



MARCH
2011

*Semiannual
Report*

For the period from October 1, 2010 to March 31, 2011

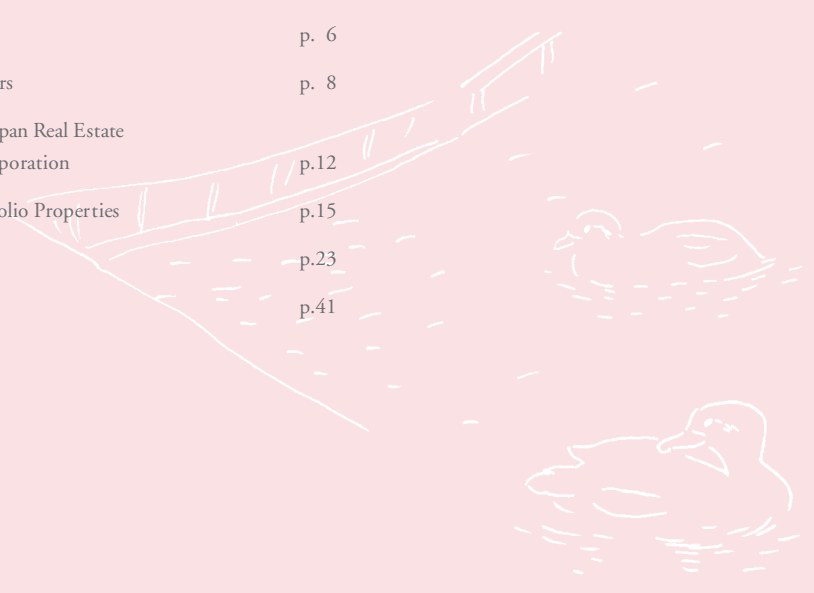
Profile

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

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

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Financial Highlights

	Millions of yen					Thousands of U.S.dollars (Note 1)
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from October 1, 2010 to March 31, 2011
Operating Revenues	22,135	22,112	21,665	21,524	20,716	266,217
Operating Income	9,802	9,939	10,538	10,054	9,955	117,892
Ordinary Income	7,938	8,135	8,876	8,505	8,426	95,476
Net Income	7,652	8,134	8,875	8,504	8,425	92,028
Net Operating Income (NOI) (Note 2)	14,950	15,091	14,414	13,950	14,575	179,806
Funds from Operations (FFO) (Note 3)	11,938	12,353	11,914	11,577	12,213	143,580
FFO Multiple (Note 4)	16.1 times	15.1 times	16.3 times	14.1 times	13.7 times	16.1 times
Cash Distribution	7,652	8,134	8,826	8,504	8,425	92,027
Number of Units	489,200	489,200	489,200	443,000	443,000	489,200
Dividend per Unit (Yen/U.S.dollars)	15,642	16,628	18,043	19,198	19,020	188.12

Notes: 1. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15 = US\$1.00, the foreign exchange rate on March 31, 2011, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen amounts have been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

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

3. FFO = Net Income + Depreciation – Gain (Loss) on Transfer of Properties – Gain on Transfer of Development Rights of Floor Area – Compensation for the Property Transfer

4. FFO Multiple = Unit Price at End of the Respective Term ÷ FFO per Unit (Annualized)

(Annualized portion of the calculation given in note 4 assumes a fiscal period of 182 days for the period ended March 31, 2009, 183 days for the period ended September 30, 2009, 182 days for the period ended March 31, 2010, 183 days for the period ended September 30, 2010 and 182 days for the period ended March 31, 2011.)

Top 10 Unitholders

As of March 31, 2011

Company	Units	% of total units outstanding
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	56,932	11.64%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	42,899	8.77%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	38,064	7.78%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	15,724	3.21%
NOMURA BANK (LUXEMBOURG) S.A.	12,586	2.57%
Mitsubishi Estate Co., Ltd.	10,160	2.08%
THE BANK OF NEW YORK, TREATY JASDEC ACCOUNT	9,510	1.94%
The Chugoku Bank, Ltd.	8,930	1.83%
BBH FOR MATTHEWS ASIAN GROWTH AND INCOME FUND	8,039	1.64%
North Pacific Bank, Ltd.	7,493	1.53%

Unit Price Performance



Strengths

Stable Dividends

- Actual dividend per unit for the 19th fiscal period: **¥15,642** (\$188.12)*
- Forecasted dividend per unit for the 20th fiscal period: **¥15,740** (\$189.30)**

* The foreign exchange rate of ¥83.15 = US\$1.00, as of March 31, 2011, has been used for this translation.

** The forecasted dividend was disclosed with the announcement of the 19th fiscal period earnings results on May 17, 2011.

Collaboration with Sponsors

- Expertise of **Mitsubishi Estate Co., Ltd., The Dai-ichi Life Insurance Company, Limited and Mitsui & Co., Ltd.**

is being fully utilized

Steady Growth with Quality Portfolio

- Total acquisition price: **¥660,601 million** (\$7,945 million)
- Maintains **57** high-quality office buildings
- **The first listed J-REIT**, showing steady performance for 19 consecutive periods

Sound Financial Base

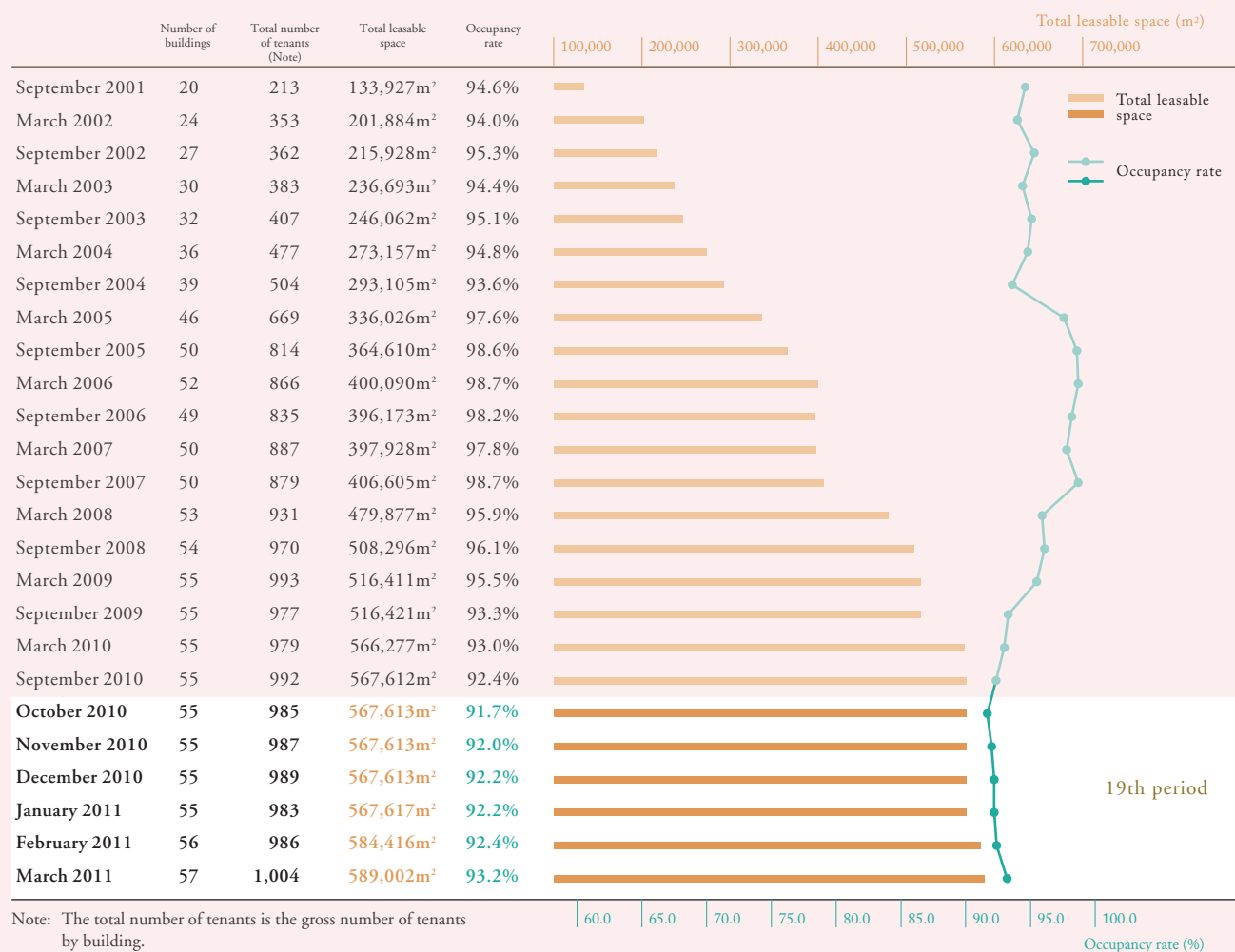
(as of March 31, 2011)

- Highest credit ratings for a J-REIT: **AA-** from S&P, **A1** from Moody's, **AA** from R&I
- LTV (Interest-bearing debt / Total assets): **42.1%**
- Long-term, fixed-interest debt ratio***: **90.8%**

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

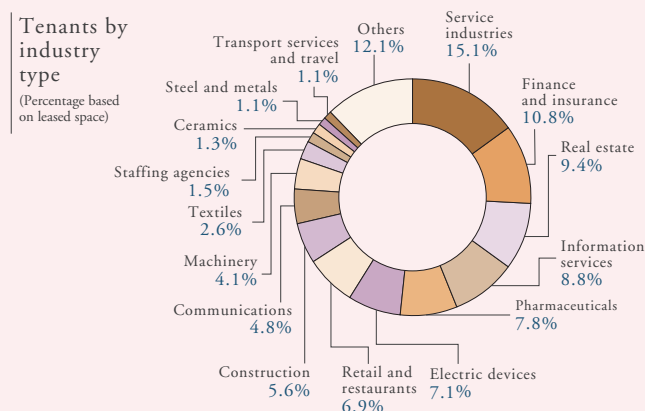
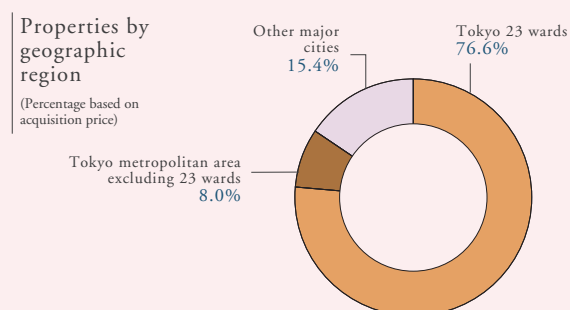
Portfolio Highlights

Trends in the state of portfolio management



Portfolio breakdown

As of March 31, 2011



New Portfolio Properties

For the period from October 1, 2010 to March 31, 2011

Osaki Front Tower



Acquisition date:	February 1, 2011
Acquisition price:	¥12,300 million
Location:	1-2-1 Osaki, Shinagawa-ku, Tokyo
Site area:	3,684.38m ²
Floor area of building:	23,673.92m ²
Ownership:	
Land:	Term leasehold interest
Building:	Ownership
Structure:	Steel-framed
Floors:	15 floors
Completion:	June 2005
Property management company:	Mitsubishi Estate Co., Ltd.



Property Acquisition Merits

Located in the Osaki area of Tokyo, the property is situated in a prime, newly redeveloped office area and a 3-minute walk from Osaki Station, which provides direct access to the bay area and the wider Kanto urban area as well as the greater Tokyo metropolitan area. The property is comparatively new, boasting attractive specifications, and is expected to retain its competitive edge over time.

Kyodo Building (Kayabacho 2Chome)



Acquisition date:	March 1, 2011
Acquisition price:	¥4,410 million
Location:	2-13-13 Nihonbashi- Kayabacho, Chuo-ku, Tokyo
Site area:	754.26m ²
Floor area of building:	5,505.80m ²
Structure:	Steel-framed reinforced concrete
Floors:	
Above ground:	9 floors
Below ground:	1 floor
Completion:	April 1991
Property management company:	Bussan Real Estate Co., Ltd.



Property Acquisition Merits

Located in the heart of Tokyo in the bustling Kayabacho financial district, the property enjoys a superior location close to Kayabacho Station and is in walking distance of Nihonbashi Station, making it accessible by a number of subway lines. Having undergone a drastic renovation in 2008 that encompassed work on the building exterior, interior and facilities, the property boasts competitive specifications as an office building.

Subsequent Events

After the period ended March 31, 2011

Transfer of Asset

In addition to acquiring new properties, the Company transferred the following property in order to further enhance the quality of its portfolio.

