

Notice Concerning Decision to File a Notification of Changes in the Content or Methods of the Business Associated with the Organizational Change of the Asset Management Company and Changes on Key Personnel

Japan Retail Fund Investment Corporation (“JRF”) hereby announces that, Mitsubishi Corp.-UBS Realty Inc. (the “Asset Manager”), the asset management company of JRF and Industrial & Infrastructure Fund Investment Corporation (“IIF”), has resolved at its board of directors meeting today to make changes to its organization and key personnel, with effect from today, and to make a filing on the organizational change pursuant to Article 31, paragraph (3) of the Financial Instruments and Exchange Act of Japan, as outlined below.

1. Change in Organizational Structure

(i) Content of the Change

On February 16, 2015, the Asset Manager established the Private Fund Investment Department and the Acquisition Division, thereby clarifying its process for handling investment information of the Asset Manager, and established the Deal Review Meeting, which verifies the process for handling investment information of the Asset Manager. These changes were intended to assist the Asset Manager with developing real estate related investment products by utilizing the past performance of managing JRF and the IIF, and improve the Asset Manager’s property sourcing network and operational know-how through further increase of real estate investment information by expanding the real estate investment sectors managed by the Asset Manager and increasing assets under management.

For further details of the organization after the change, please refer to the Attachment.

(ii) Date of the Change

February 16, 2015

2. Change in Key Personnel (effective as of February 16, 2015)

Name	New Title	Former Title
Yukio Kitabatake	Head of Private Fund Investment Department	Retail Division, Fund Planning Department, Senior Manager

3. Filing of Registration of Change

The Asset Manager will make a filing on the organizational change with the Commissioner of the Financial Services Agency, pursuant to Article 31, Paragraph 3 of the Financial Instruments and Exchange Act of Japan.

4. Approach to Conflict of Interest

In response to the establishment of the Private Fund Investment Department, the Asset Manager established the Deal Review Meeting to avoid potential conflicts of interest that might arise among JRF, IIF and other funds and aimed to ensure the compliance of fiduciary duties of the Asset Manager to each fund. For further details, please refer to “1. Supplemental Information on the Organizational Change (3) Deal Review Meeting” in the Attachment.

5. Impact on Results

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 JRE: 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.

Contacts: For further information relating to this press release as well as JRF and Mitsubishi Corp.-UBS Realty Inc., its Asset Manager, please feel free to contact:

Mr. Fuminori Imanishi (Telephone Number: 81-3-5293-7080), Head of Retail Division at Mitsubishi Corp.-UBS Realty Inc.,

