

MARCH
2008

*Semiannual
Report*

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




Japan Real Estate Investment Corporation



Profile

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



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



The Strengths of Japan Real Estate Investment Corporation

- Steady growth — Total amount of acquisition prices reached ¥518,969 million (\$5,180 million) at the end of March 2008.
- Acquisition of Harumi Center Building in December 2007 for ¥26,800 million (\$267 million), NHK Hiroshima Broadcasting Center Building (additional share) and Hachioji First Square (additional share) for ¥1,450 million (\$14 million) and ¥2,379 million (\$24 million) respectively, MM Park Building for ¥37,400 million (\$373 million) and a portion of Musashi Kosugi STM Building for ¥4,000 million (\$40 million) in March 2008.
- Portfolio of 53 high-quality office buildings as of March 31, 2008
- Revenues and profits have continuously increased from IPO to the end of March 2008. Operating revenues for the 13th period achieved ¥25,743 million (\$257 million), and operating income reached ¥14,218 million (\$142 million).
- Superior geographic and tenant diversity with a 95.9% occupancy rate as of March 31, 2008
- LTV (Interest-bearing debt/Total assets) at the end of the 13th period was 33.6%. The long-term, fixed-interest debt ratio stood at 87.0 %.
- Highest credit ratings in J-REIT: AA- from Standard & Poor's Ratings Services (S&P), Aa3 from Moody's Investors Service, Inc. (Moody's) and AA from Rating and Investment Information, Inc. (R&I).
S&P upgraded its rating to AA- from A+ on March 28, 2008 and
Moody's upgraded its rating to Aa3 from A1 on June 6, 2008.
- Collaboration with sponsors of the asset management company, which comprise Mitsubishi Estate Co., Ltd., Tokio Marine & Nichido Fire Insurance Co., Ltd., The Dai-ichi Mutual Life Insurance Company, and Mitsui & Co., Ltd.



Contents

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

Financial Highlights

	Millions of yen				Thousands of U.S. dollars (Note 1)	
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2006 to March 31, 2007	For the period from April 1, 2006 to September 30, 2006	For the period from October 1, 2005 to March 31, 2006	For the period from October 1, 2007 to March 31, 2008
Operating Revenues	25,743	17,530	16,960	15,570	13,962	256,947
Operating Income	14,218	8,739	8,304	7,041	6,319	141,919
Income before Income Taxes	12,946	7,586	7,184	5,977	5,586	129,220
Net Income	12,945	7,585	7,183	5,976	5,585	129,211
Net Operating Income (NOI) (Note 2)	12,197	12,073	11,300	10,339	9,578	121,748
Funds from Operations (FFO) (Note 3)	8,078	10,022	9,441	8,257	7,945	80,630
FFO Multiple (Note 4)	31.9 times	28.3 times	33.8 times	21.0 times	22.1 times	31.9 times
Cash Distribution	12,945	7,585	7,183	5,976	5,585	129,212
Number of Units	443,000	410,000	410,000	345,400	345,400	443,000
Dividend per Unit (Yen/U.S. dollars)	29,223	18,500	17,521	17,302	16,172	291.68

Notes: 1. Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥100.19 = US\$1.00, the foreign exchange rate on March 31, 2008, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

2. NOI = (Property-Related Revenues – Property-Related Expenses) + Depreciation
Property-Related Revenues and Expenses exclude Gain or Loss on Transfer of Properties.

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

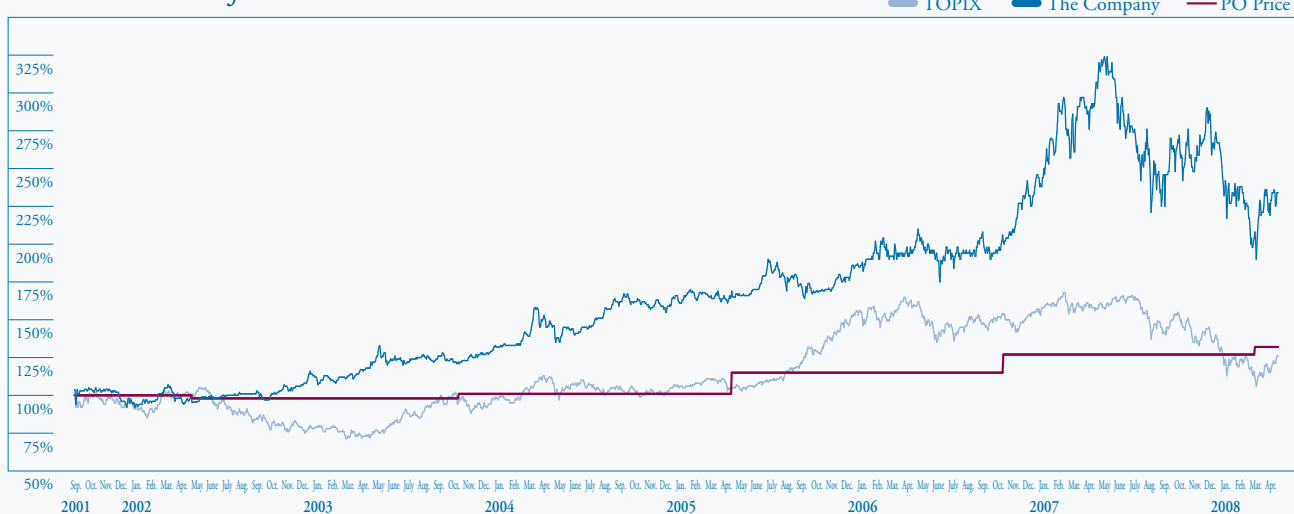
4. FFO Multiple = Unit Price at End of the Respective Term ÷ FFO per Unit (Annualized)
(Annualized portion of the calculation given in note 4 assumes a fiscal period of 182 days for the period ended March 31, 2006, 183 days for the period ended September 30, 2006, 182 days for the period ended March 31, 2007, 183 days for the period ended September 30, 2007 and 183 days for the period ended March 31, 2008.)

Top 10 Unitholders

As of March 31, 2008

Company	Units	% of total units outstanding
NikkoCiti Trust and Banking Corporation (Toshin Acc.)	34,471	7.78%
Japan Trustee Services Bank, Ltd. (Shintaku Acc.)	31,342	7.07%
Trust & Custody Services Bank, Ltd. (Toshin Acc.)	26,934	6.08%
The Master Trust Bank of Japan, Ltd. (Shintaku Acc.)	26,677	6.02%
The Nomura Trust and Banking Co., Ltd. (Toshin Acc.)	10,899	2.46%
The Chugoku Bank, Ltd.	10,706	2.42%
Mitsubishi Estate Co., Ltd.	10,160	2.29%
The Bank of New York, Treaty JASDEC Account	8,883	2.01%
Goldman Sachs, International	8,734	1.97%
Tokio Marine & Nichido Fire Insurance Co., Ltd.	8,120	1.83%

Unit Price Performance

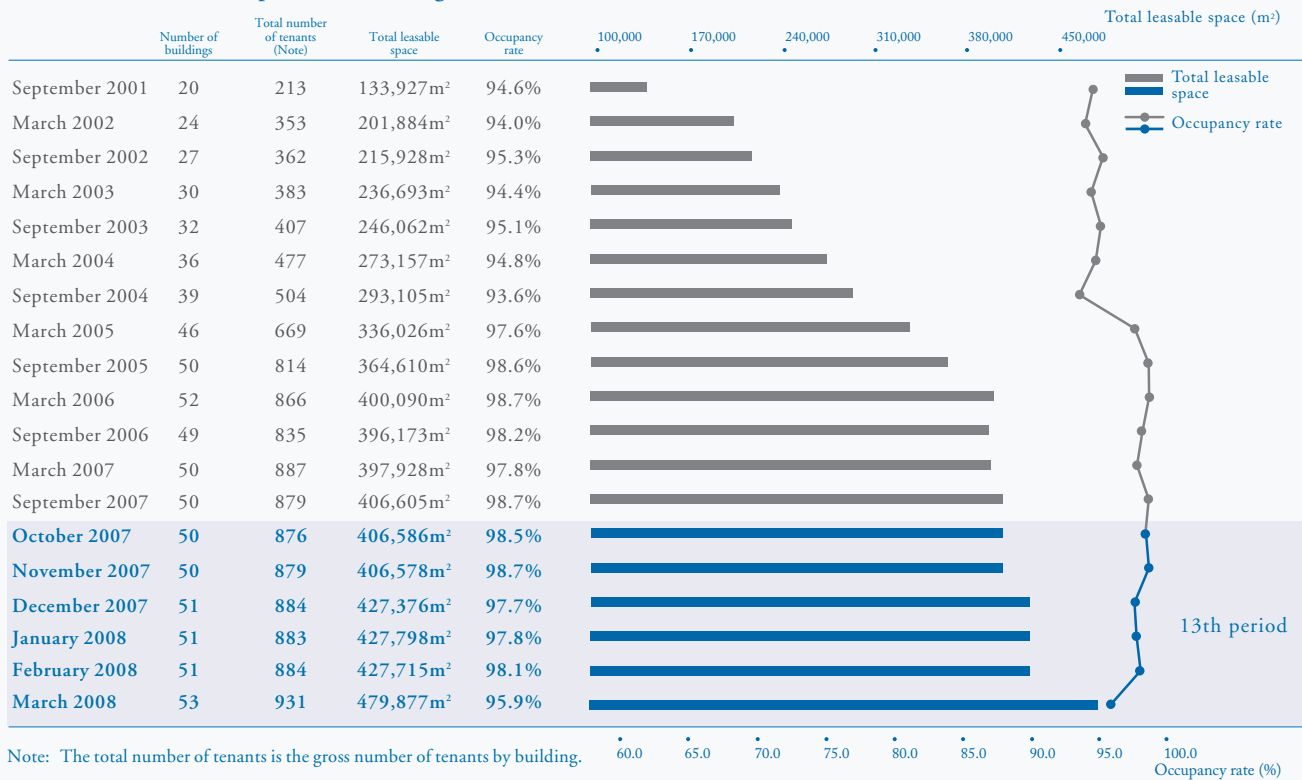


New Investment Unit Issue

Issuance date	March 12, 2008	Aggregate amount of offer price	¥33,957 million (\$339 million)
Offer price.....	¥1,029,000 (\$10,270.49)	Commencement date	
Number of units issued	33,000 units	for the calculation of cash dividends	October 1, 2007

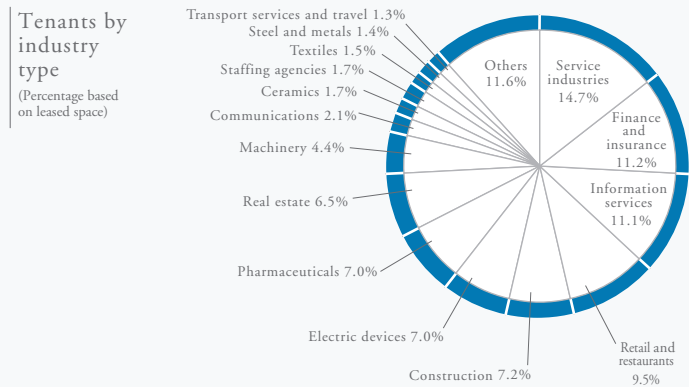
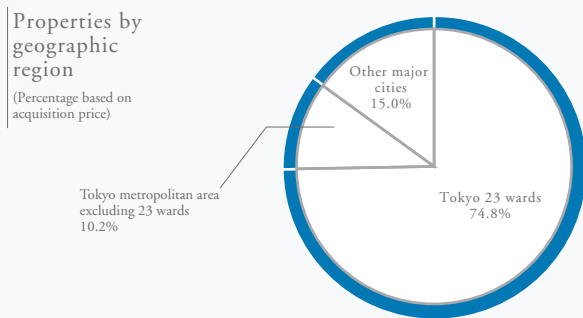
Portfolio Highlights

