

March 18, 2015

To whom it may concern:

<Investment Corporation>

Japan Real Estate Investment Corporation

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Notice of Revision of Forecast Results for the 28th Period (September 30, 2015) and Forecast Results for the 29th Period (March 31, 2016)

Please be informed that Japan Real Estate Investment Corporation (“the Company”) revised its forecast results as shown below for the 28th Period (April 1, 2015 through September 30, 2015), which had been announced in “FINANCIAL RESULTS FOR THE 26TH FISCAL PERIOD ENDED SEPTEMBER 30, 2014” on November 17, 2014, and also announced its forecast results for the 29th Period (October 1, 2015 through March 31, 2016) as shown blow.

Please note, however, that there is no revision of the forecast results for the 27th Period (October 1, 2014 through March 31, 2015), announced on November 17, 2014, as of today.

1. Revision of Forecast Results for the 28th Period (April 1, 2015 through September 30, 2015)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit	Number of units outstanding at the end of period
Previously announced forecast (A)	million yen 28,440	million yen 11,340	million yen 9,750	million yen 9,740	yen 7,780	yen –	units 1,251,530
Revised forecast (B)	million yen 29,670	million yen 11,890	million yen 10,270	million yen 10,260	yen 7,840	yen –	units 1,309,310 (Note1)
Amount of increase/decrease (B–A)	million yen 1,230	million yen 550	million yen 520	million yen 520	yen 60	yen –	units 57,780
Rate of increase/decrease	% 4.3	% 4.9	% 5.3	% 5.3	% 0.8	–	% 4.6

(Note1) The number of units outstanding is under the assumption that 1,309,310 units are comprised of the current outstanding and issued 1,251,530 units, as of March 18, 2015, plus 54,000 units to be issued through public offering and 3,780 units to be issued through a third-party allotment available as determined by resolution at the Board of Directors’ meeting held on March 18, 2015. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 3,780 units are issued.

(Note2) The above forecast figures are computed as of March 18, 2015, under the assumption described in Attachment, titled “Assumptions for Revision of Forecast Results for the 28th Period (September 30, 2015) and Forecast Results for the 29th Period (March 31, 2016)”. 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 for 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 28th Period (September 30, 2015) and Forecast Results for the 29th Period (March 31, 2016) 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 today for the purpose of funding to repay short-term loans procured in order to acquire specified assets for medium and long-term growth of the Company, and so forth. Also the Company has decided to acquire "Amagasaki Front Building" etc. 4 buildings in total during the 27th and 28th period. (Please refer to the news release of "Notice on Acquisition of Domestic Real Estate and Trust Beneficially Right in trust of Domestic Real Estate (Amagasaki Front Building etc. 4 Buildings in total)" released today.) Accordingly, the forecast results for the 28th Period (September 30, 2015) announced on November 17, 2014 in the announcement, "Fiscal Results for the 26th Fiscal Period Ended September 30, 2014 (REIT)" have been revised due to a change in the preconditions used as the basis of its computation.

3. Forecast Results for the 29th Period (October 1, 2015 through March 31, 2016)

	Operating revenues	Operating income	Ordinary income	Net income	Dividend per Unit Excluding Excess of Accounting Profits	Dividend in Excess of Accounting Profits per Unit	Number of units outstanding at the end of period
Forecast Results for the 29th Period (March 31, 2016)	million yen 29,750	million yen 11,950	million yen 10,390	million yen 10,380	yen 7,930	yen —	units 1,309,310 (Note1)

(Note1) The number of units outstanding is under the assumption that 1,309,310 units are comprised of the current outstanding and issued 1,251,530 units, as of March 18, 2015, plus 54,000 units to be issued through public offering and 3,780 units to be issued through a third-party allotment available as determined by resolution at the Board of Directors' meeting held on March 18, 2015. In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 3,780 units are issued.

(Note2) The above forecast figures are computed as of March 18, 2015, under the assumption described in Attachment, titled "Assumptions for Revision of Forecast Results for the 28th Period (September 30, 2015) and Forecast Results for the 29th Period (March 31, 2016)". 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 18, 2015.