Investor Relations: Telephone Number: 81-3-5293-7081

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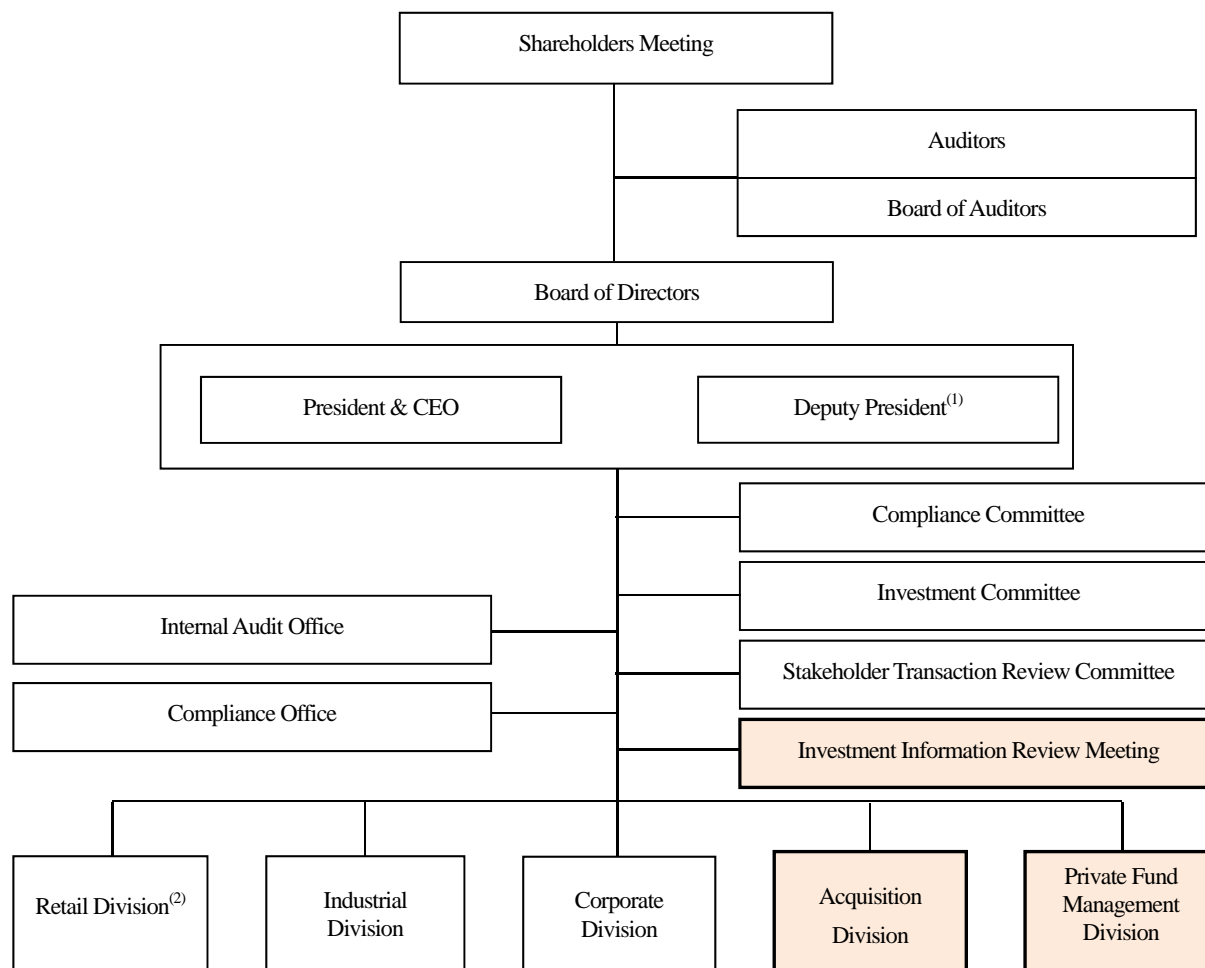
This translation is for informational purposes only, and the Japanese language release should be referred to as the original.

Attachment

1. Supplemental Information on the Organizational Change

(1) Organization of the Asset Manager After Change

: Newly established on February 16, 2015.



Notes:

- (1) The Deputy President concurrently serves as the head of the Internal Audit Office.
 (2) Division responsible for management of our assets.

(2) Outline of the Role of the Newly Established Organization

The Asset Manager currently also manages IIF and may be entrusted with managing the investment of other real estate funds (including without limitation special purpose companies or other legal entities which are investment vehicles, *kumiai* and trustees) (“Real Estate Funds”, and, together with IIF and JRF, the “Funds”). While IIF in principle invests in industrial real estate, different type of assets than JRF does, the investment targets of such other Real Estate Funds may overlap with JRF’s investment targets. In order to avoid potential conflicts of interest, the Asset Manager has established its management system as follows:

a. Separation of the Asset Management Divisions and Support from Other Divisions

The Asset Manager has established the following three divisions: the Retail Division, to the division responsible for the management of the assets of JRF; the Industrial Division, the division responsible for the management of the assets of IIF; and the Private Fund Investment Department, the division responsible for the management of the assets of such other Real Estate Funds (each such division a “Front Department” and, collectively, the “Front Departments”) thereby clarifying responsibilities for the management of the Funds. In addition, the Acquisition Division offers operational support to the Front Departments, including discovery of investment target assets, control and allocation of information therefor and negotiation,

etc. regarding acquisitions and dispositions thereof. Finally, the Corporate Division offers operational support to the Front Departments, including management of organization, market research, accounting and timely disclosure operation and financing operation.

