



Tenth Fiscal Period Results
(September 1, 2006 – February 28, 2007)

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2006 and February 28, 2007

	<u>August 31, 2006</u> <u>(JPY in Millions)</u>	<u>February 28, 2007</u> <u>(JPY in Millions)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	15,431	24,431
Rental receivables	621	690
Consumption tax refundable	991	1,166
Prepaid expenses and other assets	487	475
Total current assets	<u>17,530</u>	<u>26,762</u>
Non-current assets:		
Property and equipment, at cost:		
Land	224,234	270,700
Buildings	145,775	176,800
Building improvements	6,630	9,098
Machinery and equipment	1,985	2,579
	<u>378,624</u>	<u>459,178</u>
Less: Accumulated depreciation	<u>(12,997)</u>	<u>(16,386)</u>
Net property and equipment	<u>365,627</u>	<u>442,792</u>
Other assets:		
Leasehold rights	6,673	6,992
Other intangible assets	171	199
Lease deposits	3,104	3,166
Investment	814	-
Long-term prepaid expenses	131	109
Organization costs	-	-
Bonds issuance costs	99	138
Other	227	257
Total other assets	<u>11,219</u>	<u>10,861</u>
TOTAL ASSETS	<u><u>394,376</u></u>	<u><u>480,415</u></u>

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

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2006 and February 28, 2007

	<u>August 31, 2006</u> <u>(JPY in Millions)</u>	<u>February 28, 2007</u> <u>(JPY in Millions)</u>
LIABILITIES AND UNITHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	82,070	63,730
Tenant leasehold and security deposits	4,515	5,814
Rent received in advance	1,341	1,376
Accrued expenses and other liabilities	2,792	2,708
Total current liabilities	<u>90,718</u>	<u>73,629</u>
Non-current liabilities:		
Long-term debt	5,000	5,000
Bonds issued - unsecured	45,000	65,000
Tenant leasehold and security deposits	66,985	79,942
Other	-	-
Total non-current liabilities	<u>116,985</u>	<u>149,942</u>
TOTAL LIABILITIES	<u>207,703</u>	<u>223,571</u>
Unitholders' equity:		
Unitholders' capital, 2,000,000 units authorized 305,502 units (as of August 31, 2006), 386,502 units (as of February 28, 2007) issued and	181,558	250,764
Retained earnings	5,115	6,080
TOTAL UNITHOLDERS' EQUITY	<u>186,673</u>	<u>256,844</u>
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	<u>394,376</u>	<u>480,415</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, 2006 and February 28, 2007

	<u>March 1, 2006 to</u> <u>August 31, 2006</u> <u>(JPY in Millions)</u>	<u>September 1, 2006 to</u> <u>February 28, 2007</u> <u>(JPY in Millions)</u>
Operating revenues		
Rental and other operating revenues	14,999	16,583
Other	—	129
	<u>14,999</u>	<u>16,712</u>
Operating expenses		
Property-related expenses	7,520	8,094
Asset management fees	1,187	1,387
Custodian fees	59	65
General administration fees	110	117
Other	120	111
	<u>8,996</u>	<u>9,773</u>
Operating income	6,003	6,939
Non-operating revenues		
Non-operating revenues	2	16
Non-operating expenses		
Interest expense	594	635
Offering costs	146	129
Amortization of organization costs	14	-
Amortization of bonds issuance costs	40	55
Other non-operating expenses	91	42
	<u>5,120</u>	<u>6,094</u>
Income before income taxes	5,120	6,094
Income taxes	5	14
Net income	<u>5,115</u>	<u>6,080</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, 2006 and February 28, 2007

