



JAPAN RETAIL FUND

**August 2014 (25th)
Period Results**

8953




Japan Retail Fund Investment Corporation

US ADR(OTC): JNRFY

Security Code **8953**

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

Newly acquired properties by Public Offering in 2014

Acquired properties		Highlights <div>Deal sources</div>	Acquisition conditions			
			Acquisition price (A)	Appraisal value (B)	NOI yield (before depreciation) (Note 2)	NOI yield (after depreciation) (Note 2)
			(A)/(B)			
DFS T GALLERIA OKINAWA (Naha, Okinawa)		A flagship store of a leading global operator of duty-free shops, DFS, located in the center of commerce and tourism in Okinawa <div>Independent networkMitsubishi Corporation Group</div>	15,600 <small>(Note 1) million JPY</small>	16,900 <small>(Note 1) million JPY</small>	5.5%	3.8%
			(92.3%)			
CUTE CUBE HARAJUKU (Shibuya ward, Tokyo)		Retail properties facing Takeshita Street in Harajuku, the epicenter of “KAWAII”, or cute, culture targeting teenagers both in and outside of Japan <div>Mitsubishi Corporation Group</div>	8,520 <small>million JPY</small>	8,690 <small>million JPY</small>	4.1%	3.8%
			(98.0%)			
<div>15% co-ownership interest</div> G-Bldg. Omotesando 02 (Shibuya ward, Tokyo)		Houses a flagship store of a global fashion brand located on Omotesando, a luxury fashion brand street <div>Mitsubishi Corporation Group</div>	5,311 <small>million JPY</small>	5,700 <small>million JPY</small>	3.6%	3.5%
			(93.2%)			
<div>20% co-ownership interest</div> mozo wonder city (Nishi ward, Nagoya, Aichi)		One of the leading large-scale shopping malls in Japan, effectively leveraging our SC Management capabilities <div>Mitsubishi Corporation Group</div>	11,740 <small>million JPY</small>	12,025 <small>million JPY</small>	5.6%	3.8%
			(97.6%)			
m-city Toyonaka (Toyonaka, Osaka)		Neighborhood shopping center located in a highly populated area in Osaka and facing a major arterial road <div>Mitsubishi Corporation Group / UBS Group</div>	5,570 <small>million JPY</small>	5,970 <small>million JPY</small>	5.7%	4.4%
			(93.3%)			
Acquired Properties Total / Average		5 properties	46,741 <small>million JPY</small>	49,285 <small>million JPY</small>	5.1%	3.9%
			(94.8%)			
			(Reference) Aug. 2014 Period : Average for portfolio properties		5.1%	3.7%

(Note 1) Acquisition price includes a certain portion of the underlying land which we intend to acquire on Jan. 15, 2016 (acquisition price of 2,470 million JPY). Appraisal value is calculated based on an assumption that such acquisition is complete.

(Note 2) NOI yield is calculated using PM fee based on PM agreement signed at the date of the acquisition. Therefore, the values differ from those released on Sep. 4, 2014.

Asset size expansion and improvement in portfolio profitability and stability

		Feb. 2014 Period (24 th)		Aug. 2014 Period (25 th)		Public Offering in 2014 (Note 1)		After acquisitions ^(Note 1)
Expanding asset size	Number of properties	81 properties	▶	84 properties	+	5 properties ^(Note 2)	▶	87 properties
	Aggregate acquisition price	787.6 billion JPY	▶	802.3 billion JPY	+	46.7 billion JPY	▶	849.1 billion JPY
Increasing unrealized gains	Unrealized gains and losses	+26.7 billion JPY	▶	+36.7 billion JPY	+	+2.5 billion JPY	▶	+39.2 billion JPY
Maintaining portfolio profitability	Average NOI yield (before depreciation)	5.3 %	▶	5.1 %	+	5.1 % ^(Note 3)	▶	5.1 %
	Average NOI yield (after depreciation)	3.8 %	▶	3.7 %	+	3.9 % ^(Note 3)	▶	3.7 %
	(Reference) Implied cap rate (Note 4)	5.0 %		4.6 %				
Increasing the portfolio quality and stability of our portfolio	Occupancy rate	99.9 %	▶	99.9 %				99.9 %
	Average remaining term of lease	7.0 years	▶	6.6 years				6.6 years
	Number of tenants	1,021	▶	1,037				1,048
	Total leasable area	3.09 million m ²	▶	3.06 million m ²				3.14 million m ²

(Note 1) Aggregate acquisition price includes a certain portion of the underlying land which we intend to acquire on Jan. 15, 2016 (anticipated acquisition price of 2,470 million yen).

(Note 2) The five properties include additional acquisitions of co-ownership interests in two current properties.

(Note 3) NOI yield is calculated using PM fee based on PM agreement signed at the date of the acquisition. Therefore, the values differ from those released on Sep. 4, 2014.

(Note 4) Implied cap rate: NOI / (Market capitalization as of the end of each fiscal period + Net debt + Tenant leasehold and security deposits)

JAPAN RETAIL FUND

Contents

1. Basic Policy and Growth Strategy	P. 4
2. Implementation of Growth Strategy	P. 7
3. SC Management Capabilities as Our Core Value	P. 14
4. Financial Results and Forecasts	P. 18
5. JRF's Sustainability Management	P. 23

