

Security code **8953**

US ADR(OTC) : JNRFY

Think bold today for a brighter tomorrow.

MC-UBS
G R O U P

August 2017 (**31st**) Period Results

31st period: March 1, 2017 - August 31, 2017

Japan Retail Fund Investment Corporation

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

Contents

1. MC-UBS Group Activities and Sustainability	P. 2
2. Status of Investment Unit Price and New Measures for Unitholder Returns	P. 7
3. Medium-term Targets and Future Acquisition Strategies	P. 10
4. Implementation of Business Strategy and Financial Strategy	P. 18
5. Financial Results and Forecasts	P. 30
6. Difference in Retail Environment between Japan and the US	P. 35

1. MC-UBS Group Activities and Sustainability



G-Bldg. Ginza Chuo-dori 01

Established a New Group Logo and Slogan

Mitsubishi Corp.-UBS Realty Inc. (MC-UBS), the asset manager for Japan Retail Fund Investment Corporation (JRF), has established a new group logo and slogan, symbolizing its commitment to further enhancing the strength of the group.

Group slogan and logos

Group slogan

Think bold today for a brighter tomorrow.

<Message implied in the group slogan>

The new slogan embodies the value we offer. "Think bold today for a brighter tomorrow with our uniqueness and fairness, with an eye to the future in Japan and the world" highlights that we offer an opportunity to experience the wealth of society in the future through real estate's solid value.

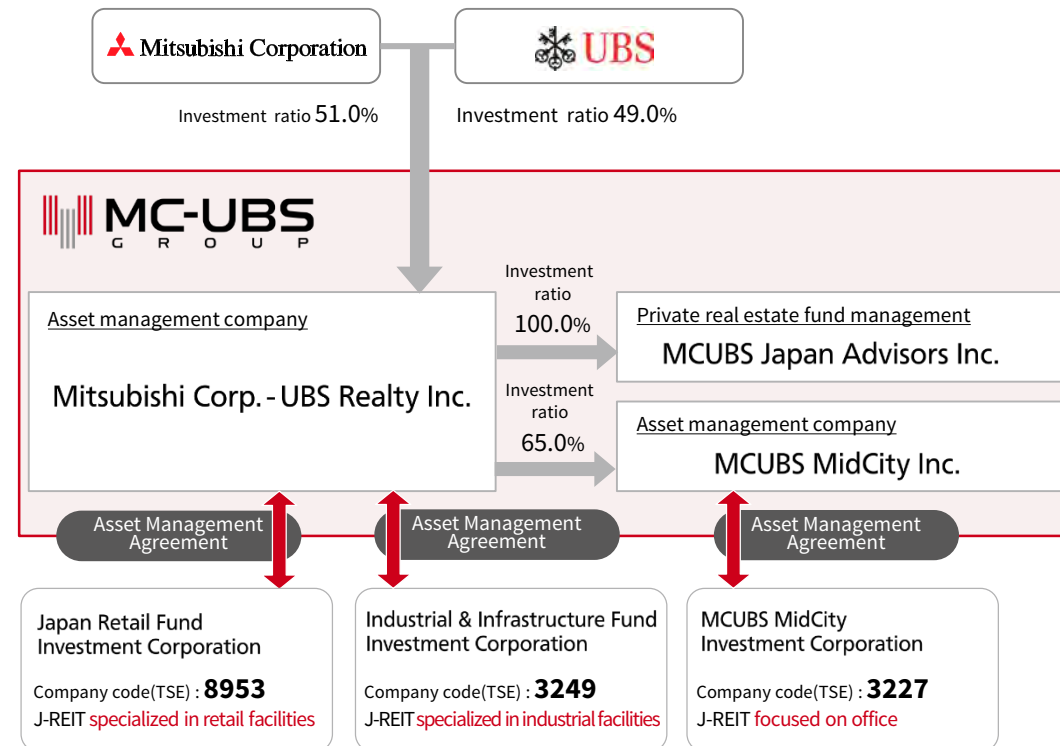
Group Logo



Investment corporation and asset manager's logo

Japan Retail Fund Investment Corporation
Mitsubishi Corp. - UBS Realty Inc.

Overview of the MC-UBS Group



Continued activities to improve JRF's recognition

IR Activities

For institutional investors

Participation in NAREIT's Investor Forum (JRF)

JRF presented the differences in retail environments between Japan and the US at NAREIT (National Association of Real Estate Investment Trusts)

- JRF made presentations to institutional investors on an individual basis, where approximately 130 REITs, mainly US-REITs, have participated



2016 NAREIT's Investor Forum

For individual investors

MC-UBS Group Joint IR seminar for three J-REITs (JRF / IIF / MidCity)

IR seminar held jointly by 3 REITs managed by the MC-UBS Group

- IR seminar held at group J-REIT property



Joint IR seminar held by 3 REITs

For individual investors

Internet IR seminar (JRF)

JRF held an online IR seminar via internet, aiming to expand the individual investor base at the ages of 30s and 50s

- Questions were taken via online chatting interface



MC-UBS Group's Basic Approaches to Sustainability

We are continually working towards the realization of a sustainable society through our business activities

Sustainability management structure and sustainability goal

Mitsubishi Corp.- UBS Realty Inc. has established “Environment Charter” and “Responsible Property Investment Policy,” integrating Environment, Social, and Governance (ESG) factors into asset management process of each fund we manage.

Sustainability management structure

Establishment of a sustainability committee

- Established a sustainability committee in 2013 to further promote organization-wide efforts for responsible property investment (RPI)
- The Committee consists of the CEO as the chairperson, key members of the Industrial Division responsible for the operation of JRF, and key members from each department

Sustainability goal of the asset manager

1. Enhance profitability of assets by installing environmentally friendly facilities such as solar panels
2. Monitor information related to energy consumption
3. Monitor the fund's ESG factors by participating in a third-party evaluation from organizations such as GRESB. The evaluation results will be used for further improvement.

Efforts regarding sustainability

Based on the Responsible Property Investment Policy, MC-UBS agreed and became a signatory to the Principles for Responsible Investment (PRI), which was proposed by the United Nations and the Principles for Financial Action for the 21st Century, which is supported by the Ministry of Environment. In addition, MC-UBS is proactively committed to reduce CO2 emissions as a signatory to Montreal Carbon Pledge

MC-UBS also devotes its efforts to disseminate and promote the Principles of the Responsible Property Investment as a signatory to the United Nations Environment Programme Finance Initiative (UNEP FI) and by participating in the UNEP FI's Property Working Group

Signatory of:



External recognition on JRF's efforts toward environmental measures and efficient uses of energy

Inclusion in MSCI Japan ESG Select Leaders



- ESG index by MSCI
The index only includes equities with high ESG performance based on certain market-capitalization, and other criteria
- Two funds managed by the MC-UBS Group:
Japan Retail Fund Investment Corporation and **Industrial & Infrastructure Fund Investment Corporation** are among the 7 J-REITs included in the index
- The Government Pension Investment Fund for Japan (GPIF) announced in July 2017 that it would start passive investment that tracks ESG indices including this index

Third-party evaluations

GRESB Real Estate Assessment

- Awarded the “Green Star” for 3 consecutive years
- Received 4 stars under the GRESB rating system (five-star scale, with 5 being the highest)



BELS

- JRF received BELS certification for G-Bldg. Jiyugaoka 01 (Bldg. B), first in the portfolio

© Nacása & Partners Inc.
G-Bldg. Jiyugaoka 01 (Bldg. B)

DBJ Green Building Certification

- The number of certified buildings has increased to 17, with additional two properties (MARINE & WALK YOKOHAMA and m-city Toyonaka) in August 2017



MARINE & WALK YOKOHAMA

2. Status of Investment Unit Price and New Measures for Unitholder Returns



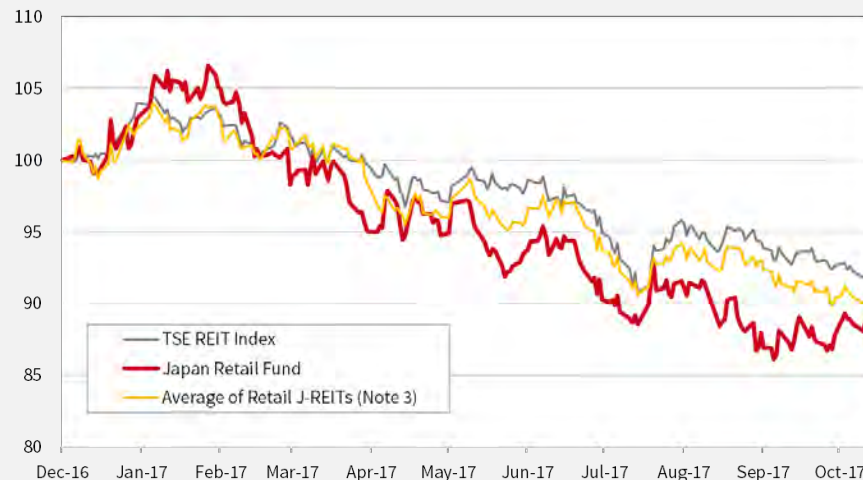
Status of the Latest Unit Price

Recent investment unit price is relatively cheaper level

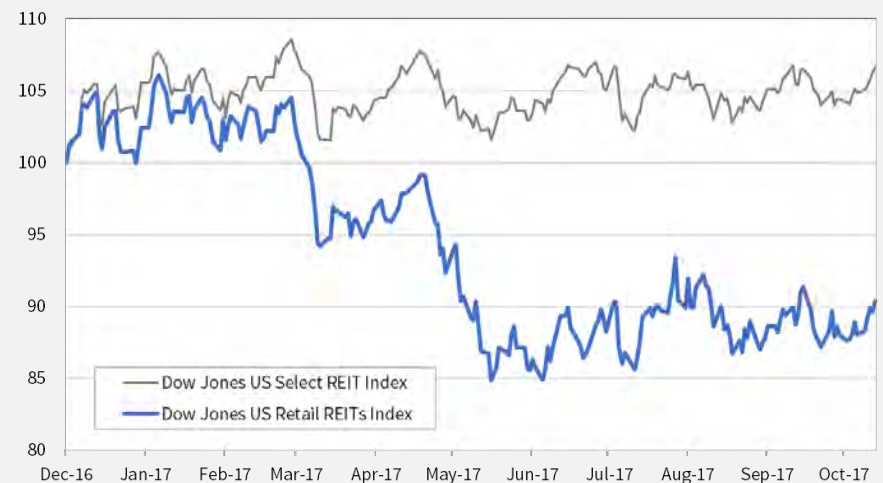
Factors of relatively cheaper level of unit price

- Worsening investor sentiment regarding investment in commercial facilities in Japan mainly due to the rise of e-commerce and other factors **in association with concerns about commercial facility operations in the United States.**
- Worsening supply and demand due to capital outflow from investment trusts in Japan, which are the main J-REIT investment targets.

■ Relative unit price trend in J-REIT (Note1, 2)



■ Relative stock price trend in US-REIT (Note1, 2)



(Note 1) Closing price basis.

(Note 2) Left axis describes relative unit price trends and stock price trends that is closing price on Dec. 1, 2016 to be assumed as 100.

(Note 3) "Average of Retail J-REITs" is a simple average value of investment unit prices of Aeon REIT Investment Corporation, Frontier Real Estate Investment Corporation and Kenedix Commercial REIT Investment Corporation.

