

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED APRIL 30, 2007  
(November 1, 2006 to April 30, 2007)

June 11, 2007

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 11, 2007

The starting date for distribution payment is scheduled for July 10, 2007

1 . PERFORMANCE FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2006 AND APRIL 30, 2007

(1) Business Results

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

|                      | Operating Revenues |        | Operating Income |        | Ordinary Income |        | Net Income |        |
|----------------------|--------------------|--------|------------------|--------|-----------------|--------|------------|--------|
| Fourth Fiscal Period | ¥5,778             | 109.3% | ¥2,686           | 104.7% | ¥2,148          | 101.1% | ¥2,148     | 101.1% |
| Third Fiscal Period  | ¥5,288             | 184.2% | ¥2,565           | 190.9% | ¥2,125          | 192.7% | ¥2,124     | 192.7% |

|                      | Net Income per Unit | Return on Unitholders' Equity(ROE) | <Reference><br>( Annualized ) | Ordinary Income to Total Assets | <Reference><br>( Annualized ) | Ordinary Income to Operating Revenues |
|----------------------|---------------------|------------------------------------|-------------------------------|---------------------------------|-------------------------------|---------------------------------------|
| Fourth Fiscal Period | ¥13,681             | 2.4%                               | (4.8%)                        | 1.2%                            | (2.5%)                        | 37.2%                                 |
| Third Fiscal Period  | ¥13,575             | 3.1%                               | (6.2%)                        | 1.7%                            | (3.3%)                        | 40.2%                                 |

Notes:

1. Net income per unit is calculated using the average number of investment units for the fourth fiscal period: 157,000 units.  
Net income per unit is calculated using the average number of investment units for the third fiscal period: 156,460 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)<br>Excluding Excess of Earnings | Total Distribution<br>(Millions of Yen) | Distributions in Excess of Earnings<br>per Unit (Yen) | Total Distributions<br>in Excess of Earnings | Payout Ratio | Distribution Ratio<br>to Unitholders' Equity |
|----------------------|--|---|---|--|--------------|--|
| Fourth Fiscal Period | ¥13,682  | ¥2,148                                  | -   | -  | 100.0%       | 2.4%   |
| Third Fiscal Period  | ¥13,529  | ¥2,124                                  | -   | -  | 99.9%        | 2.3%   |

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<br>(Millions of Yen) | Unitholders' Equity<br>(Millions of Yen) | Unitholders' Equity to Total<br>Assets | Unitholders' Equity per Share<br>of Common Stock (Yen) |
|-------------------------|-----------------------------------|--|--|--|
| Fourth Fiscal<br>Period | ¥188,400                          | ¥90,877                                  | 48.2%                                  | ¥578,839   |
| Third Fiscal<br>Period  | ¥160,314                          | ¥90,933                                  | 56.7%                                  | ¥579,192   |

Note: The number of investment units outstanding as of April 30, 2007 totaled 157,000 units.

The number of investment units outstanding as of October 31, 2006 totaled 157,000 units.

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

(May 1, 2007 to October 31, 2007)

|                        | Operating Revenues<br>(Millions of Yen) | Ordinary Income<br>(Millions of Yen) | Net Income<br>(Millions of Yen) | Distribution per<br>Unit(Yen)Excluding<br>Excess of Earnings | Distribution in<br>Excess of Earnings<br>per Unit (Yen) |
|------------------------|---|--------------------------------------|---------------------------------|--|---|
| Fifth Fiscal<br>Period | ¥7,060                                  | ¥2,681                               | ¥2,680                          | ¥13,400  | -   |

Reference: Estimated net income per unit for the fifth fiscal period: ¥13,400

Note: Forecasts presented in this document are based on "Assumptions for Forecasts for the Fourth Fiscal Period (from May 1, 2007 to October 31, 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 fourth fiscal period (from November 1, 2006 to April 30, 2007).

In the fourth fiscal period, the Investment Corporation recorded operating revenues of ¥5,778 million, operating income of ¥2,686 million, ordinary income of ¥2,148 million and net income of ¥2,148 million. As a result, cash distribution for the fiscal period under review was ¥13,682 per unit.

## Management Performance

In the fiscal period under review, the Investment Corporation acquired 10 office buildings with a total acquisition price of ¥29,755 million. From the viewpoint of reviewing its portfolio on December 11, 2006, the Investment Corporation sold 2 residential properties (total acquisition price of ¥1,603 million) on April 20, 2007. As a result, the number of properties owned as of April 30, 2007 stood at 72, with a total acquisition price of ¥175,090 million. Looking at the portfolio as a whole, 66.2% was comprised of office buildings, 24.5% of residential properties and 9.1% central urban retail properties on an acquisition price basis. In addition, the occupancy ratio as of the end of the fourth fiscal period was 95.9%, reflecting stable investment and asset management.

## Capital Acquisition

To support the acquisition of additional assets, the Investment Corporation undertook debt financing of ¥29.0 billion during the fourth fiscal period comprising ¥9.5 billion of long-term debt and ¥19.5 billion of short-term debt (Note 1). In addition, the Investment Corporation undertook prepayment of ¥12.0 billion in short-term debt provided from cash on hand from the issuance of the investment corporation bonds. As a result, the balance of interest-bearing debt stood at ¥88.5 billion as of April 30, 2007, comprising ¥76.5 billion in debt financing (¥58.0 billion in long-term debt and ¥18.5 billion in short-term debt) and ¥12.0 billion in investment corporation bonds. In addition, the long-term debt ratio (Note2) was 79.1% and the fixed interest debt ratio (Note3) was 75.7%.

As of April 30, 2007, the Investment Corporation had ¥46.8 billion in long-term debt, of which ¥43.8 billion had fixed interest rates or floating interest rates effectively fixed by utilizing interest-swap agreements.

