



Japan Retail Fund Investment Corporation

Eleventh Fiscal Period Results
(March 1, 2007 – August 31, 2007)

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

	<u>February 28, 2007</u> <u>(JPY in Millions)</u>	<u>August 31, 2007</u> <u>(JPY in Millions)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	24,431	27,016
Rental receivables	690	641
Consumption tax refundable	1,166	-
Prepaid expenses and other assets	475	600
Total current assets	<u>26,762</u>	<u>28,257</u>
Non-current assets:		
Property and equipment, at cost:		
Land	270,700	271,323
Buildings	176,800	181,582
Building improvements	9,098	10,476
Machinery and equipment	2,579	2,849
	<u>459,178</u>	<u>466,230</u>
Less: Accumulated depreciation	<u>(16,386)</u>	<u>(18,634)</u>
Net property and equipment	442,792	447,596
Other assets:		
Leasehold rights	6,992	8,915
Other intangible assets	199	170
Lease deposits	3,166	3,355
Long-term prepaid expenses	109	99
Bonds issuance costs	138	255
Other	257	101
Total other assets	<u>10,861</u>	<u>12,894</u>
TOTAL ASSETS	<u><u>480,415</u></u>	<u><u>488,747</u></u>

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

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BALANCE SHEETS
As of February 28, 2007 and August 31, 2007

	<u>February 28, 2007</u> <u>(JPY in Millions)</u>	<u>August 31, 2007</u> <u>(JPY in Millions)</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term debt	63,730	38,230
Current amount of tenant leasehold and security deposits	5,814	5,407
Rent received in advance	1,376	1,400
Accrued expenses and other liabilities	2,708	3,004
<i>Total current liabilities</i>	<u>73,629</u>	<u>48,040</u>
Non-current liabilities:		
Long-term debt	5,000	5,000
Bonds issued - unsecured	65,000	100,000
Tenant leasehold and security deposits	79,942	78,546
<i>Total non-current liabilities</i>	<u>149,942</u>	<u>183,546</u>
TOTAL LIABILITIES	<u>223,571</u>	<u>231,586</u>
NET ASSETS		
Unitholders' capital, 2,000,000 units authorized 386,502 units (as of February 28, 2007 and August 31, 2007) issued and outstanding	250,764	250,764
Retained earnings	6,080	6,396
TOTAL NET ASSETS	<u>256,844</u>	<u>257,161</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>480,415</u></u>	<u><u>488,747</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
February 28, 2007 and August 31, 2007

	<u>September 1, 2006 to</u> <u>February 28, 2007</u> <u>(JPY in Millions)</u>	<u>March 1, 2007 to</u> <u>August 31, 2007</u> <u>(JPY in Millions)</u>
Operating revenues		
Rental and other operating revenues	16,583	17,630
Net gain on sales of property	-	861
Other	129	-
	<u>16,712</u>	<u>18,490</u>
Operating expenses		
Property-related expenses	8,094	9,233
Asset management fees	1,387	1,474
Custodian fees	65	75
General administration fees	117	129
Other	111	172
	<u>9,773</u>	<u>11,082</u>
Operating income	<u>6,939</u>	<u>7,408</u>
Non-operating revenues		
Non-operating revenues	16	26
Non-operating expenses		
Interest expense	635	934
Offering costs	129	-
Amortization of bonds issuance costs	55	57
Other non-operating expenses	42	34
	<u>6,094</u>	<u>6,409</u>
Income before income taxes		
Income taxes	14	13
Net income	<u><u>6,080</u></u>	<u><u>6,396</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
February 28, 2007 and August 31, 2007

