



Japan Retail Fund Investment Corporation

**6th Period Results
(September 1, 2004 through February 28, 2005)
May 2005**

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



Mitsubishi Corp UBS Realty

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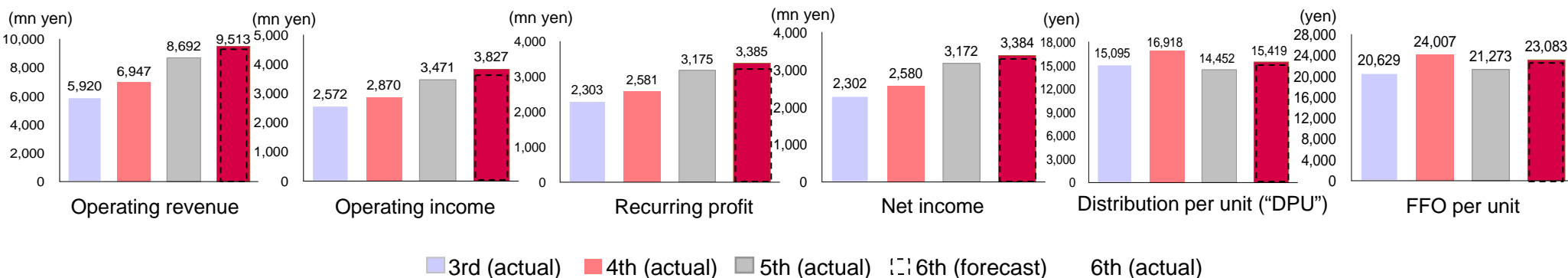
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1 . Highlights

Summary of 6th period results of operations

1. Historical trend of operating results



2. 6th period results and forecasts

Items (yen)	6th (actual)	6th (forecast)	Variance	Variance (%)
Operating revenue (mn)	9,513	9,396	117	1.3%
Operating income (mn)	3,827	3,697	130	3.5%
Recurring profit (mn)	3,385	3,277	108	3.3%
Net income (mn)	3,384	3,275	109	3.3%
Distribution per unit	15,419	14,920	499	3.3%
FFO per unit	23,083	22,623	460	2.0%

Highlights

External Growth

- ◆ Four newly acquired properties: Bic Camera Tachikawa, Itabashi SATY, 8953 Kita Aoyama Building and AEON Yamato Shopping Center (total 42.1 billion yen)
- ◆ Achieved steady growth with approximately 244.7 billion yen of total assets (approximately 5.6x as of the end of the 1st period)
- ◆ Concluded purchase agreement of Urawa PARCO (tentatively named) currently under development as part of diversification of JRF's acquisition strategies

Internal Growth

- ◆ Development of best practices in cost reduction and strategic marketing to promote sales

Financial Strategy

- ◆ First J-REIT to have issued investment units for four consecutive years
- ◆ First public issuance of J-REIT unsecured corporate bonds

Received THOMSON DealWatch Awards in 2004



Issuer of the Year (All issuance)

Straight Bond Debut Deal of the Year (Domestic corporate bonds)

J-REIT Issuer of the Year (J-REIT)

2 . 6th period results of operations

Income statements

(yen in thousands)

Items	6th fiscal period		5th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
Recurring Items						
Operating Activities						
1. Operating revenue	9,513,644	100.0	8,692,003	100.0	821,641	9.5
Rental revenue	9,513,644		8,692,003		821,641	
2. Operating expenses	5,686,503	59.8	5,220,994	60.1	465,509	8.9
Property related expenses	4,808,402		4,422,160		386,241	
Asset management fees	680,067		597,668		82,399	
Directors' fees	1,800		1,800		-	
Custodian fees	37,868		32,679		5,188	
General administration fees	83,429		87,272		3,843	
Other	74,936		79,412		4,476	
Operating Income	3,827,140	40.2	3,471,009	39.9	356,131	10.3
Non-operating Activities						
1. Non-operating revenue	9,475	0.1	19,944	0.2	10,468	52.5
Interest revenue	40		48		7	
Property related tax refund	-		10,837		10,837	
Other	9,434		9,057		377	
2. Non-operating expenses	451,088	4.7	315,549	3.6	135,539	43.0
Interest expense	183,614		142,178		41,436	
Interest expense of corporate bonds	22,390		-		22,390	
Amortization of corporate bonds' issuance costs	29,639		-		29,639	
Finance related cost	46,603		46,616		13	
Offering costs	130,220		98,912		31,307	
Amortization of organization costs	13,924		13,924		-	
Other non-operating expenses	24,696		13,918		10,778	
Recurring Profit	3,385,527	35.6	3,175,403	36.5	210,123	6.6
Income before income taxes	3,385,527	35.6	3,175,403	36.5	210,123	6.6
Income taxes	1,024		3,130		2,105	
Tax adjustments	21		21		42	
Net Income	3,384,523	35.6	3,172,252	36.5	212,271	6.7
Retained earnings (beginning balance)	78		69		9	
Retained earnings (ending balance)	3,384,601		3,172,321		212,280	

Rental revenue

Increase in rental revenues from four newly acquired properties in the 6th period

Property related expenses

Increase in depreciation related to new acquisitions and increased sales promotion cost

Fees

Increase in fees due to growth in asset size

Interest expense

Increase in short-term debt related to new acquisitions

Corporate bonds expense

Increase in cost related to issuance of 35 billion yen unsecured public corporate bonds

* 6th fiscal period : September 1, 2004 – February 28, 2005 (181 days)

* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)

Japan Retail Fund Investment Corporation



Mitsubishi Corp UBS Realty

Balance sheets

Items	6th fiscal period		5th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
ASSETS						
Current assets						
Cash and cash equivalents	3,474,364		2,589,482		884,881	
Entrusted cash and cash equivalents	5,888,570		5,769,380		119,189	
Rental receivables	476,798		422,900		53,897	
Consumption tax refundable	444,015		202,888		241,126	
Other current assets	326,029		218,324		107,705	
Total current assets	10,609,778	4.3	9,202,977	4.6	1,406,800	15.3
Non-current assets						
1. Property and equipment, at cost						
Buildings	84,459,563		73,256,720		11,202,843	
Building improvements	4,173,260		3,516,624		656,636	
Machinery and equipment	383,674		132,612		251,062	
Tools, furniture & fixtures	876,051		754,954		121,098	
Land	136,865,206		106,802,323		30,062,882	
Net property and equipment	226,757,753	92.7	184,463,234	91.9	42,294,519	22.9
2. Intangible assets						
Leasehold land	3,691,999		3,691,999		-	
Other intangible assets	161,005		124,919		36,085	
Total intangible assets	3,853,005	1.6	3,816,919	1.9	36,085	0.9
3. Investments						
Deposit	2,809,907		2,818,832		8,924	
Long-term prepaid expenses	147,572		53,293		94,278	
Other	338,808		275,229		63,579	
Total investments	3,296,290	1.3	3,147,355	1.6	148,934	4.7
Total non-current assets	233,907,049	95.6	191,427,509	95.4	42,479,539	22.2
Deferred assets						
Organization costs	41,772		55,696		13,924	
Issuance costs of corporate bonds	148,199		-		148,199	
Total deferred assets	189,971	0.1	55,696	0.0	134,275	241.1
TOTAL ASSETS	244,706,798	100.0	200,686,183	100.0	44,020,615	21.9

Impacted by four newly acquired properties

(yen in thousands)

Items	6th fiscal period		5th fiscal period		Change	
	Amount	%	Amount	%	Amount	%
LIABILITIES						
Current liabilities						
Accounts payable	628,893		400,682		228,210	
Short-term debt	21,260,000		4,760,000		16,500,000	
Accrued liabilities	162,372		135,909		26,463	
Accrued expenses	477,153		415,865		61,288	
Accrued income taxes	1,024		605		419	
Rent received in advance	881,864		648,284		233,579	
Deposits	616,204		745,837		129,632	
Other	20,062		19,841		220	
Total current liabilities	24,047,575	9.8	7,127,025	3.6	16,920,549	237.4
Non-current liabilities						
Corporate bonds-unsecured	35,000,000		-		35,000,000	
Long-term debt	14,170,000		24,170,000		10,000,000	
Tenant leasehold and security deposits	51,802,432		49,960,841		1,841,591	
Other	113,492		67,299		46,193	
Total non-current liabilities	101,085,925	41.3	74,198,140	36.9	26,887,785	36.2
TOTAL LIABILITIES	125,133,501	51.1	81,325,165	40.5	43,808,335	53.9
UNITHOLDERS' EQUITY						
Total investment						
Unitholders' capital	116,188,696	47.5	116,188,696	57.9	-	0.0
Retained earning	3,384,601		3,172,321		212,280	
Total retained earnings	3,384,601	1.4	3,172,321	1.6	212,280	6.7
Total unitholders' equity	119,573,297	48.9	119,361,017	59.5	212,280	0.2
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	244,706,798	100.0	200,686,183	100.0	44,020,615	21.9

Increase in short-term debt due to acquisition of new properties

Partial repayment of long-term debt due to issuance of unsecured public corporate bonds

* 6th fiscal period : September 1, 2004 – February 28, 2005 (181 days)

* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)

Cashflows and distribution statements

Cashflow statements

(yen in thousands)		
Items	6th fiscal period	5th fiscal period
Cashflow from Operating Activities		
Income before income taxes	3,385,527	3,175,403
Depreciation and amortization	1,682,448	1,497,342
Other	614	631,694
Net Cash from Operating Activities	5,068,591	5,304,440
Cashflow from Investing Activities		
Purchase of property and equipment	44,001,169	30,672,711
Proceeds from tenant leasehold and security	2,582,797	1,776,906
Purchase of tenant leasehold and security	741,205	-
Purchase of intangible assets	42,756	104,068
Tenant deposits	7,500	16,145
Other investments/other acquisition of assets	17,386	8,990
Net Cash used in Investing Activities	42,212,221	28,992,717
Cashflow from Financing Activities		
Proceeds from short-term debt	74,500,000	4,760,000
Repayments of short-term debt	58,000,000	38,528,000
Proceeds from long-term debt	-	20,000,000
Repayments of long-term debt	10,000,000	-
Proceeds from issuance of corporate bonds	34,822,161	-
Dividend payment	3,174,459	2,576,814
Proceeds from issuance of investment units	-	42,267,084
Net Cash from Financing Activities	38,147,701	25,922,269
Net change in cash and cash equivalents	1,004,071	2,233,991
Cash and cash equivalents at beginning of period	8,358,863	6,124,871
Cash and cash equivalents at end of period	9,362,934	8,358,863

Distribution statements

(yen)		
Items	6th fiscal period	5th fiscal period
Retained earnings (ending balance)	3,384,601	3,172,321
Distributed amount	3,384,501	3,172,242
"DPU" (yen)	(15,419)	(14,452)
Retained earnings carried forward	100	78

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* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)



Performance by property (income-type properties 1)

(mn yen)

Items	Sendai Nakayama SC		ESPA Kawasaki		8953 Osaka Shinsaibashi Bldg.		JUSCO Chigasaki SC		Ito-Yokado Narumi	
	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th
Rental revenue	442	465	351	351	418	418	274	274	330	330
Other income	0	0	0	0	0	0	0	0	-	-
Total property income	442	465	351	351	418	418	274	274	330	330
Tax and public charges	42	42	60	60	30	30	43	43	42	42
Facilities management	1	1	0	0	0	0	0	0	0	0
Property management fees	13	13	12	12	6	6	5	5	6	6
Other property expenses	1	1	1	1	1	1	1	1	1	1
Depreciation and amortization	76	76	82	82	80	79	63	63	73	73
Total expenses	135	136	157	157	118	118	114	114	124	124
Operating income	306	329	193	193	299	299	159	160	206	206
Rental deposits	956	956	981	981	798	798	745	745	538	538
Guaranteed deposits	801	801	3,924	3,924	-	-	2,983	2,983	4,849	4,849
Deposits (ending balance)	1,758	1,758	4,905	4,905	798	798	3,729	3,729	5,388	5,388

