

Kenedix Realty Investment Corporation

6th Period Results (ending April 2008)

June 12, 2008

Kenedix REIT Management, Inc.

<http://www.kdx-reit.com/eng/>



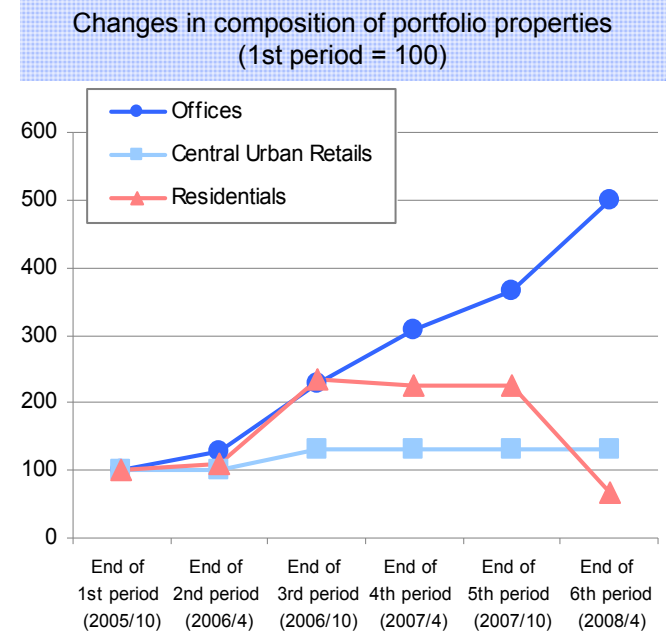
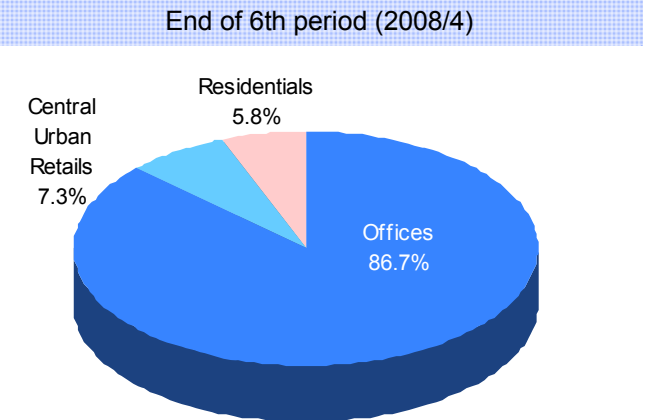
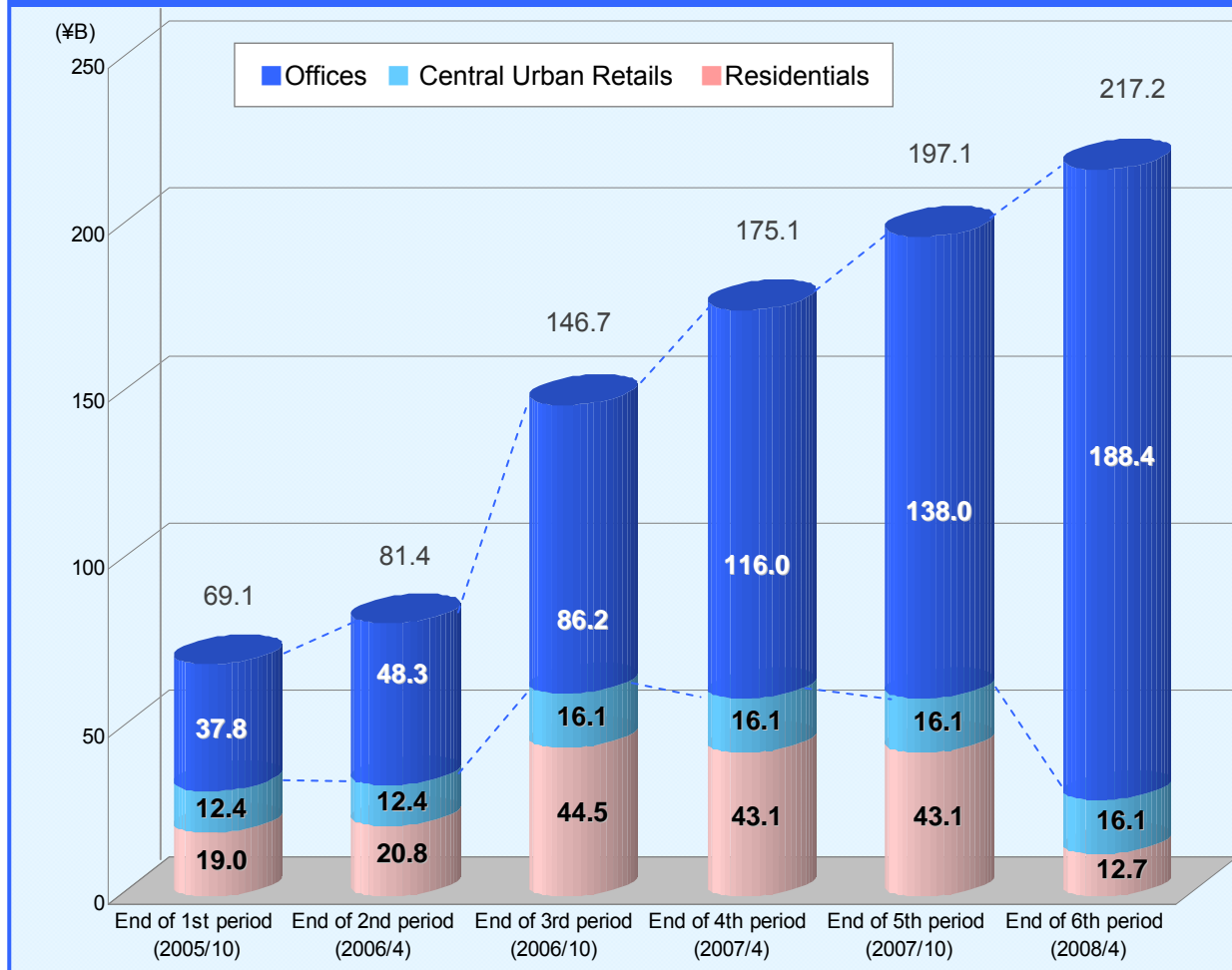
SECTION 1

Stronger Focus on Office Buildings



Increase in asset scale focused on office buildings

Acquisition of office buildings worth about ¥50B a year

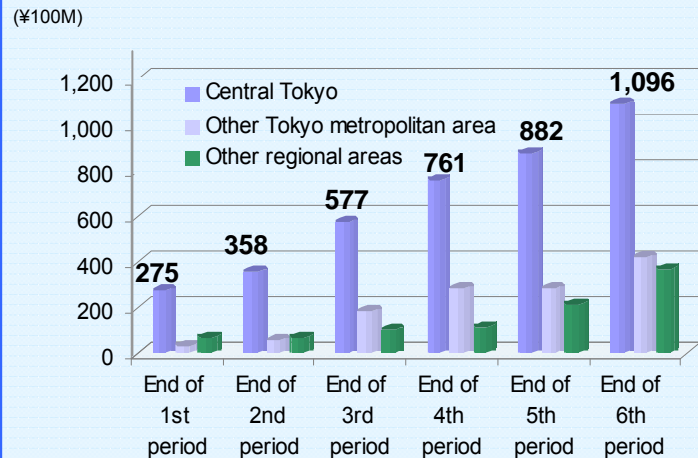


Note: The figures at the end of the 6th period includes the acquisition price of building planned to be acquired of Sakae 4-chome Office Building (Tentative Name) (¥4,325M)

Overview of office buildings portfolio (end of 6th period)

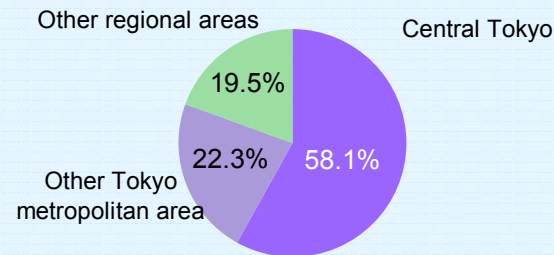
Increasing focus on mid-sized office buildings in Tokyo metropolitan area

Geographical distribution of assets



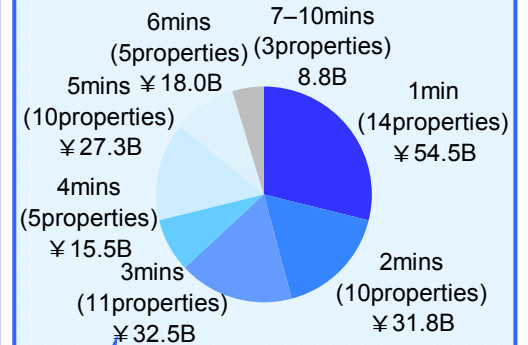
Note: Central Tokyo: Chiyoda, Chuo, Minato, Shibuya, Shinjuku

Geographical composition of portfolio assets



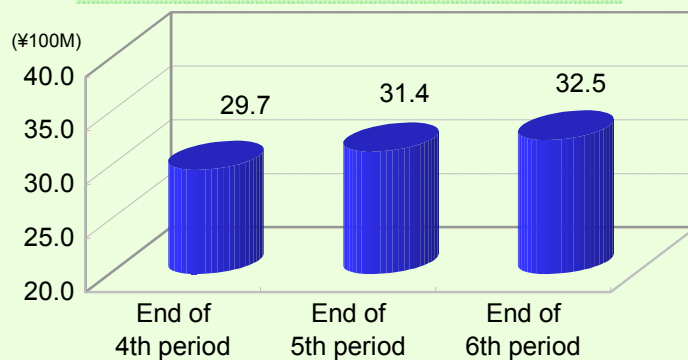
Tokyo Metropolitan Area accounts for 80.4%

Distance on foot from the nearest train station

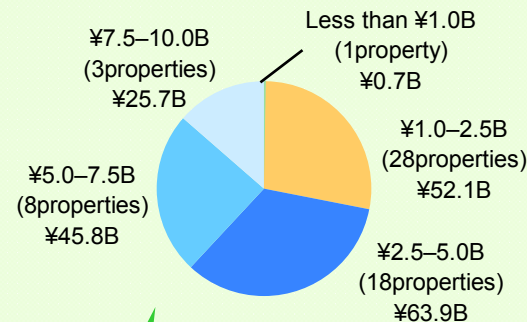


**Within 3 mins: 63.0%,
Within 6 mins: 95.3%**

Changes in average acquisition prices

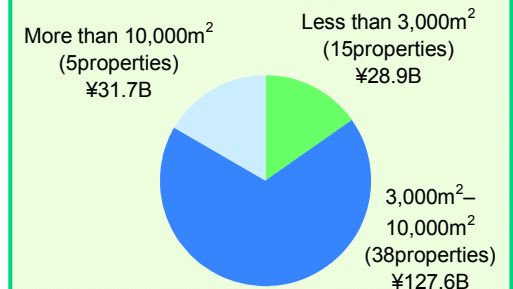


Composition of portfolio assets by asset value



¥2.5B-¥7.5B accounts for 58.2%

Composition of portfolio assets by total floor area



3,000m²-10,000m² accounts for 67.7%

Note: The figures at the end of the 6th period includes the acquisition price of building planned to be acquired of Sakae 4-chome Office Building (Tentative Name) (¥4,325M)

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Office buildings acquired (including planned acquisitions in 7th period)

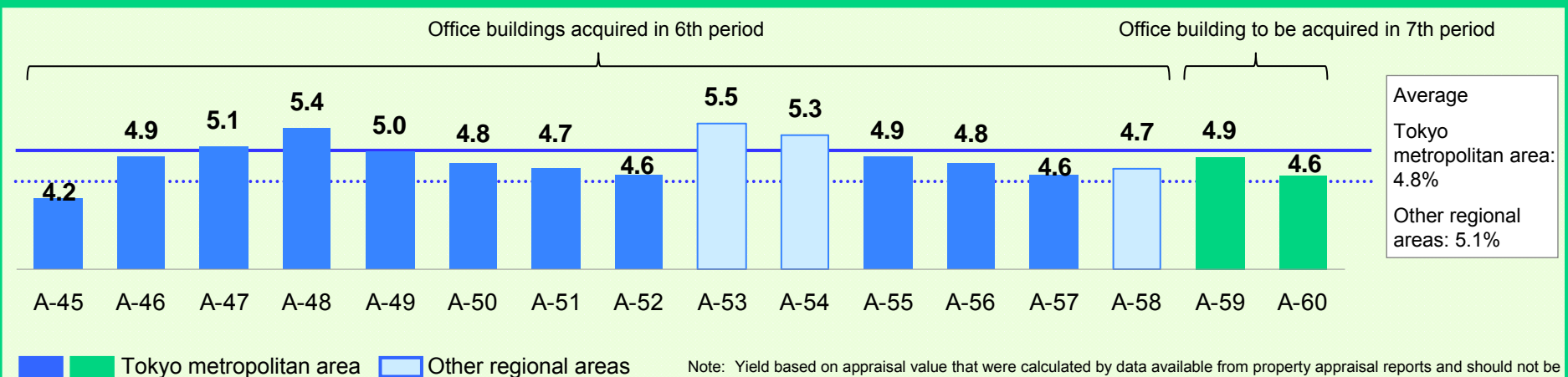
Acquisition of 16 office buildings (¥58.2B) in 6 months

■ Tokyo metropolitan area ■ Other regional areas

Office buildings acquired in 6th period



Appraisal-value based yields for properties acquired in 6th period and to be acquired in 7th period



Office development projects: Sakae 4-chome Office Building (Tentative Name)

Proactive involvement in development projects has allowed the company to secure high-quality new properties

Sakae 4-chome Office Building (Tentative Name)

Image



◆ Location	: 4-chome Sakae, Naka-ku, Nagoya-shi	◆ Structure	: S (portion RC)
◆ Site area	: 1,192.22m ²	◆ Number of stories	: F11
◆ GFA	: 10,848.45m ² (planned)	◆ Acquisition price	: Land ¥ 4,000M Building ¥ 4,325M (planned)
◆ Planned completion	: June 2009 (planned)	◆ Land acquisition date	: April 25, 2008
		◆ Building acquisition date	: July 1, 2009 (planned)



- ◆ Location
 - 3 minutes' on foot from "Sakae" Station on Subway Higashiyama Line, Meijo Line and Meitetsu Seto Line
 - The building facing "Hirokoji-dori," one of the main streets in Nagoya City, with an approx. 40m frontage

- ◆ Building
 - Typical floor area of about 200 tsubo
 - A ceiling height of approx. 2.8m, OA floors (100mm), HVAC (eliminating the need for additional heaters/air conditioners), electric blinds, full-height glass windows, a security system using non-contact IC cards
 - **Rooftop garden**, to realize a high level of **environmental design**
 - **Seismic isolation structure** to deal with earthquake risks
 - **A new office building constructed by Takenaka Corporation**
 - ◆ Leasing activities
 - The asset manager for this property will lead the activities ahead of the completion of the construction
 - **Fixed rents** will be received from the seller based on a master lease contract concluded with the seller upon acquisition of the building
- Outline of the master lease contract with guaranteed fixed rent
 Term: 1 year from July 2009 (when the building is acquired)
 Guaranteed rents: ¥35,000/tsubo per month for retail floors
 ¥18,000/tsubo per month for office floors

Office development projects of Kenedix, Inc.: KDX Harumi Building

Investment in high-quality new properties by utilizing the first refusal right on properties developed by Kenedix Group

KDX Harumi Building



◆ Location	: Harumi 3-chome, Chuo-ku, Tokyo	◆ Structure	: S・SRC
◆ Site area	: 2,230.69 m ²	◆ Number of stories	: B1 F11
◆ GFA	: 12,694.32 m ²	◆ Acquisition price	: ¥10,250M
◆ Completion	: February 2008	◆ Acquisition date	: June 30, 2008



- ◆ Location
 - 9 minutes' on foot from "Kachidoki" Station on Toei Oedo Line
 - Harumi Area is one of the new office areas in Tokyo bayside district
 - The area is being transformed into a complex urban area (combining business, commercial and residential areas) through district planning

- ◆ Building
 - A new office building designed and constructed by Shimizu Corporation
 - A typical office floor area of approx. 261 tsubo
 - A ceiling height of approx. 2.8m, OA floors (100mm), grid system ceiling, HVAC (eliminating the need for additional heaters/air conditioners), electric blinds, a security system using IC cards, etc.
 - Damping structure with seismic dampers allocated

- ◆ Leasing activities
 - The Investment Corporation will conclude a master lease contract, **with partially guaranteed fixed rent**, with Kenedix, Inc. for 1 year from the acquisition date

Outline of the master lease contract with partially guaranteed fixed rent

- Term of contract: 1 year from June 30, 2008
- Vacant portion by end-tenants: guaranteed fixed rents (*)

* Office floors (6 – 11F):	¥18,000/tsubo per month
Retail floor (1F):	¥15,000/tsubo per month

Focusing on mid-sized office buildings

Increasing focus on mid-sized office buildings including replacement of the portfolio assets

Strategy

Increasingly focus on “mid-sized office buildings in Tokyo Metropolitan Area”
(including asset reshuffle with respect to type, area, size and age)

