

Translation

**JAPAN RETAIL FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED FEBRUARY 28, 2015**

April 13, 2015

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 25, 2015
Scheduled date for distributions payment:	May 19, 2015
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, 2015 (September 1, 2014 to February 28, 2015)

(1) Operating results

(Percentages show period-on-period changes)

	Operating revenues		Operating income		Ordinary income		Net income	
For the six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 28, 2015	31,399	6.2	13,692	12.0	11,061	15.1	10,658	10.9
August 31, 2014	29,562	1.6	12,223	0.9	9,613	0.3	9,613	-0.0

	Net income per unit		Return on net assets		Ratio of ordinary income to total assets		Ratio of ordinary income to operating revenues	
For the six months ended	Yen		%		%		%	
February 28, 2015	4,415		2.8		1.4		35.2	
August 31, 2014	4,165		2.6		1.2		32.5	

(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		
For the six months ended	Yen	Millions of yen	Yen	Millions of yen	%	%
February 28, 2015	4,180	10,158	0	0	95.3	2.6
August 31, 2014	4,165	9,613	0	0	100.0	2.6

Note : Payout ratio for the six months ended February 28, 2015 is calculated by following formula because new investment units were issued.

Payout ratio = Total of distributions ÷ Net income × 100

Total of distributions consist of retained earnings at the end of the period after transferring ¥502 million to reserve for reduction entry of property.

(3) Financial position

	Total assets	Net assets	Ratio of net assets to total assets	Net asset value per unit
As of	Millions of yen	Millions of yen	%	Yen
February 28, 2015	834,687	390,928	46.8	160,862
August 31, 2014	785,442	365,878	46.6	158,512

(4) Cash flows

	Net cash provided by (used in)			Cash and cash equivalents at end of period
	Operating activities	Investing activities	Financing activities	
For the six months ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 28, 2015	13,218	(47,941)	39,825	26,836
August 31, 2014	19,548	(19,280)	(4,812)	21,734

2. Outlook for the six months ending August 31, 2015 (March 1, 2015 to August 31, 2015) and February 29, 2016 (September 1, 2015 to February 29, 2016)

(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, 2015	30,613	-2.5	12,539	-8.4	9,952	-10.0	9,951	-6.6
February 29, 2016	30,763	0.5	12,518	-0.2	9,977	0.3	9,977	0.3

	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, 2015	4,095	4,180	0
February 29, 2016	4,105	4,180	0

Note: Distributions for the six months ending August 31, 2015 and February 29, 2016 include expected reversals of reserve for reduction entry of property totaling ¥206 million and ¥181 million, respectively.

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, 2015 2,430,198 units

As of August 31, 2014 2,308,198 units

Number of treasury units at end of period:

As of February 28, 2015 0 units

As of August 31, 2014 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 29.

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 10-13.

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 17, 2014), 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 17, 2014), 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”) was 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 real estate assets. It was listed on the Real Estate Investment Trust (“REIT”) Section of the Tokyo Stock Exchange (securities code: 8953) on March 12, 2002.

In the fiscal period ended February 28, 2015, the 13th year after its listing, JRF issued new investment units in October 2014 for the fourth consecutive year. Combining the proceeds from this issuance with the funds obtained through borrowings, JRF acquired five properties for a total acquisition price of 44.2 billion yen. Also, in line with its asset replacement strategy, JRF disposed of a 30% ownership of trust beneficiary interest in a property for a total sales price of 4.9 billion yen in December 2014, and using the proceeds from the disposition, acquired one property for an acquisition price of 1.9 billion yen in December 2014 and additional co-ownership interest of an existing property for an acquisition price of 1.7 billion yen in January 2015, respectively.

As a result, the total assets managed by JRF as at the end of the 26th fiscal period (February 28, 2015) amounted to 845.6 billion yen (the total acquisition price for 88 properties), and JRF is 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)

GDP in real terms for the fourth quarter of 2014 rose by 0.4% from the previous quarter, registering a positive year-on-year growth for the first time in three quarters to indicate signs of recovery from the backlash in demand in response to the last-minute demand surge before the consumption tax increase. According to the Economic Watchers Survey, the DI for the current economic conditions, which shows business confidence among consumers, rose by 4.5 points in February 2015 from the previous month to 50.1, for the third consecutive month of increase. The figure went above 50, indicating a levelling-off, for the first time in seven months, showing that business confidence is improving.

Crude oil prices started plummeting from the middle of 2014, while the yen weakened against the dollar, leading to the rise in prices mainly of imports as was reported in the media. As a result, the core consumer price index excluding fresh food was 102.6 in January 2015 (2010 average = 100) to register an increase by 2.2% from the same month of the previous year. The fact that macroeconomic trends are improving and inflation expectations of businesses and households have been maintained is underpinning the view that the underlying upward trend in prices will remain unchanged.

Looking at the wage index, which significantly affects consumption trends, the aggregate amount of cash salaries for January 2015, according to the Monthly Labor Survey, rose by 1.3% from the same month of the previous year, for the 11th consecutive month of increase. On the other hand, real wages dropped by 1.5% from the same month of the previous year to mark the 19th consecutive month of decrease, but the rate of decline has been decreasing for three consecutive months. In 2015, the negative effects of the consumption tax increase are forecast to shed and some companies are expected to give wage increases higher than the raises they offered last year, raising expectations for real wages to increase in future.

(Trends in the retail sector)

According to the Current Survey of Commerce released by the Ministry of Economy, Trade and Industry, retail sales decreased by 2.0% in January 2015 from the same period of the previous year, after marking a positive year-on-year growth from July to December 2014. Supermarket sales fell by 0.8% in February 2015 from a year earlier on a same-store basis, indicating a backlash in demand in response to the last-minute surge in demand that occurred before the consumption tax hike in April last year. On the other hand, department store sales rose by 1.1% in February from a year earlier on a same-store basis, marking an increase for the first time in 11 months. Although there are some signs of pick-up in consumption, retail sales are expected to remain sensitive to consumer sentiment. There was a change in the consumption tax exemption system for foreign tourists in October 2014, and consumable goods were newly added to the list of items exempt from the consumption tax. Although consumption by foreign tourists (inbound demand) is limited to urban areas at this time, we will pay close attention to the future trends of inbound demand, which will be affected by the weaker yen trend and the relaxation of visa requirements.

(Trends in the real estate sector)

The real estate market was very strong in 2014, with the total price of commercial properties acquired by J-REITs alone exceeding 1,600 billion yen. The market remains buoyant in 2015 thanks to favorable fund procurement conditions, and competition among J-REITs, private placement funds and others for acquiring commercial properties, mainly in urban areas, has been increasing. As a result, cap rate levels (see Note) at the time of acquisition have been on a declining trend. According to the land prices as of 2014 published by the Ministry of Land, Infrastructure, Transport and Tourism in March 2015, commercial land prices began to increase on average for both residential and commercial areas in the three major metropolitan areas. Although land prices on a national level are on a declining trend, the rate of decrease is falling for both residential and commercial areas. The percentage of surveyed locations which saw their land prices grow is rising, and land

prices of about two-thirds of surveyed locations in commercial areas in the three major metropolitan areas increased from the previous year.

Note: “Cap rate” is same as NOI yield, which is calculated by dividing NOI by the (estimated) acquisition price.

(2) Results

Under the circumstances described above, JRF newly acquired three properties, namely DFS T GALLERIA OKINAWA, CUTE CUBE HARAJUKU and m-city Toyonaka, on October 1, 2014, using the proceeds from the issuance of new investment units in September 2014 and new borrowings. As for G-Bldg. Omotesando 02 and mozo wonder city, which are properties under management, JRF acquired 15% and 20%, respectively, of their co-ownership interest of real estate trust beneficiary rights on October 1, in an effort to expand its asset size and improving the quality and profitability of its portfolio. As part of JRF’s efforts for asset replacement, which it regards as one of its external growth strategies, JRF disposed of 30% of its co-ownership interest of real estate trust beneficiary rights in AEON MALL Kobe Kita on December 5, 2014. In addition, JRF acquired G-Bldg. Nagoya Sakae 01 on December 26, 2014, and 50% of co-ownership interest of real estate trust beneficiary rights of G-Bldg. Kichijoji 01 on January 30, 2015. In the next fiscal period (the six months ending August 31, 2015), JRF acquired Edion Kyobashi (land with leasehold interest) by using borrowings and its own funds. The occupancy rate of the properties owned by JRF as at the end of the fiscal period was stably maintained. The occupancy rate for 30 urban retail properties remained high at 98.8% together with 99.9% occupancy rate maintained for 52 suburban retail properties.

As a result of the above, the total assets managed by JRF at the end of the fiscal period came to 88 properties with a total value of 845.6 billion yen on an acquisition price basis and 847.6 billion yen on an appraisal value basis. The total leasable area was 3,144,932.25 m² with the total number of tenants standing at 1,040, and the occupancy rate of the overall portfolio was 99.8%.

As for unrealized losses/gains of the overall portfolio at the end of the fiscal period (Note), unrealized gains increased by 14.1 billion yen from the end of the previous fiscal period to 50.8 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 urban areas in regions outside of Tokyo, combined with depreciation.

