



May 18, 2009

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Taketo Yamazaki, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

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## Notice Concerning Transferring Unused Development Rights

An announcement is hereby made that Japan Real Estate Investment Corporation (the “Company”) on May 18, 2009 has decided to transfer the unused floor area of Mitsubishi UFJ Trust and Banking Building (the “BUILDING”), in which the Company has part ownership, to the adjacent new building to be built as a combined replacement of Togin Building, The Sumitomo Trust and Banking Tokyo Building, and Mitsubishi UFJ Trust and Banking Tokyo Building (“Marunouchi 1-4 Plan”), and have certain project owners of Marunouchi 1-4 Plan use the said unused floor area.

### 1. Outline of the transfer

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|---|---|
| 1) Description of Transaction:                                    | Transaction to transfer the development rights pertaining to the unused floor area of Mitsubishi UFJ Trust and Banking Building Site (Note 1) |
| 2) Consideration for the transfer of the unused floor area ratio: | ¥ 729,984,000   |
| 3) Contract date:   | May 18, 2009 (execution of the agreement to transfer the unused development rights of the apportioned floor area)                             |
| 4) Scheduled transferring date:                                   | September 17, 2009 (scheduled)  |
| 5) Duration of the Right:   | From September 17, 2009 (scheduled) to the end of the designation of the Marunouchi 1-Chome Specified Block (Note 2)                          |
| 6) Transferee:  | The Sumitomo Trust & Banking Co., Ltd.<br>Mitsubishi Estate Co., Ltd.   |

(Note 1) The development rights to the equivalent of the 65 % unused floor area ratio pertaining to the land (two lots pertaining to share of co-ownership of combined 700.81 m<sup>2</sup>: 226/1,000; and one lot pertaining to share of co-ownership of 5,085.53 m<sup>2</sup>: 2,795/10,000 [equivalent of 1,026.88 m<sup>2</sup>, equivalent to the ratio of floor area pertaining to the shares of the Company]) serving as the site of the BUILDING, of which the Company is one of the co-owners for, by transferring the said floor area ratio to the planned new building under Marunouchi 1-4 Plan.

(Note 2) Urban Planning No.1,571 issued by Tokyo Metropolitan Government on December 19, 2008, in accordance with the Urban Planning Act

## **2. Framework of the Transaction**

### **(1) Transfer of use right**

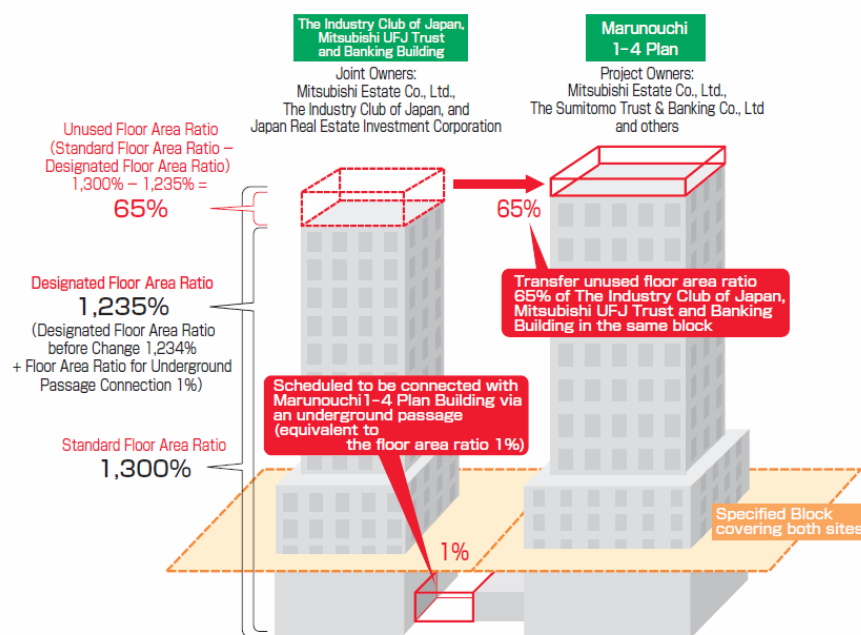
The respective owners of the site of the BUILDING and The Industry Club of Japan Hall (the Company, Mitsubishi Estate Co., Ltd. and The Industry Club of Japan) will jointly transfer the 65% unused floor area ratio (5,265.25 m<sup>2</sup>, equivalent to the ratio of floor area [1,026.88 m<sup>2</sup>, equivalent to the ratio of floor area pertaining to the share of the Company]) to certain project owners (The Sumitomo Trust & Banking Co., Ltd. and Mitsubishi Estate Co., Ltd.) of Marunouchi 1-4 Plan on the city block adjacent to the BUILDING, and in turn the Marunouchi 1-4 Plan project owners will use the transferred floor area. The 65% unused floor area ratio is the difference between the 1,300% standard floor area ratio for the site of the BUILDING and the Industry Club of Japan Hall and 1,235% designated floor area ratio per Urban Planning for the Marunouchi 1-Chome Specified Block dated December 19, 2008.

