

## Translation Purpose Only

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2008  
(May 1, 2008 to October 31, 2008)

December 11, 2008

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

Representative: Taisuke Miyajima, Executive Director

Asset Management Company: Kenedix REIT Management, Inc.

Representative: Taisuke Miyajima, CEO and President

Inquires: Masahiko Tajima, Director / General Manager, Financial Planning Division

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Planned submission of semiannual security report: January 29, 2009

Planned start of distribution payments: January 16, 2009

## 1. PERFORMANCE FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2008 (SEVENTH FISCAL PERIOD)

## (1) Business Results

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

	Operating Revenues		Operating Income		Ordinary Income	
Seventh Fiscal Period	¥8,456	(△1.5%)	4,144	(1.9%)	3,124	(△6.6%)
Sixth Fiscal Period	¥8,582	(19.1%)	4,065	(17.1%)	3,343	(19.7%)

	Net Income		Net Income per Unit	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
Seventh Fiscal Period	3,123	(△6.5%)	15,618	2.4%	1.3%	36.9%
Sixth Fiscal Period	3,342	(19.7%)	16,711	2.6%	1.5%	39.0%

## (2) Distribution

(The total distribution is rounded down to the nearest ¥million.)

	Distributions per Unit (Yen) Excluding Excess of Earnings	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
Seventh Fiscal Period	¥15,618	¥3,123	—	—	100.0%	2.4%
Sixth Fiscal Period	¥16,711	¥3,342	—	—	100.0%	2.6%

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

## (3) Financial Position

(The total assets and unitholders' equity are rounded down to the nearest ¥million.)

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
Seventh Fiscal Period	¥239,648	¥128,087	53.4%	¥640,437
Sixth Fiscal Period	¥230,520	¥128,314	55.7%	¥641,570

(Reference) Total net assets

Seventh fiscal period: ¥128,087 million

Sixth fiscal period: ¥128,314 million

## (4) Cash Flow Position

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

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Seventh Fiscal Period	9,279	△14,377	5,659	11,703
Sixth Fiscal Period	36,143	△47,793	11,460	11,141

## 2. FORECAST OF RESULTS FOR THE EIGHTH FISCAL PERIOD (November 1, 2008 to April 30, 2009)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution per Unit(Yen)Excluding Excess of Earnings	Distribution in Excess of Earnings per Unit (Yen)
Eighth Fiscal Period	8,298 (△1.9%)	3,941 (△4.9%)	2,881 (△7.8%)	2,880 (△7.8%)	14,400	-

(Reference) Estimated net income per unit for the eighth fiscal period: ¥14,400

## 3. OTHER

## (1) Changes in Accounting Policies

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

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

- (a) Number of investment units issued and outstanding at end of period (including treasury units)  
 Seventh fiscal period: 200,000 units      Sixth fiscal period: 200,000 units  
 (b) Number of treasury units at end of period  
 Seventh fiscal period: 0 units      Sixth fiscal period: 0 units

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

The forecast of results for the eighth fiscal period ending April 30, 2009 are calculated as of December 11, 2008 based on the assumptions presented on page 12 "Preconditions and Assumptions for the Fiscal Period Ending April 30, 2009". Readers are advised that actual operating revenues, operating income, ordinary income, net income, distribution per unit may differ significantly from forecasts due to a variety of factors. Accordingly, the Investment Corporation does not guarantee payment of the forecast distribution per unit.

## 1. Basic Structure — Overview of Companies Related to the Investment Corporation

There were no major changes to the “Structure of the Investment Corporation” from the most recent securities report (submitted on July 25, 2008), and so it has been omitted from this document.

## 2. Management Policy and Operating Conditions

### (1) Management Policy

There were no major changes to the “Investment Policy”, “Investment Strategy” and “Distribution Policy” from the most recent securities report (submitted on July 25, 2008), and so it has been omitted from this document.

### (2) Operating Conditions

#### (1) Operating Conditions for the Seventh Fiscal Period

##### A. The Investment Corporation

The Investment Corporation was established on May 6, 2005 in accordance with the Investment Trust and Investment Corporation Law (“the Investment Trust Law”). On July 21, 2005, the Investment Corporation was listed on the Real Estate Investment Trust Market of the Tokyo Stock Exchange. (Securities Code: 8972). Subsequently, the Investment Corporation undertook an additional issue of 3,970 investment units by way of third-party allotment on August 16, 2005; 73,660 investment units through a primary offering in Japan and global offering on May 1, 2006; and 3,970 investment units by way of third-party allotment on May 26, 2006. The Investment Corporation also undertook an additional issue of 40,900 investment units through a primary offering in Japan and global offering on May 22, 2007; and 2,100 investment units by way of third-party allotment on June 19, 2007. Consequently, as of October 31, 2008, the end of the seventh fiscal period, the number of investment units issued and outstanding totaled 200,000 units.

The Investment Corporation appointed Kenedix REIT Management, Inc. as its asset management company. In concert with the Asset Management Company, the Investment Corporation strives to maximize cash distribution to investors by securing stable earnings and sustainable investment growth. To this end, the Investment Corporation adopts a dynamic and flexible investment stance that accurately reflects its environment and market trends, and endeavors to ensure a timely response to each and every opportunity. The Investment Corporation endeavors to develop a diversified investment portfolio named “KENEDIX Selection,” adopting a three-point investment criteria based on property type, area and size.

##### B. Investment Environment and Management Performance

###### (a) Investment Environment

During the fiscal period under review, as the global economy weakened due in part to concerns of increasing loss by U.S. and European financial institutions and doubts about the outlook of the U.S. economy stemming from the subprime mortgage crisis, the sense of uncertainty over the future of the Japanese economy grew as evident by the decrease in corporate earnings from deteriorating terms of trade, capital expenditures being on a weak note and other factors.

As for the real estate market, according to the land price survey by prefectural governments as of July 1, 2008, an analysis of the year-on-year change in average land prices in Japan for the one year period from July 2007 decreased by 0.8% for commercial land, changing from a year-on-year increase in the previous year to a decrease, and decreased by 1.2% for residential land, a slightly greater degree of year-on-year decrease than the previous year. In Tokyo Area, the average increased by 4.0% for commercial land and 1.6% for residential land, but the degree of year-on-year increase was much smaller for both commercial land and residential land. In the three major metropolitan areas, it was the third consecutive year that land prices increased on average, but there were many points where the degree of increase was considerably smaller.

###### (b) Management Performance

As of the end of the sixth fiscal period, the Investment Corporation owned 68 properties with a total acquisition price of ¥212,848 million. In the fiscal period under review, the Investment Corporation acquired 3 office buildings (total acquisition price of ¥14,314 million) in Central Tokyo, and sold 1 office building (initial acquisition price of ¥1,430 million) and 1 central urban retail property (initial acquisition price of ¥3,680 million) in other regional areas. As a result, the number of properties owned as of October 31, 2008 stood at 69, with a total acquisition price of ¥222,053 million.

Looking at the portfolio as a whole, 88.7% was comprised of office buildings, 5.5% of central urban retail properties and 5.7% of residential properties on an acquisition price basis. The occupancy ratio as of the end of the seventh fiscal period was 95.6%, reflecting stable investment and asset management.

## &lt; External Growth Performance after Third Fiscal Period &gt;

		Third Fiscal Period (as of October 31, 2006)		Fourth Fiscal Period (as of April 30, 2007)		Fifth Fiscal Period (as of October 31, 2007)		Sixth Fiscal Period (as of April 30, 2008)		Seventh Fiscal Period (as of October 31, 2008)	
		Total Acquisition Price (Millions of Yen)	Ratio (%)	Total Acquisition Price (Millions of Yen)	Ratio (%)	Total Acquisition Price (Millions of Yen)	Ratio (%)	Total Acquisition Price (Millions of Yen)	Ratio (%)	Total Acquisition Price (Millions of Yen)	Ratio (%)
Type of Use	Office Buildings	86,224	58.7	115,979	66.2	137,979	70.0	184,080	86.4	196,965	88.7
	Central Urban Retail Properties	16,059	10.9	16,059	9.1	16,059	8.1	16,059	7.5	12,379	5.5
	Residential Properties	44,459	30.2	43,052	24.5	43,052	21.8	12,709	5.9	12,709	5.7
	Total	146,742	100.0	175,090	100.0	197,090	100.0	212,848	100.0	222,053	100.0
Area	Tokyo Metropolitan Area	123,321	84.0	150,364	85.8	162,514	82.4	174,923	82.1	189,238	85.2
	Other Regional Areas	23,421	15.9	24,726	14.1	34,576	17.5	37,925	17.8	32,815	14.7
	Total	146,742	100.0	175,090	100.0	197,090	100.0	212,848	100.0	222,053	100.0

Notes:

1. Total acquisition price is the total of acquisition price for each property classified by type and area.
2. Total acquisition price is rounded down to the nearest million yen. Percentages are rounded down to the nearest first decimal place.

#### Make Diversified Acquisitions

As of October 31, 2008, the Investment Corporation owned 69 properties for a total acquisition price of approximately ¥222,053 million with 95.6% occupancy ratio. Supported by this asset base along with the management know-how of mid-sized office building accumulated by the Asset Management Company, the Investment Corporation has acquired properties based on its diversified property acquisition strategy. The Investment Corporation has also expanded the asset size of the portfolio based on a diverse range of property acquisition strategies. Exemplary cases include how lease-up and asset value are enhanced in a short period of time for properties that were acquired with a low occupancy ratio by launching leasing activities only after appropriate renovation work is conducted following acquisition (KDX Nishi-Gotanda Building and KDX Toranomom Building which were acquired during the fourth fiscal period) and how properties are acquired at the stage when construction of the building is yet to be completed in order to secure superior properties early (Sakae 4-chome Office Building (Tentative Name) which was acquired during the sixth fiscal period). In addition, during the fiscal period under review (fiscal period ended October 31, 2008), a newly-built superior property was acquired by utilizing the right of first refusal on properties in which the Kenedix Group (the Kenedix Group refers to Kenedix, Inc., Kenedix Advisors Co., Ltd. and other related companies; the same hereafter) is involved in the development (KDX Harumi Building). Based on these and other strategies, the Investment Corporation successfully acquired various properties.

#### Selling of Properties

The Investment Corporation succeeded in selling 2 residential properties during the second fiscal period, 2 residential properties during the fourth fiscal period and 23 residential properties during the sixth fiscal period. In the fiscal period under review, the Investment Corporation sold 1 office building (initial acquisition price of ¥1,430 million) and 1 central urban retail property (initial acquisition price of ¥3,680 million) both located in other regional areas.

#### Operation and Management of Existing Properties

The Investment Corporation has appointed the Asset Management Company as its property management company for its entire portfolio. In establishing a single point of contact for all matters relating to property management activities, the Investment Corporation strives to secure consistent policies, specifications and procedures along with ensuring swift and quality service. As of October 31, 2008, the investment portfolio maintains a high occupancy ratio. The Investment Corporation is satisfied with the quality of property management.

The Investment Corporation leverages scale merits and the communication and negotiation skills of the Kenedix Group in an effort to reduce operating costs, and have succeeded reductions in building maintenance costs.

Furthermore, during the fiscal period under review, the Investment Corporation consolidated the building maintenance company for 25 office buildings in Tokyo from 18 companies to 3 companies. This involved dividing the Tokyo into three areas and, in

principle, consolidating building maintenance for each area to a single building maintenance company in view of enhancing the quality and service as well as improving the efficiency of building maintenance activities.

### C. Capital Acquisition

The Investment Corporation undertook borrowings of ¥10.5 billion to support the acquisition of additional assets and refinanced ¥17.75 billion during the seventh fiscal period to total of ¥28.25 billion in borrowings (¥22.75 billion in long-term borrowings and ¥5.5 billion in short-term borrowings (Note 1)). Details are provided as follows.

Note 1: Short-term borrowings refers to borrowings with a period of less than or equal to one year from the drawdown date to the repayment date. Long-term borrowings refers to borrowings with a period of more than one year from the drawdown date to the repayment date.

#### New Borrowings

Classification	Borrowing Amount (¥ Billion)	Drawdown Date	Repayment Date	Borrowing Period (Year)
Series 25-A	10	May 1, 2008	November 1, 2011	3.5
Series 25-L (Note 2)	10	May 1, 2008	November 1, 2008	0.5
Series 26-A	10	June 30, 2008	February 28, 2011	2.7
Series 26-B	15	June 30, 2008	June 30, 2012	4.0
Series 26-C	30	June 30, 2008	December 28, 2012	4.5
Series 26-L (Note 2)	20	June 30, 2008	September 30, 2008	0.3
Series 29	10	September 1, 2008	September 1, 2011	3.0
Total	105	-	-	-

#### Refinanced Borrowings

Classification	Borrowing Amount (¥ Billion)	Drawdown Date	Repayment Date	Borrowing Period (Year)
Series 27	20	July 15, 2008	March 31, 2011	2.7
Term Loan 28-A	25	July 31, 2008	January 31, 2010	1.5
Term Loan 28-B	35	July 31, 2008	January 31, 2011	2.5
Term Loan 28-C	35	July 31, 2008	July 31, 2011	3.0
Series 30	12.5	September 22, 2008	March 22, 2011	2.5
Series 31-L (Note 2)	20	September 30, 2008	March 31, 2011	2.5
Series 32-A	10	October 31, 2008	October 31, 2009	1.0
Series 32-B	5	October 31, 2008	October 31, 2010	2.0
Series 32-L (Note 2)	15	October 31, 2008	October 30, 2009	1.0
Total	177.5	-	-	-

Note 2: Borrowing is based on the commitment line agreements.

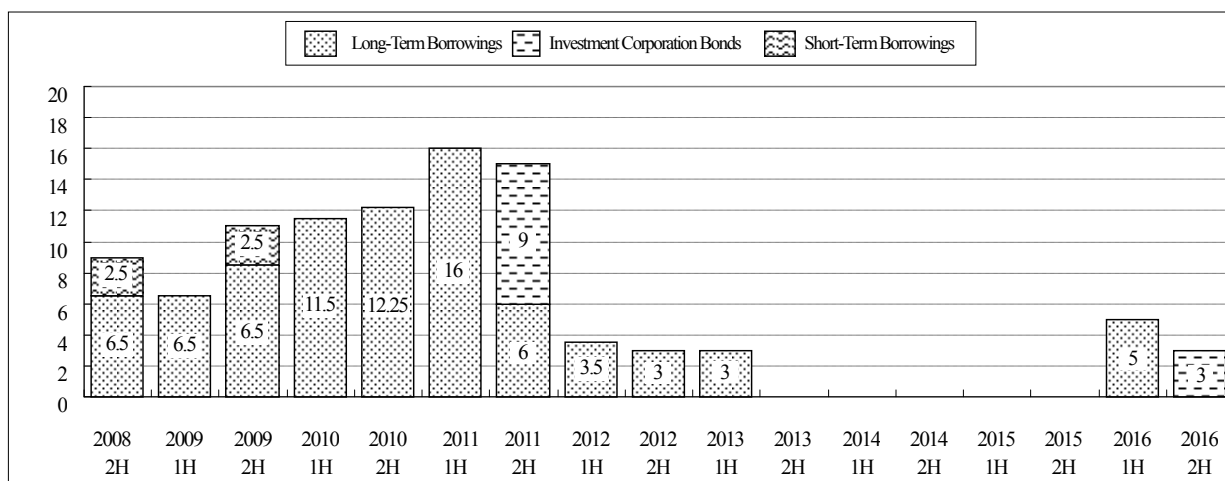
As a result, the balance of interest-bearing debt stood at ¥98.75 billion as of October 31, 2008, comprising ¥86.75 billion in borrowings (¥81.75 billion in long-term borrowings and ¥5.0 billion in short-term borrowings) and ¥12.0 billion in investment corporation bonds. All the floating interest rate long-term borrowings (¥81.75 billion) as of October 31, 2008 are fixed by utilizing interest-swap agreements. In addition, the long-term debt ratio (Note 3) and the long-term fixed interest debt ratio (Note 4) was both 94.9%, respectively.

Note 3: Long-term debt ratio = (Balance of long-term borrowings + Balance of investment corporation bonds) ÷ (Total borrowings + Balance of investment corporation bonds) Long-term debt ratio is rounded down to the nearest first decimal place.

Note 4: Long-term fixed interest debt ratio = (Balance of long-term fixed interest rate borrowings + Balance of investment corporation bonds) ÷ (Total borrowings + Balance of investment corporation bonds) The balance of long-term fixed interest rate borrowings includes borrowings with floating interest rates effectively fixed by utilizing interest-rate swap agreements. Long-term fixed interest debt ratio is rounded down to the nearest first decimal place.

Amount of Interest-Bearing Debt Maturing in Each 6 Months (Unit: ¥Billion)

The Investment Corporation strives to diversify repayment dates for its debt financing in an effort to reduce refinancing risk.



Note 5: As of October 31, 2008

Note 6: Shows the amounts of debt maturing in each Half.

Note 7: 1H is from April 1 to September 30, 2H is from October 1 to March 31 of the following year and are not identical with the fiscal period of the Investment Corporation (e.g. 2008, 2H is from October 1, 2008 to March 31, 2009)

Since its public listing through to the end of the seventh fiscal period, the Investment Corporation has undertaken flexible debt funding on both an unsecured and unguaranteed basis. This is the result of the high standing in which the Investment Corporation, its investment policies, asset quality as well as the personnel and expertise of the Asset Management Company are held among financial institutions.

The Investment Corporation acquired a credit rating of A3 (Outlook: Stable) from Moody's Investors Services, Inc. in February 2006, and credit rating of A+ (Outlook: Stable) from Japan Credit Rating Agency, Ltd. in December 2006. Details of the credit ratings as of October 31, 2008 are as follows.

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

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

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

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

The status of the commitment line agreements as of October 31, 2008 are as follows.

