



March 8, 2007

To whom it may concern:

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## **Notice of Exchange of Assets**

Announcement is hereby made that on March 8, 2007, Japan Real Estate Investment Corporation (the “Corporation”) decided to exchange the following assets (i.e., exchange of Mitsubishi Soken Building for Mitsubishi UFJ Trust and Banking Building):

### **1. Outline of exchange of assets**

#### **(1) Outline of transfer**

- 1) Asset to be transferred: Trust beneficiary right in trust of real estate
- 2) Name of property: Mitsubishi Soken Building (the “Property to be transferred”)
- 3) Transfer price: 41,900,000,000 yen  
(Excluding the adjustment amounts of property taxes and city planning taxes as well as consumption taxes, etc.)
- 4) Book value: 26,876,135,778 yen (As of September 30, 2006)

#### **(2) Outline of acquisition**

- 1) Asset to be acquired:  
Real property  
Land: Ownership; (i) Co-ownership at the ratio of 226/1,000 in two (2) lots (700.81 m<sup>2</sup>) and  
(ii) Co-ownership at the ratio of 2,795/10,000 in one (1) lot (5,085.53 m<sup>2</sup>)

Building: Compartmentalized building units, co-owned with Mitsubishi Estate Co., Ltd. at the ratio of 226/1,000. (Note) The Corporation shall, upon exchange, own 19.38402% in a whole building of The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building.

- 2) Name of property: Mitsubishi UFJ Trust and Banking Building (the “Property to be acquired”)
- 3) Acquisition price: 44,700,000,000 yen  
(Excluding the adjustment amounts of various expenses for acquisition, property taxes and city planning taxes as well as consumption taxes, etc.)

(Note) The Property to be acquired is the building constructed as one (1) building, together with The Industry Club of Japan Building, and the ratio of ownership of the building refers to the ratio of co-ownership concerning the whole building of The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building.

### (3) Outline of exchange of properties

- 1) Counterparty of exchange transaction: Mitsubishi Estate Co., Ltd.
- 2) Date of agreement: March 12, 2007 (Scheduled)
- 3) Delivery date: March 28, 2007 (Scheduled)
- 4) Advanced depreciation accounting: Advanced depreciation accounting of the land of the Property to be acquired is scheduled to be made (the provisions under Article 50 of the Corporation Tax Law of “recognition of loss of the amount of the advanced depreciation accounting of the value of the property acquired by the exchange” shall be applied).
- 5) Exchange differentials: The exchange differentials between the acquisition price and the transfer price shall be paid out of the Corporation’s own funds on the scheduled delivery date.

### (4) Effects of exchange

- (i) Notional book value of the Property to be acquired:

In this exchange transaction, advanced depreciation accounting of the land of the Property to be acquired is scheduled to be made and the notional maximum amount which can be recognized for the advanced depreciation accounting (approximately 14.4 billion yen), out of the capital gain upon the exchange of the Property to be transferred, is scheduled to be deducted from the acquisition price of the Property to be acquired, and therefore, the book value of the Property to be acquired is expected to be approximately 30.3 billion yen (before reflecting various expenses for acquisition, etc.).

- (ii) Capital gain upon this exchange transaction:

Due to this exchange transaction, approximately 470 million yen of capital gain is scheduled to be recorded at the closing of accounts for the fiscal period ending March 2007 (a six-month period from October 1, 2006 through March 31, 2007) of the Corporation.

## **2. Reason for the exchange**

The Property to be transferred is located in the Otemachi area with development of land replanning/rezoning, and as the time is drawing near to determine which persons are going to participate in the second phase of development of the reconstruction business, which is a part of the Urban Development Project Involving Sequential Reconstruction (for the details of the said developments, please see “(1) (iii) Progress of the reconstruction business in the Otemachi area with development of land replanning/rezoning” as referred to hereinafter), out of the relevant parties holding certain rights and interests in properties. The Corporation has carefully considered the possible alternatives in five (5) manners set out below, based on its basic asset management policies and investment attitude prescribed in the Articles of Incorporation of the Corporation, with the greatest emphasis on (i) maintaining and improving the competitiveness of the Property to be transferred as a leasable property in future and (ii) enhancing the quality of the portfolio of the Corporation:

- i. Maintaining the current ownership of the Property to be transferred with a proposal, to a business entity which conducts development of land replanning/rezoning (i.e., the reconstruction entity), of an exchange of lands at the current location;
- ii. Reconstruction upon proposing an exchange of lands at the current location;
- iii. Sole development or joint development with a proposal of an exchange of lands within the area scheduled for the second phase of development (after the development is made, the building located in the Property to be transferred shall be demolished);
- iv. Outright sale; or
- v. Exchange.

As a result of the above consideration, the Corporation has determined that reconstruction of the building will in any way be inevitable in future, and has also concluded that in order to avoid (i) any effects on the profit and loss of the Corporation due to (x) the decrease of rental income during the period of reconstruction and (y) expenses such as the cost required for demolition of the current building and losses on destruction, etc., and (ii) various risks associated with large-scale development, such as the risk for construction and development, the Corporation believes that the best scheme is to “exchange” the Property to be transferred with “newly constructed buildings” “in the same area”, which is the best location for office buildings in Japan, in order to maintain the stable profitability. Accordingly, the Corporation has proposed an exchange of the Property to be transferred with the properties held by Mitsubishi Estate Co., Ltd., which holds many office buildings for lease in the said area, and now agreed with Mitsubishi Estate Co., Ltd. to this exchange transaction.

Specific description of the consideration, etc. is as follows:

(1) Challenges of Mitsubishi Soken Building

(i) Concern for decreasing competitiveness

Due to the age of the building (thirty-seven years), shape of lease space, and scale of each floor (440 *tsubo* on each floor on lower levels and 200 *tsubo* on each floor on higher levels) of the Property to be transferred, compared to other buildings in the same area, the competitiveness of the Property to be transferred is likely to decrease in the case that more buildings in the neighborhood are reconstructed in future.

(ii) Expiration of lease term with principal tenant

Since the term of the lease contract with a specific leasing period between the Corporation and Mitsubishi Research Institute, Inc., which is the principal tenant currently using more than eighty percent (80%) of the leasable space (18,000m<sup>2</sup>) of the Property to be transferred, will expire at the end of March 2011, it is necessary to take measures based on the consideration of the vacation of the building after the expiration of the said contract.