	<u>March 1, 2006 to</u> <u>August 31, 2006</u> <u>(JPY in Millions)</u>	<u>September 1, 2006 to</u> <u>February 28, 2007</u> <u>(JPY in Millions)</u>
Cash Flows from Operating Activities:		
Income before income taxes	5,120	6,094
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	2,894	3,411
Amortization of organization costs	14	-
Interest expense	594	635
Amortization of bonds issuance costs	40	55
Loss on disposal of fixed assets	55	8
Changes in assets and liabilities:		
Consumption tax refundable	(968)	(175)
Accounts payable	150	(142)
Rent received in advance	330	35
Accrued expenses and other liabilities	158	12
Other, net	(644)	(763)
Net cash provided by operating activities	<u>7,743</u>	<u>9,171</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(64,871)	(80,932)
Proceeds from refundment of investment	-	944
Proceeds from (payment of) tenant leasehold and security deposits	5,644	14,257
Proceeds from (payment of) deposits and others	10	(92)
Net cash used in investing activities	<u>(59,217)</u>	<u>(65,824)</u>
Cash Flows from Financing Activities:		
Proceeds from short-term debt	75,570	60,730
Repayments of short-term debt	(18,500)	(79,070)
Repayments of long-term debt	(9,170)	-
Proceeds from issuance of investment units	-	69,207
Net proceeds from bonds issuance	-	19,906
Distribution payments	(4,796)	(5,120)
Net cash provided by financing activities	<u>43,104</u>	<u>65,653</u>
Net change in cash and cash equivalents	<u>(8,370)</u>	<u>9,000</u>
Cash and cash equivalents at beginning of period	<u>23,801</u>	<u>15,431</u>
Cash and cash equivalents at end of period	<u><u>15,431</u></u>	<u><u>24,431</u></u>