Sale of 23 residential properties by the cross-deal

February 1, 2008

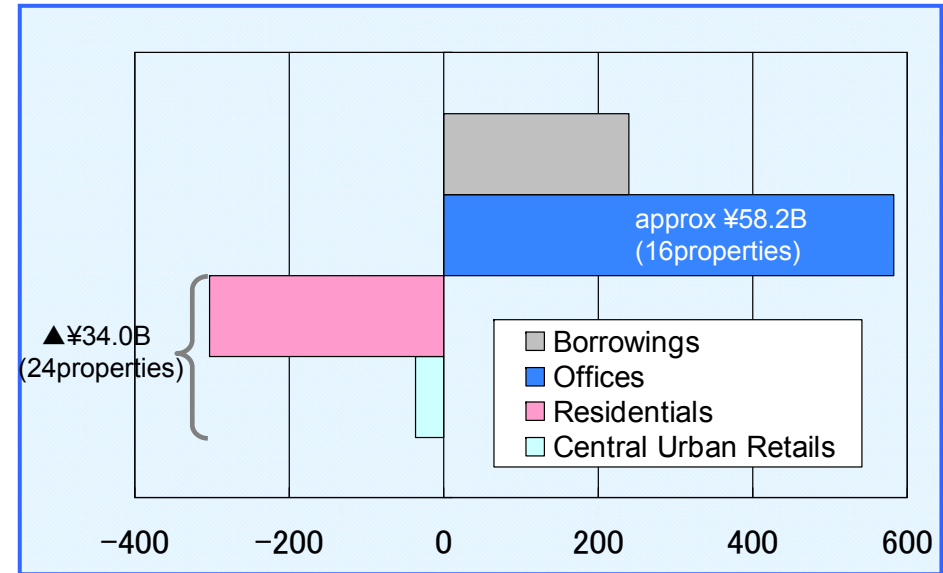
	Disposal	Acquisition
Type	Residentials	Offices
# of properties	23 properties	9 properties
Tokyo metropolitan area	16 properties	7 properties
Other regional areas	7 properties	2 properties
(Initial) acquisition price	¥30.34B	¥31.98B
Average acquisition price	¥1.32B	¥3.55B

Sale of ZARA Tenjin Nishi-dori

June 2008

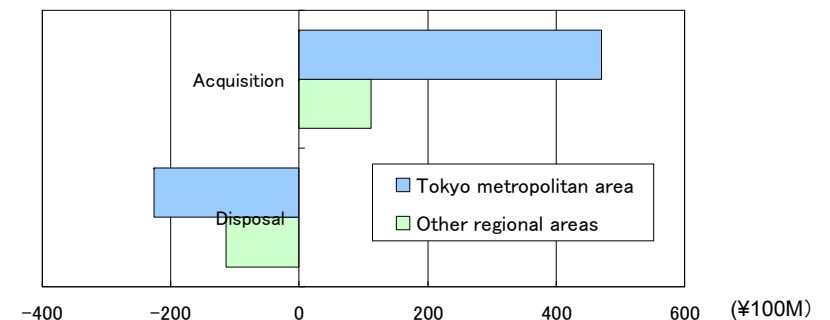
	Disposal	(Reference) Acquisition
Property name	ZARA Tenjin Nishi-dori	(Reference) KDX Harumi Building
Type	Urban retails	Office
Area	Other regional areas	Tokyo metropolitan area
(Initial) acquisition price	¥3.68B	¥10.25B
Year Build	Nov. 2005	Feb. 2008

(Reference) Amounts of properties acquired/disposed and funds raised Nov. 2007 – Jun. 2008



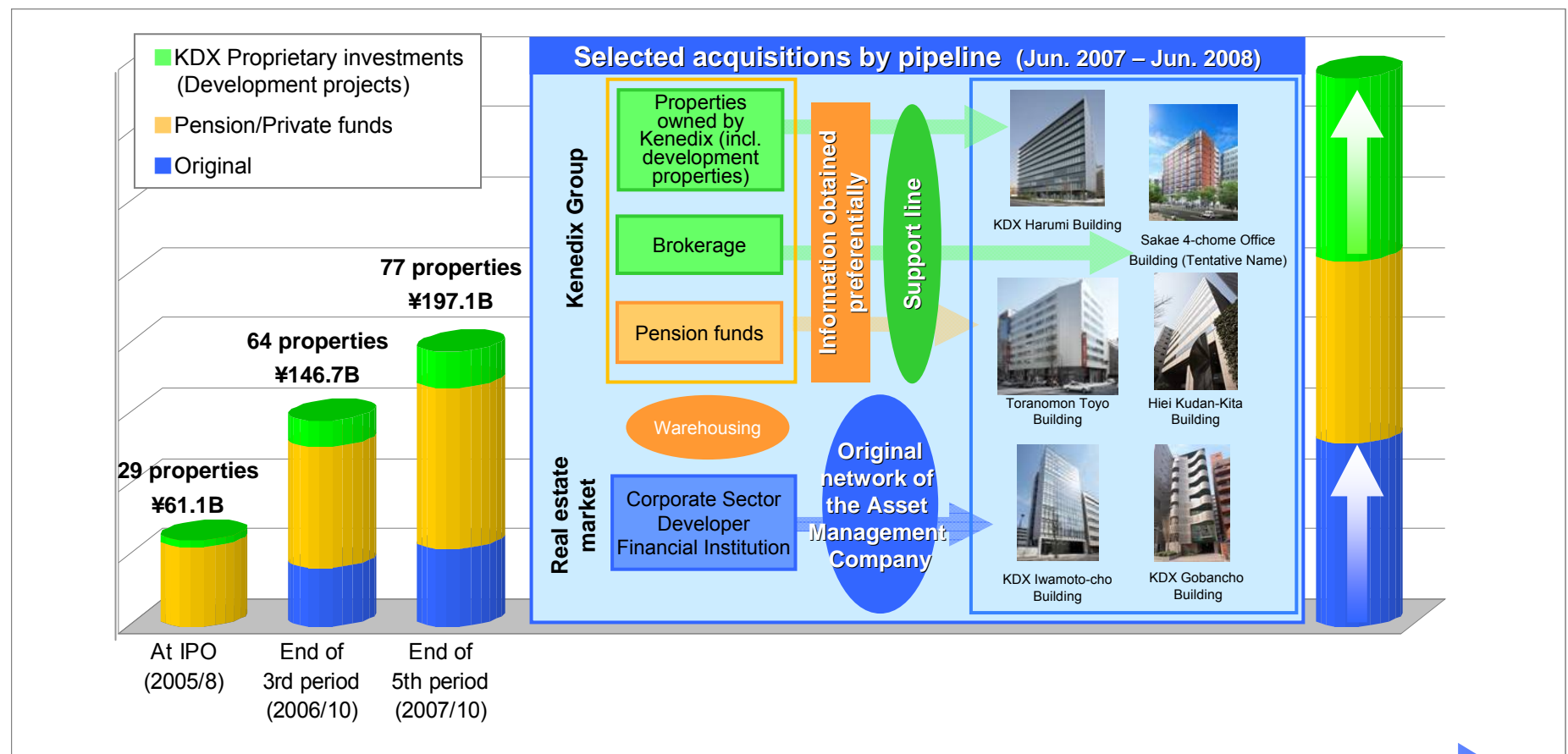
Note: Borrowings includes ¥24.5B for acquisition of new properties.
Office Building does not include the (not yet acquired) building portion of Sakae 4-chome Office Building (Tentative Name).

(Reference) Property acquisition/disposition (by region) Nov. 2007–Jun. 2008



Asset size expansion and future growth (acquisition by pipeline)

Aiming to be No.1 REIT specializing in mid-sized office buildings by asset size worth about ¥ 400B consisting primarily of mid-sized office buildings



Growth performance by pipeline

Future vision

SECTION 2

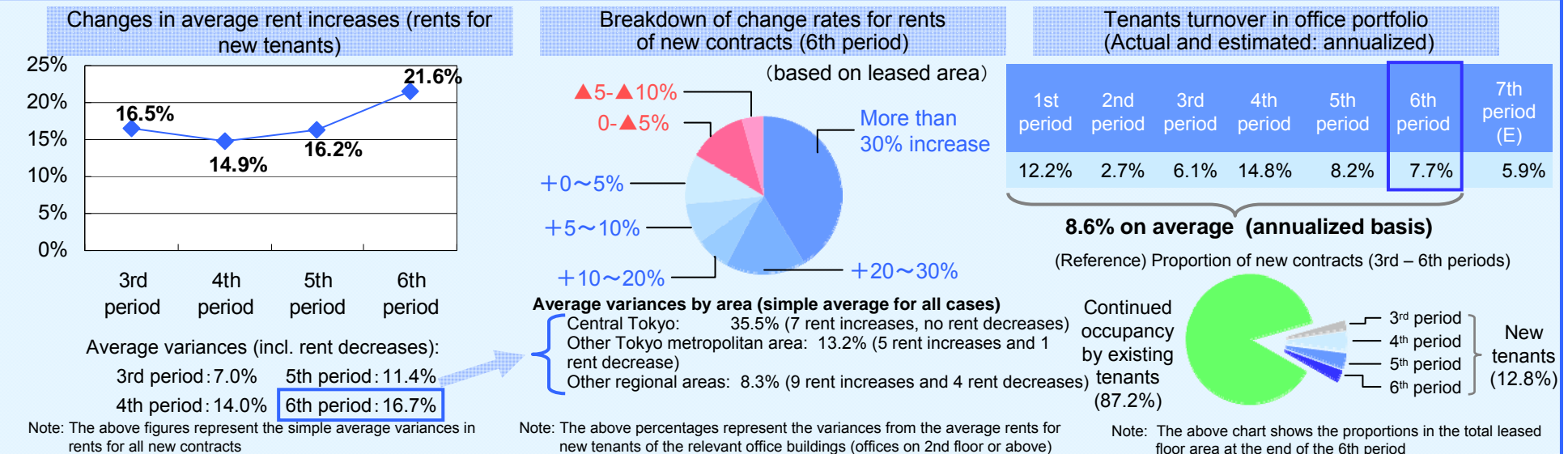
Management of Existing Properties



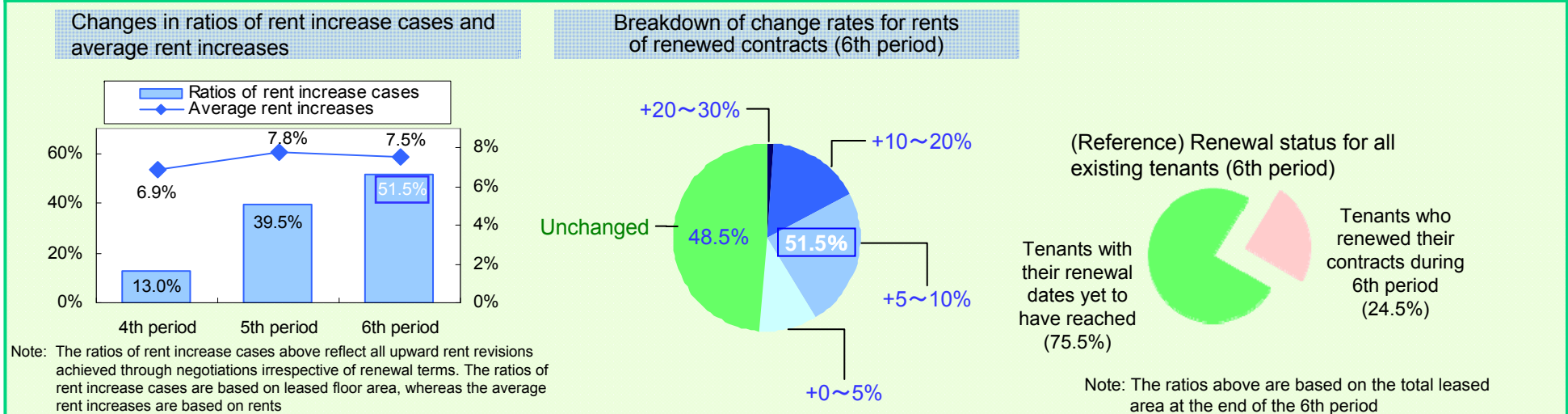
Management of existing properties

—track record for increasing the rent level of office buildings

Track record for increasing the rent level for new contracts



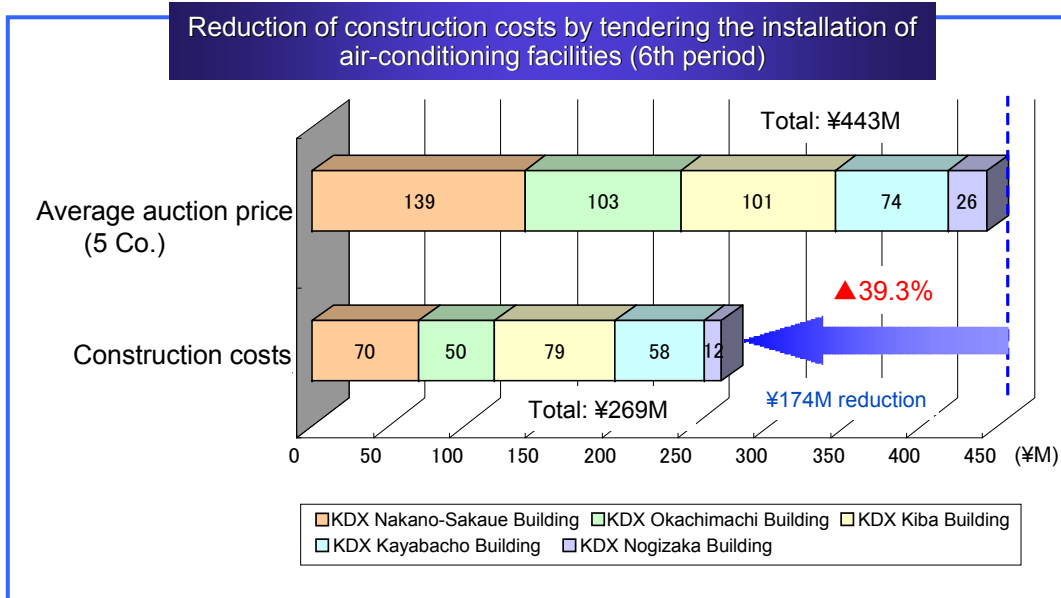
Track record for increasing the rent level for renewed contracts



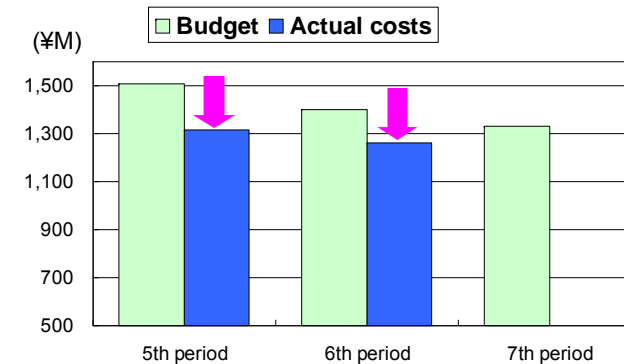
Management of existing properties

—Cost reduction effect by the scale of portfolio

Cost reduction effect by the scale of portfolio investing primarily in mid-sized office buildings

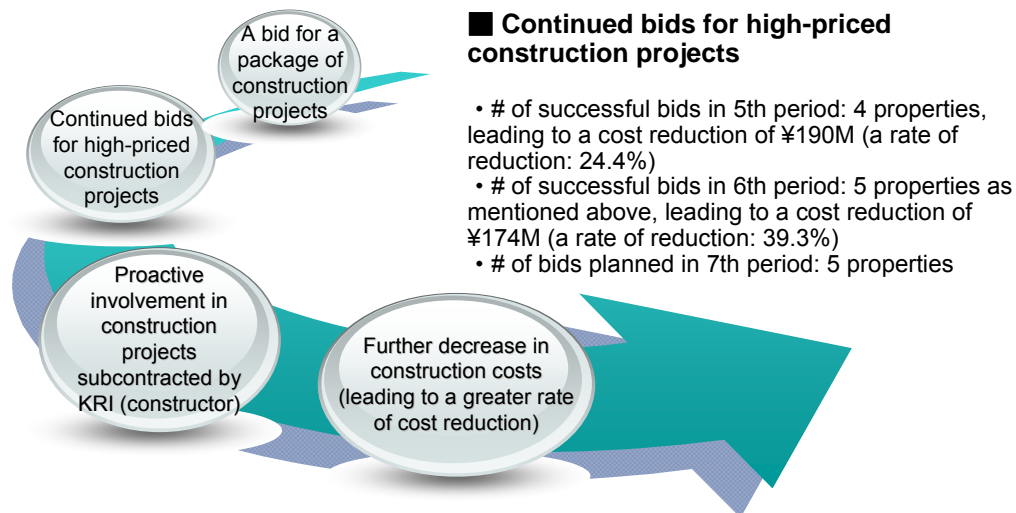


Changes in budgets and actual costs for constructions



Notes:

- 1 A budget for construction consists of the budget estimated at beginning of period in the operation/management plan purposes + the amount of budget for additional construction projects acquired during the current period
- 2 The actual construction costs consist of construction costs publicly announced (Capex + repairs and maintenance costs, excluding the construction management fees)



Cost reductions achieved for real-estate rental business

Reduction in building management costs

Of 57 office buildings, 36 offices have succeeded in reducing BM costs
→ about ¥132M reduced (on an annualized basis)

Reduction in electricity bills

Of 57 office buildings, 32 offices have purchased electricity in bulk bloc
→ about ¥12M reduced (on an annualized and estimated basis)

Future management policies

Considering group management by collective building management company

Aiming to improve the quality and service level of management

Management of existing properties

—CS (Customer satisfaction) strategy based management

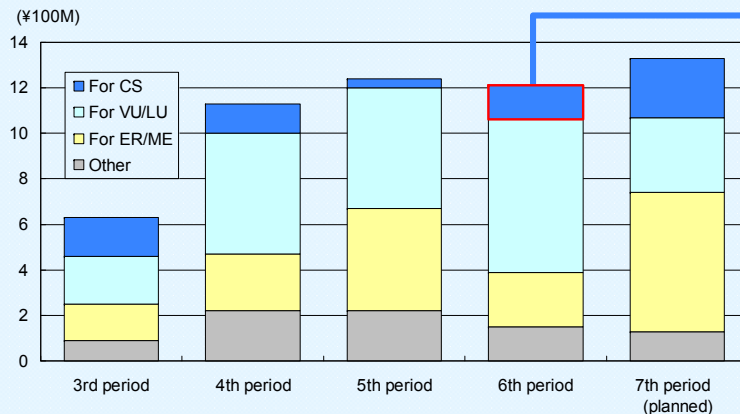
CS survey = Survey on Customer Satisfaction

