



August 31, 2006

To whom it may concern:

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Notice of Asset Acquisitions

Announcement is hereby made that on August 31, 2006, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire two buildings, “Hirokoji Tokio Marine Nichido Building” and “Nishiki Park Building”. The details are as follows:

1. Outline of the acquisitions

1) Asset to be acquired:	Real Property Ownership in land and building	Real Property Land: Ownership and term leasehold interest Building: Compartmentalized building units Ownership share in the building: (Note): 43.89471%
2) Name of property:	Hirokoji Tokio Marine Nichido Building	Nishiki Park Building
3) Acquisition price:	1,680 million yen (Lump sum payment on the scheduled date of acquisition)	3, 850 million yen (Lump sum payment on the scheduled date of acquisition)
4) Scheduled date of acquisition:	September 22, 2006	October 2, 2006
5) Seller:	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Mitsubishi Estate Co., Ltd.
6) Acquisition funds:	Own funds	

(Note) Ownership share in the buildings means the percentage share in common areas as per set forth under the building management bylaws.

2. Reasons for the acquisitions

The Corporation will acquire the properties 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 acquisitions.

(1) Superior location

Steady business uptrend has been sustained in Aichi Prefecture, bolstered by robust export industries, rising capital investment and employment growth. The office building market in Nagoya City, the central city of Aichi Prefecture, has witnessed a steady recovery buoyed by the recent solid business and strong demand as a central point in the Chubu area.

The two properties to be acquired this time are located in the Fushimi area, one of the areas in Nagoya City where a large number of office buildings are concentrated. The buildings command good access to public transportation: Hirokoji Tokio Nichido Marine Building is a 5-minute walk

from Fushimi Station on the Higashiyama and Tsurumai subway lines. Nishiki Park Building is a 1-minute walk from Marunouchi Station on the Sakuradori and Tsurumai subway lines. Also, both buildings boast a high level of visibility; Hirokoji Tokio Marine Nichido Building faces Hirokoji Street, the main avenue which runs east-to-west in central Nagoya, and Nishiki Park Building faces Sakura Street.

- (2) Enhancing the investment portfolio by adding properties in the Nagoya area, a locality with high growth potential

With the addition of two properties in the Nagoya area, which is expected to maintain solid demand for office buildings, the total number of properties in Nagoya owned by the Corporation will increase to four, including Nagoya Hirokoji Building and Nagoya Misono Building. This enables us to offer a wider selection range for tenants in terms of the level of rent, quality, and size of lease space.

3. Details of the acquired properties

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.

- (1) Details of the acquired properties

<Hirokoji Tokio Marine Nichido Building>

Location		
Address shown in land registry	Land	2-401 Sakae, Naka-ku, Nagoya City, Aichi Prefecture, and two other lots
	Building	2-401 Sakae, Naka-ku, Nagoya City, Aichi Prefecture, and others
Address	2-4-1 Sakae, Naka-ku, Nagoya City, Aichi Prefecture	
Usage	Offices and shops	
Area		
Land	786.79 m ²	
Building	6,445.08 m ²	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 9 floors Below ground: 2 floors	
Completion date	September 1987	
Architect	Mitsubishi Estate Co., Ltd.	
Constructor	Toda Corporation	
Building permit agency	Nagoya City	
Type of ownership		
Land	Ownership	
Building	Ownership	
Acquisition price	1,680 million yen	
Appraisal value (Appraisal method) (Appraisal institution)	1,680 million yen (Discounted cash flow method: as of August 1, 2006) (Daiwa Real Estate Appraisal Co., Ltd.)	
Earthquake PML	16.14% (Based on an earthquake risk assessment report by Tokio Marine & Nichido Risk Consulting Co., Ltd.)	
Mortgage	None	
Property Management Company (Note 1)	Tokio Marine & Nichido Facilities, Inc. (Note 2)	