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, 2007 (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	6,660	1.3%
8953 Daikanyama Building	1991	Shibuya Ward, Tokyo	10-Dec-03	100	1,235	1,610	0.3%
8953 Harajuku FACE Building	1985	Shibuya Ward, Tokyo	9-Jan-04	100	2,770	3,550	0.7%
Site of GYRE	1982	Shibuya Ward, Tokyo	2-Mar-04	100	14,712	15,400	3.1%
Esquisse Omotesando Annex	1997	Shibuya Ward, Tokyo	30-Apr-04	100	860	1,240	0.2%
Itabashi SATY	2000	Itabashi Ward, Tokyo	9-Dec-04	100	12,400	14,300	2.9%
8953 Kita Aoyama Building	2005	Minato Ward, Tokyo	1-Feb-05	100	989	1,370	0.3%
8953 Jiyugaoka Building	1984, 2005	Meguro Ward, Tokyo	28-Mar-05	100	2,700	3,387	0.7%
Cheers Ginza	2005	Chuo Ward, Tokyo	11-Aug-05	100	4,200	4,260	0.9%
subtotal					45,216	51,777	10.4%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	2000	Kawasaki, Kanagawa	13-Mar-02	80.4	8,117	12,000	2.4%
			10-Dec-02	19.6	1,974		
JUSCO Chigasaki Shopping Center	2000	Chigasaki, Kanagawa	13-Mar-02	100	8,300	8,830	1.8%
Abiko Shopping Plaza	1994	Abiko, Chiba	4-Mar-03	100	10,200	14,300	2.9%
Ito-Yokado Yabashira	1982	Matsudo, Chiba	16-Jun-03	100	1,616	2,070	0.4%
Ito-Yokado Kamifukuoka-higashi	1999	Kamifukuoka, Saitama	18-Sep-03	100	6,900	8,190	1.6%
Ito-Yokado Nishikicho	2003	Warabi, Saitama	28-Nov-03	100	13,212	16,000	3.2%
Ito-Yokado Tsunashima	1982	Yokohama, Kanagawa	24-Jun-04	100	5,000	5,930	1.2%
Bic Camara Tachikawa	1970	Tachikawa, Tokyo	29-Sep-04	100	11,920	13,100	2.6%
AEON Yamato Shopping Center	2001	Yamato, Kanagawa	17-Feb-05	100	16,823	20,800	4.2%
SEIYU Hibarigaoka	1978	Nishi Tokyo, Tokyo	9-Mar-05	100	6,100	7,710	1.5%
Higashi Totsuka Aurora City	1999	Yokohama, Kanagawa	24-Mar-06	100	50,500	50,500	10.1%
Omiya SATY	2000	Saitama, Saitama	23-Jun-06	100	6,133	6,660	1.3%
subtotal					146,795	166,090	33.3%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1999	Osaka, Osaka	13-Mar-02	100	14,300	16,200	3.2%
Ito-Yokado Narumi	1997	Nagoya, Aichi	4-Mar-03	100	8,540	9,250	1.9%
Nara Family	1992, 1993	Nara, Nara	6-Mar-03	100	31,241	35,500	7.1%
AEON Higashiura Shopping Center	2001	Chita, Aichi	15-Jan-04	100	6,700	8,580	1.7%
JUSCO City Takatsuki	1994, 1997	Takatsuki, Osaka	25-Mar-05	100	11,700	12,800	2.6%
	1994		31-Mar-05	100	15,940		
Wonder City		Nagoya, Aichi	22-Dec-06	100	400	18,900	3.8%
JUSCO City Yagoto Shopping Center	1993	Nagoya, Aichi	10-Jun-05	100	3,700	4,160	0.8%
JUSCO City Nishi-Otsu	1996	Otsu, Shiga	20-Dec-05	100	13,100	13,100	2.6%
Kyoto Family	1982	Kyoto, Kyoto	21-Dec-05	100	5,340	6,320	1.3%
Loc City Ogaki	2005	Ogaki, Gifu	26-Jul-06	100	4,950	5,180	1.0%
Kawaramachi OPA	1998	Kyoto, Kyoto	29-Sep-06	88.8	18,500	18,600	3.7%
Diamond City Leafa	2006	Osaka, Osaka	20-Nov-06	100	29,900	30,600	6.1%
Diamond City Terrace	2002	Itami, Hyogo	1-Dec-06	100	20,300	20,300	4.1%
subtotal					184,611	199,490	40.0%
Other Major Cities							
Sendai Nakayama Shopping Center	1995-1999	Sendai, Miyagi	13-Mar-02	100	10,200	13,100	2.6%
Hakata Riverain	1998	Fukuoka, Fukuoka	4-Mar-03	100	12,619	13,500	2.7%
AEON Kashiihama Shopping Center	2003	Fukuoka, Fukuoka	29-Jan-04	100	13,300	14,700	2.9%
AEON Sapporo Naebo Shopping Center	2003	Sapporo, Hokkaido	2-Mar-04	100	9,260	10,800	2.2%
Tobata SATY	1999	Kita Kyushu, Fukuoka	9-Mar-05	100	6,290	7,490	1.5%
JUSCO Naha Shopping Center	1993	Naha, Okinawa	29-Jun-05	100	10,700	11,900	2.4%
AEON Ueda Shopping Center	2004	Ueda, Nagano	1-Nov-06	100	9,500	9,700	1.9%
subtotal					71,869	81,190	16.3%
Grand Total					448,491	498,547	100.0%