b. Establishment of Independence with respect to the Decision-making of the Asset Manager regarding Asset Management

In the corporate organization of the Asset Manager, the decision-making regarding asset management with respect to the Funds requires confirmation by the representative director of the Asset Manager, approval of the asset management review committee and, in some cases, approval of the Stakeholder Transaction Review Committee or the Board of Directors. In considering whether to grant such confirmation or approval, factors relating to other Front Departments shall not be considered and whether the decision is appropriate from the perspective of the relevant Front Department shall be the sole issue.

c. Rules Regarding Preferential Consideration Rights on Investment Information

As part of the changes to the management structure, and in light of a situation where possible conflicts over opportunities to acquire investment real estate properties may arise among the Funds in the course of its asset management businesses, the Asset Manager, which manages or may manage in the future the investments of the Funds, has stipulated, and implemented, certain rules to decide which of the Funds would have the right to preferentially consider certain information regarding the disposition of real estate properties (which means information with respect to the identification of potential purchasers of a real estate property or asset backed by that property, which may be subject to investment by the Funds, but only if the level of such information is concrete enough for each Fund to consider investment in the relevant real estate property). As used herein, the right to preferentially consider certain information regarding the disposition of real estate properties obtained by the Asset Manager is referred to as a “preferential consideration right”.

i. Preferential Consideration Rights with respect to Commercial Properties

- (i) As to Commercial Properties (a property where the floor area used for retail purposes is the largest among other floor areas for each use, or such asset backed by that property), the Retail Division shall obtain the first order preferential consideration right; (the “first preferential consideration right”).
- (ii) In the event that the Retail Division decides not to purchase the Commercial Property, or does not make a decision to purchase within a certain period (which may be referred to as the “preferential consideration term” as further discussed in “viii. Outline of Preferential Consideration Rights” below), the Private Fund Investment Department shall obtain the second order preferential consideration right that is subordinated to the first preferential consideration right; (the “second preferential consideration right”).
- (iii) Notwithstanding (i) and (ii) above, in the event that a part of the Commercial Property includes an area used as an Industrial Property (as defined below) and the floor area cannot be used as a determining factor because the grant of preferential consideration right based on the size of the floor is likely to result in an inappropriate result, a meeting attended by the President, the Deputy President and the members of the Deal Review Meeting (as defined below) shall be held to decide to which of the Retail Division and the Industrial Division to grant the first and second preferential consideration rights. (Furthermore, in this case, the Private Fund Investment Department shall always obtain the third order preferential consideration right that is subordinated to the first and second preferential consideration rights (the “third preferential consideration right”). In that case, the compliance officer must call an independent outside expert who has no conflict of interest with respect to the decision to the meeting as an observer and hear his/her opinion.

ii. Preferential Consideration Rights with respect to Industrial Properties

- (i) As to Logistics Facilities (a property where the floor area used as a facility for business-to-business logistics operations and sales logistics operations, which consist of each function of transportation, shipping, storage, stock, cargo, packing, assortment, distributive processing and providing information is the largest among other floor areas for each use, or such asset backed by that property), Manufacturing and Research and Development Facilities (a property where the floor area used as a facility for research and development, raw procurement and stock, storage, manufacture and production, assembly and processing, recycling, etc. is the largest among other floor areas for each use, or such asset backed by that property), Infrastructure Facilities (a property where the floor area used as a facility developed as a base of industrial activity such as traffic, communication, energy, water service, public facilities, etc. is the largest among other floor areas for each use, or such asset backed by that property) and Data Centers (a property where the floor area used for a facility in which server and data communication equipment, etc. are installed and operated is the largest among other floor areas for each use, or such asset backed by that property) (such properties collectively, “Industrial Properties”), the Industrial Division shall obtain the first preferential consideration right.
- (ii) In the event that the Industrial Division decides not to purchase the Commercial Property, or does not make a

decision to purchase within a preferential consideration term, the Private Fund Investment Department shall obtain the second preferential consideration right.

