

Japan Retail Fund

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5th Period Results (March 1, 2004 through August 31, 2004)

October 2004

8953



Japan Retail Fund Investment Corporation



Mitsubishi Corp UBS Realty

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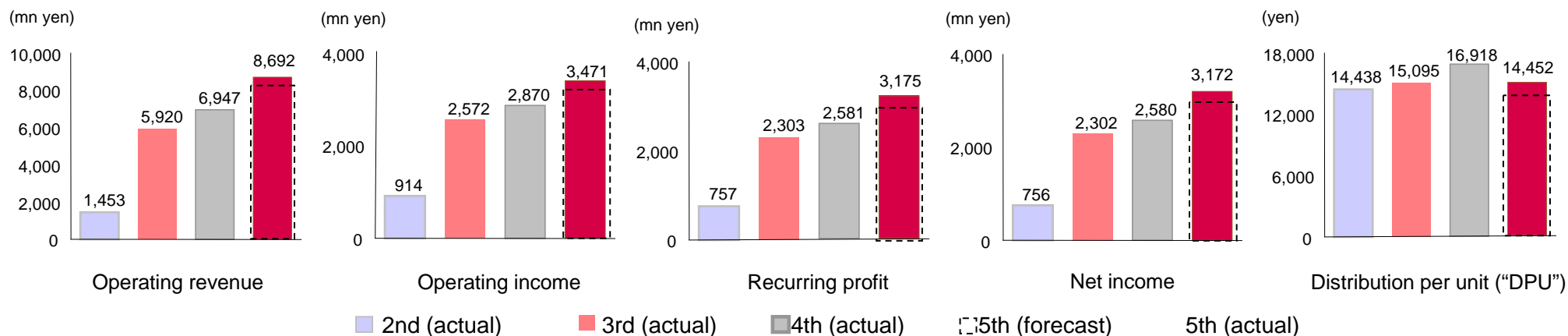
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1 . Highlights

Summary of 5th period results of operations

1. Historical trend of operating results



2. 5th period results and forecasts

Items	5th (actual)	5th (forecast)	Variance	Variance (%)
Operating revenue (mn yen)	8,692	8,546	146	+1.7%
Recurring profit (mn yen)	3,175	3,076	99	+3.2%
Net income (mn yen)	3,172	3,075	97	+3.2%
DPU (yen)	14,452	14,008	444	+3.2%

Highlights

External growth

- ◆ Continued measured external growth by acquiring Esquisse Omotesando Annex and Ito-Yokado Tsunashima (2 properties) in addition to the 2 properties acquired with the proceeds from the 2nd follow-on offering

Internal growth

- ◆ Improved cost efficiency through such measures as reviewing contractor costs and enhanced public awareness of our properties through strategic marketing programs

Financial strategy

- ◆ Reduced LTV to a conservative level through the 2nd follow-on offering at the beginning of the 5th period
- ◆ Fixed interest rates on debt through interest rate swap transactions

New acquisitions in the 5th period - high street retail properties

Esquisse Omotesando



Multi-tenant high-end shopping center on the Omotesando Avenue

Location	: 5-10-1 Jingu-mae, Shibuya, Tokyo
Leasable area	: 7,257.31m ²
Year built	: Jan, 1982
Anchor tenants	: Chanel, Yves Saint-Laurent, Gucci
Number of tenants*	: 18
Investment type	: Income/Growth

* as of August 31, 2004

Esquisse Omotesando Annex



Retail center in the fashionable Harajuku/Aoyama area

Location	: 5-1-17 Jingu-mae, Shibuya, Tokyo
Leasable area	: 573.94m ²
Year built	: Mar, 1997
Anchor tenants	: LS MODE
Number of tenants	: 1
Investment type	: Income



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New acquisitions in the 5th period - suburban shopping centers

AEON Sapporo Naebo SC



A large-scale shopping mall where families can relax and shop for a whole day

Location	: 3-1-1 Higashi Naebo Nijo, Higashi, Sapporo, Hokkaido
Leasable area	: 66,638.92m ²
Year built	: Jun, 2003
Anchor tenant	: Jusco
Number of tenants	: 1
Investment type	: Income

Ito-Yokado Tsunashima



Retail center in a rapidly growing residential trade area

Location	: 2-8 Tsunashima Nishi, Kohoku, Yokohama
Leasable area	: 16,549.50m ²
Year built	: Mar, 1982
Anchor tenant	: Ito-Yokado
Number of tenants	: 1
Investment type	: Income



2 . 5th period results of operations

Income statement

5th fiscal period - from Mar 1, 2004 to Aug 31, 2004 (yen in thousands)

Items	5th fiscal period		4th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
Recurring Items						
Operating Income (Loss)						
1. Operating revenue	8,692,003	100.0	6,947,818	100.0	1,744,184	25.1
Rental revenue	8,692,003		6,947,818		1,744,184	
2. Operating expenses	5,220,994	60.1	4,077,431	58.7	1,143,563	28.0
Property related expenses	4,422,160		3,464,621		957,538	
Asset management fees	597,668		473,213		124,455	
Directors' fees	1,800		1,800		-	
Custodian fees	32,679		23,208		9,470	
General administration fees	87,272		58,540		28,732	
Other	79,412		56,047		23,365	
Operating Income	3,471,009	39.9	2,870,387	41.3	600,621	20.9
Non-Operating Revenue (Loss)						
1. Non-operating revenue	19,944	0.2	14,975	0.2	4,968	33.2
Interest revenue	48		30		18	
Property related tax refund	10,837		-		10,837	
Other	9,057		14,945		-5,887	
2. Non-operating expenses	315,549	3.6	304,318	4.4	11,230	3.7
Interest expense	142,178		106,397		35,780	
Finance related cost	46,616		-		46,616	
Offering costs	98,912		158,444		-59,531	
Amortization of organization costs	13,924		13,924		-	
Other Non-operating expenses	13,918		25,553		-11,634	
Recurring Profit	3,175,403	36.5	2,581,044	37.1	594,358	23.0
Income before income taxes	3,175,403	36.5	2,581,044	37.1	594,358	23.0
Income taxes	3,130		1,022		2,108	
Tax Adjustments	21		-21		42	
Net Income	3,172,252	36.5	2,580,043	37.1	592,208	23.0
Retained earnings (beginning b'ce)	69		54		14	
Retained earnings (ending b'ce)	3,172,321		2,580,097		592,223	

Rental revenue

Increase in rental revenues from newly acquired 6 properties in the 4th period and 4 properties in the 5th period

Property related expenses

- Increase in depreciation related to new acquisitions
- Increase in property related taxes related to newly acquired 9 properties

Fees

Increase in fees due to asset size growth

* 5th fiscal period: Mar 1, 2004-Aug 31, 2004 (184 days)

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

Balance sheet

5th fiscal period - as of Aug 31, 2004 (yen in thousands)

Items	5th fiscal period		4th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets						
Cash and cash equivalents	2,589,482		1,369,728		1,219,754	
Entrusted cash and cash equivalents	5,769,380		4,755,143		1,014,237	
Rental receivables	422,900		398,188		24,712	
Consumption tax refundable	202,888		911,720		-708,832	
Other current assets	218,324		245,328		-27,004	
Total current assets	9,202,977	4.6	7,680,109	4.5	1,522,868	19.8
Non-current assets						
1. Property and equipment, at cost						
Buildings	73,256,720		65,539,900		7,716,821	
Building improvements	3,516,624		3,339,829		176,795	
Machinery and equipment	132,612		136,415		-3,802	
Tools, Furniture & Fixtures	754,954		645,197		109,758	
Land	106,802,323		85,644,426		21,157,896	
Net property and equipment	184,463,234	91.9	155,305,766	91.4	29,157,468	18.8
2. Intangible assets						
Leasehold land	3,691,999		3,595,259		96,739	
Other intangible assets	124,919		123,383		1,536	
Total intangible assets	3,816,919	1.9	3,718,643	2.2	98,276	2.6
3. Investments						
Deposit	2,818,832		2,834,977		-16,145	
Long-term prepaid expenses	53,293		41,025		12,268	
Deferred hedge loss	67,299		42,074		25,224	
Other	207,930		198,940		8,990	
Total investments	3,147,355	1.6	3,117,017	1.8	30,338	1.0
Total non-current assets	191,427,509	95.4	162,141,427	95.4	29,286,082	18.1
Deferred assets						
Organization costs	55,696		69,620		-13,924	
Total deferred assets	55,696	0.0	69,620	0.1	-13,924	-20.0
TOTAL ASSETS	200,686,183	100.0	169,891,156	100.0	30,795,026	18.1

