



April 27, 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.  
Hiroshi Katayama, CEO & President  
Contact: Toru Kimura, General Manager, Planning Department  
Phone: +81-3-3211-7921

## **Notice concerning Partition of Property in Co-ownership**

Announcement is hereby made that on April 27 2011, Japan Real Estate Investment Corporation (the “Company”) decided to carry out the following “partition of property in co-ownership” transaction on the co-ownership interest of part of the floor space in the Mitsubishi UFJ Trust and Banking Building that is owned by the Company.

### **1. Outline of the transaction**

- 1) Asset to be partitioned: Domestic Real Estate
- 2) Name of asset: Mitsubishi UFJ Trust and Banking Building (the “BUILDING”)
- 3) Description of Transaction: Partition of co-ownership interest pertaining to a part of compartment units of the BUILDING
- 4) Contract date: April 28, 2011 (execution of agreement on partition of co-ownership interest) (scheduled)
- 5) Effective partition date: April 28, 2011 (scheduled)
- 6) Transaction partner: Mitsubishi Estate Co., Ltd. (the “Mitsubishi Estate”)

### **2. Framework of the transaction**

Currently, the compartment units of the 4th story below ground through the 4th story above ground and the 6th through 29th stories above ground of the BUILDING are jointly owned by the Company and Mitsubishi Estate in the ratio of 22.6 to 77.4. Based on a request from Mitsubishi Estate, the parties will carry out a “in-kind partition” on the co-ownership interest (the “Partition”) so that the economic value of the co-ownership interest held by the Company will be the same before and after the transaction.

### **3. Background and reason for the transaction**

#### **(1) Background to the transaction**

Mitsubishi Estate, a co-owner of the BUILDING, has been developing a plot of land adjacent to the BUILDING under the “Marunouchi 1-4 Project” (tentative name) and considered swapping the title to the land of the BUILDING co-owned by the Mitsubishi Estate for that of “Marunouchi 1-4 Project” (tentative

name) owned by Mitsubishi UFJ Trust and Banking Corporation (“MUTB”), a large tenant of the BUILDING.

With this background, after confirming MUTB’s request to exclusively own the lower floors of the BUILDING now being used as its headquarters office, Mitsubishi Estate proposed that the Company and Mitsubishi Estate adjust the rights relating to the co-ownership of the BUILDING in the manner of partition of the property in co-ownership pursuant to the Article 256 of the Civil Code of Japan with the aim of securing the exclusive ownership of compartment units to be transferred from Mitsubishi Estate to MUTB.

(2) Reason for the transaction

Given the above request from Mitsubishi Estate, on the basis that the value of the co-ownership interest shall be the same after the Partition, that the Company will suffer no reduction in cash flow from what it achieves now, and that the Company will not suffer any disadvantage from the Partition, the Company reached the decision to implement the Partition for the reasons shown below:

- i) There is a coincidence in the interests between MUTB and the Company: the former desires to own the lower floors of the BUILDING, whereas the latter wants to own the higher floors comprising of standard-floor office areas as lease property rather than lower floor spaces including the client reception areas.
- ii) As the Partition will be carried out at the request of MUTB, a large tenant of the BUILDING, it is expected that MUTB’s ownership in the space of the BUILDING will create a long-term relationship of trust not only as a tenant but also as a business partner, resulting in reduced exit risk and the securing of the long-term stabilization of income.