Lender	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Citibank Japan, Ltd.
Borrowings Available	¥2,500 million	¥2,500 million
Borrowings Balance	¥2,500 million	¥2,500 million
Commitment Period	March 21, 2008 to March 19, 2009 (Note)	January 11, 2008 to January 8, 2009

Note: Concerning Series 31-L (¥2.0 billion), the Investment Corporation executed a memorandum of understanding on September 26, 2008 that sets March 31, 2011 as the expiration date of the commitment line agreement.

#### D. Operating Results and Cash Distribution

As a result of the aforementioned management performance, the Investment Corporation reported operating revenues of ¥8,456 million, operating income of ¥4,144 million, ordinary income of ¥3,124 million and net income of ¥3,123 million for its seventh fiscal period. In accordance with Article 67.15 of the Special Taxation Measures Law, the Investment Corporation distributes the total amount of its unappropriated retained earnings for each period. Cash distribution for the seventh fiscal period was ¥15,618 per unit.

## (2) Outlook

### A. Investment Environment

Looking ahead, with exports, production and corporate earnings decreasing, the Japanese economy is forecast to continue to be on a weak trend for the time being. In addition, there are signs of employment conditions deteriorating and although personal consumption remains generally flat there are signs of weakening trend being underway. There are concerns of the spreading global financial crisis and further slowdown in the global economy, as well as drastic fluctuation in the stock and foreign exchange markets. Under such and other circumstances, there is the risk of employment and other economic conditions growing more severe.

The real estate market conditions are also expected to increasingly worsen as a result of the trends as found by the Prefectural Land Price Survey dated July 1, 2008 (slowdown in the increase in land prices in the three metropolitan areas of Tokyo, Osaka and Nagoya; and ongoing drops in land prices in regional areas).

In the leasing market for office buildings, vacancy rates are on the rise throughout Japan. Vacancy rates in central Tokyo were hovering at relatively low levels, but this has changed to an increasing trend due to the economic slowdown, financial and capital markets and other factors. Concerning advertised rent as well, the rate of increase is on a downward trend. On the other hand, while there is variability depending on the region, a sense of excessive supply is seen in regional cities and the Investment Corporation believes people will become more selective of properties based on location, environment, size, facilities and other features.

### B. Future Management Policies

The Investment Corporation adopts the basic policy of conducting dynamic and flexible investment that accurately reflects the trends and ensures a timely response, and developing a diversified investment portfolio focused on a three-point investment criteria based on property type, area and size. From this standpoint and in light of the investment environment described above (the Japanese economy, land price trends, leasing market for office buildings, etc.), the Investment Corporation creates an existing property management strategy, property investment strategy and financial strategy in a dynamic and flexible manner as set forth below.

#### (a) Existing property management strategy (Internal Growth Strategies)

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

- Identify satisfaction through use of tenant surveys
- Maintain attractive properties based on KDX standards
- Leasing management according to the market environment
- Careful control of management and operating costs by taking advantage of portfolio size

#### Identify tenant satisfaction through use of tenant surveys

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

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

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

Furthermore, backed by the favorable leasing market for office buildings to date, the Investment Corporation has thus far been proactively conducting renovations to address customer satisfaction under the objective of maintaining and improving rent levels and asset values. The budget for renovations to address customer satisfaction and major construction to enhance value will be reduced hereafter due in part to having completed the bulk of construction measures at many of our portfolio properties.



Maintain attractive properties based on KDX standards

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

The Investment Corporation aims to differentiate itself by efficiently providing certain uniform standards, termed "KDX" standards, as well as attractive office environments.

Examples of KDX standards include the followings:

- Installation of security cameras for elevators and entrance halls
- Installation of emergency devices for elevators
- Installation of modern restrooms that include western-style toilets with hot-water self-cleaning functions

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

Leasing management according to the market environment

The characteristics of mid-sized office buildings, which are the primary target of the Investment Corporation's investment, are that many of the tenants generally tend to be small- and medium-sized enterprises and turnover ratios are relatively high. Therefore, in the leasing aspect, the Investment Corporation implements leasing activities in a timely and flexible manner that take into account economic and real estate market trends.

Concerning the solicitation of new tenants, the Investment Corporation strives to shorten the period of vacancy and boost the occupancy ratio by implementing dynamic and flexible leasing activities through the sharing of information closely with leading brokers, holding of previews, marketing directly to corporations, utilizing guarantee companies and other measures.

Meanwhile, in light of the economic trends and trends of the leasing market for office buildings, the Investment Corporation conducts management by adopting the basic policy of maintaining current conditions without, in principle, negotiating to raise rent even with tenants whose contract is due for renewal.

Careful control of management and operating costs by taking advantage of portfolio size

The Investment Corporation utilizes the scale merits of owning many properties and the negotiating strength of the Kenedix Group to reduce building maintenance costs. The Investment Corporation has managed to reduce building maintenance expenses for office buildings and also electricity costs at some properties by reviewing the content of building maintenance. In addition, the Investment Corporation has also managed to centralize the building maintenance company for office buildings in Tokyo.

The Investment Corporation will continue to carefully control management and operating costs by periodically reviewing its property management standards to ensure that they remain relevant and appropriate for each property.

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

(b) New Property Investment Strategy (External Growth Strategy)

The Investment Corporation has thus far been acquiring investment properties by considering (1) the weighted average cost of capital, which is based on the (2) level of return on distributions, which is calculated from the investment unit price and distributions per unit and (3) debt financing costs and interest-bearing debt ratio. Hereafter, in light of the recent uncertain market environment and other factors, the Investment Corporation will no longer aim to increase asset and, in principle, will keep the acquisition of office buildings also within the scope of replacement of assets for the time being.

Accordingly, concerning central urban retail properties and residential properties, the Investment Corporation will not only refrain from conducting new investments, but will also place such properties on the top of the list of properties to sell while taking into consideration the market environment, asset size and other factors. In addition, in light of the area and size of individual properties and depending on

the sales terms and conditions, the Investment Corporation will not exclude office buildings either from the list of properties that could be sold.

The Investment Corporation seeks to continue improving the quality of its portfolio in terms of location, size and type of properties, through various measures including replacement of assets, and will continue to aim to build a strong portfolio focusing on mid-sized office buildings.

(c) Financial Strategy

The Investment Corporation will continue to pursue debt financing on an unsecured and unguaranteed basis and as well as make arrangements to ensure fixed interest rate debt in line with interest rate trends and other considerations.

In addition, the Investment Corporation will seek to diversify its debt repayment period to reduce refinancing risk. Furthermore, the Investment Corporation will pursue stable financial management through such measures as continuing to maintain long-term debt ratios above prudent levels.

The Investment Corporation will continue to maintain its conservative leverage policy by taking such measures as keeping the ratio of interest-bearing debt to total assets at a prudent level. Moreover, the Investment Corporation will undertake stable fund procurement based on existing favorable relations with financial institutions, as well as aim for more conservative financial management than ever before by increasing its cash position and other means.

(d) Information Disclosure

Consistent with its basic information disclosure policy, the Investment Corporation proactively engages in IR activities with the aim of promptly providing a wide range of relevant information to investors. In specific terms, the Investment Corporation provides information through the Timely Disclosure Network System (TDnet), which is a system operated by the Tokyo Stock Exchange, as well as press releases and its Web site (URL: <http://www.kdx-reit.com/eng/>).

**(3) Important Subsequent Events**

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

(Reference)

**Debt Financing**

The Investment Corporation has executed the following debt financing on November 4, 2008.

## Series 33-L (Note 1)

Lender	: Citibank Japan, Ltd.
Amount	: ¥1,000 million
Interest Rate	: 1.23833% floating rate of interest (Note 2)
Repayment Date	: November 2, 2009
Collateral	: Unsecured, unguaranteed

Notes:

1. The Investment Corporation has applied the funds toward the repayment of Series 25-L (total of ¥1,000 million) with a repayment date of November 4, 2008.
2. The interest rate covers the period commencing November 4, 2008 through February 4, 2009. Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.35%. The interest rate after February 4, 2009, shall be disclosed as and when determined.

The Investment Corporation has executed the following debt financing on December 8, 2008.

## Series 34 (Note 1)

Lender	: (1)Aozora Bank, Ltd. (2)Resona Bank, Ltd.
Amount	: (1)¥1,500 million (2)¥500 million
Interest Rate	: 1.59346% floating rate of interest (Note 2)
Repayment Date	: December 8, 2009
Collateral	: Unsecured, unguaranteed

Notes:

1. The Investment Corporation has applied the funds toward the repayment of Series 4 (total of ¥2,000 million) with a repayment date of December 8, 2008.
2. The interest rate covers the period commencing December 8, 2008 through February 27, 2009. Thereafter, the interest rate shall be calculated based on the three-month yen TIBOR +0.70%. The interest rate after February 27, 2009, shall be disclosed as and when determined.

**(4) Outlook**

Forecasts for the eighth fiscal period (November 1, 2008 to April 30, 2009) are presented as follows. Please refer to the “Preconditions and Assumptions for the Fiscal Period Ending April 30, 2009” below for factors that underpin forecasts.

Operating Revenues	¥8,298 million
Ordinary Income	¥2,881 million
Net Income	¥2,880 million
Distribution per Unit	¥14,400
Distribution in Excess of Earnings per Unit	¥0

Note: Forecast figures are calculated based on certain assumptions. Readers are advised that actual operating revenues, net income and distribution per unit may differ significantly from forecasts due to a variety of reasons. Accordingly, the Investment Corporation does not guarantee payment of the forecast distribution per unit.

“Preconditions and Assumptions for the Fiscal Period Ending April 30, 2009”

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>The eighth fiscal period: November 1, 2008 to April 30, 2009 (181 days)</li> </ul>
Property Portfolio	<ul style="list-style-type: none"> <li>Forecasts are based on the 69 properties held as of December 11, 2008. This will remain unchanged (no new properties will be acquired and no existing properties will be sold) up to and including the end of the eighth fiscal period.</li> <li>The property portfolio may change due to a variety of factors.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>Rental revenues are estimated based on historical performance and a variety of factors including leasing market conditions.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>Property-related expenses other than depreciation are estimated based on historic expenses, adjusted to reflect the expenses variables.</li> <li>In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property. Repairs, maintenance and renovation expenses are estimated based on the amounts budgeted by the asset management company for each property and amounts considered essential for each period. Actual repairs, maintenance and renovation expenses for each fiscal period may, however, differ significantly from estimated amounts due to unforeseen circumstances or emergencies.</li> <li>For the eighth fiscal period, an amount of ¥1,428 million has been estimated for depreciation expense.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>The Investment Corporation is amortizing unit issuance costs over a period of three years using the straight-line method.</li> <li>Interest payable (including finance costs) of ¥1,007 million is forecasted for the eighth fiscal period.</li> </ul>
Debt Financing and Investment Corporation Bonds	<ul style="list-style-type: none"> <li>The balance of borrowings as of December 11, 2008 is ¥86.75 billion. Forecasts are based on the assumption that the balance of borrowings shall remain unchanged for the rest of the eighth fiscal period.</li> <li>The balance of investment corporation bonds as of December 11, 2008 is ¥12.0 billion. Forecasts are also based on the assumption that the balance of investment corporation bonds shall remain unchanged in the eighth fiscal period.</li> </ul>
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>The number of investment units issued and outstanding as of December 11, 2008 is 200,000 units. Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the eighth fiscal period.</li> </ul>
Distributions per Unit	<ul style="list-style-type: none"> <li>Distributions per unit are calculated in accordance with the distribution policy outlined in the Investment Corporation’s Articles of Incorporation.</li> <li>Actual distributions per unit may differ significantly from forecasted figures due to a variety of reasons including movements in investment assets, rental revenues impacted by tenant movements or</li> </ul>

	the incidence of major unforeseen renovation expense.
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>• Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

**3. Financial Statements****(1) Financial Condition****① Balance Sheets**

(Thousands of Yen)

	Sixth Fiscal Period (As of April 30, 2008)	Seventh Fiscal Period (As of October 31, 2008)	Increase / Decrease
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and deposits	6,379,367	6,799,392	420,025
Cash and deposits in trust	6,813,393	6,230,408	△582,984
Accounts receivable-trade	159,003	187,278	28,274
Prepaid expenses	34,209	54,922	20,713
Consumption tax receivable	-	180,365	180,365
Other	11,053	12,773	1,719
Total current assets	13,397,027	13,465,140	68,113
<b>Noncurrent assets</b>			
Property, plant and equipment, *1			
Buildings	9,782,177	11,004,879	1,222,702
Accumulated depreciation	△301,382	△494,742	△193,360
Buildings, net	9,480,794	10,510,137	1,029,342
Structures	7,886	9,395	1,508
Accumulated depreciation	△839	△1,459	△619
Structures, net	7,046	7,936	889
Machinery and equipment	34,023	35,428	1,404
Accumulated depreciation	△13,269	△18,174	△4,904
Machinery and equipment, net	20,754	17,254	△3,499
Tools, furniture and fixtures	13,670	39,052	25,382
Accumulated depreciation	△1,454	△3,379	△1,924
Tools, furniture and fixtures, net	12,215	35,673	23,457
Land	25,928,590	29,093,099	3,164,509
Buildings in trust	59,721,096	63,333,891	3,612,794
Accumulated depreciation	△4,333,013	△5,345,618	△1,012,604
Buildings in trust, net	55,388,083	57,988,273	2,600,190
Structures in trust	152,506	198,074	45,568
Accumulated depreciation	△42,510	△48,445	△5,934
Structures in trust, net	109,995	149,629	39,633
Machinery and equipment in trust	753,629	870,276	116,646
Accumulated depreciation	△185,011	△222,411	△37,400
Machinery and equipment in trust, net	568,618	647,864	79,245
Tools, furniture and fixtures in trust	301,196	342,957	41,761
Accumulated depreciation	△75,948	△96,131	△20,182
Tools, furniture and fixtures in trust, net	225,247	246,826	21,578
Land in trust	124,742,605	126,813,694	2,071,089
Total property, plant and equipment	216,483,952	225,510,388	9,026,436
<b>Intangible assets</b>			
Leasehold right	285,350	285,350	-
Total intangible assets	285,350	285,350	-
<b>Investments and other assets</b>			

## KENEDIX REALTY INVESTMENT CORPORATION (8972)

Lease and guarantee deposits	23,326	12,226	△11,100
Long-term prepaid expenses	121,520	213,679	92,159
Deferred tax assets	1,217	6,399	5,181
Total investments and other assets	146,065	232,306	86,240
Total noncurrent assets	216,915,367	226,028,045	9,112,677
Deferred assets			
Deferred organization expenses	20,358	15,269	△5,089
Investment corporation bond issuance costs	57,183	51,306	△5,877
Investment unit issuance expenses	130,305	88,837	△41,468
Total deferred assets	207,848	155,412	△52,435
Total assets	230,520,243	239,648,597	9,128,354
			(Thousands of Yen)
	Sixth Fiscal Period (As of April 30, 2008)	Seventh Fiscal Period (As of October 31, 2008)	Increase / Decrease
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payables	441,418	407,070	△34,347
Short-term loans payable *3	5,750,000	5,000,000	△750,000
Current portion of long term loans payable	26,000,000	19,000,000	△7,000,000
Accounts payable-other	351,588	321,639	△29,948
Accrued expenses	89,201	141,200	51,999
Income taxes payable	769	605	△164
Accrued consumption taxes	215,992	36,004	△179,988
Advances received	1,172,674	1,238,194	65,520
Deposits received	4,503	6,411	1,907
Total current liabilities	34,026,147	26,151,125	△7,875,021
<b>Noncurrent liabilities</b>			
Investment corporation bond	12,000,000	12,000,000	-
Long-term loans payable	46,000,000	62,750,000	16,750,000
Tenant leasehold and security deposits	1,271,027	1,515,158	244,130
Tenant leasehold and security deposits in trust	8,905,814	9,128,464	222,649
Derivative liabilities	3,091	16,271	13,179
Total noncurrent liabilities	68,179,934	85,409,894	17,229,960
Total liabilities	102,206,081	111,561,020	9,354,939
<b>Net assets *2</b>			
Unitholders' capital	124,973,750	124,973,750	-
<b>Surplus</b>			
Unappropriated retained earnings (undisposed loss)	3,342,285	3,123,698	△218,586
Total surplus	3,342,285	3,123,698	△218,586
Total unitholders' equity	128,316,035	128,097,449	△218,586
<b>Valuation and translation adjustments</b>			
Deferred gains or losses on hedges	△1,873	△9,872	△7,998
Total valuation and translation adjustments	△1,873	△9,872	△7,998
Total net assets	128,314,161	128,087,577	△226,584
Total liabilities and net assets	230,520,243	239,648,597	9,128,354

② Statements of Income

(Thousands of Yen)

	Sixth Fiscal Period November 1, 2007 to April 30, 2008	Seventh Fiscal Period May 1, 2008 to October 31, 2008	Increase / Decrease
Operating revenue			
Rent revenue-real estate *1	6,770,710	7,111,092	340,382
Other lease business revenue *1	859,754	1,045,424	185,669
Gain on sales of real estate properties *2	952,230	299,716	△652,513
Total operating revenue	8,582,695	8,456,233	△126,461
Operating expenses			
Expenses related to rent business *1	3,447,634	3,678,719	231,085
Loss on sales of real estate properties *3	439,333	-	△439,333
Asset management fee	424,141	442,469	18,327
Directors' compensation	5,400	5,400	-
Asset custody fee	22,463	23,483	1,020
Administrative service fees	52,684	50,791	△1,892
Audit fee	9,300	9,300	-
Other operating expenses	116,083	101,330	△14,753
Total operating expenses	4,517,040	4,311,495	△205,545
Operating income	4,065,654	4,144,738	79,083
Non-operating income			
Interest income	8,261	11,158	2,897
Other	451	3,144	2,693
Total non-operating income	8,712	14,303	5,591
Non-operating expenses			
Interest expenses	504,589	689,468	184,879
Interest expenses on investment corporation bonds	113,537	114,321	784
Borrowing related expenses	28,471	145,680	117,208
Amortization of investment corporation bond issuance costs	5,813	5,877	63
Amortization of investment unit issuance expenses	41,468	41,468	-
Amortization of deferred organization expenses	5,089	5,089	-
Other	31,640	32,728	1,088
Total non-operating expenses	730,610	1,034,635	304,025
Ordinary income	3,343,757	3,124,406	△219,350
Income before income taxes	3,343,757	3,124,406	△219,350
Income taxes-current	1,773	605	△1,168
Income taxes-deferred	△217	187	405
Total income taxes	1,555	792	△763
Net income	3,342,201	3,123,613	△218,587
Retained earnings brought forward	84	85	1
Unappropriated retained earnings (undisposed loss)	3,342,285	3,123,698	△218,586



