

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

News Release – December 7, 2004

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### **Japan Retail Fund Investment Corporation to Acquire Itabashi Saty in Itabashi Ward, Tokyo**

Japan Retail Fund Investment Corporation (TSE: 8953) announced today that it will acquire Itabashi Saty for 12.4 billion yen. The property opened in December 2000, and has a leaseable area of approximately 72,000 square meters and a parking capacity of approximately 950 automobiles. Mycal Co., Ltd. masterleases the entire property with eight floors above ground and one basement floor.

According to Yuichi Hiromoto, President and Chief Executive Officer of Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund, "Itabashi Saty in the Itabashi Ward of Tokyo fits well into our acquisition strategy. The property's 12-year lease contract is anticipated to generate an attractive income stream for our investors." Itabashi Saty is located in the northern part of Tokyo near several major roads and highways that bring in significant customer traffic. The property is also easily accessible from Tobu Nerima Station, which is only 15 minutes traveling time on the Tobu Tojo Line from Ikebukuro Station, a major transport hub in central Tokyo. Itabashi Ward's population growth rate of 2.1% from 1999 to 2003 compares favorably to the national average of 0.7%. Itabashi Saty's 5km trade area, with nearly 1.1 million residents, has a high population density. Because there are no other strong shopping centers of comparable scale in the trade area, Itabashi Saty benefits from its dominant position and well-established reputation in the market.

The anchor tenant of the property is Mycal Co., Ltd., which masterleases the entire property as a General Merchandise Store ("GMS") operator. The property features a wide array of clothing, book, sporting good and other specialty stores, as well as a variety of restaurants and coffee shops. The property is also popular for the 12-screen cinema on its 5<sup>th</sup> floor, the largest cinema in the trade area.

Mycal Co., Ltd. has been restructuring its operations under the Corporate Rehabilitation Law with the assistance of Aeon Co., Ltd. ("Aeon"), and is now a 100% subsidiary of Aeon. One of the largest GMS operators in Japan, Aeon is currently rated A- by Standard and Poor's and Baa3 by Moody's.

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

Property Information Summary:

Property name	Itabashi Saty
Location	2-6-1 Tokumaru, Itabashi-ku, Tokyo
Land size	29,931.29 m <sup>2</sup> (JRF will acquire 51.64% of the total land size, with the remainder to be leased from a non-selling owner)
Total floor space	72,253.88 m <sup>2</sup> (JRF will acquire 51.64% of the registered floor space, with the remainder to be leased from a non-selling owner)
Leaseable area	72,253.88 m <sup>2</sup>
Building summary	Eight floors above ground and one basement floor
Major tenant	Mycal Co., Ltd.

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. Upon completion of this acquisition, JRF will own 22 properties containing approximately 912,000 square meters of leaseable space.

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 (Telephone Number: 81-3-3511-1692) or Mr. Shunichi Minami (Telephone Number: 81-3-3511-1721), Head of the Marketing and Investor Relations Department at Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund.

