

Translation

**JAPAN RETAIL FUND INVESTMENT CORPORATION
SUMMARY OF FINANCIAL RESULTS
FOR THE SIX MONTHS ENDED FEBRUARY 29, 2016**

April 14, 2016

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:	Keita Araki, Head of Retail Division
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Scheduled date for filing of securities report:	May 30, 2016
Scheduled date for distributions payment:	May 20, 2016
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 29, 2016 (September 1, 2015 to February 29, 2016)

(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 29, 2016	32,017	3.4	13,684	6.8	11,154	9.2	10,912	1.7
August 31, 2015	30,962	-1.4	12,816	-6.4	10,217	-7.6	10,731	0.7

	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 29, 2016	4,285		2.7		1.3		34.8	
August 31, 2015	4,415		2.7		1.2		33.0	

(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 29, 2016	4,200	10,719	0	0	98.2	2.6
August 31, 2015	4,204	10,216	0	0	95.2	2.6

Note 1: Total distributions consist of retained earnings at the end of each period after transferring ¥193 million and ¥514 million to reserve for dividends for the six months ended February 29, 2016 and August 31, 2015, respectively.

Note 2: Payout ratio for the six months ended February 29, 2016 is calculated by following formula because new investment units were issued.

Payout ratio = Total of distributions ÷ Net income × 100

(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 29, 2016	829,239	414,705	50.0	162,489
August 31, 2015	842,568	391,559	46.5	161,122

(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 29, 2016	16,402	(14,254)	(16,921)	14,466
August 31, 2015	17,894	(13,121)	(2,370)	29,239

2. Outlook for the six months ending August 31, 2016 (March 1, 2016 to August 31, 2016) and February 28, 2017 (September 1, 2016 to February 28, 2017)

(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, 2016	31,574	-1.4	13,142	-4.0	10,683	-4.2	10,682	-2.1
February 28, 2017	32,297	2.3	13,637	3.8	11,275	5.5	11,275	5.5

	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, 2016	4,185	4,250	0
February 28, 2017	4,417	4,250	0

Note: Total distributions for the six months ending August 31, 2016 include reversals of reserve for dividends amounting to ¥163 million. Total distributions for the six months ending February 28, 2017 is calculated by subtracting appropriation of reserve for dividends amounting to ¥428 million from net income for the period.

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 29, 2016 2,552,198 units

As of August 31, 2015 2,430,198 units

Number of treasury units at end of period:

As of February 29, 2016 0 units

As of August 31, 2015 0 units

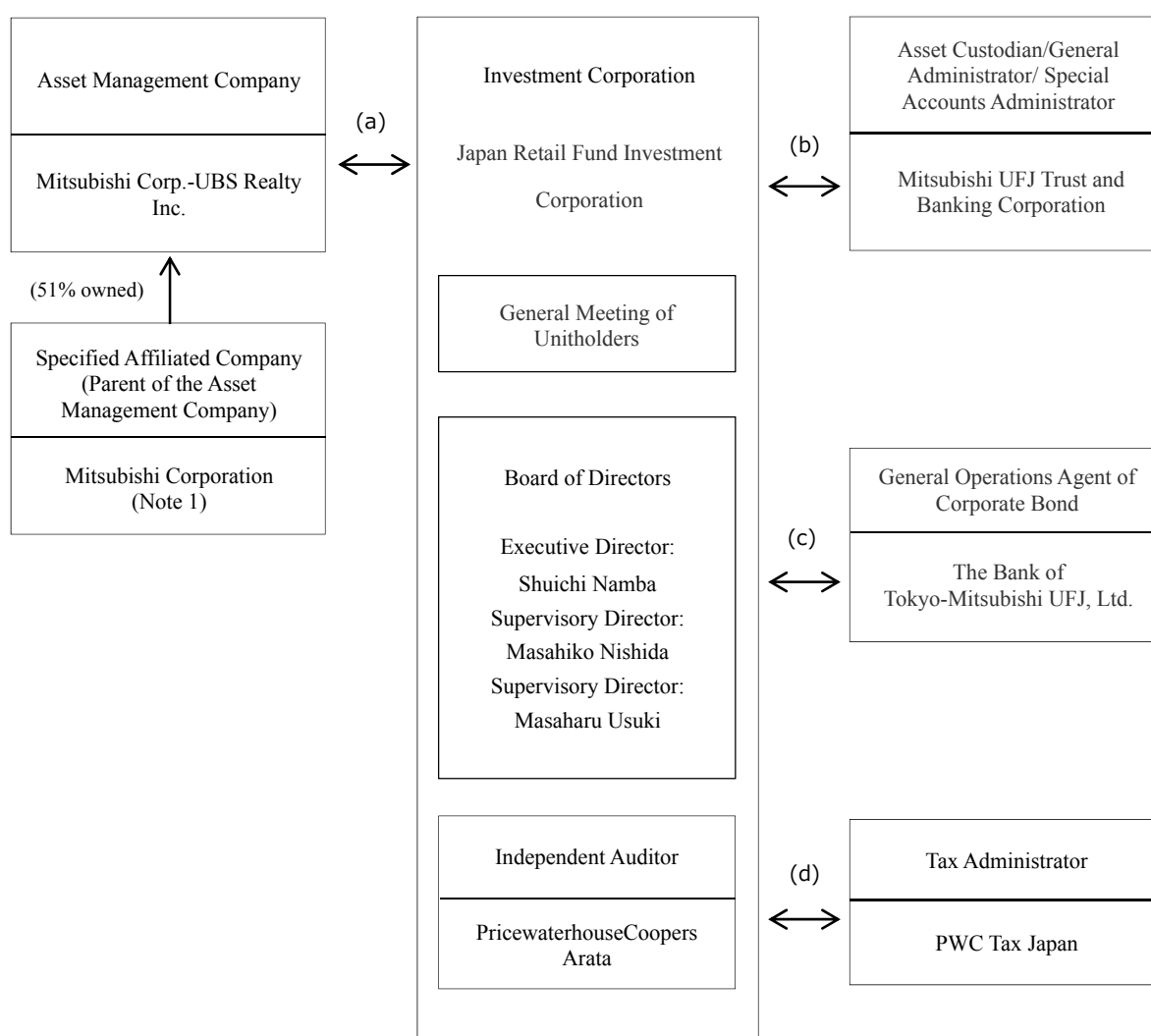
Note: For the number of unit as a basis of calculation of net income per unit, please refer to per unit information on page 28.

Forward-looking Statements and Other Notes

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

For further information and assumptions regarding the forward-looking statements, please refer to “2. Management policy and results of operation, (2) State of operation, B. Outlook of next period” on page 11-13.

1. Summary of related corporations of JRF



<Name of contracts>

- (a) Asset Management Agreement / Trademark License Agreement
- (b) Asset Custodian Contract / General Administrative Services Agreement / Account Administration Service Agreement / Special Accounts Administration Agreement ^(Note 2)
- (c) Fiscal Agency Agreement / Administrative Services Agreement Related to Principal and Interest Payment
- (d) Tax Service Agreement

Note 1: Mitsubishi Corporation is the parent company of the Asset Management Company (the parent company prescribed in the Ordinance on Terminology, Forms and Preparation Methods of Financial Statements, etc. (Ministry of Finance Ordinance No. 59 of 1963; including subsequent revisions), Article 8, Paragraph 3; the same hereinafter), and falls under a specified affiliated company of the Asset Management Company, which is prescribed in the Cabinet Office Ordinance on Disclosure of Information, etc., of Regulated Securities (Ministry of Finance Ordinance No. 22 of 1993; including subsequent revisions), Article 12, Paragraph 3.

Note 2: JRF transferred its investment units listed or recorded in the special-purpose account opened with Sumitomo Mitsui Trust Bank, Limited to a special-purpose account opened with Mitsubishi UFJ Trust and Banking Corporation as of December 31, 2015, in order to improve the efficiency of managing the special-purpose account.

2. Management policy and results of operation

(1) Management policies

There have not been any significant changes to the “investment policies,” “investment targets” and “distribution policies” in the most recent financial report (submitted on November 24, 2015), 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 29, 2016, the 14th year after its listing, JRF issued new investment units in September 2015 for the fifth consecutive year. Combining the proceeds from this issuance with the funds obtained through borrowings, JRF acquired seven properties (two are additional acquisition of existing properties) for a total acquisition price of 38.8 billion yen. Also, in line with its asset replacement strategy, JRF disposed of 5 properties (one was disposal of a 30% co-ownership interest of trust beneficially right) for a total sales price of 58.4 billion yen in October 2015. Using the sales proceeds JRF acquired one property each in October 2015, December 2015 and February 2016, respectively, for a total acquisition price of 20.4 billion yen. Furthermore, JRF acquired an additional portion of land with leasehold interest of existing property in January 2016 for an acquisition price of 2.4 billion yen, using its own funds.

As a result, the total assets managed by JRF as at the end of the 28th fiscal period (fiscal period ended on February 29, 2016) amounted to 852.4 billion yen (the total acquisition price for 94 properties). In terms of the asset size, JRF is ranked third among all REITs listed in Japan (“J-REIT”).

ii. Investment environment and results

(1) Investment environment

(Macroeconomic trends)

The foreign macroeconomic environment remains unstable, affected by uncertainty over the outlook for the economies of emerging countries including China, and the decline in resource prices including crude oil. Also, in Japan’s economy, in the October - December quarter of 2015, GDP in real terms decreased 0.3% from the previous quarter, registering a negative year-on-year drop for the first time in two quarters. However, a gradual recovery trend can be seen in some areas where the employment/income environment has improved.

In terms of the J-REIT market, the Bank of Japan announced in December 2015 that the ceiling for investing into units of single J-REIT is lifted from 5% to 10%, and subsequently in January 2016, negative interest rate policy was introduced, promoting increase in yield associated with a further decline in long-term interest rates. The Tokyo Stock Exchange REIT Index remains robust.

(Trends in the retail sector)

According to the “Monthly Report on the Current Survey of Commerce (February 2016)”, released by the Ministry of Economy, Trade and Industry; retail sales (preliminary figure) increased by 0.5% from the same month of the previous year in February 2016, mainly due to a mild winter. Supermarket sales for February 2016 rose 3.4% from the same month of the previous year (on a same-store basis, as published by the Japan Chain Stores Association). Further, department store sales in February showed slight increase of 0.2% from the same month of the previous year (on a same-store basis, as published by the Japan Department Stores Association). Although weakness remains, consumption as a whole has been showing a steady trend due to robust personal consumption and inbound consumption.

(Trends in the real estate sector)

The real estate transactions continued to be very strong since 2014, and land prices in commercial areas are continuing their rising trend.

