

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2007
(May 1, 2007 to October 31, 2007)

December 11, 2007

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

Representative: Taisuke Miyajima, Executive Director

Asset Management Company: Kenedix REIT Management, Inc.

Representative: Taisuke Miyajima, CEO and President

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Planned submission of semiannual security report: January 25, 2008

Planned start of distribution payments:: January 16, 2008

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED APRIL 30, 2007 AND OCTOBER 31, 2007

(1) Business Results

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

	Operating Revenues	Operating Income	Ordinary Income
Fifth Fiscal Period	¥7,208 (24.7%)	3,470 (29.2%)	2,793 (30.0%)
Fourth Fiscal Period	¥5,778 (9.3%)	2,686 (4.7%)	2,148 (1.1%)

	Net Income	Net Income per Unit	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
Fifth Fiscal Period	2,792 (30.0%)	14,334	2.6%	1.4	38.7%
Fourth Fiscal Period	2,148 (1.1%)	13,681	2.4%	1.2	37.2%

(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
Fifth Fiscal Period	¥13,960	¥2,792	—	—	100.0%	2.2%
Fourth Fiscal Period	¥13,682	¥2,148	—	—	100.0%	2.4%

Note: The payout ratio is round 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)
Fifth Fiscal Period	¥213,763	¥127,761	59.8%	¥638,809
Fourth Fiscal Period	¥188,400	¥90,877	48.2%	¥578,839

(Reference) Total net assets

Fifth fiscal period: ¥127,761 million

Fourth fiscal period: ¥90,877 million

(4) Cash Flow Position

(The amount are rounded down to the nearest ¥million.)

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fifth Fiscal Period	4,706	△ 21,935	20,954	11,331
Fourth Fiscal Period	5,424	△ 30,305	24,309	7,606

2. FORECAST OF RESULTS FOR THE SIXTH FISCAL PERIOD (November 1, 2007 to April 30, 2008)

	Operating Revenues (Millions of Yen)	Operating Income (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)
Sixth Fiscal Period	7,935 (10.1%)	3,974 (14.5%)	3,288 (17.7%)	3,287 (17.7%)	16,400	-

(Reference) Estimated net income per unit for the sixth fiscal period: ¥16,400

3. OTHER

(1) Changes in Accounting Policies

- (a) Changes accompanying amendments to accounting standards: No
- (b) Changes other than (a): No

(2) Number of Investment Units Issued and Outstanding (including treasury units)

(a) Number of investment units issued and outstanding at end of period (including treasury units)

Fifth fiscal period: 200,000 units Fourth fiscal period: 157,000 units

(b) Number of treasury units at end of period

Fifth fiscal period: 0 units Fourth fiscal period: 0 units

*Explanation on the appropriate use of the forecast of results and other matters of special consideration

The forecast of results for the sixth fiscal period ending April 30, 2008 are calculated as of December 11, 2007 based on the assumptions presented on page12 "Preconditions and Assumptions for the Fiscal Period Ending April 30, 2008". Readers are advised that actual operating revenues, operating income, ordinary income, net income, distribution per unit may differ significantly from forecasts due to a variety of factors. Accordingly, the Investment Corporation does not guarantee payment of the forecast distribution per unit.

Investment Highlights

Kenedix Realty Investment Corporation (“the Investment Corporation”) today announced the financial results for its fifth fiscal period (from May 1, 2007 to October 31, 2007).

In the fifth fiscal period, the Investment Corporation recorded operating revenues of ¥7,208 million, operating income of ¥3,470 million, ordinary income of ¥2,793 million and net income of ¥2,792 million. As a result, cash distribution for the fiscal period under review was ¥13,960 per unit.

Management Performance

In the fiscal period under review, the Investment Corporation acquired 5 office buildings with a total acquisition price of ¥22,000 million. As a result, the number of properties owned as of October 31, 2007 stood at 77, with a total acquisition price of ¥197,090 million. Looking at the portfolio as a whole, 70.0% was comprised of office buildings, 21.8% of residential properties and 8.1% central urban retail properties on an acquisition price basis. In addition, the occupancy ratio as of the end of the fifth fiscal period was 96.9%, reflecting stable investment and asset management.

Capital Acquisition

The Investment Corporation procured net proceeds of ¥36.2 billion through the primary offering and third-party allotment of investment units, and undertook prepayment of ¥13.0 billion in borrowings (¥11.5 billion in short-term borrowings and ¥1.5 billion in long-term borrowings) provided from cash on hand from equity finance. As a result, the Investment Corporation managed to decrease the interest-bearing debt ratio and increase borrowing capacity.

In addition, concerning borrowings maturing during the fifth fiscal period, the Investment Corporation refinanced the same amount for the same period and thereby managed to improve (lower) procurement costs (spread over basic interest rate, etc.) for all borrowings that have matured. As a result, the balance of interest-bearing debt stood at ¥75.5 billion as of October 31, 2007, comprising ¥63.5 billion in borrowings (¥57.0 billion in long-term borrowings and ¥6.5 billion in short-term borrowings) and ¥12.0 billion in investment corporation bonds.

As of October 31, 2007, the Investment Corporation had ¥57.0 billion in long-term borrowings, of which ¥45.3 billion had floating interest rates effectively fixed by utilizing interest-swap agreements. In addition, the long-term debt ratio (Note2) was 91.4% and the long-term fixed interest debt ratio (Note3) was 91.4%.

Since its public listing through to the end of the fifth 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 periods by placing added emphasis on long-term debt.

Notes:

1. Short-term borrowings refers to borrowings with a period of less than or equal to one year from the drawdown date to the repayment date. Long-term borrowings refers to borrowings with a period of more than one year from the drawdown date to the repayment date.
2. Long-term debt ratio = (Balance of long-term borrowings + Balance of investment corporation bonds) ÷ (Total borrowings + Balance of investment corporation bonds)
3. Long-term fixed interest debt ratio = (Balance of long-term fixed interest rate borrowings + Balance of investment corporation bonds) ÷ (Total borrowings + Balance of investment corporation bonds)

The balance of long-term fixed interest rate borrowings includes borrowings with floating interest rates effectively fixed by

utilizing interest-rate swap agreements.

Continue Stable Financial Strategy

The Investment Corporation acquired a credit rating of A+ (Outlook: Stable) from Japan Credit Rating Agency, Ltd. in December 2006. This was the second credit rating acquired following the A3 (Outlook: Stable) from Moody's Investors Services, Inc. in February 2006. Details of the credit ratings as of October 31, 2007 are as follows.

