

SEPTEMBER  
2009

*Semiannual  
Report*

For the period from April 1, 2009 to September 30, 2009



Japan Real Estate Investment Corporation

## *Profile*

Japan Real Estate Investment Corporation (“the Company”) was established as one of the first real estate investment corporations in Japan, following revisions to the Law Concerning Investment Trusts and Investment Corporations of Japan, as amended, or the Investment Trust Law. Its investments focus primarily on office buildings, and it is aiming to maintain geographical diversity while seeking stable growth and dividends in the medium to long term. The Company was listed on the Tokyo Stock Exchange (“TSE”) on September 10, 2001. (Securities Code: 8952)

Note: Investment corporations, including the Company, are special legal entities incorporated and operated under the Investment Trust Law. Accordingly, the “units” of such investment corporations, including the units of the Company, are governed by the Investment Trust Law and represent the equity interests in such investment corporations, which may differ in certain material respects from the “shares” governed by the Corporation Law of Japan and representing the equity interests in Japanese ordinary corporations incorporated and operated under the Corporation Law of Japan. Investors and readers are specifically reminded to pay attention to such differences when reviewing this semiannual report and making any investment decision on or in respect of the “units” of the Company. “Unitholders” of the Company may be construed accordingly. Each of the investors and readers should consult their own legal, tax and other advisors regarding all Japanese legal, tax and other consequences of an investment in the units of the Company, with specific reference to their own legal, tax and other situation and any recent changes in applicable laws, guidelines or their interpretation.

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## Financial Highlights

	Millions of yen					Thousands of U.S.dollars (Note 1)
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from April 1, 2009 to September 30, 2009
Operating Revenues	21,524	20,716	19,805	25,743	17,530	238,603
Operating Income	10,054	9,955	9,807	14,218	8,739	111,461
Income before Income Taxes	8,505	8,426	8,449	12,946	7,586	94,287
Net Income	8,504	8,425	8,448	12,945	7,585	94,276
Net Operating Income (NOI) (Note 2)	13,950	14,575	14,173	12,197	12,073	154,647
Funds from Operations (FFO) (Note 3)	11,577	12,213	12,009	8,078	10,022	128,338
FFO Multiple (Note 4)	14.1 times	13.7 times	15.5 times	31.9 times	28.3 times	14.1 times
Cash Distribution	8,504	8,425	8,448	12,945	7,585	94,277
Number of Units	443,000	443,000	443,000	443,000	410,000	443,000
Dividend per Unit (Yen/U.S.dollars)	19,198	19,020	19,072	29,223	18,500	212.81

Notes: 1. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥90.21 = US\$1.00, the foreign exchange rate on September 30, 2009, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2. NOI = Property-Related Revenues – Property-Related Expenses (excluding Depreciation)

3. FFO = Net Income + Depreciation – Gain (Loss) on Transfer of Properties – Dividends Earned – Gain on Transfer of Development Rights of Floor Area

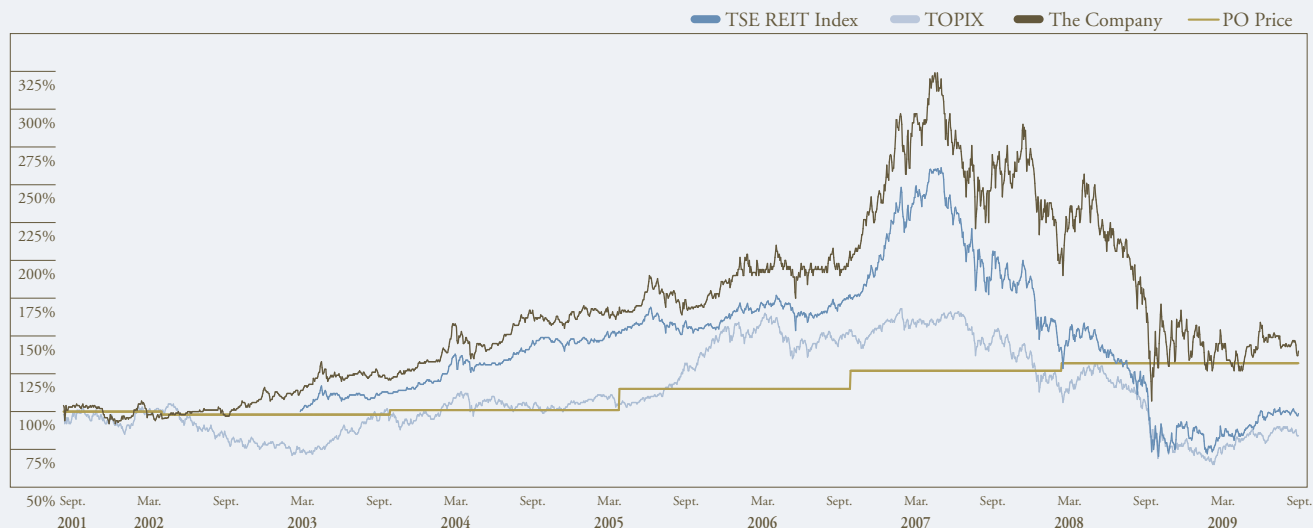
4. FFO Multiple = Unit Price at End of the Respective Term ÷ FFO per Unit (Annualized)  
(Annualized portion of the calculation given in note 4 assumes a fiscal period of 183 days for the period ended September 30, 2007, 183 days for the period ended March 31, 2008, 183 days for the period ended September 30, 2008, 182 days for the period ended March 31, 2009 and 183 days for the period ended September 30, 2009.)

## Top 10 Unitholders

As of September 30, 2009

Company	Units	% of total units outstanding
Japan Trustee Services Bank, Ltd. (Shintaku Acc.) .....	36,389	8.21%
NikkoCiti Trust and Banking Corporation (Toshin Acc.) .....	35,571	8.03%
Trust & Custody Services Bank, Ltd. (Toshin Acc.) .....	34,330	7.75%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.) .....	20,774	4.69%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.) .....	13,775	3.11%
Mitsubishi Estate Co., Ltd. ....	10,160	2.29%
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT .....	7,613	1.72%
North Pacific Bank, Ltd. ....	7,493	1.69%
The Chugoku Bank, Ltd. ....	7,168	1.62%
RBC DEXIA INVESTOR SERVICES TRUST, LONDON-CLIENTS ACCOUNT .....	5,403	1.22%

## Unit Price Performance



## Highlights

### Maintenance of Stable Dividends and Steady Performance

- The first listed J-REIT, showing steady performance for 16 consecutive periods
- Actual dividend per unit for the 16th fiscal period: **¥19,198** (\$212.81)\*<sup>1</sup>
- Forecasted dividend per unit for the 17th fiscal period: **¥17,320** (\$192.00)\*<sup>1,2</sup>

Notes: 1. The foreign exchange rate of ¥90.21 = US\$1.00, as of September 30, 2009, has been used for this translation.

2. The forecasted dividend was disclosed with the announcement of the 16th fiscal period earnings results on November 18, 2009.

### Collaboration with Sponsors

- Expertise of Mitsubishi Estate Co., Ltd., The Dai-ichi Mutual Life Insurance Company and Mitsui & Co., Ltd. is being fully utilized.

### Steady Growth with Quality Portfolio

- Total acquisition price: **¥564,219 million** (\$6,255 million)
- Maintains **55** high-quality office buildings

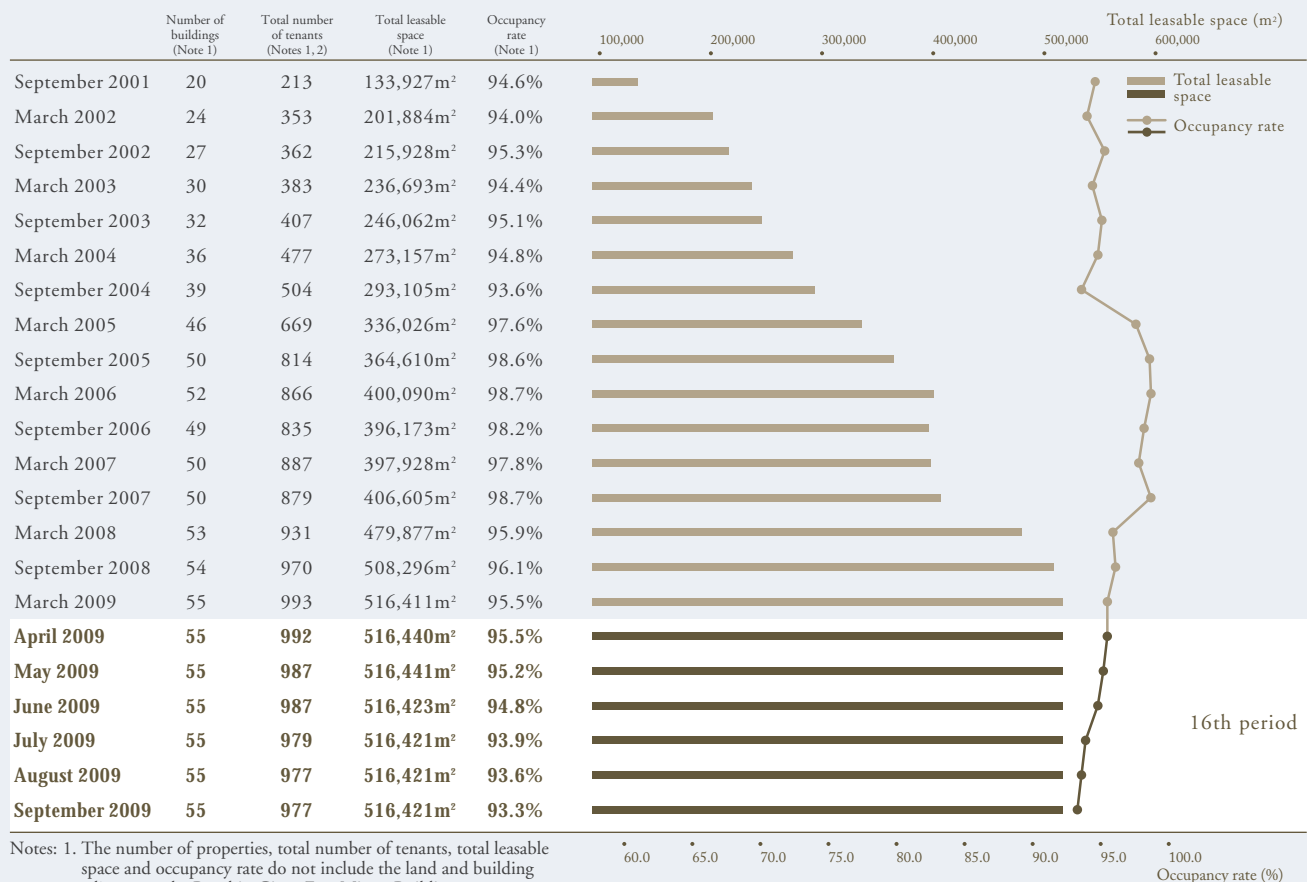
### Sound Financial Base (as of September 30, 2009)

- Highest credit ratings for a J-REIT: **AA-** from S&P, **A1** from Moody's, **AA** from R&I
- LTV (Interest-bearing debt / Total assets): **39.1%**
- Long-term, fixed-interest debt ratio\*: **78.2%**

Note: Long-term, fixed-interest loans + Investment corporation bonds (including current portions of Long-term, fixed-interest loans and Investment corporation bonds) / Total Interest-bearing debt

# Portfolio Highlights

## Trends in the state of portfolio management

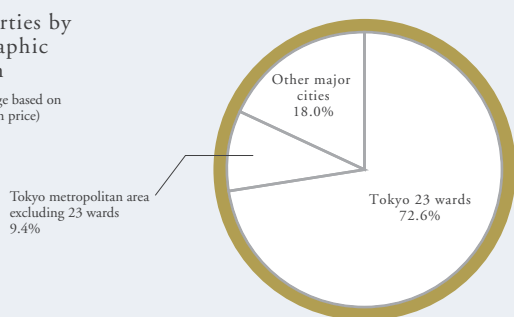


## Portfolio breakdown

As of September 30, 2009

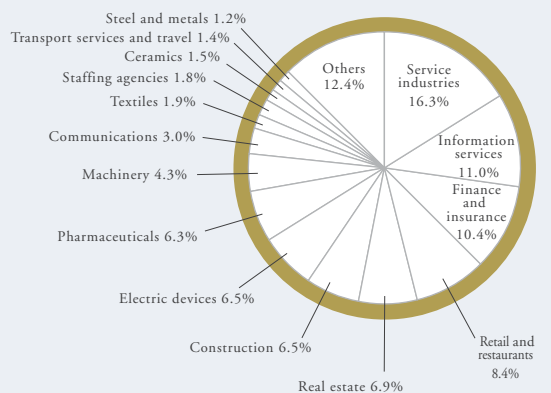
### Properties by geographic region

(Percentage based on acquisition price)



### Tenants by industry type

(Percentage based on leased space)



# Transfer of Unused Development Rights

For the period from April 1, 2009 to September 30, 2009

## Mitsubishi UFJ Trust and Banking Building Site

The Company sold its development rights for an unused floor area equivalent to 65% of the Mitsubishi UFJ Trust and Banking Building (see Note 1) to third parties and accordingly reallocated the unused floor area ratio to a new building scheduled to be constructed under the Marunouchi 1-4 Plan (a combined reconstruction of the Tugin Building, the Sumitomo Trust & Banking Tokyo Building and the Mitsubishi UFJ Trust and Banking Tokyo Building) adjacent to said building site.