Items	8953 Minami Aoyama Bldg.		Ito-Yokado Yabashira		Ito-Yokado Kamifukuoka-higashi		Ito-Yokado Nishikicho		8953 Daikanyama Bldg.	
	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th
Rental revenue	160	160	78	78	256	256	443	442	34	34
Other income	9	9	-	-	-	-	-	-	3	4
Total property income	169	169	78	78	256	256	443	442	38	39
Tax and public charges	7	7	17	17	39	39	58	58	1	1
Facilities management	11	11	0	-	0	-	0	-	3	3
Property management fees	4	4	2	2	4	4	4	4	1	1
Other property expenses	0	0	0	0	3	3	2	2	0	0
Depreciation and amortization	8	8	18	18	47	47	136	135	4	4
Total expenses	32	32	39	38	94	94	202	201	11	11
Operating income	137	137	39	39	161	161	241	241	27	28
Rental deposits	282	282	450	450	774	774	590	590	125	125
Guaranteed deposits	-	-	-	-	1,881	1,945	-	-	-	-
Deposits (ending balance)	282	282	450	450	2,656	2,720	590	590	125	125

* 6th fiscal period : September 1, 2004 – February 28, 2005 (181 days)

* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)



Performance by property (income-type properties 2)

(mn yen)

Items	AEON Higashiura SC		8953 Harajuku FACE Bldg.		AEON Kashiihama SC		AEON Sapporo Naebo SC		Esquisse Omotesando Annex	
	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th
Rental revenue	375	375	79	79	477	477	382	351	27	18
Other income	-	-	13	12	-	-	-	-	-	-
Total property income	375	375	92	91	477	477	382	351	27	18
Tax and public charges	-	-	0	0	-	0	-	-	-	-
Facilities management	3	1	8	7	2	0	0	-	0	0
Property management fees	4	4	4	5	6	6	3	3	1	0
Other property expenses	81	81	0	0	2	2	21	22	0	0
Depreciation and amortization	101	100	9	9	99	98	132	132	1	1
Total expenses	191	188	22	22	110	107	157	158	3	2
Operating income	184	187	70	69	367	370	224	192	23	15
Rental deposits	495	495	176	176	700	700	654	654	64	64
Guaranteed deposits	-	-	-	-	-	-	-	-	-	-
Deposits (ending balance)	495	495	176	176	700	700	654	654	64	64

Items	Ito-Yokado Tsunashima		Bic Camera Tachikawa		Itabashi SATY		8953 Kita Aoyama Bldg.		AEON Yamato SC		Income type total	
	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th
Rental revenue	180	67	300	-	328	-	5	-	37	-	4,986	4,182
Other income	-	-	24	-	-	-	0	-	-	-	51	26
Total property income	180	67	325	-	328	-	5	-	37	-	5,037	4,209
Tax and public charges	-	-	0	-	-	-	-	-	-	-	342	342
Facilities management	-	-	25	-	-	-	0	-	-	-	59	28
Property management fees	3	1	5	-	2	-	0	-	0	-	94	84
Other property expenses	0	0	1	-	120	-	0	-	0	-	244	122
Depreciation and amortization	26	13	90	-	53	-	0	-	18	-	1,126	946
Total expenses	31	15	121	-	176	-	0	-	19	-	1,867	1,524
Operating income	149	52	203	-	151	-	4	-	17	-	3,169	2,684
Rental deposits	232	232	712	-	754	-	40	-	1,068	-	11,144	8,568
Guaranteed deposits	-	-	-	-	-	-	-	-	-	-	14,440	14,505
Deposits (ending balance)	232	232	712	-	754	-	40	-	1,068	-	25,584	23,073

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* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)



Performance by property (growth, income/growth-type)

Items	Hakata Riverain		Nara Family		Abiko Shopping Plaza		Esquisse Omotesando		Growth, income/growth type total		Total	
	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th	6th	5th
Rental revenue	945	927	1,921	1,907	475	501	321	356	3,663	3,690	8,649	7,873
Other income	192	200	332	349	250	186	37	54	812	791	863	818
Total property income	1,137	1,127	2,253	2,257	725	687	359	410	4,476	4,482	9,513	8,692
Tax and public charges	118	121	111	111	36	37	-	-	266	269	609	612
Facilities management	348	388	447	446	243	234	58	50	1,098	1,119	1,158	1,148
Property management fees	53	53	221	224	42	42	14	14	332	335	426	419
Sales promotion expenses	153	115	55	38	13	13	26	26	247	192	247	192
Other property expenses	97	115	289	287	12	18	9	8	409	430	653	552
Depreciation and amortization	177	176	222	219	81	80	73	73	555	550	1,682	1,497
Loss from retirement of fixed assets	13	-	17	-	-	-	-	-	30	-	30	-
Total expenses	961	971	1,366	1,327	430	426	181	172	2,939	2,897	4,808	4,422
Operating income	176	156	887	929	294	261	177	237	1,536	1,585	4,705	4,269
Rental deposits	750	748	5,687	5,709	906	906	856	894	8,200	8,257	19,344	16,827
Guaranteed deposits	-	-	13,414	13,797	4,602	4,829	-	-	18,017	18,627	32,457	33,132
Deposits (ending balance)	750	748	19,101	19,507	5,509	5,736	856	894	26,217	26,885	51,802	49,960

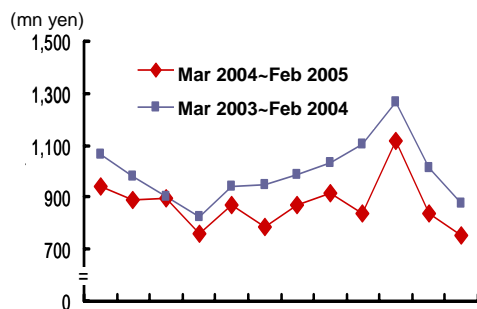
(mn yen)

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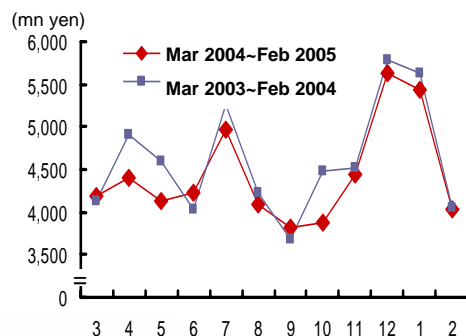
* 5th fiscal period : March 1, 2004 – August 31, 2004 (184 days)

Revenue performance

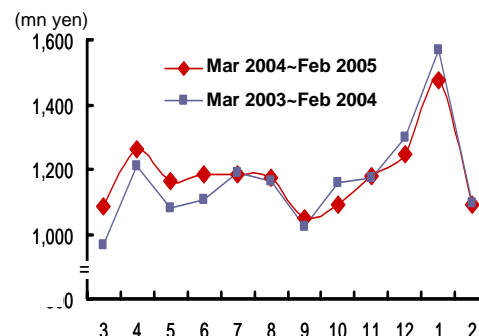
Hakata Riverain



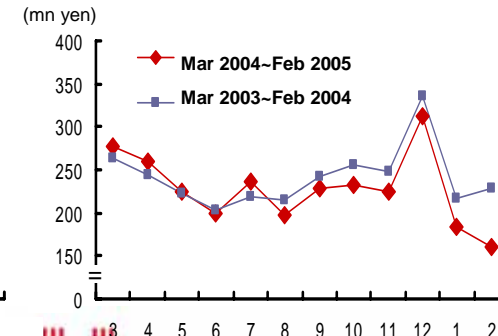
Nara Family



Abiko Shopping Plaza



Esquisse Omotesando



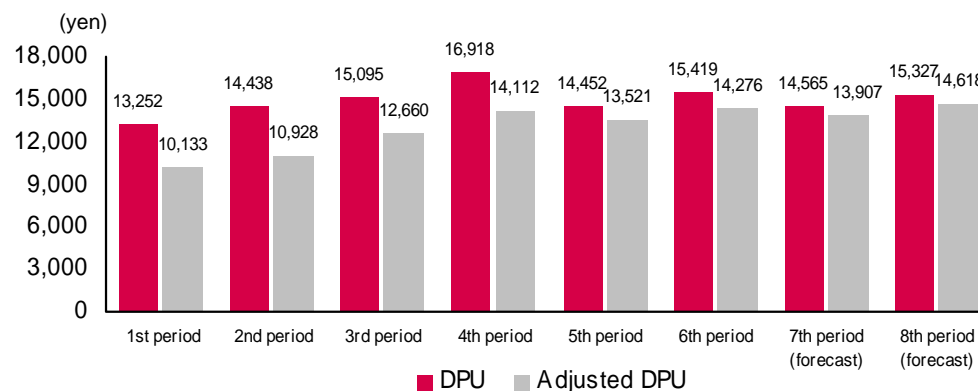
Forecasts for the 7th and 8th periods

(mn yen)			
Items (Net operating days)	6th period (181 days)	7th period (forecast) (184 days)	8th period (forecast) (181 days)
Operating revenue	9,513	11,648	11,907
Operating income	3,385	4,073	4,286
Net income	3,384	4,071	4,284
Distribution per unit (yen)	15,419	14,565	15,327
FFO per unit (yen)*	23,083	22,153	23,180
FFO payout ratio	67%	66%	66%

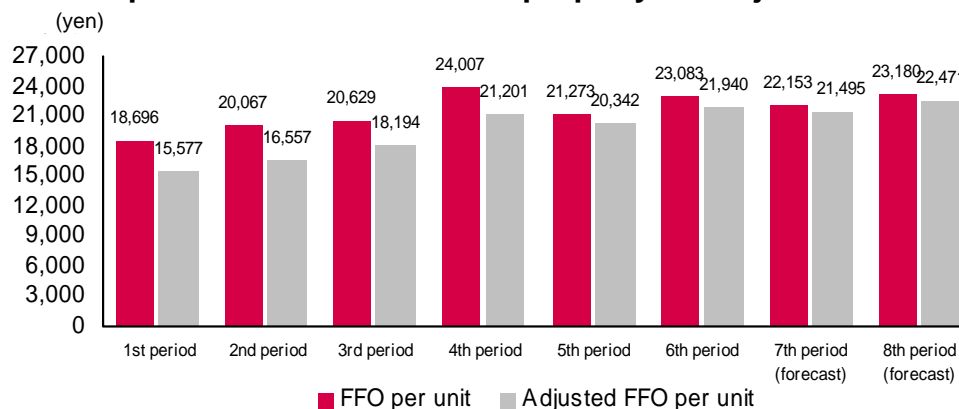
* (Net income+net depreciation+other property-related amortization) / total units outstanding

** The above adjusted DPUs and FFO per unit 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 an expense for the period in which the acquisition is made. Please note that the above adjusted DPUs and FFO per unit are unaudited figures

DPU without and after property tax adjustments**



FFO per unit without and after property tax adjustments**



3 . 3rd follow-on offering summary (March 2005)

Offering summary

Offering Type	Rule 144A Global Offering								
Total Offering Size	<table><tr><td>Domestic</td><td>32,200 units</td></tr><tr><td>International</td><td>23,800 units</td></tr><tr><td colspan="2"><hr/></td></tr><tr><td>Total</td><td>56,000 units</td></tr></table>	Domestic	32,200 units	International	23,800 units	<hr/>		Total	56,000 units
Domestic	32,200 units								
International	23,800 units								
<hr/>									
Total	56,000 units								
Over-allotment	4,000 units								
Units Outstanding	279,502 units (Pre-offering: 219,502 units)								
Discount Range	2%-4% (February 15, 2005)								
Pricing	2% discount (February 28, 2005)								
Offer Price	798,700 yen								
Total Proceeds	47,922 mn yen (including over-allotment)								
Total Equity	162,448 mn yen (Pre-offering: 116,188 mn yen)								

Properties acquired through offering:

Large, multi-tenant shopping center with potential value growth

Wonder City



A large scale shopping mall where visitors can enjoy various attractions and shops

