Kenedix Realty Investment Corporation

5th Period Results (ending October 2007)
March 2008
Kenedix REIT Management, Inc.

Updated and added new information in the Financial Strategies section(page 15-18).
Updated Organizational chart on page 40.

SECTION 1

Stronger Focus on Office Buildings
Increase in asset size and the ratio of office buildings

Portfolio development focused on office buildings

Acquisition of 9 office buildings (¥32.0B)  
Sale of 23 residential properties (¥31.5B) *1

New investments in 25 office buildings worth ¥87.1B *2 since we reviewed our portfolio development policy in Dec. 2006

*1 Initial acquisition price was ¥30.3B  
*2 Acquired 1 property (KDX Roppongi 228 Building), ¥3.3B as of Jan. 10, 2008

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Overview of the cross-deal of offices and residentials

Overview of the cross-deal with Kenedix

Kenedix Realty Investment Corporation, Strong portfolio focusing on Mid-sized office buildings

<table>
<thead>
<tr>
<th>Acquirer</th>
<th>Residentials to be sold</th>
<th># of properties</th>
<th>Initial acquisition price (¥M)</th>
<th>Role</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices etc.</td>
<td>70%</td>
<td>23 properties</td>
<td>30,343</td>
<td>Sponsor</td>
<td>Continue to increase the ratio of offices and aim strong portfolio focusing on mid-sized offices.</td>
</tr>
<tr>
<td>Residentials</td>
<td>30%</td>
<td>9 properties</td>
<td>12,709</td>
<td>Sponsor</td>
<td></td>
</tr>
</tbody>
</table>

Development of a portfolio that focuses on mid-sized offices

<table>
<thead>
<tr>
<th>End of 2006/10</th>
<th>End of 2007/10</th>
<th>After the cross-deal in 2008/2</th>
</tr>
</thead>
<tbody>
<tr>
<td>70%</td>
<td>78%</td>
<td>94%</td>
</tr>
</tbody>
</table>

Note: Offices includes 3 central urban retails

Future policy
Continue to increase the ratio of offices and aim strong portfolio focusing on mid-sized offices.

Outline of the residentials to be sold and their ratio within the portfolio

<table>
<thead>
<tr>
<th>As of end of 2007/10 Period (5th period)</th>
<th>(¥M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Offices etc.</td>
<td>Residentials that are not subject to the sale</td>
</tr>
<tr>
<td># of properties</td>
<td>23 properties</td>
</tr>
<tr>
<td>Initial acquisition price</td>
<td>30,343</td>
</tr>
<tr>
<td>Appraisal value at end of period</td>
<td>31,490</td>
</tr>
<tr>
<td>Differences between Appraisal value and Acquisition price</td>
<td>1,147</td>
</tr>
<tr>
<td>Average acquisition price</td>
<td>1,319</td>
</tr>
<tr>
<td>Other regional areas (%)</td>
<td>7 properties (25.6%)</td>
</tr>
</tbody>
</table>

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Office buildings acquired through cross-deal

New investment in 9 office buildings (approx. ¥31.98B acquisition value)

**Anticipated acquisitions (Date of acquisition: February 1, 2008)**

- Hiei Kudan-Kita Building
- KDX Shin-Yokohama 381 Building
- KDX Kawasaki-Ekimae Hon-cho Building
- Nissou Dai-17 Building
- Ikejiri-Oohashi Building
- KDX Hamacho Nakanohashi Building
- KDX Kanda Misaki-cho Building
- KDX Hakata-Minami Building
- KDX Kitahama Building

**Comparison of average acquisition price**

(¥B)

<table>
<thead>
<tr>
<th>End of 5th Period</th>
<th>After the cross-deal</th>
</tr>
</thead>
<tbody>
<tr>
<td>(77 properties)</td>
<td>(64 properties)*</td>
</tr>
</tbody>
</table>

*Acquired 1 property (KDX Roppongi 228 Building), ¥3.3B as of Jan.10, 2008

**Appraisal-value based yield for properties acquired**

- Hiei Kudan-Kita Building
- KDX Shin-Yokohama 381 Building
- KDX Kawasaki-Ekimae Hon-cho Building
- Nissou Dai-17 Building
- Ikejiri-Oohashi Building
- KDX Hamacho Nakanohashi Building
- KDX Kanda Misaki-cho Building
- KDX Hakata-Minami Building
- KDX Kitahama Building

**Portfolio change through cross-deal**

**As of end of 5th period**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Office</th>
<th>Office properties acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>77</td>
<td>44</td>
<td>9</td>
</tr>
<tr>
<td>Acquisition price (¥M)</td>
<td>197,090</td>
<td>137,979</td>
<td>31,980</td>
</tr>
<tr>
<td>Average acquisition price (¥M)</td>
<td>2,560</td>
<td>3,135</td>
<td>3,553</td>
</tr>
<tr>
<td>Tokyo metropolitan area/Other regional areas</td>
<td>60/17</td>
<td>36/8</td>
<td>7/2</td>
</tr>
</tbody>
</table>

Note: Yield based on appraisal value that were calculated by data available from property appraisal reports and should not be understood as data indicating actual or future profitability (NCF under direct capitalization method/Appraisal value)

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“KENEDIX Selection” — Office buildings acquired

Hiei Kudan-Kita Building
- Location: Chiyoda-ku, Tokyo
- Site area: 1,844.83m²
- GFA: 11,425.31m²
- Year built: Mar. 1988
- Acquisition price: ¥7,600M
- Acquisition date: Feb. 1, 2008

- 2 minutes on foot from “Ichigaya” station of Shinjuku Subway Line, and 6 minutes from “Ichigaya” station of JR Chuo Line/Sobu Line and Tokyo Metro Nanboku Line/Yurakucho Line. Strong visibility facing Yasukuni Dori
- Upscale residential, with many schools and embassies
- Commodious space in front of the building and muted colors of the exterior provide a relaxed atmosphere. Sufficient leasable floor area (typical floor of c.813m²) for leasing a floor as a whole or in parts

KDX Hakata-Minami Building
- Location: Hakata-ku, Fukuoka
- Site area: 1,826.25m²
- GFA: 13,238.16m²
- Year built: Jun. 1973
- Acquisition price: ¥4,900M
- Acquisition date: Feb. 1, 2008

- 6 minutes on foot from “Hakata” station of JR Kagoshima Line/Airport Line (municipal subway). Located in the business district south from Hakata Station
- Excellent access to Hakata Station and Fukuoka Airport and companies and large companies having sale offices in the area
- Leasable floor area on typical floor of c.1,047m² can be divided into multiple areas to comply with the needs of tenants looking for various-sized properties

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Asset size growth and future growth (acquisition by pipeline)

Track record of tapping different acquisition pipelines

- Strong portfolio focusing on mid-sized office buildings
- Achieve portfolio size of ¥400B in the mid-to-long term

- Revised memorandum of understanding (2007/4)
  - Kenedix Group
  - Proprietary investment properties (incl. development projects)
  - Brokerage deals

Priority information

Growth based on Kenedix, Inc’s support-line including development projects

Growth performance by pipeline

Future growth

Future vision

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Office development projects of Kenedix, Inc.

Focus on expanding the pipeline for office development projects, as offices are positioned to become a key asset types for Kenedix

Kenedix track record for development projects and pipeline

![Graph showing development pipeline (total of offices + others) target]

<table>
<thead>
<tr>
<th>Year</th>
<th>Offices</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005A</td>
<td>26.5</td>
<td>57.3</td>
</tr>
<tr>
<td>2006A</td>
<td>62.4</td>
<td>61.4</td>
</tr>
<tr>
<td>2007E</td>
<td>61.4</td>
<td>0.5</td>
</tr>
<tr>
<td>2008E</td>
<td>47.9</td>
<td>53.2</td>
</tr>
<tr>
<td>2009E</td>
<td>101.1</td>
<td></td>
</tr>
<tr>
<td>2010E</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Kenedix Inc. (Nov. 2007)

Examples of Kenedix office development projects

KDX Harumi Project
- **Location**: Harumi 3-chome, Chuo-ku, Tokyo
- **Planned completion**: Feb. 2008
- **Size**: 1B/11F GFA: 3,907 Tsubo
- **Key advantages**:
  - Only 2km to Ginza and excellent access in all directions with Oedo Line
  - 260 Tsubo leasable area per floor; shaped astylar space

Office development project in Koto-ku
- **Location**: Koto-ku, Tokyo
- **Planned completion**: May 2008
- **Size**: 1B/10F GFA: 3,907 Tsubo
- **Key advantages**:
  - Large office with c.1,500 Tsubo leasable area per floor
  - Located within the redevelopment area. Excellent access to major business areas
  - Introduction of modern facilities for air-conditioning, telecom and energy saving measures

Office development project in Chuo-ku Osaka
- **Location**: Chuo-ku, Osaka Prefecture
- **Planned completion**: Jun. 2009
- **Size**: 1B/12F GFA: 3,300 Tsubo
- **Key advantages**:
  - Business area in Osaka
  - Large listed companies to use the building as HQ

Note: We have no current plans to acquire any of these properties but may consider acquiring one or more of them in the future as appropriate.
Management expertise for mid-sized office buildings (KDX Toranomon Building)

Development of a strong asset base (Portfolio) and leverage expertise in management of mid-sized office buildings

Leverage of Kenedix Group’s management expertise to maximum extent

Acquisition policy
- Acquisition of buildings in prime locations aimed to maximize their potential