Impacted by newly acquired 4 properties

Items	5th fiscal period		4th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current liabilities						
Accounts payable	400,682		461,242		-60,560	
Short-term debt	4,760,000		38,528,000		-33,768,000	
Accrued liabilities	135,909		13,749		122,159	
Accrued expenses	415,865		517,115		-101,250	
Accrued income taxes	605		1,022		-417	
Rent received in advance	648,284		553,118		95,165	
Deposits	745,837		710,288		35,548	
Other	19,841		208,900		-189,059	
Total current liabilities	7,127,025	3.6	40,993,438	24.1	-33,866,412	-82.6
Non-current liabilities						
Long-term debt	24,170,000		4,170,000		20,000,000	
Tenant leasehold and security deposits	49,960,841		48,183,934		1,776,906	
Other	67,299		42,074		25,224	
Total non-current liabilities	74,198,140	36.9	52,396,008	30.9	21,802,131	41.6
TOTAL LIABILITIES	81,325,165	40.5	93,389,446	55.0	-12,064,280	-12.9
UNITHOLDERS' EQUITY						
Total investment						
Unitholders' capital	116,188,696	57.9	73,921,612	43.5	42,267,084	57.2
Retained earning	3,172,321		2,580,097		592,223	
Total retained earnings	3,172,321	1.6	2,580,097	1.5	592,223	23.0
Total unitholders' equity	119,361,017	59.5	76,501,709	45.0	42,859,307	56.0
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	200,686,183	100.0	169,891,156	100.0	30,795,026	18.1

Repayment of short-term debt with the new equity raising

Conversion from short-term debt to long-term debt

* 5th fiscal period: Mar 1, 2004-Aug 31, 2004 (184 days)

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

Cashflow and distribution statement

5th fiscal period - from Mar 1, 2004 to Aug 31, 2004

(yen in thousands)

Cashflow statement	Items	5th fiscal period	4th fiscal period
	Cashflow from Operating Activities		
	Income before income taxes	3,175,403	2,581,044
	Depreciation and amortization	1,497,342	1,081,214
	Other	631,694	792,642
	Net cash from Operating Activities	5,304,440	4,454,901
	Cashflow from Investing Activities		
	Purchase of property and equipment	-30,672,711	-45,060,306
	Purchase of intangible assets	-104,068	-1,157,157
	Tenant deposits	16,145	7,616
	Other investments/other acquisition of assets	-8,990	-12,038
	Proceeds from tenant leasehold and security deposits	1,776,906	4,480,243
	Net cash used in Investing Activities	-28,992,717	-41,741,642
	Cashflow from Financing Activities		
	Proceeds from short-term debt	4,760,000	38,528,000
	Repayments of short-term debt	-38,528,000	-
	Proceeds from long-term debt	20,000,000	-
	Dividend Payment	-2,576,814	-2,294,641
	Proceeds from issuance of investment units	42,267,084	-
	Net cash from Financing Activities	25,922,269	36,233,358
	Net change in cash and cash equivalents	2,233,991	-1,053,383
	Cash and cash equivalents at beginning of period	6,124,871	7,178,254
	Cash and cash equivalents at end of period	8,358,862	6,124,871

Distribution statement	Items	5th fiscal period	4th fiscal period
	Net income	3,172,252	2,580,043
	Retained earnings	9	69
	Distributed amount	3,172,242	2,580,028
	(DPU)	14,452 yen	16,918 yen

* 5th fiscal period: Mar 1, 2004-Aug 31, 2004 (184 days)

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

Performance by property - income type

Items	Sendai Nakayama SC		ESPA Kawasaki		8953 Osaka Shinsaibashi Bldg.		JUSCO Chigasaki SC		Ito-Yokado Narumi		8953 Minami Aoyama Bldg.		Ito-Yokado Yabashira		Ito-Yokado Kamifukuoka-higashi		(mn yen)
	5th	4th	5th	4th	4th	5th	5th	4th	5th	4th	5th	4th	5th	4th	5th	4th	
Rental revenue	465	439	351	351	418	418	274	274	330	330	160	160	78	78	256	231	
Other income	0	0	0	0	0	0	0	0	-	-	9	9	-	0	-	-	
Total property income	465	439	351	351	418	418	274	274	330	330	169	169	78	78	256	231	
Tax and public charges	42	42	60	60	30	30	43	43	42	-	7	-	17	-	39	0	
Facilities management	1	6	0	0	0	1	0	0	0	0	11	12	-	1	-	-	
Property management fees	13	13	12	12	6	6	5	5	6	7	4	4	2	2	4	3	
Other property expenses	1	3	1	2	1	1	1	1	1	2	0	0	0	1	3	3	
D&A	76	76	82	82	79	79	63	63	73	73	8	8	18	18	47	47	
Total expenses	136	141	157	157	118	119	114	114	124	83	32	26	38	23	94	55	
Operating income	329	297	193	193	299	298	160	159	206	246	137	143	39	55	161	176	
Rental deposits	956	956	981	981	798	798	745	745	538	538	282	282	450	450	774	774	
Guaranteed deposits	801	801	3,924	3,924	-	-	2,983	2,983	4,849	4,849	-	-	-	-	1,945	2,010	
Deposits (ending b'ce)	1,758	1,758	4,905	4,905	798	798	3,729	3,729	5,388	5,388	282	282	450	450	2,720	2,785	

Items	Ito-Yokado Nishikicho		8953 Daikanyama Bldg.		AEON Higashiura SC		8953 Harajuku FACE Bldg.		AEON Kashiwhama SC		AEON Sapporo Naebo SC	Esquisse Omotesando	Ito-Yokado Tsunashima	Income type total	
	5th	4th	5th	4th	5th	4th	5th	4th	5th	4th	5th	5th	5th	5th	4th
Rental revenue	442	228	34	15	375	97	79	21	477	87	351	18	67	4,182	2,735
Other income	-	-	4	1	-	-	12	3	-	-	-	-	-	26	14
Total property income	442	228	39	17	375	97	91	24	477	87	351	18	67	4,209	2,748
Tax and public charges	58	1	1	0	-	1	0	0	0	1	-	-	-	342	183
Facilities management	-	-	3	1	1	-	7	0	0	-	-	0	-	28	23
Property management fees	4	2	1	0	4	1	5	-	6	1	3	0	1	84	62
Other property expenses	2	2	0	1	81	21	0	0	2	1	22	0	0	122	40
D&A	135	90	4	2	100	33	9	3	98	32	132	1	13	946	612
Total expenses	201	96	11	5	188	57	22	4	107	35	158	2	15	1,524	922
Operating income	241	132	28	11	187	40	69	19	370	51	192	15	52	2,684	1,826
Rental deposits	590	590	125	125	495	495	176	176	700	700	654	64	232	8,568	7,618
Guaranteed deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	14,505	14,569
Deposits (ending b'ce)	590	590	125	125	495	495	176	176	700	700	654	64	232	23,073	22,187

* 5th fiscal period: 184 days

* 4th fiscal period: 182 days

Performance by property - growth, income/growth type

Items	Hakata Riverain/ eeny meeny miny mo		Nara Family		Abiko Shopping Plaza		Esquisse Omotesando	Growth, income/growth type total	
	5th	4th	5th	4th	5th	4th	5th	5th	4th
Rental revenue	927	1,017	1,907	1,903	501	496	355	3,690	3,418
Other income	200	257	349	328	186	194	54	791	779
Total property income	1,127	1,275	2,257	2,232	687	691	410	4,482	4,199
Tax and public charges	121	-	111	-	37	0	-	269	0
Facilities management	388	440	446	401	234	198	50	1,119	1,039
Property management fees	53	56	224	224	42	43	14	335	323
Sales promotion expenses	115	226	38	23	13	14	26	192	263
Other property expenses	115	128	287	300	18	18	8	430	446
D&A	176	171	219	218	80	79	73	550	468
Total expenses	971	1,022	1,327	1,166	426	353	172	2,897	2,542
Operating income	156	252	929	1,066	261	337	237	1,585	1,656
Rental deposits	748	751	5,709	5,712	906	906	894	8,257	7,369
Guaranteed deposits	-	-	13,797	13,797	4,829	4,829	-	18,627	18,627
Deposits (ending b'ce)	748	751	19,507	19,509	5,736	5,736	894	26,885	25,996

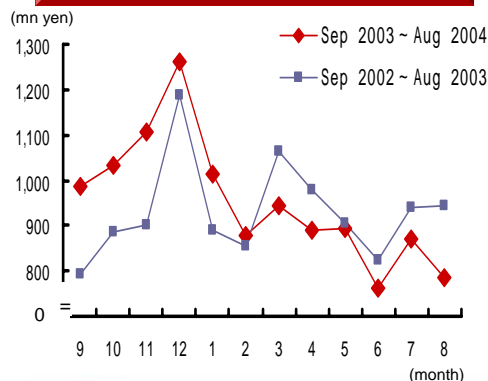
Total	
5th	4th
7,873	6,152
818	795
8,692	6,947
612	183
1,148	1,063
419	386
192	263
552	487
1,497	1,081
4,422	3,464
4,269	3,483
16,827	14,987
33,132	33,197
49,960	48,183

