



December 10, 2007

To whom it may concern:

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Notice of Asset Acquisition

Announcement is hereby made that on December 10, 2007, Japan Real Estate Investment Corporation (the “Company”) decided to acquire the following asset:

1. Outline of the acquisition

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| 1) Asset to be acquired | Real property (Ownership of land and building [share of co-ownership])
(Ratio of share of ownership of building: 29.7389%) (Note) |
| 2) Name of asset | Hachioji First Square |
| 3) Acquisition price | ¥2,379,112,000 |
| 4) Scheduled acquisition date | March 19, 2008 |
| 5) Seller | Sohgo Housing Co., Ltd. |
| 6) Acquisition funds | To be determined |

Note: As of December 10, 2007, the Company holds a share of ownership of the Property (50.6611% of the share of ownership of building). Following the above acquisition of an additional share, the Company’s share of ownership of the building will be 80.4%.

2. Reasons for the acquisition

The Company will acquire the asset based on the basic policies and investment attitude for acquisition under the Articles of Incorporation of the Company. In particular, the following points have been highly evaluated in the determination of the acquisition.

- (1) Improving efficiencies in operation and management of the building
With this acquisition of an additional share, the asset value can be boosted and efficiencies in operation and management of the building can be improved.
- (2) Superior location
The property is located in Hachioji City, the largest city in the Tama district of the Tokyo metropolitan area, a highly convenient transportation junction with both rail (Keio Line and JR Lines [the Chuo Line, the Yokohama Line, and the Hachiko Line] and road (National Route 16, the Chuo Expressway, and National Route 20 [Koshu Kaido]) access. Specifically, the property boasts an excellent location, situated within a one-minute walk from Keio Hachioji Station on the Keio Line and a 4-minute walk from Hachioji Station on the JR Line.
- (3) Superior specifications as a office building for rent
The leasable space of the 335-tsubo standard floor area can be divided into various sizes for

leasing purposes. The property's specifications, including a ceiling height of 2,600 mm, an electric capacity of 40 VA/m², an around-the-clock entry and exit security system, and a large-size parking lot capable of accommodating 126 vehicles are sufficient not only to serve as a business base but also to meet the diverse needs of tenants.

3. Details of the asset 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.

(1) Details of the asset to be acquired

Location		
Address shown in land registry	Land	3-547-8 Myojin-cho, Hachioji City, Tokyo and 17 other lots
	Building	3-547-8 Myojin-cho, Hachioji City, Tokyo and others
Address		3-20-6 Myojin-cho, Hachioji City, Tokyo
Usage		Office, shop
Area		
Land		2,989.33 m ² (Total land area of the building site)
Building		18,329.98 m ² (Total floor space of the entire building) *Including parking lot (127.53 m ²) in the ancillary building
Structure		Steel-framed reinforced concrete structure, flat roof Above ground: 12 floors Below ground: 1 floor
Completion date		July 1996
Architect		Hazama Corporation
Constructor		Hazama Corporation
Building confirmation and inspection body		Hachioji City
Type of ownership		
Land	Ownership (share of co-ownership in 5 lots/965.99 m ² : 96,748,968,592/337,741,000,000, share of co-ownership in 3 lots/1,273.92 m ² : 11,340,170,578,272/33,774,100,000,000, share of co-ownership in 2 lots/233.50 m ² : 148,788,772,313/337,741,000,000, share of co-ownership in 2 lots/93.88 m ² : 10,715,692,933,620/33,774,100,000,000, share of co-ownership in 1 lot/153.75 m ² : 11,288,130,774,551/33,774,100,000,000)	
	Building	
Ownership (share of co-ownership: 2,973,890/10,000,000)		
Acquisition price		¥2,379.112 million
Appraisal value (Appraisal institution) (Evaluation method)		¥2,310 million (Daiwa Real Estate Appraisal Co., Ltd.) (Capitalization method: as of December 1, 2007) <Reference> Capitalization yield in direct capitalization method : 5.2% Discount rate in DCF method : 4.9% Final capitalization yield : 5.4%
PML value		8.00% (Based on the earthquake risk assessment report that the Company obtained in March 2005 from Tokio Marine & Nichido Risk Consulting Co., Ltd.)
Collateral		None
Property management company (Note 1)		Sohgo Housing 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	Sohgo Housing Co., Ltd.
Address of the registered head office	2-8-1 Nishi-Gotanda, Shinagawa-ku, Tokyo
Representative	Tetsujiro Hayashi, President and Representative Director
Paid in capital	¥100 million (as of November 30, 2007)
Major shareholders	Tokyu Land Corporation The Dai-ichi Building Co., Ltd. Takenaka Corporation J and S Insurance Service Co., Ltd. (as of November 30, 2007)
Principal business	Real estate business
Relationship with the Company or the asset management company	The Dai-ichi Mutual Life Insurance Company (Dai-ichi Mutual Life), a shareholder of Japan Real Estate Asset Management Co., Ltd. (the asset management company), to which the Company entrusts the management of its assets, and its closely related parties hold a 19.5% stake (of which, 5% is directly held by Dai-ichi Mutual Life) in Sohgo Housing Co., Ltd. Also, Dai-ichi Mutual Life holds a 27% stake in Japan Real Estate Asset Management Co., Ltd.