### Outline of the transfer

Object of transaction: Unused floor area equivalent to 65% of the Mitsubishi UFJ Trust and Banking Building site (1,026.88 m<sup>2</sup> in terms of floor space, held by the Company)

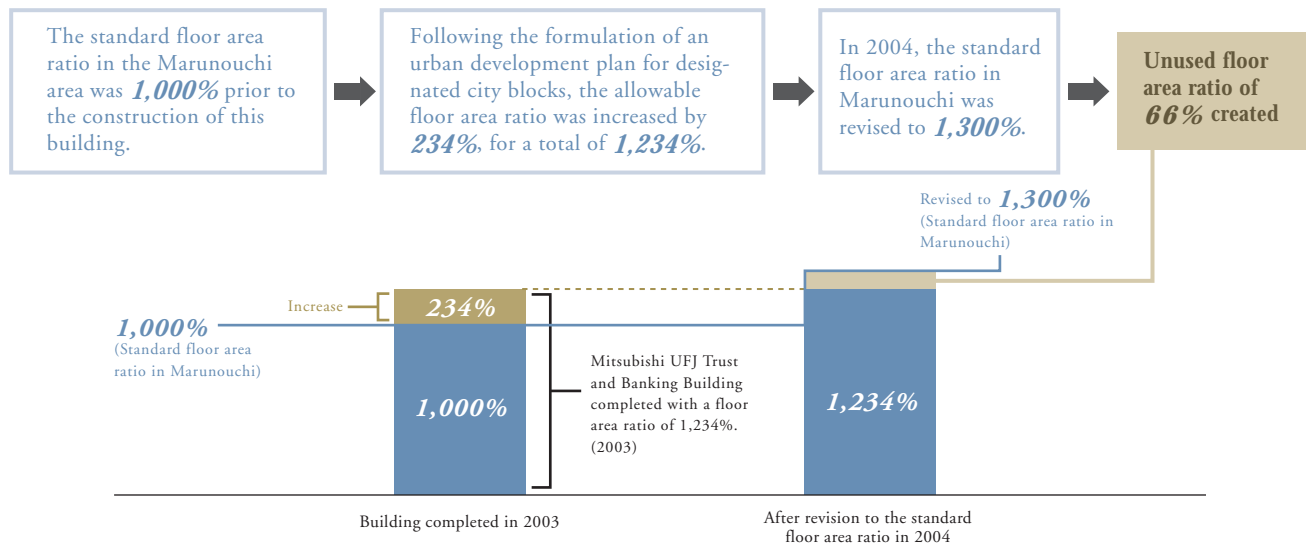
Transfer price: ¥729 million (\$8 million)

Transfer date: September 17, 2009

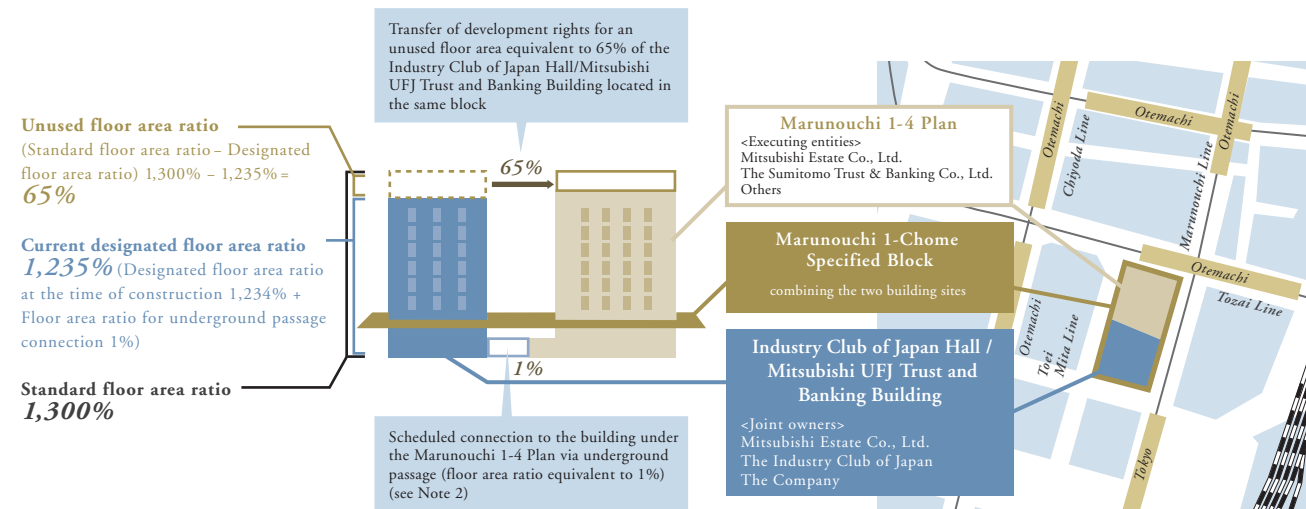
Transferees: The Sumitomo Trust & Banking Co., Ltd. and Mitsubishi Estate Co., Ltd.

The gain on the transfer, totaling **¥728 million**, was recorded in the period under review.

### Background of the unused floor area ratio



### Transfer scheme



Notes: 1. The Mitsubishi UFJ Trust and Banking Building is a unified construction project with the Industry Club of Japan Hall.  
2. Owing to the construction of an underground passage, it will be possible to directly access Tokyo Metro Otemachi Station from the Mitsubishi UFJ Trust and Banking Building via the new building scheduled to be constructed under the Marunouchi 1-4 Plan.

## Subsequent Events

After the period ended September 30, 2009

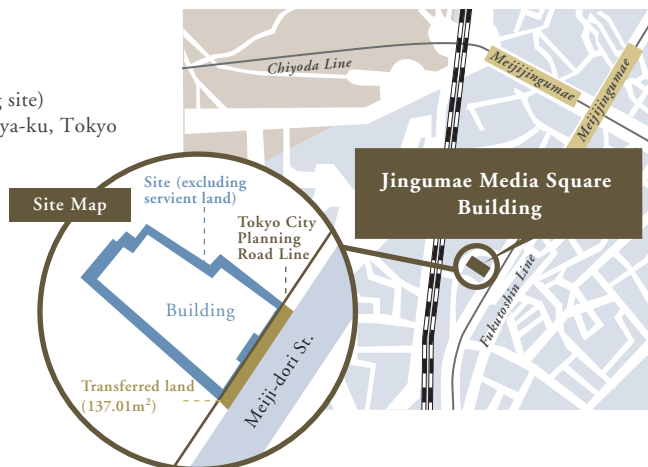
### Transfer of Asset (Part of Jingumae Media Square Building Site)

In response to land expropriation aimed at expanding Meiji-Dori Street and for other purposes following project approvals granted on March 31, 2004, the Company transferred its share of the Jingumae Media Square Building site to the Tokyo Metropolitan Government on October 30, 2009.

#### Outline of the transfer

Object of transaction: Land (part of Jingumae Media Square Building site)  
Location: Part of 6-25-7, 32, 40 and 50 Jingumae, Shibuya-ku, Tokyo  
Whole part of 6-319-5, 28 and 30 Jingumae, Shibuya-ku, Tokyo  
Transfer area: 137.01 m<sup>2</sup> (1,475 ft<sup>2</sup>)  
Transfer price: ¥1,507 million (\$17 million)  
Transfer date: October 30, 2009

The gain on the transfer, totaling **¥880 million**, will be recorded in the period ending March 31, 2010. (see Note)



Note: The gain on the transfer stated above is an estimate made in line with the November 18, 2009 announcement of financial results for the 16th fiscal period, ended September 30, 2009. Accordingly, the actual figure may differ from this estimate.

### Acquisition of a Prime Property

#### Shiodome Building (Additional Acquisition)

Scheduled acquisition date: January 15, 2010  
Acquisition price: ¥54,600 million (\$605 million)  
Location: 1-2-20 Kaigan, Minato-ku, Tokyo  
Site area: Approx. 12,046 m<sup>2</sup> (129,662 ft<sup>2</sup>) (total land area of the building site) (Note 1)  
Floor area of building: 115,930.83 m<sup>2</sup> (1,247,868 ft<sup>2</sup>) (total floor area of the entire building)  
Ownership: 30.0% quasi-co-ownership of the trust beneficiary right of this property (Note 2)  
Structure: Steel-framed, steel-framed reinforced concrete, flat roof  
Floors: Above ground: 24 floors  
Below ground: 2 floors  
Completion: December 2007  
Property management company: Mitsubishi Jisho Property Management Co., Ltd.

Notes: 1. As the property lies within an area designated for execution of the Shiodome Land Readjustment Project under the Tokyo Metropolitan Urban Land Development Business Plan, the land area for the building site presented above is the total of the land area of the designated provisional replotting.  
2. As of November 18, 2009, the Company owns 10.0% of the quasi-co-ownership of the trust beneficiary right of the property. The Company plans to acquire the additional 30.0% quasi-co-ownership described above on January 15, 2010. As a result, the Company will own 40.0% of the trust beneficiary right of the property.



### Issue of New Investment Units

The Company's Board of Directors held a meeting on November 18, 2009 and passed a resolution concerning the issue of new investment units. Brief details are presented below. The per-unit offer price and other conditions are scheduled for determination at a Board of Directors meeting to be held in December 2009.

#### Issue of new investment units through public offering

Number of units to be issued: 42,000  
Starting date for dividend calculation: October 1, 2009

#### Issue of new investment units through third-party allocation

Number of units to be issued: 4,200  
Starting date for dividend calculation: October 1, 2009  
Allottee: Nikko Cordial Securities Inc.

In the event that the units to be issued through this third-party allocation do not receive an offer in whole or in part, due to forfeiture of the subscription right, the number of units to be issued through the third-party allocation may decrease to that extent, or the third-party allocation may be cancelled entirely.

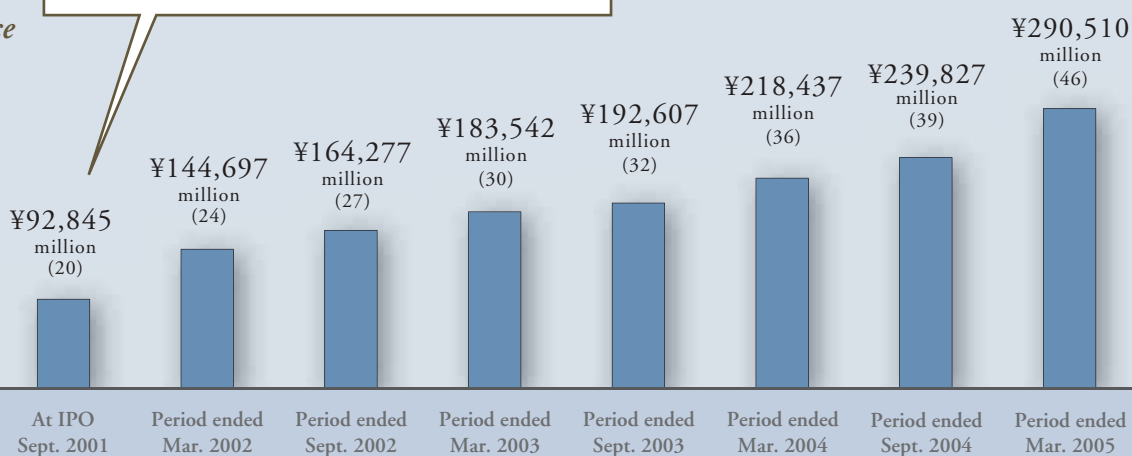
## History after IPO

In September 2001, the Company became the first J-REIT in Japan listed on the Tokyo Stock Exchange (“TSE”). Since then, the Company has targeted stable management to fulfill its goal of maintaining and increasing dividends per unit over the medium to long term. The Company’s growth is based on external growth strategies that aim to increase earnings through the acquisition and transfer of properties as well as internal growth strategies that seek to optimize earnings from properties

### Occupancy rate (Note)



### Total acquisition price (Number of properties) (Note)



### Dividend per unit

¥14,983   ¥12,853   ¥14,455   ¥15,117   ¥14,602   ¥14,711   ¥15,824

### Bond issues

June 2002  
First Investment Corporation Bond Issue (First for a J-REIT)

Apr. 2003  
Second/Third Investment Corporation Bond Issue

### Listing and issuance of units

Sept. 2001  
Listed on TSE as first J-REIT  
  
Sept. 2001  
IPO

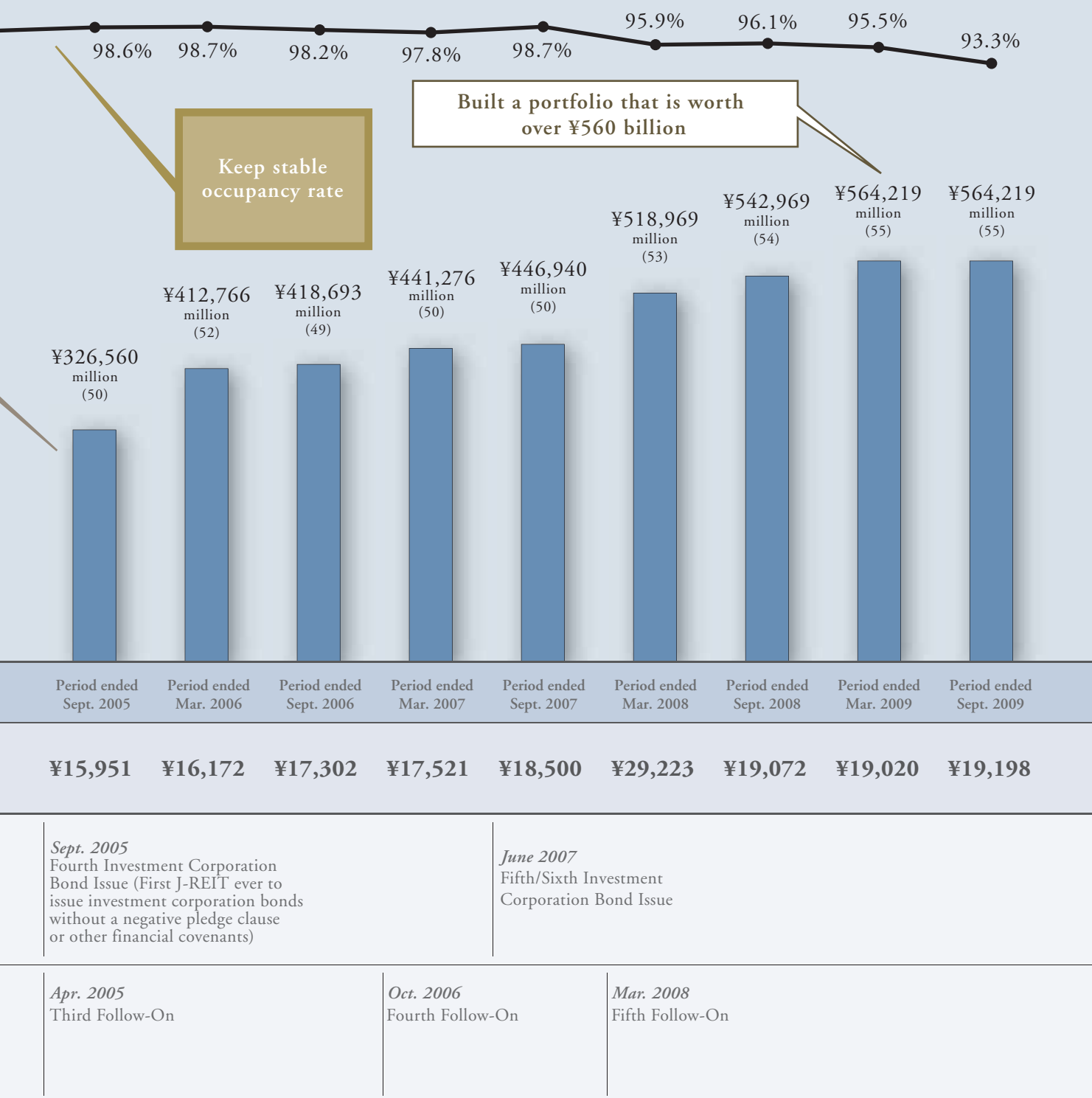
May 2002  
First Follow-On (First for a J-REIT)

Oct. 2003  
Second Follow-On

Note: Total acquisition price, number of properties and occupancy rate do not include the land and building adjacent to the Ryoshin Ginza East Mirror Building.



already held. The size of the Company's assets (total acquisition price) has grown from ¥92.8 billion at IPO to ¥564.2 billion as of the 16th fiscal period due to the steady achievement of external growth strategies. However, in terms of internal growth strategies, ongoing efforts are being made in such areas as maintaining stable occupancy rates and reducing building management costs.



*To Our Unitholders*



***Under unprecedentedly severe operating conditions, the Company transferred the unused development rights of the Mitsubishi UFJ Trust and Banking Building site as part of efforts to secure profitability.***



Kazuhiko Arahata  
CEO & President of Japan Real Estate  
Asset Management Co., Ltd.

## ***BUSINESS PERFORMANCE FOR THE 16TH FISCAL PERIOD***

### **Summary of Financial Results and Cash Dividend**

In the 16th fiscal period (April 1, 2009 to September 30, 2009), Japan Real Estate Investment Corporation (“the Company”) recorded operating revenues totaling ¥21,524 million (\$239 million), up 3.9% compared with previous period. On the earnings front, operating income increased 1.0% to ¥10,054 million (\$111 million). After deducting expenses for interest payments on loans and other costs, income before income taxes edged up 0.9% to ¥8,505 million (\$94 million), and net income also edged up 0.9% to ¥8,504 million (\$94 million). Taking into account these results, the Company declared a cash dividend totaling ¥19,198 (\$212.81) per unit for the period under review.

