



February 10, 2011

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Taketo Yamazaki, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

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## **Notice on Acquisition of Trust Beneficiary Right in Trust of Domestic Real Estate**

Announcement is hereby made that on February 10, 2011, Japan Real Estate Investment Corporation (the “Company”) decided to acquire the following trust beneficiary right in trust of domestic real estate.

### **1. Outline of the acquisition**

- |                                |                                                            |
|--------------------------------|------------------------------------------------------------|
| 1) Asset to be acquired:       | Trust beneficiary right in trust of domestic real estate   |
| 2) Name of asset:              | Kyodo Building (Kayabacho 2Chome)                          |
| 3) Trustee:                    | The Chuo Mitsui Trust and Banking Company, Limited         |
| 4) Term of trust agreement:    | From December 22, 2005 to the end of February, 2021 (Note) |
| 5) Acquisition price:          | ¥4,410 million                                             |
| 6) Scheduled acquisition date: | March 1, 2011                                              |
| 7) Seller:                     | Nihonbashi Investment TMK                                  |
| 8) Method of Settlement:       | Lump sum payment at closing of acquisition                 |
| 9) Acquisition funds:          | Loans and own funds (scheduled)                            |

(Note) The trust agreement will be extended from the present end-December 2015 to the new date of end-February 2021 upon acquisition of the property by the Company.

### **2. Reason for the acquisition**

The Company will acquire the asset based on the basic policies and investment attitude for acquisition under the Articles of Incorporation of the Company. In particular, the following points have been highly evaluated in the determination of the acquisition.

(1) Superior location

- The Kayabacho area, one of the representative financial district in Japan, is very popular

with tenants due to its favorable office location. The area hosts the head office of a leading chemical company and several financial institutions, in particular, securities firms.

- The property enjoys a superior location, facing Shin-ohashi Street, and is located close to Kayabacho Station, served by the Tokyo Metro Tozai and Hibiya Lines, and is also within walking distance of Nihonbashi Station, served by several subway lines.

(2) High competitiveness as an office building

- Although this property was built approximately 20 years ago, it underwent a massive renovation in 2008, including exterior, interior and facilities renewal work. The property has competitive specifications as an office building, including a ceiling height of 2,600 mm plus 50 mm of OA floor and 24-hour air-conditioning facilities.

### 3. Details of the asset to be acquired

The relevant information is as set out below. The information on “area,” “structure” and “completion date” is derived from the land registry and “usage” described below is among the main usages listed in the land registry.

(1) Details of the trust beneficiary right in trust of real estate

Location		
Address shown in land registry	Land	2-1-1 Nihonbashi-Kayabacho, Chuo-ku, Tokyo
	Building	2-1-1 Nihonbashi-Kayabacho, Chuo-ku, Tokyo
Address		2-13-13 Nihonbashi-Kayabacho, Chuo-ku, Tokyo
Usage		Offices
Area		
Land	754.26 m <sup>2</sup>	
Building	5,505.80 m <sup>2</sup>	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 9 floors Below ground: 1 floor	
Completion date	April 1991	
Architect	K.K. Ono Associated Design Office	
Constructor	Shimizu Corporation	
Building confirmation and inspection body	Tokyo Metropolitan Government	
Type of ownership		
Land	Ownership	
Building	Ownership	
Acquisition price	¥4,410 million	
Appraisal value (Appraisal institution) (Appraisal date)	¥4,660 million (Daiwa Real Estate Appraisal Co., Ltd.) (as of February 1, 2011)	
PML value	3.6 % (Based on an earthquake risk assessment report issued by Tokio Marine & Nichido Risk Consulting Co., Ltd.)	
Collateral	None	
Property management company (Note 1)	Bussan Real Estate Co., Ltd. (Note 2)	

Note 1: The property management company to be entrusted after the acquisition shall be described.

