



**Eighth Fiscal Period Results**  
**(September 1, 2005 – February 28, 2006)**

## **DISCLAIMER**

This document contains translations of selected information described in the Financial Release (*"Kessan Tanshin"*) prepared under the timely-disclosure requirements of the Tokyo Stock Exchange, and portions of the Financial Statements and the Performance Information Report for the eighth fiscal period from September 1, 2005 to February 28, 2006, of Japan Retail Fund Investment Corporation ("JRF") prepared pursuant to the Investment Trust Law of Japan.

This English language document was prepared solely for the convenience of and reference by overseas investors and neither corresponds to the original Japanese documents nor is it intended to constitute a disclosure document. The Japanese language Financial Release and the Financial Statements and the Performance Information Report for the aforementioned should always be referred to as originals of this document.

English terms for Japanese legal, accounting, tax and business concepts used herein may not be precisely identical to the concepts of the equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese documents and English statements contained herein, the original Japanese documents will always govern the meaning and interpretation. Neither JRF, Mitsubishi Corp.-UBS Realty Inc. ("MC-UBSR") nor any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of English translations or the selection of the portions(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than as contained in this document in relation to the matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by JRF, MC-UBSR or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

The financial statements of JRF have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP) which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

Certain provisions of this document contain forward-looking statements and information. We base these statements on our beliefs as well as our assumptions based solely on certain limited information currently available to us. Because these statements reflect our current views concerning future events, these statements involve known and unknown risks, uncertainties and assumptions. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause actual results to differ, possibly materially, from expectations or estimates reflected in such forward-looking statements, including without limitation: the general economy, market conditions, financial markets including the performance of the retail market, interest rate fluctuations, competition with our retail properties, and the impact of changing regulations or taxation. JRF does not intend, and is under no obligation to update any particular forward-looking statement included in this document to reflect future events or circumstances or of any statements or information contained therein.

April 13, 2006

**Japan Retail Fund Investment Corporation**  
**Announcement of Eighth Fiscal Period Results**

**Distribution Per Unit 2.9% Above Estimates**

**Summary of Financial Results**

Japan Retail Fund Investment Corporation (“JRF”; TSE ticker code: 8953) today announced the financial results of its eighth fiscal period for the six months ending February 28, 2006.

For the eighth fiscal period, JRF reported gross revenues of ¥13,047 million, operating income of ¥5,290 million, income before income taxes of ¥4,797 million, net income of ¥4,795 million and earnings and cash distributions per unit of ¥15,851. The cash distributions per unit exceeded the estimate of ¥15,401 reported to the Tokyo Stock Exchange on October 17, 2005 by 2.9%.

As of February 28, 2006, JRF’s property portfolio consisted of 34 retail properties and was independently appraised at ¥332,307 million in aggregate.

The assets of JRF totaled ¥ 339,845 million as of February 28, 2006, short-term loans were ¥25,000 million, long-term borrowings and corporate bonds were ¥14,170 million and ¥ 45,000 million, respectively, and total unitholders’ equity was ¥186,353 million, or ¥616,037 per unit, with a total of 302,502 units outstanding.

“We believe these operating results demonstrate the continued strong performance of our retail property ownership business,” said Yuichi Hiromoto, Executive Director of JRF as well as the President and CEO of JRF’s Asset Manager, Mitsubishi Corp.-UBS Realty Inc. “Our focus on acquiring quality properties, operating them effectively and taking advantage of opportunities to increase property-level income provides a steady basis for ongoing distributions per unit.”

## Eighth Fiscal Period Highlights

**Operating Environment:** On September 14, 2005, JRF completed its fifth public equity offering totaling 23,000 new investment units at a price of ¥861,300 per unit. 11,600 of the units were issued in connection with a Japanese Primary Offering, and the remaining 11,400 units were issued in connection with an International Offering pursuant to Rule 144A and Regulation S under the U.S. Securities Act of 1933.