	<u>September 1, 2006 to</u> <u>February 28, 2007</u> <u>(JPY in Millions)</u>	<u>March 1, 2007 to</u> <u>August 31, 2007</u> <u>(JPY in Millions)</u>
Cash Flows from Operating Activities:		
Income before income taxes	6,094	6,409
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	3,411	3,660
Interest expense	635	934
Amortization of bonds issuance costs	55	57
Loss on disposal of fixed assets	8	59
Profit on sale of property	-	(861)
Changes in assets and liabilities:		
Consumption tax refundable	(175)	1,166
Consumption tax payable	-	96
Accounts payable	(142)	59
Rent received in advance	35	23
Accrued expenses and other liabilities	12	(48)
Other, net	(763)	(822)
Net cash provided by operating activities	<u>9,171</u>	<u>10,731</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(80,932)	(34,187)
Proceeds from sales of property	-	24,632
Proceeds from refundment of investment	944	-
Proceeds from (payment of) tenant leasehold and security deposits	14,257	(1,804)
Proceeds from (payment of) deposits and others	(92)	(32)
Net cash used in investing activities	<u>(65,824)</u>	<u>(11,392)</u>
Cash Flows from Financing Activities:		
Proceeds from short-term debt	60,730	14,500
Repayments of short-term debt	(79,070)	(40,000)
Proceeds from issuance of investment units	69,207	-
Net proceeds from bonds issuance	19,906	34,826
Distribution payments	(5,120)	(6,082)
Net cash provided by financing activities	<u>65,653</u>	<u>3,245</u>
Net change in cash and cash equivalents	<u>9,000</u>	<u>2,585</u>
Cash and cash equivalents at beginning of period	<u>15,431</u>	<u>24,431</u>
Cash and cash equivalents at end of period	<u><u>24,431</u></u>	<u><u>27,016</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 August 31, 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	7,650	1.5%
8953 Daikanyama Building	1991	Shibuya Ward, Tokyo	10-Dec-03	100	1,235	1,660	0.3%
8953 Harajuku FACE Building	1985	Shibuya Ward, Tokyo	9-Jan-04	100	2,770	4,280	0.8%
Site of GYRE	1982	Shibuya Ward, Tokyo	2-Mar-04	100	14,712	16,700	3.3%
Esquisse Omotesando Annex	1997	Shibuya Ward, Tokyo	30-Apr-04	100	860	1,270	0.2%
Itabashi SATY	2000	Itabashi Ward, Tokyo	9-Dec-04	100	12,400	14,700	2.9%
8953 Kita Aoyama Building	2005	Minato Ward, Tokyo	1-Feb-05	100	989	1,450	0.3%
8953 Jiyugaoka Building	1984, 2005	Meguro Ward, Tokyo	28-Mar-05	100	2,700	3,480	0.7%
Cheers Ginza	2005	Chuo Ward, Tokyo	11-Aug-05	100	4,200	4,420	0.9%
subtotal					45,216	55,610	10.9%