(Source) Bloomberg

Repurchase of own investment units by using ample free cash

Details of implementation (Scheduled)

Total number of investment units to be repurchased	60,000 units (maximum) (2.25% of the total number of issued investment units (excluding the number of own investment units))
Total amount of investment units to be repurchased	10,000,000,000 yen (maximum)
Repurchase period	From October 17, 2017 to January 31, 2018

- ✓ JRF will terminate the transaction regarding the repurchase of own investment units when either the total number of repurchased own investment units or the total repurchase amount reaches the maximum amount, or when the repurchase period ends.
- ✓ After the completion of the repurchasing of own investment units, JRF plans to cancel all repurchased own units in this fiscal period (Feb. 2018 period (32nd)).

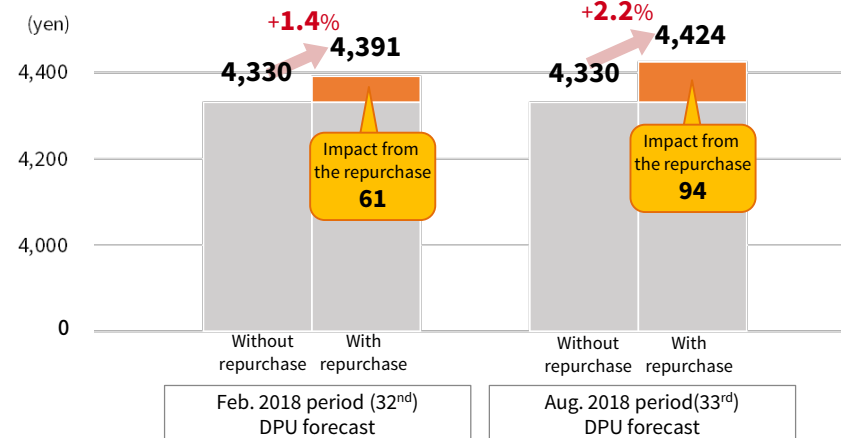
(Note) Due to market trends etc., it is possible that the total number of repurchase and total repurchase amount will not reach the maximum level, or there will be no repurchase at all.

Background for the repurchase of own investment units

Optimum measure for unitholder returns under the current environment

- ✓ Recent decrease in opportunities for acquiring properties that combine quality and profitability
- ✓ Use of ample free cash
- ✓ Useful unitholder returns at relatively cheaper investment unit price levels

Impact on DPU amount^(Note 1, 2)



(Note1) The expected numbers are calculated based on the certain conditions at the date hereof and the actual DPU amount may differ in accordance with changes in the situation. Also, there are no guarantees provided with respect to the amount of DPU.

(Note2) "Expected DPU amount for the 32nd fiscal period (taking into consideration the repurchase)" is calculated based on the case where JRF repurchases its own investment units at 200,300, which is the closing price of JRF's investment units as of October 13, 2017, until the total repurchase amount mentioned above reaches the maximum amount (in this case, the total number of repurchased own investment units is 49,925 units). Please note that the impact on expected DPU varies according to the actual number of repurchased own investment units and actual repurchase price.

3. Medium-term Targets and Future Acquisition Strategies

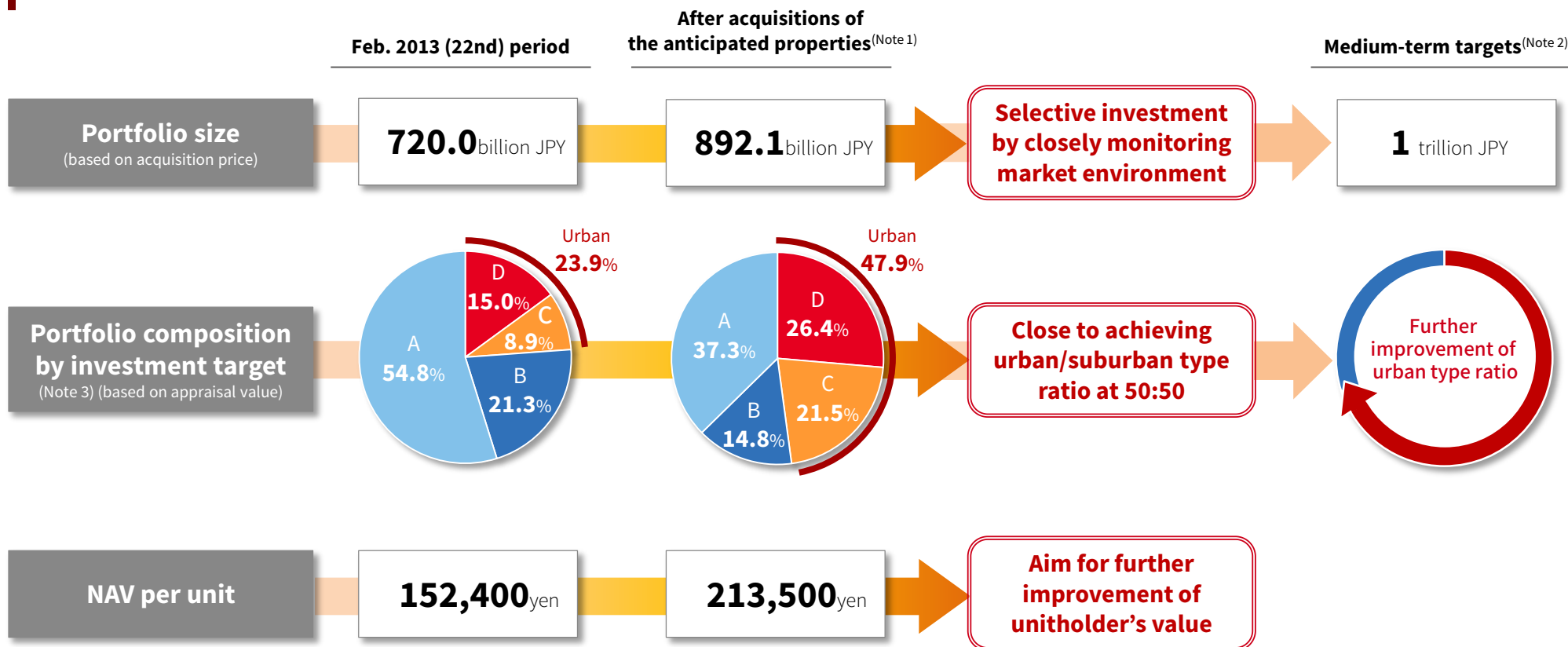


G-Bldg. Shinsaibashi 03

Portfolio Evolution

Portfolio evolution aiming higher locational advantage and easier tenant replacement

Portfolio evolution



(Note 1) Amounts and percentages for "after acquisitions of the anticipated properties" are calculated by including the figures for the properties we have announced to acquire as of October 16, 2017.

(Note 2) This is a medium-term target and not guaranteed.

(Note 3) Our investment target are classified into following 4 categories.

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 to major stations and D: Retail properties in prime urban shopping districts.

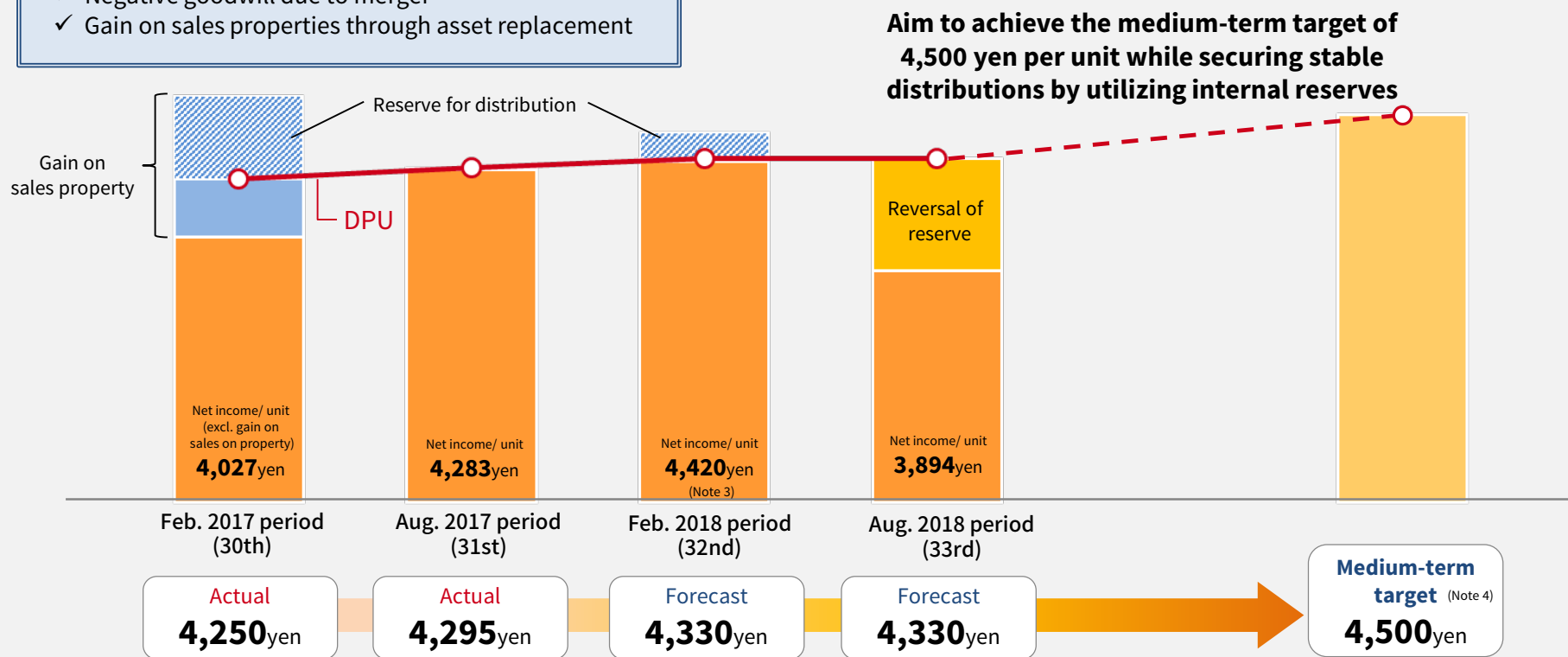
Medium-term Target for DPU

Achieved 4,300 yen, on the way to medium-term target of 4,500 yen

Medium-term target for DPU

► Total reserve: **4,401** million JPY (Note 2)
(Reserve per unit: 1,650 yen)

- ✓ Negative goodwill due to merger
- ✓ Gain on sales properties through asset replacement



(Note 1) All per-unit figures are those before the repurchase of own investment units. Hereinafter the same.

(Note 2) As of Oct.16, 2017 when the distribution statements in the financial statements of fiscal period ended Aug. 2017 was approved by the JRF's Board of Directors.

(Note 3) Including the reversal of reserve (102 yen/ unit).

(Note 4) This is a medium-term target and not guaranteed.