## ③ Statements of Unitholder's Equity

(Thousands of Yen)

	Sixth Fiscal Period November 1, 2007 to April 30, 2008	Seventh Fiscal Period May 1, 2008 to October 31, 2008
<b>Unitholder's Equity</b>		
Unitholders' capital *		
Balance at the end of previous period	124,973,750	124,973,750
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	124,973,750	124,973,750
<b>Surplus</b>		
Unappropriated retained earnings (undisposed loss)		
Balance at the end of previous period	2,792,084	3,342,285
Changes of items during the period		
Dividends from surplus	△2,792,000	△3,342,200
Net income	3,342,201	3,123,613
Total changes of items during the period	550,201	△218,586
Balance at the end of current period	3,342,285	3,123,698
<b>Total unitholders' equity</b>		
Balance at the end of previous period	127,765,834	128,316,035
Changes of items during the period		
Dividends from surplus	△2,792,000	△3,342,200
Net income	3,342,201	3,123,613
Total changes of items during the period	550,201	△218,586
Balance at the end of current period	128,316,035	128,097,449
<b>Valuation and Translation Adjustments</b>		
Deferred gains or losses on hedges		
Balance at the end of previous period	△3,899	△1,873
Changes of items during the period		
Net change of items other than owners' equity	2,025	△7,998
Total changes of items during the period	2,025	△7,998
Balance at the end of current period	△1,873	△9,872
<b>Total valuation and translation adjustments</b>		
Balance at the end of previous period	△3,899	△1,873
Changes of items during the period		
Net change of items other than owners' equity	2,025	△7,998
Total changes of items during the period	2,025	△7,998
Balance at the end of current period	△1,873	△9,872
<b>Total Net Assets</b>		
Balance at the end of previous period	127,761,934	128,314,161
Changes of items during the period		
Dividends from surplus	△2,792,000	△3,342,200
Net income	3,342,201	3,123,613
Net change of items other than owners' equity	2,025	△7,998
Total changes of items during the period	552,226	△226,584
Balance at the end of current period	128,314,161	128,087,577

## ④Basis for Calculating Cash Distribution

(Unit: Yen)

	Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
I. Retained earnings at the end of period	3,342,285,404	3,123,698,986
II. Total Distribution (Distribution per Unit)	3,342,200,000 (16,711)	3,123,600,000 (15,618)
III. Retained Earnings bring to next period	85,404	98,986
Method of calculating the distribution amount	The Investment Corporation determines the amount of distribution in accordance with Article 35-1 of its Articles of Incorporation, which must exceed 90% of its distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law. The Investment Corporation has therefore decided to distribute the maximum amount of retained earnings at the period-end of period, namely totaling ¥3,342,200,000 to 200,000 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 35-2 of the Investment Corporation's Articles of Incorporation. In its fiscal period under review, the Investment Corporation has decided not to distribute cash in excess of distributable income.	The Investment Corporation determines the amount of distribution in accordance with Article 35-1 of its Articles of Incorporation, which must exceed 90% of its distributable income as stipulated in Article 67-15 of the Special Taxation Measures Law. The Investment Corporation has therefore decided to distribute the maximum amount of retained earnings at the period-end of period, namely totaling ¥3,123,600,000 to 200,000 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 35-2 of the Investment Corporation's Articles of Incorporation. In its fiscal period under review, the Investment Corporation has decided not to distribute cash in excess of distributable income.

## ⑤ Statements of Cash Flows

(Thousands of Yen)

	Sixth Fiscal Period November 1, 2007 to April 30, 2008	Seventh Fiscal Period May 1, 2008 to October 31, 2008	Increase / Decrease
Net cash provided by (used in) operating activities			
Income before income taxes	3,343,757	3,124,406	△219,350
Depreciation and amortization	1,430,125	1,445,266	15,141
Amortization of long-term prepaid expenses	27,400	38,292	10,892
Interest income	△8,261	△11,158	△2,897
Interest expenses	618,126	803,790	185,664
Amortization of deferred organization expenses	5,089	5,089	-
Amortization of investment units issuance expenses	41,468	41,468	-
Amortization of investment corporation bond issuance expenses	5,813	5,877	63
Decrease (increase) in accounts receivable-trade	△17,093	△28,274	△11,181
Decrease (increase) in consumption taxes refund receivable	47,551	△180,365	△227,916
Decrease (increase) in prepaid expenses	8,642	△17,755	△26,398
Increase (decrease) in accounts payable	83,089	△34,347	△117,437
Increase (decrease) in accounts payable- other	180,830	△32,132	△212,962
Increase (decrease) in accrued consumption taxes	215,992	△179,988	△395,980
Increase (decrease) in advances received	31,342	65,520	34,177
Increase (decrease) in deposits received	2,518	1,907	△610
Loss on retirement of noncurrent assets	45,288	7,852	△37,435
Changes in net property, plant and equipment held in trust from sale	30,755,697	5,100,280	△25,655,417
Decrease (increase) in long-term prepaid expenses	△78,620	△133,409	△54,788
Other, net	1,341	△1,907	△3,248
Subtotal	36,740,101	10,020,414	△26,719,687
Interest and dividends income received	8,261	11,158	2,897
Interest expenses paid	△603,866	△751,791	△147,925
Income taxes paid	△658	△769	△110
Net cash provided by (used in) operating activities	36,143,837	9,279,012	△26,864,824
Net cash provided by (used in) investment activities			
Purchase of property, plant and equipment	△22,817,847	△4,418,444	18,399,403
Purchase of property, plant and equipment in trust	△25,332,879	△11,161,392	14,171,487
Proceeds from collection of lease and guarantee deposits	184	11,100	10,915
Payments for collection of lease and guarantee deposits	△11,100	-	11,100
Payments of tenant leasehold and security deposits	△19,216	△41,251	△22,035
Proceeds of tenant leasehold and security deposits	642,847	285,381	△357,465
Payments of tenant leasehold and security deposits in trust	△685,950	△639,474	46,476
Proceeds of tenant leasehold and security deposits in trust	1,489,452	862,124	△627,328
Payments of restricted bank deposits in trust	△1,130,321	△574,468	555,853
Proceeds from restricted bank deposits in trust	71,434	1,299,218	1,227,784
Net cash provided by (used in) investment activities	△47,793,395	△14,377,205	33,416,189
Net cash provided by (used in) financing activities			
Increase in short-term loans payable	1,500,000	5,500,000	4,000,000
Decrease in short-term loans payable	△2,250,000	△6,250,000	△4,000,000
Proceeds from long-term loans payable	15,000,000	22,750,000	7,750,000
Repayment of long-term loans payable	-	△13,000,000	△13,000,000
Dividends paid	△2,789,908	△3,340,016	△550,107
Net cash provided by (used in) financing activities	11,460,091	5,659,983	△5,800,107

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Net increase (decrease) in cash and cash equivalents	△189,466	561,790	751,257
Cash and cash equivalents at beginning of period	11,331,324	11,141,858	△189,466
Cash and cash equivalents at end of period	※ 11,141,858	11,703,649	561,790

## ⑥Notes

**[Important Accounting Standards]**

	Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
1. Depreciation of fixed assets	<p>(1) Property and equipment (includes trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 2 to 46 years Structures: 2 to 25 years Machinery and equipment: 3 to 17 years Tools, furniture and fixtures: 3 to 20 years</p> <p>(2) Long-term prepaid expenses The straight-line method is applied.</p>	<p>(1) Property and equipment (includes trust assets) The straight-line method is applied. Useful lives of the assets ranging are as follows: Buildings: 2 to 49 years Structures: 2 to 45 years Machinery and equipment: 3 to 17 years Tools, furniture and fixtures: 3 to 20 years</p> <p>(2) Long-term prepaid expenses Same applies as left.</p>
2. Accounting policies for deferred assets	<p>(1) Deferred organization expenses Organization costs are amortized over a period of 5 years.</p> <p>(2) New unit issuance costs Unit issuance costs are amortized over a period of three years.</p> <p>(3) Bond issuance costs Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>	<p>(1) Deferred organization expenses Same applies as left.</p> <p>(2) New unit issuance costs Same applies as left.</p> <p>(3) Bond issuance costs Same applies as left.</p>
3. Accounting standards for revenues and expenses	<p>Accounting method for property tax Property-related taxes including property taxes and city planning taxes, etc. are imposed on properties on a calendar year basis. These taxes are generally charged to rental expenses for the period, for which the payment was made during the said period.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, the Investment Corporation included its pro rata property portion for the year in each property acquisition price and not as rental expense. The amount of property taxes included in acquisition prices for the fiscal period under review amounted to ¥173,954 thousand.</p>	<p>Accounting method for property tax Same applies as left.</p> <p>In connection with the acquisition of real estate including trust beneficiary interests in real estate during the fiscal period under review, the Investment Corporation included its pro rata property portion for the year in each property acquisition price and not as rental expense. The amount of property taxes included in acquisition prices for the fiscal period under review amounted to ¥10,840 thousand.</p>
4. Accounting for hedges	<p>(1) Hedge accounting method The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments The Investment Corporation enters into interest-rate swap transactions. Risks hedged Interest rates on debt.</p> <p>(3) Hedging policy</p>	<p>(1) Hedge accounting method Same applies as left.</p> <p>(2) Hedging instruments and risks hedged Hedge instruments Same applies as left. Risks hedged Same applies as left.</p> <p>(3) Hedging policy</p>

	Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
	<p>The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>(4) Method of evaluating the effectiveness of hedging During the period from the commencement of hedging to the point at which effectiveness is assessed, the Investment Corporation compares the cumulative total of market changes in the targeted objects of hedging or cash flow changes with the cumulative total of market changes in the hedging instruments or cash flow changes. The Investment Corporation then makes a decision based on the changes and other factors of the two.</p> <p>However, the interest-rate swap agreements that meet the criteria for special treatment, the evaluation of effectiveness are omitted.</p>	<p>Same applies as left.</p> <p>(4) Method of evaluating the effectiveness of hedging Same applies as left.</p>
5. The scope of cash and cash equivalents on statements of cash flows	For the purpose of cash flow statements, cash and cash equivalents consist of cash on hand, deposits received that can be withdrawn on demand, and short-term investments with original maturities of three months or less, that are readily convertible to known amounts of cash and present insignificant risk of a change in value	Same applies as left.
6. Other significant accounting policies utilized in the preparation of financial statements	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets</p> <p>The assets and liabilities as well as revenues and expenses of financial assets held in the form of trust beneficiary interests in real estate and other assets are recorded in full in the Investment Corporation's balance sheets and statements of income.</p> <p>Important line items included in accounting for financial assets in the Investment Corporation's balance sheet are as follows:</p> <ol style="list-style-type: none"> <li>1. Cash and deposits in trust</li> <li>2. Buildings in trust, structures in trust, machinery and equipment in trust, tools, furniture and fixtures in trust, and land in trust</li> <li>3. Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting method for consumption tax</p> <p>Consumption taxes are separately recorded. Non-deductible consumption taxes applicable to the acquisition of assets are included in the cost of acquisition for each asset.</p>	<p>(1) Accounting method for trust beneficiary interests in real estate and other assets</p> <p>Same applies as left.</p> <p>(2) Accounting method for consumption tax</p> <p>Same applies as left.</p>

**【Notes to the Balance Sheets】**

(Thousands of Yen, otherwise stated)

Sixth Fiscal Period (As of April 30, 2008)		Seventh Fiscal Period (As of October 31, 2008)	
*1. Minimum unitholders' equity pursuant to Article 67-4 of the Law Concerning Investment Trusts and Investment Corporations Law	¥50,000	*1. Minimum unitholders' equity pursuant to Article 67-4 of the Law Concerning Investment Trusts and Investment Corporations Law	¥50,000
*2. Balance of undrawn credit facility The Investment Corporation established credit facilities with financial institutions.		*2. Balance of undrawn credit facility The Investment Corporation established credit facilities with financial institutions.	
Total credit facility	5,000,000	Total credit facility	5,000,000
Drawn credit facility	500,000	Drawn credit facility	5,000,000
Balance of Undrawn credit facility	4,500,000	Balance of Undrawn credit facility	—

**【Notes to the Statements of Income】**

(Thousands of Yen)

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)		Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	
*1. Breakdown of real estate rental business profit and loss		*1. Breakdown of real estate rental business profit and loss	
A. Rental and other operating revenues		A. Rental and other operating revenues	
Rental revenues		Rental revenues	
Leasing income	5,626,514	Leasing income	5,847,509
Common area charges	1,144,195	Common area charges	1,263,582
Total	6,770,710	Total	7,111,092
Others		Others	
Parking space rental revenues	240,631	Parking space rental revenues	250,005
Utility charge reimbursement	458,128	Utility charge reimbursement	668,718
Miscellaneous	160,994	Miscellaneous	126,699
Subtotal	859,754	Subtotal	1,045,424
Total rental and operating revenues	7,630,464	Total rental and operating revenues	8,156,516
B. Rental and other operating expenses		B. Rental and other operating expenses	
Rental expenses		Rental expenses	
Property management fees and facility management fees	750,333	Property management fees and facility management fees	792,076
Utilities	450,236	Utilities	611,721
Taxes	395,277	Taxes	406,438
Repairs and maintenance costs	149,230	Repairs and maintenance costs	188,400
Insurance	16,806	Insurance	17,035
Trust fees	57,312	Trust fees	46,904
Others	149,083	Others	163,023
Depreciation	1,430,125	Depreciation	1,445,266
Loss on retirement of fixed assets	49,228	Loss on retirement of fixed assets	7,852
Total property-related expenses	3,447,634	Total property-related expenses	3,678,719
C. Rental business profit (A – B)	4,182,830	C. Rental business profit (A – B)	4,477,796
*2. Profit on sale of real estate (Sale of 13 residential properties)		*2. Profit on sale of real estate	
Revenue from sale of investment properties	18,788,000	Hakata Ekimae Dai-2 Building	
Costs of investment properties	17,705,425	Revenue from sale of the investment property	1,470,000
Other sales' expenses	130,344	Costs of the investment property	1,434,889
Profit on sale of real estate	952,230	Other sales' expenses	28,101
		Profit on sale of real estate	7,008

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)		Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	
*3. Loss on sale of real estate (Sale of 10 residential properties)		ZARA Tenjin Nishi-dori	
Revenue from sale of investment properties	12,702,000	Revenue from sale of the investment property	4,108,810
Costs of investment properties	13,050,272	Costs of the investment property	3,665,390
Other sales' expenses	91,061	Other sales' expenses	150,711
Loss on sale of real estate	439,333	Profit on sale of real estate	292,708

**【Notes to the Statements of Changes in Unitholders' Equity】**

	Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
Total number of authorized investment units and total number of investment units issued and outstanding		
• Total number of authorized investment units	2,000,000 units	2,000,000 units
• Total number of investment units issued and outstanding	200,000 units	200,000 units

**【Notes to the Statements of Cash Flow】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)		Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	
*Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements. (As of April 30, 2008 ) (Thousands of Yen)		*Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements. (As of October 31, 2008 ) (Thousands of Yen)	
Cash and bank deposits	6,379,367	Cash and bank deposits	6,799,392
Cash and deposits in trust	6,813,393	Cash and deposits in trust	6,230,408
Restricted bank deposits held in trust (Note)	△2,050,902	Restricted bank deposits held in trust (Note)	△1,326,152
Cash and cash equivalents	11,141,858	Cash and cash equivalents	11,703,649
Note: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.		Note: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.	

**【Notes to the Lease Transactions】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)		Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	
Operating lease transactions (Thousands of Yen) (Lessor)		Operating lease transactions (Thousands of Yen) (Lessor)	
Unearned lease payments		Unearned lease payments	
Due within one year	1,689,845	Due within one year	1,493,056
Due after one year	9,711,097	Due after one year	8,487,580
Total	11,400,942	Total	9,980,636

**【Notes to the Marketable Securities】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
The Investment Corporation has not undertaken transactions in marketable securities. Accordingly, there is no information to report.	Same applies as left.



**【Notes to the Derivative Transactions】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
<p>(1) Details of the transaction The Investment Corporation entering into interest-rate swap transactions uses derivatives as hedging instruments</p> <p>(2) Transaction policies Derivatives are used by the Investment Corporation to manage its exposure to the risk of future interest rate fluctuation. Derivative transactions are not used for speculative purposes.</p> <p>(3) Purpose of the transaction In interest-related transactions, derivative transaction is used to maintain earnings stability by managing exposure to the risk of interest rate hikes in the interest rate market on borrowings. Hedge accounting is applied to the use of derivative transactions.</p> <p>① Hedge accounting method The deferred hedge method is applied. However, the special treatment is applied for the interest-rate swap agreements that meet the criteria.</p> <p>② Hedging instruments and risks hedged</p> <ul style="list-style-type: none"> <li>• Hedge instruments The Investment Corporation enters into interest-rate swap transactions.</li> <li>• Risks hedged Interest rates on debt</li> </ul> <p>③ Hedging policy The Investment Corporation enters into derivative transactions based on its risk management policies with the objective of hedging risks in accordance with its Articles of Incorporation.</p> <p>④ Method of evaluating the effectiveness of hedging During the period from the commencement of hedging to the point at which effectiveness is assessed, the Investment Corporation compares the cumulative total of market changes in the targeted objects of hedging or cash flow changes with the cumulative total of market changes in the hedging instruments or cash flow changes. The Investment Corporation then makes a decision based on the changes and other factors of the two. However, the interest-rate swap agreements that meet the criteria for special treatment, the evaluation of effectiveness are omitted.</p> <p>(4) Risks related to derivative transaction Interest-rate swap transactions are subject to risks stemming from fluctuations in the interest rate market.</p> <p>(5) Risks management system for derivative transaction Risks management is based on the management procedures of the Asset Management Company.</p>	<p>(1) Details of the transaction Same applies as left.</p> <p>(2) Transaction policies Same applies as left.</p> <p>(3) Purpose of the transaction Same applies as left.</p> <p>① Hedge accounting method Same applies as left.</p> <p>② Hedging instruments and risks hedged Same applies as left.</p> <p>③ Hedging policy Same applies as left.</p> <p>④ Method of evaluating the effectiveness of hedging Same applies as left.</p> <p>(4) Risks related to derivative transaction Same applies as left.</p> <p>(5) Risks management system for derivative transaction Same applies as left.</p>

**【Notes to the Retirement Payment】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
The Investment Corporation does not maintain a retirement payment system. Accordingly, there is no information to report.	Same applies as left.

