



October 27, 2005

To whom it may concern:

Japan Real Estate Investment Corporation  
Taketo Yamazaki, Executive Director  
(TSE code: 8952)  
Contact: (Asset Management Contractor)  
Japan Real Estate Asset Management Co., Ltd.  
Haruhiko Araki, General Manager, Planning Department  
Phone: +81-3-3211-7921

## Notice of Asset Acquisition

Announcement is hereby made that on October 27, 2005, Japan Real Estate Investment Corporation (the “Corporation”) decided to acquire the following asset:

### 1. Outline of the acquisition

- |                                   |   |
|-----------------------------------|---|
| 1) Asset to be acquired:          | Real property (ownership: land and building (share of co-ownership for both land and building: 49.0% )) |
| 2) Name of property:              | Sanno Grand Building  |
| 3) Acquisition price:             | 10,700 million yen  |
| 4) Scheduled date of acquisition: | April 3, 2006   |
| 5) Seller:                        | Mitsubishi Estate Co., Ltd.   |
| 6) Acquisition funds:             | To be determined  |

(Note): As of October 27, 2005, the Corporation owns 50.0% in the share of the co-ownership in this property. With this acquisition of additional share, the share of co-ownership in this property for the Corporation will become 99.0%.

### 2. 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) Improvement in efficiency of property operation and management
  - With this additional acquisition of the co-ownership, the property value can be boosted and the efficiency in property operation and management improved.
- (2) Superior location
  - 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 a popular area, 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.
- (3) Landmark in the area /high grade as an office building
  - Together with the adjacent Akasaka Tokyu Plaza and Prudential Tower, this building is recognized as a part of the view representing the Akasakamitsuke Station area.

- After reinforcement work completed in 2002, it is identified as having earthquake-proof construction to meet the new mandated standards to withstand temblors.
- The large-scale renewal work has steadily progressed since 1995, and it is expected to be completed by the time of our additional share acquisition of this property except for part of the work on air conditioning system. 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).

### 3. Details of the acquired property

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 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	
Area		
Land	3,663.93 m <sup>2</sup> (total land area for the building site)	
Building	33,875.95 m <sup>2</sup> (total floor space for the entire building)	
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: 49.0%)	
Building	Ownership (Share of co-ownership: 49.0%)	
Acquisition price	10,700 million yen	
Appraisal value (appraisal method) (appraisal institution)	10,700 million yen (Discounted cash flow method: as of October 14, 2005) (Daiwa Real Estate Appraisal Co., Ltd.)	
Mortgage	None	

(2) Tenant details

Total number of tenants	49	
Total revenue from leasing	456 million yen (For the half year from April 1, 2005 through September 30, 2005)	
Total rent space	20, 428 m <sup>2</sup>	
Total rentable space	21, 146 m <sup>2</sup>	
Occupancy rates	September 30, 2002	98.6%
	September 30, 2003	80.4%
	September 30, 2004	90.3%
	September 30, 2005	96.6%
	On the scheduled acquisition date	to be determined
(Note)	<ul style="list-style-type: none"> <li>- Total number of tenants, total rent space, and total rentable are the actual figures for the entire building as of September 30, 2005.</li> <li>- The occupancy rates on September 30, 2002, September 30, 2003, and September 30, 2004 are the figures based on the data obtained from the seller.</li> <li>- The total revenue from the leasing was calculated by making a conversion for the total revenue from the leasing for the additionally acquired share based on the total revenue from the leasing for the Corporation from April 1, 2005 through September 30, 2005.</li> <li>- Upon acquiring the additional share, the entire share of the Corporation (99%) shall be leased to Mitsubishi Estate, Co., Ltd, and then subleased to tenants together with the share owned by Mitsubishi Estate.</li> </ul>	

4. Outline of Seller

Corporate name	Mitsubishi Estate, Co., Ltd.
Address of registered head office	1-6-1, Otemachi, Chiyoda-ku, Tokyo
Representative	Keiji Kimura, President
Paid-in capital	86,534 million yen (as of March 31, 2005)
Principal business	Real estate business
Relationship with the Corporation	Under the laws on investment trusts and the investment corporations, the seller is the stakeholder 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.

5. Acquisition schedule

October 27, 2005	Acquisition of the property was determined.
April 3, 2006	Execution of an agreement for the acquisition of the property. Plan to acquire the additional share in the property.

## **6. Performance projection after the acquisition of this property**

This property is scheduled to be acquired on April 3, 2006. Thus, there is no impact on the performance projection for the term ending September 2005 (from April 1, 2005 through September 30, 2005) and the term ending March 2006 (from October 1, 2005 through March 31, 2006).

This notice is the English translation of the October 27, 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 Sanno Grand Building
- List of all the assets of the Corporation after the acquisition of this property