Status of Major Properties (KAWASAKI Le FRONT (1))

Positioning in Kawasaki Area with its strongly competitive location

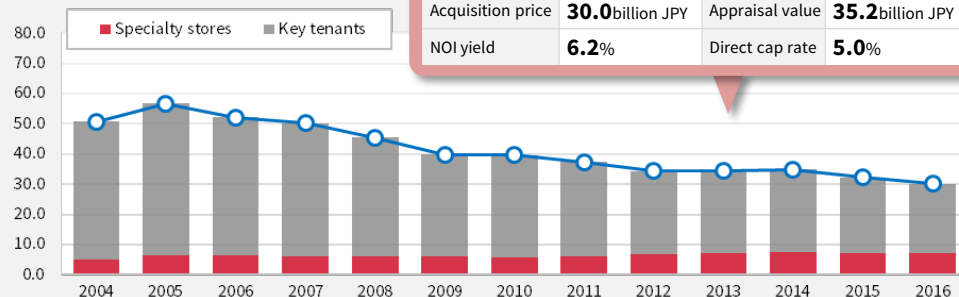
Large-scale renovation project post core tenant move-out

- Marui, one of the core tenants, is scheduled to vacate in April 2018 due to the decline in sales
- A large-scale renovation plan to be carried out for the spaces originally occupied by Marui and other specialty stores
- Planned to replace a few tenants and renew facilities from the MD structure review



Historical sales trend

(billion JPY)



Acquired in 2013

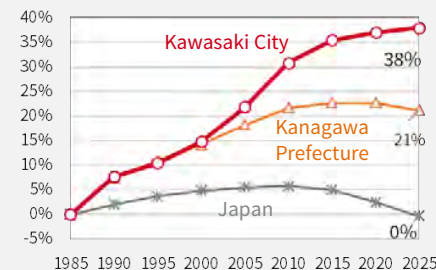
Acquired with capacity remaining for additional investments (5.2 billion JPY)

Acquisition price	30.0 billion JPY	Appraisal value	35.2 billion JPY
NOI yield	6.2%	Direct cap rate	5.0%

Potential in the Kawasaki area

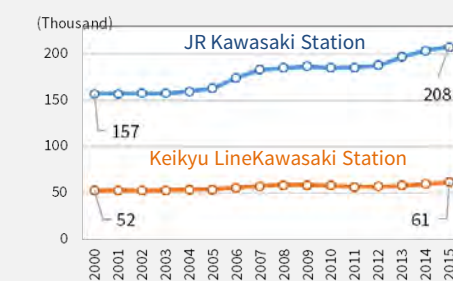
- It is benefited from the fertile market, in which 43,000 households reside within a 5-km radius as of 2015
- Both the population in Kawasaki City and the number of passengers using Kawasaki Station are increasing

Changes in population



(Source) Ministry of Internal Affairs and Communications Statistics Bureau, Kawasaki City

Passengers usage of Kawasaki Station



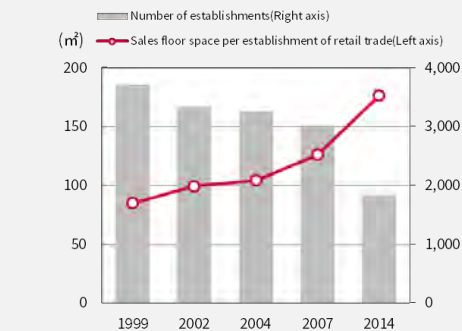
(Source) East Japan Railway Company, Keikyu Corporation

Population composition ratio

Age group	National average	Kawasaki City
80 or older	8.5%	5.5%
60 - 79	25.4%	19.2%
40 - 59	27.3%	29.7%
20 - 39	21.7%	28.5%
10 - 19	9.0%	8.4%
0 - 9	8.0%	8.7%

(Source) Ministry of Internal Affairs and Communications Statistics Bureau, Kawasaki City

Number of establishments and sales floor space per establishment of retail trade



(Source) Kawasaki City

(Note) Graphs on this page are based on each source and are created by the Asset Management Company

Status of Major Properties (KAWASAKI Le FRONT (2))

Renewal plan

From apparel and service stores to food/ living/ entertainment contents

- The ability to draw visitors to be strengthened by expanding the “Recreational” facilities across areas around the East exit of Kawasaki Station
- Focus on “Food” contents intended to attract more daily shoppers, taking advantage of its location adjacent to a bus terminal
- A symbolic and expansive space to be created with an open ceiling
- A large-size commercial facility to attract large-scale tenants
- Open area to be rejuvenated, which is located between this property and the adjacent office building
(Cube Kawasaki, owned by MCUBS MidCity Investment Corporation)

<Image of renewal (Note)>



(Note) These are indicative renderings and may differ from the actual development.

<Current MD>

RF	Sports Facilities	
10F	<Speciality stores>	Restaurant
9F	Service	
8F	Sports, Service	
7F	Sports, Hobbies	
6F	Variety goods	
5F	Household goods, Fashion	
4F		Tutoring School
3F		Service
2F	Yodobashi	Convenience store
1F	Camera	Food court
B1		
B2	Parking lot	

<After renewal (plan)>

RF	Sports Facilities	
10F	Large-size entertainment contents	Tutoring School
9F	Restaurant	
8F	Large-size sports store, Outdoor stores	
7F	Sports, Hobbies, Large-size kids store	
6F	Kids and Babies	
5F	Fashion	
4F		Interior shops
3F		Variety goods
2F	Yodobashi	Food hall, Convenience store
1F	Camera	Food stores
B1		
B2	Parking lot	

A	Entertainment	Attract major entertainment content providers ➡ To provide visitors extraordinary experiences
	Food	
B	Entertainment	Attract large-scale tenants that are commensurate with the scale of this property offers ➡ To attract more family visitors to a floor dedicated to products and services for children
	Living	
C	Living	Collaboration with Yodobashi Camera ➡ To bring in Yodobashi Camera customers
D	Food	• Enhance the line-up of food stores and restaurants • Improve the concourse atmosphere and environment ➡ To increase visitor frequency

Status of Major Properties (MARINE & WALK YOKOHAMA (1))

Review MD structure by inviting Ron Herman as a major tenant

Replacement of certain key tenants

- Fred Segal, one of the core tenants, decided to vacate due to the change of its operation company
- As the result of discussion, the tenant vacated at the end of August 2017 by paying penalty
- Part of the spaces occupied by Fred Segal have been allocated to new tenants and leasing contract executed, such as Ron Herman and Nakame Takkyu Lounge

Future operation policy

Mainly targeting fashion-conscious customers base, while expanding to tourists sympathetic to the concept and vision of this facility

■ Challenges and measures for improvement

< Challenges >

Low recognition

This facility opened later in the area is not recognized although it is located in an area drawing many visitors

Gap in sales among tenants

Tenants that miss-match the characteristics of the bayside area have weaker sales

< Measures for Improvement >

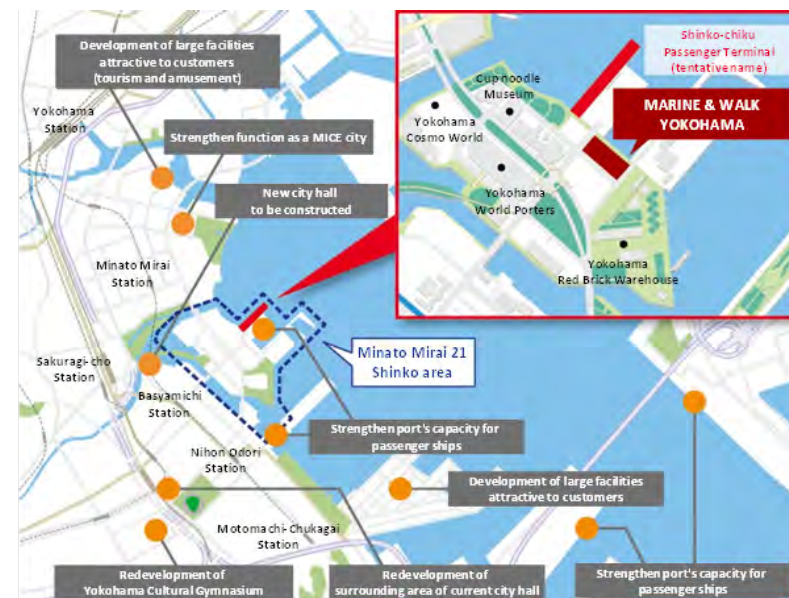
- ▶ To replace ailing tenants with more widely-recognized capable ones that match the bayside location
- ▶ Expand the customer base to tourists, in anticipation of the development of Shinko Area Passenger Terminal (tentative name)^(Note)
- ▶ Introduce SNS-conscious contents to gain recognition, by participating in the art project "Global Angel Wings Project" to create a photo spot
- ▶ To attract more visitors in collaboration with neighborhood facilities



Angel Wings



<Mid-term 4-Year plan by the City of Yokohama>



(Source) Prepared by Mitsubishi Corp.-UBS Realty Inc., the asset manager, based on "Yokohama Waterfront Area Revitalization Master Plan" (as of February 2015) and "Implementation Guideline for Sounding on Shinko Area Passenger Terminal Construction," both prepared by Yokohama City

(Note) The new passenger terminal is scheduled to open in spring 2019 and the construction plan includes CIQ (customs, immigration and quarantine) facilities to accept cruise ships, retail facilities focusing on a variety of foods, and a high-grade hotel accommodating cruise passengers near the pier

Status of Major Properties (MARINE & WALK YOKOHAMA (2))

Attract appealing tenants that match the concept of the facility



Ron Herman

A lifestyle-themed retailer, opened the 1st store at Melrose Avenue, Hollywood in 1976, offers California-style fashionable goods. It operates 13 stores in Japan.



PEANUTS DINER

Operates "PEANUTS Café" at Nakameguro, Tokyo, which features an eatery on the American West Coast themed around PEANUTS. The restaurant to be opened at MARINE & WALK will give a "seaside diner" ambience in the US West Coast, and visitors can enjoy dining with gorgeous ocean views in an open and airy space



© 2017 Peanuts Worldwide LLC

Nakame Takkyu Lounge

Recreational bars provide ping-pong tables. Plans to open a new store in MARINE & WALK with 14 ping-pong tables, a bar and a home theater equipment, under the concept of "Playing ping-pong at the harbor-view bar"



Aim to acquire high-quality assets with high yields

Planned acquisition of two urban prime properties



G-Bldg. Jingumae 07



Round1 Sannomiya Station

Property name	G-Bldg. Jingumae 07	Round1 Sannomiya Station
Anticipated acquisition date	Nov. 22, 2017	Nov. 30, 2017
Anticipated acquisition price	1,950 million JPY	3,200 million JPY
Appraisal value	2,080 million JPY	3,300 million JPY
NOI yield	3.3%	4.1%
NOI yield (after depreciation)	3.2%	3.7%

Target yield in acquisitions

Acquisition of quality assets leveraging 2 sources of financing

■ Financing sources

1 Acquisitions together with
Equity offerings

▶ Target yield

**Average NOI yield
after depreciation
of our portfolio**
(Aug. 2017period (31st))

3.8%

2 Acquisitions as a part of
Asset replacement

▶ Target yield

**Average NOI yield
after depreciation
of properties disposed**

2.9%

4. Implementation of Business Strategy and Financial Strategy



CUTE CUBE Harajuku

Business strategy for improvement of unitholders value

JRF's business strategy

Acquisition strategy

Asset size expansion

for the purpose of further enhancing regional and tenant diversification

Asset replacement

for the purpose of improving portfolio quality

Securing future internal growth opportunities

through acquisition of properties with high potential in good location utilizing our SC management capabilities

Asset management strategy

Improvement in profitability

Through strengthening of property competitiveness

Improvement in stability

by reducing potential risks through contract stabilization etc.