**【Tax-Effect Accounting】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
1. Principal deferred tax assets and liabilities (Thousands of Yen) (Deferred tax assets)	1. Principal deferred tax assets and liabilities (Thousands of Yen) (Deferred tax assets)
Enterprise tax payable not included in expenses <span style="float: right;">64</span>	Bad debts loss <span style="float: right;">50</span>
Bad debts loss <span style="float: right;">500</span>	Unrealized loss from deferred hedge transactions <span style="float: right;">6,399</span>
Unrealized loss from deferred hedge transactions <span style="float: right;">1,217</span>	Subtotal deferred tax assets <span style="float: right;">6,449</span>
Subtotal deferred tax assets <span style="float: right;">1,782</span>	
Valuation allowance <span style="float: right;">△326</span>	
Total deferred tax assets <span style="float: right;">1,456</span>	
2. Significant difference between statutory income tax rate and the effective tax rate (%)	2. Significant difference between statutory income tax rate and the effective tax rate (%)
Normal effective statutory tax rate <span style="float: right;">39.39</span>	Normal effective statutory tax rate <span style="float: right;">39.39</span>
(Adjustments)	(Adjustments)
Deductible cash distributions <span style="float: right;">△39.37</span>	Deductible cash distributions <span style="float: right;">△39.38</span>
Others <span style="float: right;">0.03</span>	Others <span style="float: right;">0.02</span>
Actual effective tax rate <span style="float: right;">0.05</span>	Actual effective tax rate <span style="float: right;">0.03</span>

**【Equity-Method Income and Retained Earnings】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
The Investment Corporation has no affiliated companies accounted for under the equity-method. Accordingly, there is no information to report.	Same applies as left.

**【Related-Party Transactions】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)

1. Parent Company, corporate shareholders and other: None

2. Directors, individual shareholders and other

Attributes	Name	Business Activities / Position	Ratio of Possession of Voting Rights (%)	Details of Business	Deal Amount (¥thousands)	Accounting Term	Balance of Period End (¥thousands)
Board of Directors and Close Relatives	Taisuke Miyajima	Executive Director for the Investment Corporation and CEO and President of Kenedix REIT Management, Inc.	Possession of Right Direct 0.0%	Payment of asset management fee to Kenedix REIT Management, Inc. (Note 1)	732,146 (Note 2) (Note 4)	Accounts Payable -other	128,549 (Note 4)
As above	As above	As above	As above	Payment of business consignment fee to Kenedix REIT Management, Inc. (Note 3)	1,500 (Note 4)	—	—
As above	As above	As above	As above	Payment of property management fee to Kenedix REIT Management, Inc. (Note 3)	129,756	Accounts Payable	65,116

Notes:

- Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the articles of incorporation of the Investment Corporation.
- Asset management fee include ¥157,450 thousand sales fee related to the sale of property and ¥150,555 thousand management fee related to the acquisition of property that count in book value for individual real estate.
- Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the agreement, "Operating Agency Agreement" between the Investment Corporation and Kenedix REIT Management, Inc.
- Consumption taxes are not included in a deal amount, and are included in the balance of the end of period.
- Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the agreement, "Property Management Agreement" between the Investment Corporation and Kenedix REIT Management, Inc. Property management fee include ¥39,675 thousand related to the acquisition of property that count in book value for individual real estate.

3. Subsidiary companies and other: None

4. Fellow subsidiary companies and other: None

Seventh Fiscal Period (May 1, 2008 to October 31, 2008)

1. Parent Company, corporate shareholders and other: None

2. Directors, individual shareholders and other

Attributes	Name	Business Activities / Position	Ratio of Possession of Voting Rights (%)	Details of Business	Deal Amount (¥thousands)	Accounting Term	Balance of Period End (¥thousands)
Board of Directors and Close Relatives	Taisuke Miyajima	Executive Director for the Investment Corporation and CEO and President of Kenedix REIT Management, Inc.	Possession of Right Direct 0.0%	Payment of asset management fee to Kenedix REIT Management, Inc. (Note 1)	516,312 (Note 2) (Note 4)	Accounts Payable -other	101,523 (Note 4)
As above	As above	As above	As above	Payment of business consignment fee to Kenedix REIT Management, Inc. (Note 3)	1,500 (Note 4)	—	—
As above	As above	As above	As above	Payment of property management fee to Kenedix REIT Management, Inc. (Note 3)	338,918	Accounts Payable	89,284

Notes:

- Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the articles of incorporation of the Investment Corporation.

2. Asset management fee include ¥27,894 thousand sales fee related to the sale of property and ¥45,949 thousand management fee related to the acquisition of property that count in book value for individual real estate.
  3. Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the agreement, "Operating Agency Agreement" between the Investment Corporation and Kenedix REIT Management, Inc.
  4. Consumption taxes are not included in a deal amount, and are included in the balance of the end of period.
  5. Taisuke Miyajima performed as a representative of the third party (Kenedix REIT Management, Inc.), and the fee is set up in the agreement, "Property Management Agreement" between the Investment Corporation and Kenedix REIT Management, Inc. Property management fee include ¥44,425 thousand related to the acquisition of property that count in book value for individual real estate.
3. Subsidiary companies and other: None
  4. Fellow subsidiary companies and other: None

**【Notes to the Information per Unit】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)		Seventh Fiscal Period (May 1, 2008 to October 31, 2008)	
Unitholders' Equity per Unit	¥641,570	Unitholders' Equity per Unit	¥640,437
Net Income per Unit	¥16,711	Net Income per Unit	¥15,618
Net income per unit after adjusting for residual units is not included because there were no residual investment units.		Net income per unit after adjusting for residual units is not included because there were no residual investment units.	

Note: The calculation for the net income per unit is as follow.

	Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
Net Income (¥ thousand)	3,342,201	3,123,613
Amount vested in ordinary investors (¥ thousand)	—	—
Net income for ordinary units (¥ thousand)	3,342,201	3,123,613
Average number of units during the period (unit)	200,000	200,000

**【Important Subsequent Events】**

Sixth Fiscal Period (November 1, 2007 to April 30, 2008)	Seventh Fiscal Period (May 1, 2008 to October 31, 2008)
<p>Acquisition of Property</p> <p>On May 15, 2008, the Board of Directors of the Asset Management Company resolved to acquire the following property on June 30, 2008.</p> <p>Property Name: KDX Harumi Building</p> <p>Type of Acquisition: Trust beneficiary interest in real estate</p> <p>Location (Address): 3-12-1 Harumi, Chuo-ku, Tokyo</p> <p>Acquisition Price: ¥10,250,000,000 (excluding acquisition costs, property tax, city-planning tax and consumption tax, etc.)</p> <p>Date of Contract: May 15, 2008</p> <p>Seller: Y.K. KW Property 11</p> <p>Usage: Offices, Retail shops</p> <p>Site Area: 12,694.32m<sup>2</sup></p> <p>Completion Date: February 22, 2008</p>	None

**(2) Movements in Investment Units Issued and Outstanding**

Movements in unitholders' capital and the number of investment units issued and outstanding since first fiscal periods are summarized in the following table.

Settlement Date	Particulars	Investment Units Issued and Outstanding (Units)		Unitholders' Capital (Millions of Yen)		Remarks
		Increase (Decrease)	Balance	Increase (Decrease)	Balance	
May 6, 2005	Private placement	400	400	200	200	(Note 1)
July 20, 2005	Public offering	75,000	75,400	41,868	42,068	(Note 2)
August 16, 2005	Third-party allocation	3,970	79,370	2,216	44,285	(Note 3)
May 1, 2006	Public offering	73,660	153,030	42,171	86,456	(Note 4)
May 26, 2006	Third-party allocation	3,970	157,000	2,272	88,729	(Note 5)
May 22, 2007	Public offering	40,900	197,900	34,474	123,203	(Note 6)
June 19, 2007	Third-party allocation	2,100	200,000	1,770	124,973	(Note 7)

Notes:

1. The Investment Corporation was established with an offer price of ¥500,000 per unit.
2. The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties. The offer price was ¥580,000 per unit with an underwritten price of ¥558,250 per unit.
3. The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties. The issue price was ¥558,250 per unit.
4. The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties. The offer price was ¥593,096 per unit with an issue price of ¥572,519 per unit.
5. The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties. The issue price was ¥572,519 per unit.
6. The Investment Corporation undertook an additional issue of new investment units (public offering) with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The offer price was ¥873,180 per unit with an issue price of ¥842,886 per unit.
7. The Investment Corporation undertook an additional issue of new investment units by way of third-party allotment with the aim of procuring funds for the acquisition of investment properties and repayment of borrowings. The issue price was ¥842,886 per unit.

**4. Transfer of the Directors**

During the seventh fiscal period, there was no transfer for the Directors.

## 5. Reference Information

### (1) Component of Assets

Type of Specified Asset	Type	Area	Sixth Fiscal Period (As of April 30, 2008)		Seventh Fiscal Period (As of October 31, 2008)	
			Total Amount Held (¥M) (Note 1)	Ratio (%) (Note 2)	Total Amount Held (¥M) (Note 1)	Ratio (%) (Note 2)
Real Estate	Office Buildings	Tokyo Metropolitan Area	26,628	11.6	30,845	12.9
		Other Regional Areas	9,105	4.0	9,103	3.8
Total for Real Estate			35,734	15.5	39,949	16.7
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	128,221	55.6	138,290	57.7
		Other Regional Areas	23,537	10.2	22,133	9.2
	Total for Office Buildings		151,758	65.8	160,423	66.9
	Residential Properties	Tokyo Metropolitan Area	10,939	4.7	10,844	4.5
		Other Regional Areas	1,921	0.8	1,898	0.8
	Total for Residential Properties		12,860	5.6	12,742	5.3
	Central Urban Retail Properties	Tokyo Metropolitan Area	12,746	5.5	12,679	5.3
		Other Regional Areas	3,668	1.6	-	-
Total for Central Urban Retail Properties		16,415	7.1	12,679	5.3	
Total of Trust Beneficiary Interests in Real Estate			181,034	78.5	185,846	77.5
Bank Deposits and Other Assets			13,750	6.0	13,852	5.8
Total Assets			230,520	100.0	239,648	100.0

Notes:

1. "Total Amount Held" is the amount allocated in the balance sheets at the end of the period (figures are on a net book value basis after deducting depreciation), and is rounded down to the nearest million yen.
2. "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets rounded to the first decimal place.

	Sixth Fiscal Period (As of April 30, 2008)		Seventh Fiscal Period (As of October 31, 2008)	
	Price (Millions of Yen)	Ratio (%)	Price (Millions of Yen)	Ratio (%)
Total of Liabilities	102,206	44.3	111,561	46.6
Total Unitholders' Equity	128,314	55.7	128,087	53.4
Total of Assets	230,520	100.0	239,648	100.0

## (2) Properties Roster

## ① The Price of the Investment Properties and the Investment Ratio

(Millions of Yen)

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Seventh Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-60	KDX Harumi Building	10,250	10,228	10,700	10,800	4.6	10,500	4.4	4.8	A	4.6
		A-40	Toranomon Toyo Building	9,850	9,912	11,100	11,200	4.5	10,900	4.2	4.7	A	4.4
		A-46	Hiei Kudan-Kita Building	7,600	7,650	8,150	8,350	4.6	8,060	4.4	4.8	B	3.4
		A-37	KDX Ochanomizu Building	6,400	6,522	7,320	7,410	4.6	7,230	4.4	4.8	A	2.8
		A-32	KDX Shiba-Daimon Building	6,090	6,350	6,770	6,910	5.2	6,710	5.0	5.3	C	2.7
		A-13	KDX Kojimachi Building	5,950	5,844	6,400	6,480	4.8	6,360	4.6	4.9	C	2.6
		A-1	KDX Nihonbashi 313 Building	5,940	6,281	7,680	7,900	4.8	7,590	4.6	5.0	B	2.6
		A-16	Toshin-24 Building	5,300	5,255	5,440	5,490	5.4	5,390	5.2	5.6	A	2.3
		A-2	KDX Hirakawacho Building	5,180	5,235	5,780	5,950	4.6	5,700	4.4	4.8	B	2.3
		A-47	KDX Shin-Yokohama 381 Building	4,700	4,704	4,100	4,150	5.4	4,040	5.2	5.6	A	2.1
		A-17	Ebisu East 438 Building	4,640	4,586	5,380	5,420	4.9	5,340	4.6	5.1	A	2.0
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,497	6,380	6,480	4.8	6,280	4.6	5.0	A	2.0
		A-39	KDX Toranomon Building	4,400	4,877	4,640	4,710	4.4	4,570	4.2	4.6	A	1.9
		A-30	KDX Nishi-Gotanda Building	4,200	4,253	4,920	4,960	5.2	4,900	5.0	5.3	C	1.8
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	3,760	3,780	3,480	3,480	5.8	3,470	5.4	6.0	A	1.6
		A-4	KDX Hatchobori Building	3,680	3,527	3,980	4,080	4.8	3,930	4.6	5.0	B	1.6
		A-18	KDX Omori Building	3,500	3,499	4,090	4,120	5.1	4,050	4.9	5.3	A	1.5
		A-19	KDX Hamamatsucho Building	3,460	3,386	3,950	4,060	4.6	3,900	4.4	4.8	B	1.5
		A-45	KDX Roppongi 228 Building	3,300	3,451	2,800	2,850	4.8	2,750	4.6	5.0	A	1.4
		A-29	KDX Higashi-Shinjuku Building	2,950	3,195	3,370	3,500	5.3	3,310	5.1	5.5	B	1.3
		A-20	KDX Kayabacho Building	2,780	2,903	3,220	3,240	5.2	3,210	5.0	5.3	C	1.2
		A-56	KDX Jimbocho Building	2,760	2,982	2,660	2,660	5.3	2,650	5.0	5.5	A	1.2
		A-49	Nissou Dai-17 Building	2,710	2,720	2,090	2,100	5.4	2,070	5.2	5.6	A	1.2
		A-21	KDX Shinbashi Building	2,690	2,690	3,020	3,040	4.5	3,000	4.1	4.7	A	1.2
		A-5	KDX Nakano Sakae Building	2,533	2,553	2,680	2,690	5.1	2,670	4.9	5.3	B	1.1
		A-22	KDX Shin-Yokohama Building	2,520	2,509	2,790	2,830	5.5	2,750	5.3	5.7	A	1.1
		A-6	Harajuku F.F. Building	2,450	2,498	3,260	3,290	5.4	3,220	5.2	5.6	A	1.1
		A-50	Ikejiri-Oohashi Building	2,400	2,457	2,180	2,180	5.7	2,170	5.4	5.8	A	1.0
		A-27	KDX Kajicho Building	2,350	2,397	2,550	2,560	4.8	2,540	4.6	5.0	B	1.0
		A-51	KDX Hamacho Nakanohashi Building	2,310	2,370	2,140	2,160	5.2	2,120	5.0	5.4	A	1.0
A-15	KDX Hamacho Building	2,300	2,350	3,010	3,060	5.3	2,990	5.1	5.4	C	1.0		
A-41	KDX Shinjuku 286 Building	2,300	2,346	2,500	2,520	4.9	2,470	4.7	5.1	A	1.0		
A-7	FIK Mirami Aoyama	2,270	2,285	3,140	3,190	4.7	3,090	4.5	4.9	A	1.0		
A-14	KDX Funabashi Building	2,252	2,488	2,390	2,420	5.7	2,370	5.5	5.9	C	1.0		
A-61	KDX Hamamatsucho Dai-2 Building	2,200	2,259	2,240	2,320	4.5	2,200	4.3	4.7	B	0.9		
A-55	Shin-toshin Maruzen Building	2,110	2,185	2,060	2,070	5.1	2,040	4.7	5.3	A	0.9		
A-33	KDX Okachimachi Building	2,000	2,149	2,010	2,060	4.8	1,990	4.7	5.0	B	0.9		
A-57	KDX Gobancho Building	1,951	2,036	1,870	1,880	5.0	1,850	4.7	5.1	A	0.8		
A-8	Kanda Kihara Building	1,950	1,882	2,030	2,060	4.8	2,010	4.6	5.0	B	0.8		