(iii) Progress of reconstruction business in the Otemachi area with development of land replanning/rezoning

<Details>

The Property to be transferred is located in the Otemachi area with development of land replanning/rezoning, which was approved as a project in April 2006 (See the information map on page 16 below and the reference materials which are an extract of the brochure issued by the Urban Renaissance Agency, called “Otemachi Town Planning”, on pages 18 through 19 below). The Urban Development Project Involving Sequential Reconstruction is in progress in the said area.

The above-mentioned project is a part of the Urban Development Project Involving Sequential Reconstruction, in which (i) the first phase of development with reconstruction is conducted upon exchange of certain lands in the area in which the relevant parties hold certain rights and interests with the sites of Government buildings No. 1 and No. 2 where the reconstruction is to be made and then (ii) the second phase of development is to exchange the lands in other parts of the area, in which the other parties hold certain rights and interests who desire reconstruction in their land, with the land of the parties who vacated their lands upon exchange in the first phase of development in (i) above. The Corporation, acting through Sumitomo Trust and Banking Co., Ltd. as trustee was urged to make decision on whether or not it intends to participate in the second phase of development (the relevant parties in the area who expect to participate in the second phase of development shall express to the development entity their intent of participation in the second phase of development, if any, at or prior to the time of the commencement of the first phase of development, which is impending).

<Outline of development of land replanning/rezoning in the Otemachi area>

- Name of business: Tokyo Metropolitan Urban Land Development Business Plan,  
Development of Land Replanning/Rezoning in the Otemachi Area

- Business entity: Urban Renaissance Agency

- Area: Approximately 13.1 ha

- Period: From April 2006 to the end of March 2014  
(including one (1) year period for liquidation and settlement)

(2) Countermeasures for the above-mentioned challenges

<Case study of each of the above-mentioned alternatives>

(i) Alternative: Maintaining ownership of the Property to be transferred with a proposal of an exchange of lands at the current location

- There are concerns regarding the decreasing competitiveness of the Property to be transferred as a leased building due to the age of building and the expected unstable profitability upon the expiration of the lease contract with a specific leasing period between the Corporation and the principal tenant.

- Although it is possible that a certain degree of competitiveness is expected to be retained due to the undertaking of large-scale renewal construction, it may be difficult to secure relative superiority of the Property to be transferred over newly constructed buildings in the neighboring area, since certain challenges the building faces may not be resolved, such as the shape of the lease space and height of ceilings, etc.

(ii) Alternative: Reconstruction with a proposal of exchange of lands at the current location

- This alternative may have adverse effect on the financial position of the Corporation, such as the negative impact on its profitability, due to no income to be received during the period of reconstruction in addition to costs for demolition of building and expenses of destruction.

- Since a northern part of the current site will be given up to the replanned road as part of the development of land replanning/rezoning, the shape of the site will be longer and narrower than the current shape thereof and, therefore, it may not be possible to produce competitive square shaped lease spaces. Also, due to the requisite set-back of walls and diagonal lines in adjacent land, etc., the floor area ratio of the new building is likely to become less than the maximum floor area ratio on the land, like the current building (although the maximum floor area ratio on the land is 1300%, the floor area ratio of the current building is 740%, which is 56.9% of the maximum floor area ratio on the land).

(iii) Alternative: Sole development or joint development with a proposal of exchange of lands within the area scheduled for the second phase of development

- While the Corporation may have a possibility to continuously receive rent at all times during the reconstruction period because it can utilize the current building during the period in which the second phase of development is conducted due to sequential reconstruction of buildings, the Corporation shall bear the various costs, such as the cost to use two sets of the lands both in the current location and in the other location during the period of development as well as the costs for demolition of the building etc. Furthermore, there is a time lag between the time of expiration of a specified leasing contract with the principal tenant which is at the end of the fiscal year 2010, and the timing of completion of the second phase development, expected to be sometime in the fiscal years 2012 or 2013. Accordingly, the Corporation may have adverse effect on its profitability during the development period.

- Various risks associated with large-scale development may not be completely avoided (in the case of joint development, while the construction of a larger and more competitive building may possibly be constructed, the above risks will substantially increase).

(iv) Alternative: Outright sale

- Although the profit for the current fiscal period of the sale will substantially increase by capital gain upon sale, due to the loss of the property as one of the invested assets, giving rise to decline of cash flow from portfolio, the profit will decline constantly in future.

(v) Alternative: Exchange

- This alternative will (A) allow avoiding (i) adverse effect on profitability due to a decrease of income during the period of reconstruction and expenses, such as demolition costs of the current building and losses on destruction, etc. and (ii) various risks associated with large-scale development, and (B) maintain stable profitability.

(3) Valuation of Mitsubishi UFJ Trust and Banking Building

(i) “Marunouchi” – Location for office buildings

- The Property to be acquired is located in the Marunouchi area, which is the most prominent location for the office buildings in Japan, and has absolute superiority and competitiveness due to public recognition and brand, and furthermore, it has well-developed transportation infrastructure with JR Tokyo Station and Otemachi subway station as the main transport centers. Also, after the opening of the adjoining Shin-Marunouchi Building, which is scheduled to operate in April 2007, Mitsubishi UFJ Trust and Banking Building will be directly connected to JR Tokyo Station by an underground passage *via* the Shin-Marunouchi Building from the said station, and Mitsubishi UFJ Trust and Banking Building is expected to increase the accessibility.

(ii) Stability of profits due to credibility of tenants and long-term contracts

- Since the anchor tenant is Mitsubishi UFJ Trust and Banking Corporation, the largest trust bank in Japan, which has entered into a long-term lease contract with a specific leasing period with Mitsubishi Estate Co., Ltd., it is expected to contribute to the stability of medium-term and long-term profits from the portfolio of the Corporation.

(iii) Comparison of the two properties to be exchanged

|                         | Mitsubishi Soken Building  | Mitsubishi UFJ Trust and Banking Building                                |
|-------------------------|--|--|
| Age of building         | 36.7 years   | 4.1 years  |
| Location                | The north end of the Otemachi area   | The center of the Marunouchi area  |
| Number of tenants       | 4  | 10   |
| NOI (per year)          | 1,574 million yen<br>(Actual results for the period from October 2005 to September 2006) | 1,620 million yen<br>(Notional NOI relating to the parts to be acquired) |
| PML value               | 8.98%  | 2.24%  |
| Specifications:         |  |  |
| Ceiling height          | 2,575mm  | 2,800mm  |
| Standard floor area     | Higher level 700 m <sup>2</sup><br>Lower level 1,460 m <sup>2</sup>                      | 1,776 m <sup>2</sup>   |
| Access floor            | 40mm   | 100mm  |
| Electricity capacity    | 25VA/ m <sup>2</sup>   | 75VA/ m <sup>2</sup>   |
| Air conditioning system | Central air conditioning   | Individual air conditioning  |
| Floor load              | 300Kg/ m <sup>2</sup>  | 500Kg/ m <sup>2</sup><br>(partly 800Kg/ m <sup>2</sup> )                 |