Net proceeds of approximately ¥19 billion from these Offerings were primarily utilized to repay JRF's outstanding short term loans incurred in connection with the acquisitions in the preceding fiscal period.

During the fiscal period, JRF also completed the acquisitions of the following two retail properties with an aggregate purchase price of ¥ 18,440 million. These acquisitions were financed through a combination of cash on hand, the assumption of tenant leasehold and security deposits due upon lease termination and short-term bank loans. Details are as follows:

<u>Name of property</u>	<u>Acquisition Date</u>	(JPY in millions)	
		<u>Acquisition Price</u>	<u>Amount of Short-term loans</u>
Jusco City Nishi-Otsu	December 20, 2005	13,100	13,000
Kyoto Family	December 21, 2005	<u>5,340</u>	<u>5,200</u>
Total		<u>18,440</u>	<u>18,200</u>

**Leverage:** As of February 28, 2006, JRF's overall leverage level was 44.1% (24.8% excluding tenant deposits).

**JRF's Portfolio Profile:** As of February 28, 2006, JRF's portfolio was comprised of 34 retail properties with 1,492,367 square meters of leasable space, including one property where the land is owned by JRF and leased to a third party.

## **Subsequent Event: Acquisition after the Balance Sheet Date**

**Additional Acquisition:** On March 24, 2006, JRF completed the acquisition of Higashi-Totsuka Aurora City for ¥50,500 million. The acquisition was financed through the assumption of ¥5,797 million of non-interest bearing security deposits due upon lease termination and the remainder through short-term bank loans.

## **Forecasts for the Ninth and Tenth Fiscal Periods**

**Performance Forecasts:** For the ninth fiscal period from March 1, 2006 to August 31, 2006, JRF estimates gross revenues at ¥14,782 million and net income at ¥4,691 million, or ¥15,507 per unit. For the tenth fiscal period from September 1, 2006 to February 28, 2007, JRF estimates gross revenues at ¥15,394 million and net income at ¥4,766 million, or ¥15,755 per unit. Our forecasts assume no further property acquisitions during the ninth and the tenth fiscal periods apart from the acquisition of Higashi-Totsuka Aurora City in March 2006 as described in the previous paragraph and the planned acquisition of Loc City Ogaki at the end of July 2006.

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 portfolio, are reasonable. However, these forecasts are not a guarantee of JRF's ninth and tenth period performance and final results may differ due to unforeseen circumstances.

Please also refer to the "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.

**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: 81-3-5293-7081)

**(Summary Financial Information Attached)**

**JAPAN RETAIL FUND INVESTMENT CORPORATION**  
**BALANCE SHEETS**  
As of August 31, 2005 and February 28, 2006

	<u>August 31, 2005</u> <u>(JPY in Millions)</u>	<u>February 28, 2006</u> <u>(JPY in Millions)</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	12,421	23,801
Rental receivables	545	610
Consumption tax refundable	757	23
Prepaid expenses and other assets	527	358
<b>Total current assets</b>	<u>14,251</u>	<u>24,793</u>
<b>Non-current assets:</b>		
<b>Property and equipment, at cost:</b>		
Land	179,611	188,740
Buildings	110,879	117,886
Building improvements	5,448	6,166
Machinery and equipment	1,517	1,616
	<u>297,455</u>	<u>314,408</u>
Less: Accumulated depreciation	<u>(7,952)</u>	<u>(10,122)</u>
<b>Net property and equipment</b>	289,503	304,286
<b>Other assets:</b>		
Leasehold rights	4,166	6,104
Other intangible assets	168	159
Deposits	2,801	3,101
Investment	849	840
Long-term prepaid expenses	135	136
Organization costs	28	14
Bonds issuance costs	119	139
Other	331	273
<b>Total other assets</b>	<u>8,596</u>	<u>10,766</u>
<b>TOTAL ASSETS</b>	<u><u>312,350</u></u>	<u><u>339,845</u></u>

Note: The sum may not equal the total due to rounding.

