

8953



Japan Retail Fund Investment Corporation

February 2011 (18th) Period Results

Securities Code: 8953 / US ADR(OTC): JNRFY

<http://www.jrf-reit.com/english/index.html>



Mitsubishi Corp UBS Realty



Executive Summary

Effect of the Earthquake

- ✓ The effect of the Great Eastern Japan Earthquake was minimal.





Management Highlights

- ✓ Steady progress of the action plan including the renewal of “Naru Park”
- ✓ Strategic move of the external growth by utilizing investment by anonymous association (TK)
- ✓ Captured opportunities in the financial environment to extend the terms loans

Perception of Business Environment and Growth Strategies

- ✓ Expect an increase bolstered by reconstruction needs from the second half of 2011, despite the short-term decline in consumption
- ✓ Aim to increase profitability by increasing the asset size

Table of Contents

| | | |
|--|--|----------|
|  | Impact of the East Japan Earthquake | . . . 3 |
|  | Performance Report | . . . 8 |
|  | Perception of Current Business Environment and Future Growth Strategies | . . . 21 |
|  | Reference Materials | . . . 31 |

1. Impact of the East Japan Earthquake

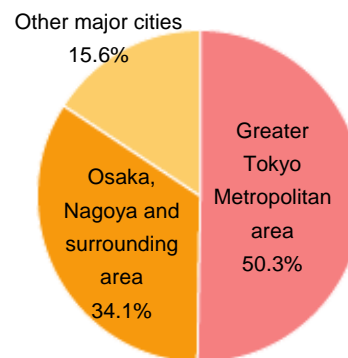
Impact of the East Japan Earthquake (1) — Geographically-diversified portfolio



We would like to express our heartfelt sympathy to the sufferers of the East Japan Earthquake that occurred on March 11, 2011. We sincerely wish for everyone's safety and the earliest possible recovery.

Portfolio focusing on geographical diversification

| | | Number of properties | Acquisition price (mil. yen) |
|------|------------------------------------|----------------------|------------------------------|
| Area | Greater Tokyo metropolitan area | 31 | 314,168 |
| | Osaka, Nagoya and surrounding area | 18 | 212,758 |
| | Other major cities | 10 | 97,328 |
| | Total | 59 | 624,254 |



Portfolio PML: 2.1% (Note)

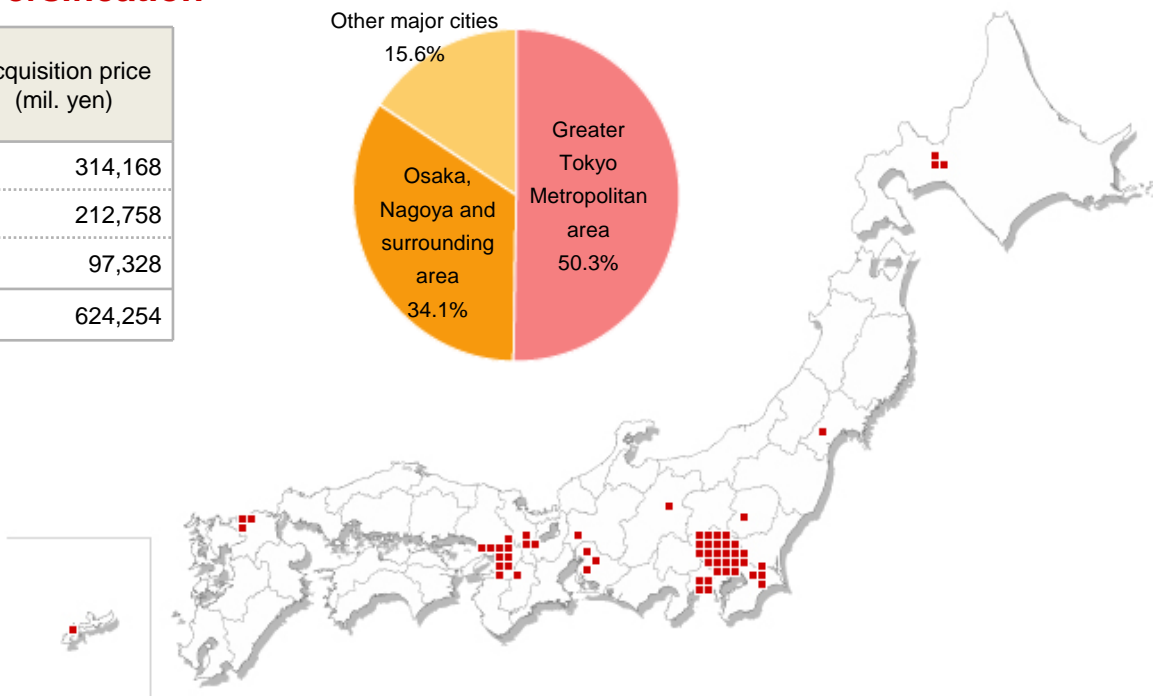
<Coverage of earthquake insurance>

Applying the general concept of PML (probable maximum loss).

The portfolio of JRF is not covered by the earthquake insurance with consideration of the cost due to its low PML.

(The standard to insure the earthquake insurance is PML over 15% in principle.)

(Note) As of October, 2010



Impact of the East Japan Earthquake (2) — Impact to the portfolio

➤➤➤ Impact of the earthquake to the portfolio was quite limited

- There were no human damages, building collapses or damages from the tsunami.
- Damages to properties were minimal.



Estimated handling cost for the entire portfolio (24 out of 59 properties) **668 mil. yen**^(Note1)

Ratio of the handling cost to the total acquisition price (624 billion yen) **Approx. 0.1%**



To be recognized as extraordinary loss in the forecast of August 2011 period (19th period)

| Degree of physical damage (interior, facility, exterior wall and external facility) | Number of applicable properties ^(Note2) | Status of operation (As of April 11, 2011) |
|---|--|---|
| Moderate damage | 1 (AEON Sendai Nakayama) | Approx. 70% |
| Slight-to-moderate damages | 10 (AEON Yachiyo Midorigaoka SC, Abiko Shopping Plaza, AEON Omiya, AEON Itabashi SC, IY Nishikimachi, IY Yotsukaido, Higashi-Totsuka Aurora City, Oyama Yuen Harvest Walk, AEON Mall Yamato and ESPA Kawasaki) | Regular operation ^(Note3) |
| Minor damages | 13 (Bic Camera Tachikawa, G-Bldg. Minami Ikebukuro 01, G-Bldg. Shinjuku 01, IY Yabashira, GYRE, IY Kamifukuoka-higashi, SEIYU Hibarigaoka, Esquisse Omotesando Annex, AEON Ueda, Nara Family, AEONMALL Musashi-murayama Mu, La Porte Aoyama and G-Bldg. Jingumae 03) | |

(Note1) The cost is an estimate as of April 11, 2011 and therefore subject to change due to subsequent estimates.

(Note2) SC stands for shopping center, and IY stands for Ito-Yokado.

(Note3) Movie theater in AEON Omiya is under repairing by the tenant.

Impact of the East Japan Earthquake (3) — Status of the physical damages 1

》》》 Properties with physical damage (AEON Sendai Nakayama (Sendai-shi, Miyagi))

Property overview

| | Structure | Number of stories (Store floor) | PML(Note) | Status of operation (right after the earthquake) | Status of operation (as of April 11) |
|------------------|---|---|-----------|--|--|
| Main building | Steel-reinforced concrete with flat roof | Four (1 st -3 rd floor) | 3.8% | All buildings closed and reopened after March 24 one after another | Regular operation in the 1 st and 2 nd floor |
| Annex | Steel with flat roof of galvanized sheet iron | Four (1 st -3 rd floor) | 3.2% | | Regular operation in the 1 st floor |
| Fashion building | Steel with flat roof of galvanized sheet iron | One (1 st floor) | 1.2% | | Regular operation |



(Note) PML is as of October 2010.

Major damages (As of Mar. 12)



Scattered products [1F Main building]



Damages to interiors [3F Main building]



Caving of drain facilities
[Parking lot in front of Main building]



Damages to ceiling facilities
[2F Main building]

Current status



As of Apr. 4 [Main building]



As of Mar. 25 [Main building]

Impact of the East Japan Earthquake (3) — Status of the physical damages 2

Examples of slight-to-moderate and minor physical damage

Examples of damages to exteriors



Inward dislocation of the exterior wall of the parking building

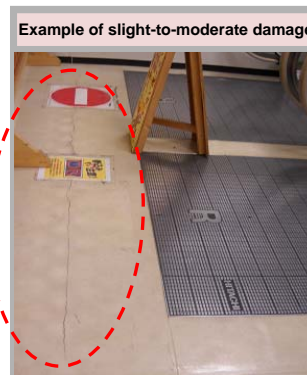
[Higashi-Totsuka Aurora City]
(Yokohama-shi, Kanagawa)



Damage to the cover of the joint section between buildings

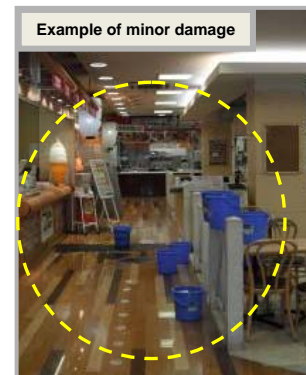
[AEON Omiya]
(Saitama-shi, Saitama)

Example of damages to interiors



Damage to the floor of the escalator platform

[Oyama Yuen Harvest Walk]
(Oyama-shi, Tochigi)



Damage to the floor due to activation of the fire sprinkler

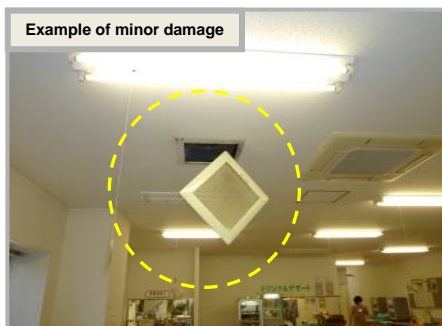
[Higashi-Totsuka Aurora City]
(Yokohama-shi, Kanagawa)

Example of damages to facilities



Damage to the equipments in the projection booth due to the activation of the fire sprinkler

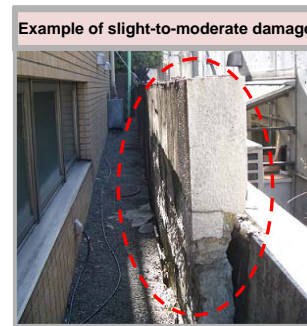
[AEON Omiya]
(Saitama-shi, Saitama)



Drop of the AC vent cover

[Ito-Yokado Yotsukaido]
(Yotsukaido-shi, Chiba)

Examples of damages to exterior facilities



Damage to the boundary wall

[Esquisse Omotesando Annex]
(Shibuya-ku, Tokyo)



Crack in the tiles around the building

[Ito-Yokado Nishikimachi]
(Warabi-shi, Saitama)

2. Performance Report

February 2011 (18th) Period Performance

| | Aug. 2010 Period (17th) | Feb. 2011 Period | | |
|---|----------------------------|------------------|-----------------------------------|---------------------------------------|
| | | (18th) | Change from previous period | Change from previous period (%) |
| Operating Revenue | 23,326 | 22,925 | △ 401 | △ 1.7% |
| Operating Expenses | 14,428 | 13,577 | △ 851 | △ 5.9% |
| Operating Income | 8,898 | 9,348 | +449 | +5.1% |
| Non-operating Revenue | 8 | 5 | △ 2 | △ 36.5% |
| Non-operating Expenses | 3,013 | 2,588 | △ 424 | △ 14.1% |
| Recurring Profit | 5,893 | 6,764 | +870 | +14.8% |
| Net Income ^(Note1) | 13,093 | 6,698 | △ 6,395 | △ 48.8% |
| Amount reserved for Negative Goodwill ^(Note2) | 283 | - | - | - |
| Total Distribution (mil. yen) | 6,173 | 6,698 | +525 | +8.5% |
| Distribution per Unit | 3,657 | 3,968 | +311 | +8.5% |
| FFO per Unit ^(Note3) | 6,846 | 6,398 | △ 448 | △ 6.5% |
| FFO payout ratio | 53.4% | 62.0% | +8.6% | - |
| Average cost of debt (incl. guarantee deposits) | 1.74% | 1.70% | △ 0.04% | - |
| Capital Expenditures | 1,442 | 696 | △ 746 | △ 51.7% |
| Repair Expenses | 68 | 98 | +30 | +44.0% |
| Total | 1,510 | 794 | △ 715 | △ 47.4% |
| Depreciation | 5,410 | 5,160 | △ 250 | △ 4.6% |

(mil. yen)

| Feb. 2011 Period | | |
|---|---------------------------|----------------------------------|
| (Estimate at beginning of Period) | Difference from actual | Difference from actual (%) |
| 22,817 | +108 | +0.5% |
| - | - | - |
| 9,164 | +184 | +2.0% |
| - | - | - |
| - | - | - |
| 6,529 | +235 | +3.6% |
| 6,464 | +234 | +3.6% |
| 6,464 | +234 | +3.6% |
| 3,828 | +140 | +3.7% |
| 6,260 | +138 | +2.2% |
| 61.2% | +0.9% | - |

Major factors behind change (compared to the 17th Period)

| | | (mil. yen) |
|--|--------|------------|
| Operating Revenue | | △401 |
| ✓ Effect of sale of non-core properties | | △573 |
| Gain on sale | +1,056 | |
| Decrease in operating revenue from the sale of properties | △1,629 | |
| ✓ Other (penalties, etc.) | | +172 |
| Operating Expenses | | △851 |
| ✓ Effect of sales of non-core properties (decrease of operating expenses) | | △510 |
| ✓ Removal of loss on sale of Urawa property in the 17 th period | | △256 |
| ✓ Other (decrease of general administrative expense) | | △85 |
| Operating Income | | +449 |
| Non-operating profit/loss (decrease of interest expense from repayment of loans with sale of non- core properties, etc.) | | +421 |
| Recurring Profit | | +870 |
| Extraordinary profit/loss (removal of gains on negative goodwill, etc.) | | △7,268 |
| Net Income | | △6,395 |

(Note1) Since net income for the August 2010 Period includes gains on negative goodwill, not all of the amount is a source of payments for distributions.

(Note2) Amount reserved for negative goodwill for the August 2010 Period of 2.83 mil. yen is allocated to loss on sale of Saitama Urawa 8953 Building.

(Note3) (Net income + loss on sale of real estate, etc. – gain on sale of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding

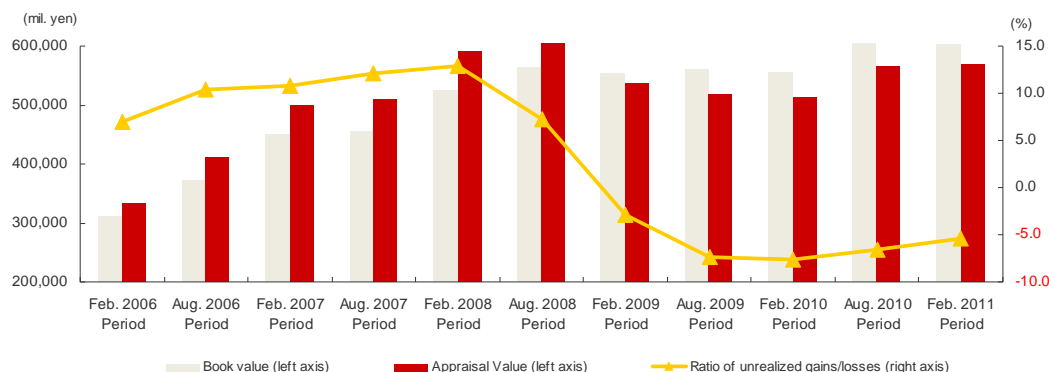
February 2011 (18th) Period Performance

| | End of Aug. 2010 | End of Feb. 2011 | | |
|--|----------------------|----------------------|-----------------------------|---------------------------------|
| | (End of 17th Period) | (End of 18th Period) | Change from previous period | Change from previous period (%) |
| Total assets (1) | 666,843 | 625,312 | △ 41,531 | △ 6.2% |
| Total liabilities (2) | 387,998 | 345,943 | △ 42,055 | △ 10.8% |
| Interest-bearing liabilities (3) | 309,848 | 277,351 | △ 32,497 | △ 10.5% |
| Security deposits, guaranteed deposits (4) | 71,500 | 62,667 | △ 8,832 | △ 19.5% |
| Net Assets | 278,844 | 279,369 | +524 | +0.2% |
| | | (%) | | |
| LTV ((3) / (1)) | 46.5% | 44.4% | △ 2.1% | |
| LTV (((3) + (4)) / (1)) | 57.2% | 54.4% | △ 2.8% | |
| LTV (((3) + (4)) / (1)+(6))) | 60.8% | 57.3% | △ 3.4% | |
| Number of properties | 77 | 59 | △ 18 | |
| Book value (4) | 637,727 | 601,341 | △ 36,386 | △ 5.7% |
| End of term appraisal value (5) | 598,552 | 568,969 | △ 29,583 | △ 4.9% |
| (6)((5)-(4)) | △ 39,175 | △ 32,372 | +6,803 | △ 17.4% |
| Negative goodwill | 7,202 | 6,918 | △ 283 | △ 3.9% |

Major factors behind change (compared to the 17th Period)

| | | (mil.yen) |
|---|--|-----------|
| Total Assets | | △41,531 |
| ✓ Sale of non-core properties | | △32,135 |
| ✓ Decrease of cash and deposits from repayment of loans, etc. | | △5,638 |
| ✓ Other (depreciation expense, etc.) | | △3,757 |
| Total Liabilities | | △42,055 |
| ✓ Repayment of loans with sale of non-core properties | | △32,497 |
| ✓ Return of security deposits and tenant leasehold | | △8,832 |
| ✓ Other | | △726 |
| Net Assets | | +524 |
| ✓ Increase of inappropriate retained earnings for the period | | +524 |

Trend of appraisal values - bottoming out of declines



(Note) The appraisal values for the Aug. 2010 Period are based on 59 retail properties.

Percentage change of appraisal values compared with the previous period

| End of Aug. 2009 | End of Feb. 2010 | End of Aug. 2010 | End of Feb. 2011 |
|------------------|------------------|------------------|------------------|
| △5.1 % | △1.0 % | △0.2 % | +0.5% |

(Note) The percentage change is calculated based on the properties owned at the end of the previous period.

Forecasts for August 2011 (19th) and February 2012 (20th) Periods

| | | (mil. yen) | | | | | |
|---|------------------|----------------------------|-----------------------------|------------|----------------------------|-----------------------------|------------|
| | Feb. 2011 Period | Aug. 2011 Period | | | Feb. 2012 Period | | |
| | (18th Period) | (Forecast for 19th Period) | Change from previous period | Change (%) | (Forecast for 20th Period) | Change from previous period | Change (%) |
| Operating Revenue | 22,925 | 21,722 | △ 1,203 | △ 5.2% | 21,823 | +101 | +0.5% |
| Operating Income | 9,348 | 8,382 | △ 966 | △ 10.3% | 8,006 | △ 376 | △ 4.5% |
| Recurring Profit | 6,764 | 5,820 | △ 944 | △ 14.0% | 5,556 | △ 264 | △ 4.5% |
| Net Income | 6,698 | 5,151 | △ 1,547 | △ 23.1% | 5,555 | +404 | +7.9% |
| Amount Reserved for Negative Goodwill <small>(Note1)</small> | - | - | - | - | 410 | - | - |
| Total Distribution | 6,698 | 5,151 | △ 1,547 | △ 23.1% | 5,965 | +814 | +15.8% |
| | | | | | | | |
| | | (yen) | | | | | |
| Distribution per Unit | 3,968 | 3,050 | △ 918 | △ 23.1% | 3,533 | +483 | +15.8% |
| FFO per Unit <small>(Note2)</small> | 6,398 | 6,076 | △ 322 | △ 5.0% | 6,306 | +230 | +3.8% |
| FFO payout ratio | 62.0% | 50.2% | △ 11.8% | - | 56.0% | +5.8% | - |
| | | | | | | | |
| | | (%) | | | | | |
| Average cost of debt <small>(incl. guarantee deposits)</small> | 1.70% | 1.70% | +0.00% | - | 1.65% | △ 0.05% | - |
| | | | | | | | |
| | | (mil. yen) | | | | | |
| Capital Expenditures | 696 | 1,772 | +1,076 | +154.6% | 953 | △ 819 | △ 46.2% |
| Repair Expenses | 98 | 78 | △ 20 | △ 20.8% | 209 | +131 | +167.9% |
| Total | 794 | 1,850 | +1,055 | +132.8% | 1,162 | △ 688 | △ 37.2% |
| Depreciation | 5,160 | 5,107 | △ 53 | △ 1.0% | 5,092 | △ 15 | △ 0.3% |

(Note1) Amount reserved for negative goodwill for the Feb. 2012 Period of 4.1 mil. yen is allocated to loss on write-off due to renewal.

(Note2) (Net income + loss on sale of real estate, etc. – gain on sale of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding

➤ Major factors behind change for the 19th Period (compared to the 18th Period)

| | | (mil. yen) |
|--|--|------------|
| Operating Revenue | | △1,203 |
| ✓ Removal of gain on sale of non-core properties | | △1,056 |
| ✓ Decrease of rent such as parking revenue, etc. | | △147 |
| Operating Expenses | | △237 |
| ✓ Decrease of loss on write-off and general administrative expense, etc. | | △237 |
| Operating Income | | △966 |
| Non-operating profit/loss (decrease of interest expense, etc.) | | +22 |
| Recurring Profit | | △944 |
| Extraordinary profit/loss (including rework cost of 668 due to the Earthquake) | | △603 |
| Net Income | | △1,547 |

➤ Major factors behind change for the 20th Period (compared to the 19th Period)

| | | (mil. yen) |
|---|--|------------|
| Operating Revenue | | +101 |
| ✓ Increase of rent such as parking revenue, etc. | | +101 |
| Operating Expenses | | +477 |
| ✓ Loss on write-off due to renewal, etc. | | +477 |
| Operating Income | | △376 |
| Non-operating profit/loss (decrease of interest expense, etc.) | | +112 |
| Recurring Profit | | △264 |
| Extraordinary profit/loss (removal of reworking cost due to the Earthquake) | | +668 |
| Net Income | | +404 |

Completion of LJR Merger Project by Sale of Non-core Properties

Decrease of LTV due to the sale of non-core properties

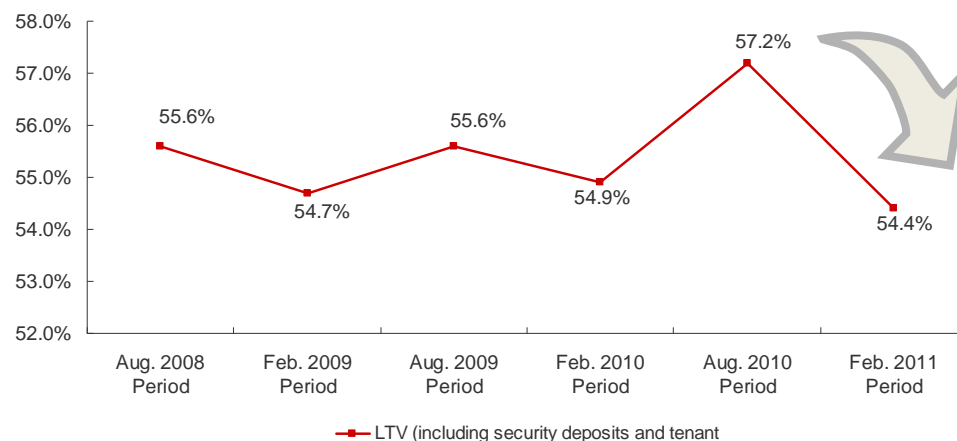
Resolution of all the issues arising from the merger

| | | |
|--|--|---------------------------------|
| Increase of borrowing costs | ✓ Converted long-term loans of approx. 35 billion yen to variable interest rate | Handled in the Aug. 2010 Period |
| Partial contribution of repayment term | ✓ Extended a 35-billion-yen loan to March 2015 | Handled in the Aug. 2010 Period |
| Higher LTV | ✓ Repayment of approx. 33 billion yen of loans using proceeds from the sale of non-core properties | Handled in the Feb. 2011 Period |

Overview of sale of non-core properties completed in the 18th Period

| | |
|------------------------------|-------------------------------|
| Number of transferred assets | 18 (office: 10, residence: 8) |
| Total book value | 32 billion yen |
| Total transfer value | 33.2 billion yen |
| Gain on sale | 1 billion yen |
| Date of transfer | September 3, 2010 |

Reduction of LTV



Improvement of evaluation by rating agencies

Evaluated improvement of financial standing due to decrease of LTV

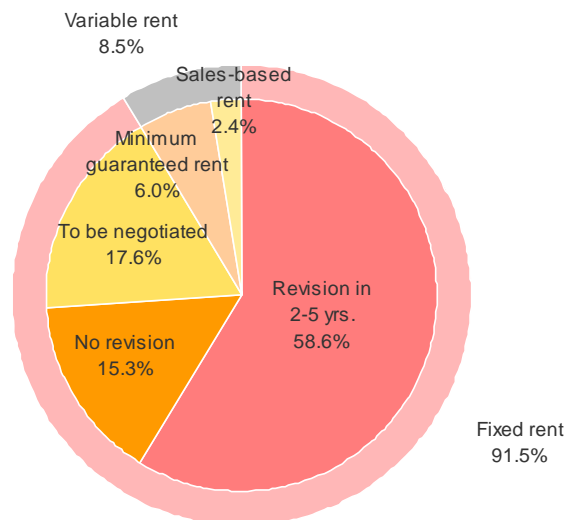
February 8, 2011
S&P revised JRF's outlook from "Negative" to "Stable".

