

Translation

**JAPAN RETAIL FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2014**

April 14, 2014

Name of issuer:	Japan Retail Fund Investment Corporation ("JRF")
Stock exchange listing:	Tokyo Stock Exchange
Securities code:	8953
Website:	http://www.jrf-reit.com
Representative of JRF:	Shuichi Namba, Executive Director
Name of asset manager:	Mitsubishi Corp.-UBS Realty Inc.
Representative of the asset manager:	Toru Tsuji, President & CEO
Contact:	Fuminori Imanishi, Head of Retail Division Tel: (03)5293-7081
Scheduled date for filing of securities report:	May 26, 2014
Scheduled date for distributions payment:	May 20, 2014
Supplementary materials for financial results:	Otherwise prepared
Analyst meeting:	Scheduled

(Amounts of less than one million yen are rounded down)

1. Financial results for the six months ended February 28, 2014 (September 1, 2013 to February 28, 2014)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
For the six months ended February 28, 2014	29,083	11.3	12,116	13.6	9,588	17.3	9,614	17.7
August 31, 2013	26,130	1.9	10,665	0.9	8,171	1.6	8,170	1.6

	Net income per unit		Return on net assets		Ratio of ordinary income to total assets		Ratio of ordinary income to operating revenues	
	Yen		%		%		%	
For the six months ended February 28, 2014	4,237		2.8		1.3		33.0	
August 31, 2013	3,929		2.5		1.1		31.3	

(2) Distributions

	Distributions (excluding distributions in excess of profit)		Distributions in excess of profit		Payout ratio	Ratio of distributions to net assets
	Per unit	Total	Per unit	Total		
	Yen	Millions of yen	Yen	Millions of yen	%	%
For the six months ended February 28, 2014	4,120	9,509	0	0	98.9	2.6
August 31, 2013	3,929	8,169	0	0	100.0	2.5

Note 1: Payout ratio for the six months ended February 28, 2014 is calculated by following formula because new investment units were issued.

Payout ratio = Total of distributions ÷ Net income × 100

Note 2: Total distributions for the six months ended February 28, 2014 consist of retained earnings at the end of the period after transferring ¥103 million to reserve for dividends, excluding fractional distribution per unit less than one yen.

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2014	777,706	365,840	47.0	158,495
August 31, 2013	711,352	321,322	45.2	154,541

(4) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
For the six months ended February 28, 2014	13,786	(69,316)	57,587	26,279
August 31, 2013	17,186	(3,064)	(8,844)	24,221

2. Outlook for the six months ending August 31, 2014 (March 1, 2014 to August 31, 2014) and February 28, 2015 (September 1, 2014 to February 28, 2015)

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ending	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31, 2014	29,376	1.0	12,139	0.2	9,521	-0.7	9,521	-1.0
February 28, 2015	29,193	-0.6	12,100	-0.3	9,532	0.1	9,531	0.1

	Net income per unit		Distributions per unit (excluding distributions in excess of profit)		Distributions in excess of profit per unit	
For the six months ending	Yen		Yen		Yen	
August 31, 2014	4,125		4,125		0	
February 28, 2015	4,129		4,130		0	

3. Others

(1) Changes in accounting policies and accounting estimates or restatements

Changes in accounting policies due to accounting standards revision: None

Changes in accounting policies due to other reasons: None

Changes in accounting estimates: None

Restatements: None

(2) Number of units issued

Number of units issued at end of period (including treasury units):

As of February 28, 2014 2,308,198 units

As of August 31, 2013 2,079,198 units

Number of treasury units at end of period:

As of February 28, 2014 0 units

As of August 31, 2013 0 units

Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 28.

Forward-looking Statements and Other Notes

Forward-looking statements in this presentation are based on the information currently available and certain assumptions we believe reasonable. Actual results may differ materially from the forward-looking statements in this presentation due to various factors. Furthermore, those statements do not guarantee the amount of future distributions.

For further information and assumptions regarding the forward-looking statements, please refer to “2. Management policy and results of operation, (2) State of operation, B. Outlook of next period” on page 7.

1. Summary of related corporations of JRF

There have been no significant changes to the “structure of JRF” since the most recent financial report (submitted November 25, 2013), and hence, description of these matters is omitted.

2 .Management policy and results of operation

(1) Management Policies

There have been no significant changes to the “investment policies,” “investment targets” and “distribution policies” in the most recent financial report (submitted November 25, 2013), and hence, description of these matters is omitted.

(2) State of operations

A. Operations during the period

i Principal Activities

Japan Retail Fund Investment Corporation (JRF) established under the Law Concerning Investment Trusts and Investment Corporations of Japan (“the Investment Act”) on September 14, 2001. It was the first investment corporation in Japan to specifically target retail property assets. It was listed on the Real Estate Investment Trust (“REIT”) Section on the Tokyo Stock Exchange (Securities code: 8953) on March 12, 2002.

In the fiscal period ended February 28, 2014, the 12th year of its listing, JRF issued new investment units in October 2013 for the third consecutive year. It combined the proceeds from this issuance with the funds obtained through borrowings to acquire eight properties for a total acquisition price of 73.6 billion yen. Additionally, JRF disposed three properties for a total disposed price of 6.5 billion yen, in line with asset replacement strategy.

The total assets managed by JRF at the end of the 24th fiscal period (February 28, 2014) amounted to 787.6 billion yen (the total acquisition price of 81 properties), and JRF ranked third among all REITs listed in Japan (“J-REIT”) in terms of asset size.

ii Investment environment and results

(1) Investment environment

(Macroeconomic trends)

Since the new administration was inaugurated in December 2012, GDP has marked positive growth for four consecutive quarters in real terms and for five consecutive quarters in nominal terms. The Composite Index (CI), an indicator of economic trends, declined temporarily after the start of the new government, but shows signs that the overall business climate is picking up. The consumer price index excluding fresh foods (the general index) in February 2014 increased by 0.1% from the previous month and by 1.3% from the same month in the previous year (source: Statistics Bureau, Ministry of Internal Affairs and Communications).

Looking at the index of wages, which significantly affects consumption trends, total cash earnings in February 2014 remained on the same level from the same month in the previous year (Report of Monthly Labour Survey, Ministry of Health, Labour and Welfare). In the Cabinet Office’s Economy Watchers Survey

in February 2014, the diffusion index (DI) for future business conditions declined for the third consecutive month, indicating concerns about a backlash in demand and drop in consumer sentiment in response to the consumption tax increase.

(Trends in the retail sector)

The Current Survey of Commerce released by the Ministry of Economy, Trade and Industry indicates that retail sales have been picking up. Department store sales have generally been robust. In particular, big-ticket items such as jewelry and goods in precious metals are demonstrating high sales growth, in addition to mainstay items including clothing and personal items, against the backdrop of recovery in business confidence, a temporary surge in demand before the consumption tax hike and growth in seasonal demand due to cold weather. In addition, sales in supermarkets, which deal in daily necessities, are strong and at a level slightly above the result for the same month a year ago.

The above trends are seen more clearly in the urban retail properties owned by JRF, especially stores that sell overseas luxury brand items. For instance, GYRE, which is located on Omotesando, has maintained strong sales it has been enjoying since the beginning of 2013, with positive sales growth YoY. Values based on tenant hearings of a portion of the JRF owned suburban retail properties recorded average YoY sales unchanged from the previous year, indicating overall stable sales trends.

The consumer confidence index in the Consumer Confidence Survey issued by the Cabinet Offices has been falling on a month-on-month basis for three consecutive month since December 2013, indicating that anticipation of price increases, triggered by factors such as the weak yen, rising energy costs and the decision to raise consumption tax, has dragged down consumer sentiment, requiring attention to its future trends.

(Trends in the real estate sector)

Following the favorable fund procurement conditions that have been continuing since the beginning of 2013, asset acquisition associated with equity finance and debt finance by J-REITs grew and the total value of real estate transactions reached a record high of about 2.2 trillion yen. In response to such favorable financing environment, competition among J-REITs, private placement funds and others to acquire commercial properties mainly in urban areas has been increasing, and cap rate levels (Note) at the time of acquisition are on a declining trend.

Under such circumstances, leasing of vacant spaces in urban areas has been progressing, and we are in a situation where rental rates can be expected to increase in parts of prime locations in such areas.

J-REITs have successively been acquiring properties through new listings and capital increases through public offerings since the beginning of 2014. According to the results of Land Price Research by Prefectural Governments in 2014, which was issued by the Ministry of Land, Infrastructure, Transport and Tourism in March 2014, commercial land prices in three major metropolitan areas went up for the first time in six years. Commercial land prices, however, on a national average basis have continued to fall, but the rate of decrease has continued to decline.

Note: The “cap rate” is a synonym for NOI yield, and is calculated by dividing NOI by the acquisition (estimate) price.

(2) Results

Under the circumstances described above, JRF newly acquired eight properties (G-Bldg. Ginza 01, Round1 Kyoto Kawaramachi, Round1 Hiroshima, Colline Bajikoen, KAMISHIN PLAZA, Summit Store Nakano Minamidai, KAWASAKI Le FRONT, G-Bldg. Shinsaibashi 03) from October 3 to October 7, 2013, using the proceeds from the issuance of new investment units in October 2013 combined with funds procured through new borrowings, etc. The aim was to expand asset size and enhance the quality and profitability of its portfolio. As for existing properties, JRF implemented renovations to Oyama Yuen Harvest Walk such as the renewal of the environmental design including partial extension and reconstruction of existing buildings and attracting new tenants by utilizing the SC management method (Note 1). Oyama Yuen Harvest Walk has its grand opening scheduled for late April 2014.

JRF regards the replacement of assets owned as part of its external growth strategy. In line with this strategy, JRF decided in December 2013 to dispose AEON TOWN Ogaki (with completion of the disposition in March 2014) and disposed a total of three properties in January 2014 (G DINING Sapporo, G-Bldg. Jingumae 04 and G-Bldg. Jingumae 05).

In the next fiscal period (six months ending August 31, 2014), we acquired a total of four properties: G-Bldg. Shibuya 01 in March, G-Bldg. Omotesando 02, Round1 Stadium Takatsuki and G-Bldg. Kichijoji 01 in April, in a bid to enhancing the quality of our portfolio.

Regarding the occupancy rate of properties owned by JRF at the end of the fiscal period, the occupancy rate for 30 urban retail properties remained at a high level, standing at 98.6%, as a result of the focusing of leasing activities in line with the economic recovery. Combined with the 100.0% occupancy rate for 51 suburban retail properties, JRF maintained a stable occupancy rate for properties it owns.

As a result of the above, the total assets managed by JRF at the end of the fiscal period came to 81 properties with a total acquisition price of 787.6 billion yen and with a total appraisal value of 769.3 billion yen. The total leasable area was 3,095,171.83 m² with the total number of tenants standing at 1,021, and the occupancy rate was 99.9%.

As for unrealized losses/gains of the overall portfolio at the end of the 24th fiscal period (Note 2), unrealized gains increased by 20.3 billion yen from the end of the previous fiscal period to 26.7 billion yen due to the effects of the acquisition of new properties that have unrealized gains, as well as a decrease in the cap rate compared with the end of the previous fiscal period, mainly of existing properties located inside Tokyo's 23 wards and major regional urban areas, combined with depreciation.

(Note 1): "SC management" is part of JRF's strategy aimed at achieving internal growth through enhancing the profitability of its portfolio by newly introducing and replacing tenants to maintain and increase the sustainable competitiveness of retail properties, increasing store space by newly establishing or expanding properties, and making proactive efforts for cutting various costs.