Renovation of the entire building (¥330M)
- Renovation works aimed to achieve quasi new office building quality
- Increase in asset value through renovation works

Leasing of vacant buildings
- Increase rent levels
- Direct leasing

A-39 KDX Toranomon Building

Location: Toranomon, Minato-ku, Tokyo
Leasable area: 1,966.56m²
Year built: Jun. 1988
Acquisition date: Apr. 2007
Acquisition price: ¥4,400M

Entrance hall before renovation

At acquisition in 2007/4

| Appraisal value | ¥4,028 (after renovation ¥4,198) |
| Occupancy | 0% (vacant building) |
| Rent level (per month/per tsubo) | ¥32,000 (estimated post renovation value) |
| Use of 1st Floor | Game hall (former pachinko arcade) |
| Use of B1 Floor | Game hall (former pachinko arcade) |

As of 2007/10

| Appraisal value | ¥4,778 |
| Occupancy | 100% (full occupancy) |
| Rent level (per month/per tsubo) | ¥34,500 (average contracted rent) |
| Use of 1st Floor | Office (branch office of a financial institution) |
| Use of B1 Floor | Restaurant |

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SECTION 2

Management of Existing Properties
Management of existing properties — track record for increasing the rent level of office buildings (5th period)

Acquisition of new contracts (3rd–5th period)

Tenants turnover in office portfolio
(Actual and estimated turnover: annualized)

<table>
<thead>
<tr>
<th>Period</th>
<th>1st period</th>
<th>2nd period</th>
<th>3rd period</th>
<th>4th period</th>
<th>5th period (E)</th>
<th>6th period</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>12.2%</td>
<td>2.7%</td>
<td>6.1%</td>
<td>14.8%</td>
<td>8.2%</td>
<td>5.3%</td>
</tr>
</tbody>
</table>

Note: The above breakdown shows the ratio by area as of end of 5th period.

Breakdown of change rates for rents of new contracts (5th period)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>+0~5%</td>
<td>More than 30% increase</td>
</tr>
<tr>
<td>+5~10%</td>
<td>10~15%</td>
</tr>
<tr>
<td>+10~20%</td>
<td>▲5~10%</td>
</tr>
<tr>
<td>20~30%</td>
<td>▲10~15%</td>
</tr>
</tbody>
</table>

Note: The above breakdown is based on leased area as of end of 5th period.

Acquisition of new contracts by region (5th period)

<table>
<thead>
<tr>
<th>Region</th>
<th>Average Change rate (# of contracts)</th>
<th>Average rent increase rate (# of contracts)</th>
<th>Average rent reduction rate (# of contracts)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central Tokyo (5 wards)</td>
<td>22%</td>
<td>22%</td>
<td>0</td>
</tr>
<tr>
<td>Other Tokyo metropolitan</td>
<td>8%</td>
<td>10%</td>
<td>▲0%</td>
</tr>
<tr>
<td></td>
<td>(9)</td>
<td>(8)</td>
<td>(1 )</td>
</tr>
<tr>
<td>Other regional areas</td>
<td>6%</td>
<td>18%</td>
<td>▲8%</td>
</tr>
<tr>
<td></td>
<td>(11)</td>
<td>(6)</td>
<td>(5 )</td>
</tr>
<tr>
<td>Total</td>
<td>12%</td>
<td>17%</td>
<td>▲7%</td>
</tr>
<tr>
<td></td>
<td>(30)</td>
<td>(24)</td>
<td>(6 )</td>
</tr>
</tbody>
</table>

*Indicates the simple average of the fluctuations in the rent for new contracts. The weighted average of the fluctuations based on leased floor area is 16% for the total portfolio (Central Tokyo: 23%; Other Tokyo metropolitan area: 11%; Other regional areas: 7%).

Tenants turnover in office portfolio

<table>
<thead>
<tr>
<th>Period</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>3rd period</td>
<td>2%</td>
</tr>
<tr>
<td>4th period</td>
<td>5.5%</td>
</tr>
<tr>
<td>5th period</td>
<td>4.5%</td>
</tr>
</tbody>
</table>

Note: The above breakdown is based on leased area as of end of 5th period.

Rents for renewed contracts (5th period)

<table>
<thead>
<tr>
<th>Renewal date to come (83%)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>17%</td>
<td></td>
</tr>
<tr>
<td>Rents increased (7.3%)</td>
<td></td>
</tr>
</tbody>
</table>

Note: The above breakdown is based on leased area as of end of 5th period.

Breakdown of change rates for rents of renewed contracts (5th period)

<table>
<thead>
<tr>
<th>Rate</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>+0~5%</td>
<td>More than 30% increase</td>
</tr>
<tr>
<td>+5~10%</td>
<td>10~20%</td>
</tr>
<tr>
<td>+10~20%</td>
<td>▲5~10%</td>
</tr>
<tr>
<td>20~30%</td>
<td>▲10~15%</td>
</tr>
</tbody>
</table>

Rents for renewed contracts (5th period)

<table>
<thead>
<tr>
<th>Rent increased at contract renewal</th>
<th>Average rent increase rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>43.2%</td>
</tr>
<tr>
<td></td>
<td>7.6%</td>
</tr>
</tbody>
</table>

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Management of existing properties  
—Lowering of construction costs through auction process

Management cost reduction based on a strong asset base (portfolio)

Reduction of construction costs by tendering the installation of air-conditioning facilities at 4 buildings through group auction process

<table>
<thead>
<tr>
<th></th>
<th>KDX Higashi-Shinjuku</th>
<th>KDX Shiba Daimon</th>
<th>KDX Hirakawa-cho</th>
<th>KDX Hachioji</th>
<th>Total (4 properties)</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Co.</td>
<td>201</td>
<td>220</td>
<td>185</td>
<td>122</td>
<td>762</td>
</tr>
<tr>
<td>B Co. (1 contract awarded)</td>
<td>221</td>
<td>242</td>
<td>122</td>
<td>122</td>
<td>716</td>
</tr>
<tr>
<td>C Co.</td>
<td>280</td>
<td>253</td>
<td>157</td>
<td>137</td>
<td>827</td>
</tr>
<tr>
<td>D Co. (3 contracts awarded)</td>
<td>187</td>
<td>163</td>
<td>148</td>
<td>117</td>
<td>615</td>
</tr>
<tr>
<td>E Co.</td>
<td>269</td>
<td>302</td>
<td>199</td>
<td>153</td>
<td>923</td>
</tr>
<tr>
<td>F Co.</td>
<td>280</td>
<td>316</td>
<td>202</td>
<td>160</td>
<td>958</td>
</tr>
<tr>
<td>Average price submitted</td>
<td>232</td>
<td>242</td>
<td>166</td>
<td>135</td>
<td>779</td>
</tr>
<tr>
<td>Order price</td>
<td>187</td>
<td>163</td>
<td>122</td>
<td>117</td>
<td>589</td>
</tr>
</tbody>
</table>

Case study—Exterior renovation

Exterior renovation of 4 properties (¥M)

<table>
<thead>
<tr>
<th></th>
<th>KDX Kiba</th>
<th>Higashi-Kayabacho Yuraku</th>
<th>KDX Minami-Senba Dai-1</th>
<th>KDX Shiba Daimon</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>G Co. (contracts awarded)</td>
<td>12</td>
<td>20</td>
<td>26.5</td>
<td>36</td>
<td>94.5</td>
</tr>
<tr>
<td>H Co.</td>
<td>18.8</td>
<td>20.5</td>
<td>30</td>
<td>54</td>
<td>123.3</td>
</tr>
<tr>
<td>I Co.</td>
<td>17</td>
<td>22</td>
<td>25.4</td>
<td>47</td>
<td>111.4</td>
</tr>
<tr>
<td>J Co.</td>
<td>20.7</td>
<td>22.2</td>
<td>36.5</td>
<td>40.8</td>
<td>120.2</td>
</tr>
</tbody>
</table>

Exterior renovation of 3 properties (¥M)

<table>
<thead>
<tr>
<th></th>
<th>KDX Furubashi</th>
<th>KDX Hamacho</th>
<th>KDX Kajichio</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>K Co. (contracts awarded)</td>
<td>39</td>
<td>22</td>
<td>24</td>
<td>85</td>
</tr>
<tr>
<td>L Co</td>
<td>39</td>
<td>26</td>
<td>30</td>
<td>95</td>
</tr>
</tbody>
</table>

Key points of the group auction process and construction

- Expanded portfolio allows for bundled handling of similar construction projects
- Schedule coordination via a list of construction work by project type
- Nominate bidders based on track record and credibility
- Costs lowered further through price negotiations after execution of the auction process

Merits for Merits for KRI:
- Lower construction costs
- Ability to place orders with major construction companies who have high credibility
- Improved specification of air-conditioning systems

Merits for construction companies:
- Large-scale renovation work orders
- Lower costs through bulk orders placed to materials suppliers and affiliates

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Management of existing properties — CS (Customer satisfaction) strategy based management

**CS survey = Survey on Customer Satisfaction**

(Outline of the survey in 2007)

- Surveyed:
  - Admin Dpt. staff and employees of tenants in 44 office buildings
- Survey Population:
  - Administration Department staff and employees of tenants in 44 office buildings
- Response rate:
  - Administration Department = 88%
  - Employees = 81%

**Surveyed**

- Survey Population:
  - Administration Department = 446
  - Employees = 2,348
- Response rate:
  - Administration Department = 88%
  - Employees = 81%

**Changes in overall satisfaction (Admin Dpt. staff)**

- Survey in 2005:
  - Satisfied
  - Mildly satisfied
  - Neutral
  - Mildly unsatisfied
  - N.A.

