

November 14, 2011

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Noritada Terasawa, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

Hiroshi Katayama, CEO & President

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## Notice on Acquisition of Domestic Real Estate

Announcement is hereby made that on November 14, 2011, Japan Real Estate Investment Corporation (the “Company”) decided to acquire the following domestic real estate.

### 1. Outline of the acquisition

- 1) Asset to be acquired: Domestic Real Estate
- 2) Name of asset: Akasaka Park Building
- 3) Acquisition price: ¥60,800 million
- 4) Scheduled acquisition date: November 15, 2011
- 5) Seller: Mitsubishi Estate Co., Ltd.
- 6) Method of Settlement: Lump sum payment at closing of acquisition
- 7) Acquisition funds: Loans and own funds (scheduled)

### 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

- Located in the Akasaka area where many foreign companies have historically established their business bases. The image of this area has been further improved in recent years by the development of “akasaka Sacas,” and diversified demand from tenants is expected into the future.
- In addition, the building commands good access to public transportation being only five minutes’ walk from Akasaka Station on the Tokyo Metro Chiyoda subway line and within walking distance of Akasaka-mitsuke Station on the Tokyo Metro Ginza and Marunouchi subway lines. Therefore, it enjoys easy access to the other main areas of central Tokyo.

#### (2) Large property with high competitiveness

- The property, with a total floor space of 29,490 tsubo for the entire building and a standard floor area of 616 tsubo, has the advantage of large scale, which may well be considered to give it

scarcity value among large-sized buildings in Chiyoda, Chuo and Minato cities.

- The property has competitive specifications as an office building which will sufficiently meet the needs of a variety of tenants, including a ceiling height of 2,700 mm plus 100 mm of OA floor, an electric capacity of 40 VA/m<sup>2</sup> and a 24-hour a day building entry system.

### 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 real property

Location		
Address shown in land registry	Land	5-214-1 Akasaka, Minato-ku, Tokyo and other 6 lots
	Building	5-214 Akasaka, Minato-ku, Tokyo and others
Address		5-2-20 Akasaka, Minato-ku, Tokyo
Usage		Office, shop, Residence
Area		
Land	14,198.20 m <sup>2</sup>	
Building	97,489.16 m <sup>2</sup>	
Structure		Steel-framed, steel-framed reinforced concrete structure, flat roof Above ground: 30 floors Below ground: 2 floors
Completion date		July 1993
Architect		Mitsubishi Real Estate First-class Registered Architect Offices
Constructor		Taisei Corporation, Obayashi Corporation, Kajima Corporation, Hazama Corporation and Maeda Corporation
Building confirmation and inspection body		Tokyo Metropolitan Government
Type of ownership		
Land	Ownership	
Building	Ownership	
Acquisition price		¥60,800 million
Appraisal value (Appraisal institution) (Appraisal date)		¥62,500 million (Daiwa Real Estate Appraisal Co., Ltd.) (as of October 1, 2011)
PML value		1.4 % (Based on an earthquake risk assessment report issued by Tokio Marine & Nichido Risk Consulting Co., Ltd.)
Collateral		None
Property management company (Note 1)		Mitsubishi 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

The same as the outline of seller described in 4. below.

(2) Tenant details

Total number of tenants	22	
Total leasable space	45,031 m <sup>2</sup>	
Total leased space	44,908 m <sup>2</sup>	
Trend in occupancy rates	September 30, 2009	96.9 %
	March 31, 2010	97.8 %
	September 30, 2010	98.1 %
	March 31, 2011	99.8 %
	September 30, 2011	99.7 %
	Scheduled acquisition date	99.7 %
NOI (Net Operating Income)	¥ 2,833 million per year (Estimated under normal leasing operation)	
Depreciation	¥ 743 million per year (Estimated under normal leasing operation)	
(Notes)	<p>-The Company, upon acquisition of the building, will lease the entire space in the building except the residential portion to Mitsubishi Estate Co., Ltd, the seller of this property, who will sublease the space to tenants.</p> <p>-Total number of tenants, total leasable space, total leased space and occupancy rate on the scheduled acquisition date are estimated values as of November 15, 2011 based on projections dated October 31, 2011. Total number of tenants, total leasable space, total leased space and recent occupancy rates do not include the residential portion. The tenant for the residential space is Mitsubishi Real Estate Services Co., Ltd. (sole lessee), with whom a master lease agreement is to be concluded on the scheduled acquisition date, thus the total leasable space will be 10,780 m<sup>2</sup>, total leased space will be 10,780 m<sup>2</sup>, and the occupancy rate will be 100% (The estimated values as of November 15, 2011, based on projections dated September 30, 2011, are: subtenants (sublessees) number: 60; total sub-leased area: 8,209 m<sup>2</sup>; and occupancy rate: 76.2%).</p> <p>- NOI is an estimated amount under normal 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 % (office, shop) / 85.0 % (residence)</p> <p>- Depreciation represents the estimated amount under normal operation.</p> <p>- The above figures (except NOI and depreciation) are based on the data provided by the seller.</p>	