(2) Tenant details

Total number of tenants	42	
Total leasable space	3,724 m ²	
Total leased space	3,703 m ²	
Trend in occupancy rates	September 30, 2005	95.3%
	September 30, 2006	98.7%
	September 30, 2007	99.4%
	Scheduled acquisition date	To be determined
NOI (Net Operating Income)	¥127 million per year	
(Note)	<div>- The above figures (except NOI) are based on the shares held by the Company as of September 30, 2007, and converted into the shares to be acquired this time.</div> <div>- NOI is the estimated amount for the share to be acquired by the Company on the scheduled acquisition date, and under normal operation based on the terms and conditions of lease agreements as of the scheduled acquisition date, etc.</div> <div>* Estimated occupancy rate: 95.1%</div>	

(3) Specifications for rental floor space

Ceiling height	2,600 mm (2,525mm for office automation floor space)
Standard floor area	1,107 m ²
Office automation floor	Partially equipped (75mm)
Electric capacity	40 VA/m ²
Air conditioning system	Central air conditioning system
Floor load	500 kg/m ²
Others	Around-the-clock entry and exit

(4) Outline of the engineering report

i. Outline of repair items

Date of report		December 24, 2004
Preparer of report		Shimizu Corporation
Early repair items	Emergency repair items	None
	Short-term repair items (within 1 year)	None
Repairing expenses/Capital expenditure for the next 15 years (Annual average for the share to be acquired by the Company)	Repairing expenses	¥5 million
	Capital expenditure	¥8 million
	Total	¥14 million

ii. Description concerning utilization status of asbestos

(Description on the possible use of asbestos)

Sprayed materials with asbestos	None
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4. Outline of seller

Same as the outline of the property management company described in (Note 2) of 3. (1).

5. Acquisition schedule

December 10, 2007	The acquisition of the asset was determined.
December 18, 2007	Execution of an agreement for the acquisition of the asset (scheduled)
March 19, 2008	Closing of acquisition (scheduled)

As the impact on the Company's management performance for the fiscal period from October 1, 2007 to March 31, 2008 is minimal, no revision of the forecast performance will be made.

This notice is the English translation of the announcement in Japanese dated December 10, 2007 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 Hachioji First Square
- Information map
- List of all the assets of the Company after the acquisition of this asset

(Reference) Photo: Outside view of Hachioji First Square



(Reference) Information map



List of all the assets of the Company after the acquisition of this asset

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%	81.5%
	Kitanomaru Square (Chiyoda-ku, Tokyo)	Real property	February 24, 2006	81,555,500	17.1%	
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520,000	2.0%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810,000	1.0%	
	Nibancho Garden (Chiyoda-ku, Tokyo)	Real property	April 1, 2005	14,700,000	3.1%	
	Mitsubishi UFJ Trust and Banking Building (Chiyoda-ku, Tokyo)	Real property	March 28, 2007	44,700,000	9.4%	
	Burex Kojimachi Building (Chiyoda-ku, Tokyo)	Real property	July 29, 2005	7,000,000	1.5%	
	Sanno Grand Building (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200,000	4.4%	
			April 3, 2006	10,700,000		
			Total	20,900,000		
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200,000	1.5%	
	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	1.1%	
	Ginza Sanwa Building (Chuo-ku, Tokyo)	Real property	March 10, 2005	16,830,000	3.5%	
	Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Real property	March 15, 2005	5,353,500	1.1%	
	Harumi Center Building (Chuo-ku, Tokyo)	Real property	December 18, 2007	26,800,000	5.6%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680,000	1.6%	
	Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	4,859,000	1.0%	
	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	1.6%	
	Tokyo Opera City Building (Shinjuku-ku, Tokyo)	Real property	September 13, 2005	9,350,000	2.0%	
	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	1.4%	
	Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700,000	1.8%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885,000	1.0%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200,000	2.6%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600,000	7.3%	
	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	1.8%	
	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	3,541,000	0.7%	
	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	0.9%	

Tokyo Metropolitan Area (excluding 23 wards)	Hachioji First Square (Hachioji City, Tokyo)	Real property	March 31, 2005	3,300,000	1.2%	2.4%
			March 19, 2008	2,379,112		
			Total	5,679,112		
	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232,000	0.5%	
			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	0.7%		
Total: Tokyo Metropolitan Area				399,732,112	84.0%	84.0%
Hokkaido	8・3 Square Kita Building (Sapporo City, Hokkaido)	Real property	June 1, 2007	7,100,000	1.5%	1.5%
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%	
			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	1.0%	1.0%
			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	1.1%	4.9%
			November 1, 2006	1,300,000		
			Total	5,150,000		
	Hirokoji Sakae 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	3.1%	
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%	4.4%
	Sakaishujihonmachi Building (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 (Osaka City, Osaka Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	6,934,000	3.0%	
February 28, 2002			7,380,000			
Total			14,314,000			
Chugoku Region	Lit City Building (Okayama City, Okayama Prefecture)	Real property	February 1, 2006	4,650,000	1.0%	1.3%
	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	0.3%	2.1%
	Tenjin Crystal Building (Fukuoka City, Fukuoka Prefecture)	Real property	June 1, 2005	5,000,000	1.1%	
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.8%	
Total: Other major cities				76,387,000	16.0%	16.0%
Total: Portfolio				476,119,112	100.0%	100.0%

(Note) In addition to the assets outlined in the above list, the Company 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.