**JAPAN RETAIL FUND INVESTMENT CORPORATION**  
**BALANCE SHEETS**  
**As of August 31, 2005 and February 28, 2006**

	<u>August 31, 2005</u> <u>(JPY in Millions)</u>	<u>February 28, 2006</u> <u>(JPY in Millions)</u>
<b>LIABILITIES AND UNITHOLDERS' EQUITY</b>		
<b>Current liabilities:</b>		
Short-term debt	25,860	25,000
Tenant leasehold and security deposits	-	4,467
Rent received in advance	1,008	1,012
Accrued expenses and other liabilities	2,285	2,421
<b>Total current liabilities</b>	<u>29,153</u>	<u>32,899</u>
<b>Non-current liabilities:</b>		
Long-term debt	14,170	14,170
Bonds issued - unsecured	35,000	45,000
Tenant leasehold and security deposits	67,056	61,390
Other	125	33
<b>Total non-current liabilities</b>	<u>116,352</u>	<u>120,593</u>
<b>TOTAL LIABILITIES</b>	<u>145,505</u>	<u>153,492</u>
<b>Unitholders' equity:</b>		
Unitholders' capital, 2,000,000 units authorized 279,502 units (as of August 31, 2005) and 302,502 units (as of February 28, 2006) issued and outstanding	162,448	181,558
Retained earnings	4,397	4,795
<b>TOTAL UNITHOLDERS' EQUITY</b>	<u>166,845</u>	<u>186,353</u>
<b>TOTAL LIABILITIES AND UNITHOLDERS' EQUITY</b>	<u><u>312,350</u></u>	<u><u>339,845</u></u>

Note: The sum may not equal the total due to rounding.

**JAPAN RETAIL FUND INVESTMENT CORPORATION**  
**STATEMENTS OF INCOME AND RETAINED EARNINGS**  
For the Six Months Ended  
**August 31, 2005 and February 28, 2006**

	<u>March 1, 2005 to</u> <u>August 31, 2005</u> <u>(JPY in Millions)</u>	<u>September 1, 2005 to</u> <u>February 28, 2006</u> <u>(JPY in Millions)</u>
<b>Operating revenues</b>		
Rental and other operating revenues	12,226	13,047
<b>Operating expenses</b>		
Property-related expenses	6,080	6,496
Loss on disposal of property	-	16
Asset management fees	911	970
Custodian fees	45	53
General administration fees	105	108
Other	112	113
	<u>7,252</u>	<u>7,757</u>
<b>Operating income</b>	4,973	5,290
<b>Non-operating revenues</b>		
Non-operating revenues	3	9
<b>Non-operating expenses</b>		
Interest expense	362	367
Offering costs	115	33
Amortization of organization costs	14	14
Amortization of bonds issuance costs	30	40
Other non-operating expenses	59	48
<b>Income before income taxes</b>	<u>4,397</u>	<u>4,797</u>
Income taxes	0	2
<b>Net income</b>	<u><u>4,397</u></u>	<u><u>4,795</u></u>

Note: The sum may not equal the total due to rounding.

**JAPAN RETAIL FUND INVESTMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the Six Months Ended**  
**August 31, 2005 and February 28, 2006**