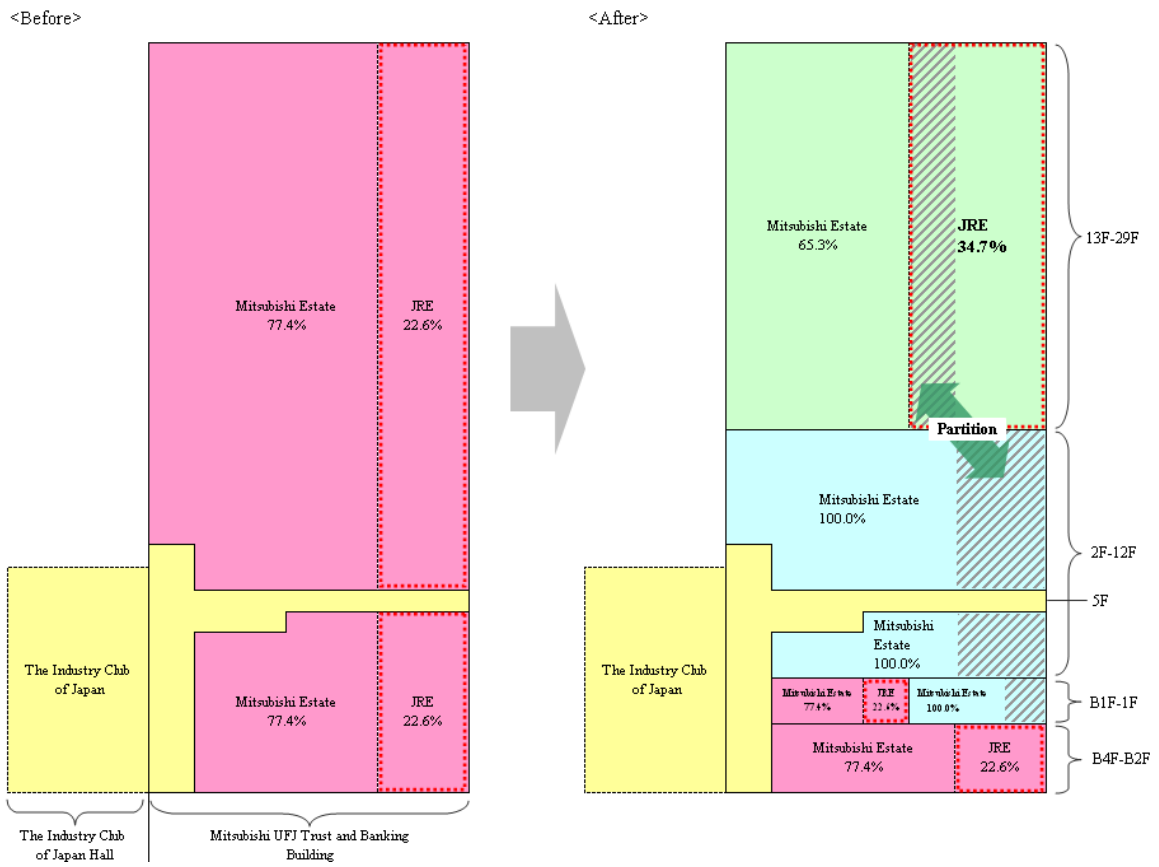
**4. Methodology for determining the Partition of co-ownership interest**

The compartment units of the 4th story below ground through the 4th story above ground and the 6th through 29th stories above ground of the BUILDING are jointly owned by the Company and Mitsubishi Estate in the ratio of 22.6 to 77.4.

The Partition is carried out in the following manner so that the property value of the ownership interest of each party will be the same before and after the Partition.

- i) The lower floor spaces (a part of the floor space of the 3rd story below ground through the 4th story above ground and the 6th through 12th stories above ground) which MUTB desires to acquire after the Partition will be exclusively owned by Mitsubishi Estate.
- ii) The Company’s co-ownership interest in the compartment units of the 13th through 29th stories above ground of the BUILDING will be increased after the Partition.
- iii) The ratio of co-ownership interest in the compartment units of the 13th through 29th stories above ground of the BUILDING will be determined so that the value of the co-ownership interest owned by each party will be the same before and after the Partition based on an appraisal value prepared by Daiwa Real Estate Appraisal Co., Ltd., a third party appraisal agency.
- iv) Accordingly, the Partition of co-ownership interest in the common area as set forth in the rules on management will be also adjusted.

