



February 29, 2016

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Hiroshi Nakajima, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

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Notice of the transfer of Domestic Real Estate

Japan Real Estate Investment Corporation (the “Company”) hereby announces that Japan Real Estate Asset Management Co., Ltd., an asset management company to which the Company entrusts the management of its assets, decided on February 29, 2016 to transfer the following domestic real estate property.

1. Outline of transfer

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| 1) Asset to be transferred: | Domestic Real Estate |
| 2) Name of asset: | Hirokoji Sakae Building |
| 3) Planned transfer price: | ¥1,850 million (Note 1) |
| 4) Nominal book value: | ¥1,681 million (Note 2) |
| 5) Difference between
planned transfer price and
nominal book value: | ¥168 million (Note 3) |
| 6) Scheduled contract date: | March 1, 2016 |
| 7) Scheduled handover date: | March 30, 2016 |
| 8) Transferee: | TOTEC AMENITY LIMITED |
| 9) Settlement method: | A 10% deposit of the planned transfer price and consumption tax on building will be paid on the scheduled contract date and the remaining amount will be paid on the scheduled handover date. |

Note 1: Expenses for transfer, property taxes, city planning taxes and consumption taxes are not included in the planned transfer price.

Note 2: The nominal book value means the nominal book value as of March 30, 2016 computed by the asset management company based on the book value at the end of the period ended September 30, 2015, the scheduled capital expenditures for up to March 30, 2016 and the nominal base depreciation for up to March 30, 2016. However it is the number rounded down to the nearest million.

Note 3: It does not mean gain or loss from the transfer as it is the reference value calculated the balance between the planned transfer price and the nominal book value. However it is the number rounded down to the nearest million.

2. Reasons for the transfer

This property is a relatively small-scale building and its building age exceeds the average building age among the Company's portfolio.

The transfer was decided after reviewing the current and future portfolio strategy taking into consideration the characteristic of the building, the profitability of the portfolio and the real estate market trend, etc. with the asset management basic policy and the investment attitude stipulated in the Article of the Company.

3. Details of the asset to be transferred

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.

Name of the asset	Hirokoji Sakae Building
Type of specified asset	Real estate
Location	4-1, 2 Chome, Sakae, Naka-ku, Nagoya City, Aichi Prefecture
Usage	Offices, shops
Area	
Land	786.79 m ²
Building	6,445.08 m ²
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 9 floors Below ground: 2 floors
Completion date	September 1987
Type of ownership	
Land	Ownership
Building	Ownership
Acquisition date	September 22, 2006
Acquisition price	¥ 1,680 million
Appraisal value at transfer (Appraisal institution) (Appraisal date)	¥ 1,640 million (Daiwa Real Estate Appraisal Co., Ltd.) (as of February 1, 2016)
Tenant details	
Total number of tenants	17 (As of February 29, 2016. The same shall apply hereafter)
Total leasable space	3,911 m ²
Total leased space	3,800 m ²
Occupancy rate	97.2 % (Note)
Total rent revenue	¥ 91,677 thousand (the September 2015 period)
Security Deposit	¥ 137,373 thousand (as of February 29, 2016)

(Note) Some leasing contracts will be terminated on March 4, 2016.

The estimated occupancy rate will be 92.1% after the termination.

4. Outline of transferee

Corporate name	TOTEC AMENITY LIMITED
Address of the registered head office	27-8, 2 Chome, Meieki, Nishi-ku, Nagoya City, Aichi Prefecture
Representative	Koji Sakai, President & CEO
Establishment date	May 20, 1971
Paid-in capital	¥180.62 million (as of February 29, 2016)
Major shareholders	Koji Sakai (31%) SAKAI Shoji (17%) Employee stock ownership (14%)
Principal Business	1. Computer services, Providing computational calculation and dispatching computer engineer 2. Selling program and consulting for development of program 3. Selling computer and computer related device etc.
Net Assets and Total Assets in the preceding fiscal period	Net assets (consolidate): ¥6,798 million (the March 2015 period) Total assets (consolidate): ¥12,662 million (same as the above)
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. Transactions with interested parties

Transactions with interested parties stipulated by the Act on Investment Trusts and Investment Corporations of Japan will not be conducted with the transfer of domestic real estate.

