

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

News Release – April 15, 2008

**Notice Concerning Establishment of Medium-term Business Policy
for Japan Retail Fund Investment Corporation**

Japan Retail Fund Investment Corporation (“JRF”) announced today that it has established its Medium-term Business Policy for the approximately three-years through the fiscal period ending February 2011, as described below.

Details

1. Objectives of the Mid-term Business Plan

Since its listing on the Tokyo Stock Exchange in March 2002, JRF has enjoyed steady growth under its clear growth strategies. As a result of its “pursuit of critical mass” from 2002 through 2005 and focus on “portfolio diversification” from 2006 through 2007, its asset size has grown to approximately 550 billion yen as of the end of February 2008.

In the meantime, the business environment surrounding JRF has undergone dramatic changes, as exemplified by the changes in the global capital market since last year, changes in supply demand and conditions in the real estate market, and reorganization in the retail industry.

Given these changes in the external environment, JRF views the three years from its fiscal period ending August 2008 as a period of new opportunities for growth, and will work to “improve portfolio quality” primarily through replacement of selected properties and through internal growth. JRF aims to increase its unitholders’ value on a medium- to long-term perspective, by maintaining stable dividends backed by stable rental revenues over the long-term – a characteristic of JRF - and steadily enhancing asset value.

2. Description of the Mid-term Business Policy

JRF will reconfirm its management policies, and work to achieve its “basic scenario” and potentially realize further growth based on its “upside scenario.”

(1) Basic Principles

JRF is a “Core fund” that invests in quality retail properties with a long-term horizon, focusing on “low risk” and stable dividends. Based on its foundation of stable rental revenues, it will aim to achieve long-term value growth through active management of certain of its properties.

<Basic scenario>

Focus on maintaining stable dividends and increasing NAV (net asset value) per unit, not through external growth but by its “improvement of portfolio quality” through the replacement of certain properties

and internal growth in order to: (1) Maintain stable dividends of at least 30,000 yen annually, and (2) Increase FFO* per unit by 5% in three years.

*FFO (Funds from Operation) = (Net income for the fiscal period + depreciation expenses for the fiscal period + other depreciation related to real estate)

<Upside scenario>

While operating under the basic scenario shown above, JRF will work to respond to future changes in the real estate and capital markets. In doing so, when it judges that growth in asset size is possible through new acquisitions with returns surpassing the level required by the market (cost of capital), it will selectively acquire properties that help increase dividends per unit and/or NAV per unit, and aim to achieve new acquisitions totaling 150 billion yen over the next three years.

(2) Points of Focus

In order to achieve “improvement of portfolio quality,” JRF will focus on the following four points:

- 1) Analysis of current portfolio
- 2) Internal growth strategy
- 3) Criteria for property replacement and new acquisitions in line with the upside scenario, and
- 4) Financial strategy

(3) Specific Action Plans

- 1) Analysis of current portfolio

JRF will conduct analysis of the entire portfolio based on the following criteria, with property yields and qualitative analysis as the two axes.

Yield evaluation

- NOI yield
- NOI yield after depreciation

Qualitative analysis

- Qualitative analysis based on JRF standards*

*Qualitative analysis based on JRF standards: Properties are given scores after being analyzed in terms of criteria including such viewpoints as potential of the locations of the retail facilities, versatility of their use, sales trends and rent levels, and third-party assessments.

2) Internal growth strategy

● Maintain stable rental revenue

JRF will maintain stable rental revenues from suburban retail facilities.

● Renovation and leasing activities

JRF will establish “active projects,” in which it will proactively conduct renovation, redevelopment, floor area expansion and tenant replacement within the next three years in order to increase revenues.

● Plans for rent increases

JRF plans to continue to conduct rent increase negotiations at the time of rent renewal or contract expiration and tenant replacement, centering on urban retail facilities.

● Strengthening of asset management structure

- The decision-making process will be reorganized to focus on portfolio management.

(The present four committees will be reorganized to “Investment management review committee,” “Portfolio management committee” and “Compliance administration committee.”)

- A “Development Team” will be organized in the asset management group, and the group’s leasing and operating capabilities will be further strengthened.

3) Property replacement and new acquisitions in line with the upside scenario

- JRF will work for “improvement of portfolio quality” through property replacement, based on its portfolio analysis.

- Target property types for new acquisition are as follows:

Suburban type : Number 1 shopping malls in their regions

Urban type : Urban retail facilities that meet the needs of specialty stores for high street buildings (mainly in areas like Omotesando and Ginza)

4) Financial strategy

JRF will fully utilize its stable portfolio profile, and maintain its interest-bearing debt ratio at the 35-45% level and its LTV (including rental and guarantee deposits) at the 45-55% level in the medium-term.