Takanawadai Building

Transferred asset:	Trust beneficiary right in trust of domestic real estate (Takanawadai Building)(Note 1)
Transfer date:	April 1, 2011
Transfer price:	¥3,160 million (excluding any balance due or payment for fixed property and city planning taxes, etc.)
Acquisition date:	September 25, 2001
Acquisition price:	¥2,738 million
Profit on the sale:	Approx. ¥540 million (Note 2)
Transferee:	Nomura Real Estate Development Co., Ltd.

Notes: 1. For an overview of the Takanawadai Building, please refer to the “Overview of Portfolio Properties” on page 17.

2. Profit on the sale of this property is a forecast amount disclosed in the earnings results for the 19th fiscal period (October 1, 2010 to March 31, 2011) on May 17, 2011 and may be subject to future changes.

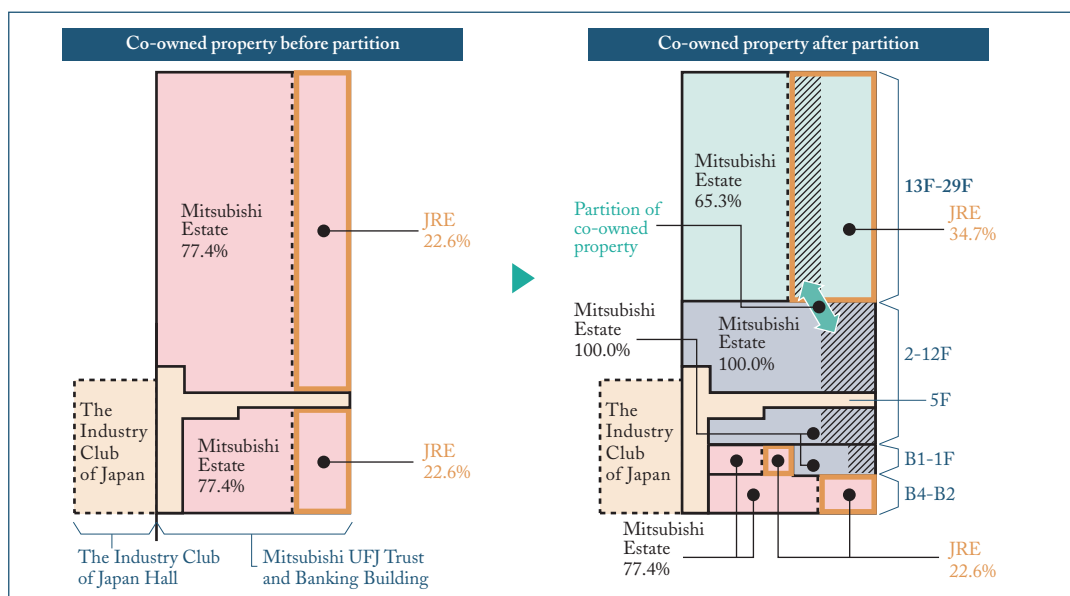
Partition of Co-Ownership Interest in the Mitsubishi UFJ Trust and Banking Building

On April 28, 2011, the Company partitioned property co-owned with Mitsubishi Estate Co., Ltd. with regard to the companies’ co-ownership interest in the Mitsubishi UFJ Trust and Banking Building.

Consequently, a portion of the co-ownership interest in the lower floors of the building (B3-12F) became the sole property of Mitsubishi Estate Co., Ltd., while the Company’s co-ownership interest in the upper floors (13F-29F) increased from 22.6% to 34.7%.

Following the transaction, Mitsubishi UFJ Trust and Banking Corporation acquired a portion of the building (including the surrounding site) that it had been renting from the sole owner, Mitsubishi Estate Co., Ltd.

Layout Diagram



The Company’s Interest Before and After Partition

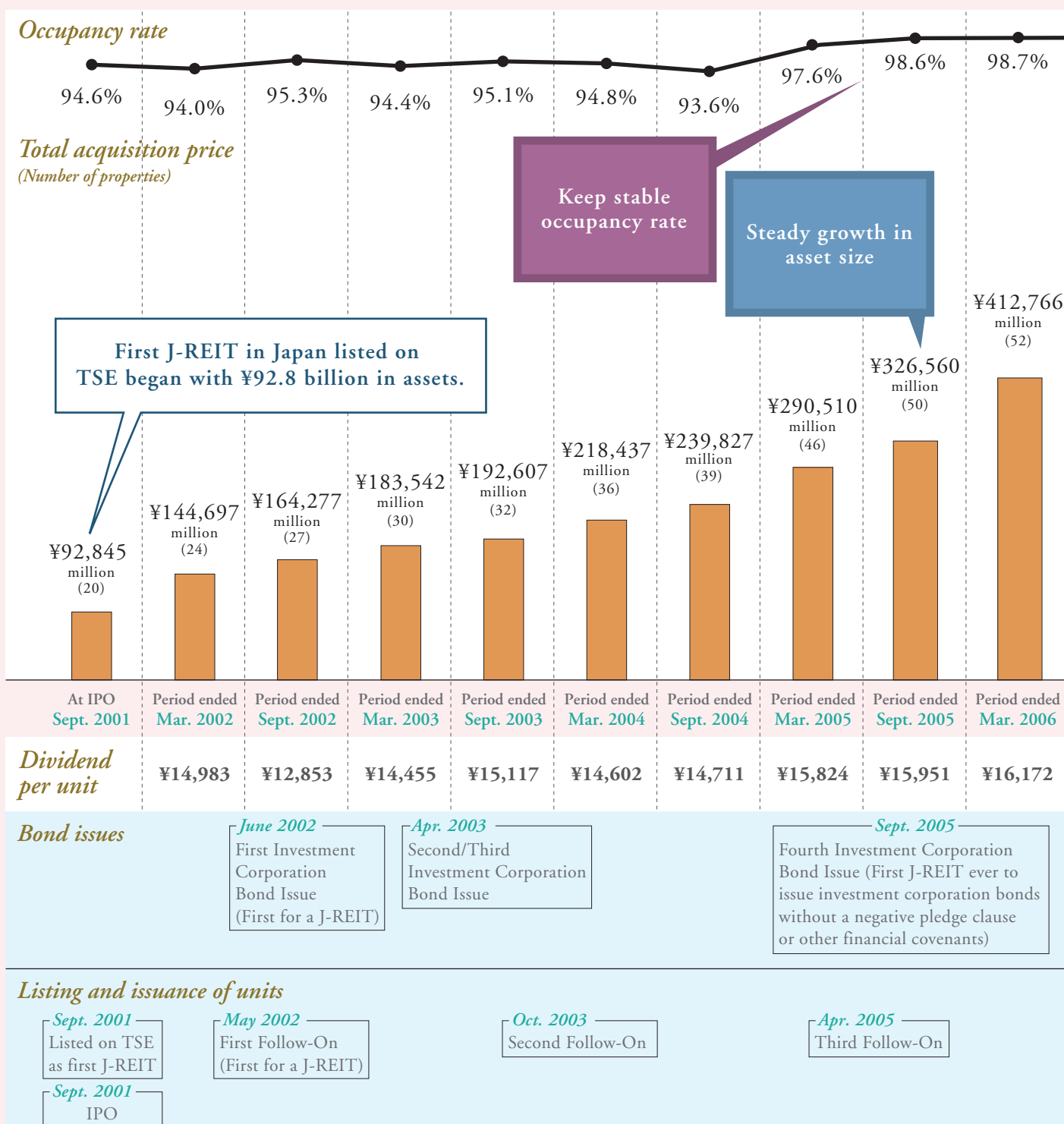
Land:	Ownership (2 lots comprising co-ownership interest of 226/1,000 and 1 lot comprising co-ownership interest of 2,795/10,000)	
Building (Note 1):	Compartmentalized building units (co-ownership interest of a portion of B4-7F and 8F-29F totaling 226/1,000)	▶ Compartmentalized building units (co-ownership interest of a portion of B4-1F totaling 226/1,000 and co-ownership interest of 13F-29F totaling 347/1,000)
Appraisal value (Note 2):	¥46,500 million	▶ ¥46,500 million

Notes: 1. A description of co-ownership interest of the common area as set forth in the rules on management has been omitted.

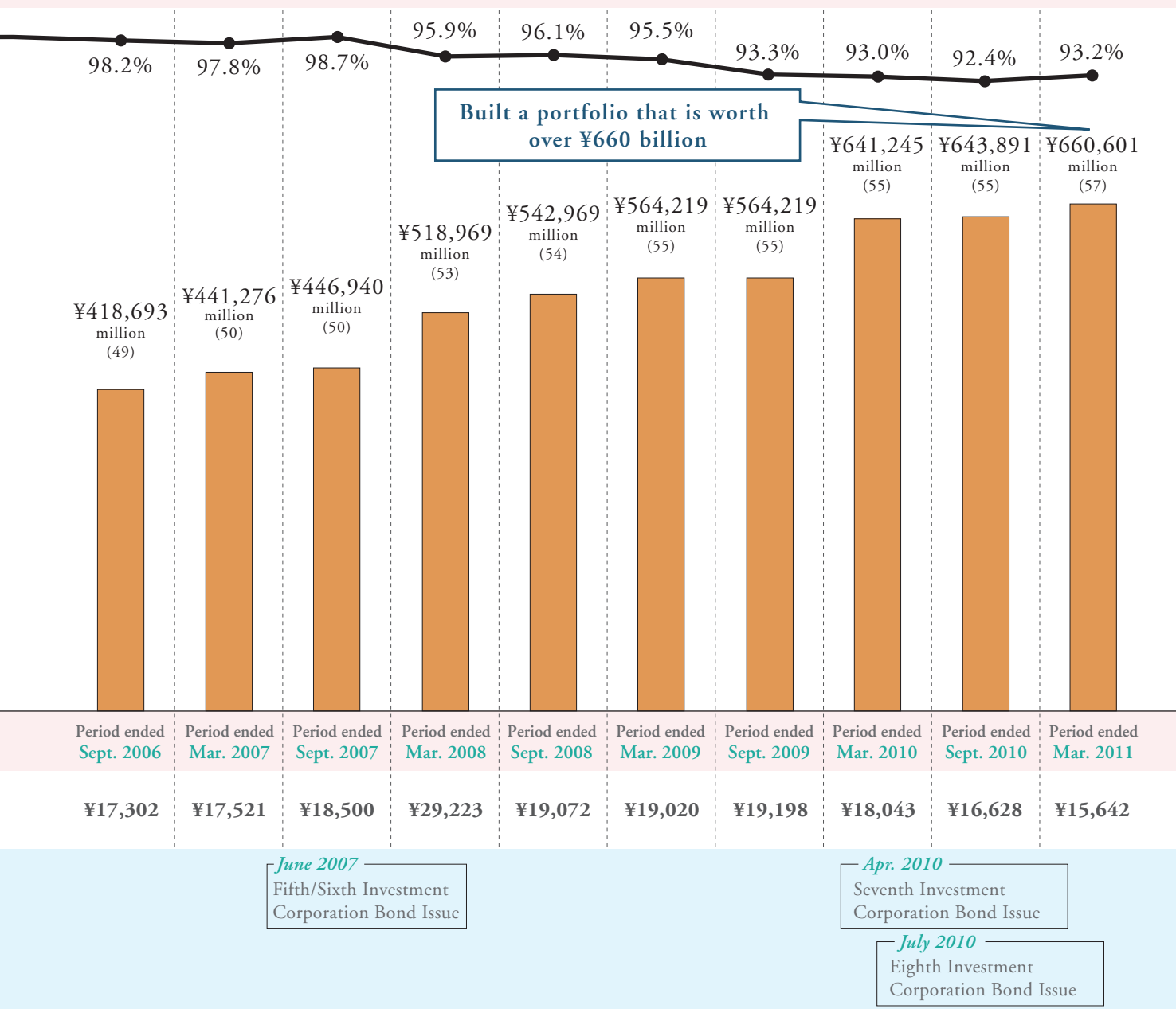
2. All appraisal values as of March 31, 2011 made by Daiwa Real Estate Appraisal Co., Ltd. have been listed.

History after IPO

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



already held. The size of the Company's assets (total acquisition price) has grown from ¥92.8 billion at IPO to ¥660.6 billion as of the 19th fiscal period end due to the steady achievement of external growth strategies. However, in terms of internal growth strategies, ongoing efforts are being made in such areas as maintaining stable occupancy rates and reducing building management costs.



To Our Unitholders



Amid these severe market conditions, the Company strived to improve occupancy rates by aggressively promoting leasing activities that take into account market trends. In addition, as part of its external growth strategy, the Company acquired the Osaki Front Tower and the Kyodo Building (Kayabacho 2Chome). Through these acquisitions, the Company endeavored to further reinforce its portfolio.

