Japan Retail Fund Investment Corporation

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953)
News Release－April 9, 2015

Notice Concerning Renewal Plan at "mozo wonder city"

Japan Retail Fund Investment Corporation ("JRF") hereby announces that JRF decided to conduct a large-scale renewal project at "mozo wonder city (Nagoya-shi, Aichi)" (the "Property"), utilizing its SC management capability as part of its internal growth strategy.

1. Purpose and Content of the Renewal Plan

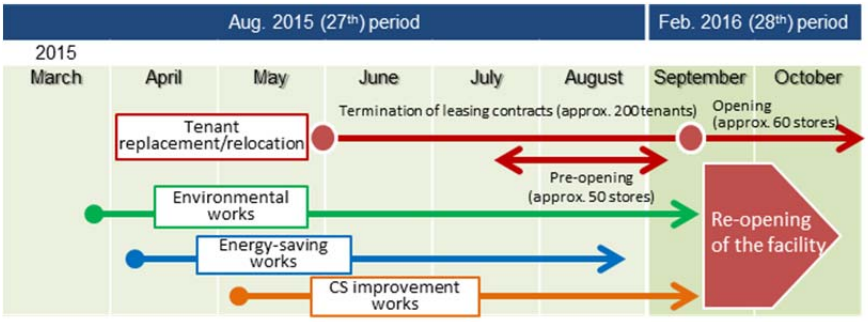
In order to maintain and improve competitiveness of its retail facilities, JRF has been continuing to implement measures to improve customer satisfaction through SC management, such as attracting suitable tenant mix and improving convenience, comfort and design of the facilities.

While the Property has continued to steadily increase sales since its opening in 2009 as one of the leading large-scale suburban shopping center located in Japan, affected by renewal and new opening of competitors in the neighboring area, the sales went into a slow declining trend after the peak in 2012. As the fixed-term lease agreements with a number of tenants are expiring in May 2015, JRF will be conducting a large-scale renewal works for replacement of tenants and improvement of shopping environment, which is targeted to complete for renewal opening in September 2015. This will be the first phase of the renewal project, and the renewal works in the second phase is scheduled to be conducted after 2018.

Objective	**To lay foundation for future target annual sales of 60 bn yen being consciously aware of differentiation from surrounding competing properties**
Renewal Plan	✓ Review tenant mix and attract trend-leading tenants ✓ Create an attractive shopping environment to attract a customer group who shops in downtown (Nagoya station and Sakae) area

2. Summary and Schedule of the Renewal Plan

Floor Plan	Alternation of floor plan in relation to tenant replacement
Shopping Environment	Refurbishment of food court area and common area, etc.
Energy-Conservation	Installation of LED lightning, air conditioning inverter, etc.
CS Improvement	Introduction of parking space control system, changeover system for loyalty card, etc.



3. Tenant Replacement

Introduction of various new tenants (boutique shops, apparel brands, cosmetic stores and interior shops), many of which will be the first store opening in entire Nagoya area or first store opening in suburban shopping mall of the area.

■ Floor concept

4F	Additional line-up of goods tenants Strengthening of Men's and Unisex line-up
3F	Change tenant mix to target at kids/family Refurbishment of food court space
2F	Set up of the main floor for ladies fashion Introduce a large casual fashion brand
1F	Tenants with higher awareness of leading trends Increase in average sale per customer

■ Tenant subject to rent renewal (planned)

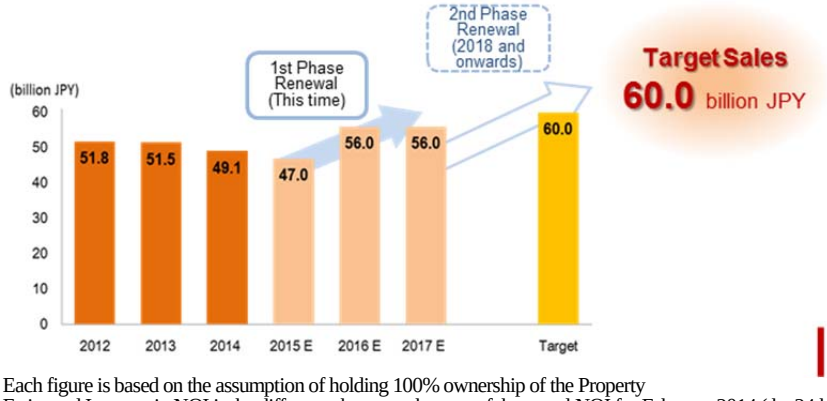
		Ratio Based on Area	# of stores
Subject to rent renewal	New	17%	approx. 70
	Relocated	8%	approx. 40
	Remained	22%	approx. 90
Not subject to rent renewal		53%	approx. 20

4. Effects of the Renewal on the Entire Facility

JRF estimates the effects of the renewal on the entire facility as follows:

Estimated Investment Amount	Estimated Increase in NOI (Note 2)	Estimated Increase in NOI/Estimated Investment Amount
2.17 billion yen	**0.23 billion yen/year**	**10.9%**

■ Historical sales trend and target sales figure on a fiscal year basis



(Note 1) Each figure is based on the assumption of holding 100% ownership of the Property
(Note 2) Estimated Increase in NOI is the difference between the sum of the actual NOI for February 2014 (the 24th) fiscal period and the August 2014 (the 25th) fiscal period, and estimated stabilized annual NOI after renewal (after August 2016 (29th) fiscal period).

5. Future Outlook

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

<Reference>

1) Environmental Concept and Images After Renewal

mozo公園

Installation of Resting Space (mozo tree) and Green Carpeting

- ✓ Installation of "mozo tree," which functions as seating space as well as a symbol, and green carpeting, which helps create "mozo park" atmosphere
- ✓ Partitioning of ample space to add accents to space and to create a comfortable atmosphere

After Renewal (Note)





Before Renewal



Refurbishment of Food Court Area

- ✓ Adoption of muti-level ceiling and floor for visual effect and comfort
- ✓ Efficient table layout to resolve lack of seating space.(Increase from 800 seats to 1,000 seats)

After Renewal (Note)







Before Renewal





(Note) These are indicative renderings and may differ from the actual development.

2) Outline of the Property

Location	40-1, Futakatacho, Nishi-ku, Nagoya-shi, Aichi, Japan			
Acquisition date	October 3, 2011	October 2, 2012	October 1, 2014	Total
Acquisition price (co-ownership interest*)	5,250 million yen (10%)	26,750 million yen (50%)	11,740 million yen (20%)	43,740 million yen (80%)
Land area	107,456.04 m^2			
Zoning	Industrial district			
Total floor area	233,606.73 m^2 (Main Building: 229,976.30 m^2, Annex Building: 3,630.43 m^2)			
Structure/stories	Main Building: 7-story (6 floors above ground and 1 basement floor), S/RC/SRC structure building with flat roof Annex Building: 3-story, S-structure building with galvanized steel sheet roof			
Building completion	Main Building: April 1, 2009 / Annex Building: August 6, 2007			
Rent NOI	3,243 million yen *100% ownership basis (calculated from the sum of actual results for the 24th and 25th fiscal period.			
Rental business profit	2,233 million yen *100% ownership basis (calculated from the sum of actual results for the 24th and 25th fiscal period.			

*JRF currently owns 80% co-ownership interest and has executed purchase and sales agreement to acquire the remaining 20% co-ownership interest at an acquisition price of 11,740 million yen during the period between November1, 2014 and March 31, 2016.

3) Photo and Map of the Property







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.