(3) Specifications for rental floor space

Ceiling height	2,700 mm (partly 3,000 mm)
Standard floor area	616 tsubo
Office automation floor	100 mm
Electric capacity	40 VA/m <sup>2</sup>
Air conditioning system	Central air conditioning system (multiple zoning per floor)
Floor load	300 kg/m <sup>2</sup>
Others	Around-the-clock security by manned guarding Around-the-clock entry and exit

(4) Outline of the engineering report

i. Outline of repair items

Date of report	September 12, 2011	
Preparer of report	Shimizu Corporation	
Repairing expenses/Capital expenditure for the next 15 years (Annual average)	Repairing expenses	¥ 104 million
	Capital expenditure	¥ 278 million
	Total	¥ 383 million

ii. Description concerning utilization status of asbestos

(Description on the possible use of asbestos)

Sprayed materials with asbestos	According to the engineering report, the use of wet sprayed refractory coating materials containing asbestos is confirmed in part of the building. However, the report states that there is almost no need for concern about asbestos-scattering in the normal state of use, given that such refractory coating materials are firmly fixed, and work to remove, contain, or enclose them is currently underway. Therefore, the Company recognizes that there should be no environmental problem associated with asbestos in the property to be acquired.
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**4. Outline of seller**

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 September 30, 2011)
Establishment date	May 7, 1937
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 March 31, 2011)
Principal business	Real estate business
Relationship with the Corporation or the asset management company	
Capital relationship	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. As of September 30, 2011, Mitsubishi Estate holds 10,160 investment units of the Company (2.08% of total outstanding investment units).
Personal relationship	Mitsubishi Estate has dispatched some employees to the asset management company.
Business relationship	Mitsubishi Estate is a lessee, etc., of the properties owned by the Company. In addition, effective April 28, 2011, the Company executed a contract with Mitsubishi Estate concerning the partition of co-ownership interest pertaining to a part of the units of the Mitsubishi UFJ Trust and Banking Building that is partially owned by the Company.
Applicability to related parties	Mitsubishi Estate does not fall within the definition of related party (defined under the Regulation for Terminology, Forms and Preparation of Financial Statements) of the Company. Mitsubishi Estate falls within the definition of related party of the asset management company. Furthermore, Mitsubishi Estate falls within the definition of related party of the asset management company under the Order for Enforcement of the Japanese Act on Investment Trusts and Investment Corporations, and also falls within the definition of related party under the internal rules of the asset management company.

#### 5. Information on property owners, etc.

Name of property (Address)	Akasaka Park Building (5-2-20, Akasaka, Minato-ku, Tokyo)
Previous property owner	
Corporate name	Mitsubishi Estate Co., Ltd.
Relationship with related parties	Reference to above 4. <b>Outline of seller</b>
Reason for acquisition, etc.	Newly built in July 1993
Acquisition price	-
Acquisition date	-

#### 6. 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.

#### 7. Acquisition schedule

November 14, 2011 The property acquisition was determined. Execution of agreement  
November 15, 2011 Closing of acquisition

## 8. Performance projection

The Company's performance projection for the term ending March 2012 (from October 1, 2011 through March 31, 2012), given the acquisition of the property, is now under review, and it will be released in the Announcement of Twentieth Fiscal Period Results ended September 2011 (REIT) in Japanese dated November 21, 2011.