Looking at the official land prices as of January 1, 2016, published by the Ministry of Land, Infrastructure, Transport and Tourism, the nationwide price average (for all land usage) turned positive for the first time in eight years since 2008 with a 0.1% increase from the previous year. Furthermore, land prices for commercial districts in the three major metropolitan areas (Tokyo, Osaka and Nagoya)

saw an increase of 2.9% from the previous year, partially due to large-scale monetary easing and increased consumption by foreign tourists, mainly in the Tokyo/Ginza area and the Osaka/Shinsaibashi area. While regional areas as a whole have been on a decreasing trend, commercial land prices are rising in some core cities: land prices for commercial districts in the four central cities (Sapporo, Sendai, Hiroshima, and Fukuoka) rose by 5.7% year-on-year, exceeding the 2.7% year-on-year growth in the prior year.

(2) Results

Under the market environment described above, during this fiscal period, through issuance of new investment units and new borrowings in September 2015, JRF acquired five new properties (Takadanobaba (land with leasehold interest), G-Bldg. Akihabara 01, G-Bldg. Akihabara 02, G-Bldg. Umeda 01, and G-Bldg. Abeno 01), and additionally acquired 20% co-ownership interest in mozo wonder city and Bldg. B of G-Bldg. Minami Aoyama 01 in September and October 2015.

Moreover, in line with the asset replacement strategy which JRF considers to be one of its external growth strategies, JRF announced the sale of five suburban retail properties (AEON MALL Yachiyo Midorigaoka, AEON Omiya, AEON Nishi-Otsu, AEON Ueda, and AEON MALL Kashiihama) on October 14, 2015, of which JRF completed the sale during the current fiscal period, except for a 70% co-ownership of AEON MALL Kashiihama. Using the sales proceeds, JRF acquired three urban retail properties (G-Bldg. Shinsaibashi 04 (Bldg. A), G-Bldg. Sendai Ichibancho 01 (land with leasehold interest) and G-Bldg. Kichijoji 02).

Furthermore, JRF announced renewal plans for Nara family and KAMISHIN PLAZA and additional acquisition by building extension on premise of Ito-Yokado Yotsukaido as one of its growth strategies to enhance the value of existing properties through portfolio management.

Regarding Nara Family, JRF will further strengthen its position as the leading retail facility in Nara by transforming it into a high-quality retail property, focusing on continuity with the department store, the anchor tenant, in order to maximize the potential of the property. As for KAMISHIN PLAZA, JRF will establish a long-term stable revenue base by strengthening property competitiveness through tenant replacement on the main floor and improving the commercial environment. For Ito-Yokado Yotsukaido, JRF will aim to increase commercial accumulation by building the extension on part of the premises returned by the master lease tenant and leasing to a tenant in a business that is new to the existing building.

The occupancy rate of the properties owned by JRF as at the end of the fiscal period was stably maintained. The occupancy rate for 46 urban retail properties remained high at 99.4% together with 99.8% occupancy rate maintained for 48 suburban retail properties.

As a result of the above, the total assets managed by JRF at the end of the fiscal period came to 94 properties with a total value of 852,414 million yen on an acquisition price basis and 898,682 million yen on an appraisal value basis. The total leasable area was 2,842,989.82 m² with the total number of tenants standing at 1,007, and the occupancy rate of the overall portfolio was 99.7%.

As for unrealized losses/gains^(Note) of the overall portfolio at the end of the fiscal period, unrealized gains increased by 20.6 billion yen from the end of the previous fiscal period to 91.5 billion yen due to the effects of various factors including the acquisition of new properties with unrealized gains, disposition of suburban properties with unrealized losses, a decrease in the cap rate compared with the end of the previous fiscal period, initiatives taken to enhance the value of existing properties located inside Tokyo's 23 wards and major urban areas in regions outside of Tokyo, and 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

JRF, during this fiscal period, for the acquisition of seven new properties (two of which are additional acquisition of existing properties) (total acquisition price of 38.8 billion yen) first procured funds in the amount of 23.9 billion yen in total through the issuance of new investment units in a public offering (119,500 units) in September 2015 for the fifth consecutive year and issuance of new investment units through a third party allotment (2,500 units) in October, as well as borrowing in the amount of 16.5 billion yen in total during the period between September and October 2015.

Moreover, on October 30, 2015, JRF repaid existing debts with variable interest rates in the total amount of 36.3 billion yen with the funds derived from the sale of five suburban retail properties (one of which is a 30% co-ownership). Furthermore, JRF obtained short-term borrowings of 1 billion yen on

February 3, 2016, to repay the existing borrowings of 11 billion yen, and obtained long-term borrowings of 10 billion yen in total on February 18, 2016 to reimburse Series 3 Unsecured Investment Corporation Bonds of 10 billion yen.

As a result, JRF's interest-bearing borrowings outstanding at the end of the fiscal period amounted to 349.5 billion yen, consisting of 1 billion yen of short-term borrowings, 311 billion yen of long-term borrowings ^(Note 1) and 37.5 billion yen of investment corporation bonds.

Consequently, the ratio of long-term borrowings, the ratio of fixed interest rates ^(Note 2), and LTV ^(Note 3) were 99.7%, 99.8%, and 48.5%, respectively, at the end of the fiscal period.

Note 1: Long-term borrowings include borrowings that mature within a year.

Note 2: The ratio of fixed interest rates is calculated by dividing the total of fixed-rate debts (including debts, which the interest rates are fixed through interest rate swap agreements), investment corporation bonds and tenant leasehold and security deposits (including those in trusts) by the total of interest-bearing debts and tenant leasehold and security deposits (including those in trusts).

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

iv. Results and distributions

The operating revenue for the period was 32,017 million yen, and operating income was 13,684 million yen after deducting operating expenses such as fixed property tax and asset management fees. Ordinary income was 11,154 million yen, and net income was 10,912 million yen.

With regard to distributions, 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 a distribution policy, total cash distributions declared for the fiscal period amounted to 10,719 million yen, after deducting internal reserves, as a reserve for distributions, of 193 million yen, which is part of the gain on the sale of five suburban retail properties (one of which is a 30% co-ownership), from unappropriated retained earnings for the fiscal period of 10,912 million yen. As a result, distribution per unit amounted to 4,200 yen.

JRF has a tax loss carried forward (which may be deferred until the fiscal year ending February 2020); therefore, there will be no tax on internal reserves.

B. Outlook of next period

i. Outlook of overall operation

There are concerns over the impacts of a volatile financial market triggered by the plunge of the Chinese stock market since the beginning of this year and uncertainty over the outlook for the global economy on domestic household finances and business sentiment among Japanese firms. Under such circumstances, the Bank of Japan announced the introduction of negative interest rates in January 2016, in order to prevent the risk of adversely affecting price trends. In the future, the Bank of Japan will continue its monetary easing policy in three dimensions adding a "Negative Interest Rate" to the previous "Quantitative" and "Qualitative" monetary easing, and also suggests the possibility that it may further lower interest rates where necessary. Although there are some signs of a recovery in personal consumption due to an improving income environment for consumers and a general increase in the level of economic activities in urban areas caused by so-called "inbound demand (demand from visiting foreigners)," JRF needs to carefully monitor the outlook, as well as economic trends.

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

Regarding the leasing environment of retail properties, earnings of some retailers are generally robust and consumption remains relatively strong, mainly for big ticket items, due to the polarization of consumption. In addition, inbound demand remained strong, although its momentum is less than previously. Therefore, JRF believes that the market environment is starting to show improvements in lease terms, mainly in urban areas where the motivation for opening specialty stores shows an upward tendency. 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 as at the end of February 2016, 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 that belong to a variety of industries, 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. 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 2015 that evaluates the environmental responsiveness of real estate operators, JRF was designated as "Green Star" company, the highest ranking of the four categories in the GRESB Survey in 2015. JRF was highly evaluated especially in the aspects of "Management" and "Policy and Disclosure".

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 constantly works to improve further financial stability.

(i) Effort to secure the financial stability

JRF built a stable financial base, founded on the mid- to long - term basic financial concept described below.

Basic concepts of mid- to long-term financing	Build a strong financial base to enable continuation of stable management even at the time of a deteriorating financial environment
	Secure financial flexibility to implement responsive portfolio management
	Finance debts at a competitive cost by maintaining high creditworthiness

(ii) LTV control

While aiming at a LTV ratio of 50%, 45% to 55% range is set as JRF's LTV benchmark, comprehensively taking into consideration market conditions for fund procurement.

(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, 2016 (29th fiscal period), JRF expects to post an operating revenue of 31,574 million yen, ordinary income of 10,683 million yen, and net income of 10,682 million yen with distribution per unit of 4,250 yen. Also, as to the asset management operation in February 2017 (30th fiscal period), JRF expects to post an operating revenue of 32,297 million yen, ordinary income of 11,275 million yen, and net income of 11,275 million yen with distribution per unit of 4,250 yen. Please refer to the "Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending August 31, 2016 (29th Fiscal Period: March 1, 2016 to August 31, 2016) and the Fiscal Period Ending February 28, 2017 (30th Fiscal Period: September 1, 2016 to February 28, 2017)"

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.

Note also that as described in “Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending August 31, 2016 (29th Fiscal Period: March 1, 2016 to August 31, 2016) and the Fiscal Period Ending February 29, 2017 (30th Fiscal Period: September 1, 2016 to February 28, 2017)” below, JRF expects, or has conducted acquisition and disposition of properties after this fiscal period.

(1) Asset acquisition

JRF acquired and expects to acquire real estate or trust beneficiary interests in real estate outlined in the chart below using new borrowings and cash on hands. (For details of assets acquired, please refer to the press release titled “Notice Concerning Acquisition of a property in Sendai, Miyagi” dated December 24, 2015,” Notice Concerning Acquisition of G-Bldg. Kyoto Kawaramachi 01” dated January 25, 2016, and “Notice Concerning Acquisition of G-Bldg. Ginza Chuo-dori 01 and G-Bldg.Kichijoji 02”dated February 24, 2016.)

Property Name	Location	Acquisition Price (¥ million)	Acquisition Date
G-Bldg. Ginza Chuo-dori 01 (50% co-ownership interest of real estate trust beneficiary interest) ^(Note 1)	Chuo-ku, Tokyo	13,000	27.5% co-ownership interest: Mar. 1, 2016 (completed) 22.5% co-ownership interest: expected on Apr. 28, 2016, or any date before the end of May 2016, in which the seller and JRF agree in writing.
G-Bldg. Kyoto Kawaramachi 01 (real estate trust beneficiary interest)	Nakagyo-ku, Kyoto-shi, Kyoto	2,180	Mar. 18, 2016 (completed)
G-Bldg. Shinsaibashi 04 (Bldg.B) (real estate)	Chuo-ku, Osaka-shi, Osaka	820	Mar. 31, 2016 (completed)
G-Bldg. Sendai Ichibancho 01 (Building) (real estate) ^(Note 2)	Aoba-ku, Sendai-shi, Miyagi	1,500	Sep. 30, 2016
Total		17,500	

Note 1: A purchase and sale agreement for the co-ownership interest of trust beneficiary right has been concluded for the property, and if JRF, the purchaser, cancels this agreement, the seller, the other party, may claim a penalty against JRF in an amount equivalent to 20% of the purchase price. The appraisal value as of January 15, 2016 taken from an independent appraiser is 13,300 million yen.

