



March 27, 2007

To whom it may concern:

Japan Real Estate Investment Corporation  
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## Notice of Asset Acquisition

Announcement is hereby made that on March 27, 2007, 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, Building: Ownership (Note)  |
| 2) Name of property:           | 8・3 Square Kita Building (Note)   |
| 3) Acquisition price:          | 7,100 million yen<br><Payment schedule><br>Upon concluding the agreement<br>for the acquisition of the property: 500 million yen (Deposit)<br>On the scheduled acquisition date: 6,600 million yen<br>(Balance due) |
| 4) Scheduled acquisition date: | June 1, 2007  |
| 5) Seller:                     | Taisei Corporation  |
| 6) Broker:                     | Mitsubishi Estate Co., Ltd.   |
| 7) Acquisition funds:          | Deposit: Own funds<br>Balance due: To be determined   |

(Note) The asset to be acquired by the Corporation is land and a building of a complex, which were developed together with “8・3 Square D’ Grafort Sapporo Station Tower,” (residential building) under the “8・3 Square” re-development project. The Corporation will acquire the share of co-ownership in land of 8・3 Square, the 8・3 Square Kita Building (office building), and a multi-level parking structure. (Refer to the ownership diagram on page 9) While the ownership type of the building to be acquired by the Corporation is compartmentalized building units, the Corporation will acquire the whole of the compartmentalized building units.

## **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) Sapporo City as a central city

Sapporo City is the largest central city in Hokkaido. Since the Corporation did not have any properties in Hokkaido, the acquisition of a competitive office building for lease in Sapporo City is also beneficial in terms of regional diversity.

(2) Newly-built property adjacent to Sapporo Station

Completed in December 2006, the property is a new building within a project site that is directly connected to JR Sapporo Station via an underground walkway. It is a rare property with a competitive edge in terms of location and age in the Sapporo City office building market.

(3) Large property with high specifications

The property is equipped with specifications that can satisfy a variety of facility needs for tenants as an office building for lease, including a lease space of over 370 tsubo for a standard floor, individual air conditioning system by zone, ceiling height of 2.7 meters, 100mm access floor, and a security system based on non-contact IC cards.

## **3. Details of the property to be acquired**

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. (“Address”, “usage” and “structure” are for the office building.)

(1) Details of the property to be acquired

|   |  |   |
|---|--|---|
| Location  |  |   |
| Address shown in land registry                                    | Land   | Kita 8 Nishi 3 32, Kita-ku, Sapporo City, Hokkaido  |
|   | Building   | Kita 8 Nishi 3 32, Kita-ku, Sapporo City, Hokkaido  |
| Address   |  | Kita 8 Nishi 3 32, Kita-ku, Kita-ku, Sapporo City, Hokkaido   |
| Usage   |  | Office, shop  |
| Area  |  |   |
| Land  | 5,541.60 m <sup>2</sup><br>(Total land area for the 8・3 Square site)   |   |
|   | 16,048.59 m <sup>2</sup> (Office building)<br>48.38 m <sup>2</sup> (Multi-level parking structure )  |   |
| Structure   |  | Steel-reinforced concrete structure, flat roof<br>Above ground: 11 floors Below ground: 1 floor   |
| Completion date   |  | December 2006   |
| Architect   |  | Daiwa House Industry Co., Ltd.  |
| Constructor   |  | Daiwa House Industry Co., Ltd.  |
| Building permit agency  |  | Japan ERI Co., Ltd.<br>(For elevator machinery, Sapporo City issues an inspection certificate.)   |
| Type of ownership   |  |   |
| Land  | Ownership (4,717,000/10,000,000 in the site rights)  |   |
|   | Ownership (All the compartmentalized building units in the office building and the multi-level parking structure, and the common area in the project site) |   |
| Acquisition price   |  | 7, 100 million yen  |
| Appraisal value<br>(Appraisal institution)<br>(Evaluation method) |  | 7, 190 million yen<br>(Daiwa Real Estate Appraisal Co., Ltd.)<br>(Capitalization method: as of March 1, 2007)<br><Reference> Capitalization yield in direct capitalization method : 5.5%<br>Discount rate in DCF method : 5.4%<br>Final capitalization yield : 5.7% |
| PML value   |  | 3.58% (Based on an earthquake risk assessment report by Tokio Marine & Nichido Risk Consulting Co., Ltd.)   |
| Mortgage  |  | None (There are mortgages on the interests of the compartmentalized building units owners of the residential building)  |
| Property management company (Note 1)                              |  | Mitsubishi Estate Co., Ltd. (Note 2)  |

(Note 1) The property management company to be entrusted after the acquisition shall be described.