<Scheme [image]>



(Note) Please note that the above scheme diagram shows a simplified image of the Partition of co-ownership interest and ignores detailed information including the floor space of the 3rd story below ground of the BUILDING (approx. 7 m<sup>2</sup>) to be exclusively owned by Mitsubishi Estate after the Partition. In addition, the diagram is representative and not to scale.

## 5. Details of property in co-ownership to be Partitioned

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) Property in co-ownership to be Partitioned

Outline of property in co-ownership to be Partitioned		
Name of property	Mitsubishi UFJ Trust and Banking Building	
Type of specified property	Real property	
Location		
Address shown in land register	Land	1-2-6, Marunouchi, Chiyoda-ku, Tokyo and other 3 lots (Note 1)
	Building	1-2-6, Marunouchi, Chiyoda-ku, Tokyo and others (Note 1)
Address	1-4-5, Marunouchi, Chiyoda-ku, Tokyo	
Usage	Office, shop	
Area		
Land	8,100.39 m <sup>2</sup> (space of the entire building premises) (Note 1)	
Building	108,171.67 m <sup>2</sup> (total floor space of the entire building) (Note 1)	
Structure	Steel-framed, steel-framed reinforced concrete structure, flat roof Above ground: 29 floors Below ground: 4 floors	
Completion date	February 2003	
Architect	Mitsubishi Jisho Sekkei, Inc.	
Constructor	Architecture: Taisei Corporation; Electricity: JV of Kodensha and Kandenko; Air conditioning: SHINRYO CORPORATION; Sanitation: Nishihara Engineering Co., Ltd.; and Elevators: Mitsubishi Electric Corporation	
Building permit agency	The Building Center of Japan (Evaluation on structure of skyscraper construction was also granted by this organization.)	
Type of Ownership		
	Before the Partition (the Company's ownership interest)	After the Partition (the Company's ownership interest)
Land	Ownership; (i) Co-ownership at the ratio of 226/1,000 in two (2) lots (700.81 m <sup>2</sup> ) and (ii) Co-ownership at the ratio of 2,795/10,000 in one (1) lot (5,085.53 m <sup>2</sup> )	Same as on the left
Building	Compartmentalized building units (Co-ownership of a part of the 4th story below ground through the 7th story above ground and the 8th through 29th stories above ground with a ratio of 226/1,000 of the total 75,824.97 m <sup>2</sup> . Co-ownership of the common area as set forth in the rules on management of the whole building at the ratio of 1,938,402/10,000,000. (Note 2)	Compartmentalized building units (Co-ownership of a part of the 4th story below ground through the 1st story above ground with a ratio of 226/1,000 of the total 4,873.33 m <sup>2</sup> . Co-ownership of the 13th through 29th stories above ground with a ratio of 347/1,000 of the total 33,648.00 m <sup>2</sup> . Co-ownership of the common area as set forth in the rules on management of the whole building at the ratio of 1,938,402/10,000,000. (Note 2)

	*Share in the building (Note 2): 19.38402%	Co-ownership of the common area as set forth in the rules on management of the BUILDING at the ratio of 226/1,000.) *Share in the building (Note 2): same as on the left
Acquisition price	44,700 million yen	Same as on the left (Note 3)
Appraisal value (Appraisal institution) (Date of appraisal)	46,500 million yen (Daiwa Real Estate Appraisal Co., Ltd.) (as of March 31, 2011) <Reference> Capitalization yield in direct capitalization method: 3.6% Discount rate in DCF method: 3.3% Final capitalization yield: 3.7%	46,500 million yen (Daiwa Real Estate Appraisal Co., Ltd.) (as of March 31, 2011) <Reference> Capitalization yield in direct capitalization method: 3.6% Discount rate in DCF method: 3.3% Final capitalization yield: 3.7%
PML value	1.4% (Based on an earthquake risk assessment report by Tokio Marine & Nichido Risk Consulting Co., Ltd.)	
Mortgage	None	
Property management company	Mitsubishi Estate Co., Ltd. (Note 4)	

Note 1: The BUILDING was constructed in conjunction with the Industry Club of Japan Hall. Therefore, the registered description and the area of land and the building include the Industry Club of Japan Hall.