- Survey in 2007:
  - Satisfied
  - Mildly satisfied
  - Neutral
  - Mildly unsatisfied
  - N.A.

**Physical aspects: Case study of increased satisfaction through CS oriented renovation works**

- Higashi Kayabacho Yuraku Building
  - Assessment on security and disaster prevention: 576 → 697
  - Implementation of electronic security system
- Hakata Ekimae Dai-2 Building
  - Assessment on toilets: 608 → 791
  - Renovation of interior, toilet and bathroom vanity

**Soft aspects: Correlation between the building management company (BM Co)’s response time and overall satisfaction**

- Correlation between time required to cope with accidents/defects and overall satisfaction
- Quick response → higher degree of overall satisfaction
- Future issue: Training of BM Co and persons in charge of building management

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Management of existing properties
—Comprehensive property management by Kenedix Group

Leasing activities

Kenedix Group comprehensive property management by Kenedix Advisors

Increase in rent levels

Rent increase achieved for new contracts

2007/10: 17% increase on average
2007/4: 15% increase on average
2006/10: 15% increase on average

Reduction in total property leasing expenses achieved

Out of 44 office buildings, c.¥80M reduction achieved at 28 office buildings (annualized) (average reduction rate: 8.6%)

Reduction in building management costs achieved

Planned reduction at 23 office buildings out of 44 (annualized): c.¥12M (pro forma base)

Reduction in electric utility charge

Leasing activities

Leasing activities for KDX Toranomon Building (2007/10)

Leasing activities for KDX Nishi-Gotanda Building (2007/4)

CS survey based management

2nd CS survey: Implemented in Jul. 2007
Surveyed: 43 office buildings
1 central urban retail
Survey Population: 2,794
(Response rate: Admin Dpt. = 88%, employees = 81%)

1st CS survey: Implemented in Dec. 2005
Surveyed: 19 office buildings
1 central urban retail

Implementation of KDX standards

Renamed: 34 office buildings out of 44

Installation of building name signboard

Case study of KDX standard

Introduction of standard specification for elevators and toilets
Installation of security cameras
Improved security levels and lowered security costs by consolidating security companies

Renovation and conversion works

KDX Toranomon Building: Renovation of the entire building (2007/10)
KDX Higashi-Shinjuku Building: Former gas station site on 1F converted to a shop
KDX Hamacho Building: Residences and stores converted to offices (2006/10)

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SECTION 3

Financial Strategies
Stable Financial Management — Diversified maturities and Fixed debt interest rates

Diversify debt maturity

Amount of debt maturing in each year (as of Feb. 29, 2008)

- 5–year & 10–year Investment Corporation Bonds
- 7–year & 10–year loans from DBJ

Notes: 1 Shows the amounts of debt maturing in each Half
2 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

(as of Feb. 29, 2008)

- Average interest rate
  - Long-term: 1.60%
  - Duration: 3.0 years

Notes: 1 “Fixed interest rate debt” includes debt that were converted to fixed from floating through interest rate swap
2 Second decimal place omitted for ratios

Breakdown of debt maturities (Initial debt financing)

- 1 year (short-term)
- 2 years
- 3 years / 3.5 years
- 4 years / 5 years
- 7 years / 10 years

Debt financing that focuses on diversifying maturities.

Leverage of low-interest rate environment by focusing on long-term fixed interest rate debt financing.
Stable financing strategy—LTV and diversify of debt providers

Changes in LTV

<table>
<thead>
<tr>
<th></th>
<th>1st Period</th>
<th>2nd Period</th>
<th>3rd Period</th>
<th>4th Period</th>
<th>5th Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total interest-bearing debt (¥B)</td>
<td>29.0</td>
<td>42.0</td>
<td>62.0</td>
<td>88.5</td>
<td>75.5</td>
</tr>
<tr>
<td>LTV</td>
<td>37.5%</td>
<td>45.6%</td>
<td>38.7%</td>
<td>47.0%</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

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

→ We will stay focused on maintaining conservative LTV

(Reference) Borrowing capacity estimation

<table>
<thead>
<tr>
<th></th>
<th>5th Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total interest-bearing debt (¥B)</td>
<td>75.5</td>
</tr>
<tr>
<td>LTV</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

Borrowing capacity estimation: c. ¥63B (based on the LTV as of end of 5th period, calculation assumes increase of LTV to 50% level)

→ We will continue diversifying debt providers

Breakdown of debt providers

- Investment Corporation Bonds: 12.0
- Sumitomo Mitsui Banking Corporation: 11.3
- Chuo Mitsui Trust and Banking: 10.5
- Norinchukin Bank: 9.5
- Aozora Bank: 9.5
- Mitsubishi UFJ Trust and Banking: 7.2
- Bank of Tokyo-Mitsubishi UFJ: 6.3
- Resona Bank: 2.8
- Chiba Bank: 2.0
- Mitsui Sumitomo F&M Development Bank of Japan: 1.7
- (as of Feb. 29, 2008; ¥B)

Commitment Line

<table>
<thead>
<tr>
<th>Lender</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank of Tokyo-Mitsubishi UFJ</td>
<td>¥2.5B</td>
</tr>
<tr>
<td>Citibank</td>
<td>¥2.5B</td>
</tr>
</tbody>
</table>

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Financial strategy—Diversified financing methods

Credit rating and issuance of investment corporation bonds

**Credit rating**

<table>
<thead>
<tr>
<th>Rating agency</th>
<th>Rating</th>
<th>Rating acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moody's</td>
<td>A3 (stable)</td>
<td>Feb. 2006</td>
</tr>
<tr>
<td>Japan Credit Rating Agency (JCR)</td>
<td>A+ (stable)</td>
<td>Dec. 2006</td>
</tr>
</tbody>
</table>

**Investment Corporation Bonds**

<table>
<thead>
<tr>
<th>Name</th>
<th>Size</th>
<th>Interest rate</th>
<th>Maturity</th>
<th>Payment date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st Bond</td>
<td>¥9B</td>
<td>1.74%</td>
<td>5 yrs.</td>
<td>Mar. 15, 2007</td>
</tr>
</tbody>
</table>

Secured diversified financing methods

**Shelf registration**

<table>
<thead>
<tr>
<th>Type</th>
<th>Assumed size</th>
<th>Assumed issuance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Corporation Bond</td>
<td>¥100B</td>
<td>2 years from Feb. 15, 2007</td>
</tr>
<tr>
<td>Investment securities</td>
<td>¥100B</td>
<td>2 years from May 7, 2007</td>
</tr>
</tbody>
</table>

→ We aim to lengthen debt maturity through various financing methods

Repayment of short-term debt ahead of schedule

(From 4th Period – 6th Period)

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount (¥)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/3/15</td>
<td>¥12B</td>
</tr>
<tr>
<td>2007/5/30</td>
<td>¥6.75B</td>
</tr>
<tr>
<td>2007/6/13</td>
<td>¥4.75B</td>
</tr>
<tr>
<td>2007/6/22</td>
<td>¥1.5B</td>
</tr>
<tr>
<td>2007/10/31</td>
<td>¥0.5B</td>
</tr>
<tr>
<td>2008/2/29</td>
<td>¥1.0B</td>
</tr>
</tbody>
</table>

- Repayment by issuing Investment Corporation Bonds (Mar. 2007)
- Repayment of ¥13B through 2nd Public offering (May 2007)
- Repayment through refinancing with long-term debt (2 yrs., 3.5 yrs.)

Changes in NAV per unit

- Exercise of POs
- Increase in Net income

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SECTION 4

5th Period Financial Results (ending October 2007)
### 5th period financial results—performance highlights

#### Performance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td>¥1,196M</td>
<td>¥2,871M</td>
<td>¥5,288M</td>
<td>¥5,778M</td>
<td>¥7,208M</td>
<td>+ ¥1,430M (+24.7%)</td>
</tr>
<tr>
<td>Disposal income</td>
<td>-</td>
<td>-</td>
<td>¥157M</td>
<td>¥130M</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Rental business profit</td>
<td>¥677M</td>
<td>¥1,606M</td>
<td>¥2,734M</td>
<td>¥3,040M</td>
<td>¥4,002M</td>
<td>+ ¥962M (+31.6%)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>¥268M</td>
<td>¥650M</td>
<td>¥1,135M</td>
<td>¥1,243M</td>
<td>¥1,392M</td>
<td>+ ¥149M (+12.0%)</td>
</tr>
<tr>
<td>Net operating income (NOI)</td>
<td>¥945M</td>
<td>¥2,256M</td>
<td>¥3,869M</td>
<td>¥4,283M</td>
<td>¥5,394M</td>
<td>+ ¥1,111M (+25.9%)</td>
</tr>
<tr>
<td>FFO (Funds from operation)</td>
<td>¥510M</td>
<td>¥1,752M</td>
<td>¥3,102M</td>
<td>¥3,261M</td>
<td>¥4,184M</td>
<td>+ ¥923M (+28.3%)</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>¥242M</td>
<td>¥1,101M</td>
<td>¥2,124M</td>
<td>¥2,148M</td>
<td>¥2,792M</td>
<td>+ ¥644M (+30.0%)</td>
</tr>
<tr>
<td>Number of units outstanding</td>
<td>79,370units</td>
<td>79,370units</td>
<td>157,000units</td>
<td>157,000units</td>
<td>200,000units</td>
<td>+ 43,000units (+27.4%) 07/5 PO</td>
</tr>
<tr>
<td>FFO per unit</td>
<td>¥6,430</td>
<td>¥22,076</td>
<td>¥19,759</td>
<td>¥20,772</td>
<td>¥20,920</td>
<td>+ ¥148 (+0.7%)</td>
</tr>
<tr>
<td><strong>Distribution per unit</strong></td>
<td>¥3,052</td>
<td>¥13,884</td>
<td>¥13,529</td>
<td>¥13,682</td>
<td>¥13,960</td>
<td>+ ¥278 (+2.0%)</td>
</tr>
</tbody>
</table>

