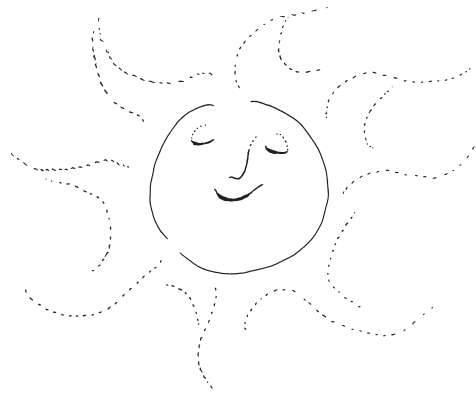


SEPTEMBER
2008

*Semiannual
Report*

For the period from April 1, 2008 to September 30, 2008



Japan Real Estate Investment Corporation

Profile

Japan Real Estate Investment Corporation (“the Company”) was established as one of the first real estate investment corporations in Japan, following revisions to the Law Concerning Investment Trusts and Investment Corporations of Japan, as amended, or the Investment Trust Law. Its investments focus primarily on office buildings, 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.

Contents

Financial Highlights	p. 1
Top 10 Unitholders	p. 1
Unit Price Performance	p. 1
The Highlights of Japan Real Estate Investment Corporation	p. 2
Portfolio Highlights	p. 3
New Portfolio Properties	p. 4
Subsequent Event	p. 5
History after IPO	p. 6
To Our Unitholders	p. 8
The Portfolio of Japan Real Estate Investment Corporation	p.12
Overview of Portfolio Properties	p.15
Financial Section	p.23
Corporate Data	p.37

Financial Highlights

	Millions of yen					Thousands of U.S. dollars
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2006 to March 31, 2007	For the period from April 1, 2006 to September 30, 2006	For the period from April 1, 2008 to September 30, 2008 (Note 1)
Operating Revenues	19,805	25,743	17,530	16,960	15,570	191,229
Operating Income	9,807	14,218	8,739	8,304	7,041	94,693
Income before Income Taxes	8,449	12,946	7,586	7,184	5,977	81,585
Net Income	8,448	12,945	7,585	7,183	5,976	81,576
Net Operating Income (NOI) (Note 2)	14,173	12,197	12,073	11,300	10,339	136,848
Funds from Operations (FFO) (Note 3)	12,009	8,078	10,022	9,441	8,257	115,954
FFO Multiple (Note 4)	15.5 times	31.9 times	28.3 times	33.8 times	21.0 times	15.5 times
Cash Distribution	8,448	12,945	7,585	7,183	5,976	81,577
Number of Units	443,000	443,000	410,000	410,000	345,400	443,000
Dividend per Unit (Yen/U.S. dollars)	19,072	29,223	18,500	17,521	17,302	184.15

Notes: 1. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥103.57 = US\$1.00, the foreign exchange rate on September 30, 2008, 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. NOI = Property-Related Revenues – Property-Related Expenses (excluding Depreciation)
 3. FFO = Net Income + Depreciation – Gain (Loss) on Transfer of Properties – Dividends Earned
 4. FFO Multiple = Unit Price at End of the Respective Term ÷ FFO per Unit (Annualized)
 (Annualized portion of the calculation given in note 4 assumes a fiscal period of 183 days for the period ended September 30, 2006, 182 days for the period ended March 31, 2007, 183 days for the period ended September 30, 2007, 183 days for the period ended March 31, 2008 and 183 days for the period ended September 30, 2008.)

Top 10 Unitholders

As of September 30, 2008

Company	Units	% of total units outstanding
NikkoCiti Trust and Banking Corporation (Toshin Acc.)	35,755	8.07%
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	33,130	7.48%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	28,807	6.50%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	25,906	5.85%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	11,503	2.60%
State Street Bank and Trust Company	10,677	2.41%
Mitsubishi Estate Co., Ltd.	10,160	2.29%
The Bank of New York, Treaty JASDEC Account	10,139	2.29%
The Chugoku Bank, Ltd.	10,006	2.26%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	1.83%

Unit Price Performance



Highlights

Acquisitions

- **A new initiative**: Acquisition of the land and building adjacent to an existing building for the purpose of its extension
- Acquisition of **Shin-Fujita Building** for ¥24,000 million (\$232 million) in September

Steady Growth

- Total amount of acquisition price reached **¥542,969 million** (\$5,243 million).
- Revenues and profits continue to increase in its mainstay property-leasing business.

Quality Portfolio

- **54** high-quality office buildings
- Superior geographic and tenant diversity with a **96.1%** occupancy rate

Sound Financial Base

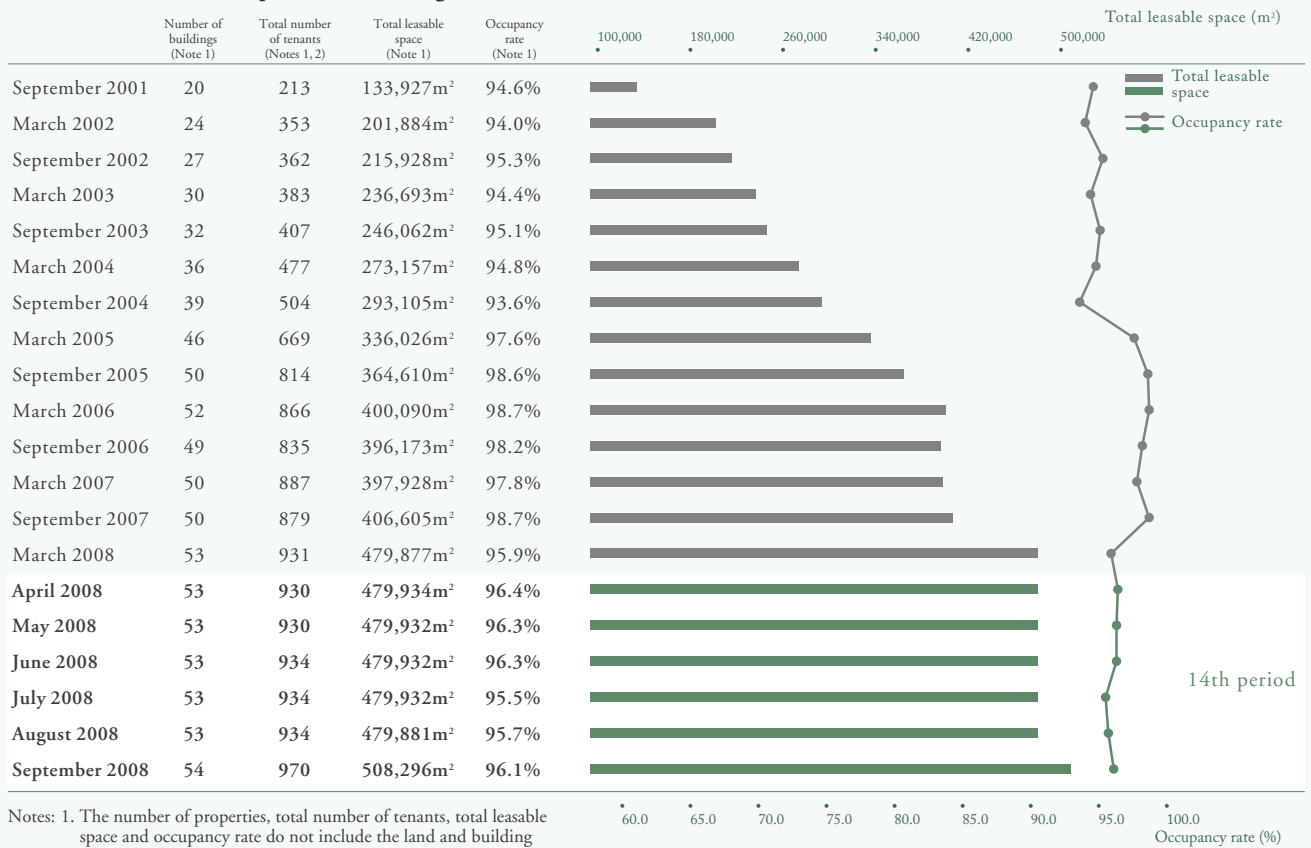
- Highest credit ratings in J-REIT:
AA- from S&P, **Aa3*** from Moody's, **AA** from R&I
* On June 6, 2008, Moody's Investors Service Inc. raised the Company's rating from A1 to Aa3.
* On January 15, 2009, Moody's Investors Service Inc. has placed the rating of the Company under review for possible downgrade.
- LTV: **36.7%**
- The long-term, fixed-interest debt ratio: **86.0%**

Collaboration with Sponsors

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

Portfolio Highlights

Trends in the state of portfolio management



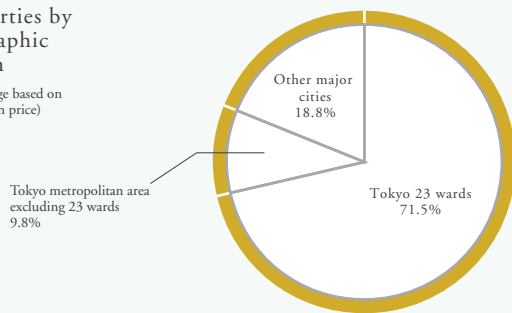
Notes: 1. The number of properties, total number of tenants, total leasable space and occupancy rate do not include the land and building adjacent to the Ryoshin Ginza East Mirror Building.
 2. The total number of tenants is the gross number of tenants by building.

Portfolio breakdown

As of September 30, 2008

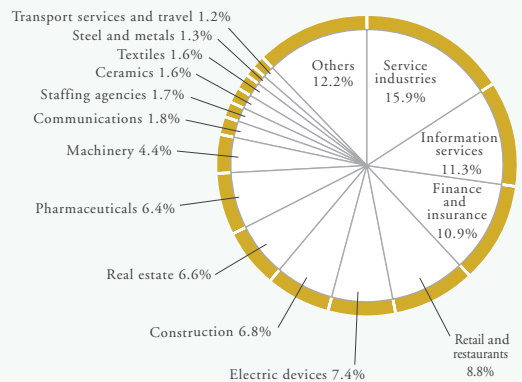
Properties by geographic region

(Percentage based on acquisition price)



Tenants by industry type

(Percentage based on leased space)



New Portfolio Properties

For the period from April 1, 2008 to September 30, 2008

Extension Plan for Ryoshin Ginza East Mirror Building

On July 4, 2008, the Company acquired a property comprising land and a building situated adjacent to the previously acquired Ryoshin Ginza East Mirror Building for the acquisition price of ¥1,800 million (\$17 million). The Company plans to demolish the building on the newly acquired land. After demolition is completed, the Company plans to construct an extension to the Ryoshin Ginza East Mirror Building on the acquired land. (For details concerning the Ryoshin Ginza East Mirror Building, please refer to page 16 of this report.)

Enhancement of the Competitiveness

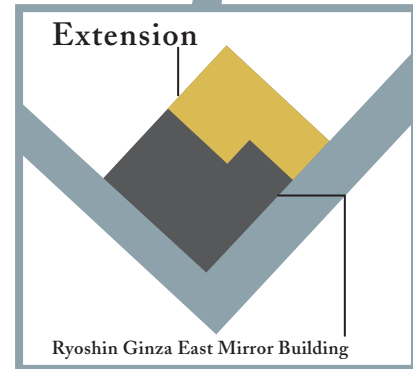
- Its premium for size-based scarcity will be increased, given that most of the available properties in the Ginza area are small/medium in size.
- Its attractiveness to potential tenants and its ability to address existing tenants' needs for additional office space will be increased.