Note 2: Outline of the property management company

Corporate name	Bussan Real Estate Co., Ltd.
Address of the registered head office	1-4-14 Nishi-Shinbashi, Minato-ku, Tokyo
Representative	Hiroshi Tanaka, President
Paid-in capital	¥1,000 million (as of September 30, 2010)
Major shareholder	Mitsui & Co, Ltd. (as of September 30, 2010)
Principal business	Building leasing business and building management business
Relationship with the Company or the asset management company	<p>Mitsui &amp; Co., Ltd., a shareholder that holds a 10 % stake of Japan Real Estate Asset Management Co., Ltd. (the asset management company), to which the Company entrusts the management of its assets, hold a 100 % stake in Bussan Real Estate Co., Ltd. (“Bussan Real Estate” ).</p> <p>Bussan Real Estate does not fall within the related party of the asset management company under the Order for Enforcement of the Japanese Act on Investment Trusts and Investment Corporations, but falls within the related party under the internal rules of the asset management company.</p> <p>Therefore, in entrusting the administration of the property to Bussan Real Estate, the asset management company has obtained the review and approval from the compliance committee, and undergone approval procedures at an asset management meeting, pursuant to the Rules for Related Party Transactions.</p>

(2) Tenant details

Total number of tenants	8	
Total leasable space	4,538 m <sup>2</sup>	
Total leased space	3,737 m <sup>2</sup>	
Trend in occupancy rates	September 30, 2007	69.2 %
	September 30, 2008	50.6 %
	September 30, 2009	94.0 %
	September 30, 2010	88.1 %
	Scheduled acquisition date	82.4 %
Total rent revenue and security deposit	Undisclosed due to non-approval of disclosure by tenants	
NOI (Net Operating Income)	¥ 248 million per year (Estimated under normal leasing operation)	
Depreciation	¥ 49 million per year (Estimated under normal leasing operation)	
(Notes)	<ul style="list-style-type: none"> <li>- Total number of tenants, total leasable space, total leased space and occupancy rate on the scheduled acquisition date are projections as of the scheduled acquisition date.</li> <li>- NOI is an estimated amount under normal leasing operation given the fixed property taxes and city planning taxes based on the terms and conditions of lease agreements as of the scheduled acquisition date, etc. * Estimated occupancy rate: 95.0 %</li> <li>- Depreciation represents the estimated amount under normal leasing operation.</li> <li>- The above figures (except NOI and depreciation) are based on the data provided by the seller.</li> </ul>	

(3) Specifications for rental floor space

Ceiling height	2,600 mm (partly 3,000 mm)
Standard floor area	598 m <sup>2</sup>
Office automation floor	50 mm
Electric capacity	45 VA/m <sup>2</sup>
Air conditioning system	Individual air conditioning by zones
Floor load	500 kg/m <sup>2</sup>
Others	Around-the-clock entry and exit by card security

(4) Outline of the engineering report

i. Outline of repair items

Date of report	December 17, 2010	
Preparer of report	Shimizu Corporation	
Repairing expenses/Capital expenditure for the next 15 years (Annual average)	Repairing expenses	¥ 5 million
	Capital expenditure	¥ 11 million
	Total	¥ 17 million

ii. Description concerning utilization status of asbestos

(Description on the possible use of asbestos)

Sprayed materials with asbestos	None
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**4. Outline of seller**

Corporate name	Nihonbashi Investment TMK
Address of the registered head office	3-8-21 Toranomom, Minato-ku, Tokyo
Representative	Junichi Naganawa, Director
Paid-in capital	¥16,613 million (as of January 31, 2011)
Establishment date	February 13, 2003
Major shareholder	Not disclosed due to the seller's request.
Principal business	(1)Undertaking, managing, and disposing of specified assets in accordance with an asset securitization plan under the Act on Securitization of Assets (2)Operations that occur in conjunction with and in relation to the securitization of such specified assets
Relationship with the Company or the asset management company	
Capital relationship	None in particular
Personal relationship	None in particular
Business relationship	None in particular
Applicability to related parties	None in particular

**5. Acquisition schedule**

February 10, 2011	The acquisition of the property was determined.
February 18, 2011	Execution of agreement for the acquisition of the trust beneficiary right in trust of real estate (scheduled)
March 1, 2011	Closing of acquisition (scheduled)

As the impact on the Company's management performance for the fiscal period from October 1, 2010 to March 31, 2011 is minimal, no revision of the performance forecast will be made.