Note: “Unrealized losses/gains” is the difference between the appraisal value or survey value, and book value of the overall portfolio or individual property.

iii. Funding

In order to acquire five new properties (with a total acquisition price of 46.7 billion yen; see Note 1), JRF procured a total of 24.3 billion yen by issuing new investment units (119,500 units) through the public offering in September 2014 for the fourth consecutive year and the issuance of new investment units through a third-party allotment (2,500 units) in October. In addition, JRF raised a total of 26.0 billion yen in long-term borrowings on October 1, 2014.

In order to diversify lenders, JRF raised 1.2 billion yen as long-term borrowings from Japan Post Life

Insurance Co., Ltd. and others on February 2, 2015 and used the funds to repay the existing long-term borrowings of 1.2 billion yen before maturity.

On February 5, 2015, JRF raised a total of 8 billion yen as long-term borrowings and issued long-term corporate bonds (10-year bonds) in the amount of 7 billion yen in order to use the funds for redemption of the 2nd Unsecured Investment Corporation Bonds totaling 15 billion yen.

In addition, JRF concluded interest rate swap agreements for a total of 9 billion yen on October 14, 2014 and for a total of 70,075 million yen on January 30, 2015 of the existing long-term borrowings with variable interest rates, for the purpose of avoiding the risk of rising interest rates.

As a result, JRF's interest-bearing borrowings outstanding at the end of the fiscal period amounted to 372.3 billion yen, consisting of 324.8 billion yen of long-term borrowings and 47.5 billion yen of investment corporation bonds.

Consequently, the ratio of long-term borrowings, the ratio of fixed interest rates of borrowings (Note 2), and LTV (Note 3) were 100%, 92.8%, and 51.9%, respectively, at the end of the fiscal period.

Note 1: Includes the expected acquisition price of 2,470 million yen for the anticipated acquisition of DFS T GALLERIA OKINAWA on January 15, 2016.

Note 2: The ratio of fixed interest rates of borrowings is calculated by dividing the total of fixed-rate debt (including debt issued under an interest rate swap agreement), investment corporation bonds and tenant leasehold and security deposits (including those in trust) by the total of interest-bearing debt and tenant leasehold and security deposits (including those in trust).

Note 3: LTV is calculated by dividing the total of interest-bearing debt and tenant leasehold and security deposits (including those in trust) by total assets.

iv. Results and distributions

As a result of the above management actions, the operating revenue for the period was 31,399 million yen, and operating income was 13,692 million yen after deducting operating expenses such as fixed property tax and asset management fees. Ordinary income was 11,061 million yen, and net income was 10,658 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 cash distributions amounted to 10,158 million yen, by deducting the provision for reserve for advanced depreciation pursuant to Article 66-2 of the Act on Special Measures Concerning Taxation, from unappropriated retained earnings for the fiscal period of 10,660 million yen. As a result, distribution per unit amounted to 4,180 yen for the six months ended February 28, 2015.

B. Outlook of next period

i. Outlook of overall operation

As for the outlook of economic trends, there are signs of recovery in consumer sentiment from the slump in personal consumption following the consumption tax increase implemented in April 2014. In the meantime, JRF needs to continue assessing the medium and long-term overall consumption trends, with a focus on the trends of real wages, and macroeconomic trends, in view of the prolonged effects of the temporary rise in demand and the backlash from such surge in demand around the time of the consumption tax hike.

Regarding the earnings of leading retailers that are also tenants of retail properties owned by JRF, the gap between successful companies and unsuccessful ones is widening and some of them are in difficult financial condition as can be seen from recent announcements of their financial results. JRF will continue to pay close attention to their earnings results.

As for the leasing environment of retail properties, earnings of retailers are generally robust and consumption is remaining relatively strong mainly for big-ticket items due to the polarization of consumption. In addition, inbound demand is strong. Therefore, JRF believes that the market environment is starting to show improvement in lease terms mainly in urban areas. In the meantime, competition is increasing among retail properties in suburban areas, and JRF will keep a close watch on the competitive environment of retail properties and the supply and demand conditions for opening specialty stores.

ii. Issues to be addressed

JRF's asset size (total acquisition costs) is ranked third in the entire J-REIT market at the end of February 2015, and ranked first among J-REITs specializing in retail properties. JRF has distinctive features in its investment portfolio targeting retail properties that belong to a variety of industries and business categories, including largest-class regional suburban retail properties generating solid sales in major cities across Japan and roadside shops and specialty buildings in good locations that are let out to tenants such as luxury brand shops.

When investing in retail properties, JRF considers it important to accurately assess changes in medium- and long-term population movements and consumer trends and to acquire properties by carefully examining locations, industries to which tenants belong and also business conditions of retail properties from longer perspectives. Accordingly, JRF's flexible asset allocation is considered to be a competitive advantage as a J-REIT specializing in retail properties.

In order to maintain and increase the long-term competitiveness of retail properties it has acquired, JRF considers it necessary to select tenants and develop business categories appropriately in the constantly-changing commercial / retail industry. JRF has taken active measures to raise the competitiveness of retail properties by utilizing its SC management ability (Note) built based on its past management experiences. This SC management ability will be the foundation for JRF's external and internal growth.

From this standpoint, JRF is a J-REIT specializing in investing in overall retail properties that belong to a variety of industries and business categories in various regions, and its asset manager actively participates in the operations of these retail properties. In other words, JRF is considered to have built its unique position even in comparison with other domestic and foreign REITs.

JRF aims to grow further by ensuring stability supported by its distinguishing asset size as a J-REIT, diversified investment in retail properties belonging to a variety of industries and business categories and long-term lease contracts, and by pursuing both external and internal growth while controlling downside risks.

Note: "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.

(1) External growth strategy

JRF aims to further diversify and strengthen the profitability and stability of its portfolio by expanding its asset size through the acquisition of retail properties of various industries and business categories.

With regard to investment targets, JRF will carefully select prime real estate in the four categories of large-scale retail properties which are the largest class in their respective areas, retail properties in densely-populated areas, retail properties in favorable locations adjacent to major stations, and roadside shops and specialty buildings in good locations. In addition to investing in conventional general merchandise retailers in product sales comprising various specialty stores and strong core stores, JRF will also target retail properties with high customer attraction. 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. Based on the basic strategy described above, JRF will acquire properties in a flexible and timely manner, suitably adjusting to the changing market conditions.

As to the strategy for the acquisition of new properties, JRF, as one of the largest domestic buyers of retail properties, makes use of its diverse deal sources based on its own network, CRE (Corporate Real Estate) strategies and sponsor networks, and using bridge structures to apply the optimal investment methodology in acquiring prime properties in a timely manner.

JRF considers property replacements that take account of its portfolio's overall profitability, stability and diversification as one of its external growth strategies. In line with this strategy, JRF acquired a 30% ownership of an existing property (suburban retail property) and acquired two properties (both of which are urban retail properties and includes 50% co-ownership of an existing property) during this fiscal period to diversify and increase the profitability and stability of its portfolio.

JRF will continue to work on property replacements proactively with the aim of improving the quality and profitability of its portfolio by rebalancing the portfolio through diversification by type of retail properties, by type of tenants and by area.

(2) Internal growth strategy

JRF continues to actively conduct SC management, aiming to improve its asset value by maintaining and strengthening the competitiveness of retail properties amid changes in various market environments. JRF has also actively taken various measures to improve the medium-and long-term competitiveness of retail properties by establishing a necessary operational system for SC management, aiming to improve the profitability and stability of its portfolio.

JRF also conducts daily management of existing properties focusing on SC management measures, and formulates and implements action plans to maintain and improve asset values. For these purposes, JRF assesses tenants' business conditions, building and facility management at each property, competitive environments, changes in consumer trends, and other factors. Since JRF considers that action plans for improving asset values can be divided into measures for revenue improvement and those for revenue stability, it aims to improve both the profitability and stability of its portfolio by combining these two measures through

the management of the entire portfolio.

From the viewpoint of operating retail properties while being mindful of environmental and social responsibilities, JRF focuses on greening of facilities, energy conservation and reduction of CO2 emission. In the GRESB (Global Real Estate Sustainability Benchmark) Survey 2014 that evaluates the environmental responsiveness of real estate operators, JRF was designated as “Green Talk” company, which is the rating given to real estate operators making 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.

(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.

As a new measure for this fiscal period, JRF has established a long-term commitment line for the portion worth 15 billion yen of the existing commitment line of 50 billion yen (1-year commitment period). The commitment period for that portion is three years, and the borrowing period ranges from one month to five years.

In addition, JRF has concluded a commitment line agreement for the maximum amount of 10 billion yen on March 27, 2015. The commitment period is one year and the borrowing period ranges from one month to three years. Through these measures, JRF is seeking to further strengthen its financial base.

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

(4) Measures for ensuring delivery of stable distribution

JRF aims to ensure delivery of stable distribution over the long term by utilizing reserve for distribution, as well as provision for / reversal of reserves for advanced depreciation by applying the Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010.

iii. Earnings forecast

With regard to the asset management operation in the fiscal period ending August 31, 2015 (27th fiscal period), JRF expects to post operating revenue of 30,613 million yen, ordinary income of 9,952 million yen, and net income of 9,951 million yen with distribution per unit of 4,180 yen. Also, as to the asset management operation in the fiscal period ending February, 2016 (28th fiscal period), JRF expects to post an operating

revenue of 30,763 million yen, ordinary income of 9,977 million yen, and net income of 9,977 million yen with distribution per unit of 4,180 yen. Please refer to the “Assumptions underlying the Forecast of operation for the Fiscal period ending August 31, 2015 (27th Fiscal Period: March 1, 2015 to August 31, 2015) and the Fiscal Period Ending February, 2016 (28th Fiscal Period: September 1, 2015 to February 28, 2016)” on the following page for the assumptions of the forecast.