BUSINESS PERFORMANCE FOR THE 19TH FISCAL PERIOD

Summary of Financial Results and Cash Dividend

In the 19th fiscal period (October 1, 2010 to March 31, 2011), Japan Real Estate Investment Corporation (“the Company”) recorded operating revenues totaling ¥22,135 million, up 0.1% compared with the previous period. On the earnings front, operating income declined 1.4% to ¥9,802 million. After deducting expenses for interest payments on loans and other costs, ordinary income decreased 2.4% to ¥7,938 million. During the period under review, the Company also recorded a ¥281 million extraordinary loss in the form of a provision for loss on disaster associated with the Great East Japan Earthquake. As a result, net income declined 5.9% to ¥7,652 million.

Accordingly, the amount of cash dividends for the period under review resulted in a per-unit cash dividend of ¥15,642.

Operating Environment and Performance

During the period under review, the Japanese economy was stagnant because of several factors, including deflation, severe employment conditions, decreases in production and exports due to the strong yen, and weak consumer spending. At the beginning of 2011, there were signs of economic recovery, reflecting the global economy's getting back on track. However, the Great East Japan Earthquake on March 11, 2011, had a tremendous impact, bringing Japan to the greatest crisis it has faced in the post-war era as it confronted massive damage to its economy, including precipitous drops in consumer spending and industrial production.

In the market for leased office space, rent levels continued to decrease despite the decline in occupancy rates for Tokyo office buildings having bottomed out for the most part. Although some regional business areas showed improvement, with a decrease in the number of new spaces coming available, the overall trend of high vacancy rates coupled with low rent levels prevailed amid stagnant demand for office space.

In the property market, the number of transactions

increased on the back of an upturn in the fund raising environment as well as further adjustments in property prices. Reflecting this, the REIT industry's acquisition volume increased.

Amid such circumstances, the Company strived to improve occupancy rates by aggressively promoting leasing activities that take into account market trends. In addition, as part of its external growth strategy, the Company acquired the Osaki Front Tower and the Kyodo Building (Kayabacho 2Chome). Through these acquisitions, the Company endeavored to further reinforce its portfolio.

As a result of these activities, the Company's portfolio as of March 31, 2011, consisted of 57 office buildings with a total acquisition price of ¥660,601 million. Total leasable space stood at 589,002m², with a total of 1,004 tenants.

As of the issuance date of this report, no significant damage to the Company's business operations due to the Great East Japan Earthquake on March 11, 2011 has been detected at any of the 56 properties, including two office buildings in Sendai (the Jozenji Park Building and the Sendai Honcho Honma Building), held by the Company.

Financial Activities

To fund the repayment of existing loans, the Company procured ¥1,000 million on December 20, 2010; ¥10,000 million on December 21, 2010; ¥3,000 million on January 17, 2011; ¥10,500 million on March 24, 2011; and ¥2,000 million on March 30, 2011, through loans.

Furthermore, the Company procured ¥6,000 million on February 1, 2011, and ¥4,000 million on March 1, 2011, to partly fund the acquisitions of the Osaki Front Tower and the Kyodo Building (Kayabacho 2Chome), respectively.

As a result of these financing activities, as of March 31, 2011, the Company's total interest-bearing debt amounted to ¥272,400 million. This amount consists of long-term loans totaling ¥192,400 million, which includes a current portion totaling ¥68,100 million, short-term loans totaling ¥25,000 million, and investment corporation bonds totaling ¥55,000 million.

The Company intends to turn such severe conditions into an opportunity, shifting its focus towards external growth based on overall growth that will compensate for a fall in internal growth. Through such actions, the Company will work to increase revenues and earnings and, in turn, maintain and improve per-unit cash dividends.

As of March 31, 2011, the Company's long-term, fixed-interest debt ratio (ratio of long-term, fixed-interest debt, including the current portion of long-term loans and investment corporation bonds, to total interest-bearing debt) stood at 90.8%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 42.1%. As these figures indicate, the Company has been able to maintain a sound and conservative financial standing.

The Company's credit ratings as of the date of this report were as follows.

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

OUTLOOK

Trends in the Office Leasing Market

On top of the negative impact from shrinking production and spending due to the Great East Japan Earthquake, the Japanese economy is facing a number of challenges, including power shortages and issues regarding nuclear power plants, clouding future prospects.

In the market for leased office space, vacancy rates are projected to remain flat amid the stagnant economic recovery and a certain period of time will pass before rent levels regain upward momentum. Moreover, concerns about decreasing demand for office space persist as we look toward a future where the decelerated economic conditions are exasperated by an expected supply-demand imbalance as the office building supply grows.

On the other hand, we expect that in the property market transactions will stabilize thanks to an accommodative fund raising environment. However, the Company considers it important to obtain and analyze more detailed property information in order to acquire prime properties amid an increasingly uncertain leasing market.

Growth Strategies

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

First, the Company works to strengthen the relationship of trust with existing tenants and strategically raise rent levels. As of March 31, 2011, the Company had contracts with 11 property management companies. Most of these companies were already managing their respective buildings before the Company acquired them and have thus built relationships of trust with their tenants. The Company works to further strengthen these relationships by anticipating tenants' needs and providing tailored services to increase tenant satisfaction and subsequently maintain occupancy rates and restrain rent reduction requests.

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

Third, we constantly strive to stabilize our revenues and earnings. With the aim of stabilizing revenues and earnings, the Company endeavors to apply fixed- and long-term leasing agreements with its large-scale tenants.

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

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

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

Second, in its acquisition activities, the Company continues to meticulously monitor and examine economic,



Noritada Terasawa (Left)
Executive Director of Japan Real Estate Investment Corporation

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

physical and legal factors, including rights-related issues, when selecting properties. In particular, with regard to the structure of buildings, the Company requires buildings to meet or exceed new earthquake-resistance standards and exclusively targets properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

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

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

Financing Strategies

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

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

Performance Forecasts for the 20th and 21st Fiscal Periods

For the 20th fiscal period (April 1, 2011, to September 30, 2011), the Company forecasts operating revenues totaling ¥22,800 million, operating income totaling ¥10,090 million, ordinary income totaling ¥8,260 million, and net income totaling ¥8,030 million. The Company plans to declare a cash dividend totaling ¥15,740 per unit.

For the 21st fiscal period (October 1, 2011, to March 31, 2012), the Company forecasts operating revenues totaling ¥22,190 million, operating income totaling ¥9,570 million, ordinary income totaling ¥7,730 million, and net income totaling ¥7,710 million. The Company plans to declare a cash dividend totaling ¥15,770 per unit.

At present, economic conditions and real estate markets in Japan remain severe.

When market conditions are difficult, there are concerns over a fall in earnings primarily caused by increasing vacancy rates and decreasing rents. Conversely, from a property acquisition standpoint, such conditions lead to what is referred to as a buyer's market, in which prime properties can be purchased at reasonable prices. The Company intends to turn such severe conditions into an opportunity, shifting its focus towards external growth based on overall growth that will compensate for a fall in internal growth. Through such actions, the Company will work to increase revenues and earnings and, in turn, maintain and improve per-unit cash dividends.

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

Noritada Terasawa
Executive Director of Japan Real Estate Investment Corporation

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

The Portfolio of Japan Real Estate Investment Corporation As of March 31, 2011

Properties Roster

Number	Name of building	Location	Type of specified asset	Acquisition date	Acquisition price (¥ mil)
Tokyo 23 wards					
● I- 1	Genki Medical Plaza	Iidabashi, Chiyoda-ku	Real property	10/31/2002	5,000 (0.8%)
● I- 2	Kitanomaru Square	Kudan-Kita, Chiyoda-ku	Real property	02/24/2006	81,555 (12.3%)
● I- 3	MD Kanda Building	Kanda-Mitoshirocho, Chiyoda-ku	Real property	05/31/2002	9,520 (1.4%)
● I- 4	Kandabashi Park Building	Kanda-Nishikicho, Chiyoda-ku	Real property	08/15/2002	4,810 (0.7%)
● I- 5	Nibancho Garden	Nibancho, Chiyoda-ku	Real property	04/01/2005	14,700 (2.2%)
● I- 6	Mitsubishi UFJ Trust and Banking Building	Marunouchi, Chiyoda-ku	Real property	03/28/2007	44,700 (6.8%)
● I- 7	Burex Kojimachi Building	Kojimachi, Chiyoda-ku	Real property	07/29/2005	7,000 (1.1%)
● I- 8	Sanno Grand Building	Nagatacho, Chiyoda-ku	Real property	01/31/2005	10,200
				04/03/2006	10,700
				total	20,900 (3.2%)
● I- 9	Yurakucho Denki Building	Yurakucho, Chiyoda-ku	Real property	08/01/2003	7,200 (1.1%)
● I- 10	Kodenmachi Shin-Nihonbashi Building	Nihonbashi-Kodenmachi, Chuo-ku	Trust	09/25/2001	3,173 (0.5%)
● I- 11	Kyodo Building (Kayabacho 2Chome)	Nihonbashi-Kayabacho, Chuo-ku	Trust	03/01/2011	4,410 (0.7%)
● I- 12	Burex Kyobashi Building	Kyobashi, Chuo-ku	Real property	07/22/2002	5,250 (0.8%)
● I- 13	Ginza Sanwa Building	Ginza, Chuo-ku	Real property	03/10/2005	16,830 (2.5%)
● I- 14	Ryoshin Ginza East Mirror Building	Ginza, Chuo-ku	Real property	03/15/2005	5,353
				05/24/2010	2,645
				total	7,999 (1.2%)
● I- 15	Harumi Center Building	Harumi, Chuo-ku	Real property	12/18/2007	26,800 (4.1%)
● I- 16	Aoyama Crystal Building	Kita-Aoyama, Minato-ku	Real property	03/14/2003	7,680 (1.2%)
● I- 17	Shiodome Building	Kaigan, Minato-ku	Trust	12/19/2008	21,250
				01/15/2010	54,600
				total	75,850 (11.5%)
● I- 18	Shiba 2Chome Daimon Building	Shiba, Minato-ku	Trust	09/10/2001	4,859 (0.7%)
● I- 19	Cosmo Kanasugibashi Building	Shiba, Minato-ku	Trust	09/25/2001	2,808 (0.4%)
● I- 20	Shinwa Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/01/2004	7,830 (1.2%)
● I- 21	Tokyo Opera City Building	Nishi-Shinjuku, Shinjuku-ku	Real property	09/13/2005	9,350
				03/24/2010	22,426
				total	31,776 (4.8%)
● I- 22	Takanawadai Building	Higashi-Gotanda, Shinagawa-ku	Trust	09/25/2001	2,738 (0.4%)
● I- 23	Higashi-Gotanda 1Chome Building	Higashi-Gotanda, Shinagawa-ku	Real property	11/01/2004	5,500 (0.8%)
● I- 24	Osaki Front Tower	Osaki, Shinagawa-ku	Real property	02/01/2011	12,300 (1.9%)
● I- 25	Omori-Eki Higashiguchi Building	Omori-Kita, Ota-ku	Trust	09/10/2001	5,123 (0.8%)
● I- 26	Nippon Brunswick Building	Sendagaya, Shibuya-ku	Real property	03/24/2004	6,670 (1.0%)
● I- 27	Yoyogi 1Chome Building	Yoyogi, Shibuya-ku	Real property	04/01/2004	8,700 (1.3%)
● I- 28	da Vinci Harajuku	Jingumae, Shibuya-ku	Real property	11/22/2002	4,885 (0.7%)
● I- 29	Jingumae Media Square Building	Jingumae, Shibuya-ku	Real property	10/09/2003	12,200 (1.8%)
● I- 28	Shibuya Cross Tower	Shibuya, Shibuya-ku	Real property	11/30/2001	34,600 (5.2%)
● I- 30	Ebisu Neonato	Ebisu, Shibuya-ku	Real property	11/14/2003	3,740
				04/01/2004	360
				total	4,100 (0.6%)
● I- 31	Harmony Tower	Honcho, Nakano-ku	Real property	02/28/2005	8,500 (1.3%)
● I- 32	Otsuka Higashi-Ikebukuro Building	Higashi-Ikebukuro, Toshima-ku	Trust	09/25/2001	3,541 (0.5%)
● I- 33	Ikebukuro 2Chome Building	Ikebukuro, Toshima-ku	Trust	09/25/2001	1,728 (0.3%)
● I- 34	Ikebukuro YS Building	Minami-Ikebukuro, Toshima-ku	Real property	08/02/2004	4,500 (0.7%)
Tokyo metropolitan area, excluding 23 wards					
● II- 1	Hachioji First Square	Hachioji, Tokyo	Real property	03/31/2005	3,300
				03/19/2008	2,379
				total	5,679 (0.9%)
● II- 2	Saitama Urawa Building	Saitama, Saitama Prefecture	Real property	09/25/2001	1,232
				10/11/2001	1,342
				total	2,574 (0.4%)
● II- 3	MM Park Building	Yokohama, Kanagawa Prefecture	Real property	03/24/2008	37,400 (5.7%)
● II- 4	Kawasaki Isago Building	Kawasaki, Kanagawa Prefecture	Trust	09/25/2001	3,375 (0.5%)
● II- 5	Musashi Kosugi STM Building	Kawasaki, Kanagawa Prefecture	Real property	03/25/2008	4,000 (0.6%)
Other major cities					
● III- 1	8-3 Square Kita Building	Sapporo, Hokkaido	Real property	06/01/2007	7,100 (1.1%)
● III- 2	Jozenji Park Building	Sendai, Miyagi Prefecture	Real property	01/31/2005	1,000 (0.2%)
● III- 3	Sendai Honcho Honma Building	Sendai, Miyagi Prefecture	Trust	09/25/2001	2,924
				06/28/2006	250
				total	3,174 (0.5%)
● III- 4	Kanazawa Park Building	Kanazawa, Ishikawa Prefecture	Real property	02/28/2002	2,880
				03/03/2003	1,700
				total	4,580 (0.7%)
● III- 5	Nishiki Park Building	Nagoya, Aichi Prefecture	Real property	10/02/2006	3,850
				11/01/2006	1,300
				total	5,150 (0.8%)
● III- 6	Hirokoji Sakae Building	Nagoya, Aichi Prefecture	Real property	09/22/2006	1,680 (0.3%)
● III- 7	Nagoya Hirokoji Building	Nagoya, Aichi Prefecture	Real property	09/10/2001	14,533 (2.2%)
● III- 8	Nagoya Misono Building	Nagoya, Aichi Prefecture	Real property	08/08/2003	1,865 (0.3%)
● III- 9	Kyoto Shijo Kawaramachi Building	Kyoto, Kyoto Prefecture	Real property	12/20/2001	2,650 (0.4%)
● III- 10	Shin-Fujita Building	Osaka, Osaka Prefecture	Trust	09/01/2008	24,000 (3.6%)
● III- 11	Sakaisujihonmachi Building	Osaka, Osaka Prefecture	Real property	09/25/2001	2,264
				12/26/2003	1,900
				total	4,164 (0.6%)
● III- 12	Midosuji Daiwa Building	Osaka, Osaka Prefecture	Trust	09/25/2001	6,934
				02/28/2002	7,380
				total	14,314 (2.2%)
● III- 13	Lit City Building	Okayama, Okayama Prefecture	Real property	02/01/2006	4,650 (0.7%)
● III- 14	NHK Hiroshima Broadcasting Center Building	Hiroshima, Hiroshima Prefecture	Real property	03/25/2004	1,320
				03/03/2008	1,450
				total	2,770 (0.4%)
● III- 15	Tosei Tenjin Building	Fukuoka, Fukuoka Prefecture	Real property	09/25/2001	1,550 (0.2%)
● III- 16	Tenjin Crystal Building	Fukuoka, Fukuoka Prefecture	Real property	06/01/2005	5,000 (0.8%)
● III- 17	Hinode Tenjin Building	Fukuoka, Fukuoka Prefecture	Trust	09/10/2001	3,657 (0.6%)
	Total				660,601 (100.0%)

