



Japan Retail Fund Investment Corporation

Twelfth Fiscal Period Results
(September 1, 2007 – February 29, 2008)

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2007 and February 29, 2008

	<u>August 31, 2007</u> <u>(JPY in Millions)</u>	<u>February 29, 2008</u> <u>(JPY in Millions)</u>
ASSETS		
Current assets:		
Cash and cash equivalents	27,016	14,474
Rental receivables	641	769
Consumption tax refundable	-	1,208
Prepaid expenses and other assets	600	486
Total current assets	<u>28,257</u>	<u>16,938</u>
Non-current assets:		
Property and equipment, at cost:		
Land	271,323	308,456
Buildings	181,582	216,546
Building improvements	10,476	11,255
Machinery and equipment	2,849	3,555
	<u>466,230</u>	<u>539,812</u>
Less: Accumulated depreciation	<u>(18,634)</u>	<u>(22,770)</u>
Net property and equipment	<u>447,596</u>	<u>517,042</u>
Other assets:		
Leasehold rights	8,915	8,901
Other intangible assets	170	164
Lease deposits	3,355	3,358
Long-term prepaid expenses	99	91
Bonds issuance costs	255	224
Other	101	114
Total other assets	<u>12,894</u>	<u>12,852</u>
TOTAL ASSETS	<u><u>488,747</u></u>	<u><u>546,831</u></u>

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

JAPAN RETAIL FUND INVESTMENT CORPORATION
BALANCE SHEETS
As of August 31, 2007 and February 29, 2008

	<u>August 31, 2007</u> <u>(JPY in Millions)</u>	<u>February 29, 2008</u> <u>(JPY in Millions)</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Short-term debt	38,230	73,100
Short-term bonds issued - unsecured	-	24,985
Current amount of tenant leasehold and security deposits	5,407	5,429
Rent received in advance	1,400	1,606
Accrued expenses and other liabilities	3,004	2,738
Total current liabilities	<u>48,040</u>	<u>107,857</u>
Non-current liabilities:		
Long-term debt	5,000	5,000
Bonds issued - unsecured	100,000	100,000
Tenant leasehold and security deposits	78,546	77,077
Total non-current liabilities	<u>183,546</u>	<u>182,077</u>
TOTAL LIABILITIES	<u>231,586</u>	<u>289,935</u>
NET ASSETS		
Unitholders' capital, 2,000,000 units authorized 386,502 units (as of August 31, 2007 and February 29, 2008) issued and outstanding	250,764	250,764
Retained earnings	6,396	6,132
TOTAL NET ASSETS	<u>257,161</u>	<u>256,896</u>
TOTAL LIABILITIES AND NET ASSETS	<u>488,747</u>	<u>546,831</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, 2007 and February 29, 2008

	<u>March 1, 2007 to</u> <u>August 31, 2007</u> <u>(JPY in Millions)</u>	<u>September 1, 2007 to</u> <u>February 29, 2008</u> <u>(JPY in Millions)</u>
Operating revenues		
Rental and other operating revenues	17,630	18,709
Net gain on sales of property	861	-
	<u>18,490</u>	<u>18,709</u>
Operating expenses		
Property-related expenses	9,233	9,272
Asset management fees	1,474	1,607
Custodian fees	75	77
General administration fees	129	130
Other	172	114
	<u>11,082</u>	<u>11,200</u>
Operating income	<u>7,408</u>	<u>7,509</u>
Non-operating revenues		
Non-operating revenues	26	18
Non-operating expenses		
Interest expense	934	1,305
Amortization of bonds issuance costs	57	32
Other non-operating expenses	34	44
	<u>1,025</u>	<u>1,381</u>
Income before income taxes	<u>6,409</u>	<u>6,146</u>
Income taxes	13	14
Net income	<u><u>6,396</u></u>	<u><u>6,132</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, 2007 and February 29, 2008