Plan Overview

Address:	3-15-15 and 3-15-9 Ginza, Chuo-ku, Tokyo
Site area:	249.66m ² (2,687ft ²)
Estimated total project cost:	¥2,723 million (\$26 million) (The figure includes the acquisition cost of the land and building, the demolition cost of the acquired building, and the amount of extension building work costs, excluding overhead costs such as brokerage commission, etc.)
Scheduled constructor:	SHIMIZU CORPORATION

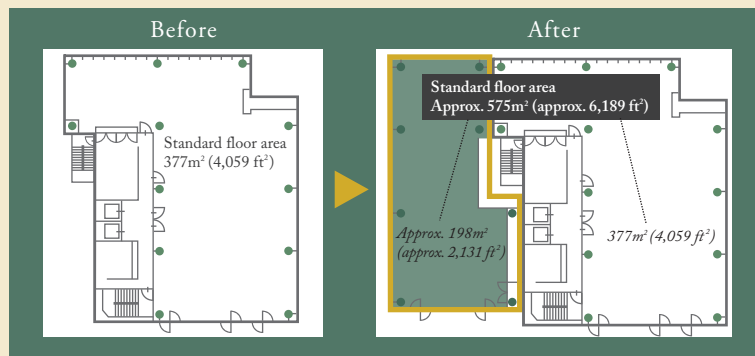
Plan Schedule

July 2008	Acquisition of the land and building
March 2009	Completion of building demolition
February 2010	Completion of the extension and handover



Increase of property size

	Before	After
Site area:	615.25m ² (6,622ft ²)	864.91m ² (9,310ft ²)
Floor area of building:	4,104.71m ² (44,183ft ²)	Approx. 5,910m ² (Approx. 63,615ft ²)
Standard floor area:	377m ² (4,059ft ²)	Approx. 575m ² (Approx. 6,189ft ²)



Note: This illustration was drawn based on the relevant drawings and the specifications, and may differ from the actuality.



Shin-Fujita Building

Property Summary

Type of specified asset:	Trust beneficiary right in trust of real estate
Acquisition price:	¥24,000 million (\$232 million)
Acquisition date:	September 1, 2008
Location:	Osaka, Osaka Prefecture
Usage:	Office, shop
Site area:	6,159.61m ² (66,301ft ²)
Floor area of building:	45,411.31m ² (488,803ft ²)
Structure:	Steel-framed, steel-framed reinforced concrete structure, flat roof
Completion:	Above ground: 21 floors Below ground: 2 floors April 1995



Leasing Conditions (As of September 30, 2008)

Number of tenants:	36 tenants
Leasable space:	28,414m ² (305,852ft ²)
Leased space:	24,702m ² (265,891ft ²)
Occupancy rate:	86.9%

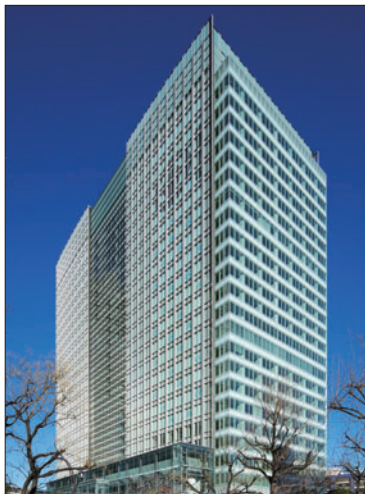
Property Acquisition Merits

The property is situated in the Dojima area, next to the Umeda area, Osaka's most concentrated business district. In recent years, a large-scale development project has focused on renewing the Dojima business district. The property is close to several train stations, providing excellent transportation access. Along with high-grade building specifications, the property is artistically designed, offering open public spaces, and is expected to remain a competitive office building. With multiple tenants, it is the largest of the Company's portfolio properties in a major regional city, and the Company expects tenant diversification will contribute to stable earnings.

Subsequent Event

After the period ended September 30, 2008

Acquired Property

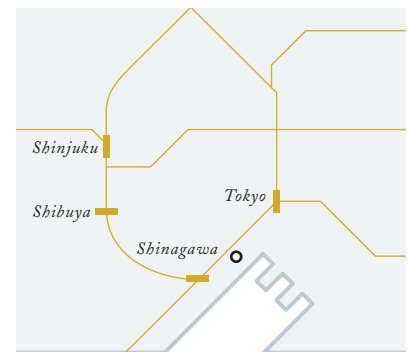


Shiodome Building

Property Summary

Type of specified asset:	Trust beneficiary right in trust of real estate (Note)
Acquisition price:	¥21,250 million (\$205 million)
Acquisition date:	December 19, 2008
Location:	Minato-ku, Tokyo
Usage:	Office, shop
Site area:	Approx. 12,046m ² (Approx. 129,662ft ²)
Floor area of building:	115,930.83m ² (1,247,868ft ²)
Structure:	Steel-framed, steel-framed reinforced concrete structure, flat roof
Completion:	Above ground: 24 floors Below ground: 2 floors December 2007

Note: Quasi-co-ownership 10%



Leasing Conditions (As of December 19, 2008)

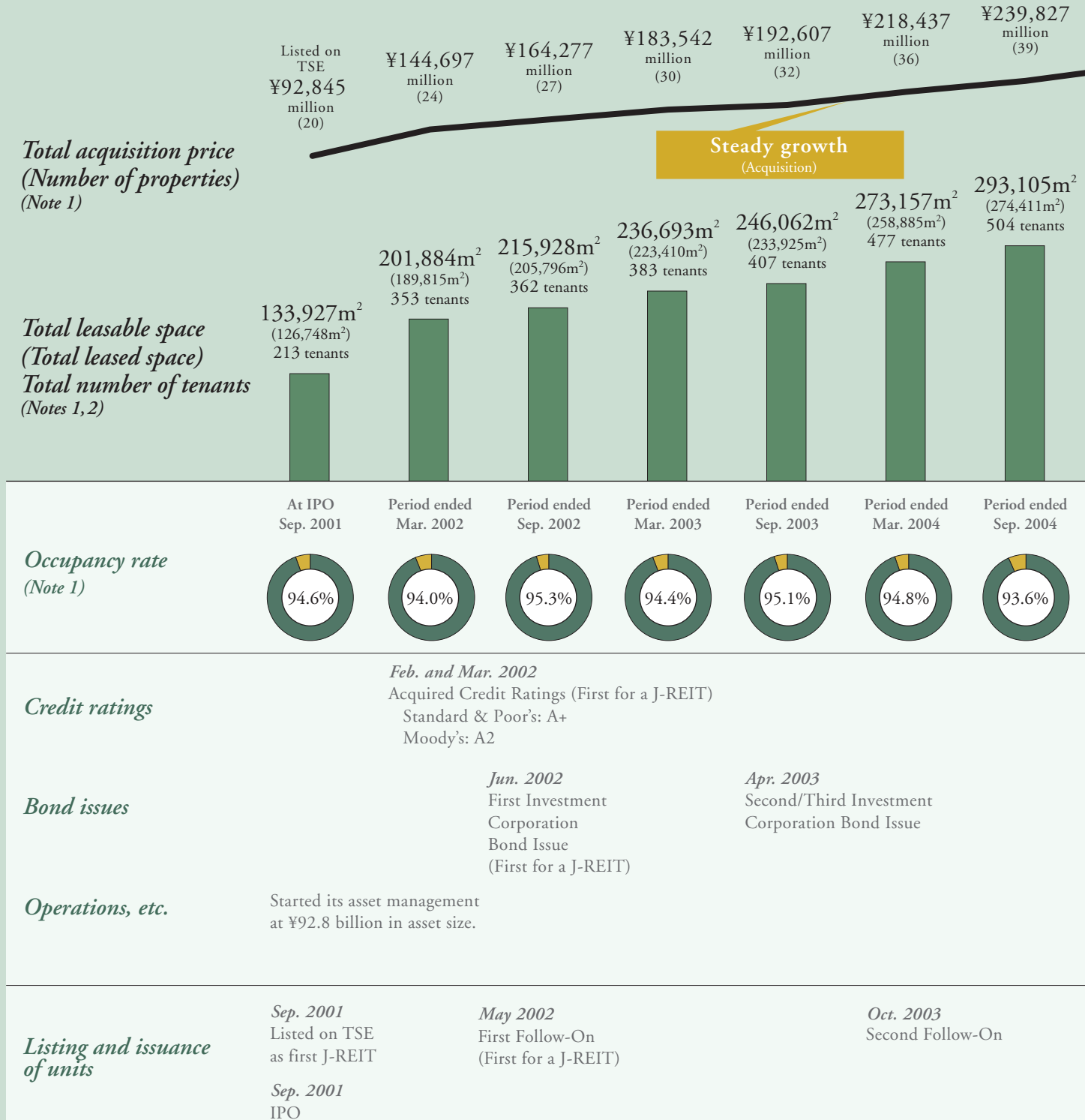
Number of tenants:	26 tenants
Leasable space:	8,037m ² (86,520ft ²)
Leased space:	7,965m ² (85,742ft ²)
Occupancy rate:	99.1%

Property Acquisition Merits

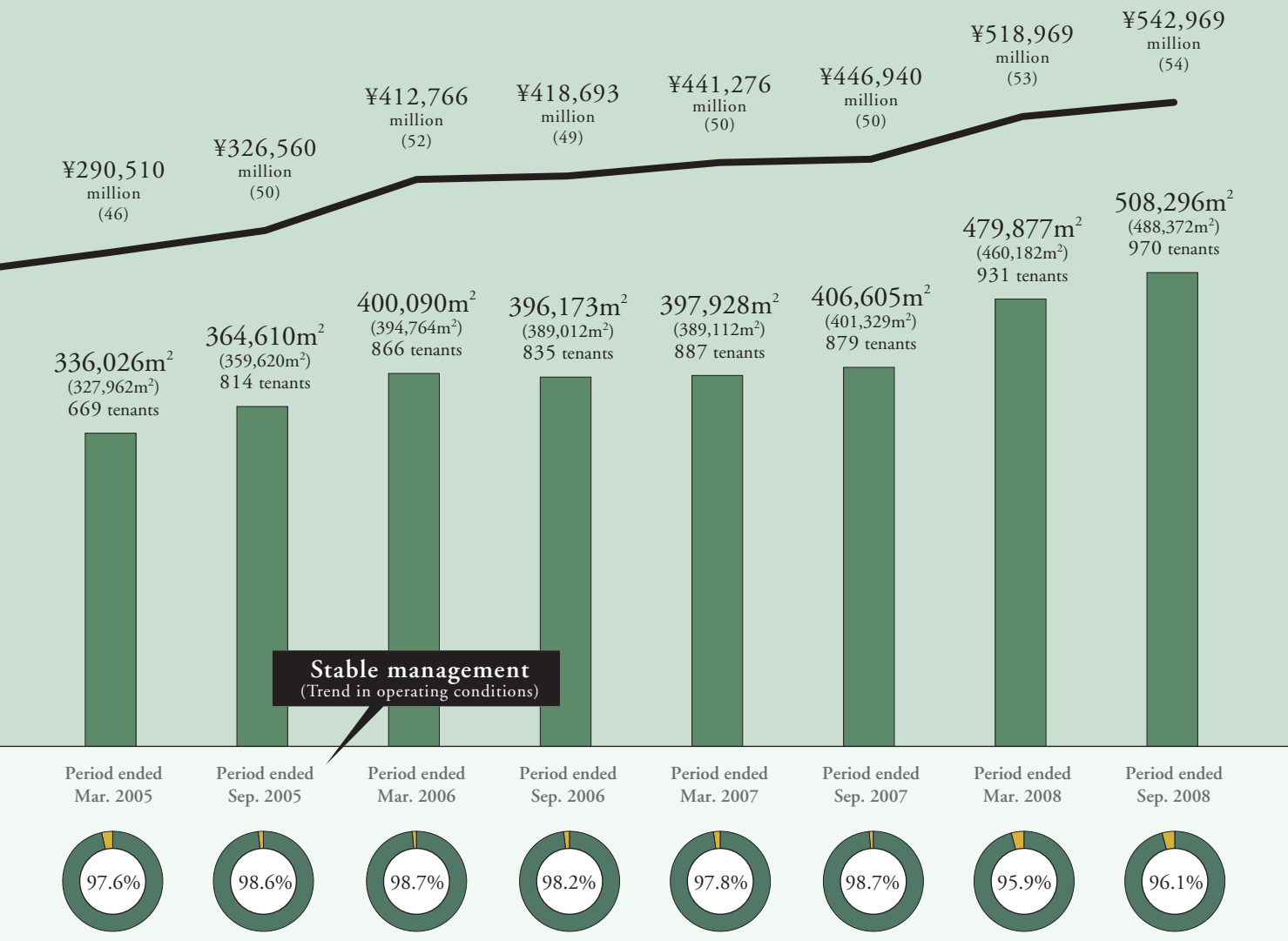
Completed in December 2007, the building is only one year old. With a total floor space of 115,930.83m² (1,247,868ft²), the spaciousness of the property is rare among large buildings in three central wards of Tokyo. The property is a three-minute walk from JR Hamamatsuchō Station and Daimon Station on the Toei Subway Line, from which multiple transportation routes are available. Moreover, the key Tokyo and Shinagawa bullet train stations are reachable in only five or six minutes by train, with Haneda Airport 25 minutes away by monorail.

