

June 12, 2019

To all concerned parties:

Investment Corporation

Japan Retail Fund Investment Corporation

(Tokyo Stock Exchange Company Code: 8953)

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

Asset Management Company

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Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Partial Early Repayment of Borrowings

Japan Retail Fund Investment Corporation (“JRF”) announces that it has decided to issue its 13th Unsecured Investment Corporation Bonds, or the 2nd JRF Green Bonds (Special pari passu conditions among specified investment corporation bonds) (hereinafter called as the “13th Bonds”), in accordance with the Amendments to Shelf Registration Statement submitted on April 15, 2019, and to repay long-term borrowing prior to maturity, as described below.

The 13th Bonds are the 2nd issuance of JRF Green Bonds following the first Green Bonds ^(Note1) issued by a J-REIT announced on May 11, 2018.

(Note1) Green Bonds are a type of bond instrument issued by corporations, investment funds and municipalities to finance eligible “green projects” (environmentally-friendly investment projects). The issuance of Green Bonds must adhere to International Capital Market Association’s (ICMA) Green Bond Principles. For more information on Green Bond Principles, refer to ICMA’s website.

<https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

1. Issuance of the Investment Corporation Bonds (Green Bonds)

(1) Investment corporation bonds to be issued

(1) Name	Japan Retail Fund Investment Corporation The 13th Unsecured Investment Corporation Bonds, or the 2nd JRF Green Bonds (Special pari passu conditions among specified investment corporation bonds)
(2) Total amount to be issued	7,000 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 13th 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	0.200% per annum
(7) Denomination price	100 million yen
(8) Offering method	Public offering
(9) Subscription date	June 12, 2019
(10) Payment date	June 25, 2019
(11) Collateral	The 13th Bonds are neither secured by mortgage nor guaranteed, and no asset is particularly reserved as security for the 13th Bonds.
(12) Redemption date and method	The total amount of the 13th Bonds will be redeemed on June 25, 2024.
(13) Interest payment date	June 25 and December 25 every year
(14) Financial covenant	Negative pledge clause is attached.
(15) Rating	Rating and Investment Information, Inc. (R&I) : AA-
(16) Fiscal agent, issuing agent and payment agent	MUFG Bank, Ltd.
(17) Underwriter	Mizuho Securities Co., Ltd. Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. SMBC Nikko Securities Inc.

JRF issues the 13th Bonds based on “JRF’s Green Bond Framework”^(Note1) described in the “Notice Concerning Amendments to Shelf Registration Statement for Green Bond Issuance” dated on April 16, 2018.

JRF has obtained a second-party opinion ^(Note) from Sustainalytics, an ESG rating agency, for the eligibility of Green Bond proceeds on April 2018, and JRF confirmed that the validity of the second-party opinion for the 13th Green Bonds.

(Note1) Refer to JRF’s website for the framework of Green Bond.

<https://www.jrf-reit.com/english/sustainability/environment/index.html#02>

(Note2) Refer to JRF’s website for the second-party opinion.

https://www.jrf-reit.com/english/sustainability/environment/i36ilc000000340e-att/sustain_secop201804_1.pdf

(2) Reasons for the issuance

JRF decided to issue the 13th Bonds with the background of further strengthening JRF’s sustainability activities, issuance at low interest rates based on active investor demands for Green Bonds, and enhancement of financing methods through expansion of investor base of investment corporation bonds. In addition, the 13th Bonds are issued at the lowest interest rate per annum among Investment Corporation Bonds issued with a 5-year term.

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

(a) 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)

6,955 million yen

(b) Specific use of proceeds and scheduled timing of expenditure

JRF will use the proceeds to repay the long-term borrowings described in “3. Partial Early Repayment of Borrowings (1) Description of debt to be early repaid” below on June 28, 2019 before the repayment date.

(4) Investors who declared investment in the 13th Bonds

Listed below are investors who declared investment in the 13th Bonds (the 2nd JRF Green Bonds) by today.

- Daitokyo Shinyokumiai
- Mitsubishi UFJ Trust and Banking Corporation
- Nippon Life Insurance Company
- Sumitomo Mitsui Trust Asset Management Co., Ltd.
- THE OITA BANK, LTD.
- The TONO SHINKIN BANK
- TETSUDOU KOUSAIKAI

(Note) In alphabetical order

2. Our Actions Regarding Sustainability

JRF and its asset manager, MC-UBS, share the view on sustainability and continue to make efforts regarding ESG (Environment, Society, and Governance). As part of its efforts, JRF has issued the Green Bonds, the first such issuance from a J-REIT in May 2018. Through the issuance of the Green Bond, JRF continues to conduct investment contributing to the implementation and realization of a sustainable environment and society.

JRF and MC-UBS Group’s basic policy on sustainability

The MC-UBS Group companies (MC-UBS and MCUBS MidCity Inc.), under the newly established group slogan of “Think bold for brighter tomorrow”, will continue to implement measures for sustainability and make contributions to society as a whole. Please refer to the ESG Report on JRF’s Sustainability page for information on JRF and MC-UBS actions on ESG.

JRF’s Sustainability: <https://www.jrf-reit.com/english/sustainability/index.html>

[Reference Information] Environmental certifications of the properties

JRF acquired environmental certification for its portfolio through sustainability activities. Please refer to the site below for information on environmental certifications acquired by JRF.

Environmental Certifications: <https://www.jrf-reit.com/english/sustainability/environment/index.html>

3. Partial Early Repayment of Borrowings

(1) Description of debt to be early repaid

Lender	Loan Amount	Repayment amount	Loan Amount After Repayment	Loan Term	Interest Rate ^(Note)		Borrowing Date	Repayment Date	Early Repayment Borrowing Date	Method of Borrowing, Repayment of Principal
MUFG Bank, Ltd.	¥6,000 million	¥6,000 million	¥0	1.4 years	Floating	Base interest rate (JBA 1-month yen TIBOR) + 0.15%	September 28, 2018	February 28, 2020	June 28, 2019 (Anticipated)	Unsecured and unguaranteed, lump sum repayment
MUFG Bank, Ltd.	¥5,500 million	¥1,000 million	¥4,500 million	2.0 years	Floating	Base interest rate (JBA 1-month yen TIBOR) + 0.15%	February 28, 2019	February 26, 2021	June 28, 2019 (Anticipated)	Unsecured and unguaranteed, lump sum repayment

(Note) For the Japanese Yen TIBOR, please refer to JBA TIBOR administration's website (<http://www.jbatibor.or.jp/english/rate/>).

(2) Funds for repayment

JRF will repay the debt with funds raised by the 13th Bonds described in “1. Issuance of the Investment Corporation Bonds (Green Bonds) (1) Investment corporation bonds to be issued” above and cash on hand.

4. Status of Interest-Bearing Debt After Refinance (as of June 28, 2019 (Anticipated))

(Yen in millions)

		Before	After	Variation
	Short-Term Borrowings	5,500	5,500	0
	Total Short-Term Interest-Bearing Debt	5,500	5,500	0
	Long-Term Borrowings	361,725	354,725	-7,000
	Corporate Bonds	37,500	44,500	+7,000
	(Green Bonds)	(8,000)	(15,000)	(+7,000)
	Total Long-Term Interest-Bearing Debt	399,225	399,225	0
	Total Borrowings and Corporate Bonds	404,725	405,725	0

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

5. Future Outlook

There will be minimal impact on our operating results for the August 2019 fiscal period (from March 1, 2019 to August 31, 2019) and February 2020 fiscal period (from September 1, 2019 to February 29, 2020); thus, we have made no revision to our forecasts.