As of the end of Feb. 2011

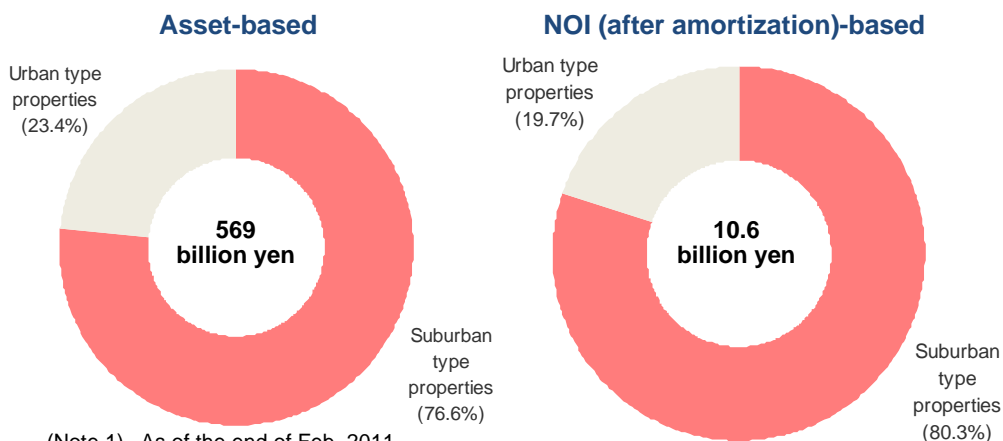
| | Rating of issuer | Rating of long-term debt | Outlook |
|---------|------------------|--------------------------|----------|
| Moody's | A2 | A2 | Negative |
| S&P | A | A | Stable |
| R&I | AA- | AA- | Stable |

Overview of Portfolio

Ratio of fixed-rent properties: >90% (approx. 98%)

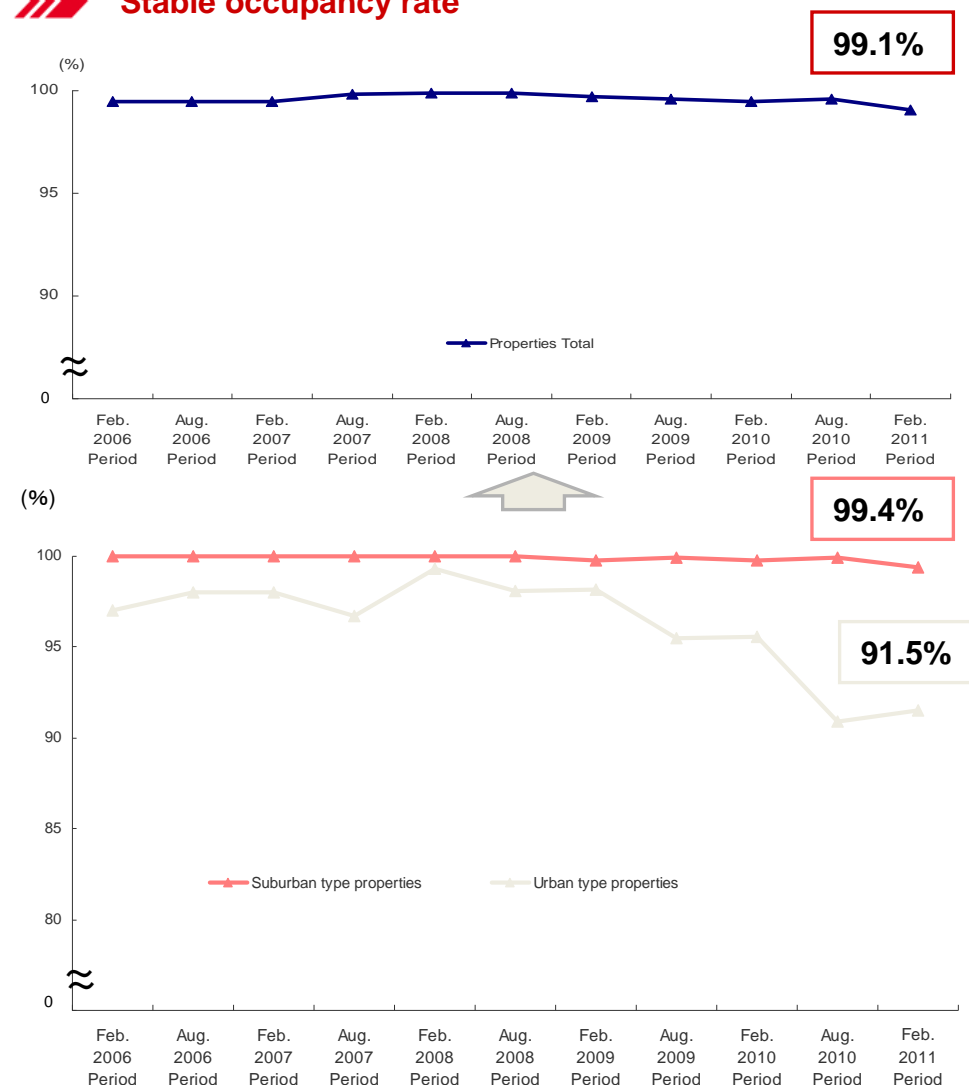


Ratio of suburban properties: approx. 80%



(Note 1) As of the end of Feb. 2011
(Note 2) Appraisal-value-based

Stable occupancy rate

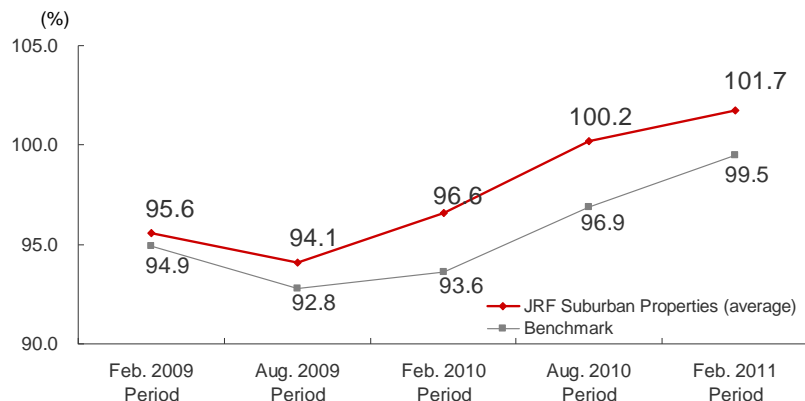


(Note) Square-measure-based

Status of Suburban Properties

➤➤➤ Average sales for suburban properties outperformed the benchmark and maintained a growth rate of more than 100% (YoY comparison)

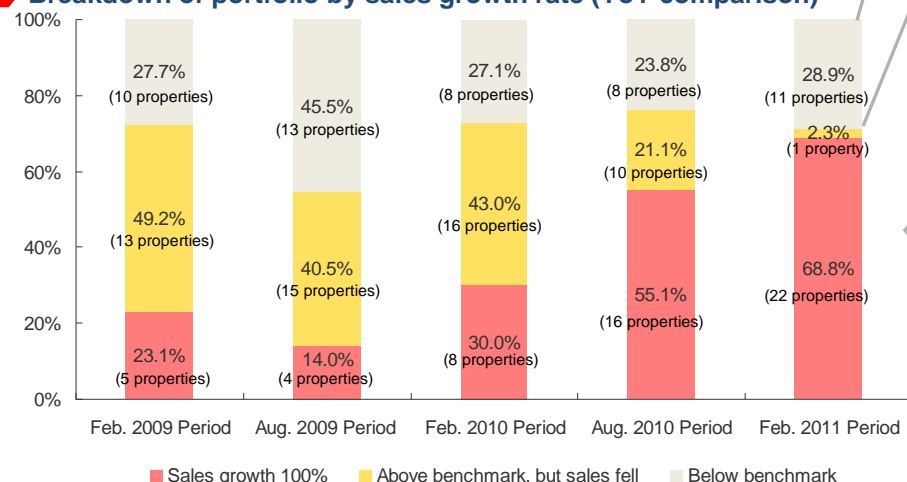
➤ Suburban type: Shifts in net sales (YoY comparison)



(Note 1) Figures for sales at its suburban retail properties are based on JRF's research.

(Note 2) The benchmark is based on the Commercial statistics' value of sales at large-scale retail outlets (existing stores) compared to the previous year.

➤ Breakdown of portfolio by sales growth rate (YoY comparison)



(Note) The composition ratio(%) is calculated based on the annual rent.

Downside risk of rent is limited.

Stable cash flow for a certain period with the New style leasehold contract agreement

Market potential that allows for renovation, changes in concept and change of use

Attraction of customers and increase in profitability and sales by aggressive SC management

Introduction of multi tenants of GMS and conversion of tenant mix

Invitation of competitive specialty store tenants

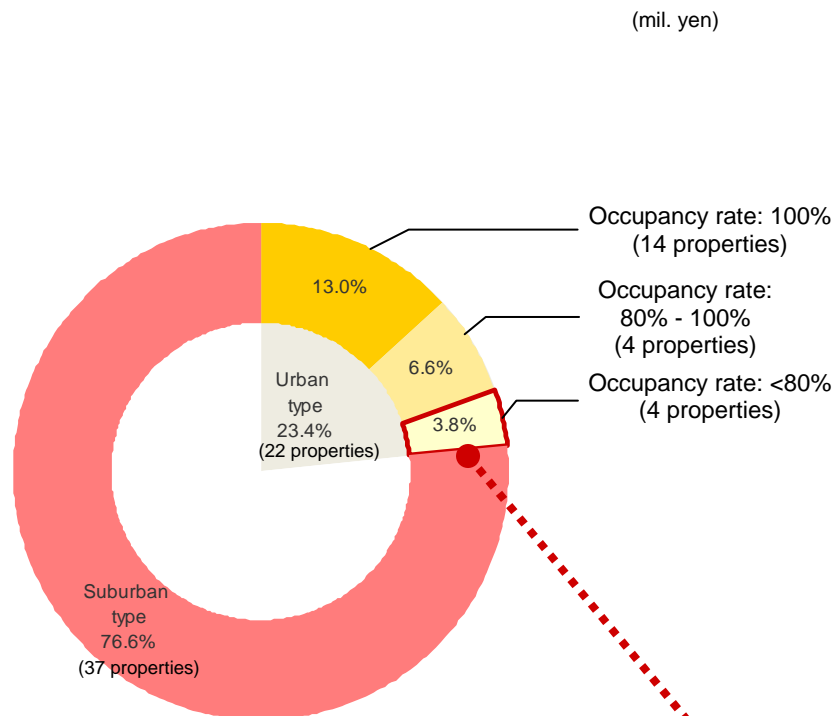
Floor area expansion, renovation and renewal, etc.

Establishment of newsworthy properties that become a core of local communities

Status of Urban Properties

》》》 Maintained high occupancy rate as a portfolio of urban properties

》 Ratio of urban properties in the overall portfolio: 23.4%



(Note 1) As of the end of Feb. 2011

(Note 2) Appraisal-value-based

》 Properties with 100% occupancy rate after Aug. 2010 Period

| | | End of Feb. 2010 | End of Aug. 2011 | End of Feb. 2011 | End of Mar. 2011 |
|----|----------------------------------|---------------------|---------------------|---------------------|---------------------|
| 1 | 8953 Kita Aoyama Building | 100.0% | 100.0% | 100.0% | 100.0% |
| 2 | 8953 Jingumae 6 Building | 100.0% | 100.0% | 100.0% | 100.0% |
| 3 | 8953 Daikanyama Building | 100.0% | 100.0% | 100.0% | 100.0% |
| 4 | G-Bldg. Minami Ikebukuro 01 | 100.0% | 100.0% | 100.0% | 100.0% |
| 5 | 8953 Osaka Shinsaibashi Building | 100.0% | 100.0% | 100.0% | 100.0% |
| 6 | Esquisse Omotesando Annex | 100.0% | 100.0% | 100.0% | 100.0% |
| 7 | Bic Camera Tachikawa | 100.0% | 100.0% | 100.0% | 100.0% |
| 8 | Kawaramachi OPA | 100.0% | 100.0% | 100.0% | 100.0% |
| 9 | G-Bldg. Jingumae 01 | 100.0% | 100.0% | 100.0% | 100.0% |
| 10 | G-Bldg. Shinjuku 01 | 100.0% | 100.0% | 100.0% | 100.0% |
| 11 | G-Bldg. Jingumae 02 | 69.7% | 100.0% | 100.0% | 100.0% |

》 Properties with changes in occupancy rate after Aug. 2010 Period

| | | End of Feb. 2010 | End of Aug. 2011 | End of Feb. 2011 | End of Mar. 2011 |
|----|------------------------------------|---------------------|---------------------|---------------------|---------------------|
| 1 | 8953 Jiyugaoka Building | 100.0% | 96.9% | 100.0% | 100.0% |
| 2 | Cheers Ginza | 100.0% | 79.4% | 100.0% | 100.0% |
| 3 | G-Bldg. Shinsaibashi 01 | - | 88.4% | 100.0% | 100.0% |
| 4 | GYRE | 97.8% | 94.0% | 93.5% | 93.5% |
| 5 | 8953 Minami Aoyama Building | 90.4% | 90.4% | 90.4% | 90.4% |
| 6 | 8953 Harajuku FACE Building | 100.0% | 100.0% | 84.8% | 84.8% |
| 7 | Hakata Riverain/eeny meeny miny mo | 84.9% | 82.4% | 83.6% | 81.6% |
| 8 | La Porte Aoyama | - | 82.0% | 77.5% | 77.5% |
| 9 | G DINING SAPPORO | 50.1% | 63.3% | 68.0% | 68.0% |
| 10 | G-Bldg. Minami Aoyama 01 | 0.0% | 0.0% | 0.0% | 36.1% |
| 11 | G-Bldg. Jingumae 03 | - | 11.3% | 11.3% | 11.3% |

Renewal Model of GMS — Grand Opening of Naru Park 1

»»» Grand opening on March 16, 2011 with 100% occupancy rate



Naru Park
(Nagoya, Aichi)



Former Ito Yokado Narumi

Large-scale renewal
in approx. three
months with
approx. 500 mil.yen

- ✓ Realize conversion of “master lease” to “direct lease” as the first property for GMS renewal model.
- ✓ Promote “Green Project” as an “environmentally-friendly commercial facility” with the support of the local community. Use of LED, etc. contributes to reduction in management cost.
- ✓ Introduce sales-based rent for 35 tenants out of 48. Utilize efficiency and competition principle and reduce management cost (PM fee/BM fee) from the initial estimate.

» Estimated Future NOI

Estimated annual NOI (initial plan): 360 mil. yen

Due to the 100% occupancy rate and greater % of sales to budget at grand opening

Estimated annual NOI (current): >370 mil. yen

Background to opening

| | |
|-------------------|--|
| October 17, 2010 | Closure of Ito Yokado Narumi |
| November 30, 2010 | Cancellation of lease contract with Ito Yokado Co., Ltd. |
| December 2010 - | Start of renewal work |
| March 16, 2011 | Grand opening Pre-opening (March 14) |



Grand opening on March 16



(Note) Includes “Joshin” that opened on March 11, 2011 ahead of other tenants.

Status after opening

Sales for March

(March 14 to 31^(Note)):

⇒ Approx. 967 mil. yen

(% to budget +12.6%)

(Initial annual sales target: 10.5 billion yen)

Renewal Model of GMS — Grand Opening of Naru Park 2

Concept of Naru Park

Facility where people can shop “casually”,
“pleasantly” and “in a relaxed manner”

- ✓ Target customers ... nearby residents
- ✓ Target needs ... daily needs with high usage frequency
- ✓ Tenant mix ... tenant mix with high popularity and competitiveness
- ✓ Environmental responsiveness based on the current needs ... “Green Project”

“Green Project” of an environmentally-friendly commercial facility

- ✓ Rooftop garden and rental vegetable garden (largest in the area)
- ✓ Rental plant factory that allows harvest and cultivation of vegetables year round (first in SC in Japan)
- ✓ Solar panels (approx. 70 m²) on the surface of walls and reduced CO2 by utilizing generated power in the facility
- ✓ Wall greenery (at the main entrance)
- ✓ Use **LED** for approx. 90% of lighting in common spaces and reduced CO2 by approx. 50%



<Wall solar panel>



<Generated power energy display panel (left)>
<Rental plant factory (right)>



Open from April 16



Floor map

First opening in SC: 3, First opening in Nagoya area: 3 (out of 48 specialty stores)



Center Park

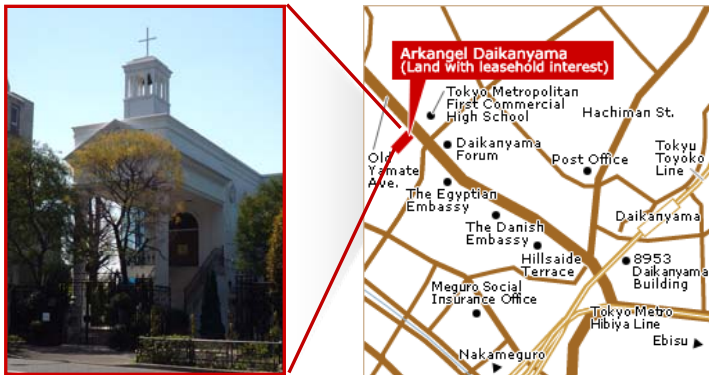
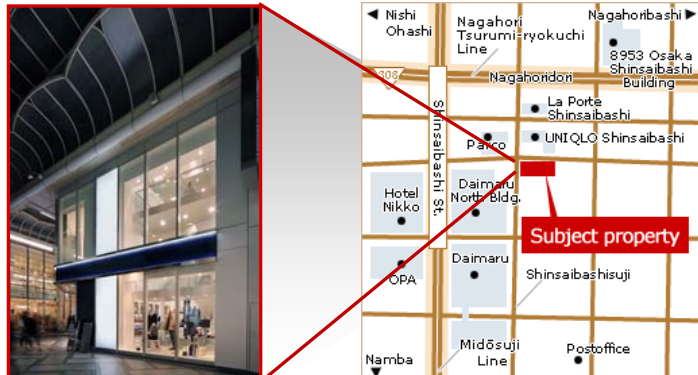
Flagship store in Chubu Area



Implementation of New Investment Scheme — New Acquisition by Investment by Anonymous Association (TK)

➤➤➤ Establishment of the strategic tool that aims for the future external growth

➤ Overview of individual investment

| | Proprietary Equity of TK for Retail Daikanyama Godo Kaisha | Proprietary Equity of TK for Retail Shinsaibashi Godo Kaisha |
|--|--|--|
| Date of acquisition | December 21, 2010 | February 9, 2011 |
| Property to be invested by SPC | Arkangel Daikanyama (land with leasehold) | (tentative name) Retail Shinsaibashi Building |
| Appraisal value | 2,130 mil. yen | 4,560 mil. yen |
| TK investment amount of JRF | 174.5 mil. yen (proprietary equity of TK: 40.68%) | 340 mil. yen (proprietary equity of TK: 30.2%) |
| Annual expected dividend yield ^(Note) | 10.2% | 10.0% |
| Fund for acquisition of TK proprietary equity of JRF | Self-financed | Same as on the left |
| Preferential negotiating rights | JRF is given the right to have preferential negotiation. | Same as on the left |
| Exercise period | By December 22, 2011 | April 30, 2012 |
| Price terms for preferential negotiation | Acquisition for more than 1,820 mil. yen (85% of the appraisal value) | Acquisition for more than 4,380 mil. yen (96% of the appraisal value) |
| Photo and map of property |  <p>(Note) The building is a facility for weddings.</p> |  |

(Note) Annual expected dividend yield is calculated by dividing annual expected dividend by the amount of investment and rounded to one decimal place.

Implementation of Measures that Contribute to Distribution

➤➤➤ Achieved continuous cost reduction by reviewing business flow and utilizing competition principles

| Measure | Achievement | |
|--|---|---|
| | Aug. 2010 Period (17 th Period) | Feb. 2011 Period (18 th Period) |
| Reduction of PM (property management) fees | 20 mil.yen | ---- |
| Reduction of real estate management trust fees | 25 mil.yen | 25 mil.yen |
| Decrease of asset custodian fees | 136 mil.yen | ---- |
| Administrative work outsourcing cost | ---- | 105 mil.yen |
| Building management cost | ---- | 35 mil.yen |
| Reduction of non-life insurance premiums | 62 mil.yen | ---- |
| Total | 243 mil.yen | 165 mil. yen |

Reduced cost for the Feb. 2011 Period:

165 mil. yen

Annual reduction (total of two periods):

Achieved reduction of **408 mil. yen**

(Note) Figures are on an annual basis.

➤➤➤ Results of the renewal of properties owned which took place in the Feb. 2011 Period

➤ Kyoto Family (Kyoto, Kyoto)

- ✓ Converted some floor of “JUSCO,” which was returned from the core tenant in October 2010, into “Midori” by direct lease
- ✓ Upward revision of unit rent and implementation of sales-based rent for floors other than that returned by “JUSCO”



“Midori (large consumer electronics store)”

➤ Oyama Yuen Harvest Walk (Oyama, Tochigi)

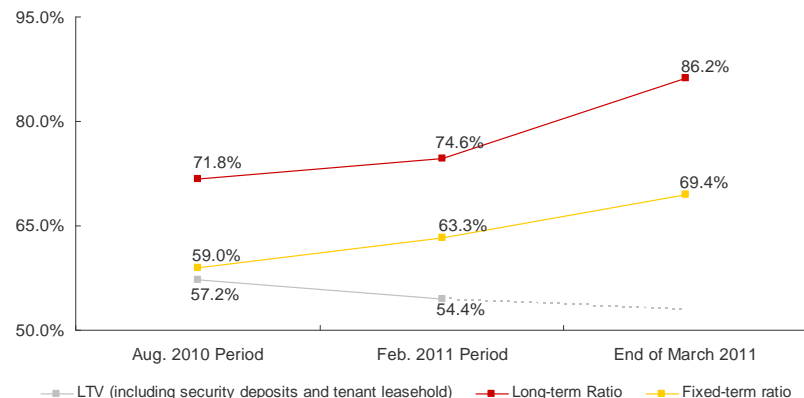
- ✓ Reopening of the new food court, “Paku Park” in February 2011
- ✓ Increase the length of time in which customers stay at the facility by providing space where customers can rest



“Paku Park”

Implementation of Financial Policies that Contribute to Stabilization

Further term extension and stabilization of loans

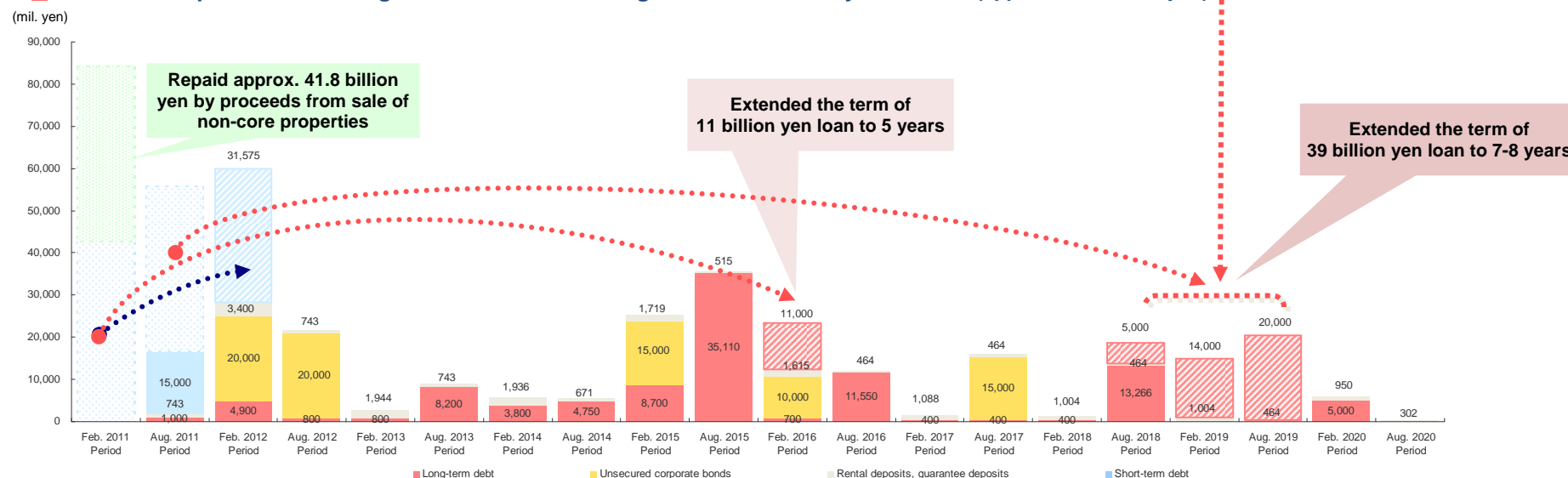


| Lender | Sumitomo Mitsui Banking Corporation | Bank of Tokyo- Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Trust and Banking Company, Limited | Bank of Tokyo- Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Trust and Banking Company, Limited |
|---------------|-------------------------------------|--|--|
| Amount | 5 billion yen | 14 billion yen | 20 billion yen |
| Interest rate | Three-month yen TIBOR + 0.55% | Three-month yen TIBOR + 0.35% | Three-month yen TIBOR + 0.40% ^(Note) |
| Loan term | 7 years | 7.5 years | 8 years |
| | March 31, 2011 to March 30, 2018 | March 31, 2011 to September 28, 2018 | March 31, 2011 to March 29, 2019 |

(Note) Virtually fixed at 1.49% by the interest rate swap agreement signed on March 31, 2011

Diversification of repayment dates

Almost completed refinancing of loans with remaining maturities of one year or less (approx. 120 billion yen)



3. Perception of Current Business Environment and Future Growth Strategies

JRF's Perception of Environment

➤➤➤ **Expect an increase bolstered by reconstruction needs from the second half of 2011 despite the short-term decline in consumption**

➤ Macro environment

- We expect a recovery to the pre-earthquake level in the second half of 2011 due to resolution of supply chain issues and full-scale reconstruction needs
- There are uncertainties which remain due to the nuclear accident and electricity shortage.