History after IPO

Since listing on the Tokyo Stock Exchange (“TSE”) as the first J-REIT in Japan, the Company has established a firm track record over the past 13 fiscal periods. As the Company concluded its 14th fiscal period ended September 30, 2008, the total acquisition price for properties reached ¥542,969 million (\$5,243 million). Throughout its history, the Company has sustained stable management while realizing steady growth and taking the initiative as a J-REIT pioneer. During the fiscal period under review, the Company accelerated efforts to streamline and strengthen its portfolio.



Notes: 1. Total acquisition price, number of properties, total leasable space, total leased space, total number of tenants 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.



Stable management
(Trend in operating conditions)

Nov. 2004
Moody's upgraded its credit rating from A2 to A1.
Dec. 2004
R&I issued an AA credit rating.

Sep. 2005
Fourth Investment Corporation Bond Issue (First J-REIT ever to issue investment corporation bonds without a negative pledge clause or other financial covenants)

Surpassed ¥300 billion in asset size.

Mar. 2005
Acquisition of preferred capital contribution certificates (First for a J-REIT)

Jun. 2007
Fifth Investment Corporation Bond Issue
Sixth Investment Corporation Bond Issue

Mar. 2008
Standard & Poor's upgraded its credit rating from A+ to AA-.
Jun. 2008
Moody's upgraded its credit rating from A1 to Aa3.

Surpassed ¥500 billion in asset size.

Apr. 2005
Third Follow-On

Oct. 2006
Fourth Follow-On

Mar. 2008
Fifth Follow-On

To Our Unitholders



As a new initiative aimed at reinforcing the competitiveness of its portfolio, the Company acquired the land and building adjacent to an existing property for the purpose of its extension.



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

BUSINESS PERFORMANCE FOR THE 14TH FISCAL PERIOD

Summary of Financial Results and Cash Dividend

In the 14th fiscal period (April 1, 2008 to September 30, 2008), Japan Real Estate Investment Corporation ("the Company") recorded operating revenues of ¥19,805 million (\$191 million), down 23.1% compared with the previous period. Operating income declined 31.0% to ¥9,807 million (\$95 million). After deducting expenses for interest payments on loans and other costs, ordinary income contracted 34.7% to ¥8,449 million (\$82 million), and net income decreased by the same percentage to ¥8,448 million (\$82 million).

In the previous period, the Company received, and recorded as operating revenues, dividends of ¥7,935 million (\$77 million) on the Company's preferred capital contribution from Harumi Front Tokutei Mokuteki Kaisha ("Harumi Front TMK") as a result of the December 18, 2007 acquisition of the Harumi Center Building from Harumi Front TMK. Benefiting from such extraordinary factors as the above, the Company posted record-high operating revenues and operating income for the fiscal period. However, due to the absence of extraordinary factors—the posting of similar dividends received as in the previous period and gain on sale of properties this period—the Company's revenues and earnings declined in the fiscal period under review. Nevertheless, revenues and earnings continue to increase in its mainstay property-leasing business.

As a result of the aforementioned, the Company declared a cash dividend of ¥19,072 (\$184.15) per unit.

Operating Environment and Performance

During the period under review (April 1, 2008 to September 30, 2008), although the Japanese economy faced a downside risk over fears of a business recession in the United States owing to the subprime crisis, fluctuating stock and exchange markets, trends in crude oil prices and other factors, having entered a more settled period following the end of the disruption caused by revisions to the Building Standards Law of Japan and an upward trend in exports, a moderate economic recovery was expected. Nevertheless, the subprime crisis has had a deep impact, and the credit crunch at financial institutions has resulted in a prudent

stance toward the financing of real estate. This caused a flurry of bankruptcies, primarily of cash-strapped real estate companies, and triggered, through the end of the fiscal term, the business collapse of major financial institutions in the United States and the tax-payer funded bail-out. As the resulting credit crisis spread across the globe, the Japanese economy witnessed a precipitous drop in stock prices and a rising yen, which had a substantial impact on corporate performance.

In the market for leased office space, despite higher vacancy rates, especially in regional cities, firm demand for corporate office space, mainly in central Tokyo, kept occupancy rates high.

The Company maintained a high occupancy rate of 96.1% at the end of the period. In addition to the acquisition of top-level properties, this reflects the high quality of its existing properties held and efforts to upgrade building facilities through optimal refurbishment in order to maintain and improve functions while implementing finely tuned, customer-oriented building management policies and undertaking vigorous activities to attract new tenants. Furthermore, the Company improved portfolio profitability by upwardly revising rent levels for existing tenants to the benchmark of market rent levels.

Turning to the property market, property prices polarized against the backdrop of the prudent stance toward financing adopted by domestic and overseas financial institutions in the wake of the continuing effects of the subprime crisis. While willingness to invest in less-competitive properties such as those located in regional areas and small- and medium-sized buildings has diminished due to difficulty in financing, investments from well-financed real estate companies and institutional investors both in Japan and overseas remain robust for competitive prime properties in central Tokyo.

In this market environment, the Company undertook the acquisition of competitive properties to further strengthen the quality of its portfolio. In the period under review, one property was acquired (the Shin-Fujita Building, for ¥24,000 million [\$232 million]), on September 1, 2008. As a new initiative, the Company acquired the land and building adjacent to an existing building for the purpose of its extension. Specifically, the land and building adjacent to the Ryoshin Ginza East Mirror Building were acquired for ¥1,800 million (\$17

In the midst of a severe economic slump, the Company has maintained a sound and conservative financial standing, which is exemplified by the successful raising of its credit rating.

million) on July 4, 2008. The Company plans to construct an addition to the Ryoshin Ginza East Mirror Building after tearing down the existing building on the newly acquired land. Thanks to the building extension, the leasable space of the Ryoshin Ginza East Mirror Building will be expanded, efficiency will be improved and the property will become more competitive.

As a result, the Company's properties as of September 30, 2008 consisted of 54 office buildings with a total acquisition price of ¥542,969 million (\$5,243 million). Total leasable space was 508,296 m² (5,471,249 ft²), with a total of 970 tenants*.

* The number of properties, total acquisition price and total leasable space do not include the land and building adjacent to the Ryoshin Ginza East Mirror Building acquired for the purpose of building extension.

Finance Activities

The Company procured ¥14,000 million (\$135 million) on April 24, 2008 and ¥3,000 million (\$29 million) on June 13, 2008 in long-term loans for the redemption of its second investment corporation bond (¥10,000 million) (\$97 million) on April 30, 2008, while refinancing short-term loans to long-term loans. Furthermore, the Company procured ¥22,000 million (\$212 million) in total in both short- and long-term loans for the acquisition of the Shin-Fujita Building. As a result of these finance activities, as of September 30, 2008, the Company's total interest-bearing debt amounted to ¥199,500 million (\$1,926 million), consisting of long-term loans of ¥126,500 million (\$1,221 million), which includes the current portion of ¥7,000 million (\$68 million), short-term loans of ¥28,000 million (\$270 million), and investment corporation bonds of ¥45,000 million (\$434 million).

As of September 30, 2008, the Company's long-term, fixed-interest debt ratio¹ stood at 86.0%, and the loan-to-value (LTV) ratio² was 36.7%. As these results indicate, the Company has been able to maintain a sound and conservative financial standing.

The Company's credit ratings as of September 30, 2008 were as follows:

Rating Agency	Credit Rating
Standard & Poor's Rating Services	Long-term: AA-; Short-term: A-1+; Outlook: Stable
Moody's Investors Service Inc.	Rating: Aa3*; Outlook: Stable
Rating and Investment Information, Inc.	Rating: AA; Outlook: Stable

* On June 6, 2008, Moody's Investors Service Inc. raised the Company's rating from A1 to Aa3.

* On January 15, 2009, Moody's Investors Service Inc. has placed the rating of the Company under review for possible downgrade.

Notes:

1. Long-term, fixed-interest debt ratio = Ratio of long-term, fixed-interest debt including the current portion of long-term loans to interest-bearing debt
2. LTV ratio = Ratio of interest-bearing debt to total assets

OUTLOOK

Trends in the Rental Office Market

The U.S. subprime crisis that occurred in the summer of 2007 triggered the current turmoil in the global economy. Meanwhile, Japan is approaching the end of economic expansion, after enjoying the longest postwar period of economic expansion—the expansion that has continued since 2002—and is plunging into a recessionary phase. The real estate industry also experienced a rapidly deteriorating fund-raising environment on the back of shrinking investment funds, and it is going through an intensive adjustment period. Therefore, it is difficult to foresee future trends. Along with major cities in other regions, vacancy rates in the 23 wards of Tokyo began to increase in the rental office market.

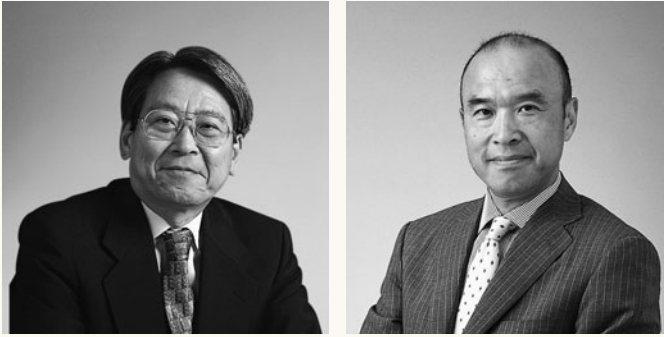
In the real estate market, we anticipate the active stance toward acquisition of prime office buildings in city centers—the types of properties targeted by the Company—to remain unchanged by well-financed major real estate companies and institutional investors in Japan and abroad. Financial institutions have adopted a more prudent stance toward financing for the real estate sector. In this context, we believe that both the soundness of the Company's financial standing and its ability to procure funds are increasingly the key strategies for acquiring prime properties.

The Company's Management Policies

Under these conditions, the Company adheres to the following management policies in order to maintain and improve earnings.