Since its public listing through to the end of the fourth 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 debt financing refers to debt financing with a period of less than or equal to one year from the drawdown date to the repayment date. Long-term debt financing refers to debt financing 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 debt + Balance of investment corporation bonds) ÷ (Total debt financing + Balance of investment corporation bonds)
3. Fixed interest debt ratio = (Balance of fixed interest debt + Balance of investment corporation bonds) ÷ (Total debt financing + Balance of investment corporation bonds)

The balance of fixed interest rate debt includes debt 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. on December 11, 2006. This was the second credit rating acquired following the A3 (Outlook: Stable) from Moody's Investors Services, Inc. on February 28, 2006. Details of the credit ratings as of April 30, 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        |

On February 7, 2007, a resolution was made concerning the offering of investment corporation bonds (hereafter the "comprehensive resolution", the same applies below). The Investment Corporation also filed a debt shelf registration statement. Details are as follows.

|  |  |
|--|--|
| Total Amount of Ceiling for Gross Amount of Each Investment Corporation Bond Offering / Planned Issue Amount | ¥100,000,000,000 respectively  |
| Effective Period of Resolution / Planned Issuance Period   | February 15, 2007 to February 14, 2009   |
| Use of Funds   | Acquisition funds for specified assets, repayment funds for borrowings, repayment funds for investment corporation bonds, refund funds for lease and guarantee deposits, funds to pay for repairs and maintenance, working capital, etc. |

The Investment Corporation issued investment corporation bonds for the purpose of diversifying financing to support portfolio growth, with an emphasis on increasing the proportion of debt with fixed interest rates and longer maturity periods and achieving an appropriate mix of debt and equity financing. Details of the investment corporation bonds are as follows. In addition, the Investment Corporation issued its 10-year investment corporation bond, "Second Series Unsecured Investment Corporation Bond" in the shortest amount of time after IPO among J-REITs. Accordingly, the Investment Corporation has succeeded in diversifying maturities and lengthening its average debt maturity.

| Name of Investment Corporation Bonds | First Series Unsecured Investment Corporation Bonds<br>(Ranking <i>pari passu</i> among the Specified Investment Corporation Bonds) | Second Series Unsecured Investment Corporation Bonds<br>(Ranking <i>pari passu</i> among the Specified Investment Corporation Bonds) |
|--------------------------------------|---|--|
| Total Amount of the Bonds            | ¥9,000,000,000  | ¥3,000,000,000   |
| Interest Rate                        | 1.74% per annum   | 2.37% per annum  |
| Term                                 | 5 years   | 10 years   |
| Payment Period                       | March 15, 2007  | March 15, 2007   |
| Maturity                             | March 15, 2012  | March 15, 2017   |

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.

On April 26, 2007, the Investment Corporation filed an equity shelf registration statement to conduct equity financing. Details are as follows.

|   |  |
|---|--|
| Planned Issue Amount                        | ¥100,000,000,000   |
| Application for the Shelf Registration Date | April 26, 2007   |
| Planned Issuance Period                     | May 7, 2007 to May 6, 2009 (Planned)   |
| 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 |

## 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. During the fiscal period ended April 30, 2006, 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. This survey covered 20 of its properties, 19 of which were office properties and one of which was a central urban retail property. As a part of this survey the administration officers of each tenant and tenant employees were asked to respond to many questions concerning 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, and to remark on each building and its facilities, as well as the nature and quality of operating and management services. 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.

Plans are in place to conduct a second customer satisfaction survey during the fiscal period ending October 31, 2007.

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 April 30, 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 consider replacement of assets. 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.

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 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 April 30, 2007, the Investment Corporation owned 72 properties for a total acquisition price of approximately ¥175.0 billion with a 95.9% 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. Against the backdrop of stable trends in its investment units, the Investment Corporation believes that this strategy will enable it to take a more aggressive approach to acquiring properties.

## Outlook

Forecasts for the fifth fiscal period (May 1, 2007 to October 31, 2007) are presented as follows. Please refer to the “Preconditions and Assumptions for the Fiscal Period Ending October 31, 2007” below for factors that underpin forecasts.

|   |                |
|---|----------------|
| Operating Revenues                          | ¥7,060 million |
| Ordinary Income                             | ¥2,681 million |
| Net Income                                  | ¥2,680 million |
| Distribution per Unit                       | ¥13,400        |
| 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 October 31, 2007”

|   | Preconditions and Assumptions  |
|---|--|
| Property Portfolio                              | <ul style="list-style-type: none"> <li>Forecasts for the fiscal period ending October 31, 2007 are based on a property portfolio totaling 77 properties held as of June 11, 2007,</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 October 31, 2007, approximately amounts of ¥1,422 million has been estimated for depreciation expense.</li> </ul> |
| Non-Operating Expenses                          | <ul style="list-style-type: none"> <li>Amounts for interest payable and investment corporation bond interest of ¥586 million has been forecasted for the fiscal period ending October 31, 2007.</li> </ul>   |
| Debt Financing and Investment Corporation Bonds | <ul style="list-style-type: none"> <li>The Investment Corporation conduct a public offering and third-party allotment of a maximum of 2,100 units and from the funds procured an amount of approximately ¥6,250 million for the purpose of repayment of debt financing, which stood at ¥69,750 million as of June 11, 2007. After the repayment, no significant changes in the amount of debt financing are expected.</li> <li>For the fifth fiscal period, forecasts are based on a total balance of investment corporation bonds of ¥12,000 million as of June 11, 2007. Forecasts are also based on the assumption that the balance of debt financing shall remain unchanged in the fifth fiscal period.</li> </ul>   |

|  |  |
|--|--|
| Investment Units Issued and Outstanding      | <ul style="list-style-type: none"> <li>● At the conclusion of the third-party allotment and sale through an over-allotment option, the number of units issued and outstanding is assumed to reach 200,000, from the 197,900 units issued and outstanding as of June 11, 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**