- (iii) Notwithstanding (i) and (ii) above, in the event that a part of the Industrial Property includes an area used as a Commercial Property and the floor area cannot be used as a determining factor because the grant of the preferential consideration right based on the size of the floor is likely to result in an inappropriate result, a meeting attended by the President, the Deputy President and the members of the Deal Review Meeting (as defined below) shall be held to decide to which of the Industrial Division and the Retail Division to grant the first and second preferential consideration right. (Furthermore, in this case, the Private Fund Investment Department shall always obtain the third preferential consideration right.) In that case, the compliance officer must call an independent outside expert who has no conflict of interest with respect to the decision to the meeting as an observer and hear his/her opinion.

iii. Preferential Consideration Rights with respect to Office Buildings, Residential Facilities and Hotels

- (i) As to Office Buildings (a property where the floor area used for office purposes is the largest among other floor areas for each use, or such asset backed by that property), Residential Facilities (a property where the floor area used for residential purposes is the largest among other floor areas for each use, or such asset backed by that property) and Hotels (a property where the floor area used for hotel purposes is the largest among other floor areas for each use, or such asset backed by that property), the Private Fund Investment Department shall obtain the first preferential consideration right. Notwithstanding the above, in the event that the Office Building, Residential Facility or Hotel includes an area used as a Commercial Property or Industrial Property and the floor area cannot be used as a determining factor because grant of the preferential consideration right based on the size of the floor is likely to result in an inappropriate result, a meeting attended by the President, the Deputy President and the members of the Deal Review Meeting (as defined below) shall be held to decide to which of the Retail Division, the Industrial Division and the Private Fund Investment Department to grant the first, second and third preferential consideration right. The compliance officer must call an independent outside expert who has no conflict of interest with respect to the decision to the meeting as an observer and hear his/her opinion.

iv. Preferential Consideration Rights with respect to Investment Information for Multiple Properties

- (i) If it is possible to assign the preferential consideration right for each property individually, the preferential consideration rights shall be granted subject to the provisions of i. to iii. above.
- (ii)
 - (a) If it is not possible to assign the preferential consideration right for each property individually (including a case where properties are being sold in bulk), the first preferential consideration right shall be granted subject to the following provisions:
 - I. In the event that a Commercial Property is included in part or all of the properties, then the Retail Division shall obtain the first preferential consideration right.
 - II. In the event that a Industrial Property is included in part or all of the properties, then the Industrial Division shall obtain the first preferential consideration right.
 - III. In the event that both a Commercial Property and Industrial Property are included in part or all of the properties, then the use with the largest floor area will be used to assign the preferential consideration right for the properties. If the use as a Commercial Property accounts for the largest floor area, then the Retail Division shall obtain the first preferential consideration right. If the use as a Industrial Property accounts for the largest floor area, then the Industrial Division shall obtain the first preferential consideration right.
 - IV. If none of the above applies, then the Private Fund Investment Department shall obtain the preferential consideration right.
 - (b) In the event that the Retail Division or the Industrial Division, who was granted the first preferential consideration right in accordance with (a) above, decides not to purchase the property, or does not make a decision to purchase within a preferential consideration term, the Private Fund Investment Department shall obtain the second preferential consideration right in the case of (a) I and (a) II. In the event that the Front Department which was granted the first preferential consideration right in accordance with (a) III above decides not to purchase the properties, or does not make a decision to purchase within a preferential consideration term, the Industrial Division or the Retail Division shall obtain the second preferential consideration right. If the Front Department which was granted the second preferential consideration right decides not to purchase the properties, or does not make a decision to purchase within a preferential consideration term, the Private Fund Investment Department shall obtain the third preferential consideration right.
 - (c) Notwithstanding (a) and (b) above, in the event that floor area cannot be used as a determining factor because grant of the preferential consideration right based on the size of the floor is likely to result in

an inappropriate result, a meeting attended by the President, the Deputy President and the members of the Deal Review Meeting (as defined below) shall be held to decide to which of the Retail Division, the Industrial Division and the Private Fund Investment Department to grant the first, second and third preferential consideration right. The compliance officer must call an independent outside expert who has no conflict of interest with respect to the decision to the meeting as an observer and hear his/her opinion