(Note 2) Outline of the property management company

|   |   |
|---|---|
| Corporate name  | Mitsubishi Estate Co., Ltd.   |
| Address of the registered head office                             | 1-6-1 Ohtemachi, Chiyoda-Ku Tokyo   |
| Representative  | Keiji Kimura, President and CEO   |
| Paid in capital   | 136,534 million yen (As of September 30, 2006)  |
| Major shareholders  | The Master Trust Bank of Japan, Ltd. (Trust account)<br>Meiji Yasuda Life Insurance Company<br>State Street Bank and Trust Company<br>(As of September 30, 2006)  |
| Principal business  | Real estate business  |
| Relationship with the Corporation or the asset management company | A principal shareholder (holding 36% of shares) of Japan Real Estate Asset Management Co. Ltd. (the asset management company) in which the Corporation entrusts the management of its assets<br>Mitsubishi Estate Co., Ltd. falls within the related party of the asset management company under the Cabinet Order of the Enforcement of Law Concerning Investment Trusts and Investment Corporations of Japan.<br>As of March 27, 2007, Mitsubishi Estate, Co., Ltd. holds 10,160 investment units of the Corporation (2.48% of total outstanding investment units). |

(2) Tenant details

|  |  |
|--|--|
| Total number of tenants                          | 7  |
| Total leasable space                             | 12,266m <sup>2</sup>   |
| Total lease space                                | 12,078m <sup>2</sup>   |
| Occupancy rate on the scheduled acquisition date | 98.5% (Projection)   |
| NOI ( Net Operating Income )                     | 370 million yen per year   |
| (Note)   | <ul style="list-style-type: none"> <li>- Total number of tenants, total leasable space, total lease space and occupancy rate on the scheduled acquisition date are projections for the office building as of the scheduled acquisition date.</li> <li>- NOI is the estimate under the normal operation based on the terms and conditions of lease agreements as of the scheduled acquisition date, etc.<br/>* Estimated occupancy rate: 95.0%</li> <li>- The above figures (except NOI) are based on the data provided by the seller.</li> </ul> |

(3) Specifications for rental floor space

|                         |   |
|-------------------------|---|
| Ceiling height          | 2,700mm   |
| Standard floor area     | 1,234m <sup>2</sup>   |
| Access floor            | 100mm   |
| Electric capacity       | 50VA/m <sup>2</sup>   |
| Air conditioning system | Individual air conditioning system (Maximum of 5 zones per floor) |
| Floor load              | 500kg/m <sup>2</sup>  |
| Others                  | Around-the-clock entry and exit                                   |

(4) Outline of the engineering report

i. Outline of repair items

|   |  |                     |
|---|--|---------------------|
| Date of report  |  | March 1, 2007       |
| Preparer of report  |  | Shimizu Corporation |
| Early repair items  | Emergency repair items                     | None                |
|   | Short-term repair items<br>(within 1 year) | None                |
| Repair cost / Capital expenditure<br>for the next 15 years<br>(Annual average for the share to be<br>acquired by the Corporation) | Repair cost                                | 6 million yen       |
|   | Capital expenditure                        | 0 million yen       |
|   | Total                                      | 7 million yen       |

ii. Description concerning utilization status of asbestos

(Description on the possible use of asbestos)

|   |      |
|---|------|
| Sprayed materials with asbestos or not              | None |
| Materials with asbestos or not other than the above | None |

4. Outline of the seller

|   |  |
|---|--|
| Corporate name  | Taisei Corporation   |
| Address of the registered head office                             | 1-25-1 Nishi-shinjuku, Shinjuku-ku, Tokyo  |
| Representative  | Kanji Hayama, President & Representative Director  |
| Paid in capital   | 112,448 million yen (As of September 30, 2006)   |
| Major shareholders  | Japan Trustee Services Bank, Ltd. (Trust account)<br>State Street Bank and Trust Company<br>The Master Trust Bank of Japan, Ltd. (Trust account)<br>(As of September 30, 2006) |
| Principal business  | Construction business  |
| Relationship with the Corporation or the asset management company | None   |