First, the Company will work to strengthen relationship of trust with existing tenants and raise rent levels. As of September 30, 2008, 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 will work to further strengthen these relationships by anticipating tenants' needs and providing tailored services in order to increase tenant satisfaction and subsequently uncover additional demand for office floor space and raise rent levels. In addition, we are endeavoring to raise rent levels for those tenants whose rents are significantly below market value.

Second, we will fill vacancies in a prompt manner. In cooperation with the property management companies mentioned above, the Company actively seeks the most



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

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

appropriate tenants for each property, based on location and features, in order to fill current and anticipated vacancies as rapidly as possible. We are also working to uncover additional demand for office floor space among our existing tenants.

Third, we will stabilize revenues. With the aim of stabilizing revenues, the Company is endeavoring to apply fixed- and long-term leasing agreements with its large-scale tenants.

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

The Company has adopted the following policies for acquiring properties.

First, to access important information quickly, the Company is enhancing its property information channels while working to develop new channels.

Second, in its acquisition activities, the Company will continue to meticulously monitor and examine economic, physical and legal factors, including rights-related issues, while also taking business conditions into account when selecting properties. With regard to the structure of buildings, we require buildings to meet or exceed new earthquake-resistance standards and are targeting 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's general target for the regional diversity of properties is for 70% or more of its properties to be located within the Tokyo metropolitan area, with the remaining 30% or less located in other major cities.

Under these policies, the Company will continue to acquire highly competitive properties while also considering suitable timing for the replacement of assets in order to further strengthen the quality of its portfolio.

Concerning the financing of property acquisitions, the Company flexibly selects a variety of financial instruments, including the issue of investment corporation bonds, while maintaining a sound and conservative financial standing and monitoring trends in financial markets. When procuring a loan, we are guided by prudent and stable financial policies. Working to minimize funding costs, we also negotiate with several qualified

institutional investors before determining the various components that encompass loan procurement.

Performance Forecasts for the 15th and 16th Periods

For the 15th fiscal period (October 1, 2008 to March 31, 2009), the Company forecasts operating revenues of ¥20,280 million (\$196 million), operating income of ¥9,640 million (\$93 million), ordinary income of ¥8,150 million (\$79 million) and net income of ¥8,150 million (\$79 million). We plan to declare a cash dividend of ¥18,410 (\$177.75) per unit.

For the 16th fiscal period (April 1, 2009 to September 30, 2009), the Company forecasts operating revenues of ¥20,580 million (\$199 million), operating income of ¥9,470 million (\$91 million), ordinary income of ¥7,900 million (\$76 million) and net income of ¥7,900 million (\$76 million). We plan to declare a cash dividend of ¥17,830 (\$172.15) per unit.

As previously discussed above, the J-REIT market is expected to continuously face a severe operating environment. Such a forecast is supported by decreased funds flowing into the J-REIT market attributable to the global-scale credit crunch triggered by U.S. financial instability as well as by a prudent stance toward financing adopted by Japanese financial institutions. In such an environment, the Company—a J-REIT leader with exceptional management capabilities and financial soundness—is committed to implementing the aforementioned initiatives in a reliable and enthusiastic manner to maximize unitholder value through optimal investment management.

We thank you and ask you, all of our unitholders, for your continuing support and understanding.

Taketo Yamazaki
Executive Director of Japan Real Estate Investment Corporation

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

The Portfolio of Japan Real Estate Investment Corporation

As of September 30, 2008

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 (0.9%)
●I- 2	Kitanomaru Square	Kudan-Kita, Chiyoda-ku	Real property	02/24/2006	81,555 (15.0%)
●I- 3	MD Kanda Building	Kanda-Mitoshicho, Chiyoda-ku	Real property	05/31/2002	9,520 (1.8%)
●I- 4	Kandabashi Park Building	Kanda-Nishikicho, Chiyoda-ku	Real property	08/15/2002	4,810 (0.9%)
●I- 5	Nibancho Garden	Nibancho, Chiyoda-ku	Real property	04/01/2005	14,700 (2.7%)
●I- 6	Mitsubishi UFJ Trust and Banking Building	Marunouchi, Chiyoda-ku	Real property	03/28/2007	44,700 (8.2%)
●I- 7	Burex Kojimachi Building	Kojimachi, Chiyoda-ku	Real property	07/29/2005	7,000 (1.3%)
●I- 8	Sanno Grand Building	Nagatacho, Chiyoda-ku	Real property	01/31/2005	10,200
				04/03/2006	10,700
				total	20,900 (3.8%)
●I- 9	Yurakucho Denki Building	Yurakucho, Chiyoda-ku	Real property	08/01/2003	7,200 (1.3%)
●I- 10	Kodenmachi Shin-Nihonbashi Building	Nihonbashi-Kodenmachi, Chuo-ku	Trust	09/25/2001	3,173 (0.6%)
●I- 11	Burex Kyobashi Building	Kyobashi, Chuo-ku	Real property	07/22/2002	5,250 (1.0%)
●I- 12	Ginza Sanwa Building	Ginza, Chuo-ku	Real property	03/10/2005	16,830 (3.1%)
●I- 13	Ryoshin Ginza East Mirror Building	Ginza, Chuo-ku	Real property	03/15/2005	5,353 (1.0%)
●I- 14	Harumi Center Building	Harumi, Chuo-ku	Real property	12/18/2007	26,800 (4.9%)
●I- 15	Aoyama Crystal Building	Kita-Aoyama, Minato-ku	Real property	03/14/2003	7,680 (1.4%)
●I- 16	Shiba 2Chome Daimon Building	Shiba, Minato-ku	Trust	09/10/2001	4,859 (0.9%)
●I- 17	Cosmo Kanasugibashi Building	Shiba, Minato-ku	Trust	09/25/2001	2,808 (0.5%)
●I- 18	Shinwa Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/01/2004	7,830 (1.4%)
●I- 19	Tokyo Opera City Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/13/2005	9,350 (1.7%)
●I- 20	Takanawadai Building	Higashi-Gotanda, Shinagawa-ku	Trust	09/25/2001	2,738 (0.5%)
●I- 21	Higashi-Gotanda 1Chome Building	Higashi-Gotanda, Shinagawa-ku	Real property	11/01/2004	5,500 (1.0%)
●I- 22	Omori-Eki Higashiguchi Building	Omori-Kita, Ota-ku	Trust	09/10/2001	5,123 (0.9%)
●I- 23	Nippon Brunswick Building	Sendagaya, Shibuya-ku	Real property	03/24/2004	6,670 (1.2%)
●I- 24	Yoyogi 1Chome Building	Yoyogi, Shibuya-ku	Real property	04/01/2004	8,700 (1.6%)
●I- 25	da Vinci Harajuku	Jingumae, Shibuya-ku	Real property	11/22/2002	4,885 (0.9%)
●I- 26	Jingumae Media Square Building	Jingumae, Shibuya-ku	Real property	10/09/2003	12,200 (2.2%)
●I- 27	Shibuya Cross Tower	Shibuya, Shibuya-ku	Real property	11/30/2001	34,600 (6.4%)
●I- 28	Ebisu Neonato	Ebisu, Shibuya-ku	Real property	11/14/2003	3,740
				04/01/2004	360
				total	4,100 (0.8%)
●I- 29	Harmony Tower	Honcho, Nakano-ku	Real property	02/28/2005	8,500 (1.6%)
●I- 30	Otsuka Higashi-Ikebukuro Building	Higashi-Ikebukuro, Toshima-ku	Trust	09/25/2001	3,541 (0.7%)
●I- 31	Ikebukuro 2Chome Building	Ikebukuro, Toshima-ku	Trust	09/25/2001	1,728 (0.3%)
●I- 32	Ikebukuro YS Building	Minami-Ikebukuro, Toshima-ku	Real property	08/02/2004	4,500 (0.8%)
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 (1.0%)
●II- 2	Saitama Urawa Building	Saitama, Saitama Prefecture	Real property	09/25/2001	1,232
				10/11/2001	1,342
				total	2,574 (0.5%)
●II- 3	MM Park Building	Yokohama, Kanagawa Prefecture	Real property	03/24/2008	37,400 (6.9%)
●II- 4	Kawasaki Isago Building	Kawasaki, Kanagawa Prefecture	Trust	09/25/2001	3,375 (0.6%)
●II- 5	Musashi Kosugi STM Building	Kawasaki, Kanagawa Prefecture	Real property	03/25/2008	4,000 (0.7%)
Other major cities					
●III- 1	8·3 Square Kita Building	Sapporo, Hokkaido	Real property	06/01/2007	7,100 (1.3%)
●III- 2	Jozenji Park Building	Sendai, Miyagi Prefecture	Real property	01/31/2005	1,000 (0.2%)
●III- 3	Sendai Honcho Honma Building	Sendai, Miyagi Prefecture	Trust	09/25/2001	2,924
				06/28/2006	250
				total	3,174 (0.6%)
●III- 4	Kanazawa Park Building	Kanazawa, Ishikawa Prefecture	Real property	02/28/2002	2,880
				03/03/2003	1,700
				total	4,580 (0.8%)
●III- 5	Nishiki Park Building	Nagoya, Aichi Prefecture	Real property	10/02/2006	3,850
				11/01/2006	1,300
				total	5,150 (0.9%)
●III- 6	Hirokoji Sakae Building	Nagoya, Aichi Prefecture	Real property	09/22/2006	1,680 (0.3%)
●III- 7	Nagoya Hirokoji Building	Nagoya, Aichi Prefecture	Real property	09/10/2001	14,533 (2.7%)
●III- 8	Nagoya Misono Building	Nagoya, Aichi Prefecture	Real property	08/08/2003	1,865 (0.3%)
●III- 9	Kyoto Shijo Kawaramachi Building	Kyoto, Kyoto Prefecture	Real property	12/20/2001	2,650 (0.5%)
●III- 10	Shin-Fujita Building	Osaka, Osaka Prefecture	Trust	09/01/2008	24,000 (4.4%)
●III- 11	Sakaistujihonmachi Building	Osaka, Osaka Prefecture	Real property	09/25/2001	2,264
				12/26/2003	1,900
				total	4,164 (0.8%)
●III- 12	Midosuji Daiwa Building	Osaka, Osaka Prefecture	Trust	09/25/2001	6,934
				02/28/2002	7,380
				total	14,314 (2.6%)
●III- 13	Lit City Building	Okayama, Okayama Prefecture	Real property	02/01/2006	4,650 (0.9%)
●III- 14	NHK Hiroshima Broadcasting Center Building	Hiroshima, Hiroshima Prefecture	Real property	03/25/2004	1,320
				03/03/2008	1,450
				total	2,770 (0.5%)
●III- 15	Tosei Tenjin Building	Fukuoka, Fukuoka Prefecture	Real property	09/25/2001	1,550 (0.3%)
●III- 16	Tenjin Crystal Building	Fukuoka, Fukuoka Prefecture	Real property	06/01/2005	5,000 (0.9%)
●III- 17	Hinode Tenjin Building	Fukuoka, Fukuoka Prefecture	Trust	09/10/2001	3,657 (0.7%)
	Total				542,969 (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.