* 5th fiscal period: 184 days

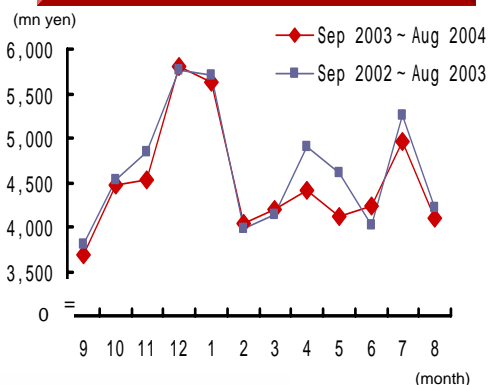
* 4th fiscal period: 182 days

Revenue performance

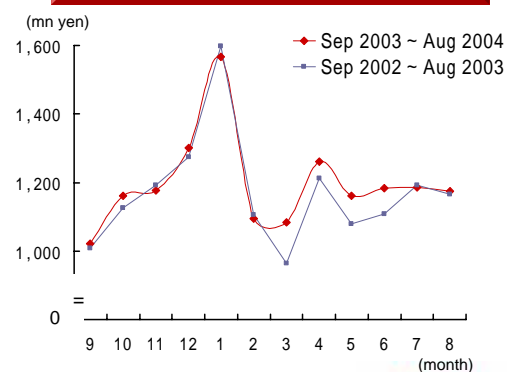
Hakata Riverain



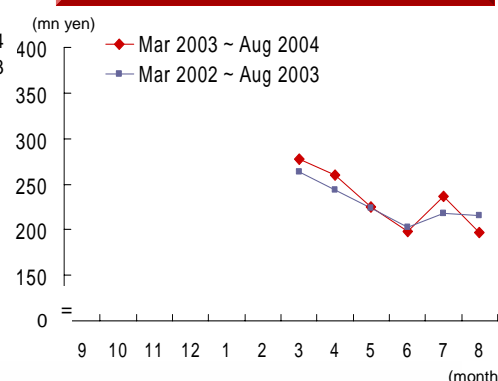
Nara Family



Abiko Shopping Plaza



Esquisse Omotesando



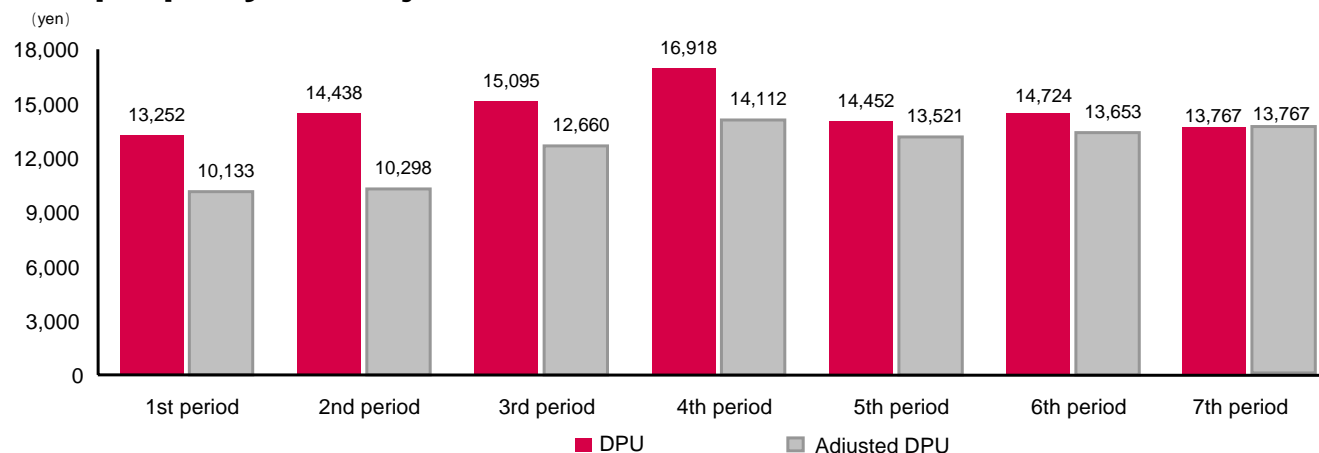
Forecasts for the 6th and 7th periods

(mn yen)

Items (Net operating days)	5th fiscal period (184days)	6th fiscal period (181days)	7th fiscal period (184days)
Operating revenue	8,692	9,104	9,119
Recurring profit	3,175	3,233	3,023
Net income	3,172	3,232	3,022
DPU (yen)	14,452	14,724	13,767
FFO per unit (yen)*	21,274	21,922	20,970

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

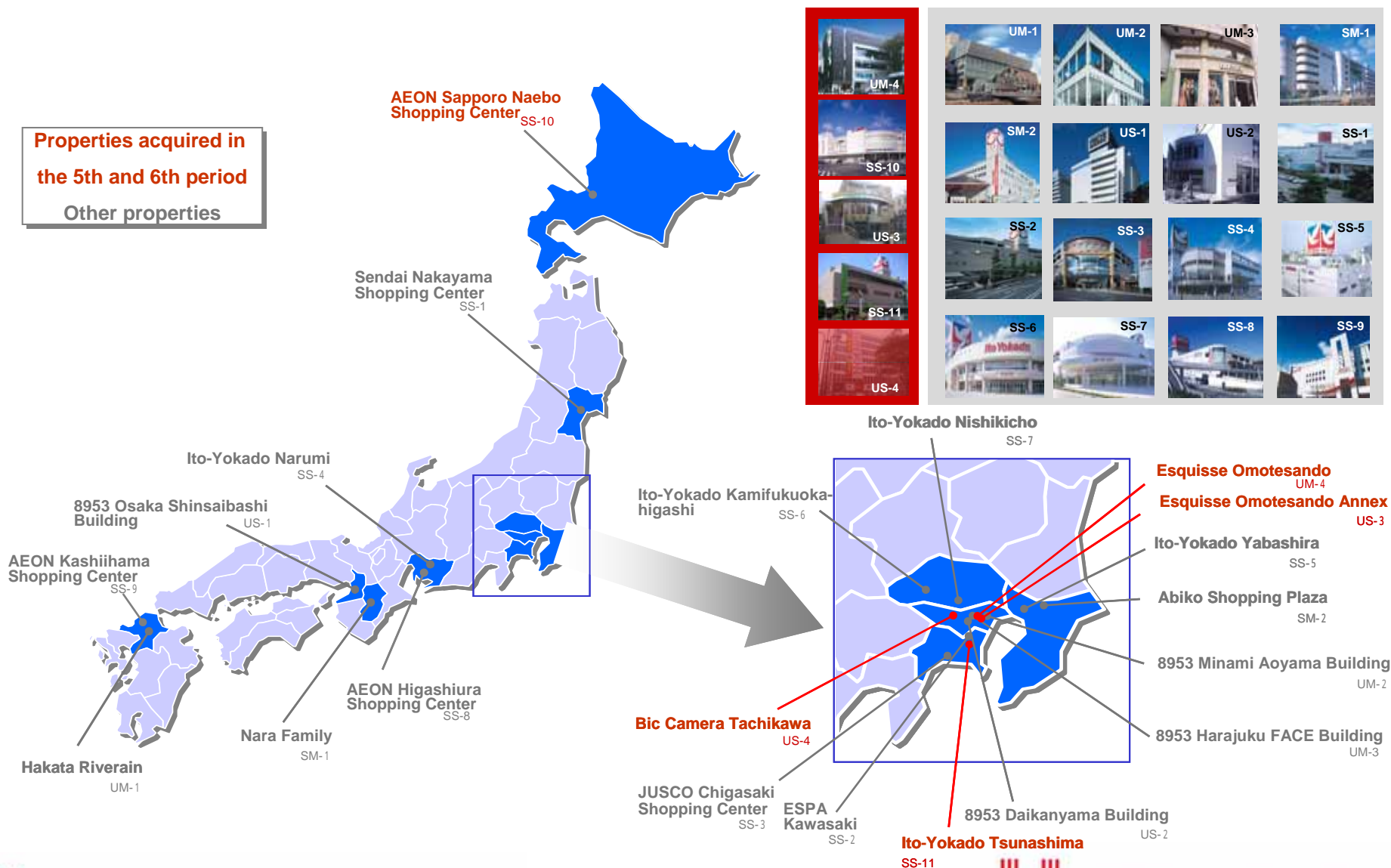
DPU after property tax adjustments*



*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.