The duration of the unused development rights is from September 17, 2009, which is the scheduled date of the transfer of the unused floor area, to the end of the designation of the Marunouchi 1-Chome Specified Block. At present, termination of the designation for the said Specified Block is not planned, but the rights under the transaction will lose its effect if the designation of the Specified Block is terminated.

### **(2) Setting up underground connection passage**

In accordance with the decision of the Urban Planning for Marunouchi 1-Chome Specified Block dated December 19, 2008, the designated floor area ratio pertaining to the site of the BUILDING and The Industry Club of Japan Hall was raised to 1,235% from 1,234%. The 1% increase in floor area ratio from this revision will be used for the construction of an underground passage which connects the BUILDING and the Marunouchi 1-4 Plan Building to be built. This passage is expected to make the BUILDING more convenient to access as the BUILDING will be directly connected to Tokyo Metro Otemachi Station via the planned new building and the parking garages for both buildings will be combined.

As for the planned underground passage, the Company expects to incur roughly ¥300 million (of which the Company will bear approximately ¥60 million) in construction expenses in 2011 and thereafter. (The progress payments for the construction work will start from around February 2011 while the recognition on the assets will be booked upon the completion of construction at the end of January 2012.)



### 3. Developments Leading to the Transfer and Reasoning

#### (1) Unused floor area rate pertaining to the site of Mitsubishi UFJ Trust and Banking Building

At the time of planning the construction of the BUILDING, the standard floor area ratio in the Marunouchi District, including the site of the BUILDING, as well as other blocks, were set to 1,000%. The floor area ratio was raised to 1,234% in accordance with the decision to set up the Specified Block (Marunouchi 1-Chome Specified Block)\* under the Urban Planning of March 2000. The construction of the BUILDING was completed in 2003 and subsequently the standard floor area ratio was further raised to 1,300% by the review of land area use in June 2004. However, the floor area ratio of 66%, which is the difference between the standard floor area ratio after the revisions and the originally designated floor area ratio in accordance with the Specified Block will become available only when the BUILDING is reconstructed in the future and the Specified Block is terminated, and thus, it was difficult for us to utilize the unused floor area while the BUILDING remains in its present shape.

\* The BUILDING was constructed as a part of a single building structure together with The Industry Club of Japan Hall and designated as Marunouchi 1-Chome Specified Block together with the Industry Club of Japan Hall under the Urban Planning.

#### (2) Expanding the Specified Block to cover both the BUILDING and the adjacent city block

In conjunction with the start of the Marunouchi 1-4 Plan adjacent to the city block of the BUILDING, the procedures to expand the Specified Block pertaining to The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building, of which the Company is one of the landowners of the site, was put forth by extending the designation to also cover the Marunouchi 1-4 Plan site, with subsequent approval on December 19, 2008. With this approval, the designated floor area ratio of the BUILDING was raised to 1,235% from 1,234%, enabling the construction of an underground passage connecting the BUILDING with the planned new building under the Marunouchi 1-4 Plan using the addition of 1% of the floor area as well as the transfer of the 65% unused floor area ratio, the difference between the current standard floor area ratio of 1,300% and the designated floor area ratio of 1,235% after revision, to the planned new Marunouchi 1-4 Plan building.

(3) Effective use of unused floor area rate

Upon the approval of Urban Planning, certain project owners of the Marunouchi 1-4 Plan made a proposal to the respective owners of the site of The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building including the Company about the transfer of the unused floor area rate. In response, the Company decided to transfer the unused development rights to the said unused floor area in order to put it into effective use.