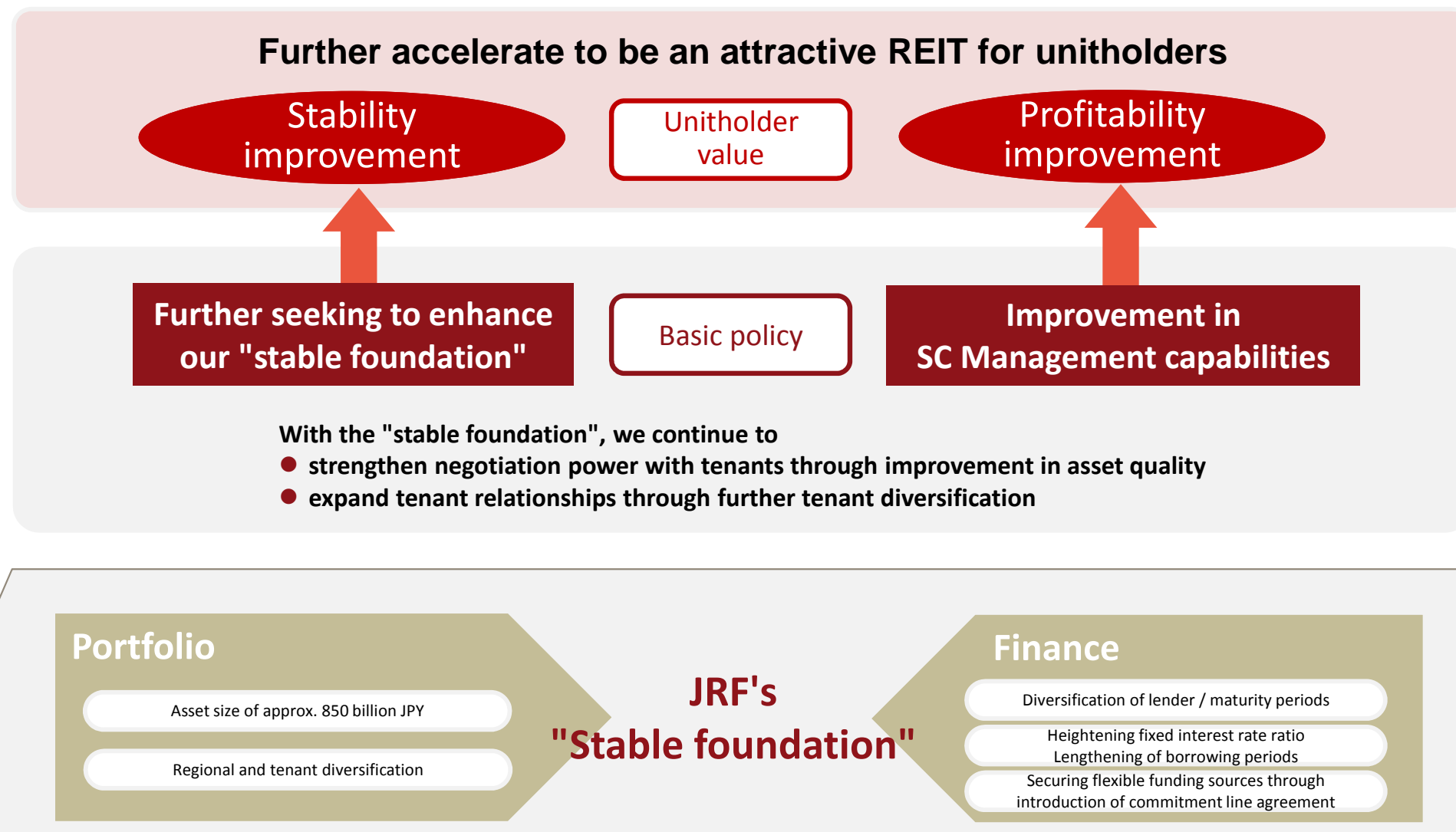
JAPAN RETAIL FUND

1. Basic Policy and Growth Strategy



Newly acquired property
DFS T GALLERIA OKINAWA

Basic policy that effectively leverages JRF's "stable foundation" for persistent growth in unitholder value



Growth strategy for achieving our basic policy

External Growth Strategy

- 1 Asset size expansion**
for the purpose of further enhancing regional and tenant diversification
- 2 Additional acquisition of prime asset and property replacement**
for the purpose of improving portfolio quality
- 3 Securing future internal growth opportunities**
through acquisition of properties with high potential in terms of location and by leveraging our SC Management capabilities

Internal Growth Strategy

- 1 Improvement in profitability**
through strengthening of property competitiveness leveraging our SC Management capabilities
- 2 Improvement in stability**
of our portfolio by reducing potential risks through continuous dialogue with major tenants:
 - Suggestion of competitiveness improvement measures
 - Introduction of stable lease terms

Financing Strategy

- 1 Continued financing stability**
by diversifying maturity periods, lengthening borrowing periods, improving fixed interest rate ratio, and securing emergency funding sources
- 2 Diversification of funding sources**
through lender expansion and issuance of corporate bonds

JAPAN RETAIL FUND

2. Implementation of Growth Strategy



Newly acquired property
CUTE CUBE HARAJUKU

Strengthening stable foundation through asset size expansion

■ Acquisition of prime assets and expansion of tenant relationships

Property acquisitions in 2014 (**8** properties, **63.6** billion JPY)



DFS T GALLERIA OKINAWA (Note)



G-Bldg. Omotesando 02
(50% co-ownership interest)



CUTE CUBE HARAJUKU



G-bldg. Kichijoji 01
(50% co-ownership interest)



G-bldg. Shibuya 01



mozo wonder City
(20% co-ownership interest)



m-city Toyonaka



Round 1 Stadium Takatsuki

(Note) We intend to acquire a certain portion of the underlying land on Jan. 15, 2016 (anticipated acquisition price of 2,470 million JPY).

Implementation of External Growth Strategy (2)



Improvement in portfolio quality through property replacement

■ Replacement of existing properties with new prime assets

Example of property replacement in January-April 2014

Disposition

Elimination of future risks

AEON TOWN Ogaki

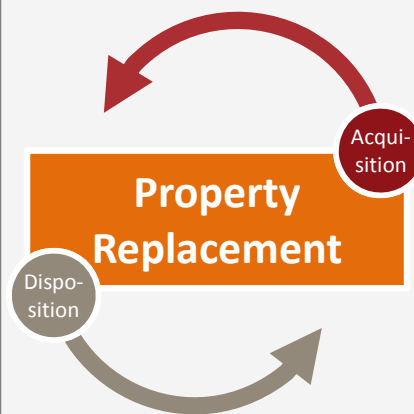
G DINING SAPPORO

- ✓ Potential risks associated with tenant vacation due to increased competition in market
- ✓ Limitation in degree of freedom with respect to property management as land leaseholder (fixed term land lease right for business purposes)

G DINING SAPPORO

- ✓ Limited revenue contribution (NOI yield after depreciation at the time of disposition 0.3%)
- ✓ Merit maximization by disposing the property after filling up vacant spaces

# of properties	Total disposition price	Average NOI yield (after depreciation)
4 properties	Approx. 10 billion JPY	3.4%



Acquisition

Acquisition of prime assets




G-Bldg. Omotedando 02
(35% co-ownership interest)^(Note)

G-Bldg. Shibuya 01




G-Bldg. Kichijoji 01
(50% co-ownership interest)

Round 1 Stadium Takatsuki

# of properties	Total acquisition price	Average NOI yield (after depreciation)
4 properties	Approx. 20 billion JPY	3.9%

(Note) JRF acquired another 15% co-ownership interest on Oct.1st 2014.