(4) Improvement of quality of portfolio as a whole

<Age of buildings>

|   | Before exchange | After exchange |
|---|-----------------|----------------|
| Age of building (Weighted average of acquisition price) | 16.1 years      | 13.6 years     |

<Diversification of area>

|  | Before exchange | After exchange |
|--|-----------------|----------------|
| Three central wards of Tokyo                                   | 52.8%           | 54.7%          |
| Tokyo 23 wards<br>(excluding the three central wards of Tokyo) | 28.3%           | 27.2%          |
| The Tokyo metropolitan area<br>(Excluding Tokyo 23 wards)      | 2.2%            | 2.1%           |
| Other major cities   | 16.7%           | 16.0%          |

<PML value>

|                     | Before exchange | After exchange |
|---------------------|-----------------|----------------|
| Portfolio PML value | 4.69%           | 4.59%          |

### 3. Details of properties to be exchanged

#### (1) Property to be transferred

The relevant information is as set out below; provided that the information on “area,” “structure” and “completion date” is derived from the land registry, “usage” described below is among the main usages listed in the land registry and the column “appraisal value” shows the appraisal value quoted by Daiwa Real Estate Appraisal Co., Ltd. with the date of evaluation shown in the table below.

| Details of the Property to be transferred   |  |   |   |
|---|--|---|---|
| Name of property                            | Mitsubishi Soken Building  |   |   |
| Type of the specified property              | Trust beneficiary right in trust of real estate  |   |   |
| Trustee                                     | The Sumitomo Trust and Banking Co., Ltd.   |   |   |
| Location (Address)                          | 2-3-6, Otemachi, Chiyoda-ku, Tokyo   |   |   |
| Usage                                       | Office   |   |   |
| Area  | Land: 3,441.35 m <sup>2</sup><br>Building: 26,372.92 m <sup>2</sup><br>(Including the building registered as a separate building (101.74 m <sup>2</sup> )) |   |   |
| Structure                                   | Steel-framed reinforced concrete structure, flat roof<br>Above ground: 15 floors Below ground: 2 floors  |   |   |
| Completion date                             | July 1970  |   |   |
| Type of ownership                           | Land: Ownership,<br>Building: Ownership  |   |   |
| Transfer price                              | 41,900 million yen   |   |   |
| Tenant details<br>(Scheduled transfer date) |  | Details of the acquisition price<br>and appraisal value |   |
| Total number of tenants                     | 4  | Acquisition price                                       | 27,267 million yen                      |
| Total lease space                           | 18,006 m <sup>2</sup>  | Acquisition date  | September 25, 2001                      |
| Total leasable space                        | 18,006 m <sup>2</sup>  | Appraisal value<br>(the date of evaluation)             | 41,900 million yen<br>(January 1, 2007) |
| Occupancy rates                             | 100.0%   |   |   |

#### (2) Property to be acquired

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.



(i) Details of Property to be acquired

| Details of the Property to be acquired |   |   |
|--|---|---|
| Name of property                       | Mitsubishi UFJ Trust and Banking Building   |   |
| Type of specified property             | Real property   |   |
| Location                               |   |   |
| Address shown in land register         | Land  | 1-2-6, Marunouchi, Chiyoda-ku, Tokyo and other 3 lots |
|  | Building  | 1-2-6, Marunouchi, Chiyoda-ku, Tokyo and others       |
| Address                                | 1-4-5, Marunouchi, Chiyoda-ku, Tokyo  |   |
| Usage                                  | Office, shop  |   |
| Area                                   |   |   |
| Land                                   | 8,100.39 m <sup>2</sup> (Space of the entire building premises)   |   |
| Building                               | 108,171.67 m <sup>2</sup> (Total floor space of the entire building)  |   |
| Structure                              | Steel-framed, steel-framed reinforced concrete structure, flat roof<br>Above ground: 29 floors    Below ground: 4 floors  |   |
| Completion date                        | February 2003   |   |
| Architect                              | Mitsubishi Jisho Sekkei, Inc.   |   |
| Constructor                            | Architecture: Taisei Corporation; Electricity: JV of Kodensha and Kandenko; Air conditioning: SHINRYO CORPORATION; Sanitation: Nishihara Engineering Co., Ltd.; and Elevators: Mitsubishi Electric Corporation  |   |
| Building permit agency                 | The Building Center of Japan<br>(Evaluation on structure of skyscraper construction was also granted by this organization.)   |   |
| Type of Ownership                      |   |   |
| Land                                   | Ownership; (i) Co-ownership at the ratio of 226/1,000 in two (2) lots (700.81 m <sup>2</sup> ) and (ii) Co-ownership at the ratio of 2,795/10,000 in one (1) lot (5,085.53 m <sup>2</sup> )   |   |
| Building                               | Compartmentalized building units<br>* The building consists of The Industry Club of Japan Building and Mitsubishi UFJ Trust and Banking Building. The Corporation acquires co-ownership of compartmentalized building units from Mitsubishi Estate of its compartmentalized building units of a part of the 4th stories below ground through 7th stories above ground and the 8th through 29th stories above ground with a ratio of 226/1,000 of the total 75,824.97 m <sup>2</sup> . (In addition, the Corporation acquires the co-ownership of the common space at the ratio of 1,938,402/10,000,000.)<br>* Space of proprietary areas include ancillary buildings.<br>* Share in the building: 19.38402% |   |
| Acquisition price                      | 44,700 million yen  |   |

|   |   |
|---|---|
| Appraisal value<br>(Appraisal institution)<br>(Evaluation method) | 44,700 million yen<br>(Daiwa Real Estate Appraisal Co., Ltd.)<br><br>(Capitalization method: as of January 1, 2007)<br><Reference> Capitalization yield in direct capitalization method: 3.7%<br>Discount rate in DCF method: 3.6%,<br>Final capitalization yield: 3.8% |
| PML value   | 2.24% (Based on an earthquake risk assessment report by Tokio Marine & Nichido Risk Consulting Co., Ltd.)   |
| Mortgage  | None  |
| Property management company (Note 1)                              | Mitsubishi Estate Co., Ltd. (Note 2)  |

(Note 1) The property management company to be entrusted after the acquisition shall be described.