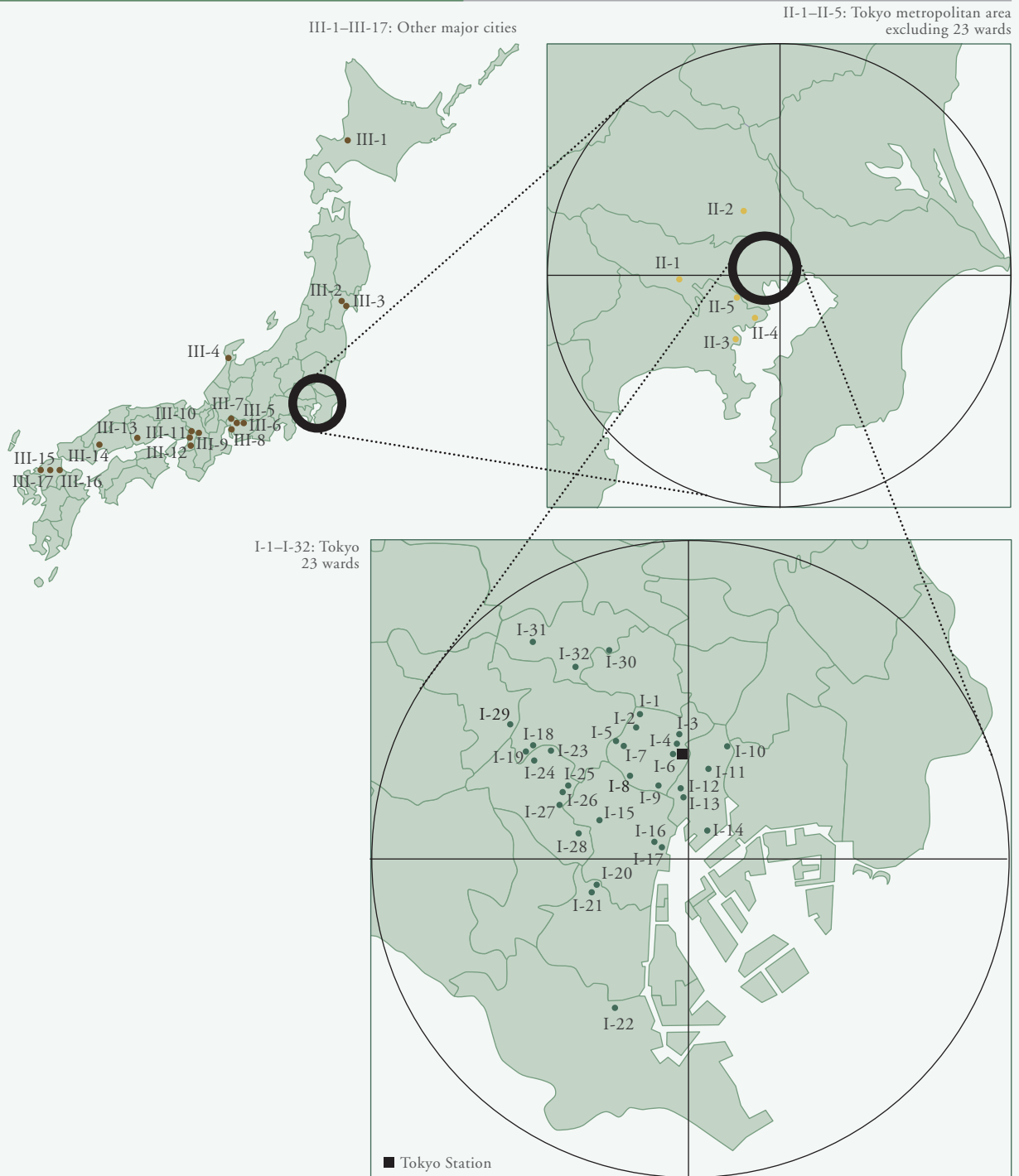
Percentage of ownership of the building	Completion	Appraisal value at the end of period (¥ mil)	Leasable space		Leased space		Occupancy rate	Number of tenants	Revenues from leasing operations (¥ mil)	
100.0%	1985	6,300	4,791m ²	(51,577ft ²)	4,791m ²	(51,577ft ²)	100.0%	1	222	(1.1%)
100.0%	2006	88,600	25,678m ²	(276,402ft ²)	25,678m ²	(276,402ft ²)	100.0%	5	1,906	(9.6%)
100.0%	1998	12,100	6,269m ²	(67,480ft ²)	2,522m ²	(27,156ft ²)	40.2%	1	221	(1.1%)
56.76%	1993	6,520	3,687m ²	(39,695ft ²)	3,224m ²	(34,705ft ²)	87.4%	6	182	(0.9%)
31.345%	2004	17,600	9,316m ²	(100,282ft ²)	9,316m ²	(100,282ft ²)	100.0%	1	488	(2.5%)
19.38402%	2003	50,200	11,923m ²	(128,341ft ²)	11,923m ²	(128,341ft ²)	100.0%	10	990	(5.0%)
100.0%	2005	7,040	4,495m ²	(48,384ft ²)	4,495m ²	(48,384ft ²)	100.0%	1	162	(0.8%)
99.0%	1966	30,700	20,865m ²	(224,594ft ²)	20,544m ²	(221,139ft ²)	98.5%	45	1,053	(5.3%)
10.78%	1975	8,810	4,694m ²	(50,531ft ²)	4,081m ²	(43,933ft ²)	86.9%	13	286	(1.4%)
100.0%	1991	4,200	3,897m ²	(41,950ft ²)	3,726m ²	(40,116ft ²)	95.6%	7	164	(0.8%)
100.0%	2002	7,150	4,279m ²	(46,068ft ²)	4,279m ²	(46,068ft ²)	100.0%	1	150	(0.8%)
70.95%	1982	18,000	4,329m ²	(46,604ft ²)	4,329m ²	(46,604ft ²)	100.0%	11	394	(2.0%)
100.0%	1998	5,190	2,875m ²	(30,949ft ²)	2,875m ²	(30,949ft ²)	100.0%	8	145	(0.7%)
100.0%	2006	26,300	20,812m ²	(224,022ft ²)	20,425m ²	(219,858ft ²)	98.1%	7	777	(3.9%)
100.0%	1982	9,300	4,898m ²	(52,724ft ²)	4,898m ²	(52,724ft ²)	100.0%	7	266	(1.3%)
100.0%	1984	7,980	9,631m ²	(103,671ft ²)	9,631m ²	(103,671ft ²)	100.0%	19	340	(1.7%)
100.0%	1992	3,910	4,062m ²	(43,726ft ²)	4,062m ²	(43,726ft ²)	100.0%	9	144	(0.7%)
100.0%	1989	9,890	6,197m ²	(66,708ft ²)	6,197m ²	(66,708ft ²)	100.0%	10	291	(1.5%)
8.368%	1996	12,100	9,246m ²	(99,529ft ²)	9,092m ²	(97,866ft ²)	98.3%	103	531	(2.7%)
100.0%	1991	2,840	4,067m ²	(43,783ft ²)	4,067m ²	(43,783ft ²)	100.0%	1	121	(0.6%)
100.0%	2004	7,050	5,205m ²	(56,035ft ²)	5,205m ²	(56,035ft ²)	100.0%	4	222	(1.1%)
100.0%	1989	6,150	7,708m ²	(82,972ft ²)	7,519m ²	(80,934ft ²)	97.5%	18	258	(1.3%)
100.0%	1974	9,570	7,356m ²	(79,180ft ²)	7,356m ²	(79,180ft ²)	100.0%	20	333	(1.7%)
100.0%	2003	13,500	7,772m ²	(83,660ft ²)	7,772m ²	(83,660ft ²)	100.0%	7	416	(2.1%)
100.0%	1987	6,610	3,147m ²	(33,876ft ²)	3,147m ²	(33,876ft ²)	100.0%	5	203	(1.0%)
100.0%	1998	16,200	5,558m ²	(59,832ft ²)	5,075m ²	(54,634ft ²)	91.3%	8	498	(2.5%)
100.0%	1976	53,000	29,684m ²	(319,516ft ²)	28,506m ²	(306,838ft ²)	96.0%	57	1,537	(7.8%)
12.29939%	1994	5,710	2,462m ²	(26,511ft ²)	2,462m ²	(26,511ft ²)	100.0%	3	156	(0.8%)
29.253305%	1997	13,600	10,929m ²	(117,646ft ²)	10,929m ²	(117,646ft ²)	100.0%	18	458	(2.3%)
100.0%	1987	4,000	7,163m ²	(77,106ft ²)	7,163m ²	(77,106ft ²)	100.0%	8	190	(1.0%)
100.0%	1990	1,650	2,186m ²	(23,532ft ²)	2,186m ²	(23,532ft ²)	100.0%	9	76	(0.4%)
100.0%	1989	5,670	5,797m ²	(62,401ft ²)	5,797m ²	(62,401ft ²)	100.0%	8	203	(1.0%)
80.4%	1996	6,170	10,068m ²	(108,378ft ²)	10,068m ²	(108,378ft ²)	100.0%	43	269	(1.4%)
100.0%	1990	2,720	4,510m ²	(48,550ft ²)	4,510m ²	(48,550ft ²)	100.0%	14	136	(0.7%)
100.0%	2007	37,400	38,665m ²	(416,189ft ²)	36,694m ²	(394,972ft ²)	94.9%	25	1,081	(5.5%)
100.0%	1990	3,360	6,831m ²	(73,537ft ²)	6,831m ²	(73,537ft ²)	100.0%	13	168	(0.9%)
34.32%	1990	4,000	5,394m ²	(58,071ft ²)	5,394m ²	(58,071ft ²)	100.0%	25	162	(0.8%)
100.0%	2006	7,210	12,265m ²	(132,030ft ²)	12,265m ²	(132,030ft ²)	100.0%	8	326	(1.6%)
50.0%	1993	1,130	2,518m ²	(27,106ft ²)	2,518m ²	(27,106ft ²)	100.0%	17	69	(0.4%)
100.0%	1991	3,690	6,241m ²	(67,185ft ²)	6,241m ²	(67,185ft ²)	100.0%	19	169	(0.9%)
89.0%	1991	6,590	20,889m ²	(224,855ft ²)	18,066m ²	(194,470ft ²)	86.5%	68	509	(2.6%)
57.04651%	1995	5,390	8,056m ²	(86,719ft ²)	8,056m ²	(86,719ft ²)	100.0%	51	295	(1.5%)
100.0%	1987	1,730	3,847m ²	(41,409ft ²)	3,847m ²	(41,409ft ²)	100.0%	14	116	(0.6%)
100.0%	1987	16,000	21,635m ²	(232,878ft ²)	21,635m ²	(232,878ft ²)	100.0%	26	740	(3.7%)
100.0%	1991	1,570	3,470m ²	(37,354ft ²)	3,113m ²	(33,513ft ²)	89.7%	9	85	(0.4%)
100.0%	1982	2,350	6,800m ²	(73,195ft ²)	5,839m ²	(62,854ft ²)	85.9%	30	132	(0.7%)
100.0%	1995	25,200	28,414m ²	(305,852ft ²)	24,702m ²	(265,891ft ²)	86.9%	36	132	(0.7%)
100.0%	1992	4,840	11,574m ²	(124,587ft ²)	11,520m ²	(124,004ft ²)	99.5%	16	277	(1.4%)
100.0%	1991	19,100	20,450m ²	(220,127ft ²)	20,275m ²	(218,247ft ²)	99.1%	24	682	(3.4%)
27.7488%	2005	5,560	9,965m ²	(107,269ft ²)	9,511m ²	(102,376ft ²)	95.4%	39	296	(1.5%)
48.753%	1994	3,260	9,860m ²	(106,134ft ²)	9,860m ²	(106,134ft ²)	100.0%	12	274	(1.4%)
100.0%	1992	1,440	4,000m ²	(43,057ft ²)	3,524m ²	(37,936ft ²)	88.1%	18	93	(0.5%)
100.0%	1993	4,610	5,991m ²	(64,487ft ²)	4,886m ²	(52,597ft ²)	81.6%	23	199	(1.0%)
74.4844%	1987	3,940	5,852m ²	(62,995ft ²)	5,721m ²	(61,588ft ²)	97.8%	9	186	(0.9%)
		644,700	508,296m ²	(5,471,249ft ²)	488,372m ²	(5,256,788ft ²)	96.1%	970	19,805	(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)	3.5%
2	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665m ² (114,802ft ²)	2.2%
3	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316m ² (100,282ft ²)	1.9%
4	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774m ² (94,453ft ²)	1.8%
5	(Note)	MM Park Building	8,664m ² (93,258ft ²)	1.8%
6	FAST RETAILING CO., LTD.	Kitanomaru Square	8,476m ² (91,245ft ²)	1.7%
7	The Dai-ichi Mutual Life Insurance Company	Midosuji Daiwa Building (also includes 6 other buildings)	7,673m ² (82,601ft ²)	1.6%
8	JRI Solutions, Limited	Harumi Center Building	7,634m ² (82,178ft ²)	1.6%
9	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,906m ² (74,341ft ²)	1.4%
10	JGC Corporation	MM Park Building	5,560m ² (59,853ft ²)	1.1%

Note: Not disclosed due to the tenant's request

Locations of Portfolio Properties



Overview of Portfolio Properties As of September 30, 2008

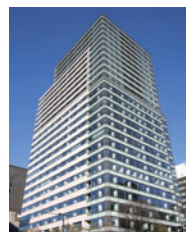
Note: Concerning real estate of which the Company is a partial owner through co-ownership or compartmentalized building units, the figures for "Site area" and "Floor area of building" represent total site area and total floor space for the entire building.