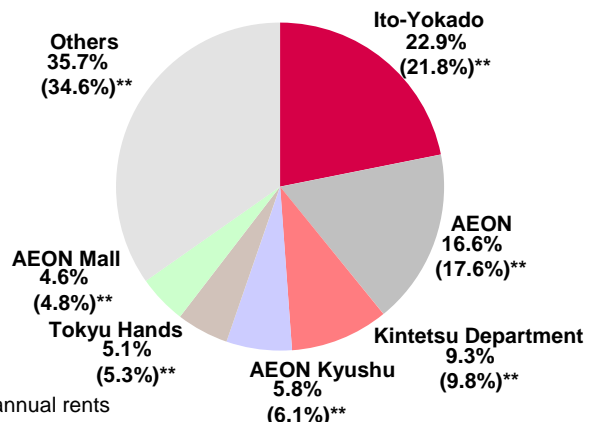
3 . Portfolio overview

Portfolio location (21 properties) * as of September 30, 2004



Portfolio diversification (21 properties*)

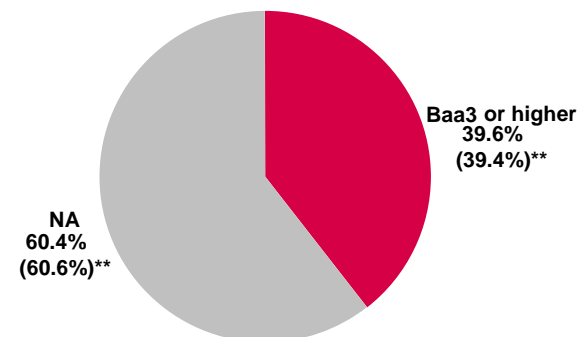
6 Major tenants*



*Based on annual rents

**Figures in brackets are as of February 29, 2004

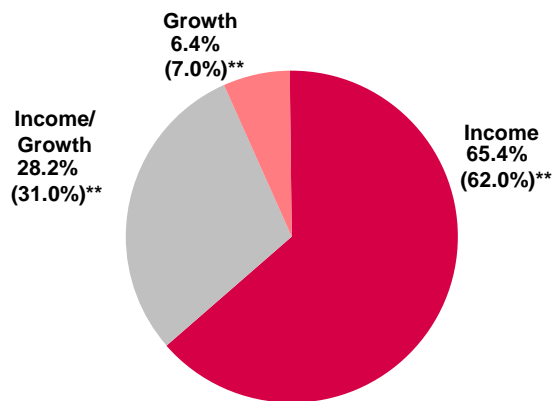
Tenant credit*



*Based on annual rents

**Figures in brackets are as of February 29, 2004

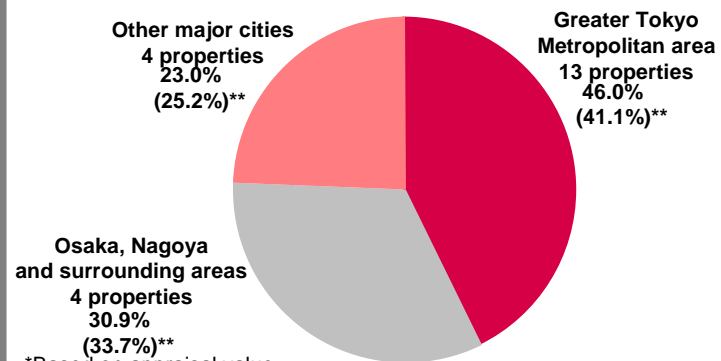
Breakdown by asset type*



*Based on acquisition price

**Figures in brackets are as of February 29, 2004

Geographic diversification*



*Based on appraisal value

**Figures in brackets are as of February 29, 2004

* As of August 31, 2004. As of Sep 29, 2004 (acquisition date) for Bic Camera Tachikawa

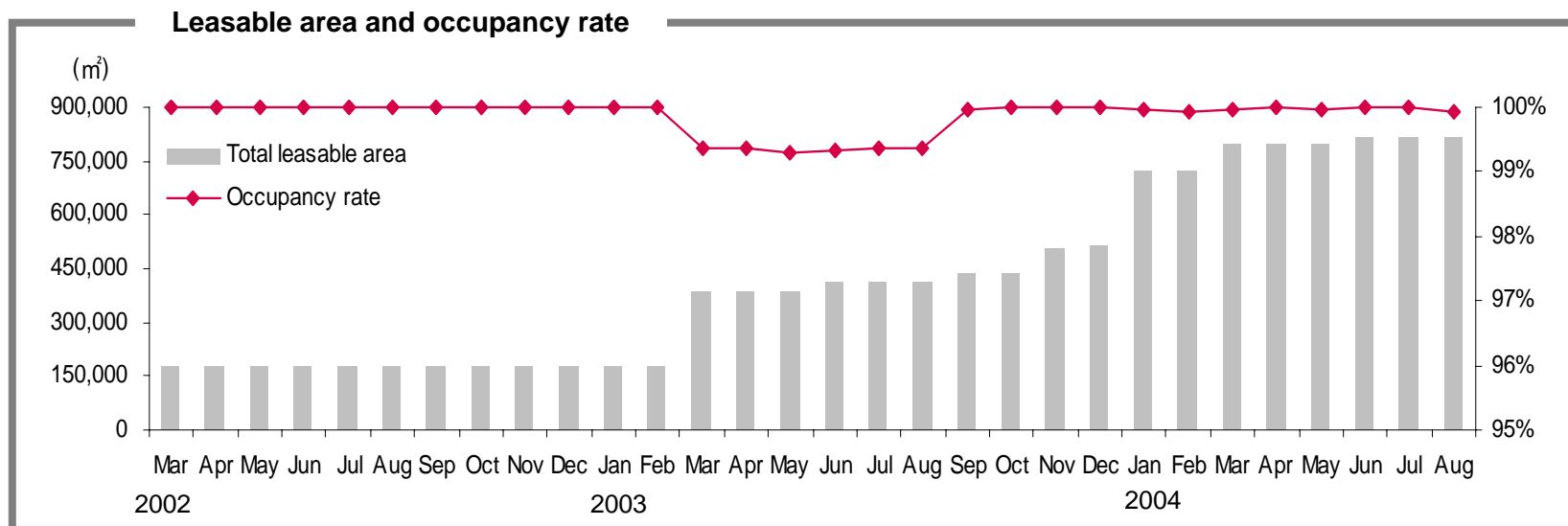


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Mitsubishi Corp UBS Realty

Portfolio occupancy rate and lease expiry schedule



Portfolio property list

	Investment Type	Building Age	Leasable Area (㎡)	Occupancy Rate	Appraisal Value/ (mn yen)	Share (%)	Acquisition Price (mn yen)	Cap Rate	Number of Tenants	PML (Seismic Risk)	Anchor/Core Tenants	PM companies
Tokyo metropolitan area												
Esquisse Omotesando	Income/Growth	22.6	3,798	88.5%	14,500	7.2%	14,500	5.0%	18	7.1%	Chanel, Yves Saint-Laurent, Gucci	Geo Akamatsu
Ito-Yokado Nishikicho	Income	0.8	72,958	100.0%	13,100	6.5%	13,212	5.6%	1	12.6%	Ito-Yokado	Geo Akamatsu
Bic Camera Tachikawa	Income	34.1	21,711	100.0%	11,990	6.0%	11,920	5.5%	2	19.9%	Bic Camera	Jones Lang LaSalle
Abiko Shopping Plaza	Income/Growth	9.9	43,415	100.0%	10,800	5.4%	10,200	7.2%	51	11.8%	Ito-Yokado	Diamond City
ESPA Kawasaki	Income	4.3	56,891	100.0%	10,200	5.1%	10,091	6.2%	1	10.9%	Ito-Yokado	Diamond City
JUSCO Chigasaki SC	Income	3.9	63,652	100.0%	8,000	4.0%	8,300	5.9%	1	9.1%	Jusco	Geo Akamatsu
Ito-Yokado Kamifukuoka-higashi	Income	5.0	28,316	100.0%	6,800	3.4%	6,900	6.3%	1	14.8%	Ito-Yokado	Geo Akamatsu
8953 Minami Aoyama Bldg.	Income	2.5	1,582	100.0%	5,330	2.7%	5,350	5.5%	3	13.0%	Hugo Boss	Ikoma CB Richard Ellis
Ito-Yokado Tsunashima	Income	22.5	17,502	100.0%	5,000	2.5%	5,000	6.1%	1	16.3%	Ito-Yokado	Jones Lang LaSalle
8953 Harajuku FACE Bldg.	Income	19.4	1,478	100.0%	2,780	1.4%	2,770	5.6%	5	10.6%	Diesel	Xymax
Ito-Yokado Yabashira	Income	21.9	21,582	100.0%	1,750	0.9%	1,616	6.1%	1	6.5%-7.4%	Ito-Yokado	Xymax
8953 Daikanyama Bldg.	Income	13.5	574	100.0%	1,260	0.6%	1,235	5.3%	1	5.4%	Onward Kashiya	Mitsui Fudosan Building Management
Esquisse Omotesando Annex	Income	7.5	541	100.0%	900	0.4%	860	5.5%	1	5.0%	LS Mode	Mitsui Fudosan Building Management
Subtotal/Weighted Average		13.0	334,000	98.2%	92,410	46.0%	91,954	5.8%	87	-		
Osaka, Nagoya and surrounding areas												
Nara Family	Income/Growth	11.3-11.8	85,350	100.0%	32,400	16.1%	31,241	7.4%	136	4.6%	Kintetsu Department Store, Jusco	Diamond Family
8953 Osaka Shinsaibashi Bldg.	Income	5.6	13,667	100.0%	14,400	7.2%	14,300	5.2%	1	4.8%	Tokyu Hands	Xymax
Ito-Yokado Narumi	Income	7.1	50,438	100.0%	8,420	4.2%	8,540	7.5%	1	4.3%	Ito-Yokado	Xymax
AEON Higashiura SC	Income	3.1	100,458	100.0%	6,860	3.4%	6,700	6.3%	1	7.5%	Jusco	Xymax
Subtotal/Weighted Average		8.7	249,913	100.0%	62,080	30.9%	60,781	6.8%	139	-		
Other major cities												
Hakata Riverain/ eeny meeny miny mo	Growth	5.7	25,743	99.7%	13,400	6.7%	12,600	6.5%	80	1.9%	IDC Otsuka Kagu, LOUIS VUITTON, Gucci	Geo Akamatsu
AEON Kashiihama SC	Income	0.8	109,617	100.0%	12,900	6.4%	13,300	6.2%	1	0.8%	Jusco	Geo Akamatsu
Sendai Nakayama SC	Income	4.8-8.9	46,249	100.0%	10,700	5.3%	10,200	7.2%	2	1.1%-2.8%	Jusco, Keiyo D2	Xymax
AEON Sapporo Naebo SC	Income	1.2	74,626	100.0%	9,250	4.6%	9,260	6.2%	1	2.6%	Jusco	Xymax
Subtotal/Weighted Average		4.1	256,235	99.9%	46,250	23.0%	45,360	6.5%	84	-		
Total/Weighted Average		9.6	840,148	99.1%	200,740	100.0%	198,095	6.3%	310	3.4%		

