November 17, 2006

JAPAN REAL ESTATE INVESTMENT CORPORATION
ANNOUNCEMENT OF TENTH FISCAL PERIOD RESULTS

1. Summary of Financial Results

In the 10th fiscal period (six months ended September 30, 2006), Japan Real Estate Investment Corporation ("JRE") recorded operating revenues of 15,570 million yen*, up 11.5% from the previous period. Operating profits rose 11.4% to 7,041 million yen. After deducting expenses for interest payments on loans and other administrative costs, recurring profit increased 7.0% to 5,977 million yen, and net income climbed 7.0% to 5,976 million yen.

JRE's policy with regard to profit appropriation is to distribute dividends of approximately 100% of taxable income in order to enjoy the tax benefit available under Article 67-15 of the Special Taxation Measures Law of Japan applicable to J-REITs. For the period under review, we declared a cash dividend of 17,302 yen per unit.

Note: *Includes gains from sales of properties totaling 400 million yen

2. Results of Operations

(1) Property Management and Acquisition/Sales (Strengthening Portfolio Quality)

During the period under review, the Japanese economy continued on the road to a moderate but steady recovery, supported by increases in capital spending on the back of stronger corporate earnings, and by a more favorable consumer mindset spurred by improvements in employment conditions.

The market for leased office space received support from a recovery in corporate earnings performance, leading to marked improvement in vacancy rates and increases in rents for new tenants, particularly in central Tokyo. In addition, improvements were seen in the balance of supply and demand in other regional urban centers.

JRE maintained a high occupancy rate of 98.2% (as of September 30, 2006) by (1) acquiring top-level properties and upgrading building facilities through optimal refurbishment in order to maintain and improve functions; and (2) by developing finely tuned building management policies from the perspective of tenants, while undertaking vigorous sales activities. In light of the recovery in the market for leased office space in central Tokyo, JRE has also undertaken concrete initiatives aimed at further increasing revenues and raising the level of rents.

Regarding the property market, the view that land prices have bottomed out, signs of increasing land prices in central Tokyo and the sound market for leased office space have supported increased investment in real estate not only by Japanese Real Estate Investment Trusts (J-REITs), but also by other institutional investors. Accordingly, competition to acquire prime properties in urban centers has intensified.

In this sort of market environment, JRE made acquisitions of prime properties and additional share in the properties with a view toward further strengthening the quality of its portfolio. On June 28, 2006, JRE conducted its first sales of properties from its portfolio, as detailed below. As a result, JRE's properties and other assets as of September 30, 2006 consisted of 49 office buildings with a total acquisition amount of 418,693 million yen. Total leasable floor area was 396,173 m^2 (approximately 119,842 *tsubo*), with a total of 754 tenants.

Property Name	Location	Type of Specified Asset	Sales Price (thousand yen)
JAL Sales Building	Meguro-ku, Tokyo	Trust beneficiary right in trust of real estate	2,593,000
Shin-Yokohama First Building	Yokohama City, Kanagawa Prefecture	Real property	1,755,277
Niigata Ishizuecho Nishi-Bandaibashi Building	Niigata City, Niigata Prefecture	Trust beneficiary right in trust of real estate	1,490,000
Kanazawa Minamicho Building	Kanazawa City, Ishikawa Prefecture	Trust beneficiary right in trust of real estate	1,165,000

(2) Finance Activities

In line with the acquisition of additional share in the Sanno Grand Building on April 3, 2006, JRE secured 10,000 million yen in long-term loans upon the same date. In contrast, proceeds from the sales of 4 properties on June 28, 2006 were used to repay 4,000 million of short-term loans ahead of schedule on June 30, 2006. In addition, a portion of short-term loans was converted to long-term loans. As a result, on September 30, 2006, JRE had total interest-bearing debt of 202,500 million yen, consisting of 70,500 million yen in short-term loans (including the current portion of long-term loans), 77,000 million yen in long-term loans (not including the current portion of long-term loans), and outstanding investment corporation bonds with a par value of 55,000 million yen.

JRE has received the following credit ratings.

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

3. Outlook

(1) Operating Environment

Despite expectations for a sustained recovery in the Japanese economy, uncertainties remain overall concerning the impact of the U.S. economy on the Japanese market, increases in interest rates and the impact of rising crude oil and raw material prices on corporate earnings performance.

In the office building leasing market, vacancy rates in central Tokyo and certain other regional urban centers are demonstrating marked improvement. In addition, rent levels are expected to rise for a portion of office buildings. At the same time, property selection is evolving in terms of location, building quality and features, and trends toward a bipolarization of the market are likely to grow stronger.