5. Outline of brokerage

- (1) Broker: Mitsubishi Estate Co., Ltd. (Refer to 3. (1) (Note 2))  
(2) Commission: 213 million yen (3% of the acquisition price)

6. Acquisition schedule

- March 27, 2007 The acquisition of the property was determined.  
March 30, 2007 Execution of an agreement for the acquisition of the property,  
deposit payment (Scheduled)  
June 1, 2007 Property handover, balance payment (Scheduled)

As the scheduled acquisition date of this property is June 1, 2007, there is no impact on the Corporation's management performance for the fiscal period from October 1, 2006 to March 31, 2007.

This notice is the English translation of the March 27, 2007, announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

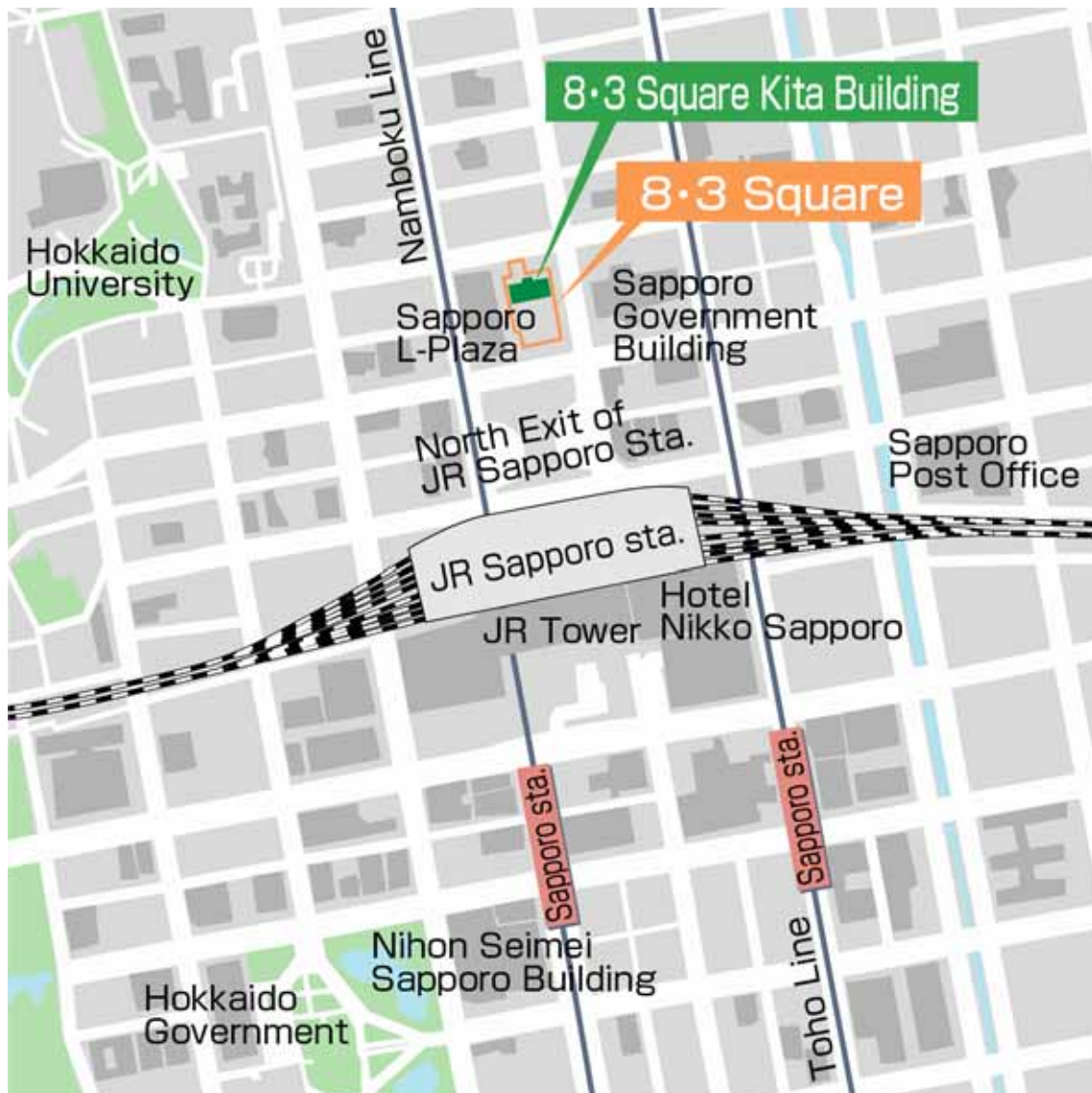
Reference materials (Attachments)

