

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953)  
 News Release – September 4, 2014

**Notice Concerning Revised Forecasts for Operating Results and Distributions for  
 August 2014 (25<sup>th</sup>) Fiscal Period and February 2015 (26<sup>th</sup>) Fiscal Period and  
 Forecasts for Operating Results and Distributions for August 2015 (27<sup>th</sup>) Fiscal Period**

Japan Retail Fund Investment Corporation (“JRF”) has revised forecasts for the operating results and distributions for the August 2014 (25<sup>th</sup>) fiscal period (March 1, 2014 to August 31, 2014) and the February 2015 (26<sup>th</sup>) fiscal period (September 1, 2014 to February 28, 2015) announced on April 14, 2014 in the press release titled “Japan Retail Fund Investment Corporation Summary of Financial Results for the Six Months Ended February 28, 2014”. We also announce forecasts for the operating results and distributions for the August 2015 (27<sup>th</sup>) fiscal period (March 1, 2015 to August 31, 2015). Details are as follows.

**1. Revised forecasts for operating results and distributions for August 2014 (25<sup>th</sup>) fiscal period (March 1, 2014 to August 31, 2014)**

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (exclusive of distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit (yen)
Previous forecast (A)	29,376	12,139	9,521	9,521	4,125	0
Revised forecast (B)	29,570	12,141	9,530	9,530	4,129	0
Change (B-A)	193	2	8	8	4	0
Rate of change	0.7%	0.0%	0.1%	0.1%	0.1%	-

(Note 1) Number of investment units issued at the end of the period is 2,308,198 units.

(Note 2) Figures of less than one unit are truncated and “Rate of change” is calculated by rounding to the nearest first decimal place.

(Note 3) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

**2. Revised forecasts for operating results and distributions for February 2015 (26<sup>th</sup>) fiscal period (September 1, 2014 to February 28, 2015)**

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (exclusive of distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit (yen)
Previous forecast (A)	29,193	12,100	9,532	9,531	4,130	0
Revised forecast (B)	30,687	12,736	10,075	10,060	4,140	0
Change (B-A)	1,494	636	543	528	10	0
Rate of change	5.1%	5.3%	5.7%	5.5%	0.2%	-

(Note 1) Number of investment units issued at the end of the period is 2,430,198\* units.

\* These units include 122,000 new investment units to be issued in addition to the 2,308,198 units currently issued and outstanding. Please refer to “Japan Retail Fund Investment Corporation to Issue New Investment Units and Conduct Secondary Offering of Investment Units” for details.

(Note 2) Figures of less than one unit are truncated and “Rate of change” is calculated by rounding to the nearest first decimal place.

(Note 3) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

Note: This press release is intended as general information for the press regarding JRF’s forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.

### 3. Forecasts for operating results and distributions for August 2015 (27<sup>th</sup>) fiscal period (March 1, 2015 to August 31, 2015)

	Operating revenues (million yen)	Operating income (million yen)	Ordinary income (million yen)	Net income (million yen)	Distributions per unit (yen) (exclusive of distributions in excess of retained earnings)	Distributions in excess of retained earnings per unit (yen)
August 2015 (27 <sup>th</sup> ) fiscal period	30,736	12,711	10,082	10,081	4,149	0

(Note 1) Number of investment units issued and outstanding at the end of the period is 2,430,198\* units.

\* These units include 122,000 new investment units to be issued in addition to the 2,308,198 units currently issued and outstanding.

Please refer to “Japan Retail Fund Investment Corporation to Issue New Investment Units and Conduct Secondary Offering of Investment Units” for details.

(Note 2) Figures of less than one unit are truncated.

(Note 3) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

### 4. Reasons for the revision and disclosure

JRF resolved to issue additional investment units at the Board of Directors meeting held today to raise funds for the purpose of acquisition of new specified assets (as defined in Article 2, Paragraph (1) of the Act on Investment Trusts and Investment Corporations). Accordingly, we have revised our forecasts for operating results and distributions for the February 2015 (26<sup>th</sup>) fiscal period announced on April 14, 2014 in the “Japan Retail Fund Investment Corporation Summary of Financial Results for the Six Months Ended February 28, 2014” due to changes in the underlying assumptions. Additionally, we announce our forecasts for operating results and distributions for the August 2015 (27<sup>th</sup>) fiscal period.

We have also revised our forecasts for operating results and distributions for the August 2014 (25<sup>th</sup>) fiscal period based on our current predictions.

