

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2006  
(May 1, 2006 to October 31, 2006)

December 11, 2006

Kenedix Realty Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 8972.

(URL <http://www.kdx-reit.com>)

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Board of Directors meeting for approving financial results: December 11, 2006

The first distribution payment is scheduled for January 15, 2007

1 . PERFORMANCE FOR THE FISCAL PERIOD ENDED APRIL 30, 2006 AND OCTOBER 31, 2006

(1) Business Results

(The amount is rounded down to the nearest ¥million)

	Operating Revenues		Operating Income		Ordinary Income		Net Income	
Third Fiscal Period	¥5,288	184.2%	¥2,565	190.9%	¥2,125	192.7%	¥2,124	192.7%
Second Fiscal Period	¥2,871	140.1%	¥1,343	127.8%	¥1,103	353.7%	¥1,101	354.9%

	Net Income per Unit	Return on Unitholders' Equity(ROE)	<Reference> ( Annualized )	Ordinary Income to Total Assets	<Reference> ( Annualized )	Ordinary Income to Operating Revenues
Third Fiscal Period	¥13,575	3.1%	6.2%	1.7%	3.3%	40.2%
Second Fiscal Period	¥13,884	2.5%	4.9%	1.3%	2.6%	38.4%

Notes:

1. Net income per unit is calculated using the average number of investment units for the third fiscal period: 156,460 units.  
Net income per unit is calculated using the average number of investment units for the second fiscal period: 79,370 units.
2. Changes in accounting policies: Yes
3. Percentage change figures are shown for operating revenues, operating income, ordinary income and net income
4. Annualized percentage figures = Percentage figures for the relevant fiscal period / Number of actual investment management days for the relevant fiscal period × 365 days.
5. Return on unitholders' equity and ordinary income to total assets is calculated using the average of the respective balances of unitholders' equity and total assets as of the beginning and end of the fiscal period.

(2) Distribution

( The total distribution is rounded down to the nearest ¥million. )

	Distributions per Unit (Yen) Excluding Excess of Earnings	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
Third Fiscal Period	¥13,529	¥2,124	-	-	99.9%	2.3%
Second Fiscal Period	¥13,884	¥1,101	-	-	99.9%	2.4%

Note: The payout ratio is rounded down to the nearest first decimal place.

## (3) Financial Position

( The total assets and unitholders' equity are rounded down to the nearest ¥million. )

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
Third Fiscal Period	¥160,314	¥90,933	56.7%	¥579,192
Second Fiscal Period	¥92,053	¥45,387	49.3%	¥571,840

Note: The number of investment units outstanding as of April 30, 2006 totaled 79,370 units.  
The number of investment units outstanding as of October 31, 2006 totaled 79,370 units.

## 2 . FORECAST OF RESULTS FOR THE FOURTH FISCAL PERIOD

(November 1, 2006 to April 30, 2007)

	Operating Revenues (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution per Unit(Yen)Excluding Excess of Earnings	Distribution in Excess of Earnings per Unit (Yen)
Fourth Fiscal Period	¥5,542	¥2,075	¥2,074	¥13,200	-

Reference: Estimated net income per unit for the fourth fiscal period: ¥13,200

Note: Forecasts presented in this document are based on "Assumptions for Forecasts for the Fourth Fiscal Period (from November 1, 2006 to April 30, 2007)" identified in a separate reference. Forecasts for net income and distribution per unit may differ from actual results due to changes in operating conditions and a variety of factors. Accordingly, Kenedix Realty Investment Corporation does not guarantee any distribution amount.

## **Investment Highlights**

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the financial results for its fiscal period ended October 31, 2006.

For its third fiscal period, (from May 1, 2006 to October 31, 2006) the Investment Corporation recorded operating revenues of ¥5,288 million, operating income of ¥2,565 million, ordinary income of ¥2,125 million and net income of ¥2,124 million. As a result, cash distribution for the fiscal period under review was ¥13,529 per unit.

## **Management Performance**

In the beginning of the fiscal period under review, the Investment Corporation acquired 26 properties with a total acquisition costs of ¥58,033 million. From the viewpoint of review of its portfolio, the Investment Corporation sold 2 residential properties (total acquisition costs of ¥1,708 million) on May 10, 2006. Using the original network of the Asset Management Company, the Investment Corporation acquired 4 office buildings and 1 residential property in the Tokyo Metropolitan Area during the third fiscal period with a total acquisition costs of ¥8,983 million. As a result, the number of properties owned as of October 31, 2006 stood at 64, with a total acquisition costs of ¥146,742 million. Looking at the portfolio as a whole, 58.7% was comprised of office buildings, 30.2% of residential properties and 10.9% retail properties on an acquisition price basis. In addition, the occupancy ratio as of the end of the third fiscal period was 95.3%, reflecting stable investment and asset management.