(Note 2) "Unrealized losses/gains" are the difference between the appraisal value and book value of the overall portfolio or individual property.

iii Funding

(1) Equity Finance

In October 2013, JRF issued new investment units in a public offering (229,000 units) and raised 43.4 billion

yen for the purpose of acquiring eight new properties (total price of 73.6 billion yen). Unitholders' capital at the end of the fiscal period under review was 338.9 billion yen, and the number of units issued and outstanding was 2,308,198.

(2) Debt finance

JRF worked on lengthening the terms of borrowings and fixing interest rates by concurrently raising new long-term borrowings (totaling 31.0 billion yen, with maturity ranging from 3 to 15 years (average of 8 years)) with the above-mentioned equity finance, conducting refinancing of existing debt, issuing investment corporation bonds and repaying short-term borrowings before maturity. Consequently, the ratio of long-term borrowings at the end of the 24th fiscal period was 100% (96.5% at the end of the 23rd fiscal period) and the ratio of fixed interest rates of borrowings at the end of the 24th fiscal period was 69.8% (63.2% at the end of the 23rd fiscal period).

Through full-term repayments and new borrowings, JRF's borrowings outstanding at the end of the fiscal period under review came to long-term borrowings of 294.7 billion yen.

JRF issued its seventh series of unsecured investment corporation bonds (amount of issue: 7.5 billion yen) for the first time in six years since May 2007. The total balance on JRF's second, third, sixth and seventh series of unsecured investment corporation bonds was 47.5 billion yen as of the end of the fiscal period.

JRF's LTV (Note) at the end of the fiscal period was 51.9%, compared to 53.5% at the end of the previous period.

(Note) LTV refers to the amount of tenant leasehold and security deposits (including those in trust) added to amount of interest-bearing debts, with that corresponding amount divided by the total amount of assets. The same applies hereafter.

iv Results and distributions

As a result of the above management actions, for the period operating revenue was 29,083 million yen, and operating income was 12,116 million yen after deducting operating expenses such as fixed property tax and asset management fees. Ordinary income was 9,588 million yen, and net income was 9,614 million yen.

With regard to distributions for the fiscal period, in accordance with the distribution policy set forth in Article 26, Paragraph 1, Item 2 of the Articles of Incorporation, JRF intends to distribute in excess of 90% of distributable profit under Article 67-15, Paragraph 1 of the Special Taxation Measures Law of Japan.

Based on such distribution policy, the total of cash distributions declared for the six months ended February 28, 2014 amounted to 9,509 million yen, excluding a fractional distribution per unit of less than one yen from 9,512 million yen obtained by deducting the appropriation of reserve for distributions totaling 103 million yen, which was the sum of items credited to income taxes deferred to the statement of income for partial reversal of deferred tax liability, from unappropriated retained earnings for the fiscal period of 9,615 million yen.

As a result, distribution per unit amounted to 4,120 yen for the six months ended February 28, 2014.

B Outlook of next period

i Outlook of overall operation

As for the outlook of economic trends, JRF needs to pay close attention to future trends in the consumer price index and wages and the effects of the economic policy package the government plans to implement to deal with the risk of business downturn. Prior to the consumption tax hike in April 2014, mainly tenants of retail properties owned by JRF that deal in high-ticket items, home electric appliances and furniture, etc., enjoyed a boost in sales backed by a temporary surge in demand. However, we expect a reactionary fall in their sales, albeit for a relatively short period, and we need to carefully assess the medium- and long-term impact of the consumption tax increase on overall consumption.

Regarding the earnings of leading retailers, which are tenants of retail properties owned by JRF, their recently announced financial results indicate that their sales are growing steadily and profits are improving. Meanwhile, JRF will keep a close watch on their earnings trends including the impact of the consumption tax increase.

As for the leasing environment of retail properties, JRF believes that conditions are promising for improvement of lease terms mainly in urban areas, given that earnings of retailers are generally robust, consumption is remaining relatively strong mainly for big-ticket items in urban areas, leading to increased willingness to open specialty stores mainly in urban retail properties owned by JRF. Meanwhile, leading developers plan to successively open commercial properties mainly in suburban areas in 2014 and thereafter. Therefore, JRF will keep a close watch on the competitive environment of commercial properties and the supply and demand conditions for opening specialty stores.

ii Issues to be addressed

Under the circumstances described above, JRF will strive to improve the profitability and stability of its portfolio in the mid to long term by grasping opportunities for the steady growth of the assets it manages and by carefully investing in selective prime assets. In addition, JRF will continuously carry out a proactive action plan for assets it owns. By doing so, it will aim for the stable growth of distribution payments and promote an increase in unitholder value.

While the assets managed by JRF include a number of highly profitable properties that have thus far contributed to the earnings of JRF, some properties require the tenant mix and business segments to be revitalized and the contractual coverage to be enhanced due to the number of years that have lapsed and the intensifying competition. In addition, although greater profitability can be anticipated for some urban retail properties in proportion to improved conditions in the leasing market, there are a few properties with relatively low profitability.

JRF will take the trends in the uplifting of the real estate sales market and the recovering leasing market into account when enhancing the competitiveness of retail properties it owns. To do so, JRF will invest in the renovation and expansion of properties to increase the profitability of assets. In addition, JRF will work to agilely replace tenants and take various measures toward enhancing contracts at the expiry of each lease term, in addition to reviewing operating costs to boost profits.

JRF will take the following specific initiatives aimed at achieving immediate growth.

(1) External growth strategy

JRF aims to strengthen the profitability and stability of its portfolio by expanding its asset size through the acquisition of prime properties, leading to an increase in unitholder value.

With regard to investment targets, JRF will carefully select prime real estate in the four categories of large-scale retail properties, the largest class in the relevant area, retail properties near densely-populated areas, retail properties in favorable locations adjacent to major stations, and road-side stores and specialty buildings facing high street. (Note) In addition to investing in conventional general merchandise retailers in product sales comprising various specialty stores and strong core stores, and keep pace with changes of consumer needs and the rise of e-commerce, JRF will also target retail properties with high customer attraction, thus aim to expand investment opportunities. Such properties are mainly comprised of non-product selling businesses such as restaurants, services, relaxation, entertainment, medical clinics, and education, or contain a relatively high number of such businesses. The aim is to maximize investment opportunities. In addition, JRF has strengths in investment in properties with potential for value growth and enhanced stability, such as multi-tenant commercial properties, by leveraging its SC management ability.

As to investment technique, JRF, as one of the largest domestic buyers of retail properties, will be making use of its diverse deal sources based on its own network, CRE (Corporate Real Estate) strategies and sponsor networks, and using negotiation basis transactions or bridge structures to apply the optimal investment methodology in acquiring prime properties in a timely manner.

JRF regards replacement of assets owned by giving consideration to the comprehensive diversification of its portfolio as part of its external growth strategy. In line with this strategy, JRF will dispose and acquire four properties respectively from the current fiscal period to the next fiscal period to increase the profitability and stability of its portfolio.

Note: "High Street" is deemed by JRF to be the main downtown streets with many commercial properties in urban areas.

(2) Internal growth strategy

Going forward, JRF aims to increase the profitability and stability of its portfolio by proactively conducting SC management and enhancing the operating structure that supports it.

In October 2013, Mitsubishi Corp. – UBS Realty Inc., JRF's asset management company, set up the "SC Management Promotion Office" in the Retail Division that takes charge of the asset management of JRF. Centering on the SC Management Promotion Office, we will actively draw popular tenants and operate properties owned by leveraging the know-how of commercial property operations accumulated through more than 10 years of experience in commercial property operation, relationships with over 1,000 tenants and support of Mitsubishi Corporation and UBS AG, our sponsors, to take various actions for enhancing the competitiveness of commercial properties owned.

As for specific measures, JRF has implemented large-scale renovations in Oyama Yuen Harvest Walk, which it owns in Oyama City, Tochigi Prefecture. As for measures in the next fiscal period and beyond, we

will consider measures to enhance the competitiveness of commercial properties in KAWASAKI Le Front, an urban complex commercial property owned in Kawasaki City, Kanagawa Prefecture, Nara Family, a suburban complex commercial property owned in Nara City, Nara Prefecture, and Abiko Shopping Plaza, a suburban complex commercial property owned in Abiko City, Chiba Prefecture.

From the viewpoint of operating retail properties while being mindful of environmental and social responsibilities, JRF will focus its efforts on being green, saving energy, and reducing the CO₂ emission of the retail properties it owns. In addition, JRF participates every year in the GRESB (Global Real Estate Sustainability Benchmark) survey (Note) that evaluates the initiatives regarding the sustainability of real estate companies and each investment fund. Its rating was upgraded from Green Starter last year to Green Talk, which is the rating given to companies that make excellent efforts in regard to “Management and Policy.”

(Note): GRESB (Global Real Estate Sustainability Benchmark) is an organization established in 2009 to enhance unitholder value by applying environmental, social and governance considerations to real estate investments. As of September 2013, over 50 leading institutional investors are members of GRESB, an organization which has a total of about 610 trillion yen (about 61 hundred billion U.S. dollars; converted at 1 U.S. dollar = 100 yen) in assets under management.

(3) Financial strategy

JRF works to lengthen the term of its borrowing, diversify repayment dates, and fix interest rates to further enhance its financial base, and will move forward in strengthening and stabilizing its financial base over the long term while continuing to place emphasis on debt cost control. JRF will strive to moderately decrease its LTV level by issuing new investment units and repaying borrowings using surplus funds, while improving the average debt cost and maintaining the current level of the long-term debt ratio. In addition, we will keep our repayments for each period within the commitment line set while promoting diversification of borrowing repayment dates. Further, JRF will monitor the latest long- and short-term interest rate trends and take into account their effects on distributions to fix interest rates in a timely manner.

JRF will continue to build a stable financial base from a long-term perspective for the growth of the portfolio.

iii Earnings forecast

With regard to the asset management operation in the fiscal period ending August 31, 2014 (25th fiscal period), JRF expects to post operating revenue of 29,376 million yen, ordinary income of 9,521 million yen, and net income of 9,521 million yen with distribution per unit of 4,125 yen. Also, as to the asset management operation in the fiscal period ending February 28, 2015 (26th fiscal period), JRF expects to post an operating revenue of 29,193 million yen, ordinary income of 9,532 million yen, and net income of 9,531 million yen with distribution per unit of 4,130 yen under the same assumptions. Please refer to the “Assumptions underlying the forecast of operation for the fiscal period ending August 31, 2014 (25th: March 1, 2014 to August 31, 2014) and the fiscal period ending February 28, 2015 (26th: September 1, 2014 to February 28, 2015)” on the following page for the assumptions of the forecast.

(Note) The above forecast is calculated based on current assumptions in light of currently available information and resources, and it may differ from the forecast due to changes in the situation.

