



January 23, 2006

To whom it may concern:

Japan Real Estate Investment Corporation
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Notice of Asset Acquisition

Announcement is hereby made that on January 23, 2006, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire the following asset:

1. Outline of the acquisition

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|-----------------------------------|--|
| 1) Asset to be acquired: | Real property
Land: Ownership (share of co-ownership)
Building: Compartmentalized building units and
co-ownership of compartmentalized building units |
| 2) Name of property: | Lit City Building |
| 3) Acquisition price: | 4,650 million yen |
| 4) Scheduled date of acquisition: | February 1, 2006 |
| 5) Seller: | Taisei Corporation |
| 6) Acquisition funds: | Loan and own funds |

2. Reason for the acquisition

The Corporation will acquire the property based on the basic policies and investment attitude for acquisition under the articles of incorporation of the Corporation.

In particular, the following points have been highly evaluated in the determination of the acquisition:

(1) Okayama City, as a hub city

- Okayama City, where the subject property is located, is the second largest city in Chugoku region following Hiroshima City, with a population of approximately 670,000 people. In the past, it evolved as a gateway for Shikoku and Sanin regions. More recently, the area has been steadily developing as a hub city in Chugoku and Shikoku regions with improvement of wide-area and high-speed transportation network that includes Sanyo Shinkansen (Japanese bullet trains), Seto Ohashi Bridge, Sanyo Expressway, and Okayama Airport, etc.

(2) Progress on the Okayama Station West Exit redevelopment

- The subject property is situated in front of the west exit of JR Okayama Station. In addition to the completion of West Exit Redevelopment Project which includes Lit City Building, City Planning Road “Shimoishiiwai Line” that connects the east and west sides of the station has also been completed in May 2005. Following that, construction of walkway that connects the east and west sides of the station, renovation work connecting the station directly to the east-west walkway, and the first phase development of West Exit Station Plaza are all scheduled for completion in fiscal 2007. In this way, this area is expected to steadily grow into the future as a base for new urban area creation.

(3) Newly built large building with high specifications

- In addition to 575 tsubo of rental area for a standard floor, one of the largest rental areas in the city, this property offers high quality specifications such as separate air-conditioning system, ceiling height of 2,750mm, access floor of 75mm, security system based on noncontact IC card, which fully satisfy the facility needs of various tenants.
- There has been no new supply of large rental space that exceeds 2,000 tsubo in Okayama City since 2002. This property, however, boasts a large total rentable area of approximately 3,000 tsubo. Also, it has a convenient self-service type underground parking area for 270 cars. It is extremely rare type of new property.
- This property is a part of a complex facility that also houses “ANA (All Nippon Airways) Hotel Okayama,” a quality hotel in the center of the city, commercial facilities on the first and second floors, and cultural facilities such as “Digital Museum,” thus capable of attracting a large number of people.

3. Details of the acquired property

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

(1) Details of the acquired property

Location		
Address shown in land registry	Land	298-1 Ekimoto-machi, Okayama City, Okayama Prefecture
	Building	298-1 Ekimoto-machi, Okayama City, Okayama Prefecture
Address	15-1 Ekimoto-machi, Okayama City, Okayama Prefecture	
Usage	Offices and shops	
Area		
Land	7,596.44 m ² (total land area for the building site)	
Building	52, 653.19 m ² (total floor space for the entire building)	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 20 floors Below ground: 2 floors	
Completion date	June 2005	
Type of ownership		
Land	Ownership (Share of co-ownership: 22.1162%)	
Building	Compartmentalized building units *The entire structure is made up of North Building (office space and a hotel, etc.), and South Building (NHK broadcasting station and museum, etc.) and connected on the underground level. The Corporation acquires the compartmentalized building units (office space on third to seventh floors and shops in the North Building, and part of shops in the South Building) and the share of co-ownership of the compartmentalized building units (Galleria and common area such as machine room)	
Acquisition price	4,650 million yen	
Appraisal value (appraisal method) (appraisal institution)	4,890 million yen (Discounted cash flow method: as of January 1, 2006) (Daiwa Real Estate Appraisal Co., Ltd.)	
Earthquake PML	0.35% (based on the earthquake risk assessment report by Tokyo Marine & Nichido Risk Consulting, Co., Ltd.	
Mortgage	None (Flexible mortgage is established on the share of other compartmentalized building units owner.)	