- Survey to **customers = tenants** (Admin Dpt. staff and employees of tenants) conducted through cooperation with J. D. Power Asia Pacific

	1st survey	2nd survey
Time for the survey	Dec. 2005 (2nd period)	Jul. 2007 (5th period)
# of target properties*	20	44
Survey Population	Admin Dpt. 190 Employees 950	Admin Dpt. 446 Employees 2,348
Response rate	Admin Dpt. 84% Employees 78%	Admin Dpt. 88% Employees 81%

Note: includes 1 urban retail property

Trends in actual construction works by purpose



For CS: to meet comprehensive requests based on CS survey as well as to meet direct requests from tenants

For VU/LU etc.: construction works for improving value and/or increasing occupancy (incl. conversions)

For ER/ME etc.: to meet requirements on engineering reports or for maintenance

Other: construction works to comply with KDX standard or others

Note: The data above has been compiled by the Investment Corporation from the actual construction works done in accordance with the operation/management plans

(Reference)

Case study of CS oriented renovation works

Property name	CS results		Outline of main construction works for improvement of Customer Satisfaction (CS) (6th period)
	Admin Dpt.	Employees	
KDX Nihonbashi 313 Building	△	○	Drain pipe odor control; Overhaul of ventilation duct on the roof
KDX Hirakawacho Building	△	○	Addition of air conditioners to the elevator hall on the first basement floor; cleaning of ventilation ducts on each floor
Higashi-Kayabacho Yuraku Building	△	○	Installation of hand dryers to each rest room (3F-9F)
KDX Hatchobori Building	△	○	Overhaul of poorly ventilated toilets
KDX Nakano-Sakaue Building	△	△	Renovation of common areas (6F - 10F) for the 6th period
Kanda Kihara Building	△	△	Installation of automatic cleaning systems for restrooms for men
KDX Funabashi Building	△	○	Renovation of common areas
KDX Kayabacho Building	△	△	Replacement of air fans for restrooms on the 3F and 7F floors
KDX Kajicho Building	△	○	Installation of Shielding to jalousie doors on the elevator halls on each floor; repair interiors deteriorated with condensation on the 6F floor
KDX Monzen-Nakacho Building	○	△	Installation of roll screens on windows in rest rooms; installation of hand dryers
KDX Okachimachi Building	▲	▲	Installation of slip resistance to outdoor staircases
KDX Toranomom Toyo Building	△	△	Installation of hand dryers to rest rooms for men and women on B1 and 4F-9F
Karasuma Building	○	△	Renewal of mixing faucets in the kitchens on each floor; installation of hand dryers for rest rooms on 1F-7F; installation of doors to rest rooms; improvement for eliminating congestion on the elevator halls
KDX Minami Semba Dai-1 Building	○	○	Addition and upgrade of a board showing tenants at the entrance
Hakata-Ekimae Dai-2 Building	○	△	Installation of safety thumb turns to private areas
KDX Hakata Building	○	○	Building of an unmanned multilevel parking; renovation of rest rooms; installation of safety thumb turns in private areas

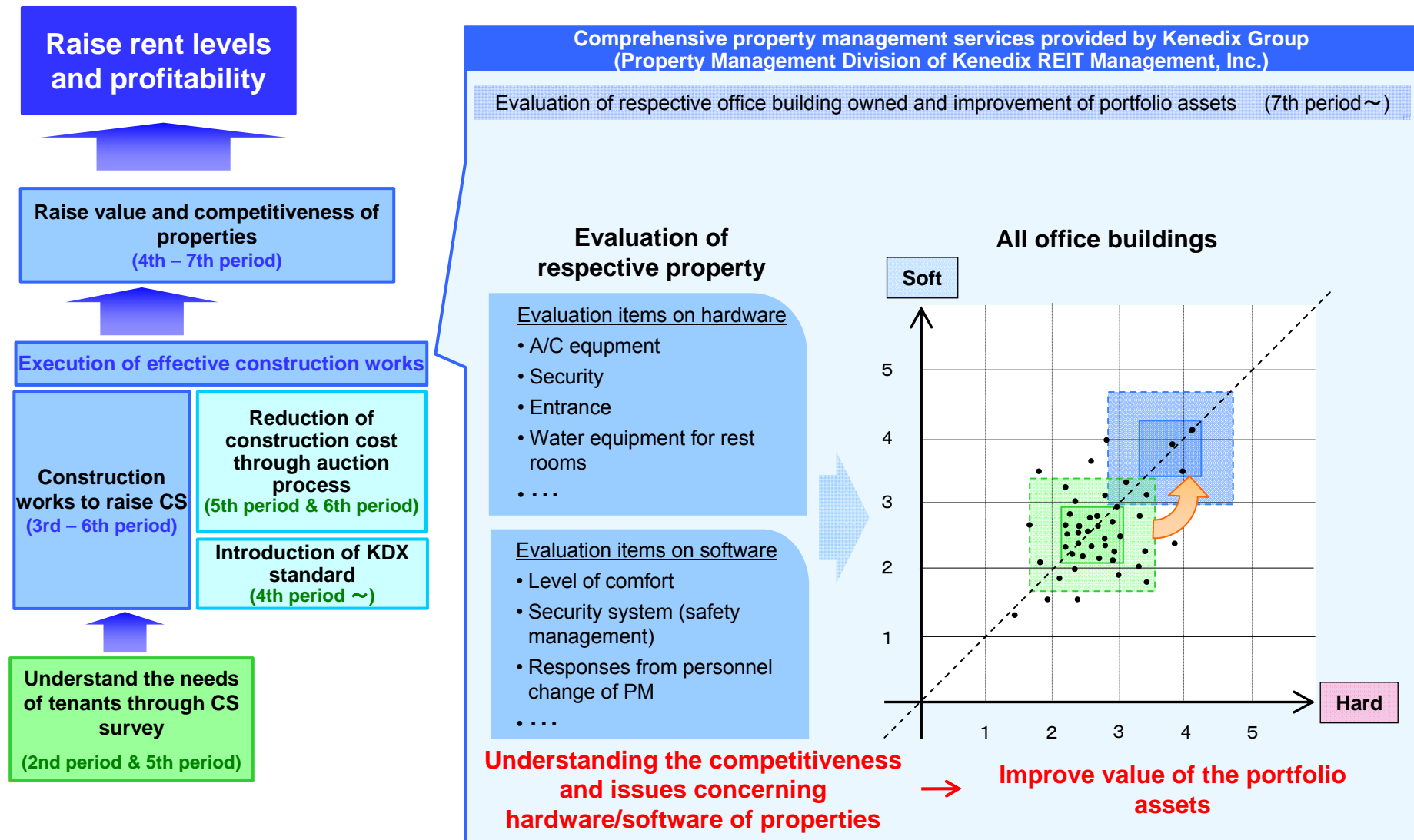
* Total satisfaction rating based on CS survey (general CSI), Total 1,000 points

○ 700 points or over

△ 600 points to less than 700 points

▲ 500 points to less than 600 points

Improving value/competitiveness of office buildings owned through centralized property management



SECTION 3

Financial Strategies



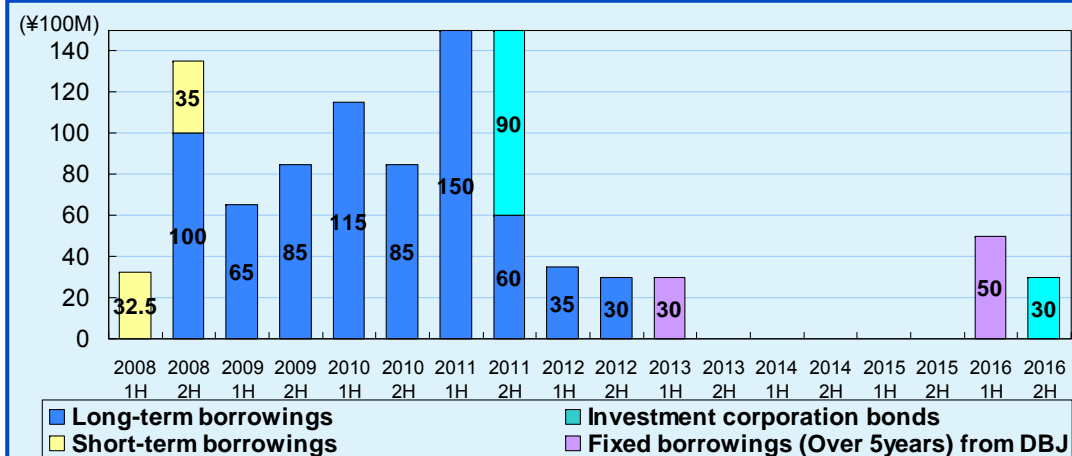
Stable Financial Strategy—

Diversified maturities and Fixed debt interest rates

Diversify debt maturity

Debt-financing with an emphasis on diversifying repayments

Amount of debt maturing in each year (as of the end of August 1, 2008)



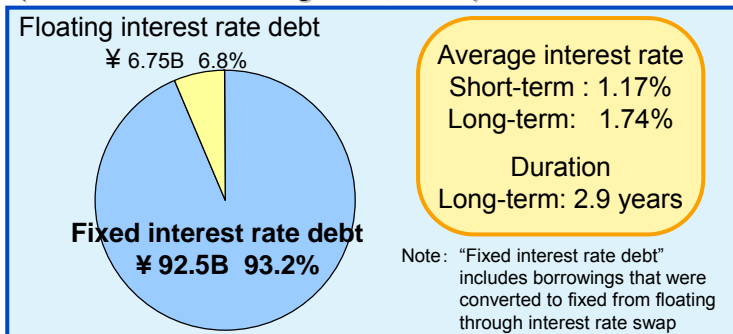
Notes:

- Shows the amounts of debt maturing in each half
- 1H is from Apr. 1 to Sep. 30, 2H is from Oct. 1 to Mar. 31 of the following year and not identical with the fiscal period of the Investment Corporation (e.g. 2008, 1H is from Apr. 1, 2008 to Sep. 30, 2008)

Fixed debt interest rates

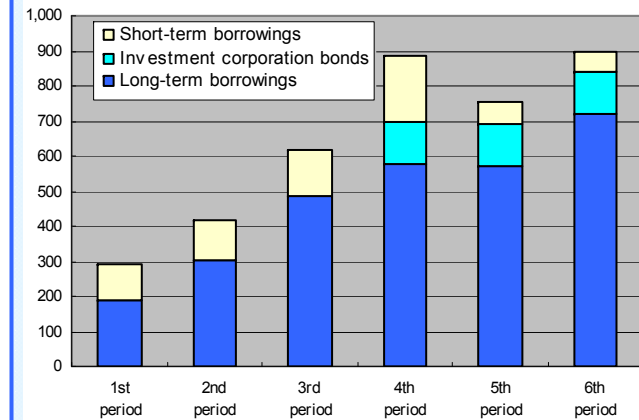
Conservative policy centered on borrowings at a fixed interest rate

Proportion of loans at fixed interest rate* vs. variable interest rates (as of the end of August 1, 2008)

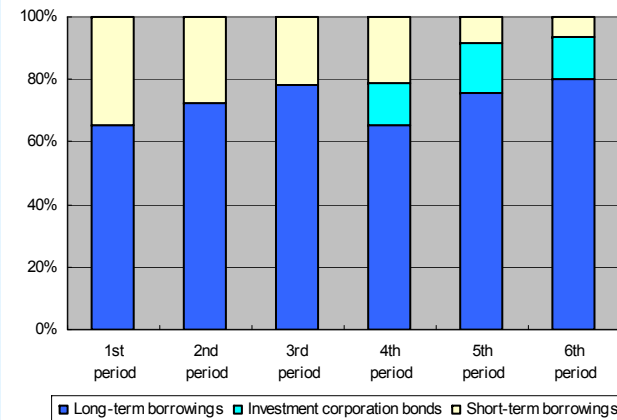


Amounts of interest-bearing debts

Changes in outstanding balances



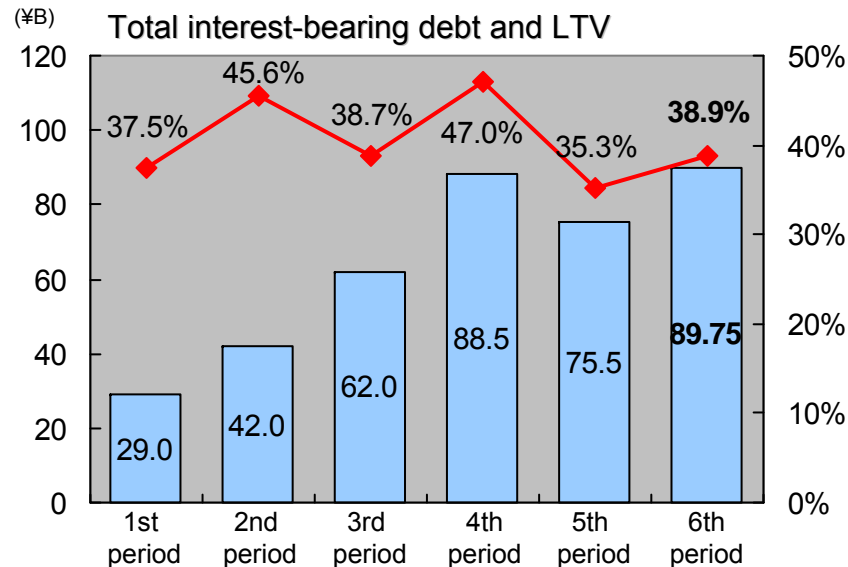
Changes in ratios



Stable financing strategy—Diversified financing methods

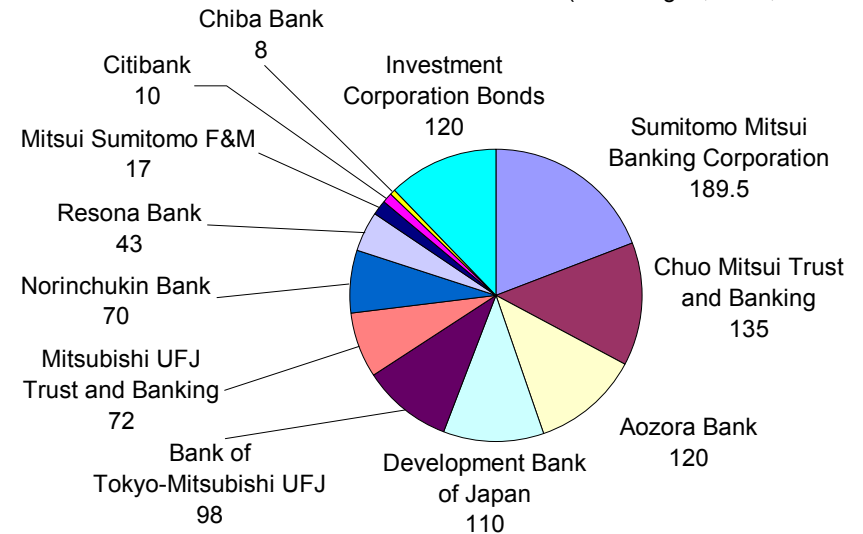
Changes in LTV

Conservative interest-bearing debt ratio (kept within the mid 30% to c. 50% range)



Breakdown of debt providers

(as of Aug. 1, 2008, ¥100M)



Credit rating and issuance of investment corporation bonds

Credit rating

Rating agency	Rating	Rating acquired
Moody's	A3 (stable)	Feb. 2006
Japan Credit Rating Agency (JCR)	A+ (stable)	Dec. 2006

Investment Corporation Bonds

Name	Size	Interest rate	Maturity	Payment date
1st Bond	¥9B	1.74%	5 yrs.	Mar. 15, 2007
2nd Bond	¥3B	2.37%	10yrs.	Mar. 15, 2007

The only example of 10-year bonds by a single-A rated J-REIT

Commitment Line

Lender	Amount	Duration
Bank of Tokyo-Mitsubishi UFJ	¥2.5B	2008/3/21-2009/3/19
Citibank	¥2.5B	2008/1/11-2009/1/8

Secured diversified financing methods

Outline of shelf registration

Type	Assumed size	Assumed issuance
Investment Corporation Bond	¥100B	2 years from Feb. 15, 2007
Investment unit certificate	¥100B	2 years from May 7, 2007

SECTION 4

Appendix



6th period financial results—performance highlights

Performance						
(¥M)	3rd period results (to Oct. 2006)	4th period results (to Apr. 2007)	5th period results (to Oct. 2007)	6th period results (to Apr. 2008)	Difference of 5th & 6th period	Notes
Operating revenues	5,288	5,778	7,208	8,582	1,374	(Reference) ¥7,630M if the profit on disposal of real estate deducted
Disposal income	157	130	-	512	+512	Breakdown of the profit/loss from sale of 23 residentials: profit of ¥952M and loss of ¥439M
Rental business profit	2,734	3,040	4,002	4,182	+180	-
Depreciation	1,135	1,243	1,392	1,430	+38	-
Net operating income (NOI)	3,869	4,283	5,394	5,612	+218	Net Operating Income: Rental revenues – Property-related expenses + Depreciation
FFO (Funds from operation)	3,102	3,261	4,184	4,259	+75	Net income + Depreciation – Profit/Loss on sale of real estate
Net income	2,124	2,148	2,792	3,342	+550	(Reference) ¥2,829M if the profit on disposal of real estate deducted
Number of units outstanding	157,000units	157,000units	200,000units	200,000units	0	No new issue
FFO per unit	¥19,759	¥20,772	¥20,920	¥21,297	+¥377	Increase for each period since 3rd period
Distribution per unit	¥13, 529	¥13, 682	¥13, 960	¥16,711	+¥2,753	(Reference) ¥14,100 if the profit/loss on disposal of real estate deducted

