

March 27, 2014

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

Noritada Terasawa, Executive Director

(TSE code: 8952)

<Asset Management Company>

Japan Real Estate Asset Management Co., Ltd.

Hiroshi Katayama, CEO & President

Contact: Ryuta Yoshida, General Manager, Planning Department

Phone: +81-3-3211-7921

Notice of Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015)

Japan Real Estate Investment Corporation (the “Company”) revised its forecast results as shown below for the 26th Period (April 1, 2014 through September 30, 2014), which was announced on November 18, 2013 during the notification of business results for the 24th Period (April 1, 2013 through September 30, 2013), and also announced its forecast results as shown below for the 27th Period (October 1, 2014 through March 31, 2015).

Please note, however, that no revision of the forecast results for the 25th fiscal period (October 1, 2013 through March 31, 2014) was made on that same date.

1. Revision of Forecast Results for the 26th Period (April 1, 2014 through September 30, 2014)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per unit (Excluding dividend in excess of earnings)	Dividend in excess of earnings per unit	Number of units outstanding at the end of period
Previously announced forecast (A)	million yen 26,060	million yen 10,700	million yen 9,020	million yen 9,000	yen 7,580	yen –	units 1,188,280
Revised forecast (B)	million yen 27,560	million yen 11,210	million yen 9,520	million yen 9,510	yen 7,600	yen –	units 1,251,530 (Note1)
Amount of increase/decrease (B–A)	million yen 1,500	million yen 510	million yen 500	million yen 510	yen 20	yen –	units 63,250
Rate of increase/decrease	% 5.8	% 4.8	% 5.5	% 5.7	% 0.3	–	% 5.3

(Note1) The number of units outstanding is under the assumption that 1,251,530 units are comprised of the current outstanding and issued 1,188,280 units as of March 27, 2014, plus 57,500 units to be issued through public offering and 5,750 units to be issued through a third-party allotment offering available as determined by resolution at the Board of Directors meeting held on March 27, 2014. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 5,750 units are issued.

(Note2) The above forecast figures are computed as of March 27, 2014, under the assumption described in Attachment, titled “Assumptions for Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015)”. However, the actual operating revenues, operating income, ordinary income, net income and dividend per unit may fluctuate depending on future acquisitions or sales of properties and the market environment. In addition, these forecasts do not guarantee the actual results or dividend.

(Note3) Figures in operating revenues, operating income, ordinary income and net income have been rounded down to the nearest 10 million yen.

Disclaimer: This document is intended to serve as a press statement to make available the information on Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015) of Japan Real Estate Investment Corporation (the “Company”), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Company. Prospective investors are advised to read the Company's prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

2. Reasons for the Revision

The Company will carry out the issuance of new units and a secondary offering of units as resolved by the Board of Directors' meeting held on March 27, 2014 for the purpose of procuring funds in order to repay short-term loans. Also, the Company has decided to acquire co-ownership shares of "Otemachi Financial City North Tower" as new specified assets obtained during the 25th period. (Please refer to the News Release dated March 27, 2014, "Notice on Acquisition of Domestic Real Estate.") Accordingly, the forecast results for the 26th Period (September 30, 2014) announced on November 18, 2013 via the "Announcement of Twenty-fourth Fiscal Period Results" have been revised due to a change in the preconditions used as the basis of its computation.

3. Forecast Results for the 27th Period (October 1, 2014 through March 31, 2015)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per unit (Excluding dividend in excess of earnings)	Dividend in excess of earnings per unit	Number of units outstanding at the end of period
Forecast Results for the 27th Period (March 31, 2015)	million yen 27,610	million yen 11,240	million yen 9,580	million yen 9,570	yen 7,650	yen —	units 1,251,530 (Note1)

(Note1) The number of units outstanding is under the assumption that 1,251,530 units are comprised of the current outstanding and issued 1,188,280 units as of March 27, 2014, plus 57,500 units to be issued through public offering and 5,750 units to be issued through a third-party allotment offering available as determined by resolution at the Board of Directors meeting held on March 27, 2014. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 5,750 units are issued.