(Note 2) Outline of the property management company

|   |   |
|---|---|
| Corporate name  | Mitsubishi Estate Co., Ltd.   |
| Address of the registered head office                             | 1-6-1, Otemachi, Chiyoda-ku, Tokyo  |
| Representative  | Keiji Kimura, President and CEO   |
| Paid in capital   | 136,534 million yen (As of September 30, 2006)  |
| Major shareholders  | The Master Trust Bank of Japan, Ltd. (Trust Account)<br>Meiji Yasuda Life Insurance Company<br>State Street Bank and Trust Company<br>(As of September 30, 2006)  |
| Principal business  | Real estate business  |
| Relationship with the Corporation or the asset management company | A principal shareholder (holding 36% of shares) of Japan Real Estate Asset Management Co. Ltd. (the asset management company) in which the Corporation entrusts the management of its assets<br>Mitsubishi Estate Co., Ltd. falls within the related party of the asset management company under the Cabinet Order of the Enforcement of Law Concerning Investment Trusts and Investment Corporations.<br>As of March 8, 2007, Mitsubishi Estate, Co., Ltd. holds 10,160 investment units of the Corporation (2.48% of total outstanding investment units). |

(ii) Tenant details

|  |  |   |
|--|--|---|
| Total number of tenants  |  | 10  |
| Total leasable space and total lease space   |  | 11,737 m <sup>2</sup><br>(Breakdown)<br>Office: 10,665 m <sup>2</sup> Shop: 328 m <sup>2</sup><br>District heating and cooling facilities: 743 m <sup>2</sup> |
| Current occupancy rates  | March 31, 2004                                     | 100.0%  |
|  | March 31, 2005                                     | 100.0%  |
|  | March 31, 2006                                     | 100.0%  |
|  | On the scheduled acquisition date (March 28, 2007) | 100.0%  |
| Assumed NOI (Net Operating Income)   |  | 1,620 million yen per year (Applicable for the share to be acquired by the Corporation this time)   |
| <p>(Notes)</p> <ul style="list-style-type: none"> <li>Total number of tenants, total leasable space, total lease space, and occupancy rates on the scheduled acquisition date are projections as of the scheduled acquisition date.</li> <li>NOI is the estimate under the normal operation based on the terms and conditions of lease agreements as of the scheduled acquisition date, etc. <ul style="list-style-type: none"> <li>* Estimated occupancy rates: Office: 100%, Shop: 98%<br/>District heating and cooling facilities: 100%</li> </ul> </li> <li>The above figures (except NOI) are based on the data provided by the the counterparty of exchange transaction. However, total leasable space, total lease space and occupancy rates were computed only for the share to be acquired by the Corporation based on the data provided by the counterparty of exchange transaction.</li> <li>The Corporation expects to enter into, with respect to its share to be acquired, the building lease agreement and the property management agreement with Mitsubishi Estate Co., Ltd., which will become the co-owner of the property on the scheduled acquisition date; upon the acquisition, Mitsubishi Estate Co., Ltd. shall sublease to the tenants the whole property in which the Corporation will have certain interests. The Corporation will then receive the rent and common-area charges, etc. in proportion to our share from Mitsubishi Estate Co., Ltd, and pay Mitsubishi Estate Co., Ltd. a building management fee and utilities, etc.</li> </ul> |  |   |

(iii) Outline of engineering report

i. Outline of repair items

|   |   |                     |
|---|---|---------------------|
| Date of report  |   | January 1, 2007     |
| Preparer of report  |   | Shimizu Corporation |
| Early repair items  | Emergency repair items                  | None                |
|   | Short-term repair items (within 1 year) | None                |
| Repair cost / Capital expenditure for the next 15 years<br>(Annual average for the share to be acquired by the Corporation) | Repair cost                             | 14 million yen      |
|   | Capital expenditure                     | 13 million yen      |
|   | Total                                   | 28 million yen      |

ii. Description concerning utilization status of asbestos

|   |      |
|---|------|
| Sprayed materials with asbestos or not              | None |
| Materials with asbestos or not other than the above | None |

**4. Decision method, evaluation method and outline of transaction price**

(1) Decision method of the transaction price

Since the transfer and acquisition are made simultaneously under the exchange transaction, the Corporation decided the transaction price to equal to the appraisal value quoted by Daiwa Real Estate Appraisal Co., Ltd., a specialist third party. The Corporation has no special relationship with Daiwa Real Estate Appraisal Co., Ltd.

(2) Obtaining the opinion (Second opinion)

In order to examine the reasonableness of process of calculation of its appraisal and the basis of appraisal made by Daiwa Real Estate Appraisal Co., Ltd., the Corporation acquired the “Opinion” (the Second opinion) from Chuo Real Estate Appraisal Co., Ltd., in which a report is made to the effect that “We judged that the real estate appraisal value quoted by Daiwa Real Estate Appraisal Co., Ltd. is reasonable.”

(3) Evaluation method and outline

The appraisal value of Mitsubishi Soken Building quoted by Daiwa Real Estate Appraisal Co., Ltd. is calculated by the capitalization method (DCF method), assuming that after using Mitsubishi Soken Building in the present state for a certain period, the new building for lease is constructed on the land designated to be exchanged (as part of the designated land for the second phase of development) at the Otemachi area with replanning/rezoning. The appraisal value of Mitsubishi UFJ Trust and Banking Building is calculated by the capitalization method (direct capitalization method and DCF method).

**5. Outline of the counterparty of exchange transaction**

The same as the outline of the property management company described in 3. (2) (i) (Note ) 2. above.

**6. Status of acquirer of premises, etc.**

|   |  |
|---|--|
| Name of premises<br>(Location)                        | Mitsubishi UFJ Trust and Banking Building<br>(1-4-5, Marunouchi , Chiyoda-ku, Tokyo) |
| Status of previous owner                              |  |
| Corporate name  | Mitsubishi Estate Co., Ltd.  |
| Relationship with a person who has a special interest | Principal shareholder of the asset management company                                |
| Acquisition background, reason, etc.                  | Newly constructed in February 2003   |
| Acquisition price                                     | -  |
| Acquisition period                                    | -  |

## **7. Schedule of exchange**

|                |  |
|----------------|--|
| March 8, 2007  | The exchange of the properties was determined.                           |
| March 12, 2007 | Execution of an agreement for the exchange of the properties (Scheduled) |
| March 28, 2007 | Property handover (Scheduled)  |

In addition, with respect to the financial position of the Corporation for the fiscal period ending March 2007 (October 1, 2006 to March 31, 2007) after the exchange transaction, please refer to the news release as of March 8, 2007 “Notice of Revision of Forecast Results for the 11th Period”.