Financial strategy

Equity management

according to acquisition environment and investment unit price

Continued financing stability

By diversifying maturity periods, lengthening borrowing periods, improving fixed interest rate ratio, and securing emergency funding sources

Diversification of funding sources

through introduction of new lenders and issuance of corporate bonds

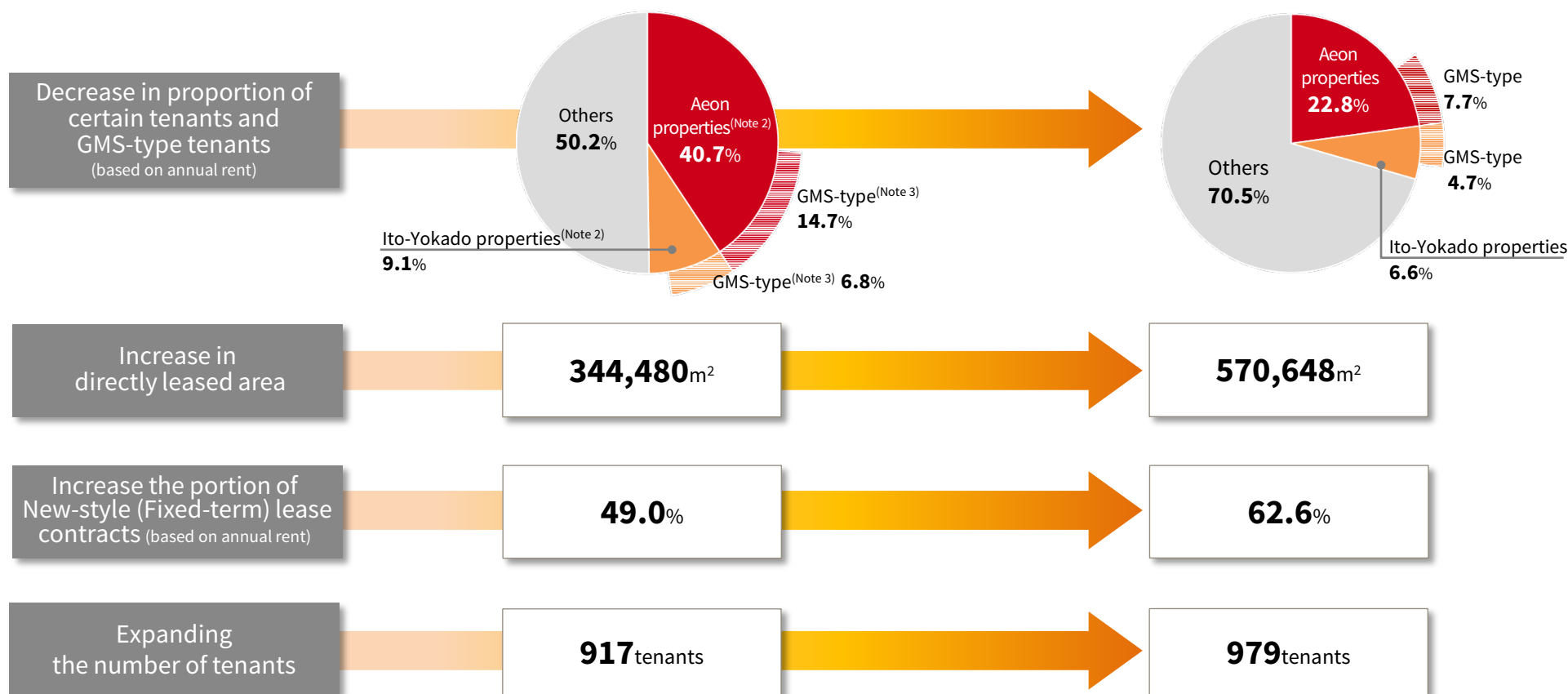
Change in Portfolio Composition

Solid improvement in portfolio composition as a result of our continued efforts

Change in portfolio composition

Feb. 2013 (22nd) period

After acquisition of anticipated properties^(Note 1)



(Note 1) Amounts of shares for "After acquisition of anticipated properties" are calculated based on the our portfolio after the anticipated acquisitions announced on October 16, 2017.

(Note 2) "AEON properties" refer to those properties for which AEON Retail, AEON MALL, AEON Kyushu, AEON Ryukyu and AEON TOWN are master lease tenants.

"Ito-Yokado properties" refer to those properties for which Ito-Yokado Co., Ltd. is a master lease tenant.

(Note 3) The "shares for GMS-type" refers to the shares of the annual rent represented by the "AEON properties" and "Ito-Yokado properties" that we classify as GMS-type, is the entire portfolio.

Implement internal growth strategy by leveraging our SC management capability

Internal growth strategy *Future plans may change without notice.

Oyama Yuen Harvest Walk (2nd project)

Improvement in facilities environment based on the concept of "SHOPPING IN THE PARK"

- ✓ Grand opening after the renewal on October 7, 2017
- ✓ 12 stores, including a first-time opening tenant in Tochigi Prefecture, opened and 6 stores re-opened following the renewal completion



Narupark

- ✓ Leasing contract (fixed-term) for nearly 30 blocks expired
- ✓ New stores have opened since April 2017 in different phases



KAMISHIN PLAZA (2nd project)

The renovation of the first and second floors focusing on tenant replacements

- ✓ Leasing contract (fixed-term) for 15 blocks of 1F and 2F expired
- ✓ Grand opening on Sep. 15, 2017



mozo wonder city (2nd project)

The planned renewal focuses on replacement of the key tenant

- < Spring 2018 ~ >
- ✓ The fixed-term lease contracts 90 lots scheduled to expire
- ✓ A basic plan is now being formulated



Abiko Shopping Plaza

Tenant mix to be restructured [at the timing of fixed-term lease contracts scheduled to expire]



- < Spring 2018 >
- ✓ A basic plan is now being formulated

KAWASAKI Le FRONT

Positioning in Kawasaki Area with its strongly competitive location

< Winter 2018 ~ >

- ✓ Marui, one of the core tenants, scheduled to vacate in April 2018
- ✓ The renewal project focuses on spaces occupied by Marui and other specialty stores
- ✓ A basic plan is now being formulated



GYRE

Renewal project focuses on the floors for café and restaurants

- < Autumn 2018 ~ >
- ✓ The first basement floor and the 4th floor will be renewed
- ✓ Intended to capture upside in the spaces where lease-term is scheduled to expire
- ✓ A basic plan is now being formulated



2017

NOW









2018

2019 and after

Internal Growth Strategy (2)

Implement internal growth strategies to enhance property competitiveness and profitability

Recent renewal actions

Categories	Property name			Completion date	Renewal type (Note 1)	Effect	
						Expenditure	ROI (Note 2)
	Oyama Yuen Harvest Walk	1 st project	Apr. 2014	Improved its competitiveness as a retail property by fully upgrading the environmental design, expanding the leasable area with building expansion/renovation, and attracting prominent tenants	Offensive	1.31 billion JPY	11.5%
		2 nd project	NEW Oct. 2017	Upgrade/improvement works scheduled to provide spaces for marketing activities and facilitate tenants' communication with customers	Stay	530 million JPY	—
	mozo wonder city	1 st project	Sep. 2015	Upgraded the property to create a park-like environment, leveraging its "green" image. As a result of the renewal project, 163 stores newly opened including 26 stores which opened their first stores in the Tokai area	Offensive	2.13 billion JPY	9.8%
	KAMISHIN PLAZA	1 st project	Jun. 2016	Renovated the floors, following the replacement of key tenants, to attract more customers	Offensive	290 million JPY	15.5%
		2 nd project	NEW Sep. 2017	Replace 1st and 2nd floor tenants to increase customer flow following the first-phase renewal	Offensive	80 million JPY	Estimate (Note3) 13.4%
	Ito-Yokado Yotsukaido		Jul. 2016	Constructed an additional building on the same premises to attract new tenants	Offensive	150 million JPY	10.4%
	G-Bldg. Jiyugaoka 01(Bldg. B)		Nov. 2016	Reconstructed the obsolete building under an on-the-book project	Offensive	570 million JPY	6.5%
	Bic Camera Tachikawa		Dec. 2016	Renovated the building to enhance its seismic resistance and signed long-term stable lease contracts with existing tenants	Offensive	2.90 billion JPY	15.3%
	Nara Family		Spring 2017	Expanded the zone of specialty stores adjacent to the department store and fully renovated the environmental design to transform the property into a high-quality retail property	Stay	5.10 billion JPY	—
	Narupark		NEW Apr. 2017	Attract more customers by tenant replacement in approx. 20 sections and encouraging frequent shoppers to visit on a daily basis	Stay	90 million JPY	—

(Note 1) There are three types of renewal type: Offensive, Stay and Defensive.

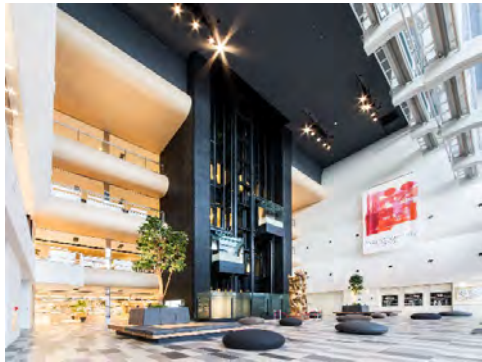
(Note 2) ROI = NOI increase(*) / Expenditures * NOI increase = (NOI after renewal project or estimated NOI) - (NOI before renewal project)

(Note 3) Shows estimated return on investment as of today as the property is not in full operation.

Latest Case for Internal Growth (1) – Nara Family

Aim to expand customer bases and improve sales of tenants in the renovated blocks promptly

Comparison of performance before and after the renewal project



Although it is expected that substantial growth in sales will be achieved increase with the increasing number of visitors brought about by the renewal plan intended for a transformation into a high-quality retail facility, both sales and NOI are far below the targeted levels as the number of visitors has increased only slightly

	Before (FY2015A)	After (Initial estimates)	After (Actual results)	Actual vs Initial estimate
Annual visitors	9.78 million	12.00 million	(Note 1) 10.02 million	-16.5%
Annual sales	39.0 billion JPY	48.3 billion JPY	(Note 1) 39.5 billion JPY	-18.2%
Annual NOI	2,272 million JPY	2,563 million JPY	(Note 2) 2,030 million JPY	-20.8%
NOI yield ^(Note3)	6.5%	7.3%	5.8%	-0.7pt.

