



November 18, 2009

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

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(TSE code: 8952)

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Announcement of Issuance of New Units and Secondary Offering of Units

Announcement is hereby made that Japan Real Estate Investment Corporation (the “Company”) will make issuance of new units and secondary offering of units as resolved by the Board of Directors at a meeting held on November 18, 2009.

1. Public offerings of new units

- (1) Number of units to be : 42,000 units
newly issued
- (2) Issue price : To be determined
(Issue price shall be determined at the Board of Directors meeting to be held on a date from December 1, 2009 (Tue) to December 4, 2009 (Fri) [hereinafter referred to as “price determination date”]. Issue price means the value per unit the Company receives from underwriters.)
- (3) Aggregate amount : To be determined
of issue price
- (4) Offer price : To be determined
(Subscription price)
- (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 Cordial Securities Inc. (Lead manager), Mizuho Securities Co., Ltd., Nomura 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

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- 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.
- (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 : November 27, 2009 (Fri) through December 4, 2009 (Fri) (maximal length)
 - (8) Minimum subscription unit : 1 unit (subscriptions above one unit should be multiples of one unit).
 - (9) Subscription period : December 2, 2009 (Wed) through December 3, 2009 (Thu)
The above subscription period may be moved down, taking into account the demand forecast. In that case, the latest subscription period shall be December 7, 2009 (Mon) through December 8, 2009 (Tue).
 - (10) Payment date : December 8, 2009 (Tue)
The above payment date may be moved down, taking into account the demand forecast. In that case, the latest payment date shall be December 11, 2009 (Fri).
 - (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. Secondary Offering (Over-allotment) (Refer to <Reference>1.below)

- (1) Offerer : Nikko Cordial Securities Inc.
- (2) Number of units to be offered : 4,200 units
The above number represents the maximum number of investment units to be offered. The number may decrease, or the secondary offering by over-allotment itself may be cancelled, depending on the degree of demand and other conditions. The number of investment units to be offered shall be determined at the Board of Directors meeting, to be held on the price determination date, in consideration of the degree of demand and other conditions.
- (3) Offer price : To be determined
(to be decided on the price determination date. The offer price is to be the same as the public offering issue price (offer price).)
- (4) Gross Proceeds : To be determined
- (5) Offering method : Nikko Cordial Securities Inc., the lead manager of the public offering, will make an offering of the maximum of 4,200 units of the Company that it borrows from Mitsubishi Estate Co., Ltd., which is an investor of the Company, in consideration of the degree of demand and other conditions in the public offering.

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- (6) Subscription period : Same as the subscription period in the public offering.
- (7) Delivery date : Same as the delivery date in the public offering.
- (8) Subscription unit : 1 unit (subscriptions above one unit should be multiples of one unit).
- (9) Offer price and other pertinent matters required for secondary offering of units shall be determined at the Board of Directors meeting to be held hereafter.
- (10) Each clause mentioned above is subject to effectiveness of filing made with the relevant authorities pursuant to the Financial Instruments and Exchange Law.

3. Issuance of new investment units by third-party allocation (Refer to <Reference>1.below)

- (1) Number of units to be newly issued : 4,200 units
- (2) Allottee and number of units to be issued : Nikko Cordial Securities Inc. 4,200 units
- (3) Issue price : To be determined
(To be decided on the price determination date. The issue price is to be the same as the public offering issue price.)
- (4) Aggregate amount of issue price : To be determined
- (5) Subscription period : December 21, 2009 (Mon)
(subscription date)
- (6) Payment date : December 22, 2009 (Tue)
- (7) Minimum subscription unit : 1 unit (subscriptions above one unit should be multiples of one unit).
- (8) Issue price and other pertinent matters required for issuance of new units by third-party allotment shall be determined at the Board of Directors meeting to be held hereafter.
- (9) Units not subscribed within the above mentioned subscription period (subscription date) shall not be issued.
- (10) If the public offer of new units is suspended, issuance of new units by a third-party allocation will also be suspended.
- (11) Each clause mentioned above is subject to effectiveness of filing made with the relevant authorities pursuant to the Financial Instruments and Exchange Law.