➤ Retail environment

- Decline in consumption due to voluntary restraint and restriction on activities is limited.
- Conservative purchase of luxury items and restriction on dining out remain temporary.

➤ Real estate environment

- In spite of a temporary loss of confidence, we expect a recovery of real estate investment due to the expected increase in real estate contributions.
- Values regarding real estate changed due to the Earthquake, and selection by location and building grade became more prevalent.

➤ Financial environment

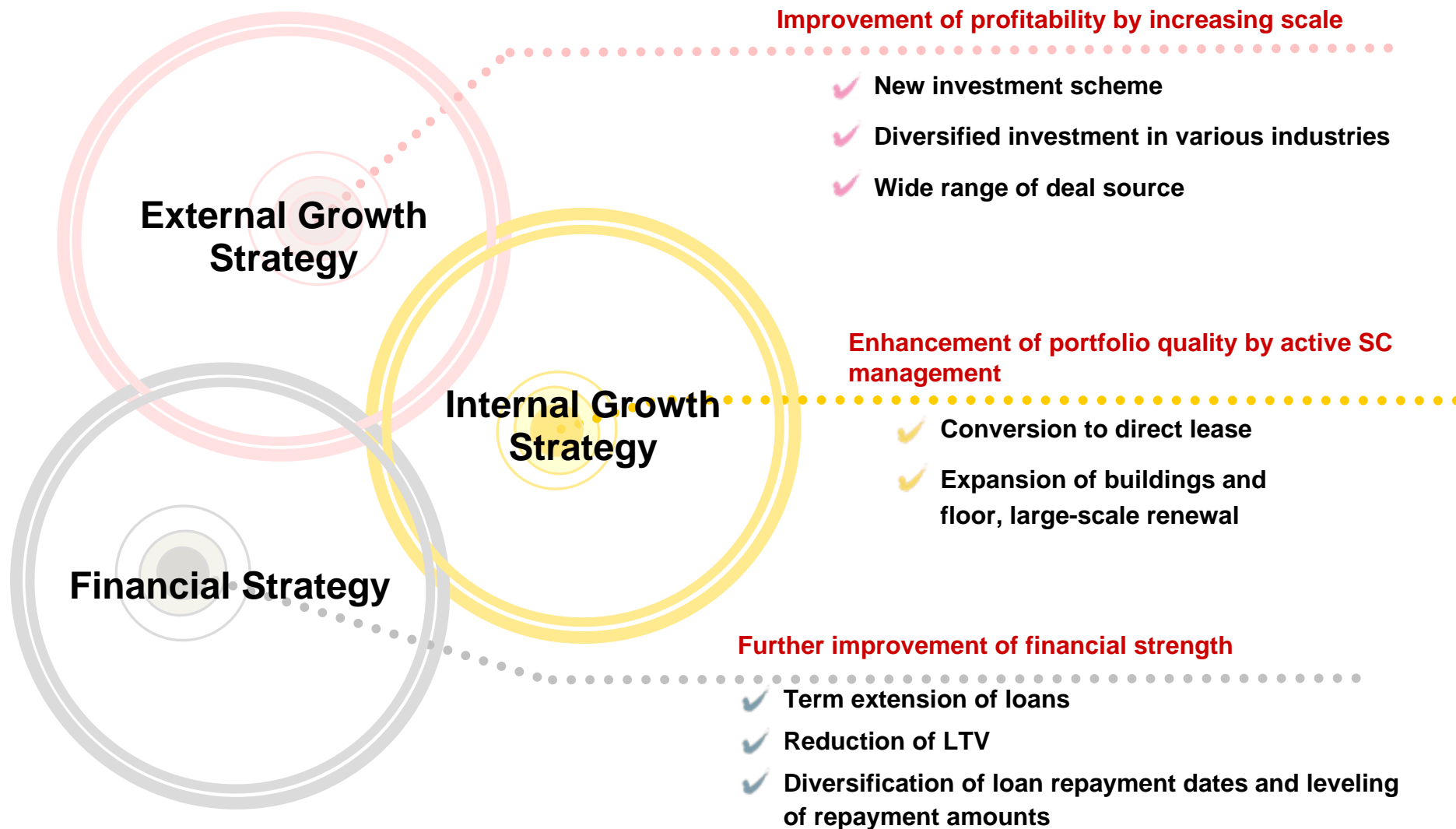
- Currently, there is no indication that leads to destabilization of the market. There is therefore no significant change in the financing environment.
- We need to consider the changes in the environment due to new government bond issues although the effects are limited.



- ✓ Effect on profit/loss is limited thanks to location diversification of JRF's portfolio and percentage of fixed-rent properties.
- ✓ While demand for real estate investment declined a little, opportunities to acquire properties are increasing due to the greater sales needs based on companies' CRE and financing needs.

Growth Strategies Going Forward

» JRF's Strategy



External Growth Strategy (1) — Fundamental Policy

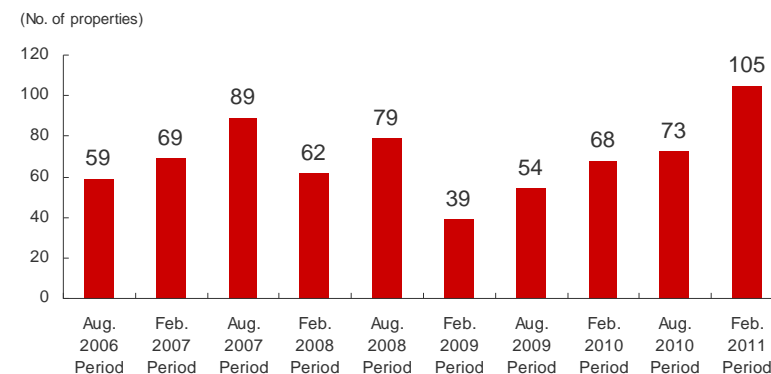
»»» Fundamental policy of external growth strategy

| | |
|------------------|---|
| Entire picture | Pursue proactive external growth that contributes to increase of distributions |
| Target Yield | Pursue acquisition of properties with yields greater than the current weighted-average cap rate of the entire portfolio |
| Type of property | Diversify investment in various types of commercial facilities |

»»» Achieve external growth that seizes acquisition opportunities

| Item | Investment scheme | Invested category | Deal source |
|-------------|--|--|--|
| Description | Utilize new bridge structure such as TK investment in addition to direct acquisition | Diversify investment in various retail categories such as service in addition to merchandising | Utilize its own deal source extensively in addition to sponsor channels |
| Result | <ul style="list-style-type: none"> TK proprietary equity of Retail Daikanyama Godo Kaisha TK proprietary equity of Retail Shinsaibashi Godo Kaisha | <ul style="list-style-type: none"> Investment in land with leasehold of wedding facility (TK proprietary equity of Retail Daikanyama Godo Kaisha) | Many |

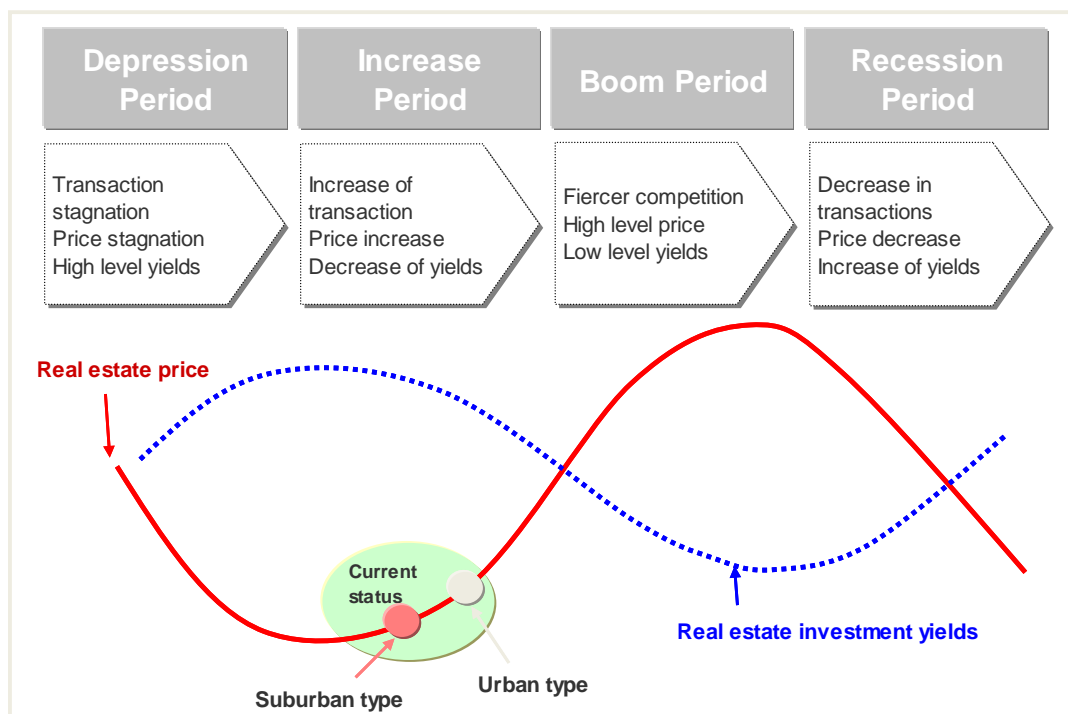
» Shift in the number of deals considered



(Note) The number of deals that are expected to meet the investment criteria of JRF and are to be registered as new investment targets during the period

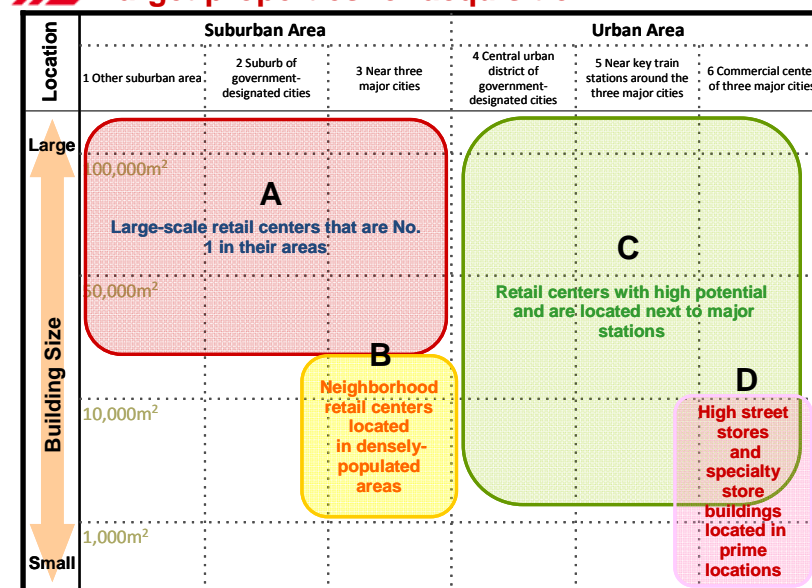
External Growth Strategy (2) — Market Cycle and Target

Real estate market cycle



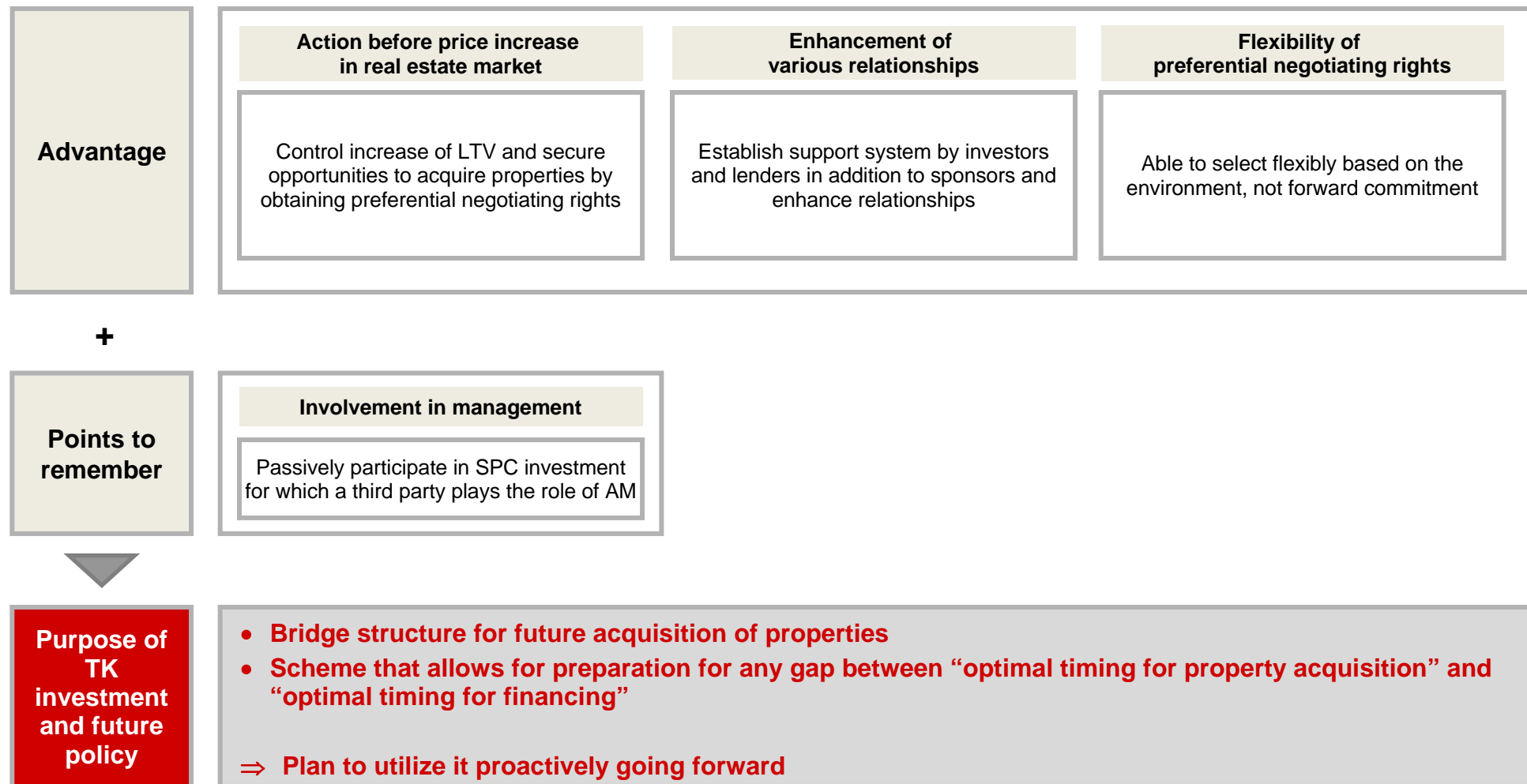
| | |
|--|--|
| Current perception | <ul style="list-style-type: none"> ✓ Real estate market cycle bottomed and demand has increased ✓ Price increase can be observed in urban properties |
| Target properties for acquisition | <ul style="list-style-type: none"> ✓ Diversify investment in various types of commercial facilities |

Target properties for acquisition



| Type of commercial facilities | | |
|-------------------------------|---|--|
| A | No. 1 commercial facility in the area | <ul style="list-style-type: none"> • No. 1 shopping mall in the area • Large regional shopping center (RSC) • Middle and large-sized general merchandise store (GMS) |
| B | Neighborhood commercial facility in a densely populated area | <ul style="list-style-type: none"> • Neighborhood shopping center (NSC) • Small and middle-sized GMS and roadside store • Supermarket (SM) • Service-related facility (beauty salon, wedding, sports, leisure, show room and medical mall, etc.) |
| C | Commercial facility with high potential adjacent to major station in urban city | <ul style="list-style-type: none"> • Specialty store building • Department store • Service-related facility (beauty salon, wedding, sports, leisure, show room and medical mall, etc.) |
| D | Stand-alone store and specialty store building in prime location | <ul style="list-style-type: none"> • Specialty store • Luxury brand store • Apparel merchandising store • Service store |

External Growth Strategy (3) — Strategic Meaning of TK Investment and Policy for Utilization Going Forward



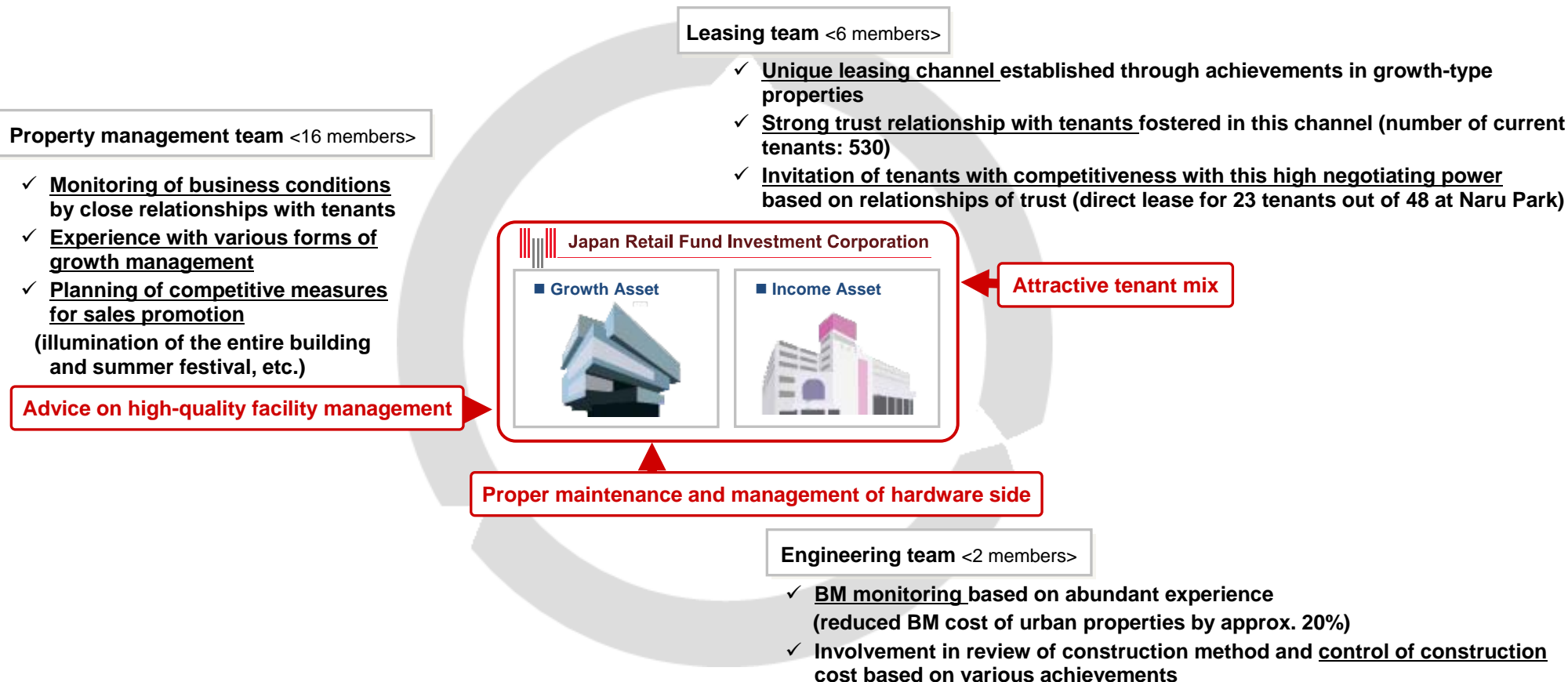
Internal Growth Strategy (1) — Active SC Management System

Management system that supports active SC management and its strength

Real Estate Management Section: 18 members (Retail HQ: 34 members)

- Actively involved in the management of shopping malls and renewals in addition to regular real estate management by retaining people with professional qualifications

[Major qualifications: real-estate transaction specialist, first-class architect, building manager, ARES master, registered real estate consultant, construction managing engineer and US certified public accountant, etc.]



(Note) Members of each team include those who serve concurrently

Internal Growth Strategy (2) — Enhancement of Portfolio Quality

Internal growth by “active SC management”

Meaning of action plan

- ✓ Reinforcement of medium to long-term competitive advantage
- ✓ Maximization of profitability by leveraging property potential

Plan to apply SC management to six properties in the next three years (applied to seven properties in the last three years)

[Examples of active SC management (seven properties)]

(in mil. yen)

Aug. 2008 Period Aug. 2009 Period Feb. 2010 Period Aug. 2010 Period Feb. 2011 Period Aug. 2011 Period

[Master lease property]

Conversion to direct lease

⇒ Optimization of tenants
+ enjoyment of upside
(introduction of sales-
based rent)

Naru Park (former IY Narumi)

Return of GMS floor space and
introduction of multi tenants

Amount of investment: 500
⇒ Increase of appraisal value +1,050

[Direct lease property]

**Concept change and
significant change in tenant
mix**

⇒ Enjoyment of upside by
revitalization of entire
property

Kyoto Family

Return of GMS floor space and
introduction of specialty stores

Amount of investment: 697
(including long-term repair)
⇒ Revitalization of entire property
(increase of revenue: 5 + α)

Oyama Yuen Harvest Walk

Introduction of food court

Amount of investment: 70
⇒ Revitalization of entire
property
(increase of revenue: 6 + α)

**Additional investment in
new construction and
expansion by utilizing
unused floor-area**

⇒ Increase on revenue by
introducing new tenants

AEON Mall Higashiura

New construction of parking
space

Amount of investment: 2,553
Increase of revenue: 138
⇒ ROI: 5.4%

JUSCO Naha

Rent increase due to
capital investment

Amount of investment: 287
Increase of revenue: 20
⇒ ROI: 6.9%

**Higashitotsuka
Aurora City**

Conversion of part of
parking building to stores

Amount of investment: 290
Increase of revenue: 60
⇒ ROI: 20.6%

Abiko Shopping Plaza

New construction of annex
building

Amount of investment: 130
Increase of revenue: 15
⇒ ROI: 11.5%

Direct lease property
Master lease property

Financial Strategy (1) — Fundamental Policy

Further extend the terms of long-term liabilities and leverage control

Extend the terms of short-term debt

Maintain the ratio of long-term interest-bearing liabilities (including tenant leasehold and security deposits) at its current level of approx. 80%

Reduction of LTV (including tenant leasehold and security deposits)

Leverage control of proper level

Diversification of loan repayment dates and leveling of repayment amount

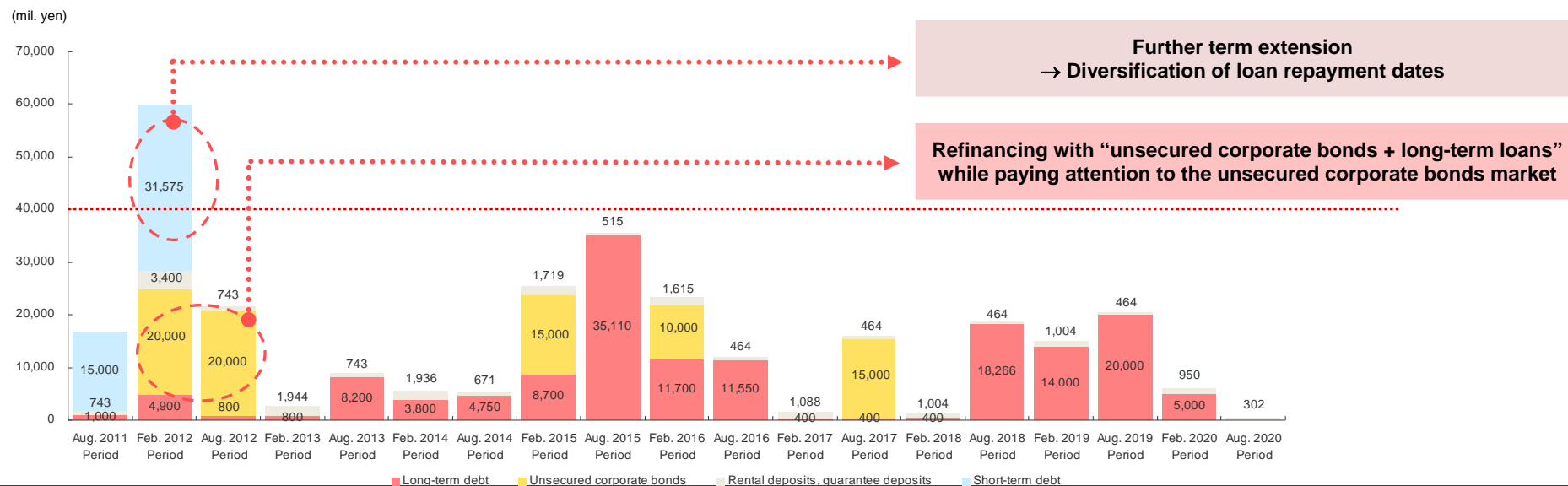
Maintenance of bank commitment lines

Maintain current 40 billion yen commitment line facilities

(Note1) The ratio of long-term interest-bearing liabilities (including tenant leasehold and security deposits) = (Long-term loans + unsecured corporate bonds + tenant leasehold and security deposits) / (Long-term loans + unsecured corporate bonds + tenant leasehold and security deposits + short-term loans + short-term unsecured corporate bonds)

(Note2) LTV (including tenant leasehold and security deposits) = (Long-term loans + unsecured corporate bonds + tenant leasehold and security deposits + short-term loans + short-term unsecured corporate bonds) / total assets

Proper diversification of loan repayment dates



Financial Strategy (2) — Policy for utilization of the negative goodwill

➤➤➤ **Aim to maintain stable distribution in the medium to long-term ⇒ priorities are given to the handling of discrepancy between tax and accounting books and the improvement of portfolio quality**

Balance as of the end of February 2011: 6,918 mil. yen

Loss on the sale of non-core properties acquired by mergers ⇒ Not applicable (already sold in September 2010)

| | |
|----------|--|
| A | Items with a discrepancy between tax and accounting books [1. Excess amortization due to differences in book value ^(Note) , 2. Impairment losses on fixed assets, 3. Asset write-off obligations] |
| B | Loss on write-off due to renewal and loss on sales due to the replacement of assets |

Reserve approx. 3.7 billion yen for excess amortization, etc, in the foreseeable future, due to the difference between tax and accounting books for the book value of the properties accepted by merger (mainly AEONMALL Musashi-murayama mu).