At the same time, tenants in the office market have increasingly stringent demands with respect to high-quality building management and value-added services. Consequently, tenants have become more and more discriminating when selecting buildings. We anticipate that it will become even more important for suppliers to provide services that correctly and promptly reflect the needs of tenants and to deliver added value that differentiates their buildings from the competition.

In the real estate market, JRE expects active real estate investment to be continued by J-REITs, in addition to such entities as private funds, pension funds and institutional investors. Accordingly, we expect that competition to acquire prime properties in urban centers will become more severe.

①Property Management

In accordance with the aforementioned, JRE operates with an awareness that conditions in the office building leasing market will remain uncertain, despite some signs of a full-fledged recovery. JRE adheres to the following management policies in order to maintain and improve earnings.

(i) Strengthen relationships of trust with existing tenants

As of September 30, 2006, JRE had contracts with 12 property management companies. Most of these companies were already managing their respective buildings before they were acquired by JRE and so have built relationships of trust with their tenants. JRE 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.

(ii) Fill vacancies promptly

In cooperation with the property management companies mentioned above, JRE actively seeks the most appropriate tenants for each property, based on its 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.

(iii) Stabilize revenues

For its new agreements, JRE is shifting to fixed-term and long-term leasing agreements with its large scale tenants with the aim of stabilizing revenues.

(iv) Reduce management costs

JRE has introduced sound competitive principles for its 12 property management companies to follow. These companies are also revamping their management systems and cost structures. Through these measures, JRE strives to reduce the sum of property management fees and utility expenses by 5% within 3 years of acquisition.

②Property Acquisitions and Sales

JRE has adopted the following policies for acquiring properties.

(i) To access important information quickly, JRE is enhancing its property information channels, including strengthening its relationship with building owners with whom it has previously conducted business. We are also working to develop new channels.

(ii) In its acquisition activities, JRE will continue to meticulously monitor and examine economic, physical, and legal factors, including rights-related issues, while also taking business conditions into account when selecting properties. With regard to the structure of buildings, we require buildings to meet or exceed new earthquake-resistance standards, and we are targeting properties capable of maintaining a competitive edge over the medium to long term.

(iii) JRE’s general target for regional diversity of property ownership, in accordance with its acquisition policies, is for 70% or more of properties to be located within the Tokyo metropolitan area, with the remaining 30% or less located in other regional urban centers.

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

The appropriate timing for property acquisition cannot be ascertained in advance, necessitating a flexible approach to financing acquisitions. When funding property acquisitions, therefore, JRE mainly takes out short-term loans at the time of purchase and later selects various options for capital procurement, including corporate bond issues, according to trends in financial markets. When affecting a loan, our policy is to minimize funding costs by negotiating with several qualified institutional investors before settling on a lender.

(2) Performance Forecasts

For the 11th fiscal period (October 1, 2006 to March 31, 2007), JRE forecasts operating revenues of 16,430 million yen, recurring profit of 6,780 million yen and net income of 6,780 million yen. We plan to declare a dividend of 16,530 yen per unit.

Our forecasts for the 12th fiscal period (April 1, 2007 to September 30, 2007) are operating revenues of 16,540 million yen, recurring profit of 6,820 million yen, net income of 6,820 million yen, and cash dividends of 16,600 yen per unit.

The above estimates for the 11th and 12th periods are based on conservative assumptions of the portfolio consisting of 49 properties as of September 30, 2006, and the acquisition of share in the Nishiki Park Building on October 2, 2006 and November 1, 2006. Estimates are subject to change in accordance with the acquisition or sales of other properties. These estimates are also based on 410,000 investment units, consisting of 345,400 investment units outstanding as of September 30, 2006 plus the issue of 64,600 new investment units on October 24, 2006.

After September 30, 2006, JRE acquired share of the Nishiki Park Building on two occasions as detailed below. In addition, JRE plans to make an additional acquisition of preferred capital contribution certificates, as described below.