Vacant space with development potential

Stable profits largely through long-term leases from quality tenants



Wonder City Main Building



Location :	Futakata-cho, Nishi-ku, Nagoya-shi, Aichi
Total Floor Area :	71,731.51m ² (total 12 wings)
Investment Type :	Income/Growth
Number of Tenants :	27
Anchor Tenants :	Diamond City*, Keiyo D2 Sports Authority, Imagine

* Diamond City subleases a portion of its interest to JUSCO

Properties acquired through offering: Large-scale specialty shop near major stations

Bic Camera Tachikawa



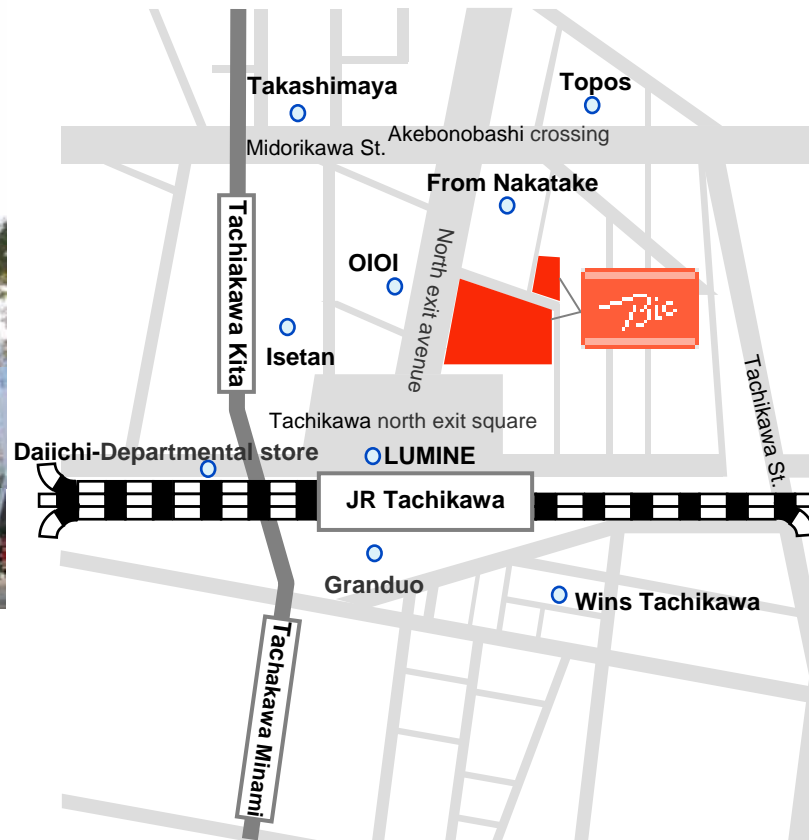
Location: Akebono-cho,
Tachikawa-shi, Tokyo

Total Floor Area: (Main) : 19,354.92m²
(Annex) : 1,628.51m²

Investment Type: Income

Number of Tenants: 2

Anchor Tenant: Bic Camera



Highly concentrated
retail district

New quality tenant



Properties acquired through offering: Urban “High Street” multi-tenant properties

8953 Kita Aoyama Building



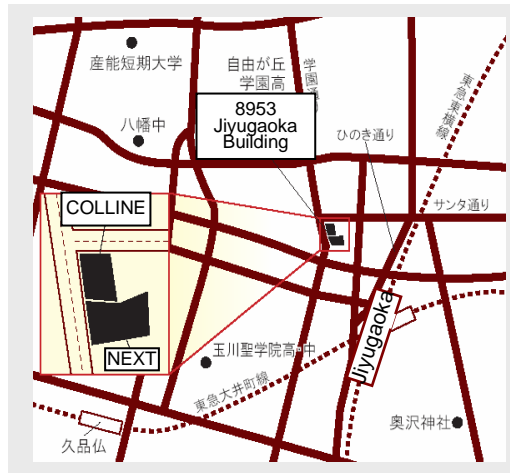
Location :	Kita-Aoyama, Minato-ku, Tokyo
Total Floor Area :	494.19m ²
Investment Type :	Income
Number of Tenants :	2
Anchor Tenants :	NEWS, Best Bridal

8953 Jiyugaoka Building



COLLINE

NEXT



Location :	Jiyugaoka, Meguro-ku, Tokyo
Total Floor Area :	1,445.20m ² (NEXT) 521.68m ² (COLLINE)
Investment Type :	Income
Number of Tenants :	10
Anchor Tenants :	NEXT, Sûr Jiyugaoka

*NEXT is computer-generated rendition for illustrative purposes only

Properties acquired through offering : Suburban shopping centers

AEON Yamato Shopping Center



Suburban shopping center jointly established by AEON and Ito-Yokado

Location : Shimotsuruma, Yamato-shi, Kanagawa
Total Floor Area : 85,226.68m²
Investment Type : Income
Number of Tenant : 1
Anchor Tenant : JUSCO

SEIYU Hibarigaoka



Retail property near a major station and highways anchored by SEIYU

Location : Sumiyoshi-cho, Nishi Tokyo-shi, Tokyo
Total Floor Area : 19,070.88m²
Investment Type : Income
Number of Tenant : 1
Anchor Tenant : SEIYU

Itabashi SATY



Retail shopping center with a cinema-complex by Warner Mycal Cinemas

Location : Tokumaru, Itabashi-ku, Tokyo
Total Floor Area : 72,253.88m²
Investment Type : Income
Number of Tenant : 1
Anchor Tenant : SATY

Tobata SATY



A large shopping center next to a major station anchored by SATY

Location : Shioimachi, Tobata-ku, Kita Kyusyu-shi, Fukuoka
Total Floor Area : 93,258.23m²
Investment Type : Income
Number of Tenant : 1
Anchor Tenant : SATY

4 . Newly acquired property*

*Excludes acquisitions through offering (in March 2005)

Property acquired in the 7th period

JUSCO City Takatsuki



**Commercial complex with amusement facilities
including bowling allies**

Location : Haginosho, Takatsuki-shi,
Osaka
Total Floor Area : 59,506.89m²
Investment Type : Income
Number of Tenant : 1
Tenant : JUSCO



5 . Portfolio overview

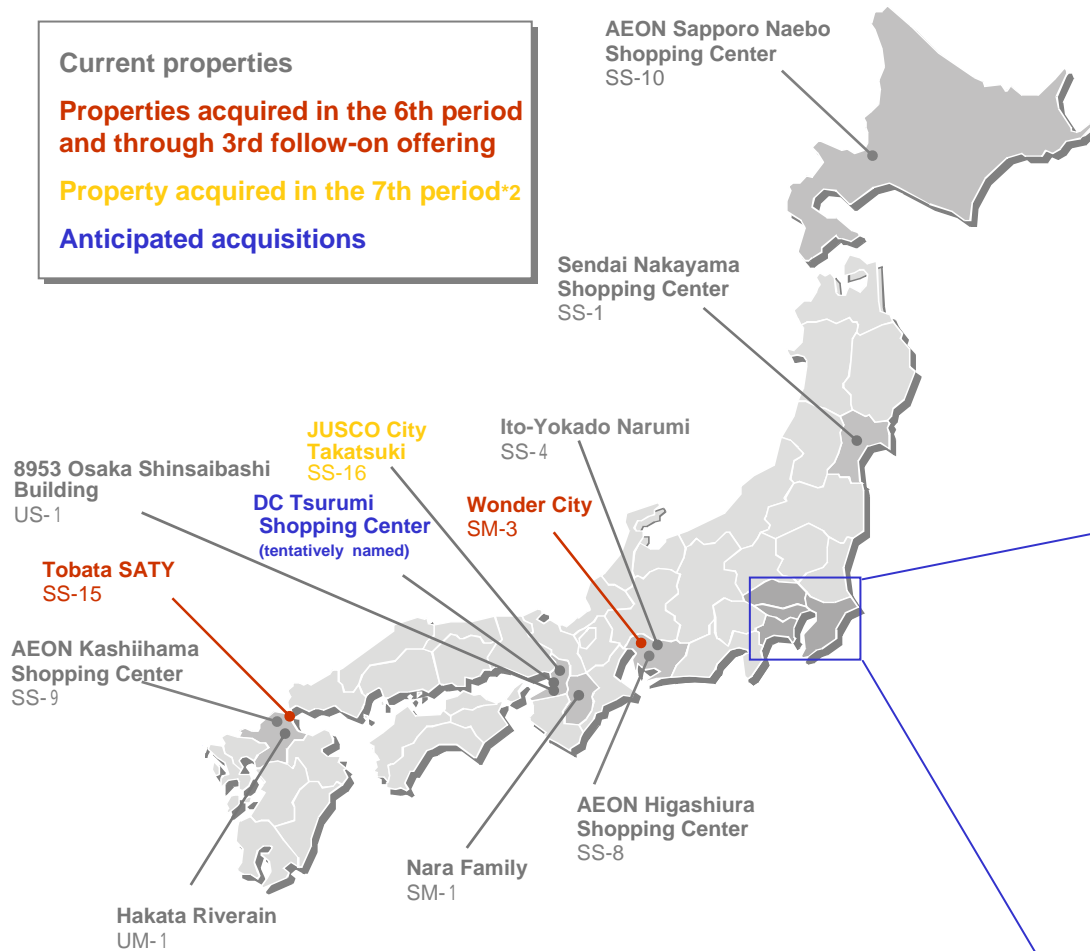
Portfolio map

Current properties

Properties acquired in the 6th period
and through 3rd follow-on offering

Property acquired in the 7th period*2

Anticipated acquisitions



Current properties



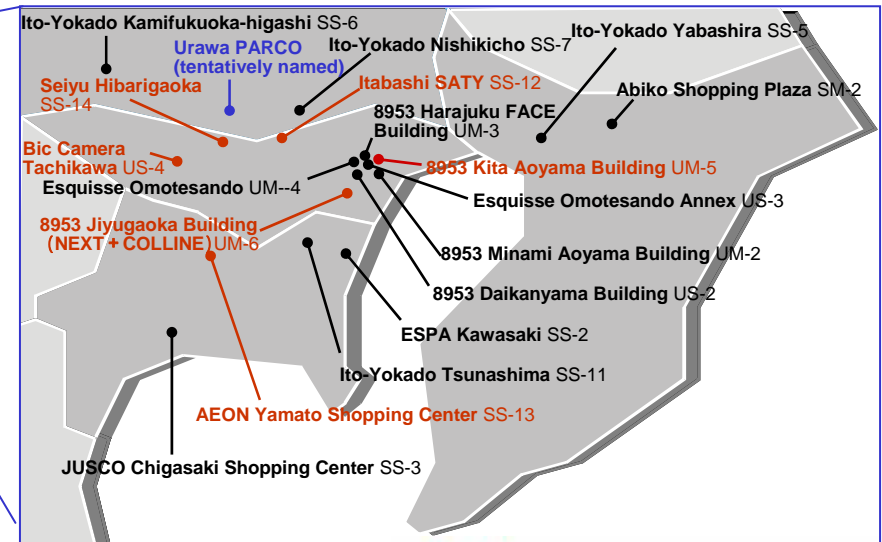
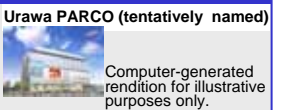
Properties acquired in the 6th period and through 3rd follow-on offering



