



July 26, 2004

To whom it may concern:

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## **Notice of Asset Acquisition**

Announcement is hereby made that on July 26, 2004, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire the following real estate property:

### **1. Outline of the acquisition**

- (1) Asset to be acquired: real property (ownership – land and building)
- (2) Name of property: Ikebukuro YS Building
- (3) Acquisition price: 4,500 million yen
- (4) Scheduled date of acquisition: August 2, 2004
- (5) Seller: Prime Capital Private Limited Company
- (6) Acquisition funds: loan

### **2. Reason for the acquisition**

The Corporation will acquire the property based on the basic policy and investment attitude for asset management under the articles of incorporation of the Corporation. In particular, the following points have been highly evaluated in the determination of the acquisition:

#### **(1) Superior location**

Located within 6-minute walk from JR Ikebukuro station, one of the representative terminal stations in Japan, and within walking distance from multiple railway

systems, including the subway system and private railway systems, this property boasts highly convenient transportation access. Also, this property is located in an area with a high concentration of office buildings in the east exit area of Ikebukuro station, formed around Meiji Street, Kasuga Street, and Green Street. Located on Meiji Street, this building is highly visible and enjoys obvious superiority within this area.

## (2) Highly competitive property as an office building

This building is a rare property in terms of its size in this area (total floor area: 2,258 tsubo (7,464 m<sup>2</sup>), standard floor area: 218 tsubo (721 m<sup>2</sup>)) and it can be easily recognized due to its appearance and design. In addition, it offers high-grade features as an office building, such as high ceilings of 2,600 mm, separate air-conditioning system for each zone (8 zones) per floor, high electric outlet capacity of 40VA/m<sup>2</sup>, floor weight capacity of 500kg/m<sup>2</sup>, and a 24-hour machine-operated security system. This building can be expected to maintain high competitiveness into the future.

## 3. Details of the acquired property

The relevant information is as set out below; provided that the information on “area,” “structure,” and “completion date” derives from the land registry, and “usage” described below is among the main usages listed in the land registry.

### (1) Details of the acquired property

Location		
Address shown in land registry	Land	1-29-35 Minami-Ikebukuro, Toshima-ku, Tokyo and 1 other lot
	Building	1-29-35 Minami-Ikebukuro, Toshima-ku, Tokyo and others
Address	1-13-23 Minami-Ikebukuro, Toshima-ku, Tokyo	
Usage	Office and parking area	
Areas		
Land	1,384.56 m <sup>2</sup>	
Building	7,464.64 m <sup>2</sup>	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 8 floors    Below ground: 1 floor	
Completion	December 1989	

date	
Type of ownership	
Land	Fee Simple
Building	Ownership
Acquisition price	4,500 million yen
Appraisal value (appraisal method) (appraisal institution)	4,300 million yen  (Discounted cash flow method: as of June 1, 2004)  (Japan Real Estate Institute)
Mortgage	None

(2) Details of tenants

Total number of tenants	8	
Total revenues from the leasing of the portion	403 million yen (from May 1, 2003 through April 30, 2004)	
Total rent space	5,171 m <sup>2</sup>	
Total rentable space	5,715 m <sup>2</sup>	
Occupancy rates	December 31, 2002	100.0 %
	December 31, 2003	91.1 %
	On the scheduled acquisition date	90.5 %
<p>- Total number of tenants, total rent space, total rentable area, and occupancy rate on the scheduled acquisition date are projections as of August 2, 2004.</p> <p>- The above numbers are the estimates based on the data obtained from the seller.</p>		

#### 4. Outline of Seller

Corporate name	Prime Capital Private Limited Company
Address of registered head office	2-15-1 Shibuya, Shibuya-ku, Tokyo
Representative	Yoichi Kawahara, Director
Paid-in capital	3 million yen (as of March 31, 2004)
Principal business	Sales and management of real estate

#### 5. Summary of financing

Scheduled to obtain a loan in the amount of 4,000 million yen on July 30, based on the commitment line agreement entered on July 21, 2004 within the revolving line of credit. The fund is to be applied for the acquisition of this property.