1. Nishiki Park Building (acquisition of share and acquisition of additional share)

Transaction Summary:

Asset acquired:	Real estate and land leasehold rights	
Date of acquisition[*1]:	(1) October 2, 2006	(2) November 1, 2006
Acquisition price:	(1) 3,850 million yen	(2) 1,300 million yen

Property Summary:

Location:	2-4-3 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
Use:	Offices, shops and residence
Land area[*2]:	2,170.45 m^2 (total land area for the building site)
Floor area:	25,091.91 m^2 (total floor space for the entire building)
Structure:	Steel-framed, steel-framed steel-reinforced concrete, and steel-reinforced concrete structure with flat roof, 22 floors above ground and 4 floors below ground
Completion date:	August 1995
Type of ownership:	Land: Ownership (partial leasehold rights[*3]) Building: Compartmentalized building units[*4] (Ownership share is subject to building management bylaws.)
Tenants:	48[*5]
Leasable area:	8,059 m^2 [*5]
Leased area:	7,959 m^2 [*5]
Occupancy rate:	98.8%[*5]

Notes:

*1 In terms of land in acquisition (1), JRE acquired ownership (387,900/1,000,000 co-ownership in 1 lot/1,786.45 m^2) and term leasehold rights (272,736/384,380 quasi-co-ownership in 1 lot/384 m^2), as well as compartmentalized co-ownership of the building (share in building: 43.89471%). In acquisition (2), JRE acquired additional ownership (155,589/1,000,000 co-ownership in 1 lot/1,786.45 m^2) of the land, and additional compartmentalized co-ownership (additional 13.15180%) of the building.

*2 The land in question includes partial leasehold rights (term leasehold), and the lot area of 384 m^2 is the area shown in the land registry. The area in the term leasehold agreement amounts to 384.38 m^2.

*3 Co-ownership in the 1,786.45 m^2 lot amounts to 543,489/1,000,000 and co-ownership in the 384 m^2 lot amounts to 272,736/384,380 quasi-co-ownership.

*4 In the office and shop spaces on floors 1 through 20 (13,296.06 m^2), JRE’s co-ownership amounts to

6,093,025/10,000,000. In the residential space on floors 21 and 22 (999.50 m^2), JRE's co-ownership amounts to 9/10. JRE's total share in the building is 57.04651%.

*5 Figures related to leasing in the summary for the building are for the 57.04651% of the building owned by JRE as of November 1, 2006. The figures do not include the residential space of the building. The tenant for the residential space is Mitsubishi Estate Co., Ltd. (lessee), with whom a master lease agreement was concluded on November 1, 2006. In the residential space, total leasable area is 954 m^2, total leased area is 954 m^2, and the occupancy rate is 100%. According to the terms of the master lease agreement, the lessee does not guarantee the amount of rent to be paid to JRE. Rather the rent revenue collected by JRE is based on the rent that the lessee receives from "end-tenants." The number of "end-tenants" is 14, total leasable area is 954 m^2, and the occupancy rate is 100%.

2. Preferred Capital Contribution Certificates*1 (additional purchase) in Harumi Front Special Purpose Company

Transaction Summary:

Asset to be acquired: 5,360 preferred capital contribution certificates
Scheduled date of acquisition: November 24, 2006
Acquisition price: 268 million yen

Notes:

*1 The preferred capital contribution certificates are issued by Harumi Front Special Purpose Company (hereafter "the TMK"), which is undertaking the development of the Harumi Center Building. JRE concluded an agreement with the TMK on March 24, 2005, in which JRE agreed to underwrite the preferred capital contribution certificates issued by the TMK on three occasions. The acquisition summarized above is the third of these transactions.

*2 The following table is a summary of the TMK's preferred capital contribution certificates already purchased or planned for purchase by JRE, in accordance with the preferred capital contribution underwriting agreement.

Issuance Date	Number of Units	Issue Price	
		Price per Units (yen)	Total Issue (yen)
March 29, 2005	19,120	50,000	956,000,000
November 24, 2005	920	50,000	46,000,000
November 24, 2006（Planned）	5,360	50,000	268,000,000
Total (Planned)	25,400	50,000	1,270,000,000

With the underwriting of the preferred capital contribution certificates on the occasions above, JRE will acquire a total of 25,400 units out of all 50,900 preferred capital contribution certificates issued by the TMK. JRE's ownership ratio of the preferred capital contribution will be approximately 49.9%, accounting for approximately 9.9% of total project costs.

*3 In accordance with the terms of the preferred capital contribution certificates underwriting agreement, JRE has also acquired preferential purchasing rights granting it with priority to purchase assets related to the Harumi Center Building upon completion of its construction.