### **Operating Environment and Performance**

During the period under review, the Japanese economy continued to face severe conditions on the back of the rapid deceleration of the global economy. Specifically, overall performance and capital investment in the entire private sector continued to slow down, while the unemployment rate gradually increased. Nevertheless, as inventory adjustments were steadily advanced in all industries and the Japanese government’s economic stimulus package began producing positive effects, the country started to see some signs of recovery in production and personal spending, which in turn fueled expectations for a turnaround in the Japanese economy.

However, in the rental office market, vacancy rates continued to rise nationwide, and rent levels entered a declining phase. Against the backdrop of withdrawals from unprofitable businesses due to weakened performance and the acceleration of cost-reduction initiatives, many corporate tenants decreased their leased floor space or canceled their leasing contracts.

Meanwhile, in the real estate market, the transaction volume trended in a lower range, attributable to the economic slowdown and the subsequent worsening of conditions in the rental office market.

Under such harsh circumstances, the Company worked strategically to keep reinforcing its competitiveness. Specific

initiatives included the upgrading of building and facility specifications through renovation work required to maintain and improve the functions of existing portfolio properties as well as aggressive activities to attract new tenants.

In addition, as summarized in the table below, the Company transferred the unused development rights of the Mitsubishi UFJ Trust and Banking Building site as part of efforts to secure profitability. During the period under review, we did not undertake new property acquisitions.

As a result of these activities, our portfolio as of September 30, 2009 consisted of 55 office buildings with a total acquisition price of ¥564,219 million (\$6,255 million). Total leasable space stood at 516,421 m<sup>2</sup> (5,558,706 ft<sup>2</sup>), with a total of 977 tenants. (see Note)

Note: The number of portfolio properties, the total acquisition price, the total leasable space and the number of tenants do not include the land and building that have been acquired for the purpose of extending the adjacent Ryoshin Ginza East Mirror Building.

### **Outline of development right transfer**

Property name	Mitsubishi UFJ Trust and Banking Building
Location	Chiyoda-ku, Tokyo
Object of transaction	Unused development rights of the Mitsubishi UFJ Trust and Banking Building site
Transfer price	¥729,984 thousand (\$8 million)

### **Finance Activities**

In order to provide funds to repay existing short-term loans, the Company procured ¥5,000 million (\$55 million), ¥7,000 million (\$78 million) and ¥10,500 million (\$116 million)—all in short-term loans—on June 1, 2009, September 1, 2009 and September 24, 2009, respectively. As a result, our total interest-bearing debt amounted to ¥220,500 million (\$2,444 million) as of September 30, 2009. This amount consists of long-term loans totaling ¥127,500 million (\$1,413 million), which includes the current portion totaling ¥18,000 million (\$200 million), short-term loans totaling ¥48,000 million (\$532 million) and investment corporation bonds totaling ¥45,000 million (\$499 million), which includes the current portion totaling ¥10,000 million (\$111 million).

As of September 30, 2009, the Company’s long-term, fixed-interest debt ratio (ratio of long-term, fixed-interest debt

***A J-REIT leader with exceptional management capabilities and financial soundness, the Company is committed to implementing strategic initiatives in a reliable and enthusiastic manner even in time of difficulties, thereby maximizing unitholder value through optimal investment management.***

including the current portion of long-term loans and investment corporation bonds to interest-bearing debt) stood at 78.2%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 39.1%. As these results indicate, we have been able to maintain a sound and conservative financial standing.

The Company's credit ratings as of September 30, 2009 were as follows.

Rating Agency	Credit Rating
Standard & Poor's Ratings Services	Long-term: AA-; Short-term: A-1+; Outlook: Stable
Moody's Investors Service Inc.	Rating: A1; Outlook: Stable
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable

## **OUTLOOK**

### **Trends in the Rental Office Market**

Despite the ongoing deterioration in employment conditions in Japan, the Japanese economy is expected to remain on a mild recovery course for the time being, supported by improvements in overseas economies. Nevertheless, there are risks that could place downward pressure on the domestic economy, including the further worsening of employment conditions, a possible slowdown in overseas economies and unfavorable fluctuations in international financial markets. Due to such risks, making forecasts still requires a conservative approach.

In the rental office market, the rise in the vacancy rate in central Tokyo seems to have slowed—at least for the time being. However, the downward pressure on rents attributable to the slumping performance throughout the corporate sector remains strong. Accordingly, the outlook provides no reason for optimism.

In the real estate market, banking facilities have slightly eased their stance toward financing for real estate investments. This situation is boosting expectations for a gradual recovery in the volume of real estate transactions. However, the real estate market may remain stagnant, possibly due to unfavorable changes in economic trends and financial conditions and to a persistent decline in real estate prices, which reflect weak performance in

the rental office market. In order to take full advantage of opportunities for acquiring prime properties in such an adverse environment, the Company believes that both the soundness of its financial standing and its ability to procure funds will be more important than ever before.

### **The Company's Management Policies**

In order to maintain and improve profitability under these adverse conditions, the Company will adhere to the following management policies. First of all, the Company will work to strengthen its relationship of trust with existing tenants. As of September 30, 2009, the Company had contracts with 11 property management companies. Most of these companies were already managing their respective buildings before we acquired them and have thus built relationships of trust with their tenants. The Company will work to further strengthen these relationships by anticipating tenants' needs and providing tailored services to increase tenant satisfaction and subsequently maintain occupancy rates and restrain rent reduction requests.

Second, we will fill vacancies in a prompt manner. In cooperation with the property management companies mentioned above, we will actively seek the most appropriate tenants for each property, based on location and features, in order to fill current and anticipated vacancies as rapidly as possible. Furthermore, the Company will work to uncover additional needs for floor space among existing tenants.

Third, the Company will stabilize revenues and earnings. To this end, we will endeavor to apply fixed- and long-term leasing agreements with our large-scale tenants.

Fourth, we will reduce management costs. The Company has introduced sound competitive principles for its multiple property management companies to follow. These companies are revamping their management systems and cost structures on an ongoing basis.

Meanwhile, the Company has adopted the following policies for acquiring properties. First, to access important information quickly, we continue to enhance our property information channels while working to develop new channels.



Taketo Yamazaki (Left)  
*Executive Director of  
Japan Real Estate Investment Corporation*

Kazuhiko Arahata (Right)  
*CEO & President of Japan Real Estate  
Asset Management Co., Ltd.*

Second, in its acquisition activities, the Company continues to meticulously monitor and examine economic, physical and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, we require buildings to meet or exceed new earthquake-resistance standards and exclusively target properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

Third, in accordance with our acquisition policies, we shall maintain our portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or less located in other major cities.

Under these policies, the Company will continue to acquire highly competitive properties. At the same time, in order to further enhance the quality of its portfolio, the Company will remain open to the replacement of portfolio properties with due consideration given to the timing.

### **The Company's Financial Strategy**

In principle, the Company shall maintain an LTV ratio that does not exceed 65%. To ensure an even lower interest-bearing debt ratio, we adopt the conservative target level of 30% to 40%.

Concerning the financing of property acquisitions, the Company shall use, in a flexible manner, a variety of funding schemes—including the issue of investment corporation bonds—while maintaining a sound and conservative financial standing and closely monitoring trends in financial markets. When obtaining a loan, the Company shall strictly adhere to its financial policies. More specifically, with the aim of minimizing funding costs, the Company shall negotiate with several qualified institutional investors (limited to those defined under the Special Taxation Measures Law of Japan) before executing a loan agreement.

### **Performance Forecasts for the 17th and 18th Periods**

For the 17th fiscal period (October 1, 2009 to March 31, 2010), the Company forecasts operating revenues totaling ¥21,640 million (\$240 million), operating income totaling ¥10,210

million (\$113 million), income before income taxes totaling ¥8,470 million (\$94 million) and net income totaling ¥8,470 million (\$94 million). The Company plans to declare a cash dividend totaling ¥17,320 (\$192.00) per unit.

For the 18th fiscal period (April 1, 2010 to September 30, 2010), the Company forecasts operating revenues totaling ¥21,320 million (\$236 million), operating income totaling ¥9,810 million (\$109 million), income before income taxes totaling ¥7,940 million (\$88 million) and net income totaling ¥7,940 million (\$88 million). The Company plans to declare a cash dividend totaling ¥16,240 (\$180.02) per unit.

Although continuing to show a recovery trend, the Japanese economy—lacking a certain level of autonomy—is still experiencing severe conditions, including a high unemployment rate. Accordingly, the prospects for the J-REIT market are expected to remain unpredictable for the time being.

In such an environment, the Company—a J-REIT leader with exceptional management capabilities and financial soundness—is committed to implementing the aforementioned initiatives in a reliable and enthusiastic manner to maximize unitholder value through optimal investment management.

We thank you and ask you, all of our unitholders, for your unwavering support and understanding as we endeavor to remain a winner in the J-REIT market.

Taketo Yamazaki  
*Executive Director of Japan Real Estate Investment Corporation*

Kazuhiko Arahata  
*CEO & President of Japan Real Estate Asset Management Co., Ltd.*

# The Portfolio of Japan Real Estate Investment Corporation

As of September 30, 2009

## Properties Roster

Number	Name of building	Location	Type of specified asset	Acquisition date	Acquisition price (¥ mil)
<b>Tokyo 23 wards</b>					
●I- 1	Genki Medical Plaza	Iidabashi, Chiyoda-ku	Real property	10/31/2002	5,000 (0.9%)
●I- 2	Kitanomaru Square	Kudan-Kita, Chiyoda-ku	Real property	02/24/2006	81,555 (14.5%)
●I- 3	MD Kanda Building	Kanda-Mitoshicho, Chiyoda-ku	Real property	05/31/2002	9,520 (1.7%)
●I- 4	Kandabashi Park Building	Kanda-Nishikicho, Chiyoda-ku	Real property	08/15/2002	4,810 (0.9%)
●I- 5	Nibancho Garden	Nibancho, Chiyoda-ku	Real property	04/01/2005	14,700 (2.6%)
●I- 6	Mitsubishi UFJ Trust and Banking Building	Marunouchi, Chiyoda-ku	Real property	03/28/2007	44,700 (7.9%)
●I- 7	Burex Kojimachi Building	Kojimachi, Chiyoda-ku	Real property	07/29/2005	7,000 (1.2%)
●I- 8	Sanno Grand Building	Nagatacho, Chiyoda-ku	Real property	01/31/2005	10,200
				04/03/2006	10,700
				total	20,900 (3.7%)
●I- 9	Yurakucho Denki Building	Yurakucho, Chiyoda-ku	Real property	08/01/2003	7,200 (1.3%)
●I- 10	Kodenmachi Shin-Nihonbashi Building	Nihonbashi-Kodenmachi, Chuo-ku	Trust	09/25/2001	3,173 (0.6%)
●I- 11	Burex Kyobashi Building	Kyobashi, Chuo-ku	Real property	07/22/2002	5,250 (0.9%)
●I- 12	Ginza Sanwa Building	Ginza, Chuo-ku	Real property	03/10/2005	16,830 (3.0%)
●I- 13	Ryoshin Ginza East Mirror Building	Ginza, Chuo-ku	Real property	03/15/2005	5,353 (0.9%)
●I- 14	Harumi Center Building	Harumi, Chuo-ku	Real property	12/18/2007	26,800 (4.7%)
●I- 15	Aoyama Crystal Building	Kita-Aoyama, Minato-ku	Real property	03/14/2003	7,680 (1.4%)
●I- 16	Shiodome Building	Kaigan, Minato-ku	Trust	12/19/2008	21,250 (3.8%)
●I- 17	Shiba 2Chome Daimon Building	Shiba, Minato-ku	Trust	09/10/2001	4,859 (0.9%)
●I- 18	Cosmo Kanasugibashi Building	Shiba, Minato-ku	Trust	09/25/2001	2,808 (0.5%)
●I- 19	Shinwa Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/01/2004	7,830 (1.4%)
●I- 20	Tokyo Opera City Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/13/2005	9,350 (1.7%)
●I- 21	Takanawadai Building	Higashi-Gotanda, Shinagawa-ku	Trust	09/25/2001	2,738 (0.5%)
●I- 22	Higashi-Gotanda 1Chome Building	Higashi-Gotanda, Shinagawa-ku	Real property	11/01/2004	5,500 (1.0%)
●I- 23	Omori-Eki Higashiguchi Building	Omori-Kita, Ota-ku	Trust	09/10/2001	5,123 (0.9%)
●I- 24	Nippon Brunswick Building	Sendagaya, Shibuya-ku	Real property	03/24/2004	6,670 (1.2%)
●I- 25	Yoyogi 1Chome Building	Yoyogi, Shibuya-ku	Real property	04/01/2004	8,700 (1.5%)
●I- 26	da Vinci Harajuku	Jingumae, Shibuya-ku	Real property	11/22/2002	4,885 (0.9%)
●I- 27	Jingumae Media Square Building	Jingumae, Shibuya-ku	Real property	10/09/2003	12,200 (2.2%)
●I- 28	Shibuya Cross Tower	Shibuya, Shibuya-ku	Real property	11/30/2001	34,600 (6.1%)
●I- 29	Ebisu Neonato	Ebisu, Shibuya-ku	Real property	11/14/2003	3,740
				04/01/2004	360
				total	4,100 (0.7%)
●I- 30	Harmony Tower	Honcho, Nakano-ku	Real property	02/28/2005	8,500 (1.5%)
●I- 31	Otsuka Higashi-Ikebukuro Building	Higashi-Ikebukuro, Toshima-ku	Trust	09/25/2001	3,541 (0.6%)
●I- 32	Ikebukuro 2Chome Building	Ikebukuro, Toshima-ku	Trust	09/25/2001	1,728 (0.3%)
●I- 33	Ikebukuro YS Building	Minami-Ikebukuro, Toshima-ku	Real property	08/02/2004	4,500 (0.8%)
<b>Tokyo metropolitan area excluding 23 wards</b>					
●II- 1	Hachioji First Square	Hachioji, Tokyo	Real property	03/31/2005	3,300
				03/19/2008	2,379
				total	5,679 (1.0%)
●II- 2	Saitama Urawa Building	Saitama, Saitama Prefecture	Real property	09/25/2001	1,232
				10/11/2001	1,342
				total	2,574 (0.5%)
●II- 3	MM Park Building	Yokohama, Kanagawa Prefecture	Real property	03/24/2008	37,400 (6.6%)
●II- 4	Kawasaki Isago Building	Kawasaki, Kanagawa Prefecture	Trust	09/25/2001	3,375 (0.6%)
●II- 5	Musashi Kosugi STM Building	Kawasaki, Kanagawa Prefecture	Real property	03/25/2008	4,000 (0.7%)
<b>Other major cities</b>					
●III- 1	8-3 Square Kita Building	Sapporo, Hokkaido	Real property	06/01/2007	7,100 (1.3%)
●III- 2	Jozenji Park Building	Sendai, Miyagi Prefecture	Real property	01/31/2005	1,000 (0.2%)
●III- 3	Sendai Honcho Honma Building	Sendai, Miyagi Prefecture	Trust	09/25/2001	2,924
				06/28/2006	250
				total	3,174 (0.6%)
●III- 4	Kanazawa Park Building	Kanazawa, Ishikawa Prefecture	Real property	02/28/2002	2,880
				03/03/2003	1,700
				total	4,580 (0.8%)
●III- 5	Nishiki Park Building	Nagoya, Aichi Prefecture	Real property	10/02/2006	3,850
				11/01/2006	1,300
				total	5,150 (0.9%)
●III- 6	Hirokoji Sakae Building	Nagoya, Aichi Prefecture	Real property	09/22/2006	1,680 (0.3%)
●III- 7	Nagoya Hirokoji Building	Nagoya, Aichi Prefecture	Real property	09/10/2001	14,533 (2.6%)
●III- 8	Nagoya Misono Building	Nagoya, Aichi Prefecture	Real property	08/08/2003	1,865 (0.3%)
●III- 9	Kyoto Shijo Kawaramachi Building	Kyoto, Kyoto Prefecture	Real property	12/20/2001	2,650 (0.5%)
●III- 10	Shin-Fujita Building	Osaka, Osaka Prefecture	Trust	09/01/2008	24,000 (4.3%)
●III- 11	Sakaisujihonmachi Building	Osaka, Osaka Prefecture	Real property	09/25/2001	2,264
				12/26/2003	1,900
				total	4,164 (0.7%)
●III- 12	Midosuji Daiwa Building	Osaka, Osaka Prefecture	Trust	09/25/2001	6,934
				02/28/2002	7,380
				total	14,314 (2.5%)
●III- 13	Lit City Building	Okayama, Okayama Prefecture	Real property	02/01/2006	4,650 (0.8%)
●III- 14	NHK Hiroshima Broadcasting Center Building	Hiroshima, Hiroshima Prefecture	Real property	03/25/2004	1,320
				03/03/2008	1,450
				total	2,770 (0.5%)
●III- 15	Tosei Tenjin Building	Fukuoka, Fukuoka Prefecture	Real property	09/25/2001	1,550 (0.3%)
●III- 16	Tenjin Crystal Building	Fukuoka, Fukuoka Prefecture	Real property	06/01/2005	5,000 (0.9%)
●III- 17	Hinode Tenjin Building	Fukuoka, Fukuoka Prefecture	Trust	09/10/2001	3,657 (0.6%)
	<b>Total</b>				<b>564,219 (100.0%)</b>

Note: The land and building adjacent to the Ryoshin Ginza East Mirror Building (acquisition price: ¥1,800 million) are not included in the above list.