Note: With regard to the 19th Period appraisal value of the Takanawadai Building transferred on April 1, 2011, the transfer price of the building is described.

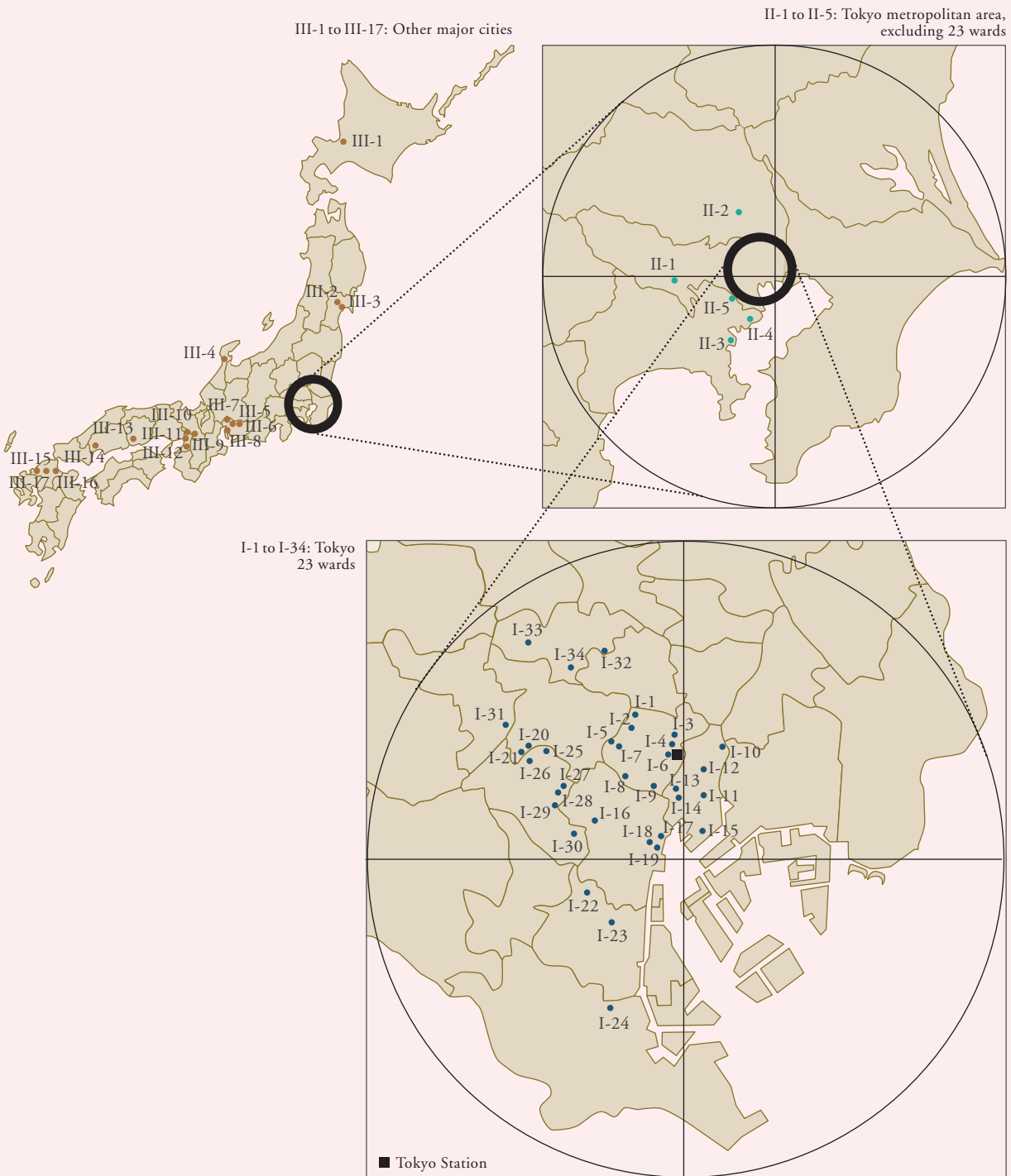
Percentage of ownership of the building	Completion	Appraisal value at the end of period (¥ mil)	Leasable space		Leased space		Occupancy rate	Number of tenants	Revenues from leasing operations (¥ mil)	
100.0%	1985	6,050	4,791m ²	(51,577ft ²)	4,791m ²	(51,577ft ²)	100.0%	1	224	(1.0%)
100.0%	2006	68,200	25,678m ²	(276,402ft ²)	23,313m ²	(250,948ft ²)	90.8%	4	1,579	(7.1%)
100.0%	1998	8,980	6,269m ²	(67,480ft ²)	6,019m ²	(64,796ft ²)	96.0%	7	282	(1.3%)
56.76%	1993	4,720	3,687m ²	(39,695ft ²)	3,218m ²	(34,641ft ²)	87.3%	9	86	(0.4%)
31.345%	2004	16,000	9,316m ²	(100,282ft ²)	9,316m ²	(100,282ft ²)	100.0%	1	481	(2.2%)
19.38402%	2003	46,500	11,922m ²	(128,332ft ²)	11,922m ²	(128,332ft ²)	100.0%	10	984	(4.4%)
100.0%	2005	6,220	4,495m ²	(48,384ft ²)	4,495m ²	(48,384ft ²)	100.0%	1	162	(0.7%)
99.0%	1966	28,400	20,871m ²	(224,662ft ²)	20,298m ²	(218,487ft ²)	97.3%	43	1,011	(4.6%)
10.78%	1975	7,610	4,694m ²	(50,531ft ²)	4,095m ²	(44,081ft ²)	87.2%	13	245	(1.1%)
100.0%	1991	3,330	3,897m ²	(41,950ft ²)	3,897m ²	(41,950ft ²)	100.0%	10	114	(0.5%)
100.0%	1991	4,680	4,538m ²	(48,852ft ²)	3,737m ²	(40,230ft ²)	82.4%	8	19	(0.1%)
100.0%	2002	6,170	4,279m ²	(46,068ft ²)	4,279m ²	(46,068ft ²)	100.0%	1	150	(0.7%)
70.95%	1982	14,900	4,329m ²	(46,604ft ²)	4,290m ²	(46,178ft ²)	99.1%	10	381	(1.7%)
100.0%	1998	5,540	4,253m ²	(45,784ft ²)	2,893m ²	(31,148ft ²)	68.0%	7	131	(0.6%)
100.0%	2006	20,600	20,812m ²	(224,022ft ²)	20,425m ²	(219,858ft ²)	98.1%	6	671	(3.0%)
100.0%	1982	7,730	4,898m ²	(52,724ft ²)	4,898m ²	(52,724ft ²)	100.0%	7	219	(1.0%)
40.0%	2007	79,600	32,155m ²	(346,118ft ²)	32,052m ²	(345,009ft ²)	99.7%	29	2,390	(10.8%)
100.0%	1984	6,180	9,632m ²	(103,684ft ²)	9,501m ²	(102,277ft ²)	98.6%	19	313	(1.4%)
100.0%	1992	2,830	4,062m ²	(43,726ft ²)	4,062m ²	(43,726ft ²)	100.0%	8	98	(0.4%)
100.0%	1989	6,240	6,133m ²	(66,026ft ²)	6,133m ²	(66,026ft ²)	100.0%	10	174	(0.8%)
31.325%	1996	32,000	35,043m ²	(377,203ft ²)	32,763m ²	(352,665ft ²)	93.5%	95	1,767	(8.0%)
100.0%	1991	3,160	4,067m ²	(43,783ft ²)	0m ²	(0ft ²)	0.0%	0	6	(0.0%)
100.0%	2004	5,650	5,205m ²	(56,035ft ²)	5,205m ²	(56,035ft ²)	100.0%	4	198	(0.9%)
100.0%	2005	15,170	16,856m ²	(181,446ft ²)	16,856m ²	(181,446ft ²)	100.0%	1	191	(0.9%)
100.0%	1989	5,250	7,708m ²	(82,972ft ²)	7,394m ²	(79,591ft ²)	95.9%	18	253	(1.1%)
100.0%	1974	7,260	7,356m ²	(79,180ft ²)	7,356m ²	(79,180ft ²)	100.0%	21	305	(1.4%)
100.0%	2003	10,200	7,745m ²	(83,373ft ²)	7,745m ²	(83,373ft ²)	100.0%	8	317	(1.4%)
100.0%	1987	6,090	3,147m ²	(33,876ft ²)	3,147m ²	(33,876ft ²)	100.0%	4	196	(0.9%)
100.0%	1998	10,400	5,558m ²	(59,832ft ²)	5,558m ²	(59,832ft ²)	100.0%	7	347	(1.6%)
100.0%	1976	40,800	29,795m ²	(320,718ft ²)	29,363m ²	(316,065ft ²)	98.5%	58	1,393	(6.3%)
12.29939%	1994	2,840	2,462m ²	(26,511ft ²)	1,231m ²	(13,255ft ²)	50.0%	2	68	(0.3%)
29.253305%	1997	9,240	10,929m ²	(117,646ft ²)	9,374m ²	(100,902ft ²)	85.8%	12	366	(1.7%)
100.0%	1987	3,820	7,183m ²	(77,319ft ²)	6,195m ²	(66,683ft ²)	86.2%	5	201	(0.9%)
100.0%	1990	1,580	2,186m ²	(23,532ft ²)	2,186m ²	(23,532ft ²)	100.0%	9	75	(0.3%)
100.0%	1989	4,380	5,901m ²	(63,527ft ²)	5,700m ²	(61,363ft ²)	96.6%	10	197	(0.9%)
80.4%	1996	4,450	10,068m ²	(108,378ft ²)	9,216m ²	(99,206ft ²)	91.5%	37	241	(1.1%)
100.0%	1990	2,080	4,510m ²	(48,550ft ²)	4,510m ²	(48,550ft ²)	100.0%	14	115	(0.5%)
100.0%	2007	35,900	38,496m ²	(414,374ft ²)	37,282m ²	(401,309ft ²)	96.8%	27	1,378	(6.2%)
100.0%	1990	2,850	6,831m ²	(73,537ft ²)	6,831m ²	(73,537ft ²)	100.0%	12	165	(0.7%)
34.32%	1990	3,520	5,394m ²	(58,071ft ²)	4,671m ²	(50,279ft ²)	86.6%	20	151	(0.7%)
100.0%	2006	6,630	12,265m ²	(132,030ft ²)	12,265m ²	(132,030ft ²)	100.0%	8	326	(1.5%)
50.0%	1993	890	2,518m ²	(27,106ft ²)	2,518m ²	(27,106ft ²)	100.0%	18	67	(0.3%)
100.0%	1991	2,490	6,241m ²	(67,185ft ²)	5,448m ²	(58,646ft ²)	87.3%	17	124	(0.6%)
89.0%	1991	5,330	20,848m ²	(224,408ft ²)	17,276m ²	(185,957ft ²)	82.9%	73	447	(2.0%)
57.04651%	1995	3,720	8,056m ²	(86,715ft ²)	7,844m ²	(84,439ft ²)	97.4%	52	256	(1.2%)
100.0%	1987	1,460	3,911m ²	(42,103ft ²)	3,051m ²	(32,851ft ²)	78.0%	12	94	(0.4%)
100.0%	1987	12,700	21,624m ²	(232,763ft ²)	18,517m ²	(199,322ft ²)	85.6%	24	580	(2.6%)
100.0%	1991	1,090	3,470m ²	(37,354ft ²)	2,837m ²	(30,546ft ²)	81.8%	10	71	(0.3%)
100.0%	1982	1,720	6,801m ²	(73,215ft ²)	4,711m ²	(50,710ft ²)	69.3%	27	94	(0.4%)
100.0%	1995	16,600	28,414m ²	(305,852ft ²)	25,245m ²	(271,738ft ²)	88.8%	42	696	(3.1%)
100.0%	1992	3,660	11,574m ²	(124,587ft ²)	10,111m ²	(108,836ft ²)	87.4%	17	230	(1.0%)
100.0%	1991	14,100	20,450m ²	(220,127ft ²)	19,350m ²	(208,285ft ²)	94.6%	34	569	(2.6%)
27.7488%	2005	4,220	9,965m ²	(107,269ft ²)	9,286m ²	(99,961ft ²)	93.2%	37	255	(1.2%)
48.753%	1994	2,970	9,860m ²	(106,134ft ²)	9,368m ²	(100,846ft ²)	95.0%	11	253	(1.1%)
100.0%	1992	1,320	4,000m ²	(43,057ft ²)	3,924m ²	(42,243ft ²)	98.1%	18	88	(0.4%)
100.0%	1993	2,480	5,973m ²	(64,296ft ²)	5,637m ²	(60,682ft ²)	94.4%	30	143	(0.6%)
74.4844%	1987	3,720	5,852m ²	(62,995ft ²)	5,482m ²	(59,015ft ²)	93.7%	6	175	(0.8%)
		642,220	589,002m ²	(6,339,965ft ²)	549,114m ²	(5,910,616ft ²)	93.2%	1,004	22,135	(100.0%)