This notice is the English translation of the announcement in Japanese dated November 14, 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 Akasaka Park Building
- Information map
- List of all the assets of the Company after the acquisition of this asset

(Reference) Outline of appraisal report

Appraisal value	¥62,500,000 thousand
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal date	October 1, 2011

Item	Value/%
Capitalized value	¥62,500,000 thousand
Value in direct capitalization method	¥62,600,000 thousand
Net cash flow	¥2,665,046 thousand
Cap rate	4.2%
Value in DCF method	¥62,500,000 thousand
Discount rate	4.0%
Terminal cap rate	4.4%
Integration value	¥60,700,000 thousand
Percentage for land	77.9%
Percentage for building	22.1%

\* Values below a thousand yen are cut off.

(Reference) Photo: Outside view of Akasaka Park Building



(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	0.7%	78.5%
	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	81,555,500	11.3%	
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9,520,000	1.3%	
	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	2.0%	
	Mitsubishi UFJ Trust and Banking Building	Chiyoda-ku, Tokyo	Real property	March 28, 2007	44,700,000	6.2%	
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7,000,000	1.0%	
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	10,200,000	2.9%	
				April 3, 2006	10,700,000		
				Total	20,900,000		
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7,200,000	1.0%	
	Kodenmachi Shin-Nihonbashi Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3,173,000	0.4%	
	Kyodo Building (Kayabacho 2Chome)	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	March 1, 2011	4,410,000	0.6%	
	Burex Kyobashi Building	Chuo-ku, Tokyo	Real property	July 22, 2002	5,250,000	0.7%	
	Ginza Sanwa Building	Chuo-ku, Tokyo	Real property	March 10, 2005	16,830,000	2.3%	
	Ryoshin Ginza East Mirror Building	Chuo-ku, Tokyo	Real property	March 15, 2005	5,353,500	1.1%	
				May 24, 2010	2,645,922		
				Total	7,999,422		
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	26,800,000	3.7%	
	Akasaka Park Building	Minato-ku, Tokyo	Real Property	November 15, 2011	60,800,000	8.5%	
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7,680,000	1.1%	
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	December 19, 2008	21,250,000	10.6%	
				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	1.1%	
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9,350,000	4.4%	
				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	1.7%		
Omori-Eki Higashiguchi Building	Ota-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	5,123,000	0.7%		
Nippon Brunswick Building	Shibuya-ku, Tokyo	Real property	March 24, 2004	6,670,000	0.9%		
Yoyogi 1Chome Building	Shibuya-ku, Tokyo	Real property	April 1, 2004	8,700,000	1.2%		
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	1.7%		
Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	34,600,000	4.8%		
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	1.2%		
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	0.2%	
	Ikebukuro YS Building	Toshima-ku, Tokyo	Real property	August 2, 2004	4,500,000	0.6%	
Tokyo metropolitan area (excluding 23 wards)	Hachioji First Square	Hachioji City, Tokyo	Real property	March 31, 2005	3,300,000	0.8%	7.4%
				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	5.2%		
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					616,826,866	85.8%	85.8%
Hokkaido	8 • 3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7,100,000	1.0%	1.0%
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1,000,000	0.1%	0.6%
				September 25, 2001	2,924,000	0.4%	
				June 28, 2006	250,000		
				Total	3,174,000		
Hokuriku region	Kanazawa Park Building	Kanazawa City, Ishikawa Prefecture	Real property	February 28, 2002	2,880,000	0.6%	0.6%
				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	0.7%	3.2%
				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	0.2%	
Nagoya Hirokoji Building	Nagoya City, Aichi Prefecture	Real property	September 10, 2001	14,533,000	2.0%		
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%	6.3%
				September 1, 2008	24,000,000	3.3%	
	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	2.0%		
			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	0.6%	1.0%
				March 25, 2004	1,320,000	0.4%	
				March 3, 2008	1,450,000		
				Total	2,770,000		
Kyushu region	Tosei Tenjin Building	Fukuoka City, Fukuoka Prefecture	Real property	September 25, 2001	1,550,000	0.2%	1.4%
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5,000,000	0.7%	
	Hinode Tenjin Building	Fukuoka City, Fukuoka Prefecture	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.5%	
Total: Other major cities					101,837,000	14.2%	14.2%
Total: Portfolio					718,663,866	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.