



Japan Retail Fund Investment Corporation

Sixth Fiscal Period Results
(September 1, 2004 – February 28, 2005)

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April 14, 2005

Japan Retail Fund Investment Corporation
Announcement of Sixth Fiscal Period Results

Distribution Per Unit +3.3% Above Estimates

Summary of Financial Results

Japan Retail Fund Investment Corporation ("JRF"; TSE ticker code: 8953) today announced the financial results of its sixth fiscal period for the six-months ending February 28, 2005.

For the sixth fiscal period, JRF reported gross revenues of ¥ 9,514 million, operating income of ¥ 3,827 million, income before income taxes of ¥ 3,386 million, net income of ¥3,385 million and earnings and cash distributions per unit of ¥15,419. The cash distributions per unit exceeded the estimate of ¥14,920 reported to the Tokyo Stock Exchange on February 15, 2005 by 3.3%.

As of February 28, 2005, JRF's property portfolio consisted of twenty four retail properties and was independently appraised at ¥231,265 million in aggregate.

The assets of JRF totaled ¥ 244,707 million as of February 28, 2005, short-term loans were ¥21,260 million, long-term borrowings and corporate bonds issued and outstanding were ¥14,170 million and ¥35,000 million, respectively, and total unitholders' equity was ¥119,574 million, or ¥544,748 per unit, with a total of 219,502 units outstanding.

"We are quite pleased with these operating results," said Mr. Yuichi Hiromoto, JRF's Executive Director as well as the President and Chief Executive Officer of JRF's Asset Manager, Mitsubishi Corp.-UBS Realty Inc. "In our view, these results demonstrate the continued strong performance of our retail property ownership business and the strength and quality of our properties, which continue to deliver a steady basis for ongoing distributions per unit."

Sixth Fiscal Period Highlights

Additional Acquisitions: During the period, JRF completed the acquisitions of four specified additional retail properties with an aggregate purchase price of ¥ 42,132 million. These acquisitions were financed through a combination of cash on hand and the assumption of tenant leasehold and security deposits due upon lease termination, with the remainder from short-term bank loans. Details are as follows:

(JPY in millions)			
<u>Name of Property</u>	<u>Acquisition Date</u>	<u>Acquisition Price</u>	<u>Amount of Short-term Loans</u>
Bic Camera Tachikawa	September 29, 2004	11,920	12,000
Itabashi SATY	December 9, 2004	12,400	12,000
8953 Kita Aoyama Building	February 1, 2005	989	N/A
AEON Yamato Shopping Center	February 17, 2005	<u>16,823</u>	<u>16,500</u>
Total		<u>42,132</u>	<u>40,500</u>

Corporate Bonds and Bank Borrowings: On February 9, 2005, JRF completed two issuances of unsecured corporate bonds, following its filing of a shelf registration statement which became effective on December 27, 2004 with the Kanto Finance Bureau. Details of the bond issuances are as follows:

- ¥ 20 billion of 5-year bonds, maturing on February 9, 2010 with a coupon of 0.74%
- ¥ 15 billion of 10-year bonds, maturing on February 9, 2015 with a coupon of 1.73%

Proceeds from the issues were primarily used to repay short-term borrowings.

Leverage: As of February 28, 2005, JRF's overall leverage level was 50.0% (28.8% excluding tenant deposits).

JRF's Portfolio Profile: As of February 28, 2005, JRF's portfolio was comprised of twenty four retail properties with 996,847 square meters of leaseable space.

Forecasts for the Seventh and Eighth Accounting Periods

Operating Environment: On March 8, 2005, JRF completed its fourth public offering totaling 56,000 new investment units at a price of ¥798,700 per unit, 32,200 of such units were issued in connection with a Japanese Primary Offering, and the remaining 23,800 of such units were issued in connection with an International Offering pursuant to Rule 144A and Regulation S under the U.S. Securities Act of 1933.

On March 29, 2005, 4,000 additional units were issued by JRF in connection with the exercise of an over-allotment option granted in connection with underwriter stabilization activities within the Japanese offering.

Net proceeds of approximately ¥46 billion from these Offerings were primarily utilized towards the acquisition of four additional retail properties, namely SEIYU Hibarigaoka, Tobata SATY, 8595 Jiyugaoka Building and Wonder City, for an aggregate purchase price of approximately ¥31 billion, and the remaining balance utilized to partially repay its outstanding short-term borrowings incurred in connection with the acquisitions in the preceding fiscal period.

Additional Acquisition: On March 25, 2005, JRF completed the acquisition of Jusco City Takatsuki for ¥11,700 million. The acquisition was financed through the assumption of non-interest bearing security deposits due upon lease termination and the remainder from short-term bank loans amounting to ¥5,800 million.