- (d) The Retail Division, the Industrial Division or the Private Fund Investment Department who was granted the preferential consideration right may grant joint preferential consideration right (the same order of preferential consideration right that is solely for joint purchase with the division who has the preferential consideration right) to other division who shall obtain the next priority preferential consideration right.

v. Preferential Consideration Rights with respect to Land (with leasehold interest)

- (i) Preferential consideration rights will be granted in accordance to the provisions set forth in i to iii above based on the type of facility to be built on such land.
- (ii) In the event that there are several facilities on the land, the preferential consideration rights will be granted as detailed in iv above.

vi. Exception to Grants of Preferential Consideration Rights

Certain information regarding real estate properties will be excluded from the preferential consideration rights, including information regarding:

- (i) properties held by funds managed by the Asset Manager, where the investors and related parties of those funds designate the potential acquirers of the properties;
- (ii) properties where the seller designates the potential acquirers of the properties;
- (iii) properties where the potential acquirers are designated and the properties warehoused pursuant to an agreement; and
- (iv) properties where potential acquirers are designated pursuant to contractual negotiation rights or future acquisition consideration opportunities.

vii. Procedure for Determining Persons Having Preferential Consideration Rights

- (i) The Front Department which obtains the preferential consideration right for an individual property (the “person having the preferential consideration right”)) shall be determined after confirmation by the Head of the Acquisition Division of factors with respect to such information.
- (ii) In the event that the Head of the Acquisition Division determines the person having the preferential consideration right, he/she shall immediately report to the Deal Review Meeting such information and the person having the preferential consideration right with respect to such information or other related matters.
- (iii) In the event that a member of the Deal Review Meeting deems that the determination by the Head of the Acquisition Division is against the internal rule of the Asset Manager, he/she may submit an objection. If such objection is expressed, the Deal Review Meeting shall deliberate on whether such determination complies with the internal rules of the Asset Manager.
- (iv) In the event that an amendment to the decision of the Head of the Acquisition Division is approved as a result of such deliberation by the Deal Review Meeting, the Head of the Acquisition Division shall again determine the person having the preferential consideration right in accordance with such amendment.

viii. Outline of Preferential Consideration Rights

- (i) The preferential consideration term of investment information regarding sale of real estate properties under a preferential consideration right shall be 10 business days from the date of grant of the preferential consideration right; provided, however, that if it is deemed appropriate in view of the nature of investment information regarding sale of real estate properties, the Head of the Acquisition Division may extend or shorten such term upon determination of the person having the preferential consideration right.
- (ii) Following the determination of the person having the preferential consideration right, the Head or the Department Head of each of the Front Departments which has become a person having the preferential consideration right shall indicate his/her intention as to whether to continue considering acquisition or not.
- (iii) The Head or the Department Head of each of the Front Department which has become a person having the preferential consideration right shall clarify the reason when indicating his/her intention as to whether to continue considering acquisition or not.
- (iv) In the event that an intention to continue considering acquisition is indicated at the Deal Review Meeting, the preferential consideration term shall generally automatically be extended until the end of such consideration of acquisition; provided, however, that if it is deemed that there is no reasonable reason as a result of

deliberation of the Deal Review Meeting, the preferential consideration term shall not be extended.

