



MARCH
2010

*Semiannual
Report*

For the period from October 1, 2009 to March 31, 2010

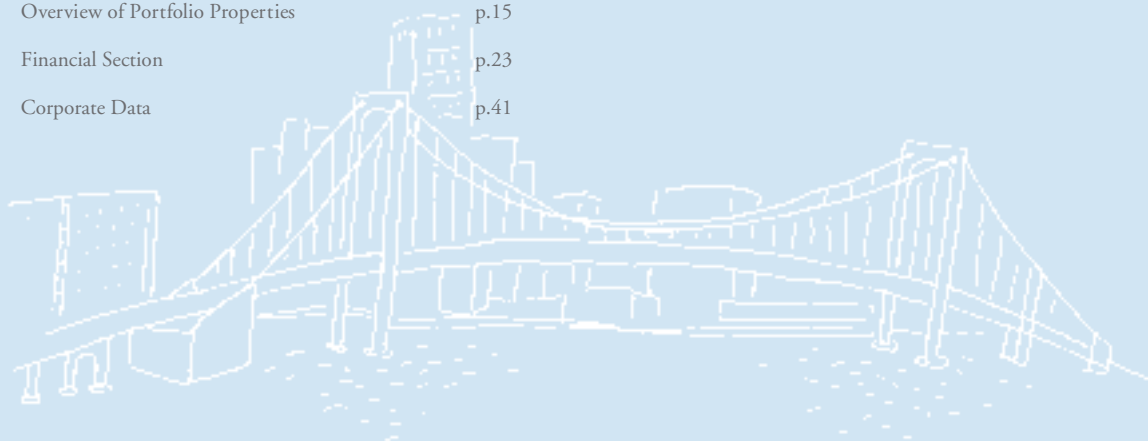
Profile

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 October 1, 2009 to March 31, 2010	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 October 1, 2009 to March 31, 2010
Operating Revenues	21,665	21,524	20,716	19,805	25,743	232,866
Operating Income	10,538	10,054	9,955	9,807	14,218	113,266
Income before Income Taxes	8,876	8,505	8,426	8,449	12,946	95,403
Net Income	8,875	8,504	8,425	8,448	12,945	95,396
Net Operating Income (NOI) (Note 2)	14,414	13,950	14,575	14,173	12,197	154,927
Funds from Operations (FFO) (Note 3)	11,914	11,577	12,213	12,009	8,078	128,057
FFO Multiple (Note 4)	16.3 times	14.1 times	13.7 times	15.5 times	31.9 times	16.3 times
Cash Distribution	8,826	8,504	8,425	8,448	12,945	94,869
Number of Units	489,200	443,000	443,000	443,000	443,000	489,200
Dividend per Unit (Yen/U.S.dollars)	18,043	19,198	19,020	19,072	29,223	193.93

Notes: 1. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥93.04 = US\$1.00, the foreign exchange rate on March 31, 2010, 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 – Compensation for the Property Transfer

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 March 31, 2008, 183 days for the period ended September 30, 2008, 182 days for the period ended March 31, 2009, 183 days for the period ended September 30, 2009 and 182 days for the period ended March 31, 2010.)

Top 10 Unitholders

As of March 31, 2010

Company	Units	% of total units outstanding
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	46,316	9.47%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	41,636	8.51%
NCT Trust and Banking Corporation (Toshin Acc.)	38,441	7.86%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	21,827	4.46%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	19,903	4.07%
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	10,959	2.24%
Mitsubishi Estate Co., Ltd.	10,160	2.08%
North Pacific Bank, Ltd.	7,493	1.53%
The Chugoku Bank, Ltd.	6,930	1.42%
AIG Edison Life Insurance Company GA NON DIMA	6,520	1.33%

Unit Price Performance



Highlights

Stable Dividends and Steady Performance

- The first listed J-REIT, showing steady performance for 17 consecutive periods
- Actual dividend per unit for the 17th fiscal period: **¥18,043** (\$193.93)*
- Forecasted dividend per unit for the 18th fiscal period: **¥16,360** (\$175.84)**

* The foreign exchange rate of ¥93.04 = US\$1.00, as of March 31, 2010, has been used for this translation.

** The forecasted dividend was disclosed with the announcement of the 17th fiscal period earnings results on May 17, 2010.

Acquisitions

- Acquisition of additional quasi-co-ownership of trust beneficiary rights to **Shiodome Building** for ¥54,600 million (\$587 million) in January 2010
- Acquisition of additional share of the co-ownership of compartmentalized building units of **Tokyo Opera City Building** for ¥22,426 million (\$241 million) in March 2010

Collaboration with Sponsors

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

Steady Growth with Quality Portfolio

- Total acquisition price: **¥641,245 million** (\$6,892 million)
- Maintains **55** high-quality office buildings

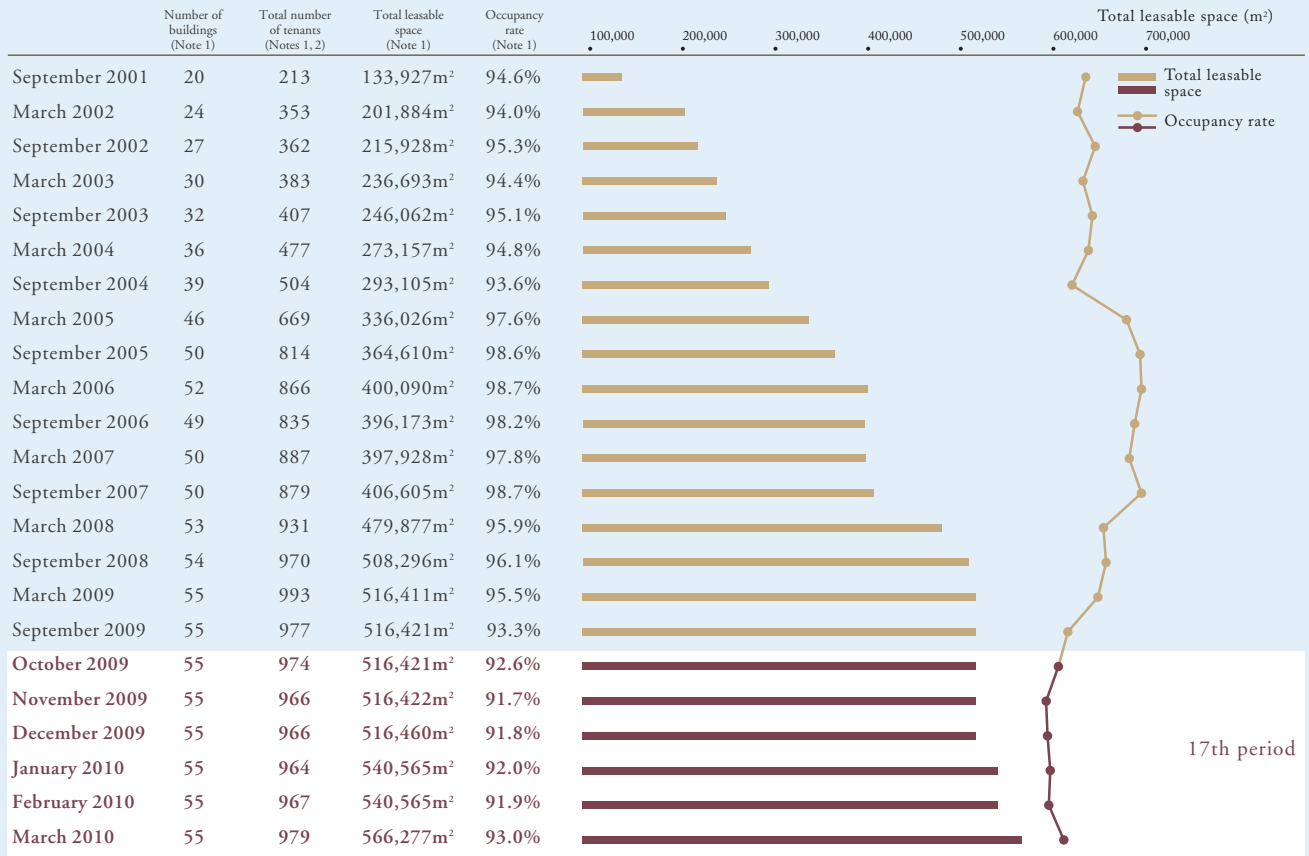
Sound Financial Base (as of March 31, 2010)

- 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): **41.2%**
- Long-term, fixed-interest debt ratio: **85.1%** ***

*** 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



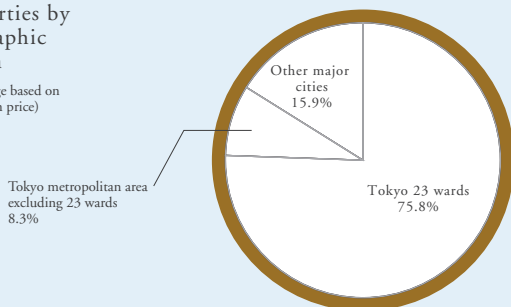
Notes: 1. The number of buildings, total number of tenants, total leasable space and occupancy rate do not include the land and building adjacent to the Ryoshin Ginza East Mirror Building.
 2. The total number of tenants is the gross number of tenants by building.

Portfolio breakdown

As of March 31, 2010

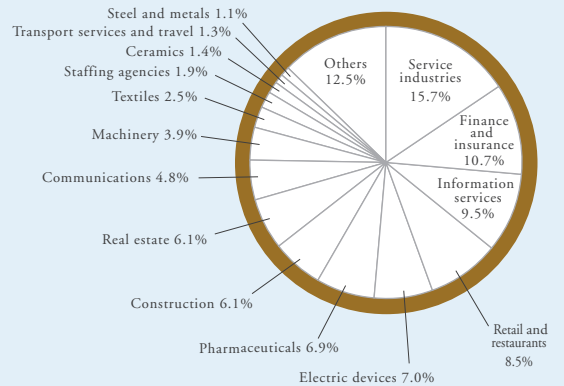
Properties by geographic region

(Percentage based on acquisition price)



Tenants by industry type

(Percentage based on leased space)



Asset Management Summary

For the period from October 1, 2009 to March 31, 2010

Acquisition of Prime Properties



Shiodome Building (Additional Acquisition)

Acquisition date:	January 15, 2010
Acquisition price:	¥54,600 million (\$587 million)
Location:	1-2-20, Kaigan, Minato-ku, Tokyo
Site area:	Approx. 12,046m ² (129,662ft ²) (total land area of the building site) (Note 1)
Floor area of building:	115,930.83m ² (1,247,868ft ²) (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. The Company initially acquired 10.0% of the quasi-co-ownership of the trust beneficiary rights to the property on December 19, 2008. Through the additional acquisition described above, the Company currently owns 40.0% of the trust beneficiary rights to the property.



Tokyo Opera City Building (Additional Acquisition)

Acquisition date:	March 24, 2010
Acquisition price:	¥22,426 million (\$241 million)
Location:	3-20-2, Nishi-Shinjuku, Shinjuku-ku, Tokyo
Site area:	18,236.94m ² (196,301ft ²) (total land area of the building site)
Floor area of building:	232,996.81m ² (2,507,954ft ²) (total floor area of the entire building)
Ownership:	Land: Ownership Building: Compartmentalized building units (ownership percentage for building: 22.957%) (Note)
Structure:	*Includes the rights to unused space in the adjacent New National Theatre, Tokyo. Steel-framed, steel-framed reinforced concrete, reinforced concrete, flat roof, galvanized sheet steel roof
Floors:	Above ground: 54 floors Below ground: 4 floors
Completion:	July 1996
Property management company:	Tokyo Operacity Property Management Co., Ltd.



Note: The Company initially acquired a portion of the property (ownership share: 8.368%) on September 13, 2005. Through the additional acquisition described above, the Company currently holds a 31.325% ownership.



To the greatest extent possible the Company avoids excessive market competition in property acquisition. To this end, the Company is diversifying its schemes for property acquisition. The two additional acquisitions described above are in line with this diversification approach.

Benefit of Additional Acquisition 1

When a co-owner or compartmentalized owner is selling his or her co-ownership or compartmentalized ownership, other co-owners or compartmentalized owners of the property are likely to purchase through negotiation such co-ownership or compartmentalized ownership on preferential terms. This means that the other co-owners or compartmentalized owners who intend to acquire additional share of the property enjoy increased buying opportunities.

Benefit of Additional Acquisition 2

Because the acquirer, as an existing co-owner or compartmentalized owner, is knowledgeable about the overview and history of as well as other information regarding the property, the acquirer is able to reduce risks relating to the property. In addition, an increase in share of ownership can lead to more efficient building management and improved asset value.

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

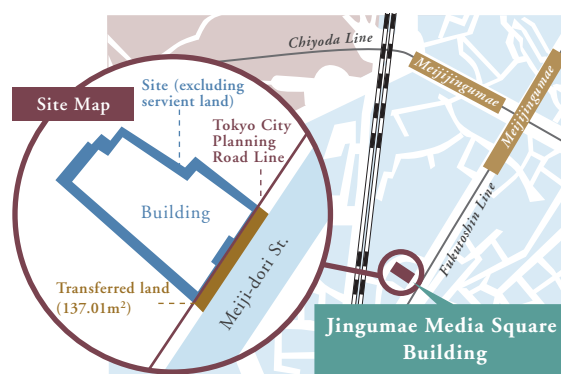
In response to land expropriation aimed at expanding Meiji-Dori Street and for other purposes following project approvals granted on March 31, 2004, the Company transferred its share of the Jingumae Media Square Building site to the Tokyo Metropolitan Government on October 30, 2009.

