



December 17, 2012

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.

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Notice on Acquisition of Domestic Real Estate

Announcement is hereby made that on December 17, 2012, Japan Real Estate Investment Corporation (the “Company”) decided to acquire the following domestic real estate property.

1. Outline of the acquisition

- 1) Asset to be acquired: Domestic Real Estate
Land: Ownership (share of co-ownership)
Building: Compartmentalized building units and co-ownership of compartmentalized building units
(ownership percentage for building: 2.859811%) (Note 1)
- 2) Name of asset: Harmony Tower
- 3) Acquisition price: ¥ 520 million
- 4) Scheduled acquisition date: December 19, 2012 (scheduled)
- 5) Seller: 4 individuals (Note 2)
- 6) Method of Settlement: Lump sum payment at closing of acquisition
- 7) Acquisition funds: Own funds (scheduled)

Note 1: The Company acquired a share of ownership of the property (29.253305% of the share of ownership of the building) on February 28, 2005. Following the above acquisition of an additional share, the Company’s share of ownership of the building will be 32.113115%.

Note 2: Details of the sellers are not disclosed due to non-approval of disclosure by individuals of the sellers.

2. Reason for the acquisition

The Company will acquire the assets 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) Improvements in efficiency of property management and operation as well as asset value

- Since the Company currently holds a share of ownership of the property (29.253305% of the share of ownership of the building), it is aware of the characteristics and details of management and operation of this property as a compartmentalized building unit title holder. The Company is therefore positioned to expeditiously acquire an additional share in the property while, to a certain extent, mitigating the risk of acquiring the asset. Moreover, improvements in efficiency of property management and operation as well as the asset value can be expected with the Company increasing its share in the property. In addition the Company is granted the preferential negotiating right to acquire other co-owners' shares.

(2) Superior location

- This property is located in the center of the Nakanosakaue area, which is adjacent to the area of skyscrapers in Nishishinjuku and increasingly recognized as a new office zone. Also, it is directly connected to Nakanosakaue Station, which provides access to multiple subway lines.
- In addition, it faces Yamate-Dori and Oume-Kaido, which are principal roads in Tokyo and provides a high level of visibility.

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	1-1000, Honcho, Nakano-ku, Tokyo and other 2 lots
	Building	1-1000, Honcho, Nakano-ku, Tokyo
Address		1-32-2, Honcho, Nakano-ku, Tokyo
Usage	Office	
Area		
Land	10,020.52 m ² (Note 1)	
Building	72,729.31 m ²	
Structure	Steel-framed, steel-framed reinforced concrete, reinforced concrete structure, flat roof Above ground: 29 floors Below ground: 2 floors	
Completion date	March 1997	
Architect	NIHON SEKKEI, Inc.	
Constructor	JV of Taisei Corporation, Obayashi Corporation, Mitsubishi Construction Corporation, Nakano Corporation Co., Ltd.	
Building confirmation and inspection body	Tokyo Metropolitan Government	
Type of ownership		
Land	Ownership (share of co-ownership: 2,826,695/100,000,000) (Note 2)	
Building	Compartmentalized building units and co-ownership of compartmentalized building units	

	Compartmentalized building units of the nineteenth floor and co-ownership of compartmentalized building units for some portions of the seventeenth floor Share of ownership of the building: 2.859811%
Acquisition price	¥520 million
Appraisal value (Appraisal institution) (Appraisal date)	¥676 million (DAIWA REAL ESTATE APPRAISAL CO., LTD.) (as of December 1, 2012)
PML value	2.0 % (Based on an earthquake risk assessment report issued by Tokyo Marine & Nichido Risk Consulting Co., Ltd.)
Collateral	None
Property management company	Mitsubishi Jisho Property Management Co., Ltd. (Note 3)

Note 1: The total land area includes 2 lots (324.00 m²) of subject property servient land based on an easement of the dominant land. This easement of the dominant land is assigned for the benefit of underground automotive access and automotive access.

Note 2: Land use rights 2.826695%

Note 3: Outline of the property management company

Corporate name	Mitsubishi Jisho Property Management Co., Ltd.
Address of the registered head office	1-12-1 Yurakucho, Chiyoda-ku, Tokyo
Representative	Yutaka Hayashi, President
Paid-in capital	¥110 million (as of March 31, 2012)
Major shareholder	Mitsubishi Estate Co., Ltd. (as of March 31, 2012)
Principal business	General management of buildings
Relationship with the Company or the asset management company	Mitsubishi Estate Co., Ltd., a parent company that 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, hold a 100 % stake in Mitsubishi Jisho Property Management Co., Ltd. (“Mitsubishi Jisho Property Management”) Mitsubishi Jisho Property Management falls within the related party of the asset management company under the Cabinet Order of the Enforcement of Law Concerning Investment Trusts and Investment Corporations of Japan, and also falls within the related party under the internal rules of the asset management company.