#### (Disclaimer)

The forecasts for the August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period represent current calculations based on the assumptions provided in the Attachment, and actual operating revenues, operating income, ordinary income, net income and distributions per unit may fluctuate significantly due to deviations from the initial assumptions caused by factors, such as the financial results determination process, future acquisitions and sales of real estate, changes in rent income as a result of changes in the tenants, changes in the investment environment such as unexpected occurrence of repairs, and fluctuations in interest rates and actual number of issuance and issue value of new investment units to be decided. As such, the forecasts are not a guarantee of actual results.

Please refer to the attached “Assumptions underlying operating results forecasts for the August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) period” for the assumptions underlying the operating results forecasts.

**About JRF:** JRF is the third listed Japanese Real Estate Investment Trust (“J-REIT”) and the first J-REIT to focus exclusively on retail properties. As of the date of this release, JRF owns 84 properties containing approximately 3.1 million square meters of leasable space. Please refer to our website at <http://www.jrf-reit.com/english/index.html> for further details.

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*This extract is for informational purposes only, and the Japanese language release should be referred to as the original.*

Note: This press release is intended as general information for the press regarding JRF’s forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.

[Attachment]

Assumptions underlying operating results forecasts for the August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period.

Item	Assumptions												
Accounting period	<p>August 2014 (25<sup>th</sup>) Fiscal Period (March 1, 2014 to August 31, 2014) (184 days)</p> <p>February 2015 (26<sup>th</sup>) Fiscal Period (September 1, 2014 to February 28, 2015) (181 days)</p> <p>August 2015 (27<sup>th</sup>) Fiscal Period (March 1, 2015 to August 31, 2015) (184 days)</p>												
Assets managed	<p>&lt;August 2014 (25<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>The forecasts assume our portfolio contains a total of 84 properties as of August 31, 2014.</li> </ul> <p>&lt;February 2015 (26<sup>th</sup>) Fiscal Period and August 2015 (27<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>The forecasts assume our portfolio contains a total of 87 properties, including the 5 properties (including additional acquisitions of co-ownership interests in 2 current properties) listed below, which we intend to acquire in addition to our 84 current properties. Forecasts also assume that no other change (acquisitions of new properties, sales of current portfolio properties, etc.) of properties, except for the anticipated acquisitions, will occur until the end of the August 2015 (27<sup>th</sup>) fiscal period. Please refer to the press release titled “Japan Retail Fund Investment Corporation to Acquire and Lease 5 Properties in Japan” released as of today for details.</li> </ul> <p>&lt;Properties to be acquired&gt;</p> <table border="1"> <thead> <tr> <th>Name of properties to be acquired</th><th>Date of acquisition</th></tr> </thead> <tbody> <tr> <td>G-Bldg. Omotesando 02</td><td>October 1, 2014</td></tr> <tr> <td>CUTE CUBE HARAJUKU</td><td>October 1, 2014</td></tr> <tr> <td>DFS T GALLERIA OKINAWA</td><td>October 1, 2014 (Note 1)</td></tr> <tr> <td>mozo wonder city</td><td>October 1, 2014 (Note 2)</td></tr> <tr> <td>m-city Toyonaka</td><td>October 1, 2014</td></tr> </tbody> </table> <p>(Note 1) We intend to acquire certain land in connection with DFS T GALLERIA OKINAWA on January 15, 2016.</p> <p>(Note 2) For mozo wonder city, the applicable purchase agreement is with respect to a 40% co-ownership interest in the trust beneficiary right of the property, and the date of acquisition listed in the above table is with respect to a 20% co-ownership interest (out of the total 40% co-ownership interest to be acquired) that is to be acquired in connection with the issuance of new investment units and the secondary offering of investment units in accordance with a resolution that JRF passed at its Board of Directors meeting held today. We intend to acquire the remaining 20% co-ownership interest at a timing to be agreed with the asset manager for the seller during the period from November 2014 to March 2016, but we did not include such acquisition into consideration of the forecasts.</p>	Name of properties to be acquired	Date of acquisition	G-Bldg. Omotesando 02	October 1, 2014	CUTE CUBE HARAJUKU	October 1, 2014	DFS T GALLERIA OKINAWA	October 1, 2014 (Note 1)	mozo wonder city	October 1, 2014 (Note 2)	m-city Toyonaka	October 1, 2014
Name of properties to be acquired	Date of acquisition												
G-Bldg. Omotesando 02	October 1, 2014												
CUTE CUBE HARAJUKU	October 1, 2014												
DFS T GALLERIA OKINAWA	October 1, 2014 (Note 1)												
mozo wonder city	October 1, 2014 (Note 2)												
m-city Toyonaka	October 1, 2014												
Number of units issued	<p>&lt;August 2014 (25<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>Number of investment units issued at the end of the period is 2,308,198 units</li> </ul> <p>&lt;February 2015 (26<sup>th</sup>) Fiscal Period and August 2015 (27<sup>th</sup>) fiscal period&gt;</p> <ul style="list-style-type: none"> <li>Number of investment units issued at the end of the period is 2,430,198 units</li> <li>We assume that in addition to the 2,308,198 units issued as of August 31, 2014, a total of 122,000 units will be newly issued in accordance with a decision made at the Board of Directors meeting held today, September 4, 2014. Please refer to the press release titled “Japan Retail Fund Investment Corporation to Issue New Investment Units and Conduct Secondary Offering of Investment Units” released as of today for details.</li> </ul>												