Note 2: A purchase and sale agreement for building has been concluded for the property, and if this agreement is canceled pursuant to the provision thereof, the breaching party shall pay damages in an amount equivalent to 20% of the land/building purchase price (4,320 million yen) as a penalty. The survey value as of February 29, 2016 taken from an independent appraiser is 1,600 million yen.

Note 3: Other than the above, JRF plans to acquire an extension building for Ito-Yokado Yotsukaido (expected acquisition price is 144 million yen) in July 2016, and a building that is being reconstructed for the reconstruction project taking place at G-Bldg. Jiyugaoka 01 (Bldg. B) (expected acquisition price is 513 million yen) in November 2016.

(2) Asset disposition

JRF is expecting to dispose of trust beneficiary interest in real property outlined in the chart below. (For details of the asset disposition, please refer to the press release titled “Notice Concerning Disposition of Five Properties and Termination of Lease Accompanying Disposition” dated October 14, 2015.)

Property Name	Location	(Expected) Disposition Price (¥ million)	(Expected) Disposition Date
AEON MALL Kashiihama	Fukuoka-shi, Fukuoka	10,150	19% co-ownership interest: Aug. 31,2016 51% co-ownership interest: Sep. 30,2016

Assumptions Underlying the Forecast of Operation for the Fiscal Period Ending August 31, 2016 (29th Fiscal Period: March 1, 2016 to August 31, 2016) and the Fiscal Period Ending February 28, 2017 (30th Fiscal Period: September 1, 2016 to February 28, 2017)

Item	Assumptions
Accounting Period	<ul style="list-style-type: none"> - Fiscal period ending August 31, 2016 (29th fiscal period: March 1, 2016 to August 31, 2016) (184 days) - Fiscal period ending February 28, 2017 (30th fiscal period: September 1, 2016 to February 28, 2017) (181 days)
Assets owned	<ul style="list-style-type: none"> - The forecast was calculated based on 95 properties, after reflecting following changes to the 94 properties owned as of February 29, 2016: (i) four new acquisition in the 29th fiscal period (of which one is an additional acquisition for an existing property, and one is an acquisition of an extension of an existing property) (ii) two new acquisition in the 30th fiscal period (of which one is an additional acquisition of building on leased land of an existing property, and another is an acquisition of a new building scheduled to be built relating to a reconstruction project at an existing property), and (iii) disposition of co-ownership interest of real estate trust beneficiary right to take place during the 29th and the 30th fiscal period. - This assumption may change as a result of further acquisition and disposition of properties.
Issue of units	<ul style="list-style-type: none"> - The number of units issued as at the end of the fiscal period is 2,552,198 units, assuming that there will not be any additional issuance of new investment units.
Interest-bearing debt	<ul style="list-style-type: none"> - Interest-bearing debt as of February 29, 2016 stood at 349,591 million yen. However, as a result of (i) loan agreements in the amount of 25,000 million yen that were concluded on February 25, 2016 and took effect on March 1, 2016 and March 18, 2016, (ii) a loan agreement in the amount of 1,000 million yen that was concluded on March 25, 2016 and took effect on March 31, 2016, and (iii) repayment of loans in the amount of 350 million yen, which matured on March 30, 2016; interest-bearing debt as of the date of this document is 375,241 million yen, which comprises short-term borrowings, long-term borrowings, investment corporation bonds in the amounts of 3,500 million yen, 334,241 million yen, and 37,500 million yen, respectively. - Out of the interest-bearing debt outstanding as of the date of this document, short-term debts in the amount of 3,500 million and long-term debts in the amount of 22,100 million yen are to be repaid in the 29th and 30th fiscal period before maturity. We assume that we will repay part of these debts with cash on hand and repay the rest through funding including debt financing. - In relation to the planned acquisition of new properties, it is assumed that part of the funds for acquisition will be raised through debt financing.
Operating revenues	<ul style="list-style-type: none"> - Rental and other operating revenues are calculated based on 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 with our tenants and other relevant factors that took place until the date of this document. - We assume that there will be no arrears or nonpayment of rent by our tenants. - Regarding the gain on sales of property, we assume that we would incur approximately 550 million yen related to the disposition of “AEON MALL Kashiihama (19% of co-ownership interest of real estate trust beneficiary right)” in the 29th fiscal period, and approximately 1,388 million yen related to the disposition of “AEON MALL Kashiihama (51% of co-ownership interest of real estate trust beneficiary right)” in the 30th fiscal period.

Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> - We assume that taxes and public charge of 2,785 million yen and 2,757 million yen in the 29th fiscal period and the 30th fiscal period, respectively. - 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 each accounting period. However, should any need arise for settlement, such as a need to pay fixed asset taxes, etc. in relation to new property acquisitions to be made during the year in which the period falls, fixed asset taxes, etc. are included in the acquisition price of the properties and therefore, will not be listed as expenses for the period. We assume that taxes on property and equipment which are not listed as expenses of the properties to be acquired will be 63 million yen for the 29th and 30th fiscal periods. - We assume that repair and maintenance will be 470 million yen for the 29th fiscal period and 609 million yen for the 30th fiscal period. - We assume that depreciation will be 5,901 million yen for the 29th fiscal period and 5,928 million yen for the 30th fiscal period. - We assume that property management fees will be 826 million yen for the 29th fiscal period and 886 million yen for the 30th fiscal period, and building maintenance fees will be 1,488 million yen for the 29th fiscal period and 1,518 million yen for the 30th fiscal period. - We assume that the loss on disposal of fixed assets will be 190 million yen for the 29th fiscal period, mainly due to the renewal of Nara Family and Kishiwada CanCan Bayside Mall, and that the loss on disposal of fixed assets will be 39 million yen for the 30th fiscal period, mainly due to the renewal of Kishiwada CanCan Bayside Mall. Among the losses on disposal of fixed assets indicated above, in terms of change in accounting estimates, those for which it is judged necessary to re-examine the useful life of fixed assets are to be recorded as a depreciation expenses.
Non-operating expenses	<ul style="list-style-type: none"> - We assume that non-operating expenses (including interest expenses, loan-related costs, corporate bonds interest, depreciation of investment unit issuance cost, etc.) will be 2,458 million yen for the 29th fiscal period and 2,361 million yen for the 30th fiscal period.
Distribution per unit	<ul style="list-style-type: none"> - Distribution per unit is calculated in accordance with the cash distribution policy stipulated in the Articles of Incorporation of JRF. - Regarding the distribution for the 29th fiscal period, a total of 10,846 million yen (distribution of 4,250 yen per unit) is assumed to be distributed by adding 163 million yen of expected reversals of the reserve for reduction entry of property of 502 million yen to unappropriated retained earnings at the end of period of 10,682 million yen. - With regard to the distribution for the 30th fiscal period, a total of 10,846 million yen (distribution of 4,250 yen per unit) is assumed to be distributed by keeping 428 million yen as an internal reserve for dividends from retained earnings at the end of period of 11,275 million yen. JRF has tax loss carryforwards (which may be deferred until the fiscal period ending February 2020), therefore; it is assumed there will be no tax on internal reserves. - For the 29th and 30th 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. - It is assumed that the reserve for reduction entry of property and reserve for distribution will be reversed in temporary expenses accompanying renewals (repair and maintenance such as demolition costs, loss on retirement, and compensation for relocation: 524 million yen for the 29th fiscal period and 647 million yen for the 30th fiscal period).
Distribution in excess of profit per unit	<ul style="list-style-type: none"> - We do not plan to make distributions in excess of profits for the moment.

Item	Assumptions
Other	<ul style="list-style-type: none"> - We assume that there will be no amendment 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.

3. Financial information

(1) Balance sheets

(Thousands of yen)

	As of	
	August 31, 2015	February 29, 2016
ASSETS		
Current assets:		
Cash and bank deposits	20,099,394	4,203,685
Cash and bank deposits in trust (Note 1)	11,152,932	10,775,701
Rental receivables	880,015	792,742
Income taxes receivable	539	953
Other current assets	2,150,142	1,276,998
Total current assets	34,283,025	17,050,081
Non-current assets:		
Property and equipment:		
Buildings	2,511,163	2,074,883
Accumulated depreciation	(387,311)	(330,423)
Buildings, net	2,123,852	1,744,459
Building improvements	83,719	62,787
Accumulated depreciation	(18,106)	(14,588)
Building improvements, net	65,612	48,198
Furniture and fixtures	19,229	16,555
Accumulated depreciation	(9,911)	(9,242)
Furniture and fixtures, net	9,317	7,312
Land	28,311,839	25,192,505
Construction in progress	-	11,880
Buildings in trust (Note 2)	313,905,010	300,772,525
Accumulated depreciation	(86,153,017)	(83,694,907)
Buildings in trust, net (Note 1)	227,751,993	217,077,618
Building improvements in trust	16,387,502	15,562,286
Accumulated depreciation	(5,572,975)	(5,333,136)
Building improvements in trust, net (Note 1)	10,814,527	10,229,150
Machinery and equipment in trust	1,843,606	2,004,065
Accumulated depreciation	(898,178)	(898,705)
Machinery and equipment in trust, net (Note 1)	945,428	1,105,360
Furniture and fixtures in trust	4,062,538	4,017,420
Accumulated depreciation	(2,545,801)	(2,487,186)
Furniture and fixtures in trust, net (Note 1)	1,516,736	1,530,234
Land in trust (Note 1)	523,447,208	541,684,630
Construction in progress in trust	1,141,340	1,966,218
Total property and equipment	796,127,856	800,597,569
Intangible assets:		
Leasehold rights	19,803	-
Leasehold rights in trust	6,855,425	6,422,075
Other intangible assets in trust	101,081	122,504
Total intangible assets	6,976,310	6,544,579
Investment and other assets:		
Lease deposits in trust	1,708,365	1,663,750
Long-term prepaid expenses	2,708,976	2,516,280
Derivatives	3,257	-
Other investments (Note 1)	470,650	519,356
Total investment and other assets	4,891,248	4,699,386
Total non-current assets	807,995,415	811,841,535
Deferred charges:		
Unit issuance costs	147,068	215,715
Bond issuance costs	143,416	132,488
Total deferred charges	290,484	348,203
TOTAL ASSETS	842,568,926	829,239,821

(Thousands of yen)