6. Outline of brokerage

Corporate name	Mitsubishi UFJ Trust and Banking Corporation (the“Corporation”)
Address of the registered head office	4-5, 1 Chome, Marunouchi, Chiyoda-ku, Tokyo
Representative	Tatsuo Wakabayashi, President and Chairman
Establishment date	March 10, 1927
Paid-in capital	¥324.2 billion (as of March 31, 2015)
Principal business	Trust asset business, Banking business, Stock transfer agency, Real estate business and others
Relationship with the Company or the asset management company	The Corporation will be the Administrative Agent for the Company (for the business affairs related to Articles 117, paragraph (2) to (6) of the Act on Investment Trusts and Investment Corporations of Japan other than those pertaining to investment corporation bonds) (Note). There is no other special mention matter.
Brokerage fee	Undisclosed due to non-approval of disclosure by the broker

(Note) Please see the news release “Notice concerning Change of Administrative Agent” dated on December 18, 2015 for the details.

7. Schedule for the transfer

February 29, 2016	Determination of the transfer of the property
March 1, 2016	Execution of agreement for the transfer of the property and Receipt of a deposit (Note), ¥ 190 million (scheduled)
March 30, 2016	Closing of transaction (scheduled)

(Note) The deposit shall bear no interest and will be applied to a part of the transfer price and consumption tax on building at a settlement of the balance.

8. Performance projection

As the impact of the transfer of this property on the Company’s management performance for the March 2016 period from October 1, 2015 to March 31, 2016 and the September 2016 period from April 1, 2016 to September 30, 2016 is expected to be minor, no revision of the forecast for performance will be made.

As for the gain on this transfer, a maximum of 60% of gains on disposal of land will be considered to be reserved by utilizing special taxation measure “Special Provision for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010” stipulated in Article 66-2 of the Act on Special Measures Concerning Taxation.

9. Outline of appraisal report

Name of asset	Hirokoji Sakae Building
Appraisal value	¥1,640,000 thousand
Appraisal institution	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal date	February 1, 2016

Item	Amount (thousand yen)	General Outline
Capitalization Value	1,640,000	Estimated with DCF method which is referring future net cash flow and also with the validation of capitalization value by direct method.
Direct Capitalization Value	1,670,000	
(1)Operating Revenue [①－②]	183,042	
① Annual Rent Revenue	194,688	Estimated based on level and trend of comparable cases referring to medium-to long term competitiveness etc.
② Amount of Loss due to Vacancy	11,646	Calculated with the estimation of medium-to long term sustainable vacancy rate based on a level of comparable cases and considering competitiveness etc.
(2)Operating Expenses	79,329	
Maintenance Cost for Building	23,338	Calculated maintenance cost based on the actual costs in past years. Calculated PM fee based on current contracts.
Property Management Fee	(Note)	
Brokerage Fee etc.	1,414	Monthly cost referring to comparable property cases.

Utilities Expenses	25,578	Calculated based on the actual costs in the past considering occupancy rate.
Repairing Expenses	5,333	Estimated based on annual average costs listed on the engineering reports.
Property and Other Taxes	22,502	Estimated based on the actual figures for fiscal 2015.
Casualty Insurance	738	Estimated based on comparable properties cases.
Other Expenses	423	Road occupation fee. Estimated based on the actual figures for fiscal 2015.
(3)Net Operating Income [(1)–(2)]	103,712	
(4)Profit from Managing Security Deposit	2,504	Calculated at 2% of assuming investment costs.
(5)Capital Expenditure	24,206	Estimated based on annual average expenditure listed on the engineering reports.
(6)Net Cash Flow [(3)+(4)–(5)]	82,011	
(7)Cap Rate	4.9%	Estimated based on cap rate for A class building, of which risk is the lowest, considering comparable properties and characteristics of buildings such as location and building age etc.
Discounted Cash Flow Value	1,630,000	
Discount Rate	4.7%	Estimated with reference to comparable discount rate etc.
Terminal Cap Rate	5.1%	Estimated with reference to comparable transaction yield considering a comprehensive perspective of investment yield in future trend.
Integrated Value	2,440,000	
Ratio of Land	84.3%	
Ration of Building	15.7%	

* Values below a thousand yen are cut off.

