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Morgan Stanley Real Estate Acquires Stake in the Akasaka Garden City Office Building for US\$523.1 Million

TOKYO, September 13, 2006 --A fund managed by Morgan Stanley Real Estate announced today that it acquired a controlling stake of Akasaka Garden City, a newly constructed Class A office building in Tokyo's Akasaka district. The fund acquired 66.1% of Sekisui House's majority holding in the property for US\$523.1 million.

Fred Schmidt, Managing Director and Head of Morgan Stanley Real Estate, Japan commented: "The acquisition of Akasaka Garden City represents an excellent opportunity to acquire a high-quality office building in a premier Tokyo location. Tokyo is experiencing an improving real estate market with increases in office rent, occupancy and land price. We look forward to partnering with Sekisui on this investment and delivering value to our investors."

Akasaka Garden City is a 19-floor, Class A office building located in the western part of Akasaka. The building is adjacent to the Aoyama area and to Route 246, a major thoroughfare from the Imperial Palace through Akasaka, Aoyama, and Shibuya, to suburban Tokyo, and is accessible to the Akasaka Mitsuke, Aoyama 1chome, and Akasaka subway stations. The building opened in February 2006 and is home to 12 tenants, including Sekisui House.

Morgan Stanley Real Estate is comprised of three major global businesses: Investing, Banking, and Lending. Since 1991, Morgan Stanley has acquired \$91.6 billion of real estate assets worldwide and currently manages \$53.9 billion in real estate assets on behalf of its clients. In addition, Morgan Stanley Real Estate provides a complete range of market-leading investment banking services to its clients including advice on strategy,

mergers, acquisitions and restructurings, as well as underwriting public and private debt and equity financings. Morgan Stanley is also a global leader in real estate lending and, using its own capital, originated approximately \$28 billion in commercial mortgages in 2005. For more information about Morgan Stanley Real Estate, go to www.morganstanley.com/realestate.

Morgan Stanley (NYSE: MS) is a global financial services firm and a market leader in securities, investment management, and credit services. With more than 600 offices in 30 countries, Morgan Stanley connects people, ideas and capital to help clients achieve their financial aspirations.

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