Outline of the transfer

Object of transaction: Land (part of Jingumae Media Square Building site)
 Location: 6-25-53, 54 and 55, Jingumae, Shibuya-ku, Tokyo;
 6-319-5, 28 and 30, Jingumae, Shibuya-ku, Tokyo
 Transfer area: 137.01m² (1,475ft²)
 Transfer price: ¥1,507 million (\$16 million)
 Transfer date: October 30, 2009



A gain on the transfer, totaling **¥885 million** (\$10 million), was recorded in the period ended March 31, 2010.



Issue of New Investment Units

Issue of new investment units through public offering

Number of units issued: 42,000
 Offer price: ¥597,520 per unit
 (\$6,422 per unit)
 Aggregate amount of issue price: ¥24,319,680,000
 (\$261,389,510)
 Offer price determination date: December 1, 2009
 Payment date: December 8, 2009
 Starting date for dividend calculation: October 1, 2009

Issue of new investment units through third-party allocation

Number of units issued: 4,200
 Issue price: ¥579,040 per unit
 (\$6,224 per unit)
 Aggregate amount of issue price: ¥2,431,968,000
 (\$26,138,951)
 Payment date: December 22, 2009
 Allottee: Nikko Cordial Securities Inc.

Of the funds procured through the new unit issuances described above, ¥20,000 million (\$215 million) was used to acquire an additional share of the Shiodome Building. Using the remainder and cash on hand, the Company made early repayments of short-term loans in the amounts of ¥5,000 million (\$54 million) and ¥6,000 million (\$64 million) on December 24, 2009 and January 4, 2010, respectively.

Subsequent Events

After the period ended March 31, 2010

Issue of Investment Corporation Bond

Issue of the Seventh Investment Corporation Bond

Total amount: ¥10,000 million (\$107 million)
 Issue date: April 23, 2010
 Final redemption date: April 23, 2015
 Yield: 1.26% per annum
 Collateral: No secured mortgage/guarantee
 Financial covenant: None

Completion of Construction to Extend the Ryoshin Ginza East Mirror Building

Construction was completed on May 24, 2010, and the extension was handed over to the Company on the same date.

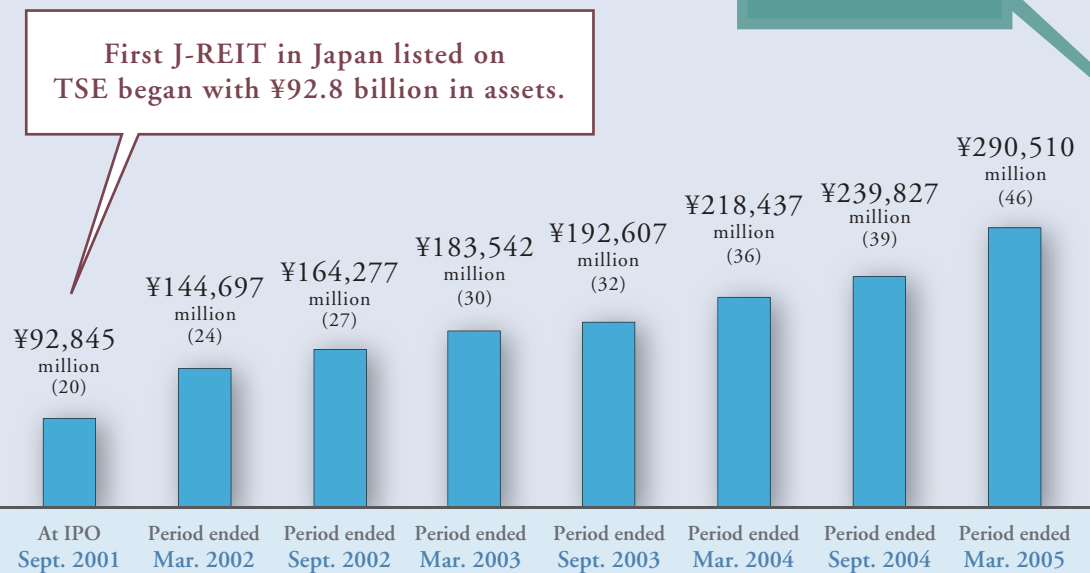
History after IPO

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

At IPO Sept. 2001	Period ended Mar. 2002	Period ended Sept. 2002	Period ended Mar. 2003	Period ended Sept. 2003	Period ended Mar. 2004	Period ended Sept. 2004	Period ended Mar. 2005
	¥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

May 2002

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

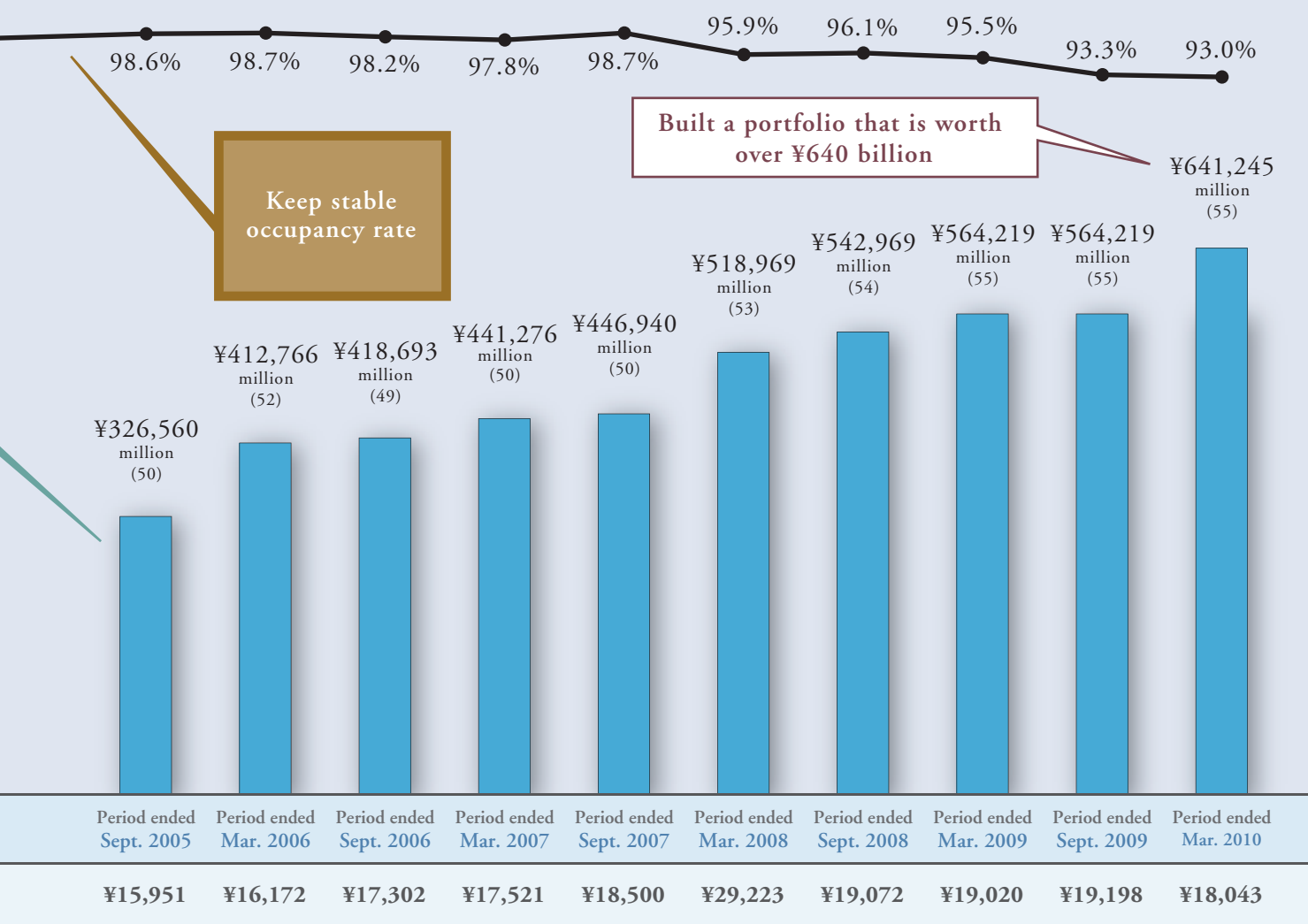
Oct. 2003

Second Follow-On

Sept. 2001
IPO

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. Also, the acquisition price for a part of the Jingumae Media Square Building site, which was sold at ¥1,507 million on October 30, 2009, is included in the above graph.

already held. The size of the Company's assets (total acquisition price) has grown from ¥92.8 billion at IPO to ¥641.2 billion as of the 17th fiscal period end 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.



Sept. 2005

Fourth Investment Corporation Bond Issue (First J-REIT ever to issue investment corporation bonds without a negative pledge clause or other financial covenants)

June 2007

Fifth/Sixth Investment Corporation Bond Issue

Apr. 2005

Third Follow-On

Oct. 2006

Fourth Follow-On

Mar. 2008

Fifth Follow-On

Dec. 2009

Sixth Follow-On

To Our Unitholders



On April 1, 2010, the baton was passed to me, and I began to orchestrate the important business affairs of Japan Real Estate Asset Management Co., Ltd.—which performs the asset management operations of Japan Real Estate Investment Corporation (“the Company”).

The Company is committed to pursuing quality-focused, steady investment management operations and will continue to pursue further business growth. As the new CEO & President of Japan Real Estate Asset Management, I would like to thank all unitholders of the Company and ask for their unwavering understanding and continued support.

Hiroshi Katayama

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

BUSINESS PERFORMANCE FOR THE 17TH FISCAL PERIOD

Summary of Financial Results and Cash Dividend

In the 17th fiscal period (October 1, 2009 to March 31, 2010), Japan Real Estate Investment Corporation (“the Company”) recorded operating revenues totaling ¥21,665 million, up 0.7% compared with the previous period. On the earnings front, operating income increased 4.8% to ¥10,538 million. After deducting expenses for interest payments on loans and other costs, income before income taxes rose 4.4% to ¥8,876 million, and net income also rose 4.4% to ¥8,875 million. The Company decided to pay out a per-unit cash dividend of ¥18,043* for the period under review.

* During the period under review, the Company posted a gain on transfer of a part of the Jingumae Media Square Building site in connection with land expropriation by the Tokyo Metropolitan Government. In accordance with stipulations under Article 65-2 of the Special Taxation Measures Law of Japan, a special tax exemption relating to land expropriation and exchange was applied to this gain. The Company decided to set aside as an internal reserve a portion of its retained earnings at the end of the 17th fiscal period, setting the maximum limit of such reserve at an amount equal to the special tax exemption (¥50 million) and determining the amount of such reserve so that additional income taxes and burdens on unitholders would be avoided. Reflecting this decision, the Company has determined to pay out cash dividends in an amount that does not exceed the amount of retained earnings at period-end, less the amount of the aforementioned internal reserve, which is the maximum integral multiple of 489,200—the number of units outstanding as of March 31, 2010. In accordance with these principles, the amount allocated for the payment of cash dividends for the period under review totaled ¥8,826,635,600.

Operating Environment and Performance

During the period under review, the Japanese economy showed signs of steady recovery, including a bottoming out of overall capital investment and improvement in personal spending and employment conditions. However, lacking an internal driving force, the economy continued to face severe conditions, including ongoing high unemployment.

The worst of the harsh conditions in the market for leased office space seems to be approaching an end. Nevertheless, overall corporate sector performance remains weak, and stagnant demand for office space has yielded unfavorable conditions nationwide in the form of rising vacancy rates and declining rent levels.

In the property market, certain private funds and Japanese real estate investment trusts (J-REITs) started to acquire properties, indicating a turnaround in market conditions. Nevertheless, the transaction volume continued to trend lower.

Amid this severe environment, the Company worked diligently to keep reinforcing the competitiveness of its portfolio properties. Particular initiatives included the upgrading of building and facility specifications through appropriate renovations and aggressive activities to attract new tenants. At the same time, the Company endeavored to further bolster the quality of its property portfolio. More

specifically, the Company acquired an additional 30% of quasi-co-ownership of trust beneficiary rights to the highly competitive Shiodome Building while acquiring an additional share of the co-ownership of compartmentalized building units (share of ownership of the building: 22.957%) of the also competitive Tokyo Opera City Building.

In addition, in conjunction with land expropriation after the March 31, 2004 securing of approvals for public projects related to the expansion of Meiji-Dori St., etc., the Company sold a part of the Jingumae Media Square Building site to the Tokyo Metropolitan Government during the period under review. Brief details of this transaction are as follows.