#### Financial ratio

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total assets</strong></td>
<td>¥77,325M</td>
<td>¥92,053M</td>
<td>¥160,314M</td>
<td>¥188,400M</td>
<td>¥213,763M</td>
<td>+ ¥25,363M (+13.5%)</td>
</tr>
<tr>
<td>Total unitholders’ equity</td>
<td>¥44,527M</td>
<td>¥45,387M</td>
<td>¥90,933M</td>
<td>¥90,877M</td>
<td>¥127,761M</td>
<td>+ ¥36,884M (+40.6%)</td>
</tr>
<tr>
<td><strong>Total unitholders’ equity per unit</strong></td>
<td>¥561,008</td>
<td>¥571,840</td>
<td>¥579,192</td>
<td>¥578,839</td>
<td>¥638,809</td>
<td>+ ¥59,970 (+10.4%)</td>
</tr>
<tr>
<td>Interest-bearing debt ratio</td>
<td>37.5%</td>
<td>45.6%</td>
<td>38.7%</td>
<td>47.0%</td>
<td>35.3%</td>
<td>▲ 11.7% 07/5PO</td>
</tr>
<tr>
<td>Unitholders’ equity to total assets</td>
<td>57.6%</td>
<td>49.3%</td>
<td>56.7%</td>
<td>48.2%</td>
<td>59.8%</td>
<td>+ 11.6%</td>
</tr>
<tr>
<td>Number of properties</td>
<td>31</td>
<td>35</td>
<td>64</td>
<td>72</td>
<td>77</td>
<td>+ 5 (Office)</td>
</tr>
<tr>
<td>Total leasable floor area</td>
<td>81,298.67m²</td>
<td>104,866.65m²</td>
<td>192,085.34m²</td>
<td>223,322.77m²</td>
<td>248,653.07m²</td>
<td>+ 25,330.3m² (+11.3%)</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>96.6%</td>
<td>94.9%</td>
<td>95.3%</td>
<td>95.9%</td>
<td>96.9%</td>
<td>+ 1.0%</td>
</tr>
</tbody>
</table>

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# 6th period earnings forecasts

## Operating forecasts for 6th period (to April 2008)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenues</strong></td>
<td>7,208</td>
<td>7,377</td>
<td>7,935</td>
<td>+%¥727M</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>3,737</td>
<td>3,873</td>
<td>3,961</td>
<td>+%¥224M</td>
</tr>
<tr>
<td>Property-related expenses (excl. depreciation)</td>
<td>1,813</td>
<td>1,849</td>
<td>1,916</td>
<td>+%¥103M</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,392</td>
<td>1,416</td>
<td>1,415</td>
<td>+%¥23M</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>3,470</td>
<td>3,504</td>
<td>3,974</td>
<td>+%¥504M</td>
</tr>
<tr>
<td>Non-operating expenses</td>
<td>689</td>
<td>683</td>
<td>693</td>
<td>+%¥4M</td>
</tr>
<tr>
<td>Interest expense</td>
<td>595</td>
<td>584</td>
<td>587</td>
<td>Assumption of the 6th period borrowings ¥63.5B, investment corporation bond issue ¥12B</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>2,793</td>
<td>2,828</td>
<td>3,288</td>
<td>+%¥495M</td>
</tr>
<tr>
<td>Number of units outstanding</td>
<td>200,000</td>
<td>200,000</td>
<td>200,000</td>
<td></td>
</tr>
<tr>
<td><strong>Distribution per unit (Yen)</strong></td>
<td>13,960</td>
<td>14,100</td>
<td>16,400</td>
<td>+%¥2,440</td>
</tr>
<tr>
<td>NOI</td>
<td>5,394</td>
<td>5,528</td>
<td>5,568</td>
<td>+%¥173M</td>
</tr>
<tr>
<td>FFO</td>
<td>4,184</td>
<td>4,243</td>
<td>4,206</td>
<td>(Rental revenues – Property-related expenses + Depreciation) +%¥22M</td>
</tr>
<tr>
<td>(Reference) Gain on real estate disposals</td>
<td>-</td>
<td>-</td>
<td>496 (forecast)</td>
<td>Assumption of the sale of 23 residentials</td>
</tr>
<tr>
<td>(Reference) Trends in the number of properties</td>
<td>72→77</td>
<td>77→77 (forecast)</td>
<td>77→63 (forecast)</td>
<td>Assumption of the cross-deal</td>
</tr>
</tbody>
</table>

### Preconditions of 6th period forecasts

- **9 offices acquired and 23 residentials disposed on Feb. 1, 2008 (cross-deal)**
- **Funds for acquisition of the 9 offices buildings from sales of the 23 residentials and cash on hand**
- **Gain on real estate sale of the 23 residentials calculated as planned sales price less assumed book value at time of sale, less disposal costs**
- **As of the end of period, interest-bearing debt ¥75.5B and LTV approx 35%**

Note: Preconditions of 7th period forecasts

- Property tax and city planning tax for 44 office buildings expected to rise ¥81M vs 6th period
SECTION 5

Appendix
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Global REIT Market vs. Government Bond

**J-REITs yield spread are still wider than other regions**

**Japan**

- J-REIT div. Yield (Lhs)
- 10yr govt. bond yield (Lhs)
- Spread (Rhs)

**US**

- NAREIT div. yield (Lhs)
- 10yr govt. bond yield (Lhs)
- Spread (Rhs)

**UK**

- UK div. Yield (Lhs)
- 10yr govt. bond yield (Lhs)
- Spread (Rhs)

**Australia**

- LPT div. yield (Lhs)
- 10yr govt. bond yield (Lhs)
- Spread (Rhs)

**Singapore**

- SREIT div. Yield (Lhs)
- 10yr govt. bond yield (Lhs)
- Spread (Rhs)

Source: UBS, Bloomberg

Note: Data as of Dec. 11, 2007
J-REITs investment trends by investor category

Foreign Corporation and Individuals

Banks

Investment Trusts

Source: Tokyo Stock Exchange
Disclosure and IR activities

(Reference) Number of investor meetings

<table>
<thead>
<tr>
<th>Type of investor</th>
<th>Total Meetings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic institutions</td>
<td>251</td>
</tr>
<tr>
<td>Domestic regional financial institutions</td>
<td>91</td>
</tr>
<tr>
<td>International investors (Europe)</td>
<td>93</td>
</tr>
<tr>
<td>International investors (US)</td>
<td>93</td>
</tr>
<tr>
<td>International investors (other)</td>
<td>100</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>628</strong></td>
</tr>
</tbody>
</table>

Note:
1. From Jun. 21, 2005 to Dec. 11, 2007 (including conference calls)

(Reference) Access to KRI website

<table>
<thead>
<tr>
<th>Category</th>
<th>Clicks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Press release</td>
<td>11,837</td>
</tr>
<tr>
<td>Portfolio</td>
<td>7,432</td>
</tr>
<tr>
<td>Disclosure material</td>
<td>4,361</td>
</tr>
<tr>
<td>KDRM site top</td>
<td>4,681</td>
</tr>
<tr>
<td>Dividends</td>
<td>2,426</td>
</tr>
<tr>
<td>Occupancy rate</td>
<td>2,426</td>
</tr>
<tr>
<td>English Website</td>
<td>1,681</td>
</tr>
<tr>
<td>Bank borrowings</td>
<td>1,507</td>
</tr>
<tr>
<td><strong>TOTAL TRAFFIC</strong></td>
<td><strong>32,880</strong></td>
</tr>
</tbody>
</table>

Note:
1. Six-months from May 1, 2007 to Oct. 31, 2007

Complete renewal of company website on Mar. 3, 2008

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

Asset Management Reports (sent to existing investors)

English Annual Reports

As additional service, we have prepared an English website

Disclosure through English Website
http://www.kdx-reit.com/eng/

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

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Financing Strategy—Equity finance and debt finance

Estimated capital costs

<table>
<thead>
<tr>
<th>Asset yield (5th period)</th>
<th>Capital cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>♦ NOI from property leasing c.5.4%</td>
<td>♦ Average interest rate for debts as of end of 5th period: c.1.56%</td>
</tr>
<tr>
<td></td>
<td>♦ Average leverage during the 5th period: c.38%</td>
</tr>
<tr>
<td></td>
<td>♦ Yield level of dividends as of end of 5th period: c.3.5%</td>
</tr>
<tr>
<td></td>
<td>- Unit price as of end of 5th period: ¥795,000</td>
</tr>
<tr>
<td></td>
<td>→ WACC: c.2.7–2.8%</td>
</tr>
</tbody>
</table>