Trends in the state of portfolio management



Portfolio breakdown

As of March 31, 2008



New Portfolio Properties

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



Harumi Center Building

Property Summary

Type of specified asset:	Real property
Acquisition price:	¥26,800 million (\$267 million)
Acquisition date:	December 18, 2007
Location:	Chuo-ku, Tokyo
Usage:	Office, shop
Site area:	4,664.63m ² (50,210ft ²)
Floor area of building:	26,447.27m ² (284,676ft ²)
Structure:	Steel-framed structure, flat roof
	Above ground: 10 floors
Completion:	November 2006

Leasing Conditions (As of March 31, 2008)

Number of tenants:	7 tenants
Leasable space:	20,812m ² (224,022ft ²)
Leased space:	20,425m ² (219,858ft ²)
Occupancy rate:	98.1%



Property Acquisition Merits

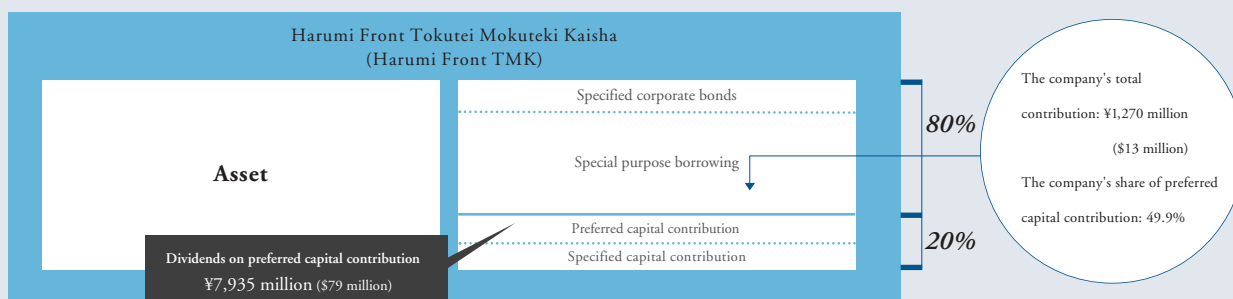
The property is located in the Harumi area of Tokyo's Chuo-ku, a new business district that features Harumi Triton Square among other office buildings. It is a relatively large-scale and new building that was constructed in November 2006. The property is conveniently situated an 8-minute walking distance from the nearest subway station, and with the planned extension of Harumi St., it will also be quickly accessible by car from the Ginza area, Odaiba and Haneda Airport. With high specifications that meet various tenants' facility needs, this property holds a competitive edge in Tokyo's office building market.

Dividends on Preferred Capital Contribution

The Company had concluded a preferred capital contribution contract with Harumi Front Tokutei Mokuteki Kaisha ("Harumi Front TMK") on March 24, 2005. At the same time as the contract conclusion, the Company obtained the preferential purchase right to acquire the Harumi Center Building, which was constructed by Harumi Front TMK.

The Company exercised this preferential purchase right with the acquisition of the Harumi Center Building on December 18, 2007. As a result of this acquisition, at Harumi Front TMK's general meeting of members held on March 31, 2008, a resolution was passed for the payment of dividends on the Company's preferred capital contribution. Following this resolution, the Company recorded dividends of ¥7,935 million (\$79 million) as operating revenues for the 13th fiscal period.

Acquisition of the preferred capital contribution certificates is not only the first approach as a J-REIT in Japan but also an advanced effort for the future.





NHK Hiroshima Broadcasting Center Building

(Additional share acquisition)

Property Summary

Type of specified asset:	Real property (Note)
Acquisition price:	¥1,450 million (\$14 million)
Acquisition date:	March 3, 2008
Location:	Hiroshima, Hiroshima Prefecture
Usage:	Office, shop
Site area:	3,296.46m ² (35,483ft ²)
Floor area of building:	35,217.28m ² (379,075ft ²)
Structure:	Steel-framed, Steel-framed reinforced concrete structure, flat roof
Completion:	Above ground: 23 floors Below ground: 2 floors August 1994

Note: Land: leasehold (quasi-co-ownership: 20.144%)
Building: compartmentalized building units (ratio of share of ownership: 21.668%)
This additional share acquisition raised the Company's share of co-ownership from 27.085% to 48.753%.



Leasing Conditions (As of March 31, 2008)

Number of tenants:	12 tenants
Leasable space:	9,860m ² (106,134ft ²)
Leased space:	9,860m ² (106,134ft ²)
Occupancy rate:	100.0%

Property Acquisition Merits

Located in the business district in the center of Hiroshima, this building is a landmark for its location, size and artistic exterior. It boasts high-integrity specifications to meet a wide variety of tenant needs. This additional share acquisition raised the Company's share of co-ownership to 48.753%, enabling the Company to manage the property more effectively.



Hachioji First Square

(Additional share acquisition)

Property Summary

Type of specified asset:	Real property (Note)
Acquisition price:	¥2,379 million (\$24 million)
Acquisition date:	March 19, 2008
Location:	Hachioji, Tokyo
Usage:	Office, shop
Site area:	2,989.33m ² (32,177ft ²)
Floor area of building:	18,329.98m ² (197,302ft ²)
Structure:	Steel-framed reinforced concrete structure, flat roof
Completion:	Above ground: 12 floors Below ground: 1 floor July 1996

Note: Land: ownership (share of co-ownership)
Building: ownership (share of co-ownership)
This additional share acquisition raised the Company's share of co-ownership from 50.6611% to 80.4%.



Leasing Conditions (As of March 31, 2008)

Number of tenants:	40 tenants
Leasable space:	10,068m ² (108,378ft ²)
Leased space:	9,752m ² (104,975ft ²)
Occupancy rate:	96.9%

Property Acquisition Merits

Located in Hachioji City, the largest city in the Tama district of the Tokyo metropolitan area, it is a highly convenient transportation junction with both railway and road access. The property is within a one-minute walk from Keio Hachioji station and a 4-minute walk from JR Hachioji station, boasting an advanced security system and a large-size parking lot which accommodates 126 vehicles. This additional share acquisition raised the Company's share of co-ownership to 80.4%, enabling the Company to manage the property more effectively.



MM Park Building

Property Summary

Type of specified asset:	Real property
Acquisition price:	¥37,400 million (\$373 million)
Acquisition date:	March 24, 2008
Location:	Yokohama, Kanagawa Prefecture
Usage:	Office, shop and clinic
Site area:	6,825.77m ² (73,472ft ²)
Floor area of building:	49,037.51m ² (527,835ft ²)
Structure:	Steel-framed, steel-framed reinforced concrete structure, flat roof
	Above ground: 15 floors Below ground: 1 floor
Completion:	December 2007



Leasing Conditions (As of March 31, 2008)

Number of tenants:	20 tenants
Leasable space:	38,665m ² (416,189ft ²)
Leased space:	27,430m ² (295,261ft ²)
Occupancy rate:	70.9%

Property Acquisition Merits

Located in Minato Mirai district in Yokohama, which has rapidly grown as business district in recent years. It is directly connected to the Minatomirai station on the Minatomirai Line and convenient to access to the central districts of Yokohama City and also to the Tokyo metropolitan area. It offers superior layout efficiency with its U-shaped design.

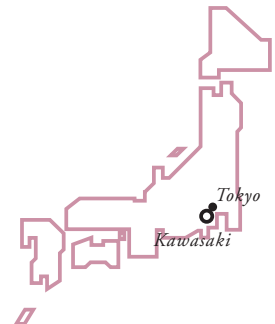


Musashi Kosugi STM Building

Property Summary

Type of specified asset:	Real property (Note)
Acquisition price:	¥4,000 million (\$40 million)
Acquisition date:	March 25, 2008
Location:	Kawasaki, Kanagawa Prefecture
Usage:	Office, shop
Site area:	3,552.15m ² (38,235ft ²)
Floor area of building:	22,839.61m ² (245,843ft ²)
Structure:	Steel-framed reinforced, steel-reinforced concrete structure, flat roof
	Above ground: 8 floors Below ground: 2 floors
Completion:	October, 1990

Note:	Land: ownership (share of co-ownership)
	Building: compartmentalized building units (share of co-ownership)
	[ratio of share of ownership: 34.32%]



Leasing Conditions (As of March 31, 2008)

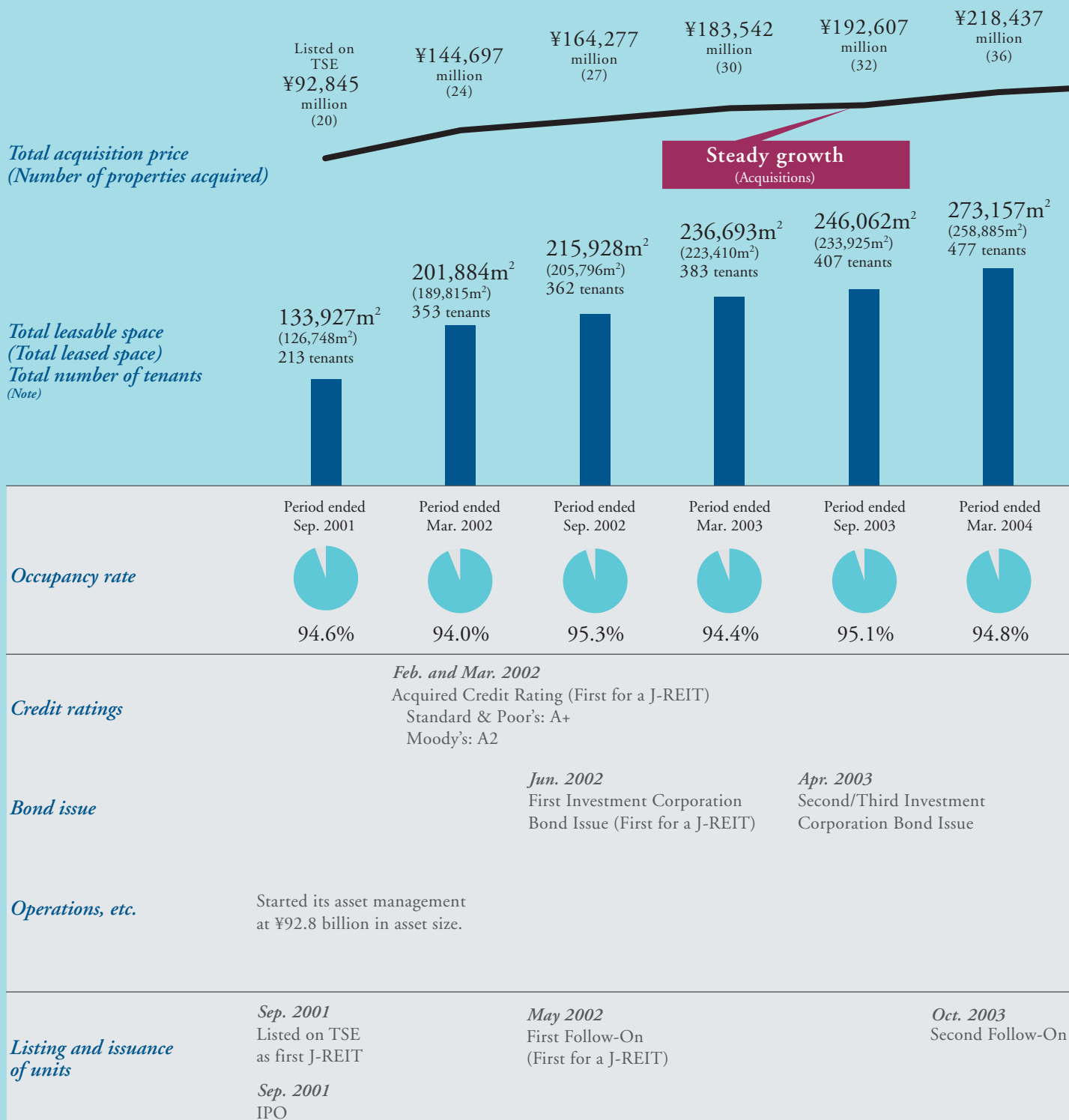
Number of tenants:	25 tenants
Leasable space:	5,394m ² (58,070ft ²)
Leased space:	5,394m ² (58,070ft ²)
Occupancy rate:	100.0%