## **Capital Acquisition**

To support the acquisition of additional assets, the Investment Corporation undertook debt financing of ¥20 billion during the third fiscal period comprising ¥18 billion of long-term debt and ¥2 billion of short-term debt. As a result, the balance of debt financing as of October 31, 2006 stood at ¥62 billion comprising ¥48.5 billion of long-term debt and ¥13.5 billion of short-term debt. Of this amount, ¥37.3 billion of long-term debt as of October 31, 2006 was procured on a floating rate basis. In order to minimize the risk of future increase in interest rate, the Investment Corporation has entered into interest-rate swap agreements, effectively fixing applicable interest rates.

Since its public listing through to the end of the third fiscal period, the Investment Corporation has undertaken flexible debt funding on both an unsecured and unguaranteed basis. This is the result of the high standing in which the Investment Corporation, its investment policies, asset quality as well as the personnel and expertise of the Asset Management Company are held among financial institutions. In addition, the Investment Corporation strives to diversify repayment dates for its debt financing in an effort to reduce refinancing risk. The Investment Corporation also strives to extend average repayment period by placing added emphasis on long-term debt.

Note: Short-term debt is repayable within 1 year. Long-term debt is repayable over terms exceeding 1 year.

## **Acquiring Credit Ratings**

As a part of efforts to diversify procurement methods, including the issue of investment corporation bonds, and to extend the average repayment period for its overall debt financing, the Investment Corporation acquired a credit rating of A+ (Outlook : Stable) from Japan Credit Rating Agency, Ltd. on December 11, 2006. The Investment Corporation’s investment policies, quality of individual assets, real estate portfolio, the unsecured and unguaranteed nature of debt

financing, quality of the Asset Management Company's personnel and the support of the Kenedix Group were appraised by the credit rating agency. This is the second credit rating acquired following the A3 (Outlook : Stable) from Moody's Investors Services, Inc. on February 28, 2006.

< Credit Rating >

Credit Rating Agency	Details of the Rating
Japan Credit Rating Agency, Ltd.	Senior Debts : A+
	Outlook: Stable

## Review of Portfolio Development Policy

### 1. Overview

The Investment Corporation adopts a dynamic and flexible investment stance that accurately reflects its environment and market trends, and endeavors to ensure a timely response to each and every opportunity. The Investment Corporation strives to develop a diversified investment portfolio adopting a three-point investment criteria based on property type, area and size for its basic policy. Based upon this basic policy, the Investment Corporation has conducted a review of its portfolio development policies in order to shift to investments in office buildings, and has made changes to the management guidelines of the Asset Management Company.

### 2. The Major Changes in the Management Guidelines

#### Portfolio Development Policy

After the Change in Management Guidelines	Before the Change in Management Guidelines
Taking into consideration the liquidity and scale of the real estate market, the degree of real estate market information, prudent diversification based on the type of use for each property, diversification of the tenant base, and the management results of the Kenedix Group, the Investment Corporation shall <u>invest mainly in office buildings, and also shall be able to invest in central urban-type retail properties, residential properties, and other properties</u>	Taking into consideration the liquidity and scale of the real estate market, the degree of real estate market information, prudent diversification based on the type of use for each property, diversification of the tenant base, and the management results of the Kenedix Group, the Investment Corporation shall <u>invest primarily in office buildings, residential properties, retail properties and other properties.</u>
<u>"Central Urban-Type Retail Properties" refers to retail properties located in highly flourishing districts with high potential for attracting alternative tenants.</u>	<u>"Retail Properties" refers to mainly central urban-type retail properties located in highly flourishing districts</u>

### 3. Details of the Changes

The Investment Corporation adheres to a basic policy that adopts a dynamic and flexible investment stance, which accurately reflects its environment and market trends, endeavors to ensure a timely response to each and every opportunity, and strives to develop a diversified investment portfolio with a three-point investment criteria based on property type, area and size. Working from this policy, as of December 11, 2006, the Investment Corporation owned a portfolio of 65 properties with a total acquisition costs of approximately ¥150 billion, demonstrating its success in diversifying properties.

The Investment Corporation has previously emphasized investment in mid-sized office buildings located in the Tokyo Metropolitan Area. However, to respond to recent conditions in the office leasing market (increased rent levels, improvement of occupancy ratios, etc.), the Investment Corporation has decided to invest mainly in office buildings and to make no new investment in residential properties for a certain period. The Investment Corporation previously invested in central urban-type retail properties located in highly flourishing districts as an alternative to investment in office buildings.