- Photo: Outside view of 8•3 Square Kita Building
- Information Map
- Ownership diagram
- List of all the assets of the Corporation after the acquisition of this property

(Reference) Photo: Outside view of 8•3 Square Kita Building

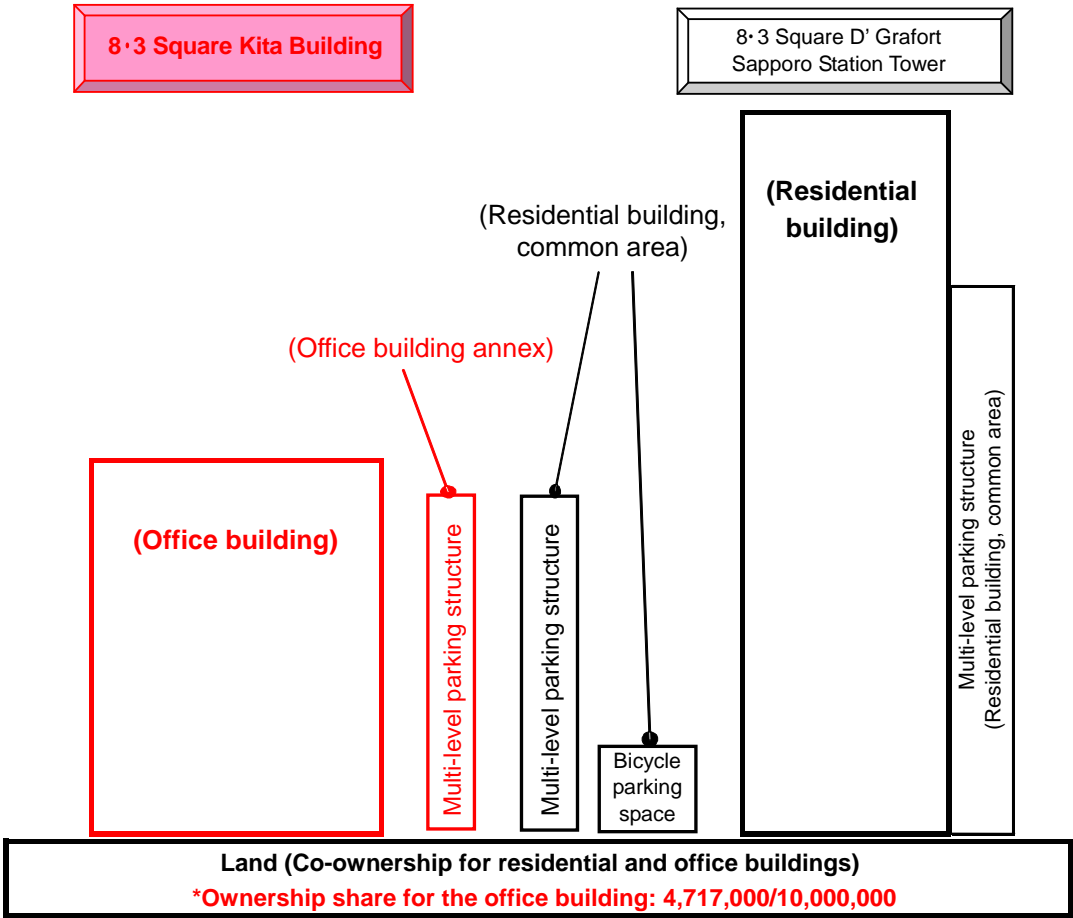


(Reference) Information map





(Reference) Ownership diagram



## 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                        | 1.1%                    | 80.6%              |
|                                    | Kitanomaru Square (Chiyoda-ku, Tokyo)                         | Real property                                   | February 24, 2006                              | 81,555,500                       | 18.2%                   |                    |
|                                    | MD Kanda Building (Chiyoda-ku, Tokyo)                         | Real property                                   | May 31, 2002                                   | 9,520,000                        | 2.1%                    |                    |
|                                    | Kandabashi Park Building (Chiyoda-ku, Tokyo)                  | Real property                                   | August 15, 2002                                | 4,810,000                        | 1.1%                    |                    |
|                                    | Nibancho Garden (Chiyoda-ku, Tokyo)                           | Real property                                   | April 1, 2005                                  | 14,700,000                       | 3.3%                    |                    |
|                                    | Mitsubishi UFJ Trust and Banking Building (Chiyoda-ku, Tokyo) | Real property                                   | March 28, 2007                                 | 44,700,000                       | 10.0%                   |                    |
|                                    | Burex Kojimachi Building (Chiyoda-ku, Tokyo)                  | Real property                                   | July 29, 2005                                  | 7,000,000                        | 1.6%                    |                    |
|                                    | Sanno Grand Building (Chiyoda-ku, Tokyo)                      | Real property                                   | January 31, 2005                               | 10,200,000                       | 4.7%                    |                    |
|                                    |   |   | April 3, 2006                                  | 10,700,000                       |                         |                    |
|                                    |   |   | Total  | 20,900,000                       |                         |                    |
|                                    | Yurakucho Denki Building (Chiyoda-ku, Tokyo)                  | Real property                                   | August 1, 2003                                 | 7,200,000                        | 1.6%                    |                    |
|                                    | 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                       | 3.8%                    |                    |
|                                    | Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)           | Real property                                   | March 15, 2005                                 | 5,353,500                        | 1.2%                    |                    |
|                                    | Aoyama Crystal Building (Minato-ku, Tokyo)                    | Real property                                   | March 14, 2003                                 | 7,680,000                        | 1.7%                    |                    |
|                                    | 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                        | 0.6%                    |                    |