<Reference>

1. Secondary offering by over-allotment, etc.

A secondary offering by over-allotment may be effected by Nikko Cordial Securities Inc., the lead manager of the public offering, after considering demand and other conditions, of up to a limit of 4,200 units borrowed (hereafter “borrowed units”) from Mitsubishi Estate Co., Ltd., an investor of the Company (hereafter, “secondary offering by over-allotment”). The number of units to be offered through the secondary offering by over-allotment is the upper limit and may be reduced, or the offering through over-allotment itself may be suspended, depending on demand and other conditions.

In order to cause Nikko Cordial Securities Inc. to acquire the units of the Company necessary to repay the borrowed units by Nikko Cordial Securities Inc. in connection with the secondary offering by over-allotment, the Company resolved, at the Board of Directors’ meeting held on November 18, 2009(Wed), that 4,200 new units of the Company be issued and allocated to Nikko Cordial Securities Inc.

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(hereafter “third-party allocation”) with a payment date of December 22, 2009(Tue).

In addition, Nikko Cordial Securities, Inc. may, within the period commencing on the day immediately following the end of the application period for the public offering and the secondary offering by over-allotment and ending on December 17, 2009(Thu) (hereafter, “syndicate cover transaction period”), purchase up to the maximum number of units of the Company sold in the secondary offering by over-allotment on the Tokyo Stock Exchange (hereafter, “syndicate cover transaction”) with the aim of repaying the borrowed units. All the units of the Company procured by Nikko Cordial Securities Inc. through syndicate cover transaction will be allocated to repay the borrowed units. In the syndicate cover transaction period, Nikko Cordial Securities may, at its discretion, choose not to enter into any syndicate cover transaction, or to terminate such transaction prior to reaching the maximum number of units to be issued in the secondary offering by over-allotment.

Moreover, Nikko Cordial Securities Inc. may effect stabilization transactions in relation to the public offering and secondary offering by over-allotment, and allocate all or part of the units of the Company purchased through stabilization transactions, to repayment of the borrowed units.

Nikko Cordial Securities Inc. plans to underwrite the allocation under this issuance of new units by a third-party allocation of an number of units of the Company obtained by deducting the number of units purchased through stabilizing transaction and syndicate cover transaction that are to be used to return the borrowed units, from the number of units to be offered in the over-allotment. For this reason, the units to be issued by third-party allocation may not be subscribed in whole or in part, and as a result, the subscription right will be forfeited and the final number of units with respect to the third-party allocation may be reduced to the same extent, or the issue itself may be suspended.

Whether the secondary offering by over-allotment is exercised and the number of units to be subscribed when the secondary offering by over-allotment is exercised will be determined on the issue price determination date. In case the secondary offering by over-allotment is not exercised, Nikko Cordial Securities Inc. will not borrow units of the Company from the aforementioned investor of the Company. Consequently, in case the secondary offering by over-allotment is not exercised, Nikko Cordial Securities Inc. will not respond or apply for the third-party allocation and the subscription right will be forfeited and then issuance of new units by third-party allocation will not take place at all. Similarly, the syndicate cover transaction on the Tokyo Stock Exchange will not be exercised.

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

Number of units outstanding before the offering	443,000
Number of newly issued units by public offering	42,000
Number of units outstanding after the public offering	485,000
Number of newly issued units by third-party allotment	4,200 (Note)
Number of units outstanding after third-party allotment	489,200 (Note)

(Note)These figures are based on the assumption that the new units to be issued by third-party allotment are all applied by Nikko Cordial Securities Inc.

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

The issuance of new units was decided on in order to acquire specified assets that are conducive to the medium to long term growth of the Company while ensuring financial stability, after considering the situations of the real estate sales market, current level of LTV (Interest-bearing debt/Total assets), trend of J-REIT market and level of dividend payout.