This notice is the English translation of the announcement in Japanese dated February 10, 2011 on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference materials (attachments)

- Outline of appraisal report
- Photo: Outside view of Kyodo Building (Kayabacho 2Chome)
- Information map
- List of all the assets of the Company after the acquisition of this asset

(Reference) Outline of appraisal report

Appraisal value	¥4,660,000,000
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal date	February 1, 2011

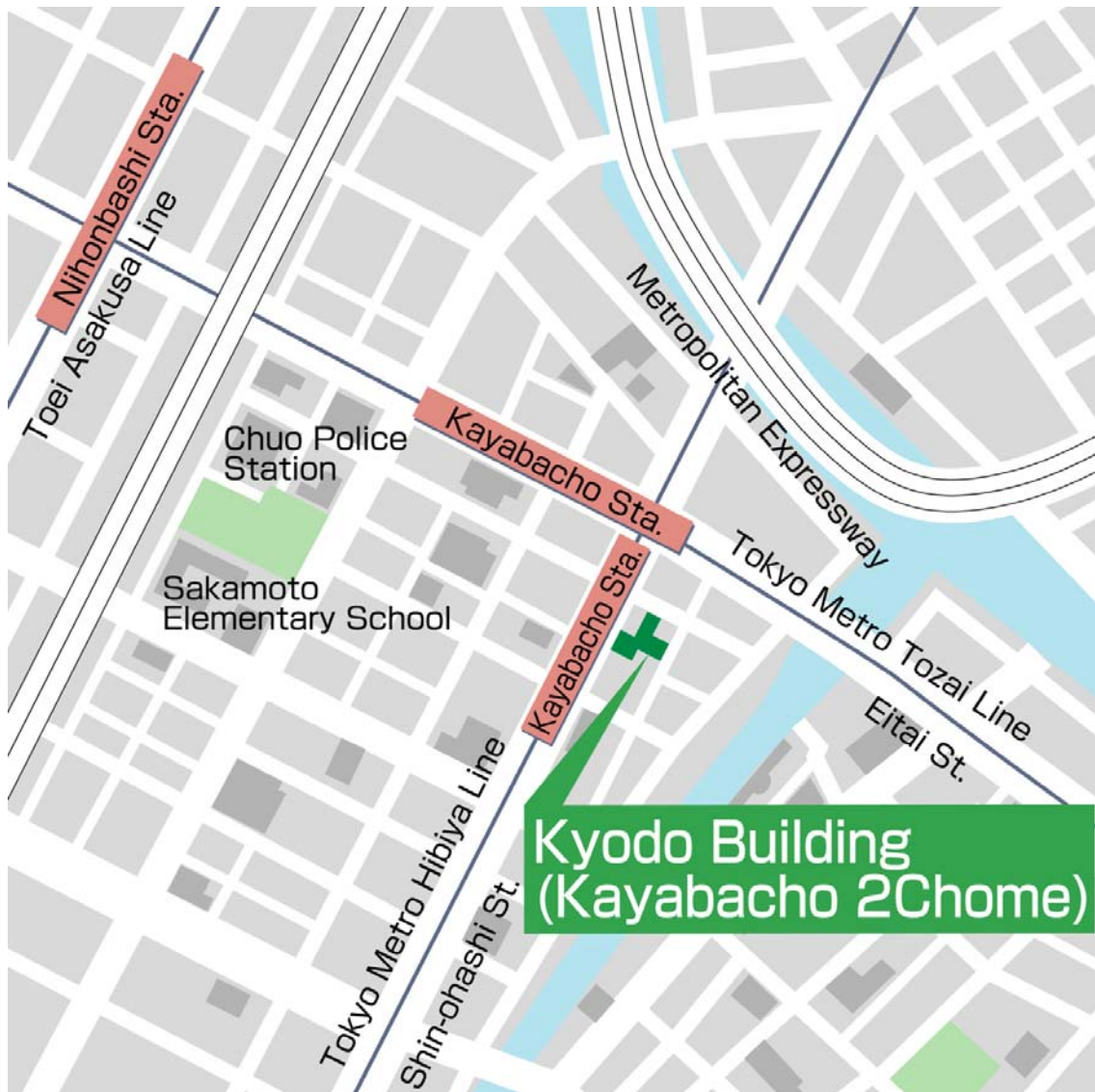
Item	Value/%
Capitalized value	¥4,660,000 thousand
Value in direct capitalization method	¥4,670,000 thousand
Net cash flow	¥219,337 thousand
Cap rate	4.7%
Value in DCF method	¥4,660,000 thousand
Discount rate	4.5%
Terminal cap rate	4.9%
Integration value	¥3,350,000 thousand
Percentage for land	74.4%
Percentage for building	25.6%

\* Values below a thousand yen are cut off.