Note: The above forecasts are calculated based on current assumptions in light of currently available information and resources, and they are subject to change due to changes in the situation.

Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending August 31, 2015 (27th Fiscal Period: March 1, 2015 to August 31, 2015) and the Fiscal Period ending February 29, 2016 (28th Fiscal Period: September 1, 2015 to February 29, 2016)

Item	Assumptions
Accounting Period	<ul style="list-style-type: none"> - Fiscal period ending August 31, 2015 (27th fiscal period: March 1, 2015 to August 31, 2015) (184 days) - Fiscal period ending February 28, 2016 (28th fiscal period: September 1, 2015 to February 28, 2016) (182 days)
Assets owned	<ul style="list-style-type: none"> - The forecast was calculated based on 89 properties after acquiring one new property in the 27th fiscal period and a portion of underlying land of an existing property (Note) in addition to the 88 properties owned by JRF as of February 28, 2015. - This may change as we may acquire new properties or dispose of existing properties.
Issue of units	<ul style="list-style-type: none"> - The number of units issued at the end of the fiscal period is assumed as 2,430,198 units, and it is assumed that there will be no additional issuance of new investment units.
Interest-bearing debt	<ul style="list-style-type: none"> - Interest-bearing debts as of February 28, 2015 stood at 372,301 million yen. However, as a result of the loan agreements for the loan amount of 24,300 million yen that was concluded on February 20, 2015 and took effect on March 2, 2015, and the loan agreement for the loan amount of 5,500 million yen that was concluded on March 25, 2015 and executed on March 30, 2015; as well as the repayment of the loans in the amount of 24,310 million yen that had matured on March 1, 2015 and 350 million yen that had matured on March 30, 2015; the interest bearing debt as of the date of this document is 377,441 million yen, which is comprised of long-term borrowings in the amount of 329,941 million yen and investment corporation bonds in the amount of 47,500 million yen. - Out of the above interest-bearing debt outstanding as of the date of this document, 12,050 million yen in long-term debt and 10,000 million yen in investment corporation bonds will mature within the 27th and 28th fiscal periods. We assume that we will repay part of these debts with our own funds, and the remainder will be repaid through borrowings, etc.
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 and other relevant factors until the said date. - 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 2,938 million yen in the 27th fiscal period and 2,936 million yen in the 28th 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. We assume that taxes on property and equipment which are not listed as expenses for the said properties acquired will be 14 million yen in the 27th and 28th fiscal periods. - We assume that repair and maintenance will be 277 million yen in the 27th fiscal period and 495 million yen in the 28th fiscal period. - We assume that depreciation will be 6,123 million yen in the 27th fiscal period and 6,117 million yen in the 28th fiscal period. - We assume that property management fees will be 621 million yen in the 27th fiscal period and 674 million yen in the 28th fiscal period, and building maintenance fees will be 1,395 million yen in the 27th fiscal period and 1,425 million yen in the 28th fiscal period. - We assume that loss on retirement of non-current assets will be 192 million yen in the 27th fiscal period, due to the refurbishment of mozo wonder city and rebuilding of G-Bldg. Jiyugaoka 01 (Bldg B) (*), and that loss on retirement of non-current assets will be 71 million yen in the 28th fiscal period, due to the refurbishment of mozo wonder city and removal of the interior finishings of tenants in the Kishiwada CanCan Bayside Mall. (*) The name of G-Bldg. Jiyugaoka 01 NEXT was changed to G-Bldg. Jiyugaoka 01 Bldg A and that of G-Bldg. Jiyugaoka 01 Colline to G-Bldg. Jiyugaoka 01 Bldg B.
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 2,592 million yen in the 27th fiscal period and 2,542 million yen in the 28th fiscal period.

Item	Assumptions
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. - In accordance with the Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010 (Article 66-2 of the Act on Special Measures Concerning Taxation), we will provide reserve for reduction entry of 502 million yen in the appropriation of retained earnings for the 26th fiscal period, out of 785 million yen of the gains on disposal of 30% of co-ownership interest of real estate trust beneficiary rights in AEON MALL Kobe Kita, which we disposed of on December 5, 2014. We assume that reserve for reduction entry will be reduced by 206 million yen in the 27th fiscal period and by 181 million yen in the 28th fiscal period to be distributed with net income. - For the 27th and 28th fiscal periods, we do not assume to make distribution from reserve for distribution derived from the gain on negative goodwill, which was booked in the 17th fiscal 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) Anticipated Acquisitions in the 27th Fiscal Period and the 28th Fiscal Period

Property Name	Location	Acquisition Price (¥ million)	Appraisal Value (¥ million)	Anticipated Acquisition Date
EDION Kyobashi (Land with leasehold interest) (real estate trust beneficiary interest)	Osaka-shi, Osaka	5,640	5,760 (*1)	Mar. 30, 2015
DFS T GALLERIA OKINAWA (Land with leasehold interest) (real estate) (*2)	Naha-shi, Okinawa	2,470	3,000 (*3)	Jan. 15, 2016

*1: Appraisal value valued by licensed real estate appraiser for the value date of March 1, 2015.

*2: A real estate sales contract has been concluded for the property, and if JRF, the purchaser, fails to meet its obligation to pay the purchase price in return for taking over part of the said land with leasehold interest on the execution date of the contract, JRF shall immediately pay a penalty for breach of contract in the amount equivalent to 100% of the purchase price to the seller. JRF has already procured funds equivalent to the purchase price of the property at the time of capital increase through public offering implemented in September 2014. Therefore, it is unlikely that the real estate sales contract will have serious negative effects directly on JRF's financial position and distributions, etc.

*3: Appraisal value valued by licensed real estate appraiser for the value date of February 28, 2015.

The information of a property to be acquired by the end of the 29th Fiscal Period is as follows:

Property Name	Location	Acquisition Price (¥ million)	Appraisal Value (¥ million)
mozo wonder city (Land with leasehold interest) (real estate trust beneficiary interest)	Nagoya-shi, Osaka	11,740	11,980 (*2)

- *1: For the above property, JRF has concluded a trust beneficiary right sales contract with Kamiotai SC2 LLC, which is a special purpose company in which Mitsubishi Corporation, the parent company of JRF's asset management company, has invested based on an anonymous partnership agreement. The trust beneficiary right sales contract stipulates that if JRF fails to meet the obligation to pay the purchase price even though all the preconditions for execution prescribed in the contract are met, the seller shall be allowed to demand a penalty from JRF for breach of contract in the amount equivalent to 10% of the purchase price of the remaining co-ownership interest. The contract also stipulates that completion of procurement of funds for the purchase price by JRF shall be the conditions of payment of purchase price. Therefore, in the case in which JRF is incapable of paying the purchase price due to failure to complete fund procurement for the purchase price, JRF may cancel the sales contract without being obliged to pay a penalty. It is thus unlikely that the contract will have serious negative effects on JRF's financial position and distributions, etc. directly. The contract stipulates that JRF shall pay, in addition to the acquisition price of the above property of 11,740 million yen, the amount equivalent to the book value of capital expenditure the seller has posted as of the date of acquisition of the above property, borne by the seller over the period between October 1, 2014 to the date of acquisition of the remaining co-ownership interest.
- *2: Appraisal value valued by licensed real estate appraiser for the value date of February 28, 2015.

3. Financial information

(1) Balance sheets

(Thousands of yen)

	As of	
	August 31, 2014	February 28, 2015
ASSETS		
Current assets:		
Cash and bank deposits	11,101,534	18,013,668
Cash and bank deposits in trust (Note 1)	11,145,992	10,836,326
Rental receivables	1,182,212	1,117,548
Income taxes receivable	321	578
Consumption tax refundable	-	457,845
Other current assets	1,277,992	2,269,284
Total current assets	24,708,054	32,695,252
Non-current assets:		
Property and equipment:		
Buildings	2,176,106	2,508,804
Accumulated depreciation	(306,630)	(345,505)
Buildings, net	1,869,475	2,163,298
Building improvements	76,431	83,719
Accumulated depreciation	(14,644)	(16,327)
Building improvements, net	61,786	67,392
Furniture and fixtures	18,875	19,229
Accumulated depreciation	(7,744)	(8,826)
Furniture and fixtures, net	11,130	10,403
Land	26,665,440	28,310,756
Buildings in trust (Note 2)	298,182,844	311,646,027
Accumulated depreciation	(75,774,025)	(80,710,855)
Buildings in trust, net (Note 1)	222,408,819	230,935,171
Building improvements in trust	15,814,286	15,997,549
Accumulated depreciation	(5,007,511)	(5,266,092)
Building improvements in trust, net (Note 1)	10,806,774	10,731,457
Machinery and equipment in trust	1,750,269	1,820,463
Accumulated depreciation	(787,880)	(842,536)
Machinery and equipment in trust, net (Note 1)	962,388	977,926
Furniture and fixtures in trust	3,860,467	3,997,996
Accumulated depreciation	(2,261,878)	(2,399,771)
Furniture and fixtures in trust, net (Note 1)	1,598,589	1,598,224
Land in trust (Note 1)	484,844,710	514,947,270
Total property and equipment	749,229,115	789,741,901
Intangible assets:		
Leasehold rights	19,803	19,803
Leasehold rights in trust	6,374,880	6,888,150
Other intangible assets in trust	112,829	115,936
Total intangible assets	6,507,513	7,023,890
Investment and other assets:		
Lease deposits in trust	1,637,046	1,715,493
Long-term prepaid expenses	2,626,939	2,666,597
Derivatives	12,281	2,111
Other investments (Note 1)	446,445	470,770
Total investment and other assets	4,722,713	4,854,972
Total non-current assets	760,459,342	801,620,764
Deferred charges:		
Unit issuance costs	158,403	217,129
Bond issuance costs	116,961	154,344
Total deferred charges	275,365	371,474
TOTAL ASSETS	785,442,762	834,687,491