	<u>March 1, 2007 to</u> <u>August 31, 2007</u> <u>(JPY in Millions)</u>	<u>September 1, 2007 to</u> <u>February 29, 2008</u> <u>(JPY in Millions)</u>
Cash Flows from Operating Activities:		
Income before income taxes	6,409	6,146
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	3,660	4,160
Interest expense	934	1,305
Amortization of bonds issuance costs	57	32
Loss on disposal of fixed assets	59	20
Profit on sale of property	(861)	0
Changes in assets and liabilities:		
Consumption tax refundable	1,166	(1,208)
Consumption tax payable	96	(96)
Accounts payable	59	(26)
Rent received in advance	23	206
Accrued expenses and other liabilities	(48)	(119)
Other, net	(822)	(1,162)
Net cash provided by operating activities	<u>10,731</u>	<u>9,257</u>
Cash Flows from Investing Activities:		
Purchases of property and equipment	(34,187)	(73,749)
Proceeds from sales of property	24,632	-
Proceeds from (payment of) tenant leasehold and security deposits	(1,804)	(1,447)
Proceeds from (payment of) deposits and others	(32)	(16)
Net cash used in investing activities	<u>(11,392)</u>	<u>(75,211)</u>
Cash Flows from Financing Activities:		
Proceeds from short-term debt	14,500	34,870
Repayments of short-term debt	(40,000)	-
Net proceeds from short-term bonds issuance	-	24,939
Net proceeds from bonds issuance	34,826	-
Distribution payments	(6,082)	(6,396)
Net cash provided by financing activities	<u>3,245</u>	<u>53,413</u>
Net change in cash and cash equivalents	<u>2,585</u>	<u>(12,542)</u>
Cash and cash equivalents at beginning of period	<u>24,431</u>	<u>27,016</u>
Cash and cash equivalents at end of period	<u><u>27,016</u></u>	<u><u>14,474</u></u>

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

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Property Portfolio Summary 1

Name of Property	Year(s) Built	Location of Property	Date Acquired	Ownership %	Acquisition Price (JPY in Millions)	Appraisal	% of Total Portfolio
						Value as of February 29, 2008(JPY in Millions)	
Tokyo 23 Wards							
8953 Minami Aoyama Building	2002	Minato Ward, Tokyo	4-Mar-03	100	5,350	7,660	1.3%
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	4,290	0.7%
GYRE	2007	Shibuya Ward, Tokyo	19-Oct-07	100	22,712	30,500	5.2%
Esquisse Omotesando Annex	1997	Shibuya Ward, Tokyo	30-Apr-04	100	860	1,410	0.2%
Itabashi SATY	2000	Itabashi Ward, Tokyo	9-Dec-04	100	12,400	14,800	2.5%
8953 Kita Aoyama Building	2005	Minato Ward, Tokyo	1-Feb-05	100	989	1,530	0.3%
8953 Jiyugaoka Building	1984, 2005	Meguro Ward, Tokyo	28-Mar-05	100	2,700	3,484	0.6%
Cheers Ginza	2005	Chuo Ward, Tokyo	11-Aug-05	100	4,200	4,420	0.7%
8953 Jingumae6 Building	2007	Shibuya Ward, Tokyo	20-Dec-07	100	2,360	2,700	0.5%
subtotal					55,576	72,454	12.2%
Greater Tokyo Metropolitan Area							
	2000		13-Mar-02		8,117		
ESPA Kawasaki	2000	Kawasaki, Kanagawa	10-Dec-02	100	1,974	16,210	2.7%