To make this situation evident, the Investment Corporation has decided to refer to these past investments as “Central Urban-Type Retail Properties,” rather than simply as “Retail Properties.”

After the Change in Management Guidelines

Investment Portfolio Target			Investment Ratio Target
A • Type of Use	Office Buildings	Office buildings for leasing purposes as their principal use	<u>50-100%</u>
	Residential Properties	Residential properties for leasing purposes as their principal use	<u>0-30%</u>
	<u>Central Urban-Type Retail Properties</u>	<u>Retail properties</u> located in highly flourishing districts	<u>0-20%</u>
	Other	Amusement parks, business hotels, parking, educational, medical and health care-related facilities, low-lying leasehold land and other	<u>0% for now</u>
B • Area	Tokyo Metropolitan Area	Major cities in Tokyo, Kanagawa, Saitama and Chiba prefectures	More than 70%
	Other Regional Areas	Primarily government-designated cities in Other Regional Areas	Less than 30%
C • Size	Minimum Investment	Office Buildings, <u>Central Urban-Type Retail Properties</u> , Other	More than 1.0 billion yen per investment
		Residential Properties	More than 0.5 billion yen per investment
	Maximum Investment	Investment in a single property shall not exceed 30% of the total investment portfolio after acquisition	

Before the Change of Management Guidelines

Investment Portfolio Target			Investment Ratio Target
A • Type of Use	Office Buildings	Office buildings for leasing purposes as their principal use	<u>More than 50%</u>
	Residential Properties	Residential properties for leasing purposes as their principal use	<u>More than 20%</u>
	<u>Retail Properties</u>	<u>Mainly central urban-type retail properties</u> located in highly flourishing districts	<u>Less than 30%</u>
	Other	Amusement parks, business hotels, parking, educational, medical and health care-related facilities, low-lying leasehold land and other	
B • Area	Tokyo Metropolitan Area	Major cities in Tokyo, Kanagawa, Saitama and Chiba prefectures	More than 70%
	Other Regional Areas	Primarily government-designated cities in Other Regional Areas	Less than 30%
C • Size	Minimum Investment	Office Buildings, Retail Properties, Other	More than 1.0 billion yen per investment
		Residential Properties	More than 0.5 billion yen per investment
	Maximum Investment	Investment in a single property shall not exceed 30% of the total investment portfolio after acquisition	

※ Investment Ratio = The subtotal of investment in each asset classification / Total acquisition price of the investment portfolio

※ Acquisition Price = The price only refers to the purchase price of real estate or trust beneficiary interest, and excludes the taxes and acquisition expenses.

## Outlook

Forecasts for the fourth fiscal period (November 1, 2006 to April 30, 2007) are presented as follows. Please refer to the “Preconditions and Assumptions for the Fiscal Periods Ending April 30, 2007” below for factors that underpin forecasts.

Operating Revenues	¥5,542 million
Ordinary Income	¥2,075 million
Net Income	¥2,074 million
Distribution per Unit	¥13,200
Distribution in Excess of Earnings per Unit	¥0

Note: Forecast figures are calculated based on certain assumptions. Readers are advised that actual operating revenues, net income and distribution per unit may differ significantly from forecasts due to a variety of reasons. Accordingly, the Investment Corporation does not guarantee payment of the forecast distribution per unit.

### “Preconditions and Assumptions for the Fiscal Periods Ending April 30, 2007”

	Preconditions and Assumptions
Property Portfolio	<ul style="list-style-type: none"> <li>Forecasts for the fiscal period ending April 30, 2007 are based on a property portfolio totaling 65 properties held as of December 11, 2006,</li> <li>The property portfolio may change due to a variety of factors.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>Rental revenues are estimated based on historic performance and a variety of factors including each property’s competitive standing and market and other conditions.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>Property expenses other than depreciation are based on historic expenses, adjusted to reflect the variable nature of expenses.</li> <li>In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property.</li> <li>Repairs, maintenance and renovation expenses are estimated based on the Asset Management Company budgeted amounts for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>For the fiscal period ending April 30, 2007, approximate amounts of ¥1,199 million, has been estimated for depreciation expense.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>Amounts for interest payable of ¥431 million has been forecasted for the fiscal period ending April 30, 2007.</li> </ul>
Debt Financing	<ul style="list-style-type: none"> <li>For the fourth fiscal period, forecast are based on a debt financing total balance of ¥66,000 million as of December 11, 2006. Forecasts are also based on an assumption that the balance of debt financing shall remain unchanged in the fourth fiscal period.</li> </ul>
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The Investment Corporation has 157,000 investment units issued and outstanding as of December 11, 2006. Forecasts are based on the assumption that the balance of investment units issued and outstanding will remain unchanged through the fourth fiscal period (November 1, 2006 to April 30 2007).</li> </ul>