Implementation of Internal Growth Strategy

Improving profitability and securing stability of our portfolio

■ Action plan targeted at increasing property value

1 Improvement in future cash flow by enhancing of property competitiveness

Oyama Yuen Harvest Walk: Large-scale renewal project

- Establishment of its position as #1 retail property in the region
- Formation of further upside potential through improvement in property attractiveness
- Sales volume improved by approx. 18%, numbers of visitors increased by approx. 10% on average compared to the previous year (May-Aug figures, excluding large-size stores and some of service tenants)
- Opening in April 2014



New competitive tenants



Renewal of environmental design



G-Bldg. Kichijoji 01: Speedy leasing by leveraging our SC Management capabilities

Occupancy rate as of the end of Aug 2014 period
51.6%

- Fully lease up a newly acquired property of which a major tenant occupying 50% was scheduled to vacate by inviting competitive tenants

<Current leasing situations with tenants>

4F	To be cancelled
3F	Cancelled
2F	Cancelled
1F	Occupied
B1	Occupied

- ✓ Largely agree with a well-known apparel brand to lease the entire property
- ✓ Opening scheduled in Spring 2015

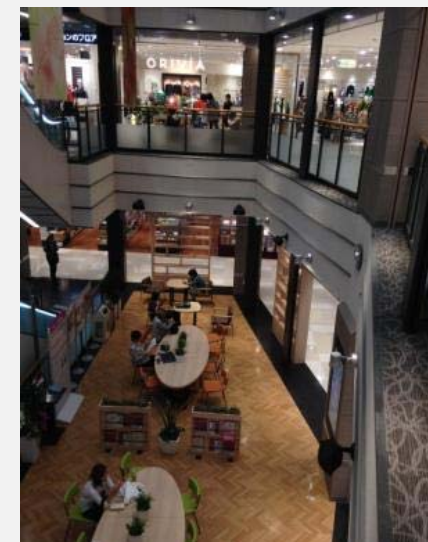
2 Reduction of future potential risks by securing property competitiveness of aged properties and introducing stable leasing contracts

AEON Yagoto: Improvement in property competitiveness through introduction of stable leasing contracts

- Revision of economic conditions and lease term renewal/extension in exchange for revitalization of the sales floor
- Full renewal of an aged store, 21-year-old at the tenant's expense
- Opening in September 2014



Revitalization of the store at the tenant's expense



- ✓ Introduction of "Grand Generation's Mall", the third case for AEON Retail
- ✓ Improvement in property competitiveness through introduction of competitive specialty stores including UNIQLO, MUJI, Seria etc.

Improving portfolio quality while maintaining profitability

1 Achieving improvement in portfolio quality

Asset type diversification (based on appraisal value)

Increased number of urban properties

Feb. 2013 Period (22nd)

As of Oct. 14, 2014

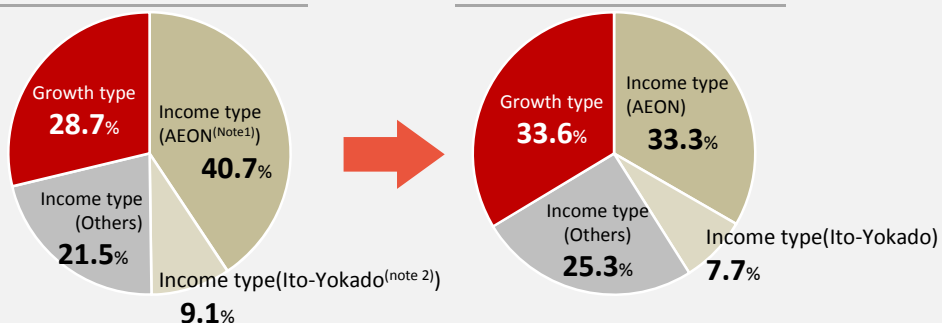


Tenant diversification (based on annual rent)

Increased proportion of growth type properties

Feb. 2013 Period (22nd)

As of Oct. 14, 2014



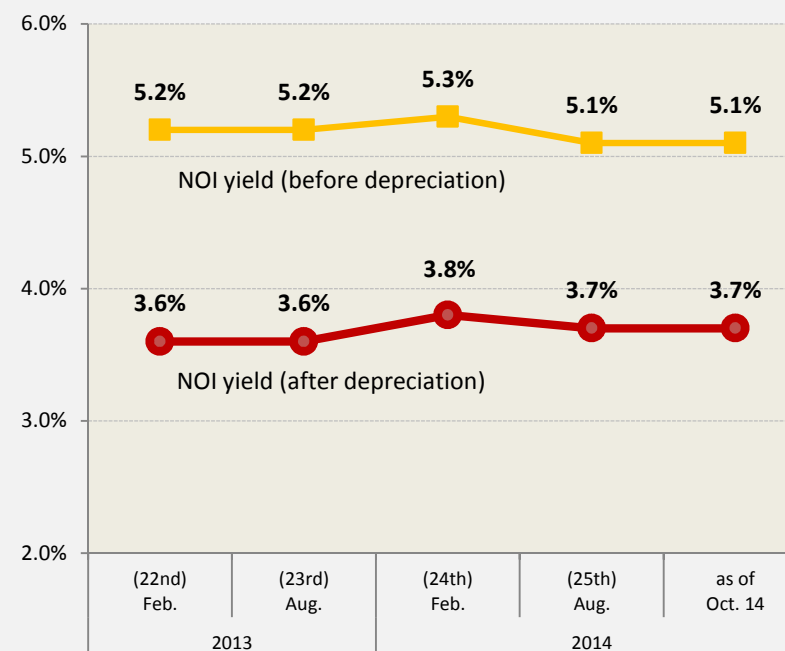
(Note 1) "AEON" refers to the total annual rent of AEON Retail, AEON MALL, AEON Kyushu, AEON Ryukyu and AEON TOWN which lease our properties as a master lease tenant in Income properties.

(Note 2) "Ito-Yokado" refers to the total annual rent of Ito-Yokado which leases our properties as a master lease tenant in Income properties.

2 Maintaining portfolio profitability

NOI yield trend

Maintained portfolio profitability



Implementation of Financing Strategy (1)

Further strengthening financial base

■ Measures for improving financial stability

1 Diversification of funding sources

Continuous issuance of corporate bonds

Dec. 2013 and Jun. 2014

Series 7 of Unsecured Corporate Bonds

Issue date	Dec. 18, 2013
Issue amount	7.5 billion JPY
Term	10 years
Interest	1.108%

Series 8 of Unsecured Corporate Bonds

Issue date	Jun. 26, 2014
Issue amount	8.0 billion JPY
Term	12 years
Interest	1.260%

2 Securing flexible funding sources

Introduction of long-term commitment line

Sep. 2014

Amended a 15.0 billion JPY portion of the previous short-term 50.0 billion JPY commitment line agreement with a long-term commitment line agreement

Commitment line total **50.0** billion JPY

Long-term
Commitment line

15.0 billion JPY

3 years

up to **5** years

Validity of
agreement

Borrowing
period

Short-term
Commitment line

35.0 billion JPY

1 year

up to **1** year

3 Improving fixed interest rate ratio

Introduction of fixed interest rate to floating rate debt

Oct. 2014

Introduced fixed interest rate to existing floating rate borrowings with relatively longer remaining period to maturity while carefully observing interest rate trend and controlling overall debt cost level