Note: This press release is intended as general information for the press regarding JRF's forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.

Item	Assumptions
Interest-bearing debt	<p>&lt;August 2014 (25<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>- Interest-bearing debt (except for tenant leasehold and security deposits) as of August 31, 2014 was ¥347,001 million, of which long-term borrowings and corporate bonds accounted for ¥291,501 million and ¥55,500 million, respectively.</li> </ul> <p>&lt;February 2015 (26<sup>th</sup>) Fiscal Period and August 2015 (27<sup>th</sup>) fiscal period &gt;</p> <ul style="list-style-type: none"> <li>- The proceeds from the issuance of new investment units as decided at the Board of Directors meeting held today, funds from the loan agreement executed today and JRF's own funds will be appropriated for funds to purchase new properties. Please refer to the press release titled "Notice Concerning Debt Financing (New Debt Financing)" released as of today for details.</li> <li>- Of the interest-bearing debt that will be due for repayment or mature within the February 2015 (26<sup>th</sup>) and August 2015 (27<sup>th</sup>) fiscal periods, ¥25,170 million is long-term borrowings and ¥15,000 million is corporate bonds. We assume that we will repay part of these debts with our own funds; and the remainder will be repaid with, among other things, other borrowings.</li> </ul>
Operating revenues	<p>&lt;August 2014 (25<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>- The forecasts assume our portfolio contains a total of 84 properties.</li> <li>- Operating revenues have been calculated taking into consideration the results through June 30, 2014 and any negotiations with tenants which have occurred through today.</li> </ul> <p>&lt;February 2015 (26<sup>th</sup>) Fiscal Period and August 2015 (27<sup>th</sup>) Fiscal Period&gt;</p> <ul style="list-style-type: none"> <li>- The forecasts assume operating revenues from 87 properties, including the 5 properties (including additional acquisitions of co-ownership interests in 2 current properties) that we intend to acquire in addition to our 84 current properties.</li> <li>- Rental revenues of current portfolio properties have been calculated based on lease contracts which are effective as of today.</li> <li>- Rent levels and vacancies have been estimated taking into account, through today, any negotiation with tenants which has occurred, and adjustment to reflect our assessment of market trends.</li> <li>- Rental revenues of properties to be acquired have been calculated taking into consideration the results through June 30, 2014, and additional events (lease contracts, etc.) anticipated through the planned acquisition dates.</li> <li>- Variable rents have been calculated based on historical rent levels of a corresponding period in the past, with adjustment to reflect our assessment of market trends.</li> <li>- For the February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period, we have assumed that there will be no delinquencies or nonpayment of rent by our tenants.</li> </ul>

Note: This press release is intended as general information for the press regarding JRF's forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.