	<u>March 1, 2005 to</u> <u>August 31, 2005</u> <u>(JPY in Millions)</u>	<u>September 1, 2005 to</u> <u>February 28, 2006</u> <u>(JPY in Millions)</u>
<b>Cash Flows from Operating Activities:</b>		
Income before income taxes	4,397	4,797
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	2,306	2,472
Amortization of organization costs	14	14
Interest expense	362	367
Amortization of bond issuance costs	30	40
Loss on disposal of fixed assets	27	16
Loss on disposal of property	-	16
Changes in assets and liabilities:		
Consumption tax refundable	(313)	734
Accounts payable	(99)	(55)
Rent received in advance	126	4
Accrued expenses and other liabilities	350	278
Other, net	(491)	(345)
Net cash provided by operating activities	6,709	8,338
<b>Cash Flows from Investing Activities:</b>		
Purchases of property and equipment	(65,559)	(20,381)
Proceeds from disposal of property	-	1,164
Investment in securities	(852)	-
Proceeds from (payment of) tenant leasehold and security deposits	15,254	(1,200)
Proceeds from (payment of) deposits and other investment assets	28	(334)
Net cash used in investing activities	(51,128)	(20,752)
<b>Cash Flows from Financing Activities:</b>		
Proceeds from short-term debt	30,100	18,200
Repayments of short-term debt	(25,500)	(19,060)
Proceeds from issuance of investment units	46,259	19,110
Proceeds from bonds issuance	-	9,940
Distribution payments	(3,381)	(4,396)
Net cash provided by financing activities	47,478	23,794
<b>Net change in cash and cash equivalents</b>	3,058	11,380
<b>Cash and cash equivalents at beginning of period</b>	9,363	12,421
<b>Cash and cash equivalents at end of period</b>	12,421	23,801

Note: The sum may not equal the total due to rounding.

**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 28, 2006 (JPY in Millions)</u>	<u>% of Total Portfolio</u>
<b>Tokyo 23 Wards</b>							
8953 Minami Aoyama Building	2002	Minato Ward, Tokyo	4-Mar-03	100	5,350	5,620	1.7%
8953 Daikanyama Building	1991	Shibuya Ward, Tokyo	10-Dec-03	100	1,235	1,390	0.4%
8953 Harajuku FACE Building	1985	Shibuya Ward, Tokyo	9-Jan-04	100	2,770	3,060	0.9%
Site of former Esquisse Omotesando	1982	Shibuya Ward, Tokyo	2-Mar-04	100	14,712	15,200	4.6%
Esquisse Omotesando Annex	1997	Shibuya Ward, Tokyo	30-Apr-04	100	860	1,000	0.3%
Itabashi SATY	2000	Itabashi Ward, Tokyo	9-Dec-04	100	12,400	13,100	3.9%
8953 Kita Aoyama Building	2005	Minato Ward, Tokyo	1-Feb-05	100	989	1,100	0.3%
8953 Jiyugaoka Building	1984, 2005	Meguro Ward, Tokyo	28-Mar-05	100	2,700	2,887	0.9%