Type	Area	No.	Property Name	Acquisition Price (Note 1)	Amount on the Balance Sheet (Note 2)	Appraisal Value at the end of Seventh Fiscal Period					Appraiser (Note 4)	Ratio (%) (Note 5)	
						(Note 3)	Direct Capitalization Method		Discounted Cash Flow Method				
							Value	Overall Capitalization Rate (%)	Value	Discount Rate (%)			Terminal Capitalization Rate (%)
Office Buildings	Tokyo Metropolitan Area	A-2	KDX Yotsuya Building	1,950	1,972	2,440	2,470	5.2	2,410	5.0	5.4	A	0.8
		A-59	KDX Iwamoto-cho Building	1,864	1,882	1,810	1,830	5.3	1,790	5.1	5.5	A	0.8
		A-9	KDX Shinjuku-Gyoen Building	1,610	1,608	2,140	2,160	4.9	2,120	4.7	5.1	A	0.7
		A-26	KDX Kiba Building	1,580	1,672	1,800	1,830	5.5	1,790	5.3	5.6	C	0.7
		A-38	KDX Nishi-Shinjuku Building	1,500	1,564	1,540	1,550	5.1	1,530	4.9	5.2	C	0.6
		A-31	KDX Monzen-Nakacho Building	1,400	1,462	1,430	1,460	5.2	1,410	5.0	5.4	B	0.6
		A-52	KDX Kanda Misaki-cho Building	1,380	1,400	1,160	1,170	5.2	1,140	5.0	5.4	A	0.6
		A-34	KDX Hon-Atsugi Building	1,305	1,310	1,220	1,210	6.0	1,220	5.8	6.2	B	0.5
		A-35	KDX Hachioji Building	1,155	1,341	1,010	1,060	5.5	993	5.3	5.7	B	0.5
		A-28	KDX Nogizaka Building	1,065	1,134	1,060	1,080	5.0	1,050	4.8	5.1	C	0.4
	A-10	KDX Koishikawa Building	704	676	795	798	6.0	792	5.8	6.2	A	0.3	
	Other Regional Areas	A-12	Portus Center Building	5,570	5,147	5,500	5,570	6.0	5,470	5.8	6.2	B	2.5
		A-42	Karasuma Building	5,400	5,541	5,820	5,920	5.3	5,780	5.1	5.5	B	2.4
		A-53	KDX Hakata-Minami Building	4,900	4,938	4,720	4,750	6.3	4,680	6.1	6.5	A	2.2
		A-58	Sakae 4-chome Office Building (Tentative Name) (Note 6)	4,000	4,165	4,180	-	-	-	-	-	B	1.8
		A-43	KDX Hakata Building	2,350	2,441	2,200	2,200	6.1	2,190	5.9	6.3	A	1.0
		A-54	KDX Kitahama Building	2,220	2,256	2,020	2,020	5.7	2,010	5.3	5.9	A	0.9
		A-44	KDX Sendai Building	2,100	2,218	1,910	1,900	5.7	1,910	5.5	5.9	B	0.9
		A-24	KDX Minami Sembu Dai-1 Building	1,610	1,559	1,540	1,570	5.5	1,520	4.8	5.2	C	0.7
A-25	KDX Minami Sembu Dai-2 Building	1,560	1,478	1,570	1,640	5.5	1,540	4.8	5.2	C	0.7		
A-36	KDX Niigata Building	1,305	1,489	971	975	7.0	966	6.8	7.2	A	0.5		
Subtotal of Office Buildings (60 properties)				196,965	200,372	211,106	209,793 (Note 7)	-	204,701 (Note 7)	-	-	-	88.7
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukushima	5,353	5,292	4,970	5,050	5.2	4,930	5.0	5.4	C	2.4
		B-3	Court Mejiro	1,250	1,236	1,110	1,110	5.2	1,100	5.0	5.4	A	0.5
		B-4	Apartments Motoazabu	1,210	1,213	1,250	1,260	4.9	1,240	4.7	5.1	A	0.5
		B-5	Apartments Wakamatsu Kawada	1,180	1,163	1,200	1,210	5.0	1,190	4.8	5.2	A	0.5
		B-34	Gradito Kawaguchi	1,038	1,064	1,030	1,040	5.4	1,020	5.1	5.7	C	0.4
		B-25	Court Shin-Okachimachi	878	874	870	884	5.0	864	4.8	5.2	B	0.3
	Other Regional Areas	B-18	Venus Hibarigaoka	1,800	1,898	1,660	1,670	6.1	1,660	5.7	6.3	C	0.8
Subtotal of Residential Properties (7 properties)				12,709	12,742	12,090	12,224	-	12,004	-	-	-	5.7
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	9,900	10,128	11,800	11,800	4.3	11,700	4.0	4.4	A	4.4
		C-2	KDX Yoyogi Building	2,479	2,550	2,410	2,440	4.9	2,400	4.7	5.0	C	1.1
Subtotal of Central Urban Retail Properties (2 properties)				12,379	12,679	14,210	14,240	-	14,100	-	-	-	5.5
Total of 69 properties				222,053	225,795	237,406	236,257 (Note 7)	-	230,805 (Note 7)	-	-	-	100.0



## Notes:

1. Acquisition price is the purchase price for trust beneficiary interests or properties acquired by the Investment Corporation exclusive of taxes, rounded down to the nearest million yen.
2. Figures of less than 1 million are rounded down from the amounts on the balance sheet.
3. Appraisal values (end of the seventh fiscal period) are based on the asset valuation method and standards outlined in the Investment Corporation's Articles of Incorporation and regulations formulated by the Investment Trusts Association, Japan. Appraisal values are drawn from valuation reports prepared by the Japan Real Estate Institute, Daiwa Real Estate Appraisal Corporation, and Nippon Tochi-Tatemono Limited.
4. The appraisers for the properties are Japan Real Estate Institute (A), Daiwa Real Estate Appraisal Corporation (B) and Nippon Tochi-Tatemono Limited (C).
5. Figures are the acquisition price of each asset as a percentage of the total acquisition prices for the portfolio rounded down to the nearest first decimal place.
6. Notes for Sakae 4-chome Office Building (Tentative Name) are as follows.  
 "Acquisition Price", "Amount on the Balance Sheet", "Appraisal Value at the end of Seventh Fiscal Period": The values concerning land are shown. The value of "Direct Capitalization Method" and "Discounted Cash Flow Method" are shown as "-" since the building is not yet completed.
7. The value calculated using the "Direct Capitalization Method" and the value calculated using the "Discount Cash Flow Method" for the Sakae 4-chome Office Building (Tentative Name) are not included in either the subtotal for the office buildings or the total for the entire property portfolio, 60 and 69, respectively. Accordingly, the subtotal and total are for 59 office buildings and 68 properties, respectively.

## ②Property Distribution

## Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	60	196,965	88.7
Residential Properties	7	12,709	5.7
Central Urban Retail Properties	2	12,379	5.5
Others	-	-	
Total	69	222,053	100.0

## Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	58	189,238	85.2
Other Regional Areas	11	32,815	14.7
Total	69	222,053	100.0

## Property Distribution by Acquisition Price

Acquisition Price (Millions of Yen)	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Less than 1,000	2	1,582	0.7
1,000 - 2,500	35	63,755	28.7
2,500 - 5,000	19	67,933	30.5
5,000 - 7,500	9	51,183	23.0
7,500 - 10,000	3	27,350	12.3
10,000 - 12,500	1	10,250	4.6
Total	69	222,053	100.0

Note: "Ratio" refers to the percentage of the acquisition price by each category to the acquisition prices of the entire portfolio. Figures are rounded down to the nearest first decimal place.

## ① Details of Investment Real Estate and Trust Real Estate

## Overview of Investment Real Estate Properties and Trust Real Estate

Type	Area	No.	Property Name	Site Area (㎡)(Note1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%)
Office Buildings	Tokyo Metropolitan Area	A-60	KDX Harumi Building	2,230.69	Offices, Retail Shops	12,694.32	S・SRC B1F11	February 2008	5.60
		A-40	Toranomon Toyo Building	869.01	Bank, Offices Retail Shops, Storage	8,346.83	RC B2F9	August 1962	13.06
		A-46	Hiei Kudan-Kita Building	1,844.83	Retail Shops, Office Room Parking, Storage, Offices	11,425.31	SRC・S B1F11	March 1988	3.14
		A-37	KDX Ochanomizu Building	1,515.28	Offices, Storage Retail Shops, Parking Mechanical Room	7,720.08	SRC B1F7	August 1982	2.97
		A-32	KDX Shiba-Daimon Building	1,182.40	Offices	7,824.03	SRC B1F9	July 1986	7.60
		A-13	KDX Kojimachi Building	612.17	Offices Retail Shops	5,323.81	SRC B2F9	May 1994	3.60
		A-1	KDX Nihonbashi 313 Building	1,047.72	Offices	8,613.09	SRC B2F9	April 1974	9.50
		A-16	Toshin-24 Building	1,287.16	Offices, Retail Shops Parking	8,483.17	SRC B1F8	September 1984	8.75
		A-2	KDX Hirakawacho Building	1,013.85	Offices, Retail Shops Residential Complex	8,002.97	SRC B3F10	March 1988	7.25
		A-47	KDX Shin-Yokohama 381 Building	911.24	Offices, Parking, Retail Shops	7,673.67	SRC B1F10	March 1988	11.64
		A-17	Ebisu East 438 Building	724.22	Offices Retail Shops	4,394.58	SRC B1F7	January 1992	4.16
		A-3	Higashi-Kayabacho Yuraku Building	773.43	Offices	5,916.48	SRC B1F9	January 1987	7.01
		A-39	KDX Toranomon Building	288.20	Retail Shops Offices	2,277.38	SRC B1F9	April 1988	8.07
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.28
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	1,968.13	Offices	7,420.87	SRC B1F9	February 1985	8.34
		A-4	KDX Hatchobori Building	992.20	Offices	4,800.43	SRC・RC B1F8	June 1993	6.42
		A-18	KDX Omori Building	1,123.93	Offices, Retail Shops Parking	7,334.77	RC・SRC B1F9	October 1990	0.71
		A-19	KDX Hamamatsucho Building	504.26	Offices, Retail Shops Parking	3,592.38	S F9	September 1999	6.13
		A-45	KDX Roppongi 228 Building	408.86	Offices, Retail Shops	2,235.30	SRC B1F9	September 1999	8.95
		A-29	KDX Higashi-Shinjuku Building	1,340.97	Offices, Storage Parking	7,885.40	SRC B1F9	January 1990	3.63
A-20	KDX Kayabacho Building	617.17	Offices, Parking	3,804.86	SRC F8	October 1987	7.90		
A-56	KDX Jimbocho Building	465.92	Offices	3,292.13	SRC B1F8	May 1994	7.25		

## KENEDIX REALTY INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Site Area (㎡)(Note1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%)
Office Buildings	Tokyo Metropolitan Area	A-49	Nissou Dai-17 Building	629.00	Offices, Parking	4,016.61	SRC B1F8	July 1991	13.23
		A-21	KDX Shinbashi Building	536.11	Offices, Retail Shops Parking	3,960.22	SRC・S B1F8	February 1992	6.84
		A-5	KDX Nakano Sakaue Building	1,235.16	Offices, Retail Shop, Residential, Parking Storage	6,399.42	SRC B1F11	August 1992	5.20
		A-22	KDX Shin-Yokohama Building	705.00	Offices, Retail Shops Parking	6,180.51	S B1F9	September 1990	10.36
		A-6	Harajuku F.F. Building	699.67	Retail Shops Offices, Parking	3,812.44	SRC F11	November 1985	5.66
		A-50	Ikejiri-Oohashi Building	834.79	Offices	3,482.96	RC B2F9	September 1988	3.02
		A-27	KDX Kajicho Building	526.43	Offices, Retail Shops	3,147.70	SRC B1F8	March 1990	6.05
		A-51	KDX Hamacho Nakanohashi Building	462.29	Offices	3,280.41	SRC F9	September 1988	6.17
		A-15	KDX Hamacho Building	554.80	Retail Shops, Offices Parking	4,133.47	SRC B2F10	September 1993	6.76
		A-41	KDX Shinjuku 286 Building	421.70	Offices, Parking	3,432.04	SRC・RC B1F9	August 1989	8.71
		A-7	FIK Minami Aoyama	369.47	Offices, Retail Shops Residential	1,926.98	SRC B1F9	November 1988	4.92
		A-14	KDX Funabashi Building	1,180.41	Offices Retail Shops	5,970.12	SRC B1F8	April 1989	2.76
		A-61	KDX Hamamatsucho Dai-2 Building	368.28	Offices	2,478.90	S・SRC B1F8	April 1992	2.01
		A-55	Shin-toshin Maruzen Building	457.64	Offices, Retail Shops Parking	3,439.37	SRC B1F8	July 1990	4.87
		A-33	KDX Okachimachi Building	239.72	Offices	1,882.00	S F10	June 1988	2.23
		A-57	KDX Gobancho Building	335.70	Offices, Parking	1,893.11	S F8	August 2000	9.06
		A-8	Kanda Kihara Building	410.18	Offices	2,393.94	SRC・RC・S B1F8	May 1993	7.77
		A-23	KDX Yotsuya Building	996.65	Offices, Retail Shops Parking	3,329.68	RC B2F4	October 1989	9.79
		A-59	KDX Iwamoto-cho Building	266.86	Offices Residential Complex	1,618.65	S F9	March 2008	7.15
		A-9	KDX Shinjuku-Gyoen Building	383.63	Offices, Retail Shops Residential	2,594.88	S・SRC F9	June 1992	6.05
		A-26	KDX Kiba Building	922.77	Offices, Parking	2,820.64	RC F5	October 1992	7.79
A-38	KDX Nishi-Shinjuku Building	626.06	Offices, Parking	2,017.63	RC F5	October 1992	9.02		
A-31	KDX Monzen-Nakacho Building	580.99	Offices Retail Shops	2,668.91	SRC F8	September 1986	5.72		

KENEDIX REALTY INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Site Area (㎡)(Note1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%)		
Office Buildings	Tokyo Metropolitan Area	A-52	KDX Kanda Misaki-cho Building	314.54	Offices	1,536.60	SRC B1F7	October 1992	9.41		
		A-34	KDX Hon-Atsugi Building	724.62	Offices Retail Shops	3,603.63	SRC F8	May 1995	11.12		
		A-35	KDX Hachioji Building	460.62	Offices, Parking Retail Shops	2,821.21	SRC F9	December 1985	13.00		
		A-28	KDX Nogizaka Building	409.36	Offices, Retail Shops Residential	1,695.07	RC B1F5	May 1991	9.48		
		A-10	KDX Koishikawa Building	404.89	Retail Shops Offices	1,866.58	SRC B1F9	October 1992	9.32		
	Other Regional Areas	A-12	Portus Center Building	13,936.63	Offices Retail Shops, Storage Parking	79,827.08	SRC · S B2F25	September 1993	3.48		
		A-42	Karasuma Building	1,788.67	Offices	12,632.68	SRC B1F8	October 1982	8.37		
		A-53	KDX Hakata-Minami Building	1,826.25	Offices, Retail Shops, Parking	13,238.16	SRC B1F9	June 1973	1.48		
		A-58	Sakae 4-chome Office Building (Tentative Name) (Note 6)	1,192.22	Offices, Retail Shops (Restaurant)	10,848.45	S (portion RC) F11	June 2009	3.39		
		A-43	KDX Hakata Building	1,130.86	Offices Mechanical Room Multilevel Parking	6,537.33	SRC F9	July 1982	1.84		
		A-54	KDX Kitahama Building	751.92	Offices, Storage, Parking	4,652.96	S F10	July 1994	9.79		
		A-44	KDX Sendai Building	987.78	Offices	5,918.30	SRC B1F10	February 1984	1.93		
		A-24	KDX Minami Semba Dai-1 Building	715.44	Offices, Parking	4,236.59	SRC · RC · S B1F9	March 1993	9.04		
		A-25	KDX Minami Semba Dai-2 Building	606.45	Parking, Retail Shops Offices, Residential	3,315.93	SRC · S B1F9	September 1993	10.59		
		A-36	KDX Niigata Building	1,110.56	Offices Retail Shops	6,810.29	RC B2F13	July 1983	4.39		
		Subtotal of Office Buildings (60 properties)				62,510.17	-	380,676.18	-	Average of 20.1 yrs	-
		Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	4,252.86	Residential Complex Offices	18,115.39	SRC B1F10	January 2004	9.88
				B-3	Court Mejiro	1,581.91	Residential Complex	3,326.07	RC B1F3	March 1997	7.11
				B-4	Apartments Motoazabu	639.41	Residential Complex	1,685.14	RC F11	January 2004	8.84
B-5	Apartments Wakamatsu Kawada			412.42	Residential Complex	1,858.51	RC F12	February 2004	7.61		
B-34	Gradito Kawaguchi			423.94	Residential Complex Retail Shops	1,705.38	RC F12	February 2006	6.46		
B-25	Court Shin-Okachimachi			311.22	Residential Complex	1,494.55	RC F11	October 2005	4.09		

KENEDIX REALTY INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Site Area (㎡)(Note1)	Usage (Note 2)	Total Floor Area (㎡)(Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%)
Residential Properties	Other Regional Areas	B-18	Venus Hibarigaoka	8,595.00	Residential Complex	14,976.25	①RCF6 ②RCF5 ③RCF6	March 1989	5.20
Subtotal of Residential Properties (7 properties)				16,216.76	-	43,161.29	-	Average of 72 yrs	-
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	1,240.51	Retail Shops	6,302.58	S・RC・SRC B2F7	March 2005	8.02
		C-2	KDX Yoyogi Building	228.74	Retail Shops Offices	1,269.06	SRC F8	August 1991	8.17
Subtotal of Central Urban Retail Properties (2 properties)				1,469.25	-	7,571.64	-	Average of 6.2 yrs	-
Total of 69 properties				80,196.18	-	431,409.11	-	Average of 18.6 yrs	5.3 (Note 7)

Notes:

1. Site area data is based on figures recorded in the land register and includes relevant figures in the case of leasehold land. Data may not match with the actual current status. Property that includes land leasehold encompass the site area applicable to leasehold portions. Compartmentalized building ownership includes the site area relating to site rights and the total floor area for the entire building, structure and number of floors.
2. Usage is based on data recorded in the land register. All types of use are reported in the case of multi-purpose application.
3. Total floor space is based on figures recorded in the land register and does not include related structures. The total floor area for the entire buildings is reported for compartmentalized ownership.
4. Type of structure data is based on data recorded in the land register. The following abbreviations are used to report data relating to structure and the number of floors:  
SRC: Steel-Reinforced Concrete; RC: Reinforced Concrete; S: Steel Frame; B: Below Ground Level; F: Above Ground Level.  
For example: B2F9: Two floors below ground level and nine floors above ground level.
5. Completion date is the date of construction completion recorded in the land register. Average age subtotal and total data is calculated using the weighted-average based on acquisition prices as of October 31, 2008. Sakae 4-chome Office Building (Tentative Name) is not included in the weighted-average age.
6. Notes for the Sakae 4-chome Office Building (Tentative Name) are as follows.  
“Total Floor Area”, “Type of Structure”: The figure is entered based on what is written in the building certificate pursuant to the provisions of Article 6-2-1 of the Building Standards Law, as the building has not been completed or registered. The current design content may be changed in the future in accordance with the status of construction and other factors.  
“Completion Date”: The completion date in the construction contract agreement is shown.  
“PML Percentage”: The figure is based on the present design and specifications as of April 2008.
7. Probable Maximum Loss (PML) data is based on a survey provided by Sompo Japan Risk Management, Inc. as of June 2008. Sakae 4-chome Office Building (Tentative Name) is not included in the Portfolio PML.