* As of Aug 31, 2004. Occupancy rate and number of tenants of Big Camera Tachikawa is as of Sep 29, 2004 (date of acquisition)

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

4 . Management strategy

Management strategy

External growth

- ◆ Continue external growth by acquisition of new properties

Internal growth

- ◆ Continue cost reduction and long-term programs to retain and attract customers to our properties

Financial strategy

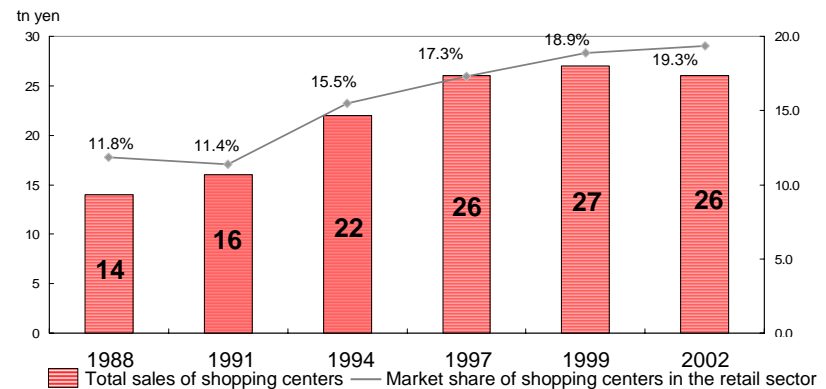
- ◆ Possibility of issuing bonds, following favorable credit ratings received

Retail sector trends in Japan

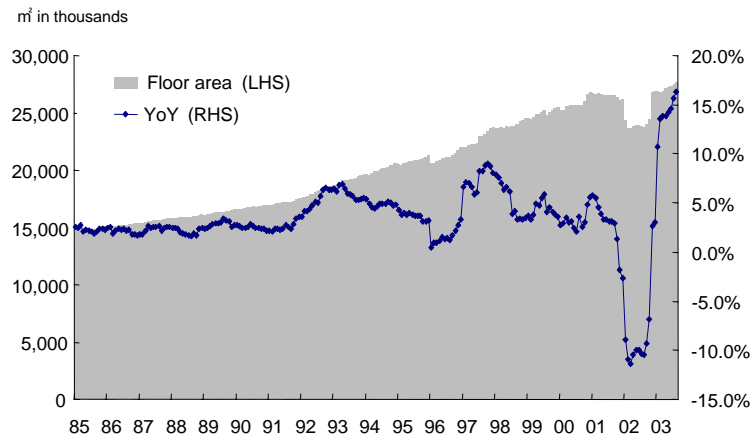
Total sales of retail sector



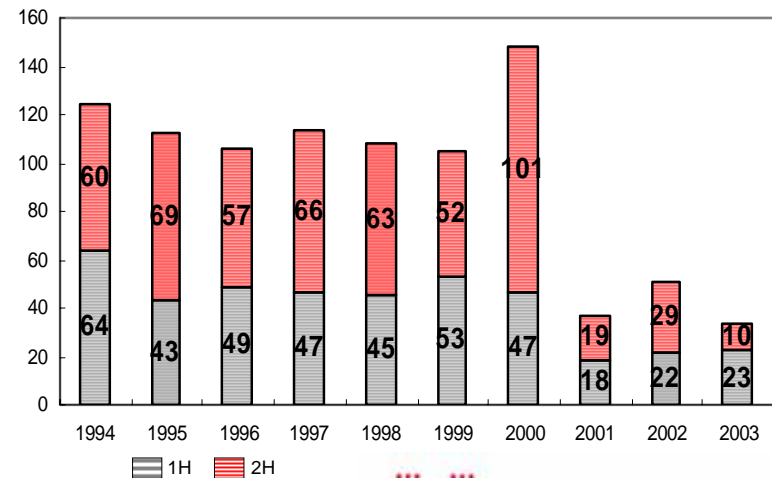
Total sales and market share of shopping centers in the retail sector



Floor area of department stores and supermarkets

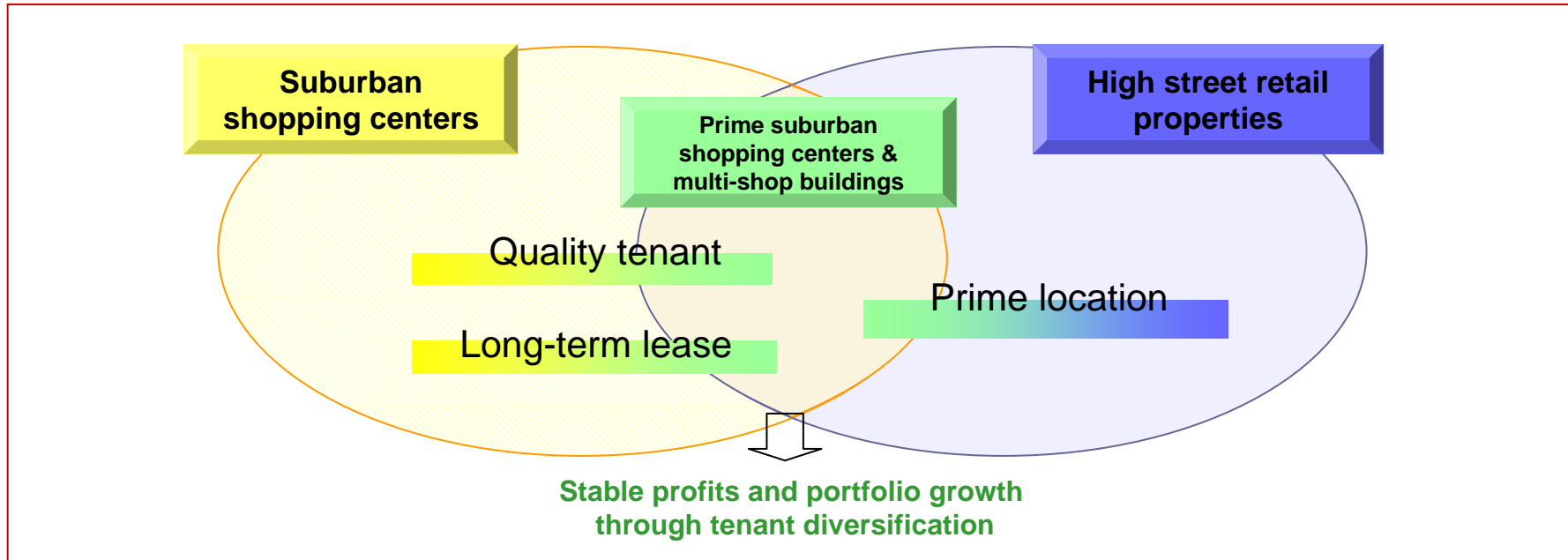


Number of new shopping center developments in Japan



Source: Japan Department Stores Association, Japan Chain Stores Association

Acquisition strategy



Retention of acquisition channels for continuous external growth

Acquisition of development type properties through collaboration with sponsors

- ◆ Collaborate with sponsors to acquire quality properties under development because of the limited number of existing prime retail properties
- ◆ Acquire newly-built properties with the leading GMS retailers

Acquisition of properties owned /developed by third parties

- ◆ Secure access to an acquisition pipeline by leveraging JRF's market presence as the leading retail REIT and the sponsor's network
- ◆ Continuous effort to increase the information network to expand the acquisition pipeline