Major Tenants Roster

Rank	Name of tenant	Name of building	Leased space	% of total leased space
1	MSD K.K.	Kitanomaru Square (also includes 1 other building)	23,126m ² (248,935ft ²)	4.2%
2	Mitsubishi Estate Co., Ltd.	Osaki Front Tower	16,856m ² (181,446ft ²)	3.1%
3	NTT Communications Corporation	Shiodome Building	11,813m ² (127,157ft ²)	2.2%
4	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665m ² (114,802ft ²)	1.9%
5	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316m ² (100,282ft ²)	1.7%
6	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774m ² (94,453ft ²)	1.6%
7	JSOL Corporation	Harumi Center Building	8,567m ² (92,224ft ²)	1.6%
8	(Note)	MM Park Building (also includes 1 other building)	7,027m ² (75,643ft ²)	1.3%
9	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,118m ² (65,864ft ²)	1.1%
10	SANYO SHOKAI LTD.	Shiodome Building	5,935m ² (63,889ft ²)	1.1%

Note: Not disclosed as per tenant request

Locations of Portfolio Properties



Overview of Portfolio Properties *As of March 31, 2011*

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



Genki Medical Plaza

● I-1

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



Kitanomaru Square

● I-2

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



MD Kanda Building

● I-3

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



Kandabashi Park Building

● I-4

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



Nibancho Garden

● I-5

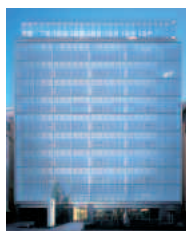
Location: Chiyoda-ku, Tokyo
Site area: 11,003.87m² (118,445ft²)
Floor area of building: 57,031.06m² (613,877ft²)
Structure: Above ground: 14 floors
Below ground: 2 floors
Completion: April 2004



Mitsubishi UFJ Trust and Banking Building

● I-6

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



Burex Kojimachi Building

● I-7

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



Sanno Grand Building

● I-8

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



Yurakucho Denki Building

● I-9

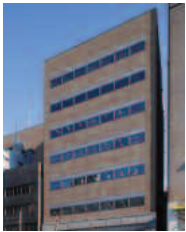
Location: Chiyoda-ku, Tokyo
Site area: 5,749.91m² (61,891ft²)
Floor area of building: 70,287.65m² (756,569ft²)
Structure: Above ground: 20 floors
Below ground: 4 floors
Completion: September 1975



Kodenmachi Shin-Nihonbashi Building

● I-10

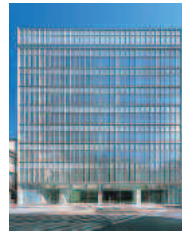
Location: Chuo-ku, Tokyo
Site area: 773.28m² (8,324ft²)
Floor area of building: 5,822.88m² (62,677ft²)
Structure: Above ground: 9 floors
Below ground: 1 floor
Completion: November 1991



Kyodo Building (Kayabacho 2Chome)

● I-11

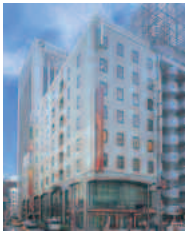
Location: Chuo-ku, Tokyo
Site area: 754.26m² (8,119ft²)
Floor area of building: 5,505.80m² (59,264ft²)
Structure: Above ground: 9 floors
Below ground: 1 floor
Completion: April 1991



Burex Kyobashi Building

● I-12

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-13

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-14

Location: Chuo-ku, Tokyo
Site area: 864.91m² (9,310ft²)
Floor area of building: 5,751.68m² (61,911ft²)
Structure: Above ground: 8 floors
Below ground: 1 floor
Completion: October 1998



Harumi Center Building

● I-15

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-16

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



Shiodome Building

● I-17

Location: Minato-ku, Tokyo
 Site area: 12,046.00m² (129,662ft²)
 Floor area of building: 115,930.83m² (1,247,868ft²)
 Structure: Above ground: 24 floors
 Below ground: 2 floors
 Completion: December 2007



Shiba 2Chome Daimon Building

● I-18

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-19

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-20

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-21

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-22

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



Higashi-Gotanda 1Chome Building

● I-22

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



Osaki Front Tower

● I-23

Location: Shinagawa-ku, Tokyo
 Site area: 3,684.38m² (39,658ft²)
 Floor area of building: 23,673.92m² (254,824ft²)
 Structure: Above ground: 15 floors
 Completion: June 2005



Omori-Eki Higashiguchi Building

● I-24

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-25

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-26

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-27

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-28

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



Shibuya Cross Tower

● I-29

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-30

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-31

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-32

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-33

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-34

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

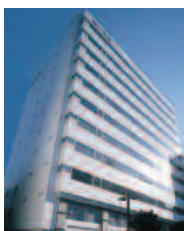
Location: Saitama, Saitama Prefecture
Site area: 1,533.06m² (16,502ft²)
Floor area of building: 6,258.59m² (67,367ft²)
Structure: Above ground: 8 floors
Completion: March 1990



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

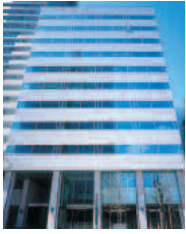
Location: Kawasaki, Kanagawa Prefecture
Site area: 1,594.50m² (17,163ft²)
Floor area of building: 9,623.83m² (103,590ft²)
Structure: Above ground: 12 floors
Below ground: 1 floor
Completion: December 1990



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

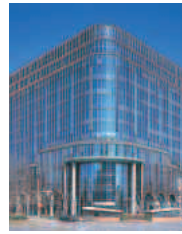
Location: Sendai, Miyagi Prefecture
Site area: 1,566.68m² (16,864ft²)
Floor area of building: 7,648.33m² (82,326ft²)
Structure: Above ground: 8 floors
Below ground: 1 floor
Completion: January 1993



Sendai Honcho Honma Building

● III-3

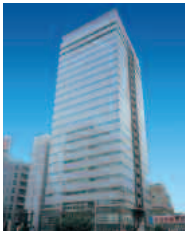
Location: Sendai, Miyagi Prefecture
Site area: 1,437.47m² (15,473ft²)
Floor area of building: 8,247.50m² (88,775ft²)
Structure: Above ground: 11 floors
Completion: November 1991



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

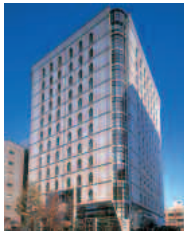
Location: Kyoto, Kyoto Prefecture
Site area: 1,471.57m² (15,840ft²)
Floor area of building: 9,701.04m² (104,421ft²)
Structure: Above ground: 9 floors
Below ground: 1 floor
Completion: November 1982



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

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Selected Financial Data

	Millions of yen					Thousands of U.S. dollars (Note 1)
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2009 to March 31, 2010	For the period from April 1, 2009 to September 30, 2009	For the period from October 1, 2008 to March 31, 2009	For the period from October 1, 2010 to March 31, 2011
Operating Revenues	¥ 22,135	¥ 22,112	¥ 21,665	¥ 21,524	¥ 20,716	\$ 266,217
Operating Expenses	12,333	12,173	11,127	11,469	10,761	148,325
Operating Income	9,802	9,939	10,538	10,054	9,955	117,892
Ordinary Income	7,938	8,135	8,876	8,505	8,426	95,476
Income before Income Taxes	7,657	8,135	8,876	8,505	8,426	92,094
Net Income	7,652	8,134	8,875	8,504	8,425	92,028
Total Assets	646,847	634,974	637,326	564,528	565,022	7,779,289
Interest-Bearing Debts	272,400	262,450	262,500	220,500	220,500	3,276,007
Net Assets	332,054	332,536	333,228	306,106	306,027	3,993,437
Unitholders' Capital	324,353	324,353	324,353	297,601	297,601	3,900,819
Number of Units	489,200	489,200	489,200	443,000	443,000	489,200
Net Assets per Unit (Yen/U.S. dollars)	678,770	679,755	681,170	690,984	690,806	8,163
Cash Distribution	7,652	8,134	8,826	8,504	8,425	92,027
Dividend Payout Ratio	99.9%	99.9%	99.4%	100.0%	99.9%	99.9%
Dividend per Unit (Yen/U.S. dollars)	15,642	16,628	18,043	19,198	19,020	188.12
Net Operating Income (NOI)	14,950	15,091	14,414	13,950	14,575	179,806
Funds from Operations (FFO)	11,938	12,353	11,914	11,577	12,213	143,580
Return on Assets (ROA) (Note 2)	1.2%	1.3%	1.5%	1.5%	1.5%	1.2%
	(2.5% annualized)	(2.6% annualized)	(3.0% annualized)	(3.0% annualized)	(3.1% annualized)	(2.5% annualized)
Return on Equity (ROE) (Note 3)	2.3 %	2.4 %	2.7 %	2.8 %	2.8 %	2.3%
	(4.6% annualized)	(4.9% annualized)	(5.5% annualized)	(5.5% annualized)	(5.5% annualized)	(4.6% annualized)
EOP Equity Ratio (Note 4)	51.3%	52.4%	52.3%	54.2%	54.2%	51.3%
EOP Interest-Bearing Debt Ratio on Total Assets (Note 5)	42.1%	41.3%	41.2%	39.1%	39.0%	42.1%
FFO Multiple	16.1 times	15.1 times	16.3 times	14.1 times	13.7 times	16.1 times
Debt Service Coverage Ratio (Note 6)	7.5 times	7.8 times	9.0 times	9.0 times	8.9 times	7.5 times

Notes 1: Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15 = US\$1.00, the foreign exchange rate on March 31, 2011, 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 = Ordinary Income ÷ 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 182 days for the period ended March 31, 2009, 183 days for the period ended September 30, 2009, 182 days for the period ended March 31, 2010, 183 days for the period ended September 30, 2010 and 182 days for the period ended March 31, 2011.)