Distributions per Unit	<ul style="list-style-type: none"> <li>• Distributions per unit of amounts less than ¥1 are omitted. Calculations are based on a 100% distribution of unappropriated retained earnings.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>• Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

# Balance Sheets

	Third Fiscal Period (As of October 31, 2006)		Second Fiscal Period (As of April 30, 2006)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
ASSETS						
I. Current assets	10,243,869	6.4	8,119,288	8.8	2,124,580	126.2
Cash and bank deposits	4,709,666		4,897,035		△187,369	
Entrusted deposits	4,779,041		2,946,056		1,832,985	
Rental receivables	83,374		47,703		35,670	
Prepaid expenses	47,206		23,925		23,280	
Consumption tax refundable	599,486		138,322		461,163	
Other current assets	25,093		66,244		△41,150	
II. Fixed assets	149,945,921	93.5	83,893,031	91.1	66,052,890	178.7
1. Property and equipment, at cost * <sup>1</sup>	149,719,621	93.4	83,434,736	90.6	66,284,885	179.4
Buildings	1,313,459		992,915		320,544	
Structures	52,813		55,321		△2,508	
Machinery and equipment	1,879		—		1,879	
Tools, furniture and fixtures	2,760		—		2,760	
Land	2,148,301		1,345,661		802,639	
Buildings held in trust	55,173,235		28,954,013		26,219,221	
Structures held in trust	247,088		131,961		115,127	
Machinery and equipment held in trust	667,292		410,137		257,154	
Tools, furniture and fixtures held in trust	546,862		560,719		△13,857	
Land held in trust	89,565,928		50,984,005		38,581,922	
2. Investment and other assets	226,300	0.1	458,295	0.5	△231,994	49.4
Leasehold and security deposits	18,205		17,488		716	
Long-term prepaid expenses	76,874		43,020		33,853	
Derivative assets	131,220		397,786		△266,565	
III. Deferred	124,550	0.1	40,717	0.1	83,833	305.9
Organization costs	35,627		40,717		△5,089	
Unit Issuance Costs	88,923		—		88,923	
Total assets	160,314,341	100.0	92,053,037	100.0	68,261,304	174.2



	Third Fiscal Period (As of October 31, 2006)		Second Fiscal Period (As of April 30, 2006)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
<b>LIABILITIES</b>						
I Current liabilities	16,204,462	10.1	12,239,887	13.3	3,964,575	132.4
Trade payables	289,763		106,410		183,353	
Short-term debt	13,500,000		11,500,000		2,000,000	
Current maturities of long term debt	1,500,000		—		1,500,000	
Other payables	117,128		82,546		34,582	
Accrued expenses	27,362		15,557		11,804	
Accrued income taxes	923		1,015		△91	
Rents received in advance	767,536		529,894		237,641	
Deposits received	1,748		4,462		△2,714	
II Long-term liabilities	53,176,581	33.2	34,426,133	37.4	18,750,447	154.5
Long-term debt	47,000,000		30,500,000		16,500,000	
Leasehold and security deposits received	184,398		131,646		52,751	
Leasehold and security deposits held in trust received	5,940,494		3,396,700		2,543,793	
Unrealized gain on derivatives	—		397,786		△397,786	
Deferred tax liability	51,687		—		51,687	
<b>Total liabilities</b>	<b>69,381,044</b>	<b>43.3</b>	<b>46,666,021</b>	<b>50.7</b>	<b>22,715,022</b>	<b>148.7</b>
(Net assets)* <sup>2</sup>						
I. Unitholder's equity	90,853,764	56.6	—	—	90,853,764	—
1. Capital stock	88,729,652	55.4	—	—	88,729,652	—
2. Retained earnings						
Retained earnings at end of period	2,124,112		—		2,124,112	
II. Valuation and translation adjustments	79,532	0.1	—	—	79,532	—
Unrealized gain from deferred hedge	79,532		—		79,532	
<b>Total net assets</b>	<b>90,933,297</b>	<b>56.7</b>	<b>—</b>	<b>—</b>	<b>90,933,297</b>	<b>—</b>
<b>Total liabilities and assets</b>	<b>160,314,341</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>160,314,341</b>	<b>—</b>
<b>UNITHOLDERS' EQUITY *<sup>3</sup></b>						
I UNITHOLDERS' CAPITAL	—	—	44,285,002	48.1	△44,285,002	—
Total unitholders' capital * <sup>2</sup>	—	—	44,285,002	48.1	△44,285,002	—
II Retained earnings						
Retained earnings at end of period	—	—	1,102,013	1.2	△1,102,013	—
<b>Total unitholders' equity</b>	<b>—</b>	<b>—</b>	<b>45,387,015</b>	<b>49.3</b>	<b>△45,387,015</b>	<b>—</b>
<b>Total liabilities and unitholders' equity</b>	<b>—</b>	<b>—</b>	<b>92,053,037</b>	<b>100.0</b>	<b>△92,053,037</b>	<b>—</b>