*4 Summary of Harumi Center Building

Location (Residential address):	2-5-24 Harumi, Chuo-ku, Tokyo
Land area:	4,664.63 m^2
Total floor area:	27,365.85 m^2
Total leasable area:	20,812.35 m^2
Structure:	Steel-framed structure
Floors:	10 floors above ground, single-story rooftop machineroom
Intended use:	Office space, retail stores and parking area
Total project cost:	12,821 million yen (planned)
Construction schedule:	Commencement: May 2005
	Completion: November 30, 2006 (planned)

Limit on preferential purchasing rights: May 31, 2008

The details of the Harumi Center Building are planned or scheduled and are subject to changes.

*5 The period of the TMK's asset securitization plan (the interval from the beginning day to the final day of operations related to the securitization of assets) is the 9 years from March 17, 2005 through March 16, 2014. However, in the event that the Harumi Center Building owned by the TMK is sold, the TMK may be liquated before the completion of the above scheduled period.

In addition, JRE resolved on October 2, 2006 to issue 64,600 new investment units for public offering, with the objective of raising funds for the repayment of loans and for the acquisition of specific new properties. Through the issue of these new investment units, JRE raised a total of 63,211.1 million yen on October 24, 2006 (Delivery date on investment securities: October 25, 2006).

Capital secured through the issue of these new investment units was used for early repayment of 4,500 million yen in short-term loans on October 31, 2006. JRE also plans to repay 58,000 million yen in short-term loans ahead of schedule on November 24, 2006.

Income Statement for the 10th Period

(In millions of yen, except for dividend per unit)

Item	10th Period (183 days)			9th Period	Change	% Change
	Existing properties	New properties and additional shares of ownership acquired	Total	(182 days)		
Operating Revenues	15,083	486	15,570	13,962	1,607	11.5%
Rental revenues	14,580	486	15,066	13,899		
Non-rental revenues	102	0	102	63		
Gain on sale of properties	400	0	400	0		
Property-Related Expenses (excluding depreciation)	4,744	84	4,829	4,384	444	10.1%
Property management fees	1,712	54	1,766	1,684		
Utilities expenses	1,174	23	1,198	1,068		
Property and other taxes	1,271	0	1,271	1,035		
Casualty insurance	38	0	38	35		
Repairs and maintenance	507	5	513	528		
Other rental expenses	40	0	40	32		
NOI (excluding gain on sale of properties)	9,937	401	10,339	9,578	761	8.0%
Depreciation	2,646	36	2,682	2,359		
Gross Operating Profits	7,692	365	8,058	7,218	840	11.6%
Administrative Expenses			1,016	898	117	13.1%
Asset management fees			653	571		
Other administrative expenses			363	327		
Operating Profits			7,041	6,319	722	11.4%
Non-Operating Revenues			7	2	4	174.3%
Interest income			4	0		
Other non-operating revenues			3	2		
Non-Operating Expenses			1,072	735	337	45.9%
Interest expense			646	327		
Interest expense on investment corporation bonds			376	376		
Amortization of investment corporation bond issuance costs			9	9		
Other non-operating expenses			39	20		
Recurring Profits			5,977	5,586	390	7.0%
Income before Income Taxes			5,977	5,586	390	7.0%
Income taxes, etc.			1	1		
Net Income			5,976	5,585	390	7.0%
Retained Earnings at end of period			5,976	5,585		
FFO (Net Income+Depreciation)			8,658	7,945	712	9.0%
Dividend per Unit			17,302	16,172		

* New properties and additional shares of ownership acquired: Sanno Grand Building (acquisition of additional share of ownership), Sendai Honcho Honma Building (acquisition of additional share of ownership), Hirokoji Tokio Marine Nichido Building
In the above Income Statement, the profits or losses in the 10th period for the properties in which additional shares of ownership have been acquired during the 10th period are prorated between “existing properties” and “new properties and additional shares of ownership acquired” based on respective holding periods and shares of ownership. (Provided however, property tax, city planning tax and tax on depreciable assets are not prorated, but entire amounts are included in “property and other taxes” for existing properties.)

Balance Sheet for the 10th Period

(In millions of yen)