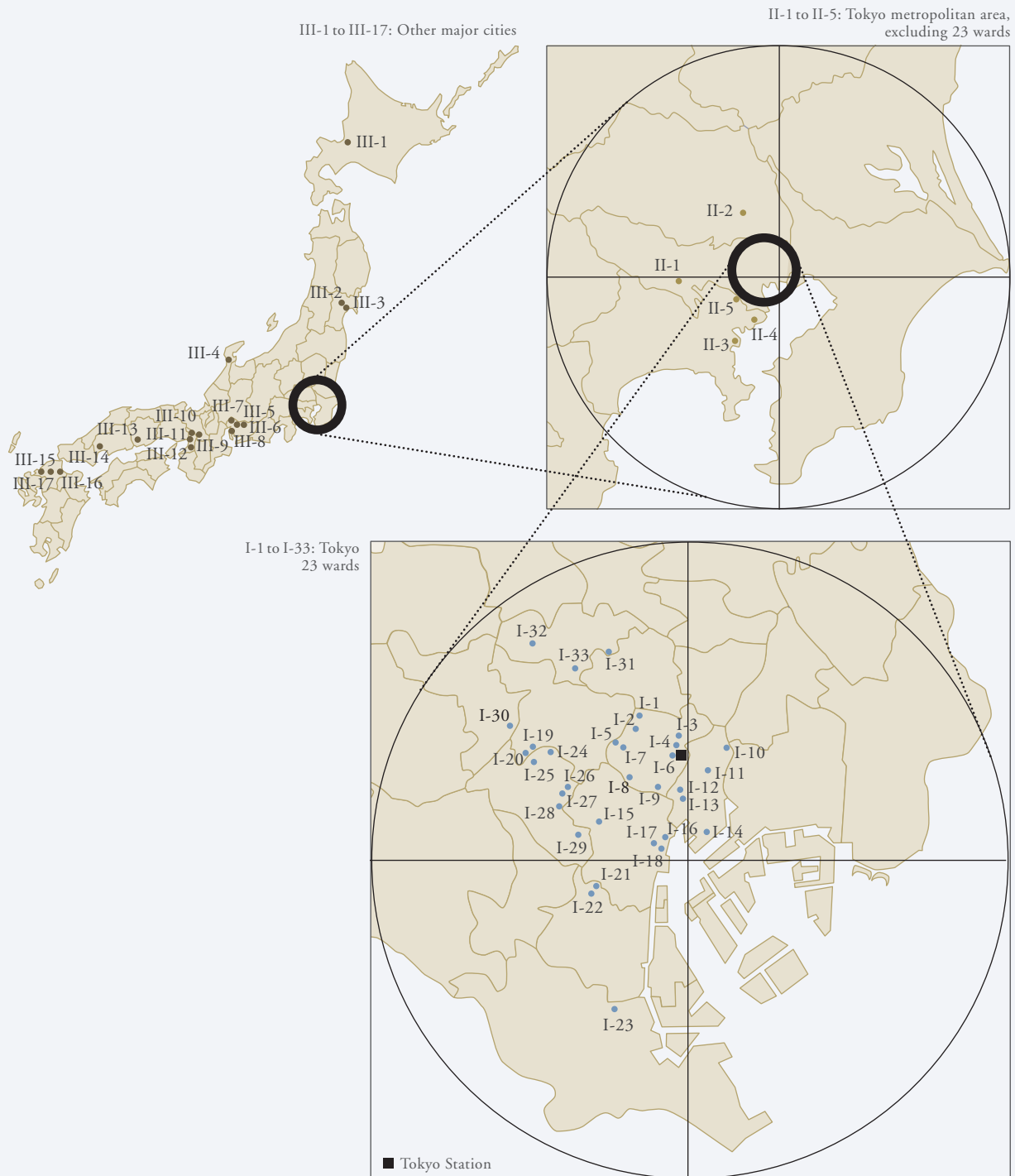
Percentage of ownership of the building	Completion	Appraisal value at the end of period (¥ mil)	Leasable space		Leased space		Occupancy rate	Number of tenants	Revenues from leasing operations (¥ mil)	
100.0%	1985	6,050	4,791m <sup>2</sup>	(51,577ft <sup>2</sup> )	4,791m <sup>2</sup>	(51,577ft <sup>2</sup> )	100.0%	1	223	(1.1%)
100.0%	2006	78,100	25,678m <sup>2</sup>	(276,402ft <sup>2</sup> )	25,678m <sup>2</sup>	(276,402ft <sup>2</sup> )	100.0%	5	1,829	(8.8%)
100.0%	1998	9,620	6,269m <sup>2</sup>	(67,480ft <sup>2</sup> )	5,735m <sup>2</sup>	(61,734ft <sup>2</sup> )	91.5%	6	206	(1.0%)
56.76%	1993	5,950	3,687m <sup>2</sup>	(39,695ft <sup>2</sup> )	3,224m <sup>2</sup>	(34,705ft <sup>2</sup> )	87.4%	6	196	(0.9%)
31.345%	2004	16,300	9,316m <sup>2</sup>	(100,282ft <sup>2</sup> )	9,316m <sup>2</sup>	(100,282ft <sup>2</sup> )	100.0%	1	485	(2.3%)
19.38402%	2003	47,300	11,922m <sup>2</sup>	(128,332ft <sup>2</sup> )	11,922m <sup>2</sup>	(128,332ft <sup>2</sup> )	100.0%	10	984	(4.7%)
100.0%	2005	6,570	4,495m <sup>2</sup>	(48,384ft <sup>2</sup> )	4,495m <sup>2</sup>	(48,384ft <sup>2</sup> )	100.0%	1	162	(0.8%)
99.0%	1966	29,100	20,865m <sup>2</sup>	(224,594ft <sup>2</sup> )	20,450m <sup>2</sup>	(220,131ft <sup>2</sup> )	98.0%	42	1,075	(5.2%)
10.78%	1975	8,470	4,694m <sup>2</sup>	(50,531ft <sup>2</sup> )	4,095m <sup>2</sup>	(44,081ft <sup>2</sup> )	87.2%	13	309	(1.5%)
100.0%	1991	3,780	3,897m <sup>2</sup>	(41,950ft <sup>2</sup> )	3,897m <sup>2</sup>	(41,950ft <sup>2</sup> )	100.0%	10	160	(0.8%)
100.0%	2002	6,630	4,279m <sup>2</sup>	(46,068ft <sup>2</sup> )	4,279m <sup>2</sup>	(46,068ft <sup>2</sup> )	100.0%	1	150	(0.7%)
70.95%	1982	16,000	4,329m <sup>2</sup>	(46,604ft <sup>2</sup> )	4,329m <sup>2</sup>	(46,604ft <sup>2</sup> )	100.0%	11	389	(1.9%)
100.0%	1998	4,610	2,875m <sup>2</sup>	(30,949ft <sup>2</sup> )	2,875m <sup>2</sup>	(30,949ft <sup>2</sup> )	100.0%	8	145	(0.7%)
100.0%	2006	22,600	20,812m <sup>2</sup>	(224,022ft <sup>2</sup> )	20,425m <sup>2</sup>	(219,858ft <sup>2</sup> )	98.1%	7	769	(3.7%)
100.0%	1982	8,790	4,898m <sup>2</sup>	(52,724ft <sup>2</sup> )	4,898m <sup>2</sup>	(52,724ft <sup>2</sup> )	100.0%	7	268	(1.3%)
10.0%	2007	19,900	8,037m <sup>2</sup>	(86,520ft <sup>2</sup> )	8,012m <sup>2</sup>	(86,243ft <sup>2</sup> )	99.7%	29	593	(2.9%)
100.0%	1984	6,890	9,631m <sup>2</sup>	(103,671ft <sup>2</sup> )	9,129m <sup>2</sup>	(98,265ft <sup>2</sup> )	94.8%	18	343	(1.7%)
100.0%	1992	3,410	4,062m <sup>2</sup>	(43,726ft <sup>2</sup> )	3,715m <sup>2</sup>	(39,992ft <sup>2</sup> )	91.5%	7	140	(0.7%)
100.0%	1989	8,290	6,197m <sup>2</sup>	(66,708ft <sup>2</sup> )	6,197m <sup>2</sup>	(66,708ft <sup>2</sup> )	100.0%	10	287	(1.4%)
8.368%	1996	10,400	9,246m <sup>2</sup>	(99,529ft <sup>2</sup> )	8,376m <sup>2</sup>	(90,168ft <sup>2</sup> )	90.6%	98	499	(2.4%)
100.0%	1991	2,370	4,067m <sup>2</sup>	(43,783ft <sup>2</sup> )	4,067m <sup>2</sup>	(43,783ft <sup>2</sup> )	100.0%	1	117	(0.6%)
100.0%	2004	6,690	5,205m <sup>2</sup>	(56,035ft <sup>2</sup> )	5,205m <sup>2</sup>	(56,035ft <sup>2</sup> )	100.0%	4	221	(1.1%)
100.0%	1989	5,750	7,708m <sup>2</sup>	(82,972ft <sup>2</sup> )	7,519m <sup>2</sup>	(80,934ft <sup>2</sup> )	97.5%	18	263	(1.3%)
100.0%	1974	8,230	7,356m <sup>2</sup>	(79,180ft <sup>2</sup> )	6,952m <sup>2</sup>	(74,834ft <sup>2</sup> )	94.5%	20	323	(1.6%)
100.0%	2003	11,900	7,745m <sup>2</sup>	(83,373ft <sup>2</sup> )	7,745m <sup>2</sup>	(83,373ft <sup>2</sup> )	100.0%	7	415	(2.0%)
100.0%	1987	6,340	3,147m <sup>2</sup>	(33,876ft <sup>2</sup> )	3,147m <sup>2</sup>	(33,876ft <sup>2</sup> )	100.0%	5	203	(1.0%)
100.0%	1998	12,700	5,558m <sup>2</sup>	(59,832ft <sup>2</sup> )	4,592m <sup>2</sup>	(49,436ft <sup>2</sup> )	82.6%	6	384	(1.8%)
100.0%	1976	43,700	29,754m <sup>2</sup>	(320,273ft <sup>2</sup> )	26,866m <sup>2</sup>	(289,186ft <sup>2</sup> )	90.3%	57	1,438	(6.9%)
12.29939%	1994	3,640	2,462m <sup>2</sup>	(26,511ft <sup>2</sup> )	1,836m <sup>2</sup>	(19,773ft <sup>2</sup> )	74.6%	2	111	(0.5%)
29.253305%	1997	11,800	10,929m <sup>2</sup>	(117,646ft <sup>2</sup> )	9,598m <sup>2</sup>	(103,320ft <sup>2</sup> )	87.8%	17	441	(2.1%)
100.0%	1987	3,820	7,172m <sup>2</sup>	(77,204ft <sup>2</sup> )	7,172m <sup>2</sup>	(77,204ft <sup>2</sup> )	100.0%	7	182	(0.9%)
100.0%	1990	1,600	2,186m <sup>2</sup>	(23,532ft <sup>2</sup> )	2,186m <sup>2</sup>	(23,532ft <sup>2</sup> )	100.0%	9	72	(0.3%)
100.0%	1989	4,590	5,797m <sup>2</sup>	(62,401ft <sup>2</sup> )	5,797m <sup>2</sup>	(62,401ft <sup>2</sup> )	100.0%	8	203	(1.0%)
80.4%	1996	5,670	10,068m <sup>2</sup>	(108,378ft <sup>2</sup> )	9,412m <sup>2</sup>	(101,314ft <sup>2</sup> )	93.5%	40	259	(1.2%)
100.0%	1990	2,320	4,510m <sup>2</sup>	(48,550ft <sup>2</sup> )	3,993m <sup>2</sup>	(42,985ft <sup>2</sup> )	88.5%	12	128	(0.6%)
100.0%	2007	37,000	38,584m <sup>2</sup>	(415,315ft <sup>2</sup> )	36,612m <sup>2</sup>	(394,098ft <sup>2</sup> )	94.9%	26	1,371	(6.6%)
100.0%	1990	3,100	6,831m <sup>2</sup>	(73,537ft <sup>2</sup> )	6,448m <sup>2</sup>	(69,411ft <sup>2</sup> )	94.4%	12	168	(0.8%)
34.32%	1990	3,680	5,394m <sup>2</sup>	(58,071ft <sup>2</sup> )	5,303m <sup>2</sup>	(57,082ft <sup>2</sup> )	98.3%	23	162	(0.8%)
100.0%	2006	1,080	12,265m <sup>2</sup>	(132,030ft <sup>2</sup> )	12,265m <sup>2</sup>	(132,030ft <sup>2</sup> )	100.0%	8	334	(1.6%)
50.0%	1993	59,540	2,518m <sup>2</sup>	(27,106ft <sup>2</sup> )	2,518m <sup>2</sup>	(27,106ft <sup>2</sup> )	100.0%	18	69	(0.3%)
100.0%	1991	3,420	6,241m <sup>2</sup>	(67,185ft <sup>2</sup> )	5,474m <sup>2</sup>	(58,928ft <sup>2</sup> )	87.7%	18	161	(0.8%)
89.0%	1991	5,760	20,918m <sup>2</sup>	(225,161ft <sup>2</sup> )	16,946m <sup>2</sup>	(182,415ft <sup>2</sup> )	81.0%	68	486	(2.3%)
57.04651%	1995	4,520	8,059m <sup>2</sup>	(86,747ft <sup>2</sup> )	7,828m <sup>2</sup>	(84,262ft <sup>2</sup> )	97.1%	50	283	(1.4%)
100.0%	1987	1,610	3,911m <sup>2</sup>	(42,103ft <sup>2</sup> )	3,338m <sup>2</sup>	(35,941ft <sup>2</sup> )	85.4%	13	104	(0.5%)
100.0%	1987	14,600	21,624m <sup>2</sup>	(232,763ft <sup>2</sup> )	20,895m <sup>2</sup>	(224,920ft <sup>2</sup> )	96.6%	26	734	(3.5%)
100.0%	1991	1,320	3,470m <sup>2</sup>	(37,354ft <sup>2</sup> )	3,116m <sup>2</sup>	(33,542ft <sup>2</sup> )	89.8%	9	81	(0.4%)
100.0%	1982	2,010	6,798m <sup>2</sup>	(73,180ft <sup>2</sup> )	4,613m <sup>2</sup>	(49,655ft <sup>2</sup> )	67.9%	25	118	(0.6%)
100.0%	1995	20,100	28,414m <sup>2</sup>	(305,852ft <sup>2</sup> )	22,952m <sup>2</sup>	(247,063ft <sup>2</sup> )	80.8%	37	808	(3.9%)
100.0%	1992	4,390	11,574m <sup>2</sup>	(124,587ft <sup>2</sup> )	11,350m <sup>2</sup>	(122,176ft <sup>2</sup> )	98.1%	16	277	(1.3%)
100.0%	1991	16,300	20,450m <sup>2</sup>	(220,127ft <sup>2</sup> )	17,446m <sup>2</sup>	(187,788ft <sup>2</sup> )	85.3%	25	656	(3.2%)
27.7488%	2005	5,160	9,965m <sup>2</sup>	(107,269ft <sup>2</sup> )	9,118m <sup>2</sup>	(98,146ft <sup>2</sup> )	91.5%	37	281	(1.4%)
48.753%	1994	3,050	9,860m <sup>2</sup>	(106,134ft <sup>2</sup> )	9,860m <sup>2</sup>	(106,134ft <sup>2</sup> )	100.0%	12	269	(1.3%)
100.0%	1992	1,320	4,000m <sup>2</sup>	(43,057ft <sup>2</sup> )	4,000m <sup>2</sup>	(43,057ft <sup>2</sup> )	100.0%	20	91	(0.4%)
100.0%	1993	3,210	6,023m <sup>2</sup>	(64,839ft <sup>2</sup> )	3,998m <sup>2</sup>	(43,035ft <sup>2</sup> )	66.4%	21	163	(0.8%)
74.4844%	1987	3,720	5,852m <sup>2</sup>	(62,995ft <sup>2</sup> )	5,852m <sup>2</sup>	(62,995ft <sup>2</sup> )	100.0%	9	181	(0.9%)
		591,920	516,421m <sup>2</sup>	(5,558,706ft <sup>2</sup> )	481,882m <sup>2</sup>	(5,186,930ft <sup>2</sup> )	93.3%	977	20,795	(100.0%)

