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To all concerned parties:

Investment Corporation

Japan Retail Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

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**Notice Concerning Revised Forecasts for Operating Results
for February 2019 (34th) Fiscal Period and August 2019 (35th) Fiscal Period**

Japan Retail Fund Investment Corporation (“JRF”) has revised forecasts for the operating results for the February 2019 (34th) fiscal period (September 1, 2018 to February 28, 2019) and August 2019 (35th) fiscal period (March 1, 2019 to August 31, 2019) announced on October 15, 2018 in the “Japan Retail Fund Investment Corporation Summary of Financial Results for the Six Months Ended August 31, 2018”. Details are as follows.

1. Revised forecasts for operating results for February 2019 (34th) fiscal period (September 1, 2018 to February 28, 2019)

	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)	30,221	11,807	9,826	9,825	4,430	0
Revised forecast (B)	30,533	12,833	10,813	10,812	4,430	0
Change (B - A)	312	1,026	987	987	-	-
Rate of change ((B - A) / A)	+1.0%	+8.7%	+10.0%	+10.0%	-	-

(Note 1) Number of investment units issued at the end of the period is 2,618,017 units.

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

(Note 3) Distributions in the revised forecast for February 2019 (34th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to out of 10,812 million yen, with retained earnings after reversals of reserve for reduction entry of property amounting to 476 million yen and after reversal of retained earnings for temporary difference adjustment amounting to 308 million yen, and provision for dividends amounting to a total of 11,597 million yen (distributions per unit 4,430 yen).

(Note 4) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

(Note 5) Distributions in the previous forecast for February 2019 (34th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to out of 9,825 million yen, with retained earnings after reversals of reserve for reduction entry of property amounting to 476 million yen and after reversal of retained earnings for temporary difference adjustment amounting to 1,296 million yen, and provision for dividends amounting to a total of 11,597 million yen (distribution per unit 4,430 yen).

2. Revised forecasts for operating results for August 2019 (35th) fiscal period (March 1, 2019 to August 31, 2019)

	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)	30,296	11,629	9,770	9,769	4,430	0
Revised forecast (B)	33,224	13,846	11,930	11,929	4,430	0
Change (B - A)	2,928	2,216	2,160	2,160	-	-
Rate of change ((B - A) / A)	+9.7%	+19.1%	+22.1%	+22.1%	-	-

(Note 1) Number of investment units issued at the end of the period is 2,618,017 units.

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

(Note 3) Distributions in the revised forecast for August 2019 (35th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to 11,929 million yen, with provision of reserve for dividends of 363 million yen, and after reversal of retained earnings for temporary difference adjustment amounting to 31 million yen, for dividends amounting to a total of 11,597 million yen (distributions per unit 4,430 yen).

(Note 4) Forecasts may be revised if results are expected to deviate from the above forecasts beyond a certain level.

(Note 5) Distributions in the previous forecast for August 2019 (35th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to out of 9,769 million yen, with retained earnings after reversals of reserve for reduction entry of property amounting to 80 million yen and after reversal of retained earnings for temporary difference adjustment amounting to 1,748 million yen, and provision for dividends amounting to a total of 11,597 million yen (distributions per unit 4,430 yen).

3. Reasons for revision

We have revised our forecasts for the operating results for the fiscal period ending August 2019 (the 35th period) as it is assumed that there will be a change of approximately 10% in the original forecast on the operating revenues in the August 2019 (35th) fiscal period, based on the transfer of assets of 8953 Osaka Shinsaibashi Building, announced today by Mitsubishi Corp.-UBS Realty Inc., JRF's asset management company, in the news release titled “Notice Concerning Disposition of Trust Beneficiary Right in 8953 Osaka Shinsaibashi Building” and the current earnings trend of other portfolio properties.

We also conducted a review of the forecasts of the operating results for the February 2019 (34th) fiscal period.

These forecasts were modified mainly because of the decreased repair and maintenance expenses for the February 2019 (34th) fiscal period and the gain on sales of property from the assignment of 8953 Osaka Shinsaibashi Building and the increased repair and maintenance expenses for the August 2019 (35th) fiscal period.

