

Notice Concerning Completion of the Interest Rate Swap Agreements

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953) announced today that it has concluded interest rate swap agreements as described below.

1. Summary of the contract of interest swap

Lender		Amount outstanding	Interest rate				Borrowing date	Maturity date (Note 2)	Debt term	Remaining term
			From February 3, 2015 to maturity date		(Reference) As of January 30, 2015 (Note 1)					
Loan 1	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 5,000 million	Fixed	0.96175%	Variable	0.78091%	September 22, 2011	September 22, 2021	10 years	6.6 years
Loan 2	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 10,000 million	Fixed	0.88175%	Variable	0.73091%	September 22, 2011	March 22, 2021	9.5 years	6.1 years
Loan 3	Sumitomo Mitsui Banking Corporation	¥ 2,000 million	Fixed	0.92425%	Variable	0.80091%	September 30, 2011	September 30, 2020	9 years	5.7 years
Loan 4	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 10,075 million	Fixed	0.80550%	Variable	0.68091%	September 22, 2011	September 18, 2020	9 years	5.6 years
Loan 5	Sumitomo Mitsui Banking Corporation	¥ 3,000 million	Fixed	0.62700%	Variable	0.53091%	October 2, 2012	April 2, 2020	7.5 years	5.2 years
Loan 6	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 4,500 million	Fixed	0.62700%	Variable	0.53091%	October 2, 2012	April 2, 2020	7.5 years	5.2 years
Loan 7	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 13,000 million	Fixed	0.72500%	Variable	0.63091%	September 22, 2011	March 19, 2020	8.5 years	5.1 years
Loan 8	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 8,000 million	Fixed	0.66275%	Variable	0.58091%	December 21, 2011	December 20, 2019	8 years	4.9 years
Loan 9	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 7,500 million	Fixed	0.54900%	Variable	0.48091%	October 2, 2012	October 2, 2019	7 years	4.7 years
Loan 10	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited	¥ 7,000 million	Fixed	0.58800%	Variable	0.53091%	December 21, 2011	June 21, 2019	7.5 years	4.4 years

(Note1) (Reference) Japanese Bankers Association Japanese Yen TIBOR for 3 months as of January 30, 2015 is applied as the base interest rate for valuable interest rate.

(Note 2) Method of borrowing and repayment of principal for the borrowings above are unsecured and unguaranteed, lump sum repayment.

2. Reason for completion of the contract of interest swap

JRF is continuously implements measures to further strengthen the financial stability by extending loan terms, diversifying maturity as well as lenders and fixing interest rates. This time, JRF contracts swap agreements to fix interest rates in a part of the existing borrowings listed in item 1 above and to hedge against risk on variable interest rates.

The increasing cost of interest will be offset by decrease in the cost of interest after executing the measures described in “Notice Concerning Issuance of Investment Corporation Bonds, Debt Financing and Completion of the Contract of Interest Swap, and Early Repayment” released on January 29, 2015.

3. Description of interest rate swap agreements

[Interest rate swap agreements]

		Loan 1	Loan 2	Loan 3	Loan 4	Loan 5
1. Guarantor		The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Trust Bank, Limited
2. Estimated principal		¥5,000 million	¥10,000 million	¥2,000 million	¥10,075 million	¥3,000 million
3. Interest rate	Fixed interest payment	0.36175%	0.33175%	0.30425%	0.30550%	0.27700%
	Variable interest receipt	Japanese Banker's Association Japanese Yen TIBOR for 3 months				
4. Contract start date		February 3, 2015				
5. Contract end date		September 22, 2021	March 22, 2021	September 30, 2020	September 18, 2020	April 2, 2020
6. Interest repayment date		Fixed interest payments and variable receipt are due on the 30 th of June, September and December and the 31st of March every year and on the principal repayment date. The first payment date is March 31, 2015.				

		Loan 6	Loan 7	Loan 8	Loan 9	Loan 10
1. Guarantor		Sumitomo Mitsui Trust Bank, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Sumitomo Mitsui Trust Bank, Limited	Sumitomo Mitsui Trust Bank, Limited	The Bank of Tokyo-Mitsubishi UFJ, Ltd.
2. Estimated principal		¥4,500 million	¥13,000 million	¥8,000 million	¥7,500 million	¥7,000 million
3. Interest rate	Fixed interest payment	0.27700%	0.27500%	0.26275%	0.24900%	0.23800%
	Variable interest receipt	Japanese Banker's Association Japanese Yen TIBOR for 3 months				
4. Contract start date		February 3, 2015				
5. Contract end date		April 2, 2020	March 19, 2020	December 20, 2019	October 2, 2019	June 21, 2019
6. Interest repayment date		Fixed interest payments and variable receipt are due on the 30 th of June, September and December and the 31 st of March of every year and on the principal repayment date. The first payment date is March 31, 2015.				

*The variable interest rate will be fixed at 0.96175% for Loan 1, 0.88175% for Loan 2, 0.92425% for Loan 3, 0.80550% for Loan 4, 0.62700% for Loan 5, 0.62700% for Loan 6, 0.72500% for Loan 7, 0.66275% for Loan 8, 0.54900% for Loan 9, 0.58800% for Loan 10, with the contract of interest rate swap agreements.

<Reference>

Changes in fixed interest rate ratio

	As of August 31, 2014		As of October 16, 2014(Note)		After fixing interest rates As of February 3, 2015
Fixed interest rate ratio (including tenant leasehold and security deposit)	73.7%	➡	76.7%	➡	92.8%
Fixed interest rate ratio (excluding tenant leasehold and security deposit)	69.1%	➡	72.8%	➡	91.6%

(Note) For more details, please refer to “Notice Concerning Completion of the Interest Rate Swap Agreements” dated October 14, 2014.

4. Future outlook of JRF

There will be minimal impact on our operating results for the February 2015 fiscal period (from September 1, 2014 to February 28, 2015) and the August 2015 fiscal period (from March 1, 2015 to August 31, 2015); thus, our forecasts will not be revised.

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 88 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 translation is for informational purposes only, and the Japanese language release should be referred to as the original.