Assumptions underlying the forecast of operation for the fiscal period ending August 31, 2014 (25th: March 1, 2014 to August 31, 2014) and the fiscal period ending February 28, 2015 (26th: September 1, 2014 to February 28, 2015)

Item	Assumptions
Accounting Period	<ul style="list-style-type: none"> - Fiscal period ending August 31, 2014 (25th: March 1, 2014 to August 31, 2014) (184 days) - Fiscal period ending February 28, 2015 (26th: September 1, 2014 to February 28, 2015) (181 days)
Assets owned	<ul style="list-style-type: none"> - The forecast was calculated based on JRF having acquired four new properties (Note 1) and disposed one property (Note 2), in addition to the 81 properties owned by JRF as of February 28, 2014, overall 84 properties. - In addition, we may acquire new properties or dispose of existing properties.
Issue of units	<ul style="list-style-type: none"> - The forecast was calculated based on the number of units issued at the end of the fiscal period as 2,308,198 units, and assumes that there would be no additional issuance of new investment units.
Interest-bearing debt	<ul style="list-style-type: none"> - Interest-bearing debts as of February 28, 2014 stood at 342,251 million yen, however due to the loan agreement concluded on March 27, 2014 and March 28, 2014, interest bearing debt will increase to 347,351 million yen. Of this, 299,851 million yen were long-term borrowings and 47,500 million were investment corporation bonds. - Of the above interest-bearing debt, 13,450 million yen in long-term debt and 15,000 million yen in investment corporation bonds will mature within the 25th and 26th fiscal periods. We assume that we will repay part of these debts with our own funds, and the remainder will be repaid with borrowings and the like.
Operating revenues	<ul style="list-style-type: none"> - We assume that operating revenues will consist principally of rental revenues generated by the lease contracts effective as of the date of this document. - The rent level and estimated rents for the parts of properties that are vacant are calculated taking into account the negotiations we conducted with our tenants until the said date and the recent decline in the real estate market. - We assume that there will be no arrears or nonpayment of rent by our tenants.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> - We assume that taxes and public charges will be 2,816 million yen in the 25th fiscal period and 2,803 million yen in the 26th fiscal period. - Fixed asset taxes, city planning taxes and depreciable assets taxes (“fixed asset taxes, etc.”) on property owned by the Investment Corporation assessed and payable have been calculated as leasing business expenses for the accounting period. However, should any need arise for settlement, such as a need to pay fixed asset taxes, in relation to new property acquisitions to be made during the year in which the period falls (“amounts equivalent to fixed asset taxes, etc.”), they are taken into account in the acquisition price of the properties and therefore are not listed as expenses for the period. Fixed assets tax, etc., which will not be charged to the said acquired assets, are estimated to be 58 million yen for the 25th and 26th fiscal periods. - We assume that depreciation will be 5,903 million yen in the 25th fiscal period and 5,913 million yen in the 26th fiscal period. - We assume that property management fees will be 681 million yen in the 25th fiscal period and 706 million yen in the 26th fiscal period, and building maintenance fees will be 1,371 million yen in the 25th fiscal period and 1,334 million yen in the 26th fiscal period.
Non-operating expenses	<ul style="list-style-type: none"> - We assume that non-operating expenses (including interest expenses, loan-related costs and interest expenses on investment corporation bonds) will be 2,619 million yen in the 25th fiscal period and 2,569 million yen in the 26th fiscal period.
Distribution per unit	<ul style="list-style-type: none"> - Distribution per unit is calculated according to the cash distribution policy stipulated in the Articles of Incorporation of JRF. From reserve for distribution derived from the gain on negative goodwill, which was booked in the 17th fiscal period, we do not make such assumptions for the 25th and 26th period.
Distribution in excess of profit per unit	<ul style="list-style-type: none"> - We will not implement distributions in excess of profits for the moment.
Other	<ul style="list-style-type: none"> - We assume that there will be no revisions of laws, accounting standards and the tax system in Japan that will impact the aforementioned forecasts and no unforeseen, significant changes will occur in general economic trends and property market movements in Japan.

(Note 1) Newly acquired properties after 25th period

Property name	Location	Acquisition price (millions of yen)	Acquisition date
G-Bldg. Shibuya 01	Shibuya-ku, Tokyo	3,230	March 25, 2014 (acquired)
G-Bldg. Omotesando 02	Shibuya-ku, Tokyo	17,705	*1

Round1 Stadium Takatsuki	Takatsuki-shi, Osaka	2,080	April 1, 2014 (acquired)
G-Bldg. Kichijoji 01	Musashino-shi, Tokyo	1,700	April 10, 2014 (acquired)
Total		24,715	

*1 Of the 50% of the share of sub joint ownership JRF plans to acquire, 35% acquired on April 1, 2014 and the remaining 15% on a date within one year after concluding a sales agreement and designated by JRF (if the seller objects to the date, another date agreed upon by the seller and JRF in writing). The 15% of the share of sub joint ownership is not included in budget assumptions for the 25th and 26th fiscal periods because the acquisition date is not yet determined.

*2 In addition to the above, JRF plans to acquire the existing buildings of Oyama Yuen Harvest Walk in late April 2014 following partial extension and reconstruction work (acquisition price: 170 million yen (estimate)).

(Note2) Disposed property during 25th period

Property name	Location	Acquisition price (millions of yen)	Acquisition date
AEON TOWN Ogaki	Ogaki-shi, Gifu	3,430	March 24, 2014

3. Financial information

(1) Balance sheets

(Thousands of yen)

	As of	
	August 31, 2013	February 28, 2014
ASSETS		
Current assets:		
Cash and bank deposits	14,830,167	18,331,514
Cash and bank deposits in trust (Note 1)	9,949,492	8,505,964
Rental receivables	1,049,530	1,202,306
Income taxes receivable	303	621
Consumption tax refundable	-	68,216
Derivatives	-	2,978
Other current assets	1,314,086	1,647,405
Total current assets	27,143,581	29,759,006
Non-current assets:		
Property and equipment (Note 1):		
Buildings	2,170,316	2,171,153
Accumulated depreciation	(234,859)	(270,720)
Buildings, net	1,935,457	1,900,433
Building improvements	76,431	76,431
Accumulated depreciation	(11,474)	(13,059)
Building improvements, net	64,956	63,371
Furniture and fixtures	18,715	18,715
Accumulated depreciation	(5,575)	(6,658)
Furniture and fixtures, net	13,139	12,056
Land	26,665,440	26,665,440
Buildings in trust	289,232,359	298,444,910
Accumulated depreciation	(67,281,175)	(71,937,897)
Buildings in trust, net	221,951,183	226,507,012
Building improvements in trust	15,353,437	15,349,829
Accumulated depreciation	(4,532,627)	(4,808,118)
Building improvements in trust, net	10,820,810	10,541,711
Machinery and equipment in trust	1,670,984	1,727,526
Accumulated depreciation	(688,342)	(739,988)
Machinery and equipment in trust, net	982,642	987,538
Furniture and fixtures in trust	3,764,547	3,790,201
Accumulated depreciation	(2,053,618)	(2,141,646)
Furniture and fixtures in trust, net	1,710,928	1,648,554
Land in trust	407,604,511	467,388,968
Total property and equipment	671,749,069	735,715,087
Intangible assets:		
Leasehold rights	19,803	19,803
Leasehold rights in trust	6,806,516	6,792,739
Other intangible assets in trust	136,386	115,798
Total intangible assets	6,962,706	6,928,340
Investment and other assets:		
Lease deposits in trust	1,359,322	1,644,546
Long-term prepaid expenses	3,063,121	2,879,730
Derivatives	363,925	24,798
Other investments (Note 1)	534,368	447,043
Total investment and other assets	5,320,737	4,996,119
Total non-current assets	684,032,513	747,639,547
Deferred charges:		
Units issuance costs	147,063	234,613
Bonds issuance costs	29,526	73,131
Total deferred charges	176,589	307,744
TOTAL ASSETS	711,352,683	777,706,299

(To be continued on the following page)

(Thousands of yen)

	As of	
	August 31, 2013	February 28, 2014
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable – operating	1,363,669	1,510,900
Short-term borrowings (Note 2)	11,200,000	-
Current portion of long-term bonds issued – unsecured	-	15,000,000
Current portion of long-term borrowings	8,550,000	13,450,000
Accounts payable – other	4,863	6,569
Accrued expenses	1,825,126	1,877,086
Income taxes payable	505	402
Consumption tax payable	817,014	-
Rent received in advance	2,234,386	2,609,688
Deposits received	2,330,456	1,004,032
Current portion of tenant leasehold and security deposits in trust (Note 1)	2,610,832	3,417,871
Current portion of asset retirement obligations	-	355,997
Derivatives liabilities	624	379
Other current liabilities	103,770	191,906
Total current liabilities	31,041,248	39,424,833
Non-current liabilities:		
Long-term bonds issued – unsecured	40,000,000	32,500,000
Long-term borrowings	260,001,000	281,301,000
Deferred tax liabilities	513,858	487,556
Tenant leasehold and security deposits	1,759,140	1,760,224
Tenant leasehold and security deposits in trust (Note 1)	56,362,325	55,975,239
Asset retirement obligations	352,866	360,926
Derivatives liabilities	-	56,407
Other non-current liabilities	209	-
Total non-current liabilities	358,989,400	372,441,354
TOTAL LIABILITIES	390,030,649	411,866,187
Net Assets (Note 4)		
Unitholders' equity:		
Unitholders' capital	295,474,720	338,940,065
Surplus:		
Capital surplus	14,986,826	14,986,826
Reserve for dividends	2,326,376	2,326,376
Retained earnings	8,170,811	9,615,853
Total surplus	25,484,014	26,929,056
Total unitholders' equity	320,958,734	365,869,121
Valuation and translation adjustments:		
Deferred gains or losses on hedges	363,300	(29,010)
Total valuation and translation adjustments	363,300	(29,010)
TOTAL NET ASSETS	321,322,034	365,840,111
TOTAL LIABILITIES AND NET ASSETS	711,352,683	777,706,299

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(2) Statements of income and retained earnings

(Thousands of yen)

	For the six months ended	
	August 31, 2013	February 28, 2014
Operating revenues		
Rental and other operating revenues (Note 5)	26,130,588	29,058,063
Gain on sales of property (Note 6)	-	25,866
Total operating revenues	26,130,588	29,083,929
Operating expenses		
Property-related expenses (Note 5)	13,034,027	14,328,424
Asset management fees	2,149,874	2,324,887
Custodian fees	26,506	26,287
General administration fees	112,789	112,083
Compensation for Directors	5,940	5,940
Other operating expenses	135,869	169,313
Total operating expenses	15,465,007	16,966,936
Operating income	10,665,581	12,116,993
Non-operating revenues		
Interest income	1,986	4,061
Other non-operating revenues	12,188	3,100
Total non-operating revenues	14,175	7,162
Non-operating expenses		
Interest expense	1,506,746	1,576,468
Corporate bonds interest	398,217	405,220
Amortization of bonds issuance costs	4,026	5,247
Amortization of units issuance costs	49,653	71,783
Loan-related costs	545,497	472,459
Other non-operating expenses	4,536	4,463
Total non-operating expenses	2,508,677	2,535,641
Ordinary income	8,171,079	9,588,513
Income before income taxes	8,171,079	9,588,513
Income taxes		
Current	605	605
Deferred	-	(26,302)
Total income taxes	605	(25,697)
Net income	8,170,474	9,614,210
Unappropriated earnings at beginning of period	337	1,642
Retained earnings at the end of period	8,170,811	9,615,853

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(3) Statements of changes in net assets

(Thousands of yen)

