,400	17.7%	31,241	7.4%	133	4.6%	Kintetsu Department Store, J	Diamond Family
Abiko Shopping Plaza	Income / Growth	9.4	43,415	100.0%	10,800	5.9%	10,200	7.2%	51	11.8%	Ito Yokado	Diamond City
Osaka Shinsaibashi Bldg.	Income	5.1	13,667	100.0%	14,400	7.9%	14,300	5.2%	1	4.8%	Tokyu Hands	Xymax
Sendai Nakayama SC	Income	4.3-8.4	46,249	100.0%	10,200	5.6%	10,200	7.6%	2	1.1%-2.8%	Jusco, Keiyo D2	Xymax
ESPA Kawasaki	Income	3.8	56,891	100.0%	10,200	5.6%	10,091	6.2%	1	10.9%	Ito Yokado	Diamond City
JUSCO Chigasaki SC	Income	3.4	63,652	100.0%	8,000	4.4%	8,300	5.7%	1	9.1%	Jusco	Geo Akamatsu
Ito Yokado Narumi	Income	6.6	50,438	100.0%	8,420	4.6%	8,540	7.4%	1	4.3%	Ito Yokado	Xymax
Subtotal/Weighted Average		7.2	386,965	99.8%	113,150	61.8%	110,823	6.7%	272	-		
<u>Acquisitions in Period 3, 4 and 5</u>												
Harajuku FACE Bldg.	Income	18.9	1,478	100.0%	2,780	1.5%	2,770	5.6%	5	10.6%	Diesel	Xymax
Esquisse Omotesando	Income / Growth	22.1	3,798	100.0%	14,500	7.9%	14,500	5.0%	21	7.1%	Chanel, Yves Saint-Laurent, Gucci	Geo Akamatsu
Daikanyama DK Bldg.	Income	13.0	574	100.0%	1,260	0.7%	1,235	5.3%	1	5.4%	Onward Kashiyama	Mitsui Fudosan Building Management
Ito Yokado Yabashira	Income	21.4	21,582	100.0%	1,750	1.0%	1,616	6.1%	1	6.5%-7.4%	Ito Yokado	Xymax
Ito Yokado Kamifukuoka-higashi	Income	4.5	28,316	100.0%	6,880	3.8%	6,900	6.3%	1	14.8%	Ito Yokado	Geo Akamatsu
Ito Yokado Nishikicho	Income	0.3	72,958	100.0%	13,300	7.3%	13,212	5.6%	1	12.6%	Ito Yokado	Geo Akamatsu
AEON Higashiura SC	Income	2.6	100,458	100.0%	6,860	3.7%	6,700	6.3%	1	7.5%	Jusco	Xymax
AEON Kashiihama SC	Income	0.3	109,617	100.0%	13,300	7.3%	13,300	6.2%	1	0.8%	Jusco	Geo Akamatsu
AEON Sapporo Naebo SC	Income	0.7	74,626	100.0%	9,260	5.1%	9,260	6.2%	1	2.6%	Jusco	Xymax
Subtotal/Weighted Average		7.0	413,407	100.0%	69,890	38.2%	69,493	5.8%	33	-		
Total/Weighted Average		7.1	800,372	99.9%	183,040	100.0%	180,315	6.3%	305	2.7%		

* As of Feb 29, 2004. Occupancy rate and number of tenants of Esquisse Omotesando, AEON Sapporo Naebo SC are as of March 2, 2004 (date of acquisition) . Cap rate of existing properties as of Aug 31, 2003

* Cap rate for Sendai Nakayama SC is related only to the portion leased by Aeon

2 key concepts for acquisition

Strategic investments in the 2 growing sub-sectors despite the tough retail business environment

Strategic investment in “High-Street” properties

- ◆ Focus on the fashionable brand store districts including Omotesando, Aoyama and Harajuku
- ◆ Flexible lease terms to retain quality tenants
- ◆ Enhanced profitability through rents based on turn-over rents