**Statements of Income and Retained Earnings**

	Third Fiscal Period (As of October 31, 2006)		Second Fiscal Period (As of April 30, 2006)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
1. Operating revenues	5,288,833	100.0	2,871,789	100.0	2,417,044	184.2
Rental revenues * <sup>1</sup>	4,549,456		2,574,667		1,974,788	
Other rental revenues * <sup>1</sup>	582,043		297,122		284,921	
Profit on sale of trust beneficiary interests in real estate* <sup>2</sup>	157,334		—		157,334	
2. Operating expenses	2,723,641	51.5	1,527,805	53.2	1,195,835	178.3
Property-related expenses * <sup>1</sup>	2,397,201		1,265,551		1,131,650	
Asset management fees	203,841		150,113		53,728	
Directors' salaries	5,400		5,400		—	
Custodian fees	11,705		10,232		1,472	
Administrative service fees	35,022		27,544		7,478	
Audit fees	5,900		4,000		1,900	
Other operating expenses	64,569		64,963		△394	
Operating income	2,565,192	48.5	1,343,983	46.8	1,221,208	190.9
3. Non-operating revenues	2,389	0.1	5,198	0.2	△2,809	46.0
Interest income	461		11		449	
Other Non-operating revenues	1,927		5,187		△3,259	
4. Non-operating expenses	442,500	8.4	246,168	8.6	196,331	179.8
Interest expense	375,765		164,606		211,158	
Financing related expense	20,904		11,743		9,161	
Amortization of unit issuance costs	17,784		55,118		△37,334	
Amortization of organization costs	5,089		5,089		—	
Other non-operating expenses	22,956		9,610		13,346	
Ordinary income	2,125,081	40.2	1,103,014	38.4	1,022,067	192.7
Income before income taxes	2,125,081	40.2	1,103,014	38.4	1,022,067	192.7
Current income taxes	1,009	0.0	1,017	0.0	△8	99.2
Deferred income taxes	0		△2		2	—
Net Income	2,124,071	40.2	1,101,999	38.4	1,022,072	192.7
Retained earnings at the beginning of period	40		14		26	285.9
Retained earnings at the end of period	2,124,112		1,102,013		1,022,098	192.7

**Statements of Changes in Unitholder's Equity**

Third Fiscal Period (May 1, 2006 to October 31, 2006)

(Thousands in Yen)

	Unitholder's Equity			Valuation and Translation Adjustments		Total Net Assets
	Capital Stock * <sup>1</sup>	Retained Earnings	Total Unitholder's Equity	Unrealized gain from Deferred Hedge	Total Valuation and Translation Adjustments	
		Retained Earnings at end-period				
Balance at the beginning of a period	44,285,002	1,102,013	45,387,015	—	—	45,387,015
Changes during the fiscal period						
New unit issuance	44,444,649	—	44,444,649	—	—	44,444,649
Payment of dividends	—	△1,101,973	△1,101,973	—	—	△1,101,973
Net Income	—	2,124,071	2,124,071	—	—	2,124,071
Interest-rate swap	—	—	—	79,532	79,532	79,532
Total changes during the fiscal period	44,444,649	1,022,098	45,466,748	79,532	79,532	45,546,281
Balance at the end of period	88,729,652	2,124,112	90,853,764	79,532	79,532	90,933,297