	Unitholders' equity						Valuation and translation adjustments		
	Unitholders' capital (Note 4)	Capital surplus	Reserve for dividends	Retained earnings	Total surplus	Total unitholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	Total net assets
Balance as of February 28, 2013	295,474,720	14,986,826	2,326,376	8,042,675	25,355,878	320,830,598	27,322	27,322	320,857,921
Changes during the period									
Cash distribution declared	-	-	-	(8,042,337)	(8,042,337)	(8,042,337)	-	-	(8,042,337)
Net income	-	-	-	8,170,474	8,170,474	8,170,474	-	-	8,170,474
Net changes of items other than unitholders' equity	-	-	-	-	-	-	335,977	335,977	335,977
Total changes during the period	-	-	-	128,136	128,136	128,136	335,977	335,977	464,113
Balance as of August 31, 2013	295,474,720	14,986,826	2,326,376	8,170,811	25,484,014	320,958,734	363,300	363,300	321,322,034
Changes during the period									
Issuance of new investment units	43,465,345	-	-	-	-	43,465,345	-	-	43,465,345
Cash distribution declared	-	-	-	(8,169,168)	(8,169,168)	(8,169,168)	-	-	(8,169,168)
Net income	-	-	-	9,614,210	9,614,210	9,614,210	-	-	9,614,210
Net changes of items other than unitholders' equity	-	-	-	-	-	-	(392,310)	(392,310)	(392,310)
Total changes during the period	43,465,345	-	-	1,445,042	1,445,042	44,910,387	(392,310)	(392,310)	44,518,076
Balance as of February 28, 2014	338,940,065	14,986,826	2,326,376	9,615,853	26,929,056	365,869,121	(29,010)	(29,010)	365,840,111

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(4) Statements of cash distributions

(Yen)		
	For the six months ended	
	August 31, 2013	February 28, 2014
	(Note 1)	(Note 2)
Retained earnings at the end of period	8,170,811,823	9,615,853,868
Cash distribution declared	8,169,168,942	9,509,775,760
<i>(Cash distribution declared per unit)</i>	<i>(3,929)</i>	<i>(4,120)</i>
Reserve for dividends	-	103,787,854
Retained earnings carried forward	1,642,881	2,290,254

Note 1: In accordance with the distribution policy in the JRF's article of incorporation 26, Paragraph 1, Item 2, which stipulates to make distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period, a total of cash distributions declared for the six months ended August 31, 2013 was ¥8,169,168,942 consisted of substantially all of retained earnings at the end of the period of ¥8,170,811,823 except for fractional distribution per unit less than one yen. JRF generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

Note 2: As per the distribution policy in the JRF's article of incorporation 26, Paragraph 1, Item 2, JRF makes distribution in excess of 90% of distributable profit as defined in Article 67-15, Paragraph 1 of the Special Taxation Measures Act of Japan for the fiscal period. In accordance with this policy, JRF transferred from retained earnings at the end of the period of ¥9,615,853,868 to reserve for dividends a total of ¥103,787,854 which is credited as deferred income tax on income statements as a result of partial reversal of deferred tax liabilities, and as to the remaining retained earnings of ¥9,512,066,014 after deducting such transfer, JRF declared a total of ¥9,509,775,760 cash distributions which is the entire amount except for fractional distribution per unit less than one yen. JRF generally does not make distribution in excess of profit prescribed in the article of incorporation 26, Paragraph 2.

(5) Statements of cash flows

(Thousands of yen)

	For the six months ended	
	August 31, 2013	February 28, 2014
Cash Flows from Operating Activities:		
Income before income taxes	8,171,079	9,588,513
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	5,685,633	5,926,440
Amortization of bonds issuance costs	4,026	5,247
Amortization of units issuance costs	49,653	71,783
Gain on sales of property	-	(25,866)
Loss on disposal of fixed assets	55,619	237,237
Interest income	(1,986)	(4,061)
Interest expense	1,904,963	1,981,688
Changes in assets and liabilities:		
Decrease (increase) in Rental receivables	35,613	(152,775)
Increase in Income taxes receivable	(1)	(317)
Decrease (increase) in Consumption tax refundable	865,147	(68,216)
Decrease in Long-term prepaid expenses	245,049	183,390
Increase in Accounts payable - operating	149,096	28,968
Increase (decrease) in Consumption tax payable	817,014	(817,014)
(Decrease) increase in Accounts payable - other	(2,204)	1,829
Increase in Accrued expenses	32,694	74,471
(Decrease) increase in Rent received in advance	(30,682)	375,302
Increase (decrease) in Deposits received	1,056,554	(1,326,423)
Other, net	33,991	(293,350)
Sub total	19,071,261	15,786,848
Interest received	1,986	4,061
Interest expenses paid	(1,886,358)	(2,004,200)
Income taxes paid	(605)	(708)
Net cash provided by operating activities	17,186,284	13,786,000
Cash Flows from Investing Activities:		
Purchase of property and equipment	(6,520)	(8,254)
Purchase of property and equipment in trust	(2,322,007)	(76,064,995)
Proceeds from sales of property and equipment in trust	-	6,526,560
Purchase of intangible assets in trust	(26,798)	(614)
Proceeds from sales of intangible assets in trust	-	8,029
Payments of tenant leasehold and security deposits	(47,662)	(24,875)
Proceeds from tenant leasehold and security deposits	2,400	16,371
Payments of tenant leasehold and security deposits in trust	(992,142)	(2,646,653)
Proceeds from tenant leasehold and security deposits in trust	230,147	3,076,281
Payments of lease deposits in trust	(141)	(292,774)
Proceeds from lease deposits in trust	7,500	7,550
Payments for restricted bank deposits in trust	(93,623)	(57)
Proceeds from restricted bank deposits in trust	186,559	-
Other expenditures	(2,242)	-
Other proceeds	-	87,324
Net cash used in investing activities	(3,064,530)	(69,316,106)
Cash Flows from Financing Activities:		
Repayments of short-term borrowings	-	(11,200,000)
Proceeds from long-term borrowings	5,000,000	34,000,000
Repayments of long-term borrowings	(5,800,000)	(7,800,000)
Proceeds from issuance of corporate bonds	-	7,451,147
Proceeds from issuance of investment units	-	43,306,011
Distribution payments	(8,044,662)	(8,169,292)
Net cash (used in) provided by financing activities	(8,844,662)	57,587,866
Net change in cash and cash equivalents	5,277,090	2,057,760
Cash and cash equivalents at beginning of period	18,944,569	24,221,660
Cash and cash equivalents at end of period (Note 7)	24,221,660	26,279,420

The accompanying notes in sections (6), (7) and (8) below are an integral part of these statements.

(6) Note relating to going concern assumption

Nothing to be noted.

(7) Summary of significant accounting policies

(a) Property and equipment

Property and equipment is recorded at cost. Depreciation of property and equipment, except for land, is calculated on a straight-line basis over the estimated useful lives of the assets as stated below:

Buildings	2-50 years
Building improvements	2-60 years
Machinery and equipment	2-17 years
Furniture and fixtures	2-20 years

(b) Other intangible assets in trust

Other intangible assets in trust are amortized on a straight-line basis.

(c) Long-term prepaid expenses

Long-term prepaid expenses are amortized on a straight-line basis.

(d) Units issuance costs

Units issuance costs are capitalized and amortized on a straight-line basis over three years.

(e) Bonds issuance costs

Bonds issuance costs are capitalized and amortized on a straight-line basis over the maturity period of the bonds issued.

(f) Taxes on property and equipment

Property and equipment are subject to various taxes, such as property taxes and urban planning taxes on annual basis. An owner of a property is registered in the record maintained by the local government in each jurisdiction, and such taxes are imposed on the owner registered in the record as of January 1st of each year based on the assessment made by the local government.

Under the above tax rules, a seller of a property at the time of disposal is liable for these taxes on the property from the date of disposal to the end of the calendar year in which the property is disposed. The seller, however, is reimbursed by the purchaser for these accrued tax liabilities and the amount of settlement reflects this adjustment. For the purchaser, a portion of such taxes calculated from the acquisition date to the end of the calendar year is capitalized as a cost of the property in accordance with accounting principles and practices generally accepted in Japan ("Japanese GAAP"). In subsequent calendar years, half of such taxes on property and equipment for each calendar year are charged as operating expenses in each fiscal period.

Taxes on property and equipment capitalized amounted to ¥3,563 thousand and ¥117,503 thousand for the six months ended August 31, 2013 and February 28, 2014, respectively.

(g) Equipment leases

Finance lease transactions that do not transfer ownership of the leased property to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term.

(h) Hedge accounting

In accordance with JRF's risk management policy and its internal rules, JRF uses derivative instruments for the purpose of hedging risks that are prescribed in JRF's article of incorporation. JRF hedges fluctuations in interest rates of borrowings through the use of interest rate swaps as hedging instruments and deferred hedge accounting is generally used for such interest rate swaps. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items.

JRF applies, however, the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under such swap contracts is recognized and added to or reduced from any interest earned or incurred on the hedged asset or liability as appropriate, and the fair value of the interest rate swaps is not required to be evaluated separately. The assessment of hedge effectiveness is not performed when the interest rate swaps meet the specific criteria required for such special treatment.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash, demand deposits, and short-term investments which are highly liquid and readily convertible into cash, have a low risk of price fluctuation, and mature within three months from the date of acquisition.

(j) Accounting treatment of trust beneficiary interests in real estate trusts

For trust beneficiary interests in real estate trusts, which are commonly utilized to obtain ownership in commercial properties in Japan and through which JRF holds all of its real estate, all assets and liabilities with respect to assets in trust, as well as all income generated and expenses incurred with respect to assets in trust, are recorded in the relevant balance sheet and statement of income and retained earnings accounts of JRF in proportion to the percentage interest that such trust beneficiary interest presents. Certain material accounts in trust are shown as accounts in trust in the balance sheets.

(k) Consumption tax

Consumption taxes withheld and consumption taxes paid are not included in the statements of income and retained earnings. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in current assets and the excess of amounts withheld over payments are included in current liabilities as the case may be.

(8) Notes to financial information

Note 1 — Collateral

The carrying amounts of assets stated below were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥37,059,132 thousand and ¥35,156,637 thousand as of August 31, 2013 and February 28, 2014, respectively.

	(Thousands of yen)	
	As of	
	August 31, 2013	February 28, 2014
Cash and bank deposits in trust	558,000	558,057
Buildings in trust	77,991,839	76,428,525
Buildings improvements in trust	4,334,450	4,223,306
Machinery and equipment in trust	316,763	299,100
Furniture and fixtures in trust	529,871	532,272
Land in trust	164,149,487	164,149,487
Other	531,618	445,456
Total	248,412,032	246,636,207

Certain lands and buildings included in the above table were pledged as collateral to secure co-owner's payment of tenant leasehold and security deposits for a total amount of ¥691,908 thousand and a former owner's payment of retirement benefit obligation for an amount of ¥350,000 thousand as of August 31, 2013 and February 28, 2014.

Note 2 — Credit facilities and commitment lines

As of August 31, 2013 and February 28, 2014, JRF entered into credit facilities and committed lines of credit as follows:

	(Thousands of yen)	
	As of	
	August 31, 2013	February 28, 2014
Credit facilities		
Total amount of credit facilities	35,500,000	35,500,000
Borrowings drawn down	(11,200,000)	-
Unused credit facilities	24,300,000	35,500,000
Commitment lines		
Total amount of committed lines of credit	50,000,000	50,000,000
Borrowings drawn down	-	-
Unused committed lines of credit	50,000,000	50,000,000

Note 3 — Contingent liabilities

For the six months ended August 31, 2013

Lawsuit brought by a tenant of 8953 Osaka Shinsaibashi Building to demand reduction of the rent

On November 1, 2011, Tokyu Hands Inc., a tenant of 8953 Osaka Shinsaibashi Building (held by JRF in form of trust beneficiary interest in real estate trust), brought a case to Osaka District Court against JRF through a trustee of the property, to demand reduction of the rent and parking fee for the period from December 27, 2009 to December 26, 2010 by 20%, and for a period after December 27, 2010 by 30% compared to the amounts as stated on the current lease contract.