Credit Rating Agency	Details of the Ratings
Moody's Investors Service	Rating : A3
	Outlook : Stable
Japan Credit Rating Agency, Ltd.	Senior Debts : A+
	Outlook : Stable

The Investment Corporation filed a debt shelf registration statement in February 2007, and filed an equity shelf registration statement to conduct equity financing in April 2007. Details are as follows.

	Investment Corporation Bonds	Investment Unit Certificate
Planned Issue Amount	¥100,000,000,000 (Note)	¥100,000,000,000
Planned Issuance Period	February 15, 2007 to February 14, 2009	May 7, 2007 to May 6, 2009
Use of Funds	Acquisition funds for specified assets, repayment of borrowings, repayment of investment corporation bonds, refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc	Acquisition funds for specified assets, repayment of borrowings, repayment of investment corporation bonds, refund of lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc

Note: First Series Unsecured Investment Corporation Bonds of ¥9,000,000,000 and Second Series Unsecured Investment Corporation Bonds of ¥3,000,000,000 has been issued in March 2007 based on the debt shelf registration.

The Investment Corporation established a credit commitment line with The Bank of Tokyo-Mitsubishi UFJ, Ltd., allowing it to borrow up to ¥2.5 billion on an unsecured basis.

Internal Growth Strategies

Taking into consideration economic and real estate market trends, the Investment Corporation adopts a tenant-oriented approach to its leasing activities with aims of ensuring a timely and flexible responses as well as optimal tenant satisfaction. Accordingly, the Investment Corporation will aim to increase of the cash flow by offering office environment with high tenant satisfaction. Based on the aforementioned, the Asset Management Company undertakes property management activities as follows:

- Identify and enhance satisfaction through use of tenant surveys
- Maintain attractive properties based on KDX standards
- Leasing management based on CS Strategy
- Careful control of management and operating costs

The Investment Corporation has appointed Kenedix Advisors Co., Ltd. as its Property Management Company for its entire portfolio.

Identify and enhance tenant satisfaction through use of tenant surveys

The Investment Corporation recognizes each tenant as a key customer and strives to enhance customer satisfaction and raise the competitiveness of its properties as the means to maintain and increase earnings.

The Investment Corporation conducted a customer satisfaction survey through J.D. Power Asia Pacific, Inc., an internationally recognized company that engages in customer satisfaction evaluation, to better understand the needs of its tenants and take steps to respond to their preferences. As a part of this survey the administration officers of each tenant and tenant employees were asked to respond to many questions concerning buildings and facilities as well as operating and management services. The Investment Corporation conducted the first CS survey, which covered 20 of its properties, during the second fiscal period, and the second CS survey, which covered 44 of its properties, during the fifth fiscal period.

Details of the 2nd CS Survey

Target respondent for the survey: The administration officers of each tenant and tenant employees of the 43 office buildings and one central urban retail property.

Survey population / Response rate: 446 administration officers / 391 collected (response rate of 88%)
2,348 tenant employees / 1,894 collected (response rate of 81%)

Examples of questions: Building location and environment, external façade, entrance, air conditioning system for lease space areas, lighting ventilation, OA compliant, elevators, toilets, kitchen facilities, smoking areas, parking, management company service, status and standard of cleaning, security, and fire prevention.

On a scale one to five, respondents were asked to rank each of these areas. The survey provided invaluable information pertaining to the strengths and weaknesses of each building. Under the remarks section, a number of respondents provided insightful observations. Based on survey results, the Investment Corporation will work to clarify and improve outstanding issues. Through this vital feedback channel, the Investment Corporation will also implement appropriate maintenance and renovations for each property taking into consideration associated costs and benefits.

In addition, concerning properties where construction was conducted to address customer satisfaction based on the results of the first survey, the effects of such construction (improvements in the level of satisfaction) were studied. The results confirmed that the effects of maintenance and renovations of the “external façade and entrance” and “toilets” were high. The Investment Corporation will use this as reference for determining the priority of maintenance and renovations in the future.

Through these means, the Investment Corporation is working efficiently to generate improvements in rent levels and asset values, increase earnings and promote sustained internal growth.

Maintain attractive properties based on KDX standards

The Investment Corporation aims to provide attractive mid-sized office buildings in order to enhance portfolio value and rental revenues.

We believe that the quality of mid-sized office buildings in Japan vary considerably depending on the nature of the owner. For example, a building owned by an individual or small company that owns only one or a few buildings may not have the resources to provide high-quality maintenance. Furthermore, when a building is owned by a large company, property management is often dictated by that company’s priorities and does not necessarily correspond to tenant needs or satisfaction.

The Investment Corporation aims to differentiate itself by efficiently providing certain uniform standards, termed

“KDX” standards, as well as attractive office environments.

Examples of KDX standards include the followings:

- Installation of security cameras for elevators and entrance halls
- Installation of emergency devices for elevators
- Installation of modern restrooms that include western-style toilets with hot-water self-cleaning functions
- Creation and distribution of security and evacuation maps
- Creation and distribution of detailed building rules

In addition, the Investment Corporation enhances its brand awareness by renaming its office buildings so that “KDX” is included in the new name.

Leasing management based on CS Strategy

The Investment Corporation aims to provide flexible and focused leasing activities that take into account economic and market trends, and that utilize the results of tenant surveys to enhance tenant satisfaction.

In addition, the Investment Corporation believes that tenants at mid-sized office buildings generally tend to have high turnover ratios, and it is focused on obtaining higher rent levels when entering new lease contracts. The Investment Corporation also negotiates with tenants that pay lower rent levels than the market price in order to raise rents under existing leases.

Careful control of management and operating costs

The Investment Corporation utilizes the scale merits of owning many properties and the negotiating strength of the Kenedix Group (the Kenedix Group refers to Kenedix, Inc., Kenedix Advisors and other related companies, the same applies below) to reduce building management costs. Accordingly, the Investment Corporation reduces property management expenses, electricity costs and property taxes. The Investment Corporation will continue to carefully control management and operating costs by periodically reviewing its property management standards to ensure that they remain relevant and appropriate for each property, and by maintaining an appropriate balance between initiatives that aim to sustain or increase revenues with its efforts to control operating costs.

The Investment Corporation has appointed Kenedix Advisors Co., Ltd. as its sole property management company for the entire portfolio as of the end of the fourth fiscal period. In establishing a single point of contact for all matters relating to property management activities, the Investment Corporation strives to secure consistent policies, specifications and procedures along with ensuring swift and quality service.

