



January 26, 2005

To whom it may concern:

Name of Real Estate Investment Corporation

Japan Real Estate Investment Corporation

Yoneichiro Baba, Executive Director

(TSE code: 8952)

Contact: (Asset Management Contractor)

Japan Real Estate Asset Management Co., Ltd.

Takuro Yamanaka, General Manager of Planning Department

Phone: +81-3-3211-7921

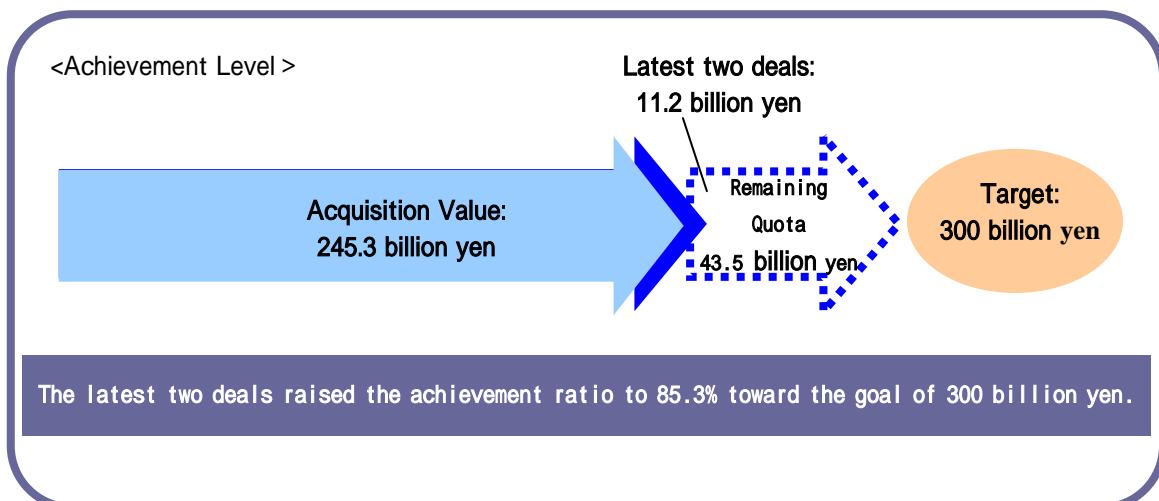
## Notice of Asset Acquisition

Announcement is hereby made that on January 26, 2005, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire two real estate properties, Sanno Grand Building and Jozenji Park Building, the details of which are as given below:

### 1. Importance of asset acquisitions

Today, the Corporation closed a negotiated deal to acquire Sanno Grand Building (acquisition price: 10.2 billion yen) located in the Akasakamitsuke and Nagatacho area, one of the greatest business towns in Tokyo. Similarly, the Corporation also finalized a negotiated transaction to purchase Jozenji Park Building (acquisition price: 1 billion yen), which has a well-balanced combination of favorable location in Sendai City and high specifications, on the same day.

By the acquisition of these two real estate properties (11.2 billion yen in total), the total assets under management of the Corporation amount to around 256.5 billion yen on an acquisition value basis as of January 31, 2005. As a result, with an additional amount of approximately 43.5 billion yen, the Corporation will be able to reach the 300 billion yen external growth target to be accomplished by March 31, 2006.



## 2. Acquisition of Properties

### (1) Acquisition of Sanno Grand Building

#### Outline of the acquisition

- |                                   |  |
|-----------------------------------|--|
| 1) Asset to be acquired:          | Real property (ownership – land and building (share of co-ownership for both land and building: 50.0% each)) |
| 2) Name of property:              | Sanno Grand Building   |
| 3) Acquisition price:             | 10,200 million yen   |
| 4) Scheduled date of acquisition: | January 31, 2005   |
| 5) Seller:                        | Ryoshin Building Co., Ltd.   |
| 6) Acquisition funds:             | Loan   |