Current Assets	10th Period-end (Sep 30, 06)	9th Period-end (Mar 31, 06)	Change	Reason for change
Current Assets				
Cash and entrusted cash	21,102	17,485	3,617	
Other current assets	401	1,296	-895	
Total current assets	21,504	18,782	2,722	
Fixed Assets				
Property and Equipment				
Buildings (including those held in trust)	136,599	137,926	-1,327	Increased due to acquisition of properties and capital expenditure, and decreased due to sales of properties
Structures (including those held in trust)	1,530	1,537	-7	
Machinery and equipment (including that held in trust)	2,151	2,219	-68	
Land (including that held in trust)	291,407	283,232	8,175	
Accumulated depreciation	-16,023	-14,148	-1,875	
Total Property and Equipment	415,666	410,767	4,899	
Intangible Assets				
Leasehold rights, etc. (including those held in trust)	2,941	2,941	0	
Total Intangible Assets	2,941	2,941	0	
Investments and Others				
Investment securities	1,004	1,004	0	
Long-term prepaid expenses, etc.	16	17	-1	
Total Investments and Others	1,021	1,021	0	
Total Fixed Assets	419,628	414,730	4,898	
Deferred Assets				
Issuance cost of investment corporation bonds	29	39	-10	
Total Deferred Assets	29	39	-10	
Total Assets	441,163	433,552	7,611	

(In millions of yen)

Item	10th Period-end (Sep 30, 06)	9th Period-end (Mar 31, 06)	Change	Reason for Change
Liabilities				
Current Liabilities				
Short-term loans	64,500	90,500	-26,000	Decreased due to repayment of short-term loans and conversion to long-term loans
Current portion of long-term loans	6,000	24,000	-18,000	Decreased due to refinancing
Current portion of investment corporation bonds	25,000	0	25,000	
Rent received in advance	2,425	2,608	-183	
Other current liabilities	2,902	2,147	755	
Total Current Liabilities	100,827	119,256	-18,429	
Long-term Liabilities				
Investment corporation bonds	30,000	55,000	-25,000	
Long-term loans	77,000	27,000	50,000	Increased due to conversion from short-term loans
Deposits from tenants	25,886	25,237	649	Changed due to property acquisitions and sales
Other long-term liabilities	0	0	0	
Total Long-term Liabilities	132,886	107,237	25,649	
Total Liabilities	233,714	226,493	7,221	
Unitholders' Equity				
Unitholders' Capital	201,472	201,472	0	
Retained Earnings	5,976	5,585	391	
Total Unitholders' Equity	207,449	207,058	391	
Total Liabilities and Unitholders' Equity	441,163	433,552	7,611	

Property Data

(In millions of yen) (In thousands of yen)