#### 6. Acquisition schedule

July 26, 2004	Acquisition of the property was determined.
August 2, 2004	Execution of an agreement for the acquisition of the property and property handover

#### 7. Performance projection after the acquisition of the property

The impact on the performance projection for the term ending September 2004 (from April 1, 2004 through September 30, 2004) is minimal and there is no revision to the performance projection.

#### Reference materials (attachments)

- Photo: Outside view of Ikebukuro YS Building
- List of all the assets of the Corporation after the acquisition of this property

This notice is translation in English of the announcement in Japanese on July 26, 2004 in our website. However, no assurance or warranties are given for the completeness or accuracy of English translations.

Photo: Outside view of Ikebukuro YS Building



List of all the assets of the Corporation after the acquisition of this property

Area	Name (Location)	Type of asset	Acquisition date or scheduled acquisition date	Acquisition price (MM yen)	Percentage of portfolio	Percentage by area
Tokyo Metropolitan Area (23 wards)	Genki Medical Plaza (Chiyoda-ku, Tokyo)	Real property	October 31, 2002	5,000	2.1%	72.9%
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520	4.0%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810	2.0%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	27,267	11.5%	
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200	3.0%	
	Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,173	1.3%	
	Burex Kyobashi Building (Chuo-ku, Tokyo)	Real property	July 22, 2002	5,250	2.2%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680	3.2%	
	Shiba 2-chome Daimon Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	4,859	2.0%	
	Cosmo Kanasugibashi Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,808	1.2%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,738	1.2%	
	Higashi Gotanda 1-Chome Building(*) (Shinagawa-ku, Tokyo)	Real property	November 1, 2004	5,500	2.3%	
	JAL Travel Building (Meguro-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	1,362	0.6%	
	Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	5,123	2.2%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6670	2.8%	
	Yoyogi 1-Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700	3.7%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885	2.1%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200	5.1%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600	14.6%	
	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740	1.7%	
			April 1, 2004	360		
			Total	4,100		

	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,541	1.5%	
	Ikebukuro YS Building (Toshima-ku, Tokyo)	Real property	August 2, 2004	4,500	1.9%	
	Ikebukuro 2-chome Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	1,728	0.7%	
Tokyo Metropolitan Area (excluding 23 wards)	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232	1.1%	3.8%
			October 11, 2001	1,342		
			Total	2,574		
	Shin-Yokohama First Building (Yokohama City, Kanagawa Prefecture)	Real property	January 28, 2002	3,000	1.3%	
	Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	3,375	1.4%	
Total: Tokyo Metropolitan Area				182,163	76.7%	76.7%
Tohoku Region	Sendai Honcho Honma Building (Sendai City, Miyagi Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	2,924	1.2%	1.2%
Hokuriku Region	Niigata Ishizuecho Nishi-Bandaibashi Building (Niigata City, Niigata Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,010	0.4%	2.9%
	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880	1.9%	
			March 3, 2003	1,700		
			Total	4,580		
	Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,331	0.6%	
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14,533	6.1%	6.9%
	Nagoya Misono Building (Nagoya City, Aichi Prefecture)	Real property	August 8, 2003	1,865	0.8%	
Kinki Region	Kyoto Shijo Kawaramachi Building (Kyoto City, Kyoto Prefecture)	Real property	December 20, 2001	2,650	1.1%	9.5%
	Sakaisujihonmachi Building (Osaka City, Osaka Prefecture)	Real Property	September 25, 2001	2,264	1.8%	
			December 26, 2003	1,900		
			Total	4,164		
	Midosuji Daiwa Building (Osaka City, Osaka Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	6,934	6.0%	
			February 28, 2002	7,380		
			Total	14,314		

	Kobe Itomachi Building (Kobe City, HyogoPrefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,436	0.6%	
Chugoku Region	NHK Hiroshima Broadcasting Center Building (Hiroshima City, Hiroshima Prefecture)	Real Property	March 25, 2004	1,320	0.6%	0.6%
Kyushu Region	Tosei Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real property	September 25, 2001	1,550	0.7%	2.2%
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real estate investment trust beneficial interest	September 10, 2001	3,657	1.5%	
Total: Other major cities				55,334	23.3%	23.3%
Total: Portfolio				237, 497	100.0%	100.0%

\*Higashi Gotanda 1-Chome Building is to be acquired on November 1, 2004