## Properties Roster

Millions in Yen

Type	Area	Property Name	Acquisition Price (Note1)	Amount on the Balance Sheet (Note2)	Appraisal Value at the end of Third Fiscal Period (Note3)	Ratio (%) (Note4)
Office	Tokyo Metropolitan Area	Belles Modes Building	5,950	5,951	6,150	4.0
		Nihonbashi 313 Building	5,940	6,251	6,910	4.0
		Toshin-24 Building	5,300	5,332	5,470	3.6
		Sogo Hirakawacho Building	5,180	5,198	5,410	3.5
		Ebisu East 438 Building	4,640	4,684	5,040	3.1
		Higashi-Kayabacho Yuraku Building	4,450	4,481	5,420	3.0
		Noir Hatchobori	3,680	3,658	3,760	2.5
		KDX Omori Building	3,500	3,520	3,630	2.3
		KDX Hamamatsucho Building	3,460	3,470	3,480	2.3
		KDX Higashi-Shinjuku Building	2,950	2,995	3,020	2.0
		Dai-ichi Kayabacho Building	2,780	2,842	2,830	1.8
		NTB・M Building	2,690	2,713	2,820	1.8
		K&Y Building (Southern Plaza)	2,533	2,523	2,610	1.7
		KDX Shin-Yokohama Building	2,520	2,557	2,610	1.7
		Harajuku F.F. Building	2,450	2,518	2,820	1.6
		KDX Kajicho Building	2,350	2,370	2,350	1.6
		KDX Hamacho Building	2,300	2,440	2,620	1.5
		FIK Minami Aoyama	2,270	2,312	3,140	1.5
		KDX Funabashi Building	2,252	2,347	2,310	1.5
		Kanda Kihara Building	1,950	1,937	1,960	1.3
		KDX Yotsuya Building	1,950	1,970	2,020	1.3
		NNK Building	1,610	1,656	1,950	1.0
		Kiba Ocean Building	1,580	1,641	1,610	1.0
		KDX Nogizaka Building	1,065	1,119	1,060	0.7
		Koishikawa Yoshida Building	704	704	777	0.4
	Other Regional Areas	Portus Center Building	5,570	5,551	5,620	3.7
		KDX Minami Semba Dai-1 Building	1,610	1,610	1,620	1.0
		KDX Minami Semba Dai-2 Building	1,560	1,578	1,620	1.0
		Hakata-Ekimae Dai-2 Building	1,430	1,485	1,520	0.9
Total of 29 Office			86,224	87,424	92,157	58.7

Type	Area	Property Name	Acquisition Price (Note1)	Amount on the Balance Sheet (Note2)	Appraisal Value at the end of Third Fiscal Period (Note3)	Ratio (%) (Note4)
Residential	Tokyo Metropolitan Area	Residence Charmante Tsukishima	5,353	5,471	5,430	3.6
		Regalo Ochanomizu I&II	3,600	3,693	3,670	2.4
		Storia Sirokane	3,150	3,202	3,360	2.1
		Tre di Casa Minami Aoyama	2,460	2,498	2,610	1.6
		Regalo Shiba-Kouen	2,260	2,307	2,280	1.5
		Court Mejiro	1,250	1,280	1,120	0.8
		Apartments Motoazabu	1,210	1,239	1,260	0.8
		Apartments Wakamatsu Kawada	1,180	1,208	1,210	0.8
		Chigasaki Socie Ni-bankan	1,160	1,250	1,160	0.7
		Court Nihonbashi-Hakozaki	1,130	1,159	1,190	0.7
		Court Nishi-Shinjuku	1,130	1,160	1,160	0.7
		Side Denenchofu	1,110	1,159	1,100	0.7
		Gradito Kawaguchi	1,038	1,103	1,050	0.7
		S-court Yokohama-Kannai II	945	969	984	0.6
		Regalo Komazawa-Kouen	912	937	943	0.6
		Court Motoasakusa	880	908	909	0.5
		Court Shin-Okachimachi	878	911	888	0.5
		Bloom Omotesando	875	896	947	0.5
		Human Heim Okachimachi	830	854	873	0.5
		Primo Regalo Kagurazaka	762	790	770	0.5
		Court Shinbashi	748	765	800	0.5
		Primo Regalo Youga	730	751	735	0.4
		Court Suitengu	659	679	671	0.4
		Court Shimouma	638	659	644	0.4
	Other Regional Areas	Ashiya Royal HOMes	2,330	2,387	2,440	1.5
		Venus Hibarigaoka	1,800	1,972	1,710	1.2
		Regalo Ibaraki I&II	1,600	1,651	1,670	1.0
		Collection Higashi-Sakura	1,264	1,356	1,253	0.8
		Renaissance 21 Hirao Jousui-machi	900	935	926	0.6
		Montore Nishikouen Bay Court	826	861	826	0.5
		Abreast Hara	444	454	493	0.3
	Abreast Hirabari	407	419	454	0.2	
Total of 32 Residential			44,459	45,898	45,536	30.2
Retail	Tokyo Metropolitan Area	Jinnan-zaka Frame	9,900	10,061	11,400	6.7
		Yoyogi M Building	2,479	2,636	2,460	1.6
	Other Regional Areas	ZARA Tenjin Nishi-dori	3,680	3,698	3,760	2.5
Total of 3 Retail			16,059	16,396	17,620	10.9
Total of 64 properties			146,742	149,719	155,313	100.0