The Investment Corporation is presently satisfied with the quality of property management. In addition to property management services, the Investment Corporation has executed master lease agreements with Kenedix Advisors covering almost all of its properties held as of October 31, 2007 (excluding Residence Charmante Tsukishima, Frame Jinnan-zaka, ZARA Tenjin Nishi-dori and tenants without approval for subleasing). In appointing a member of the Kenedix Group as lessee, the Investment Corporation is able to provide better tenant-oriented leasing management through Kenedix Advisors. At the same time, this scheme allows the Investment Corporation to more effectively utilize tenant security and guarantee deposits. The Investment Corporation leverages scale merits and the communication and negotiation skills of the Kenedix Group in an effort to reduce operating costs. In addition, the Investment Corporation has succeeded in reducing in building maintenance costs.

•New Property Investment Strategy (External Growth Strategy)

The Investment Corporation will continue to concentrate on mid-sized office buildings with an emphasis on the Tokyo Metropolitan Area while also investing in central urban retail property located in highly flourishing districts as an alternative to investment in office buildings. In addition, the Investment Corporation will make no new investment in

residential properties for a certain period and will replace assets mentioned as follows. To facilitate the implementation of the aforementioned investment policy, the Investment Corporation will leverage the “Multi-Pipeline” provided by the support of the Kenedix Group, in addition to the original network of the Asset Management Company.

Reciprocal purchase and sale of residential properties and office buildings

On December 11, 2007, the Investment Corporation decided to sell, of the 30 residential properties in its portfolio as of October 31, 2007 (total acquisition price of ¥43,052 million), 23 residential properties (total acquisition price of ¥30,343 million) on February 1, 2008, and newly purchase 9 office buildings (total acquisition price of ¥31,980 million) on the same date.

Through the Multi-Pipeline, the Asset Management Company is positioned to secure real estate information related to properties for which the Kenedix Group acts as intermediary, properties under development, properties that it owns, and pension funds (Note). Based on this information, the Investment Corporation has first preferential negotiating rights for an acquisition. Against the backdrop of a competitive market, the role of the support-line by Kenedix Group, mainly in properties under development is increasingly significant for the Asset Management Company’s acquisition of quality properties.

Note: Pension Funds refer to real estate investment funds for pension plans that are managed by Kenedix Advisors Co., Ltd.

Another key role of the support-line is to facilitate property acquisition through the warehousing function. Under the warehousing function, members of the Kenedix Group may acquire or temporarily hold an investment property sourced from the original network of the Asset Management Company in the event that the Investment Corporation is not itself in an immediate position to acquire the property, or the property fails to fully comply with the Investment Corporation’s investment criteria at that specific time.

The Investment Corporation seeks to continue improving the quality of its portfolio in terms of location, size and type of properties, through various measures including replacement of assets. In addition, the Investment Corporation will continue to steadily grow by acquiring properties and aims accelerate this growth by utilizing its leverage relationship with the Kenedix Group and the Asset Management Company’s original network for sourcing properties, as well as make diversified acquisitions, as discussed below.

Leverage Relationship with the Kenedix Group

As the sponsor company, Kenedix, Inc. has provided property information and support staff to the Investment Corporation and the Asset Management Company. At the same time, the Investment Corporation believes that the role of J-REITs in the Kenedix Group has increased in importance.

In April 2007, the Investment Corporation revised the Memorandum of Understanding between it, Kenedix, Inc., Kenedix Advisors Co., Ltd. and the Asset Management Company, which was originally conducted at the time of the Investment Corporation’s IPO. The Investment Corporation revised the Memorandum because it had been expanding the number of acquired properties and strengthening its property acquisition capacity even more was deemed necessary as J-REITs were increasing in importance for the Kenedix Group.

■Details of the Change of Memorandum of Understanding

- When Kenedix, Inc. receives information regarding any available property that in its reasonable opinion meets our investment criteria, including properties under development, from parties other than the contracting parties, the Asset Management Company has first preferential rights to such information.
(Before Revision: The Investment Corporation had second preferential rights after certain pension funds

to such property information acquired by Kenedix, Inc.)

- In the event that Kenedix, Inc. disposes of a property that in its reasonable opinion meets our investment criteria, including properties under development or properties that it owns, the Asset Management Company has first preferential negotiating rights with respect to such properties.
(Before Revision: The Investment Corporation had second preferential negotiating rights with respect to such properties after certain pension funds)
- As long as the Investment Corporation and the Asset Management Company continue to not invest in new residential properties, the Revised Memorandum of Understanding will not apply with respect to residential properties

Also as a result of the revisions, the Pipeline relationship between the Kenedix Group and the Investment Corporation was significantly strengthened, allowing the Investment Corporation preferential rights to properties developed by the Kenedix Group. Looking ahead, the Investment Corporation and the sponsor company plans to closely cooperate to achieve further external growth in such investments as Group-wide joint investments and property developments.

Utilize the Asset Management Company's Original Network for Sourcing Properties

The Asset Management Company's employees have diverse experience in the real estate and financial markets in Japan. A part of the Investment Corporation's growth strategy involves acquiring information about potential acquisition opportunities through the Asset Management Company's network. The Investment Corporation plans to continue to utilize the Asset Management Company's knowledge, experience and network of contacts in the real estate market to help locate and acquire properties that match its investment strategy.

Make Diversified Acquisitions

As of October 31, 2007, the Investment Corporation owned 77 properties for a total acquisition price of approximately ¥197.0 billion with a 96.9% occupancy ratio. Supported by this asset base along with the management know-how of mid-sized office building accumulated by the Asset Management Company, the Investment Corporation plans to continue acquiring properties based on its diversified property acquisition strategy.

Furthermore, while implementing various property acquisition strategies such as those described above, the Investment Corporation believes that increasingly proactive investment property acquisitions are possible by centering the portfolio on mid-sized office buildings that have a relatively advantageous return than large-sized office buildings in consideration of the weighted average cost of capital based on the level of return on distributions calculated from investment unit price and distributions per unit, as well as the debt procurement costs and interest-bearing debt ratio.

Important Subsequent Events

There were no important events following account settlement of the fifth fiscal period.

(Reference)

On December 11, 2007, the Investment Corporation decided to newly purchase 9 office buildings (total acquisition price of ¥31,980 million) and sell 23 residential properties (total acquisition price of ¥30,343 million) on February 1, 2008, and on the same date

(a) Purpose of the reciprocal purchase and sale

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 on this basic policy, the Investment Corporation has made changes in the management guidelines of the Kenedix REIT Management, Inc. (“the Asset Management Company”) in December 2006 (Note 1) in response to recent conditions in the office leasing market (increased rent levels, improvement of occupancy ratios, etc.), and has decided to increasingly advance investment in office buildings and to make no new investment in residential properties for a certain period (“the change in the portfolio development policy”).

Since the change in the portfolio development policy, the Investment Corporation has been prioritizing investment in office buildings and has raised the investment ratio of office buildings in the overall portfolio.