Greater Tokyo Metropolitan Area							
	2000		13-Mar-02	80.4	8,117		
ESPA Kawasaki		Kawasaki, Kanagawa	10-Dec-02	19.6	1,974	16,210	3.2%
	2007		1-Mar-07	100	3,360		
				100	2,240		
JUSCO Chigasaki Shopping Center	2000	Chigasaki, Kanagawa	13-Mar-02	100	8,300	8,850	1.7%
Abiko Shopping Plaza	1994	Abiko, Chiba	4-Mar-03	100	10,200	14,700	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	3.1%
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%
AEONMALL Yamato	2001	Yamato, Kanagawa	17-Feb-05	100	16,823	20,800	4.1%
SEIYU Hibarigaoka	1978	Nishi Tokyo, Tokyo	9-Mar-05	100	6,100	8,110	1.6%
Higashi Totsuka Aurora City	1999	Yokohama, Kanagawa	24-Mar-06	100	50,500	50,500	9.9%
Omiya SATY	2000	Saitama, Saitama	23-Jun-06	100	6,133	6,670	1.3%
Ito-Yokado Yotsukaido	2005	Yotsukaido, Chiba	30-Aug-07	100	13,600	13,600	2.7%
subtotal					165,995	184,730	36.3%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1999	Osaka, Osaka	13-Mar-02	100	14,300	17,100	3.4%
Ito-Yokado Narumi	1997	Nagoya, Aichi	4-Mar-03	100	8,540	8,180	1.6%
Nara Family	1992, 1993	Nara, Nara	6-Mar-03	100	31,241	36,700	7.2%
AEONMALL Higashiura	2001	Chita, Aichi	15-Jan-04	100	6,700	9,150	1.8%
JUSCO City Takatsuki	1994, 1997	Takatsuki, Osaka	25-Mar-05	100	11,700	12,900	2.5%
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	13,200	2.6%
Kyoto Family	1982	Kyoto, Kyoto	21-Dec-05	100	5,340	6,660	1.3%
Loc City Ogaki	2005	Ogaki, Gifu	26-Jul-06	100	4,950	5,260	1.0%
Kawaramachi OPA	1998	Kyoto, Kyoto	29-Sep-06	88.8	18,500	18,400	3.6%
AEONMALL Tsurumi Leafa	2006	Osaka, Osaka	20-Nov-06	100	29,900	30,700	6.0%
AEONMALL Itami Terrace	2002	Itami, Hyogo	1-Dec-06	100	20,300	20,300	4.0%
subtotal					168,271	182,710	35.9%
Other Major Cities							
Sendai Nakayama Shopping Center	1995-1999	Sendai, Miyagi	13-Mar-02	100	10,200	13,200	2.6%
Hakata Riverain	1998	Fukuoka, Fukuoka	4-Mar-03	50	6,310	6,820	1.3%
AEON Kashiihama Shopping Center	2003	Fukuoka, Fukuoka	29-Jan-04	100	13,300	15,300	3.0%
AEON Sapporo Naebo Shopping Center	2003	Sapporo, Hokkaido	2-Mar-04	100	9,260	11,200	2.2%
Tobata SATY	1999	Kita Kyushu, Fukuoka	9-Mar-05	100	6,290	7,900	1.6%
JUSCO Naha Shopping Center	1993	Naha, Okinawa	29-Jun-05	100	10,700	12,000	2.4%
AEON Ueda Shopping Center	2004	Ueda, Nagano	1-Nov-06	100	9,500	9,700	1.9%
Oyama Yuen Harvest Walk	2007	Oyama, Tochigi	31-Aug-07	100	10,200	10,400	2.0%
subtotal					75,760	86,520	17.0%
Grand Total					455,242	509,570	100.0%