<Nishiki Park Building>

Location		
Address shown in land registry	Land	2-426 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture, and one other lot
	Building	2-426 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture, and others
Address		2-4-3 Nishiki, Naka-ku, Nagoya City, Aichi Prefecture
Usage		Offices, shops, and residence
Area		
Land	2,170.45 m ² (Total land area for the building site including leased land (term leasehold interest) of 384 m ²)	
	Building	
		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/flat roof Above ground: 22 floors Blow ground: 4 floors
Completion date		August 1995
Architect		Housing and Urban Development Corporation and Aoshima Architects & Engineers Inc.
Constructor		Joint venture consisting of Takenaka Corporation, Toda Corporation, Konoike Construction Co., Ltd, and Asanuma Corporation
Building permit agency		Nagoya City
Type of ownership		
Land	Ownership (387,900/1,000,000 co-ownership in 1 lot/1,786.45 m ²) and term leasehold interest (272,736/384,380 quasi-co-ownership in 1 lot/384 m ²)	
	Building	
		Compartmentalized building units (4,525,515/10,000,000 co-ownership in office and shop spaces in floors one through 20/13,296.06 m ²) and 9/10 co-ownership of residential space in floors 21 and 22/999.50 m ²) Share in the building: 43.89471%
Acquisition price		3,850 million yen
Appraisal value (Appraisal method) (Appraisal institution)		3,850 million yen (Discounted cash flow method: as of August 31, 2006) (Daiwa Real Estate Appraisal Co., Ltd.)
Earthquake PML		5.83% (Based on an earthquake risk assessment report by Tokio Marine & Nichido Risk Consulting Co., Ltd.
Mortgage		None (Flexible mortgage exists for the interests of other co-owners.)
Property management company (Note 1)		Mitsubishi Estate Co., Ltd. (Note 3)
Others		As a part of the right of use of land for this building, a portion of the unused plot ratio of the adjacent land is transferred to this property and an agreement has been concluded with the owner of the adjacent land on the use of the plot ratio until the building is demolished. The above acquisition price includes the consideration for the use of the plot ratio.

(Note 1) Property management company to be commissioned after the acquisition of the property.

(Note 2) Outline of property management company for Hirokoji Tokio Marine Nichido Building

Corporate Name	Tokio Marine & Nichido Facilities, Inc.
Address of the registered head office	1310 Omiya-cho, Saiwai-Ku, Kawasaki City, Kanagawa Prefecture
Representative	Hiroshi Kanasugi, President
Paid in capital	300 million yen (As of March 31, 2006)
Principal business	Real property leasing management, property management, building maintenance service, etc.
Relationship with the Corporation or the asset management company	Under the enforcement regulations of the Law Concerning Investment Trusts and Investment Corporations, the property management company is a stakeholder, etc., of Japan Real Estate Asset Management Co., Ltd., the asset management company for the Corporation's assets. Millea Holdings, Inc. holds a 75% stake in Tokio Marine & Nichido Facilities, Inc. Millea Holdings, Inc. is an affiliate of Tokio Marine & Nichido Fire Insurance Co., Ltd., which holds a 27 percent share in Japan Real Estate Asset Management Co., Ltd.

(Note 3) Outline of property management company for Nishiki Park Building

Corporate Name	Mitsubishi Estate, Co., Ltd.
Address of the registered head office	1-6-1 Otemachi, Chiyoda-ku, Tokyo
Representative	Keiji Kimura, President and CEO
Paid in capital	129,736 million yen (As of March 31, 2006)
Principal business	Real estate business
Relationship with the Corporation or the asset management company	Under the enforcement regulations of the Law Concerning Investment Trusts and Investment Corporations, the property management company is a stakeholder, etc., of Japan Real Estate Asset Management Co., Ltd., the asset management company for the Corporation's assets. Mitsubishi Estate, Co., Ltd. holds a 36% stake in Japan Real Estate Asset Management Co., Ltd. As of March 31, 2006, Mitsubishi Estate, Co., Ltd. holds 10,160 investment units of the Corporation (2.94% of total outstanding investment units).