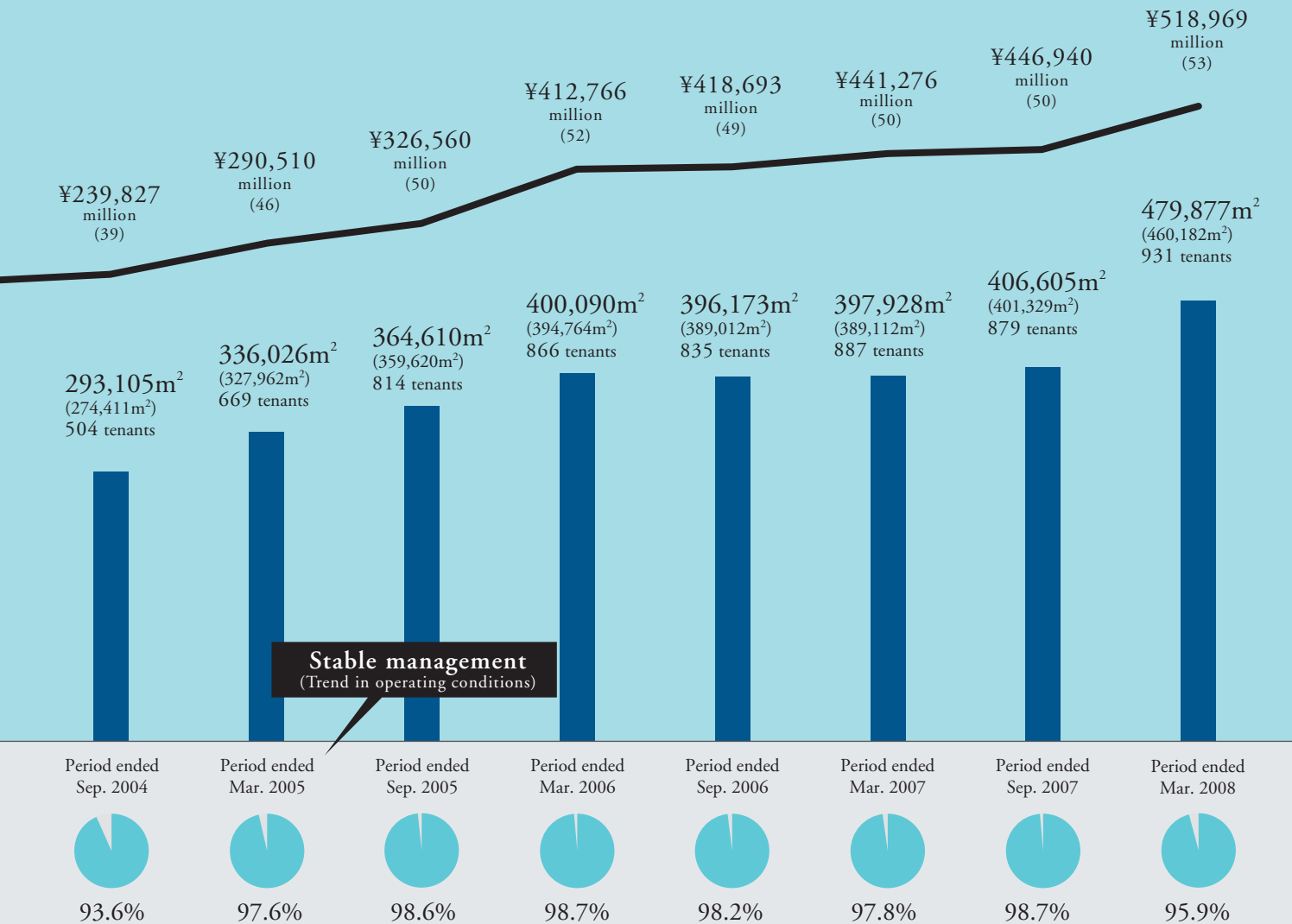
Property Acquisition Merits

Located facing Musashi-Kosugi Station, a transportation junction of Tokyu Line and JR Nanbu Line, offering convenient access to central districts of the Tokyo metropolitan area, Yokohama, Kawasaki and Tama. It boasts a total floor space of 22,839.61m² (245,843ft²) and standard floor area of 2,046m² (22,023ft²).

History after IPO

Since listing on the Tokyo Stock Exchange (“TSE”) as the first J-REIT in Japan, the Company has established a firm track record over the past 12 fiscal periods. As the Company concluded its 13th fiscal period ended March 31, 2008, the total acquisition price for properties reached ¥518,969 million (\$ 5,180 million). Throughout its history, the Company has sustained stable management while realizing steady growth and taking the initiative as a J-REIT pioneer. During the fiscal period under review, the Company accelerated efforts to streamline and strengthen its portfolio.





Stable management
(Trend in operating conditions)

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

Sep. 2005
Fourth Investment Corporation Bond Issue (First J-REIT ever to issue investment corporation bonds without a negative pledge clause or other financial covenants)
Surpassed ¥300 billion in asset size.

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

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

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

Surpassed ¥500 billion in asset size.

Apr. 2005
Third Follow-On

Oct. 2006
Fourth Follow-On

Mar. 2008
Fifth Follow-On

To Our Unitholders



We are committed to implementing initiatives enthusiastically to maximize unitholder value through optimal investment management.



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

BUSINESS PERFORMANCE FOR THE 13TH FISCAL PERIOD

SUMMARY OF FINANCIAL RESULTS AND CASH DIVIDEND

In the 13th fiscal period (six months ended March 31, 2008), Japan Real Estate Investment Corporation ("the Company") recorded operating revenues of ¥25,743 million (\$257 million), up 46.9% compared to the previous period. Operating income rose 62.7% to ¥14,218 million (\$142 million). After deducting expenses for interest payments on loans and other costs, income before income taxes jumped 70.7% to ¥12,946 million (\$129 million), and net income increased by the same percentage to ¥12,945 million (\$129 million).

During the period under review, the Company received dividends of ¥7,935 million (\$79 million) on its preferred capital contribution from Harumi Front Tokutei Mokuteki Kaisha ("Harumi Front TMK") as a result of the disposal of the Harumi Center Building to the Company. Benefiting from such extraordinary factors as the above, the Company is pleased to announce that it posted record operating revenues and operating income for the fiscal period. As a result of the aforementioned, we declared a cash dividend of ¥29,223 (\$291.68) per unit.

OPERATING ENVIRONMENT AND PERFORMANCE

During the period under review, although the household sector remained in a correction phase, the corporate sector maintained its strong performance, led by major companies, with growth in capital expenditure activity. Despite signs of deceleration in the second half of the fiscal period, the economic climate held its upward momentum.

In the market for leased office space, firm demand for corporate office space mainly in central Tokyo kept vacancy rates low and supported high rent levels for new tenants (which indicates market rent levels).

The Company maintained a high occupancy rate of 95.9% at the period-end by (1) acquiring top-level properties and

upgrading building facilities through optimal refurbishment in order to maintain and improve functions; and (2) developing finely tuned building management policies from the perspective of tenants, while undertaking vigorous activities to attract new tenants. Furthermore, the Company increased portfolio revenue by upwardly revising rent levels for existing tenants to the benchmark of market rent levels.

Turning to the property market, investment in competitive prime properties in the central districts of Tokyo and Osaka remains robust not only from J-REITs but also private funds and domestic and overseas institutional investors, sustaining a severe climate for conducting acquisitions.

In this severe market environment, the Company undertook the acquisition of competitive properties to further strengthen the quality of its portfolio. Specifically, the Company acquired three properties: the Harumi Center Building, acquired for ¥26,800 million (\$267 million) on December 18, 2007; the MM Park Building, acquired for ¥37,400 million (\$373 million) on March 24, 2008; and a portion of the Musashi Kosugi STM Building, acquired for ¥4,000 million (\$40 million) on March 25, 2008. Furthermore, the Company acquired additional share of co-ownership in two properties: the NHK Hiroshima Broadcasting Center Building, additional portion acquired for ¥1,450 million (\$14 million) on March 3, 2008; and Hachioji First Square, additional portion acquired for ¥2,379 million (\$24 million) on March 19, 2008.

As a result, the Company's properties as of March 31, 2008 consisted of 53 office buildings with a total acquisition price of ¥518,969 million (\$5,180 million). Total leasable space was 479,877 m² (approximately 5,165,352 ft²), with a total of 931 tenants.

FINANCE ACTIVITIES

For the purposes of raising funds to purchase additional specified assets and to repay a portion of existing borrowings, the Company decided to issue 33,000 new investment units through a public offering. At March 12, 2008, net proceeds from the offering totaled ¥32,917 million (\$329 million).

In this severe market environment, the Company undertook the acquisition of competitive properties to further strengthen the quality of its portfolio.

On March 13, 2008, the Company used proceeds from the public offering totaling ¥25,000 million (\$250 million) for the prepayment of short-term loans prior to principal repayment dates.

In addition to the above, on March 24, 2008, the Company procured ¥10,000 million (\$100 million) in long-term loans and ¥23,000 million (\$230 million) in short-term loans to be used for the purchases of the MM Park Building and the Musashi Kosugi STM Building. As a result of these finance activities, as of March 31, 2008, the Company's total interest-bearing debt amounted to ¥177,500 million (\$1,772 million), consisting of long-term loans of ¥99,500 million (\$993 million) (including the current portion of ¥7,000 million [\$70 million]), short-term loans of ¥23,000 million (\$230 million), and investment corporation bonds of ¥55,000 million (\$549 million) (including the current portion of ¥10,000 million [\$100 million]).

As of March 31, 2008, 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 interest-bearing debt) stood at 87%, and the LTV ratio (ratio of interest-bearing debt to total assets) was 33.6%. As these results indicate, the Company has been able to maintain a sound and conservative financial standing.

The Company's credit ratings as of March 31, 2008 were as follows.

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

* On March 28, 2008, Standard & Poor's Ratings Services raised the Company's long-term credit rating from A+ to AA-, and the short-term credit rating from A-1 to A-1+.

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

OUTLOOK

TRENDS IN THE REAL ESTATE MARKET

Against the backdrop of potential recessions in the U.S. and Europe's economies arising from the subprime loan crisis, along with the upward trend in crude oil prices, we cannot disregard the possibility of an economic downturn on the domestic front.

Nevertheless, in the market for leased office space, vacancy rates and rent levels are expected to trend favorably, particularly in central Tokyo. This expectation is based on the weakening negative effects of the revised Building Standards Law, robust demand for office space and limited supply of new office space.