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

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

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

Balance Sheets

As of March 31, 2011 and September 30, 2010

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
ASSETS			
Current Assets:			
Cash and bank deposits	¥ 15,734,155	¥ 19,312,117	\$ 189,226,164
Rental receivables	108,765	138,113	1,308,064
Refundable income taxes	—	2,546	—
Refundable consumption taxes	362,232	—	4,356,379
Other current assets	133,948	139,939	1,610,922
Total current assets	16,339,102	19,592,717	196,501,529
Property and Equipment, at Cost:			
Land	426,447,459	423,146,654	5,128,652,550
Buildings and structures	238,722,465	224,862,344	2,870,985,760
Machinery and equipment	3,118,364	3,016,602	37,502,877
Tools, furniture and fixtures	121,685	119,144	1,463,443
Construction in progress	—	226,224	—
Subtotal	668,409,975	651,370,969	8,038,604,630
Accumulated depreciation	(47,192,408)	(42,912,152)	(567,557,523)
Total property and equipment	621,217,566	608,458,816	7,471,047,107
Investments and Other Assets:			
Investment securities	577,168	577,168	6,941,288
Deposits	1,069,330	29,330	12,860,257
Long-term prepaid expenses	31,970	19,178	384,488
Leasehold rights	6,644,277	5,306,643	79,907,124
Easement	828,095	828,095	9,959,054
Deferred investment corporation bond issuance costs	140,361	162,077	1,688,046
Total Assets	¥646,847,871	¥634,974,026	\$7,779,288,893

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

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
LIABILITIES			
Current Liabilities:			
Trade accounts payable	¥ 968,355	¥ 373,669	\$ 11,645,882
Other payables	853,497	855,510	10,264,554
Short-term loans	25,000,000	29,000,000	300,661,455
Current portion of long-term loans	68,100,000	64,100,000	819,001,804
Accrued expenses	872,457	846,510	10,492,572
Income taxes payable	4,005	—	48,168
Accrued consumption taxes	—	686,855	—
Rent received in advance	2,979,949	2,324,448	35,838,238
Provision for loss on disaster	281,195	—	3,381,783
Other current liabilities	9,597	5,832	115,429
Total current liabilities	99,069,057	98,192,826	1,191,449,885
Long-Term Liabilities:			
Investment corporation bonds	55,000,000	55,000,000	661,455,201
Long-term loans	124,300,000	114,350,000	1,494,888,755
Deposits received from tenants	36,130,203	34,894,592	434,518,385
Asset retirement obligations	294,294	—	3,539,315
Total long-term liabilities	215,724,497	204,244,592	2,594,401,657
Total Liabilities	314,793,555	302,437,419	3,785,851,542
NET ASSETS			
Unitholders' capital	324,353,108	324,353,108	3,900,819,098
Authorized: 2,000,000 units			
Issued: 489,200 units as of March 31, 2011 and 489,200 units as of September 30, 2010			
Retained earnings	7,701,207	8,183,499	92,618,253
Total net assets	332,054,315	332,536,607	3,993,437,351
Total Liabilities and Net Assets	¥646,847,871	¥634,974,026	\$7,779,288,893

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

Statements of Income and Retained Earnings

For the six months ended March 31, 2011 and September 30, 2010

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2010 to March 31, 2011
OPERATING REVENUES AND EXPENSES			
Operating Revenues:			
Rental revenues	¥21,972,096	¥21,946,264	\$264,246,503
Non-rental revenues	163,849	166,508	1,970,532
Total operating revenues	22,135,946	22,112,773	266,217,035
Operating Expenses:			
Property-related expenses	11,471,604	11,239,716	137,962,771
Asset management fees	538,569	542,435	6,477,082
Administrative service fees	187,915	186,420	2,259,958
Professional fee	60,950	155,086	733,022
Other operating expenses	74,201	50,057	892,380
Total operating expenses	12,333,241	12,173,716	148,325,213
Operating income	9,802,704	9,939,057	117,891,822
NON-OPERATING REVENUES AND EXPENSES			
Non-Operating Revenues:			
Interest income	7,215	11,255	86,775
Dividends income	—	19,724	—
Refund of property taxes	—	8,110	—
Interest on tax refund	8	7,607	100
Other non-operating revenues	2	0	35
Non-Operating Expenses:			
Interest expense	1,360,723	1,373,981	16,364,690
Interest expense on investment corporation bonds	470,934	438,677	5,663,670
Amortization of investment corporation bond issuance costs	21,716	17,742	261,175
Other non-operating expenses	17,714	19,788	213,037
Ordinary Income	7,938,842	8,135,564	95,476,160
Extraordinary Losses:			
Provision for loss on disaster	281,195	—	3,381,783
Income before Income Taxes	7,657,647	8,135,564	92,094,378
Income Taxes:			
Current	5,850	1,208	70,365
Deferred	(329)	(73)	(3,964)
Net Income	7,652,126	8,134,430	92,027,977
Retained Earnings Brought Forward	49,081	49,068	590,276
Retained Earnings at End of Period	¥ 7,701,207	¥ 8,183,499	\$ 92,618,253

Statements of Changes in Unitholders' Equity

For the six months ended March 31, 2011 and September 30, 2010

	Units	Thousands of yen		
		Unitholders' capital	Retained earnings	Total
Balance as of March 31, 2010	489,200	¥324,353,108	¥8,875,704	¥333,228,812
Cash dividends paid	—	—	(8,826,635)	(8,826,635)
Net income	—	—	8,134,430	8,134,430
Balance as of September 30, 2010	489,200	¥324,353,108	¥8,183,499	¥332,536,607
Cash dividends paid	—	—	(8,134,417)	(8,134,417)
Net income	—	—	7,652,126	7,652,126
Balance as of March 31, 2011	489,200	¥324,353,108	¥7,701,207	¥332,054,315
		U.S. dollars (Note 1)		
	Units	Unitholders' capital	Retained earnings	Total
Balance as of September 30, 2010	489,200	\$3,900,819,098	\$98,418,510	\$3,999,237,608
Cash dividends paid	—	—	(97,828,233)	(97,828,233)
Net income	—	—	92,027,977	92,027,977
Balance as of March 31, 2011	489,200	\$3,900,819,098	\$92,618,253	\$3,993,437,351

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

Statements of Cash Flows

For the six months ended March 31, 2011 and September 30, 2010

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2010 to March 31, 2011
Cash Flows from Operating Activities:			
Income before income taxes	¥ 7,657,647	¥ 8,135,564	\$ 92,094,378
Depreciation and amortization	4,286,516	4,218,759	51,551,614
Amortization of investment corporation bond issuance costs	21,716	17,742	261,175
Dividend income	—	(19,724)	—
Interest income	(7,215)	(11,255)	(86,775)
Interest expense	1,831,658	1,812,658	22,028,359
Provision for loss on disaster	281,195	—	3,381,783
Rental receivables	29,348	16,104	352,956
Refundable income taxes	2,546	1,243	30,630
Refundable consumption taxes	(362,232)	819,013	(4,356,379)
Prepaid expenses	(20,134)	44,105	(242,147)
Trade accounts payable	186,316	(230,525)	2,240,724
Other payables	(88,081)	100,887	(1,059,310)
Accrued expenses	(686,992)	686,992	(8,262,083)
Rent received in advance	655,500	(69,316)	7,883,355
Long-term prepaid expenses	(12,792)	4,591	(153,843)
Other	28,206	(10,730)	339,223
Sub-total	13,803,204	15,516,112	166,003,659
Interest and dividend income received	9,229	28,637	110,996
Interest paid	(1,805,573)	(1,783,087)	(21,714,657)
Income taxes paid	(1,845)	(1,208)	(22,197)
Net cash provided by operating activities	12,005,014	13,760,454	144,377,801
Cash Flows from Investing Activities:			
Payments of time deposits	(10,936,000)	(13,388,000)	(131,521,347)
Proceeds from time deposits	15,436,000	4,388,000	185,640,409
Purchases of property and equipment	(16,256,769)	(2,584,262)	(195,511,360)
Purchases of intangible assets	(1,335,897)	(13,658)	(16,066,115)
Payments for lease and guarantee deposits	(1,040,000)	—	(12,507,517)
Repayments of lease and guarantee deposits received	(1,087,293)	(2,282,590)	(13,076,288)
Proceeds from lease and guarantee deposits received	2,322,904	659,215	27,936,312
Net cash used in investing activities	(12,897,056)	(13,221,295)	(155,105,906)
Cash Flows from Financing Activities:			
Proceeds from short-term loans	19,500,000	5,500,000	234,515,935
Repayments of short-term loans	(23,500,000)	(15,500,000)	(282,621,768)
Proceeds from long-term loans	17,000,000	6,000,000	204,449,790
Repayments of long-term loans	(3,050,000)	(6,050,000)	(36,680,698)
Proceeds from issuance of investment corporation bonds	—	20,000,000	—
Redemption of investment corporation bonds	—	(10,000,000)	—
Payments of investment corporation bond issuance costs	(159)	(109,085)	(1,924)
Dividends to unitholders	(8,135,759)	(8,821,561)	(97,844,376)
Net cash provided by (used in) financing activities	1,814,080	(8,980,647)	21,816,959
Net Increase (Decrease) in Cash and Cash Equivalents	922,038	(8,441,487)	11,088,854
Cash and Cash Equivalents at Beginning of Period	10,312,117	18,753,604	124,018,249
Cash and Cash Equivalents at End of Period	¥11,234,155	¥10,312,117	\$135,107,102

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

Notes to Financial Statements

March 31, 2011 and September 30, 2010

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

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

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

On September 10, 2001, the Company commenced operations when the Company was listed on the Tokyo Stock Exchange as one of the first real estate investment corporations in Japan (so-called “J-REITs”). The Company issued 160,000 units at a price of ¥506,625 (\$6,093), generating gross proceeds of ¥81,060 million (\$974,865 thousand) (Note 1). Since then, up until March 31, 2011, the Company had issued 489,200 units as a total resulting in total unitholders’ capital of ¥324,353 million (\$3,900,819 thousand) (Note).

As of March 31, 2011, the Company owned a portfolio of 57 office properties concerning an aggregate of approximately 589,002 square meters of leasable space.

Note: The foreign exchange rate of ¥83.15=US\$1.00, as of March 31, 2011, has been used for translation.

Basis of presenting financial statements

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

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

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥83.15=US\$1.00, the foreign exchange rate on March 31, 2011, 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, depreciation and impairment

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. According to the standard set by the Accounting Standards Board of Japan, 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.

Intangible assets

Intangible assets primarily consist of leasehold rights and easement, which are started at cost. Amortization of a term leasehold interest for business use is calculated by the straight-line method based on the period of agreement.

Provision for loss on disaster

During this period, the Company posted "Provision for loss on disaster" incurred as a result of the Great East Japan Earthquake, which occurred on March 11, 2011. That includes the reasonably estimated sum to restore the damaged properties (interiors, etc.) to their original state.

Deferred charges

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

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

Revenue recognition

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

Taxes on property and equipment

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

Consumption taxes

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

Cash and cash equivalents

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

3. FINANCIAL INSTRUMENTS

For the six months ended March 31, 2011 and September 30, 2010

1. Status of financial instruments

(1) Policies for dealing financial instruments

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

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

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

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

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

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

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

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

The fund proceeds from borrowings and issues of investment corporate bonds are applied mainly to acquire real estate properties and repayment of outstanding loans and bonds. While floating-rate short-term loans are exposed to the risk of interest-rate hike, such risk is mitigated by the Company’s low LTV and relatively high percentage of long-term fixed-rate debts within the total borrowing. Loans and investment corporate bonds involve liquidity risk at the time of maturity. To manage such liquidity risk, the Company implements the measures such as (i) maintaining and strengthening its ability to access equity markets to secure funds, (ii) maintaining a commitment lines with major financial institutions (There is no outstanding under the facility as of March 31, 2011 and as of September 30, 2010), and (iii) preparing monthly financial plan.

(3) Supplementary Note regarding fair value of financial instruments

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

2. Fair value of financial instruments

Fair value of financial instruments, their values carried on the balance sheet and the difference between them as of March 31, 2011 and as of September 30, 2010 are as follows.

The financial instruments whose fair values have extreme difficulty estimating are excluded from the following schedule (Note 2).