Performance Forecasts: For the seventh accounting period from March 1, 2005 to August 31, 2005, JRF estimates gross revenue at ¥11,648 million and net income at ¥4,071 million, or ¥14,565 per unit. For the eighth accounting period from September 1, 2005 to February 28, 2006, JRF estimates gross revenue at ¥ 11,907 million and net income at ¥4,284 million, or ¥15,327 per unit. Our forecasts assume no further property acquisitions during the seventh and eighth accounting periods apart from the acquisitions in March 2005 as described in the previous paragraphs.

JRF and its Asset Manager, having considered the operating environment in which JRF operates, believe that the above forecasts, based on operating assumptions associated

with JRF's current portfolio, are reasonable. However, these numbers are not a guarantee of JRF's seventh and eighth period performance and that final results may differ due to unforeseen circumstances.

Please also refer to "Disclaimer" accompanying this document.

About JRF

Japan Retail Fund Investment Corporation is the third listed Japanese Real Estate Investment Trust ("J-REIT") and the first J-REIT to focus primarily on retail properties.

As of the date of this announcement, JRF owned 29 retail properties containing approximately 1,259,994 square meters of leaseable space.

Investor Relations: *For further information relating to this press release as well as the Fund and its Asset Manager, please feel free to contact Mr. Shunichi Minami, Senior Executive Officer, at Mitsubishi Corp.-UBS Realty Inc. (Telephone Number: 81-3-3511-1692)*

(Summary Financial Information Attached)

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2004 and February 28, 2005

	<u>August 31, 2004</u> <u>(JPY in Millions)</u>	<u>February 28, 2005</u> <u>(JPY in Millions)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	8,359	9,363
Rental receivables	423	477
Consumption tax refundable	203	444
Prepaid expenses and other assets	218	326
Total current assets	<u>9,203</u>	<u>10,610</u>
Non-current assets:		
Property and equipment, at cost:		
Land	106,802	136,865
Buildings	76,866	89,560
Building improvements	3,787	4,556
Machinery and equipment	993	1,434
	<u>188,448</u>	<u>232,415</u>
Less: Accumulated depreciation	<u>(3,985)</u>	<u>(5,657)</u>
Net property and equipment	<u>184,463</u>	<u>226,758</u>
Other assets:		
Leasehold rights	3,692	3,692
Other intangible assets	125	161
Deposits	2,819	2,810
Long-term prepaid expenses	53	148
Organization costs	56	42
Bonds issuance costs	-	148
Other	275	338
Total other assets	<u>7,020</u>	<u>7,339</u>
TOTAL ASSETS	<u><u>200,686</u></u>	<u><u>244,707</u></u>

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2004 and February 28, 2005

	<u>August 31, 2004</u> <u>(JPY in Millions)</u>	<u>February 28, 2005</u> <u>(JPY in Millions)</u>
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	4,760	21,260
Rent received in advance	648	882
Accrued expenses and other liabilities	1,719	1,906
<i>Total current liabilities</i>	<u>7,127</u>	<u>24,048</u>
Non-current liabilities:		
Long-term debt	24,170	14,170
Bonds issued - unsecured	-	35,000
Tenant leasehold and security deposits	49,961	51,802
Other	67	113
<i>Total non-current liabilities</i>	<u>74,198</u>	<u>101,085</u>
TOTAL LIABILITIES	<u>81,325</u>	<u>125,133</u>
Unitholders' equity:		
Unitholders' capital, 2,000,000 units authorized, 219,502 units (as of August 31, 2004 and February 28, 2005) issued and outstanding	116,189	116,189
Retained earnings	3,172	3,385
TOTAL UNITHOLDERS' EQUITY	<u>119,361</u>	<u>119,574</u>
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	<u><u>200,686</u></u>	<u><u>244,707</u></u>

JAPAN RETAIL FUND INVESTMENT CORPORATION
STATEMENTS OF INCOME AND RETAINED EARNINGS
For the Six Months Ended
August 31, 2004 and February 28, 2005

	<u>March 1, 2004 to</u> <u>August 31, 2004</u> <u>(JPY in Millions)</u>	<u>September 1, 2004 to</u> <u>February 28, 2005</u> <u>(JPY in Millions)</u>
Operating revenues		
Rental and other operating revenues	8,692	9,514
Operating expenses		
Property-related expenses	4,422	4,808
Asset management fees	598	680
Custodian fees	33	38
General administration fees	87	83
Other	81	78
	<u>5,221</u>	<u>5,687</u>
Operating income	<u>3,471</u>	<u>3,827</u>
Non-operating revenues		
Non-operating revenues	20	9
Non-operating expenses		
Interest expense	142	206
Offering costs	99	130
Amortization of organization costs	14	14
Amortization of bonds issuance costs	-	30
Other non-operating expenses	61	70
	<u>3,175</u>	<u>3,386</u>
Income before income taxes	<u>3</u>	<u>1</u>
Income taxes	<u>3</u>	<u>1</u>
Net income	<u><u>3,172</u></u>	<u><u>3,385</u></u>