In the real estate market, we anticipate the active stance toward acquisition of prime office buildings in city centers—the type of properties targeted by the Company—to remain unchanged by well-financed J-REITs as well as domestic and overseas institutional investors. Accordingly, we expect that competition to acquire such properties will become increasingly intense. Moreover, banking facilities have adopted a more prudent stance toward financing for the real estate sector. In this context, we believe that improving the soundness of the Company's financial standing and its ability to procure funds are the key strategies for acquiring prime properties.

GROWTH STRATEGIES

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

First, the Company will work to strengthen the relationship of trust with existing tenants and strategically raise rent levels. As of March 31, 2008, the Company had contracts with 11 property management companies. Most of these companies were already managing their respective buildings before the Company acquired them, and so have built relationships of trust with their tenants. The Company will work to further strengthen these relationships by anticipating tenants' needs and providing tailored services in order to increase tenant satisfaction, and subsequently uncover additional demand for office space and raise rent levels. In addition, we are endeavoring to raise rent levels for those tenants whose rents are significantly below market value.

Second, we will 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. We are also working to uncover additional demand for office floor space among our existing tenants.



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

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

Third, we will strive to stabilize our revenues. To this end, the Company is endeavoring 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 also 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 will enhance its property information channels and develop new channels in order to access important information quickly.

Second, in its acquisition activities, the Company will continue to meticulously monitor and examine economic, physical and legal factors, including rights-related issues, while also taking business conditions into account when selecting properties. Concerning the structure of buildings, we require buildings to meet or exceed new earthquake-resistance standards and are targeting properties capable of maintaining a competitive edge in terms of the facilities they offer over the medium to long term.

Third, in accordance with its acquisition policies, the Company's general target for regional diversity of properties is for 70% or more of its properties to be located within the Tokyo metropolitan area, with the remaining 30% or less located in other regional urban centers.

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

Concerning the financing of property acquisitions, the Company flexibly selects a variety of financial instruments, while maintaining a sound and conservative financial standing and monitoring trends in financial markets. When procuring a loan, our policy is to minimize funding costs by negotiating with several qualified institutional investors before settling on a lender.

PERFORMANCE FORECASTS FOR THE 14TH AND 15TH FISCAL PERIODS

For the 14th fiscal period (April 1, 2008 to September 30, 2008), the Company forecasts operating revenues of ¥19,570 million (\$195 million), operating income of ¥9,520 million (\$95 million), income before income taxes of ¥8,110 million (\$81 million) and net income of ¥8,110 million (\$81 million). We plan to declare a dividend of ¥18,310 (\$182.75) per unit.

The Company's forecasts for the 15th fiscal period (October 1, 2008 to March 31, 2009) are operating revenues of ¥19,730 million (\$197 million), operating income of ¥9,680 million (\$97 million), income before income taxes of ¥8,240 million (\$82 million) and net income of ¥8,240 million (\$82 million). We plan to declare a dividend of ¥18,610 (\$185.75) per unit.

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

Taketo Yamazaki
Executive Director of Japan Real Estate Investment Corporation

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

The Portfolio of Japan Real Estate Investment Corporation

As of March 31, 2008

Properties Roster

Number	Name of building	Location	Type of specified asset	Acquisition date	Acquisition price (¥ millions)
Tokyo 23 wards					
●I- 1	Genki Medical Plaza	Iidabashi, Chiyoda-ku	Ownership	10/31/2002	5,000 (1.0%)
●I- 2	Kitanomaru Square	Kudan-Kita, Chiyoda-ku	Ownership	02/24/2006	81,555 (15.7%)
●I- 3	MD Kanda Building	Kanda-Mitoshirocho, Chiyoda-ku	Ownership	05/31/2002	9,520 (1.8%)
●I- 4	Kandabashi Park Building	Kanda-Nishikicho, Chiyoda-ku	Ownership	08/15/2002	4,810 (0.9%)
●I- 5	Nibancho Garden	Nibancho, Chiyoda-ku	Ownership	04/01/2005	14,700 (2.8%)
●I- 6	Mitsubishi UFJ Trust and Banking Building	Marunouchi, Chiyoda-ku	Ownership	03/28/2007	44,700 (8.6%)
●I- 7	Burex Kojimachi Building	Kojimachi, Chiyoda-ku	Ownership	07/29/2005	7,000 (1.3%)
●I- 8	Sanno Grand Building	Nagatacho, Chiyoda-ku	Ownership	01/31/2005	10,200
				04/03/2006	10,700
				total	20,900 (4.0%)
●I- 9	Yurakucho Denki Building	Yurakucho, Chiyoda-ku	Ownership	08/01/2003	7,200 (1.4%)
●I- 10	Kodenmacho Shin-Nihonbashi Building	Nihonbashi-Kodenmacho, Chuo-ku	Trust	09/25/2001	3,173 (0.6%)
●I- 11	Burex Kyobashi Building	Kyobashi, Chuo-ku	Ownership	07/22/2002	5,250 (1.0%)
●I- 12	Ginza Sanwa Building	Ginza, Chuo-ku	Ownership	03/10/2005	16,830 (3.2%)
●I- 13	Ryoshin Ginza East Mirror Building	Ginza, Chuo-ku	Ownership	03/15/2005	5,353 (1.0%)
●I- 14	Harumi Center Building	Harumi, Chuo-ku	Ownership	12/18/2007	26,800 (5.2%)
●I- 15	Aoyama Crystal Building	Kita-Aoyama, Minato-ku	Ownership	03/14/2003	7,680 (1.5%)
●I- 16	Shiba 2Chome Daimon Building	Shiba, Minato-ku	Trust	09/10/2001	4,859 (0.9%)
●I- 17	Cosmo Kanasugibashi Building	Shiba, Minato-ku	Trust	09/25/2001	2,808 (0.5%)
●I- 18	Shinwa Building	Nishi-Shinjuku, Shinjuku-ku	Ownership	09/01/2004	7,830 (1.5%)
●I- 19	Tokyo Opera City Building	Nishi-Shinjuku, Shinjuku-ku	Ownership	09/13/2005	9,350 (1.8%)
●I- 20	Takanawadai Building	Higashi-Gotanda, Shinagawa-ku	Trust	09/25/2001	2,738 (0.5%)
●I- 21	Higashi-Gotanda 1Chome Building	Higashi-Gotanda, Shinagawa-ku	Ownership	11/01/2004	5,500 (1.1%)
●I- 22	Omori-Eki Higashiguchi Building	Omori-Kita, Ota-ku	Trust	09/10/2001	5,123 (1.0%)
●I- 23	Nippon Brunswick Building	Sendagaya, Shibuya-ku	Ownership	03/24/2004	6,670 (1.3%)
●I- 24	Yoyogi 1Chome Building	Yoyogi, Shibuya-ku	Ownership	04/01/2004	8,700 (1.7%)
●I- 25	da Vinci Harajuku	Jingumae, Shibuya-ku	Ownership	11/22/2002	4,885 (0.9%)
●I- 26	Jingumae Media Square Building	Jingumae, Shibuya-ku	Ownership	10/09/2003	12,200 (2.4%)
●I- 27	Shibuya Cross Tower	Shibuya, Shibuya-ku	Ownership	11/30/2001	34,600 (6.7%)
●I- 28	Ebisu Neonato	Ebisu, Shibuya-ku	Ownership	11/14/2003	3,740
				04/01/2004	360
				total	4,100 (0.8%)
●I- 29	Harmony Tower	Honcho, Nakano-ku	Ownership	02/28/2005	8,500 (1.6%)
●I- 30	Otsuka Higashi-Ikebukuro Building	Higashi-Ikebukuro, Toshima-ku	Trust	09/25/2001	3,541 (0.7%)
●I- 31	Ikebukuro 2Chome Building	Ikebukuro, Toshima-ku	Trust	09/25/2001	1,728 (0.3%)
●I- 32	Ikebukuro YS Building	Minami-Ikebukuro, Toshima-ku	Ownership	08/02/2004	4,500 (0.9%)
Tokyo metropolitan area excluding 23 wards					
●II-1	Hachioji First Square	Hachioji, Tokyo	Ownership	03/31/2005	3,300
				03/19/2008	2,379
				total	5,679 (1.1%)
●II-2	Saitama Urawa Building	Saitama, Saitama Prefecture	Ownership	09/25/2001	1,232
				10/11/2001	1,342
				total	2,574 (0.5%)
●II-3	MM Park Building	Yokohama, Kanagawa Prefecture	Ownership	03/24/2008	37,400 (7.2%)
●II-4	Kawasaki Isago Building	Kawasaki, Kanagawa Prefecture	Trust	09/25/2001	3,375 (0.7%)
●II-5	Musashi Kosugi STM Building	Kawasaki, Kanagawa Prefecture	Ownership	03/25/2008	4,000 (0.8%)
Other major cities					
●III- 1	8-3 Square Kita Building	Sapporo, Hokkaido	Ownership	06/01/2007	7,100 (1.4%)
●III- 2	Jozenji Park Building	Sendai, Miyagi Prefecture	Ownership	01/31/2005	1,000 (0.2%)
●III- 3	Sendai Honcho Honma Building	Sendai, Miyagi Prefecture	Trust	09/25/2001	2,924
				06/28/2006	250
				total	3,174 (0.6%)
●III- 4	Kanazawa Park Building	Kanazawa, Ishikawa Prefecture	Ownership	02/28/2002	2,880
				03/03/2003	1,700
				total	4,580 (0.9%)
●III- 5	Nishiki Park Building	Nagoya, Aichi Prefecture	Ownership	10/02/2006	3,850
				11/01/2006	1,300
				total	5,150 (1.0%)
●III- 6	Hirokoji Sakae Building	Nagoya, Aichi Prefecture	Ownership	09/22/2006	1,680 (0.3%)
●III- 7	Nagoya Hirokoji Building	Nagoya, Aichi Prefecture	Ownership	09/10/2001	14,533 (2.8%)
●III- 8	Nagoya Misono Building	Nagoya, Aichi Prefecture	Ownership	08/08/2003	1,865 (0.4%)
●III- 9	Kyoto Shijo Kawaramachi Building	Kyoto, Kyoto Prefecture	Ownership	12/20/2001	2,650 (0.5%)
●III- 10	Sakaisujihonmachi Building	Osaka, Osaka Prefecture	Ownership	09/25/2001	2,264
				12/26/2003	1,900
				total	4,164 (0.8%)
●III- 11	Midosuji Daiwa Building	Osaka, Osaka Prefecture	Trust	09/25/2001	6,934
				02/28/2002	7,380
				total	14,314 (2.8%)
●III- 12	Lit City Building	Okayama, Okayama Prefecture	Ownership	02/01/2006	4,650 (0.9%)
●III- 13	NHK Hiroshima Broadcasting Center Building	Hiroshima, Hiroshima Prefecture	Ownership	03/25/2004	1,320
				03/03/2008	1,450
				total	2,770 (0.5%)
●III- 14	Tosei Tenjin Building	Fukuoka, Fukuoka Prefecture	Ownership	09/25/2001	1,550 (0.3%)
●III- 15	Tenjin Crystal Building	Fukuoka, Fukuoka Prefecture	Ownership	06/01/2005	5,000 (1.0%)
●III- 16	Hinode Tenjin Building	Fukuoka, Fukuoka Prefecture	Trust	09/10/2001	3,657 (0.7%)
	Total				518,969 (100.0%)