Strategic investment in properties with leading retailers as anchor tenants

- ◆ Collaboration with leading retailers: acquisition of large-scale shopping centers with anchor tenants under long-term lease contracts
- ◆ Amongst anchor tenants in the 18 properties in the portfolio, 6 Ito Yokado and 6 Aeon Group's Jusco
- ◆ Strengthened relationships with leading retailers enabled access to further pipeline from them
- ◆ Contribution to stabilize portfolio cashflow



New acquisitions

High-Street properties with quality-brand boutiques as anchor tenants

Esquisse Omotesando



Location : Shibuya, Tokyo
 Leasable area : 7,257.31㎡
 Year built : Jan, 1972
 Anchor tenant(s) : Chanel, Yves Saint-Laurent, Gucci
 Number of tenants : 21
 Investment type : Income/Growth

Harajuku FACE Bldg.



Location : Shibuya, Tokyo
 Leasable area : 1,575.26㎡
 Year built : March, 1985
 Anchor tenant(s) : Diesel
 Number of tenants : 5
 Investment type : Income

Daikanyama DK Bldg.



Location : Shibuya, Tokyo
 Leasable area : 622.49㎡
 Year built : March, 1991
 Anchor tenant(s) : Onward Kashiyama
 Number of tenants : 1
 Investment type : Income

Properties with leading retailers

Ito Yokado Nishikicho



Location : Warabi, Saitama
 Leasable area : 72,957.52㎡
 Year built : Nov, 2003
 Anchor tenant(s) : Ito Yokado
 Number of tenants : 1
 Investment type : Income

Aeon Kashiihama SC



Location : Fukuoka, Fukuoka
 Leasable area : 102,936.41㎡
 Year built : Nov, 2003
 Anchor tenant(s) : Jusco
 Number of tenants : 1
 Investment type : Income

Aeon Sapporo Naebo SC



Location : Sapporo, Hokkaido
 Leasable area : 66,638.92㎡
 Year built : June, 2003
 Anchor tenant(s) : Jusco
 Number of tenants : 1
 Investment type : Income

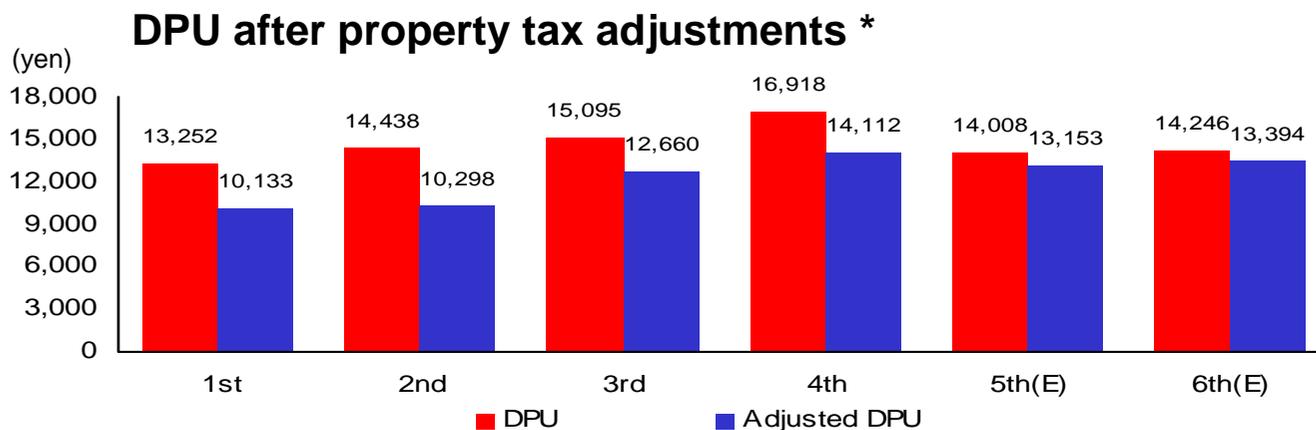
4 . Forecasts for the 5th and 6th fiscal periods

Forecasts for the 5th and 6th periods

(mn yen)