■ Existing borrowings of which interest rate is newly fixed

Total amount	9.0 billion JPY
Average loan term remaining until maturity	7.6 years

■ Improvement in fixed interest rate ratio

Before

74.6%

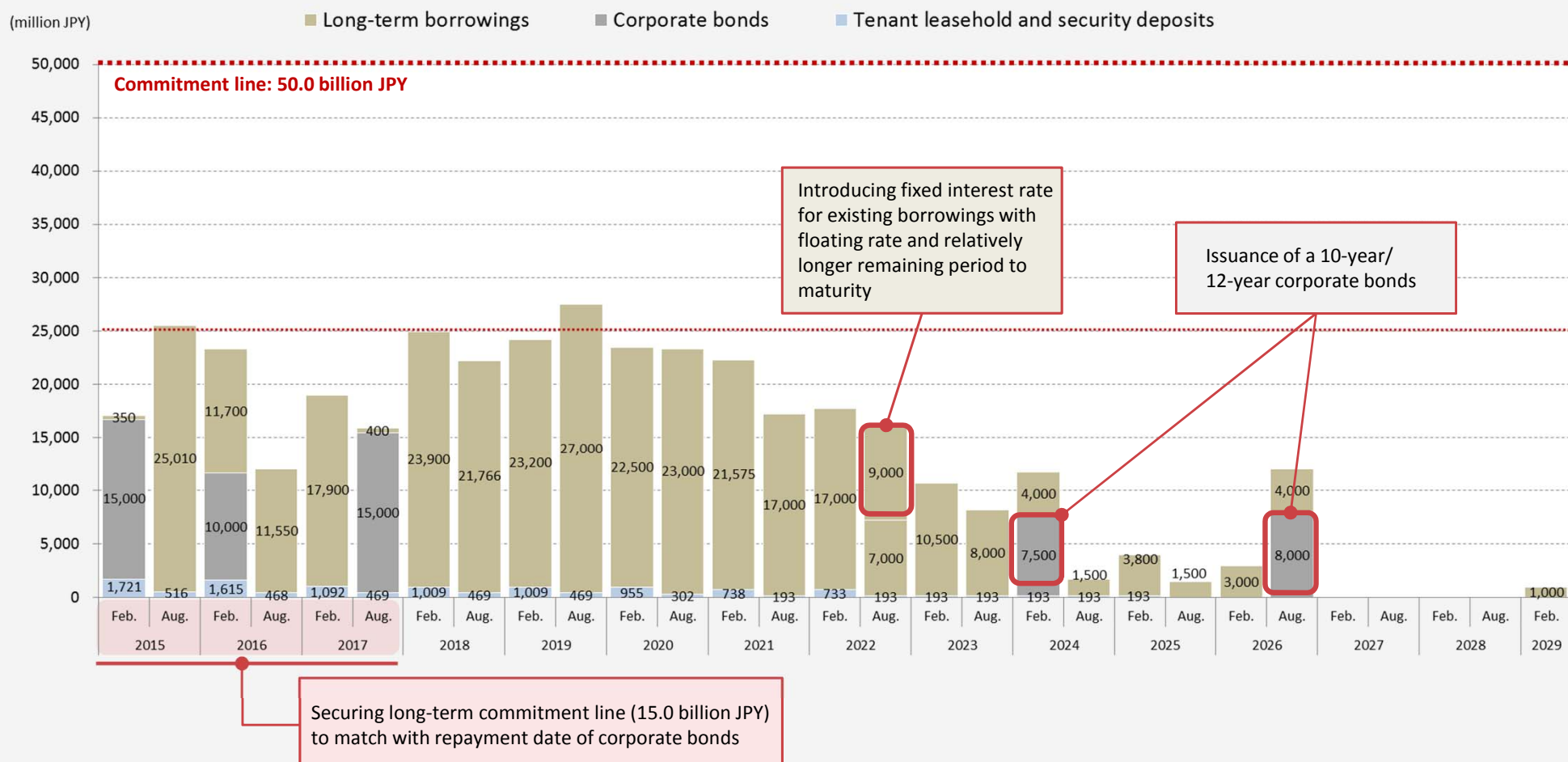
+ 2.1pt.

After

76.7%

Diversification of maturity dates and leveling of repayment amount

Maturity ladder (as of Oct. 14, 2014)



JAPAN RETAIL FUND

3. SC Management Capabilities as Our Core Value

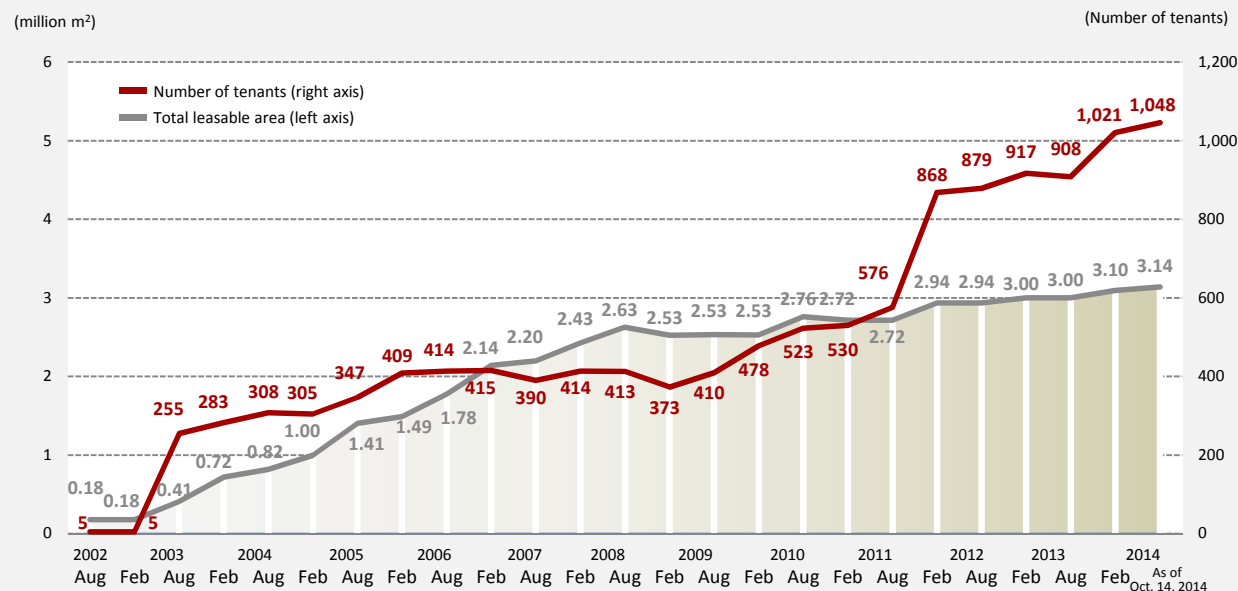
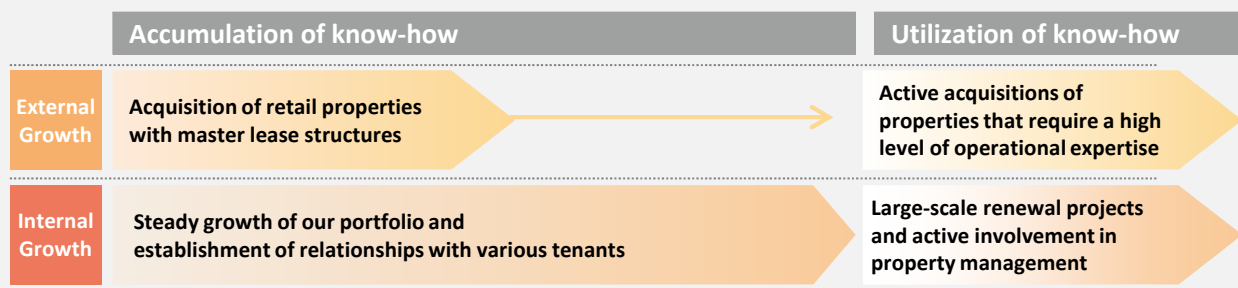