	2007		1-Mar-07		5,600		
JUSCO Chigasaki Shopping Center	2000	Chigasaki, Kanagawa	13-Mar-02	100	8,300	8,850	1.5%
Abiko Shopping Plaza	1994	Abiko, Chiba	4-Mar-03	100	10,200	14,700	2.5%
Ito-Yokado Yabashira	1982	Matsudo, Chiba	16-Jun-03	100	1,616	2,070	0.3%
Ito-Yokado Kamifukuoka-higashi	1999	Kamifukuoka, Saitama	18-Sep-03	100	6,900	8,160	1.4%
Ito-Yokado Nishikicho	2003	Warabi, Saitama	28-Nov-03	100	13,212	16,000	2.7%
Ito-Yokado Tsunashima	1982	Yokohama, Kanagawa	24-Jun-04	100	5,000	5,940	1.0%
Bic Camara Tachikawa	1970	Tachikawa, Tokyo	29-Sep-04	100	11,920	13,100	2.2%
AEONMALL Yamato	2001	Yamato, Kanagawa	17-Feb-05	100	16,823	20,800	3.5%
SEIYU Hibarigaoka	1978	Nishi Tokyo, Tokyo	9-Mar-05	100	6,100	8,110	1.4%
Higashi Totsuka Aurora City	1999	Yokohama, Kanagawa	24-Mar-06	100	50,500	50,500	8.5%
Omiya SATY	2000	Saitama, Saitama	23-Jun-06	100	6,133	6,690	1.1%
Ito-Yokado Yotsukaido	2005	Yotsukaido, Chiba	30-Aug-07	100	13,600	13,700	2.3%
AEON Yachiyo-Midorigaoka Shopping Center	2005	Yachiyo, Chiba	4-Sep-07	100	30,790	30,900	5.2%
8953 Saitama-Urawa Building	2007	Saitama, Saitama	25-Dec-07	100	27,330	29,300	5.0%
subtotal					224,115	245,030	41.4%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1999	Osaka, Osaka	13-Mar-02	100	14,300	17,100	2.9%
Ito-Yokado Narumi	1997	Nagoya, Aichi	4-Mar-03	100	8,540	8,160	1.4%
Nara Family	1992, 1993	Nara, Nara	6-Mar-03	100	31,375	37,500	6.3%
AEONMALL Higashiura	2001	Chita, Aichi	15-Jan-04	100	8,978	11,700	2.0%
JUSCO City Takatsuki	1994, 1997	Takatsuki, Osaka	25-Mar-05	100	11,700	12,900	2.2%
JUSCO City Yagoto Shopping Center	1993	Nagoya, Aichi	10-Jun-05	100	3,700	4,220	0.7%
JUSCO City Nishi-Otsu	1996	Otsu, Shiga	20-Dec-05	100	13,100	13,200	2.2%
Kyoto Family	1982	Kyoto, Kyoto	21-Dec-05	100	5,340	6,670	1.1%
Loc City Ogaki	2005	Ogaki, Gifu	26-Jul-06	100	4,950	5,260	0.9%
Kawaramachi OPA	1998	Kyoto, Kyoto	29-Sep-06	100	18,500	18,400	3.1%
AEONMALL Tsurumi Leafa	2006	Osaka, Osaka	20-Nov-06	100	29,900	31,300	5.3%
AEONMALL Itami Terrace	2002	Itami, Hyogo	1-Dec-06	100	20,300	20,300	3.4%
subtotal					170,683	186,710	31.5%
Other Major Cities							
Sendai Nakayama Shopping Center	1995-1999	Sendai, Miyagi	13-Mar-02	100	10,200	13,100	2.2%
Hakata Riverain	1998	Fukuoka, Fukuoka	4-Mar-03	50	6,310	7,490	1.3%
AEON Kashiihama Shopping Center	2003	Fukuoka, Fukuoka	29-Jan-04	100	13,300	15,300	2.6%
AEON Sapporo Naebo Shopping Center	2003	Sapporo, Hokkaido	2-Mar-04	100	9,260	11,700	2.0%
Tobata SATY	1999	Kita Kyushu, Fukuoka	9-Mar-05	100	6,290	7,920	1.3%
JUSCO Naha Shopping Center	1993	Naha, Okinawa	29-Jun-05	100	10,700	12,000	2.0%
AEON Ueda Shopping Center	2004	Ueda, Nagano	1-Nov-06	100	9,500	9,700	1.6%
Oyama Yuen Harvest Walk	2007	Oyama, Tochigi	31-Aug-07	100	10,200	10,400	1.8%
subtotal					75,760	87,610	14.8%
Grand Total					526,133	591,804	100.0%