(Note2) The above forecast figures are computed as of March 27, 2014, under the assumption described in Attachment, titled "Assumptions for Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015)". However, the actual operating revenues, operating income, ordinary income, net income and dividend per unit may fluctuate depending on future acquisitions or sales of properties and the market environment. In addition, these forecasts do not guarantee the actual results or dividend.

(Note3) Figures in operating revenues, operating income, ordinary income and net income have been rounded down to the nearest 10 million yen.

This notice is the English translation of the announcement in Japanese dated March 27, 2014.

However, no assurance or warranties are given for the completeness or accuracy of this English translation.

Disclaimer: This document is intended to serve as a press statement to make available the information on Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015) of Japan Real Estate Investment Corporation (the "Company"), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Company. Prospective investors are advised to read the Company's prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

Assumptions for Revision of Forecast Results for the 26th Period (September 30, 2014)
and Forecast Results for the 27th Period (March 31, 2015)

Computation period	The 26th Period: April 1, 2014 through September 30, 2014 (183 days) The 27th Period: October 1, 2014 through March 31, 2015 (182 days)
Number of properties held by the Company	- The Company assumes its holdings as of March 27, 2014 to be 63 properties, plus the acquisition of Otemachi Financial City North Tower on March 31, 2014, which would remain during the period (for a total of 64 properties). However, the actual number will vary depending on additional acquisitions or sales of properties. - The Company, as of March 27, 2014, does not have any of the forward commitments described in the “Guideline for Financial Instruments Business Supervision”.
Number of units outstanding	- The number of units outstanding is under the assumption that 1,251,530 units are comprised of the current outstanding and issued 1,188,280 units as of March 27, 2014, plus 57,500 units to be issued through public offering and 5,750 units to be issued through a third-party allotment offering available as determined by resolution at the board meeting held on March 27, 2014. - In addition, the number of issuance units via third-party allotment is under the assumption that all of maximum 5,750 units are issued.
Interest-bearing debt	- The Company assumes an operational guideline of interest-bearing debt ratio over total assets to be in the 30% to 40% range. - The Company assumes that the proceeds raised through the public offering and through the issuance of new units via third-party allotment, as approved at the board of directors’ meeting held on March 27, 2014, will be applied toward the repayment of short-term loans and the remaining proceeds will be used as cash reserves for the acquisition of new specified assets or go towards loan repayment. Also, the proceeds raised through the issuance of new units via third-party allotment will be applied to cash reserves to make up for their decrease that will result from a planned repayment of short-term loans, as determined by a resolution at the same meeting. As a result, the interest-bearing debt amount is expected to be around ¥326.9 billion. However, the above interest-bearing debt amount may vary depending on the final number of units to be issued and the issue price of the said units, along with other factors. - In the 26th Period (September 30, 2014), the short-term loan balance of ¥13.5 billion (repayment date: April 30, 2014; July 31, 2014; September 2, 2014; and September 24, 2014) is assumed to be refinanced, excluding repayment of a portion of those loans through proceeds from the issuance of new units by the above mentioned public offering. Also, the 6th investment corporate bonds totaling ¥15 billion that will mature on June 18, 2014 are assumed to be redeemed by the issuance of investment corporation bonds or funds to be procured through the loans. - In the 27th Period (March 31, 2015), the short-term loan balance of ¥ 43.3 billion (repayment date: October 7, 2014; January 7, 2015; January 15, 2015; February 18, 2015; March 24, 2015; and March 31, 2015) and the long-term loan balance of ¥ 5 billion (repayment date: November 17, 2014; December 15, 2014; and March 24, 2015) are assumed to be refinanced, excluding repayment of a portion of those loans by proceeds from the issuance of new units by the above mentioned public offering. No investment corporate bonds will mature in the 27th Period.
Operating revenues	Revenues from properties held by the Company are calculated by taking the finalized new contract conclusions and cancellations as of March 27, 2014 into consideration, as well as potential variables, rent reductions to levels that assume the recent market rent trends for office space and revenue that is at risk of decreasing due to returned space. Revenues from the property to be newly acquired (Otemachi Financial City North Tower) are calculated based on information that is projected as of March 27, 2014 such as the lease agreements on or after the scheduled acquisition date of the property.

