



March 17, 2005

To whom it may concern:

Name of Real Estate Investment Corporation
Japan Real Estate Investment Corporation
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Notice of Asset Acquisition

Announcement is hereby made that on March 17, 2005, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire Nibancho Garden as follows:

1. Early achievement of our original goal and importance of asset acquisition

Today, the Corporation decided to acquire, on April 1, 2005, a share of co-ownership in Nibancho Garden (acquisition price: 14,700 million yen), a property constructed one year ago with high-grade features, located in Chiyoda-ku, Tokyo.

By the acquisition of this property, the total assets under management of the Corporation amount to around 301.9 billion yen on an acquisition value basis as of April 1, 2005. As a result, the Corporation has achieved the 300 billion yen external growth target to be accomplished by March 31, 2006, about one year earlier than scheduled.

2. Outline of the acquisition

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|-----------------------------------|---|
| 1) Asset to be acquired: | Real property (land: ownership, building: compartmentalized building units (share of co-ownership)) |
| 2) Name of property: | Nibancho Garden |
| 3) Acquisition price: | 14,700 million yen |
| 4) Scheduled date of acquisition: | April 1, 2005 |
| 5) Seller: | Mitsubishi Estate 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 Bancho Area in Chiyoda-ku, Tokyo, where there are strong needs for office buildings among foreign-affiliated firms as well as lawyers and accountants while office buildings of substantial size are in short supply. Thus, potential demand for this office space is considered to be high. Located within 4 minute walking distance of Yotsuya Station to access JR, Tokyo Metro Marunouchi Line and Namboku Line, and 2 minute walking distance of Kojimachi Station to access Tokyo Metro Yurakucho Line, it is highly convenient.

2) Stable revenue

- This property consists of office and residential spaces. Highly stable cash flow can be ensured for a long time as its office space is under stable long-term leases between tenants, and residential space has a master lease clause that guarantees a minimum rent.

3) Exceptional property

- Being completed in April 2004, this property is fairly new (one year old), and has a substantial floor area exceeding 1,100 tsubo (3,637 m²) in maximum for a standard floor. It is a very rare property. This property can be considered to maintain its competitiveness for a long time with an unrivaled characteristic of superior office-layout efficiency due to its regular floor shape with no pillars in addition to its competitive edge in floor size.

4) Outstanding features

- The property is equipped with the latest features to meet tenant needs, including a ceiling height of 2,800 mm, an OA floor of 100 mm, a floor load of 500 kg/m² (a floor load of 1,000 kg/m² for some spaces), a separate air-conditioning system, an electric capacity of 50 VA/m², and a noncontact IC card reader system.
- The property has realized the creation of an environmentally-friendly space by aggressively promoting symbiosis with greenery.

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	8-4 Nibancho Chiyoda-ku, Tokyo and 22 other lots (16 lots among 23 lots are owned by other co-owners of the building.)
	Building	10-11 Nibancho Chiyoda-ku, Tokyo and others
Address	8-8 Nibancho, Chiyoda-ku, Tokyo	
Usage	Office, shops and residences	
Area		
Land	11,003.87 m ² (total land area for the building site)	
Building	57,031.06 m ² (total floor space for the entire building)	
Structure	Steel-framed, steel-framed reinforced concrete structure, flat roof Above ground: 14 floors Below ground: 2 floors	
Completion date	April 2004	
Type of ownership		
Land	Ownership (ownership in 7 lots or 3,554.33 m ²)	
Building	Compartmentalized building units (a share of co-ownership in office space on the first floor through 8 th floor: 27,269.74 m ² or 33,364/100,000 and a share of co-ownership in residential space on the 10 th floor through 14 th floor: 4,902.06 m ² or 33,115/100,000) Share: 31.345%	
Acquisition price	14,700 million yen	
Appraisal value (Appraisal method) (Appraisal institution)	14,800 million yen (Discounted cash flow method: as of February 1, 2005) (Daiwa Real Estate Appraisal Co., Ltd.)	
Mortgage	None	

2) Tenant details

	Office space	Residential space
Total number of tenants	1 ^(*)	1
Total rent space	9,316 m ²	1,686 m ²
Total rentable space	9,316 m ²	1,686 m ²
Occupancy rates (on the scheduled acquisition date)	100.0%	100.0%
Total revenues from the leasing of the portion	936 million yen/year (portion applicable to the Corporation)	
(Note)	<ul style="list-style-type: none"> - Total number of tenants, total rent space, total rentable area and occupancy rates on the scheduled acquisition date are projections as of April 1, 2005. - Total revenues from the leasing of the portion represent an estimate based on occupancy rates and terms and conditions of lease agreements, etc on the scheduled acquisition date. - The above figures (except total revenues from the leasing of the portion) are the estimates based on the data obtained from the seller. The total rental space, total rentable space and occupancy rates on the scheduled acquisition date are computed for the portion applicable to the Corporation based on data provided by the seller. - Currently Co-owner'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 Mitsubishi Estate based on its ownership. This business structure is planned to be continued after the acquisition of such ownership by the Corporation. As for the residential portion, the Corporation is due to take over the Mitsubishi Estate position to act as the party in the lease agreement on the building with Mitsubishi Real Estate Services Co., Ltd. 	

(*) The office space (rent space: 9,316 m²) of the building is currently leased to the headquarters of Ito Yokado, Co., Ltd.