Outline of Asset Transfer

Property name	Jingumae Media Square Building
Location	Shibuya-ku, Tokyo
Type of specified asset	Land (part of Jingumae Media Square Building site)
Transfer price	¥1,507 million

As a result of these activities, the Company's portfolio as of March 31, 2010 consisted of 55 office buildings with a total acquisition price of ¥641,245 million. Total leasable space stood at 566,277 m² (6,095,358 ft²), with a total of 979 tenants.**

** 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.

Financial Activities

In order to provide funds to acquire specified assets and repay existing loans, the Company's Board of Directors passed a resolution regarding the issue of 42,000 new investment units through public offering and 4,200 new investment units through third-party allocation during the period under review. Through these new unit issuances, the Company procured ¥24,319 million on December 8, 2009 and ¥2,431 million on December 22, 2009, respectively.

Using a portion of the funds procured through these new unit issuances and cash on hand, the Company made early repayments of short-term loans in the amounts of ¥5,000 million and ¥6,000 million on December 24, 2009 and January 4, 2010, respectively.

To provide funds for the repayment of other existing loans, the Company procured loans of ¥2,000 million on December 15, 2009 and ¥20,000 million on December 21, 2009.

To fund the acquisition of the additional share of the quasi-co-ownership of trust beneficiary rights to the Shiodome Building, the Company procured ¥31,000 million on January 15, 2010 through loans. Furthermore, to fund the acquisition of an additional share of the co-ownership of compartmentalized building units of the Tokyo Opera City Building and the repayment of existing loans, the Company procured ¥39,500

By implementing initiatives with absolute confidence and professional passion, and with the aim of maximizing value for our unitholders, we will work to guide the Company through successes to come.

million on March 24, 2010 through loans. As a result of these financing activities, as of March 31, 2010, the Company's total interest-bearing debt amounted to ¥262,500 million. This amount consists of long-term loans totaling ¥178,500 million (including the current portion totaling ¥9,100 million) in addition to short-term loans totaling ¥39,000 million and investment corporation bonds totaling ¥45,000 million (including the current portion totaling ¥10,000 million).

As of March 31, 2010, the Company's long-term, fixed-interest debt ratio (ratio of long-term, fixed-interest debt, including the current portion of long-term loans and investment corporation bonds, to total interest-bearing debt) stood at 85.1%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 41.2%. As these figures indicate, the Company has been able to maintain a sound and conservative financial standing.

The Company's credit ratings as of March 31, 2010 were as follows.

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

OUTLOOK

Trends in the Office Leasing Market

Despite the lingering severity of employment conditions, the Japanese economy is expected to remain on a mild recovery course, supported by emergency economic policy packages implemented by the government and other factors.

Nevertheless, there are risks that could place downward pressure on the domestic economy, including a possible slowdown in overseas economies, persistent deflation and the potential of further deterioration in employment conditions. Due to such risks, making forecasts still requires a conservative approach.

In the market for leased office space, due to the fact that rent levels have been adjusted downward, the vacancy rate is expected to peak out in central Tokyo. However, reflecting still weak business sentiment in the corporate sector, for the time

being optimism is not warranted with regard to future rent levels.

On the other hand, in the property market, the volume of real estate transactions is anticipated to recover gradually, buoyed by adjustments in real estate prices. As it moves to take full advantage of the opportunities for acquiring prime properties these circumstances will present, the Company believes that both the soundness of its financial standing and its ability to procure funds will be more important than ever before.

Growth Strategies

In accordance with the aforementioned, the Company adheres to the following management policies in order to maintain and improve profitability.

First, the Company works to strengthen the relationship of trust with existing tenants and strategically raise rent levels. As of March 31, 2010, the Company had contracts with 11 property management companies. Most of these companies were already managing their respective buildings before the Company acquired them and have thus built relationships of trust with their tenants. The Company works 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 endeavor to implement effective initiatives to fill vacancies in a prompt manner. In cooperation with the property management companies mentioned above, the Company actively seeks 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 works to uncover additional needs for floor space among existing tenants.

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

Lastly, we aim to continuously reduce management costs. The Company has introduced sound competitive principles for its multiple property management companies to follow. These companies revamp their management systems and cost structures on an ongoing basis.



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

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

With regard to the acquisition of properties, the Company has adopted the following policies.

First, the Company continually enhances its property information channels and develops new channels in order to access important information quickly.

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, the Company requires buildings to meet or exceed new earthquake-resistance standards and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

Third, in accordance with its acquisition policies, the Company maintains its portfolio so that 70% or more of the portfolio properties are located within the Tokyo metropolitan area, with the remaining 30% or fewer 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 timing.

Financing Strategies

In principle, the Company shall maintain an LTV ratio that does not exceed 65%. To ensure an even lower interest-bearing debt ratio, the Company adopts 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 loans, 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 any loan agreement.

Performance Forecasts for the 18th and 19th Fiscal Periods

For the 18th fiscal period, (April 1, 2010 to September 30, 2010), the Company forecasts operating revenues totaling ¥22,100 million, operating income totaling ¥9,850 million, income before income taxes totaling ¥8,000 million and net income totaling ¥8,000 million. The Company plans to declare a cash dividend totaling ¥16,360 per unit.

For the 19th fiscal period (October 1, 2010 to March 31, 2011), the Company forecasts operating revenues totaling ¥22,020 million, operating income totaling ¥9,960 million, income before income taxes totaling ¥8,050 million and net income totaling ¥8,050 million. The Company plans to declare a cash dividend totaling ¥16,460 per unit.

As discussed above, the Japanese economy has returned to a mild recovery course. Still, it is highly possible for the pace to economic recovery to slow even further. With due consideration given to such a possibility, we believe that we must take a careful, somewhat defensive approach in forecasting the future environment surrounding the J-REIT market. Even under these conditions, the Company will continue to take actions consistent with being a J-REIT leader boasting unparalleled investment management capabilities and superior financial soundness. Implementing the said initiatives with absolute confidence and professional passion, and with the aim of maximizing value for our unitholders, we will work to guide the Company through successes to come. And, ultimately, we will do our utmost to always remain a winner in the J-REIT market.

As a going concern bearing significant responsibility to manage your invaluable investment, we appreciate you for your steadfast trust in us and ask for your resolute support.

Taketo Yamazaki
Executive Director of Japan Real Estate Investment Corporation

Hiroshi Katayama
CEO & President of Japan Real Estate Asset Management Co., Ltd.

The Portfolio of Japan Real Estate Investment Corporation As of March 31, 2010

Properties Roster

Number	Name of building	Location	Type of specified asset	Acquisition date	Acquisition price (¥ mil)
Tokyo 23 wards					
●I- 1	Genki Medical Plaza	Iidabashi, Chiyoda-ku	Real property	10/31/2002	5,000 (0.8%)
●I- 2	Kitanomaru Square	Kudan-Kita, Chiyoda-ku	Real property	02/24/2006	81,555 (12.7%)
●I- 3	MD Kanda Building	Kanda-Mitoshicho, Chiyoda-ku	Real property	05/31/2002	9,520 (1.5%)
●I- 4	Kandabashi Park Building	Kanda-Nishikicho, Chiyoda-ku	Real property	08/15/2002	4,810 (0.8%)
●I- 5	Nibancho Garden	Nibancho, Chiyoda-ku	Real property	04/01/2005	14,700 (2.3%)
●I- 6	Mitsubishi UFJ Trust and Banking Building	Marunouchi, Chiyoda-ku	Real property	03/28/2007	44,700 (7.0%)
●I- 7	Burex Kojimachi Building	Kojimachi, Chiyoda-ku	Real property	07/29/2005	7,000 (1.1%)
●I- 8	Sanno Grand Building	Nagatacho, Chiyoda-ku	Real property	01/31/2005	10,200
				04/03/2006	10,700
				total	20,900 (3.3%)
●I- 9	Yurakucho Denki Building	Yurakucho, Chiyoda-ku	Real property	08/01/2003	7,200 (1.1%)
●I- 10	Kodenmachi Shin-Nihonbashi Building	Nihonbashi-Kodenmachi, Chuo-ku	Trust	09/25/2001	3,173 (0.5%)
●I- 11	Burex Kyobashi Building	Kyobashi, Chuo-ku	Real property	07/22/2002	5,250 (0.8%)
●I- 12	Ginza Sanwa Building	Ginza, Chuo-ku	Real property	03/10/2005	16,830 (2.6%)
●I- 13	Ryoshin Ginza East Mirror Building	Ginza, Chuo-ku	Real property	03/15/2005	5,353 (0.8%)
●I- 14	Harumi Center Building	Harumi, Chuo-ku	Real property	12/18/2007	26,800 (4.2%)
●I- 15	Aoyama Crystal Building	Kita-Aoyama, Minato-ku	Real property	03/14/2003	7,680 (1.2%)
●I- 16	Shiodome Building	Kaigan, Minato-ku	Trust	12/19/2008	21,250
				01/15/2010	54,600
				total	75,850 (11.8%)
●I- 17	Shiba 2Chome Daimon Building	Shiba, Minato-ku	Trust	09/10/2001	4,859 (0.8%)
●I- 18	Cosmo Kanasugibashi Building	Shiba, Minato-ku	Trust	09/25/2001	2,808 (0.4%)
●I- 19	Shinwa Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/01/2004	7,830 (1.2%)
●I- 20	Tokyo Opera City Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/13/2005	9,350
				03/24/2010	22,426
				total	31,776 (5.0%)
●I- 21	Takanawadai Building	Higashi-Gotanda, Shinagawa-ku	Trust	09/25/2001	2,738 (0.4%)
●I- 22	Higashi-Gotanda 1Chome Building	Higashi-Gotanda, Shinagawa-ku	Real property	11/01/2004	5,500 (0.9%)
●I- 23	Omori-Eki Higashiguchi Building	Omori-Kita, Ota-ku	Trust	09/10/2001	5,123 (0.8%)
●I- 24	Nippon Brunswick Building	Sendagaya, Shibuya-ku	Real property	03/24/2004	6,670 (1.0%)
●I- 25	Yoyogi 1Chome Building	Yoyogi, Shibuya-ku	Real property	04/01/2004	8,700 (1.4%)
●I- 26	da Vinci Harajuku	Jingumae, Shibuya-ku	Real property	11/22/2002	4,885 (0.8%)
●I- 27	Jingumae Media Square Building	Jingumae, Shibuya-ku	Real property	10/09/2003	12,200 (1.9%)
●I- 28	Shibuya Cross Tower	Shibuya, Shibuya-ku	Real property	11/30/2001	34,600 (5.4%)
●I- 29	Ebisu Neonato	Ebisu, Shibuya-ku	Real property	11/14/2003	3,740
				04/01/2004	360
				total	4,100 (0.6%)
●I- 30	Harmony Tower	Honcho, Nakano-ku	Real property	02/28/2005	8,500 (1.3%)
●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 (0.7%)
Tokyo metropolitan area, excluding 23 wards					
●II- 1	Hachioji First Square	Hachioji, Tokyo	Real property	03/31/2005	3,300
				03/19/2008	2,379
				total	5,679 (0.9%)
●II- 2	Saitama Urawa Building	Saitama, Saitama Prefecture	Real property	09/25/2001	1,232
				10/11/2001	1,342
				total	2,574 (0.4%)
●II- 3	MM Park Building	Yokohama, Kanagawa Prefecture	Real property	03/24/2008	37,400 (5.8%)
●II- 4	Kawasaki Isago Building	Kawasaki, Kanagawa Prefecture	Trust	09/25/2001	3,375 (0.5%)
●II- 5	Musashi Kosugi STM Building	Kawasaki, Kanagawa Prefecture	Real property	03/25/2008	4,000 (0.6%)
Other major cities					
●III- 1	8-3 Square Kita Building	Sapporo, Hokkaido	Real property	06/01/2007	7,100 (1.1%)
●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 (0.5%)
●III- 4	Kanazawa Park Building	Kanazawa, Ishikawa Prefecture	Real property	02/28/2002	2,880
				03/03/2003	1,700
				total	4,580 (0.7%)
●III- 5	Nishiki Park Building	Nagoya, Aichi Prefecture	Real property	10/02/2006	3,850
				11/01/2006	1,300
				total	5,150 (0.8%)
●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 (2.3%)
●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 (0.4%)
●III- 10	Shin-Fujita Building	Osaka, Osaka Prefecture	Trust	09/01/2008	24,000 (3.7%)
●III- 11	Sakaisujihonmachi Building	Osaka, Osaka Prefecture	Real property	09/25/2001	2,264
				12/26/2003	1,900
				total	4,164 (0.6%)
●III- 12	Midosuji Daiwa Building	Osaka, Osaka Prefecture	Trust	09/25/2001	6,934
				02/28/2002	7,380
				total	14,314 (2.2%)
●III- 13	Lit City Building	Okayama, Okayama Prefecture	Real property	02/01/2006	4,650 (0.7%)
●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 (0.4%)
●III- 15	Tosei Tenjin Building	Fukuoka, Fukuoka Prefecture	Real property	09/25/2001	1,550 (0.2%)
●III- 16	Tenjin Crystal Building	Fukuoka, Fukuoka Prefecture	Real property	06/01/2005	5,000 (0.8%)
●III- 17	Hinode Tenjin Building	Fukuoka, Fukuoka Prefecture	Trust	09/10/2001	3,657 (0.6%)
	Total				641,245 (100.0%)

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.

Also, the acquisition price for a part of the Jingumae Media Square Building site, which was sold at ¥1,507 million on October 30, 2009, is included in the above list.