	Thousands of yen			U.S. dollars		
	As of March 31, 2011					
	Book value	Fair value	Difference	Book value	Fair value	Difference
(1) Cash and bank deposits	¥ 15,734,155	¥ 15,734,155	¥ —	\$ 189,226,164	\$ 189,226,164	\$ —
(2) Short-term loans	25,000,000	25,000,000	—	300,661,455	300,661,455	—
(3) Current portion of long-term loans	68,100,000	68,241,360	141,360	819,001,804	820,701,874	1,700,070
(4) Investment corporation bonds	55,000,000	55,387,950	387,950	661,455,201	666,120,866	4,665,664
(5) Long-term loans	124,300,000	125,886,120	1,586,120	1,494,888,755	1,513,964,171	19,075,416

	Thousands of yen		
	September 30, 2010		
	Book value	Fair value	Difference
(1) Cash and bank deposits	¥ 19,312,117	¥ 19,312,117	¥ —
(2) Short-term loans	29,000,000	29,000,000	—
(3) Current portion of long-term loans	64,100,000	64,483,149	383,149
(4) Investment corporation bonds	55,000,000	56,122,950	1,122,950
(5) Long-term loans	114,350,000	115,794,652	1,444,652

Note 1: Measurement of fair value of financial instruments

(1) Cash and bank deposits

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

(2) Short-term loans

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

(3) Current portion of long-term loans and (5) long-term loans

The fair values of these liabilities are calculated by discounting the aggregated amounts of the principals and the interests of the loan by the rates that are reasonably estimated to be applicable if the Company refinances the existing loans for the remaining period to maturity under the prevailing market conditions at March 31, 2011 and September 30, 2010.

(4) Investment corporation bonds

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

Note 2: Financial instruments whose fair values cannot be reliably measured.

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
	(1) Non-listed stock ^(*)	¥ 577,168	¥ 577,168
(2) Deposits received from tenants ^(*)	36,130,203	34,894,592	434,518,385

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

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

Note 3: Redemption schedule for monetary claim after the closing date

	Thousands of yen						U.S. dollars					
	As of March 31, 2011											
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Cash and bank deposits	¥15,734,155	¥—	¥—	¥—	¥—	¥—	\$189,226,164	\$—	\$—	\$—	\$—	\$—

	Thousands of yen					
	As of September 30, 2010					
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Cash and bank deposits	¥19,312,117	¥—	¥—	¥—	¥—	¥—

Note 4: Repayment schedule for investment corporation bonds, long-term loans and other interest-bearing debt after the closing date

Thousands of yen						
As of March 31, 2011						
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term loans	¥25,000,000	¥ —	¥ —	¥ —	¥ —	¥ —
Investment corporation bonds	—	10,000,000	—	15,000,000	20,000,000	10,000,000
Long-term loans	68,100,000	50,100,000	34,100,000	2,100,000	14,600,000	23,400,000
Total	¥93,100,000	¥60,100,000	¥34,100,000	¥17,100,000	¥34,600,000	¥33,400,000

U.S. dollars						
As of March 31, 2011						
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term loans	\$ 300,661,455	\$ —	\$ —	\$ —	\$ —	\$ —
Investment corporation bonds	—	120,264,582	—	180,396,873	240,529,164	120,264,582
Long-term loans	819,001,804	602,525,556	410,102,225	25,255,562	175,586,290	281,419,122
Total	\$1,119,663,259	\$722,790,138	\$410,102,225	\$205,652,435	\$416,115,454	\$401,683,704

Thousands of yen						
As of September 30, 2010						
	1 year or less	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	Over 5 years
Short-term loans	¥29,000,000	¥ —	¥ —	¥ —	¥ —	¥ —
Investment corporation bonds	—	10,000,000	—	15,000,000	20,000,000	10,000,000
Long-term loans	64,100,000	8,100,000	69,100,000	13,100,000	16,600,000	7,450,000
Total	¥93,100,000	¥18,100,000	¥69,100,000	¥28,100,000	¥36,600,000	¥17,450,000

4. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2011 and September 30, 2010 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of March 31, 2011		As of September 30, 2010		As of March 31, 2011	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥319,465,931	¥319,465,931	¥319,465,931	¥319,465,931	\$3,842,043,668	\$3,842,043,668
Buildings and structures	189,818,577		177,237,753		2,282,845,189	
Accumulated depreciation	(37,122,350)	152,696,226	(33,750,967)	143,486,785	(446,450,398)	1,836,394,790
Machinery and equipment	2,305,014		2,209,482		27,721,158	
Accumulated depreciation	(1,059,108)	1,245,905	(985,802)	1,223,679	(12,737,325)	14,983,833
Tools, furniture and fixtures	110,338		109,873		1,326,982	
Accumulated depreciation	(67,776)	42,562	(61,727)	48,145	(815,110)	511,872
Construction in progress	—	—	226,224	226,224	—	—
Land in trust	106,981,528	106,981,528	103,680,723	103,680,723	1,286,608,881	1,286,608,881
Buildings and structures in trust	48,903,888		47,624,591		588,140,572	
Accumulated depreciation	(8,435,299)	40,468,589	(7,635,019)	39,989,571	(101,446,774)	486,693,797
Machinery and equipment in trust	813,349		807,120		9,781,719	
Accumulated depreciation	(503,157)	310,192	(474,204)	332,915	(6,051,202)	3,730,517
Tools, furniture and fixtures in trust	11,346		9,271		136,462	
Accumulated depreciation	(4,715)	6,630	(4,431)	4,839	(56,714)	79,747
Total	¥621,217,566	¥621,217,566	¥608,458,816	¥608,458,816	\$7,471,047,107	\$7,471,047,107

The compressed amount of tangible assets with government grants under the Corporation Tax Law of Japan was ¥50 million (\$602 thousand) at March 31, 2011 and ¥50 million (\$602 thousand) at September 30, 2010.

5. SHORT-TERM LOANS

Short-term loans at March 31, 2011 and September 30, 2010 consisted of the following

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
0.48247% unsecured loan from a trust bank, due on December 21, 2010	¥ —	¥ 5,000,000	\$ —
0.48139% unsecured loan from a trust bank, due on January 17, 2011	—	3,000,000	—
0.48138% unsecured loan from a trust bank, due on March 24, 2011	—	500,000	—
0.38% unsecured loan from a trust bank, due on December 21, 2011	5,000,000	—	60,132,291
0.38% unsecured loan from a trust bank, due on November 1, 2011	1,500,000	—	18,039,687
0.38% unsecured loan from a trust bank, due on September 26, 2011	500,000	—	6,013,229
0.48247% unsecured loan from a bank, due on December 21, 2010	—	5,000,000	—
0.48138% unsecured loan from a bank, due on March 24, 2011	—	2,000,000	—
0.48138% unsecured loan from a bank, due on March 24, 2011	—	2,000,000	—
0.48170% unsecured loan from a bank, due on June 1, 2011	2,000,000	2,000,000	24,052,916
0.38% unsecured loan from a bank, due on August 1, 2011	1,500,000	—	18,039,687
0.38% unsecured loan from a bank, due on March 26, 2012	4,000,000	—	48,105,833
0.48138% unsecured loan from a bank, due on March 24, 2011	—	1,000,000	—
0.38% unsecured loan from a bank, due on March 26, 2012	1,000,000	—	12,026,458
0.48138% unsecured loan from a bank, due on March 24, 2011	—	1,000,000	—
0.38% unsecured loan from a bank, due on March 26, 2012	1,000,000	—	12,026,458
0.64966% unsecured loan from a bank, due on March 24, 2011	—	2,000,000	—
0.38% unsecured loan from a bank, due on March 26, 2012	2,000,000	—	24,052,916
0.48138% unsecured loan from a bank, due on March 24, 2011	—	2,000,000	—
0.48170% unsecured loan from a bank, due on September 1, 2011	2,000,000	2,000,000	24,052,916
0.38% unsecured loan from a bank, due on August 1, 2011	1,500,000	—	18,039,687
0.48170% unsecured loan from a trust bank, due on September 1, 2011	1,500,000	1,500,000	18,039,687
0.38% unsecured loan from a trust bank, due on August 1, 2011	1,500,000	—	18,039,687
Total	¥25,000,000	¥29,000,000	\$300,661,455

The Company has commitment lines of ¥25,000 million (\$300,661 thousand) with four financial institutions to reduce a refinancing risk. The unused amount of such commitment lines was ¥25,000 million (\$300,661 thousand) at March 31, 2011.

6. INVESTMENT CORPORATION BONDS

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

	As of March 31, 2011		As of September 30, 2010		As of March 31, 2011
	Amount (thousands of yen)	Interest rate (%)	Amount (thousands of yen)	Interest rate (%)	Amount (U.S. dollars)
Unsecured bond due on September 29, 2025	¥10,000,000	2.56%	¥10,000,000	2.56%	\$120,264,582
Unsecured bond due on June 18, 2012	10,000,000	1.67%	10,000,000	1.67%	120,264,582
Unsecured bond due on June 18, 2014	15,000,000	1.91%	15,000,000	1.91%	180,396,873
Unsecured bond due on April 23, 2015	10,000,000	1.26%	10,000,000	1.26%	120,264,582
Unsecured bond due on July 23, 2015	10,000,000	1.05%	10,000,000	1.05%	120,264,582
Total	¥55,000,000	—	¥55,000,000	—	\$661,455,201

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

Long-term loans at March 31, 2011 and September 30, 2010 consisted of the following:

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
1.47125% unsecured loan from an insurance company, due on March 30, 2011	¥ —	¥ 2,000,000	\$ —
1.50125% unsecured loan from an insurance company, due on August 31, 2011	5,000,000	5,000,000	60,132,291
1.33125% unsecured loan from another financial institution, due on November 1, 2011	5,000,000	5,000,000	60,132,291
1.63% unsecured loan from a trust bank, due on April 4, 2011	10,000,000	10,000,000	120,264,582
1.73% unsecured loan from a trust bank, due on June 1, 2011	22,000,000	22,000,000	264,582,081
1.65925% unsecured loan from banks, trust banks and an insurance company, due on June 23, 2011	24,000,000	24,000,000	288,634,997
1.10625% unsecured loan from a bank, due on December 20, 2010	—	1,000,000	—
0.8925% unsecured loan from a bank, due on December 15, 2011	2,000,000	2,000,000	24,052,916
1.665% unsecured loan from a bank, due on March 24, 2017 ⁽¹⁾	1,900,000	1,950,000	22,850,271
1.55% unsecured loan from an insurance company, due on October 29, 2012	2,000,000	2,000,000	24,052,916
1.86875% unsecured loan from an insurance company, due on May 29, 2015	5,000,000	5,000,000	60,132,291
1.54375% unsecured loan from an insurance company, due on March 30, 2017	5,000,000	5,000,000	60,132,291
1.86875% unsecured loan from an insurance company, due on May 29, 2015	1,500,000	1,500,000	18,039,687
1.595% unsecured loan from an insurance company, due on April 25, 2016	1,000,000	1,000,000	12,026,458
1.39625% unsecured loan from an insurance company, due on March 30, 2018	2,000,000	—	24,052,916
1.4925% unsecured loan from a bank, due on August 31, 2012	1,000,000	1,000,000	12,026,458
1.39875% unsecured loan from a bank, due on March 24, 2015	2,000,000	2,000,000	24,052,916
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	60,132,291
1.4875% unsecured loan from a bank, due on September 2, 2013	3,000,000	3,000,000	36,079,375
1.135% unsecured loan from a bank, due on January 15, 2013	5,000,000	5,000,000	60,132,291
1.42375% unsecured loan from a bank, due on April 24, 2013	3,000,000	3,000,000	36,079,375
1.135% unsecured loan from a bank, due on January 15, 2013	5,000,000	5,000,000	60,132,291
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.30625% unsecured loan from a bank, due on December 21, 2016	5,000,000	—	60,132,291
1.42375% unsecured loan from a bank, due on April 24, 2013	5,000,000	5,000,000	60,132,291
1.0925% unsecured loan from a bank, due on December 21, 2012	5,000,000	5,000,000	60,132,291
1.085% unsecured loan from a bank, due on January 15, 2013	11,000,000	11,000,000	132,291,040
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.3975% unsecured loan from a bank, due on March 26, 2018	2,000,000	—	24,052,916
1.4875% unsecured loan from a trust bank, due on September 2, 2013	5,000,000	5,000,000	60,132,291
1.2625% unsecured loan from a trust bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.43375% unsecured loan from a trust bank, due on January 17, 2018	3,000,000	—	36,079,375
1.65% unsecured loan from a bank, due on September 1, 2015	2,000,000	2,000,000	24,052,916
1.31% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.06% unsecured loan from a bank, due on January 15, 2013	1,000,000	1,000,000	12,026,458
1.0925% unsecured loan from a trust bank, due on December 21, 2012	5,000,000	5,000,000	60,132,291
1.135% unsecured loan from a trust bank, due on January 15, 2013	5,000,000	5,000,000	60,132,291
1.2625% unsecured loan from a trust bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.06% unsecured loan from a bank, due on January 15, 2013	1,000,000	1,000,000	12,026,458
1.0475% unsecured loan from a bank, due on March 25, 2013	1,000,000	1,000,000	12,026,458
0.73625% unsecured loan from a bank, due on December 20, 2012	1,000,000	—	12,026,458
1.2375% unsecured loan from a bank, due on March 24, 2014	1,000,000	1,000,000	12,026,458
1.0475% unsecured loan from a bank, due on March 25, 2013	2,000,000	2,000,000	24,052,916
1.20875% unsecured loan from a bank, due on June 15, 2015	3,000,000	3,000,000	36,079,375
1.0475% unsecured loan from a bank, due on March 25, 2013	2,000,000	2,000,000	24,052,916
1.1875% unsecured loan from a bank, due on June 15, 2015	3,000,000	3,000,000	36,079,375
1.0475% unsecured loan from a bank, due on March 25, 2013	3,000,000	3,000,000	36,079,375

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
1.2625% unsecured loan from a bank, due on March 24, 2014	2,000,000	2,000,000	24,052,916
1.255% unsecured loan from a bank, due on March 1, 2017	2,000,000	—	24,052,916
1.465% unsecured loan from an insurance company, due on March 1, 2018	2,000,000	—	24,052,916
Subtotal	192,400,000	178,450,000	2,313,890,559
Less: current portion of long-term loans	68,100,000	64,100,000	819,001,804
Total	¥124,300,000	¥114,350,000	\$1,494,888,755

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

8 NET ASSETS

The Company is required to maintain net assets of at least ¥50 million (\$601 thousand), as required pursuant to the Investment Trust Law.