#### Reason 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) Superior location as an office building
  - Since this property is located just in front of Akasakamitsuke Station, it is highly convenient to access to both Tokyo Metro Ginza Line and Marunouchi Line. Furthermore, it is also conveniently located within 3 minutes walking distance of Nagatacho Station to access Tokyo Metro subway lines including the Hanzomon Line.
  - The Akasakamitsuke and Nagatacho area is branded as a business town location. Since this area is next to government and other public offices, there is a strong demand for offices, especially from extragovernment organizations, and the rental office market is stable.
- 2) Landmark in the area
  - The appearance of the fully renewed glass curtain wall has a high level of visibility, especially from Sotobori-dori. This property is recognized as one of the attractions around Akasakamitsuke Station, along with its neighboring Akasaka Tokyo Plaza and Prudential Tower.
- 3) Well-balanced features as an office building
  - Although this property was built 38 years ago, after reinforcement work completed in 2002 it is identified as having earthquake-proof construction to meet the current and new mandated standards to withstand temblors.
  - The large-scale renewal work, scheduled for the period from 1995 to 2007, has steadily progressed since 1995, and 88% of the entire work has been completed with the remaining work such as air conditioning facilities which will be completed in 2007. Since most of the work on main facilities, including elevators, air-conditioning equipment, bathrooms, and electric transmission equipment, and also the interior finish on corridors and elevator halls, have been completed, this property already has sufficient facilities to meet tenants' needs (e.g. a ceiling height of 2,600mm, an OA floor, an electric capacity of 40VA/m<sup>2</sup>, and around-the-clock entry and exit).

#### Details of the acquired property

The relevant information is as set out below; provided that the information on “area” “structure” and “completion date” derives from the land registry, and “usage” described below is among the main usages listed in the land registry.

##### 1) Details of the acquired property

Location		
Address shown in land registry	Land	2-20-7, Nagatacho, Chiyoda-ku, Tokyo
	Building	2-20-7, Nagatacho, Chiyoda-ku, Tokyo
Address	2-14-2, Nagatacho, Chiyoda-ku, Tokyo	
Usage	Office	
Areas		
Land	3,663.93 m <sup>2</sup> (land area)	
Building	33,875.95 m <sup>2</sup> (total floor area)	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 10 floors    Below ground: 3 floors	
Completion date	September 1966	
Type of ownership		
Land	Ownership (Share of co-ownership: 50%)	
Building	Ownership (Share of co-ownership: 50%)	
Acquisition price	10,200 million yen	
Appraisal value (appraisal method) (appraisal institution)	10,300 million yen (Discounted cash flow method: as of January 1, 2005) (Daiwa Real Estate Appraisal Co., Ltd.)	
Mortgage	Flexible mortgage (The Corporation will purchase the property after the flexible mortgage is released.)	

## 2) Tenant details

Total number of tenants	47	
Total revenues from the leasing of the portion	926 million yen/year ( ownership: Japan Real Estate Investment Corporation )	
Total rent space	19,866 m <sup>2</sup>	
Total rentable space	21,332 m <sup>2</sup>	
Occupancy rates	March 1, 2003	96.9 %
	March 1, 2004	91.9 %
	On the scheduled acquisition date	93.1 %
(Note)	<ul style="list-style-type: none"> <li>- Total number of tenants, total rent space, total rentable area and occupancy rate on the scheduled acquisition date are projections for the entire building as of January 31, 2005.</li> <li>- Total revenues from the leasing of the portion represent an estimate based on occupancy rate and terms and conditions of lease agreements, etc on the scheduled acquisition date.</li> <li>- The above figures (except total revenues from the leasing of the portion) are the estimates based on the data obtained from the seller.</li> <li>- Currently Ryoshin Building's ownership of the building is leased to Mitsubishi Estate Co., Ltd., and then Mitsubishi Estate, as co-lessor, subleases the offices to tenants in addition to the direct leasing to tenants by Ryoshin Building based on its ownership. This business structure is planned to be continued after the acquisition of such ownership by the Corporation.</li> <li>- The Corporation is due to take over the Ryoshin Building position to act as the party in the lease agreement on the building with Mitsubishi Estate as of the scheduled acquisition date. Based on the above agreement and the building management consignment agreement, the Corporation will receive rental income and common-area charges in proportion to the ownership ratio from Mitsubishi Estate, who will request such fee and charge from each tenant, and in return the Corporation will pay building management fees and water, lighting and heating expenses to Mitsubishi Estate.</li> </ul>	

### Outline of Seller

Corporate name	Ryoshin Building Co., Ltd.
Address of registered head office	2-8-5, Yaesu, Chuo-Ku, Tokyo
Representative	Keitaro Kawanami
Paid-in capital	90,851 thousand yen (as of May 31, 2004)
Principal business	Real estate

### Acquisition schedule

January 26, 2005	Acquisition of the property was determined.
January 31, 2005	Execution of an agreement for the acquisition of the property and property handover

Reference materials (attachments)  
- Photo: Outside view of Sanno Grand Building



