



Period Results

August 2016 (29th)

Security Code
8953
US ADR(OTC): JNRFY

JAPAN RETAIL FUND



Welcome to this presentation of JRF's operating results for the 29th period, the six months from March 1, 2016 to August 31, 2016.

Contents

1. Medium-term target and related issues	P. 2
2. Implementation of Growth Strategy	P. 8
3. Financial Strategy	P. 19
4. Financial Results and Forecasts	P. 22
5. Sustainability Management.....	P. 27

Following the presentation materials, and as indicated in the “Table of Contents” on page 1, I will first provide an overview of JRF’s medium-term targets and related issues before moving on to how we implement our growth and financial strategies. Turning to the principal topic of this presentation, I will then provide details of our financial results for the 29th period, together with forecasts for the 30th and 31st periods, and in closing, comment on JRF’s approach toward sustainability management.

JAPAN RETAIL FUND

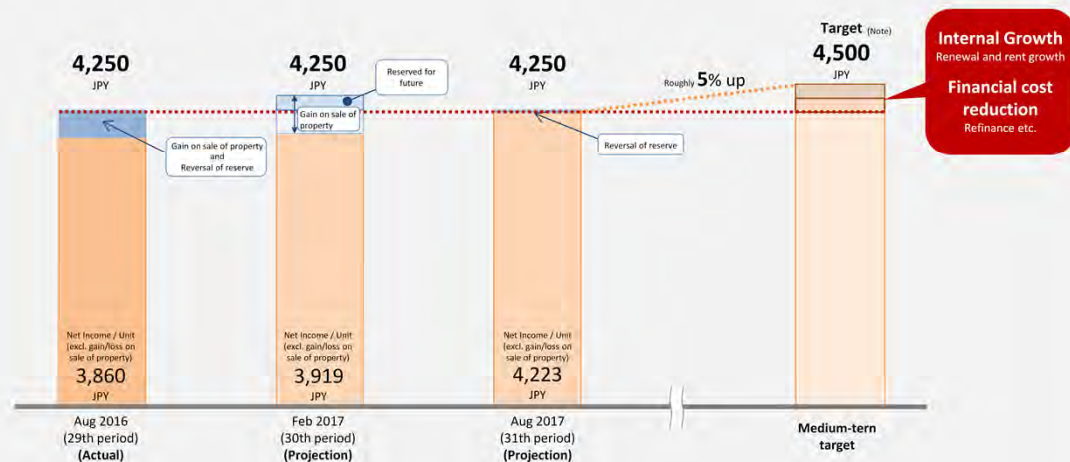


Newly acquired property
G-Bldg. Ginza Chuo-dori 01

1. **Medium-term target and related issues**
2. Implementation of Growth Strategy
3. Financial Strategy
4. Financial Results and Forecasts
5. Sustainability Management

Medium-target of DPU will be reached through internal growth and financial cost reduction

■ Medium-term target for DPU



(Note) This is a medium-term target and not guaranteed.

3

Here on this page, we present our medium-term target for DPU.

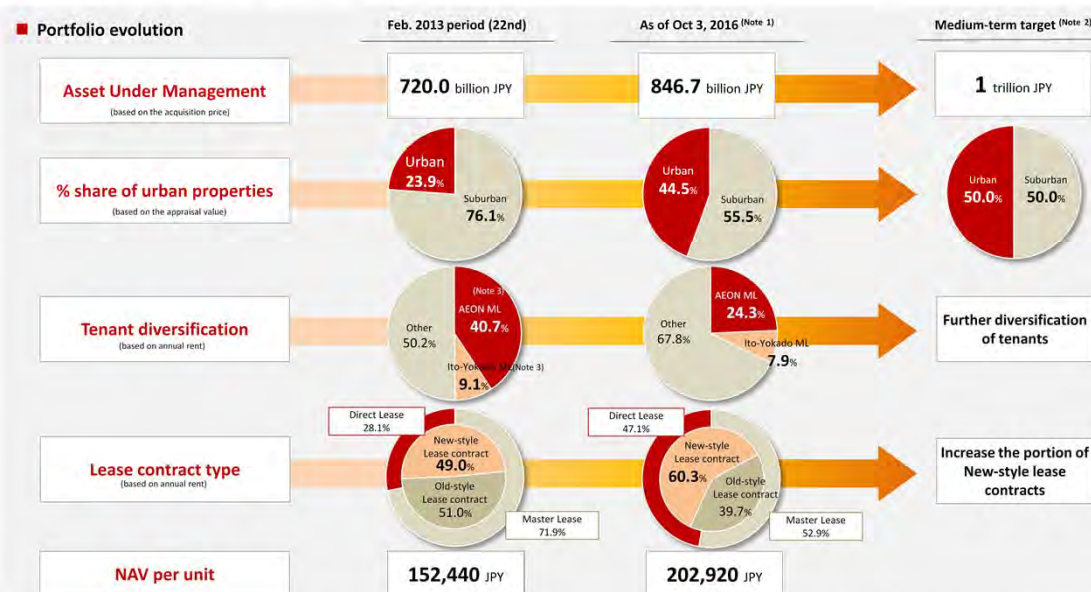
While I will explain in more detail later in this presentation, looking at results for the August 2016 period, JRF's net income per unit came in at 3,860 yen after excluding any gain or loss on the sale of properties. If we take into account the 379 yen, attributable to the gain on sale of properties, and the 11 yen reflecting the reversal of reserves, JRF's DPU came in at the previously forecast figure of 4,250 yen.

Looking ahead, we anticipate DPU will remain unchanged at 4,250 yen for both the February 2017 30th and August 2017 31st periods.

Excluding the acquisition of properties utilizing the proceeds from the replacement of assets and any reversal of reserves, we will endeavor to achieve a DPU of 4,500 yen over the medium term through internal growth and the reduction of financial costs.

Without identifying a specific timeframe for when this DPU target will be achieved, we are confident in our ability to secure a DPU of 4,500 yen through large-scale renovations resulting in internal growth, increases in urban property rents, and debt refinancing against the backdrop of the current negative interest rate environment.

Enhanced portfolio quality in terms of tenant consistency and substitutability



(Note 1) Based on 92 properties (Existing 93 properties we own as of the end of Aug. 2016, excluding AEON Mall Kashiwazaki (disposed on Sep. 30, 2016) and including G-Bldg. Sendai Ichibancho 01 (acquired on Sep. 29, 2016) and G-Bldg. Takadanobaba (acquired on Oct. 3, 2016)).
 (Note 2) This is a medium-term target and not guaranteed.
 (Note 3) "AEON ML" refers to the total annual rent of AEON Retail, AEON MALL, AEON Kyushu, AEON Ryukyu and AEON TOWN, which are master lease tenants excluding the properties actively managed by JRF. "Ito-Yokado ML" refers to the total annual rent of Ito-Yokado, which are master lease tenants of properties excluding the properties actively managed by JRF.

4

P4, we present trends in JRF's portfolio over the past three-plus years together with medium-term targets.

The ratio of urban-type properties, as a percentage of the portfolio as a whole, has climbed from 23.9% to 44.5%.

At the same time, JRF has significantly improved its tenant profile, with the excessive concentration on AEON Group and Ito-Yokado master lease properties falling from 40.7% to 24.3% and 9.1% to 7.9%, respectively.

Successful steps have also been taken to lift the ratio of direct leases to 47.1% and to increase the percentage of new-style fixed-term lease contracts to 60.3%.

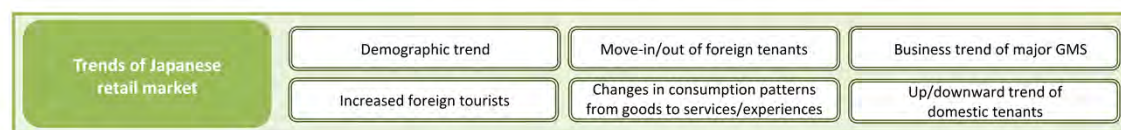
By increasing the ratios of direct leases as well as new-style fixed-term lease contracts, JRF is placing itself in a position to secure increasingly attractive tenants and to create facilities that are highly appealing to consumers.

While improving each key portfolio indicator, JRF has maintained an average NOI yield after depreciation of 3.7%. Moreover, unrealized profits have exceeded the 100 billion yen milestone to reach 103.6 billion yen as of the end of the August 2016 period.

Over the past three-plus years, NAV per unit has also improved by more than 33% climbing from 152,440 yen to 202,920 yen.

JRF is targeting an asset scale of 1 trillion yen over the medium term, split evenly between urban and suburban-type properties. At the same time, efforts are being directed toward further diversifying tenants while increasing the ratio of new-style fixed-term lease contracts which will allow more flexibility in tenant replacement. As JRF's portfolio continues to evolve, trends indicate that positive steps are being taken to achieve each goal.

Building up a solid portfolio keeping up with the changes in the retail environment



■ JRF's portfolio and target property type

Suburban Properties		Urban Properties	
A: Large-scale retail properties, the largest class in the relevant area	B: Retail properties in densely-populated areas	C: Retail properties in favorable locations adjacent major stations	D: Retail properties in prime urban shopping districts
			 
Trade area	Trade area	Prominent commercial area where tenants and retail properties are concentrated	
Location and facility size	Location and facility size	Easily accessible location with high-traffic volume Enables a wide range of shopping activities	
<ul style="list-style-type: none"> Broadly populated commercial areas Easily accessible from the wide commercial areas No. 1 retail property in the area, overwhelming other competitors 		<ul style="list-style-type: none"> Little openings of other stores in the vicinity Spacious enough to serve for people's daily needs 	
		<ul style="list-style-type: none"> Prime commercial area characterized by a number of roadside stores and good shopping experience 	

In regards to Suburban Properties, we also consider the credibility of tenants and long-term revenue stability as well as the above trade area and location and facility size

5

As mentioned, and in line with this ongoing evolution of JRF's portfolio, we are seeing signs of a transformation from an historic dependence on large-scale tenants to increased tenant substitution. In this sense, JRF is building a solid portfolio that keeps up with changes in the retail environment.