(Note1) Actual results from November 2016 to August 2017 were annualized

(Note2) Figures of "After (Actual results)" are represented by annualized actual results for the 31st period ended in August 2017

(Note3) Based on acquisition prices (34,875 million JPY)

Future policy of operation

Incentives to visit
the facility



Customer retention

**Aim to improve sales by
attracting more visitors**

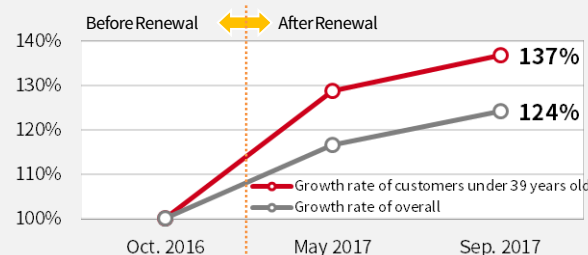
Specific measures to **encourage existing customers to use the facility more and expand targeted customer bases**

- Enhance preferential services to card members
- Implement promotional campaigns for kids and family customers
- Hold events and carry out promotional campaigns on a facility-wide basis
- Review the operating structure according to the facility's strategy

Initiatives in progress

1. Carry out leasing regarding the renovated blocks (five blocks of approximately 100 tsubo)
2. Improve floor planning by drastically reviewing traffic lines and signs inside the facility
3. Draw out plans for promotional campaigns that hit the sweet spot of targeted customers (review of the promoter)
4. Increase repeat customers by attract more customers into card membership

■ Number of card members



■ Average customer spend by age groups

	Increase rate (Note)
39 or younger	+32.9%
40 – 49	+5.5%
50 or elder	△18.6%
Overall	+0.3%

(Note) Based on the average sales before renewal (March to August, 2015) and after renewal (March to August, 2017)

Renewal works on the 1st and 2nd floors completed, following the renewal of the first basement floor completed in June 2016

First large-scale renovation of the 1st and 2nd floors in 12 years



かみしんプラザ KAMISHIN PLAZA

Location	Osaka-shi, Osaka
Construction date	May 1980, etc.
Leasable area	11,955.96m ²
Occupancy ratio	99.6% (as of Oct. 17, 2017)
No. of tenants	37 (as of Oct. 17, 2017)
Key tenants	Heiwado Friend Mart, The Bank of Tokyo-Mitsubishi UFJ

Points of renewal

- For the first time in 12 years since it was renovated as Seed On Plaza in October 2005, there will be a major replacement of tenants on the first and second floors. JRF made a major replacement of tenants on the 1st and 2nd floors for the first time in 12 years.
- The phase 2 project following the renewal of first basement floor conducted in June 2016 intended to attract more customers
- Following the concept of “Kamishin Natural Style” used in the renovation of the first basement floor, the renovation for the 1st and 2nd floors followed a natural design of white tones accented with wood and greenery.
- The property has 8 new stores, including the main baby and children items store Nishimatsuya, the family shoe store ASBEE fam, and the amusement park AMUSE PARK which can be enjoyed by all three generations.

8 new stores

Green Parks topic(ladies' apparel store), **ASBEE fam**(shoes store), **Benesse's English Studio**(English school), **Nishimatsuya**(baby / children's goods store), **Pied a pied by tutuanna** (socks and underwear store), **yakitatei**(bakery /café), **JINS**(eyewear store) and **AMUSE PARK**(game)

1st floor

Before



After



2nd floor

Before



After



▶ Sales after renewal opening

(Sep. 15, 2017~ Oct. 9, 2017 : 25days)

Sales: **380** million JPY (The same day of the previous year **124%**)

Grand Opening a new green outdoor plaza where people can interact with nature

Unveiling of HARVEST PLAZA, a 4,200m² outdoor plaza



Location	Oyama-shi, Tochigi
Construction date	Mar. 2007, etc.
Leasable area	59,813.73m ²
Occupancy ratio	99.3% (as of the end of Sep. 2017)
No. of tenants	71 (as of the end of Sep. 2017)
Key tenants	York Benimaru, Super Viva Home

Points of renewal

- The facility holds a number of outdoor events and provide entertaining opportunities throughout the year, utilizing the vast scale premises. It was designed to provide experience of enjoying shopping while spending time in a pleasant outdoor space, based on the concept of “SHOPPING IN THE PARK”
- Part of the parking lot has been transformed into an outdoor plaza, HARVEST PLAZA, lined with the official trees of Oyama City to express the changes of the four seasons along with various playful types of outdoor furniture
- 12 stores such as TSUTAYA BOOK STORE with a café and others including those opened for the first time in Tochigi Prefecture newly opened, and 6 stores completed their renovation works, which evolved this facility into a more comfortable retail facility offering hospitality to all generations from children to the elderly

12 new stores

TSUTAYA BOOK STORE (book café), **Wakuwaku Hiroba** (grocery store for locally-produced vegetables), **Francfranc** (interior goods store), **GLOBAL WORK** (apparel store), **THE SHOP TK** (apparel store), **Saizeriya** (restaurant), **Fujiemon** (restaurant), **Blossom** (hair salon), **Matsumoto Kiyoshi** (drug store), **Patty's & CLOVER** (sundries), **Ringer Hut** (restaurant) and **HEART MARKET** (ladies' apparel store)

HARVEST PLAZA



【FOREST GARDEN】



【PLAY WALL】

<Additional acquisition of UNIQLO Bldg.>



Points of acquisition

- ✓ **Improve profitability of the entire property**
- ✓ **Improve flexibility of facility management**

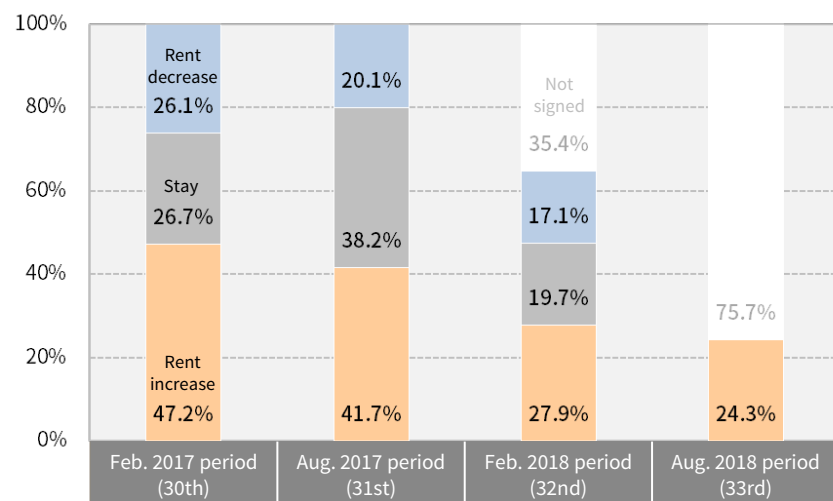
Acquisition date : Aug. 31, 2017
Acquisition price : 255 million JPY
Appraisal value : 264 million JPY

Achieved rent increase in urban type properties leveraging our SC management capabilities

► Rent gap in the urban-type retail properties in the portfolio is approximately 4%^(Note1)

Summary of rent revisions (based on monthly rent)

- The key factor of rent decline is the downward rent revision for tenants that stay in business during the renewal project of KAWASAKI Le FRONT, which is attributed to a probable decrease in the visitors due to the closure of some blocks for renovation



Rent subject to revision (Note 3)	Feb. 2017 period (30th)	Aug. 2017 period (31st)	Feb. 2018 period (32nd)	Aug. 2018 period (33rd)
Monthly rent after the revision (on a net basis)	103.8 million JPY	33.6 million JPY	110.3 million JPY	71.3 million JPY
% Change (Note 4)	+13.5 million JPY	+0.8 million JPY	+13.3 million JPY	+4.2 million JPY
	+13.1%	+2.5%	+18.7%	+24.1%

Example of rent increase



La Porte Aoyama

- New tenants that matches characteristics of the area to be attracted upon the expiration of the leasing contracts with the existing tenants
- Existing tenants' rent increased based on the trend of the market rent increase

	Floor area	Rent growth (Note 4)
1 tenant	Approx. 40 tsubo	+ 41.8%
1 tenant	Approx. 80 tsubo	+ 13.0%



G-Bldg. Shibuya 01

- Meeting the needs of the existing tenant for relocation, JRF attracted a capsule (pod) hotel operated by Global Agents Co., Ltd., "THE MILLENNIALS", as the second hotel under the brand that will be opened in March 2018
- Rent was increased after the transition from a single-tenant property to a multi-tenant property

	Floor area	Rent growth (Note 4)
2 tenants	Approx. 470 tsubo	+ 7.7%

(Note 1) The gap between the monthly rent of existing tenants and the market rent price specified in the appraisal reports. The monthly rents subjects are fixed-term leasing contracts in urban-type retail properties that will be renewed after the end of the 31st period ended in August 2017.

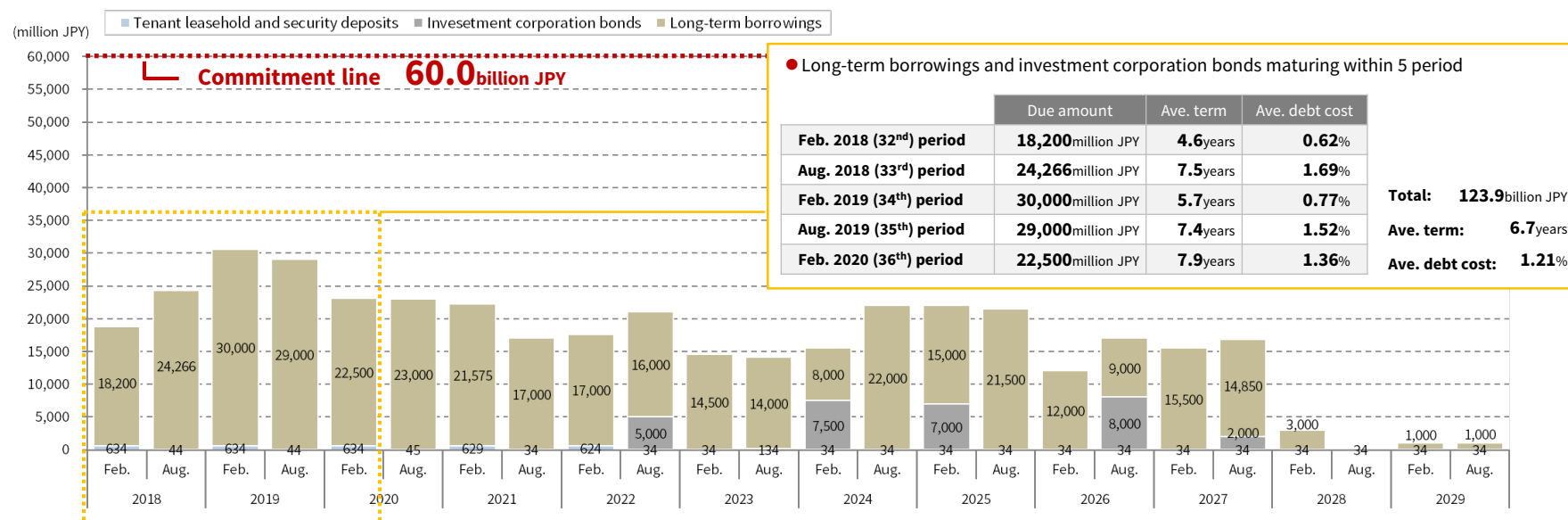
(Note 2) Represented by the breakdown of monthly rents before revision that increased, remained flat or decreased at the renewal date of which will come during the relevant period (Specified in the fixed-term leasing contracts with regard to urban-type retail properties)

(Note 3) Represented by the aggregate rents for blocks in urban-type retail properties the fixed-term leasing contracts of which will expire and be subject to renewal

