



February 21, 2005

To whom it may concern:

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Japan Real Estate Investment Corporation
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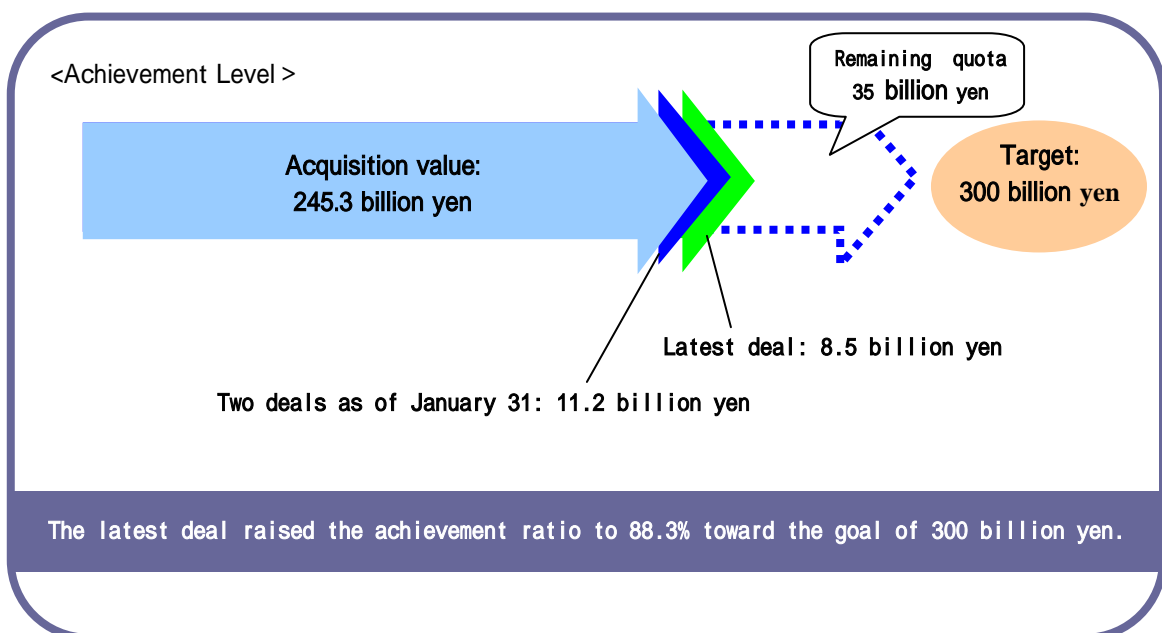
Notice of Asset Acquisition

Announcement is hereby made that on February 21, 2005, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire Harmony Tower as follows:

1. Importance of asset acquisitions

Today, the Corporation decided to acquire Harmony Tower (acquisition price: 8,500 million yen), located in the Nakanosakaue area, which is developing as a new office area. This commercial and office complex is a skyscraper with 29 stories above ground and is directly connected to Nakanosakaue Station.

By the acquisition of this real estate property, the total assets under management of the Corporation amount to around 265 billion yen on an acquisition value basis as of February 28, 2005. As a result, with an additional amount of approximately 35 billion yen, the Corporation will be able to reach the 300 billion yen external growth target to be accomplished by March 31, 2006.



2. Outline of the acquisition

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|-----------------------------------|---|
| 1) Asset to be acquired: | Real property |
| | Land: Ownership (share of co-ownership) |
| | Building: compartmentalized building units and co-ownership of compartmentalized building units |
| 2) Name of property: | Harmony Tower |
| 3) Acquisition price: | 8,500 million yen |
| 4) Scheduled date of acquisition: | February 28, 2005 |
| 5) Seller: | Ryoshin Building Co., Ltd. |
| 6) Acquisition funds: | Loan |

3. 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
 - This property is located in the center of the Nakanosakaue area, which is adjacent to the area of skyscrapers in Nishishinjuku and increasingly recognized as a new office zone. Also, it is directly connected to Nakanosakaue Station, which provides access to multiple subway lines.
 - In addition, it faces Yamate-Dori and Ohme-Kaido, which are principal roads in Tokyo and provides a high level of visibility.
- 2) Relatively new skyscraper highly attractive for tenants as commercial and office complex
 - The building was completed eight years ago, in March 1997, and is relatively new for a piece of property.
 - With various retailers, restaurants, and financial institutions located on the underground and lower floors, the complex provides convenience to tenants.
 - This 29-story building has rental space exceeding 400 tsubo (1,322 m²) on the standard floor and has sufficient facilities to meet tenants' needs (e.g. an OA floor of 75 mm, an electric capacity of 50 VA/m², separate air-conditioning system and around-the-clock entry and exit).