	As of	
	August 31, 2015	February 29, 2016
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable – operating	2,219,733	1,824,680
Short-term borrowings	3,000,000	1,000,000
Current portion of long-term bonds issued – unsecured	10,000,000	-
Current portion of long-term borrowings	33,050,000	22,450,000
Accounts payable – other	10,566	14,444
Accrued expenses	2,150,086	2,038,565
Income taxes payable	428	519
Consumption tax payable	1,122,482	1,419,762
Rent received in advance	2,986,664	2,995,714
Deposits received	1,077,015	1,315,908
Current portion of tenant leasehold and security deposits in trust (Note 1)	2,133,279	830,944
Derivatives liabilities	1,086	7,636
Other current liabilities	762,539	150,213
Total current liabilities	58,513,882	34,048,389
Non-current liabilities:		
Long-term bonds issued – unsecured	37,500,000	37,500,000
Long-term borrowings	296,541,000	288,641,000
Tenant leasehold and security deposits	1,871,726	1,822,488
Tenant leasehold and security deposits in trust (Note 1)	55,753,924	50,179,645
Asset retirement obligations	476,700	479,840
Derivatives liabilities	347,846	1,831,435
Other non-current liabilities	4,179	31,153
Total non-current liabilities	392,495,376	380,485,563
TO TAL LIABILITIES	451,009,259	414,533,953
Net Assets (Note 5)		
Unitholders' equity:		
Unitholders' capital	363,254,665	387,198,507
Surplus:		
Capital surplus	14,986,826	14,986,826
Voluntary reserve		
Reserve for reduction entry of property	502,120	502,120
Reserve for dividends	2,430,676	2,944,776
Total voluntary reserve	2,932,797	3,446,897
Retained earnings	10,731,054	10,912,710
Total surplus	28,650,677	29,346,433
Total unitholders' equity	391,905,342	416,544,940
Valuation and translation adjustments:		
Deferred losses on hedges	(345,675)	(1,839,072)
Total valuation and translation adjustments	(345,675)	(1,839,072)
TO TAL NET ASSETS	391,559,666	414,705,867
TO TAL LIABILITIES AND NET ASSETS	842,568,926	829,239,821

(2) Statements of income and retained earnings

(Thousands of yen)

	For the six months ended	
	August 31, 2015	February 29, 2016
Operating revenues		
Rental and other operating revenues (Note 6)	30,962,570	31,028,581
Gain on sales of property (Note 7)	-	989,002
Total operating revenues	30,962,570	32,017,583
Operating expenses		
Property-related expenses (Note 6)	15,285,155	15,400,330
Asset management fees	2,545,092	2,502,248
Custodian fees	29,853	29,760
General administration fees	124,140	123,716
Compensation for Directors	5,940	5,940
Other operating expenses	155,925	270,631
Total operating expenses	18,146,107	18,332,626
Operating income	12,816,463	13,684,957
Non-operating revenues		
Interest income	3,530	6,250
Other non-operating revenues	5,204	2,892
Total non-operating revenues	8,734	9,143
Non-operating expenses		
Interest expense	1,721,769	1,661,098
Corporate bonds interest	386,497	375,963
Amortization of bond issuance costs	10,928	10,928
Amortization of unit issuance costs	70,061	75,761
Loan-related costs	413,844	410,899
Other non-operating expenses	4,536	4,475
Total non-operating expenses	2,607,638	2,539,126
Ordinary income	10,217,558	11,154,974
Extraordinary losses		
Litigation settlement	-	242,060
Total extraordinary losses	-	242,060
Income before income taxes	10,217,558	10,912,913
Income taxes		
Current	605	605
Deferred	(514,100)	-
Total income taxes	(513,495)	605
Net income	10,731,054	10,912,308
Unappropriated earnings at beginning of period	-	401
Retained earnings at the end of period	10,731,054	10,912,710

(3) Statements of changes in net assets

(Thousands of yen)

	Unitholders' equity								Valuation and translation adjustments		Total net assets
	Surplus								Deferred losses on hedges	Total valuation and translation adjustments	
	Unitholders' capital (Note 5)	Capital surplus	Voluntary reserve			Retained earnings	Total surplus	Total unitholders' equity			
			Reserve for reduction entry of property	Reserve for dividends	Total voluntary reserve						
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
Changes during the period											
Appropriation of reserve for reduction entry of property	-	-	502,120	-	502,120	(502,120)	-	-	-	-	-
Cash distribution declared	-	-	-	-	-	(10,158,227)	(10,158,227)	(10,158,227)	-	-	(10,158,227)
Net income	-	-	-	-	-	10,731,054	10,731,054	10,731,054	-	-	10,731,054
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	58,503	58,503	58,503
Total changes during the period	-	-	502,120	-	502,120	70,705	572,826	572,826	58,503	58,503	631,330
Balance as of August 31, 2015	363,254,665	14,986,826	502,120	2,430,676	2,932,797	10,731,054	28,650,677	391,905,342	(345,675)	(345,675)	391,559,666
Changes during the period											
Issuance of new investment units	23,943,842	-	-	-	-	-	-	23,943,842	-	-	23,943,842
Appropriation of reserve for dividends	-	-	-	514,100	514,100	(514,100)	-	-	-	-	-
Cash distribution declared	-	-	-	-	-	(10,216,552)	(10,216,552)	(10,216,552)	-	-	(10,216,552)
Net income	-	-	-	-	-	10,912,308	10,912,308	10,912,308	-	-	10,912,308
Net changes of items other than unitholders' equity	-	-	-	-	-	-	-	-	(1,493,397)	(1,493,397)	(1,493,397)
Total changes during the period	23,943,842	-	-	514,100	514,100	181,656	695,756	24,639,598	(1,493,397)	(1,493,397)	23,146,201
Balance as of February 29, 2016	387,198,507	14,986,826	502,120	2,944,776	3,446,897	10,912,710	29,346,433	416,544,940	(1,839,072)	(1,839,072)	414,705,867

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, 2015	February 29, 2016
	(Note 1)	(Note 2)
Retained earnings at the end of period	10,731,054,061	10,912,710,342
Cash distribution declared	10,216,552,392	10,719,231,600
<i>(Cash distribution declared per unit)</i>	<i>(4,204)</i>	<i>(4,200)</i>
Voluntary reserve		
Reserve for dividends	514,100,066	193,478,742
Retained earnings carried forward	401,603	-

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 ¥514,100,066 from retained earnings at end of the period of ¥10,731,054,061 to reserve for dividends corresponding to decrease of deferred tax liabilities, and declared a total of ¥10,216,552,392 for cash distributions which is substantially all of the remaining retained earnings amounted to ¥10,216,953,995 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, JRF transferred a portion of gain on sales of property amounting to ¥193,478,742 from retained earnings at end of the period of ¥10,912,710,342 to reserve for dividends and declared a total of ¥10,719,231,600 for cash distributions which is all of the remaining retained earnings. 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, 2015	February 29, 2016
Cash Flows from Operating Activities:		
Income before income taxes	10,217,558	10,912,913
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation	6,236,889	6,138,895
Amortization of bond issuance costs	10,928	10,928
Amortization of unit issuance costs	70,061	75,761
Gain on sales of property	-	(989,002)
Loss on disposal of fixed assets	99,670	64,841
Interest income	(3,530)	(6,250)
Interest expense	2,108,267	2,037,061
Litigation settlement	-	242,060
Changes in assets and liabilities:		
Decrease in Rental receivables	232,532	87,273
Decrease (increase) in Income taxes receivable	38	(413)
Decrease in Consumption tax refundable	457,845	-
(Increase) decrease in Long-term prepaid expenses	(42,378)	192,696
Increase (decrease) in Accounts payable - operating	219,165	(194,851)
Increase in Consumption tax payable	1,122,482	297,280
(Decrease) increase in Accounts payable - other	(24,797)	3,877
Increase (decrease) in Accrued expenses	52,603	(39,746)
Increase in Rent received in advance	68,498	9,050
(Decrease) increase in Deposits received	(1,144,981)	238,893
Other, net	271,364	(292,645)
Sub total	19,952,220	18,788,623
Interest received	3,530	6,250
Interest expenses paid	(2,060,367)	(2,108,836)
Payments for litigation settlement	-	(282,996)
Income taxes paid	(592)	(513)
Net cash provided by operating activities	17,894,790	16,402,527
Cash Flows from Investing Activities:		
Proceeds from withdrawal of time deposits	-	1,500,000
Purchase of property and equipment	(913)	(2,954,169)
Purchase of property and equipment in trust	(12,867,664)	(63,583,478)
Proceeds from sales of property and equipment in trust	-	58,158,048
Purchase of intangible assets in trust	(647)	(46,682)
Proceeds from sales of intangible assets in trust	-	228,503
Payments of tenant leasehold and security deposits	(13,700)	(59,398)
Proceeds from tenant leasehold and security deposits	18,200	100,091
Payments of tenant leasehold and security deposits in trust	(1,574,406)	(10,060,613)
Proceeds from tenant leasehold and security deposits in trust	1,310,023	2,467,526
Payments of lease deposits in trust	(372)	(60)
Proceeds from lease deposits in trust	7,500	44,674
Payments for restricted bank deposits in trust	-	(57)
Other expenditures	-	(48,705)
Net cash used in investing activities	(13,121,980)	(14,254,320)
Cash Flows from Financing Activities:		
Proceeds from short-term borrowings	3,000,000	5,500,000
Repayments of short-term borrowings	-	(7,500,000)
Proceeds from long-term borrowings	29,800,000	22,000,000
Repayments of long-term borrowings	(25,010,000)	(40,500,000)
Redemption of corporate bonds	-	(10,000,000)
Proceeds from issuance of investment units	-	23,799,433
Distribution payments	(10,160,478)	(10,220,638)
Net cash used in financing activities	(2,370,478)	(16,921,204)
Net change in cash and cash equivalents	2,402,331	(14,772,997)
Cash and cash equivalents at beginning of period	26,836,880	29,239,211
Cash and cash equivalents at end of period (Note 8)	29,239,211	14,466,214

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) Leased assets

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

(d) Long-term prepaid expenses

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

(e) Unit issuance costs

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

(f) Bond issuance costs

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

(g) 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 ¥17,844 thousand and ¥50,096 thousand for the six months ended August 31, 2015 and February 29, 2016, respectively.

(h) Hedge accounting

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

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

(i) Cash and cash equivalents

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

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

Trust beneficiary interests in real estate trusts are commonly utilized to obtain ownership in commercial properties in Japan, through which JRF holds all of its real estate. 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 accounts for balance sheet and statement of income and retained earnings of JRF in proportion to the percentage interest that such trust beneficiary interest represents.

(k) Consumption tax

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

(8) Notes to financial information

Note 1 — Collateral

The carrying amounts of assets stated below were pledged as collateral to secure tenant leasehold and security deposits in trust totaling ¥32,511,842 thousand and ¥24,312,376 thousand as of August 31, 2015 and February 29, 2016, respectively.