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4. Total amount to be procured, specific use of proceeds and scheduled outlay period

(1) Total amount to be procured (approximate net balance)

¥31,832,724,000 (maximum)

(Note)1. The above figures represents the sum of ¥28,938,840,000 in net proceeds from the public offering and the ¥2,893,884,000 maximum net proceeds from the issuance of new units by third-party allotment.

(Note)2. The above-mentioned amounts are estimated amounts calculated on the basis of the closing price of the Tokyo Stock Exchange as of November 9, 2009.

(2) Specific use of proceeds and scheduled outlay period

Specific use	Amounts(million yen)	Scheduled outlay period (Note)2
i. Acquisition of additional share of Shiodome Building (Note)1	20,000	January 2010
ii. Repayment of the existing loans	Remaining funds	Until January 2010

(Note)1. For the summary of the scheduled acquisition of Shiodome Building (acquisition of the additional share), please refer to our News Release “Notice on Acquisition of Trust Beneficiary Right in Trust of Domestic Real Estate” released on November 18, 2009.

(Note)2. The procured funds will be put into fixed-term deposits or other similar facilities until the time of the scheduled outlays.

5. Designation of distributees

Not applicable

6. Outlook

Please refer to “Notice of Forecast Results for the 17th period (March 31, 2010) and the 18th period (September 30, 2010)” announced on November 18, 2009, for the outlook.

<Reference>

Forecast results for the 17th Period (released November 18, 2009) and Actual results of the 16th period (Previous period)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per unit (Excluding dividend in excess of earnings)	Dividend in excess of earnings per unit
Forecast results for the 17th Period (March 31, 2010)	million yen 21,640	million yen 10,210	million yen 8,470	million yen 8,470	yen 17,320	yen –
Actual results of the 16th Period (September 30, 2009)	million yen 21,524	million yen 10,054	million yen 8,505	million yen 8,504	yen 19,198	yen –

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7. Management conditions and states of equity finance during the three most recent fiscal periods

(1) Management conditions during the three most recent fiscal periods

	the 14th Period April 1, 2008 through September 30, 2008	the 15th Period October 1, 2008 through March 31, 2009	the 16th Period April 1, 2009 through September 30, 2009
Net income per unit (Note)	¥19,071	¥19,020	¥19,197
Dividend per unit	¥19,072	¥19,020	¥19,198
Actual payout ratio	100.0%	99.9%	100.0%
Net assets per unit	¥690,858	¥690,806	¥690,984

(Note) The net income per unit is calculated based on the average number of units during the period.

(2) Recent unit price conditions

i. Changes in unit prices in the three most recent fiscal periods

	the 14th Period April 1, 2008 through September 30, 2008	the 15th Period October 1, 2008 through March 31, 2009	the 16th Period April 1, 2009 through September 30, 2009
Initial price	¥1,170,000	¥856,000	¥763,000
High	¥1,350,000	¥926,000	¥860,000
Low	¥831,000	¥528,000	¥661,000
Closing price	¥836,000	¥756,000	¥734,000

ii. Changes in unit prices during the last six months

	May 2009	June	July	August	September	October
Initial price	¥700,000	¥728,000	¥792,000	¥797,000	¥759,000	¥734,000
High	¥743,000	¥828,000	¥860,000	¥809,000	¥778,000	¥734,000
Low	¥661,000	¥704,000	¥758,000	¥744,000	¥715,000	¥675,000
Closing price	¥734,000	¥801,000	¥792,000	¥758,000	¥734,000	¥728,000

iii. Unit prices on the business day immediately prior to the resolution date of the issuance

	November 17, 2009
Initial price	¥708,000
High	¥711,000
Low	¥705,000
Closing price	¥708,000

(3) Equity finance activities during the three most recent fiscal periods

Not applicable

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8. Others

(1) Restriction period on next additional issuance of units

The Company has an agreement with the lead manager, Nikko Cordial Securities Inc. 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 Cordial Securities Inc.

However, Nikko Cordial Securities Inc. 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 November 18, 2009 on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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