Under such circumstances, the Investment Corporation received an offer from the sponsor company Kenedix, Inc. (“Kenedix”) for the Investment Corporation to purchase several office buildings in Kenedix’s portfolio. Negotiations have been underway in relation to the price, conditions and other details concerning the office buildings selected by the Investment Corporation (Note 2). In the course of the negotiations, Kenedix, which is advancing the forming of residential funds, proposed a reciprocal purchase and sale arrangement to the Investment Corporation for the Investment Corporation to sell some of the residential properties in the Investment Corporation’s portfolio to Kenedix in conjunction with the Investment Corporation’s purchase of the office buildings.

Considerations by the Asset Management Company resulted in the reciprocal purchase and sale arrangement being deemed advantageous to the Investment Corporation in the following aspects and this has led to the decision being made to implement the reciprocal purchase and sale.

- (1) Contributes to a strengthened portfolio that consists mainly of mid-sized office buildings;
- (2) Leads to greater potential for internal growth backed by the favorable office leasing market;
- (3) Leads to stronger expertise in asset and property management through concentrated investment in specified assets;
- (4) Enables high-quality office buildings to be acquired en bloc through reciprocal purchase and sale with residential properties; and
- (5) Enables the Investment Corporation to achieve to raise the investment ratio of office buildings while maintaining asset size and profitability.

(b) The anticipated acquisition properties on February 1, 2008 are as follows.

Hiei Kudan-Kita Building (Office)

Location (Address)	4-1-3 Kudan-kita, Chiyoda-ku, Tokyo
Number of Floors	B1F11
Site Area	11,425.31 m ²
Completion Date	March 1988
Acquisition Price	¥7,600,000,000

KDX Shin-Yokohama 381 Building (Office)

Location (Address)	3-8-11 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa
Number of Floors	B1F10
Site Area	7,673.67 m ²
Completion Date	March 1988
Acquisition Price	¥4,700,000,000

KDX Kawasaki-Ekimae Hon-cho Building (Office) (Note)

Location (Address)	25-1 Kawasaki-ku Ekimae Hon-cho,
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Nissou Dai-17 Building (Office)

Location (Address)	2-14-30 Shin-Yokohama, Kohoku-ku,
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	Kawasaki, Kanagawa
Number of Floors	B1F9
Site Area	7,420.87 m ²
Completion Date	February 1985
Acquisition Price	¥3,760,000,000

	Yokohama, Kanagawa
Number of Floors	B1F8
Site Area	4,016.61 m ²
Completion Date	July 1991
Acquisition Price	¥2,710,000,000

Ikejiri-Oohashi Building (Office)

Location (Address)	1-6-2 Oohashi, Meguro-ku, Tokyo
Number of Floors	B2F9
Site Area	3,482.96 m ²
Completion Date	September 1988
Acquisition Price	¥2,400,000,000

KDX Hamacho Nakanohashi Building (Office) (Note)

Location (Address)	2-14-5 Nihombashi Kakigara-cho, Chuo-ku, Tokyo
Number of Floors	F9
Site Area	3,280.41 m ²
Completion Date	September 1988
Acquisition Price	¥2,310,000,000

KDX Kanda Misaki-cho Building (Office) (Note)

Location (Address)	3-6-12 Misaki-cho, Chiyoda-ku, Tokyo
Number of Floors	B1F7
Site Area	1,536.60 m ²
Completion Date	October 1992
Acquisition Price	¥1,380,000,000

KDX Hakata-Minami Building (Office)

Location (Address)	1-3-11 Hakata-eki Minami, Hakata-ku, Fukuoka, Fukuoka
Number of Floors	B1F9
Site Area	13,238.16 m ²
Completion Date	June 1973
Acquisition Price	¥4,900,000,000

KDX Kitahama Building (Office) (Note)

Location (Address)	2-1-14 Hiranochi, Chuo-ku, Osaka, Osaka
Number of Floors	F10
Site Area	4,652.96 m ²
Completion Date	July 1994
Acquisition Price	¥2,220,000,000

Note: The current name of the "KDX Kawasaki-Ekimae Hon-cho Building" is the "Dai-46 Kowa Building," "KDX Hamacho Nakanohashi Building" is the "Hamacho Nakanohashi Building," "KDX Kanda Misaki-cho Building" is the "Misaki-cho MMK Building," and "KDX Kitahama Building" is the "Doshou Building." Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the buildings.

(c) The anticipated sale properties on February 1, 2008 are as follows.

Type	Property No.	Property Name	Acquisition Price (Millions of Yen)	Planned Sale Price (Millions of Yen)
Residential Properties	B-1	Storia Sirokane	3,150	3,370
	B-2	Tre di Casa Minami Aoyama	2,460	2,680
	B-6	Court Nihonbashi-Hakozaki	1,130	1,220
	B-7	Side Denenchofu	1,110	1,110
	B-8	S-court Yokohama-Kannai II	945	1,020
	B-9	Court Motoasakusa	880	943
	B-11	Bloom Omotesando	875	962
	B-13	Human Heim Okachimachi	830	905
	B-16	Abreast Hara	444	494
	B-17	Abreast Hirabari	407	457

	B-20	Regalo Ochanomizu I・II	3,600	3,670
	B-21	Regalo Shiba-Kouen	2,260	2,280
	B-22	Chigasaki Socie Ni-bankan	1,160	1,140
	B-23	Court Nishi-Shinjuku	1,130	1,160
	B-24	Regalo Komazawa-Kouen	912	943
	B-26	Primo Regalo Kagurazaka	762	770
	B-27	Primo Regalo Youga	730	737
	B-28	Court Shimouma	638	644
	B-29	Ashiya Royal Homes	2,330	2,420
	B-30	Regalo Ibaraki I・II	1,600	1,620
	B-31	Collection Higashi-Sakura	1,264	1,150
	B-32	Renaissance 21 Hirao Jousui-machi	900	964
	B-33	Montore Nishikouen Bay Court	826	831
Total of 23 anticipated sale properties on February 1, 2008			30,343	31,490

Outlook

Forecasts for the sixth fiscal period (November 1, 2007 to April 30, 2008) are presented as follows. Please refer to the “Preconditions and Assumptions for the Fiscal Period Ending April 30, 2008” below for factors that underpin forecasts.