Oyama Yuen Harvest Walk

Expanding our SC Management Platform

Expansion of internal growth opportunities

Expansion of SC Management platform and portfolio shift



Expansion of growth type properties (Based on annual rent)

Feb. 2011 Period (19th)

As of Oct. 14, 2014

27.9%

+ 5.7pt.

33.6%

Expansion of direct lease properties (Based on annual rent)

Feb. 2011 Period (19th)

As of Oct. 14, 2014

19.5%

+ 20.3pt.

39.8%

Increase in new style (fixed-term) lease contract (Based on annual rent)

Feb. 2011 Period (19th)

As of Oct. 14, 2014

47.1%

+ 8.5pt.

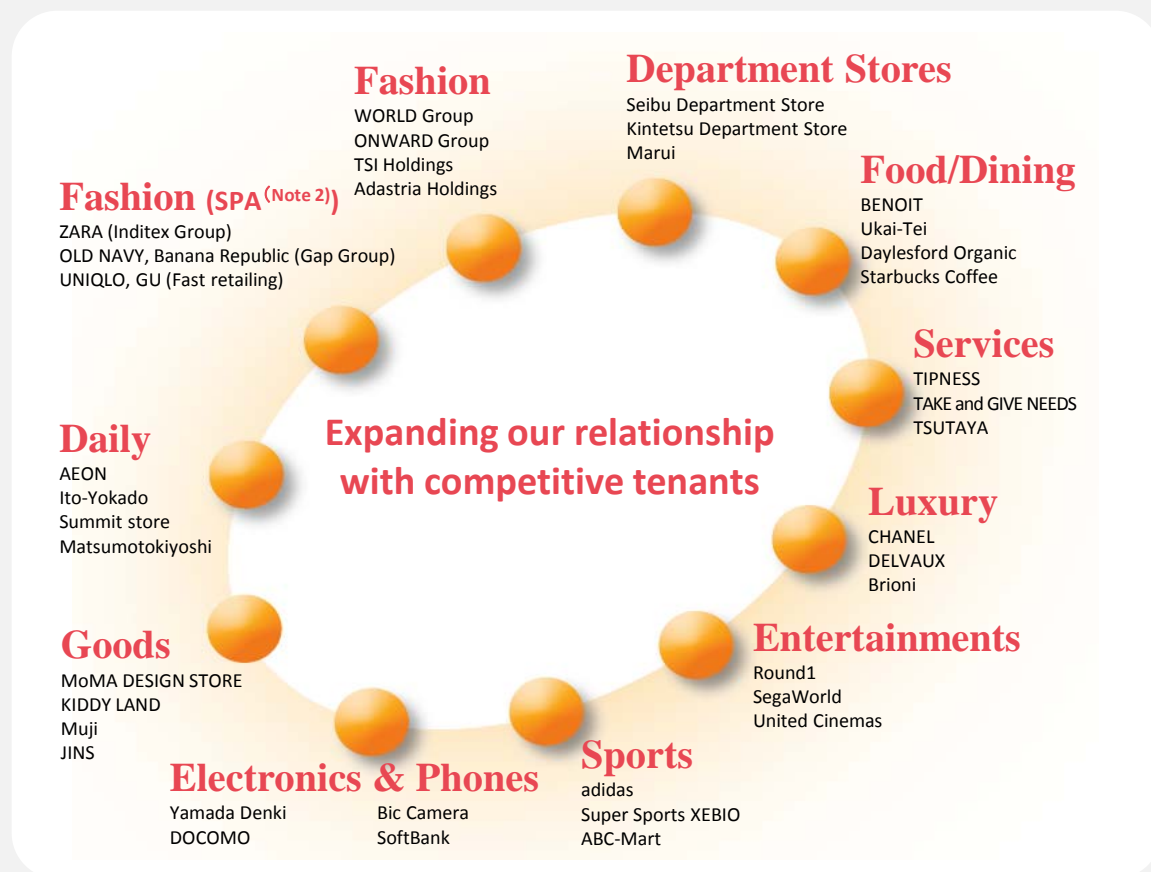
55.6%

Expanding our relationships with competitive tenants

Enhancing portfolio diversification and strengthening SC Management capabilities

Relationships with competitive tenants which are capable of meeting increasing diversifying consumer needs

Example of tenants in our portfolio (Note 1)



Newly incorporated competitive tenants through recent acquisitions



Acquired in Oct. 2014

A flagship store in Japan of DFS Group, a leading global operator of duty-free shops

Property	DFS T GALLERIA OKINAWA
Tenant	DFS OKINAWA



Acquired in Oct. 2014

Second store in Japan and the first store in Kanto area of Swedish fast fashion brand, MONKI

Property	CUTE CUBE HARAJUKU
Tenant	MONKI



Acquired in Mar. 2014

This property houses store and office of BAYCREW's, which operates multiple stores such as specialty stores and cafes around this area

Property	G-Bldg. Shibuya 01
Tenant	BAYCREW'S

(Note1) Including end-tenants under master lease structure and tenants renting store spaces from trustees

(Note2) "SPA":Speciality store retailer of Private label Apparel

Future Internal Growth Projects

Accelerating internal growth by leveraging our SC Management capabilities

Future internal growth programs

Oyama Yuen Harvest Walk (1st Project)