**4. Subject of Transaction**

The subject of the transaction is as per specified in the table below. “Research Value” refers to the research value as of the date specified in the table, which is obtained from Daiwa Real Estate Appraisal Co., Ltd. as reference information for the transaction of transferring the unused floor area ratio at this time.

<b>Subject of transaction to Transfer</b>	
Subject of transaction	Development rights pertaining to the unused floor area ratio of Mitsubishi UFJ Trust and Banking Building
Outline	The joint owners of the site of The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building (the Company, Mitsubishi Estate Co., Ltd, and The Industry Club of Japan) will transfer the 65% unused floor area pertaining to the site of The Industry Club of Japan, Mitsubishi UFJ Trust and Banking Building (5,265.25 m <sup>2</sup> , equivalent to the ratio of floor area [1,026.88 m <sup>2</sup> , equivalent to the ratio of floor area pertaining to the share of interest of the Company]) to the planned new building under the Marunouchi 1-4 Plan on behalf of the certain project owners of the Marunouchi 1-4 Plan (The Sumitomo Trust and Banking Co., Ltd. and Mitsubishi Estate Co., Ltd.)
Consideration for the transfer of the unused floor area ratio	¥729,984,000
Research value (Date of pricing)	¥ 488,000,000 (as of May 1, 2009)

**5. Impact on the BUILDING by the transfer of the unused floor area**

**(1) Regarding the Appraisal Value of the BUILDING**

The Company had sought an opinion letter from Daiwa Real Estate Appraisal Co., Ltd. to examine the impact on the appraisal value of the BUILDING by the transfer of the unused floor area ratio and has received the opinion letter from them attesting that “there will be no impact on the appraisal value of the BUILDING.”

**(2) Regarding the Reconstruction of the BUILDING**

At present, there is no plan to reconstruct the BUILDING. If a reconstruction is planned in the future, such a plan will be carried out in accordance with restrictions imposed by future laws and regulations and while considering factors such as the floor area ratio transferred at this time.

## 6. Outline of the transferee

The following two entities are part of the project owners of Marunouchi 1-4 Plan on the city block adjacent to the BUILDING.

Corporate name	The Sumitomo Trust & Banking Co., Ltd.
Address of the registered head office	4-5-33 Kitahama, Chuo-ku, Osaka City, Osaka Prefecture
Representative	Hitoshi Tsunekage, President & CEO
Paid in capital	¥287,537 million (as of September 30, 2008)
Major shareholders	Japan Trustee Services Bank, Ltd (Shintaku Acc.) The Master Trust Bank of Japan Ltd. (Shintaku Acc.) Japan Trustee Services Bank, Ltd (Shintaku Acc.4G) (as of September 30, 2008)
Principal business	Trust bank
Relationship with the Company or the asset management company	The Sumitomo Trust & Banking Co., Ltd. is the Company's administrative agent who undertakes legally specified administrative work for the Company in accordance with the Law Concerning Investment Trusts and Investment Corporations. The Sumitomo Trust & Banking Co., Ltd. does not fall within the related party of Japan Real Estate Asset Management Co., Ltd. (the asset management company) under the Cabinet Order of the Enforcement of Law Concerning Investment Trusts and Investment Corporations of Japan, and the related party of the asset management company under the internal rules of the asset 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 & CEO
Paid in capital	¥136,534 million (as of September 30, 2008)
Major shareholders	State Street Bank and Trust Company The Master Trust Bank of Japan Ltd. (Trust account) Meiji Yasuda Life Insurance Company (as of September 30, 2008)
Principal business	Real estate business
Relationship with the Company or the asset management company	A principal shareholder (holding 63% of shares) of the asset management company to which the Company entrusts the management of its assets 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 of Japan, and the related party of the asset management company under the internal rules of the asset management company. As of March 31, 2009, Mitsubishi Estate Co., Ltd. holds 10,160 investment units of the Company (2.29% of total outstanding investment units).

## **7. Method of the settlement**

The consideration for the transfer of the unused floor area will be paid in full upon transfer of the said unused floor area (scheduled for September 17, 2009).