As shown in the bordered text box that runs across the top of the page, Japan's retail market is undergoing considerable change.

As you know, the domestic population continues to contract. Compared with urban areas, this downturn is more pronounced in outlying regions and the suburbs. According to documents published by Japan's Ministry of Health, Labor and Welfare, Japan's population is projected to decline 5.8% by 2025 and 16.2% by 2040 compared with 2010. Over this same period, the population of the Tokyo metropolitan area will edge up 0.1% and then drop 6.5%.

As I mentioned during our last presentation, and as presented on page 8 of the Appendix, interest from major overseas brands in such premier locations as Ginza is robust. In stark contrast, OLD NAVY has abruptly announced its decision to withdraw from Japan. Taking each of these factors into consideration, there is considerable volatility in trends regarding the opening and closing of stores.

Looking at the impact on Japan's major retail distributors and conditions in the GMS business sector, you will all be aware of the progressive steps that Ito-Yokado is currently taking following its decision to close 40 outlets in Japan over the next five years in October last year.

Turning to inbound demand, the Japan Tourism Agency has announced that the number of foreign tourists traveling to Japan each year has exceeded 20 million. With a 2020 target of 40 million, the number of foreign tourists in 2016 currently stands at around 2 million each month.

The amount of foreign tourist travel consumption is also reported to have reached 953.3 billion yen in the 2Q of the current year. This is 7.2% higher than the 889.3 billion yen recorded in the corresponding period of 2015. On the other hand, foreign tourist per capita travel expenditure has fallen 9.9% from 177,546 yen to 159,930 yen. While growth in inbound demand appears inconspicuous, there is every indication that consumption will increase as the number of foreign tourists continues to expand.

Against the backdrop of a shift in the values of consumers attributable to changes in each era and society, we are seeing movements in consumption patterns away from goods to services and experiences.

Over the two-year fiscal 2015 and 2016 period, eight major established apparel companies including World, Onward, TSI, and Itokin are expected to close over 2,600 stores as a result of the decision to abolish more than 50 brands. While we are seeing examples of new brands filling this gap, large sales spaces remain locked in a downward trend with the continued concentration of management resources.

In addition, such newly emerging apparel companies as Stripe International Inc., which have expanded into large-scale regional shopping centers, are experiencing sales plateaus. For this reason, energies are being directed toward the launch of new brands and the use of new store opening channels.

Furthermore, shopping centers and apparel companies are strengthening their abilities to put forward a comprehensive range of lifestyle proposals while branching into miscellaneous as well as food and beverage fields.

Against this backdrop, urban type retail properties are embracing change and endeavoring to provide an appealing shopping experience as a means to attract customers. Leveraging their overall scale, regional malls are bolstering the appeal of their services while upgrading and expanding functions as community lifestyle centers.

Among its major retail properties that are considered the largest class in their relevant areas, JRF maintains such facilities as AEON MALL Musashi Murayama under a master lease agreement with AEON MALL, and Higashi-Totsuka Aurora City under individual leases with Seibu Department Store and AEON RETAIL Co., Ltd.

While each facility is currently managed by major blue-chip retail distributors, and as such do not require our direct involvement, these properties are more than capable of attracting large numbers of tenants by virtue of their location and size. In this sense they offer ample competitive advantage much like mozo wonder city, which maintains direct leases with a large number of tenants.

In broad terms, JRF maintains two types of mid-sized suburban retail properties. The first type comprises properties located in densely populated areas with little opportunity for other stores to be opened in close proximity. We will continue to actively acquire this type of property to bolster our existing portfolio which includes KAMISHIN PLAZA, Colline Bajikouen, and **Summit Store Nakano** Minamidai.

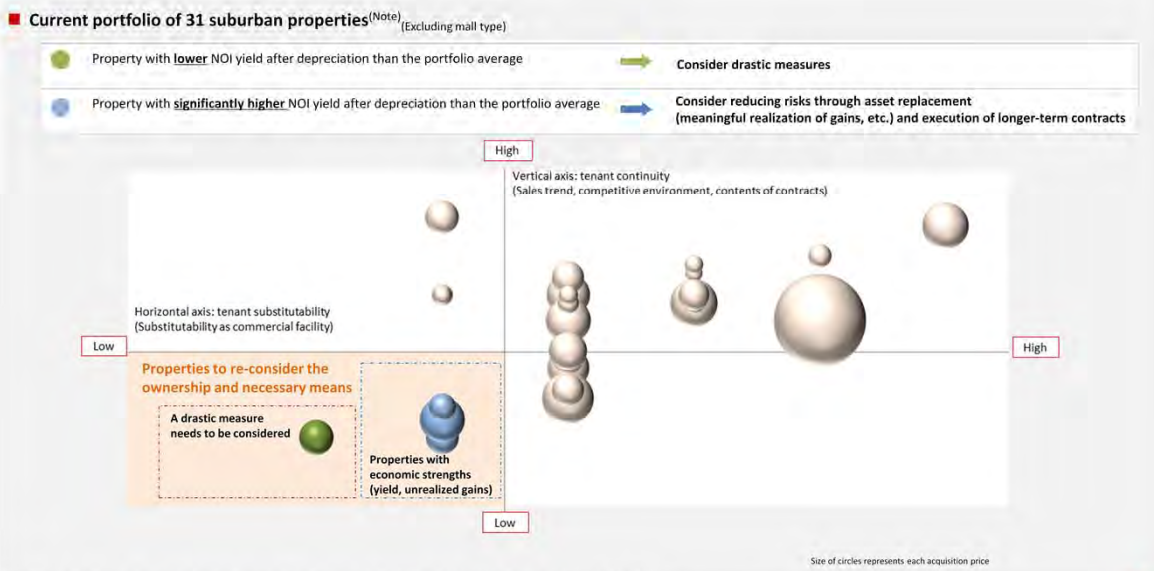
The second type is made up of properties located in areas where the population density is slightly weak and there is room for competing stores to open in the vicinity. JRF invests in properties of this type when the credit standing and continuity of tenants is considered strong, and when there is ample opportunity for alternative use. Our approach to this type of property will be dictated by such factors as the terms remaining on lease contracts, the opening of competing stores in the area, and changes in population density.

For urban retail properties in favorable locations and adjacent to major stations, tenant substitution is extremely high. Even in the event a store is closed or vacated due to business conditions or a change in purchasing patterns, the opening of a store by a substitute tenant in line with new tastes can be expected.

By harnessing the strengths of our leasing capabilities, we are well positioned to increase revenue for these types of properties.

Limited properties bear risks of potential tenant continuity and substitutability

- Only one property left which requires a drastic measure from the view point of the continuity and substitutability of tenants



(Note) Suburban type properties excluding mall type from 92 properties in the whole portfolio as of Oct 3, 2016 and Kasuga(Land) which will be acquired after Aug 2017.

6

Looking at the matrix used during our presentation for Kishiwada CanCan Bayside Mall, AEON MALL Higashiura, and Neyagawa (land with leasehold interest), I draw your attention to page 6 where I would like to comment on our current portfolio of 31 suburban properties excluding mall-type assets.

As I mentioned a moment ago, the number of suburban properties that exhibit poor substitutability has decreased.

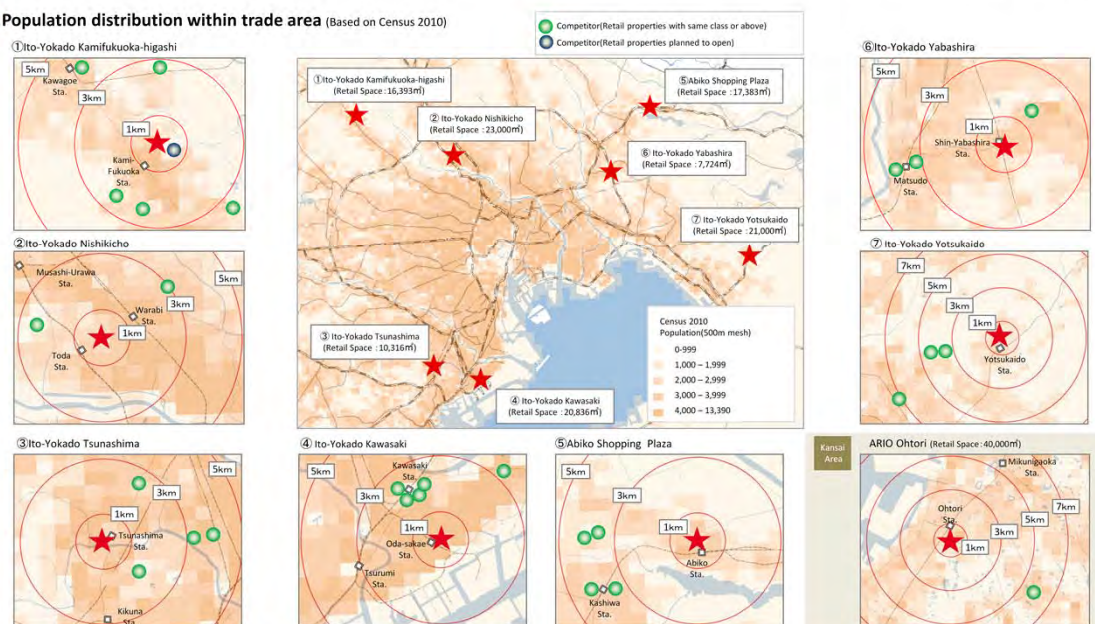
As indicated in the third quadrant of the matrix, there are now only four properties left that raise concerns regarding tenant substitution and continuity.