(Reference) Refinance during 5th period

<table>
<thead>
<tr>
<th># of transaction</th>
<th>Repayment</th>
<th>Borrowing</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 (5 Lenders)</td>
<td>¥7.25B</td>
<td>¥7.25B</td>
</tr>
</tbody>
</table>

Lenders

Sumitomo Mitsui Banking Corporation
The Chuo Mitsui Trust and Banking Co., Ltd
The Norinchukin Bank
The Bank of Tokyo Mitsubishi UFJ, Ltd.
Mitsubishi UFJ Trust and Banking Corporation
Aozora Bank, Ltd.
Resona Bank, Ltd.
The Chiba Bank, Ltd.
Mitsui Sumitomo Insurance Co., Ltd.
Development Bank of Japan

End of 4th period

<table>
<thead>
<tr>
<th>(¥B)</th>
<th>07/5 PO in 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>250</td>
</tr>
<tr>
<td>50</td>
<td></td>
</tr>
<tr>
<td>100</td>
<td></td>
</tr>
<tr>
<td>150</td>
<td></td>
</tr>
<tr>
<td>200</td>
<td></td>
</tr>
<tr>
<td>250</td>
<td></td>
</tr>
</tbody>
</table>

End of 5th period

<table>
<thead>
<tr>
<th>(¥B)</th>
<th>Debt</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>29</td>
</tr>
<tr>
<td>50</td>
<td>42</td>
</tr>
<tr>
<td>100</td>
<td>62</td>
</tr>
<tr>
<td>150</td>
<td>88.5</td>
</tr>
<tr>
<td>200</td>
<td>75.5</td>
</tr>
</tbody>
</table>

D/E ratio

<table>
<thead>
<tr>
<th>1st period</th>
<th>2nd period</th>
<th>3rd period</th>
<th>4th period</th>
<th>5th period</th>
</tr>
</thead>
<tbody>
<tr>
<td>37.5%</td>
<td>45.6%</td>
<td>38.7%</td>
<td>47.0%</td>
<td>35.3%</td>
</tr>
</tbody>
</table>

LTV target: Mid 30% to 50%

Borrowing capacity estimation is ¥63B

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### Balance Sheet

#### ASSETS

<table>
<thead>
<tr>
<th></th>
<th>4th period as of Apr. 30, 2007</th>
<th>5th period as of Oct. 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (¥ thousand) (%)</td>
<td>Amount (¥ thousand) (%)</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and bank deposits</td>
<td>3,740,550 (4.9)</td>
<td>6,561,025 (4.9)</td>
</tr>
<tr>
<td>Entrusted deposits</td>
<td>5,182,912</td>
<td>5,762,315</td>
</tr>
<tr>
<td>Other current assets</td>
<td>410,121</td>
<td>247,630</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property and equipment at cost</td>
<td>178,516,827 (94.8)</td>
<td>200,564,337 (93.8)</td>
</tr>
<tr>
<td>Buildings</td>
<td>4,902,623</td>
<td>4,896,943</td>
</tr>
<tr>
<td>Land</td>
<td>7,910,082</td>
<td>7,918,083</td>
</tr>
<tr>
<td>Buildings in trust</td>
<td>60,426,940</td>
<td>64,120,208</td>
</tr>
<tr>
<td>Land in trust</td>
<td>105,277,180</td>
<td>123,629,101</td>
</tr>
<tr>
<td>Intangible assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground leasehold</td>
<td>285,144 (0.1)</td>
<td>285,350 (0.1)</td>
</tr>
<tr>
<td>Investments and other assets</td>
<td>94,969 (0.1)</td>
<td>83,110 (0.1)</td>
</tr>
<tr>
<td>Leasehold and security deposits</td>
<td>11,649</td>
<td>12,411</td>
</tr>
<tr>
<td>Long-term prepaid expenses</td>
<td>83,320</td>
<td>68,165</td>
</tr>
<tr>
<td>Deferred income tax asset</td>
<td>-</td>
<td>2,534</td>
</tr>
<tr>
<td><strong>Deferred assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organization costs</td>
<td>30,538</td>
<td>25,448</td>
</tr>
<tr>
<td>Corporate bond issuance costs</td>
<td>68,875</td>
<td>62,997</td>
</tr>
<tr>
<td>Unit issuance costs</td>
<td>71,138</td>
<td>171,774</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td>9,333,184 (4.9%)</td>
<td>12,570,970 (4.9%)</td>
</tr>
<tr>
<td><strong>Total Fixed Assets</strong></td>
<td>178,896,941 (95.0%)</td>
<td>200,932,798 (94.0%)</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>188,400,678 (100.0%)</td>
<td>213,763,989 (100.0%)</td>
</tr>
</tbody>
</table>

#### LIABILITIES

<table>
<thead>
<tr>
<th></th>
<th>5th period as of Oct. 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount (¥ thousand) (%)</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>275,299 (11.4)</td>
</tr>
<tr>
<td>Other account payables</td>
<td>225,737</td>
</tr>
<tr>
<td>Rents received in advance</td>
<td>916,372</td>
</tr>
<tr>
<td>Others</td>
<td>26,743</td>
</tr>
<tr>
<td><strong>Fixed liabilities</strong></td>
<td>76,078,756 (40.4)</td>
</tr>
<tr>
<td>Corporate bonds</td>
<td>12,000,000</td>
</tr>
<tr>
<td>Long-term debt</td>
<td>56,500,000</td>
</tr>
<tr>
<td>Leasehold and security deposit received</td>
<td>626,499</td>
</tr>
<tr>
<td>Security deposit received in trust</td>
<td>6,952,256</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>97,522,908 (51.8%)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Unitholders’ capital</strong></td>
<td>88,729,652 (47.1%)</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>2,148,117 (1.1)</td>
</tr>
<tr>
<td>Unrealized gain from deferred hedge transactions</td>
<td>- (-)</td>
</tr>
<tr>
<td><strong>Total Liabilities and Unitholders’ Equity</strong></td>
<td>188,400,678 (100.0%)</td>
</tr>
</tbody>
</table>

#### End of 5th period

<table>
<thead>
<tr>
<th></th>
<th>① Acquisition value</th>
<th>② Book value</th>
<th>③ Appraisal value at the end of 5th period</th>
<th>Differences from acquisition value (%)</th>
<th>Differences from book value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>137,979 (93.8%)</td>
<td>140,411</td>
<td>156,048 (13.1%)</td>
<td>+18,069 (+13.1%)</td>
<td>+15,637 (+11.1%)</td>
</tr>
<tr>
<td>Central urban retail</td>
<td>16,059 (12.4%)</td>
<td>16,541</td>
<td>18,250 (13.6%)</td>
<td>+2,191 (+13.6%)</td>
<td>+1,709 (+10.3%)</td>
</tr>
<tr>
<td>Residential</td>
<td>43,052 (3.3%)</td>
<td>43,896</td>
<td>44,468 (3.0%)</td>
<td>+1,416 (+3.0%)</td>
<td>+302 (+0.7%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>197,090 (10.9%)</td>
<td>200,849</td>
<td>218,656 (+10.9%)</td>
<td>+21,566 (+10.9%)</td>
<td>+17,807 (+8.9%)</td>
</tr>
</tbody>
</table>

#### End of 4th period

<table>
<thead>
<tr>
<th></th>
<th>① Acquisition value</th>
<th>② Book value</th>
<th>③ Appraisal value at the end of 4th period</th>
<th>Differences from acquisition value (%)</th>
<th>Differences from book value (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>115,979 (97.8%)</td>
<td>118,029</td>
<td>127,187 (+9.7%)</td>
<td>+11,208 (+9.7%)</td>
<td>+9,158 (+7.8%)</td>
</tr>
<tr>
<td>Central urban retail</td>
<td>16,059 (12.4%)</td>
<td>16,606</td>
<td>18,250 (+12.4%)</td>
<td>+2,191 (+12.4%)</td>
<td>+1,709 (+10.3%)</td>
</tr>
<tr>
<td>Residential</td>
<td>43,052 (3.3%)</td>
<td>44,166</td>
<td>44,468 (+3.3%)</td>
<td>+1,416 (+3.3%)</td>
<td>+302 (+0.7%)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>175,090 (8.3%)</td>
<td>178,801</td>
<td>189,705 (+8.3%)</td>
<td>+14,615 (+8.3%)</td>
<td>+10,904 (+6.1%)</td>
</tr>
</tbody>
</table>

- Properties and equipment at cost
  - 71 properties held at the end of the 5th period are held in the form of trust beneficiary interests. KDX Funabashi Building, KDX Nogizaka Building, KDX Nishi-Gotanda Building, KDX Okachimachi Building, KDX Nishi-Shinjuku Building, KDX Monzen-Nakacho Building were acquired as real estate

- Properties and equipment at cost
  - 71 properties held at the end of the 5th period are held in the form of trust beneficiary interests. KDX Funabashi Building, KDX Nogizaka Building, KDX Nishi-Gotanda Building, KDX Okachimachi Building, KDX Nishi-Shinjuku Building, KDX Monzen-Nakacho Building were acquired as real estate

- Measurement of interest swap at fair value recorded as a piece of total unitholders’ capital from the 4th period
  - Out of the interest rate swap transactions, one was accounted for under deferred hedge accounting (Notional principal amount ¥1.5B)
### Office buildings as of the end of October 31, 2007 (44 properties)