## **8. Transfer schedule**

May18, 2009	Transfer of unused floor area ratio was determined.
May18, 2009	Execution of agreement to transfer the unused development rights of the apportioned floor area
September17, 2009	Transfer of unused floor area (scheduled)

Please refer to the “Fiscal Period Results for the fiscal period from October 1, 2008 to March 31, 2009”, announced on May 18, 2009 for the forecast performance for the fiscal period from April 1, 2009 to September 30, 2009 incorporating the impact of the transfer of the unused floor area at this time.

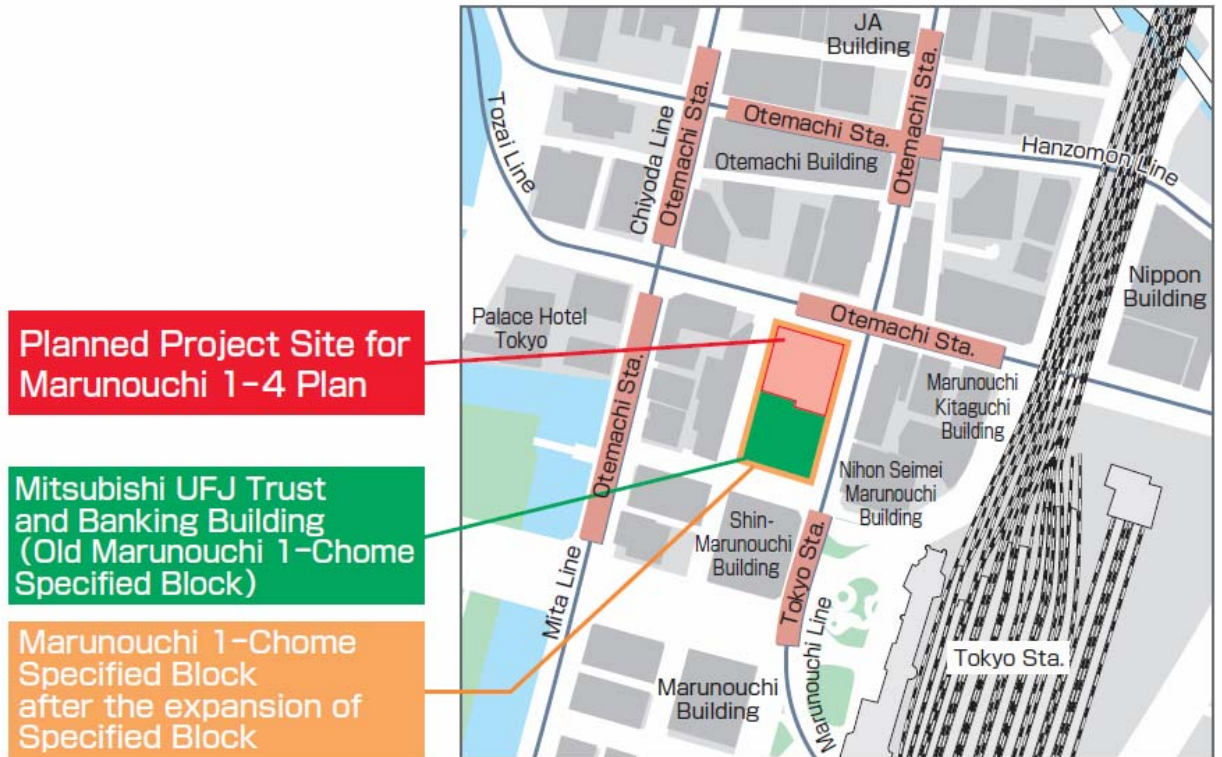
This notice is the English translation of the May 18, 2009, announcement in Japanese on our website. However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Reference material (attachment)

- Information map around Mitsubishi UFJ Trust and Banking Building
- List of all the assets of the Company after the transfer

(Reference)