- (v) In the event that an intention not to continue considering acquisition is indicated to the Deal Review Meeting or that no intention is indicated until the end of the preferential consideration term, the preferential consideration right of such person having the preferential consideration right shall expire and the preferential consideration right with respect to such investment information regarding sale of real estate properties shall be transferred to the person having the next preferential consideration right. In such case, the preferential consideration term of the investment information regarding sale of real estate properties based on the next preferential consideration right shall be as prescribed in (i) above.

(3) Deal Review Meeting

The Asset Manager established the Deal Review Meeting to review whether the allocation of information regarding the investment target assets to the Retail Division, Industrial Division and the Private Fund Investment Department conforms to the internal rules of the Asset Manager. The Deal Review Meeting prevents the arbitrary allocation of disposal information regarding sale of real estate properties to avoid conflicts of interest that might arise among JRF, IIF and other funds it manages or may manage in the future and aims to ensure the fiduciary duties of the Asset Manager to each of the Funds.

The structure and methods of deliberation at such meeting shall be as follows:

Members	<p>The Members shall be comprised of the Compliance Officer, the Head of the Retail Division, the Head of the Industrial Division and the Head of the Private Placement Management Department, and the Compliance Officer shall serve as the chair. In the event that the Compliance Officer, the Head of the Retail Division, the Head of the Industrial Division or the Head of the Private Placement Management Department is unable to attend in person, he/she shall appoint a member of the Compliance Office in the case of the Compliance Officer, a member of the Asset Management Department in the case of the Head of each Front Department, respectively and have such appointed personnel attend by proxy.</p> <p>Notwithstanding the foregoing, the Compliance Officer may have a member of the Compliance Office attend the meeting when he/she deems it necessary. In addition, the Compliance Officer may have the Head of the Acquisition Division or other person deemed necessary for deliberation attend the meeting and state his/her opinion when the Compliance Officer deems it necessary.</p> <p>The Deal Review Meeting shall generally be convened once a week or more by the Compliance Officer; provided, however, that when the Compliance Officer deems it necessary, an extraordinary meeting of the Deal Review Meeting may be held as needed.</p>
Matters to be Deliberated	<p>The Deal Review Meeting shall deliberate and resolve the following matters with respect to investment information regarding sale of real estate properties:</p> <p>(1) Verification of compatibility of the determination of the person having the preferential consideration right with the internal rules of the Asset Manager;</p> <p>(2) Verification of compatibility of the determination of ending the preferential consideration of the person having the preferential consideration right with the internal rules of the Asset Manager;</p> <p>(3) Other matters incidental or related to each of the preceding items.</p>
Method of Deliberation, etc.	<p>When holding the Deal Review Meeting, all members shall be required to attend the meeting (attendance by a substitute shall also be deemed as attendance).</p> <p>A resolution at the Deal Review Meeting shall be made by at least three-fourths vote of the members present, which shall always include the Compliance Officer. In addition, the Compliance Officer (including a substitute) shall have veto power on the matters to be deliberated.</p>

2. Brief Biography of the Key Personnel (as of February 16, 2015)

Position	Name	Brief Biography	
General Manager of Private Fund Management Department	Yukio Kitabatake	Apr. 1985	Seibu Department Stores Ltd., Sales Promotion Division,
		Jun. 1990	Real Estate Development Division, Shimizu Corporation
		Jan. 2001	Manager of Investment Planning Department, Investment and Development Division, Shimizu Corporation
		Oct. 2006	Received Master of Science in Real Estate Development, Graduate School of Architecture, Planning and Preservation, Columbia University in the City of New York
		Feb. 2007	General Manager of Planning and Project Administration Department, Residential Development Division, New City Corporation
		Apr. 2008	General Manager of Administration Department, New City Development
		Jan. 2009	Senior Manager of Investment Management Department, LaSalle Investment Advisors KK.
		Aug. 2009	General Manager of Investment Management Department, LaSalle Investment Advisors KK.
		Mar. 2010	Senior Manager, Retail Division, Mitsubishi Corp.-UBS Realty Inc.
		Feb. 2015	General Manager of Private Fund Management Department , Mitsubishi Corp.-UBS Realty Inc. (present post)