5. Outline of Seller

Corporate name	Mitsubishi Estate Co., Ltd.
Address of registered head office	1-6-1 Ohtemachi, Chiyoda-ku, Tokyo
Representative	Shigeru Takagi, President
Paid-in capital	86,534 million yen (as of March 31, 2004)
Principal business	Real estate
Relationship with the Corporation	Under the enforcement regulations of the law concerning investment trust and investment corporations, the seller is a stakeholder, etc., of Japan Real Estate Asset Management Co., Ltd., the asset manager for the Corporation's assets. The seller holds a 36 percent share in Japan Real Estate Asset Management Co., Ltd.

6. Summary of financing

Scheduled to obtain a loan for 14,000 million yen from Shinsei Bank, Limited on March 31, 2005.
The fund will be applied for the acquisition of the subject property.

7. Acquisition schedule

March 17, 2005	Acquisition of the property was determined.
March 18, 2005	Execution of an agreement for the acquisition of the property
April 1, 2005	Scheduled property handover

8. Performance projection after the acquisition of the property

This property is scheduled for acquisition on April 1, 2005. Thus, there is no impact on the performance projection for the term ending March 2005 (from October 1, 2004 through March 31, 2005).

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 March 17, 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 Nibancho Garden
- List of all the assets of the Corporation after the acquisition of this property

Reference materials

- Photo: Outside view of Nibancho Garden



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	1.7%	78.4%
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520,000	3.2%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810,000	1.6%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	27,267,000	9.0%	
	Nibancho Garden (Chiyoda-ku, Tokyo)	Real property	April 1, 2005	14,700,000	4.9%	
	Sanno Grand Building (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200,000	3.4%	
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200,000	2.4%	
	Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,173,000	1.1%	
	Burex Kyobashi Building (Chuo-ku, Tokyo)	Real property	July 22, 2002	5,250,000	1.7%	
	Ginza Sanwa Building (Chuo-ku, Tokyo)	Real property	March 10, 2005	16,830,000	5.6%	
	Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Real property	March 15, 2005	5,353,500	1.8%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680,000	2.5%	
	Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	4,859,000	1.6%	
	Cosmo Kanasugibashi Building (Minato-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,808,000	0.9%	
	Shinwa Building (Shinjuku-ku, Tokyo)	Real property	September 1, 2004	7,830,000	2.6%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	2,738,000	0.9%	
	Higashi Gotanda 1Chome Building(*) (Shinagawa-ku, Tokyo)	Real property	November 1, 2004	5,500,000	1.8%	
	JAL Travel Building (Meguro-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	1,362,000	0.5%	
	Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Real estate investment trust beneficial interest	September 10, 2001	5,123,000	1.7%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6,670,000	2.2%	
	Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700,000	2.9%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885,000	1.6%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200,000	4.0%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600,000	11.5%	

	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740,000	1.4%	
			April 1, 2004	360,000		
			Total	4,100,000		
	Harmony Tower (Nakano-ku Tokyo)	Real property	February 28, 2005	8,500,000	2.8%	
	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	3,541,000	1.2%	
	Ikebukuro 2Chome Building (Toshima-ku, Tokyo)	Real estate investment trust beneficial interest	September 25, 2001	1,728,000	0.6%	
	Ikebukuro YS Building (Toshima-ku, Tokyo)	Real property	August 2, 2004	4,500,000	1.5%	
Tokyo Metropolitan Area (excluding 23 wards)	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232,000	0.9%	3.0%
			October 11, 2001	1,342,000		
			Total	2,574,000		
	Shin-Yokohama First Building (Yokohama City, Kanagawa Prefecture)	Real property	January 28, 2002	3,000,000	1.0%	
	Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	3,375,000	1.1%	
Total: Tokyo Metropolitan Area				245,576,500	81.3%	81.3%
Tohoku Region	Jozenji Park Building (Sendai City, Miyagi Prefecture)	Real property	January 31, 2005	1,000,000	0.3%	1.3%
	Sendai Honcho Honma Building (Sendai City, Miyagi Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	2,924,000	1.0%	
Hokuriku Region	Niigata Ishizuecho Nishi-Bandaibashi Building (Niigata City, Niigata Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,010,000	0.3%	2.3%
	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880,000	1.5%	
			March 3, 2003	1,700,000		
			Total	4,580,000		
	Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,331,000	0.4%	
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14, 533,000	4.8%	5.4%
	Nagoya Misono Building (Nagoya City, Aichi Prefecture)	Real property	August 8, 2003	1,865,000	0.6%	
Kinki Region	Kyoto Shijo Kawaramachi Building (Kyoto City, Kyoto Prefecture)	Real property	December 20, 2001	2,650,000	0.9%	7.5%
	Sakaisujihonmachi Building (Osaka City, Osaka Prefecture)	Real Property	September 25, 2001	2,264,000	1.4%	
			December 26, 2003	1,900,000		
			Total	4,164,000		
	Midosuji Daiwa Building (Osaka City, Osaka Prefecture)	Real estate investment trust beneficial	September 25, 2001	6,934,000	4.7%	
			February 28, 2002	7,380,000		
			Total	14,314,000		
		Kobe Itomachi Building (Kobe City, Hyogo Prefecture)	Real estate investment trust beneficial interest	September 25, 2001	1,436,000	
Chugoku Region	NHK Hiroshima Broadcasting Center Building (Hiroshima City, Hiroshima Prefecture)	Real Property	March 25, 2004	1,320,000	0.4%	0.4%

Kyushu Region	Tosei Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real property	September 25, 2001	1,550,000	0.5%	1.7%
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real estate investment trust beneficial interest	September 10, 2001	3,657,000	1.2%	
Total: Other major cities				56,334,000	18.7%	18.7%
Total: Portfolio				301,910,500	100.0%	100.0%