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Notice of Forecast Results for the 17th Period (March 31, 2010) and the 18th Period (September 30, 2010)

Japan Real Estate Investment Corporation (the “Company”) announced its forecast results as shown below for the 17th Period (October 1, 2009 through March 31, 2010) and the 18th Period (April 1, 2010 through September 30, 2010).

1. Forecast Results for the 17th Period (March 31, 2010) and the 18th Period (September 30, 2010)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per unit (Excluding dividend in excess of earnings)	Dividend in excess of earnings per unit	Number of units outstanding at the end of period(Note1)
the 17th Period (March 31, 2010)	million yen 21,640	million yen 10,210	million yen 8,470	million yen 8,470	yen 17,320	yen –	units 489,200
the 18th Period (September 30, 2010)	million yen 21,320	million yen 9,810	million yen 7,940	million yen 7,940	yen 16,240	yen –	units 489,200

(Reference)

the 16th Period (September 30, 2009) (Actual)	million yen 21,524	million yen 10,054	million yen 8,505	million yen 8,504	yen 19,198	yen –	units 443,000
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(Note1) The number of units outstanding is under the assumption that the 489,200 units are comprised of the current outstanding and issued 443,000 units as of November 18, 2009, plus 42,000 units to be issued through public offering and 4,200 units to be issued through a third-party allotment/allocation offering available as determined by resolution at the board meeting held on November 18, 2009. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 4,200 units are issued.

(Note2) The above forecast figures are computed as of November 18, 2009, under the assumption described in Attachment 1, titled “Assumptions for Forecast Results for the 17th Period (March 31, 2010) and the 18th Period (September 30, 2010).” However, the actual operating revenues, operating income, ordinary income, net income and dividend per unit may fluctuate depending on future acquisitions or sales of properties and the market environment. In addition, these forecasts do not guarantee the actual results or dividend.

(Note3) All amounts under minimum units appearing in the actual results for the 16th Period (September 30, 2009) have been disregarded.

Please refer to Attachment 2 for the details of the forecasts for the each period.

Disclaimer: This document is intended to serve as a press statement to make available the information on Forecast Results for the 17th Period (March 31, 2010) and the 18th Period (September 30, 2010) of Japan Real Estate Investment Corporation (the “Company”), 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 Company. Prospective investors are advised to read the Company’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

Assumptions for Forecast Results for the 17th Period (March 31, 2010)
and the 18th Period (September 30, 2010)

Computation period	The 17th Period: October 1, 2009 through March 31, 2010 (182 days) The 18th Period: April 1, 2010 through September 30, 2010 (183 days)
Number of properties held by the Company	<ul style="list-style-type: none"> The Company assumes its holding as of November 18, 2009 to be 55 properties, plus the additional quasi-co-ownership 30% of trust beneficiary right in trust of real estate pertaining to Shiodome Building to be acquired on January 15, 2010 (the “acquirement of additional share”). However, the actual number will vary depending on additional acquisitions or sales of properties. The Company does not have any of the forward commitments described in the “Guideline for Financial Instruments Business Supervision.”
Number of units outstanding	<ul style="list-style-type: none"> The number of units outstanding is under the assumption that the 489,200 units are comprised of the current outstanding and issued 443,000 units as of November 18, 2009, plus 42,000 units to be issued through public offering and 4,200 units to be issued through a third-party allotment/allocation offering available as determined by resolution at the board meeting held on November 18, 2009. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 4,200 units are issued.
Interest-bearing debt ratio (=Interest-bearing debt/Total assets)	<ul style="list-style-type: none"> The Company assumes an operational guideline of interest-bearing debt ratio over total assets to be in the 30% range. With the acquirement of the additional share of Shiodome Building described in the above ‘Number of properties held by the Company,’ the Company intends to use approximately ¥20 billion out of the approximately ¥31,832 million raised through the issuance of new units by public offering and a third-party allotment as determined by resolution at the board of directors’ meeting held on November 18, 2009, for the scheduled acquirement of an additional share of Shiodome Building. In addition, the Company intends to use the remainder (approximately ¥11.8 billion) of the proceeds from the issuance of new units and its own funds for repaying a portion of the existing loans. As a result, the interest-bearing debt ratio after the acquirement of the additional share is expected to be around 38%. However, the above interest-bearing debt ratio may vary depending on the final issue price of units to be issued and the number of units to be issued through the third-party allotment, etc. In addition, the interest-bearing debt ratio as of March 31, 2010, and September 30, 2010, is expected to be around the mid-30% level. <p><Reference> Under the assumption that the above issuance of new units is not executed, and all expenses for the acquisition of the additional share of Shiodome building are applied with new interest bearing debts and partial repayment of the existing loans is not executed, the interest-bearing debt ratio as of after the acquisition of the additional share of Shiodome building is estimated to be around 44%.</p> <ul style="list-style-type: none"> In the 17th Period (March 31, 2010), the short-term loan balance of ¥27.5 billion (Repayment date: December 21, 2009, and March 24, 2010) and the long-term loan balance of ¥ 12 billion (Repayment date: December 15, 2009 and March 24, 2010) are assumed to be refinanced, excluding the repayment of a portion of those loans by proceeds from the issuance of new units and cash on hand. There are no investment corporate bonds to mature in the 17th Period (March 31, 2010). In the 18th Period (September 30, 2010), the short-term loan balance of ¥20.5 billion (Repayment date: June 1, 2010, September 1, 2010, and September 24, 2010) and the long-term loan balance of ¥ 6 billion (Repayment date: June 14 and June 15, 2010) are assumed to be refinanced, excluding the repayment of a portion of those loans by proceeds from the issuance of new units and cash on hand. The investment corporate bond of ¥10 billion to mature on April 30, 2010, is assumed to be repaid with the funds raised by loans, etc.