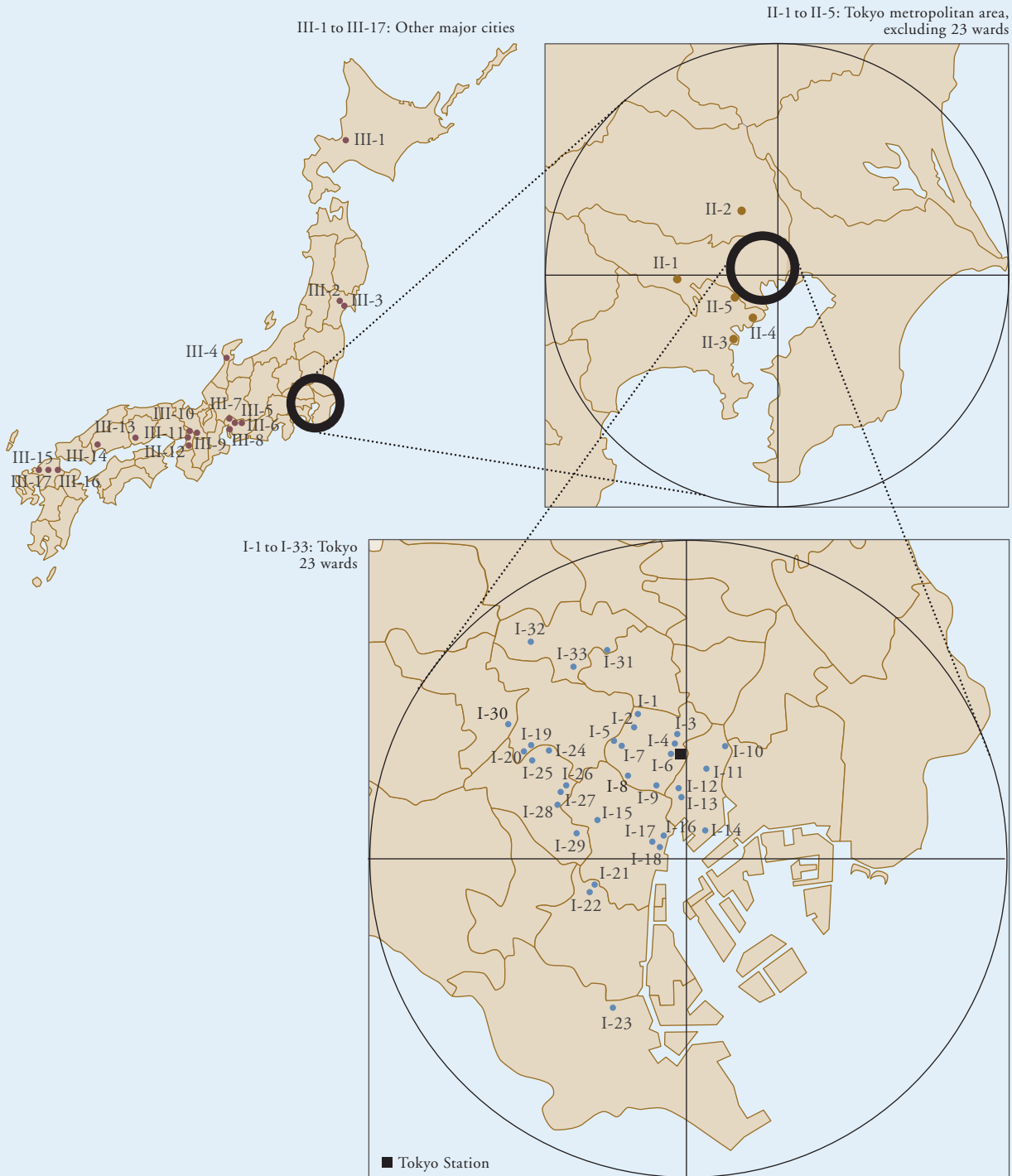
Percentage of ownership of the building	Completion	Appraisal value at the end of period (¥ mil)	Leasable space		Leased space		Occupancy rate	Number of tenants	Revenues from leasing operations (¥ mil)	
100.0%	1985	6,050	4,791m ²	(51,577ft ²)	4,791m ²	(51,577ft ²)	100.0%	1	223	(1.1%)
100.0%	2006	71,900	25,678m ²	(276,402ft ²)	25,678m ²	(276,402ft ²)	100.0%	5	1,811	(8.7%)
100.0%	1998	9,320	6,269m ²	(67,480ft ²)	5,735m ²	(61,734ft ²)	91.5%	6	272	(1.3%)
56.76%	1993	5,480	3,687m ²	(39,695ft ²)	3,354m ²	(36,109ft ²)	91.0%	5	224	(1.1%)
31.345%	2004	16,200	9,316m ²	(100,282ft ²)	9,316m ²	(100,282ft ²)	100.0%	1	485	(2.3%)
19.38402%	2003	46,500	11,922m ²	(128,332ft ²)	11,922m ²	(128,332ft ²)	100.0%	10	981	(4.7%)
100.0%	2005	6,570	4,495m ²	(48,384ft ²)	4,495m ²	(48,384ft ²)	100.0%	1	162	(0.8%)
99.0%	1966	28,400	20,865m ²	(224,594ft ²)	20,544m ²	(221,142ft ²)	98.5%	44	1,048	(5.0%)
10.78%	1975	7,910	4,694m ²	(50,531ft ²)	4,095m ²	(44,081ft ²)	87.2%	13	287	(1.4%)
100.0%	1991	3,730	3,897m ²	(41,950ft ²)	3,897m ²	(41,950ft ²)	100.0%	10	158	(0.8%)
100.0%	2002	6,500	4,279m ²	(46,068ft ²)	4,279m ²	(46,068ft ²)	100.0%	1	150	(0.7%)
70.95%	1982	15,300	4,329m ²	(46,604ft ²)	4,329m ²	(46,604ft ²)	100.0%	11	387	(1.9%)
100.0%	1998	4,410	2,875m ²	(30,949ft ²)	2,875m ²	(30,949ft ²)	100.0%	8	139	(0.7%)
100.0%	2006	21,400	20,812m ²	(224,022ft ²)	20,425m ²	(219,858ft ²)	98.1%	7	754	(3.6%)
100.0%	1982	8,340	4,898m ²	(52,724ft ²)	4,511m ²	(48,556ft ²)	92.1%	6	252	(1.2%)
40.0%	2007	79,600	32,151m ²	(346,080ft ²)	32,048m ²	(344,971ft ²)	99.7%	29	1,333	(6.4%)
100.0%	1984	6,310	9,631m ²	(103,671ft ²)	8,773m ²	(94,440ft ²)	91.1%	16	316	(1.5%)
100.0%	1992	3,090	4,062m ²	(43,726ft ²)	2,866m ²	(30,858ft ²)	70.6%	7	108	(0.5%)
100.0%	1989	7,460	6,197m ²	(66,708ft ²)	6,197m ²	(66,708ft ²)	100.0%	10	275	(1.3%)
31.325%	1996	33,500	35,035m ²	(377,122ft ²)	32,884m ²	(353,970ft ²)	93.9%	96	533	(2.6%)
100.0%	1991	2,150	4,067m ²	(43,783ft ²)	0m ²	(0ft ²)	0.0%	0	24	(0.1%)
100.0%	2004	6,030	5,205m ²	(56,035ft ²)	5,205m ²	(56,035ft ²)	100.0%	4	217	(1.0%)
100.0%	1989	5,410	7,708m ²	(82,972ft ²)	7,519m ²	(80,934ft ²)	97.5%	18	260	(1.3%)
100.0%	1974	7,550	7,356m ²	(79,180ft ²)	7,356m ²	(79,180ft ²)	100.0%	21	296	(1.4%)
100.0%	2003	10,800	7,745m ²	(83,373ft ²)	7,745m ²	(83,373ft ²)	100.0%	7	354	(1.7%)
100.0%	1987	6,370	3,147m ²	(33,876ft ²)	3,147m ²	(33,876ft ²)	100.0%	5	203	(1.0%)
100.0%	1998	11,900	5,558m ²	(59,832ft ²)	5,075m ²	(54,634ft ²)	91.3%	7	347	(1.7%)
100.0%	1976	41,600	29,789m ²	(320,652ft ²)	28,756m ²	(309,528ft ²)	96.5%	59	1,456	(7.0%)
12.29939%	1994	3,330	2,462m ²	(26,511ft ²)	605m ²	(6,517ft ²)	24.6%	1	118	(0.6%)
29.253305%	1997	10,700	10,929m ²	(117,646ft ²)	10,651m ²	(114,647ft ²)	97.5%	15	358	(1.7%)
100.0%	1987	3,820	7,183m ²	(77,319ft ²)	7,183m ²	(77,319ft ²)	100.0%	6	192	(0.9%)
100.0%	1990	1,600	2,186m ²	(23,532ft ²)	2,186m ²	(23,532ft ²)	100.0%	9	72	(0.3%)
100.0%	1989	4,480	5,797m ²	(62,401ft ²)	5,797m ²	(62,401ft ²)	100.0%	8	193	(0.9%)
80.4%	1996	4,730	10,068m ²	(108,378ft ²)	9,473m ²	(101,968ft ²)	94.1%	38	253	(1.2%)
100.0%	1990	2,080	4,510m ²	(48,550ft ²)	4,421m ²	(47,588ft ²)	98.0%	14	111	(0.5%)
100.0%	2007	36,200	38,496m ²	(414,374ft ²)	36,525m ²	(393,157ft ²)	94.9%	26	1,369	(6.6%)
100.0%	1990	2,950	6,831m ²	(73,537ft ²)	6,831m ²	(73,537ft ²)	100.0%	12	159	(0.8%)
34.32%	1990	3,590	5,394m ²	(58,071ft ²)	5,338m ²	(57,459ft ²)	98.9%	22	160	(0.8%)
100.0%	2006	6,630	12,265m ²	(132,030ft ²)	12,265m ²	(132,030ft ²)	100.0%	8	329	(1.6%)
50.0%	1993	979	2,518m ²	(27,106ft ²)	2,518m ²	(27,106ft ²)	100.0%	18	70	(0.3%)
100.0%	1991	2,920	6,241m ²	(67,185ft ²)	5,474m ²	(58,928ft ²)	87.7%	18	141	(0.7%)
89.0%	1991	5,410	20,918m ²	(225,161ft ²)	17,027m ²	(183,284ft ²)	81.4%	69	456	(2.2%)
57.04651%	1995	4,240	8,059m ²	(86,747ft ²)	7,847m ²	(84,470ft ²)	97.4%	51	272	(1.3%)
100.0%	1987	1,510	3,911m ²	(42,103ft ²)	3,274m ²	(35,246ft ²)	83.7%	12	98	(0.5%)
100.0%	1987	14,000	21,624m ²	(232,763ft ²)	20,245m ²	(217,923ft ²)	93.6%	26	696	(3.4%)
100.0%	1991	1,210	3,470m ²	(37,354ft ²)	2,840m ²	(30,575ft ²)	81.9%	9	65	(0.3%)
100.0%	1982	1,860	6,802m ²	(73,220ft ²)	4,622m ²	(49,754ft ²)	68.0%	25	105	(0.5%)
100.0%	1995	18,200	28,414m ²	(305,852ft ²)	21,965m ²	(236,430ft ²)	77.3%	40	679	(3.3%)
100.0%	1992	4,120	11,574m ²	(124,587ft ²)	10,613m ²	(114,238ft ²)	91.7%	16	256	(1.2%)
100.0%	1991	15,200	20,450m ²	(220,127ft ²)	18,265m ²	(196,607ft ²)	89.3%	29	606	(2.9%)
27.7488%	2005	4,810	9,965m ²	(107,269ft ²)	8,716m ²	(93,823ft ²)	87.5%	35	254	(1.2%)
48.753%	1994	3,020	9,860m ²	(106,134ft ²)	9,628m ²	(103,642ft ²)	97.7%	11	266	(1.3%)
100.0%	1992	1,320	4,000m ²	(43,057ft ²)	3,924m ²	(42,243ft ²)	98.1%	19	90	(0.4%)
100.0%	1993	2,830	6,014m ²	(64,743ft ²)	4,746m ²	(51,095ft ²)	78.9%	26	134	(0.6%)
74.4844%	1987	3,720	5,852m ²	(62,995ft ²)	5,776m ²	(62,182ft ²)	98.7%	8	180	(0.9%)
		645,239	566,277m ²	(6,095,358ft ²)	526,597m ²	(5,668,238ft ²)	93.0%	979	20,758	(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 ² (183,144ft ²)	3.2%
2	NTT Communications Corporation	Shiodome Building	11,813m ² (127,157ft ²)	2.2%
3	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665m ² (114,802ft ²)	2.0%
4	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316m ² (100,282ft ²)	1.8%
5	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774m ² (94,453ft ²)	1.7%
6	FAST RETAILING CO., LTD. (Note 1)	Kitanomaru Square	8,476m ² (91,245ft ²)	1.6%
7	JSOL Corporation	Harumi Center Building	7,634m ² (82,178ft ²)	1.4%
8	(Note 2)	MM Park Building (also includes 1 other building)	7,027m ² (75,643ft ²)	1.3%
9	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,906m ² (74,341ft ²)	1.3%
10	Sanofi-aventis K.K.	Tokyo Opera City Building (also includes 2 other buildings)	6,243m ² (67,201ft ²)	1.2%