Financial ratio						
	3rd period results (to Oct. 2006)	4th period results (to Apr. 2007)	5th period results (to Oct. 2007)	6th period results (to Apr. 2008)	Difference of 5th & 6th period	Notes
Total assets	160,314	188,400	213,763	230,520	+ 16,756	Approx. 7.6% increase
Total unitholders' equity	90,933	90,877	127,761	128,314	+ 552	-
Total unitholders' equity per unit	¥ 579,192	¥ 578,839	¥ 638,809	¥ 641,570	+¥ 2,761	Net asset value after distribution adjustment: ¥624,859
Interest-bearing debt ratio	38.7%	47.0%	35.3%	38.9%	+3.6%	Increase due to acquisition of new properties
Unitholders' equity to total assets	56.7%	48.2%	59.8%	55.7%	▲4.1%	-
Number of properties	64	72	77	68	▲9	+ 14 offices (including Sakae 4-chome Office Building (Tentative Name)) and ▲23 residentials
Total leasable floor area	192,085.34m ²	223,322.77m ²	248,653.07m ²	248,625.52m ²	▲27.55m ²	+ 48,666.2m ² for office buildings, not including Sakae 4-chome Office Building (Tentative Name))
Occupancy ratio	95.3%	95.9%	96.9%	95.9%	▲1.0%	95.8% for offices, 98.7% for central urban retails, 95.4% for residentials

7th period earnings forecasts

Operating forecasts for 7th period (to October 2008)

(¥M)	6th period forecasts (announced on Oct. 26, 2007)	6th period results (to Apr. 2008)	7th period forecasts (to Oct. 2008)	Notes
Operating revenues	7,377	8,582	8,174	6th period results include ¥952M, the gain on disposal of residentials
Operating expenses	3,876	4,517	4,254	6th period results include ¥439M, the loss on disposal of residentials
Property-related expenses (excl. depreciation)	1,849	2,017	2,166	-
Depreciation	1,418	1,430	1,449	-
Operating income	3,501	4,065	3,919	6th period results include ¥ 512M, the gain on disposal of residentials
Non-operating expenses	682	730	924	-
Interest expense	582	618	822	Increase of Interest-bearing debt (+¥12B from 6th period)
Ordinary income	2,828	3,343	3,003	-
Net income	2,827	3,342	3,002	-
Number of units outstanding	200,000	200,000	200,000	-
Distribution per unit	¥14,100	¥ 16,711	¥ 15,000	(Reference) Approx. ¥ 14,100 when deducting the gain/loss of real estate
NOI (Rental revenues – Property-related expenses + Depreciation)	5,528	5,612	6,008	+¥395M, increase of rental operating income
FFO (Net income + Depreciation – Gain/Loss on disposal of real estate)	4,100	4,259	4,451	+¥192M, no influence with disposal of properties
(Reference) Gain/Loss on disposal of real estate	-	512	-	Gain/Loss on disposal of 23 residentials
(Reference) Changes in the number of properties	77	77→68	70	Acquisition of KDX Iwamoto-cho Building and KDX Harumi Building (to be acquired)

[Reference] Preconditions of 7th period forecasts

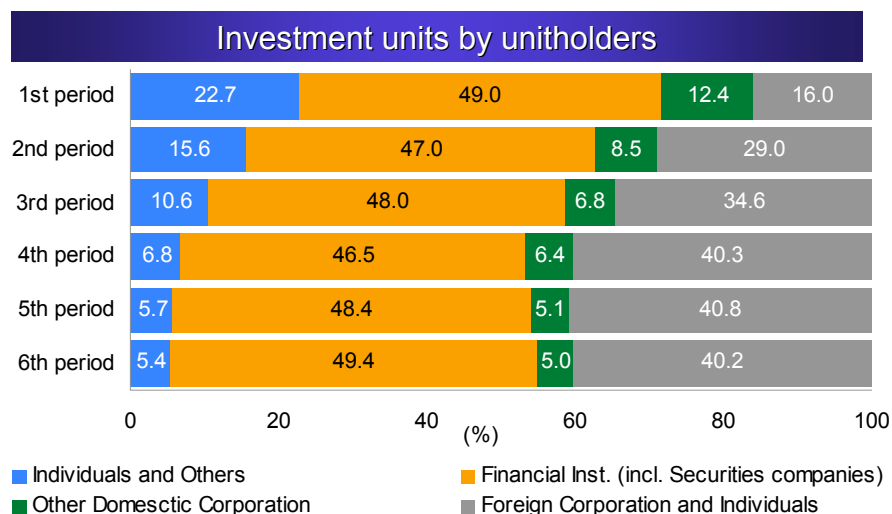
Funds for acquisition of KDX Harumi Building from borrowings and cash on hand

As of the end of period, interest-bearing debt is expected to reach approx. ¥ 101.7B, with interest-bearing debt ratio of approx. 42%

Preconditions of 8th period forecasts

The estimated amount of property tax and city planning tax on 60 office buildings: + ¥98M from 7th period

KRI unitholders



Top 10 unitholders (as of April 30, 2008)

Name	# of units held (unit)	(%)
Japan Trustee Services Bank, Ltd. (Trust Acct.)	17,069	8.53%
Trust & Custody Services Bank, Ltd. (Securities Investment Trust Acct.)	15,224	7.61%
NikkoCiti Trust and Banking Co., Ltd. (Investment Trust Acct.)	14,797	7.39%
The Master Trust Bank of Japan, Ltd. (Trust Acct.)	14,450	7.22%
The Nomura Trust and Banking Co., Ltd. (Investment Trust Acct.)	10,694	5.34%
State Street Bank and Trust Company	9,094	4.54%
Kenedix, Inc.	7,850	3.92%
Goldman Sachs International	7,040	3.52%
The Bank of New York, Treaty JASDEC Account	5,619	2.80%
UBS AG London Asia Equities	3,406	1.70%
JPMC Goldman Sachs Trust JASDEC Lending Account	3,406	1.70%
TOTAL	108,649	54.32%

Note: Second decimal place omitted for ratios

Type of unitholders (as of April 30, 2008)

	# of unitholder	(%)	# of units held (unit)	(%)
Individual and Others	5,014	93.1%	10,855	5.4%
Financial Inst. (Incl. Securities companies)	104	1.9%	98,863	49.4%
Other Domestic Corporation	100	1.9%	9,968	5.0%
Foreign Corporation and Individuals	170	3.2%	80,314	40.2%
Total	5,388	100.0%	200,000	100.0%

Note: Second decimal place omitted for ratios

(Reference) Reporting of major unitholders

	Submitted on	# of units held (unit)	Ratio (%)
Nomura Securities Co., Ltd	2008/5/2	29,175	14.59%
Nomura Asset Management Co., Ltd.		18,410	9.21%
Nomura Securities Co., Ltd.		10,467	5.23%
Nomura International PLC		298	0.15%
Nikko Asset Management Co., Ltd.	2007/10/5	15,027	7.51%
Nikko Asset Management Co., Ltd.		14,585	7.29%
Nikko Citigroup Limited		442	0.22%
Cohen & Steers Capital Management Inc.	2008/4/18	10,281	5.14%
Cohen & Steers Capital Management Inc.		10,224	5.12%
Cohen & Steers Europe SA		37	0.02%
Mizuho Securities Co., Ltd.	2007/7/23	11,258	5.63%
Mizuho Asset Management Co., Ltd.		10,223	5.11%
Mizuho Trust & Banking Co., Ltd.		818	0.41%
Mizuho Securities Co., Ltd.		217	0.11%

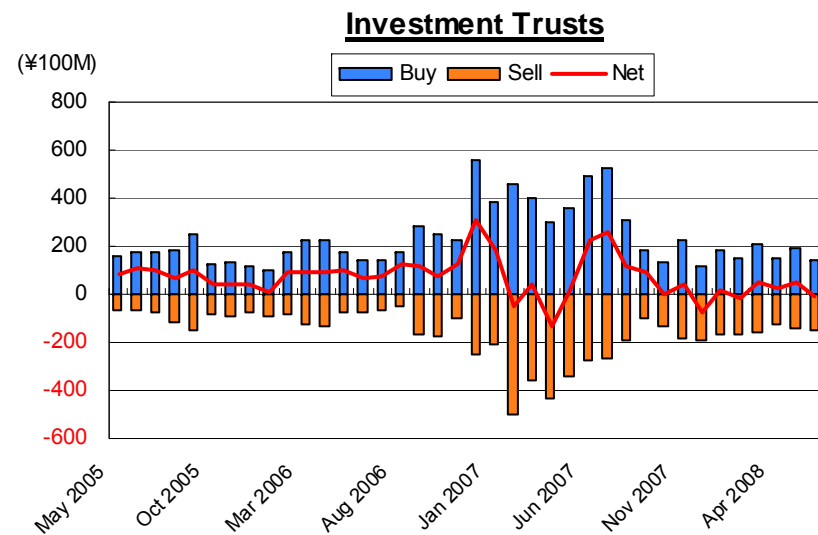
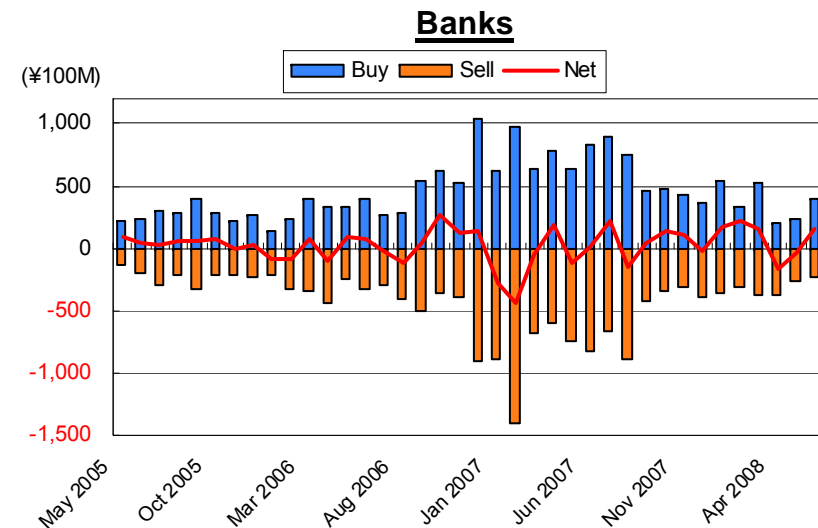
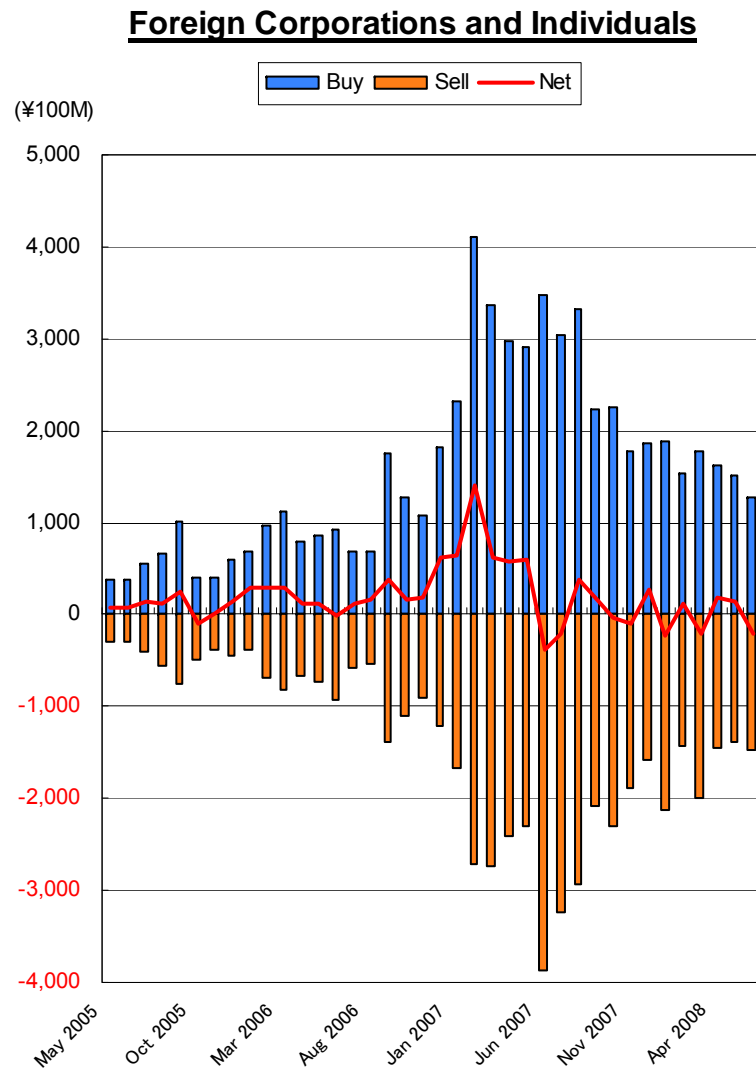
Notes:

1 Reports submitted from May 22, 2007 to May 2, 2008

2 Ratio held of 200,000 units outstanding

J-REITs investment trends by investor category

Trend of trading in J-REIT securities by investors



Source: Tokyo Stock Exchange (as Jun. 2008)

Disclosure and IR activities

Proactively held meetings with investors



(Reference) Number of investor meetings

Domestic institutions	284
Domestic regional financial institutions	113
International investors (Europe)	106
International investors (US)	118
International investors (other)	108
TOTAL	729

Note:

1 From Jun. 21, 2005 to Apr. 30, 2008
(including conference calls)

Domestic institutions	33
Domestic regional financial institutions	22
International investors (Europe)	13
International investors (US)	29
International investors (other)	11
TOTAL	108

Note:

1 From Nov. 1, 2007 to Apr. 30, 2008

Complete renewal of company website

Active information disclosure through our company website

■ You can check the portfolio and individual properties from the portfolio list and map. The pages for individual properties are linked with Google map



Ability to sort press release by item



(Reference) Access to KRI website

	(clicks)
Press release	12,439
Portfolio	9,001
Disclosure material	5,685
KDRM site top	5,465
What's New	4,774
Dividends	3,345
Occupancy rate	2,559
English Website	2,297
TOTAL TRAFFIC	45,565

Note:

1 Six-months from Nov. 1, 2007 to Apr. 30, 2008

English

We have renewed our English website in May 2008



Disclosure through English Website

<http://www.kdx-reit.com/eng/>

Asset Management Reports (sent to existing investors)