(2) Tenant Details

Total number of tenants	36
NOI (Net Operating Income)	313 million yen/year (for the Corporation's share)
Total rent space	8,721 m ² (7,662 m ² for office space and 1,058 m ² for shops)
Total rentable space	9,965 m ² (8,906 m ² for office space and 1,058 m ² for shops)
Occupancy rate on the scheduled acquisition date	87.5%
(Note)	<ul style="list-style-type: none">- Total number of tenants, total rent space, total rentable space and occupancy rate on the scheduled acquisition date are projections as of February 1, 2006 for the share to be acquired by the Corporation.- NOI is the estimate for the share of the Corporation under the normal operation based on the terms and conditions of lease agreements as of the scheduled acquisition date, etc.<ul style="list-style-type: none">* Estimated occupancy rates: 90.0% for office space and 95.0% for shops- The above figures (except NOI) are based on the data provided from the seller.

4. Outline of the seller

Corporate name	Taisei Corporation
Address of registered head office	1-25-1 Nishi Shinjuku, Shinjuku, Tokyo
Representative	Kanji Hayama, President & CEO
Paid-in capital	112, 448 million yen (as of September 30, 2005)
Principal business	Construction business

5. Outline of fund-raising

For the acquisition of this property, the Corporation will borrow 4,500 million yen from Mitsubishi UFJ Trust and Banking Corporation on February 1, 2006.

6. Acquisition schedule

January 23, 2006	The acquisition of the property was determined.
February 1, 2006	Execution of an agreement for the acquisition of the property and scheduled property handover

7. Performance projection after the acquisition of the property

As the impact of this property acquisition on the Corporation's management performance for the fiscal period from October 1, 2005 to March 31, 2006 is expected to be minor, and no revision of the forecast for performance will be made.

This notice is the English translation of the January 23, 2006 announcement in Japanese on our website. However no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference materials (attachments)

- Photo: Outside view of Lit City Building
- Overview of Okayama City West Exit Development (Future Image)
- Lit City Building Cross Section Image
- List of all the assets of the Corporation after the acquisition of this property

(Reference) Photo: Outside view of Lit City Building



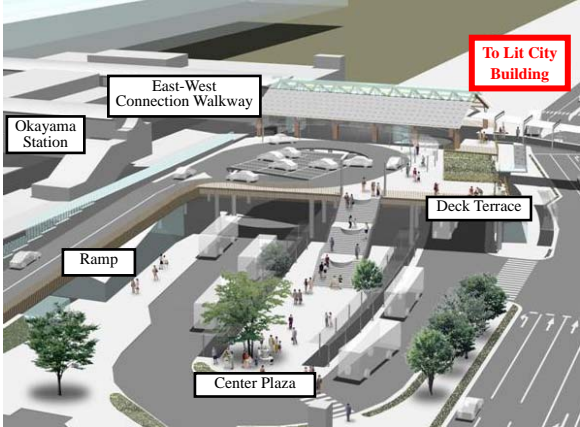
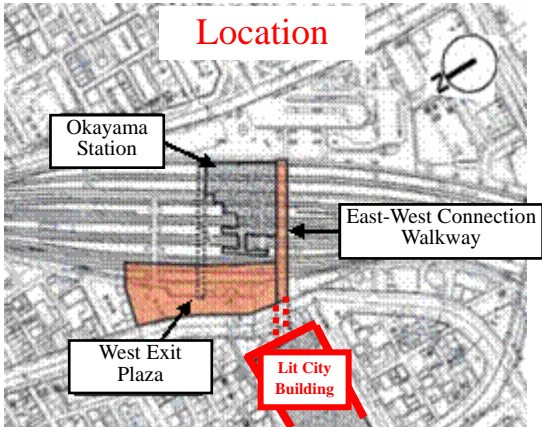
Galleria