This notice is the English translation of the March 8, 2007, 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)

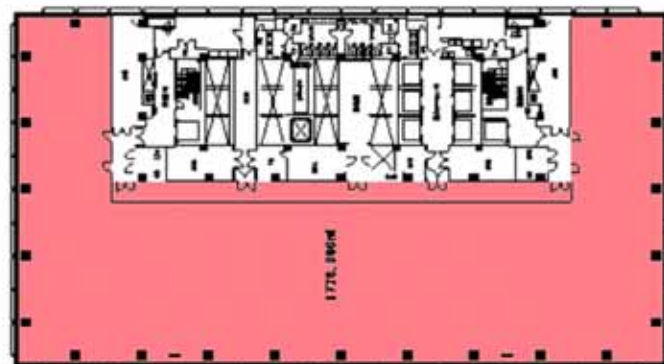
- Photo: Outside view of Mitsubishi UFJ Trust and Banking Building
- Photo: Outside view of Mitsubishi Soken Building
- Information map
- The image of outline of exchange
- An extract from a brochure issued by the Urban Renaissance Agency, called “Otemachi Town Planning” (Note)
- List of all the assets of the Corporation after the exchange of the properties

(Note) This brochure is prepared in Japanese and issued by the Urban Renaissance Agency; and the extract was translated into English by the Corporation.