(To be continued on the following page)

(Thousands of yen)

	As of	
	August 31, 2014	February 28, 2015
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable – operating	1,970,616	1,926,861
Current portion of long-term bonds issued – unsecured	15,000,000	10,000,000
Current portion of long-term borrowings	25,710,000	36,710,000
Accounts payable – other	11,706	35,364
Accrued expenses	2,032,016	2,049,582
Income taxes payable	500	416
Consumption tax payable	946,270	-
Rent received in advance	2,795,771	2,918,165
Deposits received	2,617,764	2,221,996
Current portion of tenant leasehold and security deposits in trust (Note 1)	2,236,929	2,181,082
Derivatives liabilities	-	735
Other current liabilities	136,324	227,237
Total current liabilities	53,457,899	58,271,441
Non-current liabilities:		
Long-term bonds issued – unsecured	40,500,000	37,500,000
Long-term borrowings	265,791,000	288,091,000
Deferred tax liabilities	487,044	514,100
Tenant leasehold and security deposits	1,777,498	1,867,226
Tenant leasehold and security deposits in trust (Note 1)	57,081,552	56,636,297
Asset retirement obligations	362,431	473,533
Derivatives liabilities	106,414	405,555
Total non-current liabilities	366,105,941	385,487,712
TOTAL LIABILITIES	419,563,840	443,759,154
Net Assets (Note 5)		
Unitholders' equity:		
Unitholders' capital	338,940,065	363,254,665
Surplus:		
Capital surplus	14,986,826	14,986,826
Voluntary reserve		
Reserve for dividends	2,430,164	2,430,676
Total voluntary reserve	2,430,164	2,430,676
Retained earnings	9,615,998	10,660,348
Total surplus	27,032,988	28,077,850
Total unitholders' equity	365,973,053	391,332,515
Valuation and translation adjustments:		
Deferred losses on hedges	(94,132)	(404,179)
Total valuation and translation adjustments	(94,132)	(404,179)
TOTAL NET ASSETS	365,878,921	390,928,336
TOTAL LIABILITIES AND NET ASSETS	785,442,762	834,687,491

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, 2014	February 28, 2015
Operating revenues		
Rental and other operating revenues (Note 6)	29,516,340	30,614,262
Gain on sales of property (Note 7)	46,625	785,602
Total operating revenues	29,562,965	31,399,864
Operating expenses		
Property-related expenses (Note 6)	14,657,068	14,906,076
Asset management fees	2,387,662	2,476,041
Custodian fees	28,251	28,204
General administration fees	119,095	118,271
Compensation for Directors	5,940	5,940
Other operating expenses	141,263	172,497
Total operating expenses	17,339,280	17,707,032
Operating income	12,223,685	13,692,832
Non-operating revenues		
Interest income	2,106	3,779
Other non-operating revenues	4,003	2,450
Total non-operating revenues	6,110	6,230
Non-operating expenses		
Interest expense	1,599,821	1,625,981
Corporate bonds interest	458,308	469,696
Amortization of bond issuance costs	7,539	8,995
Amortization of unit issuance costs	76,209	70,061
Loan-related costs	469,579	458,439
Other non-operating expenses	4,536	4,484
Total non-operating expenses	2,615,994	2,637,659
Ordinary income	9,613,801	11,061,403
Extraordinary losses		
Litigation settlement	-	375,236
Total extraordinary losses	-	375,236
Income before income taxes	9,613,801	10,686,167
Income taxes		
Current	605	605
Deferred	(511)	27,055
Total income taxes	93	27,660
Net income	9,613,708	10,658,506
Unappropriated earnings at beginning of period	2,290	1,841
Retained earnings at the end of period	9,615,998	10,660,348

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			
	Surplus						Total unitholders' equity	Deferred losses on hedges	Total valuation and translation adjustments	Total net assets
	Unitholders' capital (Note 5)	Capital surplus	Voluntary reserve		Retained earnings	Total surplus				
			Reserve for dividends	Total voluntary reserve						
Balance as of February 28, 2014	338,940,065	14,986,826	2,326,376	2,326,376	9,615,853	26,929,056	365,869,121	(29,010)	(29,010)	365,840,111
Changes during the period										
Appropriation of reserve for dividends	-	-	103,787	103,787	(103,787)	-	-	-	-	-
Cash distribution declared	-	-	-	-	(9,509,775)	(9,509,775)	(9,509,775)	-	-	(9,509,775)
Net income	-	-	-	-	9,613,708	9,613,708	9,613,708	-	-	9,613,708
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	(65,122)	(65,122)	(65,122)
Total changes during the period	-	-	103,787	103,787	144	103,932	103,932	(65,122)	(65,122)	38,809
Balance as of August 31, 2014	338,940,065	14,986,826	2,430,164	2,430,164	9,615,998	27,032,988	365,973,053	(94,132)	(94,132)	365,878,921
Changes during the period										
Issuance of new investment units	24,314,600	-	-	-	-	-	24,314,600	-	-	24,314,600
Appropriation of reserve for dividends	-	-	511	511	(511)	-	-	-	-	-
Cash distribution declared	-	-	-	-	(9,613,644)	(9,613,644)	(9,613,644)	-	-	(9,613,644)
Net income	-	-	-	-	10,658,506	10,658,506	10,658,506	-	-	10,658,506
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	(310,046)	(310,046)	(310,046)
Total changes during the period	24,314,600	-	511	511	1,044,350	1,044,861	25,359,461	(310,046)	(310,046)	25,049,415
Balance as of February 28, 2015	363,254,665	14,986,826	2,430,676	2,430,676	10,660,348	28,077,850	391,332,515	(404,179)	(404,179)	390,928,336

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, 2014	February 28, 2015
	(Note 1)	(Note 2)
Retained earnings at the end of period	9,615,998,295	10,660,348,626
Cash distribution declared	9,613,644,670	10,158,227,640
<i>(Cash distribution declared per unit)</i>	<i>(4,165)</i>	<i>(4,180)</i>
Voluntary reserve		
Reserve for reduction entry of property	-	502,120,986
Reserve for dividends	511,648	-
Retained earnings carried forward	1,841,977	-

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, JRF transferred ¥511,648 from retained earnings at end of the period of ¥9,615,998,295 to reserve for dividends corresponding to decrease of deferred tax liabilities, and declared a total of ¥9,613,644,670 for cash distributions which is substantially all of the remaining retained earnings amounted to ¥9,615,486,647 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: 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 February 28, 2015 amounted to ¥10,158,227,640 which was determined by deducting the amount of the reserve for reduction entry of property as defined in Article 66-2 of the Special Taxation Measures Act of Japan from retained earnings at end of the period of ¥10,660,348,626. 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, 2014	February 28, 2015
Cash Flows from Operating Activities:		
Income before income taxes	9,613,801	10,686,167
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	5,888,859	6,097,080
Amortization of bond issuance costs	7,539	8,995
Amortization of unit issuance costs	76,209	70,061
Gain on sales of property	(46,625)	(785,602)
Loss on disposal of fixed assets	72,441	60,419
Interest income	(2,106)	(3,779)
Interest expense	2,058,129	2,095,678
Litigation settlement	-	375,236
Changes in assets and liabilities:		
Decrease in Rental receivables	19,523	69,663
Decrease (increase) in Income taxes receivable	299	(256)
Decrease (increase) in Consumption tax refundable	68,216	(457,845)
Decrease (increase) in Long-term prepaid expenses	252,791	(39,657)
Increase (decrease) in Accounts payable - operating	367,042	(285,512)
Increase (decrease) in Consumption tax payable	946,270	(946,270)
Increase in Accounts payable - other	6,702	23,791
Increase in Accrued expenses	82,760	47,685
Increase in Rent received in advance	186,082	122,394
Increase (decrease) in Deposits received	1,613,731	(395,768)
Other, net	321,407	(1,026,467)
Sub total	21,533,076	15,716,013
Interest received	2,106	3,779
Interest expenses paid	(1,985,959)	(2,125,797)
Payments for litigation settlement	-	(375,236)
Income taxes paid	(507)	(688)
Net cash provided by operating activities	19,548,716	13,218,070
Cash Flows from Investing Activities:		
Payments into time deposits	-	(1,500,000)
Purchase of property and equipment	(5,112)	(1,985,656)
Purchase of property and equipment in trust	(22,709,339)	(48,493,245)
Proceeds from sales of property and equipment in trust	3,013,294	4,947,201
Purchase of intangible assets in trust	(8,761)	(561,350)
Proceeds from sales of intangible assets in trust	412,666	-
Payments of tenant leasehold and security deposits	(11,094)	(15,020)
Proceeds from tenant leasehold and security deposits	20,468	109,458
Payments of tenant leasehold and security deposits in trust	(2,431,784)	(2,136,504)
Proceeds from tenant leasehold and security deposits in trust	2,385,607	1,796,630
Payments of lease deposits in trust	-	(85,946)
Proceeds from lease deposits in trust	7,500	7,500
Payments for restricted bank deposits in trust	-	(57)
Proceeds from restricted bank deposits in trust	45,000	-
Other expenditures	-	(148,485)
Other proceeds	597	124,159
Net cash used in investing activities	(19,280,957)	(47,941,315)
Cash Flows from Financing Activities:		
Proceeds from long-term borrowings	9,500,000	35,200,000
Repayments of long-term borrowings	(12,750,000)	(1,900,000)
Proceeds from issuance of corporate bonds	7,948,630	6,953,621
Repayments of corporate bonds	-	(15,000,000)
Proceeds from issuance of investment units	-	24,185,813
Distribution payments	(9,511,340)	(9,613,778)
Net cash (used in) provided by financing activities	(4,812,710)	39,825,655
Net change in cash and cash equivalents	(4,544,950)	5,102,410
Cash and cash equivalents at beginning of period	26,279,420	21,734,469
Cash and cash equivalents at end of period (Note 8)	21,734,469	26,836,880

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) Unit issuance costs

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

(e) Bond issuance costs

Bond 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 ¥31,380 thousand and ¥51,691 thousand for the six months ended August 31, 2014 and February 28, 2015, respectively.