Items	4th fiscal period (182days)	5th fiscal period (184days)	6th fiscal period (181days)
Property income	6,947	8,546	8,620
Operating profit	2,581	3,076	3,128
Net income	2,580	3,075	3,127
DPU (yen)	16,918	14,008	14,246
FFO per unit (yen)*	24,007	20,696	20,934

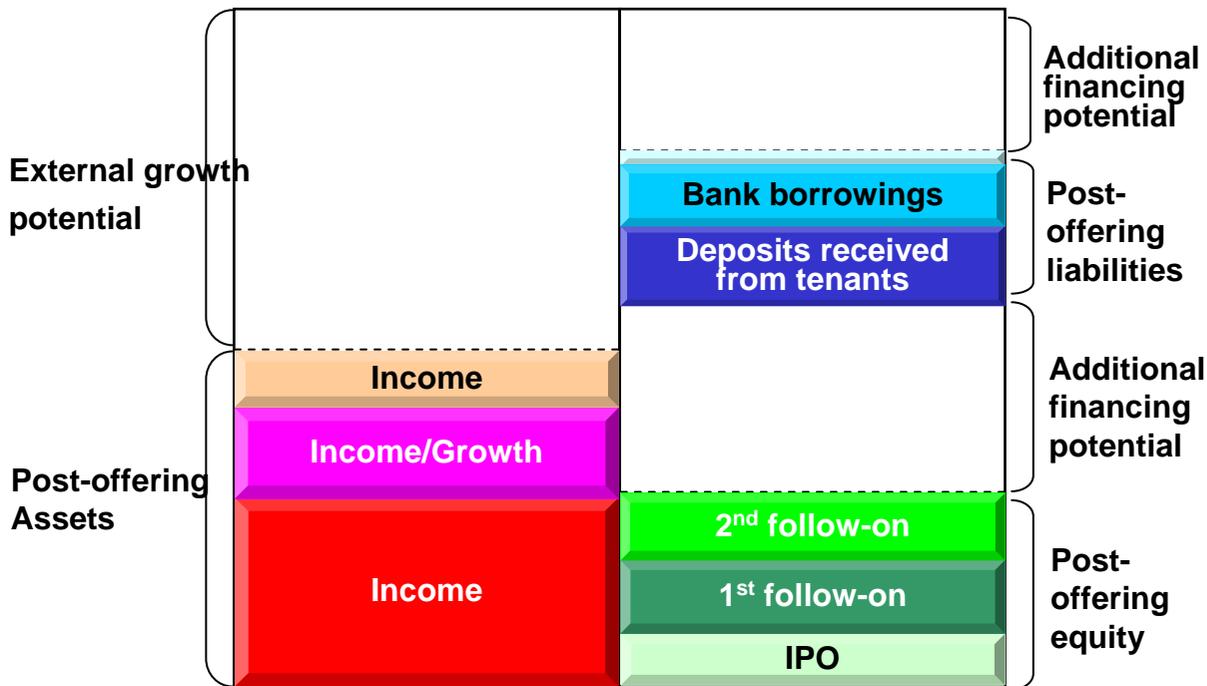
*(Net income + net depreciation + other property-related amortization)/ Total units outstanding



* The above adjusted DPUs are calculated by subtracting the property tax amounts that were capitalized, or included in the acquisition values, from the distributable income for the period in which the acquisitions were made. In accordance with the Japanese GAAP, the property tax is capitalized and not recognized as expense for the period in which the acquisition is made. Note that the above adjusted DPUs have not been audited

Growth and financing strategies

Balance sheet image



Asset growth strategy

Pursue external growth through aggressive acquisition of income type and growth type properties
 Maximize internal growth opportunities through acquisitions of growth-type assets