(Reference) Photo: Outside view of Sanno Grand Building



## 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	1.2%	82.4%
	Kitanomaru Square (Chiyoda-ku, Tokyo)	Trust beneficiary right in trust of real estate	February 24, 2006	81,555,500	19.5%	
	MD Kanda Building (Chiyoda-ku, Tokyo)	Real property	May 31, 2002	9,520,000	2.3%	
	Kandabashi Park Building (Chiyoda-ku, Tokyo)	Real property	August 15, 2002	4,810,000	1.1%	
	Mitsubishi Soken Building (Chiyoda-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	27,267,000	6.5%	
	Nibancho Garden (Chiyoda-ku, Tokyo)	Real property	April 1,2005	14,700,000	3.5%	
	Burex Kojimachi (Chiyoda-ku, Tokyo)	Real property	July 29, 2005	7,000,000	1.7%	
	Sanno Grand Building (Chiyoda-ku, Tokyo)	Real property	January 31, 2005	10,200,000	5.0%	
			April 3, 2006	10,700,000		
			Total	20,900,000		
	Yurakucho Denki Building (Chiyoda-ku, Tokyo)	Real property	August 1, 2003	7,200,000	1.7%	
	Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	3,173,000	0.8%	
	Burex Kyobashi Building (Chuo-ku, Tokyo)	Real property	July 22, 2002	5,250,000	1.3%	
	Ginza Sanwa Building (Chuo-ku, Tokyo)	Real property	March 10,2005	16,830,000	4.0%	
	Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)	Real property	March 15,2005	5,353,500	1.3%	
	Aoyama Crystal Building (Minato-ku, Tokyo)	Real property	March 14, 2003	7,680,000	1.8%	
	Shiba 2Chome Daimon Building (Minato-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	4,859,000	1.2%	
	Cosmo Kanasugibashi Building (Minato-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	2,808,000	0.7%	
	Shinwa Building (Shinjuku-ku, Tokyo)	Real property	September 1, 2004	7,830,000	1.9%	
	Tokyo Opera City Building (Shinjuku-ku, Tokyo)	Real property	September 13, 2005	9,350,000	2.2%	
	Takanawadai Building (Shinagawa-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	2,738,000	0.7%	
	Higashi Gotanda 1Chome Building (Shinagawa-ku, Tokyo)	Real property	November 1, 2004	5,500,000	1.3%	
	JAL Travel Building (Meguro-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	1,362,000	0.3%	
	Omori-Eki Higashiguchi Building (Ota-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 10, 2001	5,123,000	1.2%	
	Nippon Brunswick Building (Shibuya-ku, Tokyo)	Real property	March 24, 2004	6,670,000	1.6%	
	Yoyogi 1Chome Building (Shibuya-ku, Tokyo)	Real property	April 1, 2004	8,700,000	2.1%	
	da Vinci Harajuku (Shibuya-ku, Tokyo)	Real property	November 22, 2002	4,885,000	1.2%	
	Jingumae Media Square Building (Shibuya-ku, Tokyo)	Real property	October 9, 2003	12,200,000	2.9%	
	Shibuya Cross Tower (Shibuya-ku, Tokyo)	Real property	November 30, 2001	34,600,000	8.3%	
	Ebisu Neonato (Shibuya-ku Tokyo)	Real property	November 14, 2003	3,740,000	1.0%	
			April 1, 2004	360,000		
			Total	4,100,000		
	Harmony Tower (Nakano-ku Tokyo)	Real property	February 28, 2005	8,500,000	2.0%	
	Otsuka Higashi-Ikebukuro Building (Toshima-ku, Tokyo)	Trust beneficiary right in trust of real estate	September 25, 2001	3,541,000	0.8%	



	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	1.1%	
Tokyo Metropolitan Area (excluding 23 wards)	Hachioji Dai-ichi-Seimei Building (Hachioji City, Tokyo)	Real property	March 31, 2005	3,300,000	0.8%	2.9%
	Saitama Urawa Building (Saitama City, Saitama Prefecture)	Real property	September 25, 2001	1,232,000	0.6%	
			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	0.7%	
Kawasaki Isago Building (Kawasaki City, Kanagawa Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	3,375,000	0.8%		
Total: Tokyo Metropolitan Area				357,482,000	85.4%	85.4%
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%	
Hokuriku Region	Niigata Ishizuecho Nishi-Bandaibashi Building (Niigata City, Niigata Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,010,000	0.2%	1.7%
	Kanazawa Park Building (Kanazawa City, Ishikawa Prefecture)	Real property	February 28, 2002	2,880,000	1.1%	
			March 3, 2003	1,700,000		
			Total	4,580,000		
Kanazawa Minamicho Building (Kanazawa City, Ishikawa Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,331,000	0.3%		
Chubu Region	Nagoya Hirokoji Building (Nagoya City, Aichi Prefecture)	Real property	September 10, 2001	14,533,000	3.5%	3.9%
	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%	5.4%
	Sakaisujihonmachi Building (Osaka City, Osaka Prefecture)	Real Property	September 25, 2001	2,264,000	1.0%	
			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	3.4%	
			February 28, 2002	7,380,000		
			Total	14,314,000		
Kobe Itomachi Building (Kobe City, Hyogo Prefecture)	Trust beneficiary right in trust of real estate	September 25, 2001	1,436,000	0.3%		
Chugoku Region	NHK Hiroshima Broadcasting Center Building (Hiroshima City, Hiroshima Prefecture)	Real Property	March 25, 2004	1,320,000	0.3%	0.3%
Kyushu Region	Tosei Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Real property	September 25, 2001	1,550,000	0.4%	2.4%
	Tenjin Crystal Building (Fukuoka City, Fukuoka Prefecture)	Real property	June 1, 2005	5,000,000	1.2%	
	Hinode Tenjin Building (Fukuoka City, Fukuoka Prefecture)	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.9%	
Total: Other major cities				61,334,000	14.6%	14.6%
Total: Portfolio				418,816,000	100.0%	100.0%

(Note) 1. Kitanomaru Square is scheduled to be acquired on February 24, 2006.

2. In addition to the assets outlined in the above list, on March 29, 2005, the Corporation acquired the preferred capital contribution certificates issued by Harumi Front Special Purpose Company. (Acquisition price: 956 million yen, equity in senior investment: 49.87%)

At the same time, the Corporation also acquired a preferential right to purchase real property etc. related to “(tentative name) Harumi Center Building” after the completion of the building.