	(Thousands of yen)	
	As of	
	August 31, 2015	February 29, 2016
Cash and bank deposits in trust	513,115	513,173
Buildings in trust	75,138,902	69,963,276
Buildings improvements in trust	4,332,835	3,746,091
Machinery and equipment in trust	261,566	260,018
Furniture and fixtures in trust	424,932	377,191
Land in trust	172,891,408	168,544,020
Other	470,550	519,256
Total	254,033,311	243,923,028

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 amounts of ¥691,908 thousand and a former owner's payment of retirement benefit obligation for amounts of ¥350,000 thousand as of August 31, 2015 and February 29, 2016.

Note 2 — Reduction Entry for Property

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

	(Thousands of yen)	
	For the six months ended	
	August 31, 2015	February 29, 2016
Buildings in trust	5,119	-

Note 3 — Credit facilities and commitment lines

As of August 31, 2015 and February 29, 2016, JRF entered into credit facilities and committed lines of credit as follows:

	(Thousands of yen)	
	As of	
	August 31, 2015	February 29, 2016
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	60,000,000	60,000,000
Borrowings drawn down	-	-
Unused committed lines of credit	60,000,000	60,000,000

Note 4 — Contingent liabilities**For the six months ended August 31, 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 in 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.

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

If the judgement of first instance became final and binding, JRF would be obliged to pay the rent reduction totaling ¥205 million (calculated up to August 31, 2015) and interest on the obligation.

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

For the six months ended February 29, 2016

None

Note 5 — Net assets

(1) Number of units

	As of	
	August 31, 2015	February 29, 2016
Authorized	8,000,000 units	8,000,000 units
Issued and outstanding	2,430,198 units	2,552,198 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, 2015 and February 29, 2016 consist of the following:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2015	February 29, 2016
Rental and other operating revenues:		
Rental and parking revenue	27,212,434	27,382,529
Common area charges	1,622,605	1,502,484
Other	2,127,531	2,143,567
Total rental and other operating revenues	30,962,570	31,028,581
Property-related expenses:		
Property management fees	686,716	805,402
Facility management fees	1,365,744	1,476,634
Utilities	1,965,732	1,749,083
Property-related taxes	2,896,418	2,803,343
Repair and maintenance	214,681	346,656
Insurance	56,907	53,733
Trust fees	86,793	87,616
Rent expense	896,277	889,261
Other	779,382	984,921
Depreciation	6,236,829	6,138,834
Loss on disposal of property	99,670	64,841
Total property-related expenses	15,285,155	15,400,330
Operating income from property leasing activities	15,677,415	15,628,251

Note 7 — Analysis of gain on sales of property

Analysis of gain on sales of property is as follows:

	(Thousands of yen)	
	For the six months ended	
	August 31, 2015	February 29, 2016
Sale of land and building	-	58,417,000
Cost of land and building	-	(57,397,550)
Other sales expenses	-	(30,447)
Gain on sales of property, net	-	989,002

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, 2015	February 29, 2016
Cash and bank deposits	20,099,394	4,203,685
Cash and bank deposits in trust	11,152,932	10,775,701
Restricted bank deposits in trust ⁽ⁱ⁾	(513,115)	(513,173)
Time deposits with maturities initially of over three months	(1,500,000)	-
Cash and cash equivalents	29,239,211	14,466,214

Note:

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

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

JRF leases its properties to retail tenants. Future minimum rental revenues pursuant to existing rental contracts as of August 31, 2015 and February 29, 2016 (exclusive of the recovery of utility and other charges) scheduled to be received are summarized as follows:

	(Thousands of yen)	
	As of	
	August 31, 2015	February 29, 2016
Due within one year	27,265,451	27,989,536
Due after one year	100,644,676	103,937,119
Total	127,910,128	131,926,656

(b) Lease commitments

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

Note 10 — Financial instruments

(a) Qualitative information for financial instruments

(i) Policy for financial instrument transactions

JRF raises funds through borrowings, issuance of corporate bonds, or issuance of investment units, for the purpose of the acquisition of real estate properties, payment of expenditures on property maintenance and/or repayment of existing debt. Surplus funds are managed carefully by investing in financial instruments that meet JRF's investment policy in terms of liquidity and safety in light of the current financial market conditions. 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 the redemption of 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 maintains 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, maintaining high liquidity and entering into credit facility agreements and commitment line agreements.

(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, 2015 and February 29, 2016.

	As of August 31, 2015			As of February 29, 2016		
	Carrying amounts	Fair value	Unrealized gain (loss)	Carrying amounts	Fair value	Unrealized gain (loss)
(1) Cash and bank deposits	20,099,394	20,099,394	-	4,203,685	4,203,685	-
(2) Cash and bank deposits in trust	11,152,932	11,152,932	-	10,775,701	10,775,701	-
Total assets	31,252,327	31,252,327	-	14,979,387	14,979,387	-
(1) Short-term borrowings	3,000,000	3,000,000	-	1,000,000	1,000,000	-
(2) Current portion of long-term bonds issued	10,000,000	10,087,000	(87,000)	-	-	-
(3) Current portion of long-term borrowings	33,050,000	33,251,223	(201,223)	22,450,000	22,571,783	(121,783)
(4) Current portion of tenant leasehold and security deposits in trust	2,133,279	2,150,670	(17,390)	830,944	843,362	(12,418)
(5) Long-term bonds issued	37,500,000	38,445,035	(945,035)	37,500,000	39,092,000	(1,592,000)
(6) Long-term borrowings	296,541,000	299,804,186	(3,263,186)	288,641,000	295,551,076	(6,910,076)
(7) Tenant leasehold and security deposits in trust	8,996,847	9,436,735	(439,888)	3,486,936	3,718,476	(231,539)
Total liabilities	391,221,127	396,174,850	(4,953,723)	353,908,881	362,776,699	(8,867,818)
Derivatives (derivatives liabilities), net	(345,675)	(345,675)	-	(1,839,072)	(1,839,072)	-

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

Assets

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

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

Liabilities

(1) Short-term borrowings

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

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

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

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

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

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

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

Derivatives

Please refer to "Note 11—Derivatives".

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

	(Thousands of yen)	
	As of	
	August 31, 2015	February 29, 2016
Tenant leasehold and security deposits	1,871,726	1,822,488
Tenant leasehold and security deposits in trust	46,757,076	46,692,708
Total	48,628,803	48,515,197

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

As of	(Thousands of yen)					
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
As of August 31, 2015						
Cash and bank deposits	20,099,394	-	-	-	-	-
Cash and bank deposits in trust	11,152,932	-	-	-	-	-
Total	31,252,327	-	-	-	-	-
As of February 29, 2016						
Cash and bank deposits	4,203,685	-	-	-	-	-
Cash and bank deposits in trust	10,775,701	-	-	-	-	-
Total	14,979,387	-	-	-	-	-

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

As of	(Thousands of yen)					
	Up to 1 year	1-2 years	2-3 years	3-4 years	4-5 years	Over 5 years
As of August 31, 2015						
Short-term borrowings	3,000,000	-	-	-	-	-
Current portion of long-term bonds issued	10,000,000	-	-	-	-	-
Current portion of long-term borrowings	33,050,000	-	-	-	-	-
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	-	18,300,000	45,666,000	49,000,000	45,500,000	138,075,000
Tenant leasehold and security deposits in trust	-	1,531,415	1,447,970	1,447,970	1,231,620	2,819,558
Total	47,598,139	34,831,415	47,113,970	50,447,970	46,731,620	163,394,558
As of February 29, 2016						
Short-term borrowings	1,000,000	-	-	-	-	-
Current portion of long-term borrowings	22,450,000	-	-	-	-	-
Current portion of tenant leasehold and security deposits in trust	752,444	-	-	-	-	-
Long-term bonds issued	-	15,000,000	-	-	-	22,500,000
Long-term borrowings	-	24,300,000	43,766,000	49,500,000	44,575,000	126,500,000
Tenant leasehold and security deposits in trust	-	668,999	668,999	615,249	540,000	540,000
Total	24,202,444	39,968,999	44,434,999	50,115,249	45,115,000	149,540,000

Note 11 — Derivatives

Information on derivative transactions undertaken by JRF as of August 31, 2015 and February 29, 2016 is as follows. Derivative instruments are used for hedging purposes and are subject to hedge accounting.

As of August 31, 2015

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	(345,675)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	108,500,000	108,500,000	-(i)	-
Total			252,075,000	241,075,000	(345,675) ⁽ⁱ⁾	-

As of February 29, 2016

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	132,575,000	127,075,000	(1,839,072)	(iii)
Special treatment for hedge accounting of interest rate swaps ⁽ⁱ⁾	Interest rate swaps (Floating-rate to fixed-rate interest)	Long-term borrowings	118,500,000	113,500,000	-(i)	-
Total			251,075,000	240,575,000	(1,839,072) ⁽ⁱ⁾	-

Note:

- As disclosed in “(7) Summary of significant accounting policies (h) Hedge accounting”, JRF applies the special treatment provided under Japanese GAAP for the interest rate swaps which qualify for hedge accounting and meet specific criteria, under which only the interest received or paid under swap contracts, and not the fair value of the derivative, is determined separately from the hedged asset or liability. Consequently, the fair value of the interest rate swaps as the hedging instrument and the long-term borrowings as hedged item is calculated together as one and disclosed as such under Note (i) in “Note 10 Financial instruments (b) Quantitative information for financial instruments”.
- The notional amounts relating to the derivatives do not, by themselves, represent the market risk exposure associated with the derivative transactions.
- The fair value is evaluated at the amount calculated by the counterparty to the interest rate swaps contracts.
- For the six months ended February 29, 2016, the interest rate swaps contracts totaling of ¥7,000 million in notional amounts entered into on February 26, 2016 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 1, 2016.

Note 12 — Related-party transaction

There was no related-party transaction to be disclosed for the six months ended August 31, 2015 and February 29, 2016.