English Annual Reports



Borrowings

The borrowings as of Aug. 1, 2008

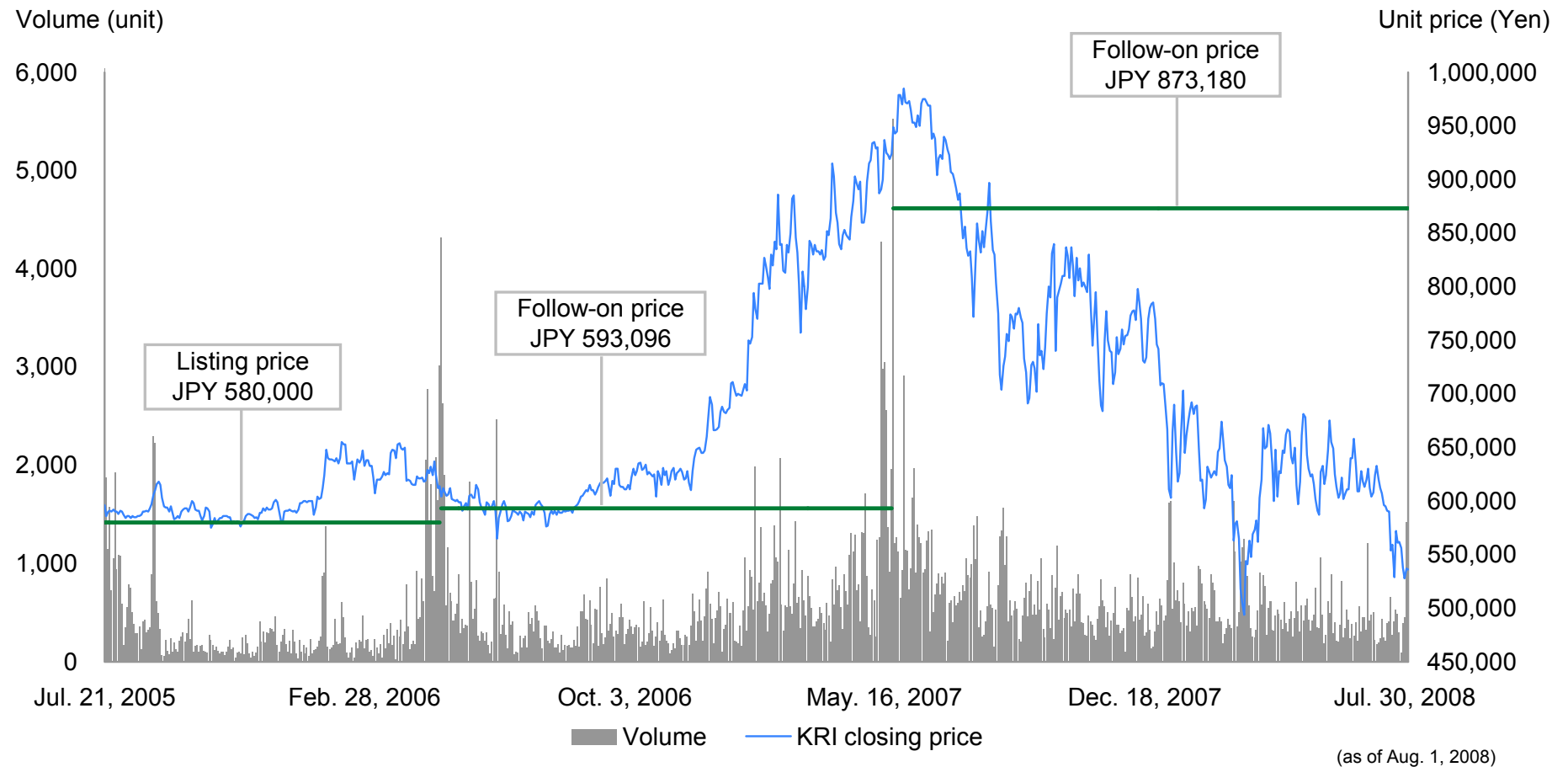
Classification	Lender	Balance (¥M)	Interest rate (%)	Drawdown date	Repayment date
Short-term Borrowings	The Chuo Mitsui Trust and Banking Co., Ltd	1,250	1.135	Sep. 20, 2007	Sep. 20, 2008
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,000	1.244	Jun. 30, 2008	Sep. 30, 2008
	Mitsubishi UFJ Trust and Banking Corporation	1,000	1.105	Oct. 31, 2007	Oct. 31, 2008
	Citibank Japan Ltd.	1,000	1.203	May. 1, 2008	Nov. 1, 2008
	The Chuo Mitsui Trust and Banking Co., Ltd	1,000	1.155	Jan. 10, 2008	Jan. 10, 2009
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	500	1.193	Feb. 29, 2008	Feb. 28, 2009
	Total Short-Term Borrowings	6,750			
Current portion of long-term borrowings	The Norinchukin Bank, Resona Bank, Ltd.	3,500	1.090	Nov. 1, 2005	Oct. 31, 2008
	Aozora Bank, Ltd., Resona Bank, Ltd.	2,000	1.098	Dec. 8, 2005	Dec. 7, 2008
	The Chiba Bank, Ltd., Aozora Bank, Ltd., Mitsui Sumitomo Insurance Co.,Ltd	2,000	1.449	Mar. 1, 2006	Feb. 28, 2009
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,500	1.476	Mar. 16, 2006	Mar. 16, 2009
	Aozora Bank, Ltd, The Chuo Mitsui Trust and Banking Co., Ltd, The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd.	6,500	1.629	May. 1, 2006	Apr. 30, 2009
	Total current portion of long-term borrowings	16,500			
Long-term Borrowings	The Chuo Mitsui Trust and Banking Co., Ltd, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd.	9,500	1.288	Aug. 1, 2005	Jul. 31, 2010
	Aozora Bank, Ltd., Mitsui Sumitomo Insurance Co.,Ltd	2,500	2.199	May. 1, 2006	Apr. 30, 2011
	Development Bank of Japan	5,000	2.731		Apr. 30, 2016
	Mitsubishi UFJ Trust and Banking Corporation	1,000	2.149	Jul. 14, 2006	Jul. 13, 2011
	Development Bank of Japan	3,000	2.124	Sep. 1, 2006	Aug. 31, 2013
	The Norinchukin Bank	2,500	1.964	Dec. 1, 2006	Nov. 30, 2011
	Sumitomo Mitsui Banking Corporation	2,000	1.574	Apr. 2, 2007	Apr. 2, 2010
	The Chuo Mitsui Trust and Banking Co., Ltd	2,000	1.875		Apr. 2, 2012
	The Norinchukin Bank	1,500	1.646	Apr. 17, 2007	Apr. 16, 2011
	Sumitomo Mitsui Banking Corporation	2,000	1.339	Oct. 31, 2007	Oct. 31, 2009
	Sumitomo Mitsui Banking Corporation	2,500	1.503	Jan. 10, 2008	Jan. 10, 2012
	Aozora Bank, Ltd.	2,000	1.366	Feb. 29, 2008	Feb. 28, 2011
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,500	1.429		Aug. 31, 2011
	Sumitomo Mitsui Banking Corporation	3,000	1.609		
	The Chuo Mitsui Trust and Banking Co., Ltd	2,000	1.559	Mar. 31, 2008	Sep. 30, 2011
	Sumitomo Mitsui Banking Corporation	1,000	1.563		
	Aozora Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,000	1.463	Apr. 25, 2008	Oct. 25, 2009
	The Chuo Mitsui Trust and Banking Co., Ltd	1,000	1.905	May. 1, 2008	Nov. 1, 2011
	Aozora Bank, Ltd.	1,000	1.987		Feb. 28, 2011
	Resona Bank, Ltd.	1,500	2.150	Jun. 30, 2008	Jun. 30, 2012
	Development Bank of Japan	3,000	2.263		Dec. 28, 2012
	Aozora Bank, Ltd.	2,000	1.867	Jul. 15, 2008	Mar. 31, 2011
	Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation	2,500	1.681		Jan. 31, 2010
	Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Banking Corporation, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	3,500	1.870	Jul. 31, 2008	Jan. 31, 2011
	The Chuo Mitsui Trust and Banking Co., Ltd, Sumitomo Mitsui Banking Corporation, Resona Bank, Ltd.	3,500	1.992		Jul. 31, 2011
	Total Long-Term Borrowings	64,000			
	Total Borrowings	87,250			

Notes:

- All short-term borrowings carry floating interest rates
- Long-term borrowings consist of (1) borrowings with fixed interest rates, (2) borrowings with floating interest rates, using interest rate swaps to minimize the risk of future interest rate increase for (2) the interest rate after the interest rate swap (fixed interest rate) is listed
- All borrowings are repayable in full on maturity
- The interest rates are rounded down to the nearest fourth decimal place

Unit price performance/transaction volume

KRI unit price performance



Portfolio expansion

Portfolio expansion
+
Increase the ratio of office buildings

Income statements

	5th period 2007/5/1–2007/10/31		6th period 2007/11/1–2008/4/30	
	Amount (¥ thousand)	Of operating(%)	Amount (¥ thousand)	Of operating(%)
Rental and other operating revenues	6,334,707		6,770,710	
Rental revenues	5,336,255		5,626,514	
Common area charges	998,452		1,144,195	
Others	873,538		859,754	
Parking space rental revenues	222,255		240,631	
Utility charge reimbursements	476,613		458,128	
Miscellaneous	174,669		160,994	
Total rental and other operating revenues (A)	7,208,246		7,630,464	
Profit on side of trust beneficiary interests in real estate	-		952,230	
Operating revenues	7,208,246	100.0	8,582,695	100.0
Property management fees and management fees	704,418		750,333	
Utilities	454,312		450,236	
Taxes	329,927		395,277	
Repairs and maintenance costs	119,710		149,230	
Other expenses ¹	205,345		272,430	
Depreciation	1,392,013		1,430,125	
Total property-related expenses (B)	3,205,728		3,447,634	
Rental business profit (A-B)	4,002,518		4,182,830	
Net operating income (NOI)	5,394,531		5,612,956	
Loss on disposal of real-estate	-		439,333	
Asset management fees	369,009		424,141	
Other operating expenses ²	162,583		205,931	
Operating expenses	3,737,320	51.8	4,517,040	52.6
Operating income	3,470,925	48.2	4,065,654	47.4
Non Operating income	11,934	0.2	8,712	0.1
Interest expense	481,855		504,589	
Investment coporation bonds interest	113,304		113,537	
Financing related expense	24,338		28,471	
Amortization of bond issuance costs	5,877		5,813	
Amortization of unit issuance costs	41,468		41,468	
Investment unit issue cost	-		-	
Amortization of organization costs	5,089		5,089	
Other non-operating expenses	17,859		31,640	
Non-operating expenses	689,794	9.6	730,610	8.5
Non-operating expenses	▲ 677,860	▲ 9.3	▲ 721,897	▲ 8.4
Ordinary income	2,793,064	38.7	3,343,757	39.0
Income before income taxes	2,793,064	38.7	3,343,757	39.0
Income taxes	1,029	0.0	1,773	0.0
Deferred income taxes	▲ 5		▲ 217	
Net income	2,792,040	38.7	3,342,201	38.9
Retained earnings at the beginning of period	43		84	
Retained earnings at the end of period	2,792,084		3,342,285	

Notes:

1 Other expenses:

Insurance premium, trust fees, etc.

2 Other operating expenses:

Directors compensation, asset custodian fees, administrative service fees, audit fees etc.

Net operating days in each period

- ◆ 08/4period : 182days(Nov. 1, 2007–Apr. 30, 2008)
 - ◆ 07/10period: 184days(May 1, 2007–Oct. 31, 2007)
- To see Income statement by property, please refer to the list in the Kessan Tanshin

◆ Rental and other operating revenues:

- A total of 77 properties held as of the end of the period to Oct. 2007
- 23 residentials disposed in Feb. 2008
- 14 office properties acquired in the period to Apr. 2008
- A total of 68 properties held as at the end of the period to Apr. 2008

◆ Gain on disposal of real-estate and other properties: disposal of 13 residentials

◆ Loss on disposal of real-estate and other properties: disposal of 10 residentials

Summary of the revisions to the 6th period (ended April 30, 2008) results forecast

	(¥M)	Initial forecasts (07/10/26)	Revised forecasts (07/12/11)	Results (08/4/30)	Difference	Note
Operating revenues		7,377	7,935	8,582	+647	• The increased amount is made up of ¥439M reflecting the total loss and gain on disposal of properties and increased revenues from 5 office properties acquired additionally • Upward fluctuation of Net gain on disposal of 23 residential properties (+16)
Operating expenses		3,876	3,961	4,517	+556	The increased amount is made up of ¥439M reflecting the total loss and gain on disposal of properties and increased revenues from 5 office properties acquired additionally
Operating income		3,501	3,974	4,065	+91	-
Net income		2,827	3,287	3,342	+55	Primarily due to 5 office properties acquired additionally
Dividend per unit	¥14,100	¥16,400	¥16,711	+¥311	-	

Balance sheet

	5th period as of Oct. 31, 2007		6th period as of Apr. 30, 2008	
	Amount (¥ thousand)	(%)	Amount (¥ thousand)	(%)
ASSETS				
Current assets	12,570,970	4.9	13,397,026	5.8
Cash and bank deposits	6,561,025		6,379,367	
Entrusted deposits	5,762,315		6,813,393	
Other current assets	247,630		204,266	
Fixed assets	200,932,798	94.0	216,915,367	94.1
Property and equipment at cost	200,564,337	93.8	216,483,952	93.9
Buildings	4,896,943		9,520,811	
Land	7,918,083		25,928,590	
Buildings in trust	64,120,208		56,291,945	
Lands in trust	123,629,101		124,742,605	
Intangible assets	285,350	0.1	285,350	0.1
Ground leasehold	285,350		285,350	
Investments and other assets	83,110	0.1	146,065	0.1
Leasehold and security deposits	12,411		23,326	
Long-term prepaid expenses	68,165		121,520	
Deferred income tax asset	2,534		1,217	
Deferred assets	260,220	0.1	207,848	0.1
Organization costs	25,448		20,358	
Corporate bond issuance costs	62,997		57,183	
Unit issuance costs	171,774		130,305	
TOTAL ASSETS	213,763,989	100.0	230,520,243	100.0
Current liabilities	21,245,911	9.9	34,026,147	14.8
Trade and other payables	358,328		441,418	
Short-term debt	19,500,000		31,750,000	
Other account payables	168,666		351,588	
Rents received in advance	1,141,332		1,172,674	
Others	77,584		310,465	
Fixed liabilities	64,756,142	30.3	68,179,934	29.6
Corporate bonds	12,000,000		12,000,000	
Long-term debt	44,000,000		46,000,000	
Leasehold and security deposit received	647,396		1,271,027	
Security deposit received in trust	8,102,312		8,905,814	
Derivative liability	6,434		3,091	
LIABILITIES	86,002,054	40.2	102,206,081	44.3
Total unitholders' capital	124,973,750	58.4	124,973,750	54.2
Retained earnings	2,792,084	1.3	3,342,285	1.4
Unrealized gain from deferred hedge transactions	▲ 3,899	▲ 0.0	▲ 1,873	▲ 0.0
EQUITIES	127,761,934	59.8	128,314,161	55.7
TOTAL LIABILITIES AND UNITHOLDERS' EQUITY	213,763,989	100.0	230,520,243	100.0

End of 6th period

	①	②	③	④=③-①	④/②	⑤=③-②	⑤/②
(¥M)	Acquisition price	BV	Appraisal value	Difference	(%)	Difference	(%)
Offices	184,080	187,493	205,761	21,681	11.8%	18,268	9.7%
Central urban retails	16,059	16,415	18,280	2,221	13.8%	1,865	11.4%
Residential	12,709	12,860	12,778	69	0.5%	-82	-0.6%
Total	212,848	216,769	236,819	23,971	11.3%	20,050	9.2%

(Reference) End of 5th period

(¥M)	Acquisition price	BV	Appraisal value	Difference	(%)	Difference	(%)
Offices	137,979	140,411	156,048	18,069	13.1%	15,637	11.1%
Central urban retails	16,059	16,541	18,250	2,191	13.6%	1,709	10.3%
Residential	43,052	43,896	44,358	1,306	3.0%	462	1.1%
Total	197,090	200,849	218,656	21,566	10.9%	17,807	8.9%

- ◆ Properties and equipment at cost
 - Trust beneficiary interests in 55 properties and investments in 13 real-estate properties as at the end of 6th period (KDX Funabashi Building, KDX Nogizaka Building, KDX Nishi-Gotanda Building, KDX Okachimachi Building, KDX Nishi-Shinjuku Building, KDX Monzen-Nakacho Building, KDX Roppongi 228 Buildings, KDX Kwasaki-Ekimae Honcho Building, KDX Kanda-misakicho Building, KDX Hakata-Minami Building, KDX Jimbocho Building, KDX Gobancho Building, Sakae 4-chome Office Building (Tentative Name))

- ◆ Included current installments of long-term debt (¥26B, 6th period)

- ◆ Out of the interest rate swap transactions, one was accounted for under deferred hedge accounting (Notional principal amount ¥1.5B)

(Reference) NAV per IU

Based on BV	¥ 641,570
Based on BV (after adjustments for dividends)	¥ 624,859
After adjustments for unrealized profits*	¥ 741,820

*Market value reflecting the unrealized profits of properties

(Reference) Funds available for additional acquisitions

End of 6th period

Total interest-bearing debt (¥100M)	897
LTV	38.9%

Pro forma debt based acquisition capability
: Approx. ¥51.0B

(Prop forma to achieve LTV 50% based on the percentage as of end of 6th Period)

Portfolio overview (Office buildings and central urban retail properties)

Office buildings as of the end of September 26, 2008 (60 properties)

Area	# of props.	Name	Location	Acquisition price (¥M) ¹	Completion date ²	Occupancy Ratio (%) ³
Office	A-60	KDX Harumi Building	Chuo ward, Tokyo	10,250	Feb. 2008	100.0%
	A-40	Toranomon Toyo Building	Minato ward, Tokyo	9,850	Aug. 1962	100.0%
	A-46	Hiei Kudan-Kita Building	Chiyoda ward, Tokyo	7,600	Mar. 1988	100.0%
	A-37	KDX Ochanomizu Building	Chiyoda ward, Tokyo	6,400	Aug. 1982	86.3%
	A-32	KDX Shiba-Daimon Building	Minato ward, Tokyo	6,090	Jul. 1986	100.0%
	A-13	KDX Kojimachi Building	Chiyoda ward, Tokyo	5,950	May 1994	98.2%
	A-1	KDX Nihonbashi 313 Building	Chuo ward, Tokyo	5,940	Apr. 1974	100.0%
	A-16	Toshin 24 Building	Yokohama, Kanagawa	5,300	Sep. 1984	100.0%
	A-2	KDX Hirakawacho Building	Chiyoda ward, Tokyo	5,180	Mar. 1988	95.8%
	A-47	KDX Shin-Yokohama 381 Building	Yokohama, Kanagawa	4,700	Mar. 1988	97.5%
	A-17	Ebisu East 438 Building	Shibuya ward, Tokyo	4,640	Jan. 1992	100.0%
	A-3	Higashi-Kayabacho Yuraku Building	Chuo ward, Tokyo	4,450	Jan. 1987	100.0%
	A-39	KDX Toranomon Building	Minato ward, Tokyo	4,400	Apr. 1988	100.0%
	A-30	KDX Nishi-Gotanda Building	Shinagawa ward, Tokyo	4,200	Nov. 1992	100.0%
	A-48	KDX Kawasaki-Ekimae Hon-cho Building	Kawasaki, Kanagawa	3,760	Feb. 1985	100.0%
	A-4	KDX Hatchobori Building	Chuo ward, Tokyo	3,680	Jun. 1993	100.0%
	A-18	KDX Omori Building	Ohta ward, Tokyo	3,500	Oct. 1990	100.0%
	A-19	KDX Hamamatsucho Building	Minato ward, Tokyo	3,460	Sep. 1999	100.0%
	A-45	KDX Roppongi 228 Building	Minato ward, Tokyo	3,300	Apr. 1989	80.4%
	A-29	KDX Higashi-Shinjuku Building	Shinjuku ward, Tokyo	2,950	Jan. 1990	82.2%
	A-20	KDX Kayabacho Building	Chuo ward, Tokyo	2,780	Oct. 1987	100.0%
	A-56	KDX Jimbocho Building	Chiyoda ward, Tokyo	2,760	May 1994	0.0%
	A-49	Nissou Dai-17 Building	Yokohama, Kanagawa	2,710	Jul. 1991	100.0%
	A-21	KDX Shinbashi Building	Minato ward, Tokyo	2,690	Feb. 1992	100.0%
	A-5	KDX Nakano-Sakaue Building	Nakano ward, Tokyo	2,533	Aug. 1992	94.8%
	A-22	KDX Shin-Yokohama Building	Yokohama, Kanagawa	2,520	Sep. 1990	100.0%
	A-6	Harajuku F.F. Building	Shibuya ward, Tokyo	2,450	Nov. 1985	100.0%
	A-50	Ikejiri-Ohashi Building	Meguro ward, Tokyo	2,400	Sep. 1988	100.0%
	A-27	KDX Kajicho Building	Chiyoda ward, Tokyo	2,350	Mar. 1990	100.0%
	A-51	KDX Hamacho Nakanohashi Building	Chuo ward, Tokyo	2,310	Sep. 1988	100.0%
	A-15	KDX Hamacho Building	Chuo ward, Tokyo	2,300	Sep. 1993	100.0%
	A-41	KDX Shinjuku 286 Building	Shinjuku ward, Tokyo	2,300	Aug. 1989	100.0%
	A-7	FIK Minami Aoyama	Minato ward, Tokyo	2,270	Nov. 1988	100.0%
	A-14	KDX Funabashi Building	Funabashi, Chiba	2,252	Apr. 1989	100.0%
	A-61	KDX Hamamatsucho Dai-2 Building	Minato ward, Tokyo	2,200	Apr. 1992	—
	A-55	Shin-toshin Maruzen Building	Shinjuku ward, Tokyo	2,110	Jul. 1990	100.0%
	A-33	KDX Okachimachi Building	Taito ward, Tokyo	2,000	Jun. 1988	100.0%
	A-57	KDX Gokancho Building	Chiyoda ward, Tokyo	1,951	Aug. 2000	85.7%
	A-8	Kanda Kihara Building	Chiyoda ward, Tokyo	1,950	May 1993	100.0%
	A-23	KDX Yotsuya Building	Shinjuku ward, Tokyo	1,950	Oct. 1989	100.0%
	A-59	KDX Iwamoto-cho Building	Chiyoda ward, Tokyo	1,864	Mar. 2008	92.7%
	A-9	KDX Shinjuku-Gyoen Building	Shinjuku ward, Tokyo	1,610	Jun. 1992	100.0%
	A-26	KDX Kiba Building	Koto ward, Tokyo	1,580	Oct. 1992	88.0%
	A-38	KDX Nishi-Shinjuku Building	Shinjuku ward, Tokyo	1,500	Oct. 1992	100.0%