## B. Capital Expenditure

## (a) Planned capital expenditures

Major capital expenditure plans for renovation of properties in which the Investment Corporation holds for the eighth fiscal period (November 1, 2008 to April 30, 2009) are as follows. Planned capital expenditure includes portions classified into expenses for accounting purposes.

Property Name (Location)	Purpose	Schedule	Planned Amount of Capital Expenditure (Millions of Yen)		
			Total	Paid in the Fiscal Period Under Review	Total Amount Previously Paid
KDX Shin-Yokohama 381 Building (Yokohama-shi, Kanagawa)	Upgrade of restrooms other	November 2008 to April 2009	214	-	-
KDX Kawasaki-Ekimae Hon-cho Building (Kawasaki-shi, Kanagawa)	Upgrade of air conditioning system, other	As above	190	-	-
KDX Ochonomizu Building (Chiyoda-ku, Tokyo)	Upgrade of air conditioning system, other	As above	113	-	-
KDX Kajicho Building (Chiyoda-ku, Tokyo)	Upgrade of air conditioning system, other	As above	82	-	-
Ikejiri-Oohashi Building (Meguro-ku, Tokyo)	Upgrade of air conditioning system for 4F-9F, other	As above	54	-	-

## (b) Capital Expenditures During the Fiscal Period Under Review

The Investment Corporation undertook the following major capital expenditures as follows. In the fiscal period under review, the Investment Corporation completed work across its entire portfolio totaling ¥1,294 million. This total comprised of ¥1,105 million in capital expenditures and ¥188 million for repairs, maintenance and renovation expenses.

Property Name (Location)	Purpose	Schedule	Amount of Capital Expenditures (Millions of Yen)
Karasuma Building (Kyoto-shi, Kyoto)	Renovation for 8F, others	May 2008 to October 2008	130
KDX Jimbocho Building (Chiyoda-ku, Tokyo)	Renovation for all the floors, others	As above	113
KDX Nakano-Sakaue Building (Nakano-ku, Tokyo)	Upgrade of air conditioning system, full renovation for the 11F (residential portion), others	As above	76
KDX Kiba Building (Koto-ku, Tokyo)	Upgrade of air conditioning system, other	As above	66
KDX Ochonomizu Building (Chiyoda-ku, Tokyo)	Upgrade of restrooms other	As above	65
KDX Kayabacho Building (Chuo-ku, Tokyo)	Upgrade of air conditioning system, other	As above	52
KDX Funabashi Building (Funabashi-shi, Chiba)	Upgrade of air conditioning system, other	As above	51
KDX Sendai Building (Sendai-shi, Miyagi)	Upgrade of elevators, other	As above	51
Others			498
Portfolio Total			1,105

Note: The money amount of the capital expenditures are rounded to the nearest ¥1 million.

## (c) Reserved Amount for Long-Term Repairs, Maintenance and Renovation Plans

The Investment Corporation formulates long-term repairs, maintenance and renovation plans on an individual investment property basis and allocates a portion of its cash flows generated during the period to a reserve for repairs, maintenance and renovation to meet large-scale renovation over the medium- to long-terms. The following amount has been transferred to the reserve from period cash flows.

(Millions of Yen)

Fiscal period	Third Fiscal Period	Fourth Fiscal Period	Fifth Fiscal Period	Sixth Fiscal Period	Seventh Fiscal Period
Reserve for the end of the previous period	165	288	406	777	432
Reserve for the fiscal period under review	148	118	370	14	128
Reversal of reserve for the fiscal period under review	26	0	—	359	8
Reserve bring to the next period	288	406	777	432	552

## C. Details of the Tenants

(As of October 31, 2008)

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> )(Note 1)	Total Leased Floor Area (m <sup>2</sup> )(Note 2)	Total No. of Leasable Residential units (Note 3)	Total No. of Leased Residential units (Note 4)	No. of Tenants (Note 5)	Occupancy Ratio (%) (Note 6)	Total Rental and Other Operating Revenues (¥thousands) (Note 7)	Leasehold and Security Deposits (¥thousands) (Note 8)
Office Buildings	Tokyo Metropolitan Area	A-60	KDX Harumi Building	9,294.00	9,294.00	-	-	6 (Note 9)	100.0	172,904	574,468
		A-40	Toranomon Toyo Building	6,339.73	6,339.73	-	-	13	100.0	324,782	526,206
		A-46	Hiei Kudan-Kita Building	6,902.72	6,902.72	-	-	16	100.0	305,494	435,676
		A-37	KDX Ochanomizu Building	5,875.88	5,297.71	-	-	4	90.2	206,233	221,705
		A-32	KDX Shiba-Daimon Building	6,030.01	6,030.01	-	-	9	100.0	223,871	276,414
		A-13	KDX Kojimachi Building	3,809.74	3,739.88	-	-	9	98.2	200,707	301,179
		A-1	KDX Nihonbashi 313 Building	5,901.12	5,901.12	-	-	9	100.0	265,635	345,354
		A-16	Toshin-24 Building	6,610.22	6,610.22	-	-	14	100.0	219,072	259,948
		A-2	KDX Hirakawacho Building	4,447.08	4,447.08	4	4	19	100.0	184,032	252,308
		A-47	KDX Shin-Yokohama 381 Building	5,793.44	5,647.32	-	-	23	97.5	161,054	244,812
		A-17	Ebisu East 438 Building	3,079.74	3,079.74	-	-	7	100.0	166,715	271,557
		A-3	Higashi-Kayabacho Yuraku Building	4,413.17	4,413.17	-	-	7	100.0	185,322	246,519
		A-39	KDX Toranomon Building	1,966.56	1,545.30	-	-	5	78.6	129,438	225,844
		A-30	KDX Nishi-Gotanda Building	3,881.90	3,881.90	-	-	5	100.0	173,814	241,461
		A-48	KDX Kawasaki-Ekimaie Hon-cho Building	5,124.98	5,124.98	-	-	1	100.0	193,323	155,091
		A-4	KDX Hatchobori Building	3,325.04	3,325.04	-	-	6	100.0	139,087	151,562
		A-18	KDX Omori Building	4,949.46	4,949.46	-	-	11	100.0	175,233	228,727
		A-19	KDX Hamamatsucho Building	2,727.68	2,057.47	-	-	7	75.4	122,752	193,575
		A-45	KDX Roppongi 228 Building	1,910.95	1,489.86	-	-	7	78.0	67,359	76,920
		A-29	KDX Higashi-Shinjuku Building	5,950.36	5,131.15	-	-	8	86.2	139,088	146,843
		A-20	KDX Kayabacho Building	3,019.94	3,019.94	-	-	6	100.0	115,820	218,471
		A-56	KDX Jimbocho Building	2,320.69	1,387.88	-	-	1	59.8	9,235	93,082
		A-49	Nissou Dai-17 Building	2,740.07	2,740.07	-	-	7	100.0	85,955	86,698
		A-21	KDX Shinbashi Building	1,704.65	1,704.65	-	-	4	100.0	97,074	127,604
		A-5	KDX Nakano Sakaue Building	4,391.37	4,238.85	17	16	25	96.5	103,729	99,553
		A-22	KDX Shin-Yokohama Building	4,810.89	4,003.51	-	-	18	83.2	116,363	163,760
		A-6	Harajuku F.F. Building	3,068.36	3,068.36	-	-	3	100.0	116,347	169,223
		A-50	Ikejiri-Oohashi Building	2,449.11	2,449.11	-	-	8	100.0	87,354	117,767
		A-27	KDX Kajicho Building	2,562.32	2,562.32	-	-	9	100.0	94,161	121,379
		A-51	KDX Hamacho Nakanohashi Building	2,245.69	2,245.69	-	-	7	100.0	84,252	100,798
		A-15	KDX Hamacho Building	3,102.43	3,102.43	-	-	8	100.0	107,429	137,651
		A-41	KDX Shinjuku 286 Building	2,447.80	2,447.80	-	-	9	100.0	91,489	108,838
		A-7	FIK Minami Aoyama	1,823.64	1,823.64	-	-	5	100.0	91,813	114,502
		A-14	KDX Funabashi Building	3,885.53	3,822.53	-	-	17	98.4	109,945	137,602
		A-61	KDX Hamamatsucho Dai-2 Building	1,953.50	1,953.50	-	-	8	100.0	26,037	105,524
		A-55	Shin-toshin Maruzen Building	1,949.62	1,577.40	-	-	5	80.9	65,546	97,064
		A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	4	100.0	72,351	114,836
		A-57	KDX Gobancho Building	1,651.72	1,415.76	-	-	6	85.7	49,005	50,316
		A-8	Kanda Kihara Building	1,945.55	1,945.55	-	-	8	100.0	72,208	137,482
		A-23	KDX Yotsuya Building	2,536.53	2,536.53	-	-	3	100.0	98,444	147,548
A-59	KDX Iwamoto-cho Building	1,524.68	1,413.96	3	3	8	92.7	53,702	61,085		
A-9	KDX Shinjuku-Gyoen Building	2,105.18	2,105.18	-	-	1	100.0	74,940	109,676		
A-26	KDX Kiba Building	2,448.97	2,448.97	-	-	7	100.0	62,218	80,358		



KENEDIX REALTY INVESTMENT CORPORATION (8972)

Type	Area	No.	Property Name	Total Leasable Floor Area (m <sup>2</sup> )(Note 1)	Total Leased Floor Area (m <sup>2</sup> )(Note 2)	Total No. of Leasable Residential units (Note 3)	Total No. of Leased Residential units (Note 4)	No. of Tenants (Note 5)	Occupancy Ratio (%) (Note 6)	Total Rental and Other Operating Revenues (¥thousands) (Note 7)	Leasehold and Security Deposits (¥thousands) (Note 8)	
Office Buildings	Tokyo Metropolitan Area	A-38	KDX Nishi-Shinjuku Building	1,605.72	1,605.72	-	-	9	100.0	55,571	68,584	
		A-31	KDX Monzen-Nakacho Building	2,012.22	2,012.22	-	-	5	100.0	54,361	57,045	
		A-52	KDX Kanda Misaki-cho Building	1,339.46	1,339.46	-	-	8	100.0	37,912	48,985	
		A-34	KDX Hon-Atsugi Building	2,747.27	2,434.43	-	-	8	88.6	65,862	87,542	
		A-35	KDX Hachioji Building	2,179.88	1,866.07	-	-	6	85.6	46,562	43,392	
		A-28	KDX Nogizaka Building	1,236.39	1,236.39	1	1	4	100.0	42,045	50,550	
		A-10	KDX Koishikawa Building	1,594.18	1,594.18	-	-	4	100.0	39,790	52,604	
	Other Regional Areas	A-12	Portus Center Building	11,569.19	11,569.19	-	-	30	100.0	334,993	425,658	
		A-42	Karasuma Building	7,778.43	7,628.18	-	-	28	98.1	219,432	247,153	
		A-53	KDX Hakata-Minami Building	10,187.70	9,723.97	-	-	43	95.4	206,724	254,072	
		A-58	Sakae 4-chome Office Building (Tentative Name)	-	-	-	-	-	-	49,998	-	
		A-43	KDX Hakata Building	4,934.53	4,934.53	-	-	33	100.0	112,596	134,229	
		A-54	KDX Kitahama Building	3,993.00	3,516.40	-	-	9	88.1	88,370	77,692	
		A-44	KDX Sendai Building	3,955.02	3,409.95	-	-	24	86.2	95,405	224,144	
		A-24	KDX Minami Semba Dai-1 Building	3,108.18	2,847.25	-	-	9	91.6	64,108	83,254	
		A-25	KDX Minami Semba Dai-2 Building	2,699.27	2,461.82	-	-	22	91.2	60,907	43,185	
		A-36	KDX Niigata Building	4,085.26	3,112.92	-	-	25	76.2	57,371	70,463	
	Subtotal of Office Buildings (60 properties)				221,840.26	212,306.71	25	24	630	95.7	273,365	10,045,564
	Residential Properties	Tokyo Metropolitan Area	B-19	Residence Chamante Tsukishima	7,711.14	7,711.14	140	140	1(Note10)	100.0	167,586	50,580
B-3			Court Mejiro	2,046.79	2,046.79	20	20	20	100.0	44,561	17,522	
B-4			Apartments Motoazabu	1,350.74	1,277.15	22	21	21	94.6	37,136	12,817	
B-5			Apartments Wakamatsu Kawada	1,607.43	1,607.43	33	33	33	100.0	38,522	12,665	
B-34			Gradito Kawaguchi	1,619.34	1,619.34	66	66	2(Note11)	100.0	32,968	10,028	
B-25			Court Shin-Okachimachi	1,377.87	1,377.87	41	41	41	100.0	28,808	9,446	
Other Regional Areas		B-18	Venus Hibangaoka	12,829.64	11,383.55	159	141	99	88.7	88,301	24,462	
Subtotal of Residential Properties (7 properties)				28,542.95	27,023.27	481	462	217	94.7	437,885	137,520	
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	4,655.71	4,558.23	-	-	14	97.9	299,978	343,772	
	C-2	KDX Yoyogi Building	1,175.38	1,078.26	-	-	9	91.7	69,768	116,765		
Subtotal of Central Urban Retail Properties (2 properties)				5,831.09	5,636.49	-	-	23	96.7	369,746	460,538	
Total of 69 properties				256,214.30	244,966.47	506	486	870 (Note12)	95.6	8,080,997	10,643,623	
Occupancy Ratio over the Past Five Years												
				October 31, 2005	96.6%							
				April 30, 2006	94.9%							
				October 31, 2006	95.3%							
				April 30, 2007	95.9%							
				October 31, 2007	96.9%							
				April 30, 2008	95.9%							
				October 31, 2008	95.6%							

## Notes:

- Total leasable floor area refers to the leasable floor area for each Property including the building (aggregate total of the leasable floor area of each building in the case of more than one building), excluding land (including land for one-story parking) identified in lease agreements or construction completion plans.
- Total leased floor area refers to the area identified in lease agreements with end tenants or sub-lease agreements.
- The total number of leasable residential units and the number of leased residential units refers to the portion of the building used for residential purposes.
- The total number of leased residential units refers to the number of residential units among leasable residential units for which lease agreements with end tenants or sub-lease agreements are signed.
- The total number of tenants refers to the actual number of end tenants for each property. However, for Residence Charmante Tsukishima, please refer to Note 10, and for Gradito Kawaguchi, please refer to Note 11.
- The occupancy ratio is calculated by dividing leased floor area by total leasable floor area. Figures are rounded to the nearest first decimal place.
- Total rental and other operating revenues cover all income, including that from rental revenue, common charges, and parking space rental revenues, rounded to the nearest one thousand yen. Total real estate business rental revenues refers to the total amount of revenues generated during the fiscal period under review from real estate rental operations including leasing revenues, common charges and parking revenues rounded down to the nearest thousand yen.
- Guarantee and security deposits refers to the balance of security deposits held (including net security deposits in the case of discount) and the balance of guarantee deposits rounded down to the nearest thousand yen.
- Because the Investment Corporation has concluded a pass-through type of master lease contract based on partially fixed rent (fixed-term lease: until June 30, 2009) with the property's trustee and Kenedix, Inc., which is the property's master lessor, the total number of end tenants is indicated.
- Because we have concluded a rental guarantee (fixed-term lease: until January 31, 2009) fixed-term building lease contract (term of contract: to January 31, 2029) with Sekiwa Real Estate, Ltd., a master lessor, the total number of tenants is indicated 1.
- Because the master lessor and Haseko Livenet Inc. have concluded a rental guarantee (fixed-term lease: until March 31, 2010) building lease contract for dwelling units (excluding first-floor shops), the total number of tenants is indicated as 2.
- The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

(Reference) Total rental and other revenues for the office building and central urban retail property sold during the Seventh Fiscal Period

A-11	Hakata Ekimae Dai-2 Building	¥43,119 thousands	C-3	ZARA Tenjin Nishi-dori	¥32,400 thousands	Total	¥75,519 thousands
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## D. Information concerning major real estate properties

There were no major real estate properties with real estate business rental revenues exceeding 10% of total real estate business rental revenues for the seventh fiscal period.

## E. Information concerning major tenants

(a) Tenant which holds more than 10% of the total leased area: None

(b) Reference: Major end tenants

(As of October 31, 2008)

	Name of End Tenant	Property Name	Leased Floor Area	Percentage of Total Leased Floor Area (Note 1)
1	Sekiwa Real Estate, Ltd.	Residence Charamante Tsukishima	7,711.14 m <sup>2</sup>	3.2%
2	NTT Data Corporation	KDX Harumi Building KDX Higashi-Shinjuku Building	5,185.96 m <sup>2</sup>	2.1%
3	N / A (Note 2)	KDX Kawasaki-Ekimae Hon-cho Building	5,124.98 m <sup>2</sup>	2.1%
4	Five Foxes Co., Ltd.	Harajuku F.F. Building	2,855.05 m <sup>2</sup>	1.2%
5	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Toranomon Toyo Building, Harajuku F.F. Building, KDX Yoyogi Building	2,768.80 m <sup>2</sup>	1.1%
Subtotal			23,645.93 m <sup>2</sup>	9.7%
Portfolio Total			244,966.47 m <sup>2</sup>	100.0%

## Notes:

- Percentage of total leased floor area refers to the floor area leased to each end tenant as a proportion of total leased floor area. Figures are rounded to the nearest first decimal place.
- Not disclosed due to the tenants' request.