Property Portfolio Summary 2

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of February 28, 2007 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of February 28, 2007</u>	<u>Rental Revenue in 10th Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
Tokyo 23 Wards							
8953 Minami Aoyama Building	3	5,358	1,540.98	1,540.98	100.0%	169	1.0%
8953 Daikanyama Building	1	1,261	574.46	574.46	100.0%	39	0.2%
8953 Harajuku FACE Building	5	2,775	1,477.62	1,477.62	100.0%	93	0.6%
Site of GYRE	1	14,902	1,768.78	1,768.78	100.0%	190	1.1%
Esquisse Omotesando Annex	2	890	540.78	540.78	100.0%	28	0.2%
Itabashi SATY	1	12,441	72,253.88	72,253.88	100.0%	631	3.8%
8953 Kita Aoyama Building	2	1,004	492.69	492.69	100.0%	35	0.2%
8953 Jiyugaoka Building	11	2,695	1,814.10	1,814.10	100.0%	91	0.5%
Cheers Ginza	9	4,200	1,686.58	1,686.58	100.0%	112	0.7%
subtotal	35	45,526	82,149.87	82,149.87	100.0%	1,388	8.3%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	1	9,498	56,891.15	56,891.15	100.0%	351	2.1%
JUSCO Chigasaki Shopping Center	1	7,867	63,652.33	63,652.33	100.0%	274	1.7%
Abiko Shopping Plaza	53	10,631	42,642.36	42,642.36	100.0%	750	4.5%
Ito-Yokado Yabashira	1	1,598	21,581.65	21,581.65	100.0%	79	0.5%
Ito-Yokado Kamifukuoka-higashi	1	6,735	28,316.18	28,316.18	100.0%	256	1.5%
Ito-Yokado Nishikicho	1	12,771	73,438.52	73,438.52	100.0%	445	2.7%
Ito-Yokado Tsunashima	1	5,078	16,549.50	16,549.50	100.0%	181	1.1%
Bic Camara Tachikawa	2	12,099	20,983.43	20,983.43	100.0%	386	2.3%
AEON Yamato Shopping Center	1	16,892	85,226.68	85,226.68	100.0%	534	3.2%
SEIYU Hibarigaoka	1	5,831	19,070.88	19,070.88	100.0%	261	1.6%
Higashi Totsuka Aurora City	4	52,106	151,429.78	151,429.78	100.0%	1,273	7.7%
Omiya SATY	1	6,364	75,344.90	75,344.90	100.0%	198	1.2%
subtotal	68	147,470	655,127.36	655,127.36	100.0%	4,988	30.1%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1	13,722	13,666.96	13,666.96	100.0%	407	2.5%
Ito-Yokado Narumi	1	8,125	50,437.91	50,437.91	100.0%	331	2.0%
Nara Family	129	31,482	85,251.76	83,521.10	98.0%	2,175	13.1%
AEON Higashiura Shopping Center	1	6,396	100,457.69	100,457.69	100.0%	376	2.3%
JUSCO City Takatsuki	1	11,503	77,267.23	77,267.23	100.0%	411	2.5%
Wonder City	25	16,688	72,089.77	72,089.77	100.0%	644	3.9%
JUSCO City Yagoto Shopping Center	2	3,923	63,778.44	63,778.44	100.0%	164	1.0%
JUSCO City Nishi-Otsu	1	13,505	62,717.26	62,717.26	100.0%	376	2.3%
Kyoto Family	66	5,557	25,603.95	25,603.95	100.0%	668	4.0%
Loc City Ogaki	1	5,006	57,500.35	57,500.35	100.0%	332	2.0%
Kawaramachi OPA	1	19,036	18,848.20	18,848.20	100.0%	288	1.7%
Diamond City Leafa	1	30,227	138,538.63	138,538.63	100.0%	422	2.5%
Diamond City Terrace	1	20,456	150,401.99	150,401.99	100.0%	282	1.7%
subtotal	231	185,626	916,560.14	914,829.48	99.8%	6,876	41.5%
Other Major Cities							
Sendai Nakayama Shopping Center	2	9,767	46,248.96	46,248.96	100.0%	461	2.8%
Hakata Riverain	74	12,685	25,301.31	24,533.12	97.0%	1,107	6.7%
AEON Kashiihama Shopping Center	1	13,236	109,616.72	109,616.72	100.0%	483	2.9%
AEON Sapporo Naebo Shopping Center	1	8,674	74,625.52	74,625.52	100.0%	378	2.3%
Tobata SATY	1	6,287	93,258.23	93,258.23	100.0%	316	1.9%
JUSCO Naha Shopping Center	1	10,942	79,090.48	79,090.48	100.0%	388	2.3%
AEON Ueda Shopping Center	1	9,769	61,349.07	61,349.07	100.0%	198	1.2%
subtotal	81	71,360	489,490.29	488,722.10	99.8%	3,331	20.1%
Grand Total	415	449,982	2,143,327.66	2,140,828.81	99.9%	16,583	100.0%