Notes :

1. Acquisition price is the purchase price for trust beneficiary interests or properties acquired by the Investment Corporation exclusive of taxes, rounded down to the nearest million yen.
2. Figures of less than 1 million are rounded down from the amounts on the balance sheet.
3. Appraisal values (end of the third fiscal period) are based on the asset valuation method and standards outlined in the Investment Corporation's Articles of Incorporation and regulations formulated by the Investment Trusts Association, Japan. Appraisal values are drawn from valuation reports prepared by the Japan Real Estate Institute, Tanizawa Sogo Appraisal Co., Ltd., Daiwa Real Estate Appraisal Corporation, Chuo Real Estate Appraisal Co., Ltd. and Nippon Tochi-Tatemono Limited.
4. Figures are the acquisition price of each asset as a percentage of the total acquisition prices for the portfolio rounded down to the nearest first decimal place.

## Property Distribution

### A. Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	29	86,224	58.7
Residential Properties	32	44,459	30.2
Retail Properties	3	16,059	10.9
Others	-	-	
Total	64	146,742	100.0

### B. Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	51	123,321	84.0
Other Regional Areas	13	23,421	15.9
Total	64	146,742	100.0

### C. Property Distribution by Acquisition Price

Acquisition Price (Millions of Yen)	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Less than 1,000	16	12,138	8.2
1,000 - 2,500	28	47,778	32.5
2,500 - 5,000	13	43,633	29.7
5,000 - 7,500	6	33,293	22.6
7,500 - 10,000	1	9,900	6.7
Total	64	146,742	100.0

Note : 'Ratio' are the percentage of acquisition price for each category to the acquisition prices for the entire portfolio . Figures are rounded down to the nearest first decimal place.

# Details of Investment Real Estate and Trust Real Estate

Type	Area	Property Name	Total Floor Area (㎡) (Note1)	Type of Structure (Note2)	Completion Date (Note3)	PML Percentage (%)
Office	Tokyo Metropolitan Area	Belles Modes Building	5,323.81	SRC B2F9	May 1994	4.94
		Nihonbashi 313 Building	8,613.09	SRC B2F9	April 1974	17.36
		Toshin-24 Building	8,483.17	SRC B1F8	September 1984	17.19
		Sogo Hirakawacho Building	8,002.97	SRC B3F10	March 1988	8.02
		Ebisu East 438 Building	4,394.58	SRC B1F7	January 1992	7.68
		Higashi-Kayabacho Yuraku Building	5,916.48	SRC B1F9	January 1987	7.88
		Noir Hatchobori	4,800.43	SRC・RC B1F8	June 1993	5.21
		KDX Omori Building	7,334.77	RC・SRC B1F9	October 1990	4.21
		KDX Hamamatsucho Building	3,592.38	S F9	September 1999	9.89
		KDX Higashi-Shinjuku Building	7,885.40	SRC B1F9	January 1990	5.40
		Dai-ichi Kayabacho Building	3,804.86	SRC F8	October 1987	7.18
		NTB・M Building	3,960.22	SRC・S B1F8	February 1992	10.55
		K&Y Building (Southern Plaza)	6,399.42	SRC B1F11	August 1992	5.05
		KDX Shin-Yokohama Building	6,180.51	S B1F9	September 1990	13.82
		Harajuku F.F. Building	3,812.44	SRC F11	November 1985	13.02
		KDX Kajicho Building	3,147.70	SRC B1F8	March 1990	8.81
		KDX Hamacho Building	4,133.47	SRC B2F10	September 1993	12.10
		FIK Minami Aoyama	1,926.98	SRC B1F9	November 1988	6.37
		KDX Funabashi Building	5,970.12	SRC B1F8	April 1989	4.11
		Kanda Kihara Building	2,393.94	SRC・RC・S B1F8	May 1993	14.28
		KDX Yotsuya Building	3,329.68	RC B2F4	October 1989	5.56