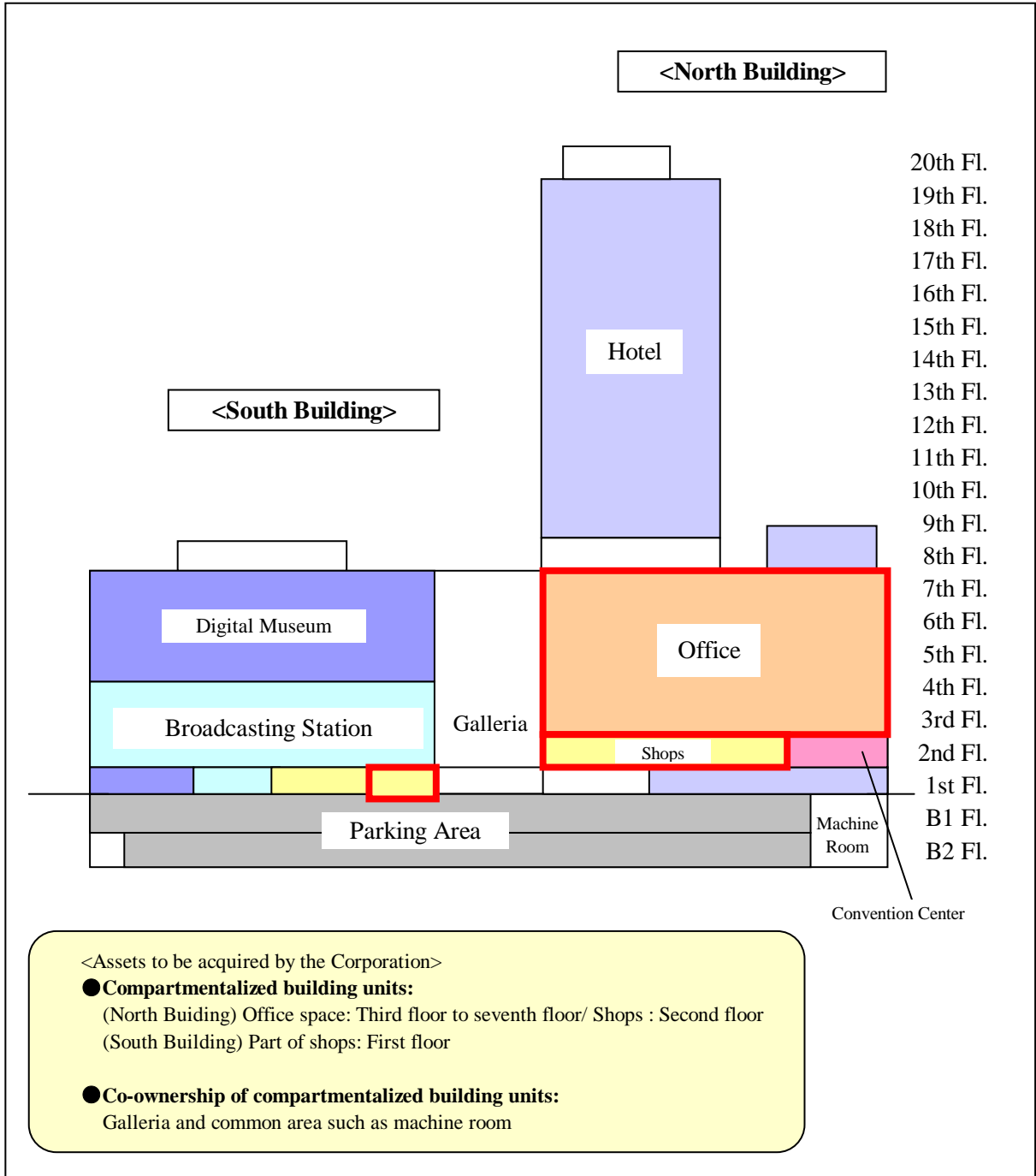
Interior of office space



(Reference) Overview of Okayama City West Exit Development (Future Image)



(Reference) Lit City Building Cross Section Image



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 (thousand yen)	Percentage of portfolio	Percentage by area
Tokyo Metropolitan Area (23 wards)	Genki Medical Plaza (Chiyoda-ku, Tokyo)	Real property	October 31, 2002	5,000,000	1.2%	81.5%
	Kitanomaru Square ^{(Note)1} (Chiyoda-ku, Tokyo)	Trust beneficiary right in trust of real estate	February 24, 2006	81,555,500	19.3%	
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520,000	2.2%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810,000	1.1%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	27,267,000	6.4%	
	Nibancho Garden (Chiyoda-ku, Tokyo)	Real property	April 1,2005	14,700,000	3.5%	
	Burex Kojimachi (Chiyoda-ku, Tokyo)	Real property	July 29, 2005	7,000,000	1.7%	
	Sanno Grand Building ^{(Note)1} (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200,000	4.9%	
			April 3, 2006	10,700,000		
			Total	20,900,000		
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200,000	1.7%	
	Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	3,173,000	0.7%	
	Burex Kyobashi Building (Chuo-ku, Tokyo)	Real property	July 22, 2002	5,250,000	1.2%	
	Ginza Sanwa Building (Chuo-ku, Tokyo)	Real property	March 10,2005	16,830,000	4.0%	
	Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Real property	March 15,2005	5,353,500	1.3%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680,000	1.8%	
	Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	4,859,000	1.1%	
	Cosmo Kanasugibashi Building (Minato-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	2,808,000	0.7%	
	Shinwa Building (Shinjuku-ku, Tokyo)	Real property	September 1, 2004	7,830,000	1.8%	
	Tokyo Opera City Building (Shinjuku-ku, Tokyo)	Real property	September 13, 2005	9,350,000	2.2%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	2,738,000	0.6%	
	Higashi Gotanda 1Chome Building (Shinagawa-ku, Tokyo)	Real property	November 1, 2004	5,500,000	1.3%	
	JAL Travel Building (Meguro-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	1,362,000	0.3%	
	Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	5,123,000	1.2%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6,670,000	1.6%	
	Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700,000	2.1%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885,000	1.2%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200,000	2.9%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600,000	8.2%	
	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740,000	1.0%	
			April 1, 2004	360,000		
			Total	4,100,000		
	Harmony Tower (Nakano-ku Tokyo)	Real property	February 28, 2005	8,500,000	2.0%	
	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	3,541,000	0.8%	