|   | Fourth Fiscal Period<br>( As of April 30, 2007 ) |       | Third Fiscal Period<br>( As of October 31, 2006 ) |       | Increase / Decrease     |       |
|---|--|-------|---|-------|-------------------------|-------|
|   | ( Thousands<br>in Yen )                          | ( % ) | ( Thousands<br>in Yen )                           | ( % ) | ( Thousands in<br>Yen ) | ( % ) |
| ASSETS  |  |       |   |       |                         |       |
| I. Current assets                                 | 9,333,184  | 4.9   | 10,243,869  | 6.4   | 910,684                 | 91.1  |
| Cash and bank deposits                            | 3,740,550  |       | 4,709,666   |       | 969,116                 |       |
| Entrusted deposits                                | 5,182,512  |       | 4,779,041   |       | 403,470                 |       |
| Rental receivables                                | 75,124   |       | 83,374  |       | 8,249                   |       |
| Prepaid expenses                                  | 29,845   |       | 47,206  |       | 17,361                  |       |
| Consumption tax refundable                        | 302,040  |       | 599,486   |       | 297,445                 |       |
| Other current assets                              | 3,111  |       | 25,093  |       | 21,981                  |       |
| II. Fixed assets                                  | 178,896,941                                      | 95.0  | 149,945,921                                       | 93.5  | 28,951,019              | 119.3 |
| 1. Property and equipment, at cost * <sup>1</sup> | 178,516,827                                      | 94.8  | 149,719,621                                       | 93.4  | 28,797,205              | 119.2 |
| Buildings   | 4,818,319  |       | 1,313,459   |       | 3,504,860               |       |
| Structures  | 52,061   |       | 52,813  |       | 751                     |       |
| Machinery and equipment                           | 28,741   |       | 1,879   |       | 26,861                  |       |
| Tools, furniture and fixtures                     | 3,500  |       | 2,760   |       | 739                     |       |
| Land  | 7,910,082  |       | 2,148,301   |       | 5,761,781               |       |
| Buildings held in trust                           | 59,002,008                                       |       | 55,173,235  |       | 3,828,773               |       |
| Structures held in trust                          | 236,337  |       | 247,088   |       | 10,751                  |       |
| Machinery and equipment held in trust             | 675,401  |       | 667,292   |       | 8,109                   |       |
| Tools, furniture and fixtures held in trust       | 513,193  |       | 546,862   |       | 33,669                  |       |
| Land held in trust                                | 105,277,180                                      |       | 89,565,928  |       | 15,711,252              |       |
| 2. Intangible fixed asset                         | 285,144  | 0.1   | -   |       | 285,144                 | -     |
| Land leasehold                                    | 285,144  |       | -   |       | 285,144                 |       |
| 3. Investment and other assets                    | 94,969   | 0.1   | 226,300   | 0.1   | 131,330                 | 42.0  |
| Leasehold and security deposits                   | 11,649   |       | 18,205  |       | 6,556                   |       |
| Long-term prepaid expenses                        | 83,320   |       | 76,874  |       | 6,446                   |       |
| Derivative assets                                 | -  |       | 131,220   |       | 131,220                 |       |
| Deferred  | 170,551  | 0.1   | 124,550   | 0.1   | 46,000                  | 136.9 |
| Organization costs                                | 30,538   |       | 35,627  |       | 5,089                   |       |
| Investment Corporation Issuance Costs             | 68,875   |       | -   |       | 68,875                  |       |
| Unit Issuance Costs                               | 71,138   |       | 88,923  |       | 17,784                  |       |
| Total assets                                      | 188,400,678                                      | 100.0 | 160,314,341                                       | 100.0 | 28,086,336              | 117.5 |

|   | Fourth Fiscal Period<br>( As of April 30, 2007 ) |              | Third Fiscal Period<br>( As of October 31, 2006 ) |              | Increase / Decrease     |              |
|---|--|--------------|---|--------------|-------------------------|--------------|
|   | ( Thousands in<br>Yen )                          | ( % )        | ( Thousands<br>in Yen )                           | ( % )        | ( Thousands in<br>Yen ) | ( % )        |
| <b>LIABILITIES</b>  |  |              |   |              |                         |              |
| Current liabilities                                       | 21,444,151                                       |              | 16,204,462  | 10.1         | 5,239,689               | 132.3        |
| Trade payables  | 275,299  |              | 289,763   |              | 14,464                  |              |
| Short-term debt   | 18,500,000                                       |              | 13,500,000  |              | 5,000,000               |              |
| Current maturities of long term debt                      | 1,500,000  |              | 1,500,000   |              | -                       |              |
| Other payables  | 138,451  |              | 117,128   |              | 21,323                  |              |
| Accrued expenses  | 86,742   |              | 27,362  |              | 59,379                  |              |
| Accrued income taxes                                      | 543  |              | 923   |              | 380                     |              |
| Rents received in advance                                 | 916,372  |              | 767,536   |              | 148,835                 |              |
| Deposits received   | 26,743   |              | 1,748   |              | 24,995                  |              |
| Long-term liabilities                                     | 76,078,756                                       | 40.4         | 53,176,581  | 33.2         | 22,902,174              | 143.1        |
| Investment Corporation bonds issued                       | 12,000,000                                       |              | -   |              | 12,000,000              |              |
| Long-term debt  | 56,500,000                                       |              | 47,000,000  |              | 9,500,000               |              |
| Leasehold and security deposits received                  | 626,499  |              | 184,398   |              | 442,100                 |              |
| Leasehold and security deposits held in<br>trust received | 6,952,256  |              | 5,940,494   |              | 1,011,762               |              |
| Deferred tax liability                                    | 56,500,000                                       |              | 51,687  |              | 9,500,000               |              |
| <b>Total liabilities</b>                                  | <b>97,522,908</b>                                | <b>51.8</b>  | <b>69,381,044</b>                                 | <b>43.3</b>  | <b>28,141,863</b>       | <b>140.6</b> |
| (Net assets)* <sup>2</sup>                                |  |              |   |              |                         |              |
| I. Unitholder's equity                                    | 90,877,769                                       | 48.2         | 90,853,764  | 56.6         | 24,005                  | 100.0        |
| 1. Capital stock  | 88,729,652                                       | 47.1         | 88,729,652  | 55.4         | -                       | -            |
| 2. Retained earnings                                      |  |              |   |              |                         |              |
| Retained earnings at end of period                        | 2,148,117  |              | 2,124,112   |              | 24,005                  |              |
| 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>90,877,769</b>                                | <b>48.2</b>  | <b>90,933,297</b>                                 | <b>56.7</b>  | <b>55,527</b>           | <b>99.9</b>  |
| <b>Total liabilities and net assets</b>                   | <b>188,400,678</b>                               | <b>100.0</b> | <b>160,314,341</b>                                | <b>100.0</b> | <b>28,086,336</b>       | <b>117.5</b> |

