



February 21, 2008

To whom it may concern:

Japan Real Estate Investment Corporation  
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## **Announcement of Public Offering of Units**

Announcement is hereby made that Japan Real Estate Investment Corporation (the “Company”) will make public offerings of new units as resolved by the Board of Directors at a meeting held on February 21, 2008.

### **1. Public offerings of new units**

- (1) Number of units to be newly issued : 33,000 units
- (2) Issue price : To be determined  
(Issue price shall be determined at the Board of Directors meeting held on a date from March 5, 2008 (Wed) to March 11, 2008 (Tue) [hereinafter referred to as “price determination date”]. Issue price means the value per unit the Company receives from underwriters.)
- (3) Aggregate amount of issue price : To be determined
- (4) Offer price (Subscription price) : To be determined
- (5) Subscription method : The new units shall be publicly offered and the Company will have the 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 offer price shall be tentatively set at the product of the closing price of the investment unit of the Company on 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.

Disclaimer: This document is intended to serve as a press statement to make available the information on public offerings of units of Japan Real Estate Investment Corporation (the “Company”), 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 Company. Prospective investors are advised to read the Company's prospectus for new unit issuance (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

- (6) Underwriting agreement : Underwriters shall make payment of the aggregate amount of the issue price to the Company on the payment date. The price difference between the aggregate amount of the offer price (subscription price) and the aggregate amount of the issue price shall be the proceeds of each underwriter, and the Company will not pay an underwriting fee to underwriters.
- (7) Demand forecast (bookbuilding) period : March 3, 2008 (Mon) through March 11, 2008 (Tue) (maximal length)
- (8) Minimum subscription unit : 1 unit (subscriptions above one unit should be multiples of one unit).
- (9) Subscription period : March 6, 2008 (Thu) through March 7, 2008 (Fri)  
Please note that the above subscription period may be moved down, taking into account the demand forecast. In that case, the latest subscription period shall be March 12, 2008 (Wed) through March 13, 2008 (Thu).
- (10) Payment date : March 12, 2008 (Wed)  
Please note that the above payment date may be moved down, taking into account the demand forecast. In that case, the latest payment date shall be March 18, 2008 (Tue).
- (11) Delivery date : The next business day after the payment date.
- (12) Offer price (subscription price), issue price, and other pertinent matters required for issuance of new units shall be determined at the Board of Directors meeting to be held hereafter.
- (13) Each clause mentioned above is subject to effectiveness of filing made with the relevant authorities pursuant to the Financial Instruments and Exchange Law.

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

Number of units outstanding before the offering	410,000
Number of newly issued units	33,000
Number of units outstanding after the offering	443,000

## 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 ¥37,600,000,000) will be used primarily for the purchase of additional specified assets and for repayment of a portion of the existing borrowings.
- (2) Change in use of proceeds from the last issuance of units  
Not applicable
- (3) The impact on the Company's management performance  
As per described in "Notice of Revision of Forecast Results for the 13th Period (March 31, 2008) and the 14th Period (September 30, 2008)" announced on February 21, 2008.

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#### 4. Distribution of earnings to unitholders

(1) Basic policy regarding distribution of earnings

The distribution of earnings is based on the cash distribution policy prescribed in the Articles of Incorporation. Currently, the Company will not make a distribution in excess of earnings.

(2) Distributions in past three fiscal periods

	the 10th Period From April 1, 2006 to September 30, 2006	the 11th Period From October 1, 2006 to March 31, 2007	the 12th Period From April 1, 2007 to September 30, 2007
Net income per unit (Note)	¥17,302	¥17,876	¥18,500
Dividend per unit	¥17,302	¥17,521	¥18,500
Actual payout ratio	99.9%	100.0%	99.9%

(Note) Net income per unit was calculated by dividing the net income by the weighted average number of investment units for the period.

#### 5. Others

(1) Placement to designated purchasers

Not applicable

(2) Equity finance activities in the past three years

1) Equity finance

Date of issuance	Amount issued	Total paid-in unitholders' capital after the offering	Remark
April 26, 2005	¥68,024 million	¥201,472 million	Public offering
October 24, 2006	¥63,211 million	¥264,683 million	Public offering

2) Movement of unit price in the past three fiscal periods and the latest fiscal period

	the 10th Period From April 1, 2006 to September 30, 2006	the 11th Period From October 1, 2006 to March 31, 2007	the 12th Period From April 1, 2007 to September 30, 2007	the 13th Period (Note) From October 1, 2007 to March 31, 2008
Initial price	¥1,010,000	¥1,010,000	¥1,530,000	¥1,390,000
High	¥1,100,000	¥1,590,000	¥1,730,000	¥1,550,000
Low	¥904,000	¥989,000	¥1,110,000	¥1,130,000
Closing price	¥1,000,000	¥1,560,000	¥1,380,000	¥1,230,000

(Note) The investment unit price for the 13th Period is as of February 20, 2008.

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(3) Restriction period on next additional issuance of units

The Company has an agreement with the lead manager, Nikko Citigroup Limited concerning the restriction of additional issuance of units for three months from the payment date of this public offering without obtaining prior written consent from Nikko Citigroup Limited.

However, Nikko Citigroup Limited has the authority to cancel all or part of this restriction or to shorten such restriction period at its discretion.

This notice is the English translation of the announcement in Japanese dated February 21, 2008 on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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