Note 13 — Income taxes

Deferred tax assets and liabilities consist of the following:

(Thousands of yen)

	As of	
	August 31, 2015	February 29, 2016
Deferred tax assets:		
Current:		
Tax loss carryforwards	2,806,821	2,715,003
Other	12,352	2,467
Sub total	2,819,174	2,717,470
Valuation allowance	(2,819,174)	(2,717,470)
Total current deferred tax assets	-	-
Non-current:		
Amortization of leasehold rights	45,121	58,630
Depreciation	42,162	58,198
Asset retirement obligations	154,021	155,036
Valuation differences on assets acquired through merger	5,509,698	5,504,133
Derivatives liabilities	112,389	591,736
Other	-	7,910
Sub total	5,863,393	6,375,646
Valuation allowance	(5,863,393)	(6,375,646)
Total non-current deferred tax assets	-	-
Total deferred tax assets	-	-
Net deferred tax assets	-	-

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

(%)

	For the six months ended	
	August 31, 2015	February 29, 2016
Statutory tax rate	34.15	32.31
Deductible cash distributions	(34.15)	(31.74)
Change in tax rate	4.89	-
Change in expectation of payment for deferred tax liability based on tax reform	(5.03)	-
Change in valuation allowance (for deferred tax assets)	(4.78)	(0.59)
Other	(0.11)	0.03
Effective tax rate	(5.03)	0.01

On March 31, 2016, the Japanese government announced acts to partially amend income tax act (Act No.15 of 2016) and local tax act (Act No.13 of 2016) which result in changes in the statutory tax rate over the forthcoming years. As a consequence of the effects of these acts, the statutory tax rate will change from 32.31% to 31.74% for temporary differences which will reverse in the six months ending February 28, 2017 and August 31, 2017. The effects of this change in the statutory tax rate are immaterial.

Note 14 — Asset retirement obligations

JRF has an obligation under a fixed-term leasehold agreement to restore its leased land, which represents a portion of the land where DFST GALLERIA OKINAWA, owned by JRF, 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 DFST 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 of asbestos are recognized as a liability using discount rates at 0.458% and 1.584%, respectively.

Movements of asset retirement obligations for the six months ended August 31, 2015 and February 29, 2016 are as follows:

(Thousands of yen)

	For the six months ended	
	August 31, 2015	February 29, 2016
Balance at the beginning of the period	473,533	476,700
Adjustment for passage of time	3,166	3,139
Balance at the end of the period	476,700	479,840

Note 15 — Fair value of investment and rental property

JRF has mainly retail facilities as investment assets which are located mainly in three major metropolitan areas and other metropolitan areas in Japan. The following table shows the net book value and the fair value of the investment and rental properties in the aggregate for the six months ended August 31, 2015 and February 29, 2016.

	(Thousands of yen)	
	For the six months ended	
	August 31, 2015	February 29, 2016
Net book value⁽ⁱ⁾		
Balance at the beginning of the period	796,765,499	803,103,935
Net increase during the period ⁽ⁱⁱ⁾	6,338,435	4,038,042
Balance at the end of the period	803,103,935	807,141,977
Fair value⁽ⁱⁱⁱ⁾	874,015,000	898,682,000

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, 2015:	(Thousands of yen)
Acquisitions:	
EDION Kyobashi (Land with leasehold interest).....	5,756,688
G-Bldg. Ueno 01.....	3,459,381
Capital expenditures:	
Renewal of disaster prevention equipment of Nara Family.....	149,530
Total of capital expenditures for the period (including above expenditure).....	2,312,448
For the six months ended February 29, 2016:	
Acquisitions:	
G-Bldg. Kichijoji 02.....	15,429,220
G-Bldg. Umeda 01.....	9,822,439
G-Bldg. Akihabara 01.....	5,037,820
G-Bldg. Abeno 01.....	4,338,650
G-Bldg. Sendai Ichibancho 01.....	2,937,719
G-Bldg. Akihabara 02.....	2,530,533
Takadanobaba (Land with leasehold interest).....	2,509,525
G-Bldg. Shinsaibashi 04.....	2,448,900
mozo wonder city (additional acquisition of interest of quasi-co-ownership).....	11,921,086
G-Bldg. Minami Aoyama 01 (additional acquisition of interest of quasi-co-ownership).....	3,693,116
DFS T GALLERIA OKINAWA (additional acquisition of interest of quasi-co-ownership).....	2,573,689
Capital expenditures:	
Construction for activating plan of mozo wonder city.....	1,724,183
Total of capital expenditures for the period (including above expenditure).....	3,556,670
Disposition:	
AEON MALL Yachiy o Midorigaoka.....	27,944,100
AEON Nishi-Otsu.....	12,194,318
AEON Ueda.....	7,997,772
AEON Omiya.....	5,744,522
AEON MALL Kashiihama (partial disposition of interest of quasi-co-ownership).....	3,516,835

(iii) Fair value has been determined based on independent real estate appraisers. For AEON MALL Kashiihama sold on October 15, 2015, the selling price is used as fair value as of February 29, 2016.

For rental revenues and expenses for the six months ended August 31, 2015 and February 29, 2016, please refer to “Note 6— Analysis for rental and other operating revenues and property-related expenses”.

Note 16 — Segment information

Segment information for the six months ended August 31, 2015 and February 29, 2016 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, 2015	February 29, 2016	
AEON Retail Co., Ltd.	4,990,584	3,840,084	Property rental business
AEON Mall Co., Ltd.	3,836,341	3,835,194	Property rental business

Note 17 — Per unit information

The net asset value per unit as of August 31, 2015 and February 29, 2016 was ¥161,122 and ¥162,489, respectively. Net income per unit for the six months ended August 31, 2015 and February 29, 2016 was ¥4,415 and ¥4,285, 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, 2015	February 29, 2016
Net income	10,731,054	10,912,308
Effect of dilutive unit	-	-
Net income available to common unitholders	10,731,054	10,912,308
Weighted-average number of units outstanding for the period	2,430,198 units	2,546,450 units

Note 18 — Subsequent events

None

(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	
September 14, 2011	Global offering	187,500	1,875,698	19,520	270,284	Note 1
October 12, 2011	Allocation of investment units to a third party	4,500	1,880,198	468	270,752	Note 2
October 1, 2012	Global offering	194,500	2,074,698	24,162	294,915	Note 3
October 31, 2012	Allocation of investment units to a third party	4,500	2,079,198	559	295,474	Note 4
October 2, 2013	Global offering	229,000	2,308,198	43,465	338,940	Note 5
September 25, 2014	Global offering	119,500	2,427,698	23,816	362,756	Note 6
October 22, 2014	Allocation of investment units to a third party	2,500	2,430,198	498	363,254	Note 7
September 9, 2015	Global offering	119,500	2,549,698	23,453	386,707	Note 8
October 7, 2015	Allocation of investment units to a third party	2,500	2,552,198	490	387,198	Note 9

Note 1 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 2 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 3 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 4 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 5 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 6 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 7 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 specified assets in the future).

Note 8 New investment units were issued at a price of ¥202,566 per unit (subscription price of ¥196,261 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 ¥196,261 per unit through the allocation of investment units to a third party in order to raise funds for acquiring of new real property (or specified 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, 2015		As of February 29, 2016	
		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	23,587	2.8	17,118	2.1
	Osaka and Nagoya metropolitan areas	6,942	0.8	6,936	0.8
	Other metropolitan areas	-	-	2,949	0.3
	Sub-total	30,530	3.6	27,004	3.2
Trust beneficial interest in real property	Tokyo metropolitan area	372,817	44.3	374,518	45.2
	Osaka and Nagoya metropolitan areas	300,088	35.6	315,719	38.1
	Other metropolitan areas	99,667	11.8	89,899	10.8
	Sub-total	772,573	91.7	780,137	94.1
Sub-total		803,103	95.3	807,141	97.3
Bank deposits and other assets		39,464	4.7	22,097	2.7
Total assets		842,568	100.0	829,239	100.0
Total liabilities (Note 2)		451,009	53.5	414,533	50.0
Total net assets		391,559	46.5	414,705	50.0

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 29, 2016 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
mozo wonder city (Note 4) (trust beneficial interest)	55,371	86,727.87	86,727.87	100.0	11.1	Retail facilities
Higashi-Totsuka Aurora City (trust beneficial interest)	46,940	109,365.50	109,365.50	100.0	4.4	Retail facilities
Nara Family (trust beneficial interest)	32,933	85,030.68	83,933.13	98.7	6.1	Retail facilities
KAWASAKI Le FRONT (trust beneficial interest)	30,363	56,109.52	55,449.42	98.8	5.8	Retail facilities
AEON MALL Musashi Murayama (trust beneficial interest)	27,111	137,466.97	137,466.97	100.0	3.0	Retail facilities
AEON MALL Tsurumi Ryokuchi (trust beneficial interest)	25,235	138,538.63	138,538.63	100.0	2.9	Retail facilities
G-Bldg. Shinsaibashi 03 (Note 5) (trust beneficial interest)	22,297	4,631.13	4,631.13	100.0	-	Retail facilities
GYRE (trust beneficial interest)	21,904	4,815.02	4,815.02	100.0	1.9	Retail facilities
AEON MALL Itami (trust beneficial interest)	19,321	157,904.26	157,904.26	100.0	1.9	Retail facilities
Kawaramachi OPA (trust beneficial interest)	18,371	18,848.20	18,848.20	100.0	1.2	Retail facilities
Total	299,850	799,437.78	797,680.13	99.8	-	

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

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

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

Note 4 "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 29, 2016 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	5,390	5,241
G-Bldg. Kita Aoyama 01	14-8, Kita-Aoyama 3-chome, Minato-ku, Tokyo	Trust beneficial interest	492.69	1,520	945
G-Bldg. Jiyugaoka 01 (Note 4)	9-17, Jiyugaoka 2-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	1,358.82	3,824	2,576
Cheers Ginza	9-5, Ginza 5-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,686.58	4,190	3,976
GYRE	10-1, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,815.02	24,700	21,904
G-Bldg. Jingumae 06	28-3, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	670.43	2,530	2,351
G-Bldg. Jingumae 02	9-9, Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	426.29	1,700	2,296
G-Bldg. Minami Aoyama 01	4-48, Minami Aoyama 5-chome, Minato-ku, Tokyo, etc.	Trust beneficial interest	1,592.90	8,800	10,120
La Porte Aoyama (Note 5)	51-8, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	4,153.44	10,200	9,365
G-Bldg. Jingumae 03	30-12, Jingumae 3-chome, Shibuya-ku, Tokyo	Real property	1,676.87	4,070	5,484
G-Bldg. Minami-Ikebukuro 01 (Note 5)	19-5, Minami Ikebukuro 1-chome, Toshima-ku, Tokyo	Trust beneficial interest	5,061.47	7,930	6,206
Urban Terrace Jingumae	47-6, Jingumae 5-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,719.19	4,780	2,774
G-Bldg. Sangenjaya 01	15-4, Taishido 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	3,471.52	5,910	3,689
G-Bldg. Ginza 01	5-1, Ginza 6-chome, Chuo-ku, Tokyo	Trust beneficial interest	1,610.54	7,810	5,587
KAWASAKI Le FRONT	1-11, Nissincho, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	56,109.52	37,100	30,363
G-Bldg. Omotesando 02	25-15 Jingumae 4-chome, Shibuya-ku, Tokyo	Trust beneficial interest	5,555.65	20,250	17,838
G-Bldg. Kichijoji 01	12-12, Kichijoji Honcho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	1,512.03	3,990	3,587
CUTE CUBE HARAJUKU	7-1, Jingumae 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,428.54	9,300	8,572
G-Bldg. Nagoya Sakae 01	27-24, Sakae 3-chome, Naka-ku, Nagoya-shi, Aichi	Real property	927.09	2,030	1,970
G-Bldg. Abeno 01	4-7, Abenosuji 1-chome, Abeno-ku, Osaka-shi, Osaka	Trust beneficial interest	4,700.58	4,350	4,327
G Bldg. Umeda 01	15-22, Chayamachi, Kita-ku, Osaka-shi, Osaka	Trust beneficial interest	3,529.51	10,200	9,817
G-Bldg. Shinsaibashi 04	10-5 Minami Senba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	1,180.39	2,480	2,446
8953 Osaka Shinsaibashi Building	4-12, Minami Senba 3-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	13,666.96	15,300	12,458
Bic Camera Tachikawa	12-2, Akebonocho 2-chome, Tachikawa-shi, Tokyo, etc.	Trust beneficial interest	20,983.43	17,800	12,699
Kawaramachi OPA	385, Komeyacho, Shijo-agaru, Kawaramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	18,848.20	15,800	18,371