Three of the four properties marked in blue exhibit strong economic properties. While paying careful attention to the most appropriate time, we will either endeavor to extend the term as each lease contract falls due for renewal in a bid to promote continuity, or work to crystallize unrealized gains through the replacement of assets.

As far as the property marked in green is concerned, we are currently considering drastic measures that take into account the property's lack of economic viability and concerns surrounding both substitutability and continuity as well as the favorable real estate sales market.

All 8 Ito-Yokado assets are located in the prime locations with densely populated trade area

Population distribution within trade area (Based on Census 2010)



Recognizing the keen interest of all concerned, we provide on this page population distribution maps together with competitive relationships for the 8 Ito-Yokado properties in JRF's portfolio.

We are aware of the concerns held by many investors as Ito-Yokado works actively to close underperforming stores. We do not, however, believe that recent trends pose a major problem for JRF.

As I mentioned at the beginning of this presentation, the 8 Ito-Yokado properties account for only 7.9% of JRF's total rental revenue. In the event that 1 or 2 stores should close, we remain confident that any impact on JRF's distribution will be limited.

Moreover, and as indicated in the trade area population maps, the vast majority of the 8 properties are located in fertile commercial zones with dense populations. Taking into consideration the convenient access of each property, we are confident in our ability to revitalize each facility should closure become a reality.

JAPAN RETAIL FUND


















Renewal Open on June 9th, 2016
Kamishin Plaza

1. Medium-term target and related issues
- 2. Implementation of Growth Strategy**
3. Financial Strategy
4. Financial Results and Forecasts
5. Sustainability Management

Implemented both strategic asset replacement and value enhancement of existing assets

Action plans for portfolio enhancement

Fiscal Period	External Growth Asset replacement / Asset size expansion		Internal Growth Asset value enhancement initiatives	
	Disposition	Acquisition	Enhanced property competitiveness	Other measures to improve NOI
Aug. 2016 (29th)	 AEON Mall Kashihama (19th)  Disposition of 3 suburban type assets •Kishiwada CanCan •AEON Mall Higashiura •Neyagawa(Land)	 G-Bldg. Kyoto Kawaramachi 01  G-bldg. Ginza Chuo-dori 01  G-Bldg. Shinjimbashi 04 (Bldg. B)	 Kamishin Plaza <Renewal>  Ito-Yokado Yotsukaido <Construction of Annex>	<ul style="list-style-type: none"> ◆ Reduction of trustee fee and insurance premium ◆ Reduction of utility cost ◆ Revenue increase from vending machines
Feb. 2017 (30th)	 AEON Mall Kashihama (51st)	 G-bldg. Takadanobaba 01  G-Bldg. Sendai Ichibancho 01	 G-bldg. Jiyugaoka 01 (a, b) <Reconstruction>  Nara Family <Renewal>  Bic camera Tachikawa <Seismic renovation>	<ul style="list-style-type: none"> ◆ Reduction of building Management fee
Aug. 2017 (31th) and after		 Kasuga(Land)	 Various value enhancement programs are planned to be implemented after fiscal period ending Aug 2017	

Here on this page, we provide a summary of the measures implemented since the August 2016 period.

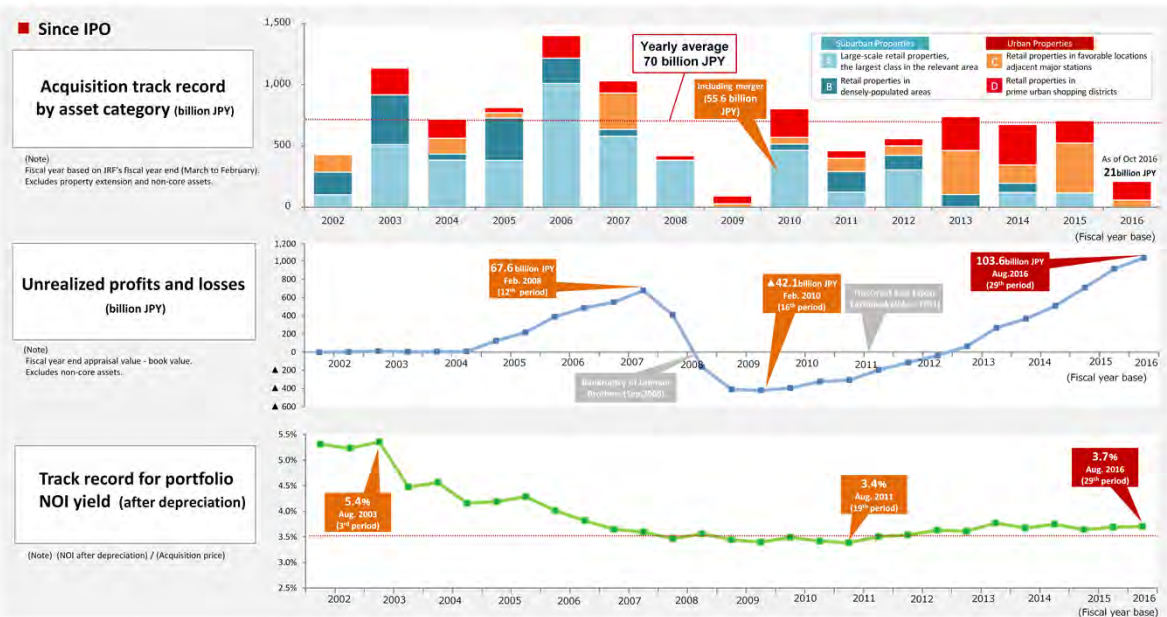
Across the left half of the page, you will find a brief overview of JRF's external growth strategies and in particular efforts to replace assets and expand asset scale. From last year and carrying into this year, steps are being taken to dispose of suburban type properties where the potential for tenant substitution is limited. At the same time, we are undertaking a major replacement of assets through the acquisition of urban type properties.

Across the right half of the page, we present details of our internal growth strategy and efforts aimed at enhancing the value of existing assets.

In order to improve the competitiveness of facilities, we have continued to carry out a variety of action plans as discussed during previous presentations. We are constantly implementing measures for facilities that fail to stand out as a part of efforts to lift NOI.

During the August 2016 period, we placed particular emphasis on reducing trustee fees, insurance premiums, and utility costs. Steps were also taken to increase revenue by installing vending machines. In the February 2017 period, we are looking to cutback building management fees.

Increased profitability and stability based on consecutive acquisition



10

Elaborating further on JRF's external growth strategy.

Despite a harsh property acquisition environment, JRF undertook a public offering in 2015 as well as the replacement of assets and acquired properties at an approximate acquisition price of 70 billion yen. Indicative of its robust acquisition capabilities, JRF has continued to acquire properties to the value of roughly 70 billion yen each year since its IPO. This impressive track record is presented in the graph that runs across the top of the page.

As you know, property prices are cyclical in nature. As outlined in the graph that runs across the center of the page, unrealized profits and losses on JRF's portfolio have fluctuated according to the times. As of the end of the August 2016 period, however, JRF's unrealized gains exceeded 100 billion yen. Meanwhile, making the most of its unique asset scale and diversification, JRF's NOI yield after depreciation has remained stable hovering around 3.5%, and currently stands at 3.7%. Looking ahead, we will place considerable emphasis on the timing of each acquisition and continue to purchase properties to a certain amount based on the dollar-cost averaging method. In this manner, we will build a portfolio of prime assets while pursuing increased quality and diversification.

Portfolio enhancement via asset replacement to increase the urban type ratio

■ Summary of Strategic asset replacement program carried out in fiscal period ending Aug. 2016 (29th)

(Note) NOI yield (after depreciation) of G-Bldg. Sendai Ichibancho is calculated with the acquisition price including both the land and the building as denominator.

11

On page 11, we provide details of our property replacement activities during the August 2016 period and efforts to expand the portfolio.

As we announced in August, JRF disposed of Kishiwada CanCan Bayside Mall, AEON MALL Higashiura, and Neyagawa (land with leasehold interest) for an aggregate sales price of 15.7 billion yen. Adopting a disciplined approach and with future replacement in mind, the yield after depreciation of the 3 properties was estimated at 2.0%. Accounting for the anticipated substantial loss at Kishiwada CanCan Bayside Mall from the February 2017 period, the drop in revenue was projected at 60 million yen per period.

Utilizing 3.5 billion yen of the total disposition price of 15.7 billion yen, JRF acquired an additional 40% co-ownership of trust beneficiary interests in land and 100% of the trust beneficiary interests in the building of G-Bldg. Takadanobaba 01 that was held in a bridge fund. An outline of the property is provided on page 6 of the Appendix.

While the NOI yield after depreciation of the additional acquisition of trust beneficiary rights comes in at 3.3%, the NOI yield and NOI yield after depreciation of the entire assets including the previously acquired portion are 4.1% and 3.5%, respectively.

By acquiring the remaining portion of G-Bldg. Takadanobaba 01, JRF's revenue increases 53 million yen per period. The purchase of this single property therefore offsets almost the entire amount of revenue decline attributable to the disposition of the 3 properties.