Operating Revenues	¥7,935 million
Ordinary Income	¥3,288 million
Net Income	¥3,287 million
Distribution per Unit	¥16,400
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 Period Ending April 30, 2008”

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> • The sixth fiscal period: November 1, 2007 to April 30, 2008 (182 days)
Property Portfolio	<ul style="list-style-type: none"> • Forecasts for the fiscal period ending April 30, 2008 are based on a property portfolio totaling 77 properties held as of December 11, 2007 up to January 31, 2008. Taking into account the change in the number of properties resulting from a reciprocal purchase and sale (newly purchase 9 office buildings and sell 23 residential properties), the portfolio is assumed to have 63 properties as of February 1, 2008. • The property portfolio may change due to a variety of factors.
Operating Revenues	<ul style="list-style-type: none"> • Rental revenues are estimated based on historic performance and a variety of factors including each property’s competitive standing and market and other conditions. • For the sixth fiscal period, the Investment Corporation is anticipating a gain on the sale of 23 residential properties planned on February 1, 2008 totaling ¥496million.
Operating Expenses	<ul style="list-style-type: none"> • Property expenses other than depreciation are based on historic expenses, adjusted to reflect the variable nature of expenses. • 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. • 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. • For the fiscal period ending April 30, 2008, approximately amounts of ¥1,415million has been estimated for depreciation expense.
Non-Operating Expenses	<ul style="list-style-type: none"> • Amounts for interest payable and investment corporation bond interest of ¥587 million has been forecasted for the fiscal period ending April 30, 2008.
Debt Financing and Investment Corporation Bonds	<ul style="list-style-type: none"> • Forecasts are based on a total balance of borrowings of ¥63,500 million and total balance of investment corporation bonds of ¥12,000 million as of December 11, 2007. Forecasts are also based on the assumption that the balance of borrowings and investment corporation bonds shall remain unchanged in the sixth fiscal period.

Investment Units Issued and Outstanding	<ul style="list-style-type: none"> ● The number of investment units issued and outstanding as of December 11, 2007 is 200,000 units. Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the sixth fiscal period.
Distributions per Unit	<ul style="list-style-type: none"> ● Distributions per unit of amounts less than ¥1 are omitted. Calculations are based on a 100% distribution of unappropriated retained earnings.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> ● The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.
Other	<ul style="list-style-type: none"> ● 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. ● Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.

Balance Sheets

	Fifth Fiscal Period (As of October 31, 2007)		Fourth Fiscal Period (As of April 30, 2007)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
ASSETS						
I. Current assets	12,570,970	5.9	9,333,184	4.9	3,237,786	34.7
Cash and bank deposits	6,561,025		3,740,550		2,820,474	
Entrusted deposits	5,762,315		5,182,512		579,802	
Rental receivables	141,910		75,124		66,785	
Prepaid expenses	44,987		29,845		15,141	
Consumption tax refundable	47,551		302,040		△254,488	
Other current assets	13,181		3,111		10,069	
II. Fixed assets	200,932,798	94.0	178,896,941	95.0	22,035,856	12.3
1. Property and equipment, at cost	200,564,337	93.8	178,516,827	94.8	22,047,510	12.4
Buildings	4,815,619		4,818,319		△2,700	
Structures	49,270		52,061		△2,791	
Machinery and equipment	24,413		28,741		△4,327	
Tools, furniture and fixtures	7,639		3,500		4,139	
Land	7,918,083		7,910,082		8,001	
Buildings held in trust	62,666,733		59,002,008		3,664,725	
Structures held in trust	241,537		236,337		5,200	
Machinery and equipment held in trust	668,470		675,401		△6,930	
Tools, furniture and fixtures held in trust	543,466		513,193		30,272	
Land held in trust	123,629,101		105,277,180		18,351,920	
2. Intangible fixed asset	285,350	0.1	285,144	0.1	205	0.1
Land leasehold	285,350		285,144		205	
3. Investment and other assets	83,110	0.1	94,969	0.1	△11,859	△12.5
Leasehold and security deposits	12,411		11,649		762	
Long-term prepaid expenses	68,165		83,320		△15,155	
Deferred tax assets	2,534		-		2,534	
III. Deferred	260,220	0.1	170,551	0.1	89,668	52.6
Organization costs	25,448		30,538		△5,089	
Investment Corporation Issuance Costs	62,997		68,875		△5,877	
Unit Issuance Costs	171,774		71,138		100,635	
Total assets	213,763,989	100.0	188,400,678	100.0	25,363,311	13.5

	Fifth Fiscal Period (As of October 31, 2007)		Fourth Fiscal Period (As of April 30, 2007)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
LIABILITIES						
I Current liabilities	21,245,911	9.9	21,444,151	11.4	△ 198,240	△ 0.9
Trade payables	358,328		275,299		83,029	
Short-term debt	6,500,000		18,500,000		△ 12,000,000	
Current maturities of long term debt	13,000,000		1,500,000		11,500,000	
Other payables	168,666		138,451		30,214	
Accrued expenses	74,940		86,742		△ 11,801	
Accrued income taxes	658		543		115	
Rents received in advance	1,141,332		916,372		224,960	
Deposits received	1,985		26,743		△ 24,758	
II Long-term liabilities	64,756,142	30.3	76,078,756	40.4	△ 11,322,613	△ 14.9
Investment Corporation bonds issued	12,000,000		12,000,000		-	
Long-term debt	44,000,000		56,500,000		△ 12,500,000	
Leasehold and security deposits received	647,396		626,499		20,896	
Leasehold and security deposits held in trust received	8,102,312		6,952,256		1,150,055	
Derivative liability	6,434		56,500,000		6,434	
Total liabilities	86,002,054	40.2	97,522,908	51.8	△ 11,520,853	△ 11.8
(Net assets)						
I. Unitholder's equity	127,765,834	59.8	90,877,769	48.2	36,888,064	40.6
1. Capital stock	124,973,750	58.5	88,729,652	47.1	36,244,098	40.8
2. Retained earnings	2,792,084	1.3			643,966	30.0
Retained earnings at end of period	2,792,084		2,148,117		643,966	
II. Valuation and translation adjustments	△ 3,899	0.0	—	—	△ 3,899	—
Unrealized gain from deferred hedge	△ 3,899		—		△ 3,899	—
Total net assets	127,761,934	59.8	90,877,769	48.2	36,884,165	40.6
Total liabilities and net assets	213,763,989	100.0	188,400,678	100.0	25,363,311	13.5