New acquisition in the 6th period

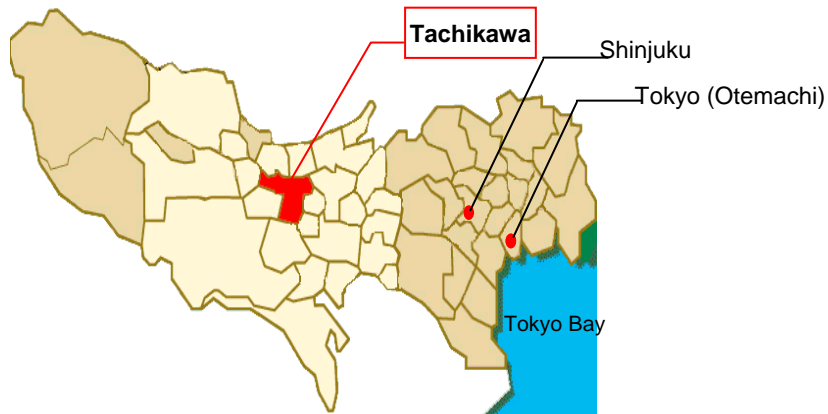
-Hybrid type property that meets investment criteria for suburban and high street retail properties

Bic Camera Tachikawa

~Retail center located next to Tachikawa Station,
terminal station of Tama area ~

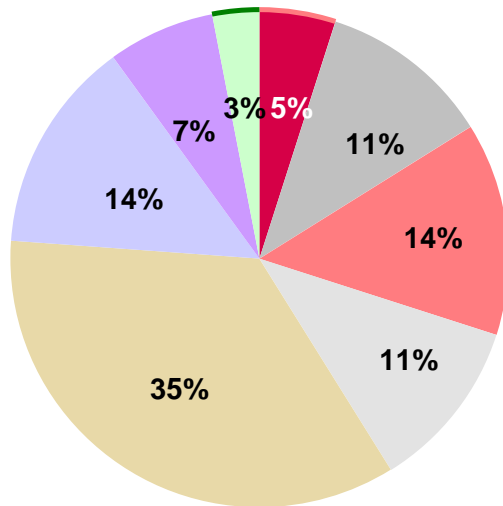
Location	: 2-12-2 Akebono-cho, Tachikawa, Tokyo
Leasable area	: 20,983.43m ² (Main building & annex)
Anchor Tenant	: Bic Camera
Number of Tenants	: 2
Investment Type	: Income

- ◆ **Prime location**: The building is located near Tachikawa station that generates high pedestrian traffic
- ◆ **Quality tenants**: Successful and cost competitive mass retailer of consumer electronics with a full and complete product line-up
- ◆ **Long-term lease**: 10 years (remaining lease period: 6 years)



Selection and concentration of properties

Breakdown by floor area
(shopping centers in Japan)



Source : Website of The Japan Shopping Centers Association (Jul 22, 2004)

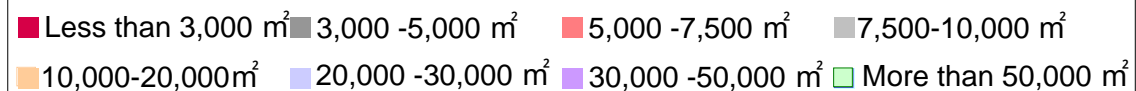
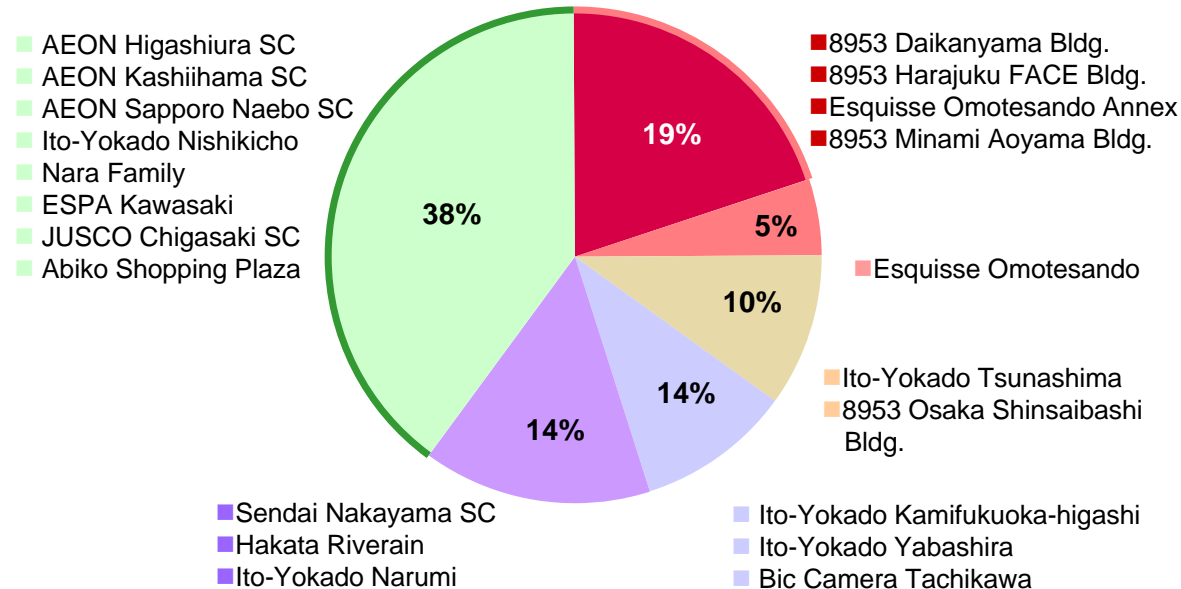
Note 1: Floor space includes common area and service area frequently used by customers (excluding hotel and car park)

Note 2: Definition of shopping centers:

- floor area of more than 1,500m²
- more than 10 tenants excluding anchor and core tenants
- floor area of anchor and core tenants is less than 80% of total floor area (excluding the floor space of other tenants is more than 1,500m²)

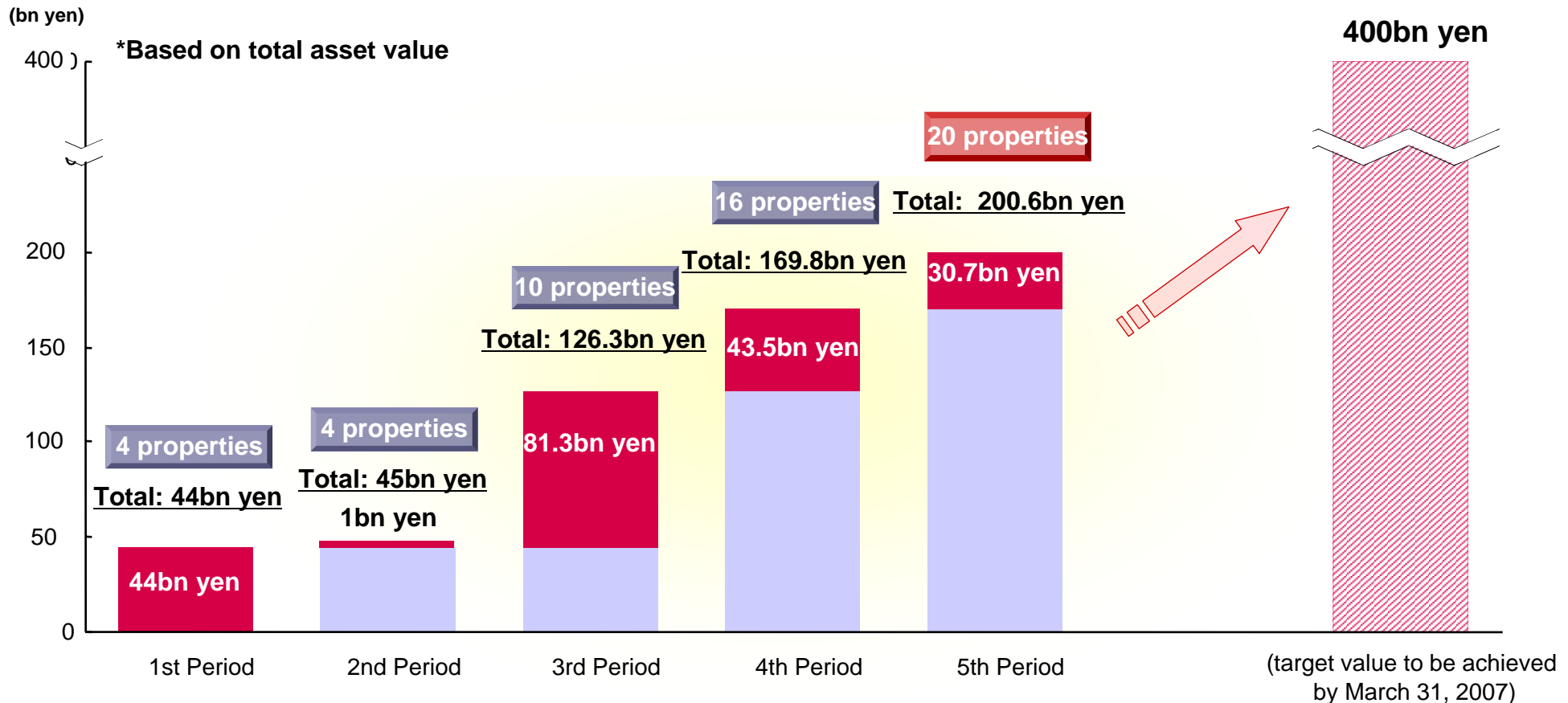
Note 3: JRF's property portfolio is not limited to shopping centers