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. Jingumae 01	21-5, Jingumae 4-chome, Shibuya-ku, Tokyo	Real property	555.75	3,950	3,399
G-Bldg. Shinjuku 01	1-8, Shinjuku 4-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	1,093.67	7,940	6,593
G-Bldg. Shinsaibashi 01	5-3, Shinsaibashi-suji 2-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	886.46	2,500	1,599
Arkangel Daikanyama (Land with leasehold interest)	111-14, Aobadai 1-chome, Meguro-ku, Tokyo, etc.	Trust beneficial interest	904.04	2,430	1,842
G-Bldg. Shinsaibashi 02 (Note 6)	3-24, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	—	5,680	4,343
Round1 Stadium Sennichimae (Land with leasehold interest)	1, Namba 1-chome, Chuo-ku, Osaka-shi, Osaka, etc.	Trust beneficial interest	1,711.63	9,870	8,091
Round1 Yokohama Station West	8-16, Minamisaikai 2-chome, Nishi-ku Yokohama-shi, Kanagawa	Trust beneficial interest	6,560.09	4,990	3,853
G-Bldg. Omotesando 01	1-9, Jingumae 6-chome, Shibuya-ku, Tokyo	Real property	1,508.03	7,510	5,882
Round1 Kyoto Kawaramachi	585, Uraderacho, Shijo-agaru yori Rokkaku-sagaru made, Teramachi-dori, Nakagyo-ku, Kyoto-shi, Kyoto, etc.	Trust beneficial interest	8,821.66	3,530	2,781
Round1 Hiroshima	3-11, Tatemachi, Naka-ku, Hiroshima-shi, Hiroshima	Trust beneficial interest	9,890.63	3,900	2,918
G-Bldg. Shinsaibashi 03	2-17, Shinsaibashi-suji 1-chome, Chuo-ku, Osaka-shi, Osaka	Trust beneficial interest	4,631.13	26,000	22,297
G-Bldg. Daikanyama 01	35-17, Ebisu-Nishi 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	599.79	1,480	1,224
G-Bldg. Shibuya 01	20-13 Jinnan 1-chome, Shibuya-ku, Tokyo	Trust beneficial interest	1,582.08	4,010	3,219
DFS T GALLERIA OKINAWA	1-1, Omoromachi 4-chome, Naha-shi, Okinawa	Trust beneficial interest	42,088.14	17,600	15,941
EDION Kyobashi (Land with leasehold interest)	9-10, Gamo 1-chome, Joto-ku, Osaka-shi, Osaka	Trust beneficial interest	4,307.16	5,770	5,756
G-Bldg. Ueno 01	9-14 Ueno 4-chome, Taito-ku, Tokyo	Trust beneficial interest	1,471.80	3,530	3,453
G-Bldg. Akihabara 01	11-11, Sotokanda 1-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	2,701.99	5,290	5,031
Takadanobaba (Land with leasehold interest)	100-1, Takadanobaba 2-chome, Shinjuku-ku, Tokyo	Trust beneficial interest	1,010.19	2,538	2,509
G-Bldg. Akihabara 02	1, Kanda Matsunaga-cho 2-chome, Chiyoda-ku, Tokyo	Trust beneficial interest	1,053.55	2,670	2,525
G-Bldg. Sendai Ichibancho 01	5-11 Ichibancho 3-chome, Aoba-ku, Sendai-shi, Miyagi, etc.	Real property	682.33	3,000	2,949
G-Bldg. Kichijoji 02	3-13, Kichijoji Minamicho 2-chome, Musashino-shi, Tokyo	Trust beneficial interest	8,838.79	15,800	15,423
Nara Family	4-1, Saidaiji-higashimachi 2-chome, Nara-shi, Nara	Trust beneficial interest	85,030.68	37,100	32,933
Abiko Shopping Plaza	11-1, Abiko 4-chome, Abiko-shi, Chiba	Trust beneficial interest	43,548.05	12,600	9,528
Kyoto Family	1-1, Ikejiricho, Yamanouchi, Ukyo-ku, Kyoto-shi, Kyoto	Trust beneficial interest	19,641.45	5,250	6,586
Higashi-Totsuka Aurora City	537-1, Shinanocho, Totsuka-ku, Yokohama-shi, Kanagawa, etc.	Trust beneficial interest	109,365.50	41,900	46,940

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)
Ito-Yokado Kawasaki	2-1, Oda-sakae 2-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa, etc.	Trust beneficial interest	65,313.47	13,490	14,090
Narupark (Note 5)	232 Urasato 3-chome, Midori-ku, Nagoya-shi, Aichi	Trust beneficial interest	15,227.61	4,960	7,648
Kishiwada CanCan Bayside Mall	2-1, Minatomidori machi, Kishiwada-shi, Osaka, etc.	Trust beneficial interest	38,266.11	4,900	7,305
Makuhari Plaza	7701, Makuharicho 2-chome, Hanamigawa-ku, Chiba-shi, Chiba	Trust beneficial interest	24,505.37	6,780	5,591
Izumisano Shofudai (Land with leasehold interest)	1138-1, Shofudai 1-chome, Izumisano-shi, Osaka	Trust beneficial interest	44,009.52	2,830	2,657
mozo wonder city (Note 7)	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, etc.	Trust beneficial interest	86,727.87	64,500	55,371
pivo Izumi Chuo	1-2, Ibukino 5-chome, Izumi-shi, Osaka, etc.	Trust beneficial interest	21,182.94	6,870	5,749
Colline Bajikouen	4-18, Kamiyoga 2-chome, Setagaya-ku, Tokyo	Trust beneficial interest	5,368.02	3,970	3,159
KAMISHIN PLAZA	6-12, Osumi 1-chome, Higashiyodogawa-ku, Osaka-shi, Osaka	Trust beneficial interest	11,943.13	4,670	4,033
Oyama Yuen Harvest Walk (Note 7)	1475-52, Aza-kaido-nishi, Oaza-Kizawa, Oyama-shi, Tochigi, etc.	Trust beneficial interest	59,872.65	9,260	8,940
AEON Sendai Nakayama	35-40, Minami Nakayama 1-chome, Izumi-ku, Sendai-shi, Miyagi, etc.	Trust beneficial interest	46,248.96	10,900	8,852
Ito-Yokado Yabashira	15-8, Higurashi 1-chome, Matsudo-shi, Chiba, etc.	Trust beneficial interest	21,308.78	1,980	1,351
Ito-Yokado Kamifukuoka Higashi	1-30, Ohara 2-chome, Fujimino-shi, Saitama	Trust beneficial interest	28,316.18	5,860	6,063
Ito-Yokado Nishikicho	12-1, Nishikicho 1-chome, Warabi-shi, Saitama	Trust beneficial interest	73,438.52	14,200	10,659
AEON MALL Higashiura	13-2, Aza-asahi, Oaza-ogawa, Higashiuracho, Chita-gun, Aichi, etc.	Trust beneficial interest	129,124.73	10,600	7,154
AEON MALL Kashiihama	12-1, Kashiihama 3-chome, Higashi-ku, Fukuoka-shi, Fukuoka	Trust beneficial interest	109,616.72	10,150	8,173
AEON MALL Sapporo Naebo	1-1, Higashinaebo 2jo 3-chome, Higashi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	74,625.52	8,790	6,697
Ito-Yokado Tsunashima	8-1, Tsunashima-Nishi 2-chome, Kohoku-ku, Yokohama-shi, Kanagawa	Trust beneficial interest	16,549.50	5,010	4,679
AEON Itabashi Shopping Center	6-1, Tokumaru 2-chome, Itabashi-ku, Tokyo	Trust beneficial interest	72,748.34	13,000	10,994
AEON MALL Yamato	2-6, Shimotsuruma 1-chome, Yamato-shi, Kanagawa	Trust beneficial interest	85,226.68	17,800	15,469
SEIYU Hibarigaoka	9-8, Sumiyoshicho 3-chome, Nishi-Tokyo-shi, Tokyo	Trust beneficial interest	19,070.88	7,060	4,923
AEON Tobata Shopping Center	2-2, Shioi-cho, Tobata-ku, Kita-Kyushu-shi, Fukuoka	Trust beneficial interest	93,258.23	6,590	5,600
AEON Takatsuki	47-2, Haginosho 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	77,267.23	10,700	10,207
AEON Yagoto	2-1, Ishizaka, Kojimachi-aza, Showa-ku, Nagoya-shi, Aichi	Trust beneficial interest	63,778.44	3,540	3,397
AEON Naha Shopping Center	10-2, Kanagusuku 5-chome, Naha-shi, Okinawa	Trust beneficial interest	79,090.48	10,800	10,171