<table>
<thead>
<tr>
<th>Area</th>
<th># of props</th>
<th>Name</th>
<th>Location</th>
<th>Acquisition price (¥m)</th>
<th>Completion date</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>A-40</td>
<td>Toranomon Toyo Building</td>
<td>Minato-ward, Tokyo</td>
<td>9,850</td>
<td>Aug. 1982</td>
<td>97.5%</td>
</tr>
<tr>
<td></td>
<td>A-41</td>
<td>KDX Sumiyoshi Building</td>
<td>Minato-ward, Tokyo</td>
<td>6,400</td>
<td>Jan. 1988</td>
<td>98.5%</td>
</tr>
<tr>
<td></td>
<td>A-42</td>
<td>KDX Ochiai Building</td>
<td>Minato-ward, Tokyo</td>
<td>4,200</td>
<td>Jun. 1989</td>
<td>98.2%</td>
</tr>
<tr>
<td></td>
<td>A-43</td>
<td>KDX Shin-Yokohama Building</td>
<td>Yokohama, Kanagawa</td>
<td>9,800</td>
<td>Dec. 1989</td>
<td>99.9%</td>
</tr>
<tr>
<td></td>
<td>A-44</td>
<td>KDX Niigaki Building</td>
<td>Chuo-ward, Tokyo</td>
<td>7,600</td>
<td>Sep. 1989</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-45</td>
<td>KDX Shin-Ohashi Building</td>
<td>Minato-ward, Tokyo</td>
<td>5,940</td>
<td>Feb. 2008</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-46</td>
<td>KDX Shin-Ohashi Building</td>
<td>Shinjuku-ward, Tokyo</td>
<td>11,000</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
<tr>
<td></td>
<td>A-47</td>
<td>KDX Fukuoka Building</td>
<td>Fukuoka, Fukuoka</td>
<td>3,600</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
<tr>
<td></td>
<td>A-48</td>
<td>KDX Shin-Yokohama Building</td>
<td>Yokohama, Kanagawa</td>
<td>5,400</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
<tr>
<td></td>
<td>A-49</td>
<td>KDX Tokyo-Shimibashi Building</td>
<td>Chuo-ward, Tokyo</td>
<td>2,700</td>
<td>Sep. 2008</td>
<td>97.5%</td>
</tr>
<tr>
<td></td>
<td>A-50</td>
<td>KDX Nihonbashi Building</td>
<td>Chuo-ward, Tokyo</td>
<td>2,700</td>
<td>Sep. 2008</td>
<td>97.5%</td>
</tr>
<tr>
<td></td>
<td>A-51</td>
<td>KDX Shin-Ohashi Building</td>
<td>Shinjuku-ward, Tokyo</td>
<td>9,800</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
</tbody>
</table>

#### Properties acquired on February 1, 2008 (9 properties)

<table>
<thead>
<tr>
<th>Area</th>
<th># of props</th>
<th>Name</th>
<th>Location</th>
<th>Acquisition price (¥m)</th>
<th>Completion date</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>A-52</td>
<td>A-40</td>
<td>Minato-ward, Tokyo</td>
<td>9,850</td>
<td>Jan. 1988</td>
<td>98.5%</td>
</tr>
<tr>
<td></td>
<td>A-53</td>
<td>KDX Ochiai Building</td>
<td>Minato-ward, Tokyo</td>
<td>6,400</td>
<td>Jan. 1988</td>
<td>98.5%</td>
</tr>
<tr>
<td></td>
<td>A-54</td>
<td>KDX Shin-Yokohama Building</td>
<td>Yokohama, Kanagawa</td>
<td>9,800</td>
<td>Dec. 1989</td>
<td>99.9%</td>
</tr>
<tr>
<td></td>
<td>A-55</td>
<td>KDX Niigaki Building</td>
<td>Chuo-ward, Tokyo</td>
<td>7,600</td>
<td>Sep. 1989</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-56</td>
<td>KDX Shin-Ohashi Building</td>
<td>Minato-ward, Tokyo</td>
<td>5,940</td>
<td>Feb. 2008</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-57</td>
<td>KDX Fukuoka Building</td>
<td>Fukuoka, Fukuoka</td>
<td>3,600</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
<tr>
<td></td>
<td>A-58</td>
<td>KDX Shin-Yokohama Building</td>
<td>Yokohama, Kanagawa</td>
<td>5,400</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
<tr>
<td></td>
<td>A-59</td>
<td>KDX Tokyo-Shimibashi Building</td>
<td>Chuo-ward, Tokyo</td>
<td>2,700</td>
<td>Sep. 2008</td>
<td>97.5%</td>
</tr>
<tr>
<td></td>
<td>A-60</td>
<td>KDX Nihonbashi Building</td>
<td>Chuo-ward, Tokyo</td>
<td>2,700</td>
<td>Sep. 2008</td>
<td>97.5%</td>
</tr>
<tr>
<td></td>
<td>A-61</td>
<td>KDX Shin-Ohashi Building</td>
<td>Shinjuku-ward, Tokyo</td>
<td>9,800</td>
<td>Dec. 2007</td>
<td>98.0%</td>
</tr>
</tbody>
</table>

#### Property acquired on January 10, 2008 (1 property)

<table>
<thead>
<tr>
<th>Area</th>
<th># of props</th>
<th>Name</th>
<th>Location</th>
<th>Acquisition price (¥m)</th>
<th>Completion date</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>A-62</td>
<td>KDX Roppongi 228 Building</td>
<td>Minato-ward, Tokyo</td>
<td>3,300</td>
<td>Apr. 1989</td>
<td>91.9%</td>
</tr>
</tbody>
</table>

#### Central urban retail properties as of the end of October 31, 2007 (3 properties)

<table>
<thead>
<tr>
<th>Area</th>
<th># of props</th>
<th>Name</th>
<th>Location</th>
<th>Acquisition price (¥m)</th>
<th>Completion date</th>
<th>Occupancy (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo</td>
<td>A-63</td>
<td>Frame Jinnan-zaka Building</td>
<td>Shibuya-ward, Tokyo</td>
<td>9,900</td>
<td>Mar. 2005</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-64</td>
<td>KDX Kasumigaseki Building</td>
<td>Chiyoda-ward, Tokyo</td>
<td>8,200</td>
<td>Mar. 2005</td>
<td>100.0%</td>
</tr>
<tr>
<td></td>
<td>A-65</td>
<td>KDX Kanda-Meguro Building</td>
<td>Bunkyo-ward, Tokyo</td>
<td>7,100</td>
<td>Mar. 2005</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

Notes:
1. The acquisition price equals the transaction value of the trust beneficiary and other rights the investment corporation has acquired (before taxes, and rounded down to the nearest million).
2. The building completion date refers to the registered month/year when the building was initially built. The weighted average of the building ages on acquisition prices of 77 properties as of the end of Oct., 2007 is 16.2 years. The weighted averages of the building ages of 44 office buildings, 3 central urban retail properties, 30 residential properties are 20.8 years, 4.4 years, 5.6 years, respectively.
3. The occupancy rate is calculated by dividing the occupied area (as of Oct. 31, 2007) by the total leaseable area (rounded to the first decimal place), and the occupancy rates of 1 office building property acquired on Jan. 10, 2008 and 9 office buildings properties acquired on Feb. 1, 2008 are calculated as of Nov. 30, 2007. The weighted average of the occupancy rates on acquisition prices of 77 properties as of the end of Oct. 2007 is 96.5%. The weighted averages of the occupancy rates of 44 office buildings, 3 central urban retail properties, 30 residential properties are 97.5%, 100.0%, 95.5%, respectively.
## Portfolio overview