JRF's portfolio
(total 21 properties)



Track record of growth

Doubled asset size after each follow-on offering



Number and value of property acquisitions reviewed from June 30, 2003 to June 30, 2004:
210 properties (510 properties in total since inception) worth approx.1,100bn yen (approx.3,500bn yen in total since inception)

Internal growth strategy

◆ To be “the only one”

Pursue and execute our unique strategy for tenant-mix, service and promotion activities to strengthen our position in a competitive market

◆ Reduce the administration costs

Target to reduce utilities cost and other administration costs

◆ Leverage success across the portfolio

Share the success experience of each property and apply it to other properties

Example of promotion activity (Hakata Riverain/ eeny meeny miny mo)

43rd Fukuoka Advertising Association Award

Newspaper・Magazine

Silver

TV CM (15 seconds)

Silver

Poster (Large size)

Silver



Poster: 2004 Spring Campaign



Poster: 2004 Autumn Campaign for its 1st anniversary of substantial renovation



2004 Autumn :
Issue of the magazine highlighting
eeny meeny miny mo

Financial strategy

- ◆ Maintain appropriately-balanced LTV
- ◆ Measures to hedge against interest rate rises
- ◆ Consider issuing bonds
- ◆ Diversify funding sources
- ◆ Switch to unsecured loans
- ◆ Effectively utilize tenant leasehold and security deposits

Details of the loan term(As of September 30, 2004)

Short-/long-term	Lender	Outstanding (mn yen)	Interest rate	Repayment date	Fixed / floating	Security	Comments
Short-term	Tokyo Mitsubishi, Mitsubishi Trust, Chuo Mitsui T& B, UFJ*, Sumitomo Trust*, Aozora*	12,000	0.471%	Sep 29, 2005	Floating	Unsecured	
Short-term	Tokyo Mitsubishi, Mitsubishi Trust, Chuo Mitsui T& B, UFJ*, Sumitomo Trust*, Aozora*	4,760	0.470%	Sep 30, 2005	Floating	Unsecured	
	Subtotal	16,760	0.471%				
Long-term	Nippon Life Insurance	5,000	1.280%	Mar 31, 2009	Fixed	Unsecured	
Long-term	Tokyo Mitsubishi, Mitsubishi Trust, Chuo Mitsui T& B	5,000	1.507%	Mar 31, 2009	Fixed	Unsecured**	Interest rate fixed to 1.507% through interest rate swap
Long-term	Tokyo Mitsubishi, Mitsubishi Trust, Chuo Mitsui T& B	10,000	0.680%	Mar 31, 2006	Floating	Unsecured**	
Long-term	Tokyo Mitsubishi, Mitsubishi Trust, Chuo Mitsui T& B	4,170	1.100%	Mar 13, 2007	Fixed	Unsecured**	Interest rate fixed to 1.1% through interest rate swap
	Subtotal	24,170	1.048%				
	Total	40,930	0.811%				

* Set up new credit facilities and add new syndication members to diversify funding sources

* * Conversion of secured loans to unsecured loans on September 29, 2004 and September 30, 2004

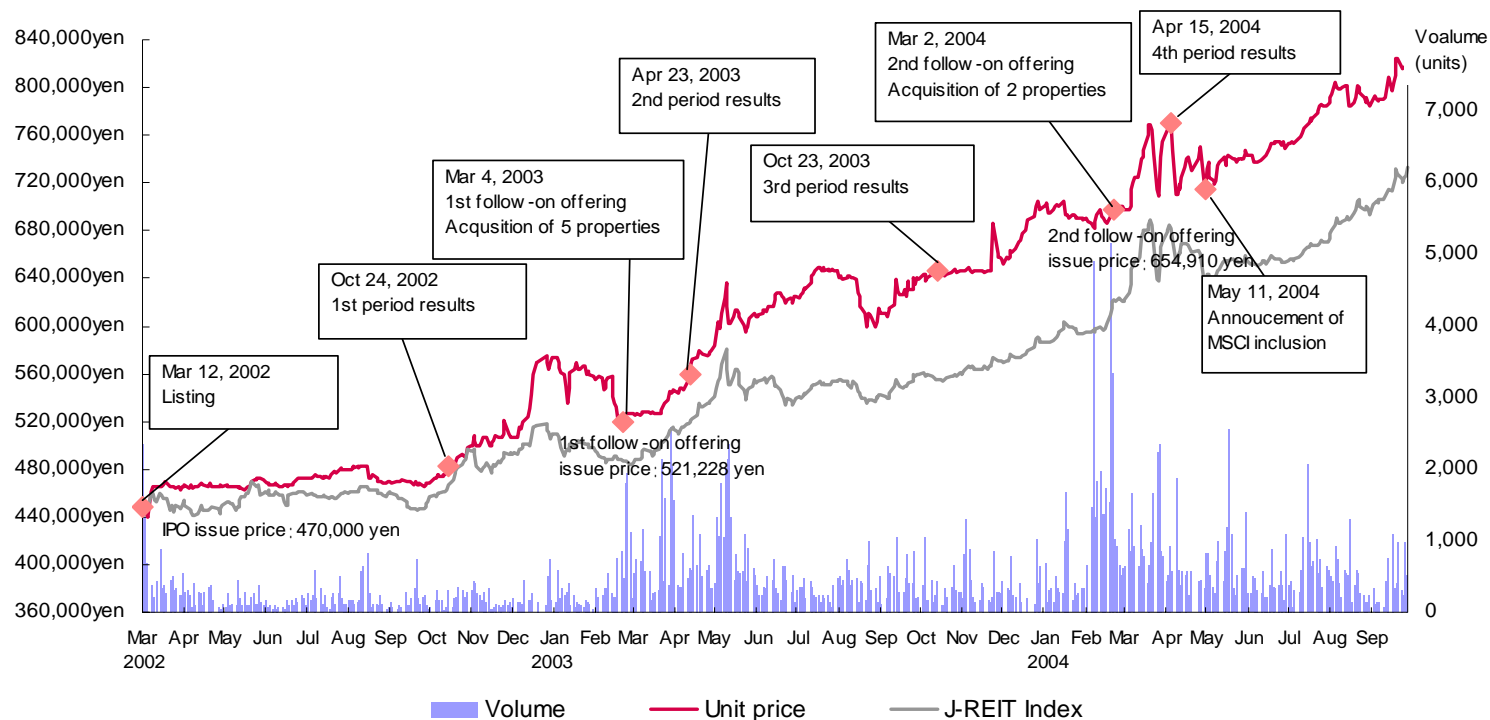
Diversification of funding sources -credit rating

	Moody's	S&P	R&I
Issue date	September 28,2004	September 28,2004	September 28,2004
Credit rating	Issuer credit rating: A2(stable)	Long-term issuer credit rating: A+ (stable) Short-term issuer credit rating: A-1 (stable)	Senior long-term credit rating: AA-
Key comments	<p>JRF's portfolio is well balanced with general merchandise stores (GMS) - including a building leased to a department store company - as well as clothing and accessory shops located in downtown areas. Moody's views the cash flow of a retail property portfolio as generally more stable than that of an office-building portfolio.</p> <p>Moody's expects that JRF's medium- and long-term growth will be strengthened by its experience in retail property investment and its sophisticated property management style, including its established risk management guidelines and management information system (MIS).</p> <p>In the rating agency's view, portfolio expansion is one of JRF's major challenges, and Moody's will continue to monitor its investment strategy, risk/return profile and portfolio diversity.</p>	<p>There is tenant concentration risk in the portfolio, as Ito-Yokado and Aeon contribute about 50% of the portfolio's annual rent income. This revenue concentration is not an immediate concern because Ito-Yokado and Aeon have strong retail expertise supported by high credit quality.</p> <p>JRF anticipates a strategy of timely equity issues to stabilize its leverage, as illustrated by public equity issues in March 2003 and March 2004. JRF's quality portfolio produces a stable rental revenue stream.</p> <p>JRF's liquidity is solid with long- and short-term credit available to meet the company's near-term debt maturities as well as expand its portfolio. In addition, retained internal cash flow from operations after dividends provides coverage for the company's capital expenditures, which are expected to be manageable. As of July 2004, JRF had approximately 6.8 billion yen in cash and cash equivalents, sufficient to cover immediate operating expenses including security deposit and Hoshokin liabilities. JRF's financial flexibility is considered high, reflecting its established bank relationships with major financial institutions.</p>	<p>Compared to offices or residential properties, commercial facilities are considered relatively high risk assets, because property values can be easily affected by a property manager's operating and management skills. JRF, however, has reduced the risks unique to commercial establishments through selective investment in highly competitive properties, its asset management company system, and the presence of a sponsor possessing ample experience in commercial facilities management. Nevertheless, JRF will require constant vigilance of its investment and management trends in "growth" properties that seek up-side potential through measures such as introducing percentage rents.</p> <p>JRF's ability to absorb an interest rate increase is strong, as its high ICR illustrates, because JRF has always been able to raise long-term, low-interest fixed rate funds through large-sum deposits. In addition, JRF is pursuing financial management cognizant of the various financial risks, using techniques such as a high percentage of long-term borrowing, converting debt to fixed rates through interest rate swaps, and establishment of commitment lines corresponding to contractual redemptions of guarantee money.</p>