(2) Tenant details

Total number of tenants	2	
Total leasable space	1,068m ²	
Total leased space	1,068m ²	
Trend in occupancy rates	September 30, 2008	100.0%
	September 30, 2009	100.0%
	September 30, 2010	100.0%
	September 30, 2011	62.3%
	September 30, 2012	100.0%
	Scheduled acquisition date	100.0%
Total rent revenue	Undisclosed due to non-approval of disclosure by the tenant	
Security deposit	Undisclosed due to non-approval of disclosure by the tenant	
NOI (Net Operating Income)	¥ 35 million per year (Estimated under normal leasing operation)	
Depreciation	¥ 5 million per year (Estimated under normal leasing operation)	
(Notes)	<p>- 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.</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.</p> <p>* Estimated occupancy rate: 95.0 %</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
Standard floor area	412 tsubo
Office automation floor	75 mm
Electric capacity	50 VA/ m ²
Air conditioning system	Individual air conditioning by zones
Floor load	500 kg/ m ² (heavy-duty zone 800 kg/ m ²)
Others	Around-the-clock entry

(4) Outline of the engineering report

i. Outline of repair items

Date of report	February 23, 2010	
Preparer of report	Shimizu Corporation	
Repairing expenses/Capital expenditure for the next 15 years (Annual average for the share to be acquired by the company)	Repairing expenses	¥ 1 million
	Capital expenditure	¥ 7 million
	Total	¥ 8 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

4 individuals

* Details of the sellers are not disclosed due to non-approval of disclosure by individuals of the sellers.

5. Information on property owners, etc.

This domestic real estate was not acquired from a related party with a special relationship to the Company and/or the asset management company.

6. Outline of the brokerage

Undisclosed due to non-approval of disclosure by the broker

7. Acquisition schedule

December 17, 2012 The acquisition of the property was determined.
December 17, 2012 Execution of agreement for the acquisition of Harmony Tower (scheduled)
December 19, 2012 Closing of acquisition of Harmony Tower (scheduled)

8. Performance projection

As the impact of this property acquisition on the Corporation's management performance for the fiscal period from October 1, 2012 to March 31, 2013 is expected to be minor, no revision of the forecast for performance will be made.

This notice is the English translation of the announcement in Japanese dated December 17, 2012 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
- Information map
- Photo: Outside view of property
- List of all the assets of the Company after the acquisition of this asset

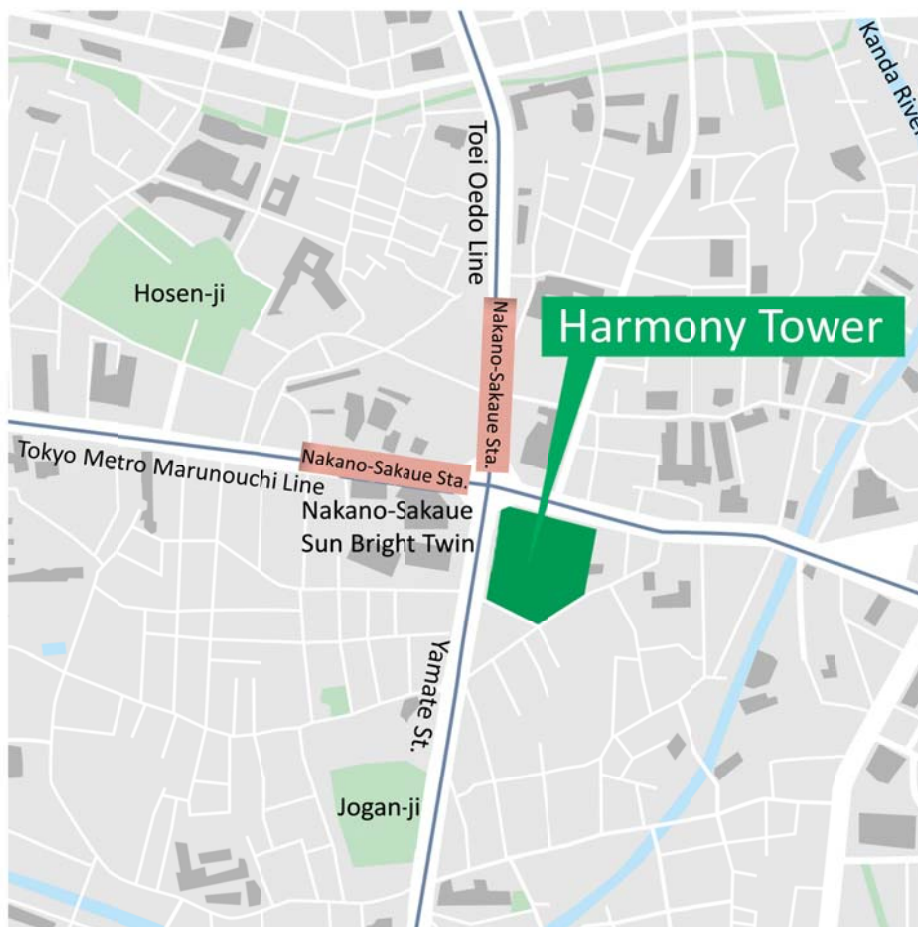
(Reference) Outline of appraisal report

Appraisal value	676 million yen
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.
Date of appraisal	December 1, 2012

Item	Value/%
Capitalized value	¥676,000 thousand
Value in direct capitalization method	¥709,000 thousand
Net cash flow	¥40,408 thousand
Cap rate	5.7%
Value in DCF method	¥662,000 thousand
Discount rate	5.5%
Terminal cap rate	5.9%
Integration value	¥726,000 thousand
Percentage for land	66.2%
Percentage for building	33.8%

* Values below a thousand yen are cut off.