(Reference) Photo: Outside view of Kyodo Building (Kayabacho 2Chome)



(Reference) Information map





## List of all the assets of the Company after the acquisition of this asset

Area	Name	Location	Type of asset	Acquisition date or scheduled acquisition date	Acquisition price (Note 1) (thousand yen)	Percentage of portfolio	Percentage by area
Tokyo metropolitan area (23 wards)	Genki Medical Plaza	Chiyoda-ku, Tokyo	Real property	October 31, 2002	5,000,000	0.8%	76.5%
	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	81,555,500	12.4%	
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9,520,000	1.4%	
	Kandabashi Park Building	Chiyoda-ku, Tokyo	Real property	August 15, 2002	4,810,000	0.7%	
	Nibancho Garden	Chiyoda-ku, Tokyo	Real property	April 1, 2005	14,700,000	2.2%	
	Mitsubishi UFJ Trust and Banking Building	Chiyoda-ku, Tokyo	Real property	March 28, 2007	44,700,000	6.8%	
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7,000,000	1.1%	
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	10,200,000	3.2%	
				April 3, 2006	10,700,000		
				Total	20,900,000		
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7,200,000	1.1%	
	Kodenmacho Shin-Nihonbashi Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3,173,000	0.5%	
	Kyodo Building (Kayabacho 2Chome)	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	March 1, 2011	4,410,000	0.7%	
	Burex Kyobashi Building	Chuo-ku, Tokyo	Real property	July 22, 2002	5,250,000	0.8%	
	Ginza Sanwa Building	Chuo-ku, Tokyo	Real property	March 10, 2005	16,830,000	2.6%	
	Ryoshin Ginza East Mirror Building	Chuo-ku, Tokyo	Real property	March 15, 2005	5,353,500	1.2%	
				May 24, 2010	2,645,922		
				Total	7,999,422		
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	26,800,000	4.1%	
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7,680,000	1.2%	
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	December 19, 2008	21,250,000	11.5%	
				January 15, 2010	54,600,000		
				Total	75,850,000		
	Shiba 2Chome Daimon Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	4,859,000	0.7%	
	Cosmo Kanasugibashi Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	2,808,000	0.4%	
	Shinwa Building	Shinjuku-ku, Tokyo	Real property	September 1, 2004	7,830,000	1.2%	
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9,350,000	4.8%	
				March 24, 2010	22,426,831		
				Total	31,776,831		
	Higashi-Gotanda 1Chome Building	Shinagawa-ku, Tokyo	Real property	November 1, 2004	5,500,000	0.8%	
	Osaki Front Tower	Shinagawa-ku, Tokyo	Real property	February 1, 2011	12,300,000	1.9%	
	Omori-Eki Higashiguchi Building	Ota-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	5,123,000	0.8%	
Nippon Brunswick Building	Shibuya-ku, Tokyo	Real property	March 24, 2004	6,670,000	1.0%		
Yoyogi 1Chome Building	Shibuya-ku, Tokyo	Real property	April 1, 2004	8,700,000	1.3%		
da Vinci Harajuku	Shibuya-ku, Tokyo	Real property	November 22, 2002	4,885,000	0.7%		
Jingumae Media Square Building	Shibuya-ku, Tokyo	Real property	October 9, 2003	12,200,000	1.9%		
Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	34,600,000	5.3%		
Ebisu Neonato	Shibuya-ku, Tokyo	Real property	November 14, 2003	3,740,000	0.6%		
			April 1, 2004	360,000			
			Total	4,100,000			
Harmony Tower	Nakano-ku, Tokyo	Real property	February 28, 2005	8,500,000	1.3%		
Otsuka Higashi-Ikebukuro Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3,541,000	0.5%		
Ikebukuro 2Chome Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	1,728,000	0.3%		
Ikebukuro YS Building	Toshima-ku, Tokyo	Real property	August 2, 2004	4,500,000	0.7%		