JAPAN RETAIL FUND INVESTMENT CORPORATION
STATEMENTS OF CASH FLOWS
For the Six Months Ended
August 31, 2004 and February 28, 2005

	<u>March 1, 2004 to</u> <u>August 31, 2004</u> <u>(JPY in Millions)</u>	<u>September 1, 2004 to</u> <u>February 28, 2005</u> <u>(JPY in Millions)</u>
Cash Flows from Operating Activities:		
Income before income taxes	3,175	3,386
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	1,497	1,682
Amortization of organization costs	14	14
Interest expense	142	206
Amortization of bond issuance costs	-	30
Loss on disposal of fixed assets	23	30
Changes in assets and liabilities:		
Consumption tax refundable	709	(241)
Accounts payable	122	29
Rent received in advance	95	234
Accrued expenses and other liabilities	(144)	(4)
Other, net	(329)	(298)
Net cash provided by operating activities	<u>5,304</u>	<u>5,068</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(30,777)	(44,044)
Proceeds from tenant leasehold and security deposits	1,777	1,842
Payment of deposits	8	(10)
Net cash used in investing activities	<u>(28,992)</u>	<u>(42,212)</u>
Cash Flows from Financing Activities:		
Proceeds from short-term debt	4,760	74,500
Repayments of short-term debt	(38,528)	(58,000)
Proceeds from long-term debt	20,000	-
Repayments of long-term debt	-	(10,000)
Proceeds from issuance of investment units	42,267	-
Net proceeds from bonds issuance	-	34,822
Distribution payments	(2,577)	(3,174)
Net cash provided by financing activities	<u>25,922</u>	<u>38,148</u>
Net change in cash and cash equivalents	<u>2,234</u>	<u>1,004</u>
Cash and cash equivalents at beginning of period	<u>6,125</u>	<u>8,359</u>
Cash and cash equivalents at end of period	<u><u>8,359</u></u>	<u><u>9,363</u></u>

Property Portfolio Summary 1

<u>Name of Property</u>	<u>Year(s) Built</u>	<u>Location of Property</u>	<u>Date Acquired</u>	<u>Ownership %</u>	<u>Acquisition Price (JPY in Millions)</u>	<u>Appraisal Value as of February, 2005 (JPY in Millions)</u>	<u>% of Total Portfolio</u>
Tokyo 23 Wards							
8953 Minami Aoyama Building	2002	Minato Ward, Tokyo	4-Mar-03	100	5,350	5,330	2.3%
8953 Daikanyama Building	1991	Shibuya Ward, Tokyo	10-Dec-03	100	1,235	1,280	0.6%
8953 Harajuku FACE Building	1985	Shibuya Ward, Tokyo	9-Jan-04	100	2,770	2,800	1.2%
Esquisse Omotesando	1982	Shibuya Ward, Tokyo	2-Mar-04	100	14,500	14,500	6.3%
Esquisse Omotesando Annex	1997	Shibuya Ward, Tokyo	30-Apr-04	100	860	900	0.4%
Itabashi SATY	2000	Itabashi Ward, Tokyo	9-Dec-04	100	12,400	12,400	5.4%
8953 Kita Aoyama Building	2005	Minato Ward, Tokyo	1-Feb-05	100	989	995	0.4%
subtotal					38,104	38,205	16.5%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	2000	Kawasaki, Kanagawa	13-Mar-02	80.4	8,117	10,200	4.4%
			10-Dec-02	19.6	1,974		
JUSCO Chigasaki Shopping Center	2000	Chigasaki, Kanagawa	13-Mar-02	100	8,300	8,000	3.5%
Abiko Shopping Plaza	1994	Abiko, Chiba	4-Mar-03	100	10,200	11,100	4.8%
Ito-Yokado Yabashira	1982	Matsudo, Chiba	16-Jun-03	100	1,616	1,750	0.8%
Ito-Yokado Kamifukuoka-higashi	1999	Kamifukuoka, Saitama	18-Sep-03	100	6,900	6,800	2.9%
Ito-Yokado Nishikicho	2003	Warabi, Saitama	28-Nov-03	100	13,212	13,200	5.7%
Ito-Yokado Tsunashima	1982	Yokohama, Kanagawa	24-Jun-04	100	5,000	5,000	2.2%
Bic Camara Tachikawa	1970	Tachikawa, Tokyo	29-Sep-04	100	11,920	12,000	5.2%
AEON Yamato Shopping Center	2001	Yamato, Kanagawa	17-Feb-05	100	16,823	16,900	7.3%
subtotal					84,062	84,950	36.7%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1999	Osaka, Osaka	13-Mar-02	100	14,300	14,400	6.2%
Ito-Yokado Narumi	1997	Nagoya, Aichi	4-Mar-03	100	8,540	8,300	3.6%
Nara Family	1992, 1993	Nara, Nara	6-Mar-03	100	31,241	32,400	14.0%
AEON Higashiura Shopping Center	2001	Chita, Aichi	15-Jan-04	100	6,700	6,860	3.0%
subtotal					60,781	61,960	26.8%
Other Major Cities							
Sendai Nakayama Shopping Center	1995-1999	Sendai, Miyagi	13-Mar-02	100	10,200	10,700	4.6%
Hakata Riverain	1998	Fukuoka, Fukuoka	4-Mar-03	100	12,600	13,300	5.8%
AEON Kashiihama Shopping Center	2003	Fukuoka, Fukuoka	29-Jan-04	100	13,300	12,900	5.6%
AEON Sapporo Naebo Shopping Center	2003	Sapporo, Hokkaido	2-Mar-04	100	9,260	9,250	4.0%
subtotal					45,360	46,150	20.0%
Grand Total					228,307	231,265	100.0%