As outlined on page 5 of the Appendix, JRF acquired G-Bldg. Sendai Ichibancho 01 as of the end of September 2016. This purchase was also designed to cover the sale of 5 AEON properties last year and entailed the acquisition of the building on which JRF had already acquired land with leasehold interest. The NOI yield and NOI yield after depreciation of the asset as a whole is 4.4% and 4.0%, respectively.

At first glance, the acquisition methods that include techniques for the purchase of development projects and instalment purchases that JRF has recently used may seem a little difficult to understand. In acquiring a property, we undertake the necessary valuation and due diligence and ask that you confirm the integrity of each purchase in its final form.

New acquisitions based on asset size expansion and asset replacement strategy

■ Target yield for new properties

Aiming for the acquisitions of prime properties leveraging two sources of the fund

Source of fund	Target yield						
Public Offering	<p>NOI yield (after depreciation) of current portfolio average</p> <p>3.7%</p> <p>(As of the end of Aug 2016)</p>						
Asset Replacement	<p>NOI yield (after depreciation) of the disposed portfolio average</p> <p>2.8%</p>						
<p>Acquisition capacity (Note 1) Around</p> <p>38.8 billion JPY</p>	<table> <tr> <th></th><th>NOI yield (after depreciation)</th></tr> <tr> <td>Oct 2015 5 AEON Properties (Note 2)</td><td>3.3 %</td></tr> <tr> <td>Aug 2016 3 suburban type property</td><td>2.0 %</td></tr> </table>		NOI yield (after depreciation)	Oct 2015 5 AEON Properties (Note 2)	3.3 %	Aug 2016 3 suburban type property	2.0 %
	NOI yield (after depreciation)						
Oct 2015 5 AEON Properties (Note 2)	3.3 %						
Aug 2016 3 suburban type property	2.0 %						

(Note 1) Acquisition capacity is the amount that remaining disposition proceeds from the sale of 5 AEON properties and 3 suburban type properties deducting the acquisition price of "G-Bldg. Takadanobaba 01" (Additional acquisition) which was settled on Oct 3, 2016.
 (Note 2) NOI yield (after depreciation) of 3 suburban properties is calculated based on annualized actual NOI of fiscal period ended Feb 2016(28th) for 2 properties other than Kishiwaeda CanCan Bayside mall, of which NOI is calculated by NOI based on the appraisal report as of Jul 1st 2016 replacing the depreciation into actual amount of fiscal period ended Feb 2016(28th).

■ Acquisition Pipeline

Acquisition Target

- Mainly acquire the urban type considering the tenant substitutability.
- Selectively acquire the suburban type considering both the tenant substitutability and the tenant consistency.

Short listed properties

Several urban type properties are under consideration

- Urban type retail property located in the high-street
- Urban type retail property with plenty of footfall in the busy commercial area
- Urban type retail property located quite near to the station

Property with the forward-commitment (1 property)



Kasugai (Land with leasehold interest)

- A long-term commercial fixed term land lease contract has been concluded.
- To be settled after Aug 2017 upon the completion of the construction.

Acquisition price	NOI yield (after depreciation)
6.35 billion JPY	4.2 %

JRF maintains a patient approach while endeavoring to further expand the scale of its assets to 1 trillion yen. Based on the current robust real estate market, we are working diligently to improve the quality of our portfolio.

As indicated at the left side of the page, JRF's external growth will be driven by 2 sources of funds.

Commensurate with the average NOI yield of its existing portfolio, JRF will conduct public offerings in a bid to secure new properties that are capable of delivering an NOI yield after depreciation of 3.7%.

During 2015 and 2016, JRF undertook the consecutive sales of properties, all with an average NOI yield after depreciation of 2.8%. In the event that new properties are acquired with an NOI yield after depreciation below the aforementioned 3.7%, we plan to utilize the acquisition capacity attributable to the disposition of properties of around 38.8 billion yen.

The two sources of funds will therefore be used primarily to acquire prime urban type retail properties that exhibit high levels of tenant substitutability. We have a number of properties currently under consideration.

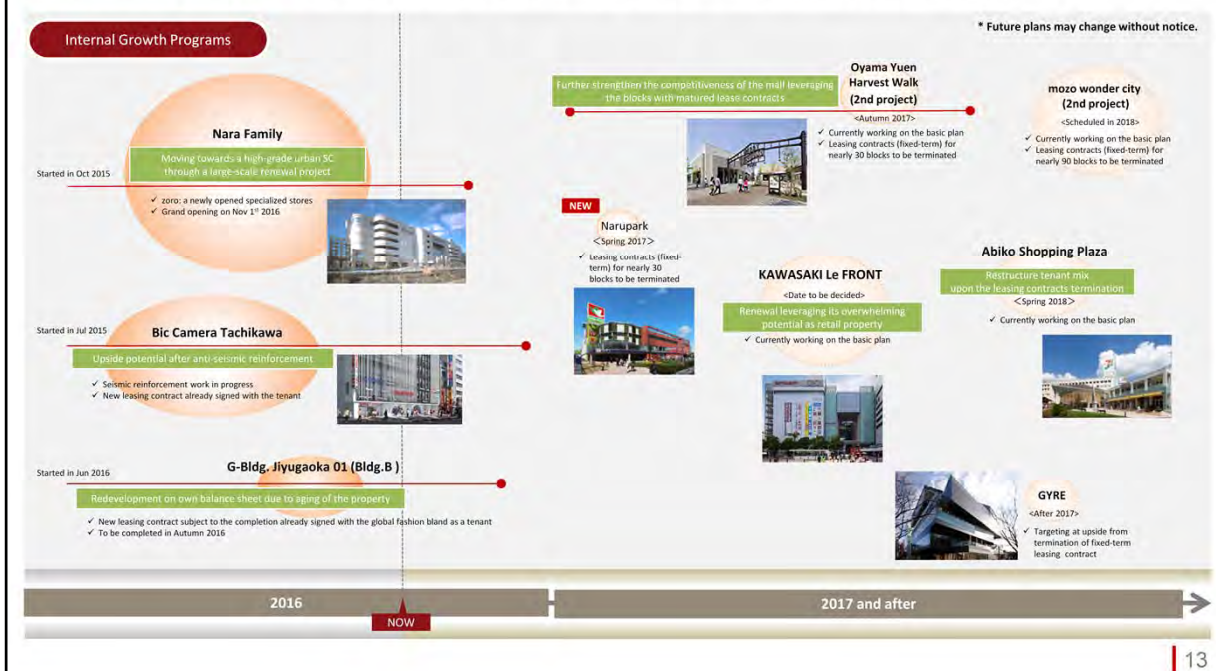
Even if the property is a suburban type facility, we will consider acquisition based on several key factors including the degree of tenant substitutability and whether the property is the leading mall in its region. We will also assess neighborhood type retail properties where there is little room for competing stores to open in close proximity and pursue acquisition where the credit standing of tenants is high and long-term stable revenue can be expected.

Details of properties that JRF has committed to acquire in the future are presented on page 7 of the Appendix. In specific terms, JRF concluded a purchase and sale agreement for Kasugai (land with leasehold interest) in September.

Currently, the property is a vacant lot. The lessee is taking steps to lodge an application for the construction of a building with work to commence once approval has been received. JRF has already concluded a long-term commercial fixed term lease contract with the lessee.

While we are unable to disclose the name of the tenant and details of the contract at this stage, this transaction represents a leading long-term and stable agreement among JRF's many lease contracts. While this acquisition is for land with leasehold interest prior to the commencement of building construction, settlement and handover is predicated on the completion of construction of the principal building.

Implement internal growth strategy by leveraging our SC management capability



Changing tack, I will now elaborate on JRF's internal growth strategy.

As I explained in the previous presentation, the size of each circle or oval is indicative of the size of JRF's investment in each project, while the length of each line represents the downtime in rent attributable to the construction period. Currently, we are making steady progress with 3 projects.

Large-scale renovation plans have essentially been completed, with small-scale work to continue from 2017. KAWASAKI Le FRONT is the only property in JRF's portfolio with the potential for a major renewal where discussions with tenants continue and project details are yet to be determined.

Implement internal growth strategies to enhance property competitiveness and profitability

■ 2 properties completed, 3 properties ongoing in the latest fiscal period

Status	Property	Objective/Result	Schedule	(Estimated) Expenditure (Note 1)	(Estimated) NOI increase Investment amount (Note 2)
In operation	mozo wonder city (1st project)	A large-scale renewal project to establish a stronger market position ■ Result of renewal(before:100%)(Note 3) ✓ Sales 106.3% ✓ Footfall 96.4%	Grand open in Sep 2015	2.13 billion JPY	9.8%
Completed	KAMISHIN PLAZA	Seek for improved attractiveness for customers through floor renewal	Completed in Jun 2016	290 million JPY	15.5%
	Ito-Yokado Yotsukaido	✓ On Aug 29, 2016, the tenant in the Ajinomoto, Chiba Kogyo Bank, started its operation. Build the extension on a part of the premise returned by the master lease tenant	Completed in Jul 2016	150 million JPY	10.4%
Ongoing	G-Bldg. Jiyugaoka 01 (Bldg. B)	On-book redevelopment of the aging property	Completion scheduled in Nov 2016	590 million JPY	6.4%
	Big Camera Tachikawa	Upside potential after anti-seismic reinforcement	Completion scheduled in Dec 2016	2.92 billion JPY	15.3%
	Nara Family	Moving towards a high-grade urban SC through a large-scale renewal project	Grand open in Nov 2016	5.1 billion JPY	8.2% (vs. w/o Renewal) 4.2% (vs. Actual)

(Note 1) Approximate estimate amount is used for the projects when total investment amount for the project is not fixed.