### Residential properties as of the end of October 31, 2007 (30 properties)

<table>
<thead>
<tr>
<th>Area</th>
<th># of props</th>
<th>Name</th>
<th>Location</th>
<th>Acquisition price (¥M)</th>
<th>Completion date</th>
<th>Occupancy Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo metropolitan area</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-19</td>
<td>3</td>
<td>Residence Charmante Tsukishima</td>
<td>Chuo ward, Tokyo</td>
<td>5,353</td>
<td>Jan. 2004</td>
<td>100.0%</td>
</tr>
<tr>
<td>B-20</td>
<td>1</td>
<td>Regalo Ochanomizu I &amp; II</td>
<td>Bunkyo ward, Tokyo</td>
<td>3,600</td>
<td>Feb. 2006</td>
<td>97.2%</td>
</tr>
<tr>
<td>B-1</td>
<td>1</td>
<td>Storia Sirokane</td>
<td>Minato ward, Tokyo</td>
<td>3,150</td>
<td>Feb. 2003</td>
<td>93.5%</td>
</tr>
<tr>
<td>B-2</td>
<td>1</td>
<td>Tre di Casa Minami Aoyama</td>
<td>Minato ward, Tokyo</td>
<td>2,460</td>
<td>Feb. 2004</td>
<td>94.8%</td>
</tr>
<tr>
<td>B-21</td>
<td>1</td>
<td>Regalo Shiba-Kouen</td>
<td>Minato ward, Tokyo</td>
<td>2,260</td>
<td>Nov. 2007</td>
<td>94.9%</td>
</tr>
<tr>
<td>B-3</td>
<td>1</td>
<td>Court Mejyo</td>
<td>Shinjuku ward, Tokyo</td>
<td>1,250</td>
<td>Mar. 1997</td>
<td>100.0%</td>
</tr>
<tr>
<td>B-4</td>
<td>1</td>
<td>Apartments Motooizabu</td>
<td></td>
<td>1,410</td>
<td>Jun. 2004</td>
<td>97.4%</td>
</tr>
<tr>
<td>B-22</td>
<td>1</td>
<td>Storia Denenchofa</td>
<td></td>
<td>1,100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-23</td>
<td>1</td>
<td>Court Shinjuku</td>
<td></td>
<td>1,230</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B-24</td>
<td>1</td>
<td>Court Shin-Okachimachi</td>
<td></td>
<td>878</td>
<td>Oct. 2005</td>
<td>90.7%</td>
</tr>
<tr>
<td>B-25</td>
<td>1</td>
<td>Bloom Omotesando</td>
<td>Shibuya ward, Tokyo</td>
<td>875</td>
<td>Mar. 2003</td>
<td>82.8%</td>
</tr>
<tr>
<td>B-26</td>
<td>1</td>
<td>Human Heim Okachimachi</td>
<td></td>
<td>830</td>
<td>Dec. 2004</td>
<td>100.0%</td>
</tr>
<tr>
<td>B-27</td>
<td>1</td>
<td>Primo Regalo Kagurazaka</td>
<td></td>
<td>730</td>
<td>Dec. 2005</td>
<td>100.0%</td>
</tr>
<tr>
<td>B-28</td>
<td>1</td>
<td>Court Shinmona</td>
<td>Setagaya ward, Tokyo</td>
<td>638</td>
<td>Oct. 2005</td>
<td>96.9%</td>
</tr>
<tr>
<td>B-29</td>
<td>1</td>
<td>Ashiya Royal Homes</td>
<td>Ashiya, Hyogo</td>
<td>2,330</td>
<td>Jun. 1991</td>
<td>100.0%</td>
</tr>
<tr>
<td>Other regional areas</td>
<td>1</td>
<td>Venus Higashi-Sakura</td>
<td></td>
<td>1,800</td>
<td>Mar. 1991</td>
<td>94.4%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Regalo Hanami</td>
<td></td>
<td>1,500</td>
<td>Mar. 1993</td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Collection Higashi-Sakura</td>
<td>Nagoya, Aichi</td>
<td>1,244</td>
<td>Mar. 2006</td>
<td>85.1%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Renaissance 21 Hirojoujou-machi</td>
<td>Fukuoka, Fukuoka</td>
<td>900</td>
<td>Oct. 2005</td>
<td>95.8%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Montore Nishikouen Bay Court</td>
<td>Fukuoka, Fukuoka</td>
<td>826</td>
<td>Feb. 2006</td>
<td>97.2%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Abreast Hara</td>
<td>Nagoya, Aichi</td>
<td>444</td>
<td>Feb. 2000</td>
<td>97.8%</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Abreast Hirabari</td>
<td>Nagoya, Aichi</td>
<td>407</td>
<td>Mar. 2000</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Notes:
1. The acquisition price equals the transaction value of the trust beneficiary and other rights the investment corporation has acquired (before taxes, and rounded down to the nearest million).
2. The building completion date refers to the registered month/year when the building was initially built.
3. The occupancy rate is calculated by dividing the occupied area (as of Oct. 31, 2007) by the total leasable area (rounded to the first decimal place).

### Residential (Total 30 properties) Sub Total

<p>| | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

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### The cross-deal of properties

#### Acquisition of offices

<table>
<thead>
<tr>
<th>Property name</th>
<th>Area</th>
<th>Appraisal value (¥M)</th>
<th>Acquisition price (¥M)</th>
<th>Note</th>
<th>Specified asset Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hiei Kudan-Kita Building</td>
<td>Tokyo metropolitan area</td>
<td>7,910</td>
<td>7,600</td>
<td>Trust</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Hakata-Minami Building</td>
<td>Other regional areas</td>
<td>4,900</td>
<td>4,900</td>
<td>Prop</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Shin-Yokohama 381 Building</td>
<td>Tokyo metropolitan area</td>
<td>4,700</td>
<td>4,700</td>
<td>Trust</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Kawasaki-Ekimae Honcho Building</td>
<td>Tokyo metropolitan area</td>
<td>3,760</td>
<td>3,760</td>
<td>Prop</td>
<td>Prop</td>
</tr>
<tr>
<td>Nissou Dai-17 Building</td>
<td>Tokyo metropolitan area</td>
<td>2,300</td>
<td>2,710</td>
<td>Trust</td>
<td>WH</td>
</tr>
<tr>
<td>Ikejin-Oohashi Building</td>
<td>Tokyo metropolitan area</td>
<td>2,450</td>
<td>2,400</td>
<td>Prop</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Hamacho Nakanocho Building</td>
<td>Tokyo metropolitan area</td>
<td>2,360</td>
<td>2,310</td>
<td>Trust</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Kitahama Building</td>
<td>Other regional areas</td>
<td>2,220</td>
<td>2,220</td>
<td>Trust</td>
<td>Prop</td>
</tr>
<tr>
<td>KDX Kanda Misaki-cho Building</td>
<td>Tokyo metropolitan area</td>
<td>1,380</td>
<td>1,380</td>
<td>Prop</td>
<td>WH</td>
</tr>
</tbody>
</table>

**TOTAL** | 31,980 | 31,980 |

#### Sale of residents

<table>
<thead>
<tr>
<th>Property No.</th>
<th>Property name</th>
<th>Initial acquisition price (¥M)</th>
<th>Area</th>
<th>Appraisal value (¥M)</th>
<th>Sale price (¥M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>B-1</td>
<td>Storia Sirokane</td>
<td>3,150</td>
<td>Tokyo metropolitan area</td>
<td>3,370</td>
<td>3,370</td>
</tr>
<tr>
<td>B-2</td>
<td>Tre di Casa Minami Aoyama</td>
<td>2,460</td>
<td>Tokyo metropolitan area</td>
<td>2,680</td>
<td>2,680</td>
</tr>
<tr>
<td>B-6</td>
<td>Court Nihonbashi-Hakozaki</td>
<td>1,130</td>
<td>Tokyo metropolitan area</td>
<td>1,220</td>
<td>1,220</td>
</tr>
<tr>
<td>B-7</td>
<td>Side Denenchofu</td>
<td>1,110</td>
<td>Tokyo metropolitan area</td>
<td>1,110</td>
<td>1,110</td>
</tr>
<tr>
<td>B-8</td>
<td>S-court Yokohama-Kannai II</td>
<td>945</td>
<td>Tokyo metropolitan area</td>
<td>1,020</td>
<td>1,020</td>
</tr>
<tr>
<td>B-9</td>
<td>Court Motoasakusa</td>
<td>880</td>
<td>Tokyo metropolitan area</td>
<td>943</td>
<td>943</td>
</tr>
<tr>
<td>B-11</td>
<td>Bloom Omotesando</td>
<td>875</td>
<td>Tokyo metropolitan area</td>
<td>962</td>
<td>962</td>
</tr>
<tr>
<td>B-13</td>
<td>Human Heim Okachimachi</td>
<td>830</td>
<td>Tokyo metropolitan area</td>
<td>905</td>
<td>905</td>
</tr>
<tr>
<td>B-16</td>
<td>Abrest Hara</td>
<td>444</td>
<td>Other regional areas</td>
<td>494</td>
<td>494</td>
</tr>
<tr>
<td>B-17</td>
<td>Abrest Hirabari</td>
<td>407</td>
<td>Other regional areas</td>
<td>457</td>
<td>457</td>
</tr>
<tr>
<td>B-20</td>
<td>Regalo Ochanomizu I</td>
<td>3,600</td>
<td>Tokyo metropolitan area</td>
<td>3,670</td>
<td>3,670</td>
</tr>
<tr>
<td>B-21</td>
<td>Regalo Shiba-Kouen</td>
<td>2,260</td>
<td>Tokyo metropolitan area</td>
<td>2,280</td>
<td>2,280</td>
</tr>
<tr>
<td>B-22</td>
<td>Chigasaki Socie Ni-bankan</td>
<td>1,160</td>
<td>Tokyo metropolitan area</td>
<td>1,140</td>
<td>1,140</td>
</tr>
<tr>
<td>B-23</td>
<td>Court Nishi-Shinjuku</td>
<td>1,130</td>
<td>Tokyo metropolitan area</td>
<td>1,160</td>
<td>1,160</td>
</tr>
<tr>
<td>B-24</td>
<td>Regalo Komazawa-Kouen</td>
<td>912</td>
<td>Tokyo metropolitan area</td>
<td>943</td>
<td>943</td>
</tr>
<tr>
<td>B-26</td>
<td>Primo Regalo Kagurazaka</td>
<td>762</td>
<td>Tokyo metropolitan area</td>
<td>770</td>
<td>770</td>
</tr>
<tr>
<td>B-27</td>
<td>Primo Regalo Youga</td>
<td>730</td>
<td>Tokyo metropolitan area</td>
<td>737</td>
<td>737</td>
</tr>
<tr>
<td>B-28</td>
<td>Court Shimouma</td>
<td>638</td>
<td>Tokyo metropolitan area</td>
<td>644</td>
<td>644</td>
</tr>
<tr>
<td>B-29</td>
<td>Ashiya Royal Homes</td>
<td>2,330</td>
<td>Tokyo metropolitan area</td>
<td>2,420</td>
<td>2,420</td>
</tr>
<tr>
<td>B-30</td>
<td>Regalo Ibaraki I-II</td>
<td>1,600</td>
<td>Other regional areas</td>
<td>1,620</td>
<td>1,620</td>
</tr>
<tr>
<td>B-31</td>
<td>Collection Higashi-Sakura</td>
<td>1,264</td>
<td>Other regional areas</td>
<td>1,150</td>
<td>1,150</td>
</tr>
<tr>
<td>B-32</td>
<td>Renaissance 21 Hirao Kusui-machi</td>
<td>900</td>
<td>Other regional areas</td>
<td>964</td>
<td>964</td>
</tr>
<tr>
<td>B-33</td>
<td>Montere Nishikouen Bay Court</td>
<td>826</td>
<td>Other regional areas</td>
<td>831</td>
<td>831</td>
</tr>
</tbody>
</table>