Plan to allocate the remainder for the replacement of assets and renewal for the improvement of portfolio quality due to the aggressive internal growth strategy.

| | |
|----------|---|
| C | ✓ Temporary items such as reduced rent accompanying change in tenants, etc. ✓ Stable DPU |
|----------|---|

No plan to allocate for the time being
⇒ Re-examine after dealing with A and B

(Note) Excess amortization

- There is a difference between tax and accounting books for the book value of the properties accepted by merger
→ Difference arises in amortization (excess amortization)
 - Beginning period of excess amortization and its period of time: for approx. 45 years after approx. 12 years
 - Accumulated excess amortization for the period (approx. 45 years): approx. 3.6 billion yen
- Methods dealing with excess amortization
 - Possible to resolve addition by allocating the negative goodwill → Reserve the above-mentioned amount
⇒ Plan to consider various measures including the replacement of assets while paying attention to any subsequent tax revision

4. Reference Materials

February 2011 Period Balance Sheet

| | | | | | | | | | | (‘000 yen) |
|--|-------------|-------------|-----------|------------|---|-------------|-------------|-----------|------------|------------|
| | Aug. 2010 | Feb. 2011 | Variation | | | Aug. 2010 | Feb. 2011 | Variation | | |
| | Period | Period | Amount | Change (%) | | Period | Period | Amount | Change (%) | |
| Assets | | | | | Liabilities | | | | | |
| Current assets | | | | | Current liabilities | | | | | |
| Cash and cash equivalents | 12,532,022 | 10,819,131 | △ | 1,712,890 | Account payable | 754,625 | 681,444 | △ | 73,181 | |
| Entrusted cash and cash | 9,698,420 | 5,773,686 | △ | 3,924,733 | Short-term debt | 107,572,000 | 86,575,000 | △ | 20,997,000 | |
| Rental receivables | 844,577 | 901,345 | | 56,768 | Current portion of investment corporation bonds | - | 20,000,000 | | 20,000,000 | |
| Corporation tax, etc. refundable | 657 | 358 | △ | 298 | Long-term debt with repayment in less than a year | 14,500,000 | 5,900,000 | △ | 8,600,000 | |
| Others | 846,871 | 916,642 | | 69,770 | Accrued liabilities | 13,190 | 9,289 | △ | 3,901 | |
| Total Current Assets | 23,922,550 | 18,411,165 | △ | 5,511,384 | Accrued expenses | 1,970,216 | 1,720,587 | △ | 249,629 | |
| Non-current assets | | | | | Accrued income taxes | 385 | 485 | | 99 | |
| Property and equipment at cost | | | | | Accrued consumption taxes | 906,777 | 519,707 | △ | 387,069 | |
| Buildings (net) | 1,578,817 | 1,553,776 | △ | 25,041 | Rent received in advance | 2,139,574 | 1,858,625 | △ | 280,949 | |
| Buildings improvements (net) | 64,894 | 63,552 | △ | 1,341 | Deposits | 761,752 | 603,383 | △ | 158,369 | |
| Furniture & fixtures (net) | 9,365 | 8,868 | △ | 496 | Current portion of | | | | | |
| Land | 21,187,271 | 21,193,419 | | 6,147 | Entrusted tenant leasehold and security | 7,538,386 | 4,145,368 | △ | 3,393,018 | |
| Entrusted buildings (net) | 229,145,388 | 211,489,357 | △ | 17,656,030 | Others | 101,609 | 191,620 | | 90,010 | |
| Entrusted buildings improvements (net) | 11,176,308 | 10,707,246 | △ | 469,061 | Total Current Liabilities | 136,258,518 | 122,205,510 | △ | 14,053,008 | △ 10.3 |
| Entrusted machinery & equipments (net) | 1,184,077 | 1,014,898 | △ | 169,179 | Non-current liabilities | | | | | |
| Entrusted furniture & fixtures (net) | 2,040,409 | 1,900,611 | △ | 139,798 | Unsecured corporate bonds | 80,000,000 | 60,000,000 | △ | 20,000,000 | |
| Entrusted land | 362,278,736 | 344,370,608 | △ | 17,908,127 | Long-term debt | 107,776,000 | 104,876,000 | △ | 2,900,000 | |
| Net property and equipment | 628,665,269 | 592,302,340 | △ | 36,362,929 | Tenant leasehold and security | 889,754 | 1,182,149 | | 292,394 | |
| Intangible assets | | | | | Entrusted tenant leasehold and security | 63,072,296 | 57,340,411 | △ | 5,731,885 | |
| Leaseholds | 19,803 | 19,803 | | - | Asset retirement obligations | - | 337,474 | | 337,474 | |
| Leasehold land | 8,907,852 | 8,893,577 | △ | 14,275 | Others | 2,179 | 1,796 | △ | 383 | |
| Other intangible assets | 134,935 | 126,187 | △ | 8,748 | Total Non-Current Liabilities | 251,740,230 | 223,737,831 | △ | 28,002,398 | △ 11.1 |
| Total intangible assets | 9,062,592 | 9,039,568 | △ | 23,023 | Total Liabilities | 387,998,749 | 345,943,342 | △ | 42,055,406 | △ 10.8 |
| Investments | | | | | Unitholders' Equity | | | | | |
| Investment securities | - | 518,935 | | 518,935 | Total investment | | | | | |
| Lease deposit | 3,313,268 | 3,305,768 | △ | 7,500 | Unitholders' capital | 250,764,406 | 250,764,406 | | - | |
| Long-term prepaid expenses | 1,654,481 | 1,527,002 | △ | 127,479 | Retained earnings | | | | | |
| Others | 119,251 | 123,038 | | 3,787 | Investment surplus | 14,986,826 | 14,986,826 | | - | |
| Total investments | 5,087,001 | 5,474,744 | | 387,742 | Reserve for dividends | - | 6,918,474 | | 6,918,474 | |
| Total Non-Current Assets | 642,814,863 | 606,816,653 | △ | 35,998,210 | Unappropriated retained earnings | | | | | |
| Deferred assets | | | | | or undisposed losses for the period (△) | 13,093,726 | 6,699,636 | △ | 6,394,090 | |
| Issuance costs of corporate bonds | 106,294 | 84,865 | △ | 21,428 | Total retained earnings | 28,080,552 | 28,604,936 | | 524,383 | 1.9 |
| Total Deferred Assets | 106,294 | 84,865 | △ | 21,428 | Total unitholders' equity | 278,844,959 | 279,369,342 | | 524,383 | 0.2 |
| Total Assets | 666,843,708 | 625,312,685 | △ | 41,531,023 | Net Assets | 278,844,959 | 279,369,342 | | 524,383 | 0.2 |
| | | | | | Total Liabilities and Unitholders' Equity | 666,843,708 | 625,312,685 | △ | 41,531,023 | △ 6.2 |

February 2011 Period Income Statement

| | ('000 yen) | | | |
|--|---|--|--------------------|----------------|
| | Aug. 2010 Period | Feb. 2011 Period | Variation | |
| | (From Mar. 1, 2010 to Aug. 31, 2010) | (From Sept. 1, 2010 to Feb. 28, 2011) | Amount | Change (%) |
| Operating Revenue | | | | |
| Rental revenue | 23,326,732 | 21,868,722 | △ 1,458,010 | |
| Gain on sale of real estate | - | 1,056,362 | 1,056,362 | |
| Total operating revenue | 23,326,732 | 22,925,085 | △ 401,647 | △ 1.7 |
| Operating Expenses | | | | |
| Property related expenses | 11,772,870 | 11,298,205 | △ 474,664 | |
| Loss on sale of real estate, etc. | 256,076 | - | △ 256,076 | |
| Asset management fees | 2,013,792 | 1,924,252 | △ 89,540 | |
| Custodian fees | 66,329 | 24,743 | △ 41,585 | |
| General administration fees | 150,914 | 151,410 | 495 | |
| Directors' fees | 5,940 | 3,890 | △ 2,050 | |
| Other operating expenses | 162,371 | 174,552 | 12,180 | |
| Total operating expenses | 14,428,295 | 13,577,054 | △ 851,241 | △ 5.9 |
| Operating Income | 8,898,436 | 9,348,030 | 449,593 | 5.1 |
| Non-operating revenue | | | | |
| Interest income | 4,378 | 2,394 | △ 1,983 | |
| Others | 3,795 | 2,799 | △ 996 | |
| Total non-operating revenue | 8,173 | 5,193 | △ 2,979 | △ 36.5 |
| Non-operating Expenses | | | | |
| Interest expense | 1,938,736 | 1,535,945 | △ 402,791 | |
| Interest expense of corporate bonds | 720,849 | 706,150 | △ 14,699 | |
| Amortization of corporate bonds | 21,428 | 21,428 | - | |
| Finance related cost | 316,907 | 314,171 | △ 2,736 | |
| Investment unit issuance expenses | 2,455 | - | △ 2,455 | |
| Others | 12,749 | 11,257 | △ 1,491 | |
| Total non-operating expenses | 3,013,125 | 2,588,952 | △ 424,173 | △ 14.1 |
| Recurring Profit | 5,893,484 | 6,764,271 | 870,786 | 14.8 |
| Extraordinary profit | | | | |
| Gains on negative goodwill | 7,202,340 | - | △ 7,202,340 | |
| Total extraordinary profit | 7,202,340 | - | △ 7,202,340 | △ 100.0 |
| Extraordinary loss | | | | |
| Effect of application of accounting standard for asset retirement obligations | - | 65,542 | 65,542 | |
| Total extraordinary loss | - | 65,542 | 65,542 | - |
| Income before income taxes | 13,095,825 | 6,698,728 | △ 6,397,096 | △ 48.8 |
| Income, inhabitant and corporate taxes | 605 | 605 | - | |
| Tax adjustments | 1,562 | - | △ 1,562 | |
| Total income taxes | 2,167 | 605 | △ 1,562 | △ 72.1 |
| Net Income | 13,093,657 | 6,698,123 | △ 6,395,533 | △ 48.8 |
| Retained earnings (beginning balance) | 69 | 1,512 | 1,442 | |
| Unappropriated retained earnings or undisposed losses at period end (△) | 13,093,726 | 6,699,636 | △ 6,394,090 | |

(Note) The Feb. 2011 period was from Sep. 1, 2010 through Feb. 28, 2011 (181 days). The Aug. 2010 period was from Mar. 1, 2010 through Aug. 31, 2010 (184 days).

February 2011 Period Cash Flow and Distribution Statements

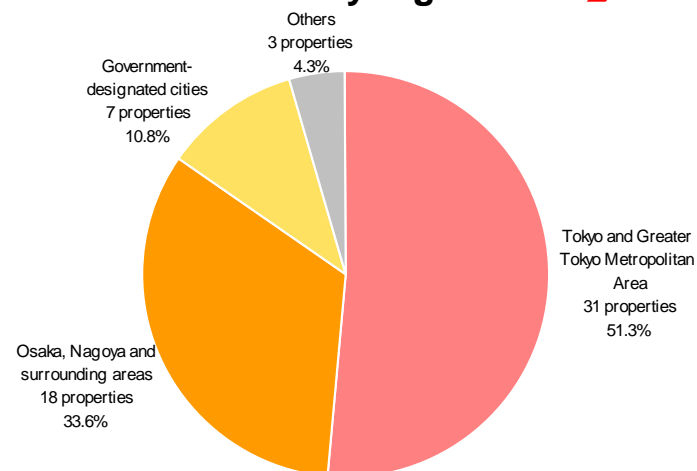
| | | | | (000 yen) | | | |
|--|---|--|--------------------|--|---|--|---------------------|
| | Aug. 2010 Period (From Mar. 1, 2010 to Aug. 31, 2010) | Feb. 2011 Period (From Sept. 1, 2010 to Feb. 28, 2011) | Variation | | Aug. 2010 Period (From Mar. 1, 2010 to Aug. 31, 2010) | Feb. 2011 Period (From Sept. 1, 2010 to Feb. 28, 2011) | Variation |
| Net Cash from Operating Activities | | | | Cash Flow from Investing Activities | | | |
| Income before income taxes | 13,095,825 | 6,698,728 | △ 6,397,096 | Purchase of property and equipment | △ 10,570,729 | △ 6,147 | 10,564,581 |
| Depreciation and amortization | 5,411,166 | 5,160,372 | △ 250,794 | Purchase of entrusted property and equipment | △ 16,102,816 | △ 607,967 | 15,494,848 |
| Amortization of corporate bonds | 21,428 | 21,428 | - | Proceeds from the sale of entrusted property and equipment | 26,031,984 | 33,141,181 | 7,109,196 |
| Gain on sale of real estate | - | △ 1,056,362 | △ 1,056,362 | Payment on return of security and guarantee deposits | - | △ 86,883 | △ 86,883 |
| Loss on sale of real estate, etc. | 256,076 | - | △ 256,076 | Proceeds from acceptance of tenant leasehold and security deposits | 633,414 | 224,304 | △ 409,109 |
| Real property retirement loss | 32,368 | 122,211 | 89,843 | Payment on return of entrusted tenant leasehold and security deposits | △ 2,954,711 | △ 8,946,571 | △ 5,991,860 |
| Gains on negative goodwill | △ 7,202,340 | - | 7,202,340 | Proceeds from acceptance of entrusted tenant leasehold and security deposits | 571,594 | 152,057 | △ 419,536 |
| Effect of application of accounting standard for asset retirement obligations | - | 65,542 | 65,542 | Proceeds from collection of entrusted tenant deposits | 7,500 | 7,500 | - |
| Interest income | △ 4,378 | △ 2,394 | 1,983 | Payment on acquisition of investment securities | - | △ 516,994 | △ 516,994 |
| Interest expense | 2,659,586 | 2,242,095 | △ 417,490 | Other payment | △ 8,445 | △ 3,787 | 4,658 |
| Increase/decrease in rental receivables (△ represents an increase) | 87,530 | △ 64,845 | △ 152,375 | Net Cash used in Investment Activities | △ 2,392,208 | 23,356,692 | 25,748,901 |
| Increase/decrease in corporation tax, etc. refundable (△ represents an increase) | △ 657 | 298 | 956 | Net Cash from Financing Activities | | | |
| Increase/decrease in long-term prepaid expenses (△ represents an increase) | △ 787,502 | 127,479 | 914,982 | Proceeds from short-term debt | - | 1,500,000 | 1,500,000 |
| Increase/decrease in account payable (△ represents a decrease) | 6,692 | △ 195,360 | △ 202,053 | Repayments of short-term debt | △ 5,500,000 | △ 22,497,000 | △ 16,997,000 |
| Increase/decrease in consumption tax payable (△ represents a decrease) | 558,232 | △ 387,069 | △ 945,302 | Proceeds from long-term debt | - | 11,000,000 | 11,000,000 |
| Increase/decrease in accrued liabilities (△ represents a decrease) | △ 413,758 | △ 7,814 | 405,944 | Repayment of long-term debt | △ 2,000,000 | △ 22,500,000 | △ 20,500,000 |
| Increase/decrease in accrued expenses (△ represents a decrease) | 141,105 | △ 87,254 | △ 228,360 | Distribution payment | △ 5,331,417 | △ 6,171,767 | △ 840,350 |
| Increase/decrease in rent received in advance (△ represents a decrease) | 113,375 | △ 280,949 | △ 394,324 | Payment on merger | △ 80,110 | - | 80,110 |
| Increase/decrease in deposits (△ represents a decrease) | 635 | △ 158,369 | △ 159,004 | Net Cash from Financing Activities | △ 12,911,527 | △ 38,668,767 | △ 25,757,240 |
| Others | 19,214 | △ 120,705 | △ 139,920 | Increase/decrease in cash and cash equivalents (△ represents a decrease) | △ 4,000,827 | △ 5,637,624 | △ 1,636,797 |
| Subtotal | 13,994,599 | 12,077,030 | △ 1,917,568 | Cash and cash equivalents at beginning of period | 17,269,111 | 22,230,443 | 4,961,331 |
| Interest received | 4,378 | 2,394 | △ 1,983 | Increase/decrease in cash and cash equivalents resulting from merger | 8,962,158 | - | △ 8,962,158 |
| Interest paid | △ 2,672,213 | △ 2,404,469 | 267,743 | Cash and cash equivalents at end of period | 22,230,443 | 16,592,818 | △ 5,637,624 |
| Income taxes paid | △ 23,855 | △ 505 | 23,350 | | | | |
| Net Cash from Operating Activities | 11,302,909 | 9,674,450 | △ 1,628,458 | | | | |

| | | | (yen) |
|--------------------------------------|---|--|-------|
| | Aug. 2010 Period (From Mar. 1, 2010 to Aug. 31, 2010) | Feb. 2011 Period (From Sept. 1, 2010 to Feb. 28, 2011) | |
| I Retained earnings (ending balance) | 13,093,726,915 | 6,699,636,016 | |
| II Distribution amount | 6,173,740,086 | 6,698,769,664 | |
| DPU | (3,657) | (3,968) | |
| III Reserve for dividends | 6,918,474,639 | - | |
| IV Retained earnings carried forward | 1,512,190 | 866,352 | |

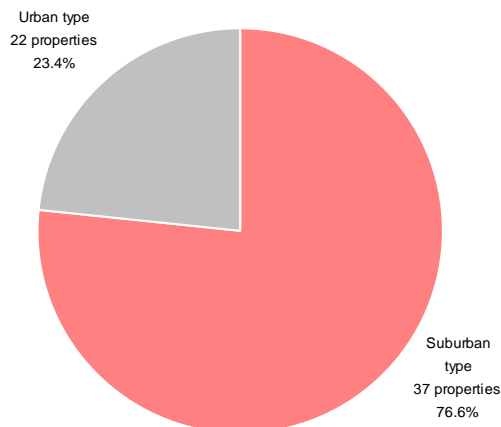
(Note) The Feb. 2011 period was from Sep. 1, 2010 through Feb. 28, 2011 (181 days)
The Aug. 2010 period was from Mar. 1, 2010 through Aug. 31, 2010 (184 days)

Portfolio Diversification (As of the end of February 2011)

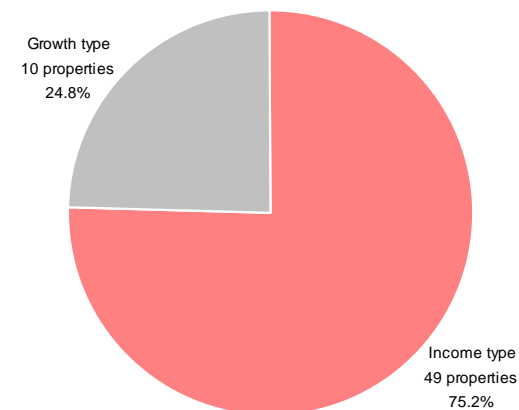
➤ Diversification by region



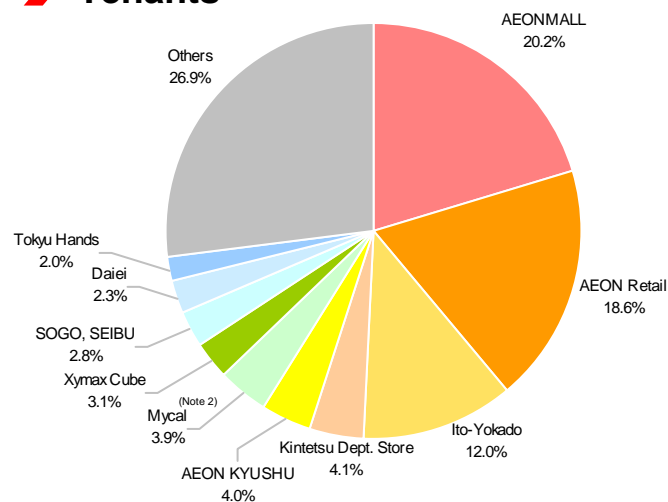
➤ Diversification by property type



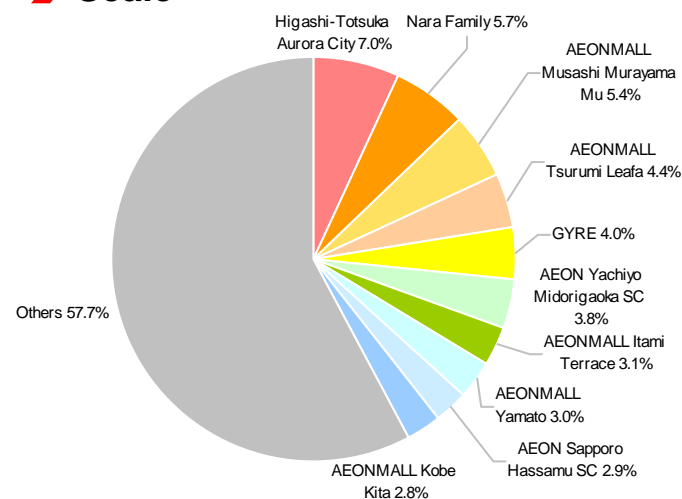
➤ Diversification by Investment Type



➤ Tenants



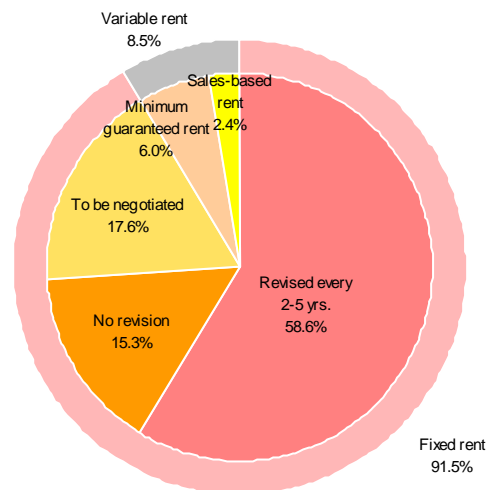
➤ Scale



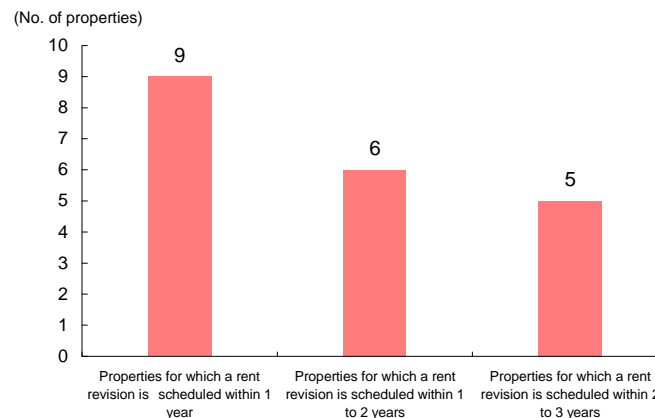
(Note 1) Diversification by region, diversification by property type, diversification by investment style and diversification by scale are based on appraisal values. Diversification by tenant is based on the annual rent.
 (Note 2) Mycal Corp. merged with AEON Retail Co., Ltd. as of March 1, 2011.