Note 2: The ratio represents a percentage of the whole building comprising of the Industry Club of Japan Hall and the BUILDING.

Note 3: The acquisition price as at the initial acquisition of the BUILDING on March 28, 2007 will be carried over.

Note 4: Outline of the property management company

Corporate name	Mitsubishi Estate Co., Ltd.
Address of the registered head office	1-6-1 Otemachi, Chiyoda-ku, Tokyo
Representative	Hiroataka Sugiyama, President & CEO
Paid-in capital	¥141,373 million (as of March 31, 2011)
Major shareholder	The Master Trust Bank of Japan Ltd. (trust account) Japan Trustee Services Bank, Ltd. (trust account) Meiji Yasuda Life Insurance Company (Standing proxy: Trust & Custody Services Bank, Ltd.) (as of September 30, 2010)
Principal business	Real estate business
Relationship with the Corporation or the asset management company	Mitsubishi Estate Co., Ltd. (“Mitsubishi Estate”) is the parent company and it holds a 63 % stake of Japan Real Estate Asset Management Co., Ltd. (the “asset management company”), to which the Company entrusts the management of its assets. Mitsubishi Estate falls within the definition of related party of the asset management company under the Order for Enforcement of the Law Concerning Investment Trusts and Investment Corporations of Japan, and also falls within the definition of related party under the internal rules of the asset management company. As of September 30, 2010, Mitsubishi Estate holds 10,160 investment units of the Company (2.08% of total outstanding investment units).

## (2) Tenant details

Total number of tenants	10	
	Before the Partition (the Company's ownership interest)	After the Partition (the Company's ownership interest)
Total leasable space	11,922 m <sup>2</sup>	11,855 m <sup>2</sup>
Total leased space	11,922 m <sup>2</sup>	11,855 m <sup>2</sup>
Trend in occupancy rates	September 30, 2007	100.0 %
	September 30, 2008	100.0 %
	September 30, 2009	100.0 %
	September 30, 2010	100.0 %
	Scheduled transaction date	100.0 %
Total rent revenue and security deposit	Undisclosed due to non-approval of disclosure by the tenant	
	Before the Partition (the Company's ownership interest)	After the Partition (the Company's ownership interest)
NOI (Net Operating Income)	¥ 1,440 million per year	¥ 1,450 million per year
Depreciation	¥ 217 million per year	¥ 203 million per year
(Notes)	-Total number of tenants, total leasable space, total leased space and occupancy rate at scheduled transaction date represent estimated values on the scheduled Partition date. - NOI is the estimated value in the normal operation before and after the Partition on the scheduled Partition date. * Estimated occupancy rate: 100.0 % - Depreciation represents the estimated amount under normal operation.	

## 6. Summary of the transaction partner

The same as the outline of the property management company described in 5. (1) (Note) 4. above.

## 7. Transaction with related parties, etc.

This transaction is deemed as transactions with related parties, etc. When executing such transaction, 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.

## 8. Transaction schedule

April 27, 2011	Determination of Partition of co-ownership interest
April 28, 2011	Execution of agreement on partition of co-ownership interest (scheduled)
April 28, 2011	Execution of Partition (scheduled)

As the impact from the transaction on the performance of the Company for the fiscal period from April 1, 2011 through September 30, 2011 is minimal, there is no revision of earnings forecast due to the transaction.

This notice is the English translation of the announcement in Japanese dated April 27, 2011 on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

## Reference materials (attachments)

- List of all the assets of the Company after the Partition of this asset

## List of all the assets of the Company after the Partition 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.