

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

News Release – July 2, 2007

Japan Retail Fund Investment Corporation to Acquire New Retail Property in Sapporo, Hokkaido

Japan Retail Fund Investment Corporation (TSE: 8953) announced today its intention to acquire a retail property, tentatively called Cheers Sapporo, that will be newly constructed in Sapporo City, Hokkaido. The new building, with nine floors above ground and two basement floors, is scheduled to be completed in October 2008. Cheers Sapporo will be mainly occupied by restaurants. Japan Retail Fund intends to acquire the property in December 2008 at an acquisition price of approximately 2.75 billion yen.

Yuichi Hiromoto, President and Chief Executive Officer of Mitsubishi Corp.-UBS Realty Inc., the Asset Manager for Japan Retail Fund, said, "This decision was made with the aim of adding to the urban retail properties in the portfolio. Through such development-type properties, we are resolved to acquire new, high-quality properties while avoiding extremely competitive market conditions."

Approximately a two-minute walk from Susukino Station on the Nanboku subway line, the new property will be conveniently located in central Sapporo City. The concentration of hotels, amusement facilities and restaurants as well as the many offices on major streets nearby attract many shoppers, businesspeople and tourists to the area.

Summary of Cheers Sapporo (tentative name):

Location	Minami-sanjo Nishi 3-1, Chuo-ku, Sapporo, Hokkaido and five adjacent addresses (planned)
Land size	621.58m ²
Total floor space	5,132.50m ² (planned)
Building summary	Nine floors above ground and two basement floors
Tenants	To be decided by opening

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 41 properties containing approximately 2.1 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.