Property acquired in the 7th period



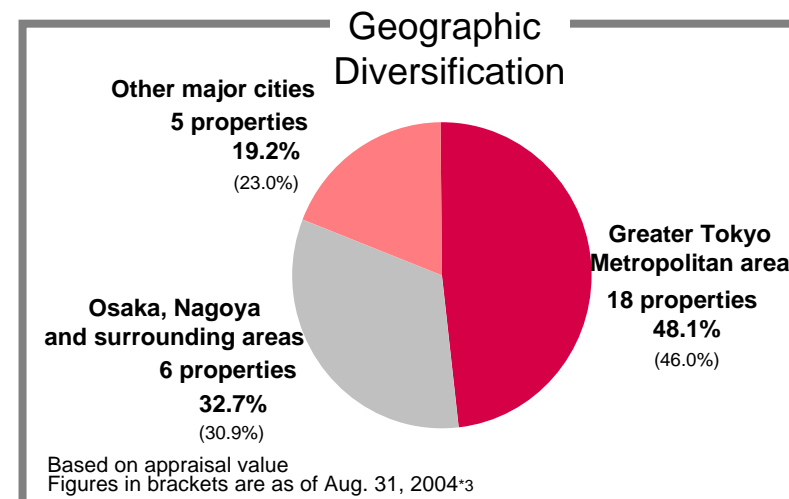
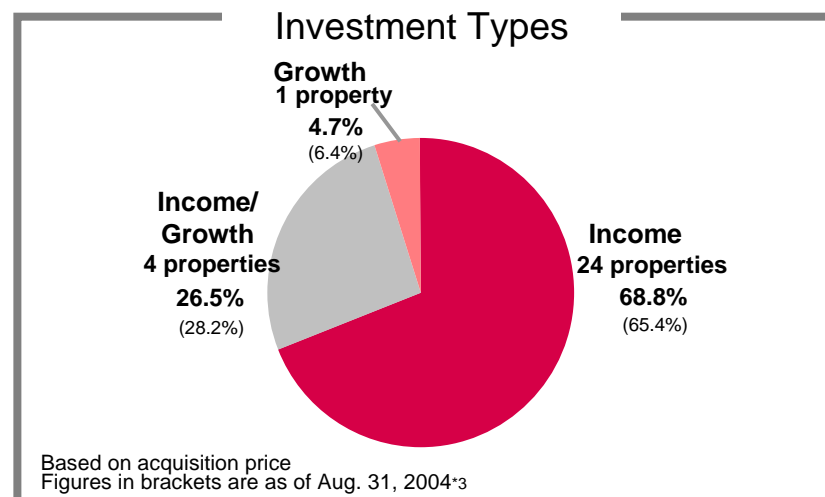
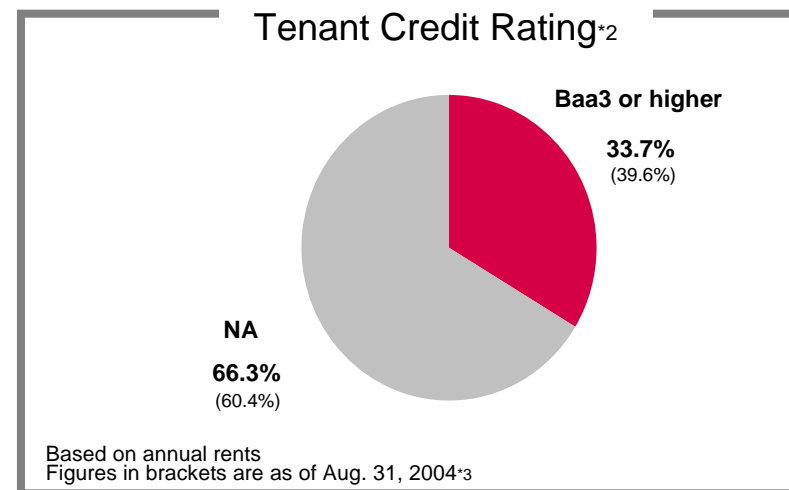
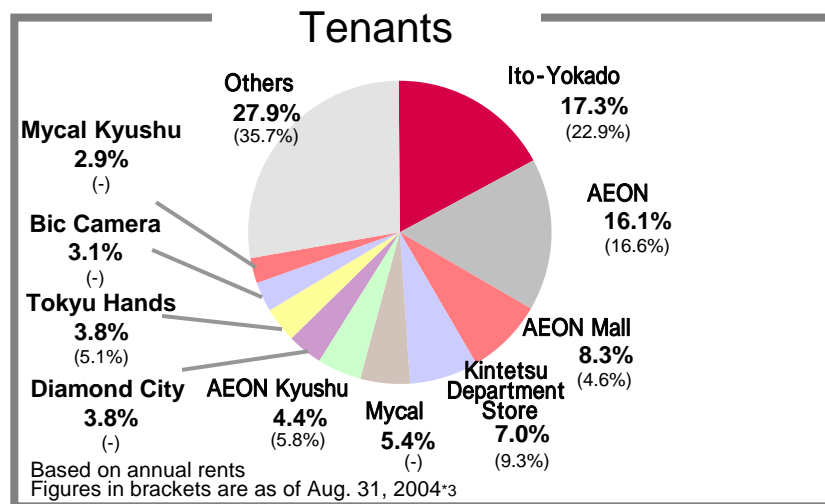
Anticipated acquisitions



*1 Properties including acquisitions in the 6th period, the 7th period and anticipated to be acquired after the 8th period (ending February 28, 2006)

*2 Property acquired in the 7th period excluding acquisitions through 3rd follow-on offering

Portfolio distribution (Total 29 properties)*₁

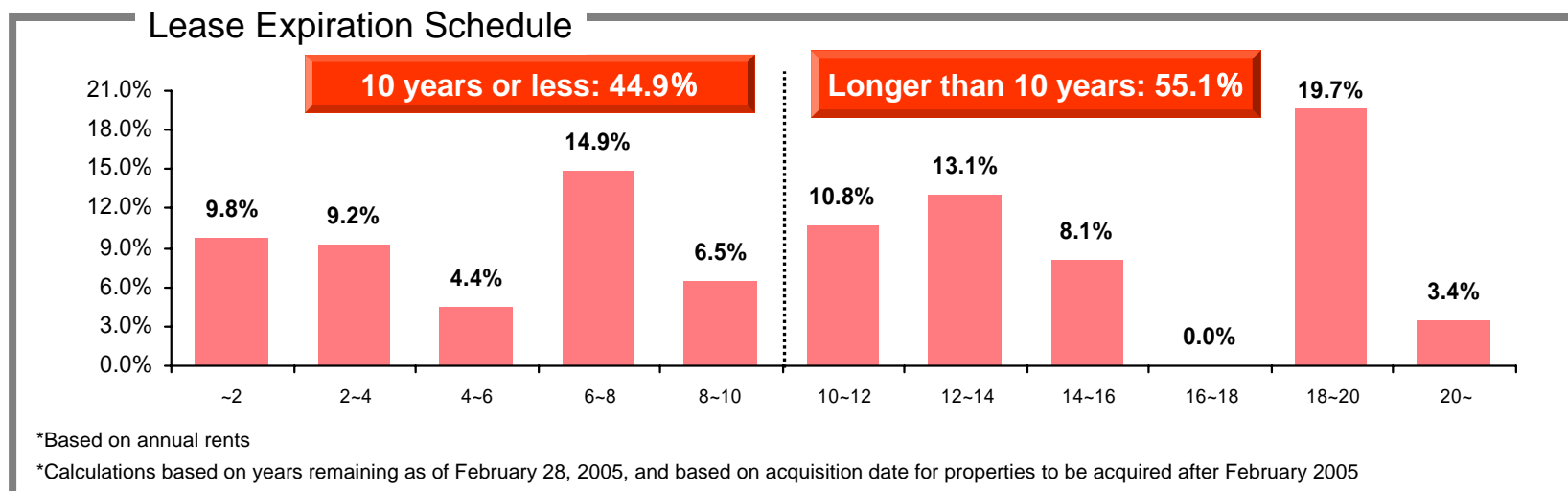
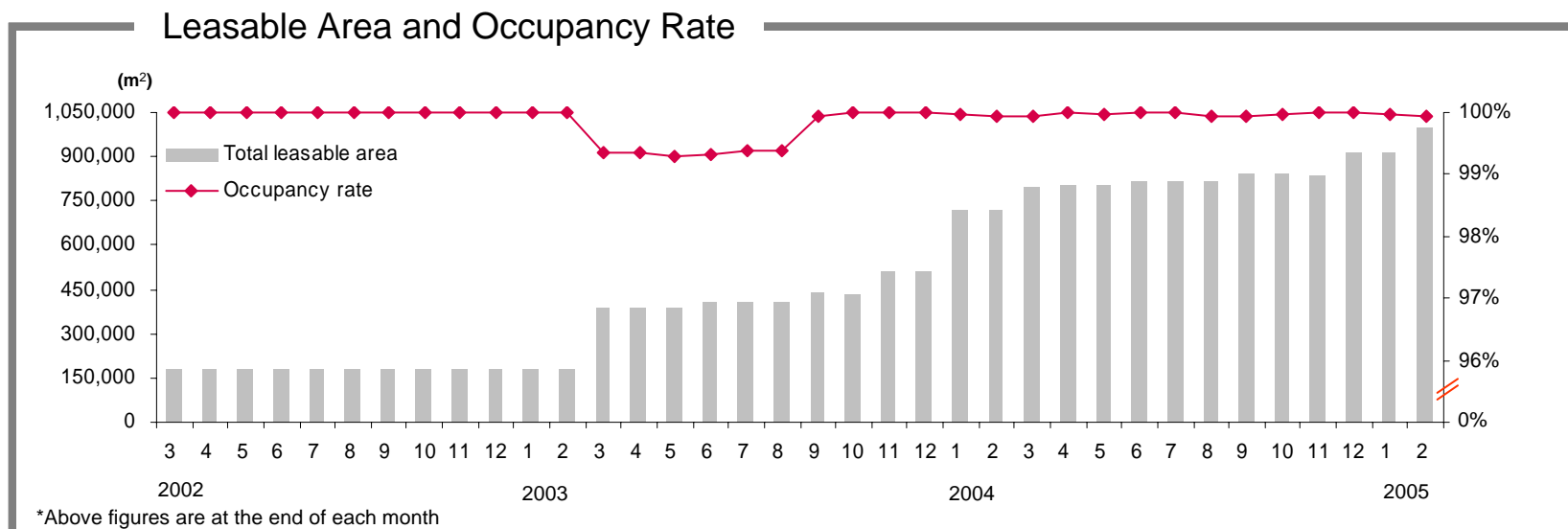


*₁ As of February 28, 2005. Figures do not include Urawa PARCO (tentatively named) and Diamond City Tsurumi Shopping Center (tentatively named) to be acquired after the 8th period
Figures do include total properties in the 6th period, properties acquired through offering (in March 2005) and newly acquired property during the 7th period

*₂ Moody's Investors Service Inc. (as of January 18, 2005)

*₃ Composition for the previous period is for a total of 21 properties, the portfolio at the end of August 2004 including Bic Camera Tachikawa