(2) Tenant details

		Hirokoji Tokio Marine Nichido Building	Nishiki Park Building
Total number of tenants		11	48
Total lease space		3,121 m ²	5,886 m ²
Total leasable space		3,849 m ²	5,985 m ²
Occupancy rates	March 31, 2002	80.2%	98.7%
	March 31, 2003	93.6%	95.6%
	March 31, 2004	78.1%	88.3%
	March 31, 2005	86.3%	100.0%
	March 31, 2006	85.5%	98.7%
	On the scheduled acquisition date	81.1%	98.3%
NOI (Net Operating Income)		129 million yen per year	266 million yen per year (Applicable only for the share to be acquired by the Corporation)
(Note)		<ul style="list-style-type: none"> - Total number of tenants, total lease space, total leasable space and occupancy rates on the scheduled acquisition date are projections as of the respective scheduled acquisition dates. (Hirokoji Tokio Marine Nichido Building: September 22, 2006; Nishiki Park Building: October 2, 2006) - The total number of tenants for Nishiki Park Building includes the co-owners' own use. - Total number of tenants, total lease space, total leasable space and occupancy rates for Nishiki Park Building do not include the residential portion. The tenant for the residential space is Mitsubishi Estate Co., Ltd. (lessee), with whom a master lease agreement is to be concluded on the scheduled acquisition date, thus the total lease space is 954 m², total leasable space is 954 m², and projected occupancy rate is 100%. (The end-tenants (sub-lessees) number 14, total sub-leased area is 954 m², and projected occupancy rate is 100%.) - NOI is the estimate under the normal operation based on the terms and conditions of lease agreements as of the scheduled acquisition dates, etc. 	
		<p>* Estimated occupancy rates:</p> <p>Hirokoji Tokio Marine Nichido Building: 90.9%</p> <p>Nishiki Park Building: Offices and shops: 97.1%, Residence: 95.0%</p> <ul style="list-style-type: none"> - The above figures (except NOI) are based on the data provided by the sellers. As for Nishiki Park Building, however, total number of tenants, total lease space, total leasable space and occupancy rates were computed only for the share to be acquired by the Corporation based on the data provided by the seller. - Regarding Nishiki Park Building, the seller, Mitsubishi Estate Co., Ltd, is leasing the entire space in the building to tenants, combining all the space from other co-owners in addition to its own space. The Corporation shall also lease our share of the space to Mitsubishi Estate Co., Ltd after the acquisition of the share and take part in the joint leasing. On the scheduled property acquisition date, the Corporation plans to execute a lease agreement and a property management agreement with Mitsubishi Estate Co., Ltd for the share to be acquired. In accordance with these agreements, the Corporation shall receive rent and common-area charges in proportion to our share from Mitsubishi Estate Co., Ltd, and pay Mitsubishi Estate Co., Ltd. a building management fee and utilities. The rent to be paid to the Corporation by Mitsubishi Estate Co., Ltd. is based on the rent that Mitsubishi Estate Co., Ltd. receives from tenants and Mitsubishi Estate Co., Ltd does not guarantee the amount of rent to the Corporation. 	

(3) Specifications for rental floor space

	Hirokoji Tokio Marine Nichido Building	Nishiki Park Building
Ceiling height	2,500 mm (After laying 100 mm OA floor)	2,550 mm (After laying 50 mm OA floor)
Standard floor area	475 m ²	692 m ²
OA floor	Yes (Partially not equipped)	Yes (Partially not equipped)
Electric capacity	36 VA/m ²	44 VA/m ²
Air conditioning system	Central air conditioning	Separate air conditioning systems (Maximum of 8 zones per floor)
Floor load	300 kg/ m ²	500 kg/ m ²
Others	around-the-clock entry and exit	around-the-clock entry and exit