Genki Medical Plaza

● I-1

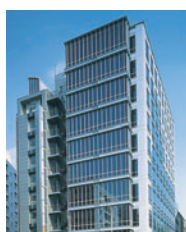
Location : Chiyoda-ku, Tokyo
Site area : 1,052.80m² (11,332ft²)
Floor area of building : 6,722.02m² (72,355ft²)
Structure : Above ground: 8 floors
Below ground: 1 floor
Completion : September 1985



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

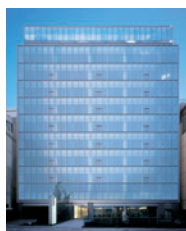
Location : Chiyoda-ku, Tokyo
Site area : 11,003.87m² (118,445ft²)
Floor area of building : 57,031.06m² (613,877ft²)
Structure : Above ground: 14 floors
Below ground: 2 floors
Completion : April 2004



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

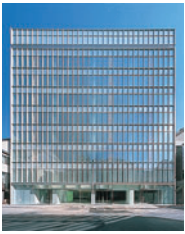
Location : Chiyoda-ku, Tokyo
Site area : 5,749.91m² (61,891ft²)
Floor area of building : 70,287.65m² (756,569ft²)
Structure : Above ground: 20 floors
Below ground: 4 floors
Completion : September 1975



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



Shiba 2Chome Daimon Building

● I-16

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-17

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-18

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-19

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-20

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-21

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-22

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-23

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-24

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-25

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-26

Location : Shibuya-ku, Tokyo
 Site area : 2,261.68m² (24,344ft²)
 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-27

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-28

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-29

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-30

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-31

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-32

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

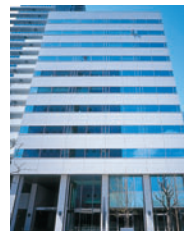
Location : Kawasaki, Kanagawa Prefecture
Site area : 1,594.50m² (17,163ft²)
Floor area of building : 9,623.83m² (103,590ft²)
Structure : Above ground: 12 floors
Below ground: 1 floor
Completion : December 1990



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

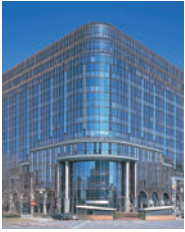
Location : Sendai, Miyagi Prefecture
Site area : 1,566.68m² (16,864ft²)
Floor area of building : 7,648.33m² (82,326ft²)
Structure : Above ground: 8 floors
Below ground: 1 floor
Completion : January 1993



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

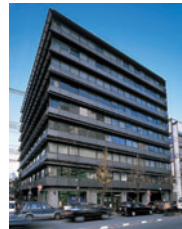
Location : Nagoya, Aichi Prefecture
Site area : 4,095.81m² (44,087ft²)
Floor area of building : 33,377.73m² (359,275ft²)
Structure : Above ground: 18 floors
Below ground: 2 floors
Completion : May 1987



Nagoya Misono Building

● III-8

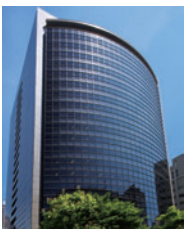
Location : Nagoya, Aichi Prefecture
Site area : 805.04m² (8,665ft²)
Floor area of building : 5,348.00m² (57,565ft²)
Structure : Above ground: 7 floors
Below ground: 1 floor
Completion : September 1991



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



Financial Section

Selected Financial Data	p.23
Balance Sheets	p.24
Statements of Income and Retained Earnings	p.26
Statements of Changes in Unitholders' Equity	p.26
Statements of Cash Flows	p.27
Notes to Financial Statements	p.28
Report of Independent Auditors	p.36

Selected Financial Data

	Millions of yen					Thousands of U.S. dollars
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2006 to March 31, 2007	For the period from April 1, 2006 to September 30, 2006	(Note 1) For the period from April 1, 2008 to September 30, 2008
Operating Revenues	¥ 19,805	¥ 25,743	¥ 17,530	¥ 16,960	¥ 15,570	\$ 191,229
Operating Expenses	9,998	11,524	8,791	8,655	8,528	96,536
Operating Income	9,807	14,218	8,739	8,304	7,041	94,693
Income before Income Taxes	8,449	12,946	7,586	7,184	5,977	81,585
Net Income	8,448	12,945	7,585	7,183	5,976	81,576
Total Assets	542,920	527,537	449,643	443,973	441,163	5,242,060
Interest-Bearing Debts	199,500	177,500	144,500	140,000	202,500	1,926,233
Net Assets	306,050	310,547	272,269	271,867	207,449	2,955,010
Unitholders' Capital	297,601	297,601	264,683	264,683	201,472	2,873,433
Number of Units	443,000	443,000	410,000	410,000	345,400	443,000
Net Assets per Unit (Yen/U.S. dollars)	690,858	701,009	664,071	663,091	600,605	6,670.45
Cash Distribution	8,448	12,945	7,585	7,183	5,976	81,577
Dividend Payout Ratio	100.0%	100.0%	99.9%	100.0%	99.9%	100.0%
Dividend per Unit (Yen/U.S. dollars)	19,072	29,223	18,500	17,521	17,302	184.15
Net Operating Income (NOI)	14,173	12,197	12,073	11,300	10,339	136,848
Funds from Operations (FFO)	12,009	8,078	10,022	9,441	8,257	115,954
Return on Assets (ROA) (Note 2)	1.6%	2.6%	1.7%	1.6%	1.4%	1.6%
	(3.1% annualized)	(5.3% annualized)	(3.4% annualized)	(3.3% annualized)	(2.7% annualized)	(3.1% annualized)
Return on Equity (ROE) (Note 3)	2.7%	4.7%	2.8%	2.7%	2.9%	2.7%
	(5.5% annualized)	(9.3% annualized)	(5.6% annualized)	(5.5% annualized)	(5.8% annualized)	(5.5% annualized)
EOP Equity Ratio (Note 4)	56.4%	58.9%	60.6%	61.2%	47.0%	56.4%
EOP Interest-Bearing Debt Ratio						
on Total Assets (Note 5)	36.7%	33.6%	32.1%	31.5%	45.9%	36.7%
FFO Multiple	15.5 times	31.9 times	28.3 times	33.8 times	21.0 times	15.5 times
Debt Service Coverage Ratio (Note 6)	9.7 times	14.2 times	10.4 times	10.5 times	9.5 times	9.7 times

Notes 1: Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥103.57 = US\$1.00, the foreign exchange rate on September 30, 2008, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

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

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

(Annualized portion of the calculation given in note 2 and note 3 assumes a fiscal period of 183 days for the period ended September 30, 2006, 182 days for the period ended March 31, 2007, 183 days for the period ended September 30, 2007, 183 days for the period ended March 31, 2008 and 183 days for the period ended September 30, 2008.)

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

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

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

Balance Sheets

As of September 30, 2008 and March 31, 2008

	Thousands of yen		U.S. dollars (Note 1)
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
ASSETS			
Current Assets:			
Cash and bank deposits	¥ 15,069,928	¥ 13,124,551	\$ 145,504,763
Rental receivables	208,071	125,811	2,008,994
Dividend receivables	—	6,348,610	—
Refundable income taxes	6,100	1,594,444	58,906
Refundable consumption taxes	—	1,458,648	—
Other current assets	105,135	94,261	1,015,118
Total current assets	15,389,236	22,746,328	148,587,781
Property and Equipment, at Cost:			
Land	351,928,258	336,310,231	3,397,974,885
Buildings and structures	195,015,937	183,199,855	1,882,938,471
Machinery and equipment	2,798,477	2,768,111	27,020,154
Tools, furniture and fixtures	95,277	94,565	919,937
Construction in progress	1,417,571	1,315,581	13,687,084
Subtotal	551,255,522	523,688,344	5,322,540,531
Accumulated depreciation	(27,392,551)	(23,832,007)	(264,483,455)
Total property and equipment	523,862,971	499,856,336	5,058,057,076
Investments and Other Assets:			
Investment securities	2,797	1,272,797	27,011
Deposits	23,575	23,575	227,628
Long-term prepaid expenses	18,647	4,801	180,044
Leasehold rights	2,691,724	2,691,724	25,989,426
Easement	828,095	828,095	7,995,514
Deferred investment corporation bond issuance costs	103,118	114,005	995,639
Total Assets	¥542,920,166	¥527,537,666	\$5,242,060,120

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

	Thousands of yen		U.S. dollars (Note 1)
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
LIABILITIES			
Current Liabilities:			
Trade accounts payable	¥ 446,273	¥ 2,084,823	\$ 4,308,902
Other payables	814,518	3,047,550	7,864,426
Short-term loans	28,000,000	23,000,000	270,348,557
Current portion of long-term loans	7,000,000	7,000,000	67,587,139
Current portion of investment corporation bonds	—	10,000,000	—
Accrued expenses	728,221	633,694	7,031,197
Accrued income taxes	44	38	430
Accrued consumption taxes	107,128	—	1,034,360
Rent received in advance	2,260,179	2,239,582	21,822,728
Other current liabilities	46,560	1,425	449,555
Total current liabilities	39,402,926	48,007,114	380,447,295
Long-Term Liabilities:			
Investment corporation bonds	45,000,000	45,000,000	434,488,752
Long-term loans	119,500,000	92,500,000	1,153,809,018
Deposits received from tenants	32,966,841	31,483,194	318,304,931
Total long-term liabilities	197,466,841	168,983,194	1,906,602,700
Total Liabilities	236,869,768	216,990,308	2,287,049,996
NET ASSETS			
Unitholders' capital	297,601,460	297,601,460	2,873,433,040
Authorized: 2,000,000 units			
Issued: 443,000 units as of September 30, 2008 and 443,000 units as of March 31, 2008			
Retained earnings	8,448,938	12,945,897	81,577,084
Total net assets	306,050,398	310,547,357	2,955,010,125
Total Liabilities and Net Assets	¥542,920,166	¥527,537,666	\$5,242,060,120