(Reference) Photo: Outside view of Mitsubishi UFJ Trust and Banking Building



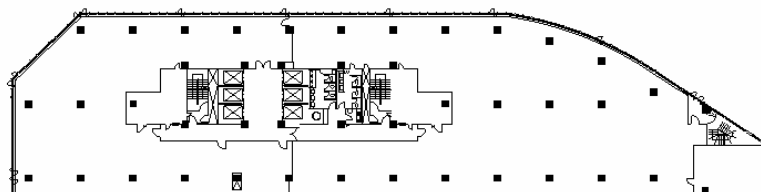
<Standard floor plan>



(Reference) Photo: Outside view of Mitsubishi Soken Building

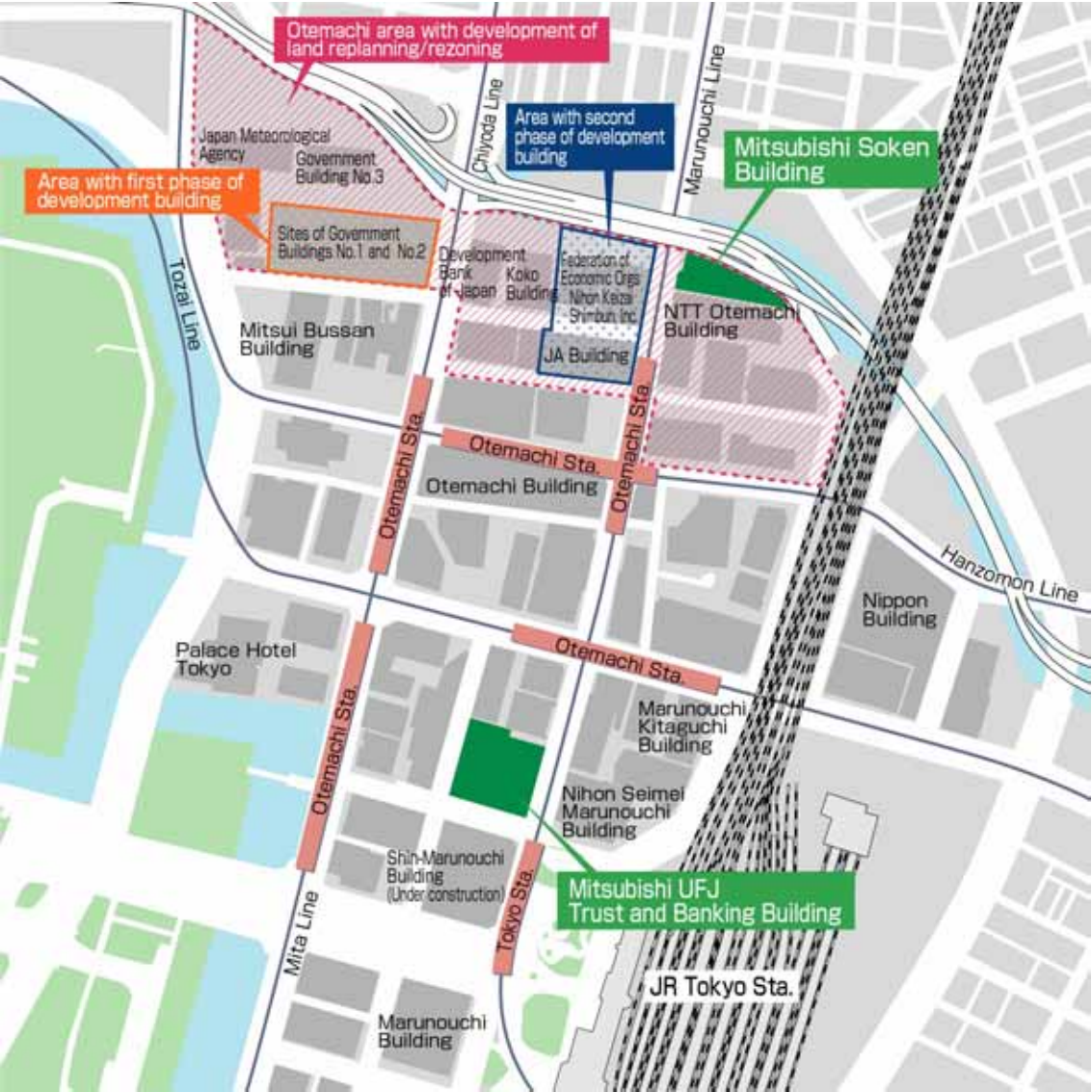


<Standard floor plan (low level)>



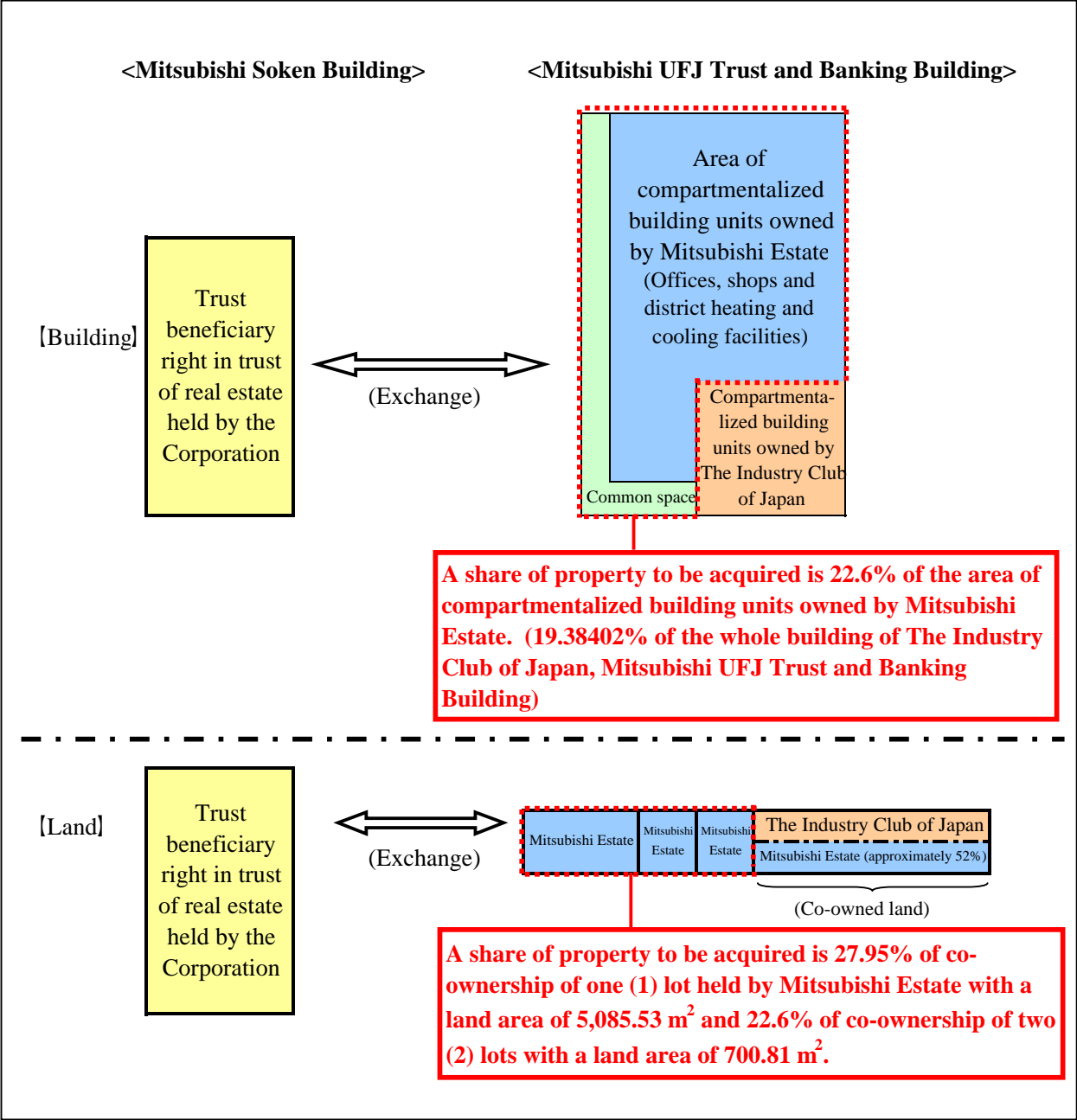


(Reference) Information map





(Reference) The image of outline of exchange



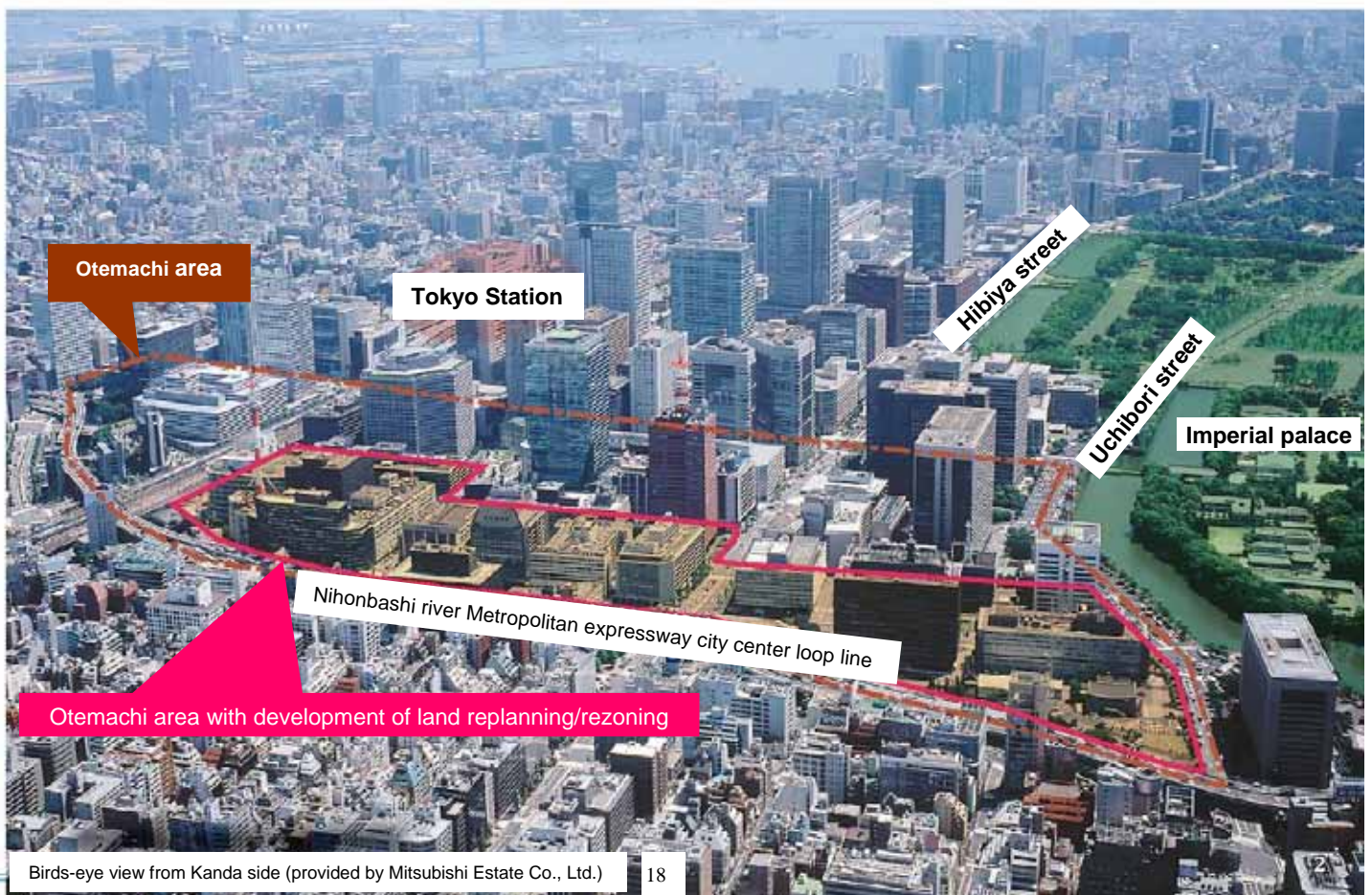
(Reference) An extract of the brochure issued by the Urban Renaissance Agency, called “Otemachi Town Planning”