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 MALL Tsurumi Ryokuchi	17-1, Tsurumi 4-chome, Tsurumi-ku, Osaka-shi, Osaka	Trust beneficial interest	138,538.63	26,300	25,235
AEON MALL Itami	1-1, Fujinoki 1-chome, Itami-shi, Hyogo	Trust beneficial interest	157,904.26	19,400	19,321
Ito-Yokado Yotsukaido	5, Chuo, Yotsukaido-shi, Chiba	Trust beneficial interest	59,207.19	10,900	12,767
AEON MALL Sapporo Hassamu	1-1, Hassamu 8jo 12-chome, Nishi-ku, Sapporo-shi, Hokkaido	Trust beneficial interest	102,169.00	18,200	16,186
Ario Otori	199-12, Otori Minami-cho 3-cho, Nishi-ku, Sakai-shi, Osaka, etc.	Trust beneficial interest	95,135.36	15,800	15,933
AEON MALL Musashi Murayama	1-3, Enoki 1-chome, Musashimurayama-shi, Tokyo	Trust beneficial interest	137,466.97	31,700	27,111
AEON MALL Kobe Kita	2-1, Kouzudai 8-chome, Kita-ku, Kobe-shi, Hyogo	Trust beneficial interest	128,050.62	12,110	9,426
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	1,810	1,717
LIFE Kishibe(Land with leasehold interest)	2205-15, Hara-cho 4-chome, Suita-shi, Osaka, etc.	Real property	5,516.61	2,050	1,942
MrMax Nagasaki	26-1, Iwami machi, Nagasaki-shi, Nagasaki, etc.	Trust beneficial interest	12,115.09	3,210	2,488
Round1 Stadium Itabashi	16-13, Aioicho, Itabashi-ku, Tokyo	Trust beneficial interest	14,828.74	3,130	2,296
Round1 Machida	13-14, Morino 1-chome, Machida-shi, Tokyo	Trust beneficial interest	6,801.89	3,090	2,367
Neyagawa(Land with leasehold interest)	327-1, Taiseicho, Neyagawa-shi, Osaka, etc.	Trust beneficial interest	11,430.04	1,710	1,154
Round1 Stadium Sakai Chuo Kanjyo	241, Ishiwara-cho 2-cho, Higashi-ku Sakai-shi, Osaka	Trust beneficial interest	17,521.46	2,390	1,702
Tecc Land Fukuoka Shime Honten (Note 6)	2-1, Minamizato 5-chome, Shime-machi, Kasuya-gun, Fukuoka	Trust beneficial interest	—	5,190	3,928
Summit Store Nakano Minamidai	26-2, Minamidai 5-chome, Nakano-ku, Tokyo	Trust beneficial interest	3,536.50	3,320	3,095
Round1 Stadium Takatsuki	6-4, Zushi 3-chome, Takatsuki-shi, Osaka	Trust beneficial interest	19,767.64	2,820	2,070
m-city Toyonaka	2-18, Hinode-cho 2-chome, Toyonaka-shi, Osaka	Trust beneficial interest	33,301.93	6,200	5,539
Total			2,842,989.82	898,682	807,141

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 Sōgō 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 A part of the buildings of G-Bldg. Jiyugaoka 01 is under demolish work for reconstruction from June 2015.

Note 5 "Leasable area" for a pass-through master leased property are presented on an end-tenant basis.

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

Note 7 "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.

Operating results of each property for the six months ended August 31, 2015 and February 29, 2016 were as follows:

Name of property	For the six months ended August 31, 2015				For the six months ended February 29, 2016			
	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	4	100.0	82	0.3	4	100.0	90	0.3
G-Bldg. Kita Aoyama 01	3	100.0	34	0.1	3	100.0	34	0.1
G-Bldg. Jiyugaoka 01	2	100.0	80	0.3	2	100.0	72	0.2
Cheers Ginza	10	100.0	102	0.3	10	100.0	102	0.3
GYRE	23	100.0	550	1.8	23	100.0	584	1.9
G-Bldg. Jingumae 06	4	100.0	54	0.2	4	100.0	53	0.2
G-Bldg. Jingumae 02	3	100.0	29	0.1	3	100.0	30	0.1
G-Bldg. Minami Aoyama 01	3	100.0	50	0.2	4	100.0	116	0.4
La Porte Aoyama (Note 3)	24	100.0	291	0.9	24	96.9	288	0.9
G-Bldg. Jingumae 03	7	100.0	81	0.3	6	92.7	82	0.3
G-Bldg. Minami-Ikebukuro 01 (Note 3)	8	100.0	265	0.9	7	87.1	282	0.9
Urban Terrace Jingumae	2	100.0	101	0.3	2	100.0	99	0.3
G-Bldg. Sangenjaya 01	3	100.0	147	0.5	3	100.0	156	0.5
G-Bldg. Ginza 01	8	100.0	145	0.5	8	100.0	149	0.5
KAWASAKI Le FRONT	69	99.1	1,823	5.9	67	98.8	1,807	5.8
G-Bldg. Omotesando 02	6	100.0	371	1.2	6	100.0	371	1.2
G-Bldg. Kichijoji 01 (Note 4)	1	100.0	-	-	1	100.0	-	-
CUTE CUBE HARAJUKU	10	100.0	210	0.7	9	97.3	196	0.6
G-Bldg. Nagoya Sakae 01	2	100.0	47	0.1	2	100.0	47	0.2
G-Bldg. Abeno 01	-	-	-	-	9	100.0	117	0.4
G Bldg. Umeda 01	-	-	-	-	12	100.0	185	0.6
G-Bldg. Shinsaibashi 04	-	-	-	-	4	100.0	45	0.1
8953 Osaka Shinsaibashi Building	1	100.0	364	1.2	1	100.0	364	1.2
Bic Camera Tachikawa	2	100.0	382	1.2	2	100.0	357	1.2
Kawaramachi OPA	1	100.0	358	1.2	1	100.0	359	1.2
G-Bldg. Jingumae 01	2	100.0	82	0.3	2	100.0	82	0.3
G-Bldg. Shinjuku 01	1	100.0	161	0.5	1	100.0	161	0.5
G-Bldg. Shinsaibashi 01	2	100.0	67	0.2	2	100.0	73	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 StadiumSennichimae(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

Name of property	For the six months ended August 31, 2015				For the six months ended February 29, 2016			
	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. Omotesando 01	1	100.0	135	0.4	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
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	41	0.1
G-Bldg. Shibuya 01 (Note 4)	1	100.0	-	-	1	100.0	-	-
DFS T GALLERIA OKINAWA	1	100.0	497	1.6	1	100.0	497	1.6
EDION Kyobashi (Land with leasehold interest) (Note 4)	1	100.0	-	-	1	100.0	-	-
G-Bldg. Ueno 01	1	100.0	14	0.0	1	100.0	75	0.2
G-Bldg. Akihabara 01 (Note 4)	-	-	-	-	1	100.0	-	-
Takadanobaba (Land with leasehold interest)	-	-	-	-	1	100.0	44	0.1
G-Bldg. Akihabara 02 (Note 4)	-	-	-	-	1	100.0	-	-
G-Bldg. Sendai Ichibancho 01	-	-	-	-	1	100.0	-	-
G-Bldg. Kichijoji 02 (Note 4)	-	-	-	-	1	100.0	-	-
Nara Family	123	99.5	1,927	6.2	113	98.7	1,896	6.1
Abiko Shopping Plaza	55	99.9	653	2.1	54	99.9	648	2.1
Kyoto Family	70	100.0	584	1.9	61	99.3	584	1.9
Higashi-Totsuka Aurora City	4	100.0	1,358	4.4	4	100.0	1,355	4.4
Ito-Yokado Kawasaki	5	100.0	492	1.6	5	100.0	486	1.6
Narupark (Note 3)	49	99.5	342	1.1	49	99.5	340	1.1
Kishiwada CanCan Bayside Mall	102	94.9	724	2.3	89	90.4	670	2.2
Makuhari Plaza	5	100.0	214	0.7	5	100.0	212	0.7
Izumisano Shofudai (Land with leasehold interest) (Note 4)	2	100.0	-	-	2	100.0	-	-
mozo wonder city (Note 5)	151	83.2	2,593	8.4	215	100.0	3,452	11.1
pivo Izumi Chuo (Note 4)	17	100.0	-	-	17	100.0	-	-
Colline Bajikouen	10	100.0	143	0.5	10	100.0	143	0.5
KAMISHIN PLAZA	42	97.4	275	0.9	34	92.7	256	0.8
Oyama Yuen Harvest Walk (Note 5)	71	99.6	834	2.7	72	100.0	811	2.6
AEON Sendai Nakayama	2	100.0	420	1.4	2	100.0	415	1.3
Ito-Yokado Yabashira	1	100.0	78	0.3	1	100.0	78	0.3
Ito-Yokado Kamifukuoka Higashi	1	100.0	217	0.7	1	100.0	217	0.7
Ito-Yokado Nishikicho	1	100.0	444	1.4	1	100.0	444	1.4

Name of property	For the six months ended August 31, 2015				For the six months ended February 29, 2016			
	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 MALL Higashiura	1	100.0	480	1.6	1	100.0	480	1.5
AEON MALL Kashiihama (Note 6)	1	100.0	477	1.5	1	100.0	368	1.2
AEON MALL Sapporo Naebo	1	100.0	371	1.2	1	100.0	371	1.2
Ito-Yokado Tsunashima	1	100.0	168	0.5	1	100.0	168	0.5
AEON Itabashi Shopping Center	1	100.0	656	2.1	1	100.0	648	2.1
AEON MALL Yamato	1	100.0	536	1.7	1	100.0	536	1.7
SEIYU Hibarigaoka	1	100.0	261	0.8	1	100.0	259	0.8
AEON Tobata Shopping Center	1	100.0	315	1.0	1	100.0	315	1.0
AEON Takatsuki	1	100.0	414	1.3	1	100.0	401	1.3
AEON Yagoto	2	100.0	126	0.4	2	100.0	126	0.4
AEON Naha Shopping Center	1	100.0	373	1.2	1	100.0	373	1.2
AEON Nishi-Otsu (Note 7)	1	100.0	375	1.2	-	-	90	0.3
AEON Omiya (Note 7)	1	100.0	194	0.6	-	-	46	0.2
AEON Ueda (Note 7)	1	100.0	303	1.0	-	-	73	0.2
AEON MALL Tsurumi Ryokuchi	1	100.0	895	2.9	1	100.0	896	2.9
AEON MALL Itami	1	100.0	581	1.9	1	100.0	579	1.9
Ito-Yokado Yotsukaide	1	100.0	290	0.9	1	100.0	289	0.9
AEON MALL Yachiyo Midorigaoka (Note 7)	1	100.0	691	2.2	-	-	167	0.5
AEON MALL Sapporo Hassamu	1	100.0	577	1.9	1	100.0	577	1.9
Ario Otori	1	100.0	558	1.8	1	100.0	549	1.8
AEON MALL Musashi Murayama	1	100.0	935	3.0	1	100.0	943	3.0
AEON MALL Kobe Kita	1	100.0	405	1.3	1	100.0	405	1.3
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 Kanjyo	1	100.0	82	0.3	1	100.0	82	0.3
Tecc Land Fukuoka Shine 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

Name of property	For the six months ended August 31, 2015				For the six months ended February 29, 2016			
	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)	Number of tenants (Note 1)	Occupancy ratio (Note 2) (%)	Rental and other operating revenues (Millions of yen)	Ratio of rental revenue to total rental revenues (Note 2) (%)
Round1 Stadium Takatsuki	1	100.0	91	0.3	1	100.0	91	0.3
m-city Toyonaka (Note 4)	1	100.0	-	-	1	100.0	-	-
Total	961	99.4	30,962	100.0	1,007	99.7	31,028	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 JRF sold 30% quasi-co-ownership interest of the property on October 15, 2015.

Note 7 JRF sold the property on October 15, 2015.