(Note 2) NOI increase = (NOI after renewal project) - (NOI before renewal project). For mozo, actual NOI of 28th and 29th fiscal period after renewal post adjustment of ownership percentage excluding the one-off expenses related to renewal projects such as repair expenses and retirement losses.

(Note 3) Comparison between the figures before renewal, 366 days from Sep 20, 2013 to Sep 20, 2014, and the figures after renewal, 366 days from Sep 18, 2015 to Sep 17, 2016.

(Note 4) Ratio without renewal = (the difference between projected NOI without renewal projects and NOI after renewal) / (investment amount); whereas ratio with actual = (the difference between actual NOI of 25th and 26th FY and annualized NOI after renewal) / (investment amount)

14

A summary and budget plan of each project are presented on page 14.

We anticipate work on G-Bldg. Jiyugaoka 01 (Building B) will be completed on November 7. JRF has retained Klein Dytham to undertake the basic design and Fujita Corporation to complete final drawings. As a major construction project that employs fireproof timber, work is attracting considerable attention.

Moreover, the principal tenant Stripe International Inc. (formerly known as CROSS Inc.) is rolling out KOE HOUSE, an apparel store based on a new lifestyle concept that focuses on the home, and includes a food and beverage outlet.

Work on Bic Camera Tachikawa is due for completion toward the end of December.

After completion of construction in February 2017, we anticipate receiving a subsidy of 324 million yen from Tachikawa City in support of our efforts to complete seismic strengthening work. As a result, the property is projected to deliver a yield as high as 15.3%.

Grand opening of new specialty store area "zoro" on Nov. 1

■ Overview of renewal project

Purpose

Large-scale renewal project to move towards a high-grade urban SC, targeting annual sales of 48 billion JPY

Initiatives

- Newly created logo for "Nara Family"
- Expansion of specialty store area with new specialty store area "zoro"
- Renovation to a prime retail facility
- Tenant mix largely reviewed to suit for the target customers



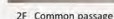
New specialty store area "zoro"



(Note) The image after the renewal may change in the future

Environmental design concept
"Yamato (Japanese) modern"

The entire facility renovated under the environmental design concept reflecting the beauty of "Tenpyo Culture", the symbol of Nara Prefecture in the modern approach



Tenant structure

- 55 new tenants opened, including their first store in Nara
- Broadened relationships with new tenants

New tenants who open their first store in Nara

FASHION	「BEAMS」(Open in Spring 2017)「gelato pique」 「Mila Owen」
GENERAL GOODS	「unico」 「COLLECTORS」 「TicTAC」
ACCESSORIES	「Paolo bottoni」 「MUK」 「MOCABROWN」
FOODS	「gram」
SERVICE	「Figaro AVEDA」

15

I would like to elaborate further on the REBORN PROJECT at Nara Family. Please turn to page 15.

We held a press conference jointly with KINTETSU Department Store Co., Ltd. and AEON RETAIL Co., Ltd. on September 29 to announce details of the planned grand opening on November 1. Together with renovations to the specialty store portion undertaken by JRF, each of the aforementioned tenants have at the same time completed their own renovations.

In advancing this project, steps have been taken to expand the specialty store section of the facility and to undertake a major review of the composition of tenants.

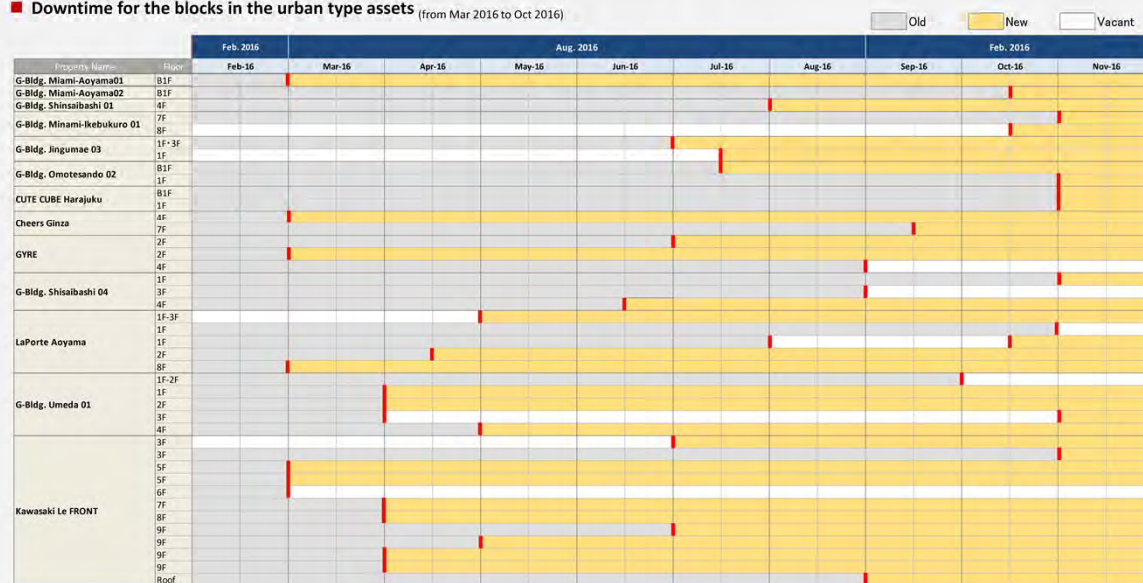
Looking specifically at the leased area of roughly 85,950 square meters, the specialty store zone has been expanded to an area of approximately 12,230 square meters covering the 1st to 4th floors (these floors formed a specialty store zone before the renewal) and the 3rd and 4th floor sales spaces (previously) operated by AEON RETAIL Co., Ltd. To better reflect the increased presence of the expanded area, the new specialty store section is being marketed under the brand name "zoro."

In a bid to focus on consistency with the department store, every effort has been made to contract with highly appealing select shops and tenants with the ability to attract customers. The goal is to rebrand the facility as a high-quality retail outlet and to distinguish it from other suburban shopping centers. Some 55 of the total 120 stores that make up the facility are entering the Nara market for the first time. Despite a short delay, BEAMS will also open its inaugural store in Nara prefecture next spring.

Most of the blocks are renewed without significant downtime

■ Downtime for the blocks in the urban type assets

(from Mar 2016 to Oct 2016)



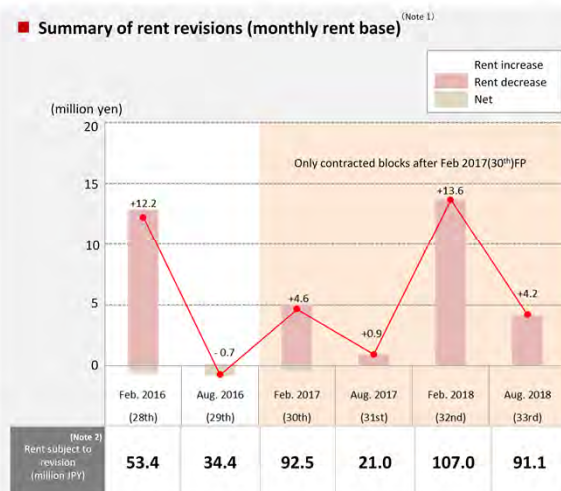
16

Here on this page, we provide a table outlining the downtime attributable to the expiration of contracts and efforts to find substitute tenants at urban retail properties.

From this table, you can see that the downtime through to the opening of substitute tenant stores is relatively short.

Achieved rent increase in urban type property leveraging our SC Management capabilities

Summary of rent revisions (monthly rent base)



Examples of rent increase

CUTE CUBE Harajuku



Re-tenanted without downtime with rent increase for the blocks where previous overseas tenant withdraw.

Expiration of lease contract (2 tenants)	Floor area	Rent growth
	Approx. 100 tsubo	+24.0%

G-Bldg. Minami-Aoyama 01



Agreed on upward rent revision with the existing tenants by serving the floor extension needs.

Expiration of lease contract (1 tenant)	Floor area	Rent growth
	Approx. 200 tsubo	+118.1%

GYRE



Rent growth in Omotesando, where street level boutiques of the overseas luxurious brands are accumulated.

Expiration of lease contract (1 tenant)	Floor area	Rent growth
	Approx. 100 tsubo	+56.6%

(Note 1) Figures are based on lease contracts signed as of Oct 14, 2016, excluding certain blocks whose rent level cannot be compared before and after lease renewal.
 (Note 2) The total of rent associated with the blocks in the urban type property is shown which are subject to the renewal due to the contract maturity for each period.
 (Note 3) 1 tsubo is approximately 3.3 m².
 (Note 4) Rent growth is a comparison of rental conditions before and after tenant replacement (a total of monthly rent and common area charges).

Looking at examples of where we have successfully secured an increase in rent at urban type properties.

Here on this page, we provide a graph outlining details of rent revisions for urban type properties. While there are blocks where rents are yet to be revised from the 30th period, the graph provides a summary of blocks where contracts have been concluded.