Establish a solid position as the best shopping mall in the local community through large scale renewal project

- ✓ Additional investment in new building construction and extension
- ✓ Introducing environmentally friendly design
- ✓ Tenant replacement
- ✓ Opening in Spring 2014



G-Bldg. Kichijoji 01

- ✓ Tenant replacement
- ✓ Opening scheduled in Spring 2015

mozo wonder city (1st Project)

Large-scale renewal project aimed at improving its position as a retail property

- ✓ Leasing contracts (fixed term lease) with approx. 200 specialty stores (leased area of 40,000m2) to be terminated in 2015
- ✓ Large scale tenant replacement
- ✓ Opening scheduled in Autumn 2015



Kishiwada CanCan Bayside Mall

Large-scale renewal project aimed at improving property competitiveness

- ✓ Renewal of property image
- ✓ Tenant replacement
- ✓ Opening scheduled in Spring 2016

Nara Family

Moving towards high-grade urban SC through a large-scale renewal project

- ✓ Anchor tenant to be partially converted to specialty store
- ✓ Restructuring of tenant mix
- ✓ Opening scheduled in Spring 2016



Bic Camera Tachikawa

Seek for upside by taking opportunity of lease term termination

- ✓ Leasing contract (fixed term lease) to be terminated in 2015
- ✓ Anti-seismic reinforcement to be implemented
- ✓ Negotiating with some competitive potential tenants

KAMISHIN PLAZA

Seek for improvement of ability to attract customers

- ✓ Leasing contract with tenants to be terminated in Winter 2015
- ✓ Full renewal of basement floor
- ✓ Opening scheduled in Spring 2016



mozo wonder city (2nd Project)

<to be scheduled in 2018>

KAWASAKI Le FRONT

<Date to be decided>

Renewal leveraging its overwhelming potential as retail property

- ✓ Strengthening daily use
- ✓ Inviting large anchor tenants, etc.



Oyama Yuen Harvest Walk (2nd Project)

<to be scheduled in 2017>

G-Bldg. Jiyugaoka 01 (Colline)

<Date to be decided>

Renewal due to aging of the property



2014

2015

2016

2017 and onwards

Today

(Note) The future plans above have not been decided as of Oct.2014. Please be sure that these plans described here may change or cease without any notice.

JAPAN RETAIL FUND

4. Financial Results and Forecasts



Newly acquired property
G-Bldg. Omotesando 02

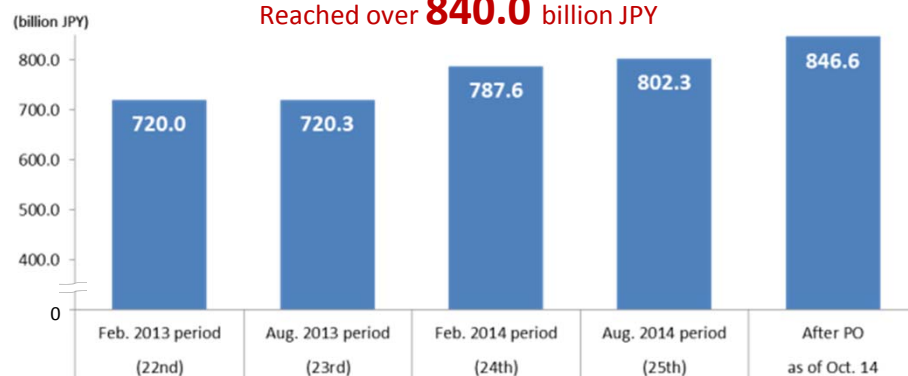
Business Results

Steady increase in unitholder value (DPU and NAV per unit)

Asset size

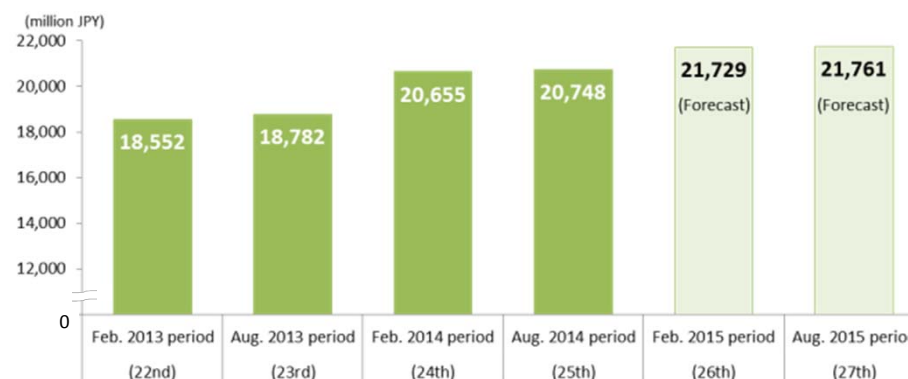
18% increase in 2 years

Reached over **840.0** billion JPY



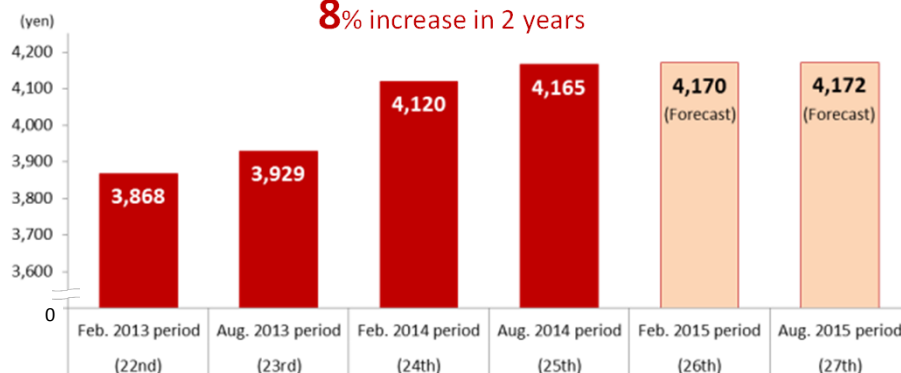
Rent NOI

12% increase in 2 years



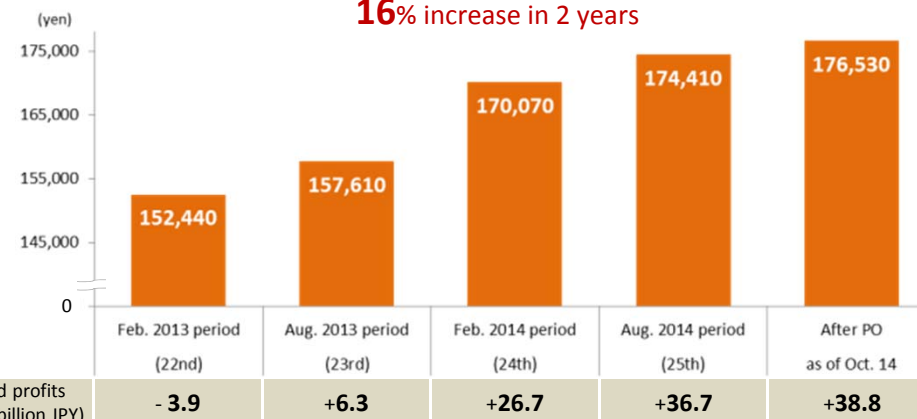
Distributions per unit

8% increase in 2 years



NAV per unit

16% increase in 2 years



Unrealized profits and losses (billion JPY)	- 3.9	+6.3	+26.7	+36.7	+38.8
---	-------	------	-------	-------	-------