Property Portfolio Summary 2

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of August 31, 2007 (JPY in Millions)</u>	<u>Leasable Space (sq. m.)</u>	<u>Leased Area (sq. m.)</u>	<u>Occupancy Rate as of August 31, 2007</u>	<u>Rental Revenue in 11th Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
Tokyo 23 Wards							
8953 Minami Aoyama Building	3	5,351	1,540.98	1,540.98	100.0%	168	1.0%
8953 Daikanyama Building	1	1,257	574.46	574.46	100.0%	39	0.2%
8953 Harajuku FACE Building	5	2,784	1,479.10	1,479.10	100.0%	99	0.6%
Site of GYRE	1	14,902	1,768.78	1,768.78	100.0%	190	1.1%
Esquisse Omotesando Annex	2	889	540.78	540.78	100.0%	28	0.2%
Itabashi SATY	1	12,335	72,253.88	72,253.88	100.0%	673	3.8%
8953 Kita Aoyama Building	2	1,000	492.69	492.69	100.0%	34	0.2%
8953 Jiyugaoka Building	11	2,687	1,814.10	1,814.10	100.0%	91	0.5%
Cheers Ginza	9	4,184	1,686.58	1,686.58	100.0%	124	0.7%
subtotal	35	45,390	82,151.35	82,151.35	100.0%	1,446	8.3%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	5	15,120	65,313.47	65,313.47	100.0%	492	2.8%
JUSCO Chigasaki Shopping Center	1	7,807	63,652.33	63,652.33	100.0%	274	1.6%
Abiko Shopping Plaza	53	10,540	42,642.36	42,642.36	100.0%	702	4.0%
Ito-Yokado Yabashira	1	1,583	21,581.65	21,581.65	100.0%	79	0.4%
Ito-Yokado Kamifukuoka-higashi	1	6,701	28,316.18	28,316.18	100.0%	256	1.5%
Ito-Yokado Nishikicho	1	12,637	73,438.52	73,438.52	100.0%	445	2.5%
Ito-Yokado Tsunashima	1	5,053	16,549.50	16,549.50	100.0%	181	1.0%
Bic Camara Tachikawa	2	12,018	20,983.43	20,983.43	100.0%	386	2.2%
AEONMALL Yamato	1	16,788	85,226.68	85,226.68	100.0%	534	3.0%
SEIYU Hibarigaoka	1	5,753	19,070.88	19,070.88	100.0%	261	1.5%
Higashi Totsuka Aurora City	4	51,784	151,429.78	151,429.78	100.0%	1,380	7.8%
Omiya SATY	1	6,313	75,344.90	75,344.90	100.0%	210	1.2%
Ito-Yokado Yotsukaido	1	14,150	59,207.19	59,207.19	100.0%	3	0.0%
subtotal	73	166,246	722,756.87	722,756.87	100.0%	5,203	29.5%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1	13,666	13,666.96	13,666.96	100.0%	407	2.3%
Ito-Yokado Narumi	1	8,054	50,437.91	50,437.91	100.0%	331	1.9%
Nara Family	133	31,593	85,075.32	84,803.10	99.7%	2,177	12.4%
AEONMALL Higashiura	1	6,298	100,457.69	100,457.69	100.0%	376	2.1%
JUSCO City Takatsuki	1	11,406	77,267.23	77,267.23	100.0%	411	2.3%
Wonder City	-	-	-	-	-	634	3.6%
JUSCO City Yagoto Shopping Center	2	3,890	63,778.44	63,778.44	100.0%	164	0.9%
JUSCO City Nishi-Otsu	1	13,417	62,717.26	62,717.26	100.0%	375	2.1%
Kyoto Family	62	5,545	25,603.95	25,369.47	99.1%	677	3.8%
Loc City Ogaki	1	4,898	57,500.35	57,500.35	100.0%	328	1.9%
Kawaramachi OPA	1	18,985	18,848.20	18,848.20	100.0%	348	2.0%
AEONMALL Tsurumi Leafa	1	29,949	138,538.63	138,538.63	100.0%	861	4.9%
AEONMALL Itami Terrace	1	20,332	150,503.77	150,503.77	100.0%	579	3.3%
subtotal	206	168,031	844,395.71	843,889.01	99.9%	7,668	43.5%
Other Major Cities							
Sendai Nakayama Shopping Center	2	9,714	46,248.96	46,248.96	100.0%	464	2.6%
Hakata Riverain	68	6,305	25,465.00	22,510.60	88.4%	988	5.6%
AEON Kashiihama Shopping Center	1	13,137	109,616.72	109,616.72	100.0%	478	2.7%
AEON Sapporo Naebo Shopping Center	1	8,544	74,625.52	74,625.52	100.0%	378	2.1%
Tobata SATY	1	6,232	93,258.23	93,258.23	100.0%	316	1.8%
JUSCO Naha Shopping Center	1	10,862	79,090.48	79,090.48	100.0%	388	2.2%
AEON Ueda Shopping Center	1	9,662	61,349.07	61,349.07	100.0%	297	1.7%
Oyama Yuen Harvest Walk	1	10,586	58,767.20	58,767.20	100.0%	3	0.0%
subtotal	76	75,044	548,421.18	545,466.78	99.5%	3,312	18.7%
Grand Total	390	454,711	2,197,725.11	2,194,264.01	99.8%	17,629	100.0%