Area	# of props.	Name	Location	Acquisition price (¥M) ¹	Completion date ²	Occupancy Ratio (%) ³
Tokyo metropolitan area	A-31	KDX Monzen-Nakacho Building	Koto ward, Tokyo	1,400	Sep. 1986	100.0%
	A-52	KDX Kanda Misaki-cho Building	Chiyoda ward, Tokyo	1,380	Oct. 1992	100.0%
	A-34	KDX Hon-Atsugi Building	Atsugi, Kanagawa	1,305	May 1995	100.0%
	A-35	KDX Hachioji Building	Hachioji, Tokyo	1,155	Dec. 1985	85.6%
	A-28	KDX Nogizaka Building	Minato ward, Tokyo	1,065	May 1991	100.0%
	A-10	KDX Koishikawa Building	Bunkyo ward, Tokyo	704	Oct. 1992	100.0%
Other regional areas	A-58	Sakae 4-chome Office Building (Tentative Name)	Nagoya, Aichi	8,325	Jun. 2009	—
	A-12	Portus Center Building	Sakai, Osaka	5,570	Sep. 1993	100.0%
	A-42	Karasuma Building	Kyoto, Kyoto	5,400	Oct. 1982	96.7%
	A-53	KDX Hakata-Minami Building	Fukuoka, Fukuoka	4,900	Jun. 1973	95.4%
	A-43	KDX Hakata Building	Fukuoka, Fukuoka	2,350	Jul. 1982	100.0%
	A-54	KDX Kitahama Building	Osaka, Osaka	2,220	Jul. 1994	88.1%
	A-44	KDX Sendai Building	Sendai, Miyagi	2,100	Feb. 1984	96.6%
	A-24	KDX Minami Sembai Dai-1 Building	Osaka, Osaka	1,610	Mar. 1993	87.2%
	A-25	KDX Minami Sembai Dai-2 Building	Osaka, Osaka	1,560	Sep. 1993	90.5%
	A-36	KDX Niigata Building	Niigata, Niigata	1,305	Jul. 1983	60.5%
Office (Total 60 properties) Sub Total				201,290	Average: 20.0 years	95.6%

Central urban retail properties as of the end of September 26, 2008 (2 properties)

Area	# of props.	Name	Location	Acquisition price (¥M) ¹	Completion date ²	Occupancy Ratio (%) ³
Central Urban Retail	C-1	Frame Jinnan-zaka	Shibuya ward, Tokyo	9,900	Mar. 2005	97.9%
	C-2	KDX Yoyogi Building	Shibuya ward, Tokyo	2,479	Aug. 1991	91.7%
Central Urban Retail Office (Total 2 properties) Sub Total				12,379	Average: 6.1 years	96.7%

Notes:

- Acquisition price is the purchase price for trust beneficiary interests etc. acquired by the Investment Corporation exclusive of taxes, rounded down to the nearest million yen
- Completion date is the date of construction completion recorded in the land register. However, for A-58 Sakae 4-chome Office Building (Tentative Name), the planned completion date is shown. Average age subtotals and total is shown as the weighted-average portfolio age based upon acquisition prices with a base date of September 26, 2008 and are rounded down to the nearest first decimal place. (excluding A-58 Sakae 4-chome Office Building (Tentative Name)) The weighted-average age of the 68 properties held as of September 26, 2008 (excluding A-58 Sakae 4-chome Office Building (Tentative Name)) is 18.5 years
- Ratios are calculated as of July 31, 2008. Occupancy ratio is calculated by dividing leased area by leasable area and rounded to the first decimal place. Average occupancy ratio of 67 properties held as of July 31, 2008 was 95.5 (excl. A-58 Sakae 4-chome Office Building (Tentative Name))
- The occupancy ratio of KDX Harumi Building takes into account the master lease agreement based on fixed rent concluded with Kenedix, Inc. Furthermore, the occupancy ratios not taking into account of the master lease agreement based on fixed rent are as follows; KDX Harumi Building: 46.3%, Total Offices: 93.3%, Total Average Portfolio: 93.5% (excluding A-58 Sakae 4-chome Office Building (Tentative Name)).
- C-3 ZARA Tenjin Nishi-dori was sold on June 25, 2008
- A-11 Hakata-Ekimae Dai-2 Building was sold on July 30, 2008
- A-61 KDX Hamamatsucho dai-2 Building was acquired on September 1, 2008

Portfolio overview (Residential properties)

Residential properties as of the end of September 26, 2008 (7 properties)

Area	# of props.	Name	Location	Acquisition price (¥M) ¹	Completion date ²	Occupancy Ratio (%) ³
Residential Tokyo metropolitan area	B-19	Residence Charmante Tsukishima	Chuo ward, Tokyo	5,353	Jan. 2004	100.0%
	B-3	Court Mejiro	Shinjuku ward, Tokyo	1,250	Mar. 1997	100.0%
	B-4	Apartments Motoazabu	Minato ward, Tokyo	1,210	Jan. 2004	89.1%
	B-5	Apartments Wakamatsu Kawada	Shinjuku ward, Tokyo	1,180	Feb. 2004	96.7%
	B-34	Gradito Kawaguchi	Kawaguchi, Saitama	1,038	Feb. 2006	100.0%
	B-25	Court Shin-Okachimachi	Taito ward, Tokyo	878	Oct. 2005	97.0%
Other regional areas	B-18	Venus Hibarigaoka	Sapporo, Hokkaido	1,800	Mar. 1989	89.8%
Residential (Total 7 properties) Sub Total				12,709	Average: 7.1 years	94.6%

Notes:

- 1 Acquisition price is the purchase price for trust beneficiary interests etc. acquired by the Investment Corporation exclusive of taxes, rounded down to the nearest million yen.
- 2 Year built is the date of construction completion recorded in the land register. The total is shown as weighted-average portfolio age based upon acquisition price with a base date of September 26, 2008 (rounded down to the nearest first decimal place)
- 3 Occupancy ratio is calculated by dividing leased area by leasable area and rounded to the first decimal place. Ratios are calculated as of July 31, 2008

Area	# of props.	Name	Location	Acquisition price (¥M) ¹	Sales price ²
Residential Tokyo metropolitan area	B-20	Regalo Ochanomizu I, II	Bunkyo ward, Tokyo	3,600	3,670
	B-1	Storia Sirokane	Minato ward, Tokyo	3,150	3,370
	B-2	Tre di Casa Minami Aoyama	Minato ward, Tokyo	2,460	2,680
	B-21	Regalo Shiba-Kouen	Minato ward, Tokyo	2,260	2,280
	B-22	Chigasaki Socie Ni-bankan	Chigasaki, Kanagawa	1,160	1,140
	B-6	Court Nihonbashi-Hakozaki	Chuo ward, Tokyo	1,130	1,220
	B-23	Court Nishi-Shinjuku	Shinjuku ward, Tokyo	1,130	1,160
	B-7	Side Denenchofu	Ohta ward, Tokyo	1,110	1,110
	B-8	S-court Yokohama-Kannai II	Yokohama, Kanagawa	945	1,020
	B-24	Regalo Komazawa-Kouen	Setagaya ward, Tokyo	912	943
	B-9	Court Motoasakusa	Taito ward, Tokyo	880	943
	B-11	Bloom Omotesando	Shibuya ward, Tokyo	875	962
	B-13	Human Heim Okachimachi	Taito ward, Tokyo	830	905
	B-26	Primo Regalo Kagurazaka	Shinjuku ward, Tokyo	762	770
	B-27	Primo Regalo Youga	Setagaya ward, Tokyo	730	737
	B-28	Court Shimouma	Setagaya ward, Tokyo	638	644
	B-29	Ashiya Royal Homes	Ashiya, Hyogo	2,330	2,420
Other regional areas	B-30	Regalo Ibaraki I, II	Ibaraki, Osaka	1,600	1,620
	B-31	Collection Higashi-Sakura	Nagoya, Aichi	1,264	1,150
	B-32	Renaissance 21 Hirao Jousui-machi	Fukuoka, Fukuoka	900	964
	B-33	Montore Nishikouen Bay Court	Fukuoka, Fukuoka	826	831
	B-16	Abreast Hara	Nagoya, Aichi	444	494
	B-17	Abreast Hirabari	Nagoya, Aichi	407	457
Residential (Total 23 properties) Sub Total				30,343	31,490

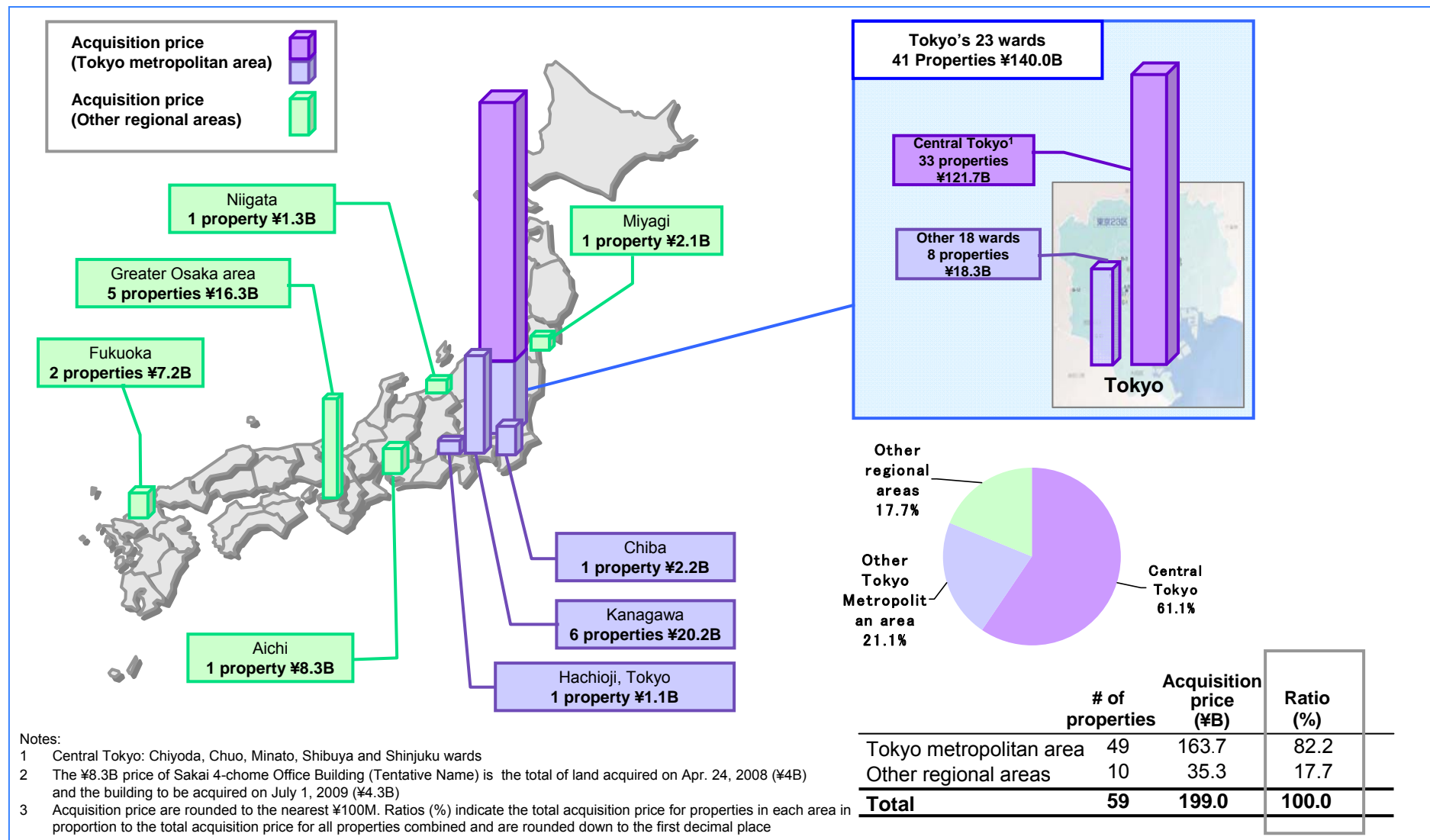
Notes:

- 1 Acquisition price is the purchase price for trust beneficiary interests etc. acquired by the Investment Corporation exclusive of taxes, rounded down to the nearest million yen
- 2 Sale price is the price for trust beneficiary interests sold by the Investment Corporation exclusive of sales costs and taxes, rounded down to the nearest million yen

Emphasis on mid-sized office buildings in Tokyo metropolitan area

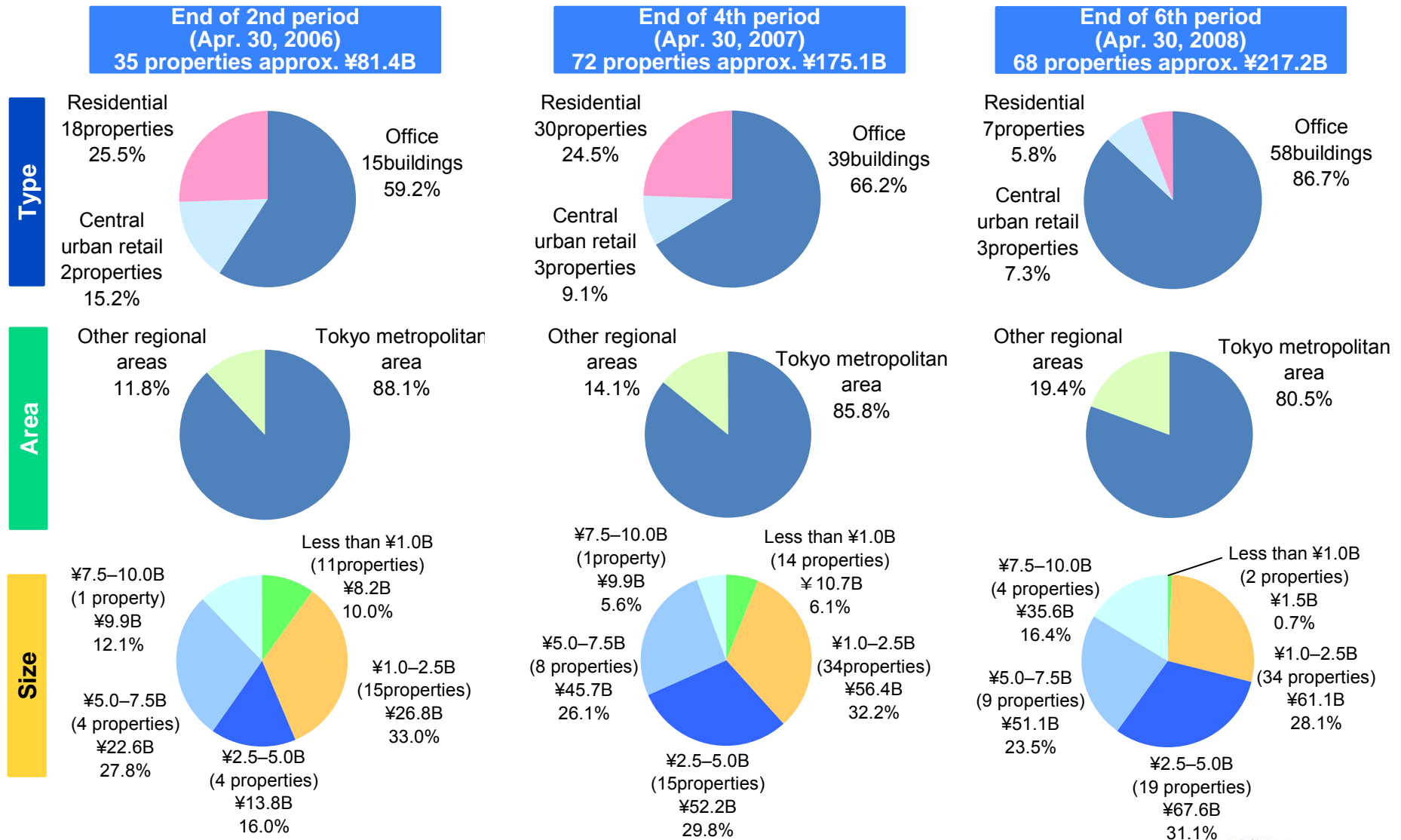
Office 59 properties, total acquisition price of ¥199.0B