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

Locations of Portfolio Properties



Overview of Portfolio Properties *As of March 31, 2010*

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: 1,052.80m² (11,332ft²)
Floor area of building: 6,722.02m² (72,355ft²)
Structure: Above ground: 8 floors
Below ground: 1 floor
Completion: September 1985



Kitanomaru Square

● I-2

Location: Chiyoda-ku, Tokyo
Site area: 5,821.03m² (62,657ft²)
Floor area of building: 57,279.20m² (616,548ft²)
Structure: Above ground: 26 floors
Below ground: 2 floors
Completion: January 2006



MD Kanda Building

● I-3

Location: Chiyoda-ku, Tokyo
Site area: 1,085.83m² (11,688ft²)
Floor area of building: 8,185.11m² (88,104ft²)
Structure: Above ground: 10 floors
Completion: February 1998



Kandabashi Park Building

● I-4

Location: Chiyoda-ku, Tokyo
Site area: 1,218.56m² (13,116ft²)
Floor area of building: 9,370.25m² (100,860ft²)
Structure: Above ground: 10 floors
Below ground: 1 floor
Completion: July 1993



Nibancho Garden

● I-5

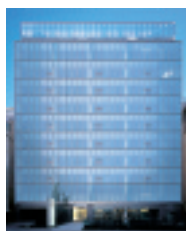
Location: Chiyoda-ku, Tokyo
Site area: 11,003.87m² (118,445ft²)
Floor area of building: 57,031.06m² (613,877ft²)
Structure: Above ground: 14 floors
Below ground: 2 floors
Completion: April 2004



Mitsubishi UFJ Trust and Banking Building

● I-6

Location: Chiyoda-ku, Tokyo
Site area: 8,100.39m² (87,192ft²)
Floor area of building: 108,171.67m² (1,164,349ft²)
Structure: Above ground: 29 floors
Below ground: 4 floors
Completion: February 2003



Burex Kojimachi Building

● I-7

Location: Chiyoda-ku, Tokyo
Site area: 967.67m² (10,416ft²)
Floor area of building: 6,526.64m² (70,252ft²)
Structure: Above ground: 11 floors
Below ground: 1 floor
Completion: January 2005



Sanno Grand Building

● I-8

Location: Chiyoda-ku, Tokyo
Site area: 3,663.93m² (39,438ft²)
Floor area of building: 33,875.95m² (364,637ft²)
Structure: Above ground: 10 floors
Below ground: 3 floors
Completion: September 1966



Yurakucho Denki Building

● I-9

Location: Chiyoda-ku, Tokyo
 Site area: 5,749.91m² (61,891ft²)
 Floor area of building: 70,287.65m² (756,569ft²)
 Structure: Above ground: 20 floors
 Below ground: 4 floors
 Completion: September 1975



Kodenmachi Shin-Nihonbashi Building

● I-10

Location: Chuo-ku, Tokyo
 Site area: 773.28m² (8,324ft²)
 Floor area of building: 5,822.88m² (62,677ft²)
 Structure: Above ground: 9 floors
 Below ground: 1 floor
 Completion: November 1991



Burex Kyobashi Building

● I-11

Location: Chuo-ku, Tokyo
 Site area: 756.03m² (8,138ft²)
 Floor area of building: 5,470.54m² (58,884ft²)
 Structure: Above ground: 8 floors
 Below ground: 1 floor
 Completion: February 2002



Ginza Sanwa Building

● I-12

Location: Chuo-ku, Tokyo
 Site area: 1,119.27m² (12,048ft²)
 Floor area of building: 8,851.00m² (95,271ft²)
 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: 615.25m² (6,622ft²)
 Floor area of building: 4,104.71m² (44,183ft²)
 Structure: Above ground: 8 floors
 Below ground: 1 floor
 Completion: October 1998



Harumi Center Building

● I-14

Location: Chuo-ku, Tokyo
 Site area: 4,664.63m² (50,210ft²)
 Floor area of building: 26,447.27m² (284,676ft²)
 Structure: Above ground: 10 floors
 Completion: November 2006



Aoyama Crystal Building

● I-15

Location: Minato-ku, Tokyo
 Site area: 989.30m² (10,649ft²)
 Floor area of building: 8,094.36m² (87,127ft²)
 Structure: Above ground: 10 floors
 Below ground: 4 floors
 Completion: December 1982



Shiodome Building

● I-16

Location: Minato-ku, Tokyo
 Site area: Approx. 12,046m² (129,662ft²)
 Floor area of building: 115,930.83m² (1,247,868ft²)
 Structure: Above ground: 24 floors
 Below ground: 2 floors
 Completion: December 2007



Shiba 2Chome Daimon Building

● I-17

Location: Minato-ku, Tokyo
Site area: 2,820.90m² (30,364ft²)
Floor area of building: 16,235.10m² (174,753ft²)
Structure: Above ground: 8 floors
Below ground: 2 floors
Completion: March 1984



Cosmo Kanasugibashi Building

● I-18

Location: Minato-ku, Tokyo
Site area: 758.54m² (8,165ft²)
Floor area of building: 5,420.93m² (58,350ft²)
Structure: Above ground: 9 floors
Below ground: 1 floor
Completion: March 1992



Shinwa Building

● I-19

Location: Shinjuku-ku, Tokyo
Site area: 822.00m² (8,848ft²)
Floor area of building: 8,291.69m² (89,251ft²)
Structure: Above ground: 10 floors
Below ground: 1 floor
Completion: November 1989



Tokyo Opera City Building

● I-20

Location: Shinjuku-ku, Tokyo
Site area: 18,236.94m² (196,301ft²)
Floor area of building: 232,996.81m² (2,507,954ft²)
Structure: Above ground: 54 floors
Below ground: 4 floors
Completion: July 1996



Takanawadai Building

● I-21

Location: Shinagawa-ku, Tokyo
Site area: 1,416.17m² (15,244ft²)
Floor area of building: 5,762.70m² (62,029ft²)
Structure: Above ground: 13 floors
Completion: January 1991



Higashi-Gotanda 1Chome Building

● I-22

Location: Shinagawa-ku, Tokyo
Site area: 1,539.95m² (16,576ft²)
Floor area of building: 6,460.39m² (69,539ft²)
Structure: Above ground: 8 floors
Completion: July 2004



Omori-Eki Higashiguchi Building

● I-23

Location: Ota-ku, Tokyo
Site area: 2,199.30m² (23,673ft²)
Floor area of building: 14,095.34m² (151,721ft²)
Structure: Above ground: 11 floors
Below ground: 2 floors
Completion: July 1989



Nippon Brunswick Building

● I-24

Location: Shibuya-ku, Tokyo
Site area: 1,497.52m² (16,119ft²)
Floor area of building: 11,957.38m² (128,708ft²)
Structure: Above ground: 9 floors
Below ground: 2 floors
Completion: March 1974



Yoyogi 1Chome Building

● I-25

Location: Shibuya-ku, Tokyo
 Site area: 1,755.75m² (18,899ft²)
 Floor area of building: 10,778.10m² (116,014ft²)
 Structure: Above ground: 14 floors
 Below ground: 1 floor
 Completion: October 2003



da Vinci Harajuku

● I-26

Location: Shibuya-ku, Tokyo
 Site area: 839.66m² (9,038ft²)
 Floor area of building: 4,359.20m² (46,922ft²)
 Structure: Above ground: 7 floors
 Below ground: 2 floors
 Completion: December 1987



Jingumae Media Square Building

● I-27

Location: Shibuya-ku, Tokyo
 Site area: 2,124.59m² (22,869ft²)
 Floor area of building: 9,420.42m² (101,400ft²)
 Structure: Above ground: 9 floors
 Below ground: 2 floors
 Completion: March 1998



Shibuya Cross Tower

● I-28

Location: Shibuya-ku, Tokyo
 Site area: 5,153.45m² (55,471ft²)
 Floor area of building: 61,862.33m² (665,880ft²)
 Structure: Above ground: 32 floors
 Below ground: 3 floors
 Completion: April 1976



Ebisu Neonato

● I-29

Location: Shibuya-ku, Tokyo
 Site area: 5,005.70m² (53,881ft²)
 Floor area of building: 36,598.38m² (393,941ft²)
 Structure: Above ground: 18 floors
 Below ground: 2 floors
 Completion: October 1994



Harmony Tower

● I-30

Location: Nakano-ku, Tokyo
 Site area: 10,020.52m² (107,860ft²)
 Floor area of building: 72,729.31m² (782,851ft²)
 Structure: Above ground: 29 floors
 Below ground: 2 floors
 Completion: March 1997



Otsuka Higashi-Ikebukuro Building

● I-31

Location: Toshima-ku, Tokyo
 Site area: 2,121.39m² (22,834ft²)
 Floor area of building: 9,531.28m² (102,594ft²)
 Structure: Above ground: 8 floors
 Below ground: 1 floor
 Completion: November 1987



Ikebukuro 2Chome Building

● I-32

Location: Toshima-ku, Tokyo
 Site area: 397.26m² (4,276ft²)
 Floor area of building: 3,157.51m² (33,987ft²)
 Structure: Above ground: 9 floors
 Below ground: 1 floor
 Completion: May 1990



Ikebukuro YS Building

● I-33

Location: Toshima-ku, Tokyo
Site area: 1,384.56m² (14,903ft²)
Floor area of building: 7,464.64m² (80,349ft²)
Structure: Above ground: 8 floors
Below ground: 1 floor
Completion: December 1989



Hachioji First Square

● II-1

Location: Hachioji, Tokyo
Site area: 2,989.33m² (32,177ft²)
Floor area of building: 18,329.98m² (197,302ft²)
Structure: Above ground: 12 floors
Below ground: 1 floor
Completion: July 1996



Saitama Urawa Building

● II-2

Location: Saitama, Saitama Prefecture
Site area: 1,533.06m² (16,502ft²)
Floor area of building: 6,258.59m² (67,367ft²)
Structure: Above ground: 8 floors
Completion: March 1990



MM Park Building

● II-3

Location: Yokohama, Kanagawa Prefecture
Site area: 6,825.77m² (73,472ft²)
Floor area of building: 49,037.51m² (527,835ft²)
Structure: Above ground: 15 floors
Below ground: 1 floor
Completion: December 2007



Kawasaki Isago Building

● II-4

Location: Kawasaki, Kanagawa Prefecture
Site area: 1,594.50m² (17,163ft²)
Floor area of building: 9,623.83m² (103,590ft²)
Structure: Above ground: 12 floors
Below ground: 1 floor
Completion: December 1990



Musashi Kosugi STM Building

● II-5

Location: Kawasaki, Kanagawa Prefecture
Site area: 3,552.15m² (38,235ft²)
Floor area of building: 22,839.61m² (245,843ft²)
Structure: Above ground: 8 floors
Below ground: 2 floors
Completion: October 1990



8·3 Square Kita Building

● III-1

Location: Sapporo, Hokkaido
Site area: 5,541.60m² (59,649ft²)
Floor area of building: 16,096.97m² (173,266ft²)
Structure: Above ground: 11 floors
Below ground: 1 floor
Completion: December 2006



Jozenji Park Building

● III-2

Location: Sendai, Miyagi Prefecture
Site area: 1,566.68m² (16,864ft²)
Floor area of building: 7,648.33m² (82,326ft²)
Structure: Above ground: 8 floors
Below ground: 1 floor
Completion: January 1993



Sendai Honcho Honma Building

● III-3

Location: Sendai, Miyagi Prefecture
Site area: 1,437.47m² (15,473ft²)
Floor area of building: 8,247.50m² (88,775ft²)
Structure: Above ground: 11 floors
Completion: November 1991



Kanazawa Park Building

● III-4

Location: Kanazawa, Ishikawa Prefecture
Site area: 6,642.71m² (71,501ft²)
Floor area of building: 43,481.20m² (468,027ft²)
Structure: Above ground: 12 floors
Below ground: 2 floors
Completion: October 1991



Nishiki Park Building

● III-5

Location: Nagoya, Aichi Prefecture
Site area: 2,170.45m² (23,363ft²)
Floor area of building: 25,091.91m² (270,087ft²)
Structure: Above ground: 22 floors
Below ground: 4 floors
Completion: August 1995



Hirokoji Sakae Building

● III-6

Location: Nagoya, Aichi Prefecture
Site area: 786.79m² (8,469ft²)
Floor area of building: 6,445.08m² (69,374ft²)
Structure: Above ground: 9 floors
Below ground: 2 floors
Completion: September 1987



Nagoya Hirokoji Building

● III-7

Location: Nagoya, Aichi Prefecture
Site area: 4,095.81m² (44,087ft²)
Floor area of building: 33,377.73m² (359,275ft²)
Structure: Above ground: 18 floors
Below ground: 2 floors
Completion: May 1987



Nagoya Misono Building

● III-8

Location: Nagoya, Aichi Prefecture
Site area: 805.04m² (8,665ft²)
Floor area of building: 5,348.00m² (57,565ft²)
Structure: Above ground: 7 floors
Below ground: 1 floor
Completion: September 1991