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

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[Attachment]

Assumptions for Revision of Forecast Results for the 28th Period (September 30, 2015)

and Forecast Results for the 29th Period (March 31, 2016)

Computation period	The 28th Period: April 1, 2015 through September 30, 2015 (183 days) The 29th Period: October 1, 2015 through March 31, 2016 (183 days)
Number of properties held by the Company	• The Company assumes that it would be 69 properties which is comprised of its holdings as of March 18, 2015, 67 properties and the properties to be acquired during 27th Period, Amagasaki Front Building and Harmony Tower (additional acquisition) and 28th Period, Umeda Square Building and Shiodome Building (additional acquisition). However, the actual number will vary depending on additional acquisitions or sales of properties. • The Company, as of March 18, 2015, does not have any of the forward commitments described in the “Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc.”.
Number of units outstanding	• The number of units outstanding is under the assumption that 1,309,310 units are comprised of the current outstanding and issued 1,251,530 units, as of March 18, 2015, plus 54,000 units to be issued through public offering and 3,780 units to be issued through a third-party allotment available as determined by resolution at the Board of Directors’ meeting held on March 18, 2015. • In addition, the number of issuance units by a third-party allotment is under the assumption that all of maximum 3,780 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, as determined by resolution at the Board of Directors’ meeting held on March 18, 2015, will be applied toward the repayments of a part of the short-term loans, the redemptions of the 7th investment corporate bonds totaling ¥10 billion that will be matured on April 23, 2015 and a part of funds for the acquisition of specified asset, Shiodome Building (additional acquisition) mentioned in the release of “Notice on Acquisition of Domestic Real Estate and Trust Beneficiary Right in Trust of Domestic Real Estate” released today. If there are some remaining proceeds, it will be used as cash reserves for acquisitions of new specified assets or repayments of loans. As for the proceeds raised through the issuance of new units through a third-party allotment determined by the resolution at the same meeting mentioned above, will be applied to the repayments of a part of the short-term loans. If there are some remaining proceeds, it will be used as cash reserves for acquisitions of new specified assets or repayments of loans. As a result, the interest-bearing debt amount is expected to be around ¥ 353.4 billion. However, the above interest-bearing debt amount may vary depending on the final number of units to be issued and the issuance price. • In the 28th Period (September 30, 2015), the long-term loans, whose balance is ¥14.5 billion (repayment date: May 29, 2015; June 15, 2015; September 1, 2015), and the short-term loan, whose balance is ¥3.8 billion (repayment date: September 2, 2015), are assumed to be refinanced, excluding the repayments of a part of the existing loans by the proceeds from the issuance of new units by the above mentioned public offering. As for, the 7th investment corporate bonds totaling ¥10 billion that will be matured on April 23, 2015 are assumed to be redeemed by the proceeds from the issuance of new units by the above mentioned public offering and the 8th investment corporate bonds totaling ¥10 billion that will be matured on July 23, 2015 are assumed to be redeemed by issuance of investment corporation bonds or funds to be procured through loans. • In the 29th Period (March 31, 2016), the long-term loans, whose balance is ¥ 2 billion (repayment date: January 15, 2016) and the short-term loans, whose balance is ¥ 15.5 billion (repayment date: October 1, 2015; January 7, 2016 and March 2, 2016) are assumed to be refinanced. No investment corporate bonds that will be matured in the 29th Period. (All the balances mentioned above: as of March 18, 2015)

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Operating revenues	Revenues from the properties held by the Company is calculated taking the finalized conclusions of the new contracts and cancellations of the contracts as of March 18, 2015 into consideration, as well as the revised rent considering the recent market trends for leasing office space and variable factors such as a risk to decrease revenue from rent due to starting and ending leasing contract. Revenues from the properties to be newly acquired (Amagasaki Front Building, the additionally-acquired shares of Harmony Tower, Umeda Square Building, the additionally-acquired shares of Shiodome Building) is calculated based on the estimated leasing contract conditions etc after the scheduled date of the acquisitions, as of March 18, 2015.
Operating expenses	- Property taxes, city planning taxes and depreciable property taxes levied on properties held by the Company will be booked on 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 but booked at acquisition cost of such new property. Estimated property taxes, city planning taxes and depreciable property taxes for 2016, levied on the properties, which is already acquired and the properties, which is scheduled to be acquired is as below. Clover Shiba-Koen;¥13million, Ginza 1 chome East Building;¥21million, Amagasaki Front Building;¥49million, additionally-acquired shares of Harmony Tower;¥19million, Umeda Square Building;¥96million and additionally-acquired shares of Shiodome Building;¥32million. - Property and Other Taxes have been estimated at ¥2,794million for the 28th Period (September 30, 2015) and at ¥2,790million for the 29th Period (March 31, 2016). - Depreciation has been estimated at ¥6,302million for the 28th Period (September 30, 2015) and at ¥6,314million for the 29th Period (March 31, 2016). - 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 ¥1,660million for the 28th Period (September 30, 2015) and at ¥1,572million for the 29th Period (March 31, 2016).
Amount of dividend	- The Company assumes that it will not make a dividend in excess of accounting profits. 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 28th Period (September 30, 2015) and for the 29th Period (March 31, 2016) 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.

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