(Reference) Information map



(Reference) Photo: Outside view of Harmony Tower



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	0.6%	78.9%
	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	81,555,500	10.4%	
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9,520,000	1.2%	
	Kandabashi Park Building	Chiyoda-ku, Tokyo	Real property	August 15, 2002	4,810,000	0.6%	
	Nibancho Garden	Chiyoda-ku, Tokyo	Real property	April 1, 2005	14,700,000	1.9%	
	Mitsubishi UFJ Trust and Banking Building	Chiyoda-ku, Tokyo	Real property	March 28, 2007	44,700,000	5.7%	
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7,000,000	0.9%	
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	10,200,000	2.7%	
				April 3, 2006	10,700,000		
				Total	20,900,000		
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7,200,000	0.9%	
	Kodenmacho 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	2.2%	
	Ryoshin Ginza East Mirror Building	Chuo-ku, Tokyo	Real property	March 15, 2005	5,353,500	1.0%	
				May 24, 2010	2,645,922		
				Total	7,999,422		
	Harumi Front	Chuo-ku, Tokyo	Real property	January 4, 2013	31,300,000	4.0%	
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	26,800,000	3.4%	
	Akasaka Park Building	Minato-ku, Tokyo	Real Property	November 15, 2011	60,800,000	7.8%	
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7,680,000	1.0%	
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	December 19, 2008	21,250,000	9.7%	
				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	0.6%	
	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	1.0%	
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9,350,000	4.1%	
				March 24, 2010	22,426,831		
Total				31,776,831			
TIXTOWER UENO	Taito-ku, Tokyo	Real property	June 15, 2012	22,000,000	2.8%		
Higashi-Gotanda 1Chome Building	Shinagawa-ku, Tokyo	Real property	November 1, 2004	5,500,000	0.7%		
Osaki Front Tower	Shinagawa-ku, Tokyo	Real property	February 1, 2011	12,300,000	1.6%		
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	1.1%		
da Vinci Harajuku	Shibuya-ku, Tokyo	Real property	November 22, 2002	4,885,000	0.6%		
Jingumae Media Square Building	Shibuya-ku, Tokyo	Real property	October 9, 2003	12,200,000	1.6%		

Area	Name	Location	Type of asset	Acquisition date or scheduled acquisition date	Acquisition price (Note 1) (thousand yen)	Percentage of portfolio	Percentage by area	
	Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	34,600,000	4.4%		
	Ebisu Neonato	Shibuya-ku Tokyo	Real property	November 14, 2003	3,740,000	0.5%		
				April 1, 2004	360,000			
					Total	4,100,000		
	Harmony Tower	Nakano-ku Tokyo	Real property	February 28, 2005	8,500,000	1.2%		
				December 19, 2012	520,000			
				Total	9,020,000			
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	0.7%		
				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	0.3%		
				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	4.8%	6.8%		
Kawasaki Isago Building	Kawasaki City, Kanagawa Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	3,375,000	0.4%			
Musahi Kosugi STM Building	Kawasaki City, Kanagawa Prefecture	Real property	March 25, 2008	4,000,000	0.5%			
Total: Tokyo metropolitan area					670,646,866	85.7%	85.7%	
Hokkaido	8・3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7,100,000	0.9%	0.9%	
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1,000,000	0.1%	1.8%	
	Higashi Nibancho Square	Sendai City, Miyagi Prefecture	Real property	January 7, 2013	9,950,000	1.3%		
	Sendai Honcho Honma Building	Sendai City, Miyagi Prefecture	Trust beneficiary right in trust of real estate	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%	3.0%	
				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	1.9%			
Nagoya Misono Building	Nagoya City, Aichi Prefecture	Real property	August 8, 2003	1,865,000	0.2%			
Kinki region	Kyoto Shijo Kawaramachi Building	Kyoto City, Kyoto Prefecture	Real property	December 20, 2001	2,650,000	0.3%	5.8%	
	Shin-Fujita Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 1, 2008	24,000,000	3.1%		
	Sakaisujihonmachi Building	Osaka City, Osaka Prefecture	Real property	September 25, 2001	2,264,000	0.5%		
				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	1.8%			
			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%	0.9%	

Area	Name	Location	Type of asset	Acquisition date or scheduled acquisition date	Acquisition price (Note 1) (thousand yen)	Percentage of portfolio	Percentage by area
	NHK Hiroshima Broadcasting Center Building	Hiroshima City, Hiroshima Prefecture	Real property	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%	1.3%
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5,000,000	0.6%	
	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					111,787,000	14.3%	14.3%
Total: Portfolio					782,433,866	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) "After the acquisition of this asset" refers to the condition of the portfolio after the acquisition of an additional share in Harmony Tower as of December 19, 2012 and the acquisition of Harumi Front and Higashi Nibancho Square as of January 7, 2013.