Statements of Income and Retained Earnings

	Fifth Fiscal Period (As of October 31, 2007)		Fourth Fiscal Period (As of April 30, 2007)		Increase / Decrease	
	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)	(Thousands in Yen)	(%)
1. Operating revenues	7,208,246	100.0	5,778,210	100.0	1,430,036	24.7
Rental revenues	6,334,707		4,965,303		1,369,404	
Other rental revenues	873,538		682,158		191,379	
Profit on sale of trust beneficiary interests in real estate	-		130,748		△ 130,748	
					0	
2. Operating expenses	3,737,320	51.8	3,091,465	53.5	645,855	20.9
Property-related expenses	3,205,728		2,607,389		598,338	
Asset management fees	369,009		306,965		62,043	
Directors' salaries	5,400		5,400		0	
Custodian fees	20,456		17,928		2,527	
Administrative service fees	52,108		48,672		3,436	
Audit fees	7,800		7,800		0	
Other operating expenses	76,818		97,309		△ 20,490	
Operating income	3,470,925	48.2	2,686,744	46.5	784,180	29.2
					0	
3. Non-operating revenues	11,934	0.2	9,716	0.2	2,218	22.8
Interest income	7,794		2,137		5,657	
Other Non-operating revenues	4,140		7,578		△ 3,438	
4. Non-operating expenses	689,794	9.6	547,581	9.5	142,213	26.0
Interest expense	481,855		450,605		31,250	
Investment corporation bonds interest	113,304		29,320		83,984	
Financing related expense	24,338		20,595		3,743	
Amortization of bonds issuance costs	5,877		1,501		4,376	
Amortization of unit issuance costs	41,468		17,784		23,684	
Amortization of organization costs	5,089		5,089		-	
Other non-operating expenses	17,859		22,685		△ 4,825	
Ordinary income	2,793,065	38.7	2,148,879	37.2	644,185	30.0
Income before income taxes	2,793,065	38.7	2,148,879	37.2	644,185	30.0
Current income taxes	1,029	0.0	816	0.0	213	26.1
Deferred income taxes	△ 5		4		△ 10	
Net Income	2,792,040	38.7	2,148,058	37.2	643,982	30.0
Retained earnings at the beginning of period	43		59		△ 15	
Retained earnings at the end of period	2,792,084		2,148,117		643,966	

Statements of Changes in Unitholder's Equity

Fourth Fiscal Period (November 1, 2006 to April 30, 2007)

(Thousands in Yen)

	Unitholder's Equity			Valuation and Translation Adjustments		Total Net Assets
	Capital Stock	Retained Earnings Retained Earnings at end-period	Total Unitholder's Equity	Unrealized gain from Deferred Hedge	Total Valuation and Translation Adjustments	
Balance at the beginning of a period	88,729,652	2,124,112	90,853,764	79,532	79,532	90,933,297
Changes during the fiscal period						
Payment of dividends	—	△2,124,053	△2,124,053	—	—	△2,124,053
Net Income	—	2,148,058	2,148,058	—	—	2,148,058
Interest-rate swap	—	—	—	△79,532	△79,532	△79,532
Total changes during the fiscal period	—	24,005	24,005	△79,532	△79,532	△55,527
Balance at the end of period	88,729,652	2,148,117	90,877,769	—	—	90,877,769

Fifth Fiscal Period (May 1, 2007 to October 31, 2007)

(Thousands in Yen)

	Unitholder's Equity			Valuation and Translation Adjustments		Total Net Assets
	Capital Stock	Retained Earnings Retained Earnings at end-period	Total Unitholder's Equity	Unrealized gain from Deferred Hedge	Total Valuation and Translation Adjustments	
Balance at the beginning of a period	88,729,652	2,148,117	90,877,769	—	—	90,877,769
Changes during the fiscal period						
New unit issuance	36,244,098	—	36,244,098	—	—	36,244,098
Payment of dividends	—	△2,148,074	△2,148,074	—	—	△2,148,074
Net Income	—	2,792,040	2,792,040	△3,899	△3,899	2,792,040
Interest-rate swap	—	—	—	△3,899	△3,899	△3,899
Total changes during the fiscal period	36,244,098	643,966	36,888,064	△3,899	△3,899	36,884,165
Balance at the end of period	124,973,750	2,792,084	127,765,834	△3,899	△3,899	127,761,934

Properties Roster

(Millions in Yen)

Type	Area	Property No.	Property Name	Acquisition Price (Note1)	Amount on the Balance Sheet (Note2)	Appraisal Value at the end of Fifth Fiscal Period (Note3)	Ratio (%) (Note4)
Office Buildings	Tokyo Metropolitan Area	A-40	Toranomon Toyo Building	9,850	9,921	10,700	4.9
		A-37	KDX Ochanomizu Building	6,400	6,474	6,890	3.2
		A-32	KDX Shiba-Daimon Building	6,090	6,225	6,550	3.0
		A-13	KDX Kojimachi Building	5,950	5,892	6,400	3.0
		A-1	KDX Nihonbashi 313 Building	5,940	6,338	7,630	3.0
		A-16	Toshin-24 Building	5,300	5,294	5,870	2.6
		A-2	KDX Hirakawacho Building	5,180	5,189	5,780	2.6
		A-17	Ebisu East 438 Building	4,640	4,639	5,990	2.3
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,564	6,220	2.2
		A-39	KDX Toranomon Building	4,400	4,902	4,770	2.2
		A-30	KDX Nishi-Gotanda Building	4,200	4,347	4,840	2.1
		A-4	KDX Hatchobori Building	3,680	3,593	3,950	1.8
		A-18	KDX Omori Building	3,500	3,490	4,030	1.7
		A-19	KDX Hamamatsucho Building	3,460	3,431	3,890	1.7
		A-29	KDX Higashi-Shinjuku Building	2,950	3,037	3,350	1.4
		A-20	KDX Kayabacho Building	2,780	2,864	3,200	1.4
		A-21	KDX Shinbashi Building	2,690	2,706	3,070	1.3
		A-5	KDX Nakano-Sakaue Building	2,533	2,492	2,680	1.2
		A-22	KDX Shin-Yokohama Building	2,520	2,539	3,070	1.2
		A-6	Harajuku F.F. Building	2,450	2,518	3,290	1.2
		A-27	KDX Kajicho Building	2,350	2,407	2,500	1.1
		A-15	KDX Hamacho Building	2,300	2,408	3,060	1.1
		A-41	KDX Shinjuku 286 Building	2,300	2,350	2,530	1.1
		A-7	FIK Minami Aoyama	2,270	2,306	3,360	1.1
		A-14	KDX Funabashi Building	2,252	2,446	2,540	1.1
		A-33	KDX Okachimachi Building	2,000	2,091	2,010	1.0
		A-8	Kanda Kihara Building	1,950	1,907	2,030	0.9
		A-23	KDX Yotsuya Building	1,950	1,978	2,350	0.9
		A-9	KDX Shinjuku-Gyoen Building	1,610	1,633	2,140	0.8
		A-26	KDX Kiba Building	1,580	1,631	1,880	0.8
		A-38	KDX Nishi-Shinjuku Building	1,500	1,573	1,520	0.7
		A-31	KDX Monzen-Nakacho Building	1,400	1,459	1,430	0.7
		A-34	KDX Hon-Atsugi Building	1,305	1,341	1,320	0.6
		A-35	KDX Hachioji Building	1,155	1,259	1,160	0.5
		A-28	KDX Nogizaka Building	1,065	1,132	1,070	0.5
		A-10	KDX Koishikawa Building	704	695	868	0.3
	Other Regional Areas	A-12	Portus Center Building	5,570	5,355	5,690	2.8
		A-42	Karasuma Building (Note 5)	5,400	5,436	5,560	2.7
		A-43	KDX Hakata Building	2,350	2,379	2,480	1.1
		A-44	KDX Sendai Building	2,100	2,120	2,130	1.0