Portfolio Data (As of the end of February 2011)

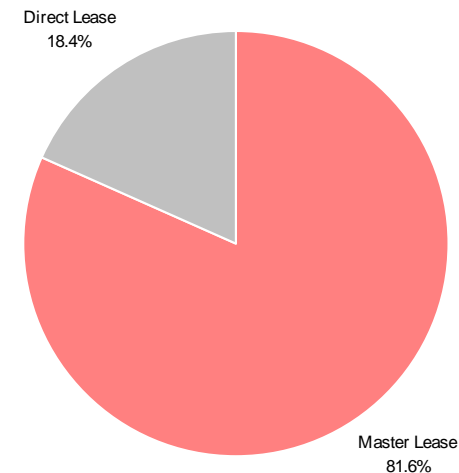
➤ Rent composition ratios (Note 1)



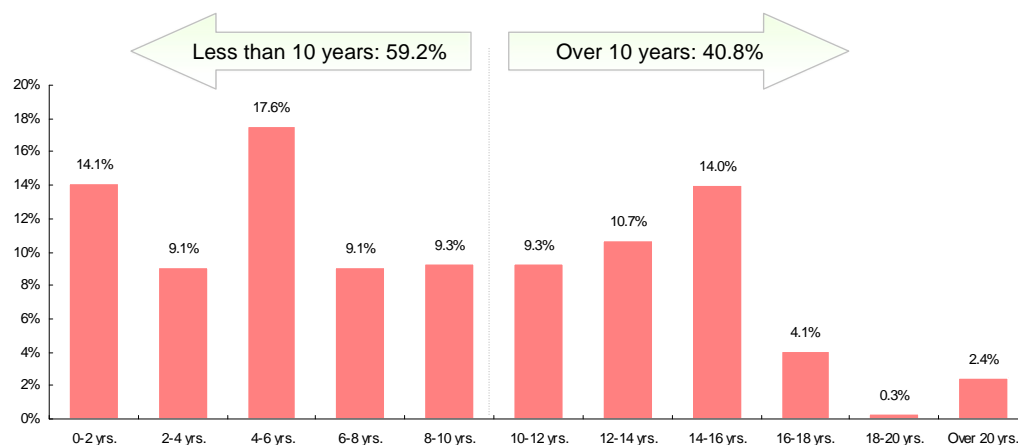
➤ Status of rent revisions (Note 2)



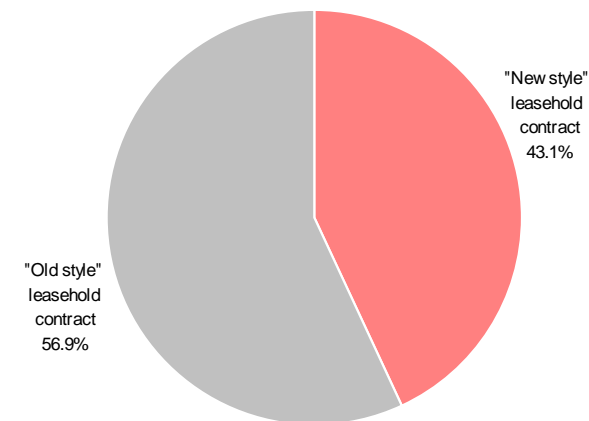
➤ Lease Type (Note 1)



➤ Remaining period of lease agreements (Note 2)



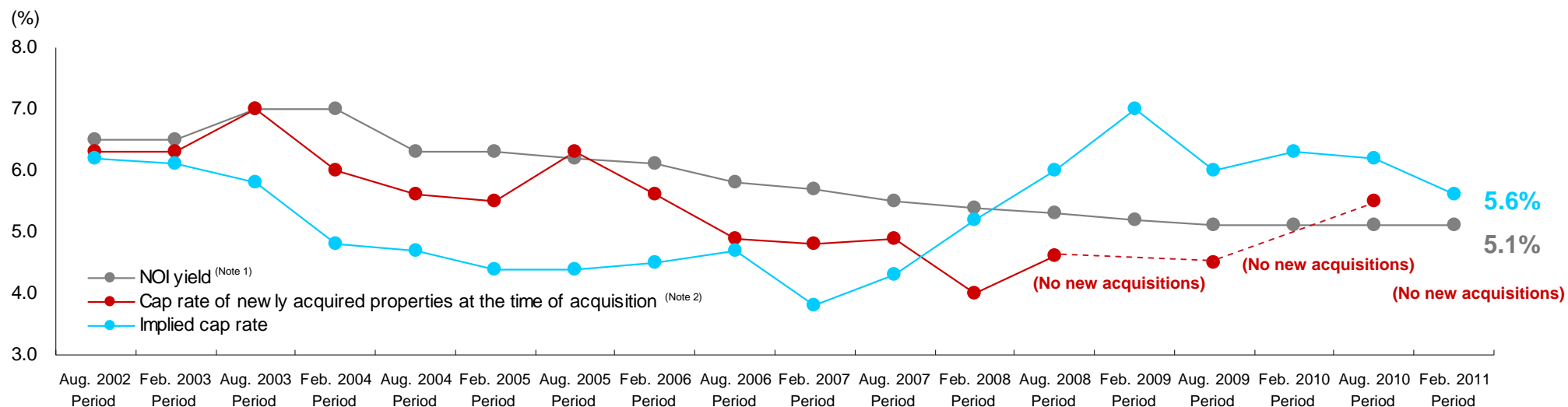
➤ Lease Contract Type (Note 1)



(Note 1) Based on annual rent

(Note 2) The base date is the last day of February 2011.

Implied Cap Rate and NOI Yield

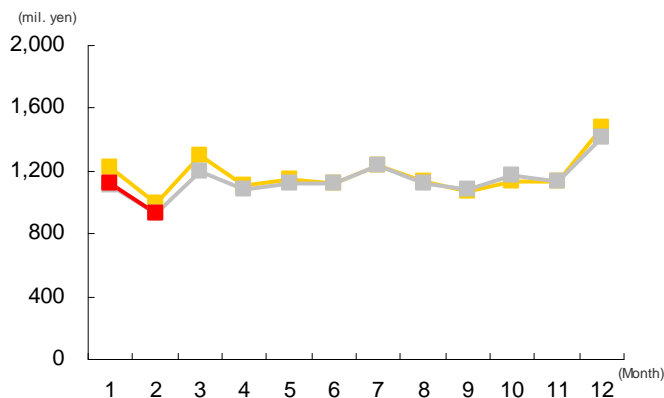


(Note 1) NOI yield = $\{(\text{Rental revenue} - \text{Rental expenses}) + \text{Depreciation}\} / \text{Total acquisition value}$

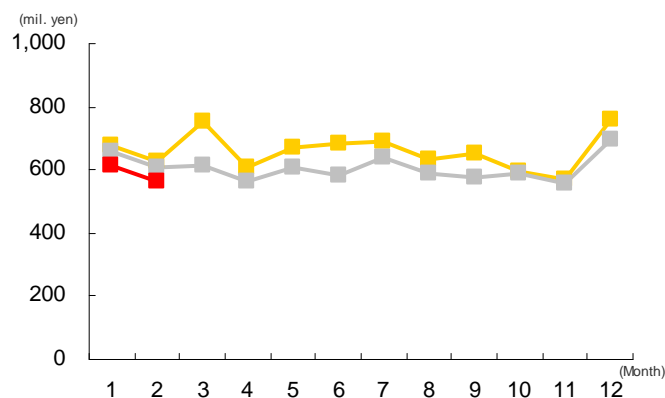
(Note 2) Implied cap rate = $\text{NOI} / (\text{Total market value} + \text{Net interest-bearing debts} + \text{Deposits and/or guaranteed money})$

Total Sales of Growth Properties

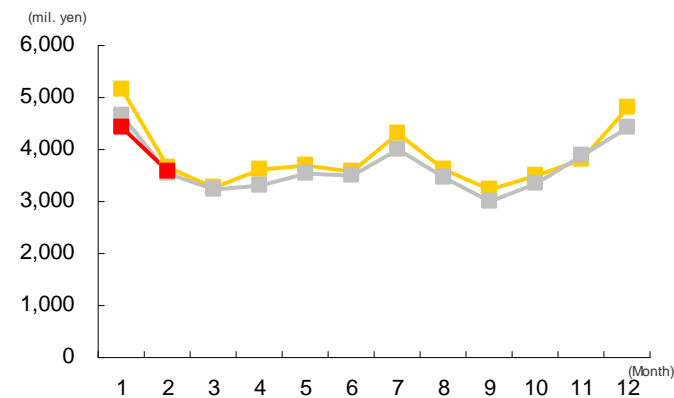
Abiko Shopping Plaza



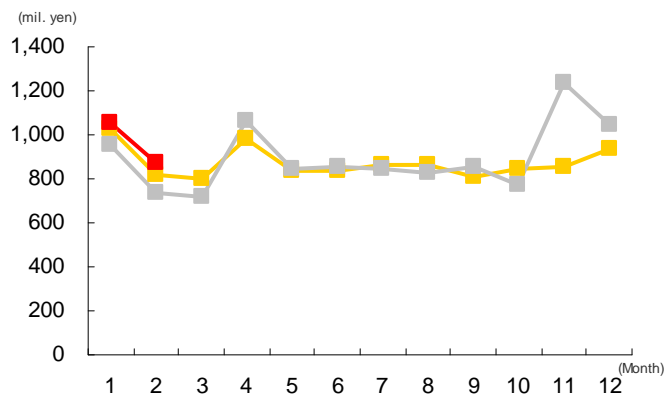
Hakata Riverain



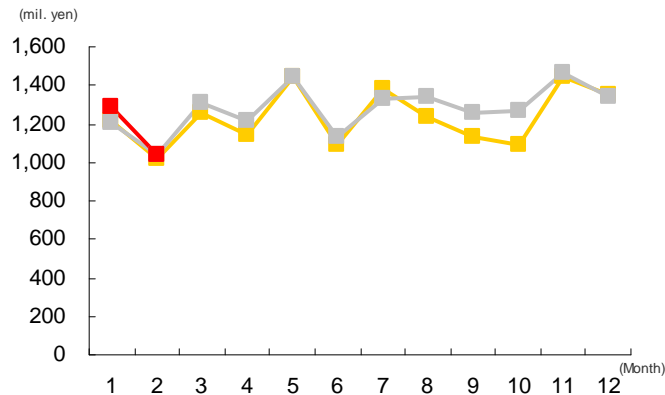
Nara Family



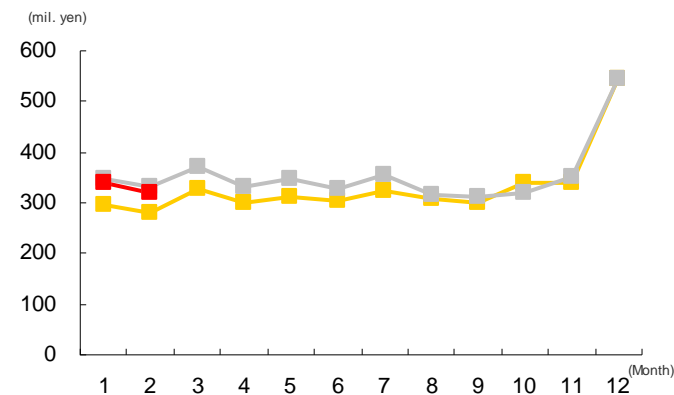
Kyoto Family



Oyama Yuen Harvest Walk



GYRE



(Note 1) Shifts in total sales only represent properties for which it is possible to compare the gross sales of the whole shopping center.

(Note 2) As of the end of February 2011.

■ Actual sales for January 2011 to February 2011.

■ Actual sales for January 2010 to December 2010.

■ Actual sales for January 2009 to December 2009.

Portfolio List (As of the end of February 2011)

| Property Name | Investment Type | Age ^(Note 1) (Years) | Total Leasable Area (m ²) | Occupancy (%) | Acquisition Price (mil. yen) | Share (%) | Cap Rate at Acquisition ^(Note 2) (%) | No. of Tenants | Key Tenants | Probable Maximum Loss ^(Note 3) (%) | Property Manager |
|--|-----------------|------------------------------------|--|---------------|---------------------------------|-----------|--|----------------|------------------------------|--|-------------------------|
| Tokyo and Greater Tokyo Metropolitan Area | | | | | | | | | | | |
| ESPA Kawasaki ^(Note 4) | Income | 10.6 | 65,313.47 | 100.0 | 15,691 | 2.5 | 6.2 | 5 | ESPA, Sports Depo | 9.1 | Xymax Cube |
| Abiko Shopping Plaza | Growth | 16.4 | 42,841.48 | 100.0 | 10,322 | 1.7 | 7.2 | 59 | ESPA | 8.8, 13.7 | Xymax Cube |
| 8953 Minami Aoyama Building | Income | 9.0 | 1,529.15 | 90.4 | 5,350 | 0.9 | 5.5 | 3 | VALCANIZE London | 13.5 | Xymax Cube |
| Ito-Yokado Yabashira | Income | 28.4 | 21,308.78 | 100.0 | 1,616 | 0.3 | 6.1 | 1 | Ito-Yokado | 6.1, 4.9 | Xymax Cube |
| Ito-Yokado Kamifukuoka-Higashi | Income | 11.5 | 28,316.18 | 100.0 | 6,900 | 1.1 | 6.3 | 1 | Ito-Yokado | 9.7 | Geo Akamatsu |
| Ito-Yokado Nishikicho | Income | 7.3 | 73,438.52 | 100.0 | 13,212 | 2.1 | 5.6 | 1 | Ito-Yokado | 8.3 | Geo Akamatsu |
| 8953 Daikanyama Building | Income | 20.0 | 599.79 | 100.0 | 1,235 | 0.2 | 5.3 | 2 | F GARDEN | 4.7 | Office Mitsuki |
| 8953 Harajuku FACE Building | Income | 25.9 | 1,479.10 | 84.8 | 2,770 | 0.4 | 5.6 | 4 | DIESEL Japan | 8.5 | Xymax Cube |
| Esquisse Omotesando Annex | Income | 14.0 | 540.78 | 100.0 | 860 | 0.1 | 5.5 | 2 | LS Mode | 4.5 | Office Mitsuki |
| Ito-Yokado Tsunashima | Income | 29.0 | 16,549.50 | 100.0 | 5,000 | 0.8 | 6.1 | 1 | Ito-Yokado | 12.3 | Jones Lang LaSalle |
| Bic Camera Tachikawa | Income | 40.6 | 20,983.43 | 100.0 | 11,920 | 1.9 | 5.5 | 2 | Bic Camera | 15.5 | Jones Lang LaSalle |
| AEON Itabashi SC | Income | 10.8 | 72,253.88 | 100.0 | 12,400 | 2.0 | 5.4 | 1 | AEON | 6.0 | Xymax Cube |
| 8953 Kita Aoyama Building | Income | 6.1 | 492.69 | 100.0 | 989 | 0.2 | 5.4 | 3 | NEWS, Best Bridal | 11.4 | Office Mitsuki |
| AEONMALL Yamato | Income | 9.3 | 85,226.68 | 100.0 | 16,823 | 2.7 | 5.5 | 1 | AEON | 7.9 | Xymax Cube |
| SEIYU Hibarigaoka | Income | 32.4 | 19,070.88 | 100.0 | 6,100 | 1.0 | 7.6 | 1 | Seiyu | 10.3 | CB Richard Ellis |
| 8953 Jiyugaoka Building | Income | 11.7 | 1,817.65 | 100.0 | 2,700 | 0.4 | 5.2 | 10 | NEXT, news | 3.2 | Xymax Cube |
| Cheers Ginza | Income | 6.0 | 1,686.58 | 100.0 | 4,200 | 0.7 | 4.3 | 10 | Koji no Yoi, Ginza Shoutaien | 5.7 | Nomura Bldg. Management |
| Higashi-Totsuka Aurora City | Growth | 11.5 | 109,365.50 | 100.0 | 50,500 | 8.1 | 4.5 | 4 | Seibu Dept. Store, Daiei | 4.3 | AIM Create |
| AEON Omiya | Income | 10.4 | 75,344.90 | 100.0 | 6,133 | 1.0 | 5.8 | 1 | AEON | 8.5 | Xymax Cube |
| Ito-Yokado Yotsukaido | Income | 6.1 | 59,207.19 | 100.0 | 13,600 | 2.2 | 4.1 | 1 | Ito-Yokado | 5.8 | Geo Akamatsu |
| AEON Yachiyo Midorigaoka SC | Income | 6.0 | 132,294.48 | 100.0 | 30,789 | 4.9 | 4.0 | 1 | AEON | 6.6 | Xymax Cube |
| GYRE ^(Note 5) | Growth | 3.4 | 4,863.19 | 93.5 | 22,712 | 3.6 | 3.4 | 18 | CHANEL, BVLGARI | 4.1 | Geo Akamatsu |
| 8953 Jingumae 6 Building | Income | 3.3 | 670.43 | 100.0 | 2,360 | 0.4 | 3.9 | 4 | Family Mart, Lani HAIR | 8.0 | Office Mitsuki |
| G-Bldg. Jingumae 01 | Income | 3.4 | 555.75 | 100.0 | 3,400 | 0.5 | 4.1 | 2 | BAPE STORE Harajuku | 13.2 | Office Mitsuki |
| G-Bldg. Jingumae 02 | Income | 2.8 | 426.29 | 100.0 | 2,233 | 0.4 | 4.0 | 3 | Anastasia | 11.2 | Office Mitsuki |
| G-Bldg. Minami Aoyama 01 | Income | 2.0 | 922.30 | 0.0 | 6,430 | 1.0 | 4.0 | 0 | - | 11.3 | Office Mitsuki |
| La Porte Aoyama | Growth | 6.3 | 4,147.93 | 77.5 | 9,400 | 1.5 | 4.0 | 18 | BENOIT | 2.8 | La Place |
| AEONMALL Musashi Murayama Mu | Income | 4.4 | 137,466.97 | 100.0 | 30,600 | 4.9 | 4.0 | 1 | AEON | 5.6 | AEONMALL |
| G-Bldg. Shinjuku 01 | Income | 2.5 | 1,093.67 | 100.0 | 6,600 | 1.1 | 4.0 | 1 | ZARA | 9.9 | First Brothers |
| G-Bldg. Jingumae 03 | Income | 1.7 | 1,676.87 | 11.3 | 5,520 | 0.9 | 4.0 | 1 | MR-DESIGN | 10.7 | Office Mitsuki |
| G-Bldg. Minami Ikebukuro 01 | Income | 36.4 | 5,121.71 | 100.0 | 5,800 | 0.9 | 4.0 | 7 | Adidas | 5.3 | Geo Akamatsu |
| Subtotal/Weighted Average | | 10.7 | 986,605.72 | 99.6 | 314,165 | 45.3 | 4.8 | 169 | | - | |

(Note 1) For properties with multiple buildings, the building age represents the weighted average by gross floor area of the ages for the of all buildings.

(Note 2) The cap rates at the time of acquiring new properties are shown. Additional purchases following acquisition are not included.

The cap rates for the 8953 Jiyugaoka Building only include the figures for the NEXT building: and those of ESPA Kawasaki include the figures for the whole area, except the annex.

(Note 3) Represents the expected loss ratio for subject properties due to earthquake damage that may result from an earthquake that is expected to occur once every 475 years, as described in the earthquake risk analysis report for each property.

(Note 4) ESPA Kawasaki annex is managed together with ESPA Kawasaki. Therefore, ESPA Kawasaki annex is incorporated into ESPA Kawasaki.

(Note 5) Acquisition price of GYRE includes the currently-held land with leasehold and the land additionally acquired. The cap rate at the time of acquisition only reflects the building plus the land leasehold and the land is not included.

Portfolio List (As of the end of February 2011)

| Property Name | Investment Type | Age ^(Note 1) (Years) | Total Leasable Area (m ²) | Occupancy (%) | Acquisition Price (mil. yen) | Share (%) | Cap Rate at Acquisition ^(Note 2) (%) | No. of Tenants | Key Tenants | Probable Maximum Loss ^(Note 3) (%) | Property Manager |
|--|-----------------|------------------------------------|--|------------------|---------------------------------|--------------|--|----------------|--|--|-------------------------------|
| Osaka, Nagoya and surrounding areas | | | | | | | | | | | |
| 8953 Osaka Shinsaibashi Building | Income | 12.1 | 13,666.96 | 100.0 | 14,300 | 2.3 | 5.5 | 1 | Tokyu Hands | 5.5 | Xymax Cube |
| Nara Family | Growth | 18.3 | 84,986.97 | 99.6 | 31,375 | 5.0 | 7.4 | 124 | Kintetsu Dept. Store, AEON | 5.2 | AEONMALL |
| Narupark | Growth | 13.6 | 15,220.73 | 0.0 | 8,540 | 1.4 | 7.3 | 0 | - | 7.4 | Xymax Cube |
| AEONMALL Higashiura | Income | 8.2 | 129,124.73 | 100.0 | 9,142 | 1.5 | 6.3 | 1 | AEON | 14.2, 10.1 | Xymax Cube |
| AEON Takatsuki | Income | 17.0 | 77,267.23 | 100.0 | 11,700 | 1.9 | 6.0 | 1 | AEON | 3.6 | CB Richard Ellis |
| AEON Yagoto | Income | 17.5 | 63,778.44 | 100.0 | 3,700 | 0.6 | 7.0 | 2 | AEON | 4.2 | Xymax Cube |
| AEON Nishi Otsu | Income | 14.3 | 62,717.26 | 100.0 | 13,100 | 2.1 | 5.2 | 1 | AEON | 4.9 | Xymax Cube |
| Kyoto Family | Growth | 28.3 | 20,000.52 | 99.9 | 5,340 | 0.9 | 6.5 | 65 | AEON, Nitori | 3.7 | AEONMALL |
| Loc City Ogaki | Income | 5.6 | 57,500.35 | 100.0 | 4,950 | 0.8 | 8.2 | 1 | MaxValu | 6.5 | Geo Akamatsu |
| Kawaramachi OPA | Income | 12.3 | 18,848.20 | 100.0 | 18,500 | 3.0 | 4.4 | 1 | OPA | 2.5 | Geo Akamatsu |
| AEONMALL Tsurumi Leafa | Income | 4.3 | 138,538.63 | 100.0 | 29,902 | 4.8 | 4.6 | 1 | AEON | 6.6 | Xymax Cube |
| AEONMALL Itami Terrace | Income | 8.4 | 157,904.26 | 100.0 | 21,110 | 3.4 | 5.1 | 1 | AEON | 4.9 | Xymax Cube |
| Ario Otori | Income | 2.9 | 95,135.36 | 100.0 | 19,040 | 3.1 | 4.6 | 1 | Ario | 5.4 | Jones Lang LaSalle |
| AEONMALL Kobe Kita | Income | 4.3 | 128,031.55 | 100.0 | 15,600 | 2.5 | 4.4 | 1 | AEON | 4.8 | Jones Lang LaSalle |
| Life Taiheiji (land with leasehold) | Income | - | 3,898.01 | 100.0 | 1,282 | 0.2 | 4.6 | 1 | Life | - | Nippon Commercial Development |
| Life Shimodera (land with leasehold) | Income | - | 4,344.18 | 100.0 | 1,683 | 0.3 | 5.1 | 1 | Life | - | Nippon Commercial Development |
| Life Kishibe (land with leasehold) | Income | - | 5,516.61 | 100.0 | 1,910 | 0.3 | 4.6 | 1 | Life | - | Nippon Commercial Development |
| G-Bldg. Shinsaibashi 01 | Income | 16.3 | 886.46 | 100.0 | 1,582 | 0.3 | 5.1 | 2 | Cecil McBee | 12.3 | Geo Akamatsu |
| Subtotal/Weighted Average | | 10.6 | 1,077,366.45 | 98.6 | 212,756 | 34.1 | 5.6 | 206 | | - | |
| Other major cities | | | | | | | | | | | |
| AEON Sendai Nakayama | Income | 14.7 | 46,248.96 | 100.0 | 10,200 | 1.6 | 7.6 | 2 | AEON | 3.8, 3.2, 1.2 | Xymax Cube |
| Hakata Riverain | Growth | 12.2 | 25,278.38 | 83.6 | 6,309 | 1.0 | 6.5 | 61 | IDC Otsuka Kagu, Louis Vuitton | 0.1 | Geo Akamatsu |
| AEON Kashiihama SC | Income | 7.3 | 109,616.72 | 100.0 | 13,300 | 2.1 | 6.2 | 1 | AEON | 0.9 | Geo Akamatsu |
| AEON Sapporo Naebo SC | Income | 7.7 | 74,625.52 | 100.0 | 9,260 | 1.5 | 6.2 | 1 | AEON | 1.8 | Xymax Cube |
| AEON Tobata SC | Income | 12.0 | 93,258.23 | 100.0 | 6,290 | 1.0 | 6.6 | 1 | AEON | 1.9 | Geo Akamatsu |
| AEON Naha SC | Income | 17.4 | 79,090.48 | 100.0 | 10,700 | 1.7 | 6.0 | 1 | AEON | 7.3 | Jones Lang LaSalle |
| AEON Ueda | Income | 6.7 | 61,349.07 | 100.0 | 9,500 | 1.5 | 5.3 | 1 | AEON | 3.3 | Geo Akamatsu |
| Oyama Yuen Harvest Walk | Growth | 3.9 | 57,524.87 | 100.0 | 10,200 | 1.6 | 5.4 | 70 | York Benimaru, Super Viva Home | 3.4 | Xymax Cube |
| AEON Sapporo Hassamu SC | Income | 4.4 | 102,169.00 | 100.0 | 18,818 | 3.0 | 4.7 | 1 | AEON | 0.6 | Jones Lang LaSalle |
| G DINING SAPPORO | Growth | 2.3 | 4,090.51 | 68.0 | 2,750 | 0.4 | 5.8 | 16 | Hokkaido Beer Garden, Ushi no Ishizaki | 0.9 | Xymax Cube |
| Subtotal/Weighted Average | | 8.7 | 653,251.74 | 99.2 | 97,327 | 15.6 | 5.9 | 155 | | - | |
| Total/Weighted Average | | 10.3 | 2,717,223.91 | 99.1 | 624,254 | 100.0 | 5.4 | 530 | | - | |

(Note 1) For properties with multiple buildings, the building age represents the weighted average by gross floor area of the ages for the of all buildings.

(Note 2) The cap rates at the time of acquiring new properties are shown. Additional purchases following acquisition are not included.

The cap rates for Sendai Nakayama shopping center only include the figures for the area formerly leased to Jusco; those of Aeon Mall Higashiura only include the figures for Aeon Higashiura shopping center; and those of Nara Family only include the figures for the shopping center area.