# Statements of Income and Retained Earnings

|   | Fourth Fiscal Period<br>( As of April 30, 2007 ) |       | Third Fiscal Period<br>( As of October 31, 2006 ) |       | Increase / Decrease     |       |
|---|--|-------|---|-------|-------------------------|-------|
|   | ( Thousands in<br>Yen )                          | (%)   | ( Thousands in<br>Yen )                           | (%)   | ( Thousands in<br>Yen ) | (%)   |
| 1. Operating revenues   | 5,778,210  | 100.0 | 5,288,833   | 100.0 | 489,376                 | 109.3 |
| Rental revenues * <sup>1</sup>  | 4,965,303  |       | 4,549,456   |       | 415,847                 |       |
| Other rental revenues * <sup>1</sup>  | 682,158  |       | 582,043   |       | 100,115                 |       |
| Profit on sale of trust beneficiary interests<br>in real estate* <sup>2</sup> | 130,748  |       | 157,334   |       | 26,586                  |       |
| 2. Operating expenses   | 3,091,465  | 53.5  | 2,723,641   | 51.5  | 367,823                 | 113.5 |
| Property-related expenses * <sup>1</sup>                                      | 2,607,389  |       | 2,397,201   |       | 210,187                 |       |
| Asset management fees   | 306,965  |       | 203,841   |       | 103,123                 |       |
| Directors' salaries   | 5,400  |       | 5,400   |       | -                       |       |
| Custodian fees  | 17,928   |       | 11,705  |       | 6,222                   |       |
| Administrative service fees   | 48,672   |       | 35,022  |       | 13,649                  |       |
| Audit fees  | 7,800  |       | 5,900   |       | 1,900                   |       |
| Other operating expenses  | 97,309   |       | 64,569  |       | 32,740                  |       |
| Operating income  | 2,686,744  | 46.5  | 2,565,192   | 48.5  | 121,552                 | 104.7 |
| 3. Non-operating revenues   | 9,716  | 0.2   | 2,389   | 0.1   | 7,326                   | 406.7 |
| Interest income   | 2,137  |       | 461   |       | 1,675                   |       |
| Other Non-operating revenues  | 7,578  |       | 1,927   |       | 5,651                   |       |
| 4. Non-operating expenses   | 547,581  | 9.5   | 442,500   | 8.4   | 105,081                 | 123.7 |
| Interest expense  | 450,605  |       | 375,765   |       | 74,840                  |       |
| Investment corporation bonds interest   | 29,320   |       | -   |       | 29,320                  |       |
| Financing related expense   | 20,595   |       | 20,904  |       | 308                     |       |
| Amortization of bonds issuance costs  | 1,501  |       | -   |       | 1,501                   |       |
| Amortization of unit issuance costs   | 17,784   |       | 17,784  |       | -                       |       |
| Amortization of organization costs  | 5,089  |       | 5,089   |       | -                       |       |
| Other non-operating expenses  | 22,685   |       | 22,956  |       | 271                     |       |
| Ordinary income   | 2,148,879  | 37.2  | 2,125,081   | 40.2  | 23,798                  | 101.1 |
| Income before income taxes  | 2,148,879  | 37.2  | 2,125,081   | 40.2  | 23,798                  | 101.1 |
| Current income taxes  | 816  | 0.0   | 1,009   | 0.0   | 192                     | 80.9  |
| Deferred income taxes   | 4  |       | 0   |       | 4                       |       |
| Net Income  | 2,148,058  | 37.2  | 2,124,071   | 40.2  | 23,986                  | 101.1 |
| Retained earnings at the beginning of period                                  | 59   |       | 40  |       | 18                      |       |
| Retained earnings at the end of period  | 2,148,117  |       | 2,124,112   |       | 24,005                  |       |

## 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<br>*1 | Retained Earnings<br>Retained Earnings<br>at end-period | Total<br>Unitholder's<br>Equity | Unrealized gain from<br>Deferred Hedge | Total Valuation<br>and Translation<br>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       |

