



Press Release

Structured Finance Ratings & Research

For immediate release

Media Contact: Kyota Narimatsu

Tel: (81) 3-4550 -8411

Fax: (81) 3-4550 -8740

Marunouchi Kitaguchi Bldg. 28F, 1-6-5 Marunouchi,

Chiyoda-ku, Tokyo 100-0005

tokyo_pressroom@standardandpoors.com

S&P: JRF's Proposed Fifth And Sixth Senior Unsecured Bonds Assigned 'A+' Ratings

Tokyo, May 16, 2007 – Standard & Poor's Ratings Services said today that it had assigned its 'A+' ratings to Japan Retail Fund Investment Corp.'s (JRF) proposed ¥20 billion fifth senior unsecured bonds, due May 2012, and its ¥15 billion sixth senior unsecured bonds, due May 2017. At the same time, Standard & Poor's affirmed its 'A+' long-term and 'A-1' short-term corporate credit ratings on JRF. The outlook on the long-term rating is stable. Standard & Poor's also affirmed its ratings on JRF's outstanding bonds, the aggregate ¥65 billion first to fourth senior unsecured bonds.

The ratings on JRF reflect its strong business position and relatively conservative financial profile, as well as the conservative nature of J-REIT structures. The company is a top-tier J-REIT in terms of the size and market capital of its assets. JRF has a high-quality portfolio of retail properties. Its sponsors are Mitsubishi Corp. (A/Stable/A-1) and UBS AG (AA+/Stable/A-1+). JRF has maintained relatively high profitability and a relatively solid financial profile. The portfolio generates stable cash flow, given that the majority of real estate properties in it are leased under long-term contracts, and that the occupancy ratio of the real estate in the portfolio is maintained at about 99.9%.

As of Feb. 28, 2007, the last day of JRF's tenth accounting period, JRF owned 41 retail properties with a total acquisition value of about ¥448.5 billion. Since then, JRF has purchased ESPA Kawasaki Annex, an office/retail building and parking lots, for ¥5.6 billion in March 2007. JRF also plans to acquire Oyama Yuen Harvest Walk for ¥10.2 billion in July 2007, Urawa PARCO (provisional name) for about ¥27.3 billion in December 2007, Jingumae 4-chome East project (provisional name) for about ¥2.2 billion in March 2008, Jingumae 4-chome West project (provisional name) for ¥3.4 billion in April 2008, and Ario Otori for about ¥19.1 billion in May 2008. The construction of an additional building at Wonder city is expected to be completed in August 2007. Incorporating all of the properties it plans to acquire, JRF's total asset size is likely to exceed ¥500 billion.

As JRF's portfolio has grown to a certain size, the company intends to strive for internal growth by taking advantage of the scale merits of its portfolio. JRF has been working to maintain and strengthen the competitiveness of its existing portfolio via renewal work, including tenant replacement, and reorganizing retail space. At the same time, JRF intends to achieve external growth via its ample pipelines.

JRF's debt-to-capital ratio stood at about 46% as of Feb. 28, 2007 according to the company's definition, including hoshokin liabilities. It plans to keep its leverage ratio near 40%. In the short term, JRF will maintain this ratio in the low -40% to mid-40% range. Although the ratio as of the end of February 2007 was slightly higher than that targeted, JRF is expected to manage its leverage appropriately in line with company policy, as evidenced by six equity issues in the past. JRF has favorable relationships with various financial institutions, and given that all of its borrowings from financial institutions are unsecured, JRF has sufficient financial flexibility.

The stable outlook reflects expectations that JRF will steadily expand its portfolio, and will continue to generate stable revenue based on this diversified and high-quality real estate portfolio. Standard & Poor's will continue to monitor the

concentration of properties and tenants within the portfolio, its leverage control, the level of cash flow protection including repayments of hoshokin liabilities, and JRF's relatively aggressive external growth strategy.

A Japanese-language version of this media release is available on Standard & Poor's Research Online at www.researchonline.jp, or via CreditWire Japan on Bloomberg Professional at SPCJ <GO>.

Analytical Contact:

Yuji Hashimoto, Tokyo
(81) 3-4550-8275
yuji_hashimoto@standardandpoors.com

Media Contact:

Kyota Narimatsu
(81) 3-4550-8411
tokyo_pressroom@standardandpoors.com

Yumi Oikawa, Tokyo
(81) 3-4550-8775
yumi_oikawa@standardandpoors.com

Roko Izawa, Tokyo
(81) 3-4550-8674
roko_izawa@standardandpoors.com

Standard & Poor's, a division of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of financial market intelligence, including independent credit ratings, indices, risk evaluation, investment research and data. With approximately 8,500 employees, including wholly owned affiliates, located in 21 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for more than 140 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit <http://www.standardandpoors.com>

#####