Portfolio occupancy rate and lease expiration schedule



Property portfolio

Property Name	Address	Year Acquired	Investment Type	Year(s) Constructed	Building Age *3	Leasable Area (㎡)	Occupancy Rate	Acquisition Price / (mn yen)	Appraisal Value (mn yen)	Share(%)	Cap Rate	Number of Tenants	Anchor/Core Tenants	PML (Seismic Risk)*5	Property Manager
Greater Tokyo Metropolitan area															
ESPA Kawasaki	Kawasaki-shi, Kanagawa	Mar & Dec-2002	Income	2000	4.8	56,891.2	100.00%	10,091	10,200	3.7%	6.2%	1	Ito-Yokado	10.9%	Diamond City
JUSCO Chigasaki SC	Chigasaki-shi, Kanagawa	Mar-2002	Income	2000	4.4	63,652.3	100.00%	8,300	8,000	2.9%	5.9%	1	JUSCO	9.1%	Geo Akamatsu
Abiko Shopping Plaza	Abiko-shi, Chiba	Mar-2003	Income/growth	1994	10.4	43,390.7	100.00%	10,200	11,100	4.0%	6.9%	48	Ito-Yokado	11.8%	Diamond City
8953 Minami Aoyama Bldg.	Minato-ku, Tokyo	Mar-2003	Income	2002	3.0	1,541.0	100.00%	5,350	5,330	1.9%	5.5%	3	Hugo Boss	13.0%	Ikoma CB Richard Ellis
Ito-Yokado Yabashira	Matsudo-shi, Chiba	Jun-2003	Income	1982	22.4	21,581.7	100.00%	1,616	1,750	0.6%	6.0%	1	Ito-Yokado	6.5%-7.4%	Xymax Alpha
Ito-Yokado Kamifukuoka-higashi	Kamifukuoka-shi, Saitama	Sep-2003	Income	1999	5.5	28,316.2	100.00%	6,900	6,800	2.5%	6.3%	1	Ito-Yokado	14.8%	Geo Akamatsu
Ito-Yokado Nishikicho	Warabi-shi, Saitama	Nov-2003	Income	2003	1.3	73,438.5	100.00%	13,212	13,200	4.8%	5.7%	1	Ito-Yokado	12.6%	Geo Akamatsu
8953 Daikanyama Bldg.	Shibuya-ku, Tokyo	Dec-2003	Income	1991	14.0	574.5	100.00%	1,235	1,280	0.5%	5.2%	1	Onward Kashiwama	5.4%	Mitsui Fudosan Building Management
8953 Harajuku FACE Bldg.	Shibuya-ku, Tokyo	Jan-2004	Income	1985	19.9	1,477.6	100.00%	2,770	2,800	1.0%	5.6%	5	Diesel	8.8%	Xymax Alpha
Esquisse Omotesando	Shibuya-ku, Tokyo	Mar-2004	Income/growth	1982	23.1	3,798.4	100.00%	14,500	14,500	5.3%	4.5%	16	Chanel, Yves Saint-Laurent, Gucci	7.1%	Geo Akamatsu
Esquisse Omotesando Annex	Shibuya-ku, Tokyo	Apr-2004	Income	1997	8.0	540.8	100.00%	860	900	0.3%	5.5%	2	LS Mode	5.0%	Mitsui Fudosan Building Management
Ito-Yokado Tsunashima	Yokohama-shi, Kanagawa	Jun-2004	Income	1982	23.0	16,549.5	100.00%	5,000	5,000	1.8%	6.1%	1	Ito-Yokado	16.3%	Jones Lang LaSalle
Bic Camera Tachikawa	Tachikawa-shi, Tokyo	Sep-2004	Income	1970	34.6	20,983.4	100.00%	11,920	12,000	4.4%	5.5%	2	Bic Camera	19.9%	Jones Lang LaSalle
Itabashi SATY	Itabashi-ku, Tokyo	Dec-2004	Income	2000	4.8	72,253.9	100.00%	12,400	12,400	4.5%	5.4%	1	SATY	9.4%	Xymax Alpha
8953 Kita Aoyama Bldg.	Minato-ku, Tokyo	Feb-2005	Income	2005	0.0	492.7	100.00%	989	995	0.4%	5.4%	2	NEWS, Best Bridal	10.8%	Office Mitsuki
AEON Yamato SC	Yamato-shi, Kanagawa	Feb-2005	Income	2001	3.3	85,226.7	100.00%	16,823	16,900	6.2%	5.5%	1	JUSCO	9.3%	Xymax Alpha
Seiyu Hibiyaoka	Nishi Tokyo-shi, Tokyo	Mar-2005	Income	1978	26.3	19,070.9	100.00%	6,100	6,100	2.2%	7.6%	1	SEIYU	13.2%	Ikoma CB Richard Ellis
8953 Jiyugaoka Bldg.	Meguro-ku, Tokyo	Mar-2005	Income	2005, 1984	5.5	1,814.1	90.14%	2,700	2,700	1.0%	5.2% *4	10	NEXT, Sūr Jiyugaoka	4.1%	Xymax Alpha
Subtotal / Weighted Average					11.7	511,594.0	99.97%	130,967	131,955	48.1%	5.7%	98	-		

*1 As of February 28, 2005. Total properties in the 6th period, properties acquired through offering (in March 2005) and newly acquired property during the 7th period are included in the portfolio

*2 Urawa PARCO (tentatively named) and Diamond City Tsurumi Shopping Center (tentatively named) are not included in the portfolio

*3 Numbers of building age are the weighted average of the years for total floor area of each building

*4 Cap rate of 8953 Jiyugaoka Building for NEXT is 5.2%. Cap rate of COLLINE is 5.5%

*5 PML (seismic risk) of building or portfolio is for the disaster/earthquake with 475 years of recovery period. These figures are included in the earthquake analysis report for each property
PML (seismic risk) of 8953 Jiyugaoka Building is only for COLLINE

Property portfolio

Property Name	Address	Year Acquired	Investment Type	Year(s) Constructed	Building Age *3	Leasable Area (㎡)	Occupancy Rate	Acquisition Price / (mn yen)	Appraisal Value (mn yen)	Share(%)	Cap Rate	Number of Tenants	Anchor/Core Tenants	PML (Seismic Risk)*5	Property Manager
<u>Osaka, Nagoya and surrounding areas</u>															
8953 Osaka Shinsaibashi Bldg.	Osaka-shi, Osaka	Mar-2002	Income	1999	6.1	13,667.0	100.00%	14,300	14,400	5.3%	5.2%	1	Tokyu Hands	4.8%	Xymax Alpha
Nara Family	Nara-shi, Nara	Mar-2003	Income/growth	1992, 1993	12.3	85,341.8	99.60%	31,241	32,400	11.8%	7.4%	131	Kintetsu Department, JUSCO	4.6%	Diamond Family
Ito-Yokado Narumi	Nagoya-shi, Aichi	Mar-2003	Income	1997	7.6	50,437.9	100.00%	8,540	8,300	3.0%	7.7%	1	Ito-Yokado	4.3%	Xymax Alpha
AEON Higashiura SC	Chita-gun, Aichi	Jan-2004	Income	2001	3.6	100,457.7	100.00%	6,700	6,860	2.5%	6.3%	1	JUSCO	7.5%	Xymax Alpha
Wonder City	Nagoya-shi, Aichi	Mar-2005	Income/growth	1970-2001	14.1	71,736.2	100.00%	15,900	16,100	5.9%	6.5%	27	Diamond City *6, Keiyo D2	5.2%	Xymax Alpha
JUSCO City Takatsuki	Takatsuki-shi, Osaka	Mar-2005	Income	1994, 1997	11.0	77,267.2	100.00%	11,700	11,700	4.3%	6.0%	1	JUSCO	2.9%	Ikoma CB Richard Ellis
Subtotal / Weighted Average					10.3	398,907.8	99.91%	88,381	89,760	32.7%	6.6%	162		-	
<u>Other major cities</u>															
Sendai Nakayama SC	Sendai-shi, Miyagi	Mar-2002	Income	1995-1999	8.7	46,249.0	100.00%	10,200	10,700	3.9%	7.2% *4	3	JUSCO, Keiyo D2 *7	1.1%-2.8%	Xymax Alpha
Hakata Riverain	Fukuoka-shi, Fukuoka	Mar-2003	Growth	1998	6.2	25,742.7	99.11%	12,600	13,300	4.8%	6.5%	79	IDC Otsuka kagu, LV, Gucci	1.9%	Geo Akamatsu
AEON Kashiihama SC	Fukuoka-shi, Fukuoka	Jan-2004	Income	2003	1.3	109,616.7	100.00%	13,300	12,900	4.7%	6.2%	1	JUSCO	0.8%	Geo Akamatsu
AEON Sapporo Naebo SC	Sapporo-shi, Hokkaido	Mar-2004	Income	2003	1.7	74,625.5	100.00%	9,260	9,250	3.4%	6.2%	1	JUSCO	2.6%	Xymax Alpha
Tobata SATY	Kita Kyusyu-shi, Fukuoka	Mar-2005	Income	1999	6.0	93,258.2	100.00%	6,290	6,390	2.3%	6.6%	1	SATY	1.3%	Geo Akamatsu
Subtotal / Weighted Average					4.6	349,492.2	99.93%	51,650	52,540	19.2%	6.5%	85		-	
Total / Weighted Average					9.9	1,259,993.9	99.94%	270,998	274,255	100.0%	6.2%	345		-	

*1 As of February 28, 2005. Total properties in the 6th period, properties acquired through offering (in March 2005) and newly acquired property during the 7th period are included in the portfolio

*2 Urawa PARCO (tentatively named) and Diamond City Tsurumi Shopping Center (tentatively named) are not included in the portfolio

*3 Numbers of building age are the weighted average of the years for total floor area of each building. As for Wonder City, numbers of building age are calculated based on the construction period or the inspection date after completion. These figures are the weighted average for the entire building except pump room

*4 Cap rate of Sendai Nakayama Shopping Center is for the area rent to JUSCO. Cap rate for the space rented to Keiyo D2 is 8.0%

*5 PML (seismic risk) of building or portfolio is for the disaster/earthquake with 475 years of recovery period. These figures are included in the earthquake analysis report for each property

*6 Diamond City, a tenant of Wonder City, partly sublet the property to AEON (JUSCO)

*7 Keiyo D2, a tenant of Sendai Nakayama Shopping Center (rental space 3,644.48㎡), gave notice to cancel its lease agreement on January 5, 2005 and closed its store on March 31, 2005

6 . Management strategy

Management strategy

External Growth

- ◆ Continue acquisition of properties to achieve 400 billion yen of total assets by March 2007
- ◆ Expansion of acquisition sources through the use of methods such as purchases of development-type properties and TK investment (similar to limited partnerships)

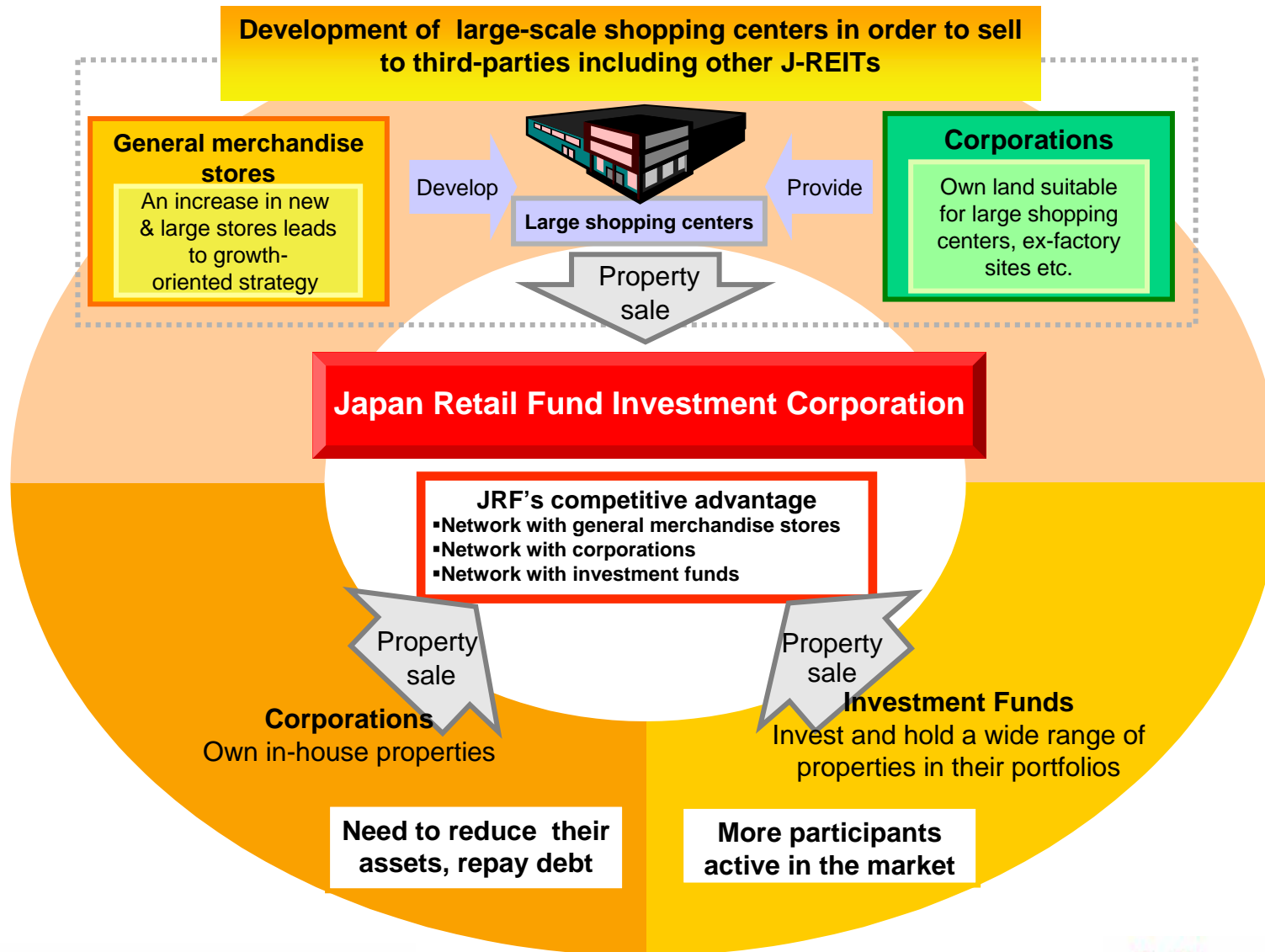
Internal Growth

- ◆ Cost cutting
- ◆ Enhancement and maintenance of competitive edge through renovation of properties

