

Notice Concerning Issuance of Investment Corporation Bonds
and Debt Financing (New Debt Financing)

Japan Retail Fund Investment Corporation (“JRF”) announced that it has decided to issue investment corporation bonds in an amount of 7,000 million yen through public offering in accordance with the Shelf Registration Statement dated April 4, 2017 and to obtain debt financing in general syndication ^(Note), that is the first method for JRF, to procure funds that will be partially allocated for the redemption of the existing investment corporation bonds of 15 billion yen which will come to maturity on May 23, 2017.

(Note) “General syndication” refers to a method of loan composition in which funds are raised from a syndicate comprised of a broad range of participating financial institutions, including some that are new lenders to the borrower. By using this method, the borrower’s sources of financing may be expanded.

1. Issuance of the Investment Corporation Bonds

(1) Investment corporation bonds to be issued

■ The 10th Unsecured Investment Corporation Bonds (Special pari passu conditions among specified investment corporation bonds)

(1) Name	Japan Retail Fund Investment Corporation The 10th Unsecured Investment Corporation Bonds (hereinafter called the “10 th Bonds”) (Special pari passu conditions among specified investment corporation bonds)
(2) Total amount to be issued	5,000 million yen
(3) Form of bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., JRF will not issue investment corporation bond certificates for the 10 th Bonds.
(4) Total amount to be paid in or minimum amount	100 yen per 100 yen of each Bond
(5) Redemption price	100 yen per 100 yen of each Bond
(6) Interest rate	0.220% per annum
(7) Denomination price	100 million yen
(8) Offering method	Public offering
(9) Subscription period	May 12, 2017
(10) Payment date	May 19, 2017
(11) Collateral	The 10 th Bonds are neither secured by mortgage nor guaranteed, and no asset is particularly reserved as security for the 10 th Bonds.
(12) Redemption date and method	The total amount of the 10 th Bonds will be redeemed on May 19, 2022.
(13) Interest payment date	May 19 and November 19 every year
(14) Financial covenant	Negative pledge clause is attached.

(15) Rating	Rating and Investment Information, Inc. (R&I) Moody's Japan K.K. S&P Global Ratings Japan Inc.	: AA- : A3 : A
(16) Fiscal agent, issuing agent and payment agent	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
(17) Underwriter	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc.	

■ The 11th Unsecured Investment Corporation Bonds (Special pari passu conditions among specified investment corporation bonds)

(1) Name	Japan Retail Fund Investment Corporation The 11th Unsecured Investment Corporation Bonds (hereinafter called the “11 th Bonds”) (Special pari passu conditions among specified investment corporation bonds)	
(2) Total amount to be issued	2,000 million yen	
(3) Form of bond certificate	Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., JRF will not issue investment corporation bond certificates for the 11 th Bonds.	
(4) Total amount to be paid in or minimum amount	100 yen per 100 yen of each Bond	
(5) Redemption price	100 yen per 100 yen of each Bond	
(6) Interest rate	0.480% per annum	
(7) Denomination price	100 million yen	
(8) Offering method	Public offering	
(9) Subscription period	May 12, 2017	
(10) Payment date	May 19, 2017	
(11) Collateral	The 11 th Bonds are neither secured by mortgage nor guaranteed, and no asset is particularly reserved as security for the 11 th Bonds.	
(12) Redemption date and method	The total amount of the 11 th Bonds will be redeemed on May 19, 2027.	
(13) Interest payment date	May 19 and November 19 every year	
(14) Financial covenant	Negative pledge clause is attached.	
(15) Rating	Rating and Investment Information, Inc. (R&I) Moody's Japan K.K. S&P Global Ratings Japan Inc.	: AA- : A3 : A
(16) Fiscal agent, issuing agent and payment agent	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	
(17) Underwriter	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Mizuho Securities Co., Ltd. SMBC Nikko Securities Inc.	

(2) Reasons for the issuance

The funds to be raised through the issuance of the 10th Bonds and the 11th Bonds will be used to redeem the 6th Unsecured Investment Corporation Bonds that are maturing on May 23, 2017.

(3) Amount of funds to be raised, use of proceeds and scheduled timing of expenditure

- (i) Amount of funds to be raised (after deducting issuance related expenses from the payment amount and rounding down to the nearest million) (estimated net proceeds)

6,947 million yen

- (ii) Specific use of proceeds and scheduled timing of expenditure

JRF will use the proceeds to partially fund its repayment of the 6th Unsecured Investment Corporate Bonds, which mature on May 23, 2017.

2. Debt Financing

(1) New debt financing

■ Arranged by:

The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Mizuho Bank, Ltd.

■ Agent:

Mizuho Bank, Ltd.

■ Description of new debt

Lender	Loan Amount	Loan Term	Interest Rate (Note 1)		Anticipated Borrowing Date	Method of Borrowing, Repayment of Principal	Repayment Date
The Toho Bank, Ltd.	¥ 8,000 million	8 years	Fixed	Not determined (Note 2)	May 19, 2017	Unsecured and unguaranteed, lump sum repayment	May 16, 2025
The Juroku Bank, Ltd.							
The Hyakugo Bank, Ltd.							
Taiyo Life Insurance Company							
The Daishi Bank, Ltd.							
The Akita Bank, Ltd.							
The Iyo Bank, Ltd.							

(Note 1) Interest payment dates are the last day of March, June, September and December in each year and the principal repayment date (or the immediately preceding business day if the date is not a business day).

(Note 2) Interest rates are to be determined by the anticipated borrowing date pursuant to the borrowing contract concluded on May 12, 2017. The interest rates will be disclosed as soon as determined.

(2) Reasons for new debt financing

The funds to be raised from this new debt financing will be used to redeem the 6th Unsecured Investment Corporation Bonds that are maturing on May 23, 2017.

3. Status of interest-bearing debt after the new debt financing (May 23, 2017)

(millions of yen)

	Before	After	Change
Short-term borrowing	0	0	0
Total short-term interest-bearing debt	0	0	0
Long-term borrowing	355,791	363,791	+8,000
Corporate bonds	37,500	29,500	-8,000
Total long-term interest-bearing debt	393,291	393,291	0
Total interest-bearing debt	393,291	393,291	0

(Note) Long-term borrowing amount includes the current portion of long-term borrowings.

4. Future Outlook

Impacts of the issuance of the 10th Bonds and the 11th Bonds and the new debt financing on the revenue forecasts for the fiscal periods ending August 2017 (the 31st period: March 1, 2017 to August 31, 2017) and February 2018 (the 32nd period: September 1, 2017 to February 28, 2018) will be marginal, therefore, the forecasts for the period remain unchanged.

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. Please refer to our website at <http://www.jrf-reit.com/english/index.html> for further details.

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

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

[Reference]

Maturity Ladder after the issuance of the 10th Bonds and the 11th Bonds and the new debt financing

