

December 10, 2018

To all concerned parties:

Investment Corporation

**Japan Retail Fund Investment Corporation**

(Tokyo Stock Exchange Company Code: 8953)

Representative: Shuichi Namba, Executive Director

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

Asset Management Company

**Mitsubishi Corp.-UBS Realty Inc.**

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JRF's Asset Manager to File Notification of Changes in Content or Method of Business  
Associated with Organizational Change

Japan Retail Fund Investment Corporation ("JRF") hereby announces that Mitsubishi Corp.-UBS Realty Inc., the asset manager of JRF (the "Asset Manager"), has resolved at its board of directors meeting held on December 7, 2018 to make the following change in organizational structure, and file the corresponding notification of change.

1. Change in Organizational Structure

(1) Content of the Change

As it has become increasingly necessary for the Asset Manager—whose organization continues to expand due to the increase in assets to be managed—to build up a management structure which is capable of responding quickly and flexibly to management needs from a variety of investors and new requirements from society, the Asset Manager has decided to make change to organizational structure mainly for enhancing the level of internal control and further strengthening the corporate structure for risk management, including the establishment of a Chief Operating Officer (COO); the establishment of a Director responsible for compliance; dedicating the Strategic Planning Office (formerly, the Management Office) to the function of strategic planning; and the establishment of the Risk Management Department within the Corporate Division.

As the result of this organizational change, the management structure of JRF will be changed as of January 1, 2019.

Please refer to the Attachment "Supplemental Information on the Organizational Change" for the organization of the Asset Manager, decision making process, and risk management system after the organizational change.

(2) Expected Date of the Change

January 1, 2019

2. Filing of Registration of Change

Regarding the above-mentioned organizational change, JRF will follow procedures including notifications required under the Financial Instruments and Exchange Act, the Building Lot and Buildings Transaction Business Act, and other applicable laws and regulations.