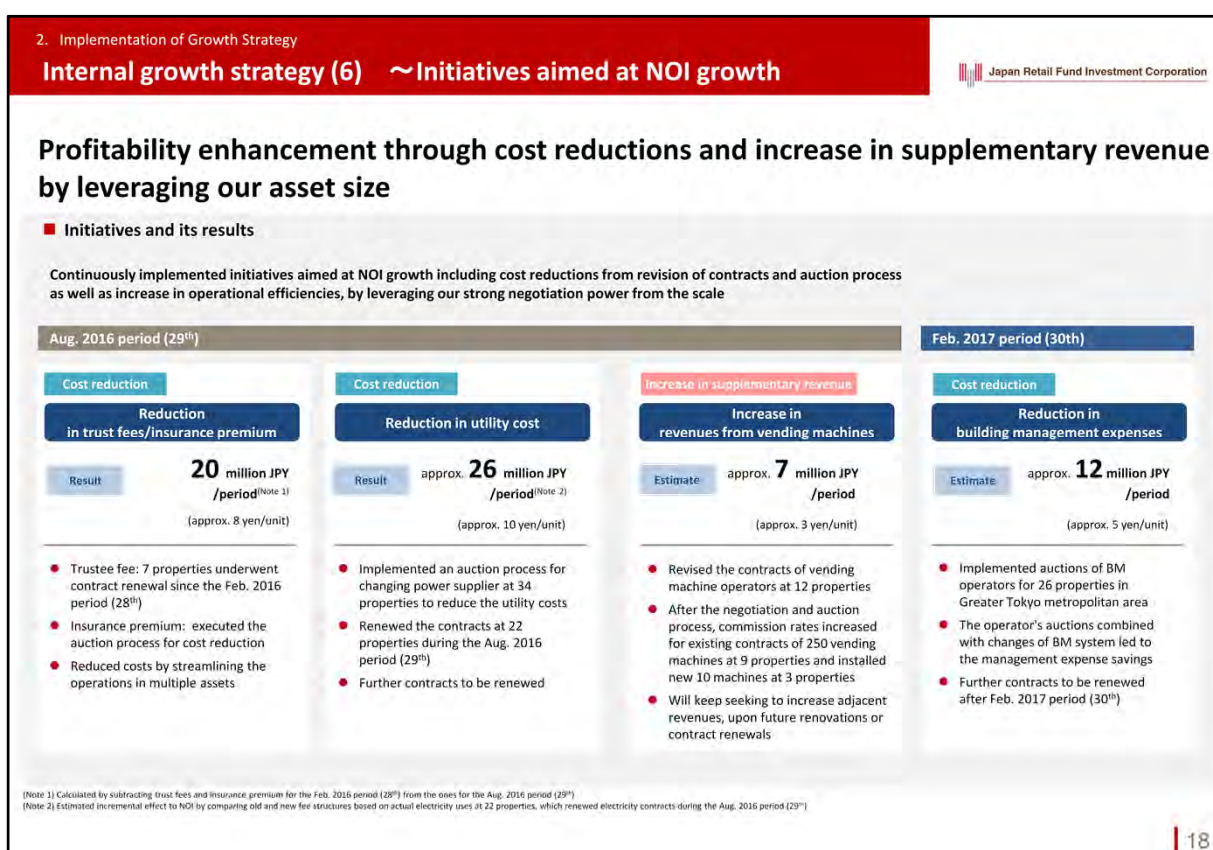
In the 28th period, rents increased for contracts totaling 53.4 million yen on a monthly basis to 65.6 million yen, an increase of 12.2 million yen.

Unfortunately, rents decreased for contracts totaling 34.4 million yen on a monthly basis to 33.7 million yen, down 0.7 million yen in the 29th period.

Taking each of the aforementioned into consideration and JRF's overall track record, expectations remain high for the upward revision of rents from the 30th period.

Interest toward the opening of new stores is robust for urban-type properties in prime locations. We have seen instances where tenants are prepared to sign contracts with an increase in rent for the 32nd period, or more than one year into the future, in order to secure a particular block.

It is important to note that the rent at GYRE increased 56.6%. This reflects the premium placed on properties facing Omotesando street, and the keen interest held toward opening new stores by overseas luxury brands.



Turning to page 18, I would like to touch on the small yet important measures that we continue to implement.

Leveraging its asset size, JRF is expanding its profitability by reducing costs and increasing supplementary revenue.

In addition to measures aimed at reducing trustee fees, every effort is being made to cutback fees that have recently deviated from value as trust agreements expire.

Positive steps are also being taken to curtail insurance premium costs through the renewal of agreements.

In line with deregulation in the electric power sector, we implemented an auction process as a part of the steps taken to select an appropriate supplier. As a result, a switch in electric power providers was completed at 34 properties helping to reduce utility costs.

Again, by leveraging the strengths of its asset size, JRF reviewed its contracts with vending machine operators based on an auction process.

With plans to realize benefits from the current period, we completed an auction process with respect to the building management operators at 26 properties in the Greater Tokyo metropolitan area. In addition to savings in management expenses, we have had considerable success in holding down increases through improvements in specifications.

Given the size of JRF's assets, the impact of each of these endeavors is limited. We will however continue to push forward these small but important measures.



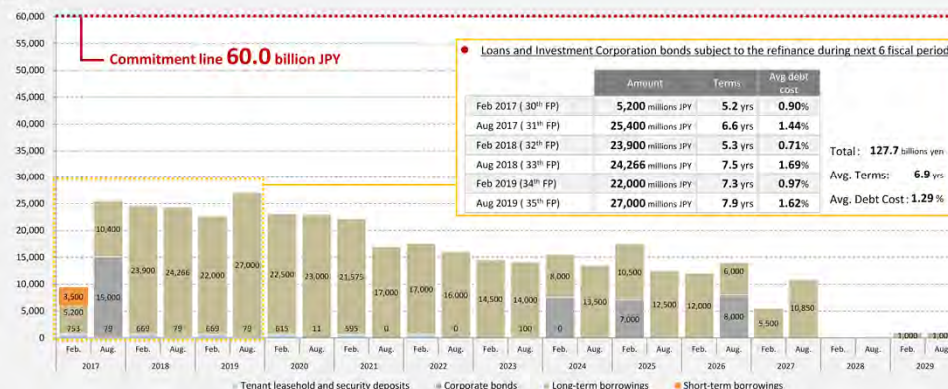
Newly acquired the annex on July 29, 2016
Ito-Yokado Yotsukaide(Annex)

1. Medium-term target and related issues
2. Implementation of Growth Strategy
- 3. Financial Strategy**
4. Financial Results and Forecasts
5. Sustainability Management

Stable debt management by leveling of repayment amount while reducing interest expense

■ Maturity ladder (as of the end of Sep.2016)

(million JPY)



Recent refinance activities

Procured longer debt with cheaper interest through recent refinance activities.

● Refinance in July 2016

Debt matured	
Amount	10,850 millions JPY
Avg. Debt cost	2.01 %
Avg. Term	7.0 yrs
Date Borrowed	July 2009

Refinance Debt	
Amount	10,850 millions JPY
Avg. Debt cost	0.40 %
Avg. Term	11.0 yrs
Date Borrowed	July 2016

● Refinance in September 2016

Debt Matured	
Amount	5,500 millions JPY
Avg. Debt cost	0.72 %
Avg. Term	5.0 yrs
Date Borrowed	September 2011

Refinance Debt	
Amount	5,500 millions JPY
Avg. Debt cost	0.47 %
Avg. Term	10.0 yrs
Date Borrowed	September 2016

Persistent efforts for further strengthening financial stability

LTV management for stable financial base

- ✓ LTV benchmark: 45% - 55%
- ✓ Debt cost reduction through refinancing
- ✓ Enhancement of the stable financial base

Financial indices^(Note 1)



(Note 1) Calculation includes the deposit and guarantee money.

(Note 2) Estimated based on the completion of contracted transactions: AEON Mall Kashiwa (disposed on Sep. 30, 2016), G-Bldg. Senri Ichibancho 01 (acquired on Sep. 23, 2016) and G-Bldg. Takadanobaba (acquired on Oct. 3, 2016).

(Note 3) As of Oct. 13, 2016 when the distribution statements in the financial statements of fiscal period ended Aug. 2016 was approved by the JRF's Board of Directors.

Use of negative goodwill and reserve for reduction entry of property for stable distributions

- ✓ Responding to the 2015 Tax Reform, by the end of the fiscal period ending Feb 2017, JRF will start drawdown payout of reserve for dividend after reclassification into Reserve for Temporary Difference Adjustment (RTDA).
- ✓ Details of the drawdown policy of RTDA has not been decided.

Policies for the use of negative goodwill and reserve for reduction entry of property

Maintain stable distributions

- Reserve for dividend (negative goodwill) **3,138** million JPY (Note 3)
- Reserve for reduction entry of property **476** million JPY (Note 3)
- Total reserve 3,614** million JPY

(Reserve per unit: JPY 1,416) (Period base: Period 10 (JPY))

Specific use of reserve

- Additional tax expense originating from the tax-accounting mismatches
- Temporary expenses related to renewal and reconstruction of existing assets
- Dilution of distributions from issuance of new investment units
- Other temporary expenses

In terms of JRF's financial stability, close to 100% of JRF's debt has been procured on a long-term fixed basis. The average loan term remaining until maturity as of the end of the 30th period is 4.4 years and the average debt cost is 1.19%.

