

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED APRIL 30, 2006 (November 1, 2005 to April 30, 2006)

June 12, 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: June 12, 2006

Planned start of dividend payments: July 14, 2006

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures have been rounded down to eliminate amounts of less than one million yen.

1. PERFORMANCE FOR THE SECOND FISCAL PERIOD (NOVEMBER 1, 2006 to APRIL 30, 2006)

(1) Business Results

(Millions of yen)

	Operating Revenues	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
Second Fiscal Period	¥2,871	140.1%	¥1,343	127.8%	¥1,103	353.7%	¥1,101	354.9%
First Fiscal Period	¥1,196	- %	¥589	- %	¥243	- %	¥242	- %

(Yen)

	Net Income per Unit	Return on Unitholders' Equity (ROE)	< Reference > Annualized	Ordinary Income to Total Assets	< Reference > Annualized	Ordinary Income to Operating Revenues
Second Fiscal Period	¥13,884	2.5%	4.9%	1.3%	2.6%	38.4%
First Fiscal Period	¥5,302	0.6%	2.2%	0.3%	1.3%	20.3%

Notes:

- Net income per unit is calculated using the average number of investment units
First fiscal period: 45,683 units
Second fiscal period: 79,370 units
- Changes in accounting policies: None
- Percentage change figures for operating revenues, operating income, ordinary income and net income indicate the rate of increase and decrease compared with the previous fiscal period.
- Annualized percentage figures = Percentage figures for the relevant fiscal period / Number of actual investment management days for the relevant fiscal period × 365 days. Annualized percentage figures for the first fiscal period are calculated using 92 days as the number of actual investment management days.
- Return on unitholders' equity and ordinary income to total assets are calculated using the averages of the respective balances of unitholders' equity and total assets as of the beginning and end of the fiscal period. The first fiscal period ended October 31, 2005, is deemed to have begun on August 1, 2005, the actual date investment management commenced.

(2) Distributions

(Millions of yen)

	Distribution per Unit (Yen) Excluding Excess of Earnings	Total Distributions	Distribution in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
Second Fiscal Period	¥13,884	¥1,101	-	-	99.9%	2.4%
First Fiscal Period	¥3,052	¥242	-	-	99.9%	0.5%

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

(3) Financial Position

(Millions of yen)

	Total Assets	Unitholders' Equity	Unitholders' Equity to Total Assets	Unitholders' Equity per Unit (Yen)
Second Fiscal Period	¥92,053	¥45,387	49.3%	¥571,840
First Fiscal Period	¥77,325	¥44,527	57.6%	¥561,008

Note: The number of investment units outstanding
As of the end of October 2005: totaled 79,370 units.
As of the end of April 2006: totaled 79,370 units.

2. FORECAST OF RESULTS FOR THE THIRD FISCAL PERIOD**(MAY 1, 2006 to OCTOBER 31, 2006)**

(Millions of yen)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (Yen) Excluding Excess of Earnings	Distribution in Excess of Earnings per Unit (Yen)
Third Fiscal Period	¥ 5,027	¥ 2,076	¥ 2,075	¥ 13,200	-

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

Note: 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.

The information above is translated from the first page of the Japanese *Kessan Tanshin* report, dated June 12, 2006. Kenedix Realty Investment Corporation makes no assurance or warranty with respect to the completeness or accuracy of this English translation. To guarantee complete and accurate information, please refer to the original report in Japanese.