Tokyo metropolitan area (excluding 23 wards)	Hachioji First Square	Hachioji City, Tokyo	Real property	March 31, 2005	3,300,000	0.9%	8.1%
				March 19, 2008	2,379,112		
				Total	5,679,112		
	Saitama Urawa Building	Saitama City, Saitama Prefecture	Real property	September 25, 2001	1,232,000	0.4%	
				October 11, 2001	1,342,000		
Total	2,574,000						
MM Park Building	Yokohama City, Kanagawa Prefecture	Real property	March 24, 2008	37,400,000	5.7%		
Kawasaki Isago Building	Kawasaki City, Kanagawa Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	3,375,000	0.5%		
Musahi Kosugi STM Building	Kawasaki City, Kanagawa Prefecture	Real property	March 25, 2008	4,000,000	0.6%		
Total: Tokyo metropolitan area					556,026,866	84.5%	84.5%
Hokkaido	8 • 3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7,100,000	1.1%	1.1%
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1,000,000	0.2%	0.6%
				September 25, 2001	2,924,000	0.5%	
	Sendai Honcho Honma Building	Sendai City, Miyagi Prefecture	Trust beneficiary right in trust of real estate	June 28, 2006	250,000		
Total	3,174,000						
Hokuriku region	Kanazawa Park Building	Kanazawa City, Kanagawa Prefecture	Real property	February 28, 2002	2,880,000	0.7%	0.7%
				March 3, 2003	1,700,000		
				Total	4,580,000		
Chubu region	Nishiki Park Building	Nagoya City, Aichi Prefecture	Real property	October 2, 2006	3,850,000	0.8%	3.5%
				November 1, 2006	1,300,000		
				Total	5,150,000		
	Hirokoji Sakae Building	Nagoya City, Aichi Prefecture	Real property	September 22, 2006	1,680,000	0.3%	
Nagoya Hirokoji Building	Nagoya City, Aichi Prefecture	Real property	September 10, 2001	14,533,000	2.2%		
Nagoya Misono Building	Nagoya City, Aichi Prefecture	Real property	August 8, 2003	1,865,000	0.3%		
Kinki region	Kyoto Shijo Kawaramachi Building	Kyoto City, Kyoto Prefecture	Real property	December 20, 2001	2,650,000	0.4%	6.9%
				September 1, 2008	24,000,000	3.6%	
	Shin-Fujita Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	2,264,000	0.6%	
				December 26, 2003	1,900,000		
Total	4,164,000						
Midosuji Daiwa Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	6,934,000	2.2%		
			February 28, 2002	7,380,000			
			Total	14,314,000			
Chugoku region	Lit City Building	Okayama City, Okayama Prefecture	Real property	February 1, 2006	4,650,000	0.7%	1.1%
				March 25, 2004	1,320,000		
	NHK Hiroshima Broadcasting Center Building	Hiroshima City, Hiroshima Prefecture	Real property	March 3, 2008	1,450,000	0.4%	
Total	2,770,000						
Kyushu region	Tosei Tenjin Building	Fukuoka City, Fukuoka Prefecture	Real property	September 25, 2001	1,550,000	0.2%	1.6%
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5,000,000	0.8%	
	Hinode Tenjin Building	Fukuoka City, Fukuoka Prefecture	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.6%	
Total: Other major cities					101,837,000	15.5%	15.5%
Total: Portfolio					657,863,866	100.0%	100.0%

(Note1) Acquisition prices are expressed by cutting off the numbers below a thousand.

(Note2) The acquisition price of Jingumae Media Square Building is the price of the property on the date of acquisition (October 9, 2003), including the sales cost (¥614 million) of the part of the property that was transferred on October 30, 2009.

(Note3) The Takanawadai Building, which is scheduled to be transferred on April 1, 2011, is not included in the above list.