|                                    | Shinwa Building (Shinjuku-ku, Tokyo)                          | Real property                                   | September 1, 2004                              | 7,830,000                        | 1.7%                    |                    |
|                                    | Tokyo Opera City Building (Shinjuku-ku, Tokyo)                | Real property                                   | September 13, 2005                             | 9,350,000                        | 2.1%                    |                    |
|                                    | 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                        | 1.2%                    |                    |
|                                    | Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)               | Trust beneficiary right in trust of real estate | September 10, 2001                             | 5,123,000                        | 1.1%                    |                    |
|                                    | Nippon Brunswick Building (Shibuya-ku, Tokyo)                 | Real property                                   | March 24, 2004                                 | 6,670,000                        | 1.5%                    |                    |
|                                    | Yoyogi 1Chome Building (Shibuya-ku, Tokyo)                    | Real property                                   | April 1, 2004                                  | 8,700,000                        | 1.9%                    |                    |
|                                    | da Vinci Harajuku (Shibuya-ku, Tokyo)                         | Real property                                   | November 22, 2002                              | 4,885,000                        | 1.1%                    |                    |
|                                    | Jingumae Media Square Building (Shibuya-ku, Tokyo)            | Real property                                   | October 9, 2003                                | 12,200,000                       | 2.7%                    |                    |
|                                    | Shibuya Cross Tower (Shibuya-ku, Tokyo)                       | Real property                                   | November 30, 2001                              | 34,600,000                       | 7.7%                    |                    |
|                                    | Ebisu Neonato (Shibuya-ku Tokyo)                              | Real property                                   | November 14, 2003                              | 3,740,000                        | 0.9%                    |                    |
|                                    |   |   | April 1, 2004                                  | 360,000                          |                         |                    |
|                                    |   |   | Total  | 4,100,000                        |                         |                    |
|                                    | Harmony Tower (Nakano-ku Tokyo)                               | Real property                                   | February 28, 2005                              | 8,500,000                        | 1.9%                    |                    |
|                                    | 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   | 1.0%   |        |
| Tokyo<br>Metropolitan<br>Area<br>(excluding 23<br>wards)        | Hachioji First Square<br>(Hachioji City, Tokyo)  | Real property   | March 31, 2005     | 3,300,000   | 0.7%   | 2.1%   |
|   | Saitama Urawa Building<br>(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<br>(Kawasaki City, Kanagawa Prefecture) | Trust beneficiary<br>right in trust of<br>real estate                                      | September 25, 2001                                    | 3,375,000          | 0.8%        |        |        |
| Total: Tokyo Metropolitan Area                                  |  |   |                    | 370,553,000 | 82.6%  | 82.6%  |