The distributions per unit are unchanged as the reduction in the voluntary reserve will be reduced from 1,772 million yen to 785 million yen for the February 2019 (34th) fiscal period and a voluntary reserve will be set up, instead of reduced, to respond to the increased current net profit for the August 2019 (35th) fiscal period.

4. Assumptions Underlying the Forecast of Operation for February 2019 (34th) Fiscal Period and August 2019 (35th) Fiscal Period

Item	Assumption
Accounting period	February 2019 (34th) Fiscal Period (September 1, 2018 to February 28, 2019) (181 days) August 2019 (35th) Fiscal Period (March 1, 2019 to August 31, 2019) (184 days)
Assets owned	<ul style="list-style-type: none"> The forecast for the February 2019 (34th) fiscal period concerns 101 properties: the 98 properties owned by JRF as of August 31, 2018 ("existing owned properties"), the G-Bldg. Minami Aoyama 03 acquired on October 25, 2018, the G-Bldg. Jingumae 08 acquired on December 21, 2018 and Round1 Stadium Kawasaki Daishi acquired on December 25, 2018. The forecast for the August 2019 (35th) fiscal period concerns the same number of 101 properties including the m-city Kashiwa which will be acquired on March 20 or 29, 2019 and excluding the property scheduled to be assigned as announced in the "Notice Concerning Disposition of Trust Beneficiary Right in 8953 Osaka Shinsaibashi Building". Except the changes described above, we assume that no other (anticipated) changes (new property acquisitions and sales of owned properties etc., excluding reconstruction of current properties) of the acquisitions of new properties and dispositions of current portfolio properties, etc., will occur prior to the end of the August 2019 (35th) fiscal period.
Issue of units	<ul style="list-style-type: none"> The number of investment units issued at the end of the February 2019 (34th) fiscal period and August 2019 (35th) fiscal period is 2,618,017 units, assuming that there will not be any additional issuance of new investment units or repurchase/cancellation of own investment units.
Interest-bearing debt	<ul style="list-style-type: none"> Interest-bearing debt as of August 31, 2018 stood at 392,725 million yen, which comprises long-term borrowings of 355,225 million yen and investment corporation bonds (including Green Bonds) of 37,500 million yen. Meanwhile, following debt financing of 20,500 million yen, for which a loan agreement was concluded on September 14, 2018 and took effect on September 28, 2018, debt financing of 12,000 million yen, for which a loan agreement was concluded on October 25, 2018 and took effect on October 30, 2018, and debt financing of 1,500 million yen, for which a loan agreement was concluded on December 14, 2018 and took effect on December 28, 2018. By the repayment of borrowings of 22,000 million yen, in which maturity dates have arrived from September 1, 2018 to the date of this document, the interest-bearing debt outstanding as of the date of this document stood at 404,725 million yen, which comprises short-term borrowings of 15,500 million yen, long-term borrowings of 351,725 million yen and investment corporation bonds (including Green Bonds) of 37,500 million yen. Out of the interest-bearing debt outstanding as of the date of this document, short-term debts in the amount of 15,500 million yen and long-term debts in the amount of 27,000 million yen are to be repaid in the February 2019 (34th) fiscal period and August 2019 (35th) fiscal periods before maturity. We assume that we will repay them through funding including debt financing.

