

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

News Release – November 29, 2006

**Japan Retail Fund Investment Corporation to Acquire Diamond City Terrace in Itami City,
Hyogo Prefecture**

Japan Retail Fund Investment Corporation (TSE: 8953) announced today the planned acquisition of Diamond City Terrace for 20.3 billion yen, targeted to close on December 1, 2006. The property, opened on October 2002, consists of a five-story main building and an eight-screen cinema complex. The property has a parking capacity of 2,600 automobiles and a total floor space of approximately 137,600 square meters. Diamond City Co., Ltd. leases the entire property.

According to Yuichi Hiromoto, President and Chief Executive Officer of Mitsubishi Corp.-UBS Realty Inc., Asset Manager for Japan Retail Fund, "Diamond City Terrace fits well into our acquisition strategy. The property has a 16-year master lease contract and is expected to generate a stable and attractive income stream for our investors." The property is located ten kilometers from the center of Osaka, one kilometer from Osaka International Airport and is served by several important transport routes, including a national highway and several main regional roads that bring in significant customer traffic. A population of approximately 190,000 resides within three kilometers of the property and approximately 730,000 reside within five kilometers.

The property is anchored and master leased by Diamond City, which subleases its space to JUSCO (a subsidiary of publicly-traded Aeon), cinema operator Itami TOHO PLEX and over 150 of specialty stores. Diamond City is a real estate company that focuses on the development and management of shopping centers. Diamond City is the property manager for ESPA Kawasaki, Abiko Shopping Plaza, Nara Family, Kyoto Family and Diamond City Leafa, five properties in our portfolio. Diamond City is rated A- by the Japan Credit Rating Agency.

Property Information Summary:

Property name	Diamond City Terrace
Location	1-1-1 Fujinoki, Itami City, Hyogo
Land size	57,180.21 m ²
Total floor space	137,620.85 m ²
Main building summary	Five floors above ground and one basement floor
Major tenant	JUSCO

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 40 properties containing approximately 1.9 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.