**Information map around Mitsubishi UFJ Trust and Banking Building**



## List of all the assets of the Company after the transfer

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	0.9%	72.6%
	Kitanomaru Square	Chiyoda-ku, Tokyo	Real property	February 24, 2006	81,555,500	14.5%	
	MD Kanda Building	Chiyoda-ku, Tokyo	Real property	May 31, 2002	9,520,000	1.7%	
	Kandabashi Park Building	Chiyoda-ku, Tokyo	Real property	August 15, 2002	4,810,000	0.9%	
	Nibancho Garden	Chiyoda-ku, Tokyo	Real property	April 1, 2005	14,700,000	2.6%	
	Mitsubishi UFJ Trust and Banking Building (Note 1)	Chiyoda-ku, Tokyo	Real property	March 28, 2007	44,700,000	7.9%	
	Burex Kojimachi Building	Chiyoda-ku, Tokyo	Real property	July 29, 2005	7,000,000	1.2%	
	Sanno Grand Building	Chiyoda-ku, Tokyo	Real property	January 31, 2005	10,200,000	3.7%	
				April 3, 2006	10,700,000		
				Total	20,900,000		
	Yurakucho Denki Building	Chiyoda-ku, Tokyo	Real property	August 1, 2003	7,200,000	1.3%	
	Kodenmacho Shin-Nihonbashi Building	Chuo-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3,173,000	0.6%	
	Burex Kyobashi Building	Chuo-ku, Tokyo	Real property	July 22, 2002	5,250,000	0.9%	
	Ginza Sanwa Building	Chuo-ku, Tokyo	Real property	March 10, 2005	16,830,000	3.0%	
	Ryoshin Ginza East Mirror Building (Note 2)	Chuo-ku, Tokyo	Real property	March 15, 2005	5,353,500	0.9%	
	Harumi Center Building	Chuo-ku, Tokyo	Real property	December 18, 2007	26,800,000	4.7%	
	Aoyama Crystal Building	Minato-ku, Tokyo	Real property	March 14, 2003	7,680,000	1.4%	
	Shiodome Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	December 19, 2008	21,250,000	3.8%	
	Shiba 2Chome Daimon Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	4,859,000	0.9%	
	Cosmo Kanasugibashi Building	Minato-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	2,808,000	0.5%	
	Shinwa Building	Shinjuku-ku, Tokyo	Real property	September 1, 2004	7,830,000	1.4%	
	Tokyo Opera City Building	Shinjuku-ku, Tokyo	Real property	September 13, 2005	9,350,000	1.7%	
	Takanawadai Building	Shinagawa-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	2,738,000	0.5%	
	Higashi-Gotanda 1Chome Building	Shinagawa-ku, Tokyo	Real property	November 1, 2004	5,500,000	1.0%	
	Omori-Eki Higashiguchi Building	Ota-ku, Tokyo	Trust beneficiary right in trust of real estate	September 10, 2001	5,123,000	0.9%	
	Nippon Brunswick Building	Shibuya-ku, Tokyo	Real property	March 24, 2004	6,670,000	1.2%	
	Yoyogi 1Chome Building	Shibuya-ku, Tokyo	Real property	April 1, 2004	8,700,000	1.5%	
	da Vinci Harajuku	Shibuya-ku, Tokyo	Real property	November 22, 2002	4,885,000	0.9%	
	Jingumae Media Square Building (Note 3)	Shibuya-ku, Tokyo	Real property	October 9, 2003	12,200,000	2.2%	
	Shibuya Cross Tower	Shibuya-ku, Tokyo	Real property	November 30, 2001	34,600,000	6.1%	
	Ebisu Neonato	Shibuya-ku Tokyo	Real property	November 14, 2003	3,740,000	0.7%	
				April 1, 2004	360,000		
				Total	4,100,000		
	Harmony Tower	Nakano-ku Tokyo	Real property	February 28, 2005	8,500,000	1.5%	
	Otsuka Higashi-Ikebukuro Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	3,541,000	0.6%	
	Ikebukuro 2Chome Building	Toshima-ku, Tokyo	Trust beneficiary right in trust of real estate	September 25, 2001	1,728,000	0.3%	
	Ikebukuro YS Building	Toshima-ku, Tokyo	Real property	August 2, 2004	4,500,000	0.8%	