(g) 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.

(h) 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.

(i) 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.

(j) 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 ¥34,426,764 thousand and ¥33,017,022 thousand as of August 31, 2014 and February 28, 2015, respectively.

	As of	
	August 31, 2014	February 28, 2015
Cash and bank deposits in trust	513,057	513,115
Buildings in trust	75,181,131	75,979,661
Buildings improvements in trust	4,126,248	4,101,377
Machinery and equipment in trust	283,329	269,911
Furniture and fixtures in trust	489,782	448,212
Land in trust	164,149,487	173,262,717
Other	445,456	470,550
Total	245,188,493	255,045,545

(Thousands of yen)

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, 2014 and February 28, 2015.

Note 2 — Reduction Entry for Property

Acquisition costs of certain properties were reduced by government subsidies received. The accumulated amounts of such reduction were as follows:

	As of	
	August 31, 2014	February 28, 2015
Buildings in trust	31,458	24,552

(Thousands of yen)

Note 3 — Credit facilities and commitment lines

As of August 31, 2014 and February 28, 2015, JRF entered into credit facilities and committed lines of credit as follows:

	As of	
	August 31, 2014	February 28, 2015
Credit facilities		
Total amount of credit facilities	35,500,000	35,500,000
Borrowings drawn down	-	-
Unused credit facilities	35,500,000	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

(Thousands of yen)

Note 4 — Contingent liabilities

For the six months ended August 31, 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 ¥1,073 million (calculated up to August 31, 2014) and interest on the obligation.

Although the outcome of this case may have impact on operating results or financial position of JRF, it is too difficult to estimate the amount of the impact 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 ¥252 million (calculated up to August 31, 2014) 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, 2015

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.

The judgment of first instance rendered by the Kyoto District Court as of January 16, 2015 demanded JRF to reduce the rent for the period after May 11, 2012 by about 8.6% compared to the current level, but JRF has filed an appeal to the Osaka Supreme Court on January 30, 2015 through the trustee of the property.

Although the outcome of this case may have impact on operating results or financial position of JRF, it is too difficult to estimate the amount of the impact at this point.

If the claim by OPA Co., Ltd. were allowed, JRF would be obliged to pay the rent and parking fee reduction totaling ¥289 million (calculated up to February 28, 2015) and interest on the obligation.

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

Note 5 — Net assets

(1) Number of units

	As of	
	August 31, 2014	February 28, 2015
Authorized	8,000,000 units	8,000,000 units
Issued and outstanding	2,308,198 units	2,430,198 units

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

Note 6 — Analysis 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, 2014 and February 28, 2015 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2014	February 28, 2015
Rental and other operating revenues:		
Rental and parking revenue	26,115,507	27,286,432
Common area charges	1,608,691	1,559,197
Other	1,792,141	1,768,633
Total rental and other operating revenues	29,516,340	30,614,262
Property-related expenses:		
Property management fees	680,365	760,800
Facility management fees	1,329,814	1,372,615
Utilities	1,959,461	1,845,108
Property-related taxes	2,813,599	2,795,740
Repair and maintenance	217,736	194,881
Insurance	55,022	55,505
Trust fees	84,119	86,456
Rent expense	857,618	888,111
Other	698,148	749,416
Depreciation	5,888,742	6,097,020
Loss on disposal of property	72,441	60,419
Total property-related expenses	14,657,068	14,906,076
Operating income from property leasing activities	14,859,271	15,708,186

Note 7 — Analysis of gain on sales of property

Breakdown of gain on sales of property for the six months ended August 31, 2014 and February 28, 2015 were as follows:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2014	February 28, 2015
Sale of land and building	3,430,000	4,950,000
Cost of land and building	(3,735,728)	(4,161,599)
Other sales expenses	(4,038)	(2,798)
Gain on derecognition of asset retirement obligation	356,392	-
Gain on sales of property, net	46,625	785,602

Note 8 — 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, 2014	February 28, 2015
Cash and bank deposits	11,101,534	18,013,668
Cash and bank deposits in trust	11,145,992	10,836,326
Restricted bank deposits in trust ⁽ⁱ⁾	(513,057)	(513,115)
Time deposits with maturities initially of over three months	-	(1,500,000)
Cash and cash equivalents	21,734,469	26,836,880

Note:

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

Note 9 — Significant non-cash transactions

Due to the recognition of asset retirement obligations for a property acquired in the current fiscal period, the balances of buildings in trust and asset retirement obligations increased by ¥108,051 thousand, respectively.

Note 10 — Lease rental revenues

JRF leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of August 31, 2014 and February 28, 2015 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

(Thousands of yen)

	As of	
	August 31, 2014	February 28, 2015
Due within one year	30,331,549	28,427,427
Due after one year	96,958,048	96,248,872
Total	127,289,597	124,676,299

Note 11 — 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, 2014 and February 28, 2015.

(Thousands of yen)

	As of August 31, 2014			As of February 28, 2015		
	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)
(1) Cash and bank deposits	11,101,534	11,101,534	-	18,013,668	18,013,668	-
(2) Cash and bank deposits in trust	11,145,992	11,145,992	-	10,836,326	10,836,326	-
Total assets	22,247,527	22,247,527	-	28,849,995	28,849,995	-
(1) Current portion of long-term bonds issued	15,000,000	15,100,950	(100,950)	10,000,000	10,179,700	(179,700)
(2) Current portion of long-term borrowings	25,710,000	25,725,591	(15,591)	36,710,000	36,725,709	(15,709)
(3) Current portion of tenant leasehold and security deposits in trust	2,189,975	2,205,228	(15,252)	2,181,082	2,197,190	(16,107)
(4) Long-term bonds issued	40,500,000	41,763,130	(1,263,130)	37,500,000	38,603,365	(1,103,365)
(5) Long-term borrowings	265,791,000	269,678,289	(3,887,289)	288,091,000	292,063,843	(3,972,843)
(6) Tenant leasehold and security deposits in trust	10,680,127	11,218,171	(538,043)	9,464,707	9,929,187	(464,480)
Total liabilities	359,871,103	365,691,360	(5,820,256)	383,946,790	389,698,996	(5,752,206)
Derivatives (derivatives liabilities), net	(94,132)	(94,132)	-	(404,179)	(404,179)	-

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) Current portion of long-term bonds issued and (4) Long-term bonds issued

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

(2) Current portion of long-term borrowings and (5) 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.

(3) Current portion of tenant leasehold and security deposits in trust and (6) 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 12—Derivatives".

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

(Thousands of yen)

	As of	
	August 31, 2014	February 28, 2015
Current portion of tenant leasehold and security deposits in trust	46,953	-
Tenant leasehold and security deposits	1,777,498	1,867,226
Tenant leasehold and security deposits in trust	46,401,424	47,171,589
Total	48,225,876	49,038,816

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, 2014	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	11,101,534	-	-	-	-	-
Cash and bank deposits in trust	11,145,992	-	-	-	-	-
Total	22,247,527	-	-	-	-	-
As of February 28, 2015	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
Cash and bank deposits	18,013,668	-	-	-	-	-
Cash and bank deposits in trust	10,836,326	-	-	-	-	-
Total	28,849,995	-	-	-	-	-

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

(Thousands of yen)

As of August 31, 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	25,710,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	1,354,855	-	-	-	-	-
Long-term bonds issued	-	10,000,000	15,000,000	-	-	15,500,000
Long-term borrowings	-	23,250,000	15,300,000	45,666,000	49,000,000	132,575,000
Tenant leasehold and security deposits in trust	-	1,548,139	1,531,415	1,447,970	1,447,970	4,051,178
Total	42,064,855	34,798,139	31,831,415	47,113,970	50,447,970	152,126,178
As of February 28, 2015	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	10,000,000	-	-	-	-	-
Current portion of long-term borrowings	36,710,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	1,548,139	-	-	-	-	-
Long-term bonds issued	-	-	15,000,000	-	-	22,500,000
Long-term borrowings	-	29,450,000	24,300,000	43,766,000	49,500,000	141,075,000
Tenant leasehold and security deposits in trust	-	1,531,415	1,447,970	1,447,970	1,394,220	3,110,943
Total	48,258,139	30,981,415	40,747,970	45,213,970	50,894,220	166,685,943

Note 12 — Derivatives

Information on derivative transactions undertaken by JRF as of August 31, 2014 and February 28, 2015 was as follows. Derivative instruments are used for hedging purposes and are subject to hedge accounting.