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<br>*1 | Retained Earnings<br>Retained Earnings<br>at end-period | Total<br>Unitholder's<br>Equity | Unrealized gain from<br>Deferred Hedge | Total Valuation<br>and Translation<br>Adjustments |                  |
| 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<br>(Note1) | Amount on the<br>Balance Sheet<br>(Note2) | Appraisal Value at the<br>end of Fourth Fiscal<br>Period (Note3) | Ratio (%)<br>(Note4) |
|------------------------------|-------------------------------|------------------------------------|------------------------------|---|--|----------------------|
| Office Buildings             | Tokyo<br>Metropolitan<br>Area | KDX Ochanomizu Building (Note5)    | 6,400                        | 6,447                                     | 6,640  | 3.6                  |
|                              |                               | KDX Shiba-Daimon Building (Note6)  | 6,090                        | 6,164                                     | 6,340  | 3.4                  |
|                              |                               | KDX Kojimachi Building             | 5,950                        | 5,923                                     | 6,220  | 3.3                  |
|                              |                               | KDX Nihonbashi 313 Building        | 5,940                        | 6,373                                     | 7,530  | 3.3                  |
|                              |                               | Toshin-24 Building                 | 5,300                        | 5,313                                     | 5,860  | 3.0                  |
|                              |                               | KDX Hirakawacho Building           | 5,180                        | 5,196                                     | 5,660  | 2.9                  |
|                              |                               | Ebisu East 438 Building            | 4,640                        | 4,666                                     | 5,600  | 2.6                  |
|                              |                               | Higashi-Kayabacho Yuraku Building  | 4,450                        | 4,577                                     | 5,760  | 2.5                  |
|                              |                               | KDX Toranomom Building             | 4,400                        | 4,580                                     | 4,020  | 2.5                  |
|                              |                               | KDX Nishi-Gotanda Building         | 4,200                        | 4,391                                     | 4,700  | 2.3                  |
|                              |                               | KDX Hatchobori Building            | 3,680                        | 3,627                                     | 3,920  | 2.1                  |
|                              |                               | KDX Omori Building                 | 3,500                        | 3,506                                     | 3,860  | 1.9                  |
|                              |                               | KDX Hamamatsucho Building          | 3,460                        | 3,453                                     | 3,730  | 1.9                  |
|                              |                               | KDX Higashi-Shinjuku Building      | 2,950                        | 2,997                                     | 3,100  | 1.6                  |
|                              |                               | Dai-ichi Kayabacho Building        | 2,780                        | 2,857                                     | 3,030  | 1.5                  |
|                              |                               | KDX Shinbashi Building             | 2,690                        | 2,711                                     | 3,050  | 1.5                  |
|                              |                               | KDX Nakano Sakaue Building         | 2,533                        | 2,496                                     | 2,680  | 1.4                  |
|                              |                               | KDX Shin-Yokohama Building         | 2,520                        | 2,553                                     | 2,680  | 1.4                  |
|                              |                               | Harajuku F.F. Building             | 2,450                        | 2,531                                     | 3,060  | 1.3                  |
|                              |                               | KDX Kajicho Building               | 2,350                        | 2,372                                     | 2,410  | 1.3                  |
|                              |                               | KDX Hamacho Building               | 2,300                        | 2,413                                     | 2,890  | 1.3                  |
|                              |                               | FIK Minami Aoyama                  | 2,270                        | 2,307                                     | 3,340  | 1.2                  |
|                              |                               | KDX Funabashi Building             | 2,252                        | 2,415                                     | 2,360  | 1.2                  |
|                              |                               | KDX Okachimachi Building (Note7)   | 2,000                        | 2,084                                     | 2,010  | 1.1                  |
|                              |                               | Kanda Kihara Building              | 1,950                        | 1,923                                     | 1,990  | 1.1                  |
|                              |                               | KDX Yotsuya Building               | 1,950                        | 1,981                                     | 2,110  | 1.1                  |
|                              |                               | KDX Shinjuku-Gyoen Building        | 1,610                        | 1,645                                     | 1,970  | 0.9                  |
|                              |                               | KDX Kiba Building                  | 1,580                        | 1,633                                     | 1,690  | 0.9                  |
|                              |                               | KDX Nishi-Shinjuku Building(Note8) | 1,500                        | 1,569                                     | 1,500  | 0.8                  |
|                              |                               | KDX Monzen-Nakacho Building        | 1,400                        | 1,461                                     | 1,430  | 0.7                  |
|                              |                               | KDX Hon-Atsugi Building (Note9)    | 1,305                        | 1,360                                     | 1,320  | 0.7                  |
|                              |                               | KDX Hachioji Building (Note10)     | 1,155                        | 1,211                                     | 1,160  | 0.6                  |
|                              |                               | KDX Nogizaka Building              | 1,065                        | 1,125                                     | 1,060  | 0.6                  |
|                              |                               | KDX Koishikawa Building            | 704                          | 698                                       | 827  | 0.4                  |
|                              | Other<br>Regional<br>Areas    | Portus Center Building             | 5,570                        | 5,454                                     | 5,620  | 3.1                  |
|                              |                               | KDX Minami Semba Dai-1 Building    | 1,610                        | 1,589                                     | 1,640  | 0.9                  |
|                              |                               | KDX Minami Semba Dai-2 Building    | 1,560                        | 1,553                                     | 1,620  | 0.8                  |
|                              |                               | Hakata-Ekimae Dai-2 Building       | 1,430                        | 1,483                                     | 1,600  | 0.8                  |
|                              |                               | KDX Niigata Building               | 1,305                        | 1,376                                     | 1,200  | 0.7                  |
| Total of 39 Office Buildings |                               |                                    | 115,979                      | 118,029                                   | 127,187  | 66.2                 |