(Note 4) Increase/decrease rate is represented by (monthly rent after revision - monthly rent before revision) / monthly rent before revision (excluding rents specified in unsigned leasing contracts)

Stable debt management by leveling of repayment amount while reducing debt cost

Maturity ladder (as of Oct. 16, 2017)



Recent refinance activities

Debt cost was considerably reduced after the refinancing of the two existing loans for almost the same borrowing period

<Refinancing activities from May 2017 (including issuance of investment corporation bonds)>

Debt matured		Refinance debt	
Amount	34,000 million JPY	Amount	34,000 million JPY
Ave. debt cost	1.22%	Ave. debt cost	0.38%
Ave. term	6.1 years	Ave. term	5.9 years

Issued investment corporation bond (5 years, 10 years)

In May 2017, 5-year and 10-year investment corporation bonds were issued in time with the redemption of the 6th investment corporation bonds (15 billion JPY, 10-year bond, 1.8%)

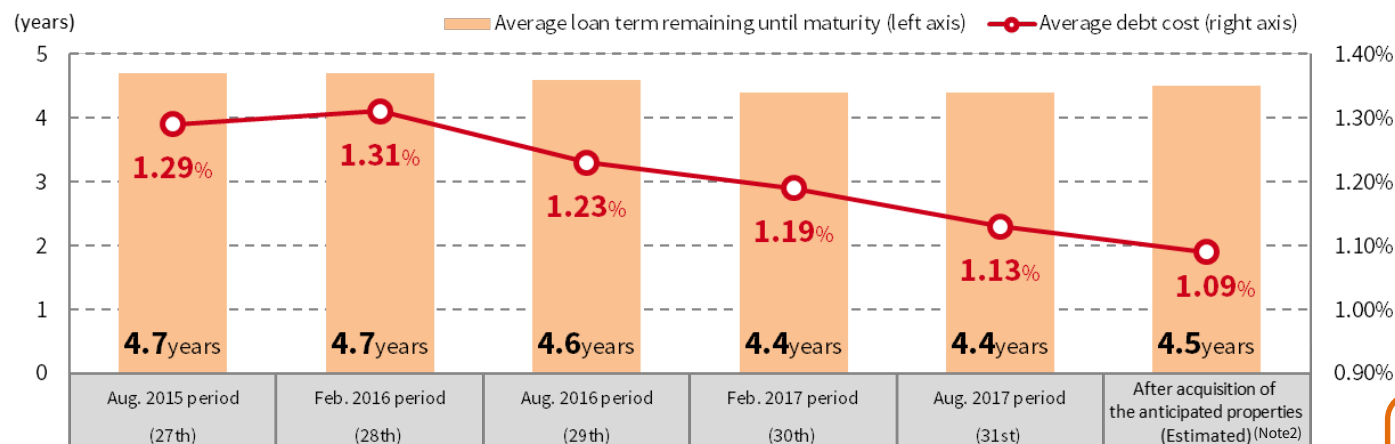
	Series 10 Unsecured Corporation Bonds	Series 11 Unsecured Corporation Bonds
Issue amount	5,000 million JPY	2,000 million JPY
Term	5.0 years	10.0 years
Interest	0.220%	0.480%
Issue date	May 19, 2017	May 19, 2017
Redemption date	May 19, 2022	May 19, 2027

Financial Indices

LTV management for stable financial base

Trend of financial indices^(Note 1)

- Even after implementing the repurchase of own investment units, LTV benchmark is 45% - 55%
- Aim to strengthen stable financial base while carefully focusing on debt cost control
- In the case of repurchasing own investment units up to the upper limit (10 billion yen), the impact on LTV is + 0.5%



	Aug. 2015 period (27th)	Feb. 2016 period (28th)	Aug. 2016 period (29th)	Feb. 2017 period (30th)	Aug. 2017 period (31st)	After acquisition of the anticipated properties (Estimated) (Note2)
LTV ratio (excluding tenant leasehold and security deposits)	45.1%	42.2%	44.3%	44.4%	43.8%	44.1%
LTV ratio	52.2%	48.5%	50.3%	50.3%	49.6%	49.9%
LTV ratio (based on book value)	50.3%	44.8%	47.6%	47.0%	46.4%	46.4%
Long term borrowing ratio	99.3%	99.8%	99.2%	100.0%	100.0%	99.2%
Fixed interest ratio	95.5%	99.8%	96.3%	96.3%	96.4%	96.5%

(Reference)

Acquisition capacity

From LTV 49.9% to 55.0%

Approx. 100 billion JPY

(Note 1) Calculation includes the tenant leasehold and security deposits.

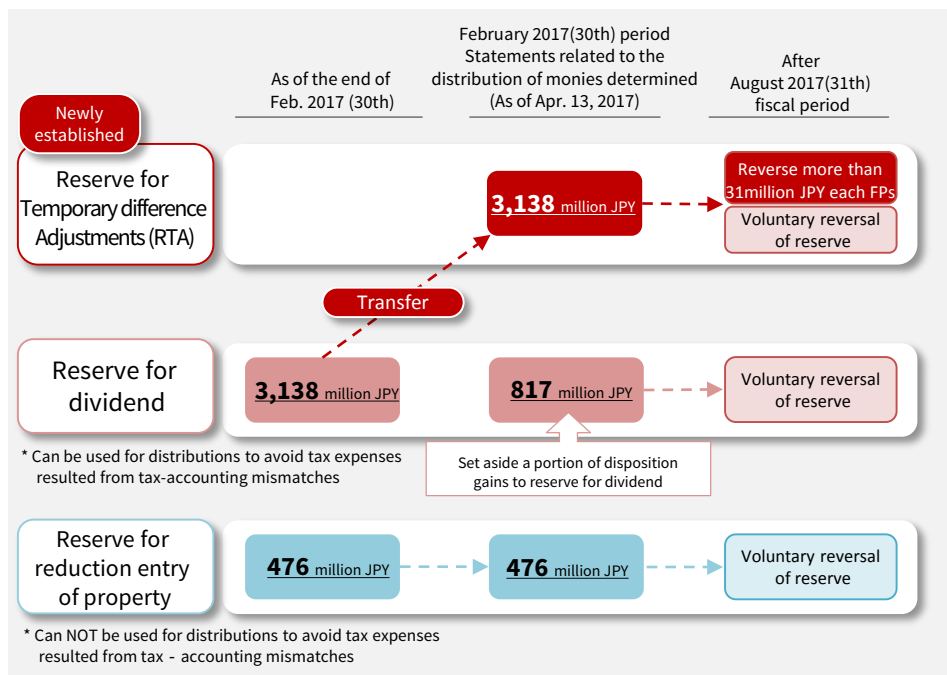
(Note 2) Estimated figures for the end of the 32nd period ending Feb. 2018, reflecting the impact from acquisition of the anticipated properties and borrowings together with the acquisitions.

Utilization of Reserve

Use of reserve for stable distributions

Transfer the balance of Reserve for dividend into Reserve for Temporary difference Adjustments(RTA)

- The rule of RTA was introduced in the Japan Tax Reform FY2015
- Transfer all of the current balance of Reserve for dividend of 3,138 million JPY as of the end of February 2017 into RTA .
- Reverse the RTA more than 31million JPY each fiscal periods in 50 years after August 2017(31th) fiscal period, which amount is 1% (1/100) of the balance of RTA as of the end of February 2017.



Use of reserve for stable distributions

Policies for the use of reserve

Maintain stable distributions

• Reserve for Temporary difference Adjustments	3,106 million JPY ^(Note 1)
• Reserve for dividend	817 million JPY ^(Note 1)
• Reserve for reduction entry of property	476 million JPY ^(Note 1)
Total reserve	4,401 million JPY^(Note 1)

Reserve per unit: **1,650 yen^(Note 2)**

Specific use of reserve

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

(Note 1) As of Oct. 16, 2017 when the distribution statements in the financial statements of fiscal period ended Aug. 2017 was approved by the JRF's Board of Directors.

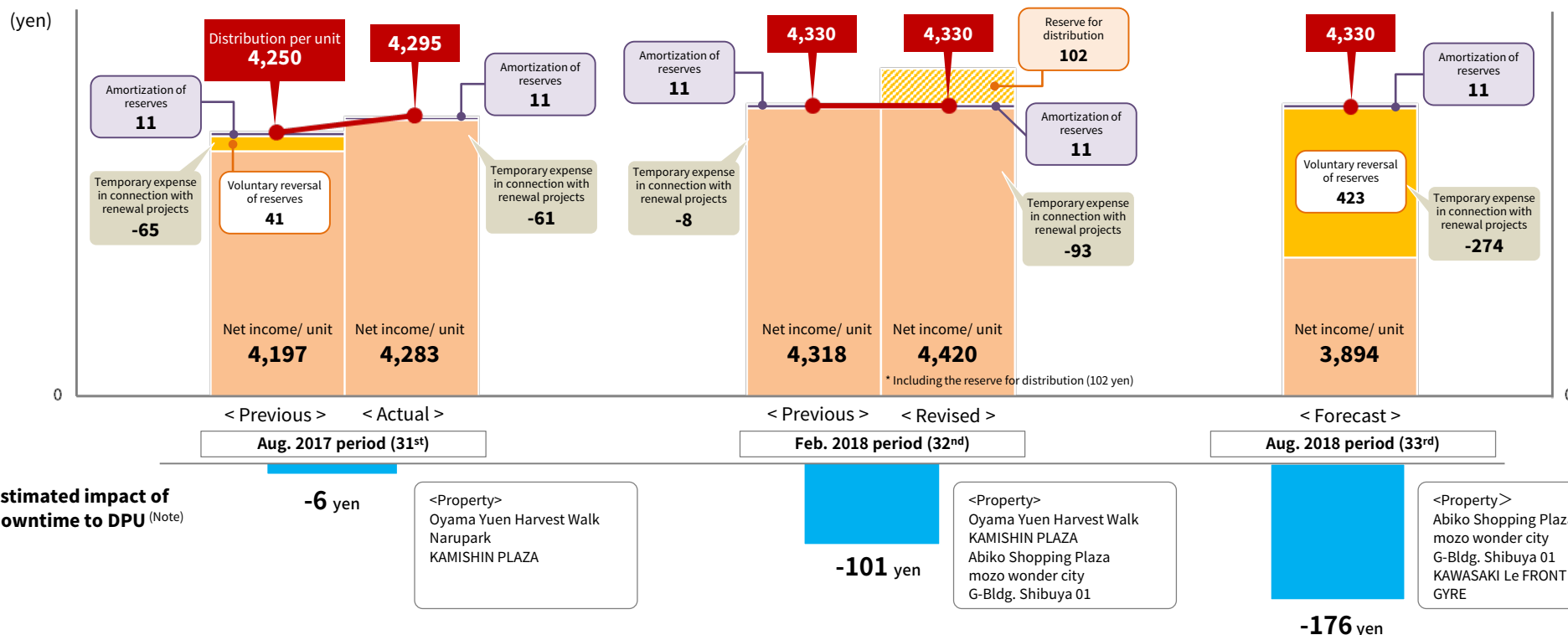
(Note 2) Based on the number of outstanding investment units as of Oct. 16, 2017.(2,667,198 units)

5. Financial Results and Forecasts



Summary of Results and Forecasts

Illustration of the actual and forecasts for distribution per unit



Aug. 2017 period (31st)