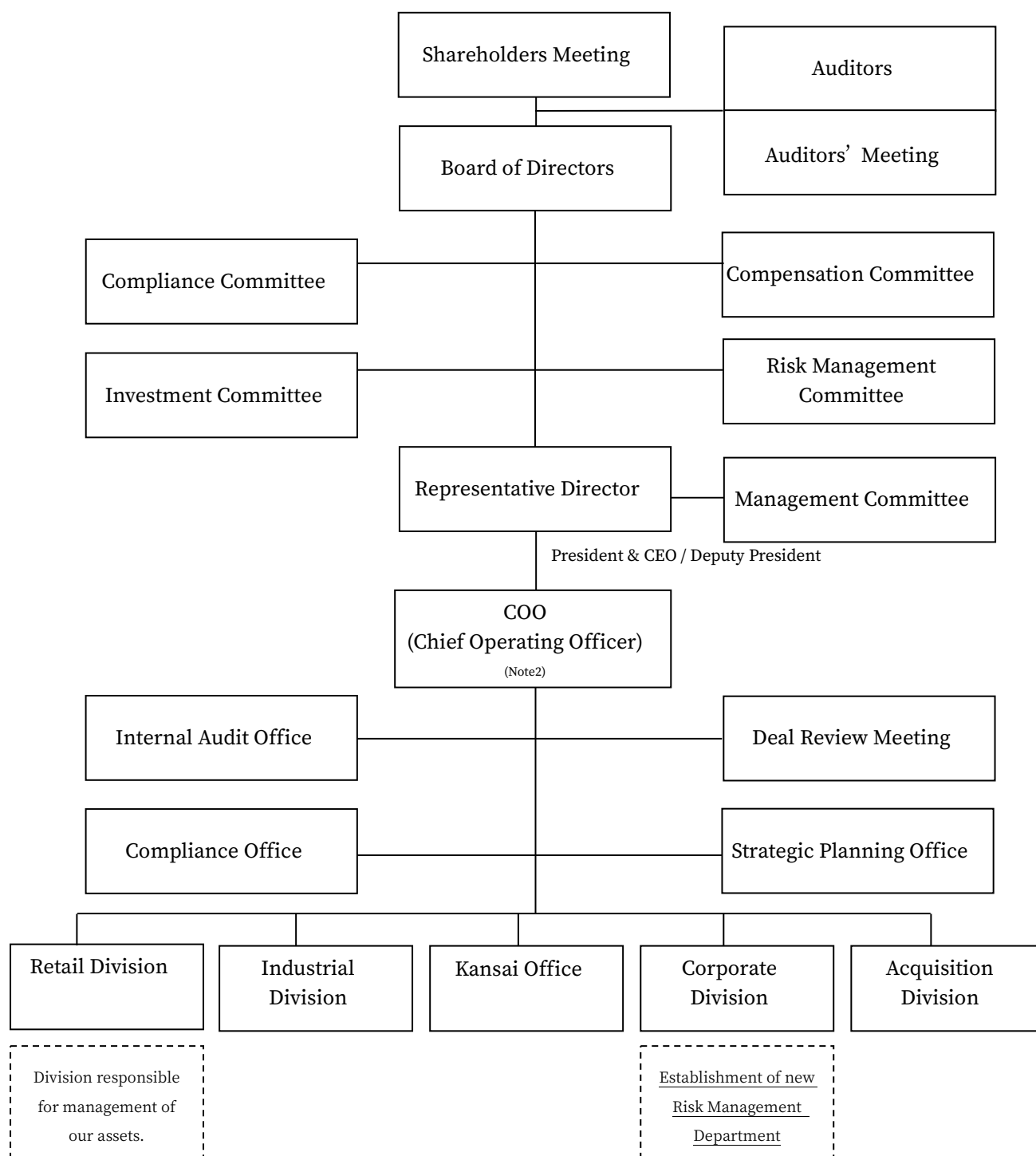
### 3. Impact on Revenue Forecast

There will not be any impact on JRF's revenue forecasts for the 34th fiscal period ending February 2019 (September 1, 2018 – February 28, 2019) and the 35th fiscal period ending August 2019 (March 1, 2019 – August 31, 2019), and the forecasts will not be revised.

(Attachment)

Supplemental Information on the Organizational Change

(1) Organizational Structure Chart after the Change (as of January 1, 2019) <sup>(Note 1)</sup>



(Note 1) Major changes are underlined.

(Note 2) Chief Operating Officer (COO) concurrently serves as the Director responsible for compliance.

(2) State of decision-making process and risk management system of the Asset Manager after the change to organizational structure

“Part 1, Fund Information, Item 1. Status of the Fund, 1 General status of the investment corporation, (4) Structure of the investment corporation, (iii) Decision-making process of the Asset Manager” and “(iv) State of risk management system relating to investment management” set out in JRF’s securities report submitted on November 27, 2018 will be amended as follows as of January 1, 2019.

(iii) Decision-making process of the Asset Manager

(omit)

i. Head of Retail Division will apply to the Asset Management Review Meeting for matters relating to: the policy and standard of investment policy; the policy and standard for management control; budgeting and closing of accounts; fund raising; and the acquisition, repurchase, disposal and management control of assets of JRF. The applicant will request the Secretariat to hold a meeting of the Asset Management Review Meeting and prepares the agenda and related materials.

ii. Prior to the holding of the Asset Management Review Meeting, the applicant will submit the application documents, to which materials regarding price verification are attached, to the Secretariat. The Compliance Office will check the application documents and actual source, etc. on which the application documents are based, make queries regarding compliance (including the background of the acquisition or repurchase as well as the project scheme) to the applicant, and submit a written opinion indicating the grounds, reasons, and background, etc. of its opinions to the chairperson, each member of the Meeting, and the full-time auditor(s).

(omit)

(iv) State of risk management system relating to investment management

(omit)

The Retail Division of the Asset Manager will manage: the various risks relating to the acquisition or disposal of assets (mainly, deficiencies or defects of the property; risk relating to bankruptcy of the seller; risk involving property which is jointly owned; risk of property under development; and risk of hazardous substances); the various risks relating to the management control of assets (mainly, risk relating to lease agreement; risk of damage, loss or deterioration of buildings caused by disasters; owner responsibility for real estate; and risk relating to cost, etc. for repair and maintenance); and the various risks relating to fund raising, etc. by JRF. In addition to the management of these risks, the Risk Management Department, under the Chief Officer for Risk Management (Head of Corporate Division), will plan and develop the risk management system of the Asset Manager from the company-wide viewpoint independent from the respective divisions, departments, and offices (hereinafter, “Respective Departments” in (iv)), check the state of implementation and operation of the system, and oversee its improvement.

(omit)

In addition, there is a system in which a Risk Management Committee is formed with the Chief Operating Officer (COO) as the committee chairperson, and with the President, the Deputy President, respective heads of divisions, the Head of Risk Management Department, and the Head of Strategic Planning Office as standing committee members. In principle, meetings are held once every two months to understand and examine risks for matters other than those governed by the Asset Management Review Meeting and to develop necessary response measures and management policy for such matters.

The full-time auditor(s) may attend meetings of both of the Asset Management Review Meeting and the Risk Management Committee and state his or her (their) opinions. The Head of Internal Audit Office may attend meetings of the Risk Management Committee and state his or her opinions.

In addition, the Internal Audit Office will regularly carry out internal audits on the situation of company-wide risk management and risk management by the Respective Departments based on the Regulations for Internal Audit and prepare the Internal Audit Report.

In addition to the above-mentioned mechanisms, the Asset Manager will make efforts to ensure coordination with the full-time auditor(s) so as to enrich and improve the efficiency of the risk management mechanism by means of comprehensive internal checks and balances, including inspections for compliance with laws and regulations by the Compliance Office; checking for the existence of conflict of interests with stakeholders; and checking for consistency with internal regulations.

(omit)