| Type                                       | Area                              | Property Name                  | Acquisition Price<br>(Note1) | Amount on the<br>Balance Sheet<br>(Note2) | Appraisal Value at the<br>end of Fourth Fiscal<br>Period (Note3) | Ratio (%)<br>(Note4) |
|--|-----------------------------------|--------------------------------|------------------------------|---|--|----------------------|
| Residential Properties                     | Tokyo<br>Metropolitan<br>Area     | Residence Charmante Tsukishima | 5,353                        | 5,427                                     | 5,460  | 3.0                  |
|  |                                   | Regalo Ochanomizu I&II         | 3,600                        | 3,664                                     | 3,670  | 2.0                  |
|  |                                   | Storia Sirokane                | 3,150                        | 3,181                                     | 3,370  | 1.7                  |
|  |                                   | Tre di Casa Minami Aoyama      | 2,460                        | 2,487                                     | 2,660  | 1.4                  |
|  |                                   | Regalo Shiba-Kouen             | 2,260                        | 2,293                                     | 2,280  | 1.2                  |
|  |                                   | Court Mejiro                   | 1,250                        | 1,269                                     | 1,140  | 0.7                  |
|  |                                   | Apartments Motoazabu           | 1,210                        | 1,233                                     | 1,300  | 0.6                  |
|  |                                   | Apartments Wakamatsu Kawada    | 1,180                        | 1,197                                     | 1,240  | 0.6                  |
|  |                                   | Chigasaki Socie Ni-bankan      | 1,160                        | 1,242                                     | 1,160  | 0.6                  |
|  |                                   | Court Nihonbashi-Hakozaki      | 1,130                        | 1,145                                     | 1,220  | 0.6                  |
|  |                                   | Court Nishi-Shinjuku           | 1,130                        | 1,153                                     | 1,160  | 0.6                  |
|  |                                   | Side Denenchofu                | 1,110                        | 1,151                                     | 1,100  | 0.6                  |
|  |                                   | Gradito Kawaguchi              | 1,038                        | 1,093                                     | 1,060  | 0.5                  |
|  |                                   | S-court Yokohama-Kannai II     | 945                          | 955                                       | 1,000  | 0.5                  |
|  |                                   | Regalo Komazawa-Kouen          | 912                          | 930                                       | 943  | 0.5                  |
|  |                                   | Court Motoasakusa              | 880                          | 899                                       | 925  | 0.5                  |
|  |                                   | Court Shin-Okachimachi         | 878                          | 902                                       | 888  | 0.5                  |
|  |                                   | Bloom Omotesando               | 875                          | 891                                       | 955  | 0.4                  |
|  |                                   | Human Heim Okachimachi         | 830                          | 848                                       | 890  | 0.4                  |
|  |                                   | Primo Regalo Kagurazaka        | 762                          | 786                                       | 770  | 0.4                  |
|  |                                   | Primo Regalo Youga             | 730                          | 747                                       | 735  | 0.4                  |
|  |                                   | Court Shimouma                 | 638                          | 655                                       | 644  | 0.3                  |
|  |                                   | Other<br>Regional<br>Areas     | Ashiya Royal HOMes           | 2,330                                     | 2,415  | 2,440                |
|  | Venus Hibarigaoka                 |                                | 1,800                        | 1,961                                     | 1,770  | 1.0                  |
|  | Regalo Ibaraki I&II               |                                | 1,600                        | 1,646                                     | 1,670  | 0.9                  |
|  | Collection Higashi-Sakura         |                                | 1,264                        | 1,341                                     | 1,274  | 0.7                  |
|  | Renaissance 21 Hirao Jousui-machi |                                | 900                          | 928                                       | 962  | 0.5                  |
|  | Montore Nishikouen Bay Court      |                                | 826                          | 851                                       | 831  | 0.4                  |
|  | Abreast Hara                      |                                | 444                          | 447                                       | 494  | 0.2                  |
|  | Abreast Hirabari                  | 407                            | 414                          | 457                                       | 0.2  |                      |
| Total of 30 Residential Properties         |                                   |                                | 43,052                       | 44,166                                    | 44,468   | 24.5                 |
| Central Urban Retail<br>Properties         | Tokyo<br>Metropolitan<br>Area     | Frame Jinnan-zaka              | 9,900                        | 10,295                                    | 11,800   | 5.6                  |
|  |                                   | KDX Yoyogi Building            | 2,479                        | 2,622                                     | 2,490  | 1.4                  |
|  | Other<br>Regional<br>Areas        | ZARA Tenjin Nishi-dori         | 3,680                        | 3,688                                     | 3,760  | 2.1                  |
| Total of 3 Central Urban Retail Properties |                                   |                                | 16,059                       | 16,606                                    | 18,050   | 9.1                  |
| Total of 72 properties                     |                                   |                                | 175,090                      | 178,801                                   | 189,705  | 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 fourth 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.
5. As of April 30, 2007, the name of the property is the "Kenkyusha Building." Plans are in place to change the name of the property to the "KDX Ochanomizu Building" on October 1, 2007. The same applies below.
6. As of April 30, 2007, the name of the property is the "Shuwa Dai-san Shiba Park Building." Plans are in place to change the name of the property to the "KDX Shiba-Daimon Building" on September 1, 2007. The same applies below.
7. As of April 30, 2007, the name of the property is the "Kairaku Building." The name of the property has been changed to the "KDX Okachimachi Building" on June 1, 2007. The same applies below.
8. As of April 30, 2007, the current name of the "KDX Nishi-Shinjuku Building" is the "N.S. EXCEL Building." Following the acquisition, the Investment Corporation intends to carry out procedures to change the name of the building. The same applies below.
9. As of April 30, 2007, the name of the property is the "Sumisei Atsugi Dai-2 Building." The name of the property has been changed to the "KDX Hon-Atsugi Building" on June 1, 2007. The same applies below.
10. As of April 30, 2007, the name of the property is the "Sumisei Hachioji Building." The name of the property has been changed to the "KDX Hachioji Building" on June 1, 2007. The same applies below.

## Property Distribution

### A. Property Types

| Type                            | Number of Properties | Acquisition Price (Millions of Yen) | Ratio (Note) (%) |
|---------------------------------|----------------------|-------------------------------------|------------------|
| Office Buildings                | 39                   | 115,979                             | 66.2             |
| Residential Properties          | 30                   | 43,052                              | 24.5             |
| Central Urban Retail Properties | 3                    | 16,059                              | 9.1              |
| Others                          | -                    | -                                   |                  |
| Total                           | 72                   | 175,090                             | 100.0            |