Area		Name	10th Period Appraisal Value (Sep 30, 06)	9th Period Appraisal Value (Mar 31, 06)	Amount of Difference	10th Period Book Value (Sep 30, 06)	10th Period Appraisal Value-Book Value	Acquisition Price	10th Period Occupancy Rates (Sep 30, 06)
Tokyo Metropolitan Area	23 Wards	Genki Medical Plaza	6,210	6,210	0	5,169	1,040	5,000,000	100.0%
		Kitanomaru Square	82,700	80,200	2,500	81,562	1,137	81,555,500	100.0%
		MD Kanda Bldg.	9,680	9,080	600	9,238	441	9,520,000	100.0%
		Kandabashi Park Bldg.	5,210	5,010	200	4,677	532	4,810,000	100.0%
		Mitsubishi Soken Bldg.	33,000	31,000	2,000	26,876	6,123	27,267,000	100.0%
		Nibancho Garden	16,100	15,800	300	14,584	1,515	14,700,000	100.0%
		Burex Kojimachi Bldg.	6,930	6,880	50	7,002	-72	7,000,000	100.0%
		Yurakucho Denki Bldg.	7,610	7,350	260	7,623	-13	7,200,000	100.0%
		Kodenmacho Shin-Nihonbashi Bldg.	3,420	3,400	20	2,939	480	3,173,000	100.0%
		Burex Kyobashi Bldg.	6,240	6,060	180	5,175	1,064	5,250,000	100.0%
		Ginza Sanwa Bldg.	17,300	17,300	0	17,096	203	16,830,000	100.0%
		Ryoshin Ginza East Mirror Bldg.	4,650	4,650	0	5,478	-828	5,353,500	100.0%
		Aoyama Crystal Bldg.	8,770	8,290	480	7,613	1,156	7,680,000	100.0%
		Shiba 2Chome Daimon Bldg.	6,930	6,650	280	4,974	1,955	4,859,000	98.9%
		Cosmo Kanasugibashi Bldg.	3,470	3,360	110	2,630	839	2,808,000	100.0%
		Shinwa Bldg.	8,270	8,180	90	7,850	419	7,830,000	100.0%
		Tokyo Opera City Bldg.	11,300	10,400	900	9,231	2,068	9,350,000	97.6%
		Takanawadai Bldg.	2,730	2,650	80	2,572	157	2,738,000	100.0%
		Higashi-Gotanda 1Chome Bldg.	6,700	6,520	180	5,408	1,291	5,500,000	87.2%
		Omori-Eki Higashiguchi Bldg.	5,460	5,390	70	4,636	823	5,123,000	100.0%
		Nippon Brunswick Bldg.	8,090	7,910	180	6,759	1,330	6,670,000	99.3%
		Yoyogi 1Chome Bldg.	10,100	9,620	480	8,504	1,595	8,700,000	100.0%
		da Vinci Harajuku	6,080	5,900	180	4,964	1,115	4,885,000	100.0%
		Jingumae Media Square Bldg.	15,100	14,090	1,010	12,104	2,995	12,200,000	82.9%
		Shibuya Cross Tower	43,300	41,600	1,700	37,756	5,543	34,600,000	99.7%
		Ebisu Neonato	5,370	5,000	370	3,945	1,424	4,100,000	100.0%
		Harmony Tower	11,800	10,400	1,400	8,732	3,067	8,500,000	100.0%
		Otsuka Higashi-Ikebukuro Bldg.	3,480	3,410	70	3,281	198	3,541,000	100.0%
		Ikebukuro 2Chome Bldg.	1,540	1,510	30	1,645	-105	1,728,000	100.0%
		Ikebukuro YS Bldg.	5,150	5,010	140	4,456	693	4,500,000	100.0%
	Excluding 23 Wards	Hachioji First Square	3,300	3,300	0	3,262	37	3,300,000	98.7%
		Saitama Urawa Bldg.	2,550	2,420	130	2,439	110	2,574,000	100.0%
		Kawasaki Isago Bldg.	3,360	3,290	70	2,999	360	3,375,000	93.4%
Others		Jozenji Park Bldg.	1,070	1,060	10	1,029	40	1,000,000	95.3%
		Kanazawa Park Bldg.	5,610	5,480	130	4,401	1,208	4,580,000	94.7%
		Nagoya Hirokoji Bldg.	15,900	15,900	0	14,135	1,764	14,533,000	96.6%
		Nagoya Misono Bldg.	1,890	1,890	0	1,690	199	1,865,000	100.0%
		Kyoto Shijo Kawaramachi Bldg.	2,140	2,090	50	2,913	-773	2,650,000	100.0%
		Sakaisujihonmachi Bldg.	4,610	4,400	210	4,061	548	4,164,000	100.0%
		Midosuji Daiwa Bldg.	15,900	14,600	1,300	13,718	2,181	14,314,000	100.0%
		Kobe Itomachi Bldg.	951	945	6	1,348	-397	1,436,000	94.3%
		Lit City Bldg.	5,220	4,890	330	4,660	559	4,650,000	100.0%
		NHK Hiroshima Broadcasting Center Bldg.	1,550	1,490	60	1,295	254	1,320,000	97.4%
		Tosei Tenjin Bldg.	1,480	1,360	120	1,426	53	1,550,000	92.2%
		Tenjin Crystal Bldg.	4,970	4,970	0	5,034	-64	5,000,000	91.5%
		Hinode Tenjin Bldg.	3,580	3,490	90	3,449	130	3,657,000	94.0%
Total (46 properties)			436,771	420,405	16,366	392,361	44,409	392,939,000	–
Properties Acquired after the 9th Period		Sanno Grand Bldg.	25,100	11,400	–	21,605	3,494	20,900,000	98.7%
		Sendai Honcho Honma Bldg.	3,450	3,150	–	2,936	513	3,174,000	98.7%
		Hirokoji Tokio Marine Nichido Bldg.	1,680	–	–	1,705	-25	1,680,000	81.1%
Total (49 properties)			467,001	434,955	–	418,607	48,393	418,693,000	98.2%

*10th period appraisal value is determined by an institutional appraiser at the end of the fiscal period.
9th period appraisal value is a survey value determined by an institutional appraiser at the end of the fiscal period.

(In millions of yen) (In thousands of yen)

Area	Name	Appraisal Value at Acquisition					Acquisition Price	Occupancy Rates at Acquisition
Properties Acquired after the 10th Period	Nishiki Park Bldg.	3,850	–	–	–	–	3,850,000	98.8%
	Nishiki Park Bldg. (additional share)	1,300	–	–	–	–	1,300,000	98.8%
Total		5,150	–	–	–	–	5,150,000	–

*The above-mentioned occupancy rates do not include the residential section. The occupancy rates of the residential sections of Nibancho Garden and Kitanomaru Square as of the end of 10th period (September 30, 2006) were 100.0% and 89.7% respectively.