Cheers Ginza	2005	Chuo Ward, Tokyo	11-Aug-05	100	4,200	4,160	1.3%
<b>subtotal</b>					<b>45,216</b>	<b>47,517</b>	<b>14.3%</b>
<b>Greater Tokyo Metropolitan Area</b>							
ESPA Kawasaki	2000	Kawasaki, Kanagawa	13-Mar-02	80.4	8,117	11,100	3.3%
			10-Dec-02	19.6	1,974		
JUSCO Chigasaki Shopping Center	2000	Chigasaki, Kanagawa	13-Mar-02	100	8,300	8,220	2.5%
Abiko Shopping Plaza	1994	Abiko, Chiba	4-Mar-03	100	10,200	13,400	4.0%
Ito-Yokado Yabashira	1982	Matsudo, Chiba	16-Jun-03	100	1,616	1,970	0.6%
Ito-Yokado Kamifukuoka-higashi	1999	Kamifukuoka, Saitama	18-Sep-03	100	6,900	7,530	2.3%
Ito-Yokado Nishikicho	2003	Warabi, Saitama	28-Nov-03	100	13,212	14,500	4.4%
Ito-Yokado Tsunashima	1982	Yokohama, Kanagawa	24-Jun-04	100	5,000	5,380	1.6%
Bic Camara Tachikawa	1970	Tachikawa, Tokyo	29-Sep-04	100	11,920	12,900	3.9%
AEON Yamato Shopping Center	2001	Yamato, Kanagawa	17-Feb-05	100	16,823	18,700	5.6%
SEIYU Hibarigaoka	1978	Nishi Tokyo, Tokyo	9-Mar-05		6,100	6,900	2.1%
<b>subtotal</b>					<b>90,162</b>	<b>100,600</b>	<b>30.3%</b>
<b>Osaka, Nagoya and Surrounding Areas</b>							
8953 Osaka Shinsaibashi Building	1999	Osaka, Osaka	13-Mar-02	100	14,300	14,600	4.4%
Ito-Yokado Narumi	1997	Nagoya, Aichi	4-Mar-03	100	8,540	8,730	2.6%
Nara Family	1992, 1993	Nara, Nara	6-Mar-03	100	31,241	33,800	10.2%
AEON Higashiura Shopping Center	2001	Chita, Aichi	15-Jan-04	100	6,700	7,680	2.3%
JUSCO City Takatsuki	1994, 1997	Takatsuki, Osaka	25-Mar-05	100	11,700	12,500	3.8%
Wonder City	1994	Nagoya, Aichi	31-Mar-05	100	15,900	17,700	5.3%
JUSCO City Yagoto Shopping Center	1993	Nagoya, Aichi	10-Jun-05	100	3,700	3,990	1.2%
JUSCO City Nishi-Otsu	1996	Otsu, Shiga	20-Dec-05	100	13,100	13,100	3.9%
Kyoto Family	1982	Kyoto, Kyoto	21-Dec-05	100	5,340	5,480	1.6%
<b>subtotal</b>					<b>110,521</b>	<b>117,580</b>	<b>35.3%</b>
<b>Other Major Cities</b>							
Sendai Nakayama Shopping Center	1995-1999	Sendai, Miyagi	13-Mar-02	100	10,200	11,800	3.6%
Hakata Riverain	1998	Fukuoka, Fukuoka	4-Mar-03	100	12,619	13,200	4.0%
AEON Kashiihama Shopping Center	2003	Fukuoka, Fukuoka	29-Jan-04	100	13,300	13,400	4.0%
AEON Sapporo Naebo Shopping Center	2003	Sapporo, Hokkaido	2-Mar-04	100	9,260	9,830	3.0%
Tobata SATY	1999	Kita Kyushu, Fukuoka	9-Mar-05	100	6,290	6,780	2.0%
JUSCO Naha Shopping Center	1993	Naha, Okinawa	29-Jun-05	100	10,700	11,600	3.5%
<b>subtotal</b>					<b>62,369</b>	<b>66,610</b>	<b>20.1%</b>
<b>Grand Total</b>					<b>308,268</b>	<b>332,307</b>	<b>100.0%</b>

