



October 2, 2006

To whom it may concern:

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## Notice of Revision of Forecast Results for the 10th Period (September 30, 2006) and the 11th Period (March 31, 2007)

Japan Real Estate Investment Corporation (the “Corporation”) has revised its forecast results as shown below for the 10th Period (April 1, 2006 through September 30, 2006) and the 11th Period (October 1, 2006 through March 31, 2007), which had been announced on May 25, 2006 on the occasion of announcement of business results for the 9th Period (October 1, 2005 through March 31, 2006).

### 1. Revision of Forecast Results for the 10th Period (April 1, 2006 through September 30, 2006)

Unit: Millions of Yen except for per unit information and percentages

	Operating Revenue	Net Income	Distribution per unit (Excluding Distribution in Excess of Earnings)	Distribution in Excess of Earnings per unit
Previously announced forecast ( A )	15,230	5,490	¥15,890	—
<b>Revised forecast ( B )</b>	<b>15,560</b>	<b>5,960</b>	<b>¥17,250</b>	—
<b>Amount of increase/decrease (B-A)</b>	<b>330</b>	<b>470</b>	<b>¥1,360</b>	—
<b>Rate of increase/decrease</b>	<b>2.2%</b>	<b>8.6%</b>	<b>8.6%</b>	—

( Reference Period ) the 9th Period	13,962	5,585	¥16,172	—
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( Note 1 ) Number of units outstanding as of September 30, 2006: 345,400

( Note 2 ) All amounts under minimum units appearing in the above tables have been disregarded, except for the percentage of increase, which has been rounded to the nearest one tenth.

Disclaimer: This document is intended to serve as a press statement to make available the information on revised forecast results of Japan Real Estate Investment Corporation (the “Corporation”) for the 10th Period (April 1, 2006 through September 30, 2006) and the 11th Period (October 1, 2006 through March 31, 2007), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Corporation. Prospective unitholders are advised to read the Corporation’s prospectus for new unit issuance (and its amendments, if any) before making investment decisions for yourself.

2. Revision of Forecast Results for the 11th Period (October 1, 2006 through March 31, 2007)

Unit: Millions of Yen except for per unit information and percentages

	Operating Revenue	Net Income	Distribution per unit (Excluding Distribution in Excess of Earnings)	Distribution in Excess of Earnings per unit
Previously announced forecast ( A )	16,200	5,990	¥17,300	—
<b>Revised forecast ( B )</b>	<b>16,410</b>	<b>6,750</b>	<b>¥16,460</b>	—
<b>Amount of increase/decrease (B-A)</b>	<b>210</b>	<b>760</b>	<b>(¥840)</b>	—
<b>Rate of increase/decrease</b>	<b>1.3%</b>	<b>12.7%</b>	<b>(4.9%)</b>	—

( Reference ) Expected number of units outstanding as of March 31, 2007: 410,000

( Note 1 ) The above expected number of units outstanding as of March 31, 2007 is computed under the preconditions described in the accompanying document.

( Note 2 ) All amounts under minimum units appearing in the above tables have been disregarded, except for the percentage of increase, which has been rounded to the nearest one tenth.

3. Reasons for the Revision

Following a resolution adopted at the board meeting held on October 2, 2006 concerning issuance of new units for the purpose of repayment of borrowings and acquisition of new specified assets, both forecasts of the business results for the six-month periods ending March 2007 and September 2006 have been revised.

In addition, the revised forecast results for the 11th Period are computed under the preconditions described in the accompanying document titled “Preconditions for Revision of Forecast Results for the 11th Period (October 1, 2006 through March 31, 2007)”.

Based on the assumption that things occur exactly as stated in the accompanying document titled “Preconditions for Revision of Forecast Results for the 11th Period (October 1, 2006 through March 31, 2007)” and there are no changes in properties owned by the Corporation and other conditions successively, the Corporation expects operating revenue, net income and distribution per unit for the 12th Period (April 1, 2007 through September 30, 2007) to be 16,550 million yen, 6,810 million yen and 16,600 yen, respectively.

However, the actual operating revenue, net income and distribution per unit may vary depending on additional acquisition or sale of properties and the market environment. In addition, these figures are not a guarantee of future results or distribution.

This notice is the English translation of October 2, 2006 announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

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<Reference> The comparative table of the revised forecast results for each period is as shown below:

Unit: Millions of Yen except for per unit information

	Operating Revenue	Net Income	Distribution per unit (Excluding Distribution in Excess of Earnings)	Distribution in Excess of Earnings per unit
Forecast Results for the 10th Period (September 30, 2006)	15,560	5,960	¥17,250	—
Forecast Results for the 11th Period (March 31, 2007)	16,410	6,750	¥16,460	—
Forecast Results for the 12th Period (September 30, 2007)	16,550	6,810	¥16,600	—

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**Preconditions for Revision of Forecast Results for the 11th Period (October 1, 2006 through March 31, 2007)**

Computation Period	October 1, 2006 through March 31, 2007 (182 days)
Number of properties held by the Corporation	The Corporation set the precondition that 50 properties held by the Corporation as of October 2, 2006 and the additional shares in Nishiki Park Building to be acquired on November 1, 2006 would remain during the period. However, the actual number will vary depending on additional acquisition or sale of properties.
Number of units outstanding as of March 31, 2007	The Corporation assumes that the number of units outstanding as of March 31, 2007 would be 410,000 units, which are comprised of the current outstanding and issued 345,400 units as of October 2, 2006 plus 64,600 units to be issued as determined by resolution at the Board of Directors meeting held on October 2, 2006.
Interest-bearing debt ratio (=Interest-bearing debt / Total assets)	The Corporation assumes that interest-bearing debt ratio (=interest-bearing debt / total assets) as of March 31, 2007 would be the level of 30%, taking into account that the unitholders' capital would be increased by approximately 61,300 million yen due to the issuance of 64,600 units determined by resolution at the Board of Directors meeting held on October 2, 2006. However, the above interest-bearing debt ratio may vary depending on the final issue price of units to be additionally issued by the Corporation.
Operating expenses	Fixed asset tax, city-planning tax and depreciable property tax levied on properties held by the Corporation will be expensed in the operational cost of building rental services in proportion to the duration of each computation period. However, when an adjustment amount (so-called "amount equivalent to fixed asset tax") arises between the Corporation and a transferor in the acquisition of new property in a calendar year covering the relevant computation period, such adjustment amount will not be expensed in the relevant computation period and booked at acquisition cost of such new property.
Distribution of earnings	The Corporation assumes that it will not make a distribution in excess of earnings. Accordingly, the envisaged distribution policy is to make cash distributions to the extent of accounting profits and return profit as a cash distribution in excess of 90% of earnings available for dividends, pursuant to the provisions stipulated in the Articles of Incorporation.

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