## Major Tenants Roster

Rank	Name of tenant	Name of building	Leased space	% of total leased space
1	Banyu Pharmaceutical Co., Ltd.	Kitanomaru Square (also includes 1 other building)	17,014m <sup>2</sup> (183,144ft <sup>2</sup> )	3.5%
2	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665m <sup>2</sup> (114,802ft <sup>2</sup> )	2.2%
3	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316m <sup>2</sup> (100,282ft <sup>2</sup> )	1.9%
4	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774m <sup>2</sup> (94,453ft <sup>2</sup> )	1.8%
5	FAST RETAILING CO., LTD. (Note 1)	Kitanomaru Square	8,476m <sup>2</sup> (91,245ft <sup>2</sup> )	1.8%
6	JSOL Corporation	Harumi Center Building	7,634m <sup>2</sup> (82,178ft <sup>2</sup> )	1.6%
7	(Note 2)	MM Park Building	6,936m <sup>2</sup> (74,665ft <sup>2</sup> )	1.4%
8	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,906m <sup>2</sup> (74,341ft <sup>2</sup> )	1.4%
9	JGC Corporation	MM Park Building	5,560m <sup>2</sup> (59,853ft <sup>2</sup> )	1.2%
10	Accenture Japan Ltd.	MM Park Building (also includes 1 other building)	5,470m <sup>2</sup> (58,881ft <sup>2</sup> )	1.1%

Notes: 1. The lease agreement with FAST RETAILING CO., LTD. is scheduled to terminate as of March 31, 2010.  
 2. Not disclosed as per tenant request

## Locations of Portfolio Properties





## Overview of Portfolio Properties *As of September 30, 2009*

Note: Concerning real estate or trust beneficiary rights in trust of real estate of which the Company is a partial owner through co-ownership or compartmentalized building units or quasi-co-ownership, the figures for "Site area" and "Floor area of building" represent total site area and total floor space for the entire building.



### Genki Medical Plaza

● I-1

Location : Chiyoda-ku, Tokyo  
Site area : 1,052.80m<sup>2</sup> (11,332ft<sup>2</sup>)  
Floor area of building : 6,722.02m<sup>2</sup> (72,355ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 1 floor  
Completion : September 1985



### Kitanomaru Square

● I-2

Location : Chiyoda-ku, Tokyo  
Site area : 5,821.03m<sup>2</sup> (62,657ft<sup>2</sup>)  
Floor area of building : 57,279.20m<sup>2</sup> (616,548ft<sup>2</sup>)  
Structure : Above ground: 26 floors  
Below ground: 2 floors  
Completion : January 2006



### MD Kanda Building

● I-3

Location : Chiyoda-ku, Tokyo  
Site area : 1,085.83m<sup>2</sup> (11,688ft<sup>2</sup>)  
Floor area of building : 8,185.11m<sup>2</sup> (88,104ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Completion : February 1998



### Kandabashi Park Building

● I-4

Location : Chiyoda-ku, Tokyo  
Site area : 1,218.56m<sup>2</sup> (13,116ft<sup>2</sup>)  
Floor area of building : 9,370.25m<sup>2</sup> (100,860ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Below ground: 1 floor  
Completion : July 1993



### Nibancho Garden

● I-5

Location : Chiyoda-ku, Tokyo  
Site area : 11,003.87m<sup>2</sup> (118,445ft<sup>2</sup>)  
Floor area of building : 57,031.06m<sup>2</sup> (613,877ft<sup>2</sup>)  
Structure : Above ground: 14 floors  
Below ground: 2 floors  
Completion : April 2004



### Mitsubishi UFJ Trust and Banking Building

● I-6

Location : Chiyoda-ku, Tokyo  
Site area : 8,100.39m<sup>2</sup> (87,192ft<sup>2</sup>)  
Floor area of building : 108,171.67m<sup>2</sup> (1,164,349ft<sup>2</sup>)  
Structure : Above ground: 29 floors  
Below ground: 4 floors  
Completion : February 2003



### Burex Kojimachi Building

● I-7

Location : Chiyoda-ku, Tokyo  
Site area : 967.67m<sup>2</sup> (10,416ft<sup>2</sup>)  
Floor area of building : 6,526.64m<sup>2</sup> (70,252ft<sup>2</sup>)  
Structure : Above ground: 11 floors  
Below ground: 1 floor  
Completion : January 2005



### Sanno Grand Building

● I-8

Location : Chiyoda-ku, Tokyo  
Site area : 3,663.93m<sup>2</sup> (39,438ft<sup>2</sup>)  
Floor area of building : 33,875.95m<sup>2</sup> (364,637ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Below ground: 3 floors  
Completion : September 1966



## Yurakucho Denki Building

● I-9

Location : Chiyoda-ku, Tokyo  
Site area : 5,749.91m<sup>2</sup> (61,891ft<sup>2</sup>)  
Floor area of building : 70,287.65m<sup>2</sup> (756,569ft<sup>2</sup>)  
Structure : Above ground: 20 floors  
Below ground: 4 floors  
Completion : September 1975



## Kodenmachi Shin-Nihonbashi Building

● I-10

Location : Chuo-ku, Tokyo  
Site area : 773.28m<sup>2</sup> (8,324ft<sup>2</sup>)  
Floor area of building : 5,822.88m<sup>2</sup> (62,677ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 1 floor  
Completion : November 1991



## Burex Kyobashi Building

● I-11

Location : Chuo-ku, Tokyo  
Site area : 756.03m<sup>2</sup> (8,138ft<sup>2</sup>)  
Floor area of building : 5,470.54m<sup>2</sup> (58,884ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 1 floor  
Completion : February 2002



## Ginza Sanwa Building

● I-12

Location : Chuo-ku, Tokyo  
Site area : 1,119.27m<sup>2</sup> (12,048ft<sup>2</sup>)  
Floor area of building : 8,851.00m<sup>2</sup> (95,271ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 2 floors  
Completion : October 1982



## Ryoshin Ginza East Mirror Building

● I-13

Location : Chuo-ku, Tokyo  
Site area : 615.25m<sup>2</sup> (6,622ft<sup>2</sup>)  
Floor area of building : 4,104.71m<sup>2</sup> (44,183ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 1 floor  
Completion : October 1998



## Harumi Center Building

● I-14

Location : Chuo-ku, Tokyo  
Site area : 4,664.63m<sup>2</sup> (50,210ft<sup>2</sup>)  
Floor area of building : 26,447.27m<sup>2</sup> (284,676ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Completion : November 2006



## Aoyama Crystal Building

● I-15

Location : Minato-ku, Tokyo  
Site area : 989.30m<sup>2</sup> (10,649ft<sup>2</sup>)  
Floor area of building : 8,094.36m<sup>2</sup> (87,127ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Below ground: 4 floors  
Completion : December 1982



## Shiodome Building

● I-16

Location : Minato-ku, Tokyo  
Site area : Approx. 12,046m<sup>2</sup> (129,662ft<sup>2</sup>)  
Floor area of building : 115,930.83m<sup>2</sup> (1,247,868ft<sup>2</sup>)  
Structure : Above ground: 24 floors  
Below ground: 2 floors  
Completion : December 2007



## Shiba 2Chome Daimon Building

● I-17

Location : Minato-ku, Tokyo  
Site area : 2,820.90m<sup>2</sup> (30,364ft<sup>2</sup>)  
Floor area of building : 16,235.10m<sup>2</sup> (174,753ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 2 floors  
Completion : March 1984



## Cosmo Kanasugibashi Building

● I-18

Location : Minato-ku, Tokyo  
Site area : 758.54m<sup>2</sup> (8,165ft<sup>2</sup>)  
Floor area of building : 5,420.93m<sup>2</sup> (58,350ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 1 floor  
Completion : March 1992



## Shinwa Building

● I-19

Location : Shinjuku-ku, Tokyo  
Site area : 822.00m<sup>2</sup> (8,848ft<sup>2</sup>)  
Floor area of building : 8,291.69m<sup>2</sup> (89,251ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Below ground: 1 floor  
Completion : November 1989



## Tokyo Opera City Building

● I-20

Location : Shinjuku-ku, Tokyo  
Site area : 18,236.94m<sup>2</sup> (196,301ft<sup>2</sup>)  
Floor area of building : 232,996.81m<sup>2</sup> (2,507,954ft<sup>2</sup>)  
Structure : Above ground: 54 floors  
Below ground: 4 floors  
Completion : July 1996



## Takanawadai Building

● I-21

Location : Shinagawa-ku, Tokyo  
Site area : 1,416.17m<sup>2</sup> (15,244ft<sup>2</sup>)  
Floor area of building : 5,762.70m<sup>2</sup> (62,029ft<sup>2</sup>)  
Structure : Above ground: 13 floors  
Completion : January 1991



## Higashi-Gotanda 1Chome Building

● I-22

Location : Shinagawa-ku, Tokyo  
Site area : 1,539.95m<sup>2</sup> (16,576ft<sup>2</sup>)  
Floor area of building : 6,460.39m<sup>2</sup> (69,539ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Completion : July 2004



## Omori-Eki Higashiguchi Building

● I-23

Location : Ota-ku, Tokyo  
Site area : 2,199.30m<sup>2</sup> (23,673ft<sup>2</sup>)  
Floor area of building : 14,095.34m<sup>2</sup> (151,721ft<sup>2</sup>)  
Structure : Above ground: 11 floors  
Below ground: 2 floors  
Completion : July 1989



## Nippon Brunswick Building

● I-24

Location : Shibuya-ku, Tokyo  
Site area : 1,497.52m<sup>2</sup> (16,119ft<sup>2</sup>)  
Floor area of building : 11,957.38m<sup>2</sup> (128,708ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 2 floors  
Completion : March 1974



## Yoyogi 1Chome Building

● I-25

Location : Shibuya-ku, Tokyo  
 Site area : 1,755.75m<sup>2</sup> (18,899ft<sup>2</sup>)  
 Floor area of building : 10,778.10m<sup>2</sup> (116,014ft<sup>2</sup>)  
 Structure : Above ground: 14 floors  
 Below ground: 1 floor  
 Completion : October 2003



## da Vinci Harajuku

● I-26

Location : Shibuya-ku, Tokyo  
 Site area : 839.66m<sup>2</sup> (9,038ft<sup>2</sup>)  
 Floor area of building : 4,359.20m<sup>2</sup> (46,922ft<sup>2</sup>)  
 Structure : Above ground: 7 floors  
 Below ground: 2 floors  
 Completion : December 1987



## Jingumae Media Square Building

● I-27

Location : Shibuya-ku, Tokyo  
 Site area : 2,261.68m<sup>2</sup> (24,344ft<sup>2</sup>)  
 Floor area of building : 9,420.42m<sup>2</sup> (101,400ft<sup>2</sup>)  
 Structure : Above ground: 9 floors  
 Below ground: 2 floors  
 Completion : March 1998



## Shibuya Cross Tower

● I-28

Location : Shibuya-ku, Tokyo  
 Site area : 5,153.45m<sup>2</sup> (55,471ft<sup>2</sup>)  
 Floor area of building : 61,862.33m<sup>2</sup> (665,880ft<sup>2</sup>)  
 Structure : Above ground: 32 floors  
 Below ground: 3 floors  
 Completion : April 1976



## Ebisu Neonato

● I-29

Location : Shibuya-ku, Tokyo  
 Site area : 5,005.70m<sup>2</sup> (53,881ft<sup>2</sup>)  
 Floor area of building : 36,598.38m<sup>2</sup> (393,941ft<sup>2</sup>)  
 Structure : Above ground: 18 floors  
 Below ground: 2 floors  
 Completion : October 1994



## Harmony Tower

● I-30

Location : Nakano-ku, Tokyo  
 Site area : 10,020.52m<sup>2</sup> (107,860ft<sup>2</sup>)  
 Floor area of building : 72,729.31m<sup>2</sup> (782,851ft<sup>2</sup>)  
 Structure : Above ground: 29 floors  
 Below ground: 2 floors  
 Completion : March 1997



## Otsuka Higashi-Ikebukuro Building

● I-31

Location : Toshima-ku, Tokyo  
 Site area : 2,121.39m<sup>2</sup> (22,834ft<sup>2</sup>)  
 Floor area of building : 9,531.28m<sup>2</sup> (102,594ft<sup>2</sup>)  
 Structure : Above ground: 8 floors  
 Below ground: 1 floor  
 Completion : November 1987



## Ikebukuro 2Chome Building

● I-32

Location : Toshima-ku, Tokyo  
 Site area : 397.26m<sup>2</sup> (4,276ft<sup>2</sup>)  
 Floor area of building : 3,157.51m<sup>2</sup> (33,987ft<sup>2</sup>)  
 Structure : Above ground: 9 floors  
 Below ground: 1 floor  
 Completion : May 1990



## Ikebukuro YS Building

● I-33

Location : Toshima-ku, Tokyo  
Site area : 1,384.56m<sup>2</sup> (14,903ft<sup>2</sup>)  
Floor area of building : 7,464.64m<sup>2</sup> (80,349ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 1 floor  
Completion : December 1989



## Hachioji First Square

● II-1

Location : Hachioji, Tokyo  
Site area : 2,989.33m<sup>2</sup> (32,177ft<sup>2</sup>)  
Floor area of building : 18,329.98m<sup>2</sup> (197,302ft<sup>2</sup>)  
Structure : Above ground: 12 floors  
Below ground: 1 floor  
Completion : July 1996



