Japan Retail Fund Investment Corporation

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953)
News Release – March 30, 2016

# Notice Concerning Renewal Project at Nara Family (Partial Re-Examination of Budget Plan)

Japan Retail Fund Investment Corporation has announced that it has re-examined the total expenditure and the estimated NOI increase in the budget plan for the ongoing renewal project at Nara Family (the "Renewal Project") that was announced in the news release titled "Notice Concerning Renewal Plan at Nara Family" dated October 14, 2015.

1. Changes after the re-examination of the budget plan
   "5. Effects of the Renewal Plan", page 3, "Notice Concerning Renewal Plan at Nara Family"

   ・ As of March 30, 2016 (Changes are indicated by underline.)

| Estimated total expenditure (Note 1) | Formula for increase in NOI | Estimated increase in NOI | Estimated increase in NOI / Estimated total expenditure |
|---|---|---|---|
| **5.1 billion yen** | (Estimated NOI after renewal) – (Estimated NOI without renewal) | **0.41 billion yen/year** (Note 2) | **8.2%** |
| | (Estimated NOI after renewal) – (Actual NOI for the year 2014) | **0.20 billion yen/year** (Note 3) | **4.2%** |

(Note 1) "Estimated total expenditure" is the sum of construction cost, design cost, facility replacement cost and accompanying costs, and furniture and fixtures transfer cost, removal cost, etc.
(Note 2) The amount is the difference between the estimated yearly NOI for the year 2017 without the renewal and the stabilized estimated yearly NOI for the year 2017 after the renewal. The estimate annual sales in case of no renewal is calculated to be 39.0 billion yen taking into account the historical sales trends with current tenant composition unchanged, macro data released by Japan Chain Stores Association and Japan Department Stores Association, and third party report. The NOI in case of no renewal project is calculated to be 2.15 billion yen based on the estimated annual sales and on the assumption that renewal of the lease contracts with the existing tenants and partial tenant replacement will occur.
(Note 3) The amount is the difference between the sum of the actual NOIs for the fiscal period ended August 2014 (the 25th period) and the fiscal period ended February 2015 (the 26th period), and the stabilized early NOI for the year 2017 after the renewal.

   ・ As of October 14, 2015 (Changes are indicated by underline. Notes are the same as above.)

| Estimated total expenditure (Note 1) | Formula for increase in NOI | Estimated increase in NOI | Estimated increase in NOI / Estimated total expenditure |
|---|---|---|---|
| **5.5 billion yen** | (Estimated NOI after renewal) – (Estimated NOI without renewal) | **0.45 billion yen/year** (Note 2) | **8.2%** |
| | (Estimated NOI after renewal) – (Actual NOI for the year 2014) | **0.24 billion yen/year** (Note 3) | **4.2%** |

2. Future Outlook
   Our revenue forecast for the fiscal period ending August 2016 (the 29th period: March 1, 2016 - August 31, 2016) that reflects the effect of the Renewal Project will become available in "Summary of Financial Results for the Six Months Ended February 29, 2016", which is scheduled to be released on April 14, 2016.

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. 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.*