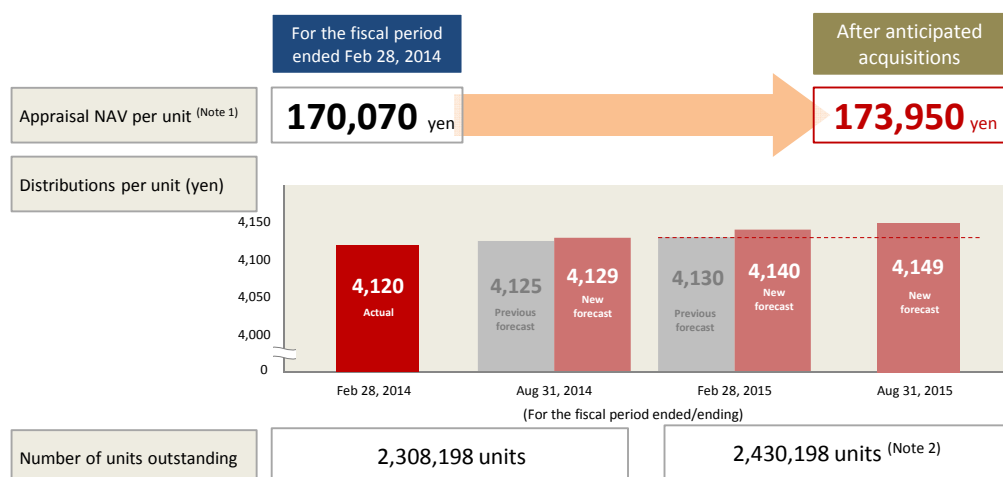
Item	Assumptions
Operating expenses	<ul style="list-style-type: none"> <li>- With respect to fixed asset taxes, city planning taxes and depreciable assets taxes (“fixed asset taxes and other taxes”) on properties owned by JRF, the tax amount assessed and payable for the corresponding accounting periods has been calculated as rental expenses. However, should any need arise for settlement, such as a need to pay settlement amount for fixed asset taxes and other taxes, in relation to new property acquisitions to be made during the year in which the period falls (“amounts equivalent to fixed asset taxes and other taxes”), they are taken into account in the purchase price of the properties and therefore are not recorded as expenses for the period. Accordingly, with respect to fixed asset taxes and other taxes for the 4 recently acquired properties (G-Bldg. Shibuya 01, G-Bldg. Omotesando 02, Round1 Stadium Takatsuki and G-Bldg. Kichijoji 01) and the 5 properties (including additional acquisitions of co-ownership interests in 2 current properties) that we anticipate to acquire during 2014, the tax amount assessed and payable for the relevant accounting period will be recorded as rental expenses from 2015 onwards. We have assumed the amounts equivalent to fixed asset taxes and other taxes which will be included in the purchase price of the properties to be equivalent to ¥83 million.</li> <li>- We assume that depreciation expenses will be ¥5,897 million in the August 2014 (25<sup>th</sup>) fiscal period, ¥6,156 million in the February 2015 (26<sup>th</sup>) fiscal period, and ¥6,143 million in the August 2015 (27<sup>th</sup>) fiscal period.</li> <li>- As for fees paid to third parties, we assume that property management fees will be ¥691 million in the August 2014 (25<sup>th</sup>) fiscal period, ¥816 million in the February 2015 (26<sup>th</sup>) fiscal period, and ¥736 million in the August 2015 (27<sup>th</sup>) fiscal period. Building maintenance fees will be ¥1,370 million in the August 2014 (25<sup>th</sup>) fiscal period, ¥1,357 million in the February 2015 (26<sup>th</sup>) fiscal period, and ¥1,368 million in the August 2015 (27<sup>th</sup>) fiscal period.</li> <li>- We assumed we would incur ¥56 million and ¥36 million in expenses for the loss on disposal of property related to the installation of LED lighting fixtures for Ario Otori in the August 2014 (25<sup>th</sup>) fiscal period and the removal of interior decorations in connection with a tenant vacating the property for Kishiwada CanCan Bayside Mall in the February 2015 (26<sup>th</sup>) fiscal period, respectively.</li> </ul>
Non-operating expenses	<ul style="list-style-type: none"> <li>- We assume that we will recognize ¥155 million as the total expenses incurred in relation to the issuance new investment units and the secondary offering of investment units. Such expenses will be amortized over three years utilizing a straight-line method.</li> <li>- We assume that non-operating expenses (including interest expenses, loan-related costs, interest expenses on corporate bonds, and amortization of bonds issuance costs) will be ¥2,616 million in the August 2014 (25<sup>th</sup>) fiscal period, ¥2,663 million in the February 2015 (26<sup>th</sup>) fiscal period, and ¥2,630 million in the August 2015 (27<sup>th</sup>) fiscal period.</li> </ul>
Income taxes	<ul style="list-style-type: none"> <li>- We assumed we would record an expense of ¥14 million as deferred income tax for the February 2015 (26<sup>th</sup>) fiscal period arising from a future taxable temporary difference due to depreciation of buildings corresponding to the asset retirement obligation expected to be recognized with respect to DFS T GALLERIA OKINAWA, which we intend to acquire.</li> </ul>
Distributions per unit	<ul style="list-style-type: none"> <li>- Distributions per unit is calculated according to the cash distribution policy stipulated in our Articles of Incorporation.</li> <li>- In the August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period, we assume that all of our net income (excluding fractional income) will be distributed.</li> <li>- We do not assume that distributions will be made from reserve for distributions attributable to the gain on negative goodwill, which was recognized in the August 2010 (17<sup>th</sup>) fiscal period.</li> </ul>