	Ikebukuro 2Chome Building (Toshima-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	1,728,000	0.4%	
	Ikebukuro YS Building (Toshima-ku, Tokyo)	Real property	August 2, 2004	4,500,000	1.1%	
Tokyo Metropolitan Area (excluding 23 wards)	Hachioji Dai-ichi-Seimei Building (Hachioji City, Tokyo)	Real property	March 31, 2005	3,300,000	0.8%	2.9%
	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232,000	0.6%	
			October 11, 2001	1,342,000		
			Total	2,574,000		
	Shin-Yokohama First Building (Yokohama City, Kanagawa Prefecture)	Real property	January 28, 2002	3,000,000	0.7%	
Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	3,375,000	0.8%		
Total: Tokyo Metropolitan Area				357,482,000	84.4%	84.4%
Tohoku Region	Jozenji Park Building (Sendai City, Miyagi Prefecture)	Real property	January 31, 2005	1,000,000	0.2%	0.9%
	Sendai Honcho Honma Building (Sendai City, Miyagi Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	2,924,000	0.7%	
Hokuriku Region	Niigata Ishizuecho Nishi-Bandaibashi Building (Niigata City, Niigata Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,010,000	0.2%	1.6%
	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880,000	1.1%	
			March 3, 2003	1,700,000		
			Total	4,580,000		
Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,331,000	0.3%		
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14,533,000	3.4%	3.9%
	Nagoya Misono Building (Nagoya City, Aichi Prefecture)	Real property	August 8, 2003	1,865,000	0.4%	
Kinki Region	Kyoto Shijo Kawaramachi Building (Kyoto City, Kyoto Prefecture)	Real property	December 20, 2001	2,650,000	0.6%	5.3%
	Sakaisujihonmachi Building (Osaka City, Osaka Prefecture)	Real Property	September 25, 2001	2,264,000	1.0%	
			December 26, 2003	1,900,000		
			Total	4,164,000		
	Midosuji Daiwa Building (Osaka City, Osaka Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	6,934,000	3.4%	
			February 28, 2002	7,380,000		
			Total	14,314,000		
Kobe Itomachi Building (Kobe City, Hyogo Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,436,000	0.3%		
Chugoku Region	Lit City Building (Okayama City, Okayama Prefecture)	Real Property	February 1, 2006	4,650,000	1.1%	1.4%
	NHK Hiroshima Broadcasting Center Building (Hiroshima City, Hiroshima Prefecture)	Real Property	March 25, 2004	1,320,000	0.3%	
Kyushu Region	Tosei Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real property	September 25, 2001	1,550,000	0.4%	2.4%
	Tenjin Crystal Building (Fukuoka City, Fukuoka Prefecture)	Real property	June 1, 2005	5,000,000	1.2%	
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.9%	
Total: Other major cities				65,984,000	15.6%	15.6%
Total: Portfolio				423,466,000	100.0%	100.0%

(Note) 1. The Corporation intends to acquire Kitanomaru Square on February 24, 2006 and Sanno Grand Building (additional share) on April 3, 2006.

2. In addition to the assets outlined in the above list, the Corporation acquired the preferred capital contribution certificates issued by Harumi Front Special Purpose Company on March 29, 2005 and November 24, 2005 for a total acquisition price of 1,002 million yen, and acquired a preferential right to purchase assets such as real property etc. related to “(tentative name) Harumi Center Building” after the completion of the building.