



May 12, 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 May 12, 2006, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire the following asset:

### 1. Outline of the acquisition

- |                                   |  |
|-----------------------------------|--|
| 1) Asset to be acquired:          | Real property<br>Land: Ownership (share of co-ownership)<br>Building: Compartmentalized building units |
| 2) Name of property:              | Sendai Honcho Honma Building <sup>(Note)</sup>   |
| 3) Acquisition price:             | 250 million yen  |
| 4) Scheduled date of acquisition: | June 28, 2006  |
| 5) Seller:                        | KMX1 T.M.K.  |
| 6) Acquisition funds:             | Own funds  |

Note: As of May 12, 2006, the Corporation owns a beneficiary right in such trust fund that incorporates the above real property as its fiduciary estate (with an ownership percentage of 93.39%). On June 28, 2006, the Corporation is scheduled to set up an additional trust fund after its acquisition of the aforementioned real property on the spot, which enables it to control a 100% trust beneficiary right thereof.

### 2. Reasons 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) Improved efficiency in the operational management of the building  
By controlling 100% trust beneficiary right of the entire building, increased asset value and improved operational efficiency thereof will become feasible.
- (2) High competitiveness  
Located in the “Aoba Street and Hirose Street” area, the traditional concentrated office area in the city of Sendai, the property has extremely convenient access within a 1-minute walk from the Hirosedori subway station, a 4-minute walk from the Sengoku Line’s Aobadori railway station and a 7-minute walk from the JR Sendai railway station.

### 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 among the main usages listed in the land registry.

Also, information concerning “location,” “usage” and “area” is given with respect to the entire building site or whole building structure.

#### (1) Details of the acquired property

|  |          |  |
|--|----------|--|
| Location   |          |  |
| Address shown in land registry                                   | Land     | 2-1-3 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture, and two other lots  |
|  | Building | 2-1-3 & 2-1-2 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture  |
| Address  |          | 2-1-29 Honcho, Aoba-ku, Sendai City, Miyagi Prefecture   |
| Usage  |          | Offices and shops  |
| Area   |          |  |
| Land   |          | 1,437.47m <sup>2</sup>   |
| Building   |          | 8,247.50m <sup>2</sup>   |
| Structure  |          | Steel-framed reinforced concrete structure, flat roof<br>Above ground: 11 floors   |
| Completion date  |          | November 1991  |
| Architect  |          | Taisei Corporation   |
| Constructor  |          | Taisei Corporation   |
| Building permit agency   |          | Sendai City  |
| Type of ownership  |          |  |
| Land   |          | Ownership (Share of co-ownership of 1 out of 3 lots (31,864/100,000))  |
| Building   |          | Compartmentalized building units (Shop space on the ground floor, with ownership of the entire building standing at 6.61%) |
| Acquisition price  |          | 250 million yen  |
| Appraisal value<br>(Appraisal method)<br>(Appraisal institution) |          | 250 million yen<br>(Discounted cash flow method: as of May 1, 2006)<br>(Daiwa Real Estate Appraisal Co., Ltd.)             |
| Earthquake PML   |          | 1.93% (Based on an earthquake risk assessment report by Tokyo Marine & Nichido Risk Consulting Co., Ltd.)                  |
| Mortgage   |          | None   |

(2) Tenant Details (corresponding to the current acquisition)

|  |  |
|--|--|
| Total number of tenants                          | 1  |
| NOI (Net Operating Income)                       | 16.6 million yen per year  |
| Total rent space                                 | 412m <sup>2</sup>  |
| Total rentable space                             | 412m <sup>2</sup>  |
| Occupancy Rate on the scheduled acquisition date | 100.0%   |
| (Note)   | <ul style="list-style-type: none"><li>• Total number of tenants, total rent space, total rentable space and occupancy rate on the scheduled acquisition date are projections as of June 28, 2006 for the share to be acquired by the Corporation.</li><li>• NOI is the estimate for the share to be acquired by 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"><li>* Estimated occupancy rate: 100.0%</li></ul></li><li>• The above figures (except NOI) are based on the data provided from the seller.</li></ul> |

**4. Outline of the seller**

|                                       |  |
|---------------------------------------|--|
| Corporate Name                        | KMX1 T.M.K.  |
| Address of the registered head office | 2-2-9 Shinbashi, Minato-ku, Tokyo  |
| Representative                        | Masayuki Futamata, Director  |
| Paid in capital                       | 500 thousand yen<br>(as of February 10, 2006)  |
| Principal business                    | Acquisition, management and disposal of specific assets subject to the Asset Fluidization Plan under the Law concerning Asset Securitization |

**5. Acquisition Schedule**

|               |   |
|---------------|---|
| May 12, 2006  | The acquisition of the property was determined.               |
| May 17, 2006  | Execution of an agreement for the acquisition of the property |
| June 28, 2006 | Scheduled property handover                                   |

**6. Performance projection after the acquisition of property**

The Corporation's semiannual performance projection for the September 2006 accounting term (from April 1, 2006 to September 30, 2006) following the current acquisition of property will be reviewed and announced at the time of announcing semiannual business results for the March 2006 accounting term (October 1, 2005 to March 31, 2006).