Note: This press release is intended as general information for the press regarding JRF’s forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.

Item	Assumptions
Distributions in excess of retained earnings per unit	<ul style="list-style-type: none"> <li>- At present we have no plans to make distributions in excess of retained earnings.</li> </ul>
Other	<ul style="list-style-type: none"> <li>- These forecasts are based on the assumption that there will be no important changes in applicable laws, accounting standards and the tax system in Japan during the relevant period, and that no unforeseen, significant changes will occur in general economic trends and property market movements in Japan.</li> </ul>

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[Reference]



(Note 1) “Appraisal NAV per unit” as of the end of February, 2014 (the end of 24<sup>th</sup> fiscal period) and after the anticipated acquisitions is calculated by the following formulas.

“Appraisal NAV per unit” is calculated based on the book value of net asset value, plus/less difference between total appraisal value and total book value of the properties in our portfolio, divided by the number of units outstanding, as of the end of relevant fiscal period. Appraisal NAV per unit differs from NAV per unit based on the book value.

<As of the end of February, 2014 (the end of 24<sup>th</sup> fiscal period) >

Appraisal NAV per unit = (net asset value ± difference between total appraisal value and total book value of the properties in our portfolio, as of the end of February, 2014 (the end of 24<sup>th</sup> fiscal period) ) ÷ the number of units outstanding as of the end of February, 2014 (the end of 24<sup>th</sup> fiscal period)

<After the anticipated acquisitions>

Appraisal NAV per unit = (net asset value + proceeds from the offerings\* ± difference between total appraisal value and total book value of the properties in our portfolio (excluding AEON TOWN Ogaki, which we sold on March 24, 2014), as of the end of February, 2014 (the end of 24<sup>th</sup> fiscal period) + difference between total appraisal value and total acquisition price of the four properties acquired in the 25<sup>th</sup> fiscal period + difference between total appraisal value and total acquisition price of the anticipated properties + the difference between acquisition price (254 million yen) and appraisal value (306 million yen) of Oyama Yuen Harvest Walk in connection with the extension and alteration of a portion of the existing buildings ÷ the number of units outstanding after the anticipated acquisitions<sup>(Note 2)</sup>

\* The proceeds from the offerings is based on the aggregate issue price of 24,666,000,000 yen from the issuance of new investment units through a public offering and 516,000,000 yen from the issuance of new investment units through a third-party allotment (an estimated amount based on the closing price of our units traded in regular trading sessions on the Tokyo Stock Exchange as of August 20, 2014). If the actual aggregate issue price differs from the figure estimated, the actual proceeds would also change. In other words, if the actual aggregate issue price is less than the figure estimated, our appraisal NAV after the anticipated acquisitions would be smaller than the figures indicated in the table. In the same way, if the actual issue price is larger than the estimated amount, our appraisal NAV after the anticipated acquisitions would be larger than the figures indicated in the table.

In addition, proceeds from the offerings and the number of units outstanding after the anticipated acquisitions are also based on the assumption that 122,000 new investment units will be issued.

(Note 2) Number of investment units issued at the end of each of the periods is 2,430,198\* units.

\* These units include 122,000 new investment units to be issued in addition to the 2,308,198 units currently issued and outstanding. Please refer to “Japan Retail Fund Investment Corporation to Issue New Investment Units and Conduct Secondary Offering of Investment Units” for details.

Note: This press release is intended as general information for the press regarding JRF’s forecasts for operating results for August 2014 (25<sup>th</sup>) fiscal period, February 2015 (26<sup>th</sup>) fiscal period and August 2015 (27<sup>th</sup>) fiscal period and has not been prepared for the purpose of solicitation of investment.