Actual: **4,295** yen
Compared to announced forecast: **+45** yen

Key points on actual distributions

- The budget not achieved for Nara Family
- Repair costs reduced
- Other revenues increased
- Amortization of reserves for temporary difference adjustments (31 million JPY)

Feb. 2018 period (32nd)

Revised forecast: **4,330** yen
Compared to announced forecast: **No change**

Key points on distributions forecast

- Revenue from penalty payment from tenant move-out in MARINE & WALK YOKOHAMA
- The budget not achieved for Nara Family
- Temporary expenses incurred for renewal of KAWASAKI Le FRONT
- Part of the penalty received will be reserved (amortization of retained earnings for temporary difference adjustments will be implemented)

Aug. 2018 period (33rd)

Initial forecast: **4,330** yen
Compared to 32nd forecast: **No change**

Key points on distributions forecast

- Difference of the one-time revenue from penalty payment from tenant move-out in MARINE & WALK YOKOHAMA
- Temporary expenses and downtime in rent during the renewal project of KAWASAKI Le FRONT
- Reversal of reserve to make up for the temporary expenses and rent downtime

(Note) Estimated impact of downtime is calculated the Estimated increase in net operating income divided by the number of units outstanding as of the end of each fiscal period. The estimated increase in net operating income is calculated by subtracting the sum of the actual net operating income from the forecasted net operating income after the renewal projects on an annualized basis or actual after depreciation net operating income before the renewal projects

August 2017 (31st) Period P/L Performance

	Feb. 2017 Period (30th) (Actual)	Aug. 2017 Period (31st) (Actual)	Change	Apr. 13, 2017 (Revisions of forecast)	Change
Operating revenue	31,585	31,011	-573	31,040	-29
Operating expenses	17,603	17,268	-335		
(Rent NOI)	21,141	22,543	+1,401	22,329	+213
Operating income	13,981	13,743	-237	13,535	+207
Non-operating revenue	3	6	+3		
Non-operating expenses	2,319	2,323	+4		
Ordinary income	11,665	11,426	-239	11,195	+230
Net income	11,664	11,425	-239	11,195	+230
Allocation to reserve	817	—	-817	—	—
Reversal of reserve	—	31	+31	140	-109
Total distribution	10,846	11,457	—	11,335	+121
Units outstanding	2,552,198 units	2,667,198 units	+115,000 units	2,667,198 units	—
DPU	4,250 yen	4,295 yen	+45 yen	4,250 yen	+45 yen
FFO per unit (Note 1)	6,234 yen	6,428 yen	+194 yen	6,354 yen	+74 yen
FFO pay out ratio	68.2 %	66.8 %	—	66.9 %	—
Capital expenditures	7,969	1,305	-6,664	1,848	-543
Repair expenses	815	204	-611	303	-99
Total	8,784	1,509	-7,275	2,152	-643
Depreciation	5,632	5,733	+100	5,753	-20

(Note 1) (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

(Note 2) Million JPY unless otherwise noted.

Major factors behind change during Aug. 2017(31st) period

(Compared to previous period)

(million JPY)

Operating revenues	-573
✓ Rent revenue related to the properties acquired through PO in 2017	+880
✓ Rent revenue related to the disposed 2 suburban properties	-222
✓ Rent revenue related to new acquisition as a part of asset replacement	+134
✓ Absence of gain on sale of properties	-1,374
✓ Existing properties (increase in rent +366, increase in utility revenues +99, decrease in penalty income -359, others -106)	+7
Operating expenses	-335
✓ Expense related to the properties acquired through PO in 2017	+227
✓ Expense related to the disposed 2 suburban properties	-90
✓ Expense related to new acquisition as a part of asset replacement	+39
✓ Existing properties (property-related tax +48, repair and maintenance -604, utility charge +181, PM fee -131, decrease in promotion expenses -133, loss on disposal of fixed assets +29, depreciation +44, others -112)	-675
✓ Increase in general administration fees	+164
Operating income	-237
Ordinary income	-239
Net income	-239

Major factors behind change during Aug. 2017 (31st) period

(Compared to the revised forecast as of Apr. 13, 2017)

(million JPY)

Operating revenues	-29
✓ Decrease in operating revenue of Nara Family	-268
✓ Rent revenue related to other properties	+58
✓ Increase in other revenues (utility charge received -5, card fee income +22, penalty income +21, others +130)	+168
✓ Gain on sale of Ito-Yokado Kamifukuoka Higashi	+11
Operating expenses	-237
✓ Decrease in repair expense	-99
✓ Decrease in utility expense	-91
✓ Decrease in PM fee and BM fee	-62
✓ Decrease in depreciation	-20
✓ Increase in general administration fees	+38
Operating income	+20
Decrease in interest payments	-16
Ordinary income	+23
Net income	+23

August 2017 (31st) Period B/S Performance

	Feb. 2017 Period (30th) (Actual)	Aug. 2017 Period (31st) (Actual)	Change
Total assets (1)	856,627	897,631	+41,004
Total liabilities	439,971	455,664	+15,692
Interest-bearing liability (2)	379,991	393,091	+13,100
Tenant leasehold and security deposits (3)	50,713	52,138	+1,424
Net assets	416,655	441,967	+25,311
LTV ((2)+(3)) / (1)	50.3 %	49.6 %	-0.7 points
LTV (2) / (1)	44.4 %	43.8 %	-0.6 points
Long-term borrowings ratio	100.0 %	100.0 %	—
Fixed interest rate ratio	96.3 %	96.4 %	+0.1 points
Average debt cost	1.19 %	1.13 %	-0.06 points
Number of properties	92 properties	95 properties	+3 properties
Aggregate acquisition price	847,281	880,210	+32,928
Unrealized profits and losses	+ 114,643	+ 127,175	+12,531
Book value	801,896	832,354	+30,458
Appraisal value	916,540	959,530	+42,990

<Reference: Balance of reserve> * Balance of reserve after approval of distributions at the JRF board directors meeting of each period.

Balance of reserve	4,432	4,401	-31
Reserve for dividends	817	817	—
Reserve for reduction entry of property	476	476	—
Reserve for temporary difference adjustments	3,138	3,106	-31

Major factor behind change during Aug. 2017 (31st) period (Compared to previous period)

(million JPY)

Total assets	+41,004
✓ Acquisition of new properties	+41,719
✓ Disposition of existing properties	-6,062
✓ Depreciation, loss on disposal of fixed assets	-5,800
✓ Increase in cash and bank deposits	+10,870
✓ Consumption taxes receivable, etc.	-494
✓ Long-term prepaid expense	-246
Total liabilities	+15,692
✓ Increase in interest-bearing liabilities	+13,100
✓ Increase in tenant leasehold and security deposits	+1,424
✓ Consumption tax payable, etc.	+368
Net Assets	+25,311
✓ Increase in capital associated with issuance of new units	+24,679

Forecasts for the Coming Two Periods

	Aug. 2017 Period (31st) (Actual)	Feb. 2018 Period (32nd) (Forecast)	Change	Aug. 2018 Period (33rd) (Forecast)	Change
Operating revenue	31,011	31,662	+650	30,655	-1,006
(Rent NOI)	22,543	22,859	+316	21,449	-1,409
Operating income	13,743	14,012	+268	12,625	-1,386
Ordinary income	11,426	11,790	+364	10,389	-1,401
Net income	11,425	11,789	+364	10,388	-1,401
Allocation to reserve	—	272	+272	—	-272
Reversal of reserve	31	31	—	1,160	+1,128
Balance of reserve ^(Note 1)	4,401	4,651		3,491	
Total distribution	11,457	11,548	+91	11,548	—
Units outstanding	2,667,198 units	2,667,198 units	—	2,667,198 units	—
DPU	4,295 yen	4,330 yen	+35 yen	4,330 yen	—
FFO per unit ^(Note 2)	6,428 yen	6,591 yen	+163 yen	6,047 yen	-544 yen
FFO pay out ratio	66.8 %	65.7 %	—	71.6 %	—
Capital expenditures	1,305	2,363	+1,058	2,652	+288
Repair expenses	204	455	+251	701	+246
Total	1,509	2,818	+1,309	3,353	+535
Depreciation	5,733	5,781	+48	5,740	-41

(Note 1) Balance of reserve after approval of distributions at the JRF board directors meeting for each period.

(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

(Note 3) Million JPY unless otherwise noted.

Major factors behind change during Feb. 2018 (32nd) period

(Compared to actual results of Aug. 2017 (31st) period)

(million JPY)

Operating revenues	+650
✓ Penalty income of MARINE & WALK YOKOHAMA, etc.	+835
✓ Rent revenue of newly acquired properties, etc.	+267
✓ Rent revenue of Ito-Yokado Kamifukuoka Higashi, etc.	-46
✓ Existing properties (utility charge received -123, penalty income -88, others -193)	-405
Operating expenses	+381
✓ Expense from tenant move-out in MARINE & WALK YOKOHAMA, etc.	+141
✓ Expense of newly acquired properties	+23
✓ Expense of Ito-Yokado Kamifukuoka Higashi	-27
✓ Existing properties (repair expense +170, utility charge-181, PM and BM fee +111, promotion expense +67, others +103)	+256
✓ Decrease in general administration fees	-12
Operating income	+268
✓ Decrease in interest payments	-80
✓ Decrease in amortization of unit issuance costs	-12
Ordinary income	+364
Net income	+364

Major factors behind change during Aug. 2018 (33rd) period

(Compared to forecast for Feb. 2018 (32nd) period)

(million JPY)

Operating revenues	-1,006
✓ Decrease in penalty income of MARINE & WALK YOKOHAMA, etc.	-776
✓ Renewal downtime of KAWASAKI Le FRONT	-456
✓ Contribution, in full, of rent revenue of new 3 properties	+80
✓ Existing properties (rent +13, utility charge received +45, penalty income -20, others +107)	+146
Operating expenses	+379
✓ Decrease in expense from tenant move-out in MARINE & WALK YOKOHAMA	-53
✓ Expense due to renewal of KAWASAKI Le FRONT, etc.	+293
✓ Contribution, in full, of expense of new 3 properties	+22
✓ Existing properties (property-related tax of new acquired properties +57, rise in property-related tax of existing properties +45, repair expense -61, utility charge +87, PM and BM fee -82, loss on disposal of fixed assets +46, depreciation -50, others +55)	+99
✓ Increase in general administration fees	+17
Operating income	-1,386
✓ Increase in interest payments	+14
Ordinary income	-1,401
Net income	-1,401

6. Difference in Retail Environment between Japan and the US



G-Bldg. Umeda 01

Key Differences between Japan and the US

Population demographic in Japan concentrated in urban areas



Japan

378 thousand km²

126.67 million

approx. **335**/km²
(Tokyo: approx. **6,224**/km²)

Concentrated in urban areas

(Population of urban area^(Note): **93%**)

106%
(approx. 50% for urban area)



Mainly by **train**

Land area

Population

Population density

Demographics

Car ownership
(per family)

Commuting method

US



9,628 thousand km²

326.03 million
(approx. **3** times as Japan)

approx. **34**/km²
(NY: approx. **1,084**/km²)

Relatively diversified

(Population of urban area^(Note): **82%**)