## Basic policy of Otemachi Urban Development Project Involving Sequential Reconstruction

1. Reconstruction as a strategic place for global business by taking advantage of the concentration of international finance, information and telecommunications and the media industry, etc.
2. Creation of green, integrated city space in a large lot and providing amenities
3. Organic linkage between adjoining areas such as Kanda and Nihonbashi, etc.
4. Town planning jointly by public and private sectors



\*The pictures are solely images.





## Outline of Urban Development Project Involving Sequential Reconstruction

### Flow of Urban Development Project Involving Sequential Reconstruction

1

Urban Renaissance Agency acquires the sites of Government Buildings. (Otemachi Kaihatsu Ltd. acquires a part of the above site and co-owns such site with the Urban Renaissance Agency.)

#### Commencement of development of land replanning/rezoning

2

Land of the relevant parties holding certain rights and interests in properties who wish to rebuild are collected to exchange the lands to the sites of Government Buildings.

3

Rebuilding is performed at the sites of Government Buildings. (Urban area redevelopment (First phase))

4

Lands of the relevant parties holding certain rights and interests in properties who wish to rebuilt next are collected to exchange the lands to the building site of the relevant parties holding certain rights and interests in properties who participated in the first phase redevelopment.

5

Rebuilding is performed at the building site of the relevant parties holding certain rights and interests in properties who participated in the first phase redevelopment. (Second phase redevelopment)

#### Improvement of public facilities such as road, etc.



6

The building site of the relevant parties holding certain rights and interests in properties who participated the second phase redevelopment are used to the next sequential reconstructing, etc.

The sites of Government Buildings

First phase redevelopment building

Exchange of lands

Second phase redevelopment building

Exchange of lands

Exchange of lands

Participation in sequence

Participation in sequence

List of all the assets of the Corporation after the exchange of the properties

| 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                        | 1.1%                    | 81.9%              |
|                                    | Kitanomaru Square (Chiyoda-ku, Tokyo)                         | Real property                                   | February 24, 2006                              | 81,555,500                       | 18.5%                   |                    |
|                                    | MD Kanda Building (Chiyoda-ku, Tokyo)                         | Real property                                   | May 31, 2002                                   | 9,520,000                        | 2.2%                    |                    |
|                                    | Kandabashi Park Building (Chiyoda-ku, Tokyo)                  | Real property                                   | August 15, 2002                                | 4,810,000                        | 1.1%                    |                    |
|                                    | Nibancho Garden (Chiyoda-ku, Tokyo)                           | Real property                                   | April 1, 2005                                  | 14,700,000                       | 3.3%                    |                    |
|                                    | Mitsubishi UFJ Trust and Banking Building (Chiyoda-ku, Tokyo) | Real property                                   | March 28, 2007                                 | 44,700,000                       | 10.1%                   |                    |
|                                    | Burex Kojimachi Building (Chiyoda-ku, Tokyo)                  | Real property                                   | July 29, 2005                                  | 7,000,000                        | 1.6%                    |                    |
|                                    | Sanno Grand Building (Chiyoda-ku, Tokyo)                      | Real property                                   | January 31, 2005                               | 10,200,000                       | 4.7%                    |                    |
|                                    |   |   | April 3, 2006                                  | 10,700,000                       |                         |                    |
|                                    |   |   | Total  | 20,900,000                       |                         |                    |
|                                    | Yurakucho Denki Building (Chiyoda-ku, Tokyo)                  | Real property                                   | August 1, 2003                                 | 7,200,000                        | 1.6%                    |                    |
|                                    | Kodenmacho Shin-Nihonbashi Building (Chuo-ku, Tokyo)          | Trust beneficiary right in trust of real estate | September 25, 2001                             | 3,173,000                        | 0.7%                    |                    |
|                                    | Burex Kyobashi Building (Chuo-ku, Tokyo)                      | Real property                                   | July 22, 2002                                  | 5,250,000                        | 1.2%                    |                    |
|                                    | Ginza Sanwa Building (Chuo-ku, Tokyo)                         | Real property                                   | March 10, 2005                                 | 16,830,000                       | 3.8%                    |                    |
|                                    | Ryoshin Ginza East Mirror Building (Chuo-ku, Tokyo)           | Real property                                   | March 15, 2005                                 | 5,353,500                        | 1.2%                    |                    |
|                                    | Aoyama Crystal Building (Minato-ku, Tokyo)                    | Real property                                   | March 14, 2003                                 | 7,680,000                        | 1.7%                    |                    |
|                                    | Shiba 2Chome Daimon Building (Minato-ku, Tokyo)               | Trust beneficiary right in trust of real estate | September 10, 2001                             | 4,859,000                        | 1.1%                    |                    |
|                                    | Cosmo Kanasugibashi Building (Minato-ku, Tokyo)               | Trust beneficiary right in trust of real estate | September 25, 2001                             | 2,808,000                        | 0.6%                    |                    |
|                                    | Shinwa Building (Shinjuku-ku, Tokyo)                          | Real property                                   | September 1, 2004                              | 7,830,000                        | 1.8%                    |                    |
|                                    | Tokyo Opera City Building (Shinjuku-ku, Tokyo)                | Real property                                   | September 13, 2005                             | 9,350,000                        | 2.1%                    |                    |
|                                    | Takanawadai Building (Shinagawa-ku, Tokyo)                    | Trust beneficiary right in trust of real estate | September 25, 2001                             | 2,738,000                        | 0.6%                    |                    |
|                                    | Higashi-Gotanda 1Chome Building (Shinagawa-ku, Tokyo)         | Real property                                   | November 1, 2004                               | 5,500,000                        | 1.2%                    |                    |
|                                    | 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                        | 1.5%                    |                    |
|                                    | Yoyogi 1Chome Building (Shibuya-ku, Tokyo)                    | Real property                                   | April 1, 2004                                  | 8,700,000                        | 2.0%                    |                    |
|                                    | da Vinci Harajuku (Shibuya-ku, Tokyo)                         | Real property                                   | November 22, 2002                              | 4,885,000                        | 1.1%                    |                    |
|                                    | Jingumae Media Square Building (Shibuya-ku, Tokyo)            | Real property                                   | October 9, 2003                                | 12,200,000                       | 2.8%                    |                    |
|                                    | Shibuya Cross Tower (Shibuya-ku, Tokyo)                       | Real property                                   | November 30, 2001                              | 34,600,000                       | 7.8%                    |                    |
|                                    | Ebisu Neonato (Shibuya-ku, Tokyo)                             | Real property                                   | November 14, 2003                              | 3,740,000                        | 0.9%                    |                    |
|                                    |   |   | April 1, 2004                                  | 360,000                          |                         |                    |
|                                    |   |   | Total  | 4,100,000                        |                         |                    |
|                                    | Harmony Tower (Nakano-ku, Tokyo)                              | Real property                                   | February 28, 2005                              | 8,500,000                        | 1.9%                    |                    |