		A-24	KDX Minami Semba Dai-1 Building	1,610	1,592	1,660	0.8
		A-25	KDX Minami Semba Dai-2 Building	1,560	1,536	1,650	0.7
		A-11	Hakata-Ekimae Dai-2 Building	1,430	1,463	1,720	0.7
		A-36	KDX Niigata Building	1,305	1,437	1,220	0.6
Total of 44 Office Buildings				137,979	140,411	156,048	70.0
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	5,383	5,460	2.7
		B-20	Regalo Ochanomizu I&II	3,600	3,634	3,670	1.8
		B-1	Storia Sirokane	3,150	3,163	3,370	1.5
		B-2	Tre di Casa Minami Aoyama	2,460	2,475	2,680	1.2
		B-21	Regalo Shiba-Kouen	2,260	2,280	2,280	1.1
		B-3	Court Mejiro	1,250	1,258	1,190	0.6
		B-4	Apartments Motoazabu	1,210	1,226	1,300	0.6
		B-5	Apartments Wakamatsu Kawada	1,180	1,186	1,250	0.5
		B-22	Chigasaki Socie Ni-bankan	1,160	1,238	1,140	0.5
		B-6	Court Nihonbashi-Hakozaki	1,130	1,129	1,220	0.5
		B-23	Court Nishi-Shinjuku	1,130	1,145	1,160	0.5
		B-7	Side Denenchofu	1,110	1,142	1,110	0.5
		B-34	Gradito Kawaguchi	1,038	1,084	1,070	0.5
		B-8	S-court Yokohama-Kannai II	945	941	1,020	0.4
		B-24	Regalo Komazawa-Kouen	912	923	943	0.4
		B-9	Court Motoasakusa	880	889	943	0.4
		B-25	Court Shin-Okachimachi	878	893	888	0.4
		B-11	Bloom Omotesando	875	887	962	0.4
		B-13	Human Heim Okachimachi	830	840	905	0.4
		B-26	Primo Regalo Kagurazaka	762	778	770	0.3
		B-27	Primo Regalo Youga	730	742	737	0.3
		B-28	Court Shimouma	638	650	644	0.3
	Other Regional Areas	B-29	Ashiya Royal Homes	2,330	2,482	2,420	1.1
		B-18	Venus Hibarigaoka	1,800	1,943	1,710	0.9
		B-30	Regalo Ibaraki I&II	1,600	1,632	1,620	0.8
		B-31	Collection Higashi-Sakura	1,264	1,327	1,150	0.6
		B-32	Renaissance 21 Hirao Jousui-machi	900	921	964	0.4
		B-33	Montore Nishikouen Bay Court	826	842	831	0.4
		B-16	Abreast Hara	444	439	494	0.2
	B-17	Abreast Hirabari	407	408	457	0.2	
Total of 30 Residential Properties				43,052	43,896	44,358	21.8
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	9,900	10,241	11,900	5.0
		C-2	KDX Yoyogi Building	2,479	2,621	2,540	1.2
	Other Regional Areas	C-3	ZARA Tenjin Nishi-dori	3,680	3,678	3,810	1.8
Total of 3 Central Urban Retail Properties				16,059	16,541	18,250	8.1
Total of 77 properties				197,090	200,849	218,656	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 fifth 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, Daiwa Real Estate Appraisal Corporation, 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.
5. The Investment Corporation had been planning to change the name of the "Karasuma Building" to "KDX Kyoto Karasuma Building". Due to the high name recognition of the building's current name, the plan to change the name was canceled.

Property Distribution

A. Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	44	137,979	70.0
Residential Properties	30	43,052	21.8
Central Urban Retail Properties	3	16,059	8.1
Others	—	—	
Total	77	197,090	100.0

B. Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	60	162,514	82.4
Other Regional Areas	17	34,576	17.5
Total	77	197,090	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	14	10,731	5.4
1,000 - 2,500	37	63,193	32.0
2,500 - 5,000	15	52,233	26.5
5,000 - 7,500	9	51,183	25.9
7,500 - 10,000	2	19,750	10.0
Total	77	197,090	100.0

Note: “Ratio” refers to the percentage of the acquisition price by each category to the acquisition prices of 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 No.	Property Name	Total Floor Area (㎡) (Note1)	Type of Structure (Note2)	Completion Date (Note3)	PML Percentage (%)
Office Buildings	Tokyo Metropolitan Area	A-40	Toranomon Toyo Building	8,346.83	RC B2F9	August1962	13.06
		A-37	KDX Ochanomizu Building	7,720.08	SRC B1F7	August1982	2.97
		A-32	KDX Shiba-Daimon Building	7,824.03	SRC B1F9	July 1986	7.60
		A-13	KDX Kojimachi Building	5,323.81	SRC B2F9	May 1994	3.60
		A-1	KDX Nihonbashi 313 Building	8,613.09	SRC B2F9	April 1974	9.50
		A-16	Toshin-24 Building	8,483.17	SRC B1F8	September 1984	8.75
		A-2	KDX Hirakawacho Building	8,002.97	SRC B3F10	March 1988	7.25
		A-17	Ebisu East 438 Building	4,394.58	SRC B1F7	January 1992	4.16
		A-3	Higashi-Kayabacho Yuraku Building	5,916.48	SRC B1F9	January 1987	7.01
		A-39	KDX Toranomon Building	2,277.38	SRC B1F9	April 1988	8.07
		A-30	KDX Nishi-Gotanda Building	5,192.87	SRC B1F8	November 1992	8.28
		A-4	KDX Hatchobori	4,800.43	SRC・RC B1F8	June 1993	6.42
		A-18	KDX Omori Building	7,334.77	RC・SRC B1F9	October 1990	0.71
		A-19	KDX Hamamatsucho Building	3,592.38	S F9	September 1999	6.13
		A-29	KDX Higashi-Shinjuku Building	7,885.40	SRC B1F9	January 1990	3.63
		A-20	KDX Kayabacho Building	3,804.86	SRC F8	October 1987	7.90
		A-21	KDX Shinbashi Building	3,960.22	SRC・S B1F8	February 1992	6.84
		A-5	KDX Nakano-Sakaue Building	6,399.42	SRC B1F11	August 1992	5.20
		A-22	KDX Shin-Yokohama Building	6,180.51	S B1F9	September 1990	10.36
		A-6	Harajuku F.F. Building	3,812.44	SRC F11	November 1985	5.66
		A-27	KDX Kajicho Building	3,147.70	SRC B1F8	March 1990	6.05