Financial Strategy

- ◆ Flexible financing using unsecured loan facilities and J-REIT corporate bonds

Business environment: Diversified deal flows



Diversification of JRF's acquisition strategies (1):

Urawa PARCO (tentatively named)

Concluded purchase agreement of Urawa PARCO under development



Computer-generated rendition for illustrative purposes only

Location : Higashi Takasago-cho, Urawa-ku,
Saitama-shi, Saitama

Total Floor Area : 56,306.80m² (expected to be acquired)

Floors : The building itself is expected to be 10
floors above ground and 4 floors underground.
JRF to purchase B1 to the seventh floor, with
a portion of B2

Completion Date : September 2007 (planned)

Investment Type : Income

Number of Tenant : 1

Anchor Tenant : PARCO (Lease period : 20 years after opening)

Purpose of Acquisition

- To diversify JRF's acquisition strategies by acquiring development-type properties as one way to acquire prime properties

Mitigating Risks

- Purchase and sales contracts subject to closing conditions
- 20 year fixed leases

Development Plan



Diversification of JRF's acquisition strategies (2): Diamond City Tsurumi Shopping Center (tentatively named)

The acquisition of TK investment (similar to limited partnerships) in a SPC conferring preferential right to purchase Diamond City Tsurumi Shopping Center

Summary

- ◆ Investors in the “TK” are given preferential right to purchase Diamond City Tsurumi Shopping Center (tentatively named) upon its completion
- ◆ JRF is able to acquire preferential right to purchase a high quality large shopping mall while minimizing risk (maximum investment amount: 1.6 billion yen)
- ◆ Reduce development risk by concluding fixed lease agreement with termination clause with the property's tenant, Diamond City

Purpose of Acquisition

- Acquisition of high quality property with rarity value
- Increase income-type assets located in urban areas

Mitigating Risks

- Limiting risk by using “TK” (maximum investment amount 1.6 billion yen)
- Fixed lease agreement with termination clause with Diamond City

Location : Tsurumi-ku, Osaka-shi, Osaka
(and adjacent properties)

Total Floor Area : Approximately 150,000m²

Floors : Stores -expected to be 5 stories high
and have 1 basement floor.
Multilevel parking lot -expected to
be 9 stories high and have 1 basement floor.

Start of Construction : December 2005

Completion Date : December 2006

Investment Style : Income

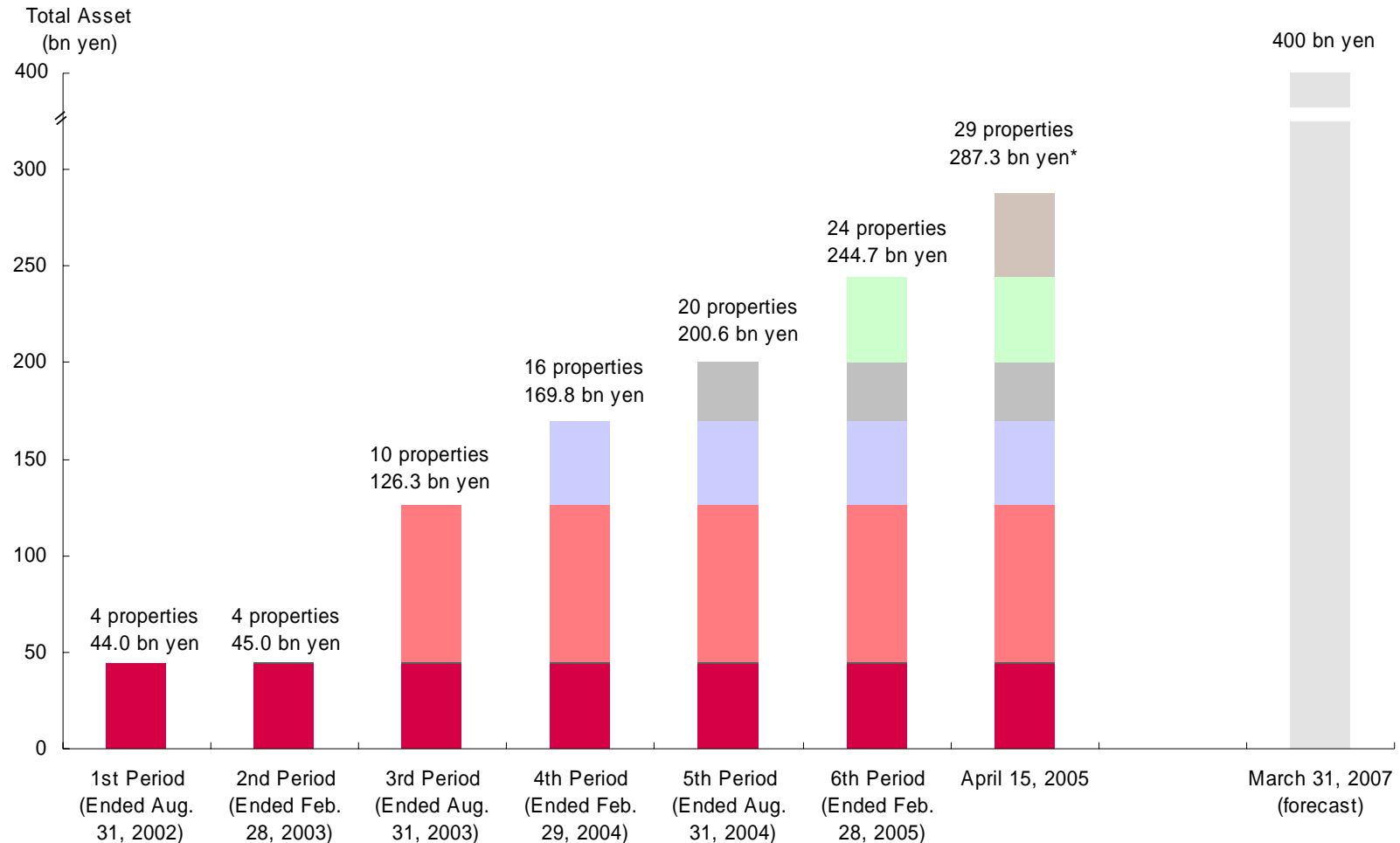
Number of Tenant : 1

Tenant : Diamond City (Lease period: 15 years after opening)

Area map



History of portfolio growth



* Total assets as of April 15, 2005 is the aggregation of total assets at the end of the 6th period and the acquisition price of acquired properties in the 7th period

**The number and amount of properties in the deal flow January 2004 and December 2004:
240 properties (cumulative total 617), about 1,040 billion yen (cumulative total 4,000 billion yen)**

Internal growth strategy: Cost cutting

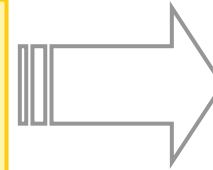
Reduction of utility cost

Reduce electricity cost

Nara Family

Change contract from ENNET to Kansai Electric Power

Expected annual cost reduction of 18 million yen



Hakata Riverain

Reduce price by negotiating with electricity company

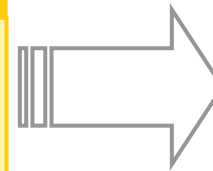
Expected annual cost reduction of 12 million yen

Reduce amount of electricity used

Abiko Shopping Plaza

Introduce water-saving toilets & save electricity by installing online power system for air conditioning

Estimate 15.5 million yen of annual cost reduction



Apply the same strategy to other properties

Effective use of parking area

Reduce operating cost

Improve customer satisfaction

Secure fixed income

Nara Family

Outsource management to Park 24

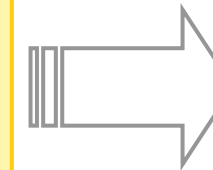
Before outsourcing :

Monthly income 9 million yen

Monthly expense 5.5 million yen

After outsourcing :

Monthly income 4 million yen



Apply the same strategy to Abiko Shopping Plaza this summer

Internal growth strategy: Renovating existing properties to maintain and enhance competitive edge

Environment surrounding Abiko Shopping Plaza

Condominium development in the neighboring areas

Approximately 1,700 new condominium units will be developed within walking distance by 2007

Population increase, especially young families, in primary trading area is expected

Competitors

- A new shopping mall, Mallage Kashiwa, opened 3.5 km northwest of the property in July 2004
- A large commercial complex, by Mitsui Fudosan, of about 170 stores will be opened 8km away from the property in fall 2006

Potential contraction of current trading area and loss of customers due to increased competition

Large-scale renovation

Improve customer satisfaction for existing customers

Attract young families

Strengthen JRF brand image

Internal growth strategy: Renovation of existing properties

Renovation summary

Timing: Late October 2005 (expected)

Cost: Approximately 1 billion yen

Details: Exterior

Interior: Floor plan renewal

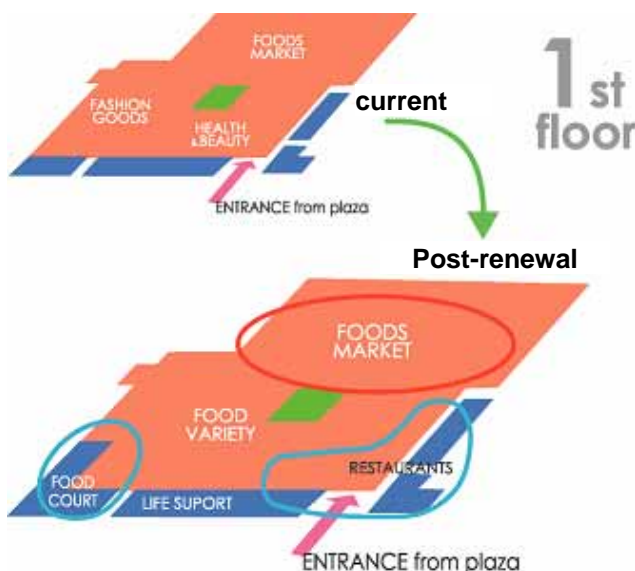
First collaboration between Aeon-affiliated Diamond City (property manager) and Ito-Yokado

Impact: Estimate 1.7 billion yen of annual sales increase at specialty shops and 100 million yen of rent increase

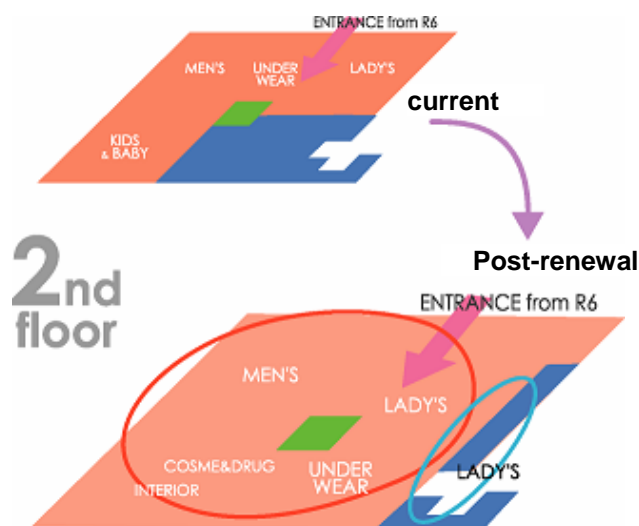
Enhance competitive edge by renovating interior and exterior