4. Details of the acquired property

The relevant information is as set out below; provided that the information on "area," "structure" and "completion date" derived 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	1-1000, Honcho, Nakano-ku, Tokyo
	Building	1-1000, Honcho, Nakano-ku, Tokyo
Address	1-32-2, Honcho, Nakano-ku, Tokyo	
Usage	Office and shops	
Area		
Land	9,696.52 m ² (total land area for the building site)	
Building	72,729.31 m ² (total floor space for the entire building)	
Structure	Steel-framed, steel-framed reinforced concrete, reinforced concrete structure, flat roof Above ground: 29 floors Below ground: 2 floors	
Completion date	March 1997	
Type of ownership		
Land	Ownership (share of co-ownership: 28,006,179/100,000,000)	
Building	Compartmentalized building units and co-ownership of compartmentalized building units Compartmentalized building units of the first, fifth, and tenth to eighteenth floors and co-ownership of compartmentalized building units for some portions of the floors Share: 29,253,305/100,000,000	
Acquisition price	8,500 million yen	
Appraisal value (Appraisal method) (Appraisal institution)	8,670 million yen (Discounted cash flow method: as of February 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	17	
Total revenue from the leasing of the portion	738 million yen/year (February 1, 2004 to January 31, 2005)	
Total rent space	10,930 m ²	
Total rentable space	10,930 m ²	
Occupancy rates	March 31, 2003	89.2 %
	March 31, 2004	89.5 %
	On the scheduled acquisition date	100 %
(Note)	<ul style="list-style-type: none">- The figures shown are only for the portion of the building to be acquired.- Total number of tenants, total rent space, total rentable area and occupancy rates on the scheduled acquisition date are projections as of February 28, 2005.- The above figures are the estimates based on the data obtained from the seller.	

5. 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

6. Summary of financing

Scheduled to obtain loans for 8,000 million yen from the Mitsubishi Trust and Banking Corporation on February 28, 2005. The fund is to be applied for the acquisition of the property.

7. Acquisition schedule

February 21, 2005	Acquisition of the property was determined.
February 28, 2005	Execution of an agreement for the acquisition of the property and property handover

8. Performance Projection after the acquisition of this property

As the impact of this property acquisition on the Corporation's management performance for the fiscal period from October 1, 2004 to March 31, 2005 is expected to be minor, no revision of the forecast for performance will be made.

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

This notice is the English translation of February 21, 2005 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 Harmony Tower
- List of all the assets of the Corporation after the acquisition of this property

Reference materials

- Photo: Outside view of Harmony Tower



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 (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%	75.4%
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520	3.6%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810	1.8%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	27,267	10.3%	
	Sanno Grand Building (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200	3.8%	
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200	2.7%	
	Kodenmachi 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	2.9%	
	Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	4,859	1.8%	
	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	3.0%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,738	1.0%	
	Higashi Gotanda 1Chome 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	1.9%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6,670	2.5%	
	Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700	3.3%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885	1.8%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200	4.6%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600	13.1%	
	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740	1.5%	
			April 1, 2004	360		
			Total	4,100		
	Harmony Tower (Nakano-ku Tokyo)	Real property	February 28, 2005	8,500	3.2%	

	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,541	1.3%			
	Ikebukuro 2Chome 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	1.7%			
Tokyo Metropolitan Area (excluding 23 wards)	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232	1.0%	3.4%		
			October 11, 2001	1,342				
			Total	2,574				
	Shin-Yokohama First Building (Yokohama City, Kanagawa Prefecture)	Real property	January 28, 2002	3,000	1.1%			
	Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	3,375	1.3%			
Total: Tokyo Metropolitan Area				208,693	78.7%	78.7%		
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%	2.6%		
			Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002		2,880	1.7%
					March 3, 2003		1,700	
	Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,331	0.5%			
							Total	4,580
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14, 533	5.5%	6.2%		
	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%	8.5%		
			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	5.4%			
			February 28, 2002	7,380				
			Total	14,314				
	Kobe Itomachi Building (Kobe City, Hyogo Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,436	0.5%			
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	21.3%	21.3%		

Total: Portfolio	265,027	100.0%	100.0%
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