## Saitama Urawa Building

● II-2

Location : Saitama, Saitama Prefecture  
Site area : 1,533.06m<sup>2</sup> (16,502ft<sup>2</sup>)  
Floor area of building : 6,258.59m<sup>2</sup> (67,367ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Completion : March 1990



## MM Park Building

● II-3

Location : Yokohama, Kanagawa Prefecture  
Site area : 6,825.77m<sup>2</sup> (73,472ft<sup>2</sup>)  
Floor area of building : 49,037.51m<sup>2</sup> (527,835ft<sup>2</sup>)  
Structure : Above ground: 15 floors  
Below ground: 1 floor  
Completion : December 2007



## Kawasaki Isago Building

● II-4

Location : Kawasaki, Kanagawa Prefecture  
Site area : 1,594.50m<sup>2</sup> (17,163ft<sup>2</sup>)  
Floor area of building : 9,623.83m<sup>2</sup> (103,590ft<sup>2</sup>)  
Structure : Above ground: 12 floors  
Below ground: 1 floor  
Completion : December 1990



## Musashi Kosugi STM Building

● II-5

Location : Kawasaki, Kanagawa Prefecture  
Site area : 3,552.15m<sup>2</sup> (38,235ft<sup>2</sup>)  
Floor area of building : 22,839.61m<sup>2</sup> (245,843ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 2 floors  
Completion : October 1990



## 8·3 Square Kita Building

● III-1

Location : Sapporo, Hokkaido  
Site area : 5,541.60m<sup>2</sup> (59,649ft<sup>2</sup>)  
Floor area of building : 16,096.97m<sup>2</sup> (173,266ft<sup>2</sup>)  
Structure : Above ground: 11 floors  
Below ground: 1 floor  
Completion : December 2006



## Jozenji Park Building

● III-2

Location : Sendai, Miyagi Prefecture  
Site area : 1,566.68m<sup>2</sup> (16,864ft<sup>2</sup>)  
Floor area of building : 7,648.33m<sup>2</sup> (82,326ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Below ground: 1 floor  
Completion : January 1993





## Sendai Honcho Honma Building

● III-3

Location : Sendai, Miyagi Prefecture  
Site area : 1,437.47m<sup>2</sup> (15,473ft<sup>2</sup>)  
Floor area of building : 8,247.50m<sup>2</sup> (88,775ft<sup>2</sup>)  
Structure : Above ground: 11 floors  
Completion : November 1991



## Kanazawa Park Building

● III-4

Location : Kanazawa, Ishikawa Prefecture  
Site area : 6,642.71m<sup>2</sup> (71,501ft<sup>2</sup>)  
Floor area of building : 43,481.20m<sup>2</sup> (468,027ft<sup>2</sup>)  
Structure : Above ground: 12 floors  
Below ground: 2 floors  
Completion : October 1991



## Nishiki Park Building

● III-5

Location : Nagoya, Aichi Prefecture  
Site area : 2,170.45m<sup>2</sup> (23,363ft<sup>2</sup>)  
Floor area of building : 25,091.91m<sup>2</sup> (270,087ft<sup>2</sup>)  
Structure : Above ground: 22 floors  
Below ground: 4 floors  
Completion : August 1995



## Hirokoji Sakae Building

● III-6

Location : Nagoya, Aichi Prefecture  
Site area : 786.79m<sup>2</sup> (8,469ft<sup>2</sup>)  
Floor area of building : 6,445.08m<sup>2</sup> (69,374ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 2 floors  
Completion : September 1987



## Nagoya Hirokoji Building

● III-7

Location : Nagoya, Aichi Prefecture  
Site area : 4,095.81m<sup>2</sup> (44,087ft<sup>2</sup>)  
Floor area of building : 33,377.73m<sup>2</sup> (359,275ft<sup>2</sup>)  
Structure : Above ground: 18 floors  
Below ground: 2 floors  
Completion : May 1987



## Nagoya Misono Building

● III-8

Location : Nagoya, Aichi Prefecture  
Site area : 805.04m<sup>2</sup> (8,665ft<sup>2</sup>)  
Floor area of building : 5,348.00m<sup>2</sup> (57,565ft<sup>2</sup>)  
Structure : Above ground: 7 floors  
Below ground: 1 floor  
Completion : September 1991



## Kyoto Shijo Kawaramachi Building

● III-9

Location : Kyoto, Kyoto Prefecture  
Site area : 1,471.57m<sup>2</sup> (15,840ft<sup>2</sup>)  
Floor area of building : 9,701.04m<sup>2</sup> (104,421ft<sup>2</sup>)  
Structure : Above ground: 9 floors  
Below ground: 1 floor  
Completion : November 1982



## Shin-Fujita Building

● III-10

Location : Osaka, Osaka Prefecture  
Site area : 6,159.61m<sup>2</sup> (66,301ft<sup>2</sup>)  
Floor area of building : 45,411.31m<sup>2</sup> (488,803ft<sup>2</sup>)  
Structure : Above ground: 21 floors  
Below ground: 2 floors  
Completion : April 1995



## Sakaisujihonmachi Building

● III-11

Location : Osaka, Osaka Prefecture  
Site area : 2,036.22m<sup>2</sup> (21,918ft<sup>2</sup>)  
Floor area of building : 17,145.59m<sup>2</sup> (184,553ft<sup>2</sup>)  
Structure : Above ground: 13 floors  
Below ground: 2 floors  
Completion : October 1992



## Midosuji Daiwa Building

● III-12

Location : Osaka, Osaka Prefecture  
Site area : 3,044.65m<sup>2</sup> (32,772ft<sup>2</sup>)  
Floor area of building : 31,213.27m<sup>2</sup> (335,977ft<sup>2</sup>)  
Structure : Above ground: 15 floors  
Below ground: 2 floors  
Completion : September 1991



## Lit City Building

● III-13

Location : Okayama, Okayama Prefecture  
Site area : 7,596.44m<sup>2</sup> (81,767ft<sup>2</sup>)  
Floor area of building : 52,653.19m<sup>2</sup> (566,754ft<sup>2</sup>)  
Structure : Above ground: 20 floors  
Below ground: 2 floors  
Completion : June 2005



## NHK Hiroshima Broadcasting Center Building

● III-14

Location : Hiroshima, Hiroshima Prefecture  
Site area : 3,296.46m<sup>2</sup> (35,483ft<sup>2</sup>)  
Floor area of building : 35,217.28m<sup>2</sup> (379,075ft<sup>2</sup>)  
Structure : Above ground: 23 floors  
Below ground: 2 floors  
Completion : August 1994



## Tosei Tenjin Building

● III-15

Location : Fukuoka, Fukuoka Prefecture  
Site area : 1,221.31m<sup>2</sup> (13,146ft<sup>2</sup>)  
Floor area of building : 5,588.57m<sup>2</sup> (60,155ft<sup>2</sup>)  
Structure : Above ground: 8 floors  
Completion : March 1992



## Tenjin Crystal Building

● III-16

Location : Fukuoka, Fukuoka Prefecture  
Site area : 1,835.17m<sup>2</sup> (19,754ft<sup>2</sup>)  
Floor area of building : 10,432.04m<sup>2</sup> (112,289ft<sup>2</sup>)  
Structure : Above ground: 14 floors  
Below ground: 1 floor  
Completion : August 1993



## Hinode Tenjin Building

● III-17

Location : Fukuoka, Fukuoka Prefecture  
Site area : 1,452.15m<sup>2</sup> (15,631ft<sup>2</sup>)  
Floor area of building : 12,527.07m<sup>2</sup> (134,840ft<sup>2</sup>)  
Structure : Above ground: 10 floors  
Below ground: 2 floors  
Completion : August 1987





## Financial Section

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## Selected Financial Data

	Millions of yen					Thousands of U.S. dollars (Note 1)
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from April 1, 2009 to September 30, 2009
Operating Revenues	¥ 21,524	¥ 20,716	¥ 19,805	¥ 25,743	¥ 17,530	\$ 238,603
Operating Expenses	11,469	10,761	9,998	11,524	8,791	127,142
Operating Income	10,054	9,955	9,807	14,218	8,739	111,461
Income before Income Taxes	8,505	8,426	8,449	12,946	7,586	94,287
Net Income	8,504	8,425	8,448	12,945	7,585	94,276
Total Assets	564,528	565,022	542,920	527,537	449,643	6,257,941
Interest-Bearing Debts	220,500	220,500	199,500	177,500	144,500	2,444,297
Net Assets	306,106	306,027	306,050	310,547	272,269	3,393,262
Unitholders' Capital	297,601	297,601	297,601	297,601	264,683	3,298,985
Number of Units	443,000	443,000	443,000	443,000	410,000	443,000
Net Assets per Unit (Yen/U.S. dollars)	690,984	690,806	690,858	701,009	664,071	7,660
Cash Distribution	8,504	8,425	8,448	12,945	7,585	94,277
Dividend Payout Ratio	100.0%	99.9%	100.0%	100.0%	99.9%	100.0%
Dividend per Unit (Yen/U.S. dollars)	19,198	19,020	19,072	29,223	18,500	212.81
Net Operating Income (NOI)	13,950	14,575	14,173	12,197	12,073	154,647
Funds from Operations (FFO)	11,577	12,213	12,009	8,078	10,022	128,338
Return on Assets (ROA) (Note 2)	1.5%	1.5%	1.6%	2.6%	1.7%	1.5%
	(3.0% annualized)	(3.1% annualized)	(3.1% annualized)	(5.3% annualized)	(3.4% annualized)	(3.0% annualized)
Return on Equity (ROE) (Note 3)	2.8%	2.8%	2.7%	4.7%	2.8%	2.8%
	(5.5% annualized)	(5.5% annualized)	(5.5% annualized)	(9.3% annualized)	(5.6% annualized)	(5.5% annualized)
EOP Equity Ratio (Note 4)	54.2%	54.2%	56.4%	58.9%	60.6%	54.2%
EOP Interest-Bearing Debt Ratio						
on Total Assets (Note 5)	39.1%	39.0%	36.7%	33.6%	32.1%	39.1%
FFO Multiple	14.1 times	13.7 times	15.5 times	31.9 times	28.3 times	14.1 times
Debt Service Coverage Ratio (Note 6)	9.0 times	8.9 times	9.7 times	14.2 times	10.4 times	9.0 times

Notes 1: Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥90.21 = US\$1.00, the foreign exchange rate on September 30, 2009, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2: ROA = Income before Income Taxes ÷ Average of Total Assets during the period

3: ROE = Net Income ÷ Average of Net Assets during the period

(Annualized portion of the calculation given in note 2 and note 3 assumes a fiscal period of 183 days for the period ended September 30, 2007, 183 days for the period ended March 31, 2008, 183 days for the period ended September 30, 2008, 182 days for the period ended March 31, 2009 and 183 days for the period ended September 30, 2009.)

4: EOP Equity Ratio = (Net Assets at end of period ÷ Total Assets at end of period) × 100

5: EOP Interest-Bearing Debt Ratio on Total Assets = (Interest-Bearing Debt at end of period ÷ Total Assets at end of period) × 100

6: Debt Service Coverage Ratio = Net Income before Interest, Taxes, Depreciation and Amortization ÷ Interest Expenses

## Balance Sheets

As of September 30, 2009 and March 31, 2009

	Thousands of yen		U.S. dollars (Note 1)
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and bank deposits	¥ 21,420,595	¥ 18,349,167	\$ 237,452,561
Rental receivables	181,137	232,709	2,007,952
Refundable income taxes	3,705	7,795	41,072
Other current assets	109,247	111,784	1,211,038
<b>Total current assets</b>	<b>21,714,685</b>	<b>18,701,455</b>	<b>240,712,623</b>
<b>Property and Equipment, at Cost:</b>			
Land	369,693,850	369,634,614	4,098,147,112
Buildings and structures	200,774,443	199,798,790	2,225,634,001
Machinery and equipment	2,835,882	2,853,700	31,436,452
Tools, furniture and fixtures	103,472	96,895	1,147,018
Construction in progress	511,316	1,461,051	5,668,071
<b>Subtotal</b>	<b>573,918,965</b>	<b>573,845,052</b>	<b>6,362,032,654</b>
Accumulated depreciation	(34,747,806)	(31,180,654)	(385,187,964)
<b>Total property and equipment</b>	<b>539,171,159</b>	<b>542,664,398</b>	<b>5,976,844,690</b>
<b>Investments and Other Assets:</b>			
Investment securities	2,797	2,797	31,012
Deposits	21,902	21,902	242,790
Long-term prepaid expenses	17,091	19,505	189,469
Leasehold rights	2,691,724	2,691,724	29,838,431
Easement	828,095	828,095	9,179,640
Deferred investment corporation bond issuance costs	81,402	92,290	902,369
<b>Total Assets</b>	<b>¥564,528,859</b>	<b>¥565,022,169</b>	<b>\$6,257,941,025</b>

The accompanying notes form an integral part of these financial statements.

	Thousands of yen		U.S. dollars (Note 1)
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Trade accounts payable	¥ 706,431	¥ 680,632	\$ 7,830,963
Other payables	754,253	755,420	8,361,084
Short-term loans	48,000,000	48,000,000	532,091,786
Current portion of long-term loans	18,000,000	12,000,000	199,534,420
Current portion of investment corporation bonds	10,000,000	—	110,852,455
Accrued expenses	730,669	733,264	8,099,646
Accrued income taxes	45	50	503
Accrued consumption taxes	343,337	424,264	3,805,978
Rent received in advance	2,261,891	2,350,341	25,073,626
Other current liabilities	4,955	21,763	54,938
<b>Total current liabilities</b>	<b>80,801,584</b>	<b>64,965,738</b>	<b>895,705,400</b>
<b>Long-Term Liabilities:</b>			
Investment corporation bonds	35,000,000	45,000,000	387,983,594
Long-term loans	109,500,000	115,500,000	1,213,834,386
Deposits received from tenants	33,121,070	33,529,044	367,155,194
<b>Total long-term liabilities</b>	<b>177,621,070</b>	<b>194,029,044</b>	<b>1,968,973,174</b>
<b>Total Liabilities</b>	<b>258,422,654</b>	<b>258,994,782</b>	<b>2,864,678,574</b>
<b>NET ASSETS</b>			
Unitholders' capital	297,601,460	297,601,460	3,298,985,257
Authorized: 2,000,000 units			
Issued: 443,000 units as of September 30, 2009 and 443,000 units as of March 31, 2009			
Retained earnings	8,504,745	8,425,927	94,277,195
<b>Total net assets</b>	<b>306,106,205</b>	<b>306,027,387</b>	<b>3,393,262,451</b>
<b>Total Liabilities and Net Assets</b>	<b>¥564,528,859</b>	<b>¥565,022,169</b>	<b>\$6,257,941,025</b>

The accompanying notes form an integral part of these financial statements.