|  |   |  |  |                                      |        |        |
|--|---|--|--|--------------------------------------|--------|--------|
|  | Otsuka Higashi-Ikebukuro Building<br>(Toshima-ku, Tokyo)                                | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001                               | 3,541,000                            | 0.8%   |        |
|  | Ikebukuro 2Chome Building<br>(Toshima-ku, Tokyo)  | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001                               | 1,728,000                            | 0.4%   |        |
|  | Ikebukuro YS Building<br>(Toshima-ku, Tokyo)  | Real property  | August 2, 2004                                   | 4,500,000                            | 1.0%   |        |
| Tokyo<br>Metropolitan<br>Area<br>(excluding<br>23 wards) | Hachioji First Square<br>(Hachioji City, Tokyo)   | Real property  | March 31, 2005                                   | 3,300,000                            | 0.7%   | 2.1%   |
|  | Saitama Urawa Building<br>(Saitama City, Saitama Prefecture)                            | Real property  | September 25, 2001<br>October 11, 2001<br>Total  | 1,232,000<br>1,342,000<br>2,574,000  | 0.6%   |        |
|  | Kawasaki Isago Building<br>(Kawasaki City, Kanagawa Prefecture)                         | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001                               | 3,375,000                            | 0.8%   |        |
|  | Total: Tokyo Metropolitan Area  |  |  | 370,553,000                          | 84.0%  | 84.0%  |
| Tohoku<br>Region   | Jozenji Park Building<br>(Sendai City, Miyagi Prefecture)                               | Real property  | January 31, 2005                                 | 1,000,000                            | 0.2%   | 0.9%   |
|  | Sendai Honcho Honma Building<br>(Sendai City, Miyagi Prefecture)                        | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001<br>June 28, 2006<br>Total     | 2,924,000<br>250,000<br>3,174,000    | 0.7%   |        |
|  | Kanazawa Park Building<br>(Kanazawa City, Ishikawa Prefecture)                          | Real property  | February 28, 2002<br>March 3, 2003<br>Total      | 2,880,000<br>1,700,000<br>4,580,000  | 1.0%   | 1.0%   |
| Chubu<br>Region  | Nishiki Park Building<br>(Nagoya City, Aichi Prefecture)                                | Real property  | October 2, 2006<br>November 1, 2006<br>Total     | 3,850,000<br>1,300,000<br>5,150,000  | 1.2%   | 5.3%   |
|  | Hirokoji Tokio Marine Nichido Building<br>(Nagoya City, Aichi Prefecture)               | Real property  | September 22, 2006                               | 1,680,000                            | 0.4%   |        |
|  | Nagoya Hirokoji Building<br>(Nagoya City, Aichi Prefecture)                             | Real property  | September 10, 2001                               | 14,533,000                           | 3.3%   |        |
|  | Nagoya Misono Building<br>(Nagoya City, Aichi Prefecture)                               | Real property  | August 8, 2003                                   | 1,865,000                            | 0.4%   |        |
| Kinki<br>Region  | Kyoto Shijo Kawaramachi Building<br>(Kyoto City, Kyoto Prefecture)                      | Real property  | December 20, 2001                                | 2,650,000                            | 0.6%   | 5.1%   |
|  | Sakaisujihonmachi Building<br>(Osaka City, Osaka Prefecture)                            | Real Property  | September 25, 2001<br>December 26, 2003<br>Total | 2,264,000<br>1,900,000<br>4,164,000  | 0.9%   |        |
|  | Midosuji Daiwa Building<br>(Osaka City, Osaka Prefecture)                               | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001<br>February 28, 2002<br>Total | 6,934,000<br>7,380,000<br>14,314,000 | 3.2%   |        |
|  | Kobe Itomachi Building<br>(Kobe City, Hyogo Prefecture)                                 | Trust<br>beneficiary<br>right in trust<br>of real estate | September 25, 2001                               | 1,436,000                            | 0.3%   |        |
| Chugoku<br>Region  | Lit City Building<br>(Okayama City, Okayama Prefecture)                                 | Real property  | February 1, 2006                                 | 4,650,000                            | 1.1%   | 1.4%   |
|  | NHK Hiroshima Broadcasting Center<br>Building<br>(Hiroshima City, Hiroshima Prefecture) | Real property  | March 25, 2004                                   | 1,320,000                            | 0.3%   |        |
| Kyushu<br>Region   | Tosei Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                             | Real property  | September 25, 2001                               | 1,550,000                            | 0.4%   | 2.3%   |
|  | Tenjin Crystal Building<br>(Fukuoka City, Fukuoka Prefecture)                           | Real property  | June 1, 2005                                     | 5,000,000                            | 1.1%   |        |
|  | Hinode Tenjin Building<br>(Fukuoka City, Fukuoka Prefecture)                            | Trust<br>beneficiary<br>right in trust<br>of real estate | September 10, 2001                               | 3,657,000                            | 0.8%   |        |
| Total: Other major cities                                |   |  |  | 70,723,000                           | 16.0%  | 16.0%  |
| Total: Portfolio   |   |  |  | 441,276,000                          | 100.0% | 100.0% |

(Note) In addition to the assets outlined in the above list, the Corporation acquired the preferred capital contribution certificates issued by Harumi Front Special Purpose Company on March 29, 2005, November 24, 2005, and November 24, 2006 for a total acquisition price of 1,270 million yen, and acquired a preferential right to purchase assets such as real property etc. related to "Harumi Center Building" after the completion of the building.