Period-end NAV: (Net asset value + unrealized profits and losses of the properties in our portfolio, as of the end of each fiscal period) / (the number of units outstanding as of the end of each fiscal period)

NAV after PO: (Net asset value + unrealized profits and losses of the properties in our portfolio, as of the end of Aug. 2014 period—unrealized profits and losses of a sold property + unrealized profits and losses of 5 newly acquired properties) / (the number of units outstanding as of Aug 2014 + new issuance of 122,000 units by PO in 2014, assuming that the over allotment options are exercised in full.)

August 2014 Period (25th) P/L Performance

	Feb. 2014 Period (24th) (Actual)	Aug. 2014 Period (25th) (Actual)	Change	Sep. 4, 2014 (Revisions of Forecast)	Change
Operating revenue	29,083	29,562	+ 479	29,570	- 7
Operating expenses	16,966	17,339	+ 372	—	—
(Rent NOI)	20,655	20,748	+ 92	—	—
Operating income	12,116	12,223	+ 106	12,032	+ 191
Non-operating revenue	7	6	- 1	—	—
Non-operating expenses	2,535	2,615	+ 80	—	—
Ordinary income	9,588	9,613	+ 25	9,530	+ 83
Net income	9,614	9,613	+ 0	9,530	+ 83
Reserves for dividends	103	—	- 103	—	—
Total distribution	9,509	9,613	+ 103	—	—
Units outstanding	2,308,198 units	2,308,198 units	—	2,308,198 units	—
DPU	4,120 yen	4,165 yen	+ 45 yen	4,129 yen	+ 36 yen
FFO per unit (Note2)	6,710 yen	6,695 yen	- 15 yen	6,663 yen	+ 32 yen
FFO pay out ratio	61.4 %	62.2 %	—	62.0 %	—
Capital expenditures	1,768	2,887	+ 1,119	3,025	- 137
Repair expenses	188	217	+ 28	214	+ 2
Total	1,956	3,105	+ 1,148	3,240	- 134
Depreciation	5,926	5,888	- 37	5,897	- 8

(Note 1) Million JPY unless otherwise noted.

(Note 2) (Net income + loss on sale of real estate, etc. - gain on sale of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding
Net income used in calculation of FFO for the Feb. 2014 period (24th) and Aug. 2014 period (25th) does not include income taxes.

Change in DPU forecast for Aug. 2014 period (25th)



Major factors behind change during Aug 2014 (25th) period (compared to previous period)

(million JPY)

Operating Revenues	+479
✓ Contribution, in full, of rent revenue of properties acquired through PO in 2013	+658
✓ Property replacement (rent revenue of properties sold -482, rent revenue of properties acquired +429)	-53
✓ Existing properties (decrease in penalty charges -157, revenue-based rent and downtime due to property replacement -147, utility charges received +108, tenant contributions and other revenues +69)	-126
Operating Expenses	+372
✓ Contribution, in full, of expenses associated with properties acquired through PO in 2013 (of which, property taxes expensed +246)	+575
✓ Property replacement (expense of properties sold -313, expenses of properties acquired +57)	-256
✓ Existing properties (loss on disposals of fixed assets -164, utilities +146)	-15
✓ Asset management fee	+62
Operating Income	+106
✓ Increase in interest payments due to new borrowings and issuance of corporate bond, etc.	+75
Ordinary Income	+25
✓ Decrease in income taxes (profit)	+25
Net income	+0

Major factors behind change during Aug 2014 (25th) period (compared to the revised forecast as of Sep. 4)

(million JPY)

Operating Revenues	-7
✓ Decrease in revenue-based rent	-10
Operating Expenses	-89
✓ Decrease in facility management fees	-40
✓ Decrease in utilities payments	-40
Operating Income	+82
Ordinary Income	+83
Net Income	+83

August 2014 period (25th) B/S Performance

	Feb. 2014 Period (24th) (Actual)	Aug. 2014 Period (25th) (Actual)	Change
Total assets (1)	777,706	785,442	+ 7,736
Total liabilities	411,866	419,563	+ 7,697
Interest-bearing liability (2)	342,251	347,001	+ 4,750
Tenant leasehold and security deposits (3)	61,153	61,095	- 57
Net assets	365,840	365,878	+ 38
LTV ((2)+(3)) / (1)	51.9 %	52.0 %	+ 0.1 points
LTV (2) / (1)	44.0 %	44.2 %	+ 0.2 points
Long-term borrowings ratio	100.0 %	100.0 %	—
Fixed interest rate ratio	74.4 %	73.7 %	- 0.7 points
Average debt cost	1.39 %	1.40 %	+ 0.01 points
Number of properties	81 properties	84 properties	+ 3 properties
Aggregate acquisition price	787,686	802,395	+ 14,708
Unrealized profits and losses	+ 26,714	+ 36,700	+ 9,986
Book value	742,642	755,736	+ 13,093
Appraisal value	769,357	792,437	+ 23,080
Reserve for dividends (Negative goodwill)	2,326	2,430	+ 103

■ Major factors behind change during Aug 2014 (25th) period (compared to previous period)

(million JPY)

Total Assets	+7,736
✓ Increase due to property replacement	+16,207
✓ Decrease in cash and bank deposits	-4,589
✓ Depreciation	-5,888
✓ Capital expenditures	+2,887
Total Liabilities	+7,697
✓ New long-term borrowings in connection with property replacement	+5,500
✓ Repayment of borrowings	- 8,750
✓ Issuance of corporate bonds	+8,000
✓ Increase in deposits received	+1,613
✓ Consumption tax payable etc.	+946
Net Assets	+38
✓ Increase in reserve for dividends	+103
✓ Deferred gains and losses on hedges	-65

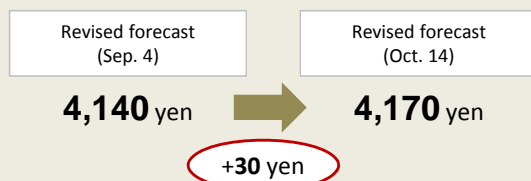
P/L Forecasts for the coming two periods