**Property Portfolio Summary 2**

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of February 28, 2006 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of February 28, 2006</u>	<u>Rental Revenue in Eighth Fiscal Period (JPY)</u>	<u>% of Total Revenue</u>
<b>Tokyo 23 Wards</b>							
8953 Minami Aoyama Building	3	5,376	1,540.98	1,540.98	100.0%	169	1.3%
8953 Daikanyama Building	1	1,269	574.46	574.46	100.0%	40	0.3%
8953 Harajuku FACE Building	5	2,781	1,477.62	1,477.62	100.0%	95	0.7%
Site of former Esquisse Omotesando	1	14,902	1,768.78	1,768.78	100.0%	292	2.2%
Esquisse Omotesando Annex	2	892	540.78	540.78	100.0%	28	0.2%
Itabashi SATY	1	12,654	72,253.88	72,253.88	100.0%	621	4.8%
8953 Kita Aoyama Building	2	1,011	492.69	492.69	100.0%	34	0.3%
8953 Jiyugaoka Building	10	2,714	1,814.10	1,635.21	90.1%	86	0.7%
Cheers Ginza	9	4,232	1,686.58	1,686.58	100.0%	111	0.9%
<b>subtotal</b>	<b>34</b>	<b>45,832</b>	<b>82,149.87</b>	<b>81,970.98</b>	<b>99.8%</b>	<b>1,476</b>	<b>11.4%</b>
<b>Greater Tokyo Metropolitan Area</b>							
ESPA Kawasaki	1	9,661	56,891.15	56,891.15	100.0%	351	2.7%
JUSCO Chigasaki Shopping Center	1	7,968	63,652.33	63,652.33	100.0%	274	2.1%
Abiko Shopping Plaza	53	10,801	44,333.65	44,333.65	100.0%	793	6.1%
Ito-Yokado Yabashira	1	1,628	21,581.65	21,581.65	100.0%	79	0.6%
Ito-Yokado Kamifukuoka-higashi	1	6,824	28,316.18	28,316.18	100.0%	256	2.0%
Ito-Yokado Nishikicho	1	13,045	73,438.52	73,438.52	100.0%	445	3.4%
Ito-Yokado Tsunashima	1	5,129	16,549.50	16,549.50	100.0%	181	1.4%
Bic Camara Tachikawa	2	12,275	20,983.43	20,983.43	100.0%	390	3.0%
AEON Yamato Shopping Center	1	17,114	85,226.68	85,226.68	100.0%	534	4.1%
SEIYU Hibarigaoka	1	6,006	19,070.88	19,070.88	100.0%	261	2.0%
<b>subtotal</b>	<b>63</b>	<b>90,451</b>	<b>430,043.97</b>	<b>430,043.97</b>	<b>100.0%</b>	<b>3,564</b>	<b>27.4%</b>
<b>Osaka, Nagoya and Surrounding Areas</b>							
8953 Osaka Shinsaibashi Building	1	13,872	13,666.96	13,666.96	100.0%	407	3.1%
Ito-Yokado Narumi	1	8,269	50,437.91	50,437.91	100.0%	331	2.5%
Nara Family	130	31,616	85,343.38	84,808.74	99.4%	2,155	16.5%
AEON Higashiura Shopping Center	1	6,599	100,457.69	100,457.69	100.0%	376	2.9%
JUSCO City Takatsuki	1	11,713	77,267.23	77,267.23	100.0%	411	3.2%
Wonder City	28	16,519	72,317.28	72,317.28	100.0%	647	5.0%
JUSCO City Yagoto Shopping Center	2	3,968	63,778.44	63,778.44	100.0%	164	1.3%
JUSCO City Nishi-Otsu	1	13,645	62,717.26	62,717.26	100.0%	149	1.1%
Kyoto Family	66	5,650	25,603.95	25,554.00	99.8%	245	1.9%
<b>subtotal</b>	<b>231</b>	<b>111,852</b>	<b>551,590.10</b>	<b>551,005.51</b>	<b>99.9%</b>	<b>4,885</b>	<b>37.5%</b>
<b>Other Major Cities</b>							
Sendai Nakayama Shopping Center	2	9,835	46,248.96	46,248.96	100.0%	441	3.4%
Hakata Riverain	75	12,761	25,742.72	24,930.40	96.8%	1,116	8.6%
AEON Kashiihama Shopping Center	1	13,435	109,616.72	109,616.72	100.0%	478	3.7%
AEON Sapporo Naebo Shopping Center	1	8,940	74,625.52	74,625.52	100.0%	383	2.9%
Tobata SATY	1	6,360	93,258.23	93,258.23	100.0%	315	2.4%
JUSCO Naha Shopping Center	1	11,080	79,090.48	79,090.48	100.0%	388	3.0%
<b>subtotal</b>	<b>81</b>	<b>62,411</b>	<b>428,582.63</b>	<b>427,770.31</b>	<b>99.8%</b>	<b>3,121</b>	<b>24.0%</b>
<b>Grand Total</b>	<b>409</b>	<b>310,547</b>	<b>1,492,366.57</b>	<b>1,490,790.77</b>	<b>99.9%</b>	<b>13,046</b>	<b>100.0%</b>