Increase attraction for customers by changing store lineup

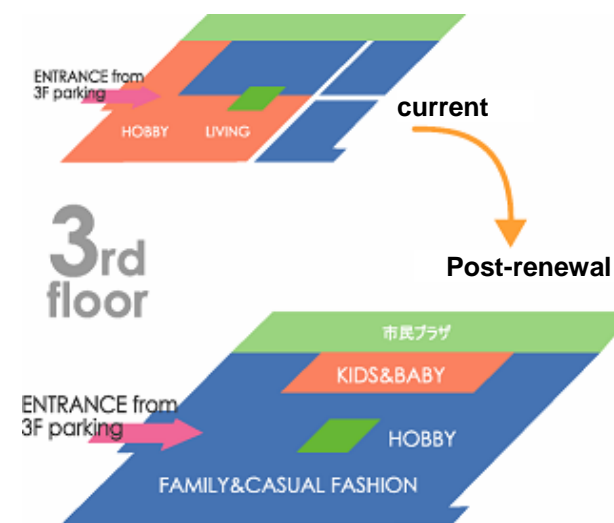
Step-by-step renovation to minimize impact on income



Relaxation/recreation area for shoppers



Focus on ladies' wear

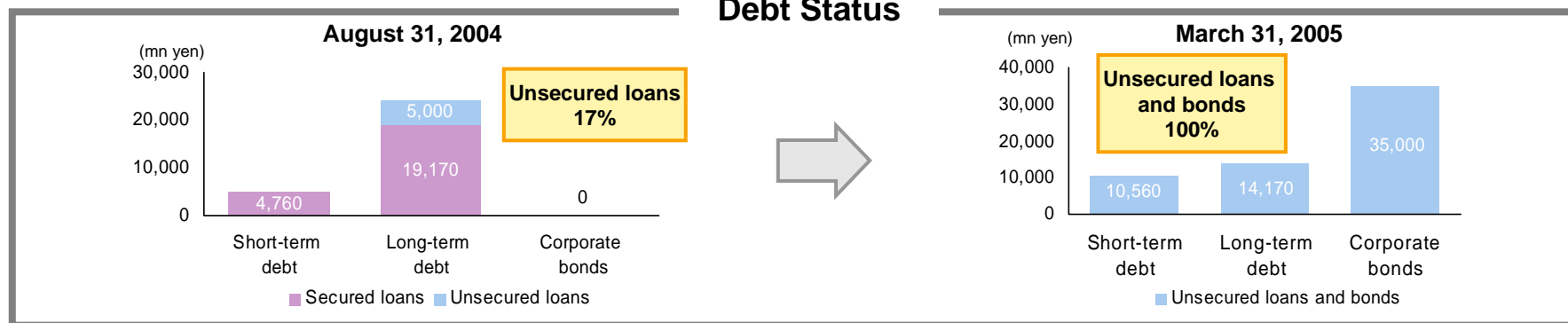


Well-known stores to attract young families

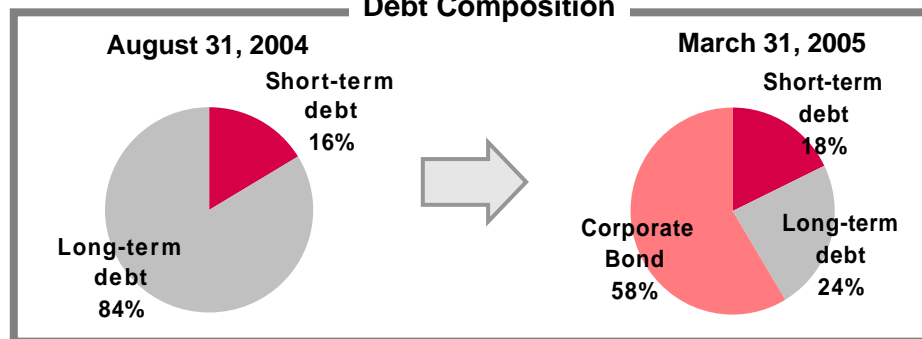
Financial strategy

- ◆ Maintain healthy debt ratio
- ◆ Flexible financing strategy
- ◆ Utilize deposits and guarantee money received from tenants

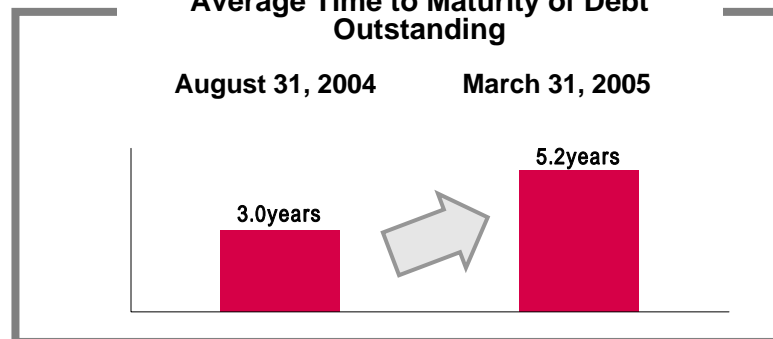
Debt Status



Debt Composition



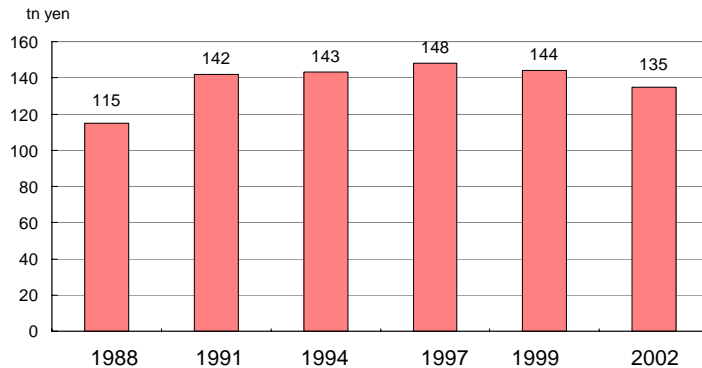
Average Time to Maturity of Debt Outstanding



Appendix

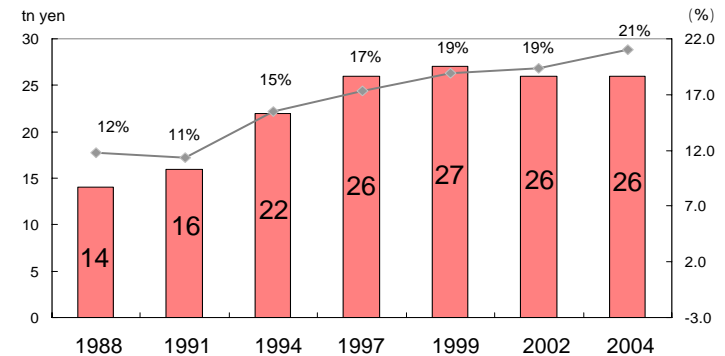
Retail sector trends in Japan

Total Sales of Retail Sector



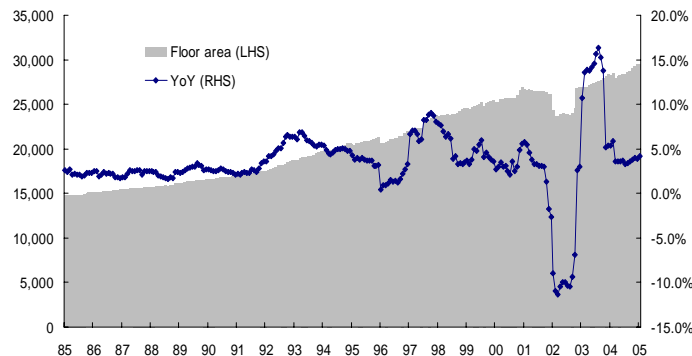
■ Total sales of retail sector

Total Sales and Market Share of Shopping Centers in the Retail Sector



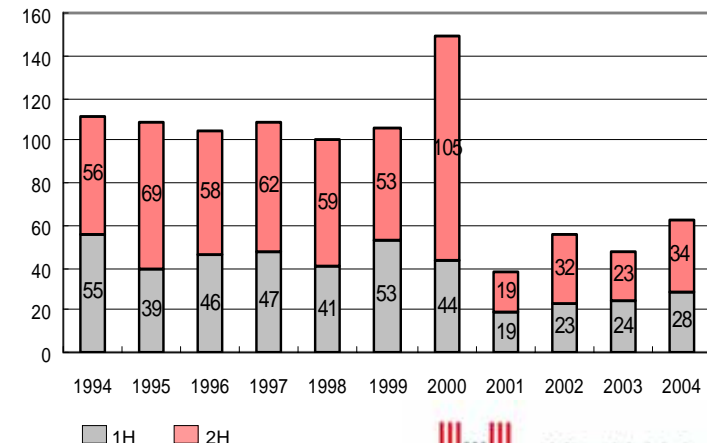
■ Total sales of shopping centers — Market share of shopping centers in the retail sector

Floor Area of Department Stores and Supermarkets



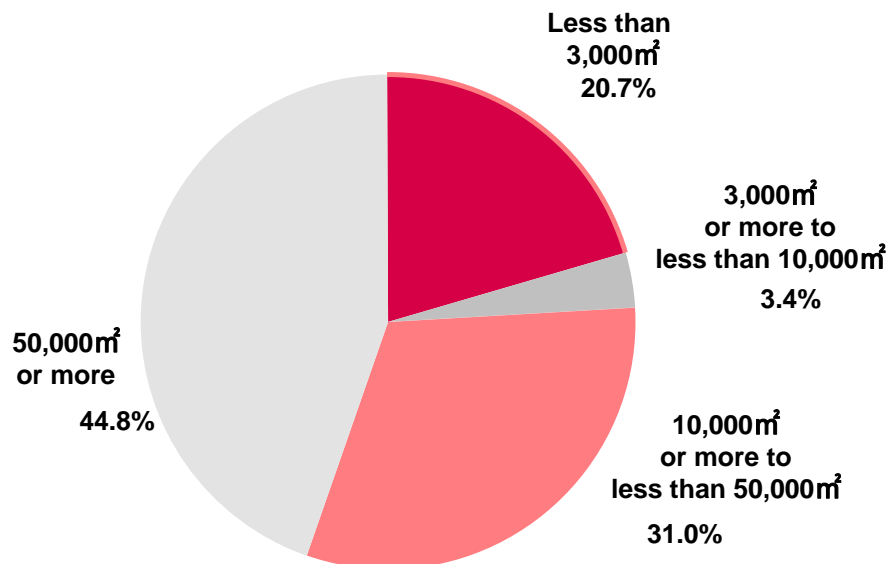
Source: Japan Department Stores Association, Japan Chain Stores Association

Number of New Shopping Center Developments in Japan

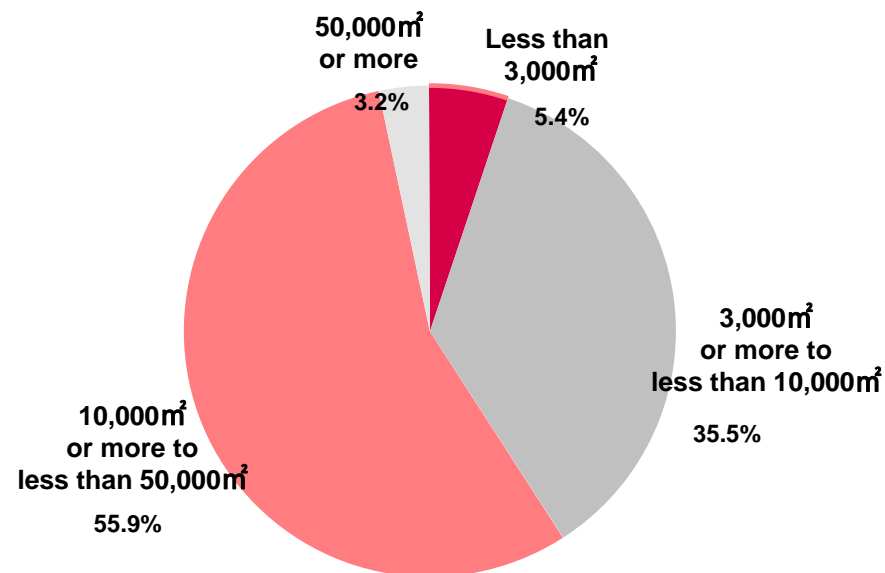


Selection and concentration of properties

JRF Portfolio Breakdown by Total Floor Area



Number of Domestic Shopping Centers Breakdown by Floor Area



*1 Floor space includes common area and operation area frequently used by customers (excluding hotel and car park)