Tokyo metropolitan area (excluding 23 wards)	Hachioji First Square	Hachioji City, Tokyo	Real property	March 31, 2005	3,300,000	1.0%	9.4%
				March 19, 2008	2,379,112		
				Total	5,679,112		
	Saitama Urawa Building	Saitama City, Saitama Prefecture	Real property	September 25, 2001	1,232,000	0.5%	
				October 11, 2001	1,342,000		
				Total	2,574,000		
	MM Park Building	Yokohama City, Kanagawa Prefecture	Real property	March 24, 2008	37,400,000	6.6%	
	Kawasaki Isago Building	Kawasaki City, Kanagawa Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	3,375,000	0.6%	
	Musahi Kosugi STM Building	Kawasaki City, Kanagawa Prefecture	Real property	March 25, 2008	4,000,000	0.7%	
	Total: Tokyo metropolitan area					462,382,112	
Hokkaido	8 • 3 Square Kita Building	Sapporo City, Hokkaido	Real property	June 1, 2007	7,100,000	1.3%	1.3%
Tohoku region	Jozenji Park Building	Sendai City, Miyagi Prefecture	Real property	January 31, 2005	1,000,000	0.2%	0.7%
	Sendai Honcho Honma Building	Sendai City, Miyagi Prefecture	Trust beneficiary right in trust of real estate	September 25, 2001	2,924,000	0.6%	
				June 28, 2006	250,000		
	Total	3,174,000					
Hokuriku region	Kanazawa Park Building	Kanazawa City, Ishikawa Prefecture	Real property	February 28, 2002	2,880,000	0.8%	0.8%
				March 3, 2003	1,700,000		
				Total	4,580,000		
Chubu region	Nishiki Park Building	Nagoya City, Aichi Prefecture	Real property	October 2, 2006	3,850,000	0.9%	4.1%
				November 1, 2006	1,300,000		
				Total	5,150,000		
	Hirokoji Sakae Building	Nagoya City, Aichi Prefecture	Real property	September 22, 2006	1,680,000	0.3%	
	Nagoya Hirokoji Building	Nagoya City, Aichi Prefecture	Real property	September 10, 2001	14,533,000	2.6%	
Nagoya Misono Building	Nagoya City, Aichi Prefecture	Real property	August 8, 2003	1,865,000	0.3%		
Kinki region	Kyoto Shijo Kawaramachi Building	Kyoto City, Kyoto Prefecture	Real property	December 20, 2001	2,650,000	0.5%	8.0%
	Shin-Fujita Building	Osaka City, Osaka Prefecture	Trust beneficiary right in trust of real estate	September 1, 2008	24,000,000	4.3%	
	Sakaisujihonmachi Building	Osaka City, Osaka Prefecture	Real property	September 25, 2001	2,264,000	0.7%	
				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	2.5%	
			February 28, 2002	7,380,000			
			Total	14,314,000			
Chugoku region	Lit City Building	Okayama City, Okayama Prefecture	Real property	February 1, 2006	4,650,000	0.8%	1.3%
	NHK Hiroshima Broadcasting Center Building	Hiroshima City, Hiroshima Prefecture	Real property	March 25, 2004	1,320,000	0.5%	
				March 3, 2008	1,450,000		
	Total	2,770,000					
Kyushu region	Tosei Tenjin Building	Fukuoka City, Fukuoka Prefecture	Real property	September 25, 2001	1,550,000	0.3%	1.8%
	Tenjin Crystal Building	Fukuoka City, Fukuoka Prefecture	Real property	June 1, 2005	5,000,000	0.9%	
	Hinode Tenjin Building	Fukuoka City, Fukuoka Prefecture	Trust beneficiary right in trust of real estate	September 10, 2001	3,657,000	0.6%	
Total: Other major cities					101,837,000	18.0%	18.0%
Total: Portfolio					564,219,112	100.0%	100.0%

- (Note 1) The Company plans to transfer the development rights pertaining to the unused floor area of Mitsubishi UFJ Trust and Banking Building at the price of ¥729 million as of September 17, 2009 to the planned new building to be built adjacent to the BUILDING under Marunouchi 1-4 Plan.
- (Note 2) In addition to the investment assets outlined in the above list, the Company acquired land and a building adjacent to Ryoshin Ginza East Mirror Building at the price of ¥1,800 million as of July 4, 2008. Furthermore, the Company plans to dismantle the acquired building and then construct extension to Ryoshin Ginza East Mirror Building.
- (Note 3) The Company plans to transfer a part of land relevant to the property at the price of ¥1,507 million as of October 30, 2009.