<p>Operating revenues</p>	<ul style="list-style-type: none"> • We assume that gain on sales of property of 2,742 million yen for August 2019 (35th) fiscal period from the disposition of the 8953 Osaka Shinsaibashi Building. • Rent and other operating revenues are calculated based on the lease contracts effective as of the date of this document. • The rent level and estimated rents for the parts of properties that are vacant are calculated taking into account the negotiations with our tenants and other relevant factors that took place until the date of this document. • We assume that there will be no arrears or nonpayment of rent by our tenants. • The rent level and estimated rents for the parts of properties that are vacant for KAWASAKI Le FRONT, which is undergoing a large-scale renewal, are calculated taking into account the renewal plan as of the date of this document.
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Operating expense	<ul style="list-style-type: none"> • We assume that taxes and public charge of 2,670 million yen and 2,749 million yen in the February 2019 (34th) fiscal period and August 2019 (35th) fiscal period, respectively. • 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”), such amounts 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 pertaining to 3 properties acquired in 2018, the tax amount assessed and payable for the relevant accounting period will be recorded as rental expenses from 2019 onwards. With respect to fixed asset taxes and other taxes pertaining to m-city Kashiwa to be acquired in March 2019, the tax amount assessed and payable for the relevant accounting period will be recorded as rental expenses from 2020 onwards. We have assumed the amounts equivalent to fixed asset taxes and other taxes included in the acquisition cost of 4 properties to be acquired to be equivalent to 21 million yen in total. • We assume that repair and maintenance expenses will be 823 million yen for the February 2019 (34th) fiscal period and 2,206 million yen for the August 2019 (35th) fiscal period. Of the repair and maintenance expenses, we assume that earthquake-related expenses will be 355 million yen for the February 2019 (34th) fiscal period, and repair and maintenance expenses of KAWASAKI Le FRONT, which is undergoing a large-scale renewal, will be 69 million yen for the February 2019 (34th) fiscal period and 1,766 million yen for the August 2019 (35th) fiscal period. • We assume that depreciation will be 5,571 million yen for the February 2019 (34th) fiscal period and 5,590 million yen for the August 2019 (35th) fiscal period. • We assume that property management fees will be 766 million yen for the February 2019 (34th) fiscal period and 636 million yen for the August 2019 (35th) fiscal period, and building management fees will be 1,530 million yen for the February 2019 (34th) fiscal period and 1,610 million yen for the August 2019 (35th) fiscal period. • We assume that we will incur 69 million yen for loss on disposal of fixed assets related to the replacement of tenants at GYRE in the February 2019 (34th) fiscal period and 132 million yen for loss on disposal of fixed assets related to the large-scale renewal at KAWASAKI Le FRONT in the August 2019 (35th) fiscal period. With respect to the loss on disposal of fixed assets described above, those related to properties whose estimated useful lives are determined to be subject to review as a result of the change in the estimate from an accounting perspective will be treated as depreciation.
Non-operating expenses	<ul style="list-style-type: none"> • We assume that non-operating expenses (including interest expense, loan-related costs, corporate bonds interest, amortization of unit issuance costs, etc.) will be 2,022 million yen for the February 2019 (34th) fiscal period and 1,916 million yen for the August 2019 (35th) fiscal period.

Distributions per unit	<ul style="list-style-type: none"> Distributions per unit is calculated in accordance with the cash distribution policy stipulated in the Articles of Incorporation of JRF. Distributions in the revised forecast for February 2019 (34th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to out of 10,812 million yen, with retained earnings after reversals of reserve for reduction entry of property amounting to 476 million yen and after reversal of retained earnings for temporary difference adjustment amounting to 308 million yen, and provision for dividends amounting to a total of 11,597 million yen (distributions per unit 4,430 yen). Distributions in the revised forecast for August 2019 (35th) fiscal period are assumed to consist of retained earnings at the end of the period amounting to 11,929 million yen, with provision of reserve for dividends of 363 million yen, and after reversal of retained earnings for temporary difference adjustment amounting to 31 million yen, for dividends amounting to a total of 11,597 million yen (distributions per unit 4,430 yen). It is assumed that retained earnings for temporary difference adjustment will be reversed in at least a 50-year equal payment (31 million yen) each fiscal period starting in the fiscal period ending August 31, 2017 (31st) fiscal period.
Distributions in excess of profit per unit	<ul style="list-style-type: none"> We do not plan to make distributions in excess of profits for the moment.
Other	<ul style="list-style-type: none"> We assume that there will be no amendment of laws, accounting standards and the tax system in Japan that will impact the aforementioned forecasts and no unforeseen, significant changes will occur in general economic trends and property market movements in Japan.