Disclaimer: This document is intended to serve as a press statement to make available the information on Revision of Forecast Results for the 23rd Period (March 31, 2013) and Forecast Results for the 24th Period (September 30, 2013) of Japan Real Estate Investment Corporation (the “Company”), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Company. Prospective investors are advised to read the Company’s prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.

Operating expenses	- Property taxes, city planning taxes and depreciable property taxes levied on properties held by the Company will be booked in the property-related expenses in proportion to the duration of each computation period. However, when an adjustment amount of property taxes, etc. (so-called “amount equivalent to fixed asset tax”) arises between the Company and a transferor in the acquisition of new property in a calendar year covering the relevant computation period, such adjustment amount of property taxes, etc. will not be expensed in the relevant computation period and booked at acquisition cost of such new property. Property taxes, city planning taxes and depreciable property taxes levied on Otemachi Financial City North Tower (the company’s share of co-ownership) are estimated at ¥72 million for 2013. - Property and Other Taxes have been estimated at ¥2,500 million for the 26th Period (September 30, 2014) and at ¥2,500 million for the 27th Period (March 31, 2015). - Depreciation has been estimated at ¥5,880 million for the 26th Period (September 30, 2014) and at ¥5,820 million for the 27th Period (March 31, 2015). - Repairing Expenses may, however, differ significantly from estimated amounts because there is significant difference between fiscal periods and it is no regular expense, etc.
Non-operating expenses	Non-operating expenses (Interest Expense and Interest Expense on Investment Corporation Bonds, etc.) has been estimated at ¥1,710 million for the 26th Period (September 30, 2014) and at ¥1,660 million for the 27th Period (March 31, 2015).
Amount of dividend	- The Company assumes that it will not make a dividend in excess of earnings. Accordingly, the envisaged dividend policy is to make cash dividends to the extent of accounting profits or at least the amount equivalent to 90% of the amount of distributable profit, pursuant to the provisions stipulated in the Articles of Incorporation. - Dividends for the 26th Period (September 30, 2014) and for the 27th Period (March 31, 2015) are based on the premise that there will be no reversal of internal reserves (*). * Internal reserves refers to the remaining balance, ¥390 million, after a partial reversal for the dividend payout, ¥519 million, for the 22nd Period (September 30, 2012) and the 23rd Period (March 31, 2013) out of the total of ¥909 million consisting of the amount portioned to internal reserves from the gain on the sale of the Takanawadai Building as of April 1, 2011 under the application of the Special Provisions for Taxation in the case of Advanced Acquisition of Land, etc. in 2009 and 2010 (total of ¥878 million which consists of reserve for reduction entry and associated income taxes deferred) and retained earnings of ¥30 million.
Other	- Forecasts are based on the assumption that there will be no amendments to the law, taxation system, accounting standards, listing rules or regulations of the Investment Trust Association, Japan, which affect aforementioned forecast figures. - Forecasts are based on the assumption that there will be no unexpected significant change in general economic trends and real estate market trends and other conditions. - Taxes such as income taxes are computed in consideration of the above mentioned deferred income taxes, and taxes such as income taxes levied on amortized term leasehold interest of buildings with a term leasehold interest and asset retirement obligations.

Disclaimer: This document is intended to serve as a press statement to make available the information on Revision of Forecast Results for the 26th Period (September 30, 2014) and Forecast Results for the 27th Period (March 31, 2015) of Japan Real Estate Investment Corporation (the “Company”), and does not constitute and should not be construed as an offer to sell or solicitation of an offer to purchase any unit or other investment of the Company. Prospective investors are advised to read the Company's prospectus for new unit issuance and secondary offering (and its amendments, if any) and make any investment decisions at their own risk and responsibility.