As of August 31, 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	64,500,000	64,500,000	(94,132)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	63,500,000	63,500,000	-(i)	-
Total			128,000,000	128,000,000	(94,132) ⁽ⁱ⁾	-

As of February 28, 2015

(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	143,575,000	132,575,000	(404,179)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	88,500,000	88,500,000	-(i)	-
Total			232,075,000	221,075,000	(404,179) ⁽ⁱ⁾	-

Note:

- (i) As disclosed in “(7) Summary of significant accounting policies (g) 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 11 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.
- (iv) For the six months ended February 28, 2015, the interest rate swaps contracts totaling of ¥20,000 million in notional amounts entered into on February 20, 2015 which are subject to the special treatment provided under Japanese GAAP for the interest rate swaps are not included in the above table. The interest rate swaps contracts are designated as hedging instruments for specific long-term borrowings funded on March 2, 2015.

Note 13 — Related-party transaction

There was no related-party transaction to be disclosed for the six months ended August 31, 2014 and February 28, 2015.

Note 14 — Income taxes

Deferred tax assets and liabilities consist of the followings:

(Thousands of yen)

	As of	
	August 31, 2014	February 28, 2015
Deferred tax assets:		
Current:		
Tax loss carryforwards	3,017,236	3,017,236
Other	30,038	11,420
Sub total	3,047,274	3,028,656
Valuation allowance	(3,047,274)	(3,028,656)
Total current deferred tax assets	-	-
Non-current:		
Amortization of leasehold rights	37,159	49,276
Asset retirement obligations	123,806	161,759
Valuation differences on assets acquired through merger	6,087,719	5,831,055
Other	36,351	138,537
Sub total	6,285,036	6,180,629
Valuation allowance	(6,285,036)	(6,180,629)
Total non-current deferred tax assets	-	-
Total deferred tax assets	-	-
Net deferred tax assets	-	-
Deferred tax liabilities:		
Non-current:		
Valuation differences on assets acquired through merger (not offset by other tax deductible items)	410,317	414,319
Asset retirement costs (not offset by other deductible items)	76,726	99,780
Total deferred tax liabilities	487,044	514,100
Net deferred tax liabilities	487,044	514,100

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

(%)

	For the six months ended	
	August 31, 2014	February 28, 2015
Statutory tax rate	36.59	34.16
Deductible cash distributions	(35.07)	(30.18)
Reserve for reduction entry of property	-	(1.61)
Change in valuation allowance (for deferred tax assets)	(3.76)	(1.93)
Other	2.24	(0.18)
Effective tax rate	0.00	0.26

On March 31, 2015, the Japanese government announced an act to partially amend income tax act (Act No.9 of 2015) which results in changes in the statutory tax rate over the forthcoming years. As a consequence of the effects of this act, the statutory tax rate will change from 37.11% to 35.36% for temporary differences which will reverse in or after the six months ending February 29, 2016. The effects of this change in the statutory tax rate are immaterial.

Note 15 — Asset retirement obligations

JRF has an obligation under a fixed-term leasehold agreement to restore the leased land where DFS T GALLERIA OKINAWA 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 period of use of the properties are estimated at 9 years for DFS T GALLERIA OKINAWA based on the lease period per the agreement, and 24 years for KAWASAKI Le FRONT based on the useful life of buildings containing asbestos. The asset retirement obligations for the restoration or removal are recognized as liability using discount rates at 0.458% and 1.584%, respectively.

Movements of asset retirement obligations for the six months ended August 31, 2014 and February 28, 2015 were as follows:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2014	February 28, 2015
Balance at the beginning of the period	716,923	362,431
Increase due to acquisition of properties	-	108,051
Adjustment for passage of time	3,273	3,050
Derecognition due to sales of properties	(356,392)	-
Derecognition due to settlement of obligations	(1,373)	-
Balance at the end of the period	362,431	473,533

Note 16 — 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, 2014 and February 28, 2015.

	(Thousands of yen)	
	For the six months ended	
	August 31, 2014	February 28, 2015
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	742,642,958	755,736,276
Net increase during the period ⁽ⁱⁱ⁾	13,093,317	41,029,223
Balance at the end of the period	755,736,276	796,765,499
Fair value⁽ⁱⁱⁱ⁾	792,437,000	847,609,000

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):

	Increase (decrease) in net book value
For the six months ended August 31, 2014:	(Thousands of yen)
Acquisitions:	
G-Bldg. Omotesando 02.....	12,505,629
G-Bldg. Shibuya 01.....	3,270,974
Round 1 Stadium Takatsuki.....	2,121,926
G-Bldg. Kichijoji 01.....	1,774,365
Oyama Yuen Harvest Walk (additional acquisition).....	258,621
Capital expenditures:	
Renewal construction of Oyama Yuen Harvest Walk.....	719,348
Total of capital expenditures for the period (including above expenditure).....	2,887,855
Disposition:	
AEON TOWN Ogaki.....	(3,735,728)
For the six months ended February 28, 2015:	
Acquisitions:	
DFS T GALLERIA OKINAWA.....	13,647,795
CUTE CUBE HARAJUKU.....	8,604,426
m-city Toyonaka.....	5,636,244
G-Bldg. Nagoya Sakae 01.....	1,983,167
mozo wonder city (additional acquisition of interest of quasi-co-ownership).....	11,855,923
G-Bldg. Omotesando 02 (additional acquisition of interest of quasi-co-ownership).....	5,355,915
G-Bldg. Kichijoji 01 (additional acquisition of interest of quasi-co-ownership).....	1,775,983
Capital expenditures:	
Repair of outer wall of AEON MALL Itami.....	168,163
Total of capital expenditures for the period (including above expenditure).....	2,402,254
Disposition:	
AEON MALL Kobe Kita (partial disposition of interest of quasi-co-ownership).....	(4,161,599)

(iii) Fair value has been determined based on independent real estate appraisers.

For rental revenues and expenses for the six months ended August 31, 2014 and February 28, 2015, please refer to "Note 6 — Analysis for rental and other operating revenues and property-related expenses".

Note 17 — Segment information

Segment information for the six months ended August 31, 2014 and February 28, 2015 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		Related segment
	August 31, 2014	February 28, 2015	
AEON Retail Co., Ltd.	4,912,071	4,950,357	Property rental business
AEON Mall Co., Ltd.	4,012,117	3,928,460	Property rental business

Note 18 — Per unit information

The net asset value per unit as of August 31, 2014 and February 28, 2015 was ¥158,512 and ¥160,862, respectively. Net income per unit for the six months ended August 31, 2014 and February 28, 2015 was ¥4,165 and ¥4,415, 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, 2014	February 28, 2015
Net income	9,613,708	10,658,506
Effect of dilutive unit	-	-
Net income available to common unitholders	9,613,708	10,658,506
Weighted-average number of units outstanding for the period	2,308,198 units	2,413,648 units

Note 19 — Subsequent events

Nothing to be noted.

(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	Global 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	Global 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	Global offering	229,000	2,308,198	43,465	338,940	Note 7
September 25, 2014	Global offering	119,500	2,427,698	23,816	362,756	Note 8
October 22, 2014	Allocation of investment units to a third party	2,500	2,430,198	498	363,254	Note 9

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.

Note 8 New investment units were issued at a price of ¥205,702 per unit (subscription price of ¥199,300 per unit) through a public offering in order to raise funds for acquiring new real property.

Note 9 New investment units were issued at a price of ¥199,300 per unit through the allocation of investment units to a third party in order to raise funds for acquiring of new real property (or specifies assets in the future).

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, 2014		As of February 28, 2015	
		Total of net book value (Note 1) (Millions of yen)	Composition ratio (%)	Total of net book value (Note 1) (Millions of yen)	Composition ratio (%)
Real property	Tokyo metropolitan area	23,662	3.0	23,625	2.8
	Osaka and Nagoya metropolitan areas	4,965	0.6	6,945	0.9
	Sub-total	28,627	3.6	30,571	3.7
Trust beneficial interest in real property	Tokyo metropolitan area	355,538	45.3	370,044	44.3
	Osaka and Nagoya metropolitan areas	283,897	36.1	295,524	35.4
	Other metropolitan areas	87,671	11.2	100,625	12.1
	Sub-total	727,108	92.6	766,193	91.8
Sub-total		755,736	96.2	796,765	95.5
Bank deposits and other assets		29,706	3.8	37,921	4.5
Total assets		785,442	100.0	834,687	100.0
Total liabilities (Notes 2)		419,563	53.4	443,759	53.2
Total net assets		365,878	46.6	390,928	46.8

Note 1 Total of net book value is carrying amounts on the balance sheets (amounts of Real property and Trust beneficial interest in real property are book values net of depreciation) at the end of the fiscal period.