(as of August 1, 2008)



Focusing on office buildings

Portfolio overview



Note: The portion (%) indicated in the circular graphs above the total acquisition prices for each category of assets and rounded down to the first decimal place

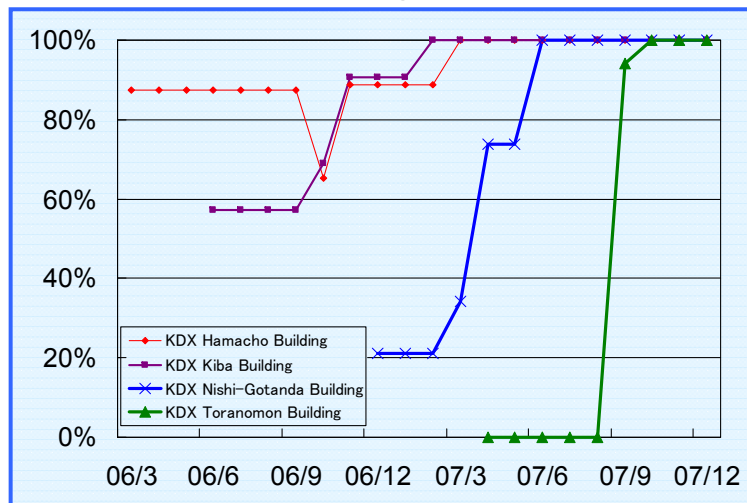
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Management of existing properties—NOI yield and performance

NOI yields on rental properties (by type, on an annualized basis)

	4th period	5th period	6th period	6th period (Before Tax adjusted)
Offices	5.3%	5.5%	5.6%	5.8%
Central urban retails	5.2%	5.1%	4.3%	4.3%
Residentials	5.4%	5.3%	5.3%	5.2%
Total	5.3%	5.4%	5.5%	5.6%

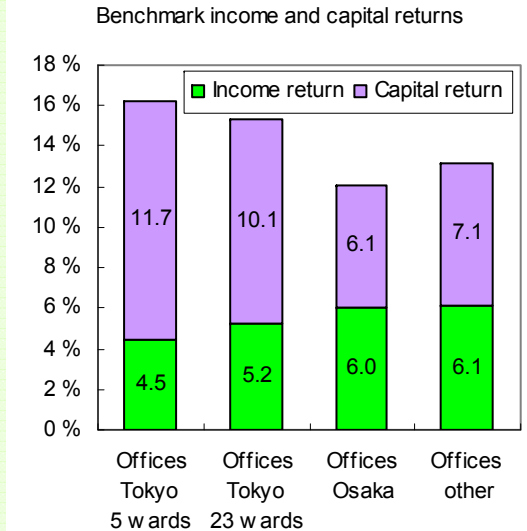
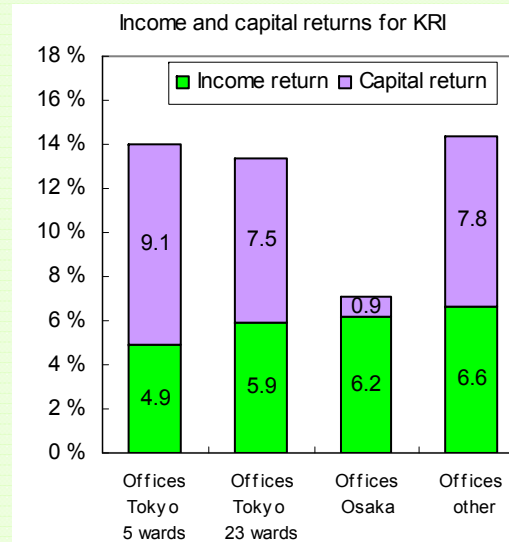
(Reference) Increased occupancy ratios for properties acquired with a low occupancy ratios



(Reference) Analysis of the performances for office buildings

• Analysis by IPD (Investment Property Databank Ltd)

Income and capital returns achieved



Notes:

- 1 Annual return up to Oct. 2007
- 2 Targeting only the properties that have undergone appraisals for two times or more (eliminating the impact of transactions during the period)

Note:

- 1 Benchmark is IPD J REIT Universe

(Reference) Unit rent for office buildings

Central Tokyo	¥20,100
Other Tokyo metropolitan area	¥14,300
Other regional areas	¥11,300
All office buildings	¥16,600

Management of existing properties—

Stability of mid-sized office buildings (tenant, diversification)

Changes in the number of end-tenants for office buildings

	End of 1st period	End of 2nd period	End of 3rd period	End of 4th period	End of 5th period	End of 6th period
# of end-tenants	154	189	322	400	516	656
# of properties	12	15	29	39	44	58
Ratio of the largest end-tenants	4.8%	3.8%	2.0%	1.3%	1.2%	2.2%
Ratio of the 3 largest tenants	10.7%	8.4%	4.4%	3.5%	3.3%	4.5%

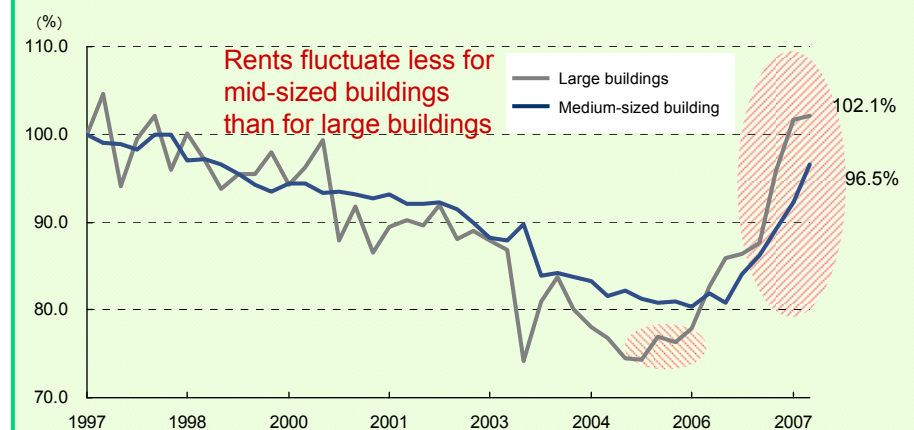
Note: The above proportions indicate the shares of top end-tenants for office buildings (including the end-tenants occupying office buildings and urban retails) in the whole portfolio

(Reference) Creditworthiness of end-tenants

- Average amount of security deposit per end-tenant at the end of 6th period: approx. ¥ 14M
- Average monthly rent per end-tenant x c. 9 months
- # of end-tenants delinquent in rent payments for 2 consecutive months during the past year (5th and 6th periods): 3 tenants

(Reference) Changes in rent levels (market data)

Tokyo 23 wards: rent levels for large and medium-sized buildings (Jun. 1997 = 100)

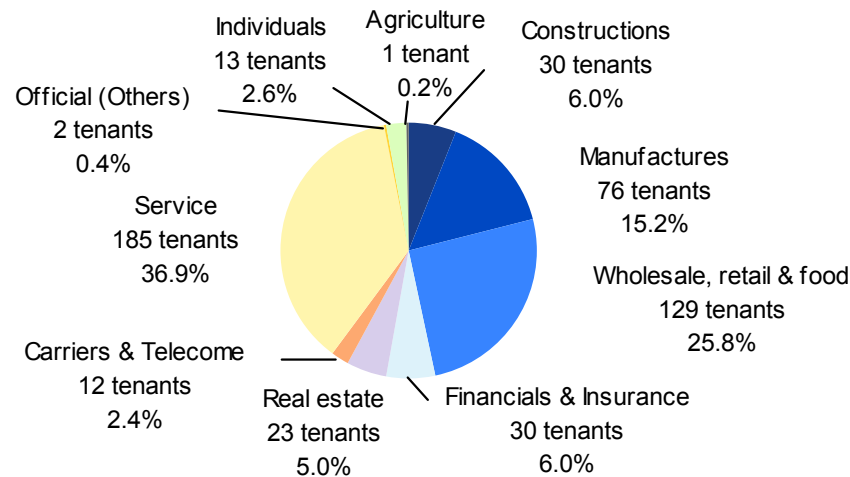


Note: Large building: a building with a total floor area of 3,000 tsubo or more

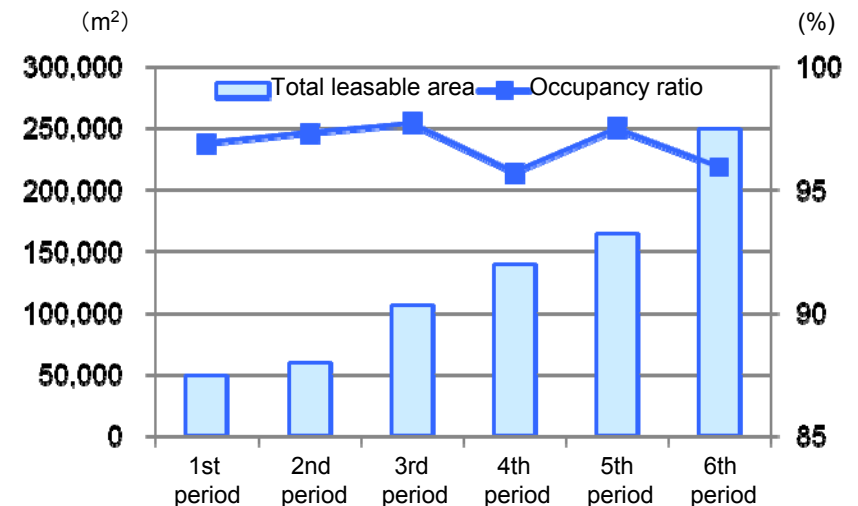
Medium-sized building: a building with a total floor area of 1,000 to 3,000 tsubo

Source: Ikoma Data Service System (the latest values as of Mar. 2008)

Diversification in tenant mix

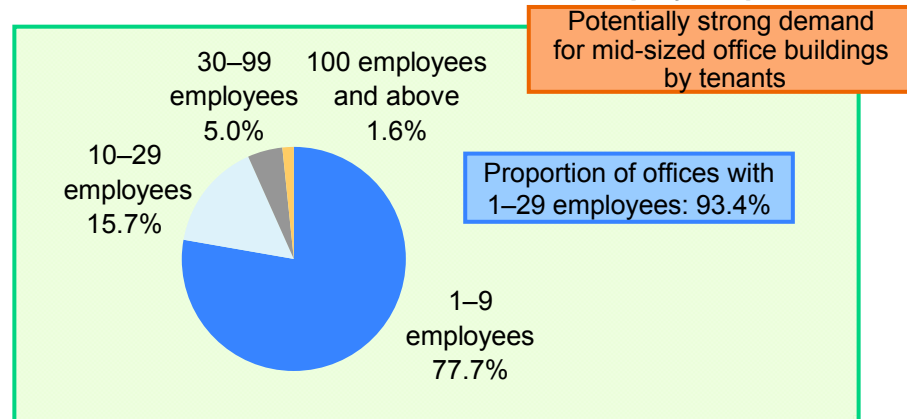


Leasable are and occupancy ratio



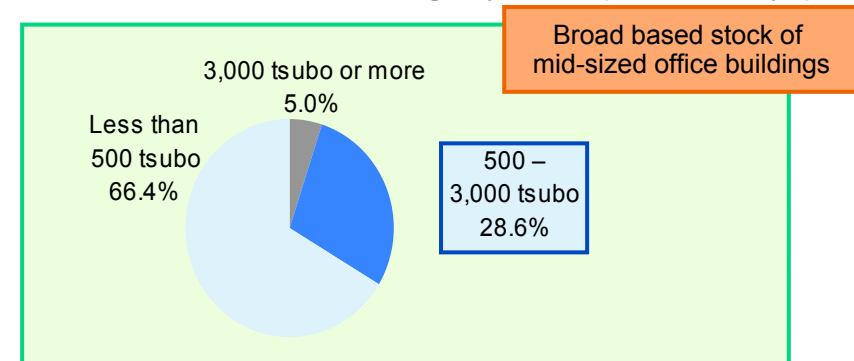
(Reference data1) Market environment for office buildings

1. Breakdown of office based on number of employees per office



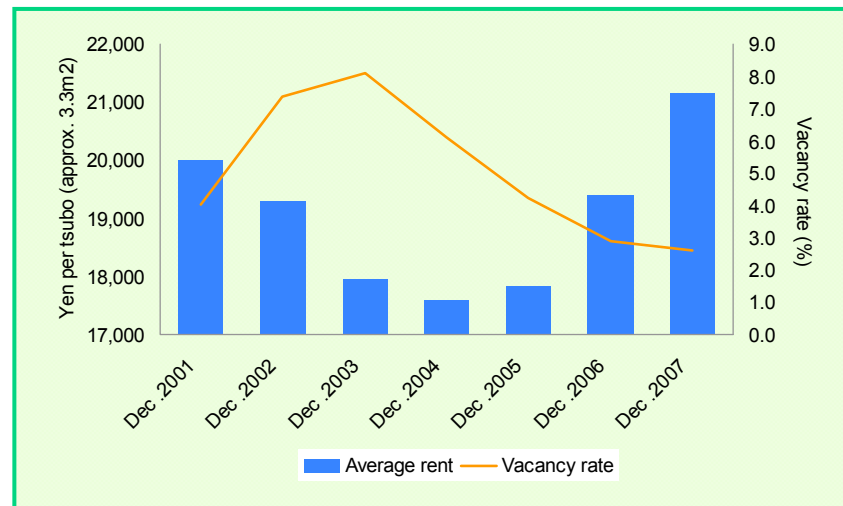
Source: KDRM, based on Tokyo office statistics report as of 2006 (MPHPT Statistics Bureau)

2. Distribution of office buildings by tsubo (Central Tokyo)



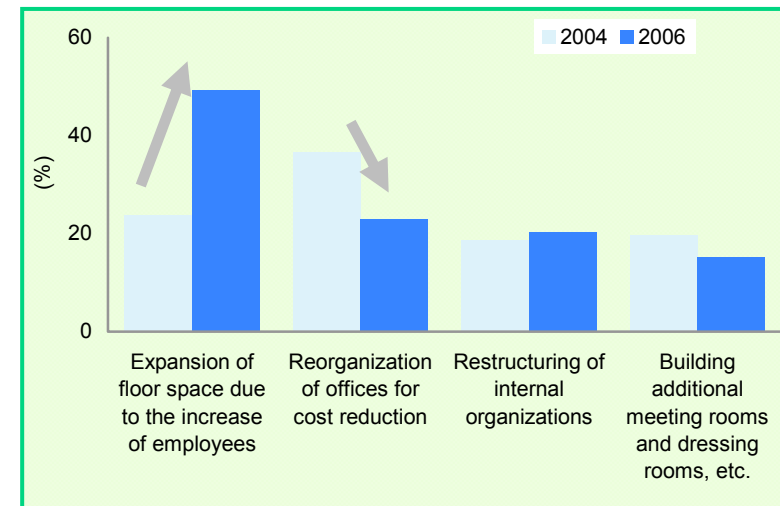
Source: Survey conducted by Ikoma Data Service System based on KRI's requests (survey as of end of Mar. 2007) "Macro market survey of Tokyo's central 5 wards"
Note: The above data covers rental office buildings located in Tokyo's central 5 wards that were surveyed by Ikoma Data Service System. Please note that the above data may not include the data of all properties in the said 5 wards

3. Office building average rent and vacancy ratios (Central Tokyo)



Source: "Latest office building market conditions in Central Tokyo (survey as of end of Jan. 2008)", Miki Shoji Co., Ltd.