## Acquisition of Jozenji Park Building

### Outline of the acquisition

- |  |   |
|--|---|
| 1) Asset to be acquired: real property | Real property   |
|  | Land: ownership (shares of co-ownership in 6 lots or 908.80 m <sup>2</sup> : 50/53) |
|  | Building: ownership (share of co-ownership: 50.0%)                                  |
|  | (Total ownership: 50%)  |
| 2) Name of property:                   | Jozenji Park Building   |
| 3) Acquisition price:                  | 1,000 million yen   |
| 4) Scheduled date of acquisition:      | January 31, 2005  |
| 5) Seller:                             | Ryoshin Building Co., Ltd.  |
| 6) Acquisition funds:                  | Loan  |

### Reason for the acquisition

The Corporation will acquire the property based on the basic policy and investment attitude for asset management under the articles of incorporation of the Corporation. In particular, the following points have been highly evaluated in the determination of the acquisition:

- 1) Superior location
  - Located within 3 minutes walking distance of Nanboku Line City Subway Koutoudaikoen Station (two stops from Sendai Station) and facing Jozenji-Dori, one of the main roads in Sendai City, this property has a high degree of convenience and visibility. Moreover, it is located in the center of the Aoba-Dori and Hirose-Dori zone, which is across the traditional business center area from Sendai Station. Above all, since the property is very close to Miyagi Prefectural Government, Sendai City Government, joint government offices and other public offices, special office demand can be expected, particularly from the industries which have a close relation with public offices.
- 2) Well-balanced features as an office building
  - Having a wide frontage facing Jozenji-Dori, this property has excellent visibility and enjoys a high-grade feeling in harmony with the trees lining Jozenji-Dori.
  - This property is equipped with facilities which will sufficiently meet the needs of tenants, including an OA floor, a separate air-conditioning system, and a 24-hour a day building entry system.

### Details of the acquired property

The relevant information is as set out below; provided that the information on “area” “structure” and “completion date” derives from the land registry, and “usage” described below is among the main usages listed in the land registry.

#### 3) Details of the acquired property

Location		
Address shown in land registry	Land	2-14-6, Kokubun-Cho, Aoba-Ku, Sendai City, Miyagi Prefecture, and six other lots
	Building	2-14-10, Kokubun-Cho, Aoba-Ku, Sendai City, Miyagi Prefecture, and five other properties
Address	2-14-18, Kokubun-Cho, Aoba-Ku, Sendai City, Miyagi Prefecture	
Usage	Office	
Areas		
Land	1,566.68 m <sup>2</sup> (land area)	
Building	7,648.33 m <sup>2</sup> (total floor area)	
Structure	Steel-framed reinforced concrete structure, flat roof Above ground: 8 floors    Below ground: 1 floor	
Completion date	January 1993	
Type of ownership		
Land	Ownership (Shares of co-ownership in 6 lots or 908.80 m <sup>2</sup> : 50/53)	
Building	Ownership (Share of co-ownership: 50.0%)	
Acquisition Price	1,000 million yen	
Appraisal value (appraisal method) (appraisal institution)	1,000 million yen (Discounted cash flow method: as of January 1, 2005) (Daiwa Real Estate Appraisal Co., Ltd.)	
Mortgage	Flexible mortgage (The Corporation will purchase the property after the flexible mortgage is released.)	

#### 4) Tenant details

Total number of tenants	18	
Total revenues from the leasing of the portion	135 million yen/year	
Total rent space	4,694 m <sup>2</sup>	
Total rentable space	5,044 m <sup>2</sup>	
Occupancy rates	March 1, 2003	98.0 %
	March 1, 2004	93.1 %
	On the scheduled acquisition date	93.1 %
(Note)	<ul style="list-style-type: none"> <li>- Total number of tenants, total rent space, total rentable area and occupancy rate on the scheduled acquisition date are projections for the entire building as of January 31, 2005.</li> <li>- Total revenues from the leasing of the portion represent an estimate based on occupancy rate and terms and conditions of lease agreements, etc on the scheduled acquisition date.</li> <li>- The above figures (except total revenues from the leasing of the portion) are the estimates based on the data obtained from the seller.</li> <li>- Currently the ownership of Ryoshin Building is leased to Mitsubishi Estate Co., Ltd., the co-partner of the building, together with the ownership of two other co-owners, and then Mitsubishi Estate subleases the offices to tenants in addition to the direct leasing based on its ownership. This business structure is planned to be continued after the acquisition of such ownership by the Corporation.</li> <li>- The Corporation is due to take over the Ryoshin Building position to act as the party in the lease agreement on building and in the building management consignment agreement, both of which are currently agreed among Mitsubishi Estate, Ryoshin Building and two other co-owners, as of the scheduled acquisition date. Based on the above agreement and the building management consignment agreement, the Corporation will receive rental income and common-area charges in proportion to the ownership ratio from Mitsubishi Estate, who will request such fee and charge from each tenant, and in return the Corporation will pay building management fees and water, lighting and heating expenses to Mitsubishi Estate.</li> </ul>	

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Acquisition schedule

January 26, 2005

Acquisition of the property was determined.