(Note 3) Represents the expected loss ratio for subject properties due to earthquake damage that may result from an earthquake that is expected to occur once every 475 years, as described in the earthquake risk analysis report for each property.

Portfolio List (As of the end of February 2011) - Appraisal Cap Rate

| Property Name | Book Value (mil. yen) | Appraisal Value (mil. yen) | | | Direct Cap Rate | | | DCF Discount Rate | | DCF Terminal Cap Rate | |
|--|--------------------------|----------------------------|-----------|-----------|-----------------|-----------|-----------|-------------------|-----------|-----------------------|-----------|
| | | Aug. 2010 | Feb. 2011 | Variation | Aug. 2010 | Feb. 2011 | Variation | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| Tokyo and Greater Tokyo Metropolitan Area | | | | | | | | | | | |
| ESPA Kawasaki Main Building | 14,495 | 13,240 | 13,230 | -10 | 5.50% | 5.50% | 0.00% | 5.10% | 5.10% | 5.80% | 5.80% |
| Annex | | | | | 6.70% | 6.70% | 0.00% | 5.80% | 5.80% | 6.30% | 6.30% |
| Abiko Shopping Plaza | 10,025 | 11,900 | 11,900 | 0 | 6.70% | 6.70% | 0.00% | 6.00% | 6.00% | 6.50% | 6.50% |
| 8953 Minami Aoyama Building | 5,307 | 6,130 | 6,100 | -30 | 4.30% | 4.30% | 0.00% | 4.50% | 4.50% | 4.60% | 4.60% |
| Ito-Yokado Yabashira | 1,482 | 1,840 | 1,840 | 0 | 6.10% | 6.10% | 0.00% | 5.90% | 5.90% | 6.40% | 6.40% |
| Ito-Yokado Kamifukuoka-Higashi | 6,404 | 6,670 | 6,660 | -10 | 6.30% | 6.30% | 0.00% | 5.80% | 5.80% | 6.30% | 6.30% |
| Ito-Yokado Nishikicho | 11,705 | 12,300 | 12,300 | 0 | 5.90% | 5.90% | 0.00% | 6.00% | 6.00% | 6.20% | 6.20% |
| 8953 Daikanyama Building | 1,251 | 1,290 | 1,300 | 10 | 4.70% | 4.70% | 0.00% | 4.50% | 4.50% | 4.90% | 4.90% |
| 8953 Harajuku FACE Building | 2,736 | 3,660 | 3,670 | 10 | 4.90% | 4.70% | -0.20% | 4.70% | 4.50% | 5.10% | 4.90% |
| Esquisse Omotesando Annex | 878 | 1,260 | 1,250 | -10 | 4.50% | 4.50% | 0.00% | 4.20% | 4.20% | 4.70% | 4.70% |
| Ito-Yokado Tsunashima | 4,889 | 4,850 | 4,850 | 0 | 6.40% | 6.40% | 0.00% | 5.70% | 5.70% | 6.20% | 6.20% |
| Bic Camera Tachikawa | 11,645 | 10,700 | 11,900 | 1,200 | 5.50% | 5.70% | 0.20% | 5.30% | 5.30% | 5.60% | 5.60% |
| AEON Itabashi SC | 11,603 | 12,400 | 12,400 | 0 | 5.40% | 5.40% | 0.00% | 5.00% | 5.00% | 5.70% | 5.70% |
| 8953 Kita-Aoyama Building | 976 | 1,290 | 1,320 | 30 | 4.30% | 4.30% | 0.00% | 4.10% | 4.10% | 4.50% | 4.50% |
| AEONMALL Yamato | 16,051 | 17,100 | 17,100 | 0 | 5.30% | 5.30% | 0.00% | 4.90% | 4.90% | 5.40% | 5.40% |
| Seiyu Hibarigaoka | 5,391 | 6,950 | 6,960 | 10 | 6.70% | 6.70% | 0.00% | 6.50% | 6.50% | 7.00% | 7.00% |
| 8953 Jiyugaoka Building NEXT Building Colline | 2,596 | 3,062 | 3,079 | 17 | 4.70% | 4.70% | 0.00% | 4.50% | 4.50% | 4.90% | 4.90% |
| | | | | | 5.00% | 5.00% | 0.00% | 4.80% | 4.80% | 5.20% | 5.20% |
| Cheers Ginza | 4,095 | 3,650 | 3,650 | 0 | 4.20% | 4.20% | 0.00% | 4.10% | 4.10% | 4.40% | 4.40% |
| Higashi-Totsuka Aurora City | 49,855 | 40,000 | 40,000 | 0 | 5.00% | 5.00% | 0.00% | 4.80% | 4.80% | 5.20% | 5.20% |
| AEON Omiya | 6,041 | 6,060 | 6,200 | 140 | 6.10% | 6.10% | 0.00% | 6.60% | 6.60% | 7.30% | 7.30% |
| Ito-Yokado Yotsukaido | 13,544 | 10,100 | 10,100 | 0 | 5.70% | 5.60% | -0.10% | 5.40% | 5.40% | 5.60% | 5.60% |
| AEON Yachiyo Midorigaoka SC | 29,740 | 21,900 | 21,900 | 0 | 5.60% | 5.60% | 0.00% | 5.40% | 5.30% | 5.60% | 5.60% |
| GYRE | 22,653 | 22,900 | 23,000 | 100 | 3.70% | 3.70% | 0.00% | 3.50% | 3.50% | 3.70% | 3.70% |
| 8953 Jingumae 6 Building | 2,384 | 2,460 | 2,470 | 10 | 4.30% | 4.30% | 0.00% | 4.50% | 4.50% | 4.60% | 4.60% |
| G-Bldg. Jingumae 01 | 3,425 | 3,660 | 3,670 | 10 | 4.30% | 4.30% | 0.00% | 4.60% | 4.60% | 4.60% | 4.60% |
| G-Bldg. Jingumae 02 | 2,331 | 1,640 | 1,650 | 10 | 5.10% | 5.10% | 0.00% | 4.50% | 4.50% | 4.80% | 4.80% |
| G-Bldg. Minami Aoyama 01 | 6,480 | 4,900 | 4,940 | 40 | 5.10% | 5.10% | 0.00% | 4.40% | 4.40% | 4.50% | 4.50% |
| La Porte Aoyama | 9,357 | 9,070 | 9,270 | 200 | 4.50% | 4.50% | 0.00% | 4.70% | 4.70% | 4.80% | 4.80% |
| AEONMALL Musashi Murayama Mu | 30,000 | 30,600 | 30,600 | 0 | 5.20% | 5.20% | 0.00% | 4.80% | 4.80% | 5.30% | 5.30% |
| G-Bldg. Shinjuku 01 | 6,688 | 6,640 | 6,640 | 0 | 4.70% | 4.70% | 0.00% | 4.30% | 4.30% | 4.90% | 4.90% |
| G-Bldg. Jingumae 03 | 5,583 | 5,070 | 5,080 | 10 | 4.80% | 4.80% | 0.00% | 4.20% | 4.20% | 4.60% | 4.60% |
| G-Bldg. Minami Ikebukuro 01 | 6,031 | 6,580 | 6,690 | 110 | 5.10% | 5.10% | 0.00% | 4.90% | 4.90% | 5.30% | 5.30% |
| Subtotal (cap rate is a simple average) | 305,655 | 289,872 | 291,719 | 1,847 | 5.22% | 5.22% | 0.00% | 4.97% | 4.96% | 5.35% | 5.34% |

(Note) The end of term appraisal value, direct cap rate, DCF discount rate and DCF terminal cap rate are based on appraisals and survey reports by real estate valuers (CB Richard Ellis, Daiwa Real Estate Appraisal, Japan Real Estate Institute and Tanizawa Sogo Appraisal Co., Ltd).

Portfolio List (As of the end of February 2011) - Appraisal Cap Rate

| Property Name | Book Value (mil. yen) | Appraisal Value (mil. yen) | | | Direct Cap Rate | | | DCF Discount Rate | | DCF Terminal Cap Rate | |
|--|--------------------------|----------------------------|-----------|-----------|-----------------|-----------|-----------|-------------------|-----------|-----------------------|-----------|
| | | Aug. 2010 | Feb. 2011 | Variation | Aug. 2010 | Feb. 2011 | Variation | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| Osaka, Nagoya and surrounding areas | | | | | | | | | | | |
| 8953 Osaka Shinsaibashi Building | 13,137 | 13,300 | 13,300 | 0 | 5.00% | 5.00% | 0.00% | 5.20% | 5.20% | 5.30% | 5.30% |
| Nara Family | 30,962 | 32,500 | 32,500 | 0 | 6.40% | 6.30% | -0.10% | 5.60% | 5.60% | 6.60% | 6.60% |
| Narupark | 7,521 | 4,450 | 5,500 | 1,050 | 7.40% | 6.50% | -0.90% | 6.20% | 6.20% | 6.70% | 6.70% |
| AEONMALL Higashiura | 7,870 | 10,100 | 10,100 | 0 | 5.90% | 5.90% | 0.00% | 5.50% | 5.50% | 6.20% | 6.20% |
| AEON Takatsuki | 10,790 | 9,490 | 9,530 | 40 | 6.60% | 6.40% | -0.20% | 6.50% | 6.50% | 6.80% | 6.80% |
| AEON Yagoto | 3,679 | 3,540 | 3,570 | 30 | 6.90% | 6.90% | 0.00% | 6.50% | 6.50% | 6.80% | 6.80% |
| AEON Nishi Otsu | 12,866 | 10,600 | 10,700 | 100 | 6.40% | 6.40% | 0.00% | 6.30% | 6.30% | 6.50% | 6.50% |
| Kyoto Family | 5,926 | 5,600 | 5,620 | 20 | 6.50% | 6.50% | 0.00% | 5.90% | 5.90% | 6.90% | 6.90% |
| Loc City Ogaki | 4,419 | 4,090 | 4,040 | -50 | 10.40% | 10.50% | 0.10% | 7.40% | 7.60% | 17.70% | 17.80% |
| Kawaramachi OPA | 18,684 | 15,600 | 15,700 | 100 | 5.00% | 5.00% | 0.00% | 4.50% | 4.50% | 4.80% | 4.80% |
| AEONMALL Tsurumi Leafa | 28,115 | 25,300 | 25,300 | 0 | 5.40% | 5.40% | 0.00% | 5.10% | 5.10% | 5.60% | 5.60% |
| AEONMALL Itami Terrace | 20,087 | 17,700 | 17,700 | 0 | 5.30% | 5.30% | 0.00% | 4.90% | 4.90% | 5.50% | 5.50% |
| Ario Otori | 18,412 | 14,900 | 14,900 | 0 | 5.70% | 5.70% | 0.00% | 5.40% | 5.40% | 5.90% | 5.90% |
| AEONMALL Kobe Kita | 15,226 | 15,700 | 15,900 | 200 | 5.70% | 5.70% | 0.00% | 5.30% | 5.30% | 5.80% | 5.80% |
| Life Taiheiji store (land) | 1,304 | 1,300 | 1,300 | 0 | - | - | - | 5.40% | 5.40% | - | - |
| Life Shimodera store (land) | 1,717 | 1,700 | 1,700 | 0 | - | - | - | 5.40% | 5.40% | - | - |
| Life Kishibe store (land) | 1,942 | 2,000 | 1,990 | -10 | - | - | - | 5.30% | 5.30% | - | - |
| G-Bldg. Shinsaibashi 01 | 1,607 | 1,620 | 1,620 | 0 | 5.30% | 5.10% | -0.20% | 4.90% | 4.90% | 5.30% | 5.30% |
| Subtotal (cap rate is a simple average) | 204,273 | 189,490 | 190,970 | 1,480 | 6.26% | 6.17% | -0.09% | 5.63% | 5.64% | 6.83% | 6.83% |
| Other major cities | | | | | | | | | | | |
| AEON Sendai Nakayama | 9,261 | 10,700 | 10,600 | -100 | 7.10% | 7.10% | 0.00% | 6.30% | 6.30% | 6.80% | 6.80% |
| Hakata Riverain/eeny meeny miny mo | 6,012 | 4,880 | 4,550 | -330 | 6.30% | 6.20% | -0.10% | 6.10% | 6.00% | 6.50% | 6.40% |
| AEON Kashiihama SC | 12,460 | 13,200 | 13,200 | 0 | 6.00% | 6.00% | 0.00% | 6.20% | 6.20% | 6.30% | 6.30% |
| AEON Sapporo Naebo SC | 7,668 | 8,540 | 8,540 | 0 | 6.70% | 6.70% | 0.00% | 6.30% | 6.30% | 6.90% | 6.90% |
| AEON Tobata SC | 5,812 | 5,860 | 5,950 | 90 | 7.60% | 7.50% | -0.10% | 7.00% | 6.90% | 8.10% | 8.00% |
| AEON Naha SC | 10,673 | 9,960 | 9,820 | -140 | 6.20% | 6.20% | 0.00% | 6.10% | 6.10% | 6.60% | 6.60% |
| AEON Ueda | 8,891 | 7,900 | 7,940 | 40 | 6.20% | 6.20% | 0.00% | 5.90% | 5.90% | 6.50% | 6.50% |
| Oyama Yuen Harvest Walk | 9,523 | 6,770 | 6,800 | 30 | 7.70% | 7.60% | -0.10% | 7.20% | 7.20% | 7.70% | 7.70% |
| AEON Sapporo Hassamu SC | 18,023 | 16,600 | 16,700 | 100 | 5.60% | 5.60% | 0.00% | 5.40% | 5.40% | 5.80% | 5.80% |
| G DINING SAPPORO | 3,086 | 2,180 | 2,180 | 0 | 6.20% | 6.20% | 0.00% | 5.80% | 5.80% | 6.20% | 6.20% |
| Subtotal (cap rate is a simple average) | 91,412 | 86,590 | 86,280 | -310 | 6.56% | 6.53% | -0.03% | 6.23% | 6.21% | 6.74% | 6.72% |
| Portfolio Total (cap rate is a simple average) | 601,341 | 565,952 | 568,969 | 3,017 | 5.72% | 5.69% | -0.03% | 5.37% | 5.37% | 5.97% | 5.97% |

(Note) The end of term appraisal value, direct cap rate, DCF discount rate and DCF terminal cap rate are based on appraisals and survey reports by real estate valuers (CB Richard Ellis, Daiwa Real Estate Appraisal, Japan Real Estate Institute and Tanizawa Sogo Appraisal Co., Ltd).

Financial Status (1)

Interest-bearing Liabilities

| | Aug. 2008 Period | | Feb. 2009 Period | | Aug. 2009 Period | | Feb. 2010 Period | | Aug. 2010 Period | | Feb. 2011 Period | |
|--|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|
| | (13th) | Ratio (%) | (14th) | Ratio (%) | (15th) | Ratio (%) | (16th) | Ratio (%) | (17th) | Ratio (%) | (18th) | Ratio (%) |
| Short-term financing | 133,085 | 40.6 | 119,275 | 37.7 | 96,075 | 29.4 | 97,775 | 30.8 | 107,572 | 28.2 | 86,575 | 25.5 |
| Short-term debt | 108,100 | 33.0 | 119,275 | 37.7 | 96,075 | 29.4 | 97,775 | 30.8 | 107,572 | 28.2 | 86,575 | 25.5 |
| Commercial paper | 24,985 | 7.6 | - | - | - | - | - | - | - | - | - | - |
| Long-term liabilities ^(Note 1) | 112,400 | 34.3 | 123,400 | 39.0 | 158,350 | 48.4 | 150,666 | 47.4 | 202,276 | 53.0 | 190,776 | 56.1 |
| Long-term debt | 12,400 | 3.8 | 23,400 | 7.4 | 58,350 | 17.8 | 70,666 | 22.2 | 122,276 | 32.1 | 110,776 | 32.6 |
| Fixed interest | 5,000 | 1.5 | 5,000 | 1.6 | 35,000 | 10.7 | 39,416 | 12.4 | 73,626 | 19.3 | 72,726 | 21.4 |
| Variable interest | 7,400 | 2.3 | 18,400 | 5.8 | 23,350 | 7.1 | 31,250 | 9.8 | 48,650 | 12.8 | 38,050 | 11.2 |
| Unsecured corporate bonds | 100,000 | 30.5 | 100,000 | 31.6 | 100,000 | 30.6 | 80,000 | 25.2 | 80,000 | 21.0 | 80,000 | 23.5 |
| Subtotal (interest-bearing liabilities) | 245,485 | 74.9 | 242,675 | 76.7 | 254,425 | 77.7 | 248,441 | 78.2 | 309,848 | 81.3 | 277,351 | 81.6 |
| Rental deposits, guaranteed deposits | 82,438 | 25.1 | 73,788 | 23.3 | 72,878 | 22.3 | 69,251 | 21.8 | 71,500 | 18.7 | 62,667 | 18.4 |
| Total | 327,923 | 100.0 | 316,463 | 100.0 | 327,303 | 100.0 | 317,692 | 100.0 | 381,348 | 100.0 | 340,018 | 100.0 |
| Commitment lines ^(Note 2) | | | | | | | | | | | | |
| Credit line | 25,000 | - | 40,000 | - | 40,000 | - | 40,000 | - | 40,000 | - | 40,000 | - |
| Balance | - | - | 25,000 | - | - | - | - | - | - | - | - | - |
| Average number of remaining years of long-term liabilities ^(Note 3) (Years) | 5.8 | - | 5.1 | - | 5.1 | - | 5.2 | - | 4.3 | - | 4.4 | - |
| Debt service coverage ratio ^(Note 4) (x) | 7.8 | - | 7.4 | - | 7.5 | - | 6.5 | - | 5.3 | - | 6.3 | - |

(Note 1) Long-term debt includes the current portion of long-term borrowing as well as the current portion of investment corporation bonds.

(Note 2) Commitment line credit facilities are The Bank of Tokyo-Mitsubishi UFJ, Mitsubishi UFJ Trust Bank, and Sumitomo Trust Bank.

(Note 3) Short-term debt is not included in the average number of remaining years of long-term liabilities.

(Note 4) Debt service coverage ratio = net income before interest amortization ÷ interest expense

Ratings

As of the end of February 2011

| | Issuer rating | Long-term debt rating | Outlook |
|---------|---------------|-----------------------|----------|
| Moody's | A2 | A2 | Negative |
| S&P | A | A | Stable |
| R&I | AA- | AA- | Stable |

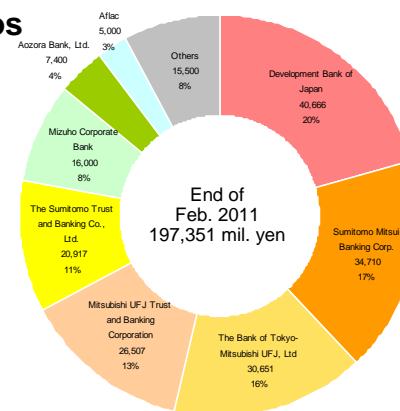
Financial Status (2)

Details of loans as of the end of February 2011 (mil. yen)

| Credit facility | Amount | Loan Date | Scheduled repayment date |
|--|--------|------------|--------------------------|
| Mizuho Corporate Bank | 2,000 | 2010/3/3 | 2011/3/3 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 4,361 | 2010/3/31 | 2011/3/31 |
| Mitsubishi UFJ Trust and Banking Corporation | 3,699 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 2,940 | | |
| Total | 11,000 | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 9,119 | 2010/4/30 | 2011/4/28 |
| Mitsubishi UFJ Trust and Banking Corporation | 7,733 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 6,146 | | |
| Total | 23,000 | | |
| The Chugoku Bank, Ltd. | 2,000 | 2010/6/18 | 2011/6/17 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 5,000 | 2010/8/27 | 2011/8/26 |
| Mitsubishi UFJ Trust and Banking Corporation | 4,500 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 3,500 | | |
| Total | 13,000 | | |
| Mizuho Corporate Bank | 1,000 | 2010/8/27 | 2011/8/26 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 3,875 | 2010/9/3 | 2011/9/2 |
| Mitsubishi UFJ Trust and Banking Corporation | 3,487 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 2,712 | | |
| Total | 10,075 | | |
| Fukuoka Bank | 3,000 | 2010/9/17 | 2011/9/16 |
| The Chugoku Bank, Ltd. | 2,000 | 2010/9/30 | 2011/9/30 |
| Mizuho Corporate Bank | 5,000 | 2010/10/15 | 2011/10/14 |
| Shinsei Bank, Limited | 1,500 | 2010/11/1 | 2011/11/1 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 5,152 | 2011/2/8 | 2012/2/8 |
| Mitsubishi UFJ Trust and Banking Corporation | 4,373 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 3,475 | | |
| Total | 13,000 | | |
| Short-term debt balance | 86,575 | | |

| Credit facility | Amount | Loan Date | Scheduled repayment date |
|--|---------|-----------|--------------------------|
| Aozora Bank, Ltd. | 7,400 | 2008/8/29 | 2013/8/29 |
| Mizuho Corporate Bank | 3,000 | 2008/9/30 | 2011/9/30 |
| Saitama Resona Bank | 1,000 | | |
| Total | 4,000 | | |
| Development Bank of Japan | 3,000 | 2008/9/30 | 2013/9/30 |
| Sumitomo Mitsui Banking Corp. | 34,710 | 2008/11/4 | 2015/3/1 |
| Development Bank of Japan | 4,650 | 2009/3/30 | 2014/3/30 |
| Development Bank of Japan (7 years) | 14,150 | 2009/7/30 | 2016/7/30 |
| Development Bank of Japan (9 years) | 18,866 | 2009/7/30 | 2018/7/30 |
| Aflac | 5,000 | 2009/9/4 | 2019/9/4 |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd | 3,143 | 2009/9/30 | 2014/9/30 |
| Mitsubishi UFJ Trust and Banking Corporation | 2,714 | | |
| The Sumitomo Trust and Banking Co., Ltd. | 2,143 | | |
| Total | 8,000 | | |
| Mizuho Corporate Bank | 5,000 | 2011/2/7 | 2016/2/5 |
| The Shinkumi Federation Bank | 3,000 | | |
| Hiroshima Bank | 1,500 | | |
| Ikeda Senshu Bank | 1,000 | | |
| Minato Bank | 500 | | |
| Total | 11,000 | | |
| Long-term debt balance | 110,776 | | |
| Total | 197,351 | | |

Credit facility ratios



Performance by Property (Income-type Properties 1)

(mil. yen)

| Item | AEON Sendai Nakayama | | ESPA Kawasaki | | 8953 Osaka Shinsaibashi Bldg. | | Former Ito-Yokado Nrumi (Currently Narupark) | | 8953 Minami Aoyama Bldg. | | Ito-Yokado Yabashira | | Ito-Yokado Kamifukuoka Higashi | |
|---|----------------------|-----------|---------------|-----------|-------------------------------|-----------|--|-----------|--------------------------|-----------|----------------------|-----------|--------------------------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 442 | 429 | 492 | 490 | 407 | 407 | 264 | 328 | 161 | 161 | 78 | 78 | 256 | 256 |
| Rental revenue | 442 | 429 | 491 | 489 | 407 | 407 | 264 | 328 | 155 | 155 | 78 | 78 | 256 | 256 |
| Other income | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 195 | 5 | 6 | - | - | - | - |
| (2) Total rental business expenses | 53 | 58 | 98 | 95 | 36 | 40 | 45 | 204 | 18 | 19 | 18 | 18 | 48 | 47 |
| Tax and public charges | 39 | 39 | 81 | 81 | 31 | 31 | 35 | 35 | 7 | 7 | 15 | 15 | 40 | 40 |
| Building management expenses | - | - | 3 | 3 | - | 0 | - | 5 | 2 | 2 | - | - | 0 | - |
| Repair expenses | 0 | 1 | 4 | 0 | 0 | 0 | 1 | 33 | 0 | 0 | 0 | 0 | 0 | - |
| Insurance premiums/ trust fees | 10 | 3 | 6 | 5 | 3 | 3 | 5 | 3 | 1 | 1 | 1 | 1 | 2 | 2 |
| Others | 2 | 14 | 3 | 3 | 1 | 5 | 3 | 125 | 6 | 7 | 1 | 1 | 4 | 4 |
| (3) Rent NOI $(=(1) - (2))$ | 389 | 370 | 394 | 394 | 370 | 366 | 218 | 123 | 142 | 142 | 60 | 60 | 207 | 208 |
| (4) Depreciation and amortization | 83 | 80 | 98 | 96 | 81 | 78 | 74 | 74 | 9 | 9 | 16 | 16 | 50 | 50 |
| (5) Rental business profit $(=(3) - (4))$ | 306 | 290 | 295 | 298 | 289 | 288 | 144 | 49 | 133 | 133 | 44 | 43 | 156 | 157 |
| (6) Deposits (ending balance) | 1,524 | 1,424 | 5,205 | 4,989 | 798 | 798 | 3,955 | 55 | 251 | 251 | 450 | 450 | 1,946 | 1,882 |
| Rental deposits | 840 | 840 | 1,070 | 1,070 | 798 | 798 | 538 | 0 | 251 | 251 | 450 | 450 | 774 | 774 |
| Guaranteed deposits | 684 | 584 | 4,134 | 3,918 | - | - | 3,416 | 55 | - | - | - | - | 1,171 | 1,107 |

(mil. yen)

| Item | Ito-Yokado Nishikicho | | 8953 Daikanyama Bldg. | | AEONMALL Higashiura | | 8953 Harajuku FACE Bldg. | | AEON Kashihama SC | | AEON Sapporo Naebo SC | | ESQUISSE Omotesando Annex | |
|---|-----------------------|-----------|-----------------------|-----------|---------------------|-----------|--------------------------|-----------|-------------------|-----------|-----------------------|-----------|---------------------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 444 | 444 | 40 | 40 | 478 | 478 | 104 | 104 | 477 | 477 | 377 | 379 | 33 | 34 |
| Rental revenue | 444 | 444 | 37 | 37 | 478 | 478 | 91 | 89 | 477 | 477 | 377 | 377 | 31 | 31 |
| Other income | - | - | 2 | 2 | - | - | 13 | 14 | - | - | 0 | 2 | 2 | 2 |
| (2) Total rental business expenses | 65 | 65 | 8 | 8 | 163 | 164 | 14 | 14 | 66 | 68 | 81 | 81 | 6 | 7 |
| Tax and public charges | 59 | 59 | 2 | 2 | 59 | 59 | 3 | 3 | 58 | 58 | 57 | 57 | 1 | 1 |
| Building management expenses | - | - | 1 | 1 | - | - | 2 | 2 | 0 | 1 | - | - | 0 | 0 |
| Repair expenses | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 1 | - | 0 | 0 | 1 |
| Insurance premiums/ trust fees | 4 | 3 | 0 | 0 | 4 | 3 | 1 | 1 | 4 | 4 | 2 | 2 | 0 | 0 |
| Others | 2 | 2 | 5 | 4 | 99 | 99 | 5 | 6 | 2 | 2 | 21 | 21 | 3 | 3 |
| (3) Rent NOI $(=(1) - (2))$ | 379 | 379 | 31 | 32 | 315 | 314 | 90 | 90 | 410 | 409 | 295 | 298 | 27 | 27 |
| (4) Depreciation and amortization | 132 | 132 | 3 | 3 | 158 | 159 | 8 | 8 | 96 | 96 | 130 | 130 | 2 | 2 |
| (5) Rental business profit $(=(3) - (4))$ | 246 | 246 | 27 | 28 | 156 | 155 | 82 | 81 | 314 | 313 | 165 | 167 | 25 | 24 |
| (6) Deposits (ending balance) | 590 | 590 | 66 | 62 | 598 | 598 | 195 | 178 | 700 | 700 | 654 | 654 | 65 | 65 |
| Rental deposits | 590 | 590 | 66 | 62 | 598 | 598 | 195 | 178 | 700 | 700 | 654 | 654 | 65 | 65 |
| Guaranteed deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

(Note) This period (Feb. 2011 Period) was from September 1, 2010 to February 28, 2011 (181 days), the prior period (Aug. 2010 Period) was from March 1, 2010 to August 31, 2010 (184 days).