If the claim by Tokyu Hands Inc. were allowed, JRF would be obliged to pay the rent and parking fee reduction totaling ¥829 million (calculated up to August 31, 2013) and interest on the obligation.

JRF is not able to estimate the outcome of this case at this point.

Lawsuit brought by a tenant of Kawaramachi OPA to demand reduction of the rent

On November 21, 2012, OPA Co., Ltd., a tenant of Kawaramachi OPA (held by JRF in form of trust beneficiary interest in real estate trust), brought a case to Kyoto District Court against JRF through a trustee of the property, to demand reduction of the rent for the period from March 1, 2011 to July 31, 2011 by about 9%, and for a period after August 1, 2011 by about 10% compared to the amounts as stated on the current lease contract. On June 28, 2013, the initial date of the period for rent reduction claim was changed from March 1, 2011 to March 31, 2011 by the request of the tenant.

If the claim by OPA Co., Ltd. were allowed, JRF would be obliged to pay the rent and parking fee reduction totaling ¥177 million (calculated up to August 31, 2013) and interest on the obligation.

JRF is not able to estimate the outcome of this case at this point.

For the six months ended February 28, 2014

Lawsuit brought by a tenant of 8953 Osaka Shinsaibashi Building to demand reduction of the rent

On November 1, 2011, Tokyu Hands Inc., a tenant of 8953 Osaka Shinsaibashi Building (held by JRF in form of trust beneficiary interest in real estate trust), brought a case to Osaka District Court against JRF through a trustee of the property, to demand reduction of the rent and parking fee for the period from December 27, 2009 to December 26, 2010 by 20%, and for a period after December 27, 2010 by 30% compared to the amounts as stated on the current lease contract.

If the claim by Tokyu Hands Inc. were allowed, JRF would be obliged to pay the rent and parking fee reduction totaling ¥951 million (calculated up to February 28, 2014) and interest on the obligation.

JRF is not able to estimate the outcome of this case at this point.

Lawsuit brought by a tenant of Kawaramachi OPA to demand reduction of the rent

On November 21, 2012, OPA Co., Ltd., a tenant of Kawaramachi OPA (held by JRF in form of trust beneficiary interest in real estate trust), brought a case to Kyoto District Court against JRF through a trustee of the property, to demand reduction of the rent for the period from March 1, 2011 to July 31, 2011 by about 9%, and for a period after August 1, 2011 by about 10% compared to the amounts as stated on the current lease contract. On June 28, 2013, the initial date of the period for rent reduction claim was changed from March 1, 2011 to March 31, 2011 by the request of the tenant.

If the claim by OPA Co., Ltd. were allowed, JRF would be obliged to pay the rent and parking fee reduction totaling ¥214 million (calculated up to February 28, 2014) and interest on the obligation.

JRF is not able to estimate the outcome of this case at this point.

Note 4 — Net assets

(1) Number of units

	As of	
	August 31, 2013	February 28, 2014
Authorized	8,000,000 units	8,000,000 units
Issued and outstanding	2,079,198 units	2,308,198 units

(2) JRF is required to maintain net assets of at least ¥50,000 thousand as required by the Act on Investment Trusts and Investment Corporations of Japan.

Note 5 — Breakdown of rental and other operating revenues and property-related expenses

Rental and other operating revenues and property-related expenses for the six months ended August 31, 2013 and February 28, 2014 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2013	February 28, 2014
Rental and other operating revenues:		
Rental and parking revenue	23,501,083	26,012,663
Common area charges	1,095,304	1,332,195
Other	1,534,201	1,713,204
Total rental and other operating revenues	26,130,588	29,058,063
Property-related expenses:		
Property management fees	604,458	707,052
Facility management fees	1,141,090	1,257,939
Utilities	1,252,138	1,685,282
Property-related taxes	2,597,337	2,598,534
Repair and maintenance	170,592	188,892
Insurance	53,418	53,608
Trust fees	94,814	87,936
Rent expense	850,224	921,321
Other	528,835	664,313
Depreciation	5,685,497	5,926,305
Loss on disposal of property	55,619	237,237
Total property-related expenses	13,034,027	14,328,424
Operating income from property leasing activities	13,096,560	14,729,638

Note 6 — Breakdown of gain on sales of property

Breakdown of gain on sales of property were as follows:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2013	February 28, 2014
Sale of land and building	-	6,560,000
Cost of land and building	-	(6,508,724)
Other sales expenses	-	(25,409)
Gain on sales of property, net	-	25,866

Disposal amounts of each property are not disclosed because the consent from the counter party has not been obtained. Gross amounts of gains and losses on sales of property are ¥870,564 thousand and ¥844,698 thousand, respectively.

Note 7 — Cash and cash equivalents

Cash and cash equivalents shown in the statements of cash flows consist of the following:

	(Thousands of yen)	
	As of	
	August 31, 2013	February 28, 2014
Cash and bank deposits	14,830,167	18,331,514
Cash and bank deposits in trust	9,949,492	8,505,964
Restricted bank deposits in trust ⁽ⁱ⁾	(558,000)	(558,057)
Cash and cash equivalents	24,221,660	26,279,420

Note:

(i) The usage of the bank deposits in trust is restricted to repayments of tenant leasehold and security deposits.

Note 8 — Significant non-cash transactions

Due to an acquisition of new property, additional asset retirement costs amounting to ¥358,669 thousand were capitalized as buildings in trust with the corresponding liability at an amount of ¥360,926 thousand as of February 28, 2014.

Note 9 — Leases**(a) Lease rental revenues**

JRF leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of August 31, 2013 and February 28, 2014 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	August 31, 2013	February 28, 2014
Due within one year	30,107,117	32,096,698
Due after one year	102,820,818	106,496,897
Total	132,927,936	138,593,595

(b) Lease commitments

Finance lease transactions that do not transfer ownership of the leased property to the lessee, are capitalized and depreciated on a straight-line basis, assuming no residual value, over the lease term. Such capitalized leased properties are copying machines.

Note 10 — Financial instruments**(a) Qualitative information for financial instruments****(i) Policy for financial instrument transactions**

JRF raises funds through borrowings, issuance of corporate bonds, or issuance of investment units, for the purpose of the acquisition of real estate properties, payment of expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully by investing in financial instruments that meet JRF's investment policy in terms of liquidity and safety in light of the current financial market condition. Derivative instruments are used only for hedging purposes and not for the speculative purposes.

(ii) Nature and extent of risks arising from financial instruments and risk management

The funds raised through borrowings or issuance of corporate bonds are mainly used to acquire real estate properties or properties in trust, and for the repayment of existing borrowings or corporate bonds. Tenant leasehold and security deposits are deposits from tenants. Although borrowings with floating interest rate are subject to fluctuations in market interest rates, JRF manages to keep an appropriate level of liabilities ratio in order to manage its exposure to the potential rise in market interest rates. In addition, a certain portion of long-term borrowings with floating interest rates is hedged by derivatives (interest rate swaps) as hedging instruments. The hedge effectiveness of the interest rate swaps is assessed by comparing the cumulative changes in the cash flows of the hedging instruments and the hedged items. When the interest rate swaps meet specific criteria required for the special treatment provided under Japanese GAAP, the assessment of hedge effectiveness is not performed. In accordance with JRF's risk management policy and internal rules, JRF uses derivative instruments for the purpose of hedging risks that are prescribed in JRF's articles of incorporation.

Liquidity risks relating to borrowings, corporate bonds and tenant leasehold and security deposits are managed by preparing monthly plans for funds, keeping high liquidity and making credit facility agreements and commitment line agreements with banks.

(iii) Supplemental information on fair value of financial instruments

The fair value of financial instruments is based on quoted market prices if available. When quoted market prices are not available, fair value is estimated using valuation techniques which contain various assumptions. If other valuation models or assumptions were used, the estimated value may differ.

(b) Quantitative information for financial instruments

The following table shows the carrying amounts, fair value and unrealized gain (loss) of financial instruments for which fair value is available as of August 31, 2013 and February 28, 2014.

	As of August 31, 2013			As of February 28, 2014		
	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)
(1) Cash and bank deposits	14,830,167	14,830,167	-	18,331,514	18,331,514	-
(2) Cash and bank deposits in trust	9,949,492	9,949,492	-	8,505,964	8,505,964	-
Total assets	24,779,660	24,779,660	-	26,837,478	26,837,478	-
(1) Short-term borrowings	11,200,000	11,200,000	-	-	-	-
(2) Current portion of long-term bonds issued	-	-	-	15,000,000	15,199,800	(199,800)
(3) Current portion of long-term borrowings	8,550,000	8,565,527	(15,527)	13,450,000	13,464,739	(14,739)
(4) Current portion of tenant leasehold and security deposits in trust	2,563,878	2,579,629	(15,750)	3,347,441	3,460,192	(112,751)
(5) Long-term bonds issued	40,000,000	41,504,900	(1,504,900)	32,500,000	33,732,575	(1,232,575)
(6) Long-term borrowings	260,001,000	262,314,230	(2,313,230)	281,301,000	284,188,757	(2,887,757)
(7) Tenant leasehold and security deposits in trust	12,870,103	13,360,191	(490,088)	11,195,790	11,586,569	(390,779)
Total liabilities	335,184,982	339,524,479	(4,339,497)	356,794,231	361,632,632	(4,838,401)
Derivatives (derivatives liabilities), net	363,300	363,300	-	(29,010)	(29,010)	-

Note (i): The methods and assumption used to estimate fair value and the matters relating to derivatives are as follows:

Assets

(1) Cash and bank deposits and (2) Cash and bank deposits in trust

The carrying amounts of cash and bank deposits and those in trust are deemed to approximate their fair value.

Liabilities

(1) Short-term borrowings

Because of their short maturities, the carrying amounts of short-term borrowings approximate their fair values.

(2) Current portion of long-term bonds issued and (5) Long-term bonds issued

The fair value is the quoted price provided by financial market information provider.

(3) Current portion of long-term borrowings and (6) Long-term borrowings

Long-term borrowings with floating interest rates are stated at their carrying amounts as their carrying amounts approximate their fair values. When long-term borrowings with floating interest rates are hedged by interest rate swaps which qualify for hedge accounting and meet special criteria, the fair value of the hedged long-term borrowing is determined based on the present value of contractual cash flows in conjunction with the hedging interest rate swaps discounted at current market interest rates which would be applicable to new borrowings under the same conditions and terms. For fair value of long-term borrowings with fixed interest rates, the fair value is determined based on the present value of contractual cash flows discounted at current market interest rates which would be applicable to new borrowings under the same conditions and terms.

(4) Current portion of tenant leasehold and security deposits in trust and (7) Tenant leasehold and security deposits in trust

The fair value is determined based on the present value of contractual cash flows discounted at current interest rates which would be applicable to contracts with similar terms and credit risk.

Derivatives

Please refer to "Note 11 – Derivatives".

Note (ii): Financial instruments for which fair value is difficult to determine are as follows:

	As of	
	August 31, 2013	February 28, 2014
Current portion of tenant leasehold and security deposits in trust	46,953	70,429
Tenant leasehold and security deposits	1,759,140	1,760,224
Tenant leasehold and security deposits in trust	43,492,222	44,779,449
Total	45,298,316	46,610,104

Tenant lease hold and security deposits and those in trust are not publicly traded, and it is difficult to determine their fair value based on estimated future cash flows because the repayment dates of those deposits are not certain. Therefore, these financial instruments are not included in the above quantitative information.