Any special considerations made in the reconciliation of estimated value and determination of the final appraisal value	None in particular
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(Note) The property management company of the subject property did not agree to disclose the property management fee. If the fee for the subject property were to be disclosed, it may impact on other deals related to the property management company, which could affect the Company to delegate effective property management service based on our policy of property maintenance and operation. This could in turn undermine the interest of our unitholders. Accordingly, maintenance costs for the building and property management fees are shown in total amount.

This notice is the English translation of the announcement in Japanese dated on February 29, 2016. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

(Reference) List of all the assets of the Company after the transfer of this asset

Area	Name	Location	Type of asset	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, 0 0 0, 0 0 0	0. 5 %	7 4. 4 %	
	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	8 1, 5 5 5, 5 0 0	8. 8 %		
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9, 5 2 0, 0 0 0	1. 0 %		
	Kandabashi Park Building	Chiyoda-ku, Tokyo	Real property	August 15, 2002	4, 8 1 0, 0 0 0	0. 5 %		
	Otemachi Financial City North Tower	Chiyoda-ku, Tokyo	Real property	March 31, 2014	1 5, 4 6 2, 9 0 0	1. 7 %		
	Nibancho Garden	Chiyoda-ku, Tokyo	Real property	April 1, 2005	1 4, 7 0 0, 0 0 0	1. 6 %		
	Mitsubishi UFJ Trust and Banking Building	Chiyoda-ku, Tokyo	Real property	March 28, 2007	4 4, 7 0 0, 0 0 0	4. 8 %		
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7, 0 0 0, 0 0 0	0. 8 %		
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	1 0, 2 0 0, 0 0 0	2. 3 %		
				April 3, 2006	1 0, 7 0 0, 0 0 0			
				Total	2 0, 9 0 0, 0 0 0			
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7, 2 0 0, 0 0 0	0. 8 %		
	Kodenmacho Shin-Nihonbashi Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3, 1 7 3, 0 0 0	0. 3 %		
	Kyodo Building (Kayabacho 2Chome)	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	March 1, 2011	4, 4 1 0, 0 0 0	0. 5 %		
	Burex Kyobashi Building	Chuo-ku, Tokyo	Real property	July 22, 2002	5, 2 5 0, 0 0 0	0. 6 %		
	Ginza 1 chome East Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	March 2, 2015	6, 4 5 9, 0 0 0	0. 7 %		
	Ginza Sanwa Building	Chuo-ku, Tokyo	Real property	March 10, 2005	1 6, 8 3 0, 0 0 0	1. 8 %		
	Ryoshin Ginza East Mirror Building	Chuo-ku, Tokyo	Real property	March 15, 2005	5, 3 5 3, 5 0 0	0. 9 %		
				May 24, 2010	2, 6 4 5, 9 2 2			
				Total	7, 9 9 9, 4 2 2			
	Harumi Front	Chuo-ku, Tokyo	Real property	January 7, 2013	3 1, 3 0 0, 0 0 0	3. 4 %		
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	2 6, 8 0 0, 0 0 0	2. 9 %		
	Akasaka Park Building	Minato-ku, Tokyo	Real property	November 15, 2011	6 0, 8 0 0, 0 0 0	6. 6 %		
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7, 6 8 0, 0 0 0	0. 8 %		
	Clover Shiba-koen	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	January 20, 2015	4, 5 0 0, 0 0 0	0. 5 %		
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	December 19, 2008	2 1, 2 5 0, 0 0 0	9. 3 %		
				January 15, 2010	5 4, 6 0 0, 0 0 0			
