

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

News Release – October 31, 2006

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**Japan Retail Fund Investment Corporation Reaches Settlement with Seibu Department Stores  
Concerning the Rent at Higashi-Totsuka Aurora City**

Japan Retail Fund Investment Corporation (TSE: 8953) announced today that a settlement was reached in the lawsuit filed by The Seibu Department Stores Ltd. (“Seibu”) concerning the reduction of the rent at Higashi-Totsuka Aurora City.

Seibu filed a lawsuit in the Yokohama District Court in March 2004 against the previous owner of Higashi-Totsuka Aurora City requesting a reduction of the monthly rent. When JRF acquired the beneficiary rights of Higashi-Totsuka Aurora City in March 2006, the Chuo Mitsui Trust and Banking Company, as the trustee of the property, inherited this lawsuit.

According to the settlement, Seibu’s monthly rent will be reduced, and JRF will succeed to the lease contracts between Seibu and the current sublessees of the first floor of the Aurora Mall Annex. JRF will therefore receive rent from those existing tenants that exceeds the rent received for their space from Seibu under the master lease contract.

JRF expects to receive the following rent amounts from the entire property based on the settlement:

Fiscal period ended August 31, 2006 (March to August 2006): 1,172 million yen

Fiscal period ended February 28, 2007 (September 2006 to February 2007): 1,193 million yen

Fiscal period ended August 31, 2007 and each following fiscal period: 1,303 million yen

The settlement will have no effect on the results of the fiscal period ended August 31, 2006 and the forecast for the fiscal period ended February 28, 2007 announced on October 16, 2006 is unchanged.

The lawsuit filed against the trustee by The Daiei Inc. (“Daiei”) regarding the reduction of their rent is not part of the settlement and is ongoing.

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. As of the date of this release, JRF owns 38 properties containing approximately 1.8 million square meters of leasable space. Please refer to our website at <http://www.jrf-reit.com/english/index.html> for further details.

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. Shunichi Minami (Telephone Number: 81-3-5293-7041), Senior Executive Officer at Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund.