

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953) News  
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## **Japan Retail Fund Investment Corporation Acquires Ito-Yokado Kamifukuoka-higashi Shopping Center in Kamifukuoka, Saitama Prefecture**

Japan Retail Fund Investment Corporation (TSE: 8953) announced today that it will acquire the Ito-Yokado Kamifukuoka-higashi Shopping Center for 6.9 billion yen. This property was constructed in October 1999 and has a leaseable area of 28,316.18 square meters and a parking deck which can accommodate approximately 1,400 automobiles. Ito-Yokado masterleases the entire two-story property.

According to Yuichi Hiromoto, President and Chief Executive Officer of Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund, "Ito-Yokado Kamifukuoka-higashi Shopping Center fits well into our acquisition strategy. First, the acquisition is accretive to our funds from operations. This shopping center offers a number of attractive features, including a long-term lease contract and a strategic location only 25 kilometers from the center of Tokyo. Approximately 250,000 people live within a five kilometer radius of the property. It is anticipated that this property will benefit from further increases in consumer traffic as a result of population growth from re-urbanization in the surrounding areas.

The merchandise offered by this shopping center includes grocer, apparel and daily necessities which attract household and family-type customers, with sales strategies of the specialty stores following closely the masterlessor Ito-Yokado's merchandising concept. Specifically, this shopping center has approximately 7,000 square meters of shopping space on each floor, and the floor layout is well designed to ensure easy access by customers.

This purchase represents our fifth property in which Ito-Yokado is the lead tenant (Ito-Yokado, parent of Seven-Eleven, is currently rated AA by Standard & Poor's and Aa3 by Moody's)".

Following the acquisition, the share of our investment grade tenants will increase from 39% to 42%. In addition, the inclusion of this property in the Fund's portfolio serves to further our geographical diversification as well as to capture the existing increasing consumer demand supported by the highly concentrated population of the Kanto region.

The acquisition was financed through a combination of cash on hand and the assumption of 2,160 million yen in non-interest bearing security deposits due upon lease termination in September 2019, with the remainder from bank borrowings. The leverage ratio of Japan Retail Fund Investment Corporation will increase to approximately 42% following the purchase of this property. Under the terms of the lease, the tenant is responsible for all operating expenses in connection with the operation of the property.

## Property Information Summary

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| Property Name     | Ito-Yokado Kamifukuoka-higashi   |
| Location          | 1-30, 2-chome, Ohara, Kamifukuoka-shi  |
| Land size         | 40,280.18 m <sup>2</sup>   |
| Total floor space | 43,840.28 m <sup>2</sup>   |
| Leaseable area    | 28,316.18 m <sup>2</sup>   |
| Building summary  | 2 floors above ground. Roof floor is used for parking space.<br>3 stories parking deck next to the store building. |
| Parking capacity  | Approximately 1,400 automobiles  |
| Major tenant      | Ito-Yokado   |

About JRF: Japan Retail Fund Investment Corporation ("JRF") is the third listed Japanese Real Estate Investment Trust and the first J-REIT to focus exclusively on retail properties. JRF will own eleven properties containing approximately 436,000 square meters of leaseable space upon the closing of this acquisition.

Investor Relations: For further information relating to this press release as well as the Fund and its Asset Manager, please feel free to contact Mr. Hidenori Asai, Deputy President and Head of Investor Relations at Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund (Telephone Number: 81-3-3511-1692) or Alfred Liu, Chief Financial Officer (Telephone Number: 81-3-3511-1693).

## Pictures of the Property