				May 1, 2015	1 0, 1 0 0, 0 0 0			
				Total	8 5, 9 5 0, 0 0 0			
	Shiba 2Chome Daimon Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	4, 8 5 9, 0 0 0	0. 5 %		
	Cosmo Kanasugibashi Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	2, 8 0 8, 0 0 0	0. 3 %		
	Shinjuku Eastside Square	Shinjuku-ku, Tokyo	Real property	October 1, 2014	2 3, 1 0 0, 0 0 0	2. 5 %		
	Shinwa Building	Shinjuku-ku, Tokyo	Real property	September 1, 2004	7, 8 3 0, 0 0 0	0. 8 %		
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9, 3 5 0, 0 0 0	3. 4 %		
				March 24, 2010	2 2, 4 2 6, 8 3 1			
				Total	3 1, 7 7 6, 8 3 1			
TIKTOWER UENO	Taito-ku, Tokyo	Real property	June 15, 2012	2 2, 0 0 0, 0 0 0	2. 4 %			
Higashi-Gotanda 1Chome Building	Shinagawa-ku, Tokyo	Real property	November 1, 2004	5, 5 0 0, 0 0 0	0. 6 %			
Osaki Front Tower	Shinagawa-ku, Tokyo	Real property	February 1, 2011	1 2, 3 0 0, 0 0 0	1. 3 %			
Omori-Eki Higashiguchi Building	Ota-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	5, 1 2 3, 0 0 0	0. 6 %			
Nippon Brunswick Building (Land with leasehold interest)	Shibuya-ku, Tokyo	Real property	March 24, 2004	6, 6 7 0, 0 0 0	0. 6 %			
			August 23, 2013	1, 1 7 0, 0 0 0				
			Total	5, 5 0 0, 0 0 0				
Yoyogi 1Chome Building	Shibuya-ku, Tokyo	Real property	April 1, 2004	8, 7 0 0, 0 0 0	0. 9 %			
da Vinci Harajuku	Shibuya-ku, Tokyo	Real property	November 22, 2002	4, 8 8 5, 0 0 0	0. 5 %			
Jingumae Media Square Building	Shibuya-ku, Tokyo	Real property	October 9, 2003	1 2, 2 0 0, 0 0 0	1. 3 %			
Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	3 4, 6 0 0, 0 0 0	3. 7 %			
Ebisu Neonato	Shibuya-ku, Tokyo	Real property	November 14, 2003	3, 7 4 0, 0 0 0	1. 6 %			
			April 1, 2004	3 6 0, 0 0 0				
			February 18, 2014	1 0, 5 1 2, 0 0 0				
			Total	1 4, 6 1 2, 0 0 0				
Harmony Tower	Nakano-ku Tokyo	Real property	February 28, 2005	8, 5 0 0, 0 0 0	1. 2 %			
			December 19, 2012	5 2 0, 0 0 0				
			March 27, 2015	2, 1 0 0, 0 0 0				
			Total	1 1, 1 2 0, 0 0 0				
Otsuka Higashi-Ikebukuro Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3, 5 4 1, 0 0 0	0. 4 %			
Ikebukuro 2Chome Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	1, 7 2 8, 0 0 0	0. 2 %			
Ikebukuro YS Building	Toshima-ku, Tokyo	Real property	August 2, 2004	4, 5 0 0, 0 0 0	0. 5 %			
Tokyo metropolitan area (excluding 23 wards)	Hachioji First Square	Hachioji City, Tokyo	Real property	March 31, 2005	3, 3 0 0, 0 0 0	0. 6 %	7. 6 %	
				March 19, 2008	2, 3 7 9, 1 1 2			
				Total	5, 6 7 9, 1 1 2			
	Saitama Urawa Building	Saitama City, Saitama Prefecture	Real property	September 25, 2001	1, 2 3 2, 0 0 0	0. 3 %		
				October 11, 2001	1, 3 4 2, 0 0 0			
				Total	2, 5 7 4, 0 0 0			
	MM Park Building	Yokohama City, Kanagawa Prefecture	Real property	March 24, 2008	3 7, 4 0 0, 0 0 0	4. 0 %		
	Queen's Tower A	Yokohama City, Kanagawa Prefecture	Trust beneficiary right in trust of real estate	January 31, 2014	1 7, 2 0 0, 0 0 0	1. 9 %		
	Kawasaki Isago Building	Kawasaki City, Kanagawa Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	3, 3 7 5, 0 0 0	0. 4 %		
	Musahi Kosugi STM Building	Kawasaki City, Kanagawa Prefecture	Real property	March 25, 2008	4, 0 0 0, 0 0 0	0. 4 %		
Total: Tokyo metropolitan area					7 5 8, 9 1 0, 7 6 6	8 1. 9 %	8 1. 9 %	