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

Statements of Income and Retained Earnings

For the six months ended September 30, 2008 and March 31, 2008

	Thousands of yen		U.S. dollars (Note 1)
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2008 to September 30, 2008
Operating Revenues and Expenses			
Operating Revenues:			
Rental revenues	¥19,716,477	¥17,761,985	\$190,368,613
Non-rental revenues	89,147	45,727	860,751
Dividends earned	—	7,935,763	—
Total operating revenues	19,805,625	25,743,475	191,229,363
Operating Expenses:			
Property-related expenses	9,192,859	8,678,165	88,759,868
Asset management fees	531,583	2,574,029	5,132,606
Administrative service fees	173,810	158,103	1,678,198
Other operating expenses	100,009	114,305	965,625
Total operating expenses	9,998,264	11,524,604	96,536,297
Operating income	9,807,360	14,218,871	94,693,067
Non-Operating Revenues and Expenses			
Non-Operating Revenues:			
Interest income	38,252	33,567	369,336
Interest on refund	9,653	—	93,208
Other non-operating revenues	2,777	12	26,817
Non-Operating Expenses:			
Interest expense	970,200	773,348	9,367,579
Interest expense on investment corporation bonds	408,045	438,698	3,939,801
Amortization of investment corporation bond issuance costs	10,887	20,859	105,123
New unit issuance costs	—	52,848	—
Other non-operating expenses	19,126	20,113	184,676
Income before Income Taxes	8,449,784	12,946,583	81,585,250
Income Taxes:			
Current	956	908	9,238
Deferred	(2)	8	(23)
Net Income	8,448,829	12,945,665	81,576,035
Retained Earnings Brought Forward	108	231	1,049
Retained Earnings at End of Period	¥ 8,448,938	¥12,945,897	\$ 81,577,084

Statements of Changes in Unitholders' Equity

For the six months ended September 30, 2008 and March 31, 2008

	Units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total
Balance as of September 30, 2007	410,000	¥264,683,960	¥ 7,585,231	¥272,269,191
Public offering	33,000	32,917,500	—	32,917,500
Cash dividends paid	—	—	(7,585,000)	(7,585,000)
Net income	—	—	12,945,665	12,945,665
Balance as of March 31, 2008	443,000	¥297,601,460	¥12,945,897	¥310,547,357
Cash dividends paid	—	—	(12,945,789)	(12,945,789)
Net income	—	—	8,448,829	8,448,829
Balance as of September 30, 2008	443,000	¥297,601,460	¥ 8,448,938	¥306,050,398
		U.S. dollars (Note 1)		
	Units	Unitholders' capital	Retained earnings	Total
Balance as of March 31, 2008	443,000	\$2,873,433,040	\$124,996,598	\$2,998,429,639
Cash dividends paid	—	—	(124,995,549)	(124,995,549)
Net income	—	—	81,576,035	81,576,035
Balance as of September 30, 2008	443,000	\$2,873,433,040	\$ 81,577,084	\$2,955,010,125

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

Statements of Cash Flows

For the six months ended September 30, 2008 and March 31, 2008

	Thousands of yen		U.S. dollars (Note 1)
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2008 to September 30, 2008
Cash Flows from Operating Activities			
Income before income taxes	¥ 8,449,784	¥12,946,583	\$ 81,585,250
Depreciation and amortization	3,560,543	3,068,427	34,378,137
Amortization of investment corporation bond issuance costs	10,887	20,859	105,123
New unit issuance costs	—	52,848	—
Dividends earned	—	(7,935,763)	—
Interest income	(38,252)	(33,567)	(369,336)
Interest expense	1,378,245	1,212,046	13,307,380
Rental receivables	(82,259)	(21,718)	(794,241)
Other receivables	—	146,549	—
Refundable income taxes	1,191	(3,490)	11,503
Refundable consumption taxes	1,458,648	(1,458,648)	14,083,697
Prepaid expenses	(8,080)	(29,489)	(78,021)
Trade accounts payable	(1,439,810)	632,194	(13,901,806)
Other payables	(2,109,451)	1,951,478	(20,367,401)
Accrued expenses	107,197	(260,748)	1,035,022
Rent received in advance	20,597	44,418	198,876
Long-term prepaid expenses	(13,845)	(2,934)	(133,684)
Other	46,656	(993)	450,485
Sub-total	11,342,052	10,328,053	109,510,981
Interest received	33,938	41,317	327,691
Dividends received	7,935,763	—	76,622,218
Interest paid	(1,283,786)	(1,207,550)	(12,395,355)
Income taxes paid	(950)	(931)	(9,179)
Net cash provided by operating activities	18,027,016	9,160,890	174,056,356
Cash Flows from Investing Activities			
Payments of time deposits	(7,740,000)	(3,745,000)	(74,732,065)
Proceeds from time deposits	2,092,000	9,165,000	20,198,899
Purchases of property and equipment	(27,876,590)	(74,171,252)	(269,156,996)
Purchases of intangible assets	(1,214)	(486,375)	(11,726)
Proceeds from investment securities redemption	1,270,000	—	12,262,238
Repayment of lease deposits received	(1,089,333)	(1,008,112)	(10,517,844)
Proceeds from lease deposits received	2,572,980	4,919,704	24,842,915
Net cash used in investing activities	(30,772,156)	(65,326,036)	(297,114,579)
Cash Flows from Financing Activities			
Proceeds from short-term loans	20,500,000	48,000,000	197,933,765
Repayment of short-term loans	(15,500,000)	(25,000,000)	(149,657,237)
Proceeds from long-term loans	27,000,000	10,000,000	260,693,251
Payments of investment corporation bond redemption	(10,000,000)	—	(96,553,056)
Payments of investment corporation bond issuance costs	—	(1,472)	—
Proceeds from issuance of units	—	32,917,500	—
Payment of new unit issuance costs	(11,693)	(41,154)	(112,907)
Dividends to unitholders	(12,945,789)	(7,585,000)	(124,995,549)
Net cash provided by financing activities	9,042,517	58,289,872	87,308,267
Net (Decrease) Increase in Cash and Cash Equivalents	(3,702,622)	2,124,726	(35,749,956)
Cash and Cash Equivalents at Beginning of Period	11,772,551	9,647,825	113,667,580
Cash and Cash Equivalents at End of Period	¥ 8,069,928	¥11,772,551	\$ 77,917,624

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

Notes to Financial Statements

September 30, 2008 and March 31, 2008

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 36% by Mitsubishi Estate Co., Ltd. (“MEC”), 27% by The Tokio Marine & Nichido Fire Insurance Co., Ltd. (“TMN”), 27% by The Dai-ichi Mutual Life Insurance Company (“DL”) and 10% by Mitsui & Co., Ltd.

On May 11, 2001, the Company was incorporated with ¥200 million of original capital contribution by MEC, TMN and DL under the Law Concerning Investment Trusts and Investment Corporations of Japan, or the Investment Trust Law.

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

On March 12, 2008, the Company completed a sixth public offering of 33,000 units at a price of ¥997,500 (\$9,956) generating gross proceeds of ¥32,917 million (\$328,551 thousand). As of September 30, 2008, the Company had total unitholders’ capital of ¥297,601 million (\$2,873,433 thousand) with 443,000 outstanding units.

At September 30, 2008, the Company owned a portfolio of 54 office properties concerning an aggregate of approximately 508,296 square meters of leasable space.

Basis of presenting financial statements

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

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

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥103.57=US\$1.00, the foreign exchange rate on September 30, 2008, 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. Investment corporation bond issuance costs recorded on the balance sheets for the 11th fiscal period and before are amortized using the straight-line method over three years, with an equal amount amortized in each fiscal period.

New unit issuance costs are charged to income as incurred. The underwriters' commissions of the public offering are not recognized as new unit issuance costs in the financial statements since such costs are not payable by the Company 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 directly paid to the underwriters. The difference incurred at the sixth offering on March 12, 2008 was ¥1,039 million (\$10,375 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. INVESTMENT SECURITIES

Investment securities recorded at cost at September 30, 2008 and March 31, 2008 are summarized as follows:

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
Other securities			
Non-listed stock	¥2,797	¥1,272,797	\$27,011

4. PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2008 and March 31, 2008 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of September 30, 2008		As of March 31, 2008		As of September 30, 2008	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥309,238,853	¥309,238,853	¥307,313,991	¥307,313,991	\$2,985,795,634	\$2,985,795,634
Buildings and structures	163,164,783		162,694,804		1,575,405,842	
Accumulated depreciation	(21,363,481)	141,801,302	(18,241,162)	144,453,641	(206,270,938)	1,369,134,904
Machinery and equipment	2,215,416		2,215,416		21,390,525	
Accumulated depreciation	(697,963)	1,517,452	(613,694)	1,601,722	(6,739,053)	14,651,472
Tools, furniture and fixtures	86,553		85,840		835,699	
Accumulated depreciation	(37,738)	48,814	(30,157)	55,683	(364,381)	471,318
Construction in progress	1,417,571	1,417,571	1,315,581	1,315,581	13,687,084	13,687,084
Land in trust	42,689,405	42,689,405	28,996,240	28,996,240	412,179,251	412,179,251
Buildings and structures in trust	31,851,154		20,505,050		307,532,629	
Accumulated depreciation	(4,921,122)	26,930,031	(4,595,432)	15,909,618	(47,514,942)	260,017,687
Machinery and equipment in trust	583,060		552,694		5,629,629	
Accumulated depreciation	(368,816)	214,243	(348,391)	204,303	(3,561,038)	2,068,590
Tools, furniture and fixtures in trust	8,724		8,724		84,238	
Accumulated depreciation	(3,428)	5,296	(3,170)	5,554	(33,103)	51,135
Total	¥523,862,971	¥523,862,971	¥499,856,336	¥499,856,336	\$5,058,057,076	\$5,058,057,076

The compressed amount of tangible assets with government grants under the Corporation Tax Law of Japan was ¥50 million (\$483 thousand) at September 30, 2008 and ¥50 million (\$483 thousand) at March 31, 2008.

5. SHORT-TERM LOANS

Short-term loans at September 30, 2008 and March 31, 2008 consisted of the following:

	Thousands of yen		U.S. dollars
	As of	As of	As of
	September 30, 2008	March 31, 2008	September 30, 2008
0.84035% unsecured loan from a bank, due on March 24, 2009	¥ 4,500,000	¥ 4,500,000	\$ 43,448,875
0.9058% unsecured loan from a bank, due on June 1, 2009	5,000,000	—	48,276,528
0.84173% unsecured loan from a trust bank, due on September 24, 2008	—	4,000,000	—
0.9058% unsecured loan from a trust bank, due on September 1, 2009	2,000,000	—	19,310,611
0.9325% unsecured loan from a trust bank, due on September 24, 2009	3,000,000	—	28,965,917
0.84812% unsecured loan from a bank, due on September 24, 2008	—	4,500,000	—
0.9058% unsecured loan from a bank, due on September 1, 2009	5,000,000	—	48,276,528
0.9325% unsecured loan from a bank, due on September 24, 2009	2,500,000	—	24,138,264
0.84173% unsecured loan from a trust bank, due on September 24, 2008	—	4,000,000	—
0.9325% unsecured loan from a trust bank, due on September 24, 2009	3,000,000	—	28,965,917
0.86195% unsecured loan from a bank, due on March 24, 2009	—	3,000,000	—
1.00116% unsecured loan from a bank, due on March 24, 2009	2,000,000	2,000,000	19,310,611
0.84035% unsecured loan from a bank, due on March 24, 2009	1,000,000	1,000,000	9,655,306
Total	¥28,000,000	¥23,000,000	\$270,348,557

The Company has commitment lines of ¥25,000 million (\$241,383 thousand) with four financial institutions to reduce a refinancing risk.

The unused amount of such commitment lines was ¥25,000 million (\$241,383 thousand) at September 30, 2008.