	Aug. 2014 Period (25th) (Actual)	Feb. 2015 Period (26th) (Forecast)	Change	Aug. 2015 Period (27th) (Forecast)	Change
Operating revenue	29,562	30,695	+ 1,132	30,811	+ 115
(Rent NOI)	20,748	21,729	+ 981	21,761	+ 32
Operating income	12,223	12,793	+ 569	12,745	- 48
Ordinary income	9,613	10,148	+ 534	10,138	- 9
Net income	9,613	10,133	+ 519	10,138	+ 4
Total distribution	9,613	10,133	+ 520	10,138	+ 4
Units outstanding	2,308,198 units	2,430,198 units	+ 122,000	2,430,198 units	—
DPU	4,165 yen	4,170 yen	+ 5 yen	4,172 yen	+ 2 yen
FFO per unit (Note2)	6,695 yen	6,698 yen	+ 3 yen	6,716 yen	+ 18 yen
FFO pay out ratio	62.2 %	62.3 %	—	62.1 %	—
Capital expenditures	2,887	2,856	- 31	4,458	+ 1,602
Repair expenses	217	265	+ 47	188	- 77
Total	3,105	3,121	+ 15	4,647	+ 1,525
Depreciation	5,888	6,144	+ 255	6,183	+ 38

(Note 1) Million JPY unless otherwise noted.

(Note 2) (Net income + loss on sale of real estate, etc. - gain on sale of real estate, etc. + depreciation + other real estate related depreciation) / total units outstanding
Net income used in calculation of FFO for the Feb. 2014 period (24th) and Aug. 2014 period (25th) does not include income taxes.

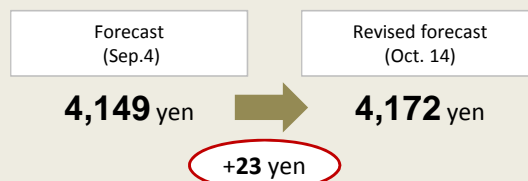
Change in distribution forecast for Feb. 2015 period (26th)



Major factor

- ✓ Reduction in PM fee: +27 million JPY
- ✓ Decrease in depreciation: +12 million JPY
- ✓ Decrease in interest payments: +11 million JPY

Change in DPU forecast for Aug. 2015 period (27th)



Major factors

- ✓ Increase in rent revenue of existing properties (leasing of vacant space etc.): +75 million JPY
- ✓ Increase in depreciation: -39 million JPY
- ✓ Decrease in interest payments: +17 million JPY

Major factors behind change during Feb 2015 (26th) period (compared to actual results of Aug 2014 (25th) period)		(million JPY)
Operating Revenues		+1,132
✓ Rent revenue of properties acquired through PO in 2014		+1,434
✓ Existing properties (adjustment due to lease renewal -85, leasing of vacant space +103, penalty charge -73, utility charges received -77, tenant contributions and other revenues -117)		-256
✓ Absence of gains on property disposition		-46
Operating Expenses		+563
✓ Expenses associated with properties acquired through PO in 2014		+575
✓ Existing properties (loss on disposals of fixed assets -32, utility charges -109)		-120
✓ Increase in asset management fee due to PO etc.		+88
Operating Income		+569
✓ Increase in interest payments		+32
Ordinary Income		+534
✓ Deferred income taxes (expense)		+14
Net income		+519

Major factors behind change during Aug 2015 (27th) period (compared to forecast for Feb 2015 (26th) period)		(million JPY)
Operating Revenues		+115
✓ Contribution, in full, of rent revenue of properties acquired through PO in 2014		+204
✓ Existing properties (adjustment due to lease renewal -116, downtime associated with renewal project in mozo -85, leasing of vacant space +61, utility charges received +104, other revenues -44)		-88
Operating Revenues		+163
✓ Contribution, in full, of expenses associated with properties acquired through PO in 2014		+206
✓ Existing properties (utility charges +140, loss on disposals of fixed assets -39, PM fee -73, repair -78)		-84
✓ Increase in asset management fee		+46
Operating Income		-48
✓ Increase in interest payments		+10
✓ Expiration of amortization of upfront fee associated with borrowings		-52
Ordinary Income		-9
✓ Absence of deferred income taxes (expense)		-14
Net Income		+4

JAPAN RETAIL FUND

5. JRF's Sustainability Management



mozo wonder city

Proactively engages in various measures for maintaining the sustainability of the environment and the society as a whole with the Asset Manager

Basic policy

JRF shares the same concept of sustainability with the Asset Manager and implement various measures together. We established new policies and measures for sustainability in June 2013 and signed declarations adopting the following two principles.

- United Nation's Principles for Responsible Investment (PRI)

Signatory of:



- The Principles for Financial Action towards a Sustainable Society endorsed by Japanese Ministry of Environment (Principles for Financial Action for the 21st Century)

Communication with stakeholders



Recognition from third parties

JRF participates in GRESB (Global Real Estate Sustainability Benchmark) and is designated as a "Green Talk" company.



Activities for minimizing environmental load and conserving the environment



AEON MALL
Itami

- Installation of solar panels



mozo
wonder city

- Adding greenery to the exterior



- Adding greenery
- Restoration of rain water to aquifers through such measures as a permeable pavement

Oyama Yuen
Harvest Walk

Creation of public spaces



- Expansion of recreation space

Disclaimer

- The contents of this document, including summary notes, quotes, data and other information, are provided solely for informational purposes and not intended for the purpose of soliciting investment in, or as a recommendation to purchase or sell, any specific products. Please be aware that matters described herein may change or cease to exist without prior notice of any kind. This document contains forward-looking statements and anticipations of future results, based on current assumptions and beliefs in light of currently available information and resources. Risks and uncertainties, both known and unknown, including those relating to the future performance of the retail market in Japan, interest rate fluctuations, competitive scenarios, and changing regulations or taxations, may cause performance to be materially different from those explicitly or implicitly expressed in this document. With respect to any and all terms herein, including without limitation, this document, the information provided is intended to be thorough. However, no absolute assurance or warranties are given with respect to the accuracy or completeness thereof.
- Unless otherwise specified, this document was created based on Japanese accounting system.
- Neither JRF nor Mitsubishi Corp.-UBS Realty Inc. (MCUBSR) shall be liable for any errors, inaccuracies, loss or damage, or for any actions taken in reliance thereon, or undertake any obligation to publicly update the information contained in this document after the date of this document.

Asset Management Company:

Mitsubishi Corp.-UBS Realty Inc.

(Financial Instrument Firm under License No. 403 of the Director of Kanto Local Finance Bureau)



Newly acquired property
CUTE CUBE HARAJUKU