### B. Geographic Distribution

| Area                    | Number of Properties | Acquisition Price (Millions of Yen) | Ratio (Note) (%) |
|-------------------------|----------------------|-------------------------------------|------------------|
| Tokyo Metropolitan Area | 58                   | 150,364                             | 85.8             |
| Other Regional Areas    | 14                   | 24,726                              | 14.1             |
| Total                   | 72                   | 175,090                             | 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                              | 6.1              |
| 1,000 - 2,500                       | 34                   | 56,443                              | 32.2             |
| 2,500 - 5,000                       | 15                   | 52,233                              | 29.8             |
| 5,000 - 7,500                       | 8                    | 45,783                              | 26.1             |
| 7,500 - 10,000                      | 1                    | 9,900                               | 5.6              |
| Total                               | 72                   | 175,090                             | 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 Name                     | Total Floor Area<br>(㎡)<br>(Note1) | Type of<br>Structure<br>(Note2) | Completion Date<br>(Note3) | PML Percentage<br>(%) |
|------------------|-------------------------------|-----------------------------------|------------------------------------|---------------------------------|----------------------------|-----------------------|
| Office Buildings | Tokyo<br>Metropolitan<br>Area | KDX Ochanomizu Building           | 7,720.08                           | SRC<br>B1F7                     | August1982                 | 5.35                  |
|                  |                               | KDX Shiba-Daimon Building         | 7,824.03                           | SRC<br>B1F9                     | July 1986                  | 13.72                 |
|                  |                               | KDX Kojimachi Building            | 5,323.81                           | SRC<br>B2F9                     | May 1994                   | 4.94                  |
|                  |                               | KDX Nihonbashi 313 Building       | 8,613.09                           | SRC<br>B2F9                     | April 1974                 | 17.36                 |
|                  |                               | Toshin-24 Building                | 8,483.17                           | SRC<br>B1F8                     | September 1984             | 17.19                 |
|                  |                               | KDX Hirakawacho Building          | 8,002.97                           | SRC<br>B3F10                    | March 1988                 | 8.02                  |
|                  |                               | Ebisu East 438 Building           | 4,394.58                           | SRC<br>B1F7                     | January 1992               | 7.68                  |
|                  |                               | Higashi-Kayabacho Yuraku Building | 5,916.48                           | SRC<br>B1F9                     | January 1987               | 7.88                  |
|                  |                               | KDX Toranomon Building            | 2,277.38                           | SRC<br>B1F9                     | April 1988                 | 14.77                 |
|                  |                               | KDX Nishi-Gotanda Building        | 5,192.87                           | SRC<br>B1F8                     | November 1992              | 8.23                  |
|                  |                               | KDX Hatchobori                    | 4,800.43                           | SRC・RC<br>B1F8                  | June 1993                  | 5.21                  |
|                  |                               | KDX Omori Building                | 7,334.77                           | RC・SRC<br>B1F9                  | October 1990               | 4.21                  |
|                  |                               | KDX Hamamatsucho Building         | 3,592.38                           | S<br>F9                         | September 1999             | 9.89                  |
|                  |                               | KDX Higashi-Shinjuku Building     | 7,885.40                           | SRC<br>B1F9                     | January 1990               | 5.40                  |
|                  |                               | Dai-ichi Kayabacho Building       | 3,804.86                           | SRC<br>F8                       | October 1987               | 7.18                  |
|                  |                               | KDX Shinbashi Building            | 3,960.22                           | SRC・S<br>B1F8                   | February 1992              | 10.55                 |
|                  |                               | KDX Nakano-Sakaue Building        | 6,399.42                           | SRC<br>B1F11                    | August 1992                | 5.05                  |
|                  |                               | KDX Shin-Yokohama Building        | 6,180.51                           | S<br>B1F9                       | September 1990             | 13.82                 |
|                  |                               | Harajuku F.F. Building            | 3,812.44                           | SRC<br>F11                      | November 1985              | 13.02                 |
|                  |                               | KDX Kajicho Building              | 3,147.70                           | SRC<br>B1F8                     | March 1990                 | 8.81                  |
|                  |                               | KDX Hamacho Building              | 4,133.47                           | SRC<br>B2F10                    | September 1993             | 12.10                 |

|                              |                               |                                 |            |                    |                               |       |
|------------------------------|-------------------------------|---------------------------------|------------|--------------------|-------------------------------|-------|
|                              |                               | FIK Minami Aoyama               | 1,926.98   | SRC<br>B1F9        | November 1988                 | 6.37  |
|                              |                               | KDX Funabashi Building          | 5,970.12   | SRC<br>B1F8        | April 1989                    | 4.11  |
|                              |                               | KDX Okachimachi Building        | 1,882.00   | S<br>F10           | June 1988                     | 3.72  |
|                              |                               | Kanda Kihara Building           | 2,393.94   | SRC・RC・S<br>B1F8   | May 1993                      | 14.28 |
|                              |                               | KDX Yotsuya Building            | 3,329.68   | RC<br>B2F4         | October 1989                  | 5.56  |
|                              |                               | KDX Shinjuku-Gyoen Building     | 2,594.88   | S・SRC<br>F9        | June 1992                     | 8.16  |
|                              |                               | KDX Kiba Building               | 2,820.64   | RC<br>F5           | October 1992                  | 9.16  |
|                              |                               | KDX Nishi-Shinjuku Building     | 2,017.63   | RC<br>F5           | October 1992                  | 7.03  |
|                              |                               | KDX Monzen-Nakacho Building     | 2,668.91   | SRC<br>F8          | September 1986                | 6.39  |
|                              |                               | KDX Hon-Atsugi Building         | 3,603.63   | SRC<br>F8          | May 1995                      | 12.45 |
|                              |                               | KDX Hachioji Building           | 2,821.21   | SRC<br>F9          | December 1985                 | 13.96 |
|                              |                               | KDX Nogizaka Building           | 1,695.07   | RC<br>B1F5         | May 1991                      | 7.08  |
|                              |                               | KDX Koishikawa Building         | 1,866.58   | SRC<br>B1F9        | October 1992                  | 11.47 |
|                              | Other<br>Regional<br>Areas    | Portus Center Building          | 79,827.08  | SRC・S<br>B2F25     | September 1993                | 3.49  |
|                              |                               | KDX Minami Semba Dai-1 Building | 4,236.59   | SRC・RC・S<br>B1F9   | March 1993                    | 7.23  |
|                              |                               | KDX Minami Semba Dai-2 Building | 3,315.93   | SRC・S<br>B1F9      | September 1993                | 7.94  |
|                              |                               | Hakata-Ekimae Dai-2 Building    | 4,846.01   | SRC<br>F9          | September 1984                | 0.69  |
|                              |                               | KDX Niigata Building            | 6,810.29   | RC<br>B2F13        | July 1983                     | 1.74  |
| Total of 39 Office Buildings |                               |                                 | 253,427.23 | —                  | Average of 18.1 yrs           | —     |
| Residential Properties       | Tokyo<br>Metropolitan<br>Area | Residence Charmante Tsukishima  | 18,115.39  | SRC<br>B1F10       | January 2004                  | 17.11 |
|                              |                               | Regalo Ochanomizu I&II          | 4,843.27   | RC B1F10<br>RC F11 | January 2006<br>February 2006 | 9.32  |
|                              |                               | Storia Sirokane                 | 5,750.05   | SRC・S<br>B2F13     | February 2003                 | 7.77  |
|                              |                               | Tre di Casa Minami Aoyama       | 1,986.44   | RC<br>B1F6         | February 2004                 | 7.44  |