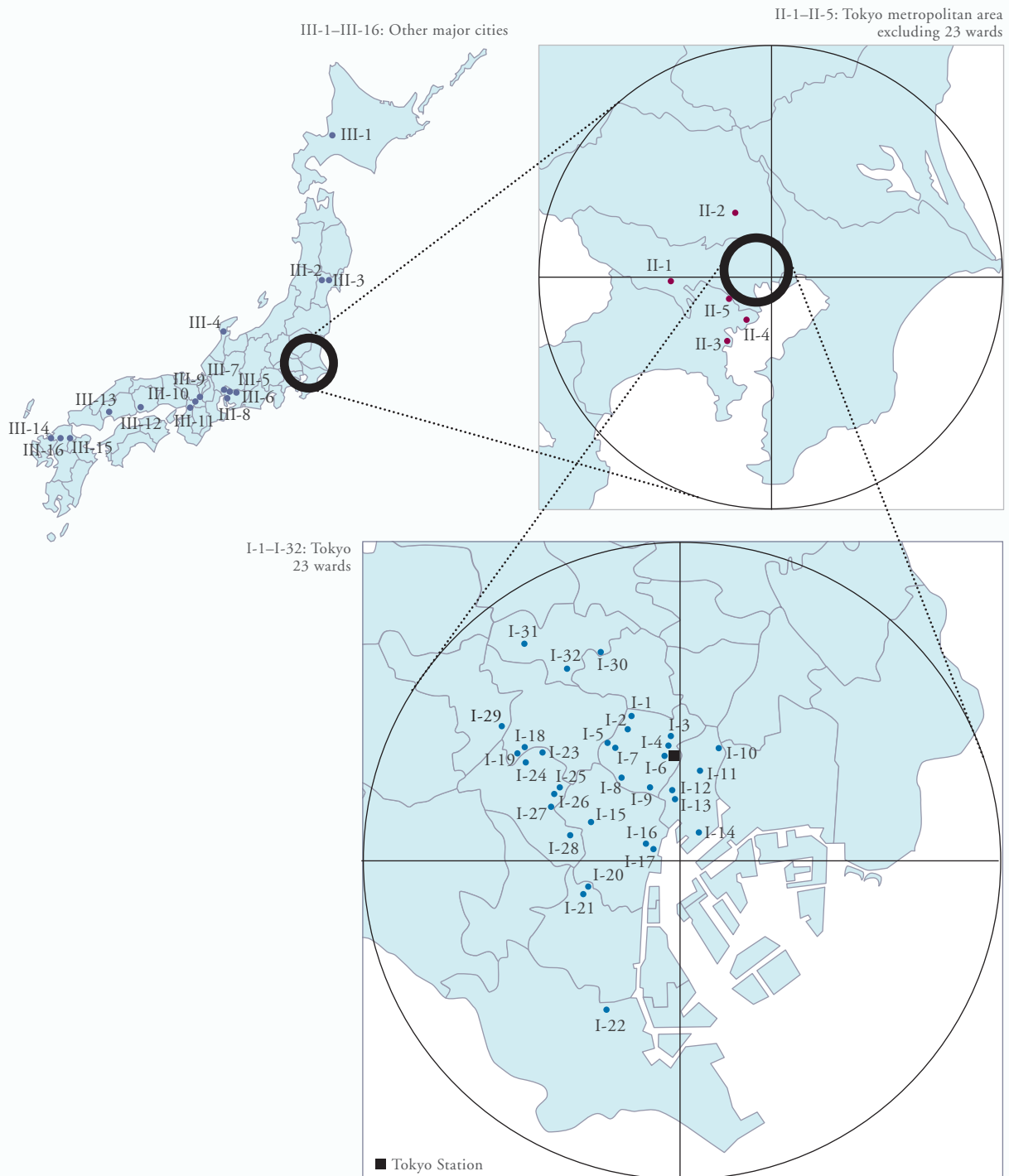
Percentage of ownership of the building	Completion	Appraisal value at the end of period (¥ millions)	Leasable space		Leased space		Occupancy rate	Number of tenants	Revenues from leasing operations (¥ millions)	
100.0%	1985	6,300	4,791m ²	(51,577ft ²)	4,791m ²	(51,577ft ²)	100.0%	1	224	(1.3%)
100.0%	2006	88,600	25,678m ²	(276,402ft ²)	25,678m ²	(276,402ft ²)	100.0%	5	1,933	(10.9%)
100.0%	1998	12,100	6,269m ²	(67,480ft ²)	5,799m ²	(62,425ft ²)	92.5%	1	353	(2.0%)
56.76%	1993	6,520	3,687m ²	(39,695ft ²)	3,687m ²	(39,695ft ²)	100.0%	7	185	(1.0%)
31.345%	2004	17,600	9,316m ²	(100,282ft ²)	9,316m ²	(100,282ft ²)	100.0%	1	492	(2.8%)
19.38402%	2003	50,000	11,923m ²	(128,341ft ²)	11,923m ²	(128,341ft ²)	100.0%	10	996	(5.6%)
100.0%	2005	7,040	4,495m ²	(48,384ft ²)	4,495m ²	(48,384ft ²)	100.0%	1	162	(0.9%)
99.0%	1966	30,700	20,865m ²	(224,594ft ²)	20,845m ²	(224,382ft ²)	99.9%	46	1,047	(5.9%)
10.78%	1975	8,600	4,694m ²	(50,531ft ²)	4,694m ²	(50,531ft ²)	100.0%	15	304	(1.7%)
100.0%	1991	4,200	3,897m ²	(41,950ft ²)	3,897m ²	(41,950ft ²)	100.0%	7	164	(0.9%)
100.0%	2002	7,070	4,279m ²	(46,068ft ²)	4,279m ²	(46,068ft ²)	100.0%	1	150	(0.8%)
70.95%	1982	18,000	4,329m ²	(46,604ft ²)	4,329m ²	(46,604ft ²)	100.0%	12	394	(2.2%)
100.0%	1998	5,150	2,875m ²	(30,949ft ²)	2,875m ²	(30,949ft ²)	100.0%	8	140	(0.8%)
100.0%	2006	26,300	20,812m ²	(224,022ft ²)	20,425m ²	(219,858ft ²)	98.1%	7	428	(2.4%)
100.0%	1982	9,230	4,898m ²	(52,724ft ²)	4,898m ²	(52,724ft ²)	100.0%	7	262	(1.5%)
100.0%	1984	7,980	9,631m ²	(103,671ft ²)	9,631m ²	(103,671ft ²)	100.0%	19	327	(1.8%)
100.0%	1992	3,910	4,062m ²	(43,726ft ²)	4,062m ²	(43,726ft ²)	100.0%	8	138	(0.8%)
100.0%	1989	9,890	6,197m ²	(66,708ft ²)	6,197m ²	(66,708ft ²)	100.0%	10	266	(1.5%)
8.368%	1996	12,100	9,246m ²	(99,528ft ²)	9,127m ²	(98,247ft ²)	98.7%	105	527	(3.0%)
100.0%	1991	2,840	4,067m ²	(43,783ft ²)	4,067m ²	(43,783ft ²)	100.0%	1	119	(0.7%)
100.0%	2004	7,050	5,205m ²	(56,035ft ²)	5,205m ²	(56,035ft ²)	100.0%	4	220	(1.2%)
100.0%	1989	6,040	7,708m ²	(82,972ft ²)	7,708m ²	(82,972ft ²)	100.0%	19	254	(1.4%)
100.0%	1974	9,570	7,356m ²	(79,180ft ²)	7,310m ²	(78,685ft ²)	99.4%	18	334	(1.9%)
100.0%	2003	13,400	7,772m ²	(83,660ft ²)	7,772m ²	(83,660ft ²)	100.0%	7	414	(2.3%)
100.0%	1987	6,420	3,147m ²	(33,876ft ²)	3,147m ²	(33,876ft ²)	100.0%	5	203	(1.1%)
100.0%	1998	16,100	5,558m ²	(59,832ft ²)	5,558m ²	(59,832ft ²)	100.0%	9	370	(2.1%)
100.0%	1976	53,000	29,734m ²	(320,059ft ²)	28,063m ²	(302,068ft ²)	94.4%	54	1,425	(8.0%)
12.29939%	1994	5,710	2,462m ²	(26,511ft ²)	2,462m ²	(26,511ft ²)	100.0%	3	155	(0.9%)
29.253305%	1997	13,600	10,929m ²	(117,646ft ²)	10,929m ²	(117,646ft ²)	100.0%	18	457	(2.6%)
100.0%	1987	4,000	7,143m ²	(76,892ft ²)	6,239m ²	(67,163ft ²)	87.3%	8	179	(1.0%)
100.0%	1990	1,650	2,186m ²	(23,532ft ²)	2,186m ²	(23,532ft ²)	100.0%	9	76	(0.4%)
100.0%	1989	5,670	5,797m ²	(62,401ft ²)	5,797m ²	(62,401ft ²)	100.0%	8	216	(1.2%)
80.4%	1996	6,170	10,068m ²	(108,378ft ²)	9,752m ²	(104,975ft ²)	96.9%	40	179	(1.0%)
100.0%	1990	2,720	4,510m ²	(48,550ft ²)	4,375m ²	(47,096ft ²)	97.0%	15	130	(0.7%)
100.0%	2007	37,400	38,665m ²	(416,189ft ²)	27,430m ²	(295,261ft ²)	70.9%	20	36	(0.2%)
100.0%	1990	3,360	6,831m ²	(73,537ft ²)	6,541m ²	(70,411ft ²)	95.7%	12	157	(0.9%)
34.32%	1990	4,000	5,394m ²	(58,070ft ²)	5,394m ²	(58,070ft ²)	100.0%	25	5	(0.0%)
100.0%	2006	7,210	12,265m ²	(132,030ft ²)	12,078m ²	(130,014ft ²)	98.5%	7	317	(1.8%)
50.0%	1993	1,130	2,518m ²	(27,106ft ²)	2,414m ²	(25,985ft ²)	95.9%	16	72	(0.4%)
100.0%	1991	3,690	6,241m ²	(67,185ft ²)	5,989m ²	(64,468ft ²)	96.0%	17	171	(1.0%)
89.0%	1991	6,590	20,889m ²	(224,855ft ²)	18,970m ²	(204,196ft ²)	90.8%	68	541	(3.0%)
57.04651%	1995	5,390	8,059m ²	(86,747ft ²)	8,001m ²	(86,130ft ²)	99.3%	50	294	(1.7%)
100.0%	1987	1,730	3,847m ²	(41,409ft ²)	3,847m ²	(41,409ft ²)	100.0%	14	102	(0.6%)
100.0%	1987	16,000	21,635m ²	(232,878ft ²)	21,635m ²	(232,878ft ²)	100.0%	27	735	(4.1%)
100.0%	1991	1,940	3,470m ²	(37,354ft ²)	3,470m ²	(37,354ft ²)	100.0%	9	97	(0.5%)
100.0%	1982	2,350	6,796m ²	(73,159ft ²)	6,143m ²	(66,133ft ²)	90.4%	31	136	(0.8%)
100.0%	1992	4,840	11,574m ²	(124,587ft ²)	11,520m ²	(124,004ft ²)	99.5%	16	265	(1.5%)
100.0%	1991	19,100	20,450m ²	(220,127ft ²)	20,450m ²	(220,127ft ²)	100.0%	25	678	(3.8%)
27.7488%	2005	5,560	9,965m ²	(107,269ft ²)	9,798m ²	(105,475ft ²)	98.3%	40	297	(1.7%)
48.753%	1994	3,260	9,860m ²	(106,134ft ²)	9,860m ²	(106,134ft ²)	100.0%	12	166	(0.9%)
100.0%	1992	1,530	4,000m ²	(43,057ft ²)	3,924m ²	(42,243ft ²)	98.1%	19	93	(0.5%)
100.0%	1993	4,910	5,991m ²	(64,487ft ²)	5,554m ²	(59,784ft ²)	92.7%	24	216	(1.2%)
74.4844%	1987	3,940	5,818m ²	(62,629ft ²)	5,622m ²	(60,523ft ²)	96.6%	10	176	(1.0%)
		619,160	479,877m ²	(5,165,352ft ²)	460,182m ²	(4,953,357ft ²)	95.9%	931	17,807	(100.0%)