Note 2 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, 2015 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)	47,408	109,365.50	109,365.50	100.0	4.4	Retail facilities
mozo wonder city (Note 4) (trust beneficial interest)	42,586	86,722.88	86,552.76	99.8	8.0	Retail facilities
Nara Family (trust beneficial interest)	33,048	85,030.68	84,891.81	99.8	6.6	Retail facilities
KAWASAKI Le FRONT (trust beneficial interest)	30,439	56,087.88	55,544.24	99.0	5.9	Retail facilities
AEON MALL Yachiyo Midorigaoka (trust beneficial interest)	28,213	132,294.48	132,294.48	100.0	2.3	Retail facilities
AEON MALL Musashi Murayama (trust beneficial interest)	27,652	137,466.97	137,466.97	100.0	3.1	Retail facilities
AEON MALL Tsurumi Ryokuchi (trust beneficial interest)	25,794	138,538.63	138,538.63	100.0	2.9	Retail facilities
G-Bldg. Shinsaibashi 03 (Note 5) (trust beneficial interest)	22,386	4,631.13	4,631.13	100.0	-	Retail facilities
GYRE (trust beneficial interest)	22,023	4,815.02	4,547.12	94.4	1.7	Retail facilities
AEON MALL Itami (trust beneficial interest)	19,386	157,904.26	157,904.26	100.0	1.9	Retail facilities
Total	298,939	912,857.43	911,736.90	99.9	-	

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 "Leasable area" and "Leased area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

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, 2015 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)
G-Bldg. Minami Aoyama 02	8-5, Minami Aoyama 5-chome, Minato-ku, Tokyo	Trust beneficial interest	1,529.15	5,370	5,256
G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,450	951
G-Bldg. Jiyugaoka 01	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	1,817.65	3,399	2,490
Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	4,000	3,984
GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,815.02	23,400	22,023
G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.43	2,410	2,358
G-Bldg. Jingumae 02	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	426.29	1,680	2,302
G-Bldg. Minami Aoyama 01	4-48, Minami Aoyama 5-chome, Minato-ku, Tokyo	Real property	922.30	5,070	6,445
La Porte Aoyama (Note 4)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,153.44	9,850	9,352
G-Bldg. Jingumae 03	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	4,250	5,515
G-Bldg. Minami-Ikebukuro 01 (Note 4)	19-5, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficial interest	5,061.47	7,690	6,175
Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	4,550	2,786
G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	5,610	3,705
G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	6,280	5,568
KAWASAKI Le FRONT	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	56,087.88	37,100	30,439
G-Bldg. Omotesando 02	25-18 Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	5,555.65	19,500	17,853
G-Bldg. Kichijoji 01	12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	1,474.98	3,840	3,543
CUTE CUBE HARAJUKU	7-1, Omoromachi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,428.54	8,950	8,594
G-Bldg. Nagoya Sakae 01	27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi	Real property	927.09	1,990	1,980
8953 Osaka Shinsaibashi Building	4-12, Minami Senba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	13,666.96	14,700	12,608
Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	12,600	11,333
Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	15,600	18,452
G-Bldg. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	3,750	3,404
G-Bldg. Shinjuku 01	1-8, Shinjuku 4-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	1,093.67	7,440	6,612
G-Bldg. Shinsaibashi 01	5-3, Shinsaibashi-suji 2-chome, Chuoh-ku, Osaka-shi, Osaka	Trust beneficial interest	886.46	1,950	1,600
Arkangel Daikanyama (Land with leasehold interest)	111-14, Aobadai 1-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	904.04	2,330	1,842
G-Bldg. Shinsaibashi 02 (Note 5)	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	-	5,410	4,362
Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	9,190	8,091
Round1 Yokohama Station West	8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	4,880	3,882
G-Bldg. Omotesando 01	1-9, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	1,508.03	7,130	5,902
Round1 Kyoto Kawaramachi	585, Uraderacho, Shijo-agaru yori Rokkakusagaru made, Teramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto, etc.	Trust beneficial interest	8,821.66	3,310	2,805

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 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	3,820	2,955
G-Bldg. Shinsaibashi 03	2-17, Shinsaibashisuji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,631.13	24,700	22,386
G-Bldg. Daikanyama 01	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	599.79	1,430	1,223
G-Bldg. Shibuya 01	20-13 Jinnan 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,582.08	3,840	3,245
DFS T GALLERIA OKINAWA	1-1, Omoromachi 4-chome, Naha-shi, Okinawa	Trust beneficial interest	42,088.14	14,400	13,638
Nara Family	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	85,030.68	36,600	33,048
Abiko Shopping Plaza	11-1, Abiko 4-chome, Abiko-shi, Chiba	Trust beneficial interest	43,548.63	12,500	9,610
Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,677.43	5,750	6,764
Higashi-Totsuka Aurora City	537-1, Shinanochi, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,365.50	41,100	47,408
Ito-Yokado Kawasaki	2-1, Oda-sakae 2-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	65,313.47	13,400	13,893
Narupark (Note 4)	232 Urasato 3-chome, Midori-ku, Nagoya-shi, Aichi	Trust beneficial interest	15,238.59	4,950	7,789
Kishiwada CanCan Bayside Mall	2-1, Minatomidori machi, Kishiwada-shi, Osaka, etc.	Trust beneficial interest	38,302.92	6,520	7,295
Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,542.93	6,670	5,543
Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,800	2,657
mozo wonder city (Note 6)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,722.88	48,010	42,586
pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,730	5,855
Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,368.02	3,730	3,139
KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	11,809.69	4,260	3,983
Oyama Yuen Harvest Walk (Note 6)	1457, Oaza-Kizawa, Oyama-shi, Tochigi	Trust beneficial interest	59,872.64	8,790	9,277
AEON Sendai Nakayama	35-40, Minami Nakayama 1-chome, Izumi-ku, Sendai-shi, Miyagi, etc.	Trust beneficial interest	46,248.96	10,900	8,980
Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,920	1,379
Ito-Yokado Kamifukuoka Higashi	1-30, Ohara 2-chome, Fujimino-shi, Saitama	Trust beneficial interest	28,316.18	5,750	6,117
Ito-Yokado Nishikicho	12-1, Nishikicho 1-chome, Warabi-shi, Saitama	Trust beneficial interest	73,438.52	14,100	10,826
AEON MALL Higashiura	62-1, Aza-toueicho, Oaza-ogawa, Higashiuracho, Chita-gun, Aichi, etc.	Trust beneficial interest	129,124.73	10,400	7,397
AEON MALL Kashiihama	12-1, Kashiihama 3-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	109,616.72	14,500	11,821
AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	8,660	6,808
Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	4,910	4,723
AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	13,000	11,187
AEON MALL Yamato	2-6, Shimotsuruma 1-chome, Yamato-shi, Kanagawa	Trust beneficial interest	85,226.68	17,300	15,646
SEIYU Hibarigaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	6,820	5,015
AEON Tobata Shopping Center	2-2, Shioi-cho, Tobata-ku, Kita-Kyushu-shi, Fukuoka	Trust beneficial interest	93,258.23	6,320	5,736
AEON Takatsuki	47-2, Haginoshio 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	77,267.23	9,750	10,288

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 Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,778.44	3,420	3,454
AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,400	10,311
AEON Nishi-Otsu	11-1, Ohjigaoka 3-chome, Otsu-shi, Shiga	Trust beneficial interest	62,717.26	11,000	12,232
AEON Omiya	574-1, Kushibikicho 2-chome, Kita-ku, Saitama-shi, Saitama	Trust beneficial interest	75,344.90	5,700	5,793
AEON Ueda	12-18, Tsuneda 2-chome, Ueda-shi, Nagano	Trust beneficial interest	61,349.07	7,790	8,130
AEON MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	25,700	25,794
AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	19,000	19,386
Ito-Yokado Yotsukaido	5, Chuo, Yotsukaido-shi, Chiba	Trust beneficial interest	59,207.19	10,600	12,889
AEON MALL Yachiyo Midorigaoka	1-3, Midorigaoka 2-chome, Yachiyo-shi, Chiba	Trust beneficial interest	132,294.48	23,300	28,213
AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,169.00	17,800	16,540
Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	15,500	16,419
AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	31,100	27,652
AEON MALL Kobe Kita	2-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,050.62	11,760	9,674
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	1,780	1,717
LIFE Kishibe(Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	2,040	1,942
MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	3,050	2,416
Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	3,130	2,329
Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	2,960	2,394
Neyagawa(Land with leasehold interest) (Note 7)	327-1, Taiseicho, Neyagawa-shi, Osaka, etc.	Trust beneficial interest	11,430.04	1,660	1,154
Round1 Stadium Sakai Chuo Kanryo	241, Ishiwara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,390	1,726
Tecc Land Fukuoka Shime Honten (Note 5)	2-1, Minamizato 5-chome, Shime-machi, Kasuya-gun, Fukuoka	Trust beneficial interest	-	5,110	4,007
Summit Store Nakano Minamidai	26-2, Minamidai 5-chome, Nakano-ku, Tokyo	Trust beneficial interest	3,536.50	3,180	3,111
Round1 Stadium Takatsuki	6-4, Zushi 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	19,767.64	2,820	2,097
m-city Toyonaka	18, 2-chome, Hinode-cho Toyonaka-shi, Osaka	Trust beneficial interest	33,301.93	6,060	5,607
Total			3,144,932.25	847,609	796,765

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

Note 2 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 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 "Leasable area" for a pass-through master leased property are presented on an end-tenant basis.

Note 5 "Leasable area" of the property is not disclosed because the consent from the tenant has not been obtained.

Note 6 "Leasable area" for the property which is leased partially in the form of a pass-through master lease is presented on an end-tenant basis.