## Statements of Income and Retained Earnings

For the six months ended September 30, 2009 and March 31, 2009

	Thousands of yen		U.S. dollars (Note 1)
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from April 1, 2009 to September 30, 2009
<b>Operating Revenues and Expenses</b>			
<b>Operating Revenues:</b>			
Rental revenues	¥20,682,990	¥20,609,470	\$229,276,033
Non-rental revenues	112,800	107,266	1,250,416
Gain on transfer of development rights of floor area	728,572	—	8,076,400
Total operating revenues	21,524,362	20,716,737	238,602,849
<b>Operating Expenses:</b>			
Property-related expenses	10,646,300	9,929,685	118,016,860
Asset management fees	540,800	537,912	5,994,906
Administrative service fees	174,534	179,765	1,934,760
Other operating expenses	107,809	113,888	1,195,097
Total operating expenses	11,469,445	10,761,252	127,141,623
Operating income	10,054,917	9,955,484	111,461,226
<b>Non-Operating Revenues and Expenses</b>			
<b>Non-Operating Revenues:</b>			
Interest income	24,514	39,861	271,747
Other non-operating revenues	252	72	2,804
<b>Non-Operating Expenses:</b>			
Interest expense	1,139,585	1,132,259	12,632,581
Interest expense on investment corporation bonds	402,286	405,205	4,459,444
Amortization of investment corporation bond issuance costs	10,887	10,828	120,691
Other non-operating expenses	21,273	20,228	235,823
Income before Income Taxes	8,505,651	8,426,897	94,287,236
<b>Income Taxes:</b>			
Current	971	1,014	10,764
Deferred	2	(2)	24
Net Income	8,504,678	8,425,884	94,276,449
Retained Earnings Brought Forward	67	42	746
Retained Earnings at End of Period	¥ 8,504,745	¥ 8,425,927	\$ 94,277,195

## Statements of Changes in Unitholders' Equity

For the six months ended September 30, 2009 and March 31, 2009

	Units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total
<b>Balance as of September 30, 2008</b>	<b>443,000</b>	<b>¥297,601,460</b>	<b>¥8,448,938</b>	<b>¥306,050,398</b>
Cash dividends paid	—	—	(8,448,896)	(8,448,896)
Net income	—	—	8,425,884	8,425,884
<b>Balance as of March 31, 2009</b>	<b>443,000</b>	<b>¥297,601,460</b>	<b>¥8,425,927</b>	<b>¥306,027,387</b>
Cash dividends paid	—	—	(8,425,860)	(8,425,860)
Net income	—	—	8,504,678	8,504,678
<b>Balance as of September 30, 2009</b>	<b>443,000</b>	<b>¥297,601,460</b>	<b>¥8,504,745</b>	<b>¥306,106,205</b>
	Units	U.S. dollars (Note 1)		
		Unitholders' capital	Retained earnings	Total
<b>Balance as of March 31, 2009</b>	<b>443,000</b>	<b>\$3,298,985,257</b>	<b>\$93,403,473</b>	<b>\$3,392,388,730</b>
Cash dividends paid	—	—	(93,402,727)	(93,402,727)
Net income	—	—	94,276,449	94,276,449
<b>Balance as of September 30, 2009</b>	<b>443,000</b>	<b>\$3,298,985,257</b>	<b>\$94,277,195</b>	<b>\$3,393,262,451</b>

The accompanying notes form an integral part of these financial statements.

## Statements of Cash Flows

For the six months ended September 30, 2009 and March 31, 2009

	Thousands of yen		U.S. dollars (Note 1)
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from April 1, 2009 to September 30, 2009
<b>Cash Flows from Operating Activities</b>			
Income before income taxes	¥ 8,505,651	¥ 8,426,897	\$ 94,287,236
Depreciation and amortization	3,801,232	3,788,102	42,137,593
Amortization of investment corporation bond issuance costs	10,887	10,828	120,691
Interest income	(24,514)	(39,861)	(271,747)
Interest expense	1,541,871	1,537,464	17,092,025
Rental receivables	51,571	(24,637)	571,685
Refundable income taxes	4,090	(1,694)	45,339
Prepaid expenses	4,133	(9,680)	45,826
Trade accounts payable	(94,515)	303,541	(1,047,724)
Other payables	(6,511)	4,191	(72,176)
Accrued expenses	(80,790)	316,999	(895,584)
Rent received in advance	(88,450)	90,161	(980,490)
Long-term prepaid expenses	2,413	(858)	26,756
Other	30,378	(26,202)	336,754
Sub-total	13,657,449	14,375,251	151,396,184
Interest received	23,154	44,302	256,678
Interest paid	(1,544,603)	(1,532,284)	(17,122,310)
Income taxes paid	(976)	(1,008)	(10,824)
Net cash provided by operating activities	12,135,024	12,886,260	134,519,728
<b>Cash Flows from Investing Activities</b>			
Payments of time deposits	(11,861,229)	(6,643,000)	(131,484,646)
Proceeds from time deposits	5,361,229	13,643,000	59,430,550
Purchases of property and equipment	(235,106)	(22,722,001)	(2,606,209)
Payments for lease and guarantee deposits	—	(426)	—
Proceeds from collection of lease and guarantee deposits	—	2,100	—
Repayment of lease and guarantee deposits received	(1,288,351)	(1,637,561)	(14,281,690)
Proceeds from lease and guarantee deposits received	880,377	2,199,764	9,759,198
Net cash used in investing activities	(7,143,080)	(15,158,125)	(79,182,798)
<b>Cash Flows from Financing Activities</b>			
Proceeds from short-term loans	22,500,000	27,500,000	249,418,025
Repayment of short-term loans	(22,500,000)	(7,500,000)	(249,418,025)
Proceeds from long-term loans	—	8,000,000	—
Repayments of long-term loans	—	(7,000,000)	—
Dividends to unitholders	(8,420,515)	(8,448,896)	(93,343,487)
Net cash (used in) provided by financing activities	(8,420,515)	12,551,104	(93,343,487)
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	<b>(3,428,571)</b>	<b>10,279,238</b>	<b>(38,006,558)</b>
<b>Cash and Cash Equivalents at Beginning of Period</b>	<b>18,349,167</b>	<b>8,069,928</b>	<b>203,405,023</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>¥14,920,595</b>	<b>¥18,349,167</b>	<b>\$165,398,465</b>

The accompanying notes form an integral part of these financial statements.

## Notes to Financial Statements

September 30, 2009 and March 31, 2009

### 1. ORGANIZATION AND BASIS OF PRESENTATION

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#### Organization

Japan Real Estate Investment Corporation (the “Company”) is a real estate investment corporation formed to own and invest primarily in a portfolio of office properties. The Company is externally managed by a licensed asset management company, Japan Real Estate Asset Management Co., Ltd. (“J-Rea”). J-Rea is currently owned 63% by Mitsubishi Estate Co., Ltd. (“MEC”), 27% by The Dai-ichi Mutual Life Insurance Company (“DL”) and 10% by Mitsui & Co., Ltd.

On May 11, 2001, the Company was incorporated with ¥200 million of original capital contribution by MEC, Tokio Marine & Nichido Fire Insurance Co., Ltd. (“TMN”) and DL under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law.

On September 10, 2001, the Company commenced operations when the Company was listed on the Tokyo Stock Exchange as one of the first real estate investment corporations in Japan (so-called “J-REITs”). The Company issued 160,000 units at a price of ¥506,625 (\$5,057), generating gross proceeds of ¥81,060 million (\$809,063 thousand).

On March 12, 2008, the Company completed a sixth public offering of 33,000 units at a price of ¥997,500 (\$9,956) generating gross proceeds of ¥32,917 million (\$328,551 thousand). As of September 30, 2009, the Company had total unitholders’ capital of ¥297,601 million (\$3,298,985 thousand) with 443,000 outstanding units.

On February 5, 2009, J-Rea approved the transfer of all 77,142 shares (which represents 27.0% of outstanding shares) of J-Rea stocks held by TMN to MEC.

On March 27, 2009, the transfer of the stocks was completed and MEC’s ownership in J-Rea increased from 36.0% to 63.0%, which made J-Rea a consolidated subsidiary of MEC. Consequently, MEC became as a “related party” of J-Rea, for the purpose of the Law Concerning Investment Trusts and Investment Corporations of Japan. To deal with possible conflict of interest, J-Rea established a compliance committee on March 27, 2009 to provide enhanced compliance measures including the prevention of such conflicts of benefits.

At September 30, 2009, the Company owned a portfolio of 55 office properties concerning an aggregate of approximately 516,421 square meters of leasable space.

#### Basis of presenting financial statements

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Law, the Corporation Law of Japan, the Financial Instruments and Exchange Law of Japan and the related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include information that might not be required under Japanese GAAP but is presented herein as additional information.

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥90.21=US\$1.00, the foreign exchange rate on September 30, 2009, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

As permitted under the Japanese Financial Instruments and Exchange Law, amounts of less than one million yen have been omitted. As a result, the totals shown in the accompanying financial statements do not necessarily agree with the sum of the individual amounts.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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### Investment securities

Non-marketable securities classified as other securities are carried at cost. Cost of securities sold is determined by the moving average method.

### Property and equipment

Property and equipment is stated at cost, less accumulated depreciation. The costs of land, buildings and building improvements include the purchase price of property, legal fees and acquisition costs. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets ranging as stated below:

Buildings.....	2-61 years
Structures.....	5-50 years
Machinery and equipment.....	3-18 years
Tools, furniture and fixtures.....	3-15 years

Expenditures for repairing expenses are charged to income as incurred. Significant renewals and betterments are capitalized.

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying amount of its fixed assets may not be recoverable. Companies are required to recognize an impairment loss in their statement of income if certain indicators of asset impairment exist and the book value of an asset exceeds the undiscounted sum of future cash flows of the asset. The standard states that impairment losses should be measured as the excess of the book value over the higher of (1) the fair market value of the asset, net of disposition costs and (2) the present value of future cash flows arising ongoing utilization of the asset and from disposal after asset use. The standard covers land, factories, buildings and other forms of property, plant and equipment as well as intangible assets. Fixed assets are grouped at the lowest level for which there is identifiable cash flows that are independent of cash flows of other groups of assets.

### Deferred charges

Deferred charges include investment corporation bond issuance costs and new unit issuance costs.

Investment corporation bond issuance costs are amortized using the straight-line method over the amortization periods.

### Revenue recognition

Revenues from leasing of office space are recognized as rent accrued over the lease period.

### Taxes on property and equipment

Property and equipment is subject to property taxes and city planning taxes on a calendar year basis. These taxes are generally charged to income during the period. The sellers of the properties were liable for property taxes for the calendar year including the period from the date of purchase by the Company through the end of the year since the taxes are imposed on the owner registered in the record as of January 1 based on the assessment made by the local government. The Company paid the amount equivalent to the property taxes to the sellers applicable to the period since acquisition and included the amount equivalent to the taxes in the purchase price of each property and capitalized as cost of the property.

### Consumption taxes

Consumption taxes withheld and consumption taxes paid are not included in the statements of income. The consumption taxes paid are generally offset against the balance of consumption taxes withheld. As such, the excess of payments over amounts withheld are included in the current assets and the excess of amounts withheld over payments are included in the current liabilities.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits with banks and short-term investments which are highly liquid, readily convertible to cash and with insignificant risk of price fluctuation, with original maturity of three months or less.

### 3. INVESTMENT SECURITIES

Investment securities recorded at cost at September 30, 2009 and March 31, 2009 are summarized as follows:

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
Other securities			
Non-listed stock	<b>¥2,797</b>	¥2,797	<b>\$31,012</b>

### 4. PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2009 and March 31, 2009 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of September 30, 2009		As of March 31, 2009		As of September 30, 2009	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	<b>¥309,360,192</b>	<b>¥309,360,192</b>	¥309,300,955	¥309,300,955	<b>\$3,429,333,692</b>	<b>\$3,429,333,692</b>
Buildings and structures	<b>164,929,546</b>		164,104,236		<b>1,828,284,528</b>	
Accumulated depreciation	<b>(27,332,693)</b>	<b>137,596,852</b>	(24,458,126)	139,646,110	<b>(302,989,632)</b>	<b>1,525,294,896</b>
Machinery and equipment	<b>2,197,598</b>		2,215,416		<b>24,360,922</b>	
Accumulated depreciation	<b>(839,404)</b>	<b>1,358,194</b>	(782,102)	1,433,313	<b>(9,305,005)</b>	<b>15,055,917</b>
Tools, furniture and fixtures	<b>94,748</b>		88,170		<b>1,050,305</b>	
Accumulated depreciation	<b>(50,614)</b>	<b>44,133</b>	(45,150)	43,020	<b>(561,076)</b>	<b>489,229</b>
Construction in progress	<b>511,316</b>	<b>511,316</b>	1,461,051	1,461,051	<b>5,668,071</b>	<b>5,668,071</b>
Land in trust	<b>60,333,658</b>	<b>60,333,658</b>	60,333,658	60,333,658	<b>668,813,420</b>	<b>668,813,420</b>
Buildings and structures in trust	<b>35,844,895</b>		35,694,554		<b>397,349,473</b>	
Accumulated depreciation	<b>(6,103,622)</b>	<b>29,741,273</b>	(5,498,595)	30,195,959	<b>(67,660,155)</b>	<b>329,689,318</b>
Machinery and equipment in trust	<b>638,283</b>		638,283		<b>7,075,530</b>	
Accumulated depreciation	<b>(417,525)</b>	<b>220,758</b>	(392,992)	245,290	<b>(4,628,371)</b>	<b>2,447,159</b>
Tools, furniture and fixtures in trust	<b>8,724</b>		8,724		<b>96,713</b>	
Accumulated depreciation	<b>(3,944)</b>	<b>4,780</b>	(3,686)	5,038	<b>(43,724)</b>	<b>52,989</b>
<b>Total</b>	<b>¥539,171,159</b>	<b>¥539,171,159</b>	¥542,664,398	¥542,664,398	<b>\$5,976,844,690</b>	<b>\$5,976,844,690</b>

The compressed amount of tangible assets with government grants under the Corporation Tax Law of Japan was ¥50 million (\$555 thousand) at September 30, 2009 and ¥50 million (\$555 thousand) at March 31, 2009.



## 5. SHORT-TERM LOANS

Short-term loans at September 30, 2009 and March 31, 2009 consisted of the following:

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
0.55605% unsecured loan from a bank, due on June 1, 2009	¥ —	¥ 5,000,000	\$ —
0.67257% unsecured loan from a bank, due on March 24, 2010	4,500,000	4,500,000	49,883,605
0.63900% unsecured loan from a bank, due on June 1, 2010	5,000,000	—	55,426,228
0.51553% unsecured loan from a trust bank, due on September 1, 2009	—	2,000,000	—
0.52416% unsecured loan from a trust bank, due on September 24, 2009	—	3,000,000	—
0.64% unsecured loan from a trust bank, due on September 1, 2010	2,000,000	—	22,170,491
0.6327% unsecured loan from a trust bank, due on September 24, 2010	3,000,000	—	33,255,737
0.51553% unsecured loan from a bank, due on September 1, 2009	—	5,000,000	—
0.52416% unsecured loan from a bank, due on September 24, 2009	—	2,500,000	—
0.64% unsecured loan from a bank, due on September 1, 2010	5,000,000	—	55,426,228
0.6327% unsecured loan from a bank, due on September 24, 2010	2,500,000	—	27,713,114
0.52416% unsecured loan from a trust bank, due on September 24, 2009	—	3,000,000	—
0.6327% unsecured loan from a trust bank, due on September 24, 2010	3,000,000	—	33,255,737
0.92227% unsecured loan from a bank, due on September 24, 2009	—	2,000,000	—
0.8363% unsecured loan from a bank, due on March 24, 2010	2,000,000	—	22,170,491
0.67257% unsecured loan from a bank, due on March 24, 2010	1,000,000	1,000,000	11,085,246
0.62303% unsecured loan from banks and trust banks, due on December 21, 2009	20,000,000	20,000,000	221,704,911
<b>Total</b>	<b>¥48,000,000</b>	<b>¥48,000,000</b>	<b>\$532,091,786</b>

The Company has commitment lines of ¥25,000 million (\$277,131 thousand) with four financial institutions to reduce a refinancing risk.

The unused amount of such commitment lines was ¥25,000 million (\$277,131 thousand) at September 30, 2009.