		A-15	KDX Hamacho Building	4,133.47	SRC B2F10	September 1993	6.76
		A-41	KDX Shinjuku 286 Building	3,432.04	SRC・RC B1F9	August 1989	8.71
		A-7	FIK Minami Aoyama	1,926.98	SRC B1F9	November 1988	4.92
		A-14	KDX Funabashi Building	5,970.12	SRC B1F8	April 1989	2.76
		A-33	KDX Okachimachi Building	1,882.00	S F10	June 1988	2.23
		A-8	Kanda Kihara Building	2,393.94	SRC・RC・S B1F8	May 1993	7.77
		A-23	KDX Yotsuya Building	3,329.68	RC B2F4	October 1989	9.79
		A-9	KDX Shinjuku-Gyoen Building	2,594.88	S・SRC F9	June 1992	6.05
		A-26	KDX Kiba Building	2,820.64	RC F5	October 1992	7.79
		A-38	KDX Nishi-Shinjuku Building	2,017.63	RC F5	October 1992	9.02
		A-31	KDX Monzen-Nakacho Building	2,668.91	SRC F8	September 1986	5.72
		A-34	KDX Hon-Atsugi Building	3,603.63	SRC F8	May 1995	11.12
		A-35	KDX Hachioji Building	2,821.21	SRC F9	December 1985	13.00
		A-28	KDX Nogizaka Building	1,695.07	RC B1F5	May 1991	9.48
		A-10	KDX Koishikawa Building	1,866.58	SRC B1F9	October 1992	9.32
	Other Regional Areas	A-12	Portus Center Building	79,827.08	SRC・S B2F25	September 1993	3.48
		A-42	Karasuma Building	12,632.68	SRC B1F8	October 1982	8.37
		A-43	KDX Hakata Building	6,537.33	SRC F9	July 1982	1.84
		A-44	KDX Sendai Building	5,918.30	SRC B1F10	February 1984	1.93
		A-24	KDX Minami Semba Dai-1 Building	4,236.59	SRC・RC・S B1F9	March 1993	9.04
		A-25	KDX Minami Semba Dai-2 Building	3,315.93	SRC・S B1F9	September 1993	10.59
		A-11	Hakata-Ekimae Dai-2 Building	4,846.01	SRC F9	September 1984	1.06
		A-36	KDX Niigata Building	6,810.29	RC B2F13	July 1983	4.39

Total of 44 Office Buildings				290,294.41	—	Avg. of 20.8 yrs	—
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	18,115.39	SRC B1F10	January 2004	9.88
		B-20	Regalo Ochanomizu I&II	4,843.27	①RC B1F10 ②RC F11	①January 2006 ②February 2006	8.30
		B-1	Storia Sirokane	5,750.05	SRC・S B2F13	February 2003	4.74
		B-2	Tre di Casa Minami Aoyama	1,986.44	RC B1F6	February 2004	8.49
		B-21	Regalo Shiba-Kouen	2,786.98	RC F13	November 2005	6.97
		B-3	Court Mejiro	3,326.07	RC B1F3	March 1997	7.11
		B-4	Apartments Motoazabu	1,685.14	RC F11	January 2004	8.84
		B-5	Apartments Wakamatsu Kawada	1,858.51	RC F12	February 2004	7.61
		B-22	Chigasaki Socie Ni-bankan	3,821.74	RC F8	January 1991	14.52
		B-6	Court Nihonbashi-Hakozaki	1,727.96	SRC F12	February 2004	7.34
		B-23	Court Nishi-Shinjuku	1,669.33	RC F8	October 2005	5.74
		B-7	Side Denenchofu	2,433.52	RC F6	February 1997	8.86
		B-34	Gradito Kawaguchi	1,705.38	RC F12	February 2006	6.46
		B-8	S-court Yokohama-Kannai II	1,738.71	RC F11	March 2003	13.60
		B-24	Regalo Komazawa-Kouen	1,262.00	RC F8	February 2006	5.43
		B-9	Court Motoasakusa	1,585.65	SRC F13	January 2005	6.01
		B-25	Court Shin-Okachimachi	1,494.55	RC F11	October 2005	4.09
		B-11	Bloom Omotesando	699.14	RC B1F3	March 2003	8.47
		B-13	Human Heim Okachimachi	1,444.25	SRC F14	December 2004	6.01
		B-26	Primo Regalo Kagurazaka	1,007.54	RC F8	January 2006	4.83
		B-27	Primo Regalo Youga	1,213.20	RC F8	December 2005	8.41
		B-28	Court Shimouma	880.18	RC F6	October 2005	9.70

	Other Regional Areas	B-29	Ashiya Royal Homes	5,015.67	RC F5	June 1991	11.56
		B-18	Venus Hibarigaoka	14,976.25	①RC F6 ②RC F5 ③RC F6	March 1989	5.19
		B-30	Regalo Ibaraki I&II	6,445.92	①RC F4 ②RC B1F7	①May 1991 ②March 1993	8.26
		B-31	Collection Higashi-Sakura	2,931.65	RC F14	March 2006	10.73
		B-32	Renaissance 21 Hirao Jousui-machi	2,643.36	RC F5	October 2005	2.69
		B-33	Montore Nishikouen Bay Court	2,772.49	RC F10	February 2006	4.41
		B-16	Abreast Hara	1,563.47	SRC F11	February 2000	13.57
		B-17	Abreast Hirabari	1,867.75	RC F7	March 2000	14.12
Total of 30 Residential Properties				101,251.56	—	Avg. of 5.6yrs	—
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	6,302.58	SRC・RC・S B2F7	March 2005	8.02
		C-2	KDX Yoyogi Building	1,269.06	SRC F8	August 1991	8.17
	Other Regional Areas	C-3	ZARA Tenjin Nishi-dori	1,445.02	S F4	November 2005	2.12
Total of 3 Central Urban Retail Properties				9,016.66	—	Avg. of 4.4 yrs	—
Total of 77 properties				400,562.63	—	Avg. of 16.2 yrs	5.26 (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, 2007.
4. Probable Maximum Loss (PML) data is based on a survey provided by Sampo Japan Risk Management, Inc. as of September 2007.

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