Major Tenants Roster

Rank	Name of tenant	Name of building	Leased space	% of total leased space
1	Banyu Pharmaceutical Co., Ltd.	Kitanomaru Square (also includes 1 other building)	17,014m ² (183,144ft ²)	3.7%
2	Mitsubishi UFJ Trust and Banking Corporation	Mitsubishi UFJ Trust and Banking Building	10,665m ² (114,802ft ²)	2.3%
3	Seven & i Holdings Co., Ltd.	Nibancho Garden	9,316m ² (100,282ft ²)	2.0%
4	(Note)	MM Park Building	8,938m ² (96,212ft ²)	1.9%
5	Space Design, Inc.	Burex Kojimachi Building (also includes 1 other building)	8,774m ² (94,453ft ²)	1.9%
6	FAST RETAILING CO., LTD.	Kitanomaru Square	8,476m ² (91,245ft ²)	1.8%
7	The Dai-ichi Mutual Life Insurance Company	Midosuji Daiwa Building (also includes 6 other buildings)	7,673m ² (82,601ft ²)	1.7%
8	JRI Solutions, Limited	Harumi Center Building	7,634m ² (82,178ft ²)	1.7%
9	TOTO LTD.	Midosuji Daiwa Building (also includes 1 other building)	6,906m ² (74,341ft ²)	1.5%
10	Asahi Kasei Pharma Corporation	MD Kanda Building	5,799m ² (62,425ft ²)	1.3%

Note: Not disclosed due to the tenant's request

Locations of Portfolio Properties



Overview of Portfolio Properties *As of March 31, 2008*

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



Genki Medical Plaza

● I-1

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



Kitanomaru Square

● I-2

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



MD Kanda Building

● I-3

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



Kandabashi Park Building

● I-4

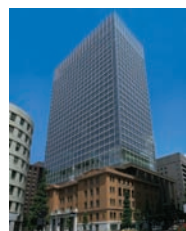
Location : Chiyoda-ku, Tokyo
Site area : 1,218.56m² (13,116ft²)
Floor area of building : 9,370.25m² (100,860ft²)
Structure : Above ground: 10 floors
Below ground: 1 floor
Completion : July 1993



Nibancho Garden

● I-5

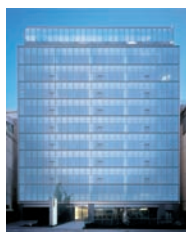
Location : Chiyoda-ku, Tokyo
Site area : 11,003.87m² (118,445ft²)
Floor area of building : 57,031.06m² (613,877ft²)
Structure : Above ground: 14 floors
Below ground: 2 floors
Completion : April 2004



Mitsubishi UFJ Trust and Banking Building

● I-6

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



Burex Kojimachi Building

● I-7

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



Sanno Grand Building

● I-8

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



Yurakucho Denki Building

● I-9

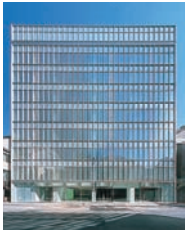
Location : Chiyoda-ku, Tokyo
 Site area : 5,749.91m² (61,891ft²)
 Floor area of building : 70,287.65m² (756,569ft²)
 Structure : Above ground: 20 floors
 Below ground: 4 floors
 Completion : September 1975



Kodenmachi Shin-Nihonbashi Building

● I-10

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



Burex Kyobashi Building

● I-11

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



Ginza Sanwa Building

● I-12

Location : Chuo-ku, Tokyo
 Site area : 1,119.27m² (12,048ft²)
 Floor area of building : 8,851.00m² (95,271ft²)
 Structure : Above ground: 9 floors
 Below ground: 2 floors
 Completion : October 1982



Ryoshin Ginza East Mirror Building

● I-13

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



Harumi Center Building

● I-14

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



Aoyama Crystal Building

● I-15

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



Shiba 2Chome Daimon Building

● I-16

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



Cosmo Kanasugibashi Building

● I-17

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



Shinwa Building

● I-18

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



Tokyo Opera City Building

● I-19

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



Takanawadai Building

● I-20

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



Higashi-Gotanda 1Chome Building

● I-21

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



Omori-Eki Higashiguchi Building

● I-22

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



Nippon Brunswick Building

● I-23

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



Yoyogi 1Chome Building

● I-24

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



da Vinci Harajuku

● I-25

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



Jingumae Media Square Building

● I-26

Location : Shibuya-ku, Tokyo
 Site area : 2,261.68m² (24,344ft²)
 Floor area of building : 9,420.42m² (101,400ft²)
 Structure : Above ground: 9 floors
 Below ground: 2 floors
 Completion : March 1998



Shibuya Cross Tower

● I-27

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



Ebisu Neonato

● I-28

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



Harmony Tower

● I-29

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



Otsuka Higashi-Ikebukuro Building

● I-30

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



Ikebukuro 2Chome Building

● I-31

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



Ikebukuro YS Building

● I-32

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



Hachioji First Square

● II-1

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



Saitama Urawa Building

● II-2

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



MM Park Building

● II-3

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



Kawasaki Isago Building

● II-4

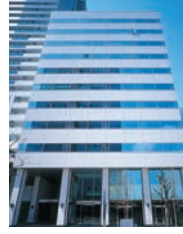
Location : Kawasaki, Kanagawa Prefecture
Site area : 1,594.50m² (17,163ft²)
Floor area of building : 9,623.83m² (103,590ft²)
Structure : Above ground: 12 floors
Below ground: 1 floor
Completion : December 1990



Musashi Kosugi STM Building

● II-5

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



8·3 Square Kita Building

● III-1

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



Jozenji Park Building

● III-2

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



Sendai Honcho Honma Building

● III-3

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



Kanazawa Park Building

● III-4

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



Nishiki Park Building

● III-5

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



Hirokoji Sakae Building

● III-6

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



Nagoya Hirokoji Building

● III-7

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



Nagoya Misono Building

● III-8

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



Kyoto Shijo Kawaramachi Building

● III-9

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



Sakaisujihonmachi Building

● III-10

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-11

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-12

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-13

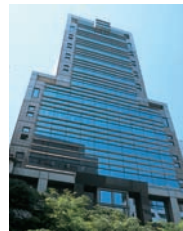
Location : Hiroshima, Hiroshima Prefecture
Site area : 3,296.46m² (35,483ft²)
Floor area of building : 35,217.28m² (379,075ft²)
Structure : Above ground: 23 floors
Below ground: 2 floors
Completion : August 1994



Tosei Tenjin Building

● III-14

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-15

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-16

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



Financial Section

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

Selected Financial Data

	Millions of yen					Thousands of U.S. dollars (Note 1)
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2006 to March 31, 2007	For the period from April 1, 2006 to September 30, 2006	For the period from October 1, 2005 to March 31, 2006	For the period from October 1, 2007 to March 31, 2008
Operating Revenues	¥ 25,743	¥ 17,530	¥ 16,960	¥ 15,570	¥ 13,962	\$ 256,947
Operating Expenses	11,524	8,791	8,655	8,528	7,643	115,027
Operating Income	14,218	8,739	8,304	7,041	6,319	141,919
Income before Income Taxes	12,946	7,586	7,184	5,977	5,586	129,220
Net Income	12,945	7,585	7,183	5,976	5,585	129,211
Total Assets	527,537	449,643	443,973	441,163	433,552	5,265,372
Interest-Bearing Debts	177,500	144,500	140,000	202,500	196,500	1,771,634
Net Assets	310,547	272,269	271,867	207,449	207,058	3,099,584
Unitholders' Capital	297,601	264,683	264,683	201,472	201,472	2,970,371
Number of Units	443,000	410,000	410,000	345,400	345,400	443,000
Net Assets per Unit (Yen/U.S. dollars)	701,009	664,071	663,091	600,605	599,475	6,996.80
Cash Distribution	12,945	7,585	7,183	5,976	5,585	129,212
Dividend Payout Ratio	100.0%	99.9%	100.0%	99.9%	99.9%	100.0%
Dividend per Unit (Yen/U.S. dollars)	29,223	18,500	17,521	17,302	16,172	291.68
Net Operating Income (NOI)	12,197	12,073	11,300	10,339	9,578	121,748
Funds from Operations (FFO)	8,078	10,022	9,441	8,257	7,945	80,630
Return on Assets (ROA) (Note 2)	2.6%	1.7%	1.6%	1.4%	1.4%	2.6%
	(5.3% annualized)	(3.4% annualized)	(3.3% annualized)	(2.7% annualized)	(2.8% annualized)	(5.3% annualized)
Return on Equity (ROE) (Note 3)	4.7%	2.8%	2.7%	2.9%	2.7%	4.7%
	(9.3% annualized)	(5.6% annualized)	(5.5% annualized)	(5.8% annualized)	(5.4% annualized)	(9.3% annualized)
EOP Equity Ratio (Note 4)	58.9%	60.6%	61.2%	47.0%	47.8%	58.9%
EOP Interest-Bearing Debt Ratio						
on Total Assets (Note 5)	33.6%	32.1%	31.5%	45.9%	45.3%	33.6%
FFO Multiple	31.9 times	28.3 times	33.8 times	21.0 times	22.1 times	31.9 times
Debt Service Coverage Ratio (Note 6)	14.2 times	10.4 times	10.5 times	9.5 times	12.3 times	14.2 times

Notes 1: Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥100.19 = US\$1.00, the foreign exchange rate on March 31, 2008, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

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

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

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

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

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

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

Balance Sheets

As of March 31, 2008 and September 30, 2007

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
ASSETS			
Current Assets:			
Cash and bank deposits	¥ 13,124,551	¥ 16,419,825	\$ 130,996,619
Rental receivables	125,811	104,093	1,255,734
Dividend receivables	6,348,610		63,365,710
Refundable income taxes	1,594,444	3,802	15,914,212
Refundable consumption taxes	1,458,648		14,558,823
Other receivables		146,549	
Other current assets	94,261	72,545	940,830
Total current assets	22,746,328	16,746,815	227,031,928
Property and Equipment, at Cost:			
Land	336,310,231	296,188,439	3,356,724,539
Buildings and structures	183,199,855	149,740,602	1,828,524,355
Machinery and equipment	2,768,111	2,196,639	27,628,616
Tools, furniture and fixtures	94,565	94,565	943,860
Construction in progress	1,315,581	974,677	13,130,866
Subtotal	523,688,344	449,194,923	5,226,952,236
Accumulated depreciation	(23,832,007)	(20,763,580)	(237,868,129)
Total property and equipment	499,856,336	428,431,343	4,989,084,107
Investments and other Assets:			
Investment securities	1,272,797	1,272,797	12,703,838
Deposits	23,575	23,575	235,307
Long-term prepaid expenses	4,801	1,866	47,924
Leasehold rights	2,691,724	2,204,134	26,866,202
Easement	828,095	828,095	8,265,250
Deferred investment corporation bond issuance costs	114,005	134,865	1,137,897
Total Assets	¥527,537,666	¥449,643,494	\$5,265,372,454