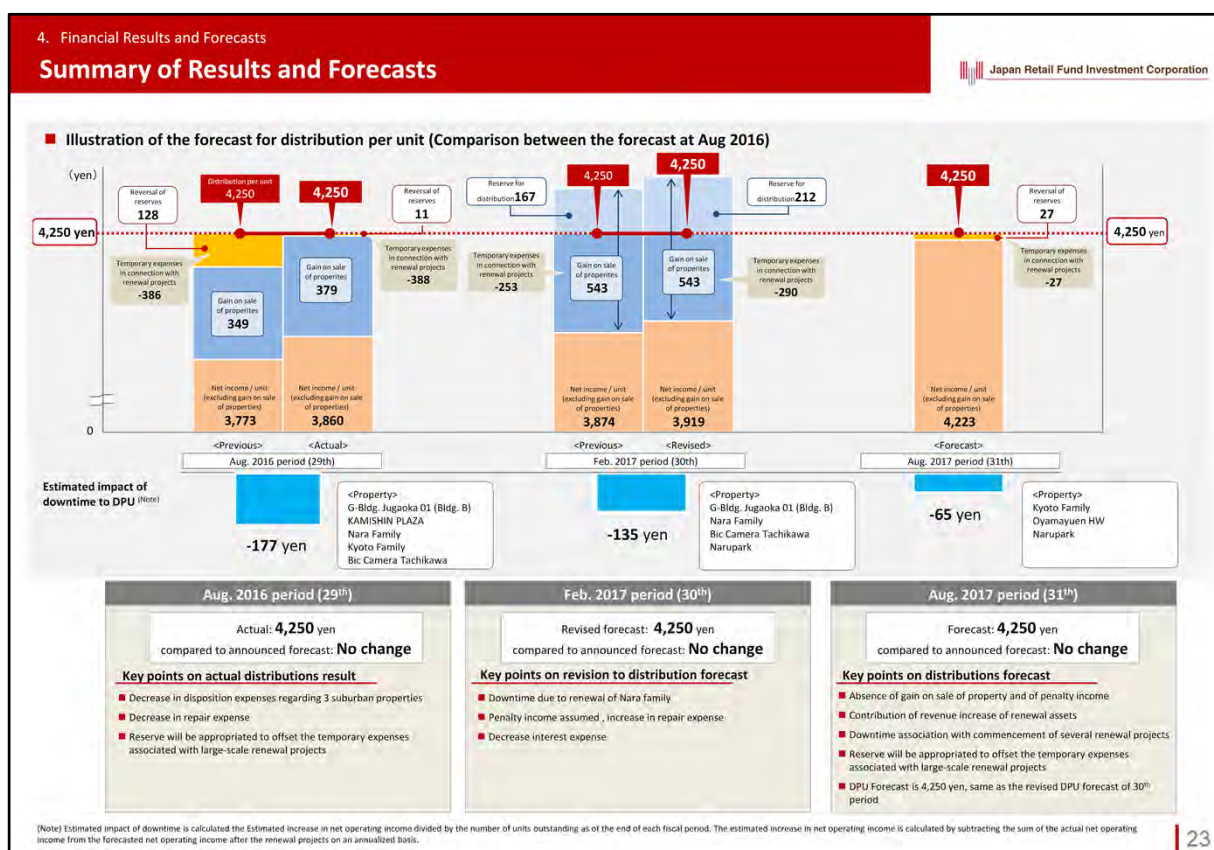
JRF's LTV is 50.2%.

At the right of the page, we layout details of negative goodwill, the reserve for reduction entry, and our utilization policy. As we have in the past, we will continue to utilize each to stabilize distributions.



Newly acquired property
G-Bldg. Sendai Ichibancho 01 (additional acquisition of the building)

1. Medium-term target and related issues
2. Implementation of Growth Strategy
3. Financial Strategy
- 4. Financial Results and Forecasts**
5. Sustainability Management



I would now like to elaborate on JRF's financial results for the August 2016 29th period and forecasts for the February 2017 30th and August 2017 31st periods.

Here, we provide a summary of JRF's results in bar graph form outlining trends in distributions.

JRF's DPU came in at 4,250 yen for the August 2016 period in line with forecasts. Net income per unit excluding gains on the sale of properties climbed 87 yen as a result of the decline in property sales costs as well as maintenance expenses. Moreover, gains on the sale of properties per unit improved 30 yen on the back of a decrease in property sales costs. As a result, we were able to reduce the amount of reserve reversal to 11 yen from the previously announced forecast of 128 yen.

Forecasts were revised at the time JRF disposed of three properties including Kishiwada CanCan Bayside Mall. We provide details of the major factors behind the change between JRF's results in the August 2016 period and these revised forecasts at the bottom right of page 24.

JRF's DPU forecast for the February 2017 period remains unchanged at 4,250 yen. As we look at the period under review, a variety of factors including the drop in revenue attributable to delays in new tenants taking up space in a portion of Nara Family, and the penalty income derived from tenants vacating other properties served to drive up net income per unit excluding gains on the sale of properties by 45 yen.

The gain on the sale of the remaining 51% interest in AEON MALL Kashihama in the current period contributed significantly to JRF's performance on a per unit basis. Drawing on the total gain of 543 yen, JRF took steps to increase its reserve by 212 yen, 45 yen higher than its earlier forecast.

As far as the actual amount is concerned, the balance of the reserve climbed from 3 billion 614 million yen to 4 billion 157 million yen.

JRF's DPU forecast for the August 2017 period is 4,250 yen, unchanged from the February 2017 period.

From an actual value perspective, net income per unit excluding gains on the sale of properties comes in at 4,223 yen. Adding back the negative impact of temporary expenses attributable to large-scale renewals of 27 yen, as well as the downturn in revenue over the period of renovation amounting to 65 yen, and even without taking into consideration the prospect of any increase in earnings due to renovations, the actual value comes in 4,315 yen.

Looking at trends over the medium term, we believe that a level around 4,500 yen is well within range, if we take into account the positive flow-on effects of reductions in interest costs and an increase in rents. The probability of achieving this actual value becomes all the more certain with the acquisition of properties using the unused portion of replacement capital amounting to 38.8 billion yen.

4. Financial Results and Forecasts

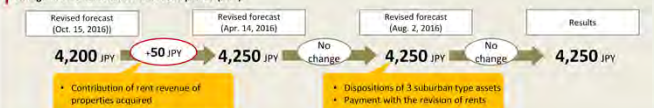
August 2016 period (29th) P/L performance

Japan Retail Fund Investment Corporation

	Feb. 2016 Period (28th) (Actual)	Aug. 2016 Period (29th) (Actual)	Change	Aug. 2, 2016 (Revisions of Revisions)	Change
Operating revenue	32,017	37,078	+5,060	37,085	-7
(Rent NOI)	21,767	21,812	+45	21,624	+188
Operating income	13,684	13,841	+156	13,547	+293
Non-operating revenue	9	2	-6		
Non-operating expenses	2,539	2,447	-92		
Ordinary income	11,154	11,396	+241	11,098	+298
Extraordinary loss	242	575	+333		
Net income	10,912	10,820	-91	10,522	+298
Allocation to reserve	193	—	-193	—	0
Reversal of reserve	—	(Note 1) 25	+25	324	-298
Total distribution	10,719	10,846	+127	10,846	—
Units outstanding	2,552,198 units	2,552,198 units	—	2,552,198 units	—
DPU	4,200 yen	4,250 yen	+46 yen	4,250 yen	—
FFO per unit (Note 2)	6,293 yen	6,217 yen	-76 yen	6,132 yen	+85 yen
FFO pay out ratio	66.7 %	68.4 %	—	69.3 %	—
Capital expenditures	3,556	1,675	-1,881	2,019	-344
Repair expenses	346	227	-119	378	-151
Total	3,903	1,902	-2,000	2,397	-495
Depreciation	6,138	6,017	-121	6,022	-5

(Note 1) Balance of allocation to reserve after approval of distributions at the JRF board directors meeting on Oct. 13, 2016.
(Note 2) (Net income + loss on sales of real estate, etc. - gain on sales of real estate, etc. - depreciation + other real estate related depreciation) / total units outstanding

Change in DPU forecast for Feb. 2016 period (28th)



Major factors behind change during Aug 2016 (29th) period (compared to previous period) (million JPY)

Operating revenue	+5,060
✓ Contribution, in full, of rent revenue of properties acquired through PO in 2015	+122
✓ Decrease in rent revenue of 5 AEON properties disposed	-412
✓ Contribution of rent revenue of properties acquired through asset replacement	+572
✓ Decrease in rent revenue of 3 suburban properties disposed	-18
✓ The gain on sale of properties	+5,237
✓ Existing properties (decrease in rent revenue -352, Other revenues -89)	-441
Operating expenses	+4,504
✓ Contribution, in full, of expenses of properties acquired through PO in 2015	+97
✓ Decrease in expenses of 5 AEON properties disposed	-293
✓ Expenses related to acquisitions of new assets	+86
✓ Decrease in expenses of 3 suburban properties disposed	-65
✓ The loss on sale of properties on Kishiwada CanCan Bayside mall	+5,257
✓ Existing properties (repair expenses (104), promotion expenses (153), other related expenses +140, Utility charge (38))	-169
Operating income	+576
✓ Decrease in interest payments	-93
Ordinary income	+483
✓ Extraordinary losses (settlement package for reaching accommodation with tenant)	-575
✓ Absence of extraordinary losses (settlement package for reaching accommodation with tenant)	+242
Net income	-91

Major factors behind change during Aug 2016 (29th) period (compared to the revised forecast as of Aug. 2) (million JPY)

Operating revenue	7
✓ Decrease in utility charge received	-61
✓ Increase in card commission fee	+26
✓ Increase in other income	+27
Operating expenses	+103
✓ Absence of the expense related to dispositions	-67
✓ Decrease in repair expense	-151
✓ Decrease in utility charge paid	-26
✓ Decrease in other operating expense	-34
✓ Decrease in other administrative expense (incl. non-deductible consumption tax (16))	-25
Operating income	+298
Ordinary income	+298
Net income	+298

24

Factors that contributed to an increase or decrease in JRF's business results are outlined . I ask that you review at your leisure.