Debt financing strategy

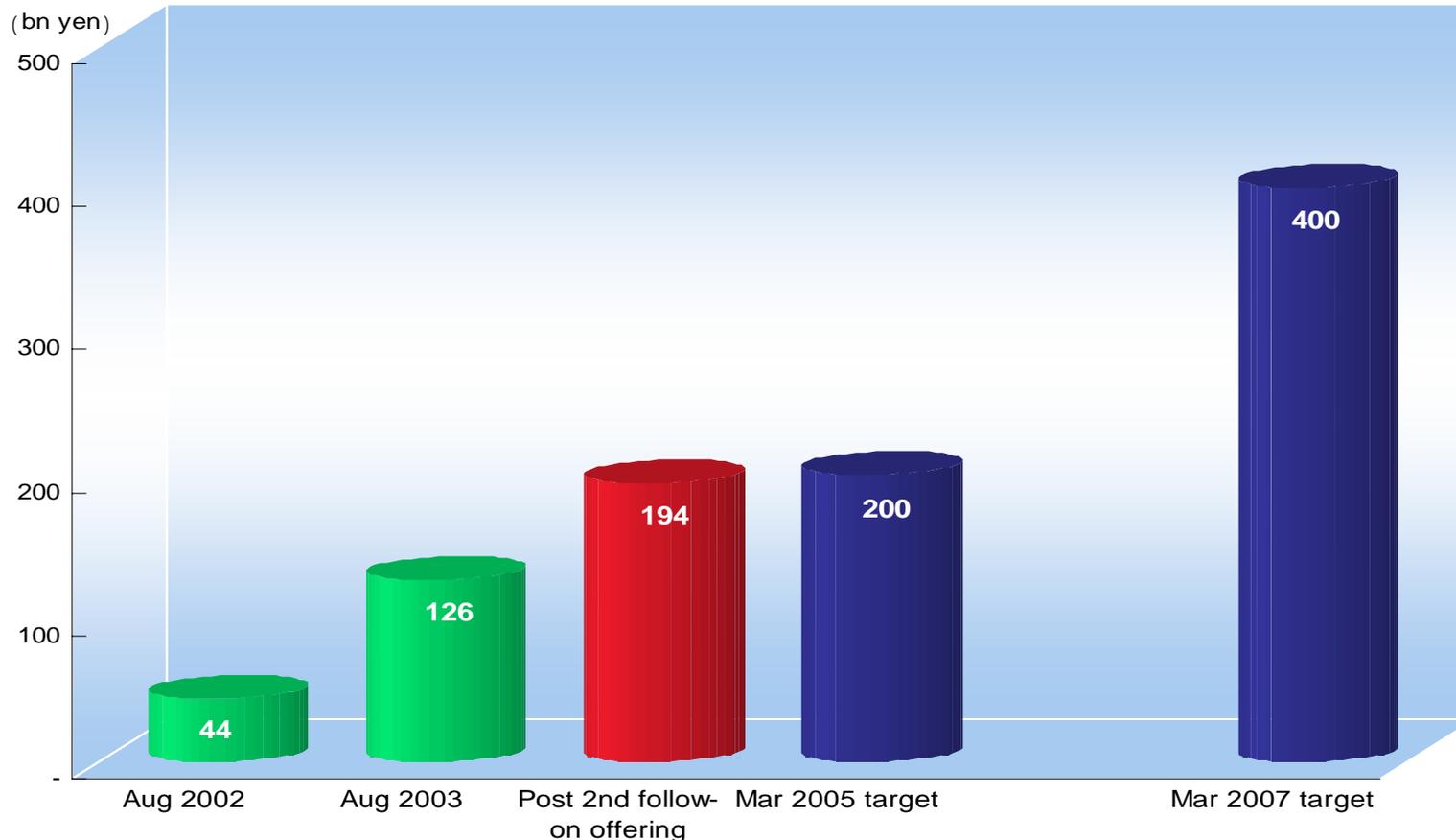
Maintain conservative leverage ratio
 Optimum use of security deposits from tenants
 Explore diversification of funding sources, including investment company bonds

Equity financing strategy

Continue to raise additional equity as the portfolio grows, while seeking to mitigate dilution effects

Acquisition pipeline

Total asset size



Total number and value of properties proposed until Dec 31, 2003: 373 properties worth 2.8 tn yen