Kyoto Shijo Kawaramachi Building

● III-9

Location: Kyoto, Kyoto Prefecture
Site area: 1,471.57m² (15,840ft²)
Floor area of building: 9,701.04m² (104,421ft²)
Structure: Above ground: 9 floors
Below ground: 1 floor
Completion: November 1982



Shin-Fujita Building

● III-10

Location: Osaka, Osaka Prefecture
Site area: 6,159.61m² (66,301ft²)
Floor area of building: 45,411.31m² (488,803ft²)
Structure: Above ground: 21 floors
Below ground: 2 floors
Completion: April 1995



Sakaisujihonmachi Building

● III-11

Location: Osaka, Osaka Prefecture
Site area: 2,036.22m² (21,918ft²)
Floor area of building: 17,145.59m² (184,553ft²)
Structure: Above ground: 13 floors
Below ground: 2 floors
Completion: October 1992



Midosuji Daiwa Building

● III-12

Location: Osaka, Osaka Prefecture
Site area: 3,044.65m² (32,772ft²)
Floor area of building: 31,213.27m² (335,977ft²)
Structure: Above ground: 15 floors
Below ground: 2 floors
Completion: September 1991



Lit City Building

● III-13

Location: Okayama, Okayama Prefecture
Site area: 7,596.44m² (81,767ft²)
Floor area of building: 52,653.19m² (566,754ft²)
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: 3,296.46m² (35,483ft²)
Floor area of building: 35,217.28m² (379,075ft²)
Structure: Above ground: 23 floors
Below ground: 2 floors
Completion: August 1994



Tosei Tenjin Building

● III-15

Location: Fukuoka, Fukuoka Prefecture
Site area: 1,221.31m² (13,146ft²)
Floor area of building: 5,588.57m² (60,155ft²)
Structure: Above ground: 8 floors
Completion: March 1992



Tenjin Crystal Building

● III-16

Location: Fukuoka, Fukuoka Prefecture
Site area: 1,835.17m² (19,754ft²)
Floor area of building: 10,432.04m² (112,289ft²)
Structure: Above ground: 14 floors
Below ground: 1 floor
Completion: August 1993



Hinode Tenjin Building

● III-17

Location: Fukuoka, Fukuoka Prefecture
Site area: 1,452.15m² (15,631ft²)
Floor area of building: 12,527.07m² (134,840ft²)
Structure: Above ground: 10 floors
Below ground: 2 floors
Completion: August 1987



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Selected Financial Data

	Millions of yen					Thousands of U.S. dollars (Note 1)
	For the period from October 1, 2009 to March 31, 2010	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 October 1, 2009 to March 31, 2010
Operating Revenues	¥ 21,665	¥ 21,524	¥ 20,716	¥ 19,805	¥ 25,743	\$ 232,866
Operating Expenses	11,127	11,469	10,761	9,998	11,524	119,599
Operating Income	10,538	10,054	9,955	9,807	14,218	113,266
Income before Income Taxes	8,876	8,505	8,426	8,449	12,946	95,403
Net Income	8,875	8,504	8,425	8,448	12,945	95,396
Total Assets	637,326	564,528	565,022	542,920	527,537	6,850,026
Interest-Bearing Debts	262,500	220,500	220,500	199,500	177,500	2,821,367
Net Assets	333,228	306,106	306,027	306,050	310,547	3,581,565
Unitholders' Capital	324,353	297,601	297,601	297,601	297,601	3,486,168
Number of Units	489,200	443,000	443,000	443,000	443,000	489,200
Net Assets per Unit (Yen/U.S. dollars)	681,170	690,984	690,806	690,858	701,009	7,321
Cash Distribution	8,826	8,504	8,425	8,448	12,945	94,869
Dividend Payout Ratio	99.4%	100.0%	99.9%	100.0%	100.0%	99.4%
Dividend per Unit (Yen/U.S. dollars)	18,043	19,198	19,020	19,072	29,223	193.93
Net Operating Income (NOI)	14,414	13,950	14,575	14,173	12,197	154,927
Funds from Operations (FFO)	11,914	11,577	12,213	12,009	8,078	128,057
Return on Assets (ROA) (Note 2)	1.5%	1.5%	1.5%	1.6%	2.6%	1.5%
	(3.0% annualized)	(3.0% annualized)	(3.1% annualized)	(3.1% annualized)	(5.3% annualized)	(3.0% annualized)
Return on Equity (ROE) (Note 3)	2.7%	2.8%	2.8%	2.7%	4.7%	2.7%
	(5.5% annualized)	(5.5% annualized)	(5.5% annualized)	(5.5% annualized)	(9.3% annualized)	(5.5% annualized)
EOP Equity Ratio (Note 4)	52.3%	54.2%	54.2%	56.4%	58.9%	52.3%
EOP Interest-Bearing Debt Ratio						
on Total Assets (Note 5)	41.2%	39.1%	39.0%	36.7%	33.6%	41.2%
FFO Multiple	16.3 times	14.1 times	13.7 times	15.5 times	31.9 times	16.3 times
Debt Service Coverage Ratio (Note 6)	9.0 times	9.0 times	8.9 times	9.7 times	14.2 times	9.0 times

Notes 1: Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥93.04 = US\$1.00, the foreign exchange rate on March 31, 2010, 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 March 31, 2008, 183 days for the period ended September 30, 2008, 182 days for the period ended March 31, 2009, 183 days for the period ended September 30, 2009 and 182 days for the period ended March 31, 2010.)

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 March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
ASSETS			
Current Assets:			
Cash and bank deposits	¥ 18,753,604	¥ 21,420,595	\$ 201,564,969
Rental receivables	154,218	181,137	1,657,553
Refundable income taxes	3,790	3,705	40,737
Refundable consumption taxes	819,013	—	8,802,806
Other current assets	176,709	109,247	1,899,288
Total current assets	19,907,336	21,714,685	213,965,353
Property and Equipment, at Cost:			
Land	423,030,382	369,693,850	4,546,758,198
Buildings and structures	222,885,082	200,774,443	2,395,583,435
Machinery and equipment	3,016,602	2,835,882	32,422,642
Tools, furniture and fixtures	116,069	103,472	1,247,520
Construction in progress	228,711	511,316	2,458,206
Subtotal	649,276,848	573,918,965	6,978,470,001
Accumulated depreciation	(38,693,393)	(34,747,806)	(415,879,122)
Total property and equipment	610,583,455	539,171,159	6,562,590,879
Investments and Other Assets:			
Investment securities	577,168	2,797	6,203,440
Deposits	29,330	21,902	315,245
Long-term prepaid expenses	23,769	17,091	255,480
Leasehold rights	5,306,643	2,691,724	57,036,152
Easement	828,095	828,095	8,900,423
Deferred investment corporation bond issuance costs	70,574	81,402	758,541
Total Assets	¥637,326,373	¥564,528,859	\$6,850,025,513

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

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
LIABILITIES			
Current Liabilities:			
Trade accounts payable	¥ 990,412	¥ 706,431	\$ 10,645,016
Other payables	866,972	754,253	9,318,275
Short-term loans	39,000,000	48,000,000	419,174,549
Current portion of long-term loans	9,100,000	18,000,000	97,807,395
Current portion of investment corporation bonds	10,000,000	10,000,000	107,480,653
Accrued expenses	816,801	730,669	8,779,039
Accrued income taxes	—	45	—
Accrued consumption taxes	—	343,337	—
Rent received in advance	2,393,764	2,261,891	25,728,339
Other current liabilities	11,643	4,955	125,140
Total current liabilities	63,179,594	80,801,584	679,058,405
Long-Term Liabilities:			
Investment corporation bonds	35,000,000	35,000,000	376,182,287
Long-term loans	169,400,000	109,500,000	1,820,722,270
Deposits received from tenants	36,517,967	33,121,070	392,497,502
Total long-term liabilities	240,917,967	177,621,070	2,589,402,059
Total Liabilities	304,097,561	258,422,654	3,268,460,464
NET ASSETS			
Unitholders' capital	324,353,108	297,601,460	3,486,168,401
Authorized: 2,000,000 units			
Issued: 489,200 units as of March 31, 2010 and 443,000 units as of September 30, 2009			
Retained earnings	8,875,704	8,504,745	95,396,648
Total net assets	333,228,812	306,106,205	3,581,565,048
Total Liabilities and Net Assets	¥637,326,373	¥564,528,859	\$6,850,025,513

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

Statements of Income and Retained Earnings

For the six months ended March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Operating Revenues and Expenses			
Operating Revenues:			
Rental revenues	¥20,635,057	¥20,682,990	\$221,786,950
Non-rental revenues	123,901	112,800	1,331,699
Gain on sale of properties	885,059	—	9,512,676
Gain on transfer of development rights of floor area	—	728,572	—
Compensation for the property transfer	21,795	—	234,257
Total operating revenues	21,665,813	21,524,362	232,865,582
Operating Expenses:			
Property-related expenses	10,290,164	10,646,300	110,599,358
Asset management fees	529,379	540,800	5,689,801
Administrative service fees	180,909	174,534	1,944,427
Other operating expenses	127,080	107,809	1,365,872
Total operating expenses	11,127,533	11,469,445	119,599,458
Operating income	10,538,280	10,054,917	113,266,125
Non-Operating Revenues and Expenses			
Non-Operating Revenues:			
Interest income	19,716	24,514	211,910
Other non-operating revenues	10	252	107
Non-Operating Expenses:			
Interest expense	1,196,686	1,139,585	12,862,068
Interest expense on investment corporation bonds	403,852	402,286	4,340,629
Amortization of investment corporation bond issuance costs	10,828	10,887	116,381
New unit issuance costs	50,590	—	543,754
Other non-operating expenses	19,753	21,273	212,308
Income before Income Taxes	8,876,295	8,505,651	95,403,001
Income Taxes:			
Current	605	971	6,503
Deferred	17	2	192
Net Income	8,875,672	8,504,678	95,396,307
Retained Earnings Brought Forward	31	67	341
Retained Earnings at End of Period	¥ 8,875,704	¥ 8,504,745	\$ 95,396,648

Statements of Changes in Unitholders' Equity

For the six months ended March 31, 2010 and September 30, 2009

	Units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total
Balance as of March 31, 2009	443,000	¥297,601,460	¥8,425,927	¥306,027,387
Cash dividends paid	—	—	(8,425,860)	(8,425,860)
Net income	—	—	8,504,678	8,504,678
Balance as of September 30, 2009	443,000	¥297,601,460	¥8,504,745	¥306,106,205
New unit issuance	46,200	26,751,648	—	26,751,648
Cash dividends paid	—	—	(8,504,714)	(8,504,714)
Net income	—	—	8,875,672	8,875,672
Balance as of March 31, 2010	489,200	¥324,353,108	¥8,875,704	¥333,228,812
			U.S. dollars (Note 1)	
	Units	Unitholders' capital	Retained earnings	Total
Balance as of September 30, 2009	443,000	\$3,198,639,940	\$91,409,563	\$3,290,049,503
New unit issuance	46,200	287,528,461	—	287,528,461
Cash dividends paid	—	—	(91,409,222)	(91,409,222)
Net income	—	—	95,396,307	95,396,307
Balance as of March 31, 2010	489,200	\$3,486,168,401	\$95,396,648	\$3,581,565,048

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

Statements of Cash Flows

For the six months ended March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Cash Flows from Operating Activities			
Income before income taxes	¥ 8,876,295	¥ 8,505,651	\$ 95,403,001
Depreciation and amortization	3,945,587	3,801,232	42,407,430
Amortization of investment corporation bond issuance costs	10,828	10,887	116,381
New unit issuance costs	50,590	—	543,754
Interest income	(19,716)	(24,514)	(211,910)
Interest expense	1,600,538	1,541,871	17,202,697
Rental receivables	26,918	51,571	289,323
Refundable income taxes	(85)	4,090	(914)
Refundable consumption taxes	(819,013)	—	(8,802,806)
Prepaid expenses	(50,453)	4,133	(542,282)
Trade accounts payable	163,659	(94,515)	1,759,025
Other payables	(8,828)	(6,511)	(94,886)
Accrued expenses	(343,474)	(80,790)	(3,691,684)
Rent received in advance	131,872	(88,450)	1,417,378
Decrease due to sale of tangible fixed asset	614,142	—	6,600,839
Long-term prepaid expenses	(6,677)	2,413	(71,774)
Other	(12,600)	30,378	(135,431)
Sub-total	14,159,584	13,657,449	152,188,143
Interest received	21,977	23,154	236,216
Interest paid	(1,514,269)	(1,544,603)	(16,275,465)
Income taxes paid	(650)	(976)	(6,991)
Net cash provided by operating activities	12,666,642	12,135,024	136,141,904
Cash Flows from Investing Activities			
Payments of time deposits	(6,143,000)	(11,861,229)	(66,025,365)
Proceeds from time deposits	12,643,000	5,361,229	135,887,790
Purchases of property and equipment	(75,747,620)	(235,106)	(814,140,379)
Purchases of intangible assets	(2,601,260)	—	(27,958,520)
Purchases of investment securities	(574,370)	—	(6,173,372)
Payments for lease and guarantee deposits	(7,428)	—	(79,840)
Repayments of lease and guarantee deposits received	(2,362,163)	(1,288,351)	(25,388,686)
Proceeds from lease and guarantee deposits received	5,759,060	880,377	61,898,762
Net cash used in investing activities	(69,033,782)	(7,143,080)	(741,979,610)
Cash Flows from Financing Activities			
Proceeds from short-term loans	29,500,000	22,500,000	317,067,928
Repayments of short-term loans	(38,500,000)	(22,500,000)	(413,800,516)
Proceeds from long-term loans	63,000,000	—	677,128,117
Repayments of long-term loans	(12,000,000)	—	(128,976,784)
Proceeds from issuance of units	26,751,648	—	287,528,461
Payments of new unit issuance costs	(50,590)	—	(543,754)
Dividends to unitholders	(8,500,907)	(8,420,515)	(91,368,312)
Net cash provided by (used in) financing activities	60,200,149	(8,420,515)	647,035,139
Net Increase (Decrease) in Cash and Cash Equivalents	3,833,009	(3,428,571)	41,197,433
Cash and Cash Equivalents at Beginning of Period	14,920,595	18,349,167	160,367,536
Cash and Cash Equivalents at End of Period	¥18,753,604	¥14,920,595	\$201,564,969

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

Notes to Financial Statements

March 31, 2010 and September 30, 2009

1. ORGANIZATION AND BASIS OF PRESENTATION

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 (currently renamed The Dai-ichi Life Insurance Company, Limited, “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 (\$5,445), generating gross proceeds of ¥81,060 million (\$871,238 thousand) (Note 1).