This notice is the English translation of the May 12, 2006, announcement in Japanese on our website. However, no assurances or warranties are given for the completeness or accuracy of this English translation.

Reference materials (attachements)

- Photo: Outside view of Sendai Honcho Honma Building
- List of all the assets of the Corporation after the acquisition of this property

(Reference) Photo: Outside view of Sendai Honcho Honma 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 (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 (Chiyoda-ku, Tokyo)                 | Real property                                   | February 24, 2006                              | 81,555,500                       | 19.2%                   |                    |
|                                    | 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 (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 Sales 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<br>(Toshima-ku, Tokyo)   | Real property                                   | August 2, 2004                                   | 4,500,000                            | 1.1%   |        |
| Tokyo Metropolitan Area<br>(excluding 23 wards) | Hachioji First Square<br>(Hachioji City, Tokyo)                                      | Real property                                   | March 31, 2005                                   | 3,300,000                            | 0.8%   | 2.9%   |
|   | Saitama Urawa Building<br>(Saitama City, Saitama Prefecture)                         | Real property                                   | September 25, 2001<br>October 11, 2001<br>Total  | 1,232,000<br>1,342,000<br>2,574,000  | 0.6%   |        |
|   | Shin-Yokohama First Building<br>(Yokohama City, Kanagawa Prefecture)                 | Real property                                   | January 28, 2002                                 | 3,000,000                            | 0.7%   |        |
|   | Kawasaki Isago Building<br>(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<br>(Sendai City, Miyagi Prefecture)                            | Real property                                   | January 31, 2005                                 | 1,000,000                            | 0.2%   | 1.0%   |
|   | Sendai Honcho Honma Building<br>(Sendai City, Miyagi Prefecture)                     | Trust beneficiary right in trust of real estate | September 25, 2001<br>June 28, 2006<br>Total     | 2,924,000<br>250,000<br>3,174,000    | 0.7%   |        |
|   |  |   |  |                                      |        |        |
| Hokuriku Region                                 | Niigata Ishizuecho Nishi-Bandaibashi Building<br>(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<br>(Kanazawa City, Ishikawa Prefecture)                       | Real property                                   | February 28, 2002<br>March 3, 2003<br>Total      | 2,880,000<br>1,700,000<br>4,580,000  | 1.1%   |        |
|   | Kanazawa Minamicho Building<br>(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<br>(Nagoya City, Aichi Prefecture)                          | Real property                                   | September 10, 2001                               | 14,533,000                           | 3.4%   | 3.9%   |
|   | Nagoya Misono Building<br>(Nagoya City, Aichi Prefecture)                            | Real property                                   | August 8, 2003                                   | 1,865,000                            | 0.4%   |        |
| Kinki Region                                    | Kyoto Shijo Kawaramachi Building<br>(Kyoto City, Kyoto Prefecture)                   | Real property                                   | December 20, 2001                                | 2,650,000                            | 0.6%   | 5.3%   |
|   | Sakaisujihonmachi Building<br>(Osaka City, Osaka Prefecture)                         | Real Property                                   | September 25, 2001<br>December 26, 2003<br>Total | 2,264,000<br>1,900,000<br>4,164,000  | 1.0%   |        |
|   | Midosuji Daiwa Building<br>(Osaka City, Osaka Prefecture)                            | Trust beneficiary right in trust of real estate | September 25, 2001<br>February 28, 2002<br>Total | 6,934,000<br>7,380,000<br>14,314,000 | 3.4%   |        |
|   | Kobe Itomachi Building<br>(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<br>(Okayama City, Okayama Prefecture)                              | Real Property                                   | February 1, 2006                                 | 4,650,000                            | 1.1%   | 1.4%   |
|   | NHK Hiroshima Broadcasting Center Building<br>(Hiroshima City, Hiroshima Prefecture) | Real Property                                   | March 25, 2004                                   | 1,320,000                            | 0.3%   |        |
| Kyushu Region                                   | Tosei Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                          | Real property                                   | September 25, 2001                               | 1,550,000                            | 0.4%   | 2.4%   |
|   | Tenjin Crystal Building<br>(Fukuoka City, Fukuoka Prefecture)                        | Real property                                   | June 1, 2005                                     | 5,000,000                            | 1.2%   |        |
|   | Hinode Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                         | Trust beneficiary right in trust of real estate | September 10, 2001                               | 3,657,000                            | 0.9%   |        |
| Total: Other major cities                       |  |   |  | 66,234,000                           | 15.6%  | 15.6%  |
| Total: Portfolio                                |  |   |  | 423,716,000                          | 100.0% | 100.0% |

(Note ) 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.