Property Portfolio Summary 2

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of February 28, 2005 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of February 28, 2005</u>	<u>Rental Revenue in Sixth Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
Tokyo 23 Wards							
8953 Minami Aoyama Building	3	5,393	1,540.98	1,540.98	100.0%	170	1.8%
8953 Daikanyama Building	1	1,277	574.46	574.46	100.0%	39	0.4%
8953 Harajuku FACE Building	5	2,796	1,477.62	1,477.62	100.0%	93	1.0%
Esquisse Omotesando	16	14,592	3,798.42	3,798.42	100.0%	359	3.8%
Esquisse Omotesando Annex	2	896	540.78	540.78	100.0%	28	0.3%
Itabashi SATY	1	12,837	72,253.88	72,253.88	100.0%	328	3.4%
8953 Kita Aoyama Building	2	1,005	492.69	492.69	100.0%	5	0.1%
subtotal	30	38,796	80,678.83	80,678.83		1,022	10.7%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	1	9,825	56,891.15	56,891.15	100.0%	351	3.7%
JUSCO Chigasaki Shopping Center	1	8,088	63,652.33	63,652.33	100.0%	274	2.9%
Abiko Shopping Plaza	48	10,271	43,390.73	43,390.73	100.0%	725	7.6%
Ito-Yokado Yabashira	1	1,655	21,581.65	21,581.65	100.0%	79	0.8%
Ito-Yokado Kamifukuoka-higashi	1	6,851	28,316.18	28,316.18	100.0%	256	2.7%
Ito-Yokado Nishikicho	1	13,318	73,438.52	73,438.52	100.0%	444	4.7%
Ito-Yokado Tsunashima	1	5,183	16,549.50	16,549.50	100.0%	181	1.9%
Bic Camara Tachikawa	2	12,434	20,983.43	20,983.43	100.0%	326	3.4%
AEON Yamato Shopping Center	1	17,231	85,226.68	85,226.68	100.0%	38	0.4%
subtotal	57	84,856	410,030.17	410,030.17		2,674	28.1%
Osaka, Nagoya and Surrounding Area							
8953 Osaka Shinsaibashi Building	1	14,009	13,666.96	13,666.96	100.0%	418	4.4%
Ito-Yokado Narumi	1	8,407	50,437.91	50,437.91	100.0%	331	3.5%
Nara Family	131	31,997	85,341.83	85,005.90	99.6%	2,252	23.7%
AEON Higashiura Shopping Center	1	6,799	100,457.69	100,457.69	100.0%	376	4.0%
subtotal	134	61,212	249,904.39	249,568.46		3,377	35.5%
Other Major Cities							
Sendai Nakayama Shopping Center	3	9,930	46,248.96	46,248.96	100.0%	443	4.7%
Hakata Riverain	79	12,986	25,742.72	25,514.39	99.1%	1,137	12.0%
AEON Kashiihama Shopping Center	1	13,626	109,616.72	109,616.72	100.0%	478	5.0%
AEON Sapporo Naebo Shopping Center	1	9,205	74,625.52	74,625.52	100.0%	383	4.0%
subtotal	84	45,747	256,233.92	256,005.59		2,441	25.7%
Grand Total	305	230,611	996,847.31	996,283.05	99.9%	9,514	100.0%