92%

Mainly by **car**







Comparison of Passengers at Major Stations

44 stations in Japan are ranked among the global top 50 in term of passenger volume, monopolizing from 1st to 23rd

TOP10 in global ranking of passenger volume in train stations



Rank	Station	Area	Avg. dairy passenger volume	Total retail sales in the surrounding trade area
1	Shinjuku	● Tokyo	3,873,096	1,321 billion JPY
2	Shibuya	● Tokyo	3,238,814	1,113 billion JPY
3	Ikebukuro	● Tokyo	2,630,830	785 billion JPY
4	Umeda	● Osaka/ Nagoya	2,399,736	817 billion JPY
5	Yokohama	● Tokyo	2,047,379	3,475 billion JPY
6	Kitasenju	● Tokyo	1,537,181	504 billion JPY
7	Nagoya	● Osaka/ Nagoya	1,257,960	2,956 billion JPY
8	Tokyo	● Tokyo	1,068,877	908 billion JPY
9	Shinagawa	● Tokyo	995,668	845 billion JPY
10	Takatanobaba	● Tokyo	900,055	1,321 billion JPY

(Reference: Passenger volume for major stations in the US)

	Station	Avg. dairy passenger volume
	Times Sq-42 (MTA)	202,363
	Grand Central-42 (MTA)	158,580
	Penn Station New York (NJT)	94,859
	World Trade Center (PATH)	54,574

Comparison of Commercial Environment

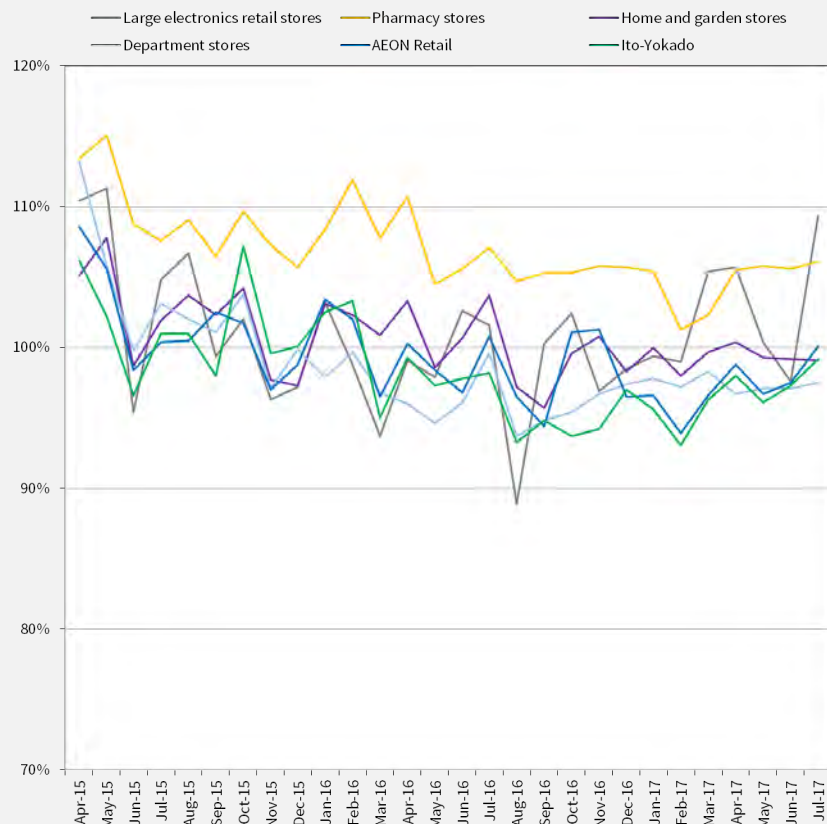
Retail area per capita of the US is twice that of Japan

 Japan		US 
\$1.00 trillion	Total retail sales (Excluding Motor vehicle & Fuel stores)	\$3.78 trillion (approx. 4 times as Japan)
approx. 3,200	# of shopping centers	approx. 47,000 (approx. 15 times as Japan)
11 sq. ft.	Retail SF per capita	24 sq. ft. (approx. 2.2 times as Japan)
\$7,862	Retail sales per capita	\$11,599 (approx. 1.5 times as Japan)
Urban areas	More retail sales in	Suburban areas

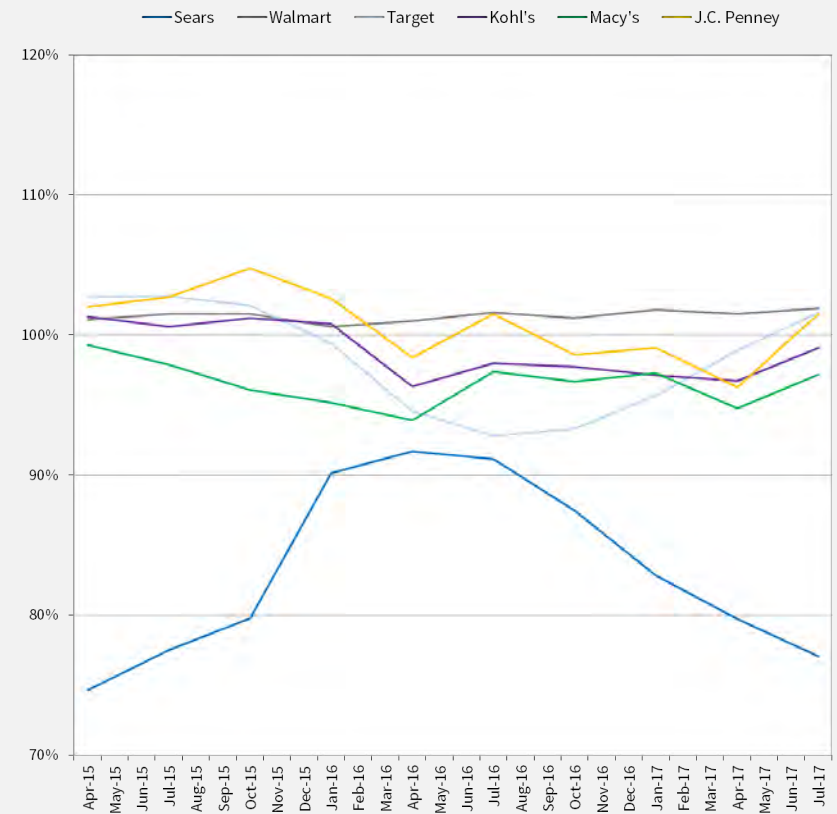
Retail Sales in Japan and the US

Sales of major Japanese retailers are stable

YoY change in monthly retail sales by major facility types in Japan (Apr. 2015 – Jul. 2017)



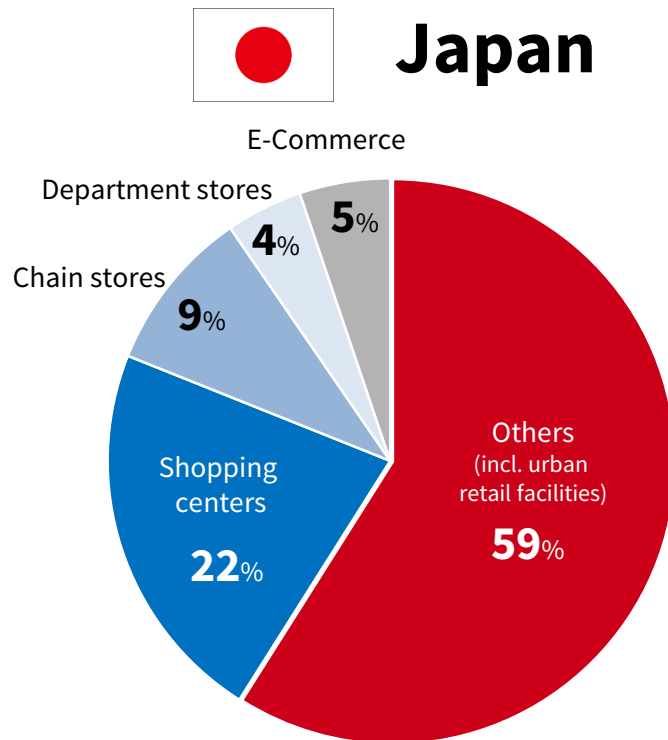
YoY change in quarterly sales by major US retailers (Apr. 2015 – Jul. 2017)



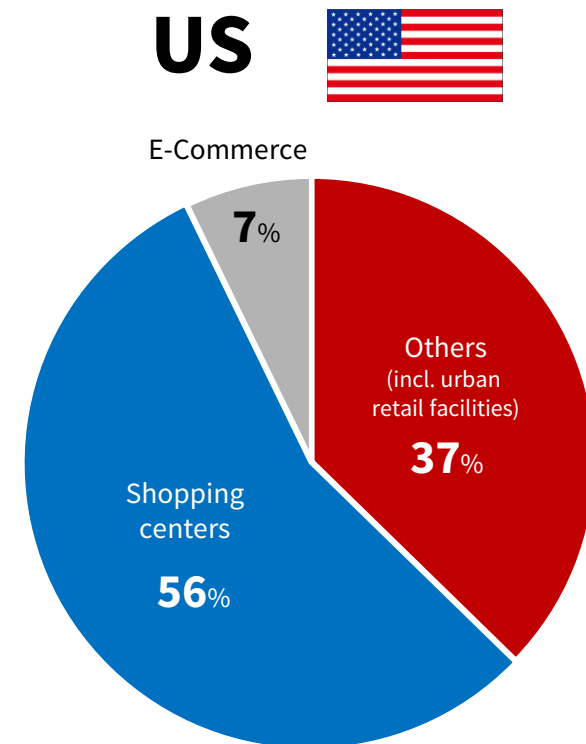
Breakdown of Retail Sales

Urban retail facilities represent a much larger share in Japan retail market compared to the US

Breakdown of total retail sales



(Source) INTERNET RETAILING IN JAPAN (2015)



(Source) INTERNET RETAILING IN THE US (2015)

Think bold today for a brighter tomorrow.



Japan Retail Fund Investment Corporation

Disclaimer

- This material may contain information such as data on future performance, plans, management targets, and strategies. Such descriptions with regard to the future are based on current hypotheses and assumptions about future events and trends in the business environment, but these hypotheses and assumptions are not necessarily correct. As such, actual results may vary significantly due to various factors.
- This material is prepared based on Japanese accounting principles unless otherwise noted.
- This material is to be used for analyzing the financial results of JRF, and is not prepared for the purpose of soliciting the acquisition of JRF's investment securities or the signing of financial instruments contracts. When investing, we ask investors to invest on their own responsibility and their own judgment.
- JRF is a publicly-offered real estate investment corporation (J-REIT) investing in real estate and related assets the prices of which may fluctuate. Unitholders of the Investment Corporation may suffer loss when unit prices decline in the market or an amount of distributions declines, according to economic and interest rate circumstances, a balance of supply and demand for units, real estate market environment, fluctuations of prices of, and rent revenues from real estate properties under management, disasters, aggravation of financial status of JRF and other reasons. For details, please see "Investment Risk" in the Securities Registration Statement (offering circular) and the Securities Report of JRF.

Asset Management Company : Mitsubishi Corp.- UBS Realty Inc.

(Financial Instruments Dealer Director of Kanto Financial Bureau (Financial Instruments Dealer) Number 403, Member of The Investment Trusts Association, Japan)