The Company completed a seventh public offering of 42,000 units at a price of ¥579,040 (\$6,224) on December 8, 2009 and third party allocation of 4,200 units at a price of ¥579,040 (\$6,224) on December 22, 2009, generating gross proceeds of ¥24,319 million (\$261,390 thousand) and ¥2,431 million (\$26,139 thousand). As of March 31, 2010, the Company had total unitholders’ capital of ¥324,353 million (\$3,486,168 thousand) with 489,200 outstanding units (Note 1).

At March 31, 2010, the Company owned a portfolio of 55 office properties concerning an aggregate of approximately 566,277 square meters of leasable space.

Note1: The foreign exchange rate of ¥93.04=US\$1.00, as of March 31, 2010, has been used for translation.

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 ¥93.04=US\$1.00, the foreign exchange rate on March 31, 2010, 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

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.

New unit issuance costs are charged to income as incurred. The underwriters' economic remunerations for underwriting the offering are not recognized as new unit issuance costs in the financial statements since such costs are not paid by the Company as commission under the so-called "spread-method". Under the spread method, the difference between the offer price (the price paid by the unitholder) and the issue price (the price received by the Company) is retained by the underwriters as remunerations. The spread so incurred at the seventh offering on December 8, 2010 was ¥776 million (\$8,342 thousand).

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. FINANCIAL INSTRUMENTS

For the period from October 1, 2009 to March 31, 2010

1. Status of financial instruments

(1) Policies for dealing financial instruments

Concerning the financing of property acquisitions, the Company shall use several funding sources including bank loans, issuance of investment corporation bonds and issuance of investment units. When executing such financing activities, the Company endeavors to retain the ability to secure stable and low-cost financing by maintaining high credit rating and thereby limiting the financial covenants which may restrict the financial flexibility of the Company. To achieve these goals, the company intends to further develop and reinforce the confidence of debt holders and rating agencies in the Company by bolstering capital base and controlling loan-to-value ratio ("LTV") at adequate level.

In order to hedge against future interest-rate fluctuations, the Company may enter in derivative transactions, which shall be executed solely for the purpose of controlling risks, and not for speculative purposes.

At the time of this report, the Company holds no position in derivative transactions.

With respect to management of excess fund, as a matter of policy the Company uses time deposit as its main vehicle, while securities and monetary claims are also eligible for such investment.

(2) Characteristics, and risk profile of each financial instrument and risk management system

J-Rea regularly re-evaluates appropriateness and effectiveness of risk management system in order to improve on it.

Characteristics, and risk profile of financial instruments and risk management system are as follows:

Deposits which are typically large time deposit used to manage the excess funds, are exposed to credit risk of the deposit-taking financial institutions. The Company manages credit risk by restricting the tenor of the deposit relatively short and setting a minimum credit rating requirement for the deposit-taking financial institutions.

The fund proceeds from borrowings and issues of investment corporate bonds are applied mainly to acquire real estate properties and repayment of outstanding loans and bonds. While floating-rate short-term loans are exposed to the risk of interest-rate hike, such risk is mitigated by the Company's low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. Loans and investment corporate bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements the measures such as (i) maintaining and strengthening its ability to access equity markets to secure funds, (ii) maintaining a commitment lines with major financial institutions (There is no outstanding under the facility as of March 31, 2010), and (iii) preparing monthly financial plan.

(3) Supplementary Note regarding fair value of financial instruments

The fair values of financial instruments presented in this report are based on their market value, and in case where market values are not available, reasonably calculated values are presented. Since calculation of fair value is based on certain assumptions, the fair value could differ depending on assumptions used.

2. Fair value of financial instruments

Fair value of financial instruments, their value carried on the balance sheet and the difference between them as of March 31, 2010 are as follows.

The financial instruments whose fair values have extreme difficulty estimating are excluded from the following schedule (Note2).

	Thousands of yen			U.S.dollars		
	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and bank deposits	¥ 18,753,604	¥ 18,753,604	¥ —	\$ 201,564,969	\$ 201,564,969	\$ —
(2) Short-term loans	39,000,000	39,000,000	—	419,174,549	419,174,549	—
(3) Current portion of investment corporation bonds	10,000,000	10,001,900	1,900	107,480,653	107,501,075	20,421
(4) Current portion of long-term loans	9,100,000	9,123,831	23,831	97,807,395	98,063,539	256,144
(5) Investment corporation bonds	35,000,000	34,427,850	△ 572,150	376,182,287	370,032,782	△ 6,149,506
(6) Long-term loans	169,400,000	170,352,153	952,153	1,820,722,270	1,830,956,077	10,233,807

Note1: Measurement of fair value of financial instruments

(1) Cash and bank deposits

Due to short tenor, the book value of these assets are reasonable approximation of the present value of these assets and hence used as their fair value.

(2) Short-term loans

Since these loans' tenor is short and rates are reset at short interval, the book values of these liabilities are reasonable approximation of their present value and hence used as their fair values.

(3) Current portion of investment corporation bonds and (5) Investment corporation bonds

Their fair values are based on the values published by a financial data provider.

(4) Current portion of long-term loans and (6) long-term loans

The fair values of these liabilities are calculated by discounting the aggregated amounts of the principals and the interests of the loan by the rates that are reasonably estimated to be applicable if the Company refinances the existing loans for the remaining period to maturity under the prevailing market conditions at March 31, 2010.

Note2: Financial instruments whose fair values cannot be reliably measured.

Classification	Book value (Thousands of yen)	Book value (U.S.dollars)
(1) Non-listed stock (*1)	¥ 577,168	\$ 6,203,440
(2) Deposits received from tenants (*2)	36,517,967	392,497,502

(*1) With regard to non-listed stocks which do not have quoted market price in active market and whose cash flows are not reasonably estimated, their fair value cannot be reliably measured and therefore presented at their book value.

(*2) With regard to deposits received from tenants, which do not have quoted market price in active market, and their tenor cannot be reasonably estimated, their cash flows cannot be reliably measured and therefore presented at their book value.

Note3: Redemption schedule for monetary claim after the closing date

	(Thousands of yen)	(U.S.dollars)
	Cash and bank deposits	Cash and bank deposits
1 year or less	¥18,753,604	\$201,564,969
1 to 2 years	—	—
2 to 3 years	—	—
3 to 4 years	—	—
4 to 5 years	—	—
Over 5 years	—	—

Note4: Repayment schedule for investment corporation bonds, long-term loans and other interest-bearing debt after the closing date

	(Thousands of yen)				(U.S.dollars)			
	Short-term loans	Investment corporation bonds	Long-term loans	Total	Short-term loans	Investment corporation bonds	Long-term loans	Total
1 year or less	¥39,000,000	¥10,000,000	¥ 9,100,000	¥58,100,000	\$419,174,549	\$107,480,653	\$ 97,807,395	\$624,462,597
1 to 2 years	—	—	68,100,000	68,100,000	—	—	731,943,250	731,943,250
2 to 3 years	—	10,000,000	49,100,000	59,100,000	—	107,480,653	527,730,009	635,210,662
3 to 4 years	—	—	34,100,000	34,100,000	—	—	366,509,028	366,509,028
4 to 5 years	—	15,000,000	2,100,000	17,100,000	—	161,220,980	22,570,937	183,791,917
Over 5 years	—	10,000,000	16,000,000	26,000,000	—	107,480,653	171,969,046	279,449,699

(Additional information)

Effective October 1, 2009, the Company adopted the Accounting Standard for Financial Instruments (The Accounting Standards Board of Japan (hereinafter referred to ASBJ) Statement No.10, March 10, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Financial Instruments (ASBJ Guidance No.19, March 10, 2008).

4. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2010 and September 30, 2009 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of March 31, 2010		As of September 30, 2009		As of March 31, 2010	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥319,406,060	¥319,406,060	¥309,360,192	¥309,360,192	\$3,432,997,206	\$3,432,997,206
Buildings and structures	175,443,969		164,929,546		1,885,683,252	
Accumulated depreciation	(30,459,585)	144,984,383	(27,332,693)	137,596,852	(327,381,620)	1,558,301,632
Machinery and equipment	2,209,482		2,197,598		23,747,660	
Accumulated depreciation	(912,526)	1,296,956	(839,404)	1,358,194	(9,807,891)	13,939,769
Tools, furniture and fixtures	107,344		94,748		1,153,749	
Accumulated depreciation	(55,808)	51,535	(50,614)	44,133	(599,838)	553,911
Construction in progress	228,711	228,711	511,316	511,316	2,458,206	2,458,206
Land in trust	103,624,322	103,624,322	60,333,658	60,333,658	1,113,760,992	1,113,760,992
Buildings and structures in trust	47,441,113		35,844,895		509,900,183	
Accumulated depreciation	(6,816,581)	40,624,531	(6,103,622)	29,741,273	(73,265,062)	436,635,122
Machinery and equipment in trust	807,120		638,283		8,674,982	
Accumulated depreciation	(444,688)	362,431	(417,525)	220,758	(4,779,544)	3,895,438
Tools, furniture and fixtures in trust	8,724		8,724		93,771	
Accumulated depreciation	(4,202)	4,522	(3,944)	4,780	(45,167)	48,604
Total	¥610,583,455	¥610,583,455	¥539,171,159	¥539,171,159	\$6,562,590,879	\$6,562,590,879

The compressed amount of tangible assets with government grants under the Corporation Tax Law of Japan was ¥50 million (\$538 thousand) at March 31, 2010 and ¥50 million (\$538 thousand) at September 30, 2009.

5. SHORT-TERM LOANS

Short-term loans at March 31, 2010 and September 30, 2009 consisted of the following:

	Thousands of yen		U.S. dollars
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
0.56521% unsecured loan from banks and trust banks, due on December 21, 2009	¥ —	¥20,000,000	\$ —
0.58943% unsecured loan from a bank, due on March 24, 2010	—	1,000,000	—
0.5554% unsecured loan from a bank, due on March 24, 2011	1,000,000	—	10,748,065
0.58943% unsecured loan from a bank, due on March 24, 2010	—	4,500,000	—
0.60174% unsecured loan from a bank, due on June 1, 2010	2,000,000	5,000,000	21,496,131
0.56301% unsecured loan from a bank, due on December 21, 2010	5,000,000	—	53,740,327
0.5554% unsecured loan from a bank, due on March 24, 2011	4,500,000	—	48,366,294
0.5554% unsecured loan from a bank, due on March 24, 2011	2,000,000	—	21,496,131
0.59057% unsecured loan from a trust bank, due on September 1, 2010	2,000,000	2,000,000	21,496,131
0.61667% unsecured loan from a trust bank, due on September 24, 2010	—	3,000,000	—
0.5554% unsecured loan from a trust bank, due on March 24, 2011	2,000,000	—	21,496,131
0.60174% unsecured loan from a bank, due on September 1, 2010	2,000,000	5,000,000	21,496,131
0.58793% unsecured loan from a bank, due on September 24, 2010	2,500,000	2,500,000	26,870,163
0.5554% unsecured loan from a bank, due on March 24, 2011	2,000,000	—	21,496,131
0.60172% unsecured loan from a trust bank, due on September 24, 2010	1,000,000	3,000,000	10,748,065
0.56301% unsecured loan from a trust bank, due on December 21, 2010	5,000,000	—	53,740,327
0.55838% unsecured loan from a trust bank, due on January 17, 2011	3,000,000	—	32,244,196
0.5554% unsecured loan from a trust bank, due on March 24, 2011	2,000,000	—	21,496,131
0.79823% unsecured loan from a bank, due on March 24, 2010	—	2,000,000	—
0.7454% unsecured loan from a bank, due on March 24, 2011	2,000,000	—	21,496,131
0.5554% unsecured loan from a bank, due on March 24, 2011	1,000,000	—	10,748,065
Total	¥39,000,000	¥48,000,000	\$419,174,549

The Company has commitment lines of ¥25,000 million (\$268,702 thousand) with four financial institutions to reduce a refinancing risk.