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Operating revenues	<ul style="list-style-type: none"> Revenue from properties held by the Company is calculated by taking the finalized new contract conclusions and cancellations as of today into consideration, as well as potential variables, such as revenue that is at risk of decreasing due to returned spaces. Revenue from the property to be newly acquired (the acquisition of additional share of Shiodome Building) is calculated based on information such as the lease agreements as of the scheduled acquisition date of the property. In the 17th Period (March 31, 2009), the Company expects to record approximately ¥880 million in revenue from gain on transfer pertaining to part of Jingumae Media Square Building Site. <p><Reference> Actual Operating revenues for the 16th Period (September 30, 2009) include a ¥ 728 million gain on transfer of floor area development rights pertaining to transferring the unused floor area of Mitsubishi UFJ Trust and Banking Building.</p>
Operating expenses	<ul style="list-style-type: none"> Property taxes, city planning taxes and depreciable property taxes levied on properties held by the Company will be booked in the property-related expenses in proportion to the duration of each computation period. However, when an adjustment amount of property taxes, etc.(so-called “amount equivalent to fixed asset tax”) arises between the Company and a transferor in the acquisition of new property in a calendar year covering the relevant computation period, such adjustment amount of property taxes, etc. will not be expensed in the relevant computation period and booked at acquisition cost of such new property. Property and Other Taxes have been estimated at ¥1,770 million for the 17th Period (March 31, 2010) and at ¥1,840 million for the 18th Period (September 30, 2010). Depreciation has been estimated at ¥3,890 million for the 17th Period (March 31, 2010) and at ¥3,970 million for the 18th Period (September 30, 2010). Property management expenses have been estimated based on actual results in the past, etc. Repairing Expenses may, however, differ significantly from estimated amounts because there is significant difference between fiscal periods and it is no regular expense, etc.
Non-operating Income	<ul style="list-style-type: none"> Non-operating Income (Interest Expense and Interest Expense on Investment Corporation Bonds, etc.) has been estimated at ¥1,760 million for the 17th Period (March 31, 2010) and at ¥1,890 million for the 18th Period (September 30, 2010). The expense of ¥70 million for the issuance of new units has been estimated as a temporary expense in the 17th Period (March 31, 2010).
Amount of dividend	<ul style="list-style-type: none"> The Company assumes that it will not make a dividend in excess of earnings. Accordingly, the envisaged dividend policy is to make cash dividends to the extent of accounting profits or at least the amount equivalent to 90% of the taxable income, pursuant to the provisions stipulated in the Articles of Incorporation.

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Forecast Results

(Unit: Millions of Yen (excluding other units indicated))

Fiscal Period	16th Period		17th Period		18th Period
	(Ending September 30, 2009)		(Ending March 31, 2010)		(Ending September 30, 2010)
Actual/Forecast	Actual	→ Change →	Forecast	→ Change →	Forecast
Number of Properties at the End of Period	55buildings		55buildings		55buildings
Number of Days	183days		182days		183days
Operating Revenues	21,524	+115	21,640	−320	21,320
Property-related Revenues	20,795	−45	20,750	+570	21,320
Gain on Transfer of Development Rights of Floor Area	728	−728	—		—
Gain on Transfer of Properties	—	+880	880	−880	—
Operating Expenses	11,469	−49	11,420	+90	11,510
Property-related Expenses (excluding Depreciation)	6,845	−155	6,690	+20	6,710
Depreciation	3,801	+88	3,890	+80	3,970
Administrative Expenses	823	+16	840	−20	820
(Asset management Fees (*1))	(540)		(540)	(−20)	(520)
NOI(*2)	13,950	+109	14,060	+550	14,610
Property-related Profits and Losses (*2)	10,149	+20	10,170	+460	10,630
Gross Operating Income	10,878	+171	11,050	−420	10,630
Operating Income	10,054	+155	10,210	−400	9,810
Non-Operating Profits or Losses	−1,549	−190	−1,740	−120	−1,860
(Interest Expense)	(−1,541)	(−108)	(−1,650)	(−210)	(−1,860)
Ordinary Income	8,505	−35	8,470	−530	7,940
Net Income	8,504	−34	8,470	−530	7,940
Units Outstanding	443,000 units	+46,200units	489,200 units		489,200 units
Dividend per Unit	¥19,198	−¥1,878	¥17,320	−¥1,080	¥16,240

*1 Term fee and Incentive fee

*2 Excluding Gain on Transfer of Development Rights of Floor Area and Gain on Transfer of Properties