January 31, 2005

Execution of an agreement for the acquisition of the property and property handover

Reference materials (attachments)  
- Photo: Outside view of Jozenji Park Building



### **3. Summary of financing**

Scheduled to obtain loans for 11,000 million yen from the Mitsubishi Trust and Banking Corporation on January 31, 2005. The fund is to be applied for the acquisition of the two properties.

### **4. Performance projection after the acquisition of the two properties**

The impact on the performance projection for the term ending March 2005 (from October 1, 2004 through March 31, 2005) is minimal and there is no revision in performance projection.

Information on the loan for the acquisition of this property will be provided when the interest rate is determined for the loan.

Reference materials (attachments)

- List of all the assets of the Corporation after the acquisition of this property

This notice is the English translation of January 26, 2005 announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

## 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 (MM 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	1.9%	74.6%
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520	3.7%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810	1.9%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	27,267	10.6%	
	Sanno Grand Building (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200	4.0%	
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200	2.8%	
	Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,173	1.2%	
	Burex Kyobashi Building (Chuo-ku, Tokyo)	Real property	July 22, 2002	5,250	2.0%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680	3.0%	
	Shiba 2-chome Daimon Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	4,859	1.9%	
	Cosmo Kanasugibashi Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,808	1.1%	
	Shinwa Building (Shinjuku-ku, Tokyo)	Real property	September 1, 2004	7,830	3.1%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,738	1.1%	
	Higashi Gotanda 1-Chome Building(*) (Shinagawa-ku, Tokyo)	Real property	November 1, 2004	5,500	2.1%	
	JAL Travel Building (Meguro-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	1,362	0.5%	
	Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	5,123	2.0%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6,670	2.6%	
	Yoyogi 1-Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700	3.4%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885	1.9%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200	4.8%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600	13.5%	
	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740	1.6%	
			April 1, 2004	360		
			Total	4,100		
	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,541	1.4%	

	Ikebukuro 2-chome Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	1,728	0.7%	
	Ikebukuro YS Building (Toshima-ku, Tokyo)	Real property	August 2, 2004	4,500	1.8%	
Tokyo Metropolitan Area (excluding 23 wards)	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232	1.0%	3.5%
			October 11, 2001	1,342		
			Total	2,574		
	Shin-Yokohama First Building (Yokohama City, Kanagawa Prefecture)	Real property	January 28, 2002	3,000	1.2%	
	Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	3,375	1.3%	
Total: Tokyo Metropolitan Area				200,193	78.0%	78.0%
Tohoku Region	Jozenji Park Building (Sendai City, Miyagi Prefecture)	Real property	January 31, 2005	1,000	0.4%	1.5%
	Sendai Honcho Honma Building (Sendai City, Miyagi Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	2,924	1.1%	
Hokuriku Region	Niigata Ishizuecho Nishi-Bandaibashi Building (Niigata City, Niigata Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,010	0.4%	2.7%
	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880	1.8%	
			March 3, 2003	1,700		
			Total	4,580		
	Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,331	0.5%	
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14, 533	5.7%	6.4%
	Nagoya Misono Building (Nagoya City, Aichi Prefecture)	Real property	August 8, 2003	1,865	0.7%	
Kinki Region	Kyoto Shijo Kawaramachi Building (Kyoto City, Kyoto Prefecture)	Real property	December 20, 2001	2,650	1.0%	8.8%
	Sakaisujihonmachi Building (Osaka City, Osaka Prefecture)	Real Property	September 25, 2001	2,264	1.6%	
			December 26, 2003	1,900		
			Total	4,164		
	Midosuji Daiwa Building (Osaka City, Osaka Prefecture)	Real estate investment trust beneficial	September 25, 2001	6,934	5.6%	
			February 28, 2002	7,380		
			Total	14,314		
	Kobe Itomachi Building (Kobe City, HyogoPrefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,436	0.6%	
Chugoku Region	NHK Hiroshima Broadcasting Center Building (Hiroshima City, Hiroshima Prefecture)	Real Property	March 25, 2004	1,320	0.5%	0.5%
Kyushu Region	Tosei Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real property	September 25, 2001	1,550	0.6%	2.0%
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real estate investment trust beneficial interest	September 10, 2001	3,657	1.4%	
Total: Other major cities				56,334	22.0%	22.0%
Total: Portfolio				256,527	100.0%	100.0%