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Office Buildings													
Location	Tokyo Metropolitan Area													
Property Name	KDX Harumi Building	Toranomon Toyo Building	Hiei Kudan-Kita Building	KDX Ochanomizu Building	KDX Shiba-Daimon Building	KDX Kojimachi Building	KDX Nishonbashi 313 Building	Toshin 24 Building	KDX Hirakawacho Building	KDX Shin-Yokohama 381 Building	Ebisu East 438 Building	Higashi-Koyabacho Yuraku Building	KDX Toranomon Building	KDX Nishi-Gomanda Building
Acquisition Date	June 30, 2008	June 1, 2007	February 1, 2008	April 2, 2007	March 1, 2007	November 1, 2005	August 1, 2005	May 1, 2006	August 1, 2005	February 1, 2008	May 1, 2006	August 1, 2005	April 17, 2007	December 1, 2006
Acquisition price (¥ Millions)	10,250	9,850	7,600	6,400	6,090	5,950	5,940	5,300	5,180	4,700	4,640	4,450	4,400	4,200
Percentage of total portfolio	4.6%	4.4%	7.650	4.6%	2.9%	2.7%	2.7%	2.4%	2.7%	2.3%	2.1%	2.0%	2.0%	1.9%
Net book value (¥ Millions)	10,228	9,912	7,650	6,522	6,350	5,844	6,281	5,255	5,235	4,704	4,586	4,497	4,877	4,253
Appraisal value at the end of period (¥ Millions)	10,700	11,100	8,150	7,320	6,770	6,400	7,680	5,440	5,780	4,100	5,380	4,640	4,640	4,920
Percentage of total appraisal value	4.5%	4.7%	3.4%	3.1%	2.9%	2.7%	3.2%	2.3%	2.4%	1.7%	2.3%	2.0%	2.0%	2.1%
Total of end tenants	6	13	16	4	9	9	9	14	19	23	7	7	5	5
Leasable floor area (㎡)	9,294.00	6,339.73	6,902.72	5,875.88	6,030.01	3,809.74	5,901.12	6,610.22	4,447.08	5,793.44	3,079.74	4,413.17	1,966.56	3,881.90
Occupancy ratio	100.0%	100.0%	100.0%	90.2%	100.0%	98.2%	100.0%	100.0%	100.0%	97.5%	100.0%	100.0%	78.6%	100.0%
As of October 31, 2008	-	99.1%	100.0%	100.0%	100.0%	98.2%	100.0%	100.0%	100.0%	94.6%	100.0%	100.0%	100.0%	100.0%
As of April 30, 2008	-	97.5%	-	100.0%	100.0%	97.1%	100.0%	100.0%	100.0%	-	100.0%	100.0%	100.0%	100.0%
As of October 31, 2007	-	-	-	100.0%	93.0%	97.1%	98.9%	100.0%	100.0%	-	100.0%	89.1%	-	73.7%
As of October 31, 2006	-	-	-	-	-	80.5%	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-
As of April 30, 2006	-	-	-	-	-	80.5%	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-
Operating periods	124days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
①Rental and other operating revenues (¥ Thousands)	172,904	324,782	305,494	206,233	223,871	200,707	265,635	219,072	184,032	161,054	166,715	185,322	129,438	173,814
Rental revenues	152,500	305,073	267,131	190,915	202,508	176,796	247,339	188,171	163,546	131,746	146,303	166,580	121,627	146,460
Other operating revenues	20,404	19,708	38,362	15,317	21,362	23,910	18,295	30,900	20,485	29,307	20,411	18,741	7,810	27,354
②Property-related expenses (¥ Thousands)	73,606	73,263	77,677	49,771	52,521	62,998	60,443	50,200	54,658	30,168	39,442	39,851	23,309	37,475
Property management fees	22,718	21,789	32,547	12,837	18,210	12,383	20,307	22,327	17,364	12,677	12,455	14,789	7,425	13,546
Taxes	-	27,943	-	14,665	11,286	15,912	17,246	5,953	14,740	-	10,151	9,161	9,583	9,452
Utilities	19,170	19,917	24,348	13,455	16,032	12,058	15,932	17,322	12,431	15,497	11,058	10,210	4,309	10,508
Repairs and maintenance costs	50	480	4,766	1,474	3,405	21,363	5,186	3,078	5,716	858	3,011	2,958	88	1,908
Insurance	383	417	534	342	325	269	383	402	346	348	208	261	107	241
Trust fees and other expenses	31,283	2,715	15,481	6,995	3,261	1,012	1,386	1,116	4,058	785	2,557	2,469	1,795	1,817
③NOI (=①-②) (¥ Thousands)	99,298	251,519	227,816	156,461	171,349	137,708	205,191	168,872	129,373	130,885	127,272	145,470	106,129	136,339
④Depreciation (¥ Thousands)	64,037	11,607	14,320	17,596	27,567	39,870	35,042	32,715	34,159	29,315	27,389	40,701	13,101	49,568
⑤Rental operating income (=③-④) (¥ Thousands)	35,261	239,911	213,496	138,864	143,782	97,837	170,149	136,156	95,214	101,569	99,882	104,769	93,027	86,771
⑥Capital expenditures (¥ Thousands)	1,260	3,500	-	65,191	25,985	20,925	8,557	10,192	5,302	5,188	500	13,385	250	2,193
⑦NCF (=⑤-⑥) (¥ Thousands)	98,038	248,019	227,816	91,269	145,364	116,783	196,634	158,679	124,071	125,696	126,772	132,085	105,879	134,146
Expense ratio (=⑥/①)	42.6%	22.6%	25.4%	24.1%	22.5%	31.4%	22.8%	22.9%	29.7%	18.7%	23.7%	21.5%	18.0%	21.6%
Property tax for the year 2008 (or the year 2007) (¥ Thousands)	9,041	55,874	46,662	29,100	22,475	31,720	35,106	23,660	29,391	19,663	20,218	18,277	19,084	17,503
Average of property management fee (leasing management fee) (¥ Thousands)	5,555	11,761	10,883	7,401	8,208	6,906	9,828	8,047	6,646	5,957	5,999	6,750	4,807	6,329
Reference: Percentage of rental and other operating revenues	3.21%	3.62%	3.56%	3.59%	3.67%	3.44%	3.70%	3.67%	3.61%	3.70%	3.60%	3.64%	3.71%	3.64%
Long-term repairs, maintenance and renovation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Estimated amount of 12 yrs. after the acquisition (¥ Thousands)	110,320	260,050	347,270	323,470	242,590	117,280	292,110	176,760	203,540	192,390	144,400	157,780	70,400	136,230
Reference: Amount of yearly ave.	9,193	21,670	28,939	26,955	20,215	9,773	24,342	14,730	16,961	16,032	12,033	13,148	5,866	11,352

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Office Buildings													
Location	Tokyo Metropolitan Area													
Property Name	KDX Kawasaki-Ekinie Honcho Building	KDX Hachobori Building	KDX Omori Building	KDX Hamamatsuchō Building	KDX Roppongi 228 Building	KDX Higashi-Shinjuku Building	KDX Kayabacho Building	KDX Jimbocho Building	Nissou Dai-17 Building	KDX Shinbashi Building	KDX Nakano-Sakaue Building	KDX Shin-Yokohama Building	Harejuku F.F. Building	Ikejiri-Ohashi Building
Acquisition Date	February 1, 2008	August 1, 2005	May 1, 2006	May 1, 2006	January 10, 2008	September 1, 2006	May 1, 2006	March 31, 2008	February 1, 2008	May 1, 2006	August 1, 2005	May 1, 2006	August 1, 2005	February 1, 2008
Acquisition price (¥ Millions)	3,760	3,680	3,500	3,460	3,300	2,950	2,780	2,760	2,710	2,690	2,533	2,520	2,450	2,400
Percentage of total portfolio	1.7%	1.6%	1.5%	1.3%	1.5%	1.3%	1.3%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%
Net book value (¥ Millions)	3,780	3,527	3,499	3,386	3,451	3,195	2,903	2,982	2,720	2,690	2,553	2,509	2,498	2,457
Appraisal value at the end of period (¥ Millions)	3,480	3,980	4,090	3,950	2,800	3,370	3,220	2,660	2,090	3,020	2,680	2,790	3,260	2,180
Percentage of total appraisal value	1.5%	1.7%	1.2%	1.7%	1.2%	1.4%	1.4%	1.1%	0.9%	1.3%	1.1%	1.2%	1.4%	0.9%
Total of end tenants	1	6	11	7	7	8	6	1	7	4	25	18	3	8
Leasable floor area (㎡)	5,124.98	3,325.04	4,949.46	2,727.68	1,910.95	5,950.36	3,019.94	2,320.69	2,740.07	1,704.65	4,391.37	4,810.89	3,068.36	2,449.11
Occupancy ratio	100.0%	100.0%	100.0%	75.4%	78.0%	86.2%	100.0%	59.8%	100.0%	100.0%	96.5%	83.2%	100.0%	100.0%
As of October 31, 2008	100.0%	100.0%	100.0%	100.0%	80.4%	82.2%	100.0%	0.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
As of April 30, 2008	-	100.0%	100.0%	100.0%	-	92.6%	100.0%	-	-	100.0%	100.0%	100.0%	100.0%	91.3%
As of October 31, 2007	-	100.0%	100.0%	100.0%	-	100.0%	84.9%	-	-	100.0%	100.0%	100.0%	100.0%	-
As of April 30, 2007	-	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-	100.0%	97.0%	99.6%	100.0%	-
As of October 31, 2006	-	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-	100.0%	98.8%	100.0%	100.0%	-
As of April 30, 2006	-	100.0%	100.0%	100.0%	-	100.0%	100.0%	-	-	100.0%	100.0%	100.0%	100.0%	-
Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days
①Rental and other operating revenues (¥ Thousands)	193,323	139,087	175,233	122,752	67,359	139,088	115,820	9,235	85,955	97,074	103,729	116,363	116,347	87,354
Rental revenues	134,066	117,915	150,236	110,796	59,921	99,452	103,364	9,235	72,483	89,957	90,789	102,369	104,287	72,077
Other operating revenues	59,257	21,172	24,996	11,955	7,438	39,635	12,455	-	13,471	7,116	12,940	13,993	12,060	15,276
②Property-related expenses (¥ Thousands)	65,814	36,123	53,892	35,541	17,880	45,420	31,737	52,733	19,528	26,476	34,545	30,197	30,087	15,961
Property management fees	28,248	13,179	18,018	8,570	6,020	13,858	9,212	1,661	8,176	7,277	10,766	14,033	10,253	7,412
Taxes	-	9,013	12,170	8,602	-	13,688	6,848	-	-	10,037	7,897	3,461	7,539	-
Utilities	36,257	10,692	19,249	7,090	7,314	12,936	7,324	2,427	9,323	5,135	6,980	9,656	8,533	6,267
Repairs and maintenance costs	351	1,969	2,794	2,237	2,857	2,030	1,341	39,267	545	798	4,516	1,574	877	165
Insurance	288	229	340	158	104	350	171	121	182	132	299	254	173	157
Trust fees and other expenses	668	1,038	1,318	8,881	1,584	2,556	6,839	9,255	1,300	3,095	4,086	1,218	2,710	1,959
③NOI (=①-②) (¥ Thousands)	127,509	102,964	121,340	87,210	49,479	93,668	84,082	△43,497	66,426	70,597	69,184	86,166	86,260	71,393
④Depreciation (¥ Thousands)	24,474	36,988	25,670	22,062	4,719	17,543	15,287	13,728	15,813	10,218	32,316	21,160	17,377	7,958
⑤Rental operating income (=③-④) (¥ Thousands)	103,034	65,975	95,669	65,148	44,759	76,124	68,795	△57,225	50,612	60,378	36,867	65,006	68,882	63,434
⑥Capital expenditures (¥ Thousands)	1,060	674	6,255	650	1,250	15,571	52,569	113,096	7,291	3,654	76,721	8,568	4,402	43,493
⑦NCF (=⑤-⑥) (¥ Thousands)	126,449	102,290	115,085	86,500	48,229	78,096	31,513	△156,594	59,134	66,942	△7,537	77,598	81,857	27,899
Expense ratio (=⑥/①)	34.0%	26.0%	30.8%	29.0%	26.5%	32.7%	27.4%	571.0%	22.7%	20.03%	33.3%	26.0%	25.9%	18.3%
Property tax for the year 2008 (or the year 2007) (¥ Thousands)	15,153	17,975	24,197	17,088	13,435	27,378	13,550	9,367	29,878	20,035	15,445	13,811	15,799	11,751
Average (of property management fee (Leasing management fee) (¥ Thousands))	6,547	4,939	6,052	4,284	2,455	4,750	4,079	184	3,109	3,421	3,659	4,133	4,134	3,239
Reference: Percentage of rental and other operating revenues	3.59%	3.55%	3.45%	3.49%	3.65%	3.42%	3.52%	2.00%	3.62%	3.53%	3.53%	3.55%	3.55%	3.71%
Long-term repairs, maintenance and renovation														
Estimated amount of 12 yrs. after the acquisition (¥ Thousands)	446,967	88,490	276,530	68,180	54,680	200,740	114,840	112,870	88,480	102,789	128,140	194,390	123,270	158,270
Reference: Amount of yearly avg.	37,247	7,374	23,044	5,681	4,556	16,728	9,570	9,405	7,373	8,565	10,678	16,199	10,272	13,189

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Office Buildings													
Location	Tokyo Metropolitan Area													
Property Name	KDX Kajicho Building	KDX Hamacho Nakaminashi Building	KDX Hamacho Building	KDX Hamacho Building	KDX Shinjuku 286 Building	FIK Minami Aoyama	KDX Funabashi Building	KDX Okachimachi Building	KDX Gobancho Building	Kanda Kihara Building	KDX Yoetsya Building	KDX Iwamoto-cho Building	KDX Shinjuku-Gyoen Building	
Acquisition Date	July 3, 2006	February 1, 2008	March 16, 2006	June 1, 2007	August 1, 2005	March 1, 2006	September 1, 2008	February 29, 2008	March 1, 2007	March 31, 2008	August 1, 2005	May 1, 2006	May 1, 2008	August 1, 2005
Acquisition price (¥ Millions)	2,350	2,310	2,300	2,300	2,270	2,252	2,200	2,110	2,000	1,951	1,950	1,950	1,864	1,610
Percentage of total portfolio	1.1%	1.0%	1.0%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.7%	0.8%	1.608
Net book value (¥ Millions)	2,397	2,370	2,350	2,346	2,285	2,488	2,259	2,185	2,149	2,036	1,882	1,972	1,882	1,608
Appraisal value at the end of period (¥ Millions)	2,550	2,140	3,010	2,500	3,140	2,390	2,240	2,060	2,010	1,870	2,050	2,440	1,810	2,140
Percentage of total appraisal value	1.1%	0.9%	1.3%	1.1%	1.3%	1.0%	0.9%	0.9%	0.8%	0.8%	0.9%	1.0%	0.8%	0.9%
Total of end tenants	9	7	8	9	5	17	8	5	4	6	8	3	8	1
Leasable floor area (㎡)	2,562.32	2,245.69	3,102.43	2,447.80	1,823.64	3,885.53	1,953.50	1,949.62	1,792.54	1,651.72	1,945.55	2,536.53	1,524.68	2,105.18
Occupancy ratio	100.0%	100.0%	100.0%	100.0%	100.0%	98.4%	100.0%	80.9%	100.0%	85.7%	100.0%	100.0%	92.7%	100.0%
As of October 31, 2008	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	89.7%	100.0%	100.0%	100.0%	100.0%	100.0%
As of April 30, 2008	85.8%	-	100.0%	100.0%	100.0%	100.0%	-	-	100.0%	-	100.0%	100.0%	-	100.0%
As of October 31, 2007	100.0%	-	100.0%	-	100.0%	100.0%	-	-	100.0%	-	100.0%	100.0%	-	100.0%
As of October 31, 2006	100.0%	-	87.3%	-	100.0%	97.9%	-	-	-	-	100.0%	100.0%	-	100.0%
As of April 30, 2006	-	-	-	-	100.0%	91.9%	-	-	-	-	100.0%	-	-	100.0%
Operating periods	184days	184days	184days	184days	184days	184days	61days	184days	184days	184days	184days	184days	184days	184days
①Rental and other operating revenues (¥ Thousands)	94,161	84,252	107,429	91,489	91,813	109,945	26,037	65,546	72,351	49,005	98,444	98,444	53,702	74,940
Rental revenues	85,502	66,048	95,372	75,331	83,677	94,611	21,843	53,916	62,987	43,690	88,774	88,774	50,960	69,028
Other operating revenues	8,659	18,204	12,056	16,157	8,135	15,334	4,193	11,630	9,363	5,315	6,299	9,669	2,741	5,912
②Property-related expenses (¥ Thousands)	20,561	18,005	27,721	26,161	19,855	29,703	3,624	28,474	16,349	8,387	23,645	23,645	18,873	17,234
Property management fees	7,418	7,942	9,754	7,570	6,338	13,917	1,855	6,180	6,149	5,133	9,835	9,835	3,810	5,639
Taxes	5,511	-	7,118	8,430	5,142	3,802	-	-	3,155	-	6,168	6,168	-	5,784
Utilities	5,262	5,364	7,421	7,949	4,991	10,132	1,622	5,535	4,685	2,947	6,249	6,249	2,135	4,055
Repairs and maintenance costs	162	889	1,619	845	100	593	80	366	676	220	436	436	36	1,028
Insurance	141	160	200	165	98	249	34	113	86	85	147	147	74	113
Trust fees and other expenses	2,065	3,648	1,605	1,200	3,184	1,008	32	16,278	1,597	1	808	808	12,816	613
③NOI (=①-②) (¥ Thousands)	73,600	66,246	79,708	65,327	71,958	80,241	22,412	37,072	56,002	40,618	74,798	74,798	34,829	57,706
④Depreciation (¥ Thousands)	10,947	9,293	37,808	6,929	10,960	17,719	1,220	6,295	7,400	9,762	8,897	8,897	13,011	13,748
⑤Rental operating income (=③-④) (¥ Thousands)	62,652	56,952	41,900	58,397	60,997	62,522	21,191	30,776	48,601	30,855	65,900	65,900	21,817	43,958
⑥Capital expenditures (¥ Thousands)	1,861	49,869	7,515	8,104	1,096	51,969	-	48,275	4,725	5,310	1,350	3,081	3,938	-
⑦NCF (=⑤-⑥) (¥ Thousands)	71,739	16,376	72,193	57,223	70,862	28,272	22,412	△11,202	51,277	35,308	71,717	71,717	30,890	57,706
Expense ratio (=⑦/①)	21.8%	21.4%	25.8%	28.6%	21.6%	27.0%	13.9%	43.4%	22.6%	17.1%	24.0%	24.0%	35.1%	23.0%
Property tax for the year 2008 (or the year 2007) (¥ Thousands)	11,033	10,585	14,584	16,813	10,631	16,806	15,411	9,319	5,697	8,052	12,315	12,315	1,133	11,531
Average (of property management fee (leasing management fee) (¥ Thousands))	3,423	3,071	3,819	3,200	3,342	3,881	988	2,094	1,829	1,829	2,570	2,570	1,806	2,707
Reference: Percentage of rental and other operating revenues	3.64%	3.65%	3.56%	3.50%	3.64%	3.53%	3.80%	3.20%	3.62%	3.73%	3.56%	3.59%	3.36%	3.61%
Long-term repairs, maintenance and renovation														
Estimated amount of 12 yrs. after the acquisition (¥ Thousands)	96,450	130,030	133,950	169,080	66,770	173,340	81,710	98,710	64,400	55,220	106,330	106,330	19,680	110,680
Reference: Amount of yearly avg.	8,037	10,835	11,162	14,090	5,564	14,445	6,809	8,225	5,366	4,602	8,860	8,860	1,640	9,223