| Hokkaido  | 8.3 Square Kita Building<br>(Sapporo City, Hokkaido)                                       | Real property   | June 1, 2007       | 7,100,000   | 1.6%   | 1.6%   |
| Tohoku<br>Region  | Jozenji Park Building<br>(Sendai City, Miyagi Prefecture)                                  | Real property   | January 31, 2005   | 1,000,000   | 0.2%   | 0.9%   |
|   | Sendai Honcho Honma<br>Building<br>(Sendai City, Miyagi Prefecture)                        | Trust beneficiary<br>right in trust of<br>real estate | September 25, 2001 | 2,924,000   | 0.7%   |        |
|   |  |   | June 28, 2006      | 250,000     |        |        |
|   |  |   | Total              | 3,174,000   |        |        |
| Hokuriku<br>Region  | Kanazawa Park Building<br>(Kanazawa City, Ishikawa Prefecture)                             | Real property   | February 28, 2002  | 2,880,000   | 1.0%   | 1.0%   |
|   |  |   | March 3, 2003      | 1,700,000   |        |        |
|   |  |   | Total              | 4,580,000   |        |        |
| Chubu Region  | Nishiki Park Building<br>(Nagoya City, Aichi Prefecture)                                   | Real property   | October 2, 2006    | 3,850,000   | 1.1%   | 5.2%   |
|   |  |   | November 1, 2006   | 1,300,000   |        |        |
|   |  |   | Total              | 5,150,000   |        |        |
|   | Hirokoji Tokio Marine Nichido<br>Building<br>(Nagoya City, Aichi Prefecture)               | Real property   | September 22, 2006 | 1,680,000   | 0.4%   |        |
|   | Nagoya Hirokoji Building<br>(Nagoya City, Aichi Prefecture)                                | Real property   | September 10, 2001 | 14,533,000  | 3.2%   |        |
| 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%   | 5.0%   |
|   | Sakaisujihonmachi Building<br>(Osaka City, Osaka Prefecture)                               | Real Property   | September 25, 2001 | 2,264,000   | 0.9%   |        |
|   |  |   | December 26, 2003  | 1,900,000   |        |        |
|   |  |   | Total              | 4,164,000   |        |        |
|   | Midosuji Daiwa Building<br>(Osaka City, Osaka Prefecture)                                  | Trust beneficiary<br>right in trust of<br>real estate | September 25, 2001 | 6,934,000   | 3.2%   |        |
|   |  |   | February 28, 2002  | 7,380,000   |        |        |
|   |  |   | Total              | 14,314,000  |        |        |
|   | Kobe Itomachi Building<br>(Kobe City, Hyogo Prefecture)                                    | Trust beneficiary<br>right in trust of<br>real estate | September 25, 2001 | 1,436,000   | 0.3%   |        |
| Chugoku<br>Region   | Lit City Building<br>(Okayama City, Okayama Prefecture)                                    | Real Property   | February 1, 2006   | 4,650,000   | 1.0%   | 1.3%   |
|   | NHK Hiroshima Broadcasting Center<br>Building<br>(Hiroshima City, Hiroshima<br>Prefecture) | Real Property   | March 25, 2004     | 1,320,000   | 0.3%   |        |
| Kyushu<br>Region  | Tosei Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                                | Real property   | September 25, 2001 | 1,550,000   | 0.3%   | 2.3%   |
|   | Tenjin Crystal Building<br>(Fukuoka City, Fukuoka Prefecture)                              | Real property   | June 1, 2005       | 5,000,000   | 1.1%   |        |
|   | Hinode Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                               | Trust beneficiary<br>right in trust of<br>real estate | September 10, 2001 | 3,657,000   | 0.8%   |        |
| Total: Other major cities                                       |  |   |                    | 77,823,000  | 17.4%  | 17.4%  |
| Total: Portfolio  |  |   |                    | 448,376,000 | 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, November 24, 2005, and November 24, 2006 for a total acquisition price of 1,270 million yen, and acquired a preferential right to purchase assets such as real property etc. related to "Harumi Center Building" after the completion of the building.