Note 7 The property name was changed from Tecc Land Neyagawa(Land with leasehold interest) to Neyagawa(Land with leasehold interest) on April 1, 2015.

Operating results of each property for the six months ended August 31, 2014 and February 28, 2015 were as follows:

Name of property	For the six months ended August 31, 2014				For the six months ended February 28, 2015			
	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) (%)
G-Bldg. Minami Aoyama 02	3	90.4	85	0.3	4	100.0	86	0.3
G-Bldg. Kita Aoyama 01	3	100.0	32	0.1	3	100.0	35	0.1
G-Bldg. Jiyugaoka 01	10	100.0	88	0.3	9	97.0	88	0.3
Cheers Ginza	9	91.0	106	0.4	7	72.1	96	0.3
GYRE	22	95.1	434	1.5	21	94.4	506	1.7
G-Bldg. Jingumae 06	4	100.0	51	0.2	4	100.0	54	0.2
G-Bldg. Jingumae 02	3	100.0	29	0.1	3	100.0	29	0.1
G-Bldg. Minami Aoyama 01	3	100.0	50	0.2	3	100.0	50	0.2
La Porte Aoyama (Note 3)	22	93.6	283	1.0	24	100.0	278	0.9
G-Bldg. Jingumae 03	7	100.0	77	0.3	7	100.0	79	0.3
G-Bldg. Minami-Ikebukuro 01 (Note 3)	8	100.0	247	0.8	8	100.0	262	0.9
Urban Terrace Jingumae	2	100.0	101	0.3	2	100.0	100	0.3
G-Bldg. Sangenjaya 01	3	100.0	148	0.5	3	100.0	147	0.5
G-Bldg. Ginza 01	8	100.0	147	0.5	8	100.0	145	0.5
KAWASAKI Le FRONT	67	98.7	1,862	6.3	69	99.0	1,812	5.9
G-Bldg. Omotesando 02	6	100.0	215	0.7	6	100.0	352	1.1
G-Bldg. Kichijoji 01 (Note 4)	2	51.6	-	-	0	0.0	-	-
CUTE CUBE HARAJUKU	-	-	-	-	9	96.7	164	0.5
G-Bldg. Nagoya Sakae 01	-	-	-	-	2	100.0	20	0.1
8953 Osaka Shinsaibashi Building	1	100.0	405	1.4	1	100.0	382	1.2
Bic Camera Tachikawa	2	100.0	388	1.3	2	100.0	388	1.3
Kawaramachi OPA	1	100.0	358	1.2	1	100.0	358	1.2
G-Bldg. Jingumae 01	2	100.0	70	0.2	2	100.0	76	0.2
G-Bldg. Shinjuku 01	1	100.0	161	0.5	1	100.0	161	0.5
G-Bldg. Shinsaibashi 01	2	100.0	60	0.2	2	100.0	60	0.2
Arkangel Daikanyama(Land with leasehold interest) (Note 4)	1	100.0	-	-	1	100.0	-	-
G-Bldg. Shinsaibashi 02 (Note 4)	1	100.0	-	-	1	100.0	-	-
Round1 Stadium Sennichimae(Land with leasehold interest)	1	100.0	240	0.8	1	100.0	240	0.8
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	0.4
Round1 Kyoto Kawaramachi	1	100.0	104	0.3	1	100.0	104	0.3
Round1 Hiroshima	1	100.0	119	0.4	1	100.0	119	0.4

Name of property	For the six months ended August 31, 2014				For the six months ended February 28, 2015			
	Number of tenants	Occupancy ratio	Rental and other operating revenues	Ratio of rental revenue to total rental revenues	Number of tenants	Occupancy ratio	Rental and other operating revenues	Ratio of rental revenue to total rental revenues
	(Note 1)	(Note 2) (%)	(Millions of yen)	(Note 2) (%)	(Note 1)	(Note 2) (%)	(Millions of yen)	(Note 2) (%)
G-Bldg. Shinsaibashi 03 (Note 4)	1	100.0	-	-	1	100.0	-	-
G-Bldg. Daikanyama 01	1	100.0	42	0.1	1	100.0	42	0.1
G-Bldg. Shibuya 01 (Note 4)	1	100.0	-	-	1	100.0	-	-
DFS T GALLERIA OKINAWA	-	-	-	-	1	100.0	454	1.5
Nara Family	129	99.8	2,012	6.8	129	99.8	2,006	6.6
Abiko Shopping Plaza	56	99.9	699	2.4	54	99.6	710	2.3
Kyoto Family	69	99.3	603	2.0	69	99.9	584	1.9
Higashi-Totsuka Aurora City	4	100.0	1,369	4.6	4	100.0	1,360	4.4
Ito-Yokado Kawasaki	5	100.0	491	1.7	5	100.0	491	1.6
Narupark (Note 3)	47	98.2	369	1.2	48	99.5	363	1.2
Kishiwada CanCan Bayside Mall	110	98.8	793	2.7	106	93.6	719	2.3
Makuhari Plaza	6	100.0	201	0.7	6	100.0	215	0.7
Izumisano Shofudai(Land with leasehold interest) (Note 4)	2	100.0	-	-	2	100.0	-	-
mozo wonder city (Note 5)	224	99.9	1,969	6.7	223	99.8	2,460	8.0
pivo Izumi Chuo (Note 4)	17	100.0	-	-	17	100.0	-	-
Colline Bajikouen	10	100.0	144	0.5	10	100.0	141	0.5
KAMISHIN PLAZA	45	99.5	275	0.9	42	98.1	275	0.9
Oyama Yuen Harvest Walk (Note 5)	72	99.7	841	2.8	72	99.9	826	2.7
AEON Sendai Nakayama	2	100.0	423	1.4	2	100.0	417	1.4
Ito-Yokado Yabashira	1	100.0	78	0.3	1	100.0	78	0.3
Ito-Yokado Kamifukuoka Higashi	1	100.0	256	0.9	1	100.0	217	0.7
Ito-Yokado Nishikicho	1	100.0	445	1.5	1	100.0	444	1.4
AEON MALL Higashiura	1	100.0	488	1.7	1	100.0	481	1.6
AEON MALL Kashiihama	1	100.0	477	1.6	1	100.0	477	1.6
AEON MALL Sapporo Naebo	1	100.0	372	1.3	1	100.0	372	1.2
Ito-Yokado Tsunashima	1	100.0	168	0.6	1	100.0	168	0.5
AEON Itabashi Shopping Center	1	100.0	656	2.2	1	100.0	650	2.1
AEON MALL Yamato	1	100.0	536	1.8	1	100.0	536	1.8
SEIYU Hibarigaoka	1	100.0	261	0.9	1	100.0	261	0.9
AEON Tobata Shopping Center	1	100.0	330	1.1	1	100.0	339	1.1
AEON Takatsuki	1	100.0	414	1.4	1	100.0	414	1.3
AEON Yagoto	2	100.0	126	0.4	2	100.0	126	0.4

Name of property	For the six months ended August 31, 2014				For the six months ended February 28, 2015			
	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 Naha Shopping Center	1	100.0	373	1.3	1	100.0	373	1.2
AEON Nishi-Otsu	1	100.0	380	1.3	1	100.0	375	1.2
AEON Omiya	1	100.0	194	0.7	1	100.0	194	0.6
AEON TOWN Ogaki (Note 6)	-	-	37	0.1	-	-	-	-
AEON Ueda	1	100.0	303	1.0	1	100.0	303	1.0
AEON MALL Tsurumi Ryokuchi	1	100.0	896	3.0	1	100.0	895	2.9
AEON MALL Itami	1	100.0	583	2.0	1	100.0	582	1.9
Ito-Yokado Yotsukaido	1	100.0	290	1.0	1	100.0	290	0.9
AEON MALL Yachiyo Midorigaoka	1	100.0	691	2.3	1	100.0	691	2.3
AEON MALL Sapporo Hassamu	1	100.0	577	1.9	1	100.0	577	1.9
Ario Otori	1	100.0	580	2.0	1	100.0	544	1.8
AEON MALL Musashi Murayama	1	100.0	937	3.2	1	100.0	936	3.1
AEON MALL Kobe Kita (Note 7)	1	100.0	579	2.0	1	100.0	495	1.6
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	0.2	1	100.0	68	0.2
MrMax Nagasaki (Note 4)	2	100.0	-	-	2	100.0	-	-
Round1 StadiumItabashi	1	100.0	95	0.3	1	100.0	95	0.3
Round1 Machida	1	100.0	90	0.3	1	100.0	90	0.3
Neyagawa(Land with leasehold interest) (Note 4)	1	100.0	-	-	1	100.0	-	-
Round1 StadiumSakai Chuo Kanryo	1	100.0	85	0.3	1	100.0	82	0.3
Tec Land Fukuoka Shime Honten (Note 4)	1	100.0	-	-	1	100.0	-	-
Summit Store Nakano Minamidai	1	100.0	84	0.3	1	100.0	84	0.3
Round1 StadiumTakatsuki	1	100.0	76	0.3	1	100.0	91	0.3
m-city Toyonaka (Note 4)	-	-	-	-	1	100.0	-	-
Total	1,037	99.9	29,516	100.0	1,040	99.8	30,614	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 Rental revenue of the property is not disclosed because the consent from the tenant has not been obtained.

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 The property was sold on March 24, 2014.

Note 7 JRF sold 30% quasi-co-ownership interest of the property on December 5, 2014.