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

	Thousands of yen		U.S. dollars (Note 1)
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
LIABILITIES			
Current Liabilities:			
Trade accounts payable	¥ 2,084,823	¥ 1,150,816	\$ 20,808,696
Other payables	3,047,550	1,064,279	30,417,708
Short-term loans	23,000,000		229,563,829
Current portion of long-term loans	7,000,000		69,867,252
Current portion of investment corporation bonds	10,000,000	10,000,000	99,810,360
Accrued expenses	633,694	629,266	6,324,925
Accrued income taxes	38	61	383
Accrued consumption taxes		260,679	
Rent received in advance	2,239,582	2,195,163	22,353,352
Other current liabilities	1,425	2,432	14,232
Total current liabilities	48,007,114	15,302,699	479,160,739
Long-Term Liabilities:			
Investment corporation bonds	45,000,000	45,000,000	449,146,621
Long-term loans	92,500,000	89,500,000	923,245,833
Deposits received from tenants	31,483,194	27,571,602	314,234,894
Total long-term liabilities	168,983,194	162,071,602	1,686,627,349
Total Liabilities	216,990,308	177,374,302	2,165,788,087
NET ASSETS			
Unitholders' capital	297,601,460	264,683,960	2,970,370,895
Authorized: 2,000,000 units			
Issued: 443,000 units as of March 31, 2008 and 410,000 units as of September 30, 2007			
Retained earnings	12,945,897	7,585,231	129,213,471
Total net assets	310,547,357	272,269,191	3,099,584,367
Total Liabilities and Net Assets	¥527,537,666	¥449,643,494	\$5,265,372,454

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

Statements of Income and Retained Earnings

For the six months ended March 31, 2008 and September 30, 2007

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2007 to March 31, 2008
Operating Revenues and Expenses			
Operating Revenues:			
Rental revenues	¥17,761,985	¥17,079,232	\$177,283,012
Non-rental revenues	45,727	53,172	456,405
Dividends earned	7,935,763		79,207,138
Gain on sale of properties		397,770	
Total operating revenues	25,743,475	17,530,174	256,946,555
Operating Expenses:			
Property-related expenses	8,678,165	7,894,956	86,617,079
Asset management fees	2,574,029	661,347	25,691,485
Administrative service fees	158,103	150,965	1,578,038
Other operating expenses	114,305	83,797	1,140,887
Total operating expenses	11,524,604	8,791,065	115,027,490
Operating income	14,218,871	8,739,108	141,919,065
Non-Operating Revenues and Expenses			
Non-Operating Revenues:			
Interest income	33,567	29,960	335,034
Other non-operating revenues	12	2,678	128
Non-Operating Expenses:			
Interest expense	773,348	695,398	7,718,817
Interest expense on investment corporation bonds	438,698	413,838	4,378,664
Amortization of investment corporation bond issuance costs	20,859	16,159	208,200
New unit issuance costs	52,848		527,480
Other non-operating expenses	20,113	60,136	200,755
Income before Income Taxes	12,946,583	7,586,213	129,220,311
Income Taxes:			
Current	908	1,087	9,066
Deferred	8	(4)	89
Net Income	12,945,665	7,585,130	129,211,156
Retained Earnings Brought Forward	231	101	2,315
Retained Earnings at End of Period	¥12,945,897	¥ 7,585,231	\$129,213,471

Statements of Changes in Unitholders' Equity

For the six months ended March 31, 2008 and September 30, 2007

	Units	Thousands of yen		Total
		Unitholders' capital	Retained earnings	
Balance as of March 31, 2007	410,000	¥264,683,960	¥ 7,183,711	¥271,867,671
Public offering				
Cash dividends paid			(7,183,610)	(7,183,610)
Net income			7,585,130	7,585,130
Balance as of September 30, 2007	410,000	¥264,683,960	¥ 7,585,231	¥272,269,191
Public offering	33,000	32,917,500		32,917,500
Cash dividends paid			(7,585,000)	(7,585,000)
Net income			12,945,665	12,945,665
Balance as of March 31, 2008	443,000	¥297,601,460	¥12,945,897	¥310,547,357
			U.S. dollars (Note 1)	
Balance as of September 30, 2007	410,000	\$2,641,820,142	\$ 75,708,474	\$2,717,528,615
Public offering	33,000	328,550,754		328,550,754
Cash dividends paid			(75,706,158)	(75,706,158)
Net income			129,211,156	129,211,156
Balance as of March 31, 2008	443,000	\$2,970,370,895	\$129,213,471	\$3,099,584,367

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

Statements of Cash Flows

For the six months ended March 31, 2008 and September 30, 2007

	Thousands of yen		U.S. dollars (Note 1)
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2007 to March 31, 2008
Cash Flows from Operating Activities			
Income before income taxes	¥12,946,583	¥ 7,586,213	\$129,220,311
Depreciation and amortization	3,068,427	2,835,589	30,626,088
Amortization of investment corporation bond issuance costs	20,859	16,159	208,200
New unit issuance costs	52,848		527,480
Dividends earned	(7,935,763)		(79,207,138)
Interest income	(33,567)	(29,960)	(335,034)
Interest expense	1,212,046	1,109,237	12,097,481
Rental receivables	(21,718)	39,217	(216,777)
Other receivables	146,549	724,386	1,462,721
Refundable income taxes	(3,490)	2,312	(34,836)
Refundable consumption taxes	(1,458,648)	165,977	(14,558,823)
Prepaid expenses	(29,489)	11,818	(294,336)
Trade accounts payable	632,194	(279,891)	6,309,959
Other payables	1,951,478	76,072	19,477,776
Accrued expenses	(260,748)	260,816	(2,602,537)
Rent received in advance	44,418	92,556	443,344
Decrease due to sale of property and equipment		1,334,569	
Long-term prepaid expenses	(2,934)	498	(29,290)
Other	(993)	(1,210)	(9,912)
Sub-total	10,328,053	13,944,365	103,084,677
Interest received	41,317	23,872	412,392
Interest paid	(1,207,550)	(1,022,347)	(12,052,600)
Income taxes paid	(931)	(1,075)	(9,293)
Net cash provided by operating activities	9,160,890	12,944,814	91,435,176
Cash Flows from Investing Activities			
Payments of time deposits	(3,745,000)	(7,538,222)	(37,378,980)
Proceeds from time deposits	9,165,000	3,339,222	91,476,195
Purchases of property and equipment	(74,171,252)	(8,083,745)	(740,305,947)
Purchases of intangible assets	(486,375)		(4,854,533)
Payments of deposits		(1,380)	
Repayment of lease deposits received	(1,008,112)	(1,120,953)	(10,062,009)
Proceeds from lease deposits received	4,919,704	1,616,667	49,103,746
Net cash used in investing activities	(65,326,036)	(11,788,411)	(652,021,528)
Cash Flows from Financing Activities			
Proceeds from short-term loans	48,000,000	2,000,000	479,089,730
Repayment of short-term loans	(25,000,000)	(2,000,000)	(249,525,901)
Proceeds from long-term loans	10,000,000	10,500,000	99,810,360
Repayment of long-term loans		(6,000,000)	
Proceeds from investment corporation bond		25,000,000	
Payments of investment corporation bond redemption		(25,000,000)	
Payments of investment corporation bond issuance costs	(1,472)	(129,608)	(14,700)
Proceeds from issuance of units	32,917,500		328,550,754
Payment of new unit issuance costs	(41,154)		(410,764)
Dividends to unitholders	(7,585,000)	(7,183,610)	(75,706,158)
Net cash provided by (used in) financing activities	58,289,872	(2,813,218)	581,793,321
Net Increase (Decrease) in Cash and Cash Equivalents	2,124,726	(1,656,815)	21,206,969
Cash and Cash Equivalents at Beginning of Period	9,647,825	11,304,640	96,295,289
Cash and Cash Equivalents at End of Period	¥11,772,551	¥ 9,647,825	\$117,502,258

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

Notes to Financial Statements

March 31, 2008 and September 30, 2007

1. ORGANIZATION AND BASIS OF PRESENTATION

Organization

Japan Real Estate Investment Corporation (the "Company") is a real estate investment corporation formed to own and invest primarily in a portfolio of office properties. The Company is externally managed by a licensed asset management company, Japan Real Estate Asset Management Co., Ltd. ("J-Rea"). J-Rea is currently owned 36% by Mitsubishi Estate Co., Ltd. ("MEC"), 27% by The Tokio Marine & Nichido Fire Insurance Co., Ltd. ("TMN"), 27% by The Dai-ichi Mutual Life Insurance Company ("DL") and 10% by Mitsui & Co., Ltd.

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

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

On March 12, 2008, the Company completed a sixth public offering of 33,000 units at a price of ¥997,500 (\$9,956) generating gross proceeds of ¥32,917 million (\$328,551 thousand). As of March 31, 2008, the Company had total unitholders' capital of ¥297,601 million (\$2,970,371 thousand) with 443,000 outstanding units.

At March 31, 2008, the Company owned a portfolio of 53 office properties concerning an aggregate of approximately 479,877 square meters of leasable space.

Basis of presenting financial statements

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

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

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥100.19=US\$1.00, the foreign exchange rate on March 31, 2008, has been used for translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled into U.S. dollars at that rate or any other rate.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investment securities

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

Property and equipment

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

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

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

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

Deferred charges

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

Investment corporation bond issuance costs are amortized using the straight-line method over the amortization periods. Investment corporation bond issuance costs recorded on the balance sheets for the 11th fiscal period and before are amortized using the straight-line method over three years, with an equal amount amortized in each fiscal period.

New unit issuance costs are charged to income as incurred. The underwriters' commissions of the public offering are not recognized as new unit issuance costs in the financial statements since such costs are not payable by the Company under the so-called "spread method". Under the spread method, the difference between the offer price (the price paid by the unitholder) and the issue price (the price received by the Company) is directly paid to the underwriters. The difference incurred at the sixth offering on March 12, 2008 was ¥1,039 million (\$10,375 thousand).

Revenue recognition

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

Taxes on property and equipment

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

Consumption taxes

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

Cash and cash equivalents

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

3. INVESTMENT SECURITIES

Investment securities recorded at cost at March 31, 2008 and September 30, 2007 are summarized as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
Other securities			
Non-listed stock	¥1,272,797	¥1,272,797	\$12,703,838

4. PROPERTY AND EQUIPMENT

Property and equipment at March 31, 2008 and September 30, 2007 consisted of the following:

	Thousands of yen				U.S. dollars	
	As of March 31, 2008		As of September 30, 2007		As of March 31, 2008	
	Acquisition Costs	Book Value	Acquisition Costs	Book Value	Acquisition Costs	Book Value
Land	¥307,313,991	¥307,313,991	¥267,192,199	¥267,192,199	\$3,067,312,020	\$3,067,312,020
Buildings and structures	162,694,804		129,501,363		1,623,862,703	
Accumulated depreciation	(18,241,162)	144,453,641	(15,550,114)	113,951,248	(182,065,699)	1,441,797,005
Machinery and equipment	2,215,416		1,643,944		22,112,154	
Accumulated depreciation	(613,694)	1,601,722	(540,639)	1,103,305	(6,125,307)	15,986,847
Tools, furniture and fixtures	85,840		85,840		856,781	
Accumulated depreciation	(30,157)	55,683	(22,419)	63,421	(301,001)	555,779
Construction in progress	1,315,581	1,315,581	974,677	974,677	13,130,866	13,130,866
Land in trust	28,996,240	28,996,240	28,996,240	28,996,240	289,412,519	289,412,519
Buildings and structures in trust	20,505,050		20,239,239		204,661,652	
Accumulated depreciation	(4,595,432)	15,909,618	(4,319,008)	15,920,231	(45,867,173)	158,794,478
Machinery and equipment in trust	552,694		552,694		5,516,462	
Accumulated depreciation	(348,391)	204,303	(328,486)	224,207	(3,477,304)	2,039,158
Tools, furniture and fixtures in trust	8,724		8,724		87,079	
Accumulated depreciation	(3,170)	5,554	(2,912)	5,811	(31,644)	55,435
Total	¥499,856,336	¥499,856,336		¥428,431,343	\$4,989,084,107	\$4,989,084,107

The compressed amount of tangible assets with government grants under the Corporation Tax Law of Japan was ¥50 million (\$500 thousand) at March 31, 2008 and ¥50 million (\$500 thousand) at September 30, 2007.