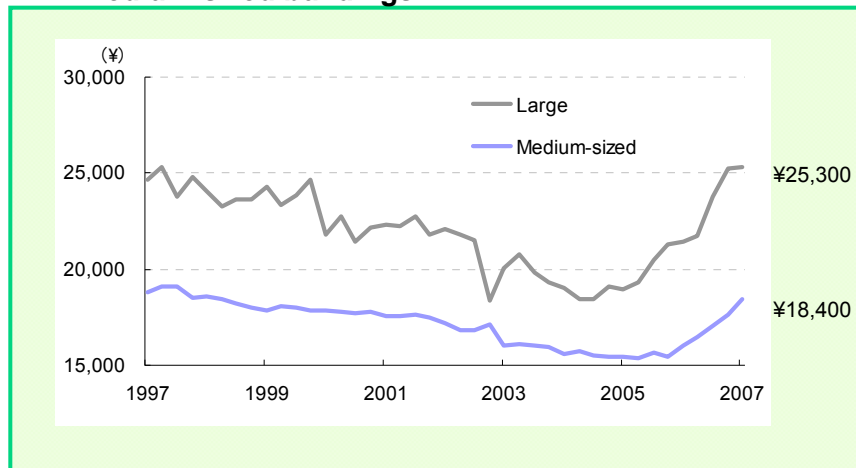
4. Reasons cited by companies in Tokyo if they were to relocate



Source: "Real Estate White Paper 2006", K.K. Ikoma Data Service System

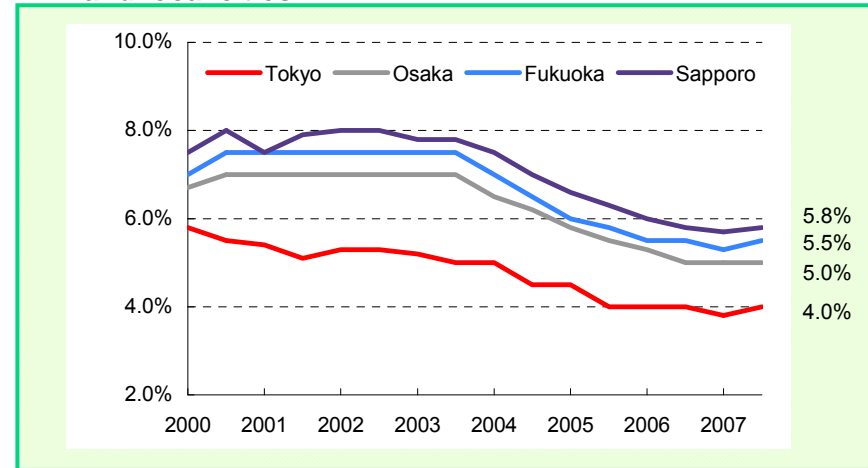
(Reference data2) Market environment for office buildings

1. 23 wards of Tokyo: rent levels for large buildings and medium-sized buildings



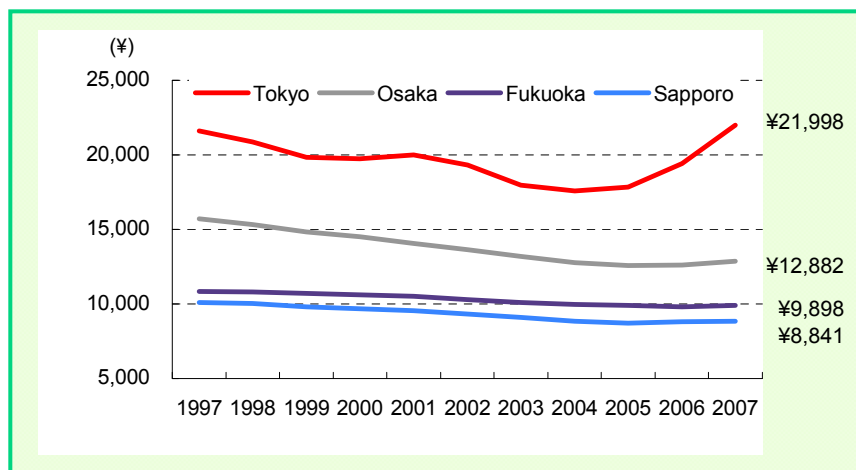
Note: Large building is a building with a gross floor area of 3,000 tsubo or over
medium-sized building is a building with a gross floor area of 1,000 to 3,000 tsubo
Source: Ikoma Data Service System (the latest values as of Mar. 2008)

2. Cap rates realized with real-estate properties in Tokyo and local cities



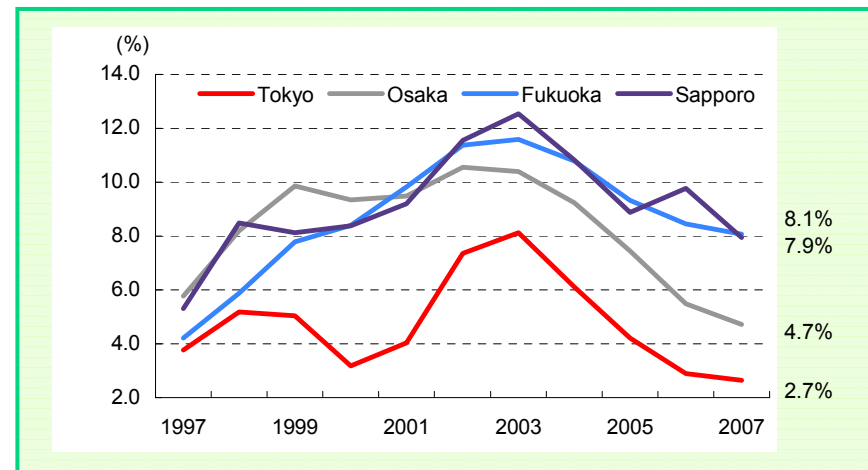
Notes: 1 Expected cap rates based on direct reduction approach for A class buildings that have been built for 5 years or less
2 Expected cap rates for properties in the Marunouchi and Otemachi areas used
Source: Created by Kenedix based on the data compiled by Japan Real Estate Institute (as of Apr. 2008)

3. Changes in rent levels by region



Note: Targeting the rental properties with a gross floor area of 100 tsubo or over in 5 wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya)
Source: Miki Shoji, Co., Ltd. (the latest values as at the end of Dec. 2007)

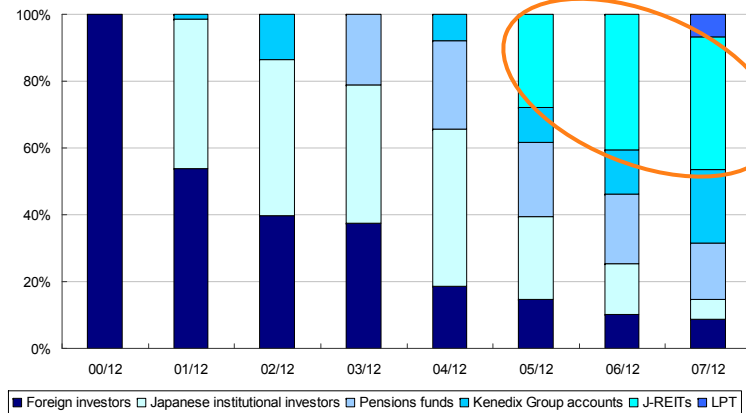
4. Changes in vacancy ratios by region



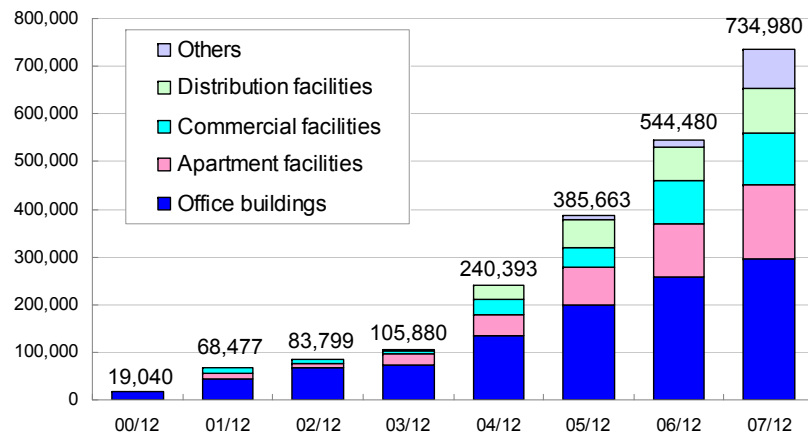
Note: Targeting the rental properties with a gross floor area of 100 tsubo or over in 5 wards of Tokyo (Chiyoda, Chuo, Minato, Shinjuku, and Shibuya)
Source: Miki Shoji, Co., Ltd. (the latest values as at the end of Dec. 2007)

External growth strategies — Actual performances and accomplishments by pipeline for Kenedix Group

Assets by type of investor



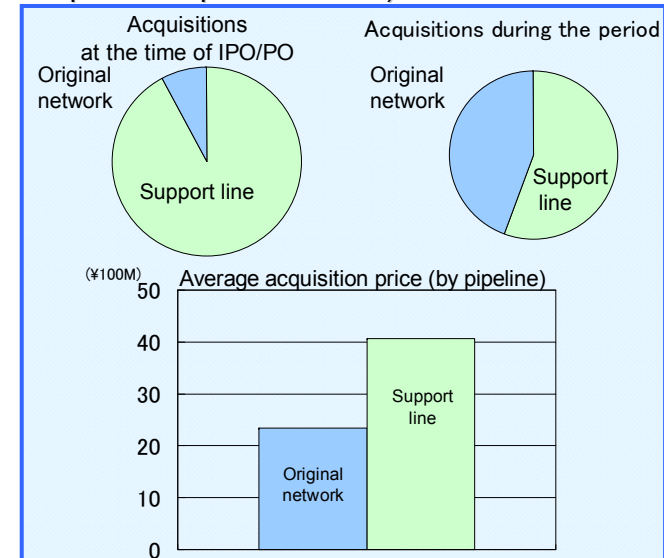
Assets by type of property
(¥M)



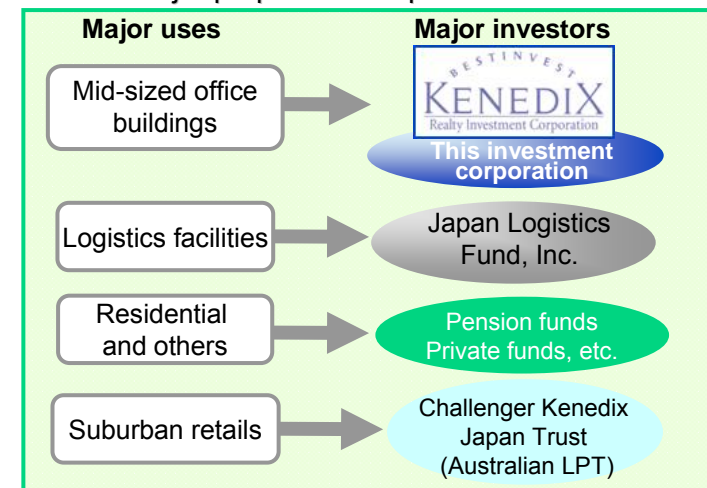
Source: Kenedix, Inc. as of Dec. 31, 2007

Note: Includes properties of Japan Logistics Fund, which are entrusted to an affiliate of Kenedix, Inc. for asset management, and properties held by KRI

Office buildings acquired by pipeline (for the Investment Corporation up to Jun. 2008)

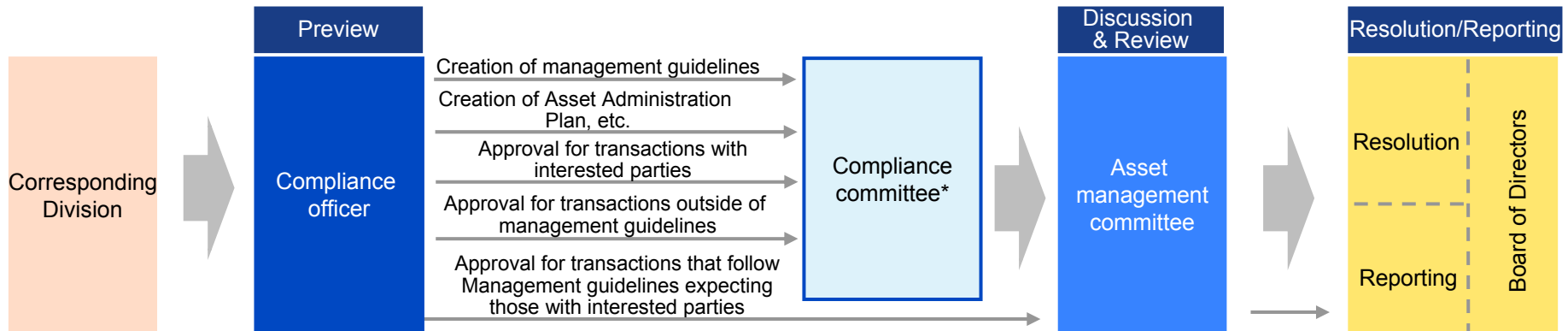


Flow of major properties' acquisitions for Kenedix Group



Management structure of the asset management company

Decision making flow chart



Note: One lawyer works as an external commission member

Policy on transaction with related parties

- Asset acquisition: **Must not acquire properties for more than appraised price** (except for properties pre-acquired by Kenedix Inc. pursuant to the MOU)
- Asset disposal: **Must not sell properties for less than appraised price**

< Reference >

Meetings held by the various committees, Board of Directors of the asset management company/investment corporation

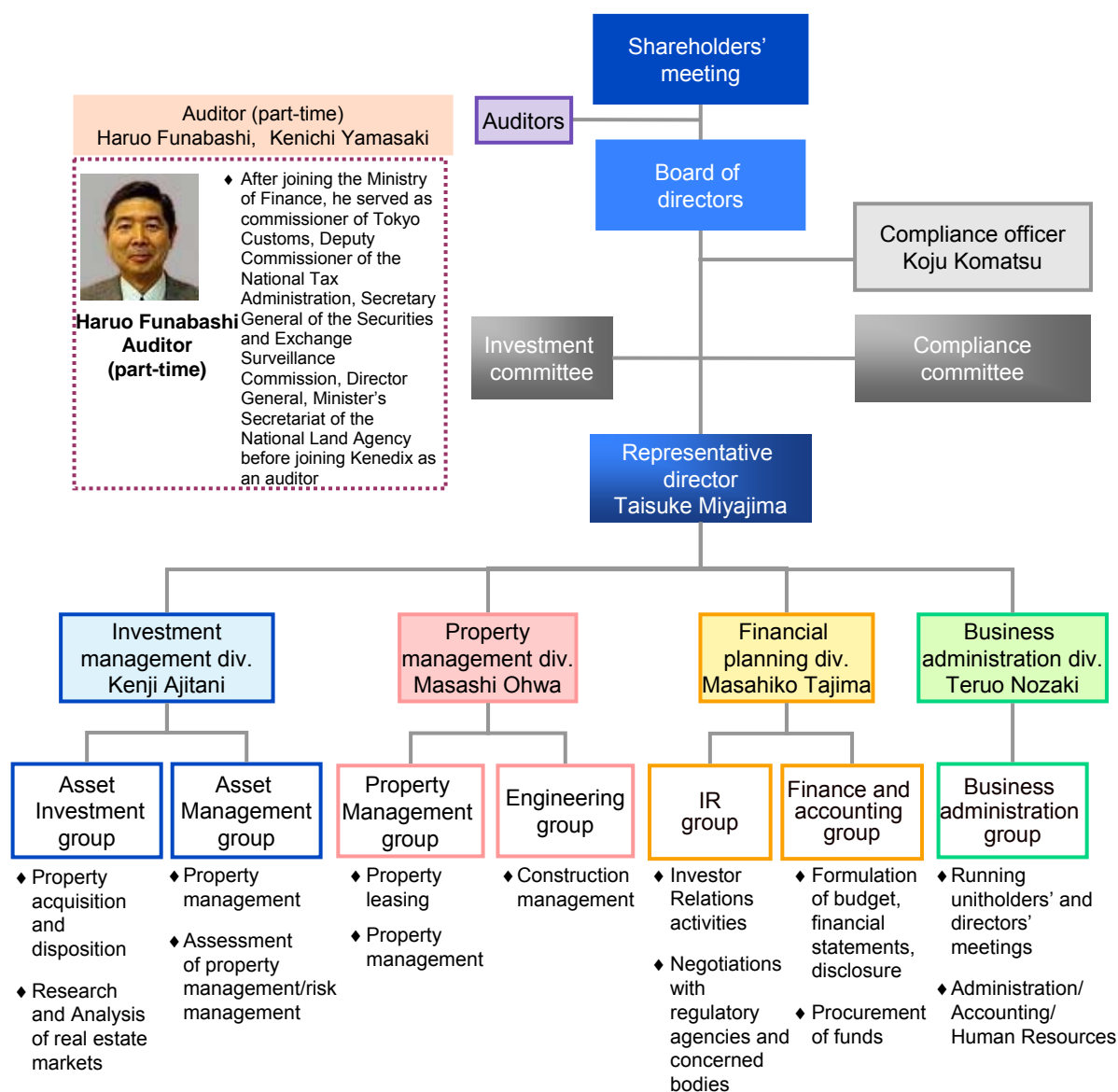
	1st period	2nd period	3rd period	4th period	5th period	6th period
Compliance committee	7	7	7	8	6	8
Asset management committee	21	35	39	39	38	38
Board of Directors	9	7	9	8	9	7
Board of Directors of Investment Corporation	11	7	7	9	7	7

< Reference >

Asset management company's management fee structure

- ◆ Asset management company's management fee structure
 - Management fee I : 0.15% of total assets
 - Management fee II : 3.0% of money available for distribution in each fiscal period
 - Acquisition fee : 0.5% of acquisition price (0.25% if interested parties)
 - Sale fee : capped at 0.5% of transfer price
- ◆ Property management fees
 - Rental property management: 2% of rent revenues + 2% of the operating revenues from the property (after operating expenses, and before depreciation expenses)
 - Management transfer: amount determined in proportion to the acquisition/sale price (e.g. ¥1 – 3B → ¥2M, or ¥5 – 10B → ¥2.4M)
 - Construction Management: amount determined in proportion to the construction costs (e.g. ¥1 – 5M → 5% or ¥10 – 100M → ¥450,000 + 3%)

Kenedix REIT Management, Inc.—Organizational chart



Major members



Taisuke Miyajima
CEO & President

- Worked for **Mitsubishi Trust and Banking** (debt capital market group, Los Angeles branch). Seven years of experience in real estate investment advisory division after joining Kenedix, Inc.
- Transferred to Kenedix REIT Management to become CEO and president



Kenji Ajitani
Director & General Manager,
Investment Management Division

- Worked for 10 years for **Sojitz Corporation** (incl. Construction Department)
- After joining Kenedix, he worked for Kenedix Advisors before being transferred to Kenedix REIT Management



Masashi Ohwa
Director & General Manager,
Property Management Division

- Worked for Asahi Urban Development Corporation, Nihonjisho, others before he joined Kenedix
- Executive Officer & General Manager of REIT Management Division, Kenedix Advisors before joining Kenedix REIT Management



Masahiko Tajima
Director & General Manager,
Financial Planning Division

- Worked for 12 years at **Chuo Mitsui Trust and Banking**, where he was responsible for securitization
- Joined Kenedix, Inc. after 4 years of experience in various securitized paper investments at **Sumitomo Life Insurance**
- MBA from Columbia Business School



Yuuji Kamimura
Compliance Officer

- Worked for 27 years for Joined Shinsei Bank, Ltd.
- Joined Kenedix REIT Management, after 8 years of experience as a compliance officer at Shinsei Bank.

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