Note (iii): Cash flows schedule of financial assets after the balance sheet date

(Thousands of yen)						
As of August 31, 2013	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	14,830,167	-	-	-	-	-
Cash and bank deposits in trust	9,949,492	-	-	-	-	-
Total	24,779,660	-	-	-	-	-
As of February 28, 2014	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	18,331,514	-	-	-	-	-
Cash and bank deposits in trust	8,505,964	-	-	-	-	-
Total	26,837,478	-	-	-	-	-

Note (iv): Cash flows schedule of interest-bearing financial liabilities after the balance sheet date

(Thousands of yen)						
As of August 31, 2013	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Short-term borrowings	11,200,000	-	-	-	-	-
Current portion of long-term borrowings	8,550,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	1,521,953	-	-	-	-	-
Long-term bonds issued	-	15,000,000	10,000,000	15,000,000	-	-
Long-term borrowings	-	33,710,000	23,250,000	11,300,000	45,666,000	146,075,000
Tenant leasehold and security deposits in trust	-	1,354,855	1,548,139	1,531,415	1,447,970	5,499,149
Total	21,271,953	50,064,855	34,798,139	27,831,415	47,113,970	151,574,149
As of February 28, 2014	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Current portion of long-term bonds issued	15,000,000	-	-	-	-	-
Current portion of long-term borrowings	13,450,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	1,305,724	-	-	-	-	-
Long-term bonds issued	-	10,000,000	-	15,000,000	-	7,500,000
Long-term borrowings	-	36,710,000	22,450,000	24,300,000	43,766,000	154,075,000
Tenant leasehold and security deposits in trust	-	1,548,139	1,531,415	1,447,970	1,447,970	4,505,164
Total	29,755,724	48,258,139	23,981,415	40,747,970	45,213,970	166,080,164

Note 11 — Derivatives

Information on derivative transactions undertaken by JRF as of August 31, 2013 and February 28, 2014 was as follows. Derivative instruments are used for hedging purposes and are subject to hedge accounting.

As of August 31, 2013

(Thousands of yen)

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts ⁽ⁱⁱ⁾		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	76,550,000	72,500,000	363,300	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	41,500,000	41,500,000	- ⁽ⁱ⁾	-
Total			118,050,000	114,000,000	363,300 ⁽ⁱ⁾	-

As of February 28, 2014

(Thousands of yen)

Method of hedge accounting	Type of derivatives	Hedged item	Notional amounts ⁽ⁱⁱ⁾		Fair value	Valuation method
				Over 1 year		
Deferred hedge accounting	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	76,550,000	64,500,000	(29,010)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	62,000,000	62,000,000	- ⁽ⁱ⁾	-
Total			138,550,000	126,500,000	(29,010) ⁽ⁱ⁾	-

Note:

- (i) As disclosed in “(7) Summary of significant accounting policies (h) Hedge accounting”, JRF applies the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under swap contracts, and not the fair value of the derivative, is determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instrument and the long-term borrowings as hedged item is calculated together as one and disclosed as such under Note (i) in “Note 10 Financial instruments (b) Quantitative information for financial instruments”.
- (ii) The notional amounts relating to the derivatives do not, by themselves, represent the market risk exposure associated with the derivative transactions.
- (iii) The fair value is evaluated at the amount calculated by the counterparty to the interest rate swaps contracts.

Note 12 — Related-party transaction

There was no related-party transaction to be disclosed for the six months ended August 31, 2013 and February 28, 2014.

Note 13 — Income taxes

Deferred tax assets and liabilities consist of the followings:

(Thousands of yen)

	As of	
	August 31, 2013	February 28, 2014
Deferred tax assets:		
Current:		
Tax loss carryforwards	3,290,185	3,231,869
Current portion of asset retirement obligations	-	130,259
Other	2,220	26,074
Sub total	3,292,405	3,388,204
Valuation allowance	(3,292,405)	(3,388,204)
Total current deferred tax assets	-	-
Non-current:		
Amortization of leasehold rights	110,442	143,069
Asset retirement obligations	120,539	123,292
Valuation difference on assets acquired by merger	6,108,424	6,096,723
Other	21,520	19,268
Sub total	6,360,926	6,382,354
Valuation allowance	(6,360,926)	(6,382,354)
Total non-current deferred tax assets	-	-
Total deferred tax assets	-	-
Net deferred tax assets	-	-
Deferred tax liabilities:		
Non-current:		
Valuation difference on assets acquired by merger (not offset by other tax deductible items)	513,858	410,507
Capitalized costs corresponding to asset retirement obligations(not offset by other tax deductible items)	-	77,048
Total deferred tax liabilities	513,858	487,556
Net deferred tax liabilities	513,858	487,556

Reconciliation of JRF's effective tax rates and statutory tax rates are as follows:

(%)

	For the six months ended	
	August 31, 2013	February 28, 2014
Statutory tax rate	36.59	36.59
Deductible cash distributions	(36.58)	(36.29)
Change in valuation allowance (for deferred tax assets)	(0.09)	(0.12)
Other	0.09	(0.45)
Effective tax rate	0.01	(0.27)

On March 31, 2014, the Japanese government announced income tax act amended (Act No.26 of 2014) which result in changes of the statutory tax rate over the forthcoming years. As a consequence of the effects of these acts, the statutory tax rate will change from 39.43% to 37.11% for the six months ending August 31, 2014 and February 28, 2015. This change of the statutory tax rate did not have an impact on deferred tax assets and liabilities as of February 28, 2014 or income taxes for the period then ended.

Note 14 — Asset retirement obligations

JRF has an obligation under a fixed-term leasehold agreement to restore the leased land where AEON TOWN Ogaki is located upon the termination of the agreement, and contractual or legal obligations to remove asbestos contained in the buildings of KAWASAKI Le FRONT. The estimated useful lives of the properties are 29 years for AEON TOWN Ogaki which is the same as the term of the agreement, and 24 years for KAWASAKI Le FRONT. The asset retirement obligations for the restoration or removal are recognized as liability for amounts representing the present value of estimated future cash flows discounted at 1.789% and 1.584%, respectively.

Movements of asset retirement obligations for the six months ended August 31, 2013 and February 28, 2014 were as follows:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2013	February 28, 2014
Balance at the beginning of the period	349,712	352,866
Increase due to acquisition of properties	-	358,669
Adjustment for passage of time	3,153	5,387
Balance at the end of the period	352,866	716,923

Note 15 — Fair value of investment and rental property

JRF has mainly retail facilities as investment assets which are located mainly in three major metropolitan areas and other metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment properties in the aggregate for the six months ended August 31, 2013 and February 28, 2014.

	(Thousands of yen)	
	For the six months ended	
	August 31, 2013	February 28, 2014
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	681,823,758	678,711,171
Net increase (decrease) during the period ⁽ⁱⁱ⁾	(3,112,587)	63,931,787
Balance at the end of the period	678,711,171	742,642,958
Fair value⁽ⁱⁱⁱ⁾	685,097,000	769,387,000

Note:

(i) The net book value includes leasehold rights and other intangible assets.

(ii) Changes in the net book value are mainly due to the following transactions (except for depreciation):

	(Thousands of yen)
	Increase (decrease) in net book value
For the six months ended August 31, 2013:	
Acquisition:	
AEON MALL Itami (leased portion of the land of existing property).....	391,544
Capital expenditures:	
Renewal construction at Kyoto Family.....	349,738
<i>Total of capital expenditures for the period (including above expenditure).....</i>	<i>2,233,831</i>
For the six months ended February 28, 2014:	
Acquisitions:	
KAWASAKI Le FRONT.....	30,684,514
G-Bldg. Shinsaibashi 03.....	22,511,279
G-Bldg. Ginza 01.....	5,558,037
KAMISHIN PLAZA.....	3,954,053
Colline Bajikouen.....	3,140,256
Summit Store Nakano Minamidai.....	3,134,990
Round1 Hiroshima.....	3,006,518
Round1 Kyoto Kawaramachi.....	2,840,976
Capital expenditures:	
Earthquake-resistant construction of unqualified elevator at AEON MALL Higashiura.....	278,360
<i>Total of capital expenditures for the period (including above expenditure).....</i>	<i>1,768,041</i>
Disposals:	
G DINING SAPPORO.....	(2,933,999)
G-Bldg. Jingumae 05.....	(2,704,928)
G-Bldg. Jingumae 04.....	(869,796)

(iii) Fair value has been determined based on independent real estate appraisers. For AEON TOWN Ogaki sold on March 24, 2014, the selling price is used as fair value as of February 28, 2014.

For rental revenues and expenses for the six months ended August 31, 2013 and February 28, 2014, please refer to "Note 5 — Breakdown for rental and other operating revenues and property-related expenses".

Note 16 — Segment information

Segment information for the six months ended August 31, 2013 and February 28, 2014 is as follows:

(a) Operating segment information

Disclosure is omitted as JRF is comprised of a single reportable segment engaged in the property rental business.

(b) Enterprise-wide disclosures**(i) Information about products and services**

Disclosure is not required as revenues from external customers for the single segment is in excess of 90% of total revenues.

(ii) Information about geographic areas**Revenues from overseas customers:**

Disclosure is not required as revenues from external customers attributed to Japan are in excess of 90% of total revenues.

Tangible fixed assets:

Disclosure is not required as tangible fixed assets located in Japan are in excess of 90% of total tangible fixed assets.

(c) Information about major customers

(Thousands of yen)

Name of customer	Revenues for the six months ended		Relating segment
	August 31, 2013	February 28, 2014	
AEON Retail Co., Ltd.	4,886,613	4,898,160	Property rental business
AEON Mall Co., Ltd.	4,013,016	4,012,383	Property rental business

Note 17 — Per unit information

The net asset value per unit as of August 31, 2013 and February 28, 2014 was ¥154,541 and ¥158,495, respectively. Net income per unit for the six months ended August 31, 2013 and February 28, 2014 was ¥3,929 and ¥4,237, respectively.

Net income per unit is calculated by dividing the net income attributable to unitholders by the weighted-average number of units outstanding during the six months period.

Diluted net income per unit is not disclosed because dilutive potential units are not issued.

A basis of calculation of net income per unit is as follows:

(Thousands of yen)

	For the six months ended	
	August 31, 2013	February 28, 2014
Net income	8,170,474	9,614,210
Effect of dilutive unit	-	-
Net income available to common unitholders	8,170,474	9,614,210
Weighted-average number of units outstanding for the period	2,079,198 units	2,268,977 units

Note 18 — Subsequent events**Sale of property**

JRF has completed sale of a property as follows:

- (i) Type of asset: Trust beneficiary interests in real estate
- (ii) Property name: AEON TOWN Ogaki
- (iii) Sale price: ¥3,430 million
- (iv) Date of contract: December 19, 2013
- (v) Date of transfer: March 24, 2014
- (vi) Buyer: Sumitomo Mitsui Finance and Leasing Company, Limited.
- (vii) Gain on the sale: Approximately ¥46 million will be recognized as operating income for the six months ending August 31, 2014.

(9) Changes in unit issued and outstanding

The changes in unitholders' capital and number of units issued and outstanding for last five years were as follows:

Date	Capital transaction	Number of units issued and outstanding		Unitholders' capital (Millions of yen)		Note
		Increase	Balance	Increase	Balance	
March 1, 2010	Unit split	1,159,506	1,546,008	-	250,764	Note 1
March 1, 2010	Merger	142,190	1,688,198	-	250,764	Note 2
September 14, 2011	Public offering	187,500	1,875,698	19,520	270,284	Note 3
October 12, 2011	Allocation of investment units to a third party	4,500	1,880,198	468	270,752	Note 4
October 1, 2012	Public offering	194,500	2,074,698	24,162	294,915	Note 5
October 31, 2012	Allocation of investment units to a third party	4,500	2,079,198	559	295,474	Note 6
October 2, 2013	Public offering	229,000	2,308,198	43,465	338,940	Note 7

Note 1 JRF executed a four-for-one unit split.