Performance by Property (Income-type Properties 2)

(mil. yen)

| Item | Ito-Yokado Tsunashima | | Bic Camera Tachikawa | | AEON Itabashi SC | | 8953 Kita Aoyama Building | | AEONMALL Yamato | | Seiyu Hibarigaoka | | AEON Tobata SC | |
|---|--------------------------|-----------|-------------------------|-----------|------------------|-----------|------------------------------|-----------|-----------------|-----------|-------------------|-----------|----------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 180 | 180 | 389 | 389 | 638 | 655 | 34 | 35 | 534 | 534 | 261 | 261 | 315 | 315 |
| Rental revenue | 180 | 180 | 357 | 357 | 637 | 653 | 33 | 33 | 534 | 534 | 261 | 261 | 315 | 315 |
| Other income | - | - | 32 | 32 | 0 | 2 | 1 | 1 | 0 | - | 0 | 0 | - | - |
| (2) Total rental business expenses | 22 | 22 | 74 | 74 | 310 | 314 | 6 | 6 | 60 | 60 | 19 | 19 | 71 | 70 |
| Tax and public charges | 18 | 18 | 36 | 36 | 43 | 43 | 1 | 1 | 54 | 54 | 15 | 15 | 62 | 62 |
| Building management expenses | - | - | 30 | 30 | - | - | 1 | 0 | - | - | - | - | - | - |
| Repair expenses | 0 | - | 0 | 0 | - | 0 | 0 | 0 | 0 | 0 | - | - | 0 | - |
| Insurance premiums/ trust fees | 2 | 2 | 5 | 5 | 2 | 2 | 0 | 0 | 4 | 3 | 2 | 2 | 4 | 4 |
| Others | 1 | 1 | 1 | 1 | 264 | 268 | 2 | 2 | 2 | 2 | 1 | 1 | 2 | 2 |
| (3) Rent NOI (= (1) - (2)) | 158 | 158 | 314 | 315 | 327 | 341 | 28 | 28 | 473 | 473 | 241 | 241 | 243 | 244 |
| (4) Depreciation and amortization | 23 | 23 | 74 | 71 | 106 | 106 | 3 | 3 | 116 | 116 | 47 | 47 | 71 | 71 |
| (5) Rental business profit (= (3) - (4)) | 134 | 135 | 240 | 243 | 221 | 234 | 25 | 25 | 357 | 356 | 194 | 194 | 172 | 173 |
| (6) Deposits (ending balance) | 232 | 232 | 699 | 699 | 754 | 754 | 38 | 38 | 1,068 | 1,068 | 300 | 300 | 315 | 315 |
| Rental deposits | 232 | 232 | 699 | 699 | 754 | 754 | 38 | 38 | 1,068 | 1,068 | 300 | 300 | 315 | 315 |
| Guaranteed deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

(mil. yen)

| Item | AEON Takatsuki | | 8953 Jiyugaoka Bldg. | | AEON Yagoto | | AEON Naha SC | | Cheers Ginza | | AEON Nishi-Otsu | | AEON Omiya | |
|---|----------------|-----------|----------------------|-----------|-------------|-----------|--------------|-----------|--------------|-----------|-----------------|-----------|------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 414 | 414 | 89 | 89 | 148 | 148 | 398 | 398 | 94 | 105 | 375 | 375 | 174 | 195 |
| Rental revenue | 413 | 413 | 83 | 83 | 148 | 148 | 385 | 385 | 74 | 81 | 375 | 375 | 174 | 195 |
| Other income | 0 | 0 | 5 | 6 | 0 | 0 | 12 | 12 | 19 | 24 | 0 | 0 | 0 | 0 |
| (2) Total rental business expenses | 63 | 73 | 17 | 18 | 21 | 21 | 65 | 65 | 34 | 35 | 40 | 38 | 65 | 65 |
| Tax and public charges | 56 | 56 | 5 | 5 | 15 | 15 | 31 | 31 | 6 | 6 | 28 | 28 | 54 | 54 |
| Building management expenses | - | - | 3 | 3 | 1 | 1 | 0 | 0 | 5 | 3 | 0 | 0 | - | - |
| Repair expenses | 2 | 13 | 0 | 0 | 0 | 0 | - | 0 | 0 | 1 | 1 | - | - | - |
| Insurance premiums/ trust fees | 2 | 2 | 1 | 1 | 2 | 1 | 4 | 4 | 0 | 0 | 3 | 3 | 2 | 2 |
| Others | 1 | 1 | 7 | 8 | 1 | 1 | 29 | 29 | 21 | 22 | 6 | 6 | 8 | 8 |
| (3) Rent NOI (= (1) - (2)) | 350 | 340 | 72 | 70 | 126 | 126 | 332 | 332 | 59 | 70 | 334 | 336 | 109 | 130 |
| (4) Depreciation and amortization | 103 | 103 | 14 | 14 | 31 | 29 | 93 | 93 | 16 | 16 | 89 | 89 | 52 | 53 |
| (5) Rental business profit (= (3) - (4)) | 246 | 236 | 58 | 56 | 94 | 96 | 239 | 238 | 43 | 53 | 245 | 246 | 56 | 77 |
| (6) Deposits (ending balance) | 3,490 | 3,244 | 156 | 158 | 527 | 519 | 2,118 | 2,118 | 136 | 158 | 988 | 988 | 440 | 440 |
| Rental deposits | 1,232 | 1,232 | 122 | 124 | 502 | 502 | 2,118 | 2,118 | 136 | 158 | 988 | 988 | 440 | 440 |
| Guaranteed deposits | 2,258 | 2,012 | 33 | 33 | 25 | 16 | - | - | - | - | - | - | - | - |

(Note) This period (Feb. 2011 Period) was from September 1, 2010 to February 28, 2011 (181 days), the prior period (Aug. 2010 Period) was from March 1, 2010 to August 31, 2010 (184 days).

Performance by Property (Income-type Properties 3)

(mil. yen)

| Item | Loc City Ogaki | | Kawaramachi OPA | | AEON Ueda | | AEONMALL Tsurumi Leafa | | AEONMALL Itami Terrace | | Ito-Yokado Yotsukaido | | AEON Yachiyo Midorigaoka SC | |
|---|----------------|-----------|-----------------|-----------|-----------|-----------|------------------------|-----------|------------------------|-----------|-----------------------|-----------|-----------------------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 329 | 330 | 363 | 363 | 297 | 297 | 891 | 892 | 581 | 579 | 290 | 290 | 685 | 685 |
| Rental revenue | 329 | 330 | 362 | 362 | 297 | 297 | 891 | 892 | 581 | 579 | 289 | 289 | 685 | 685 |
| Other income | - | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | - |
| (2) Total rental business expenses | 123 | 122 | 53 | 53 | 47 | 49 | 200 | 199 | 118 | 117 | 48 | 48 | 99 | 99 |
| Tax and public charges | 30 | 30 | 43 | 43 | 41 | 41 | 163 | 163 | 103 | 103 | 43 | 43 | 91 | 91 |
| Building management expenses | - | - | 2 | 2 | - | - | - | - | - | - | - | - | - | - |
| Repair expenses | 0 | - | - | 0 | 0 | 2 | - | - | - | - | 0 | 0 | - | - |
| Insurance premiums/ trust fees | 2 | 2 | 2 | 2 | 3 | 2 | 7 | 7 | 5 | 4 | 2 | 2 | 4 | 4 |
| Others | 90 | 90 | 4 | 4 | 1 | 2 | 28 | 28 | 9 | 9 | 1 | 1 | 3 | 2 |
| (3) Rent NOI $(=(1) - (2))$ | 206 | 207 | 310 | 309 | 249 | 247 | 690 | 692 | 462 | 461 | 241 | 241 | 585 | 586 |
| (4) Depreciation and amortization | 107 | 115 | 55 | 55 | 112 | 112 | 326 | 326 | 172 | 173 | 87 | 87 | 209 | 209 |
| (5) Rental business profit $(=(3) - (4))$ | 98 | 92 | 255 | 254 | 137 | 135 | 364 | 366 | 290 | 288 | 154 | 154 | 375 | 376 |
| (6) Deposits (ending balance) | 600 | 600 | 4,088 | 3,583 | - | - | 1,781 | 1,781 | 7,380 | 6,840 | 4,295 | 4,295 | 684 | 684 |
| Rental deposits | 600 | 600 | 1,056 | 1,056 | - | - | 1,781 | 1,781 | 900 | 900 | 429 | 429 | 684 | 684 |
| Guaranteed deposits | - | - | 3,032 | 2,526 | - | - | - | - | 6,480 | 5,940 | 3,865 | 3,865 | - | - |

(mil. yen)

| Item | 8953 Jingumae 6 Bldg. | | 8953 Saitama Urawa Bldg. (Note 2) | | AEON Sapporo Hassamu SC | | Ario Otori | | G-Bldg. Jingumae 01 | | G-Bldg. Jingumae 02 | | G-Bldg. Minami Aoyama 01 | |
|---|-----------------------|-----------|-----------------------------------|-----------|-------------------------|-----------|------------|-----------|---------------------|-----------|---------------------|-----------|--------------------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 60 | 58 | - | - | 577 | 577 | 544 | 544 | 83 | 83 | 30 | 23 | - | 0 |
| Rental revenue | 57 | 55 | - | - | 577 | 577 | 544 | 544 | 82 | 82 | 20 | 21 | - | - |
| Other income | 3 | 3 | - | - | 0 | - | - | - | 0 | 1 | 9 | 1 | - | 0 |
| (2) Total rental business expenses | 6 | 7 | - | - | 104 | 104 | 111 | 110 | 2 | 2 | 6 | 5 | 8 | 10 |
| Tax and public charges | 1 | 1 | - | - | 95 | 95 | 104 | 104 | 1 | 1 | 1 | 1 | 4 | 4 |
| Building management expenses | 1 | 1 | - | - | - | - | - | - | 0 | 0 | 0 | 0 | 1 | 1 |
| Repair expenses | - | - | - | - | 0 | - | 0 | 0 | - | 0 | - | 0 | - | - |
| Insurance premiums/ trust fees | 0 | 0 | - | - | 3 | 3 | 4 | 4 | 0 | 0 | 1 | 1 | 0 | 0 |
| Others | 3 | 4 | - | - | 5 | 5 | 1 | 1 | 0 | 0 | 3 | 1 | 2 | 3 |
| (3) Rent NOI $(=(1) - (2))$ | 53 | 51 | - | - | 472 | 472 | 433 | 433 | 80 | 80 | 23 | 17 | -8 | -9 |
| (4) Depreciation and amortization | 3 | 3 | - | - | 193 | 193 | 254 | 254 | 2 | 2 | 3 | 3 | 7 | 7 |
| (5) Rental business profit $(=(3) - (4))$ | 49 | 48 | -29 | - | 279 | 279 | 178 | 179 | 77 | 78 | 19 | 13 | -15 | -17 |
| (6) Deposits (ending balance) | 93 | 93 | - | - | 573 | 573 | 1,088 | 1,088 | 162 | 162 | 27 | 38 | - | - |
| Rental deposits | 93 | 93 | - | - | 573 | 573 | 1,088 | 1,088 | 162 | 162 | 27 | 38 | - | - |
| Guaranteed deposits | - | - | - | - | - | - | - | - | - | - | - | - | - | - |

(Note 1) This period (Feb. 2011 Period) was from September 1, 2010 to February 28, 2011 (181 days), the prior period (Aug. 2010 Period) was from March 1, 2010 to August 31, 2010 (184 days).

(Note 2) Rental revenue, etc. is not disclosed as the tenant's consent has not been obtained. The property was sold on March 17, 2010.

Performance by Property (Income-type Properties 4)

(mil. yen)

| Item | AEONMALL Musashi Murayama Mu | | AEONMALL Kobe Kita | | G-Bldg. Shinjuku 01 | | G-Bldg. Jingumae 03 | | Life Taiheiji store (land with leasehold) | |
|---|---------------------------------|-----------|-----------------------|-----------|---------------------|-----------|---------------------|-----------|--|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 956 | 957 | 580 | 582 | 141 | 160 | 4 | 11 | 42 | 48 |
| Rental revenue | 956 | 955 | 580 | 578 | 141 | 160 | 4 | 9 | - | - |
| Other income | - | 1 | 0 | 3 | - | - | 0 | 2 | 42 | 48 |
| (2) Total rental business expenses | 162 | 167 | 123 | 123 | 1 | 1 | 4 | 5 | 0 | 0 |
| Tax and public charges | 153 | 153 | 114 | 114 | 0 | 0 | 0 | 0 | 0 | - |
| Building management expenses | - | - | - | - | - | - | 2 | 2 | - | - |
| Repair expenses | - | 1 | - | 0 | - | - | - | - | - | - |
| Insurance premiums/ trust fees | 3 | 3 | 3 | 3 | 1 | 1 | 0 | 0 | 0 | 0 |
| Others | 6 | 7 | 6 | 5 | 0 | 0 | 1 | 2 | 0 | 0 |
| (3) Rent NOI $(=(1) - (2))$ | 793 | 790 | 457 | 459 | 139 | 158 | 0 | 6 | 41 | 48 |
| (4) Depreciation and amortization | 299 | 299 | 190 | 190 | 9 | 9 | 13 | 13 | - | - |
| (5) Rental business profit $(=(3) - (4))$ | 493 | 490 | 266 | 268 | 130 | 149 | -12 | -7 | 41 | 48 |
| (6) Deposits (ending balance) | 1,861 | 1,861 | 578 | 578 | 268 | 268 | 12 | 12 | 81 | 81 |
| Rental deposits | 1,861 | 1,861 | 578 | 578 | - | - | 12 | 12 | 81 | 81 |
| Guaranteed deposits | - | - | - | - | 268 | 268 | - | - | - | - |

(mil. yen)

| Item | Life Shimodera (land with leasehold) | | Life Kishibe (land with leasehold) | | G-Bldg. Minami Ikebukuro 01 | | G-Bldg. Shinsaibashi 01 | | Income Properties Total | |
|---|---|-----------|---------------------------------------|-----------|--------------------------------|-----------|----------------------------|-----------|----------------------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 49 | 56 | 29 | 66 | 208 | 261 | 48 | 59 | 14,971 | 15,142 |
| Rental revenue | - | - | - | - | 187 | 221 | 46 | 55 | 14,714 | 14,606 |
| Other income | 49 | 56 | 29 | 66 | 21 | 39 | 2 | 3 | 256 | 536 |
| (2) Total rental business expenses | 0 | 0 | 0 | 0 | 38 | 57 | 9 | 11 | 2,912 | 3,081 |
| Tax and public charges | 0 | - | 0 | - | 0 | 0 | 0 | 0 | 1,958 | 1,920 |
| Building management expenses | - | - | - | - | 14 | 17 | 5 | 6 | 81 | 90 |
| Repair expenses | - | - | - | - | - | 0 | - | 0 | 20 | 67 |
| Insurance premiums/ trust fees | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 137 | 123 |
| Others | 0 | 0 | 0 | 0 | 22 | 38 | 3 | 4 | 714 | 879 |
| (3) Rent NOI $(=(1) - (2))$ | 48 | 56 | 29 | 66 | 170 | 204 | 39 | 47 | 12,058 | 12,061 |
| (4) Depreciation and amortization | - | - | - | - | 26 | 26 | 1 | 2 | 3,923 | 3,867 |
| (5) Rental business profit $(=(3) - (4))$ | 48 | 56 | 29 | 66 | 144 | 177 | 37 | 45 | 8,135 | 8,193 |
| (6) Deposits (ending balance) | 94 | 94 | 113 | 113 | 330 | 331 | 55 | 58 | 52,445 | 46,882 |
| Rental deposits | 94 | 94 | 113 | 113 | 330 | 331 | 55 | 58 | 27,075 | 26,554 |
| Guaranteed deposits | - | - | - | - | - | - | - | - | 25,370 | 20,328 |

(Note) This period (Feb. 2011 Period) was from September 1, 2010 to February 28, 2011 (181 days), the prior period (Aug. 2010 Period) was from March 1, 2010 to August 31, 2010 (184 days).

Performance by Property (Growth-type Properties)

(mil. yen)

| Item | Hakata Riverain | | Nara Family | | Abiko Shopping Plaza | | GYRE | | Kyoto Family | |
|---|-----------------|-----------|-------------|-----------|----------------------|-----------|-----------|-----------|--------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 425 | 387 | 2,032 | 2,086 | 683 | 714 | 611 | 577 | 621 | 609 |
| Rental revenue | 321 | 306 | 1,711 | 1,728 | 466 | 469 | 526 | 516 | 485 | 483 |
| Other income | 103 | 81 | 320 | 357 | 217 | 245 | 84 | 60 | 135 | 126 |
| (2) Total rental business expenses | 334 | 299 | 1,000 | 989 | 342 | 321 | 173 | 183 | 430 | 389 |
| Tax and public charges | 55 | 55 | 92 | 93 | 34 | 34 | 46 | 46 | 29 | 29 |
| Building management expenses | 74 | 75 | 170 | 173 | 104 | 107 | 37 | 36 | 96 | 96 |
| Repair expenses | 2 | 1 | 9 | 10 | 1 | 7 | 0 | 0 | 4 | 4 |
| Insurance premiums/ trust fees | 3 | 3 | 12 | 12 | 6 | 6 | 3 | 3 | 5 | 4 |
| Others | 197 | 163 | 715 | 699 | 194 | 166 | 84 | 97 | 294 | 253 |
| (3) Rent NOI (= (1) - (2)) | 91 | 88 | 1,031 | 1,097 | 340 | 392 | 438 | 393 | 190 | 219 |
| (4) Depreciation and amortization | 105 | 104 | 261 | 262 | 103 | 104 | 93 | 94 | 70 | 74 |
| (5) Rental business profit (= (3) - (4)) | -13 | -16 | 770 | 834 | 237 | 288 | 344 | 299 | 120 | 145 |
| (6) Deposits (ending balance) | 322 | 315 | 7,545 | 6,068 | 2,793 | 2,523 | 865 | 865 | 715 | 757 |
| Rental deposits | 322 | 315 | 4,632 | 4,612 | 899 | 892 | 865 | 865 | 715 | 757 |
| Guaranteed deposits | - | - | 2,912 | 1,456 | 1,894 | 1,630 | - | - | - | - |

(mil. yen)

| Item | Higashi-Totsuka Aurora City | | Oyama Yuen Harvest Walk | | G DINING Sapporo | | La Porte Aoyama | | Growth Properties Total | | Overall Total | |
|---|--------------------------------|-----------|----------------------------|-----------|------------------|-----------|-----------------|-----------|----------------------------|-----------|---------------|-----------|
| | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 | Aug. 2010 | Feb. 2011 |
| (1) Total rental business income | 1,388 | 1,394 | 560 | 556 | 53 | 65 | 287 | 271 | 6,663 | 6,664 | 23,326 | 21,868 |
| Rental revenue | 1,353 | 1,359 | 559 | 555 | 53 | 65 | 223 | 223 | 5,703 | 5,708 | 21,992 | 20,332 |
| Other income | 34 | 34 | 0 | 0 | 0 | 0 | 64 | 48 | 960 | 955 | 1,333 | 1,536 |
| (2) Total rental business expenses | 337 | 342 | 306 | 306 | 36 | 50 | 86 | 79 | 3,048 | 2,964 | 6,361 | 6,137 |
| Tax and public charges | 162 | 162 | 39 | 39 | 8 | 8 | 26 | 26 | 496 | 497 | 2,562 | 2,454 |
| Building management expenses | 108 | 109 | 160 | 160 | 9 | 8 | 16 | 16 | 779 | 784 | 959 | 876 |
| Repair expenses | 1 | 3 | 0 | 1 | 0 | 0 | 5 | 1 | 27 | 30 | 68 | 98 |
| Insurance premiums/ trust fees | 7 | 6 | 4 | 3 | 1 | 1 | 2 | 1 | 47 | 43 | 200 | 167 |
| Others | 57 | 60 | 101 | 100 | 17 | 31 | 35 | 34 | 1,698 | 1,608 | 2,570 | 2,541 |
| (3) Rent NOI (= (1) - (2)) | 1,050 | 1,051 | 253 | 249 | 17 | 15 | 201 | 192 | 3,615 | 3,700 | 16,964 | 15,730 |
| (4) Depreciation and amortization | 363 | 363 | 170 | 171 | 48 | 49 | 26 | 26 | 1,243 | 1,251 | 5,410 | 5,160 |
| (5) Rental business profit (= (3) - (4)) | 686 | 688 | 82 | 78 | -31 | -34 | 174 | 165 | 2,371 | 2,448 | 11,553 | 10,570 |
| (6) Deposits (ending balance) | 4,619 | 4,619 | 342 | 342 | 53 | 56 | 273 | 236 | 17,531 | 15,785 | 71,500 | 62,667 |
| Rental deposits | 4,619 | 4,619 | 342 | 342 | 53 | 56 | 54 | 97 | 12,506 | 12,559 | 41,104 | 39,114 |
| Guaranteed deposits | - | - | - | - | - | - | 218 | 138 | 5,025 | 3,225 | 30,396 | 23,553 |

(Note) This period (Feb. 2011 Period) was from September 1, 2010 to February 28, 2011 (181 days), the prior period (Aug. 2010 Period) was from March 1, 2010 to August 31, 2010 (184 days).