5. SHORT-TERM LOANS

Short-term loans at March 31, 2008 and September 30, 2007 consisted of the following:

	Thousands of yen		U.S. dollars
	As of	As of	As of
	March 31, 2008	September 30, 2007	March 31, 2008
0.9575% unsecured loan from a bank, due on March 24, 2009	¥ 4,500,000	¥	\$ 44,914,662
0.9575% unsecured loan from a trust bank, due on September 24, 2008	4,000,000		39,924,144
0.9575% unsecured loan from a bank, due on September 24, 2008	4,500,000		44,914,662
0.9575% unsecured loan from a trust bank, due on September 24, 2008	4,000,000		39,924,144
0.9575% unsecured loan from a bank, due on March 24, 2009	3,000,000		29,943,108
1.0083% unsecured loan from a bank, due on March 24, 2009	2,000,000		19,962,072
0.9575% unsecured loan from a bank, due on March 24, 2009	1,000,000		9,981,036
Total	¥23,000,000		\$229,563,829

The Company has commitment lines of ¥25,000 million (\$249,526 thousand) with four financial institutions to reduce a refinancing risk. The unused amount of such commitment lines was ¥25,000 million (\$249,526 thousand) at March 31, 2008.

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

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

	As of March 31, 2008		As of September 30, 2007		As of March 31, 2008
	Amount (thousands of yen)	Interest rate (%)	Amount (thousands of yen)	Interest rate (%)	Amount (U.S. dollars)
Unsecured bond due on April 30, 2008	¥10,000,000	0.69%	¥10,000,000	0.69%	\$ 99,810,360
Unsecured bond due on April 30, 2010	10,000,000	0.98%	10,000,000	0.98%	99,810,360
Unsecured bond due on September 29, 2025	10,000,000	2.56%	10,000,000	2.56%	99,810,360
Unsecured bond due on June 18, 2012	10,000,000	1.67%	10,000,000	1.67%	99,810,360
Unsecured bond due on June 18, 2014	15,000,000	1.91%	15,000,000	1.91%	149,715,540
Subtotal	¥55,000,000		¥55,000,000		\$548,956,982
Less: current portion of investment corporation bonds	(10,000,000)		(10,000,000)		(99,810,360)
Total	¥45,000,000		¥45,000,000		\$449,146,621

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

Long-term loans at March 31, 2008 and September 30, 2007 consisted of the following:

	Thousands of yen		U.S. dollars
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
1.0575% unsecured loan from a bank, due on March 24, 2009	¥ 2,000,000	¥ 2,000,000	\$ 19,962,072
1.015% unsecured loan from an insurance company, due on March 30, 2009	5,000,000	5,000,000	49,905,180
1.86875% unsecured loan from an insurance company, due on May 29, 2015	5,000,000	5,000,000	49,905,180
1.47125% unsecured loan from an insurance company, due on March 30, 2011	2,000,000	2,000,000	19,962,072
1.86875% unsecured loan from an insurance company, due on May 29, 2015	1,500,000	1,500,000	14,971,554
1.50125% unsecured loan from an insurance company, due on August 31, 2011	5,000,000	5,000,000	49,905,180
1.55% unsecured loan from an insurance company, due on October 29, 2012	2,000,000	2,000,000	19,962,072
1.33125% unsecured loan from another financial institution, due on November 1, 2011	5,000,000	5,000,000	49,905,180
1.63% unsecured loan from a trust bank, due on April 4, 2011	10,000,000	10,000,000	99,810,360
1.73% unsecured loan from a trust bank, due on June 1, 2011	22,000,000	22,000,000	219,582,793
1.65925% unsecured loan from banks, trust banks, and an insurance company, due on June 23, 2011	24,000,000	24,000,000	239,544,865
1.2875% unsecured loan from a bank, due on December 15, 2009	2,000,000	2,000,000	19,962,072
1.6225% unsecured loan from a bank, due on June 15, 2010	3,000,000	3,000,000	29,943,108
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000		19,962,072
1.4925% unsecured loan from a bank, due on August 31, 2012	1,000,000	1,000,000	9,981,036
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000		19,962,072
1.10625% unsecured loan from a bank, due on March 24, 2010	3,000,000		29,943,108
1.10625% unsecured loan from a bank, due on March 24, 2010	2,000,000		19,962,072
1.10625% unsecured loan from a bank, due on March 24, 2010	1,000,000		9,981,036
Subtotal	¥99,500,000	¥89,500,000	\$993,113,085
Less: current portion of long-term loans	7,000,000	()	69,867,252
Total	¥92,500,000	¥89,500,000	\$923,245,833

8. NET ASSETS

The Company is required to maintain net assets of at least ¥50 million (\$499 thousand), as required pursuant to the Investment Trust Law.

9. INCOME TAXES

At March 31, 2008 and September 30, 2007, the Company's deferred tax assets consisted mainly of the enterprise tax, which is not deductible for tax purposes. The reconciliation of tax rate difference between the adjusted statutory tax rate and the effective tax rate for the six months ended March 31, 2008 and September 30, 2007 were as follows:

	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007
Statutory tax rate.....	39.39%	39.39%
Deductible dividend distribution.....	(39.39%)	(39.38%)
Others.....	0.01%	0.00%
Effective tax rate.....	0.01%	0.01%

The Company is subject to Japanese corporate income taxes on all of its taxable income. However, under the Special Taxation Measures Law of Japan, or the STML, an investment corporation is allowed to deduct dividends of accounting profits, or dividend distributions, paid to investors from its taxable income if certain tax requirements are satisfied. Such tax requirements include dividend distributions in excess of 90% of its taxable income for the fiscal period as stipulated by Article 67-15 of the STML. Based on the distribution policy provided by Article 32-2 of the Articles of Incorporation, the Company made a dividend distribution of integral multiple of number of units up to 100% of retained earnings in the amount of ¥12,945 million (\$129,212 thousand) subsequent to March 31, 2008 and treated it as tax deductible dividend. The Company will not distribute the dividends in excess of retained earnings under Article 32-3 of the Articles of Incorporation.

10. PER UNIT INFORMATION

The following table summarizes information about net assets per unit and net income per unit at March 31, 2008 and September 30, 2007, and for the periods then ended:

	Yen		U.S. dollars
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2007 to March 31, 2008
Net assets at period end per unit	¥701,009	¥664,071	\$6,997
Net income per unit	¥ 31,299	¥ 18,500	\$ 312

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

11. RELATED PARTY TRANSACTIONS

For the six months ended March 31, 2008 and September 30, 2007

For the period from April 1, 2007 to September 30, 2007

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

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

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

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

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

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

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

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

- (4) Sister Companies
“Not applicable”

12. BREAKDOWN OF PROPERTY-RELATED REVENUES AND EXPENSES

For the six months ended March 31, 2008 and September 30, 2007

	Thousands of yen		U.S. dollars
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2007 to March 31, 2008
Property-Related Revenues	¥17,807,712	¥17,132,404	\$177,739,417
Rental Revenues	17,761,985	17,079,232	177,283,012
Rental revenues	13,632,566	13,086,421	136,067,139
Common service charges	2,521,163	2,427,373	25,163,820
Parking revenues	506,853	504,046	5,058,925
Other rental revenues	1,101,401	1,061,389	10,993,129
Non-Rental Revenues	45,727	53,172	456,405
Cancellation charges	18,684	33,478	186,494
Other miscellaneous revenues	27,042	19,693	269,911
Property-Related Expenses	8,678,165	7,894,956	86,617,079
Property management expenses	1,925,915	1,875,476	19,222,636
Utilities expenses	1,201,728	1,177,925	11,994,495
Property and other taxes	1,338,556	1,346,026	13,360,180
Casualty insurance	37,954	37,391	378,827
Repairing expenses	991,096	580,466	9,892,173
Depreciation	3,068,427	2,835,589	30,626,088
Other rental expenses	114,485	42,079	1,142,680
Property-Related Profits	¥ 9,129,547	¥ 9,237,448	\$ 91,122,338

13. BREAKDOWN OF GAIN ON SALE OF PROPERTIES

For the six months ended March 31, 2008 and September 30, 2007

	Thousands of yen		U.S. dollars
	For the period from October 1, 2007 to March 31, 2008	For the period from April 1, 2007 to September 30, 2007	For the period from October 1, 2007 to March 31, 2008
Kobe-Itomachi Building			
Revenue from sale of property	¥	¥1,770,000	\$
Cost of property		1,334,569	
Other sale expenses		37,660	
Gain on sale of property	¥	¥ 397,770	\$

14. SUPPLEMENTAL CASH FLOW INFORMATION

The following table represents a reconciliation of cash and cash equivalents at March 31, 2008 and September 30, 2007:

	Thousands of yen		U.S. dollars
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
Cash and deposits with banks	¥ 8,381,956	¥11,459,974	\$ 83,660,609
Cash and deposits with banks held in trust	4,742,594	4,959,850	47,336,010
Time deposits with maturities of more than three months	(1,352,000)	(6,772,000)	(13,494,361)
Cash and cash equivalents	¥11,772,551	¥ 9,647,825	\$117,502,258

15. LEASES

The Company owns office buildings under leases and earns rent income. As of March 31, 2008 and September 30, 2007, the future lease revenues under the non-cancelable operating leases are as follows:

	Thousands of yen		U.S. dollars
	As of March 31, 2008	As of September 30, 2007	As of March 31, 2008
Due within one year	¥11,880,599	¥ 8,428,079	\$118,580,693
Due after one year	36,470,031	25,494,616	364,008,700
Total	¥48,350,631	¥33,922,695	\$482,589,393

16. SUBSEQUENT EVENTS

“Not applicable”

Report of Independent Auditors

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

We have audited the accompanying balance sheets of Japan Real Estate Investment Corporation as of March 31, 2008 and September 30, 2007, 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, 2008 and September 30, 2007, 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.

June 26, 2008

Ernst & Young Shin Nihon

Corporate Data

As of March 31, 2008



Executives

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

Paid-in Capital

¥297,601,460,000

Number of Units Outstanding

443,000

Number of Unitholders

13,534

Stock Listing

Tokyo Stock Exchange

Securities Code

8952

Type of Investment Corporation

Closed-end corporate type fund

Transfer Agent

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

Auditors

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

Incorporation

May 11, 2001

Executive Office

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

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

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 Japan Real Estate Investment Corporation'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 Japan Real Estate Investment Corporation. Actual results may differ substantially from the projections depending on a number of factors.

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