		NNK Building	2,594.88	SRC・S F9	June 1992	8.16
		Kiba Ocean Building	2,820.64	RC F5	October 1992	9.16
		KDX Nogizaka Building	1,695.07	RC B1F5	May 1991	7.08
		Koishikawa Yoshida Building	1,866.58	SRC B1F9	October 1992	11.47
	Other Regional Areas	Portus Center Building	79,827.08	SRC・S B2F25	September 1993	3.49
		KDX Minami Semba Dai-1 Building	4,236.59	SRC・RC・S B1F9	March 1993	7.23
		KDX Minami Semba Dai-2 Building	3,315.93	SRC・S B1F9	September 1993	7.94
		Hakata-Ekimae Dai-2 Building	4,846.01	SRC F9	September 1984	0.69
	Total of 29 Office		210,609.20	—	Average of 17.0 yrs	—
Residential	Tokyo Metropolitan Area	Residence Charmante Tsukishima	18,115.39	SRC B1F10	January 2004	17.11
		Regalo Ochanomizu I&II	4,843.27	①RC B1F10 ②RC F11	①January 2006 ②February 2006	9.32
		Storia Sirokane	5,750.05	SRC・S B2F13	February 2003	7.77
		Tre di Casa Minami Aoyama	1,986.44	RC B1F6	February 2004	7.44
		Regalo Shiba-Kouen	2,786.98	RC F13	November 2005	12.39
		Court Mejiro	3,326.07	RC B1F3	March 1997	5.74
		Apartments Motoazabu	1,685.14	RC F11	January 2004	6.24
		Apartments Wakamatsu Kawada	1,858.51	RC F12	February 2004	7.56
		Chigasaki Socie Ni-bankan	3,821.74	RC F8	January 1991	18.75
		Court Nihonbashi-Hakozaki	1,727.96	SRC F12	February 2004	13.44
		Court Nishi-Shinjuku	1,669.33	RC F8	October 2005	6.44
		Side Denenchofu	2,433.52	RC F6	February 1997	10.39
		Gradito Kawaguchi	1,705.38	RC F12	February 2006	13.33
		S-court Yokohama-Kannai II	1,738.71	RC F11	March 2003	19.45



		Regalo Komazawa-Kouen	1,262.00	RC F8	February 2006	9.29
		Court Motoasakusa	1,585.65	SRC F13	January 2005	9.90
		Court Shin-Okachimachi	1,494.55	RC F11	October 2005	4.70
		Bloom Omotesando	699.14	RC B1F3	March 2003	6.55
		Human Heim Okachimachi	1,444.25	SRC F14	December 2004	12.19
		Primo Regalo Kagurazaka	1,007.54	RC F8	January 2006	7.86
		Court Shinbashi	1,212.74	RC F6	December 1997	9.32
		Primo Regalo Youga	1,213.20	RC F8	December 2005	9.98
		Court Suitengu	1,091.82	RC F7	July 2003	11.89
		Court Shimouma	880.18	RC F6	October 2005	8.43
	Other Regional Areas	Ashiya Royal HOMes	5,015.67	RC F5	June 1991	11.05
		Venus Hibarigaoka	14,976.25	①RC F6 ②RC F5 ③RC F6	March 1989	6.48
		Regalo Ibaraki I&II	6,445.92	①RC F4 ②RC B1F7	①May 1991 ②March 1993	17.20
		Collection Higashi-Sakura	2,931.65	RC F14	March 2006	12.20
		Renaissance 21 Hirao Jousui-machi	2,643.36	RC F5	October 2005	0.42
		Montore Nishikouen Bay Court	2,772.49	RC F10	February 2006	0.23
		Abreast Hara	1,563.47	SRC F11	February 2000	13.34
		Abreast Hirabari	1,867.75	RC F7	March 2000	13.56
Total of 32 Residential			103,556.12	—	Average of 4.7 yrs	—
Retail	Tokyo Metropolitan Area	Jinnan-zaka Frame	6,302.58	SRC・RC・S B2F7	March 2005	6.20
		Yoyogi M Building	1,269.06	SRC F8	August 1991	9.59
	Other Regional Areas	ZARA Tenjin Nishi-dori	1,445.02	S F4	November 2005	0.70

Total of 3 Retail	9,016.66	—	Average of 3.5 yrs	—
Total of 64 properties	323,181.98	—	Average of 11.8 yrs	7.16 (Note4)

Notes:

1. Total floor area is based on figures recorded in the land register and does not include related structures. The total floor area for the entire buildings is reported for compartmentalized ownership.
2. Type of structure data is based on data recorded in the land register. The following abbreviations are used to report data relating to structure and the number of floors:  
SRC: Steel-Reinforced Concrete; RC: Reinforced Concrete; S: Steel Frame; B: Below Ground Level; F: Above Ground Level.  
For example: B2F9: Two floors below ground level and nine floors above ground level.
3. Completion date is the date of construction completion recorded in the land register. Average age subtotal and total data is calculated using the weighted-average based on acquisition prices as of October 31, 2006.
4. Probable Maximum Loss (PML) data is based on a survey provided by Sompo Japan Risk Management, Inc. as of August 2006.

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