JRF Overview

JRF Overview

- »» REIT specializing in retail centers
- »» Since first listing in 2002 (8 years), JRF has achieved steady investment performance and distribution payments
 - ✓ Retail centers enable diversification of area, business type and business category
 - ✓ A well-balanced portfolio with the “growth potential” of suburban properties and “future prospects” of urban properties
 - ✓ Maintains an occupancy rate of over 99%
 - ✓ Over 90% of all properties have fixed rent
- »» Aim for stability of profits and improved quality by further increasing the scale of assets

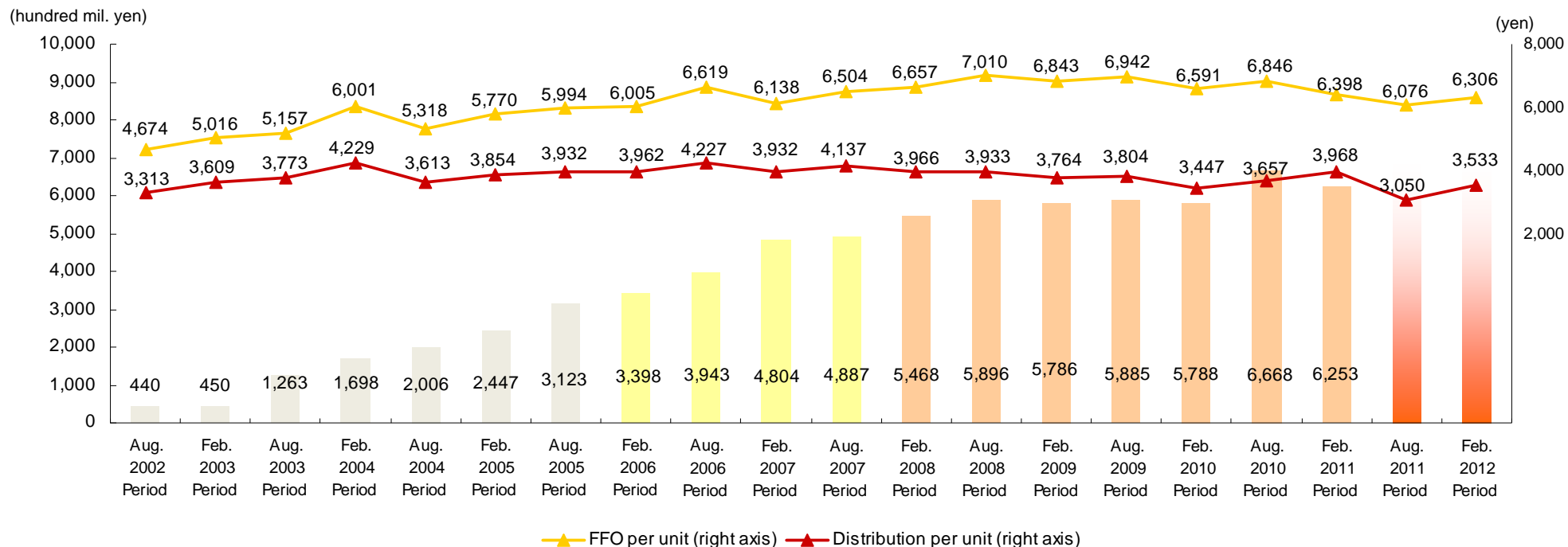
Shifts in Total Assets, Distributions Per Unit, and Yields

Strive to achieve a critical mass

Portfolio variation
and diversification


Strive to achieve a quality portfolio

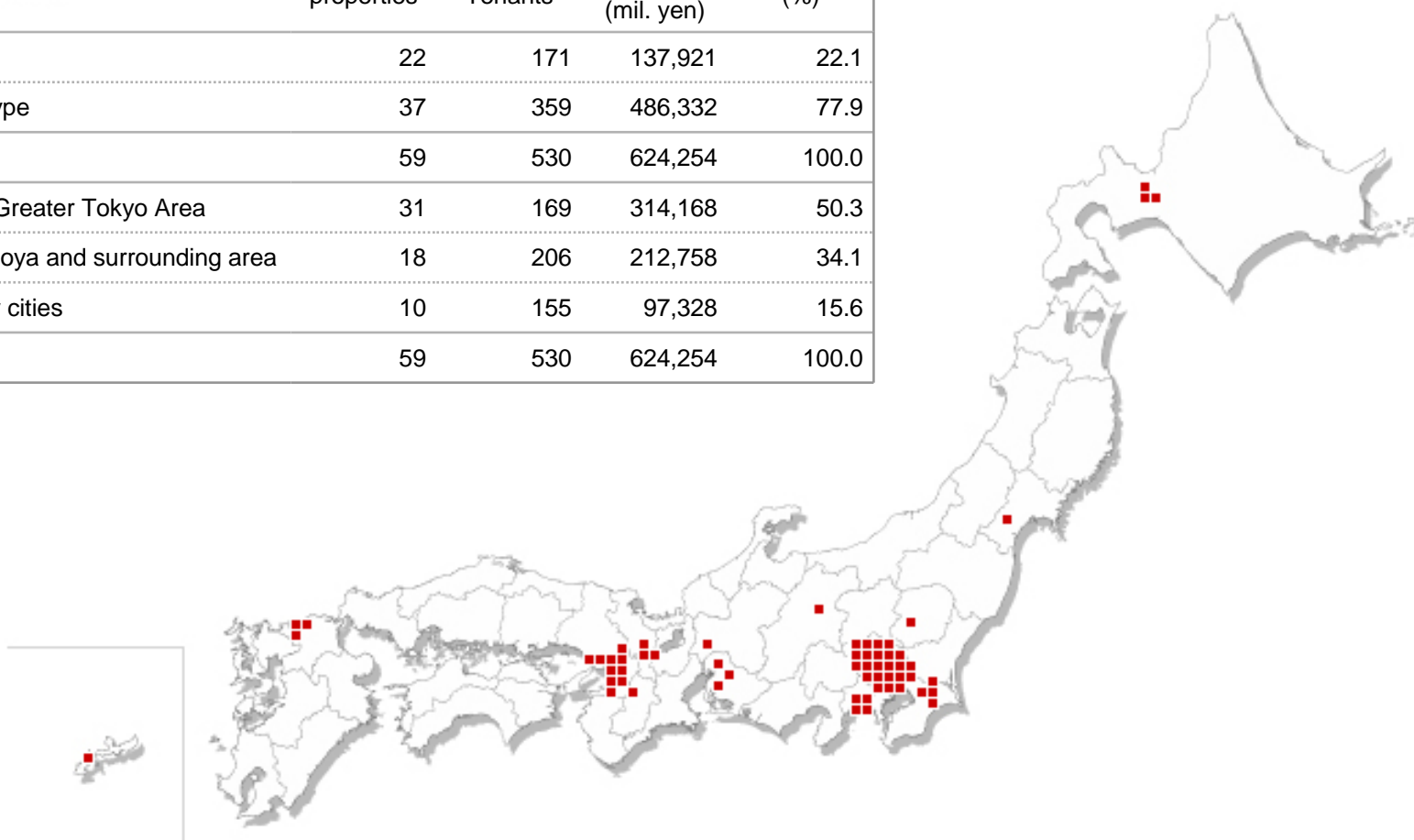
Increase the scale of
assets and further
improve quality



(Note) Since a four-for-one investment unit split was carried out on March 1, 2010, the distribution and FFO are calculated and shown as the amount for "estimated post-split values" as if the investment split was carried out at the beginning of the Aug. 2002 Period.

Locations of Portfolio Properties (As of the end of February 2011)

|  Retail Centers | | Number of properties | Number of Tenants | Acquisition Price (mil. yen) | Ratio (%) |
|--|------------------------------------|----------------------|-------------------|------------------------------|-----------|
| Property Type | Urban type | 22 | 171 | 137,921 | 22.1 |
| | Suburban type | 37 | 359 | 486,332 | 77.9 |
| | Overall | 59 | 530 | 624,254 | 100.0 |
| Area | Tokyo and Greater Tokyo Area | 31 | 169 | 314,168 | 50.3 |
| | Osaka, Nagoya and surrounding area | 18 | 206 | 212,758 | 34.1 |
| | Other Major cities | 10 | 155 | 97,328 | 15.6 |
| | Overall | 59 | 530 | 624,254 | 100.0 |



Locations of Portfolio Properties (As of the end of February 2011)

Aichi Prefecture



Ito-Yokado Narumi



JUSCO City Yagoto



AEONMALL Higashiura

Gifu Prefecture



Loc City Ogaki

Shiga Prefecture



JUSCO City Nishi Otsu

Nara Prefecture



Nara Family

Osaka



8953 Osaka Shinsaibashi Building



JUSCO City Takatsuki



AEONMALL Tsurumi Leafa



Ario Otori



Life Taiheiji store (land)



Life Shimodera store (land)



Life Kishibe store (land)



G-Bldg. Shinsaibashi 01

Hyogo Prefecture



AEONMALL Itami Terrace



AEONMALL Kobe Kita



Kyoto Family



Kawaramachi OPA

Kyoto

Fukuoka Prefecture



Hakata Riverain



AEON Kashihama SC



AEON Tobata SC

Okinawa Prefecture



JUSCO Naha

Hokkaido



AEON Sapporo Naebo SC



AEON Sapporo Hassamu SC



G DINING Sapporo

Miyagi Prefecture



Sendai Nakayama SC

Tochigi Prefecture



Oyama Yuen Harvest Walk

Nagano Prefecture



AEON Ueda SC

Saitama Prefecture



Ito-Yokado Kamifukuoka-Higashi



Ito-Yokado Nishikicho



Omiya SATY

Chiba Prefecture



Abiko Shopping Plaza



Ito-Yokado Yabashira



Ito-Yokado Yotsukaide



AEON Yachiyo Midorigaoka SC

Kanagawa Prefecture



ESPA Kawasaki



Ito-Yokado Tsunashima



AEONMALL Yamato



Higashi-Totsuka Aurora City

Tokyo



8953 Minami Aoyama Building



8953 Daikanyama Building



8953 Harajuku FACE Building



Esquisse Omotesando Annex



Bic Camera Tachikawa



Itabashi SATY



8953 Kita Aoyama Building



Seiyu Hibarigaoka



8953 Jiyugaoka Building



Cheers Ginza



GYRE



8953 Jingumae 6 Building



G-Bldg. Jingumae 01



G-Bldg. Jingumae 02



G-Bldg. Minami Aoyama 01



La Porte Aoyama



AEONMALL Musashi Murayama Mu



G-Bldg. Shinjuku 01



G-Bldg. Jingumae 03



G-Bldg. Minami Ikebukuro 01

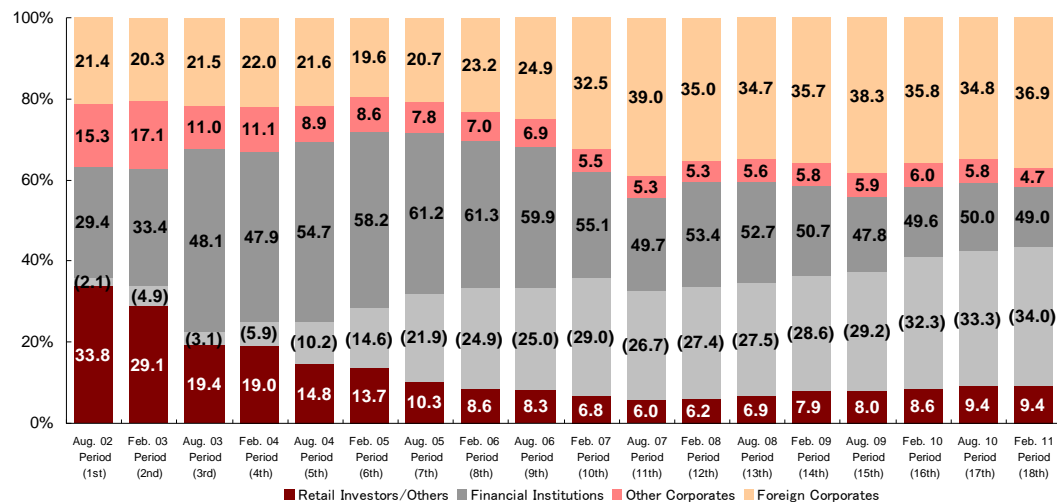
Overview of ADR

»»» Established American Depositary Receipt (ADR) program Level-1 on March 29, 2010 (US calendar)

| | | |
|----------|---|--|
| Purpose | To expand the investor base and raise awareness in the U.S. | |
| Overview | Type of ADR program | Sponsored ADR Level-1 |
| | Secondary market | US over-the counter- market (OTC market) |
| | Exchange ratio with original share | 100ADR=1 original share (100:1) |
| | Ticker symbol | JNRFY |
| | Depository bank | Deutsche Bank Trust Company Americas |

Investor Analysis

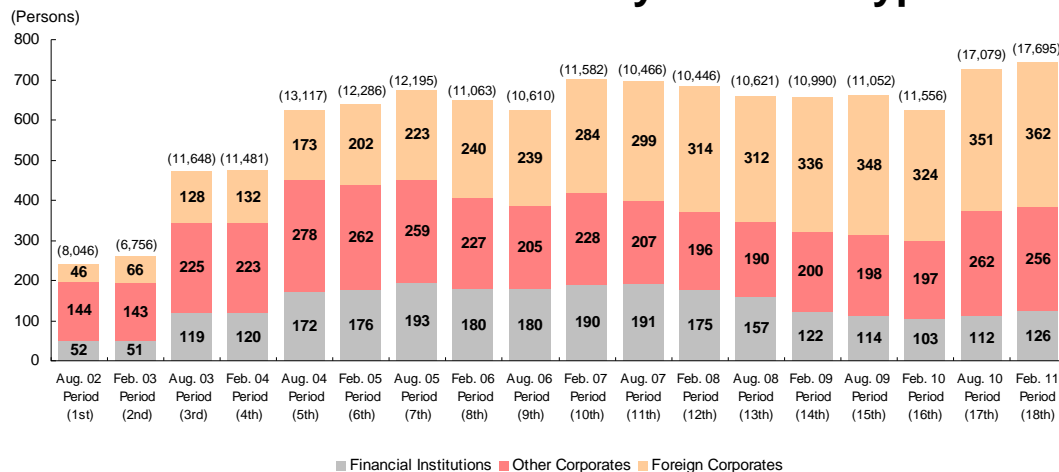
Ownership Ratio by Investor Type



Top 20 unitholders as of the end of February 2011

| Rank | Name | Units held | Ownership ratio (%) |
|-------|---|------------|---------------------|
| 1 | Japan Trustee Services Bank, trust account | 216,114 | 12.80 |
| 2 | The Nomura Trust and Banking Co., Ltd, Investment Trust | 160,063 | 9.48 |
| 3 | Trust and Custody Services Bank, trust account | 137,080 | 8.11 |
| 4 | Government of Singapore Investment Corporation Pte Ltd | 54,039 | 3.20 |
| 5 | The Master Trust Bank of Japan, trust account | 42,877 | 2.53 |
| 6 | Nomura Bank Luxemburg SA | 37,587 | 2.22 |
| 7 | Mitsubishi Corporation | 35,900 | 2.12 |
| 8 | The Bank of New York, Treaty JASDEC Account | 29,919 | 1.77 |
| 9 | The Fuji Fire and Marine Insurance | 29,449 | 1.74 |
| 10 | State Street Bank and Trust Company | 25,246 | 1.49 |
| 11 | State Street Bank and Trust Company 505223 | 21,668 | 1.28 |
| 12 | State Street Bank - West Pension Fund Clients Exempt | 19,631 | 1.16 |
| 13 | AIG Star Life Insurance, general account | 18,600 | 1.10 |
| 14 | National Mutual Insurance Federation of Agricultural Cooperatives | 17,620 | 1.04 |
| 15 | Kansai Urban Banking Corporation | 15,840 | 0.93 |
| 16 | Mellon Bank NA As Agent For Its Client Mellon Omnibus US Pension | 15,013 | 0.88 |
| 17 | Deutsche Securities Inc. | 14,595 | 0.86 |
| 18 | State Street Bank and Trust Company 505225 | 14,441 | 0.85 |
| 19 | North Pacific Bank | 14,212 | 0.84 |
| 20 | State Street Bank West Client Treaty | 14,076 | 0.83 |
| Total | | 933,970 | 55.32 |

Number of Unitholders by Investor Type

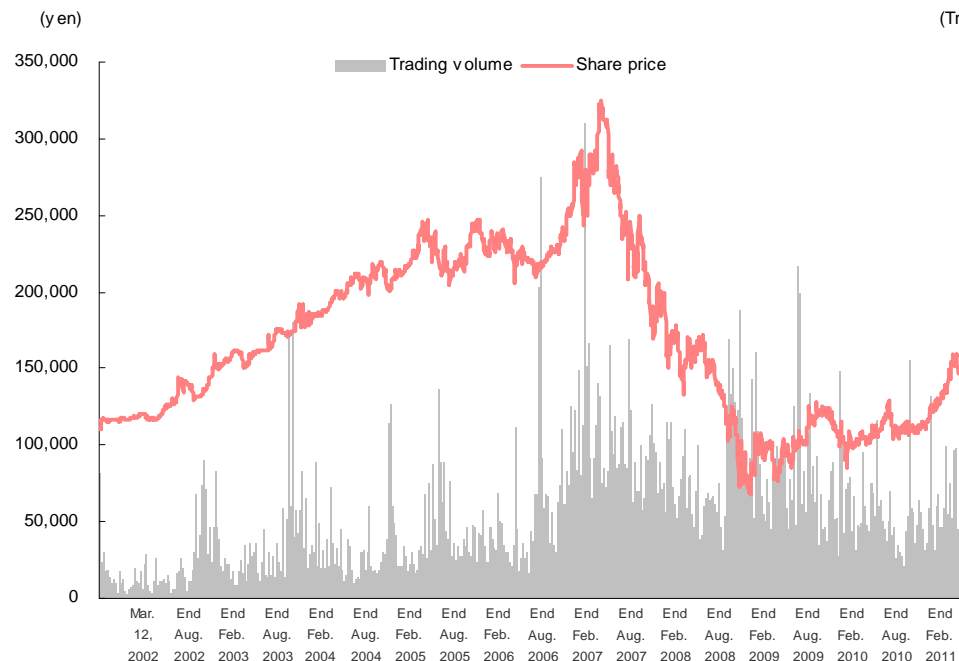


(Note 1) Excludes retail investors and others

(Note 2) The figures in parentheses represent the total number of unitholders including retail and other investors.

Historical Performance of Investment Unit Price

Price per unit (through Feb. 28, 2011) (Note 1,2)



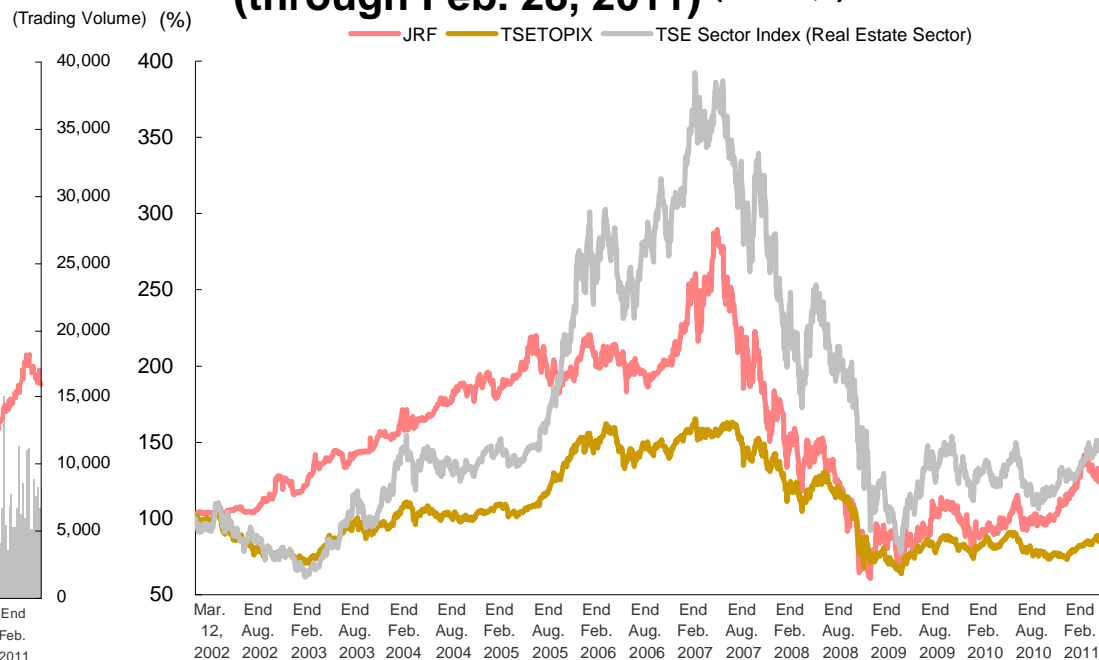
| | | |
|------------------------|-----------------|-----------------------|
| Highest price | 325,000 yen | (May 15, 2007) |
| Lowest price | 68,250 yen | (Nov. 20, 2008) |
| Average price per unit | 169,171 yen | (As of Feb. 28, 2011) |
| Total volume | 9,436,240 units | (As of Feb. 28, 2011) |
| Daily average volume | 4,287 units | (As of Feb. 28, 2011) |

(Note 1) Closing price basis

(Note 2) Since a four-for-one investment unit split was carried out on March 1, 2010, the post-split share price is shown.

Source: Bloomberg

Relative price fluctuations (through Feb. 28, 2011) (Note 1,2)



(Note 1) Closing price basis

(Note 2) Closing price on Mar. 12, 2002, as 100%

Source: Bloomberg

Management Company Structure

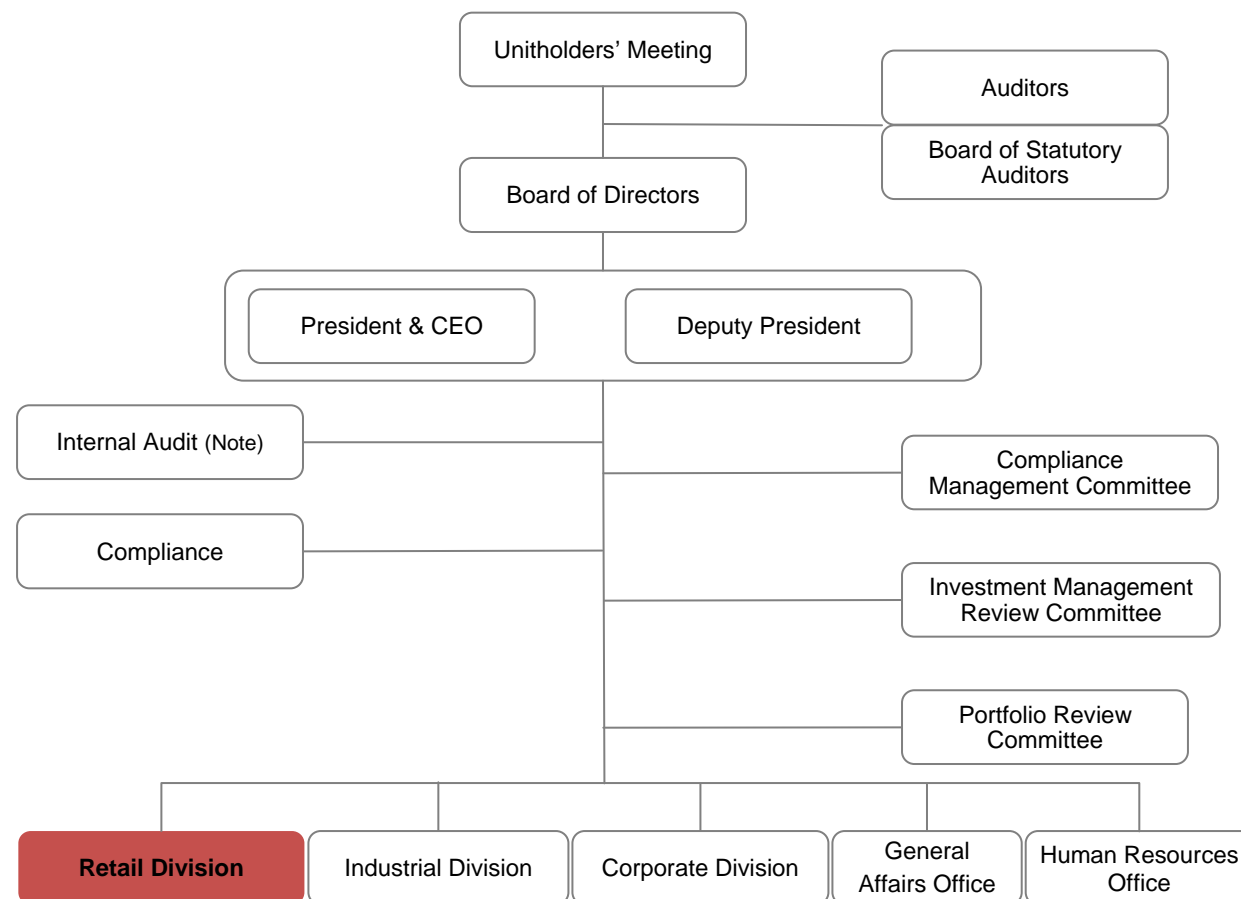
» Structure

Asset Management Company :
86 staff members
(excluding part-time directors and employees)

Staff qualifications

| | |
|------------------------------------|----|
| Licensed real estate agents | 29 |
| Licensed 1st class architects | 6 |
| Property appraisers | 5 |
| Chartered members of SAAJ | 4 |
| Certified public accountants | 1 |
| Certified tax accountants | 3 |
| MBA holders (incl. both US and UK) | 5 |

(Note) As of Apr. 1, 2011



(Note) The Deputy President also serves as the Head of Internal Audit.

Disclaimer

The contents of this document, including summary notes, quotes, data and other information, are provided solely for informational purposes and not intended for the purpose of soliciting investment in, or as a recommendation to purchase or sell, any specific products. Please be aware that matters described herein may change or cease to exist without prior notice of any kind. This document contains forward-looking statements and anticipations of future results, based on current assumptions and beliefs in light of currently available information and resources. Risks and uncertainties, both known and unknown, including those relating to the future performance of the retail market in Japan, interest rate fluctuations, competitive scenarios, and changing regulations or taxations, may cause performance to be materially different from those explicitly or implicitly expressed in this document. With respect to any and all terms herein, including without limitation, this document, the information provided is intended to be thorough. However, no absolute assurance or warranties are given with respect to the accuracy or completeness thereof.

Unless otherwise specified, this document was created based on Japanese accounting system.

Neither JRF nor Mitsubishi Corp.-UBS Realty Inc. (MCUBSR) shall be liable for any errors, inaccuracies, loss or damage, or for any actions taken in reliance thereon, or undertake any obligation to publicly update the information contained in this document after the date of this document.

Asset Management Company: Mitsubishi Corp.-UBS Realty Inc. (Financial Instrument Firm under License No. 403 of the Director of Kanto Local Finance Bureau)