**TOTAL** | 30,343 | 31,490 |

#### Source of acquisition

<table>
<thead>
<tr>
<th>Source of acquisition</th>
<th>Acquisition of office</th>
<th>Support-line</th>
<th>Own (WH)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of properties</td>
<td>9</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>Acquisition price (YM)</td>
<td>31,980</td>
<td>27,890</td>
<td>4,090</td>
</tr>
<tr>
<td>Average acquisition price</td>
<td>3,553</td>
<td>3,984</td>
<td>2,045</td>
</tr>
<tr>
<td>Appraisal value (YM)</td>
<td>31,980</td>
<td>28,300</td>
<td>3,680</td>
</tr>
<tr>
<td>Differences between acquisition price and appraisal value</td>
<td>0</td>
<td>-410</td>
<td>+410</td>
</tr>
</tbody>
</table>

---

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Emphasis on mid-sized office buildings in Tokyo metropolitan area

Office 54 properties, total acquisition price of ¥173.2B
(as of February 1, 2008)

<table>
<thead>
<tr>
<th>Area</th>
<th># of properties</th>
<th>Acquisition price (¥B)</th>
<th>Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tokyo metropolitan area</td>
<td>44</td>
<td>144.8</td>
<td>83.6</td>
</tr>
<tr>
<td>Other regional areas</td>
<td>10</td>
<td>28.4</td>
<td>16.4</td>
</tr>
<tr>
<td>Total</td>
<td>54</td>
<td>173.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Notes:
1. Central Tokyo: Chiyoda, Chuo, Minato, Shibuya and Shinjuku wards
2. Acquisition price are rounded to the nearest ¥100M. Ratios indicate the total acquisition price for properties in each area in proportion to the total acquisition price for all properties combined.
Focus on office buildings

Portfolio overview

As of end of 3rd period (Oct. 31, 2006) (64 properties approx. ¥146.7B)
- Residential 30.3%
- Office buildings 58.8%
- Central urban retail 10.9%

As of Jun. 11, 2007 (77 properties approx. ¥197.0B)
- Residential 30 properties 21.8%
- Central urban retail 3 properties 8.1%
- Office buildings 44 buildings 70.1%

As of Feb. 1, 2008 (64 properties approx. ¥202.0B)
- Residential 7 properties 6.2%
- Central urban retail 3 properties 6.2%
- Office buildings 54 buildings 85.7%

Note:
1 Share (%) is rounded to the first decimal place. Ratios indicate the acquisition price for properties in each portion to the total acquisition price for all properties combined.

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Management of existing properties—NOI yield and occupancy rates

**NOI yield from property leasing of the portfolio (annualized)**

<table>
<thead>
<tr>
<th></th>
<th>4th period</th>
<th>5th period *</th>
<th>5th period (Before Tax adjusted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>5.3%</td>
<td>5.5%</td>
<td>5.7%</td>
</tr>
<tr>
<td>Urban retail centers</td>
<td>5.2%</td>
<td>5.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td>Residentials</td>
<td>5.4%</td>
<td>5.3%</td>
<td>5.3%</td>
</tr>
<tr>
<td>Total</td>
<td>5.3%</td>
<td>5.4%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Notes:
1. NOI yield from property leasing (rounded up): income from property business (before depreciation)/acquisition price
2. Calculation of NOI yield after including Property & City Planning Tax to expenses

**Leasable area and Occupancy rates**

<table>
<thead>
<tr>
<th>Period</th>
<th>Total leaseable area (m²)</th>
<th>Occupancy rates (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st period</td>
<td>96.6</td>
<td>99.9</td>
</tr>
<tr>
<td>2nd period</td>
<td>94.9</td>
<td>99.9</td>
</tr>
<tr>
<td>3rd period</td>
<td>95.3</td>
<td>99.9</td>
</tr>
<tr>
<td>4th period</td>
<td>95.9</td>
<td>99.9</td>
</tr>
<tr>
<td>5th period</td>
<td>96.9</td>
<td>99.9</td>
</tr>
</tbody>
</table>

**Changes in # of end-tenants (by type)**

<table>
<thead>
<tr>
<th></th>
<th>2nd period</th>
<th>3rd period</th>
<th>4th period</th>
<th>5th period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office</td>
<td>187</td>
<td>318</td>
<td>400</td>
<td>516</td>
</tr>
<tr>
<td>Central urban retail</td>
<td>20</td>
<td>22</td>
<td>25</td>
<td>26</td>
</tr>
<tr>
<td>Residential</td>
<td>542</td>
<td>1,081</td>
<td>1,124</td>
<td>1,120</td>
</tr>
</tbody>
</table>

Note: Including type duplication

**Diversification in tenant mix (as of the end of 5th period)**

(Offices: 44 properties, Number of tenants: 498)

- **Individuals**: 11 tenants (2.21%)
- **Official (Others)**: 2 tenants (0.40%)
- **Service**: 184 tenants (36.95%)
- **Carriers & Telecome**: 12 tenants (2.41%)
- **Wholesale, retail & food**: 132 tenants (26.51%)
- **Real estate**: 22 tenants (4.42%)
- **Financials & Insurance**: 29 tenants (5.82%)
- **Manufactures**: 75 tenants (15.06%)
- **Constructions**: 30 tenants (6.02%)
- **Agriculture**: 1 tenant (0.20%)
- **Financials & Insurance**: 29 tenants (5.82%)

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KDX Toranomon Building. —Renovation of the entire building

Before renovation

After renovation—Typical floor

Before renovation

After renovation—Elevator hall

ELV Hall: Glass partition installed

Before renovation

After renovation—Entrance hall

Before renovation

After renovation—Toilet

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(Reference data) Market environment for office buildings

1. Percentage of entities based on number of employees per office

- 1–9 employees: 77.7%
- 10–29: 15.7%
- 30–99: 5.0%
- 100 and above: 1.6%

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

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

- Less than 500 tsubo: 66.4%
- 500 tsubo–3,000 tsubo: 28.6%
- More than 3,000 tsubo: 5.0%

Source: Survey conducted by Ikoma Data Service System based on KRI’s requests
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 rates (Central Tokyo)

- Average rent:
  - Dec. 2001: 17,000 Yen
  - Dec. 2002: 18,000 Yen
  - Dec. 2003: 19,000 Yen
  - Dec. 2004: 20,000 Yen
  - Dec. 2005: 21,000 Yen
  - Dec. 2006: 22,000 Yen

- Vacancy rate:
  - 1–9 employees: 77.7%
  - 10–29: 15.7%
  - 30–99: 5.0%
  - 100 and above: 1.6%

Source: Miki Shoji “Latest office building market conditions in Central Tokyo”, Miki Shoji Co., Ltd.

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

- Expansion of floor space due to the increase of employees: 13.6%
- Reorganization of offices for cost reduction: 4.4%
- Restructuring of internal organizations: 3.1%
- Building additional meeting rooms and dressing rooms, etc.: 1.6%

Leverage of multi-pipeline and Kenedix Group’s successful track record

Property acquisition leveraging multiple acquisition pipelines

Assets by type of investor

Assets by type of property

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Management structure of the asset management company

Decision making flow chart

Policy on transaction with related parties

(1) Asset acquisition: Must not acquire properties for more than appraised price (except for properties pre-acquired by Kenedix Inc. pursuant to the MOU)
(2) Asset disposal: Must not sell properties for less than appraised price
(3) Real estate leasing: Proper conditions must be determined in conjunction with research on market price and conditions as well as reference to third party opinion
(4) Real estate agency business such as trading and leasing properties: commissions must be within range specified in Building Lots and Buildings Transaction Business Law

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

<table>
<thead>
<tr>
<th></th>
<th>1st period</th>
<th>2nd period</th>
<th>3rd period</th>
<th>4th period</th>
<th>5th period</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compliance committee</td>
<td>7</td>
<td>7</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>35</td>
</tr>
<tr>
<td>Asset management committee</td>
<td>21</td>
<td>35</td>
<td>39</td>
<td>39</td>
<td>38</td>
<td>172</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>9</td>
<td>7</td>
<td>9</td>
<td>8</td>
<td>9</td>
<td>42</td>
</tr>
</tbody>
</table>

Board of Directors of investment co | 11 | 7 | 7 | 9 | 7 | 41 |

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)
- Transfer fee: capped at 0.5% of transfer price

Note:
1. One lawyer works as an external commission member

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

- **Masahiko Tajima**
  - Director & General Manager, Financial Planning Division
  - Worked for c.7 years for Chuo Mitsui Trust and Banking
  - Property appraiser

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