Area	Name	Location	Type of asset	Acquisition date	Acquisition price (Note 1) (thousand yen)	Percentage of portfolio	Percentage by area
Hokkaido	8・3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7, 1 0 0, 0 0 0	0. 8 %	0. 8 %
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1, 0 0 0, 0 0 0	0. 1 %	3. 5 %
	Higashi Nibancho Square	Sendai City, Miyagi Prefecture	Real property	January 7, 2013	9, 9 5 0, 0 0 0	1. 1 %	
	Sendai Honcho Honma Building	Sendai City, Miyagi Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001 June 28, 2006 total	2, 9 2 4, 0 0 0 2 5 0, 0 0 0 3, 1 7 4, 0 0 0	0. 3 %	
	AER	Sendai City, Miyagi Prefecture	Real property	September 1, 2015	1 8, 6 4 0, 0 0 0	2. 0 %	
Hokuriku region	Kanazawa Park Building	Kanazawa City, Ishikawa Prefecture	Real property	February 28, 2002 March 3, 2003 total	2, 8 8 0, 0 0 0 1, 7 0 0, 0 0 0 4, 5 8 0, 0 0 0	0. 5 %	0. 5 %
Chubu region	Nishiki Park Building	Nagoya City, Aichi Prefecture	Real property	October 2, 2006 November 1, 2006 June 9, 2014 total	3, 8 5 0, 0 0 0 1, 3 0 0, 0 0 0 6 5 0, 0 0 0 5, 8 0 0, 0 0 0	0. 6 %	3. 3 %
	Nagoya Hirokoji Place	Nagoya City, Aichi Prefecture	Trust beneficiary right in trust of real estate	July 31, 2013	8, 5 6 7, 0 0 0	0. 9 %	
	Nagoya Hirokoji Building	Nagoya City, Aichi Prefecture	Real property	September 10, 2001	1 4, 5 3 3, 0 0 0	1. 6 %	
	Nagoya Misono Building	Nagoya City, Aichi Prefecture	Real property	August 8, 2003	1, 8 6 5, 0 0 0	0. 2 %	
Kinki region	Shijo Karasuma Center Building	Kyoto City, Kyoto Prefecture	Real property	September 3, 2013	4, 4 0 0, 0 0 0	0. 5 %	8. 0 %
	Kyoto Shijo Kawaramachi Building	Kyoto City, Kyoto Prefecture	Real property	December 20, 2001	2, 6 5 0, 0 0 0	0. 3 %	
	Umeda Square Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	April 1, 2015	1 5, 5 2 3, 5 2 0	1. 7 %	
	Shin-Fujita Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 1, 2008	2 4, 0 0 0, 0 0 0	2. 6 %	
	Sakaisujihonmachi Building	Osaka City, Osaka Prefecture	Real property	September 25, 2001 December 26, 2003 total	2, 2 6 4, 0 0 0 1, 9 0 0, 0 0 0 4, 1 6 4, 0 0 0	0. 4 %	
	Midosuji Daiwa Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001 February 28, 2002 total	6, 9 3 4, 0 0 0 7, 3 8 0, 0 0 0 1 4, 3 1 4, 0 0 0	1. 5 %	
	Amagasaki Front Building	Amagasaki City, Hyogo Prefecture	Trust beneficiary right in trust of real estate	March 25, 2015	9, 3 0 0, 0 0 0	1. 0 %	
Chugoku region	Lit City Building	Okayama City, Okayama Prefecture	Real property	February 1, 2006	4, 6 5 0, 0 0 0	0. 5 %	0. 8 %
	NHK Hiroshima Broadcasting Center Building	Hiroshima City, Hiroshima Prefecture	Real property	March 25, 2004 March 3, 2008 total	1, 3 2 0, 0 0 0 1, 4 5 0, 0 0 0 2, 7 7 0, 0 0 0	0. 3 %	
Kyushu region	Tosei Tenjin Building	Fukuoka City, Fukuoka Prefecture	Real property	September 25, 2001	1, 5 5 0, 0 0 0	0. 2 %	1. 1 %
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5, 0 0 0, 0 0 0	0. 5 %	
	Hinode Tenjin Building	Fukuoka City, Fukuoka Prefecture	Trust beneficiary right in trust of real estate	September 10, 2001	3, 6 5 7, 0 0 0	0. 4 %	
Total: Other major cities					1 6 7, 1 8 7, 5 2 0	1 8. 1 %	1 8. 1 %
Total: Portfolio					9 2 6, 0 9 8, 2 8 6	1 0 0. 0 %	1 0 0. 0 %

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

(Note2) The transfer price of Nippon Brunswick Building (building) dated August 23, 2013 is indicated minus ¥ 1,170 million, which is the building acquisition price on the date of the acquisition as of March 24, 2004.

(Note3) 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.