Note 2 JRF merged with LaSalle Japan REIT Inc. ("LJR") The merger was an absorption-type in accordance with Article 147 of the Act on Investment Trusts with JRF as the surviving corporation and LJR was dissolved.

Note 3 New investment units were issued at a price of ¥107,640 per unit (subscription price of ¥104,107 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 4 New investment units were issued at a price of ¥104,107 per unit through the allocation of investment units to a third party in order to raise funds for miscellaneous expenses relating to the acquisition of new real property.

Note 5 New investment units were issued at a price of ¥128,310 per unit (subscription price of ¥124,230 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 6 New investment units were issued at a price of ¥124,230 per unit through the allocation of investment units to a third party in order to raise funds for miscellaneous expenses relating to the acquisition of new real property and the issuance of the new investment units, or refund existing debts.

Note 7 New investment units were issued at a price of ¥195,902 per unit (subscription price of ¥189,805 per unit) through a public offering in order to raise funds for acquiring new real property.

4. Changes in officers

Changes in officers had been otherwise disclosed under the rule of timely disclosure.

5. Additional information

(1) Composition of assets

Classification of Assets	Region	As of August 31, 2013		As of February 28, 2014	
		Total of net book value (Millions of yen)	Composition ratio (%)	Total of net book value (Millions of yen)	Composition ratio (%)
Real property	Tokyo metropolitan area	23,733	3.3	23,695	3.1
	Osaka and Nagoya metropolitan areas	4,965	0.7	4,965	0.6
	Sub-total	28,698	4.0	28,661	3.7
Trust beneficial interest in real property	Tokyo metropolitan area	302,243	42.5	339,271	43.6
	Osaka and Nagoya metropolitan areas	259,627	36.5	287,262	36.9
	Other metropolitan areas	88,140	12.4	87,447	11.3
	Sub-total	650,012	91.4	713,981	91.8
Sub-total		678,711	95.4	742,642	95.5
Bank deposits and other assets		32,641	4.6	35,063	4.5
Total assets		711,352	100.0	777,706	100.0
Total liabilities (Note 1)		390,030	54.8	411,866	53.0
Total net assets		321,322	45.2	365,840	47.0

Note 1 Total liabilities include tenant leasehold and security deposits and those in trust.

(2) Outline of portfolio properties

The principal properties (top ten properties in net book value) as of February 28, 2014 were as follows:

Name of property	Net book value (Millions of yen)	Leasable area (Note 1) (m ²)	Leased area (Note 2) (m ²)	Occupancy ratio (Note 3) (%)	Ratio of rental revenue to total rental revenues (Note 3) (%)	Major use
Higashi-Totsuka Aurora City (trust beneficial interest)	47,897	109,365.50	109,365.50	100.0	4.7	Retail facilities
Nara Family (trust beneficial interest)	33,452	85,030.68	85,030.68	100.0	6.9	Retail facilities
mozo wonder city (Note 4) (trust beneficial interest)	31,400	86,722.88	86,547.77	99.8	6.9	Retail facilities
KAWASAKI Le FRONT (Note 4) (trust beneficial interest)	30,569	56,183.19	55,318.95	98.5	5.0	Retail facilities
AEON MALL Yachiyo Midorigaoka (trust beneficial interest)	28,569	132,294.48	132,294.48	100.0	2.4	Retail facilities
AEON MALL Musashi Murayama (trust beneficial interest)	28,231	137,466.97	137,466.97	100.0	3.2	Retail facilities
AEON MALL Tsurumi Ryokuchi (trust beneficial interest)	26,220	138,538.63	138,538.63	100.0	3.1	Retail facilities
G-Bldg. Shinsaibashi 03 (Note 5) (trust beneficial interest)	22,474	4,631.13	4,631.13	100.0	-	Retail facilities
GYRE (trust beneficial interest)	22,163	4,840.62	4,347.69	89.8	2.3	Retail facilities
AEON MALL Itami (trust beneficial interest)	19,502	157,904.26	157,904.26	100.0	2.0	Retail facilities
Total	290,480	912,978.34	911,446.06	99.8	-	

Note 1 Regardless the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 2 Regardless the share of co-ownership or quasi-co-ownership, "Leased area" means the total leased area of the building or land with leasehold interest of each property used as stores, offices, etc. indicated in the lease agreement and it does not include the leased area of warehouses and land (flat parking lots).

Note 3 "Occupancy ratio" (percentage of leased area against the leasable area at the end of accounting period) and "Ratio of rental revenue to total rental revenues" are calculated by rounding to the nearest first decimal place.

Note 4 These properties are leased partially in the form of a pass-through master lease agreement and the "Leasable area" and "Leased area" of the properties show the leasable and leased area to the end tenants.

Note 5 "Ratio of rental revenue to total rental revenues" of the property is not disclosed because the consent from the tenant has not been obtained.

The retail facilities as of February 28, 2014 were as follows:

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
AEON Sendai Nakayama	35-40, Minami Nakayama 1-chome, Izumi-ku, Sendai-shi, Miyagi, etc.	Trust beneficial interest	46,248.96	10,500	9,122
Ito-Yokado Kawasaki	2-1, Oda-sakae 2-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	65,313.47	13,590	13,985
8953 Osaka Shinsaibashi Building	4-12, Minami Senba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	13,666.96	13,500	12,766
Narupark (Note 4)	232 Urasato 3-chome, Midori-ku, Nagoya-shi, Aichi	Trust beneficial interest	15,227.58	5,030	7,912
G-Bldg. Minami Aoyama 02	8-5, Minami Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficial interest	1,529.15	5,370	5,263
Nara Family	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	85,030.68	37,300	33,452
Abiko Shopping Plaza	11-1, Abiko 4-chome, Abiko-shi, Chiba	Trust beneficial interest	43,548.63	12,400	9,735
Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,950	1,410
Ito-Yokado Kamifukuoka Higashi	1-30, Ohara 2-chome, Fujimino-shi, Saitama	Trust beneficial interest	28,316.18	6,680	6,178
Ito-Yokado Nishikicho	12-1, Nishikicho 1-chome, Warabi-shi, Saitama	Trust beneficial interest	73,438.52	13,700	11,018
G-Bldg. Daikanyama 01	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	599.79	1,360	1,230
AEON MALL Higashiura	62-1, Aza-toueicho, Oaza-ogawa, Higashiuracho, Chita-gun, Aichi, etc.	Trust beneficial interest	129,124.73	10,400	7,424
AEON MALL Kashiihama	12-1, Kashiihama 3-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	109,616.72	14,000	11,968
AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	8,560	7,000
GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,840.62	22,600	22,163
Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	4,780	4,754
Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	12,200	11,402
AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	13,000	11,177
G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,440	956
AEON MALL Yamato	2-6, Shimotsuruma 1-chome, Yamato-shi, Kanagawa	Trust beneficial interest	85,226.68	17,300	15,489
SEIYU Hibarigaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	6,830	5,107
AEON Tobata Shopping Center	2-2, Shioi-cho, Tobata-ku, Kita-Kyushu-shi, Fukuoka	Trust beneficial interest	93,258.23	6,150	5,583
AEON Takatsuki	47-2, Haginosho 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	77,267.23	9,740	10,421
G-Bldg. Jiyugaoka 01	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	1,817.65	3,247	2,517
AEON Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,778.44	3,270	3,503
AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,100	10,412
Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	3,910	4,004
AEON Nishi-Otsu	11-1, Ohjigaoka 3-chome, Otsu-shi, Shiga	Trust beneficial interest	62,717.26	11,000	12,360
Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,677.43	5,630	6,950
Higashi-Totsuka Aurora City	537-1, Shinanochi, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,365.50	40,800	47,897
AEON Omiya	574-1, Kushibikicho 2-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	75,344.90	6,060	5,790

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
AEON TOWN Ogaki	233-1, Aza-nakashima, Mitsuzukacho, Ogaki-shi, Gifu, etc.	Trust beneficial interest	57,500.35	3,400	3,754
Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachidori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	15,600	18,477
AEON Ueda	12-18, Tsuneda 2-chome, Ueda-shi, Nagano	Trust beneficial interest	61,349.07	7,670	8,339
AEON MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	25,800	26,220
AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	18,800	19,502
Ito-Yokado Yotsukaido	5, Chuo, Yotsukaido-shi, Chiba	Trust beneficial interest	59,207.19	10,300	13,045
Oyama Yuen Harvest Walk (Note 5)	1457, Oaza-Kizawa, Oyama-shi, Tochigi	Trust beneficial interest	58,644.57	7,620	8,607
AEON MALL Yachiyo Midorigaoka	1-3, Midorigaoka 2-chome, Yachiyo-shi, Chiba	Trust beneficial interest	132,294.48	22,800	28,569
G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.43	2,380	2,363
AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,169.00	17,600	16,892
Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	15,400	16,913
G-Bldg. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	3,750	3,409
G-Bldg. Jingumae 02	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	426.29	1,680	2,309
G-Bldg. Minami Aoyama 01	4-48, Minami Aoyama 5-chome, Minato-ku, Tokyo	Real property	922.30	5,010	6,461
La Porte Aoyama (Note 4)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,155.96	9,740	9,320
AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	29,900	28,231
AEON MALL Kobe Kita	2-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,031.55	16,400	14,183
G-Bldg. Shinjuku 01	1-8, Shinjuku 4-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	1,093.67	7,270	6,631
LIFE Taiheiji(Land with leasehold interest)	43-6, Taiheiji 2-chome, Higashi Osaka-shi, Osaka	Real property	3,898.01	1,350	1,304
LIFE Shimodera(Land with leasehold interest)	5-23, Shimodera 2-chome, Naniwa-ku, Osaka-shi, Osaka, etc.	Real property	4,344.18	1,750	1,717
LIFE Kishibe(Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	2,030	1,942
G-Bldg. Jingumae 03	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	4,430	5,539
G-Bldg. Minami-Ikebukuro 01 (Note 4)	19-5, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficial interest	5,061.47	7,430	6,053
G-Bldg. Shinsaibashi 01	5-3, Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	886.46	1,880	1,603
Kishiwada CanCan Bayside Mall	2-1, Minatomidori machi, Kishiwada-shi, Osaka, etc.	Trust beneficial interest	38,302.92	7,680	7,160
Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,542.93	6,320	5,586
MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	2,910	2,443
Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	4,450	2,797
Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	2,940	2,350
Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	2,860	2,412
Arkangel Daikanyama(Land with leasehold interest)	111-14, Aobadai 1-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	904.04	2,220	1,842
G-Bldg. Shinsaibashi 02 (Note 6)	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	-	5,190	4,380

Name of property	Location (Note 1)	Form of ownership	Leasable area (Note 2) (m ²)	Appraisal value at end of period (Note 3) (Millions of yen)	Net book value (Millions of yen)
Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	8,800	8,091
Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,770	2,657
Tec Land Neyagawa (Land with leasehold interest)	327-1, Taiseicho, Neyagawa-shi, Osaka, etc.	Trust beneficial interest	11,430.04	1,620	1,154
mozo wonder city (Notes 5)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,722.88	35,600	31,400
G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	4,170	3,730
Round1 Yokohama Station West	8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	4,760	3,918
G-Bldg. Omotesando 01 (Note 7)	1-9, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	1,508.03	6,710	5,921
Round1 Stadium Sakai Chuo Kanjyo	241, Ishiwara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,270	1,754
pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,530	5,957
Tec Land Fukuoka Shime Honten (Note 6)	2-1, Minamizato 5-chome, Shime-machi, Kasuya-gun, Fukuoka	Trust beneficial interest	-	4,900	4,086
G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	6,090	5,553
Round1 Kyoto Kawaramachi	585, Uraderacho, Shijo-agaru yori Rokkakusagaru made, Teramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto, etc.	Trust beneficial interest	8,821.66	3,180	2,830
Round1 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	3,680	2,991
Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,368.02	3,670	3,135
KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	11,809.69	4,170	3,951
Summit Store Nakano Minamidai	26-2, Minamidai 5-chome, Nakano-ku, Tokyo	Trust beneficial interest	3,536.50	3,180	3,128
KAWASAKI Le FRONT (Note 5)	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	56,183.19	36,800	30,569
G-Bldg. Shinsaibashi 03	2-17, Shinsaibashisuji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,631.13	23,500	22,474
Total			3,095,171.83	769,357	742,642

Note 1 "Location" means the residence indication or the location indicated in the land registry book.