## 6. INVESTMENT CORPORATION BONDS INCLUDING CURRENT PORTION OF INVESTMENT CORPORATION BONDS

Details of total investment corporation bonds outstanding are summarized as follows:

	As of September 30, 2009		As of March 31, 2009		As of September 30, 2009
	Amount (thousands of yen)	Interest rate (%)	Amount (thousands of yen)	Interest rate (%)	Amount (U.S. dollars)
Unsecured bond due on April 30, 2010	¥10,000,000	0.98%	¥10,000,000	0.98%	\$110,852,455
Unsecured bond due on September 29, 2025	10,000,000	2.56%	10,000,000	2.56%	110,852,455
Unsecured bond due on June 18, 2012	10,000,000	1.67%	10,000,000	1.67%	110,852,455
Unsecured bond due on June 18, 2014	15,000,000	1.91%	15,000,000	1.91%	166,278,683
<b>Total</b>	<b>¥45,000,000</b>	<b>—</b>	<b>¥45,000,000</b>	<b>—</b>	<b>\$498,836,049</b>

## 7. LONG-TERM LOANS INCLUDING CURRENT PORTION OF LONG-TERM LOANS

Long-term loans at September 30, 2009 and March 31, 2009 consisted of the following:

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
1.2875% unsecured loan from a bank, due on December 15, 2009	¥ 2,000,000	¥ 2,000,000	\$ 22,170,491
1.6225% unsecured loan from a bank, due on June 15, 2010	3,000,000	—	33,255,737
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	22,170,491
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	22,170,491
1.10625% unsecured loan from a bank, due on March 24, 2010	3,000,000	3,000,000	33,255,737
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	22,170,491
1.5725% unsecured loan from a bank, due on June 14, 2010	3,000,000	—	33,255,737
1.10625% unsecured loan from a bank, due on March 24, 2010	1,000,000	1,000,000	11,085,246
1.47125% unsecured loan from an insurance company, due on March 30, 2011	2,000,000	2,000,000	22,170,491
1.86875% unsecured loan from an insurance company, due on May 29, 2015	1,500,000	1,500,000	16,627,868
1.595% unsecured loan from an insurance company, due on April 25, 2016	1,000,000	1,000,000	11,085,246
1.50125% unsecured loan from an insurance company, due on August 31, 2011	5,000,000	5,000,000	55,426,228
1.55% unsecured loan from an insurance company, due on October 29, 2012	2,000,000	2,000,000	22,170,491
1.33125% unsecured loan from another financial institution, due on November 1, 2011	5,000,000	5,000,000	55,426,228
1.63% unsecured loan from a trust bank, due on April 4, 2011	10,000,000	10,000,000	110,852,455
1.73% unsecured loan from a trust bank, due on June 1, 2011	22,000,000	22,000,000	243,875,402
1.65925% unsecured loan from banks, trust banks, and an insurance company, due on June 23, 2011	24,000,000	24,000,000	266,045,893
1.86875% unsecured loan from an insurance company, due on May 29, 2015	5,000,000	5,000,000	55,426,228
1.54375% unsecured loan from an insurance company, due on March 30, 2017	5,000,000	5,000,000	55,426,228
1.6225% unsecured loan from a bank, due on June 15, 2010	—	3,000,000	—
1.4925% unsecured loan from a bank, due on August 31, 2012	1,000,000	1,000,000	11,085,246
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	55,426,228
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	55,426,228
1.4875% unsecured loan from a bank, due on September 2, 2013	3,000,000	3,000,000	33,255,737
1.42375% unsecured loan from a bank, due on April 24, 2013	3,000,000	3,000,000	33,255,737
1.5725% unsecured loan from a bank, due on June 14, 2010	—	3,000,000	—
1.4875% unsecured loan from a trust bank, due on September 2, 2013	5,000,000	5,000,000	55,426,228
1.65% unsecured loan from a bank, due on September 1, 2015	2,000,000	2,000,000	22,170,491
1.10625% unsecured loan from a bank, due on December 20, 2010	1,000,000	1,000,000	11,085,246
1.31% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	22,170,491
Subtotal	¥127,500,000	¥127,500,000	\$1,413,368,806
Less: current portion of long-term loans	18,000,000	12,000,000	199,534,420
Total	¥109,500,000	¥115,500,000	\$1,612,903,226

## 8. NET ASSETS

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The Company is required to maintain net assets of at least ¥50 million (\$554 thousand), as required pursuant to the Investment Trust Law.

## 9. INCOME TAXES

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At September 30, 2009 and March 31, 2009, the Company's deferred tax assets consisted mainly of the enterprise tax, which is not deductible for tax purposes. The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended September 30, 2009 and March 31, 2009 were as follows:

	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009
Statutory tax rate.....	39.33%	39.33%
Deductible dividend distribution.....	(39.33%)	(39.33%)
Others.....	0.01%	0.01%
Effective tax rate.....	0.01%	0.01%

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law of Japan, or the STML, an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its earnings available for dividend for the fiscal period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by Article 32-2 of the Articles of Incorporation, the Company made a dividend distribution of integral multiple of number of units up to 100% of retained earnings in the amount of ¥8,504 million (\$94,277 thousand) subsequent to September 30, 2009 and treated it as tax deductible dividend. The Company will not distribute the dividends in excess of retained earnings under Article 32-3 of the Articles of Incorporation.

## 10. PER UNIT INFORMATION

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The following table summarizes information about net assets per unit and net income per unit at September 30, 2009 and March 31, 2009, and for the periods then ended:

	Yen		U.S. dollars
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from April 1, 2009 to September 30, 2009
Net assets at period end per unit	¥690,984	¥690,806	\$7,660
Net income per unit	¥ 19,197	¥ 19,020	\$ 213

Net income per unit is computed by dividing net income by the weighted average number of units outstanding during each period. Diluted net income per unit has not been presented since no warrants or convertible bonds were outstanding during the period.

## 11. RELATED PARTY TRANSACTIONS

For the six months ended September 30, 2009 and March 31, 2009

For the period from October 1, 2008 to March 31, 2009

- (1) Parent Company and Major Corporation Unitholders  
“Not applicable”
- (2) Subsidiaries  
“Not applicable”
- (3) Sister Companies  
“Not applicable”
- (4) Directors and Major Individual Unitholders  
“Not applicable”

For the period from April 1, 2009 to September 30, 2009

- (1) Parent Company and Major Corporation Unitholders  
“Not applicable”
- (2) Subsidiaries  
“Not applicable”
- (3) Sister Companies  
“Not applicable”
- (4) Directors and Major Individual Unitholders  
“Not applicable”

## 12. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

For the six months ended September 30, 2009 and March 31, 2009

	Thousands of yen		U.S. dollars
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period From April 1, 2009 to September 30, 2009
<b>Property-Related Revenues</b>	<b>¥20,795,790</b>	<b>¥20,716,737</b>	<b>\$230,526,449</b>
<b>Rental Revenues</b>	<b>20,682,990</b>	20,609,470	<b>229,276,033</b>
Rental revenues	15,801,630	15,671,686	175,164,956
Common service charges	3,056,165	3,058,377	33,878,342
Parking revenues	553,017	568,982	6,130,332
Other rental revenues	1,272,177	1,310,423	14,102,404
<b>Non-Rental Revenues</b>	<b>112,800</b>	107,266	<b>1,250,416</b>
Cancellation charges	63,232	56,255	700,953
Other miscellaneous revenues	49,567	51,010	549,463
<b>Property-Related Expenses</b>	<b>10,646,300</b>	9,929,685	<b>118,016,860</b>
Property management expenses	2,240,532	2,261,861	24,836,857
Utilities expenses	1,552,430	1,570,674	17,209,073
Property and other taxes	1,770,835	1,509,694	19,630,150
Casualty insurance	44,519	44,090	493,512
Repairing expenses	1,119,621	676,964	12,411,276
Depreciation	3,801,232	3,788,102	42,137,593
Other rental expenses	117,128	78,296	1,298,399
<b>Property-Related Profits</b>	<b>¥10,149,490</b>	<b>¥10,787,051</b>	<b>\$112,509,589</b>

### 13. BREAKDOWN OF GAIN ON TRANSFER OF UNUSED FLOOR AREA

For the six months ended September 30, 2009 and March 31, 2009

	Thousands of yen		U.S. dollars
	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period From April 1, 2009 to September 30, 2009
<b>Mitsubishi UFJ Trust and Banking Building</b>			
Revenue from transfer of development rights of floor area	¥729,984	—	\$8,092,052
Transfer expenses	1,412	—	15,652
Gain on transfer of development rights of floor area	¥728,572	—	\$8,076,400

### 14. SUPPLEMENTAL CASH FLOW INFORMATION

The following table represents a reconciliation of cash and cash equivalents at September 30, 2009 and March 31, 2009:

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
Cash and deposits with banks	¥18,360,347	¥15,234,428	\$203,528,963
Cash and deposits with banks held in trust	3,060,247	3,114,738	33,923,598
Time deposits with maturities of more than three months	6,500,000	—	72,054,096
Cash and cash equivalents	¥14,920,595	¥18,349,167	\$165,398,465

### 15. LEASES

The Company owns office buildings under leases and earns rent income. As of September 30, 2009 and March 31, 2009, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen		U.S. dollars
	As of September 30, 2009	As of March 31, 2009	As of September 30, 2009
Due within one year	¥12,223,369	¥12,205,731	\$135,499,054
Due after one year	26,543,498	31,172,069	294,241,195
Total	¥38,766,867	¥43,377,800	\$429,740,249

### 16. SUBSEQUENT EVENTS

#### Transfer of a part of asset

The Company completed the following transfer of a part of Jingumae Media Square Building Site on October 30, 2009.

Outline of the transfer

1. Transferred asset: Real Property (a part of land)
2. Transfer price: ¥1,507,411 thousand (\$16,710 thousand)\*
3. Contract date: April 2, 2009
4. Transfer date: October 30, 2009
5. Transferee: The Tokyo Metropolitan Government
6. Impact of transfer on gain or loss: The gain on the transfer in the amount of ¥885,059 thousand (\$9,811 thousand) and the non-rental revenues (compensation for the property transfer) in the amount of ¥21,795 thousand (\$242 thousand) were posted in the 17th Period (period from October 1, 2009 to March 31, 2010).

### Issuance of new investment units

Based on the approval by the Board of Director's meeting held on November 18 and December 1, 2009, the Company decided to make issuance of new investment units, and completed a public offering on December 8, 2009 and third party allocation on December 22, 2009. As a result of the issuance of additional units, the Company has unitholders' capital of ¥324,353,108 thousand (\$3,595,534 thousand), with 489,200 units at the time of reporting.

#### Outline of the issuance of units

##### A. Public offerings of new investment units

1. Subscription method:	Public offering (subscription by book-building and spread method*)
2. Number of units newly issued:	42,000 units
3. Offer price (subscription price):	¥597,520 (\$6,624) per unit
4. Aggregate amount of offer price (subscription price):	¥25,095,840 thousand (\$278,194 thousand)
5. Issue price (paid-in price):	¥579,040 (\$6,419) per unit
6. Aggregate amount of issue price (paid-in price):	¥24,319,680 thousand (\$269,590 thousand)
7. Payment date:	December 8, 2009
8. Starting date of computation for dividends:	October 1, 2009
9. Specific use of proceeds of issue:	Acquisition of the trust beneficiary right in trust of real estate (quasi-co-ownership 30.0%) pertaining to Shiodome Building and repayment of the existing loans.

\* Under the so-called "Spread method", the price difference between the aggregate amount of offer price and the aggregate amount of issue price shall be the proceeds of each underwriter, and the Company will not pay an underwriting fee to underwriters. The underwriting fee is not recognized as new unit issuance cost in the financial statement.

##### B. Issuance of new investment units by third party allocation

1. Subscription method:	Third party allocation
2. Number of units newly issued:	4,200 units
3. Issue price (paid-in price):	¥579,040 (\$6,419) per unit
4. Aggregate amount of issue price (paid-in price):	¥2,431,968 thousand (\$26,959 thousand)
5. Payment date:	December 22, 2009
6. Starting date of computation for dividends:	October 1, 2009
7. Allottee:	Nikko Cordial securities Inc.
8. Specific use of proceeds of issue:	Repayment of existing loans

## Report of Independent Auditors

To the Board of Directors and Unitholders of  
Japan Real Estate Investment Corporation

We have audited the accompanying balance sheets of Japan Real Estate Investment Corporation as of September 30, 2009 and March 31, 2009, and the related statements of income and retained earnings, changes in unitholders' equity and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Real Estate Investment Corporation at September 31, 2009 and March 31, 2009, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

### *Supplementary Information*

As described in Note 15, Subsequent Events, the Company completed the transfer of a part of asset, and completed a public offering and a third party allocation.

December 24, 2009

*Ernst & Young Shin Nihon LLC*



## Introduction of the Company's Website

**Visit the Company's English Website!**

<http://www.j-re.co.jp/english/>

### Main Functions

As any information posted on the website is classified into these three categories, you can easily obtain any desired information by clicking the appropriate icon.

A summary of the latest data is available on this first page.

The screenshot displays the homepage of the Japan Real Estate Investment Corporation. At the top, there are navigation tabs for 'JRE Information', 'Portfolio', and 'Investor Relations'. A main banner features a stylized illustration of a city with a tree and people. Below the banner, there are sections for 'To Individual Investors' and 'What's New'. The 'What's New' section lists several news items with dates and brief descriptions, such as 'Notice concerning Pre-payment of Loan and Loan (Interest rate)' and 'Notice concerning Loan (Interest rate)'. On the right side, there is a 'News Releases' section with a 'JRE Latest Data' box containing key metrics like 'Number of Properties', 'Asset Size', and 'Occupancy Rate'. A 'Property Data & Download' link is also visible at the bottom right.

You can download all the disclosure data of the Company as an Excel file.



# Corporate Data

As of September 30, 2009



## Executives

Executive Director: Taketo Yamazaki  
Supervisory Directors: Kenji Kusakabe  
Tomohiro Okanoya

## Paid-in Capital

¥297,601,460,000 (See Note)

## Number of Units Outstanding

443,000 (See Note)

## Number of Unitholders

13,762

## Stock Listing

Tokyo Stock Exchange

## Securities Code

8952

## Type of Investment Corporation

Closed-end corporate type fund

## Transfer Agent

The Sumitomo Trust & Banking Co., Ltd.  
4-5-33, Kitahama, Chuo-ku, Osaka 540-8639, Japan

## Auditors

Ernst & Young ShinNihon LLC  
Hibiya Kokusai Bldg.  
2-2-3, Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan

## Incorporation

May 11, 2001

## Executive Office

Japan Real Estate Investment Corporation  
3-3-1, Marunouchi, Chiyoda-ku, Tokyo 100-0005, Japan

For further information, please contact:  
Japan Real Estate Asset Management Co., Ltd.  
Planning Department  
Tel: 81-3-3211-7921  
Fax: 81-3-3212-8886  
E-mail: [j-rea-inquiry@j-rea.co.jp](mailto:j-rea-inquiry@j-rea.co.jp)

Note: Following the issue of new investment units through the public offering and third-party allocation conducted during the 17th fiscal period, as of December 22, 2009, the Company's paid-in capital amounted to ¥324,353,108,000, and the number of the Company's units outstanding totaled 489,200.

This semiannual report includes translations of documents originally filed under the Financial Instruments and Exchange Law of Japan. This report was prepared in English solely for the convenience of readers outside Japan and should not be considered as a disclosure statement. The original Japanese documents shall take precedence in the event of any discrepancies arising from the translations or interpretations contained in this report.

Estimates for the Company's future operating results contained in this semiannual report are forward-looking statements and are based on information currently available to the Company and its asset management company and are subject to risks and uncertainties. Consequently, these projections should not be relied upon as the sole basis for evaluating the Company. Actual results may differ substantially from the projections depending on a number of factors.

<http://www.j-re.co.jp/english/>