The unused amount of such commitment lines was ¥25,000 million (\$268,702 thousand) at March 31, 2010.

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

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

	As of March 31, 2010		As of September 30, 2009		As of March 31, 2010
	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%	\$107,480,653
Unsecured bond due on September 29, 2025	10,000,000	2.56%	10,000,000	2.56%	107,480,653
Unsecured bond due on June 18, 2012	10,000,000	1.67%	10,000,000	1.67%	107,480,653
Unsecured bond due on June 18, 2014	15,000,000	1.91%	15,000,000	1.91%	161,220,980
Total	¥45,000,000	—	¥45,000,000	—	\$483,662,941

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

Long-term loans at March 31, 2010 and September 30, 2009 consisted of the following:

	Thousands of yen		U.S. dollars
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
1.47125% unsecured loan from an insurance company, due on March 30, 2011	¥ 2,000,000	¥ —	\$ 21,496,131
1.2875% unsecured loan from a bank, due on December 15, 2009	—	2,000,000	—
1.6225% unsecured loan from a bank, due on June 15, 2010	3,000,000	3,000,000	32,244,196
1.10625% unsecured loan from a bank, due on March 24, 2010	—	2,000,000	—
1.10625% unsecured loan from a bank, due on March 24, 2010	—	2,000,000	—
1.10625% unsecured loan from a bank, due on March 24, 2010	—	3,000,000	—
1.10625% unsecured loan from a bank, due on March 24, 2010	—	2,000,000	—
1.5725% unsecured loan from a bank, due on June 14, 2010	3,000,000	3,000,000	32,244,196
1.10625% unsecured loan from a bank, due on March 24, 2010	—	1,000,000	—
1.10625% unsecured loan from a bank, due on December 20, 2010	1,000,000	—	10,748,065
1.665% unsecured loan from a bank, due on March 24, 2017	100,000	—	1,074,807
1.47125% unsecured loan from an insurance company, due on March 30, 2011	—	2,000,000	—
1.86875% unsecured loan from an insurance company, due on May 29, 2015	1,500,000	1,500,000	16,122,098
1.595% unsecured loan from an insurance company, due on April 25, 2016	1,000,000	1,000,000	10,748,065
1.50125% unsecured loan from an insurance company, due on August 31, 2011	5,000,000	5,000,000	53,740,327
1.55% unsecured loan from an insurance company, due on October 29, 2012	2,000,000	2,000,000	21,496,131
1.33125% unsecured loan from another financial institution, due on November 1, 2011	5,000,000	5,000,000	53,740,327
1.63% unsecured loan from a trust bank, due on April 4, 2011	10,000,000	10,000,000	107,480,653
1.73% unsecured loan from a trust bank, due on June 1, 2011	22,000,000	22,000,000	236,457,438
1.0925% unsecured loan from a trust bank, due on December 21, 2012	5,000,000	—	53,740,327
1.135% unsecured loan from a trust bank, due on January 15, 2013	5,000,000	—	53,740,327
1.2625% unsecured loan from a trust bank, due on March 24, 2014	2,000,000	—	21,496,131
1.65925% unsecured loan from banks, trust banks, and an insurance company, due on June 23, 2011	24,000,000	24,000,000	257,953,568

1.86875% unsecured loan from an insurance company, due on May 29, 2015	5,000,000	5,000,000	53,740,327
1.54375% unsecured loan from an insurance company, due on March 30, 2017	5,000,000	5,000,000	53,740,327
1.4925% unsecured loan from a bank, due on August 31, 2012	1,000,000	1,000,000	10,748,065
1.39875% unsecured loan from a bank, due on March 24, 2015	2,000,000	—	21,496,131
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	53,740,327
1.4875% unsecured loan from a bank, due on September 2, 2013	3,000,000	3,000,000	32,244,196
1.135% unsecured loan from a bank, due on January 15, 2013	5,000,000	—	53,740,327
1.42375% unsecured loan from a bank, due on April 24, 2013	3,000,000	3,000,000	32,244,196
1.135% unsecured loan from a bank, due on January 15, 2013	5,000,000	—	53,740,327
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	—	21,496,131
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	53,740,327
1.0925% unsecured loan from a bank, due on December 21, 2012	5,000,000	—	53,740,327
1.085% unsecured loan from a bank, due on January 15, 2013	11,000,000	—	118,228,719
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	—	21,496,131
1.4875% unsecured loan from a trust bank, due on September 2, 2013	5,000,000	5,000,000	53,740,327
1.2625% unsecured loan from a trust bank, due on March 24, 2014	2,000,000	—	21,496,131
1.65% unsecured loan from a bank, due on September 1, 2015	2,000,000	2,000,000	21,496,131
1.665% unsecured loan from a bank, due on March 24, 2017 (*)	1,900,000	—	20,421,324
1.10625% unsecured loan from a bank, due on December 20, 2010	—	1,000,000	—
1.06% unsecured loan from a bank, due on January 15, 2013	1,000,000	—	10,748,065
1.0475% unsecured loan from a bank, due on March 25, 2013	1,000,000	—	10,748,065
1.31% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	21,496,131
1.06% unsecured loan from a bank, due on January 15, 2013	1,000,000	—	10,748,065
0.8925% unsecured loan from a bank, due on December 15, 2011	2,000,000	—	21,496,131
1.2375% unsecured loan from a bank, due on March 24, 2014	1,000,000	—	10,748,065
1.0475% unsecured loan from a bank, due on March 25, 2013	2,000,000	—	21,496,131
1.0475% unsecured loan from a bank, due on March 25, 2013	2,000,000	—	21,496,131
1.0475% unsecured loan from a bank, due on March 25, 2013	3,000,000	—	32,244,196
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	—	21,496,131
Subtotal	¥178,500,000	¥127,500,000	\$1,918,529,665
Less: current portion of long-term loans	9,100,000	18,000,000	97,807,395
Total	¥169,400,000	¥109,500,000	\$1,820,722,270

(*) Repayments of principal shall be made by installments of ¥50 million for each 6 month period and ¥1,350 million on the final principal repayment date.

8. NET ASSETS

The Company is required to maintain net assets of at least ¥50 million (\$537 thousand), as required pursuant to the Investment Trust Law.

9. INCOME TAXES

At March 31, 2010 and September 30, 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 March 31, 2010 and September 30, 2009 were as follows:

	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009
Statutory tax rate.....	39.33%	39.33%
Deductible dividend distribution.....	(39.11%)	(39.33%)
Special deductions resulting from expropriation.....	(0.22%)	—
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 multiple of number of units up to 100% of retained earnings, within a certain range where no additional income taxes or further tax burden is incurred by the unitholders, in the amount of ¥8,826 million (\$94,869 thousand) subsequent to March 31, 2010 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. RELATED PARTY TRANSACTIONS

For the six months ended March 31, 2010 and September 30, 2009

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”

For the period from October 1, 2009 to March 31, 2010

- (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”

11. INVESTMENT AND RENTAL PROPERTY

For the period from October 1, 2009 to March 31, 2010

The Company owns primarily a portfolio of office properties in Tokyo and other prefectures in order to gain rental revenue from them.

The book values on balance sheets as of March 31, 2010, as of September 30, 2009 and the fair value as of March 31, 2010 are as follows:

(Thousands of yen)				(U.S.dollars)			
Book Value		Fair Value		Book Value		Fair Value	
As of September 30, 2009	Change during period	As of March 31, 2010	As of March 31, 2010	As of September 30, 2009	Change during period	As of March 31, 2010	As of March 31, 2010
¥542,690,979	¥74,027,214	¥616,718,194	¥646,174,000	\$5,832,878,115	\$795,649,339	\$6,628,527,454	\$6,945,120,378

Note1: Book value on balance sheet means the acquisition cost less accumulated depreciation.

Note2: Regarding change during period, the major reason of increase is acquisition of additional interest in Shiodome Building (¥54,867,413 thousands or \$589,719 thousands) and Tokyo Opera City Building (¥22,680,527 thousands or \$243,772 thousands). The major reason of decrease is the sale of a part of Jingumae Media Square Building site (¥614,142 thousands or \$6,601 thousands).

Note3: Fair value as of March 31, 2010 is defined as the appraised value provided by external qualified professional appraiser.

(Additional information)

Effective October 1, 2009, the Company adopted the Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Statement No.20, November 28, 2008) and the Guidance on Accounting Standard for Disclosures about Fair Value of Investment and Rental Property (ASBJ Guidance No.23, November 28, 2008).

12. PER UNIT INFORMATION

The following table summarizes information about net assets per unit and net income per unit at March 31, 2010 and September 30, 2009, and for the periods then ended respectively:

	Yen		U.S. dollars
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Net assets at period end per unit	¥681,170	¥690,984	\$7,321
Net income per unit	¥ 18,819	¥ 19,197	\$ 202

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.

13. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

For the six months ended March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Property-Related Revenues	¥20,758,959	¥20,795,790	\$223,118,649
Rental Revenues	20,635,057	20,682,990	221,786,950
Rental revenues	15,894,747	15,801,630	170,837,790
Common service charges	2,999,979	3,056,165	32,243,981
Parking revenues	543,914	553,017	5,846,028
Other rental revenues	1,196,415	1,272,177	12,859,151
Non-Rental Revenues	123,901	112,800	1,331,699
Cancellation charges	96,498	63,232	1,037,169
Other miscellaneous revenues	27,403	49,567	294,530
Property-Related Expenses	10,290,164	10,646,300	110,599,358
Property management expenses	2,364,505	2,240,532	25,413,865
Utilities expenses	1,358,151	1,552,430	14,597,500
Property and other taxes	1,770,849	1,770,835	19,033,202
Casualty insurance	45,343	44,519	487,352
Repairing expenses	756,162	1,119,621	8,127,287
Depreciation	3,945,587	3,801,232	42,407,430
Other rental expenses	49,564	117,128	532,722
Property-Related Profits	¥10,468,794	¥10,149,490	\$112,519,292

14. BREAKDOWN OF GAIN ON SALE OF PROPERTY

For the six months ended March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Jingumae Media Square Building			
Revenue from sale of a part of site	¥1,507,411	¥ —	\$16,201,756
Cost of property	614,142	—	6,600,839
Other sales expenses	8,209	—	88,241
Gain on sale of property	¥ 885,059	¥ —	\$ 9,512,676

15. BREAKDOWN OF GAIN ON TRANSFER OF UNUSED FLOOR AREA

For the six months ended March 31, 2010 and September 30, 2009

	Thousands of yen		U.S. dollars
	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2009 to March 31, 2010
Mitsubishi UFJ Trust and Banking Building			
Revenue from transfer of development rights of floor area	¥ —	¥729,984	\$ —
Transfer expenses	—	1,412	—
Gain on transfer of development rights of floor area	¥ —	¥728,572	\$ —

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following table represents a reconciliation of cash and cash equivalents at March 31, 2010 and September 30, 2009:

	Thousands of yen		U.S. dollars
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
Cash and deposits with banks	¥14,811,840	¥18,360,347	\$159,198,634
Cash and deposits with banks held in trust	3,941,763	3,060,247	42,366,335
Time deposits with maturities of more than three months	—	6,500,000	—
Cash and cash equivalents	¥18,753,604	¥14,920,595	\$201,564,969

17. LEASES

The Company owns office buildings under leases and earns rent income. As of March 31, 2010 and September 30, 2009, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2010	As of September 30, 2009	As of March 31, 2010
Due within one year	¥16,231,346	¥12,223,369	\$174,455,574
Due after one year	35,000,862	26,543,498	376,191,556
Total	¥51,232,208	¥38,766,867	\$550,647,130

18. SUBSEQUENT EVENTS

Issuance of investment corporation bonds

Based on the approval by the Board of Director's meeting held on April 16, 2010, the Company issued new investment corporation bonds on April 23, 2010.

1. Name : Japan Real Estate Investment Corporation Seventh Unsecured Bond
2. Total amount of the bond issue : 10 billion yen
3. Payment amount : 100 yen per face value of 100 yen
4. Redemption price : 100 yen per face value of 100 yen
5. Yield on bonds : 1.26%
6. Bond unit price : 100 million yen
7. Subscription method : Public offering
8. Closing date for subscription : April 16, 2010
9. Payment date : April 23, 2010
10. Collateral and guarantee : Unsecured and unguaranteed
11. Final Redemption date : April 23, 2015
12. Redemption method : Bonds can be redeemed by purchase anytime from date following the payment date
13. Interest payment dates : Semiannual in arrears (April 23 and October 23 each year)
14. Financial covenants : Not applicable
15. Use of proceeds : Scheduled redemption of the maturing investment corporation bonds

Report of Independent Auditors

The Board of Directors
Japan Real Estate Investment Corporation

We have audited the accompanying balance sheets of Japan Real Estate Investment Corporation as of March 31, 2010 and September 30, 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 March 31, 2010 and September 30, 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 18, Subsequent Events, the Company issued new investment corporation bonds.

June 24, 2010



Corporate Data

As of March 31, 2010



Executives

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

Paid-in Capital

¥324,353,108,000

Number of Units Outstanding

489,200

Number of Unitholders

14,893

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.
2-2-23, 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

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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.

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