9. INCOME TAXES

At March 31, 2011 and September 30, 2010, the Company's deferred tax assets consisted mainly of the amortization of a term leasehold interest, the adjustment of the asset retirement obligations required over the period and the enterprise tax, which are not deductible for tax purposes. The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended March 31, 2011 and September 30, 2010 were as follows:

	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010
Statutory tax rate	39.33%	39.33%
Deductible dividend distribution	(39.30%)	(39.32%)
Change in valuation allowance	0.03%	—
Others	0.01%	0.01%
Effective tax rate	0.07%	0.01%

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law of Japan, or the STML, an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its earnings available for dividend for the fiscal period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by Article 32-2 of the Articles of Incorporation, the Company made a dividend distribution in the amount of ¥7,652 million (\$92,027 thousand) subsequent to March 31, 2011 and treated it as tax deductible. The amount represents the multiple of number of units up to 100% of retained earnings net of the retained earnings at the beginning of this period. The Company will not distribute the dividends in excess of retained earnings under Article 32-3 of the Articles of Incorporation.

10. RELATED PARTY TRANSACTIONS

For the six months ended March 31, 2011 and September 30, 2010

For the period from October 1, 2010 to March 31, 2011

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

For the period from April 1, 2010 to September 30, 2010

(1) Parent Company and Major Corporation Unitholders

“Not applicable”

(2) Subsidiaries

“Not applicable”

(3) Sister Companies

“Not applicable”

(4) Directors and Major Individual Unitholders

“Not applicable”

11. SEGMENT INFORMATION

For the six months ended March 31, 2011 and September 30, 2010

Since the Company has been engaged in real-estate leasing business using a single segment, segment information has been omitted.

Information about products and services

Since revenues from external customers for single segment of similar products and services accounted for more than 90% of total operating revenues, information about products and services has been omitted.

Information about geographic area

(1) Revenues

Since 100% of the total operating revenues were generated from external customers within Japan, geographical breakdown of revenues has been omitted.

(2) Property and equipment

Since 100% of total property and equipment on the balance sheet are located within Japan, geographical breakdown of such property and equipment has been omitted.

Information about major clients

Since no single external client represents 10% or more of the Company's total operating revenues, information about major clients has been omitted.

12. ASSET RETIREMENT OBLIGATIONS

For the six months ended March 31, 2011 and September 30, 2010

The Company acquired Osaki Front Tower on February 1, 2011 under the term leasehold for business use agreement which, at the expiry of the leasehold, obligates the Company to restore the leased land to its original state. At the inception of a lease with such obligation, the Company recognized an asset retirement obligations and a corresponding capital asset in an amount equal to the present value of the estimated demolition cost required for the removal of the properties located on the leased land. The present value is calculated using 2.015% as the discount rate over 42 years which is the term of the leasehold.

Change in the amount of the asset retirement obligations as of March 31, 2011 and September 30, 2010 consisted of following

	Thousands of yen		U.S. dollars
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2010 to March 31, 2011
Balance at the beginning of the period	¥ —	¥—	\$ —
Increase in the tangible fixed assets	293,309	—	3,527,470
Adjustment required over the period	984	—	11,845
Balance at the end of the period	¥294,294	¥—	\$3,539,315

13. INVESTMENT AND RENTAL PROPERTY

For the six months ended March 31, 2011 and September 30, 2010

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

The book values on balance sheets as of March 31, 2011 and as of September 30, 2010 and the fair value as of March 31, 2011 are as follows:

Thousands of yen			
Book value		Fair value	
As of September 30, 2010	Change during period ^(*)	As of March 31, 2011	As of March 31, 2011
¥614,593,555	¥14,096,384	¥628,689,939	¥642,220,000

U.S. dollars			
Book value		Fair value	
As of September 30, 2010	Change during period ^(*)	As of March 31, 2011	As of March 31, 2011
\$7,391,383,706	\$169,529,579	\$7,560,913,285	\$7,723,631,990

Thousands of yen			
Book value		Fair value	
As of March 31, 2010	Change during period ^(*)	As of September 30, 2010	As of September 30, 2010
¥616,718,194	¥(2,124,639)	¥614,593,555	¥632,112,000

Note 1: Book value on balance sheet means the acquisition cost less accumulated depreciation.

Note 2: Significant changes

(*1) For the period ended March 31, 2011, the major reason of increase is acquisition of Osaki Front Tower (¥12,685,891 thousand or \$152,566 thousand) and Kyodo Building (Kayabacho 2Chome) (¥4,436,622 thousand or \$53,357 thousand). The major reason of decrease is the depreciation.

(*2) For the period ended September 30, 2010, the major reason of increase is acquisition of the extension to Ryoshin Ginza East Mirror Building (¥752,185 thousand). The major reason of decrease is the depreciation.

Note 3: Fair values as of March 31, 2011 and as of September 30, 2010 are defined as the appraised values provided by external qualified professional appraiser. Regarding Takanawadai Building, the amount of the sales price as of April 1, 2011 is composed as substitute for fair value.

14. PER UNIT INFORMATION

The following table summarizes information about net assets per unit and net income per unit at March 31, 2011 and September 30, 2010 and for the periods then ended respectively:

	Yen		U.S. dollars
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2010 to March 31, 2011
Net assets at period end per unit	¥678,770	¥679,755	\$8,163
Net income per unit	15,642	16,628	188

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.

15. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

For the six months ended March 31, 2011 and September 30, 2010

	Thousands of yen		U.S. dollars
	For the period from October 1, 2010 to March 31, 2011	For the period from April 1, 2010 to September 30, 2010	For the period from October 1, 2010 to March 31, 2011
Property-Related Revenues	¥22,135,946	¥22,112,773	\$266,217,035
Rental Revenues	21,972,096	21,946,264	264,246,503
Rental revenues	16,668,011	16,675,451	200,457,148
Common service charges	3,303,526	3,313,297	39,729,718
Parking revenues	562,495	565,990	6,764,824
Other rental revenues	1,438,063	1,391,525	17,294,814
Non-Rental Revenues	163,849	166,508	1,970,532
Cancellation charges	122,261	39,575	1,470,377
Other miscellaneous revenues	41,587	126,932	500,155
Property-Related Expenses	¥11,471,604	¥11,239,716	\$137,962,771
Property management expenses	2,626,467	2,551,011	31,587,100
Utilities expenses	1,664,458	1,736,977	20,017,540
Property and other taxes	1,878,397	1,844,277	22,590,465
Casualty insurance	48,052	49,601	577,907
Repairing expenses	833,405	790,390	10,022,914
Depreciation	4,286,516	4,218,759	51,551,614
Other rental expenses	134,306	48,699	1,615,231
Property-Related Profits	¥10,664,342	¥10,873,056	\$128,254,264

16. SUPPLEMENTAL CASH FLOW INFORMATION

Cash and cash equivalents

The following table represents a reconciliation of cash and cash equivalents at March 31, 2011 and September 30, 2010:

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
Cash and deposits with banks	¥11,670,451	¥15,383,805	\$140,354,196
Cash and deposits with banks held in trust	4,063,704	3,928,312	48,871,969
Time deposits with maturities of more than three months	(4,500,000)	(9,000,000)	(54,119,062)
Cash and cash equivalents	¥11,234,155	¥10,312,117	\$135,107,102

Significant non-cash transactions

During the six months ended March 31, 2011, the Company recognized the asset retirement obligations in an amount of ¥293,309 thousand (\$3,527,470) with the equal amount of corresponding capital asset, under the term leasehold for business use agreement, which obligates the Company to restore the leased land to its original state at the expiry of the agreement, in connection with the acquisition of Osaki Front Tower on February 1, 2011.

17. LEASES

The Company owns office buildings under leases and earns rent income. As of March 31, 2011 and September 30, 2010, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2011	As of September 30, 2010	As of March 31, 2011
Due within one year	¥17,395,104	¥16,699,184	\$209,201,502
Due after one year	31,115,669	29,581,496	374,211,295
Total	¥48,510,774	¥46,280,681	\$583,412,797

18. SUBSEQUENT EVENTS

For the six months ended March 31, 2011

Sale of a property

The Company completed the following sale of Takanawadai Building on April 1, 2011.

Summary of the sale

1. Asset sold: Takanawadai Building
2. Sales price: ¥3,160,000 thousand (\$38,004 thousand)
3. Contract date: February 15, 2011
4. Delivery date: April 1, 2011
5. Buyer: Nomura Real Estate Development Co.,Ltd.
6. The gain on the sale: The gain on the sale in the amount of approximately ¥540 million (\$6,494 thousand) was posted in the 20th Period (period from April 1, 2011 to September 30, 2011).

Report of Independent Auditors

The Board of Directors
Japan Real Estate Investment Corporation

We have audited the accompanying balance sheets of Japan Real Estate Investment Corporation as of March 31, 2011 and September 30, 2010, and the related statements of income and retained earnings, changes in unitholders' equity and cash flows for the six-month periods then ended, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Japan Real Estate Investment Corporation at March 31, 2011 and September 30, 2010, and the results of its operations and its cash flows for the six-month periods then ended in conformity with accounting principles generally accepted in Japan.

Supplementary Information

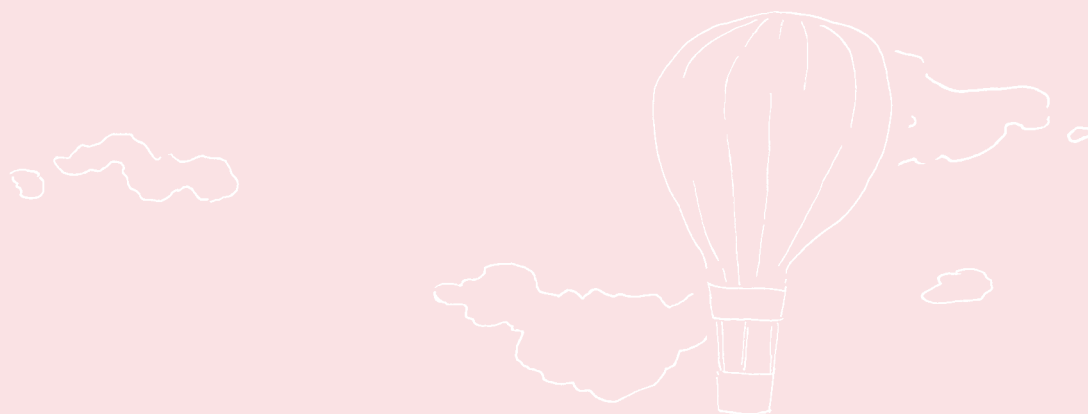
As described in Note 18, Subsequent Events, the Company completed the sale of a property .



June 23, 2011

Corporate Data

As of March 31, 2011



Executives

Executive Director: Noritada Terasawa
Supervisory Directors: Kenji Kusakabe
Tomohiro Okanoya

Transfer Agent

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

Paid-in Capital

¥324,353,108,000

Auditors

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

Number of Units Outstanding

489,200

Incorporation

May 11, 2001

Number of Unitholders

13,802

Executive Office

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

Stock Listing

Tokyo Stock Exchange

For further information, please contact:

Japan Real Estate Asset Management Co., Ltd.

Securities Code

8952

Planning Department

Tel: 81-3-3211-7921

Fax: 81-3-3212-8886

Type of Investment Corporation

Closed-end corporate type fund

E-mail: j-rea-inquiry@j-rea.co.jp

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

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

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