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Property Portfolio Summary 2

<u>Name of Property</u>	<u>Number of Tenants</u>	<u>Net Book Value as of February 29, 2008</u> (JPY in	<u>Leasable Space</u> (sq. m.)	<u>Leased Area</u> (sq. m.)	<u>Occupancy Rate as of February 29, 2008</u>	<u>Rental Revenue in 12th Fiscal Period (JPY in Millions)</u>	<u>% of Total Revenue</u>
Tokyo 23 Wards							
8953 Minami Aoyama Building	3	5,343	1,540.98	1,540.98	100.0%	217	1.2%
8953 Daikanyama Building	1	1,253	574.46	574.46	100.0%	38	0.2%
8953 Harajuku FACE Building	5	2,780	1,479.10	1,479.10	100.0%	103	0.6%
GYRE	17	22,956	4,934.28	4,934.28	100.0%	500	2.7%
Esquisse Omotesando Annex	2	887	540.78	540.78	100.0%	33	0.2%
Itabashi SATY	1	12,228	72,253.88	72,253.88	100.0%	645	3.4%
8953 Kita Aoyama Building	2	997	492.69	492.69	100.0%	35	0.2%
8953 Jiyugaoka Building	11	2,673	1,814.10	1,814.10	100.0%	91	0.5%
Cheers Ginza	9	4,169	1,686.58	1,686.58	100.0%	112	0.6%
8953 Jingumae6 Building	2	2,404	670.43	307.67	45.9%	10	0.1%
subtotal	53	55,688	85,987.28	85,624.52	99.6%	1,785	9.5%
Greater Tokyo Metropolitan Area							
ESPA Kawasaki	5	15,022	65,313.47	65,313.47	100.0%	492	2.6%
JUSCO Chigasaki Shopping Center	1	7,762	63,652.33	63,652.33	100.0%	274	1.5%
Abiko Shopping Plaza	54	10,456	42,642.36	42,642.36	100.0%	742	4.0%
Ito-Yokado Yabashira	1	1,569	21,581.65	21,581.65	100.0%	79	0.4%
Ito-Yokado Kamifukuoka-higashi	1	6,667	28,316.18	28,316.18	100.0%	256	1.4%
Ito-Yokado Nishikicho	1	12,501	73,438.52	73,438.52	100.0%	445	2.4%
Ito-Yokado Tsunashima	1	5,029	16,549.50	16,549.50	100.0%	181	1.0%
Bic Camara Tachikawa	2	11,968	20,983.43	20,983.43	100.0%	390	2.1%
AEONMALL Yamato	1	16,678	85,226.68	85,226.68	100.0%	534	2.9%
SEIYU Hibiyaoka	1	5,674	19,070.88	19,070.88	100.0%	261	1.4%
Higashi Totsuka Aurora City	4	51,466	151,429.78	151,429.78	100.0%	1,380	7.4%
Omiya SATY	1	6,331	75,344.90	75,344.90	100.0%	202	1.1%
Ito-Yokado Yotsukaido	1	14,064	59,207.19	59,207.19	100.0%	290	1.6%
AEON Yachiyo-Midorigaoka Shopping Center	1	30,993	132,294.48	132,294.48	100.0%	673	3.6%
8953 Saitama-Urawa Building	1	27,671	64,236.71	64,236.71	100.0%	*	*
subtotal	76	223,850	919,288.06	919,288.06	100.0%	6,479	34.6%
Osaka, Nagoya and Surrounding Areas							
8953 Osaka Shinsaibashi Building	1	13,592	13,666.96	13,666.96	100.0%	407	2.2%
Ito-Yokado Narumi	1	7,989	50,437.91	50,437.91	100.0%	264	1.4%
Nara Family	134	31,637	85,075.32	84,932.74	99.8%	2,200	11.8%
AEONMALL Higashiura	1	8,509	129,124.73	129,124.73	100.0%	383	2.0%
JUSCO City Takatsuki	1	11,398	77,267.23	77,267.23	100.0%	413	2.2%
JUSCO City Yagoto Shopping Center	2	3,861	63,778.44	63,778.44	100.0%	164	0.9%
JUSCO City Nishi-Otsu	1	13,364	62,717.26	62,717.26	100.0%	375	2.0%
Kyoto Family	62	5,499	25,606.48	25,457.65	99.4%	664	3.6%
Loc City Ogaki	1	4,793	57,500.35	57,500.35	100.0%	332	1.8%
Kawaramachi OPA	1	18,948	18,848.20	18,848.20	100.0%	341	1.8%
AEONMALL Tsurumi Leafa	1	30,057	138,538.63	138,538.63	100.0%	888	4.7%
AEONMALL Itami Terrace	1	20,183	150,503.77	150,503.77	100.0%	573	3.1%
subtotal	207	169,830	873,065.28	872,773.87	100.0%	7,006	37.4%
Other Major Cities							
Sendai Nakayama Shopping Center	2	9,728	46,248.96	46,248.96	100.0%	451	2.4%
Hakata Riverain	70	6,622	25,919.35	25,128.04	96.9%	552	3.0%
AEON Kashiihama Shopping Center	1	13,039	109,616.72	109,616.72	100.0%	478	2.6%
AEON Sapporo Naebo Shopping Center	1	8,417	74,625.52	74,625.52	100.0%	378	2.0%
Tobata SATY	1	6,178	93,258.23	93,258.23	100.0%	315	1.7%
JUSCO Naha Shopping Center	1	10,813	79,090.48	79,090.48	100.0%	389	2.1%
AEON Ueda Shopping Center	1	9,556	61,349.07	61,349.07	100.0%	297	1.6%
Oyama Yuen Harvest Walk	1	10,418	58,767.20	58,767.20	100.0%	578	3.1%
subtotal	78	74,769	548,875.53	548,084.22	99.9%	3,439	18.4%
Grand Total	414	524,136	2,427,216.15	2,425,770.67	99.9%	18,709	100.0%

* Rent revenues figures are not listed here since the tenants have not agreed to disclosure of such information