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

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

	As of September 30, 2008		As of March 31, 2008		As of September 30, 2008
	Amount (thousands of yen)	Interest rate (%)	Amount (thousands of yen)	Interest rate (%)	Amount (U.S. dollars)
Unsecured bond due on April 30, 2008	¥ —	—	¥10,000,000	0.69%	\$ —
Unsecured bond due on April 30, 2010	10,000,000	0.98%	10,000,000	0.98%	96,553,056
Unsecured bond due on September 29, 2025	10,000,000	2.56%	10,000,000	2.56%	96,553,056
Unsecured bond due on June 18, 2012	10,000,000	1.67%	10,000,000	1.67%	96,553,056
Unsecured bond due on June 18, 2014	15,000,000	1.91%	15,000,000	1.91%	144,829,584
Subtotal	¥45,000,000	—	¥55,000,000	—	\$434,488,752
Less: current portion of investment corporation bonds	—	—	(10,000,000)	—	—
Total	¥45,000,000	—	¥45,000,000	—	\$434,488,752

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

Long-term loans at September 30, 2008 and March 31, 2008 consisted of the following:

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
1.0575% unsecured loan from a bank, due on March 24, 2009	¥ 2,000,000	¥ 2,000,000	\$ 19,310,611
1.015% unsecured loan from an insurance company, due on March 30, 2009	5,000,000	5,000,000	48,276,528
1.47125% unsecured loan from an insurance company, due on March 30, 2011	2,000,000	2,000,000	19,310,611
1.86875% unsecured loan from an insurance company, due on May 29, 2015	1,500,000	1,500,000	14,428,958
1.595% unsecured loan from an insurance company, due on April 25, 2016	1,000,000	—	9,655,306
1.50125% unsecured loan from an insurance company, due on August 31, 2011	5,000,000	5,000,000	48,276,528
1.55% unsecured loan from an insurance company, due on October 29, 2012	2,000,000	2,000,000	19,310,611
1.33125% unsecured loan from another financial institution, due on November 1, 2011	5,000,000	5,000,000	48,276,528
1.63% unsecured loan from a trust bank, due on April 4, 2011	10,000,000	10,000,000	96,553,056
1.73% unsecured loan from a trust bank, due on June 1, 2011	22,000,000	22,000,000	212,416,723
1.65925% unsecured loan from banks, trust banks, and an insurance company, due on June 23, 2011	24,000,000	24,000,000	231,727,334
1.2875% unsecured loan from a bank, due on December 15, 2009	2,000,000	2,000,000	19,310,611
1.86875% unsecured loan from an insurance company, due on May 29, 2015	5,000,000	5,000,000	48,276,528
1.6225% unsecured loan from a bank, due on June 15, 2010	3,000,000	3,000,000	28,965,917
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	19,310,611
1.4925% unsecured loan from a bank, due on August 31, 2012	1,000,000	1,000,000	9,655,306
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	19,310,611
1.10625% unsecured loan from a bank, due on March 24, 2010	3,000,000	3,000,000	28,965,917
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000	2,000,000	19,310,611
1.5725% unsecured loan from a bank, due on June 14, 2010	3,000,000	—	28,965,917

	Thousands of yen		U.S. dollars
	As of	As of	As of
	September 30, 2008	March 31, 2008	September 30, 2008
1.10625% unsecured loan from a bank, due on March 24, 2010	1,000,000	1,000,000	9,655,306
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	—	48,276,528
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	—	48,276,528
1.4875% unsecured loan from a bank, due on September 2, 2013	3,000,000	—	28,965,917
1.42375% unsecured loan from a bank, due on April 24, 2013	3,000,000	—	28,965,917
1.4875% unsecured loan from a trust bank, due on September 2, 2013	5,000,000	—	48,276,528
1.65% unsecured loan from a bank, due on September 1, 2015	2,000,000	—	19,310,611
Subtotal	¥126,500,000	¥99,500,000	\$1,221,396,157
Less: current portion of long-term loans	7,000,000	7,000,000	67,587,139
Total	¥119,500,000	¥92,500,000	\$1,153,809,018

8. NET ASSETS

The Company is required to maintain net assets of at least ¥50 million (\$483 thousand), as required pursuant to the Investment Trust Law.

9. INCOME TAXES

At September 30, 2008 and March 31, 2008, the Company's deferred tax assets consisted mainly of the enterprise tax, which is not deductible for tax purposes. The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended September 30, 2008 and March 31, 2008 were as follows:

	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008
Statutory tax rate.....	39.39%	39.39%
Deductible dividend distribution.....	(39.39%)	(39.39%)
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 taxable income for the fiscal period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by Article 32-2 of the Articles of Incorporation, the Company made a dividend distribution of integral multiple of number of units up to 100% of retained earnings in the amount of ¥8,448 million (\$81,577 thousand) subsequent to September 30, 2008 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.

Tax rate change after the closing date

Due to the latest Japanese corporate income tax rate revision and the introduction of a new local corporate special tax, which applies to accounts for fiscal periods commencing on or after October 1, 2008, the revised statutory tax rate of 39.33% will be used in the calculation of deferred tax assets with respect to the temporary differences that are scheduled for elimination after October 1, 2008. The projected impact of this tax rate change on the Company's deferred tax assets as of the end of the fiscal period under review is estimated to be minor.

10. PER UNIT INFORMATION

The following table summarizes information about net assets per unit and net income per unit at September 30, 2008 and March 31, 2008, and for the periods then ended:

	Yen		U.S. dollars
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2008 to September 30, 2008
Net assets at period end per unit	¥690,858	¥701,009	\$6,670
Net income per unit	¥ 19,071	¥ 31,299	\$ 184

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

11. RELATED PARTY TRANSACTIONS

For the six months ended September 30, 2008 and March 31, 2008

For the period from October 1, 2007 to March 31, 2008

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

Party type	Subsidiary	
Party name	Harumi Front TMK	
Address	Chuo-ku, Tokyo	
Capital	(Millions of yen)	¥2,545
	(U.S. dollars)	\$25,401,737
Business	Management of specified asset	
% of voting stock held (*2)	Direct 49.90	
Relationships	Concurrent board appointment	—
	Business relationship	1. Portfolio investment of the Company 2. Acquisition of real estate and other assets in the Harumi Center Building through the preferred capital contribution certificates
Details of transaction and transaction amount (*1)	Portfolio investment and acquisition of developed property (*3):	
	(Thousands of yen)	¥26,800,000
	(U.S. dollars)	\$267,491,766
Dividend earned:	(Thousands of yen)	¥7,935,763
	(U.S. dollars)	\$79,207,138
Year end balance of the account (*1)	Dividend receivables:	
	(Thousands of yen)	¥6,348,610
	(U.S. dollars)	\$63,365,710

(*1) Neither transaction amount nor balance includes consumption taxes, etc.

(*2) “% of voting stock held” indicates ownership percentage of preferred capital contribution certificates issued by the TMK.

(*3) Transaction terms and policy for determining the terms;

The purchase price is adequately determined considering various factors such as property appraisal value and market.

- (4) Sister Companies
“Not applicable”

For the period from April 1, 2008 to September 30, 2008

(1) Parent Company and Major Corporation Unitholders

“Not applicable”

(2) Subsidiaries

Party type	Subsidiary	
Party name	Harumi Front TMK	
Address	Chuo-ku, Tokyo	
Capital	(Millions of yen)	¥2,545
	(U.S. dollars)	\$24,572,753
Business	Management of specified asset	
% of voting stock held (*2)	Direct 49.90	
Relationships	Business relationship	1. Portfolio investment of the Company 2. Acquisition of real estate and other assets in the Harumi Center Building through the preferred capital contribution certificates
Details of transaction and transaction amount (*1)	Redemption of preferred capital contribution certificates (*3):	
	(Thousands of yen)	¥1,270,000
	(U.S. dollars)	\$12,262,238
	Redemption of dividend receivable:	
	(Thousands of yen)	¥6,348,610
	(U.S. dollars)	\$61,297,775

(*1) Neither transaction amount nor balance includes consumption taxes, etc.

(*2) “% of voting stock held” indicates ownership percentage of preferred capital contribution certificates issued by the TMK.

(*3) Transaction terms and policy for determining the terms;

The preferred capital contribution certificates were determined to be redeemed at the special meeting held on March 31, 2008, followed by the redemption of ¥1,267,050 thousand (\$12,233,755), as well as the remaining ¥2,950 thousand (\$28,483), in response to the decision made at the general meeting of the members held on September 17, 2008, to liquidate the TMK.

(3) Sister Companies

“Not applicable”

(4) Directors and Major Individual Unitholders

“Not applicable”

12. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

For the six months ended September 30, 2008 and March 31, 2008

	Thousands of yen		U.S. dollars
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2008 to September 30, 2008
Property-Related Revenues	¥19,805,625	¥17,807,712	\$191,229,363
Rental Revenues	19,716,477	17,761,985	190,368,613
Rental revenues	15,068,093	13,632,566	145,487,045
Common service charges	2,908,862	2,521,163	28,085,959
Parking revenues	537,350	506,853	5,188,284
Other rental revenues	1,202,170	1,101,401	11,607,325
Non-Rental Revenues	89,147	45,727	860,751
Cancellation charges	7,008	18,684	67,666
Other miscellaneous revenues	82,139	27,042	793,085

	Thousands of yen		U.S. dollars
	For the period from April 1, 2008 to September 30, 2008	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2008 to September 30, 2008
Property-Related Expenses	9,192,859	8,678,165	88,759,868
Property management expenses	2,052,418	1,925,915	19,816,731
Utilities expenses	1,452,724	1,201,728	14,026,497
Property and other taxes	1,509,505	1,338,556	14,574,735
Casualty insurance	41,998	37,954	405,508
Repairing expenses	511,214	991,096	4,935,932
Depreciation	3,560,543	3,068,427	34,378,137
Other rental expenses	64,454	114,485	622,329
Property-Related Profits	¥10,612,765	¥ 9,129,547	\$102,469,496

13. SUPPLEMENTAL CASH FLOW INFORMATION

The following table represents a reconciliation of cash and cash equivalents at September 30, 2008 and March 31, 2008:

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
Cash and deposits with banks	¥12,826,745	¥ 8,381,956	\$123,846,146
Cash and deposits with banks held in trust	2,243,182	4,742,594	21,658,617
Time deposits with maturities of more than three months	(7,000,000)	(1,352,000)	(67,587,139)
Cash and cash equivalents	¥ 8,069,928	¥11,772,551	\$ 77,917,624

14. LEASES

The Company owns office buildings under leases and earns rent income. As of September 30, 2008 and March 31, 2008, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen		U.S. dollars
	As of September 30, 2008	As of March 31, 2008	As of September 30, 2008
Due within one year	¥10,884,356	¥11,880,599	\$105,091,789
Due after one year	32,170,897	36,470,031	310,619,847
Total	¥43,055,254	¥48,350,631	\$415,711,635

15. SUBSEQUENT EVENTS

“Not applicable”

Report of Independent Auditors

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

We have audited the accompanying balance sheets of Japan Real Estate Investment Corporation as of September 30, 2008 and March 31, 2008, and the related statements of income and retained earnings, changes in unitholders' equity, and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Real Estate Investment Corporation at September 30, 2008 and March 31, 2008, 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.

December 22, 2008

Ernst & Young ShinNihon LLC

Corporate Data

As of September 30, 2008



Executives

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

Paid-in Capital

¥297,601,460,000

Number of Units Outstanding

443,000

Number of Unitholders

12,673

Stock Listing

Tokyo Stock Exchange

Securities Code

8952

Type of Investment Corporation

Closed-end corporate type fund

Transfer Agent

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

Auditors

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

Incorporation

May 11, 2001

Executive Office

Japan Real Estate Investment Corporation
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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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