Note 2 Regardless of the share of co-ownership or quasi-co-ownership, "Leasable area" means the total area of the building or land with leasehold interest of each property leasable as stores, offices, etc. indicated in the lease agreement or the plan of such property and it does not include the leasable area of warehouses and land (flat parking lots).

Note 3 "Appraisal value at end of period" shows the value appraised or researched by the real estate appraiser (CBRE K.K., Daiwa Real Estate Appraisal Co., Ltd., Japan Real Estate Institute and Tanizawa Sogo Appraisal Co., Ltd.) in accordance with the methods and standard of assets valuation as stipulated in the Articles of Incorporation of JRF as well as the regulations as stipulated by The Investment Trusts Association, Japan.

Note 4 These properties are leased in the form of a pass-through master lease agreement and the "Leasable area" of the properties shows the leasable area to the end tenants.

Note 5 These properties are leased partially in the form of a pass-through master lease agreement and the "Leasable area" of the properties shows the leasable area to the end tenants.

Note 6 "Leasable area" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 7 The property name was changed from G-bldg. Omotesando to G-bldg. Omotesando 01 on April 1, 2014.

Operating results of each property for the six months ended August 31, 2013 and February 28, 2014 were as follows:

Name of property	For the six months ended August 31, 2013				For the six months ended February 28, 2014			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
AEON Sendai Nakayama	2	100.0	427	1.6	2	100.0	421	1.5
Ito-Yokado Kawasaki	5	100.0	490	1.9	5	100.0	490	1.7
8953 Osaka Shinsaibashi Building	1	100.0	398	1.5	1	100.0	399	1.4
Narupark (Note 3)	48	100.0	354	1.4	48	100.0	360	1.2
G-Bldg. Minami Aoyama 02	4	100.0	78	0.3	4	100.0	87	0.3
Nara Family	126	99.7	1,984	7.6	130	100.0	2,003	6.9
Abiko Shopping Plaza	58	100.0	708	2.7	57	100.0	695	2.4
Ito-Yokado Yabashira	1	100.0	78	0.3	1	100.0	78	0.3
Ito-Yokado Kamifukuoka Higashi	1	100.0	256	1.0	1	100.0	256	0.9
Ito-Yokado Nishikicho	1	100.0	445	1.7	1	100.0	445	1.5
G-Bldg. Daikanyama 01	1	100.0	48	0.2	1	100.0	40	0.1
G-Bldg. Jingumae 05 (Note 4)	3	100.0	99	0.4	-	-	84	0.3
AEON MALL Higashiura	1	100.0	480	1.8	1	100.0	481	1.7
AEON MALL Kashiihama	1	100.0	477	1.8	1	100.0	477	1.6
AEON MALL Sapporo Naebo	1	100.0	372	1.4	1	100.0	372	1.3
GYRE	20	97.1	575	2.2	21	89.8	681	2.3
G-Bldg. Jingumae 04 (Note 4)	2	100.0	33	0.1	-	-	28	0.1
Ito-Yokado Tsunashima	1	100.0	180	0.7	1	100.0	172	0.6
Bic Camera Tachikawa	2	100.0	388	1.5	2	100.0	388	1.3
AEON Itabashi Shopping Center	1	100.0	630	2.4	1	100.0	662	2.3
G-Bldg. Kita Aoyama 01	3	100.0	35	0.1	3	100.0	35	0.1
AEON MALL Yamato	1	100.0	537	2.1	1	100.0	537	1.9
SEIYU Hibarigaoka	1	100.0	261	1.0	1	100.0	261	0.9
AEON Tobata Shopping Center	1	100.0	315	1.2	1	100.0	315	1.1
AEON Takatsuki	1	100.0	422	1.6	1	100.0	414	1.4
G-Bldg. Jiyugaoka 01	10	100.0	89	0.4	10	100.0	90	0.3
AEON Yagoto	2	100.0	148	0.6	2	100.0	129	0.4
AEON Naha Shopping Center	1	100.0	373	1.4	1	100.0	373	1.3
Cheers Ginza	10	100.0	106	0.4	10	100.0	109	0.4
AEON Nishi-Otsu	1	100.0	381	1.5	1	100.0	375	1.3
Kyoto Family	70	100.0	585	2.2	70	100.0	591	2.0

Name of property	For the six months ended August 31, 2013				For the six months ended February 28, 2014			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
Higashi-Totsuka Aurora City	4	100.0	1,395	5.3	4	100.0	1,373	4.7
AEON Omiya	1	100.0	192	0.7	1	100.0	193	0.7
AEON TOWN Ogaki	1	100.0	322	1.2	1	100.0	325	1.1
Kawaramachi OPA	1	100.0	358	1.4	1	100.0	358	1.2
AEON Ueda	1	100.0	297	1.1	1	100.0	303	1.0
AEON MALL Tsurumi Ryokuchi	1	100.0	895	3.4	1	100.0	895	3.1
AEON MALL Itami	1	100.0	582	2.2	1	100.0	583	2.0
Ito-Yokado Yotsukaido	1	100.0	290	1.1	1	100.0	290	1.0
Oyama Yuen Harvest Walk (Note 5)	55	92.6	532	2.0	63	99.2	778	2.7
AEON MALL Yachiyo Midorigaoka	1	100.0	691	2.7	1	100.0	691	2.4
G-Bldg. Jingumae 06	3	80.6	46	0.2	4	100.0	49	0.2
AEON MALL Sapporo Hassamu	1	100.0	577	2.2	1	100.0	577	2.0
Ario Otori	1	100.0	554	2.1	1	100.0	555	1.9
G-Bldg. Jingumae 01	2	100.0	69	0.3	2	100.0	69	0.2
G-Bldg. Jingumae 02	3	100.0	29	0.1	3	100.0	29	0.1
G DINING SAPPORO (Notes 3 and 4)	24	100.0	90	0.4	-	-	102	0.4
G-Bldg. Minami Aoyama 01	3	100.0	47	0.2	3	100.0	50	0.2
La Porte Aoyama (Note 3)	21	92.3	265	1.0	21	90.5	268	0.9
AEON MALL Musashi Murayama	1	100.0	936	3.6	1	100.0	938	3.2
AEON MALL Kobe Kita	1	100.0	581	2.2	1	100.0	578	2.0
G-Bldg. Shinjuku 01	1	100.0	160	0.6	1	100.0	161	0.6
LIFE Taiheiji(Land with leasehold interest)	1	100.0	48	0.2	1	100.0	48	0.2
LIFE Shimodera(Land with leasehold interest)	1	100.0	56	0.2	1	100.0	56	0.2
LIFE Kishibe(Land with leasehold interest)	1	100.0	68	0.3	1	100.0	68	0.2
G-Bldg. Jingumae 03	6	93.3	68	0.3	6	93.3	76	0.3
G-Bldg. Minami-Ikebukuro 01 (Note 3)	7	88.8	262	1.0	7	88.8	240	0.8
G-Bldg. Shinsaibashi 01	2	100.0	60	0.2	2	100.0	61	0.2
Kishiwada CanCan Bayside Mall	116	100.0	798	3.1	112	99.1	794	2.7
Makuhari Plaza	6	100.0	219	0.8	6	100.0	221	0.8
MrMax Nagasaki (Note 6)	2	100.0	-	-	2	100.0	-	-
Urban Terrace Jingumae	2	100.0	100	0.4	2	100.0	100	0.3
Round1 StadiumItabashi	1	100.0	95	0.4	1	100.0	95	0.3

Name of property	For the six months ended August 31, 2013				For the six months ended February 28, 2014			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
Round1 Machida	1	100.0	90	0.4	1	100.0	90	0.3
Arkangel Daikanyama(Land with leasehold interest) (Note 6)	1	100.0	-	-	1	100.0	-	-
G-Bldg. Shinsaibashi 02 (Note 6)	1	100.0	-	-	1	100.0	-	-
Round1 Stadium Sennichimae(Land with leasehold interest)	1	100.0	240	0.9	1	100.0	240	0.8
Izumisano Shofudai(Land with leasehold interest) (Note 6)	2	100.0	-	-	2	100.0	-	-
Tecc Land Neyagawa(Land with leasehold interest) (Note 6)	1	100.0	-	-	1	100.0	-	-
mozo wonder city (Note 5)	223	99.7	1,986	7.6	224	99.8	1,995	6.9
G-Bldg. Sangenjaya 01	3	100.0	149	0.6	3	100.0	149	0.5
Round1 Yokohama Station West	1	100.0	114	0.4	1	100.0	114	0.4
G-Bldg. Omotesando 01	1	100.0	135	0.5	1	100.0	135	0.5
Round1 Stadium Sakai Chuo Kanjyo	1	100.0	82	0.3	1	100.0	82	0.3
pivo Izumi Chuo (Note 6)	17	100.0	-	-	17	100.0	-	-
Tecc Land Fukuoka Shime Honten (Note 6)	1	100.0	-	-	1	100.0	-	-
G-Bldg. Ginza 01	-	-	-	-	8	100.0	120	0.4
Round1 Kyoto Kawaramachi	-	-	-	-	1	100.0	85	0.3
Round1 Hiroshima	-	-	-	-	1	100.0	98	0.3
Colline Bajikouen	-	-	-	-	10	100.0	116	0.4
KAMISHIN PLAZA	-	-	-	-	44	98.9	226	0.8
Summit Store Nakano Minamidai	-	-	-	-	1	100.0	69	0.2
KAWASAKI Le FRONT (Note 5)	-	-	-	-	66	98.5	1,464	5.0
G-Bldg. Shinsaibashi 03 (Note 6)	-	-	-	-	1	100.0	-	-
Total	908	99.8	26,130	100.0	1,021	99.9	29,058	100.0

Note 1 “Number of tenants” is based upon the numbers of the lease agreements of the building or land with leasehold interest of each such property used as stores, offices, etc.

Note 2 “Occupancy ratio” (percentage of leased area against the leasable area at the end of accounting period) and “Ratio of rental revenue to total rental revenues” are calculated by rounding to the nearest first decimal place.

Note 3 “Number of tenants” and “Occupancy ratio” for a pass-through master leased property are presented on an end-tenant basis.

Note 4 These properties were sold on January 31, 2014.

Note 5 “Number of tenants” and “Occupancy ratio” for the properties which are leased partially in the form of a pass-through master lease are presented on an end-tenant basis.

Note 6 Rental revenue of the property is not disclosed because the consent from the tenant has not been obtained.