August 2016 period (29th) B/S performance

	Feb. 2016 Period (28th) (Actual)	Aug. 2016 Period (29th) (Actual)	Change
Total assets (1)	829,239	858,390	+29,150
Total liabilities	414,533	443,116	+28,582
Interest-bearing liability (2)	349,591	380,391	+30,800
Tenant leasehold and security deposits (3)	52,833	51,147	-1,686
Net assets	414,705	415,274	+568
LTV ((2)+(3)) / (1)	48.5 %	50.3 %	1.7 points
LTV (2) / (1)	42.2 %	44.3 %	2.2 points
Long-term borrowings ratio	99.8 %	99.2 %	-0.6 points
Fixed interest rate ratio	99.8 %	96.3 %	-3.5 points
Average debt cost	1.31 %	1.22 %	-0.1 points
Number of properties	94 properties	93 properties	-1 property
Aggregate acquisition price	852,414	848,515	-3,899
Unrealized profits and losses	+ 91,540	+ 103,646	+12,106
Book value	807,141	803,637	-3,504
Appraisal value	898,682	907,284	+8,602
<Reference: Balance of reserve>			
Balance of reserve	3,640	3,614	-25
Reserve for dividends (Negative goodwill)	3,138	3,138	-
Reserve for reduction entry of property	502	476	-25

Major factors behind change during Aug. 2016 (29 th) period (compared to previous period)		(million JPY)
Total assets		+29,150
✓ Acquisition of new properties through asset replacement		+16,193
✓ Disposition of existing properties		-17,873
✓ Increase in cash and bank deposits		+33,022
✓ Depreciation, loss on disposal of fixed assets		-6,062
✓ Capital expenditures		+1,675
✓ Increase in Construction in progress account		+1,995
Total liabilities		+28,582
✓ Increase in short-term borrowings and corporate bond in accordance with acquisitions		+2,500
✓ Increase in long-term borrowings and corporate bond in accordance with acquisitions		+28,300
✓ Derivatives liabilities		-466
✓ Repayment of tenant leasehold and security deposits		-1,686
Net assets		+568
✓ Increase in reserve for dividends		+193
✓ Decrease in net revenue		-91
✓ Increase in capital associated with issuance of new units		+466

Factors that contributed to an increase or decrease in JRF's business results are outlined . I ask that you review at your leisure.

Forecasts for the coming two periods

	Aug. 2016 Period (29th) (Actual)	Feb. 2017 Period (30th) (Forecast)	Change	Aug. 2017 Period (31st) (Forecast)	Change
Operating revenue	37,078	31,631	-5,446	30,069	-1,562
(Rent NOI (excluding on sale))	21,812	20,922	-890	21,667	+744
Operating income	13,841	13,710	-131	13,051	-658
Ordinary income	11,396	11,390	-6	10,780	-610
Extraordinary loss	575	—	-575	—	—
Net income	10,820	11,389	+568	10,779	-610
Allocation to reserve	—	543	+543	—	-543
Reversal of reserve (Note 1)	25	—	-25	67	+67
Balance of reserve (Note 2)	3,614	4,157	—	4,090	—
Total distribution	10,846	10,846	—	10,846	—
Units outstanding	2,552,198 units	2,552,198 units	—	2,552,198 units	—
DPU	4,250 yen	4,250 yen	—	4,250 yen	—
FFO per unit (Note 3)	6,217 yen	6,134 yen	-83 yen	6,452 yen	+318 yen
FFO pay out ratio	68.4 %	69.3 %	—	65.9 %	—
Capital expenditures	1,675	9,104	+7,429	1,644	-7,460
Repair expenses	227	906	+679	243	-663
Total	1,902	10,011	+8,109	1,887	-8,124
Depreciation	6,017	5,653	-363	5,689	+35

(Note 1) The maximum amount of the reversal of reserve will be following temporary expense in connection with renewal projects.

	Feb. 2017 period (30 th)	Property	Aug. 2017 period (31 st)	Property
Temporary expenses in connection with renewal projects	741 million JPY	Nara Family, Bic Camera Tachikawa, Oyamayuen HW, G-bldg. Minami- ikebukuro01, G-bldg. Kichijoji 01, etc.	70 million JPY	mozo wondercity, Oyamayuen HW, Kyoto Family, Nanupark, Etc.
Demolition costs, compensation costs, etc.	666 million JPY		26 million JPY	
Loss on disposals of fixed assets	74 million JPY		44 million JPY	

(Note 2) Balance of reserve after approval of distributions at the JRF board director meeting for each period.

(Note 3) (Net income + loss on sales of real estate, etc. - gain on sales of real estate, etc. - depreciation + other real estate related depreciation) / total units outstanding

Major factors behind change during Feb 2017 (30th) period (compared to actual results of Aug 2016 (29th) period)

(million JPY)	
Operating revenue	-5,446
✓ Rent revenue related to disposed 3 suburban properties	-1,180
✓ Rent revenue related to disposed AEON Mall Kashihama	-294
✓ Increased rent revenue related to the newly acquired assets	+174
✓ Absence of the gain on sale of properties	-4,839
✓ Existing assets (Penalty income+425, rent growth+229, reduced utility receivables(71), increase in other income+102)	+693
Operating expenses	-5,315
✓ Expense related to disposed 3 suburban properties	-852
✓ Expense related to disposed AEON Mall Kashihama	-79
✓ Expense related to the newly acquired assets	+47
✓ Absence of the loss on sale of properties	-5,257
✓ Existing assets (Increase in repair expense+686, Decrease in utility expense(146), Promotion expense +190, PM fee+73)	+804
Operating income	-131
✓ Decrease in interest payments	-127
Ordinary income	-6
✓ Absence of extraordinary losses (settlement package for reaching accommodation with tenant)	+575
Net income	+568

Major factors behind change during Aug 2017 (31st) period (compared to forecast for Feb 2017 (30th) period)

(million JPY)	
Operating revenue	-1,562
✓ Absence of the gain on sale of property: AEON Mall Kashihama	-1,386
✓ Increase in revenue due to the completion of the renewal	+375
✓ Absence of the downtime of the renewal	-193
✓ Absence of the penalty income	-425
✓ Increase in utility	-67
Operating expenses	-911
✓ Decrease in repair expense	-663
✓ Increase in utility expense	+170
✓ Decrease in Property management fee	-167
✓ Decrease in promotion expense	-112
✓ Decrease in other operating expense related to properties	-168
✓ Increase in depreciation	+35
Operating income	-610
✓ Decrease in interest payments	-48
Ordinary income	-610
Net income	-610

I would like to touch briefly on JRF's capital expenditure.

Capital expenditure is expected to reach the substantial amount of 9.1 billion yen in the February 2017 30th period. This reflects the overlapping expenditures projected during the period for Nara Family and Bic Camera Tachikawa.

JAPAN RETAIL FUND



Awarded in DBJ Green Building Certification program
G-bldg. Jiyugaoka 01 (Bldg. A)

1. Medium-term target and related issues
2. Implementation of Growth Strategy
3. Financial Strategy
4. Financial Results and Forecasts
- 5. Sustainability Management**

Our ESG (Environmental, Social, Governance) initiatives

ESG Initiatives driven by our asset management company

MCUBS, the asset management company of JRF, has signed the UNEP Finance Initiative (UNEP FI) and UN Global Compact (UN GC) in Sep 2016.

■ UNEP Finance Initiative(UNEP FI)



The first asset management company of J-REIT to sign.

- MCUBS is the 3rd Japanese company to join the Property Working Group in UNEP FI, which consist of 20 prestigious property company and financial institutions all over the world.

■ UN Global Compact(UN GC)



The first asset management company of J-REIT to sign

- UN Global compact suggests to comply with the 10 principals regarding 4 following areas:



Recognition from third parties (GRESB)

Awarded "Green Star" with 4 stars in GRESB Real Estate assessment of 2016.



Energy consumption track record

(Note 1)

Energy consumption track record is shown in the table below.

	Electricity (Mwh)	Fuel (Mwh)	Water (thousand m)	Note 2 CO2 emission (Thousand tCO2)
FY 2014	256,546	77,936	1,754	145
FY 2015	250,305	77,303	1,709	142

DBJ Green Building Certification

In Aug 2016, G-bldg. Jiyugaoka was awarded the certification for both Bldg. A and B respectively. Bldg. B is the first retail property awarded the "plan certification" under of DBJ Green building certification system.

■ G-bldg. Jiyugaoka 01(Bldg. B) [Completion scheduled in Nov]



(Image)

■ G-bldg. Jiyugaoka 01(Bldg. A)



(Note 1) Scope is limited to the properties where we possess energy control authority and the properties where tenants provided us the dataset for energy / water consumption.
(Note 2) Emission factor for conversion is defined in Act on Promotion of Global Warming Countermeasures in Japan; CO2 emission only includes Scope 1 and 2.

28

In closing, I refer you to page 28, where we provide details of JRF's sustainability management.

JRF has historically engaged in management that takes into consideration its environmental and social responsibilities. In September 2016, we were the first J-REIT asset management company to become a signatory to the United Nations Environment Program Finance Initiatives and the United Nations Global Compact.



Japan Retail Fund Investment Corporation

Disclaimer

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

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