*2 Domestic shopping centers are defined as follows:

- Buildings with over 1,500m² floor area
- Anchor tenants do not occupy over 80% of total floor area
(This is not the case if other tenants occupy over 1,500m² floor area)

*3 Ratios (number of properties in each category/number of total properties) are rounded down to one decimal place

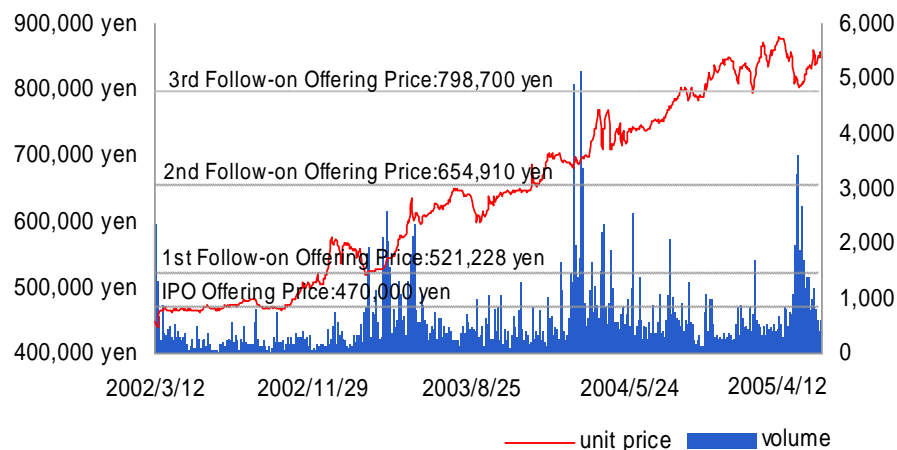
*4 Total Floor Areas in the JRF portfolio properties include portions for properties already owned by JRF as of the date of this material

*5 JRF's property portfolio is not limited to shopping centers as defined by JAPAN COUNCIL OF SHOPPING CENTERS

Source: JAPAN COUNCIL OF SHOPPING CENTERS (as of December 2004)

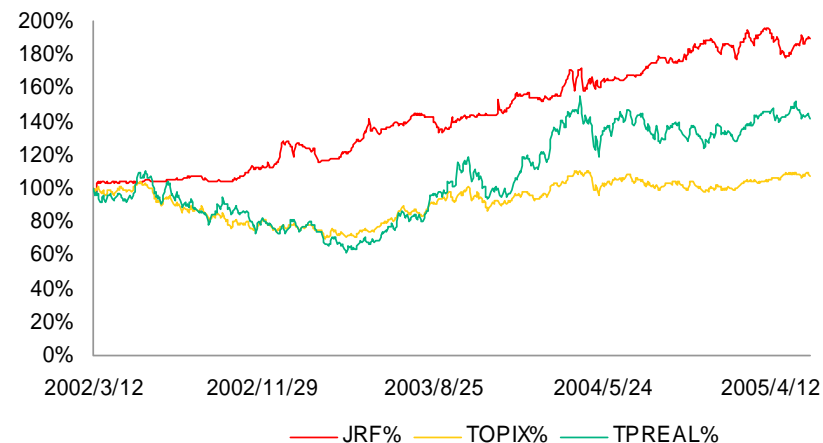
Investment unit price performance

Unit Price
(Based on closing on April 12, 2005)*1



High	881,000 yen (February 2, 2005)
Low	433,000 yen (March 13, 2002)
Average price (closing price basis)	643,915 yen (as of April 12, 2005)
Total volume	375,239 units (as of April 12, 2005)
Daily average volume	493 units (as of April 12, 2005)

Relative Price Fluctuations
(Based on the closing on April 12, 2005)*1 *2



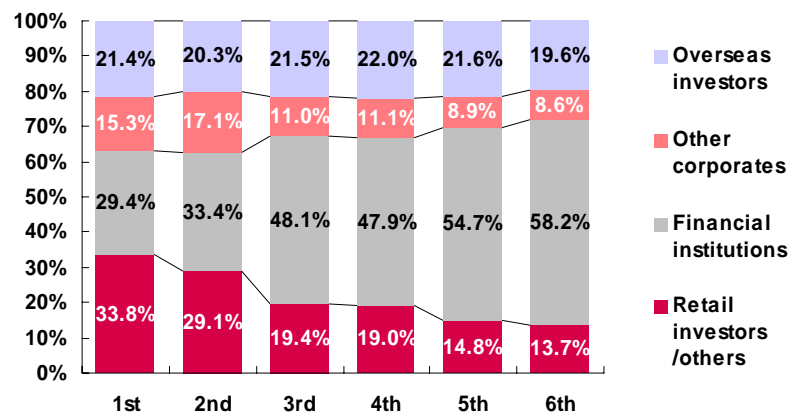
*1 Closing price basis

*2 March 12, 2002 closing price as 100%

Source: Bloomberg

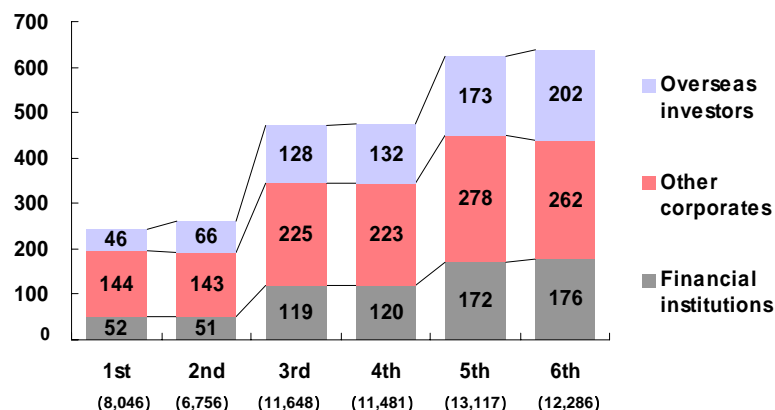
Composition of unitholders

Number of Units



Number of Unitholders*

(No. of people)



* Excluding retail investors/others

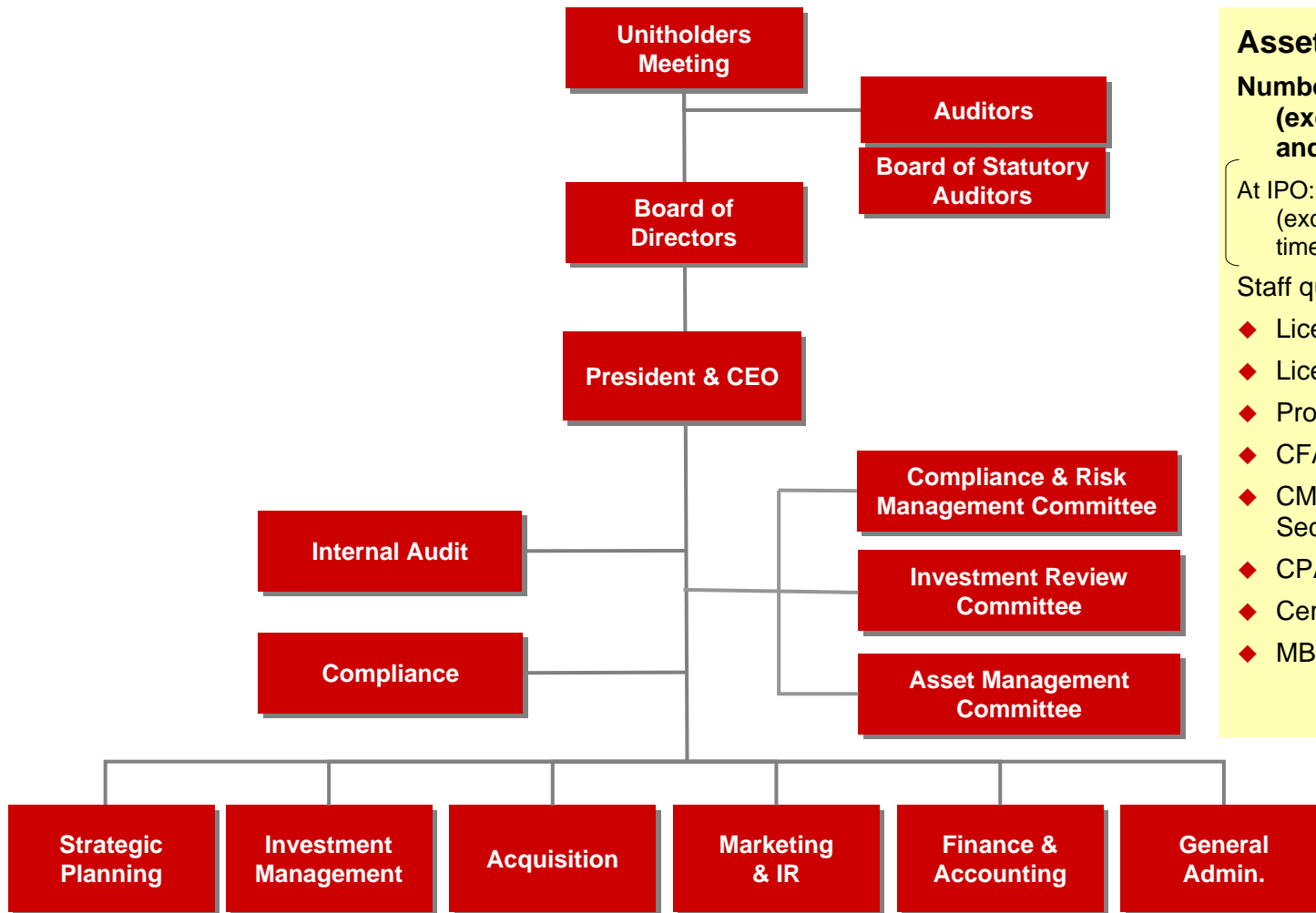
** Total number of unitholders including retail investors/others

Top 20 Unitholders as of February 28, 2005

Rank	Name	No. of units	Ratio (%)
1	Japan Trustee Services Bank, Trust account	13,607	6.20
2	Mitsubishi Corporation	10,975	5.00
3	The Master Trust Bank of Japan, Trust account	8,462	3.86
4	Chugoku Bank	7,911	3.60
5	Trust & Custody Services Bank, Trust account	6,220	2.83
6	The Bank of New York	6,129	2.79
7	Joyo Bank	5,948	2.71
8	AIG Star Life Insurance, General account	5,857	2.67
9	Bank of Ikeda	5,543	2.53
10	Gibraltar Life, units are held in the general and other account	4,886	2.23
11	North Pacific Bank	4,364	1.99
12	Nomura Securities	3,833	1.75
13	The Senshu Bank	3,332	1.52
14	Hiroshima Bank	3,293	1.50
15	Kansai Urban Banking Corporation	3,215	1.46
16	Yamanashi Chuo Bank	3,093	1.41
17	Mellon Bank-ABN Amro Global Custody N.V.	3,087	1.41
18	NikkoCiti Trust and Banking Corporation, Trust account	2,226	1.01
19	Goldman Sachs International	2,204	1.00
20	The Hachijuni Bank	2,179	0.99
Total		106,364	48.46



Management company structure



Asset management company :

**Number of directors and employees: 35
(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
◆ Licensed 1st class 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