Japan Retail Fund Investment Corporation

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953)
News Release－April 1, 2015

Notice Concerning Contribution of Part of Land to Kawasaki City Due to Completion of District Facility Improvement at Ito-Yokado Kawasaki

Japan Retail Fund Investment Corporation ("JRF") hereby announces that JRF has contributed part of the land of the outdoor parking space of "Ito-Yokado Kawasaki (Kawasaki-shi, Kanagawa)" (the "Property") to Kawasaki City, following the completion of the maintenance and construction of the roads surrounding the Property, which JRF has been undertaking with Kanagawa Prefectural Government, Kawasaki City, landowners and leaseholders as part of a district plan led by Kawasaki City that was announced in the news release dated August 31, 2010, "Notice Concerning District Facility Improvement at ESPA Kawasaki."

1. Background of the Land that have been contributed

This is part of the "Odasakae-Nishi District Plan" (the "District Plan"), which was formed in 2007 after the opening of the facility to promote the planned development of commercial and business facilities, urban-style housing and other facilities under the "Kawasaki City Planned Urban Redevelopment Policy," and JRF has cooperated as a land owner.

JRF has been expecting to contribute a part of the land of the outdoor parking space of the Property (1,121.13 m^2) (the "Land") to Kawasaki City based on the District Plan, and the contribution of the Land has completed with the receipt of the completion notice on the transfer of the Land from Kawasaki City dated March 30, 2015.

The road maintenance and construction works, which the costs were borne by the owners of the relevant lands including JRF, have completed in September 2014.

(1) The Land that has been contributed

1)	Type of asset owned:	Trust beneficiary interest in real estate
2)	Asset contributed:	1,121.13 m^2 of 51,885.34 m^2 land
3)	Book value of the portion of the asset contributed:	371 million yen (Note) (Reference) 314 million yen in appraisal value as of February 28, 2015
4)	Timing of contribution:	March 30, 2015
5)	Recipient of contribution:	Kawasaki City

(Note) The amount is to be depreciated using the straight line method for six years after March 2015.

(2) Road maintenance and construction cost related to contribution of the Land

JRF has paid 16.5 million yen for the maintenance of existing parking space (completed in October 2010), 19.5 million yen and 36.5 million yen as JRF's share of the cost for the improvement of the infrastructure facility (road) for the first phase (completed in July 2011) and second phase construction (completed in September 2014), respectively. The total cost of the road maintenance and construction was 72.5 million yen (excluding tax). These costs have been depreciated (booked as expense) using the straight line method over adequate period of time after the completion of the construction.

2. Impact of the contribution the Land on the Property

While the Land was designated as industrial district at the time of the acquisition of the Property, the land use was changed to neighborhood commercial district and quasi-residential district after the decision on the District Plan was made. Also, the restrictions associated with the revision to the Three Acts on City Planning (e.g. the restriction on opening a commercial facility that exceeds an area of 10,000 square meters) was removed, and the building-to-land ratio and the floor area ratio of the Property were changed from 60% to 80% and 200% to 300% (partially), respectively.

Moreover, as a result of the District Plan, the surrounding area of the Property is expected to have increased convenience, as the population of the area is growing with constructions of new apartments and retail facilities; also, as one of the initiatives for increased convenience of the area and town development, it is expected that Kawasaki City and East Japan Railway Company are to consider establishing a new station on JR Nambu Line based on a comprehensive partnership agreement (inauguration is targeted at the end of 2015).

■Photograph of the new station under consideration and its neighborhood



Source: Kawasaki City website, "Conclusion of A Comprehensive Partnership Agreement Between Kawasaki City and East Japan Railway Company (dated January 29, 2015)"
Above image is taken from "*Setsumei Shiryo* (Explanatory Material in Japanese)" (http://www.city.kawasaki.jp/templates/press/500/0000064646.html) and edited by Mitsubishi Corp.-UBS Realty Inc.

3. Future Outlook

The matter described in this news release will not have any impact on the forecast of operating results for the fiscal period ending February 28, 2015 and will only have marginal impact on the fiscal period ending August 31, 2015.

(Reference) Summary of the Property

1)	Type of Asset	:	Trust beneficiary interest in real estate
2)	Location	:	2-1, Oda-sakae 2-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa Annex: 1-2, Oda-sakae 2-chome, Kawasaki-ku, Kawasaki-shi, Kanagawa
3)	Acquisition Date	:	March 13, 2002 and December 10, 2002 / Annex: March 1, 2007
4)	Acquisition Price	:	15,329 million yen(Note 1) (Acquisition price after the contribution of the Land)
5)	Appraisal Value	:	13,320 million yen(Note 2) (As of the end of August 2014)
6)	Book Value	:	13,943 million yen(Note 3) (As of the end of August 2014)
7)	Land Area	:	50,764.21 m^2 (Land area after the contribution of the Land)
8)	Zoning	:	Neighborhood commercial district, quasi-residential district
9)	Total Floor Area	:	50,795.60 m^2 / Annex: 11,922.08 m^2 Total: 62,717.68 m^2

(Note 1) As a result of the contribution of the Land, the acquisition price of the Property as a whole is the amount which 362 million yen, the acquisition price for the Land is subtracted from 15,691 million yen, the original acquisition price of the Property.
(Note 2) The assumptions used for the determination of appraisal value take into account the implementation of the infrastructure facility maintenance plan. There will be no change in the appraisal value.
(Note 3) The book value related to the contribution of the Land in an amount of 371 million yen will be depreciated using the straight line method for six years after March 2015.

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. As of the date of this release, JRF owns 89 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.
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This translation is for informational purposes only, and the Japanese language release should be referred to as the original.