4. Outline of the sellers

Property	Hirokoji Tokio Marine Nichido Building	Nishiki Park Building
Corporate Name	Tokio Marine & Nichido Fire Insurance Co., Ltd.	Mitsubishi Estate, Co., Ltd.
Address of the registered head office	1-2-1 Marunouchi, Chiyoda-ku, Tokyo	1-6-1 Otemachi, Chiyoda-ku, Tokyo
Representative	Kunio Ishihara, President	Keiji Kimura, President
Paid in capital	101,994 million yen (As of March 31, 2006)	129,736 million yen (As of March 31, 2006)
Principal business	Nonlife insurance business	Real estate business
Relationship with the Corporation or the asset management company	Under the enforcement regulations of the Law Concerning Investment Trusts and Investment Corporations, the seller is a stakeholder, etc., of Japan Real Estate Asset Management Co., Ltd., the asset management company for the Corporation's assets. The seller holds a 27% stake in Japan Real Estate Asset Management Co., Ltd. As of March 31, 2006, the seller holds 8,120 investment units of the Corporation (2.35% of total outstanding investment units).	Under the enforcement regulations of the Law Concerning Investment Trusts and Investment Corporations, the seller is a stakeholder, etc., of Japan Real Estate Asset Management Co., Ltd., the asset management company for the Corporation's assets. The seller holds a 36% stake in Japan Real Estate Asset Management Co., Ltd. As of March 31, 2006, the seller holds 10,160 investment units of the Corporation (2.94% of total outstanding investment units).

5. Acquisition schedule

	Hirokoji Tokio Marine Nichido Building	Nishiki Park Building
The acquisition of the property was determined.	August 31, 2006	
Execution of an agreement for the acquisition of the property (Planned)	September 1, 2006	October 2, 2006
Scheduled property handover	September 22, 2006	October 2, 2006

6. Performance projection after the acquisitions of the properties

As the impact of the acquisition of Hirokoji Tokio Marine Nichido Building on the Corporation's management performance for the fiscal period from April 1, 2006 to September 30, 2006 is expected to be minor, no revision of the forecast for performance will be made.

As the scheduled date of acquisition of Nishiki Park Building is October 2, 2006, there is no impact on the Corporation's management performance for the fiscal period from April 1, 2006 to September 30, 2006.

This notice is the English translation of the August 31, 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 Hirokoji Tokio Marine Nichido Building
- Photo: Outside view of Nishiki Park Building
- List of all the assets of the Corporation after the acquisition of two properties

(Reference) Photo: Outside view of Hirokoji Tokio Marine Nichido Building



(Reference) Photo: Outside view of Nishiki Park Building



List of all the assets of the Corporation after the acquisition of these properties

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%	81.4%
	Kitanomaru Square (Chiyoda-ku, Tokyo)	Real property	February 24, 2006	81,555,500	19.3%	
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520,000	2.3%	
	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	6.5%	
	Nibancho Garden (Chiyoda-ku, Tokyo)	Real property	April 1, 2005	14,700,000	3.5%	
	Burex Kojimachi Building (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	0.8%	
	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	1.9%	
	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%	
	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 First Square (Hachioji City, Tokyo)	Real property	March 31, 2005	3,300,000	0.8%	2.2%
	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		
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				353,120,000	83.6%	83.6%
Tohoku Region	Jozenji Park Building (Sendai City, Miyagi Prefecture)	Real property	January 31, 2005	1,000,000	0.2%	1.0%
	Sendai Honcho Honma Building (Sendai City, Miyagi Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	2,924,000	0.8%	
			June 28, 2006	250,000		
			Total	3,174,000		
Hokuriku Region	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880,000	1.1%	1.1%
			March 3, 2003	1,700,000		
			Total	4,580,000		
Chubu Region	Nishiki Park Building (Nagoya City, Aichi Prefecture)	Real property	October 2, 2006	3,850,000	0.9%	5.2%
	Hirokoji Tokio Marine Nichido Building (Nagoya City, Aichi Prefecture)	Real property	September 22, 2006	1,680,000	0.4%	
	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14,533,000	3.4%	
	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				69,423,000	16.4%	16.4%
Total: Portfolio				422,543,000	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.