* For further inquiries, please contact the respective credit rating agencies

Appendix

Unit Price Performance



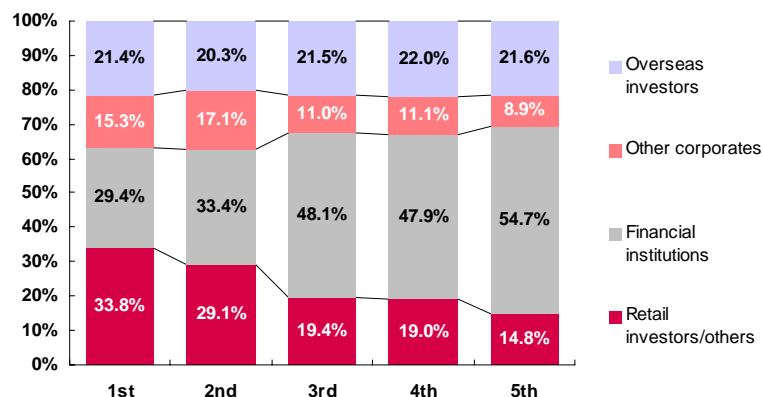
High	829,000 yen (Oct 8, 2004)
Low	433,000 yen (Mar 13, 2002)
Volume weighted average price	640,521 yen (as of Oct 8, 2004)
Total volume	295,561 units (as of Oct 8, 2004)
Daily average volume	464 units (as of Oct 8, 2004)
IPO issue price	470,000 yen (Mar 12, 2002)
Current price	827,000 yen (as of Oct 8, 2004)
Percentage in price increase	76.0% (as of Oct 8, 2004)

* Source: Nikkei Quick

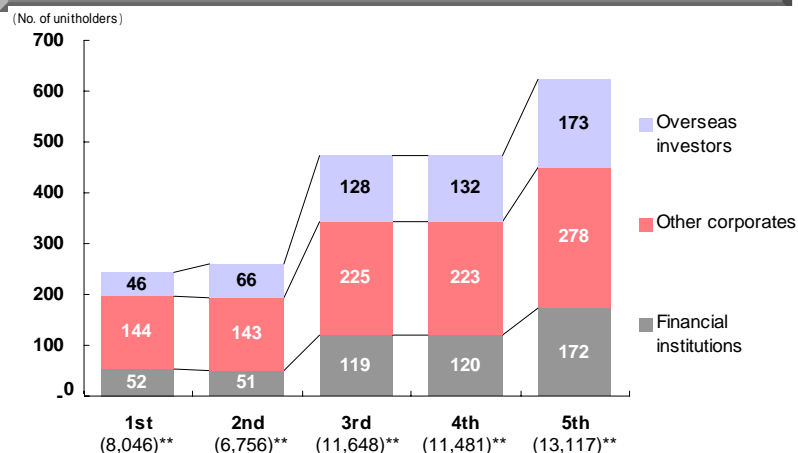
* J-REIT index 100 = 449,000 yen

Unitholder composition

Number of units



Number of unitholders*



* Excluding retail investors/others

** Total number of unitholders including retail investors/others

Top 20 unitholders as of August 31, 2004

Rank	Name of unitholder	No. of units	% of total
1	Mitsubishi Corporation	10,975	5.00
2	Japan Trustee Services Bank Trust Account	10,206	4.65
3	Chugoku Bank	8,111	3.70
4	Bank of Ikeda	6,443	2.94
5	Trust & Custody Services Bank Trust Account	6,302	2.87
6	Joyo Bank	5,948	2.71
7	AIG Star Life Insurance, General Account	5,857	2.67
8	The Bank of New York	5,783	2.63
9	North Pacific Bank	5,773	2.63
10	Mellon Bank - ABN Amro Global Custody N.V.	4,229	1.93
11	Shinwa Bank	3,800	1.73
12	The Master Trust Bank of Japan, General account	3,599	1.64
13	Hiroshima Bank	3,543	1.61
14	Goldman Sachs International	3,324	1.51
15	Kansai Urban Banking Corporation	3,215	1.46
16	Yamanashi Chuo Bank	3,093	1.41
17	Gibraltar Life, units are held in the general and other account	2,986	1.36
18	American Life Insurance Company GAL	2,860	1.30
19	SIS Sega Inter Settle AG	2,655	1.21
20	Fuji Fire & Marine	2,579	1.17
Total		101,281	46.13

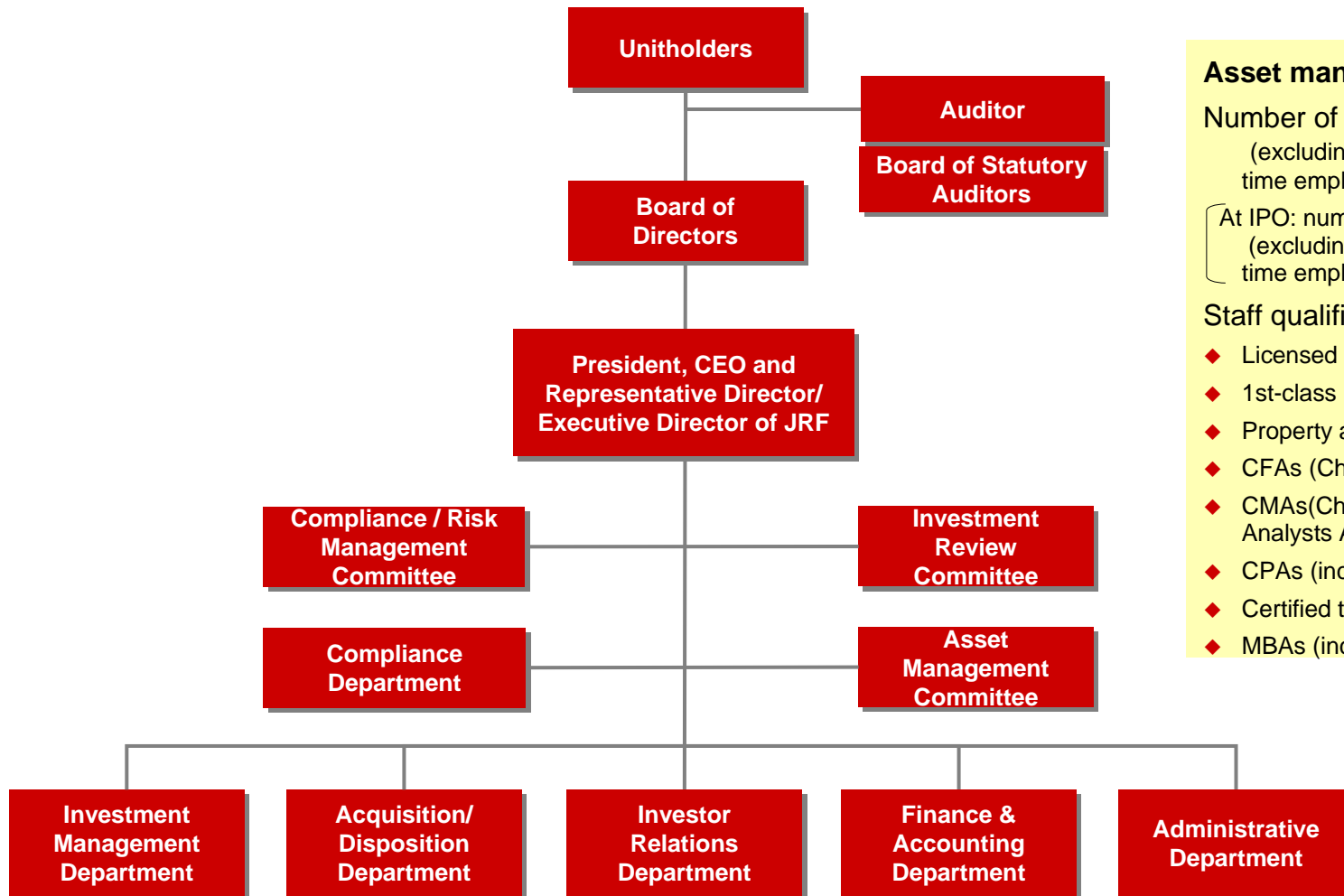


Japan Retail Fund Investment Corporation



Mitsubishi Corp UBS Realty

Management company structure



Asset management company :

Number of directors and employees: 32
(excluding non-executive directors and part-time employees)

At IPO: number of directors and employees:10
(excluding non-executive directors and part-time employees)

Staff qualifications:

- ◆ Licensed real estate agents: 9
- ◆ 1st-class licensed architects: 2
- ◆ Property appraisers: 2
- ◆ CFAs (Chartered Financial Analyst): 2
- ◆ CMAs(Chartered Member of the Security Analysts Association of Japan): 2
- ◆ CPAs (incl. US and Australian): 3
- ◆ Certified tax accountants: 2
- ◆ MBAs (incl. US and UK): 5