

Japan Retail Fund Investment Corporation (Tokyo Stock Exchange Company Code: 8953)

News Release – December 5, 2003

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## **Japan Retail Fund Investment Corporation To Acquire Daikanyama DK Building in Shibuya, Tokyo**

Japan Retail Fund Investment Corporation (TSE: 8953) announced today that it will acquire the Daikanyama DK Building for 1.2 billion yen. This property is located in Shibuya's Daikanyama submarket, which has emerged as a center of fashion, style and design. Specifically, the Daikanyama DK Building, directly in front of the Daikanyama Train Station, is well-located in the midst of leading fashion and retail boutique activity, while also benefiting from the immediate area's role as a center of fashion and design, as well as café culture in Tokyo frequented by a generally youthful, fashion-conscious generation.

This property was constructed in 1991 and has a leaseable area of 574.5 square meters. ONWARD, one of the largest retail companies in Japan, masterleases the entire two-story building. The currently in place three year lease expires in March 2004, with renewal options for additional two year terms.

Yuichi Hiromoto, President and Chief Executive Officer of Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund, stated that the "Daikanyama DK Building fits well into our acquisition strategy. While it is a smaller property than we typically have purchased, it is actually one of this cutting-edge neighborhood's larger properties. We classify this property as an "income-oriented" property, diversifying our portfolio in terms of property type as well as capitalizing on ownership in one of Tokyo's most distinctive retail submarkets. The inclusion of this property in the Fund's portfolio serves to slightly increase our geographical weighting in the Tokyo metropolitan area, as well as to increase the composition of "High Street" type properties in our portfolio".

This property is masterleased by ONWARD which offers a variety of its own brands and is licensed to import such leading labels as Paul Smith, Jean-Paul Gaultier, Michael Kors, Sonia Rykiel, Joseph Abboud into Japan, distributed through its own shops and major department stores. ONWARD is listed on the first section of Tokyo Stock Exchange.

This acquisition will be financed through a combination of cash on hand and bank borrowings. 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:

Property Name	Daikanyama DK Building
Location	1-35-17 Ebisu-nishi, Shibuya, Tokyo
Land size	312.46 m <sup>2</sup>
Total floor space	622.49 m <sup>2</sup>
Leaseable area	574.46 m <sup>2</sup>
Building summary	Two floors above ground and basement
Major tenant	ONWARD

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 thirteen properties containing approximately 514,000 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).

## Photographs of the Property

