



October 2, 2006

To whom it may concern:

Japan Real Estate Investment Corporation
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Announcement of Public Offering of Units

Please be informed that Japan Real Estate Investment Corporation (the “Corporation”) will make an additional public offering of new units as resolved by the Board of Directors at a meeting held on October 2, 2006.

1 . Public offerings of new units

- (1) Number of issues : 64,600 units
to be publicly
offered
- (2) Issue value : To be determined
(Issue value shall be determined at the Board of Directors meeting held on a date from October 16, 2006 (Mon) to October 19, 2006 (Thu). (hereinafter referred to as “price determination date”). Issue value means the value per unit the Corporation receives from underwriters.)
- (3) Aggregate amount : To be determined.
of issue price
(issue value)
- (4) Subscription : The new units shall be publicly offered and the Corporation will have the
Method following companies underwrite all the units on a firm commitment basis: Nikko Citigroup Limited (Lead manager), Nomura Securities Co., Ltd., Shinko Securities Co., Ltd., Mizuho Securities Co., Ltd., Mitsubishi UFJ Securities Co., Ltd. and Daiwa Securities SMBC Co., Ltd. (hereinafter, collectively referred to as “Underwriters”).
In addition, the publicly subscribed issue price (offering price) shall be tentatively set at the product of the closing price of a unit traded on the the Tokyo Stock Exchange on the price determination date (or nearest date if the closing price is not available on such given date), multiplied by a conversion factor of 0.90 – 1.00 (fractions omitted), and then finally determined taking into account the demand forecast.
- (5) Underwriting : Underwriters shall make payment of the aggregate amount of the
agreement issue value to the Corporation on the payment date. The price difference between issue price and issue value shall be the proceeds of each underwriter, and the Corporation will not pay an underwriting fee to underwriters.
- (6) Demand forecast : October 12, 2006 (Thu)
(bookbuilding) Through October 19, 2006 (Thu) (maximal length)
period :

Disclaimer: This document is intended to serve as a press statement to make available the information on additional public offering of units of Japan Real Estate Investment Corporation (the “Corporation”), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Corporation. Prospective unitholders are advised to read the Corporation’s prospectus for new unit issuance (and its amendments, if any) before making investment decisions for yourself.

(7) Minimum subscription unit : 1 unit (subscriptions above one unit should be multiples of one unit).

(8) Subscription period : October 20, 2006 (Fri)
through October 24, 2006 (Tue)

Please note that the above subscription period may be moved up taking into account the demand forecast. In that case, the earliest subscription period shall be October 17, 2006 (Tue) through October 19, 2006 (Thu).

(9) Payment date : October 27, 2006 (Fri)
Please note that the above payment date may be moved up, taking into account the demand forecast. In that case, the earliest payment date shall be October 24, 2006 (Tue).

(10) Delivery date : The next business day after the payment date.

(11) Offering price, issue value and other pertinent matters required for issuance of new units shall be determined at the Board of Directors meeting from now on.

(12) Each clause mentioned above is under and subject to effective notification to the relevant authorities pursuant to the Securities and Exchange Law.

2 . Change of number of units issued and outstanding upon new issuance of units

Number of units outstanding before the offering	345,400
Number of newly issued units	64,600
Number of units outstanding after the issuance of units	410,000

3 . Reason for the issuance of units (use of proceeds), etc.

- (1) Reason for the issuance of units (use of proceeds)
Net proceeds from the offerings (approximately 61,300,000,000 yen) will be used primarily for repayment of a portion of the existing borrowings and for the purchase of additional specified properties.
- (2) Change in use of proceeds from the last issuance of units
Not applicable

4 . Distribution of earnings to unitholders

- (1) Basic policy regarding distribution of earnings
The distribution of earnings is based on the cash distribution policy defined in the Articles of Incorporation.
Currently, the Corporation will not make a distribution in excess of earnings.
- (2) Distributions in past three periods

	the 7th Period From October 1, 2004 To March 31, 2005	the 8th Period From April 1, 2005 To September 30, 2005	the 9th Period From October 1, 2005 To March 31, 2006
Distribution per Unit	¥15,824	¥15,951	¥16,172

5 . Others

- (1) Placement to specified persons
Not applicable

- (2) Equity finance activities in the past three years

1) Equity finance

Unit: Million of yen

Date of issuance	Amount issued	Unitholders' capital	Remark
May 11, 2001 (Establishment)	200	200	Private placement
September 8, 2001 (Note)	81,060	81,260	Public offering
May 8, 2002	30,892	112,152	Public offering
October 25, 2003	21,295	133,448	Public offering
April 26, 2005	68,024	201,472	Public offering

(Note) Units were listed on Tokyo Stock exchange on September 10, 2001.

2) Unit price development in the past three computation periods and the latest period

Unit: Yen

	the 7th Period From October 1, 2004 To March 31, 2005	the 8th Period From April 1, 2005 To September 30, 2005	the 9th Period From October 1, 2005 To March 31, 2006	the 10th Period From April 1, 2006 To September 30, 2006
Open	874,000	860,000	895,000	1,010,000
High	893,000	1,000,000	1,070,000	1,100,000
Low	805,000	842,000	867,000	904,000
Close	875,000	915,000	1,020,000	1,000,000

- (3) Restriction period on next additional issuance of units

The Corporation has an agreement with Nikko Citigroup Limited concerning the restriction of additional issuance of units for three months from the payment date of this public offering; however Nikko Citigroup Limited has the authority to cancel all or part of this agreement or to shorten such restriction period at its discretion.

This notice is the English translation of October 2, 2006 announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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