|                            |  |                                   |           |                         |                        |       |
|----------------------------|--|-----------------------------------|-----------|-------------------------|------------------------|-------|
|                            |  | Regalo Shiba-Kouen                | 2,786.98  | RC<br>F13               | November 2005          | 12.39 |
|                            |  | Court Mejiro                      | 3,326.07  | RC<br>B1F3              | March 1997             | 5.74  |
|                            |  | Apartments Motoazabu              | 1,685.14  | RC<br>F11               | January 2004           | 6.24  |
|                            |  | Apartments Wakamatsu Kawada       | 1,858.51  | RC<br>F12               | February 2004          | 7.56  |
|                            |  | Chigasaki Socie Ni-bankan         | 3,821.74  | RC<br>F8                | January 1991           | 18.75 |
|                            |  | Court Nihonbashi-Hakozaki         | 1,727.96  | SRC<br>F12              | February 2004          | 13.44 |
|                            |  | Court Nishi-Shinjuku              | 1,669.33  | RC<br>F8                | October 2005           | 6.44  |
|                            |  | Side Denenchofu                   | 2,433.52  | RC<br>F6                | February 1997          | 10.39 |
|                            |  | Gradito Kawaguchi                 | 1,705.38  | RC<br>F12               | February 2006          | 13.33 |
|                            |  | S-court Yokohama-Kannai II        | 1,738.71  | RC<br>F11               | March 2003             | 19.45 |
|                            |  | Regalo Komazawa-Kouen             | 1,262.00  | RC<br>F8                | February 2006          | 9.29  |
|                            |  | Court Motoasakusa                 | 1,585.65  | SRC<br>F13              | January 2005           | 9.90  |
|                            |  | Court Shin-Okachimachi            | 1,494.55  | RC<br>F11               | October 2005           | 4.70  |
|                            |  | Bloom Omotesando                  | 699.14    | RC<br>B1F3              | March 2003             | 6.55  |
|                            |  | Human Heim Okachimachi            | 1,444.25  | SRC<br>F14              | December 2004          | 12.19 |
|                            |  | Primo Regalo Kagurazaka           | 1,007.54  | RC<br>F8                | January 2006           | 7.86  |
|                            |  | Primo Regalo Youga                | 1,213.20  | RC<br>F8                | December 2005          | 9.98  |
|                            |  | Court Shimouma                    | 880.18    | RC<br>F6                | October 2005           | 8.43  |
| Other<br>Regional<br>Areas |  | Ashiya Royal Homes                | 5,015.67  | RC<br>F5                | June 1991              | 11.05 |
|                            |  | Venus Hibarigaoka                 | 14,976.25 | RC F6<br>RC F5<br>RC F6 | March 1989             | 6.48  |
|                            |  | Regalo Ibaraki I&II               | 6,445.92  | RC F4<br>RC B1F7        | May 1991<br>March 1993 | 17.20 |
|                            |  | Collection Higashi-Sakura         | 2,931.65  | RC<br>F14               | March 2006             | 12.20 |
|                            |  | Renaissance 21 Hirao Jousui-machi | 2,643.36  | RC                      | October 2005           | 0.42  |

|  |                         |                              |            |                    |                     |                 |
|--|-------------------------|------------------------------|------------|--------------------|---------------------|-----------------|
|  |                         |                              |            | F5                 |                     |                 |
|  |                         | Montore Nishikouen Bay Court | 2,772.49   | RC<br>F10          | February 2006       | 0.23            |
|  |                         | Abreast Hara                 | 1,563.47   | SRC<br>F11         | February 2000       | 13.34           |
|  |                         | Abreast Hirabari             | 1,867.75   | RC<br>F7           | March 2000          | 13.56           |
| Total of 30 Residential Properties         |                         |                              | 101,251.56 | —                  | Average of 5.2 yrs  | —               |
| Central Urban Retail Properties            | Tokyo Metropolitan Area | Frame Jinnan-zaka            | 6,302.58   | SRC• RC• S<br>B2F7 | March 2005          | 6.20            |
|  |                         | KDX Yoyogi Building          | 1,269.06   | SRC<br>F8          | August 1991         | 9.59            |
|  | Other Regional Areas    | ZARA Tenjin Nishi-dori       | 1,445.02   | S<br>F4            | November 2005       | 0.70            |
| Total of 3 Central Urban Retail Properties |                         |                              | 9,016.66   | —                  | Average of 4.0 yrs  | —               |
| Total of 72 properties                     |                         |                              | 363,695.45 | —                  | Average of 13.6 yrs | 7.15<br>(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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