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Office Buildings															
Location	Tokyo Metropolitan Area															
	Other Regional Areas															
Property Name	KDX Kiba Building	KDX Nishi-Shinjuku Building	KDX Monzen-Nakacho Building	KDX Kanda Misaki-cho Building	KDX Hon-Aisugi Building	KDX Hachioji Building	KDX Nogizaka Building	KDX Koishikawa Building	Portus Center Building	Kinsuma Building	KDX Hakata-Minami Building	Sakae 4-chome Office Building (Tentative Name)	KDX Hakata Building	KDX Kitahama Building		
Acquisition Date	June 20, 2006	April 2, 2007	January 19, 2007	February 1, 2008	March 1, 2007	March 1, 2007	July 14, 2006	August 1, 2005	September 21, 2005	June 1, 2007	February 1, 2008	April 25, 2008	June 1, 2007	February 1, 2008		
Price Information	Acquisition price (¥ Millions)	1,580	1,500	1,400	1,380	1,305	1,155	1,065	704	5,570	5,400	4,000	2,350	2,220		
	Percentage of total portfolio	0.7%	0.6%	0.6%	0.7%	0.6%	0.5%	0.5%	0.3%	2.2%	2.2%	1.8%	1.1%	1.0%		
	Net book value (¥ Millions)	1,672	1,564	1,462	1,400	1,310	1,341	1,134	676	5,147	5,541	4,165	2,441	2,256		
	Appraisal value at the end of period (¥ Millions)	1,800	1,540	1,430	1,160	1,220	1,010	1,060	795	5,500	5,820	4,180	2,200	2,020		
	Percentage of total appraisal value	0.8%	0.6%	0.6%	0.5%	0.5%	0.4%	0.4%	0.3%	2.3%	2.5%	1.8%	0.9%	0.9%		
	Total of end tenants	7	9	5	8	8	6	4	30	28	43	-	33	9		
	Leasable floor area (㎡)	2,448.97	1,605.72	2,012.22	1,339.46	2,747.27	2,179.88	1,236.39	1,594.18	11,569.19	7,628.18	10,187.70	4,934.53	3,993.00		
	Occupancy ratio	100.0%	100.0%	100.0%	100.0%	88.6%	85.6%	100.0%	100.0%	100.0%	98.1%	95.4%	100.0%	88.1%		
	As of October 31, 2008	88.0%	100.0%	100.0%	86.9%	100.0%	100.0%	100.0%	100.0%	100.0%	98.6%	95.4%	100.0%	88.1%		
	As of April 30, 2008	100.0%	100.0%	100.0%	-	100.0%	87.4%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-		
	As of October 31, 2007	100.0%	100.0%	100.0%	-	100.0%	96.4%	100.0%	100.0%	100.0%	-	-	-	-		
	As of April 30, 2007	69.1%	-	-	-	-	-	-	-	-	-	-	-	-		
	As of October 31, 2006	-	-	-	-	-	-	-	-	-	-	-	-	-		
	As of April 30, 2006	-	-	-	-	-	-	-	-	-	-	-	-	-		
Income and Retained Earnings Information for the 7th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days		
	①Rental and other operating revenues (¥ Thousands)	62,218	55,571	54,361	37,912	65,862	46,562	42,045	39,790	334,993	219,432	49,998	112,596	88,370		
	Rental revenues	54,718	49,766	45,984	34,831	57,486	39,313	36,095	34,378	269,012	183,109	49,998	101,211	67,975		
	Other operating revenues	7,499	5,805	8,377	3,080	8,376	7,248	5,949	5,411	65,980	36,322	27,360	11,384	20,394		
	②Property-related expenses (¥ Thousands)	19,059	16,544	15,794	8,402	19,270	20,259	12,540	17,345	137,673	59,778	44,480	29,336	28,363		
	Property management fees	6,030	5,134	5,470	3,984	6,767	10,059	4,220	4,018	77,492	23,042	18,891	12,474	8,165		
	Taxes	4,938	4,412	3,157	-	4,018	4,110	3,160	3,331	26,151	9,720	15	3,294	-		
	Utilities	4,920	4,048	5,485	2,746	5,257	4,183	4,440	4,919	25,470	20,952	23,245	8,977	11,739		
	Repairs and maintenance costs	1,490	2,416	1,442	678	1,667	786	570	3,305	4,796	1,848	811	2,874	2,199		
	Insurance	128	96	123	74	172	118	74	87	2,516	497	549	277	209		
	Trust fees and other expenses	1,551	436	114	919	1,386	1,001	74	1,682	1,245	3,716	966	1,438	6,048		
	③NOI (=①-②) (¥ Thousands)	43,158	39,026	38,567	29,509	46,591	26,302	29,504	22,444	197,319	159,654	49,995	83,259	60,007		
	④Depreciation (¥ Thousands)	21,754	8,723	9,207	4,254	23,646	9,994	6,009	9,822	104,445	26,795	31,979	12,866	18,788		
	⑤Rental operating income (=③-④) (¥ Thousands)	21,404	30,302	29,359	25,254	22,945	16,308	23,495	12,622	92,874	132,858	130,264	70,392	41,218		
	⑥Capital expenditures (¥ Thousands)	66,055	7,799	13,016	4,270	11,893	-	1,083	-	950	130,574	25,596	16,280	39,881		
	⑦NCF (=⑤-⑥) (¥ Thousands)	△22,896	31,226	25,551	25,239	34,698	26,302	28,421	22,444	196,369	29,079	136,647	66,979	20,125		
	Expense ratio (=⑦/①)	30.6%	29.8%	29.1%	22.2%	29.3%	43.5%	29.8%	43.6%	41.1%	27.2%	0.0%	26.1%	32.1%		
	Property tax for the year 2008 (or the year 2007) (¥ Thousands)	9,707	8,570	6,676	5,114	7,736	7,956	6,320	6,610	52,196	38,882	18,922	13,200	10,402		
	Among ② of property management fee (Leasing management fee) (¥ Thousands)	2,150	1,896	1,375	1,375	2,304	1,487	1,460	1,270	10,863	7,777	7,539	4,114	3,071		
	Reference: Percentage of rental and other operating revenues	3.46%	3.48%	3.49%	3.63%	3.50%	3.19%	3.47%	3.19%	3.24%	3.54%	-	3.65%	3.48%		
	Long-term repairs, maintenance and renovation	85,850	69,950	61,470	46,140	141,590	109,860	50,870	43,550	343,420	229,180	140,450	158,710	167,760		
	Estimated amount of 12 yrs after the acquisition (¥ Thousands)	7,154	5,829	5,122	3,845	11,799	9,155	4,239	3,629	28,618	19,098	11,704	13,225	13,980		
	Reference: Amount of yearly avg.															

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Residential Properties											Central Urban Retail Properties				Total of 69 Properties
	Office Buildings					Tokyo Metropolitan Area						Tokyo Metropolitan Area			KDX Yoyogi Building	
	Other Regional Areas		Tokyo Metropolitan Area			Residence Chamanne Tsukishima	Court Mejiro	Apartments Motozababu	Apartments Wakamatsu-Kawada	Gradito Kwagwaguchi	Court Shin-Okachimachi	Venus Hbarigokola	Frame Jinnar-zaika			
Property Name	KDX Sendai Building	KDX Mimami Senba Dai-1 Building	KDX Mimami Senba Dai-2 Building	KDX Niigata Building	KDX Nigata Building	Residence Chamanne Tsukishima	Court Mejiro	Apartments Motozababu	Apartments Wakamatsu-Kawada	Gradito Kwagwaguchi	Court Shin-Okachimachi	Venus Hbarigokola	Frame Jinnar-zaika	KDX Yoyogi Building		
Acquisition Date	June 1, 2007	May 1, 2006	May 1, 2006	March 1, 2007	March 1, 2007	May 1, 2006	August 1, 2005	August 1, 2005	August 1, 2005	June 30, 2006	May 1, 2006	December 8, 2005	August 1, 2005	September 30, 2005		
Price Information	Acquisition price (¥ Millions)	2,100	1,610	1,560	1,305	5,353	1,250	1,210	1,180	1,038	878	1,800	9,900	2,479	222,063	
	Percentage of total portfolio	0.9%	0.7%	0.6%	0.6%	2.4%	0.6%	0.6%	0.5%	0.5%	0.4%	0.8%	4.5%	1.1%	100.0%	
	Net book value (¥ Millions)	2,218	1,559	1,478	1,489	5,292	1,236	1,213	1,163	1,064	874	1,898	10,128	2,550	225,795	
	Appraisal value at the end of period (¥ Millions)	1,910	1,540	1,570	971	4,970	1,110	1,250	1,200	1,030	870	1,660	11,800	2,410	237,406	
	Percentage of total appraisal value	0.8%	0.6%	0.7%	0.4%	2.1%	0.5%	0.5%	0.4%	0.4%	0.4%	0.7%	5.0%	1.0%	100.0%	
	Total of end tenants	24	9	22	25	1	20	21	33	2	41	99	14	9	870	
	Leasable floor area (㎡)	3,955.02	3,108.18	2,699.27	4,085.26	7,711.14	2,046.79	1,350.74	1,607.43	1,619.34	1,377.87	12,829.64	4,655.71	1,175.38	256,214.30	
	Occupancy ratio	3,409.95	2,847.25	2,461.82	3,112.92	7,711.14	2,046.79	1,277.15	1,607.43	1,619.34	1,377.87	11,383.55	4,558.23	1,078.26	244,966.47	
Lease Information	As of October 31, 2008	86.2%	91.6%	91.2%	76.2%	100.0%	100.0%	94.6%	100.0%	100.0%	100.0%	88.7%	97.9%	91.7%	95.6%	
	As of April 30, 2008	93.7%	87.2%	94.1%	61.0%	100.0%	95.1%	90.5%	92.0%	100.0%	100.0%	93.0%	97.9%	100.0%	95.9%	
	As of October 31, 2007	97.1%	100.0%	93.6%	71.2%	100.0%	100.0%	97.4%	94.6%	100.0%	100.0%	94.4%	100.0%	100.0%	96.9%	
	As of April 30, 2007	-	100.0%	93.6%	83.9%	100.0%	95.0%	91.7%	97.8%	100.0%	100.0%	98.7%	91.7%	100.0%	95.9%	
	As of October 31, 2006	-	100.0%	90.0%	-	100.0%	100.0%	94.6%	96.3%	100.0%	100.0%	84.6%	100.0%	100.0%	95.3%	
	As of April 30, 2006	-	-	-	-	-	85.1%	97.1%	97.8%	-	-	82.7%	87.1%	87.1%	94.9%	
Income and Retained Earnings Information for the 7th Fiscal Period	Operating periods	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	184days	180days	
	①Rental and other operating revenues (¥ Thousands)	95,405	64,108	60,907	57,371	167,586	44,561	37,136	38,522	32,968	28,808	88,301	299,978	69,768	8,080,997	
	Rental revenues	83,064	49,067	44,421	49,719	146,882	40,396	35,751	34,487	32,817	26,832	78,889	272,749	60,820	7,040,454	
	Other operating revenues	12,340	15,041	16,486	7,652	20,703	4,165	1,384	4,035	151	1,976	9,412	27,228	8,948	1,040,542	
	②Property-related expenses (¥ Thousands)	41,392	21,145	18,779	28,151	31,373	10,058	7,545	7,798	5,937	4,778	37,729	60,613	16,142	2,218,695	
	Property management fees	12,901	7,273	6,066	13,067	17,340	3,056	2,852	2,877	2,438	2,179	8,797	20,029	4,446	785,415	
	Taxes	7,176	3,466	2,862	4,214	7,746	3,101	1,651	1,420	1,701	408	8,576	15,475	4,087	402,944	
	Utilities	7,295	7,756	6,277	5,451	1,561	771	542	388	398	372	2,067	19,113	4,757	608,525	
	Repairs and maintenance costs	11,012	1,045	2,041	2,292	2,824	598	745	1,075	499	303	10,972	3,900	1,558	187,430	
	Insurance	246	190	169	291	484	116	74	78	74	62	512	282	74	16,898	
	Trust fees and other expenses	2,759	1,412	1,362	2,833	1,417	2,415	1,679	1,957	826	1,452	6,805	1,813	1,218	217,480	
	③NOI (=①-②) (¥ Thousands)	54,012	42,963	42,128	29,220	136,212	34,503	29,590	30,724	27,030	24,029	50,571	239,364	53,626	5,862,302	
	④Depreciation (¥ Thousands)	16,855	24,878	29,396	10,998	45,522	11,220	6,651	11,537	10,026	9,431	22,973	56,739	14,518	1,431,262	
	⑤Rental operating income (=③-④) (¥ Thousands)	37,157	18,085	12,732	18,221	90,690	23,282	22,939	19,187	17,003	14,597	27,598	182,625	39,107	4,431,039	
	⑥Capital expenditures (¥ Thousands)	51,055	2,030	-	45,929	-	-	-	-	-	-	-	300	4,170	1,105,668	
	⑦NCF (=⑤-⑥) (¥ Thousands)	2,957	40,933	42,128	△16,708	136,212	34,503	29,590	30,724	27,030	24,029	50,571	239,064	49,456	4,756,633	
	Expense ratio (=⑥/①)	43.4%	33.0%	30.8%	49.1%	18.7%	22.6%	20.3%	20.2%	18.0%	16.6%	42.7%	20.2%	23.1%	27.5%	
	Property tax for the year 2008 (or the year 2007) (¥ Thousands)	14,300	13,609	11,323	16,813	7,765	6,201	1,503	1,060	949	756	17,659	31,599	7,598	1,107,419	
	Arrears of property management fee (Leasing management fee) (¥ Thousands)	3,518	2,185	2,102	1,767	5,354	1,613	1,361	1,078	1,224	1,078	3,247	11,170	2,518	284,769	
	Reference: Percentage of rental and other operating revenues	3.69%	3.41%	3.45%	3.08%	3.20%	3.62%	3.67%	3.67%	3.71%	3.74%	3.68%	3.72%	3.61%	3.52%	
	Long-term repairs, maintenance and renovation	192,400	139,600	104,160	249,590	126,753	44,180	23,570	27,500	24,690	22,120	247,200	53,890	43,450	9,246,359	
	Estimated amount of 12 yrs after the acquisition (¥ Thousands)	16,033	11,633	8,680	20,799	10,562	3,681	1,964	2,291	2,057	1,843	20,600	4,490	3,620	770,529	
	Reference: Amount of yearly avg.															

**【Reference】 Earnings Performance for the Individual Properties for the 7th Fiscal Period (May 1, 2008 to October 31, 2008) : 184days ※As of October 31, 2008**

Type	Office Building (sold)		Central Urban Retail Property (sold)		Total of 71 properties including sold properties
	Other Regional Areas		ZARA Tenjin Nishi-dori		
Location	Hakata Ekimae Dai-2 Building		ZARA Tenjin Nishi-dori		Total of 2 sold Properties
Property Name	August 1, 2005		May 1, 2006		
Acquisition Date	1,430	3,680	5,110	-	-
Price Information	28.0%	72.0%	100.0%	-	-
Acquisition price (¥ Millions)	1,470	4,108	5,578	-	-
Percentage of total portfolio	1,434	3,665	5,100	-	-
Net book value (¥ Millions)	7	292	299	-	-
Appraisal value at the end of period (¥ Millions)	-	-	-	-	-
Profit on sale of real estate (¥ Millions)	-	-	-	-	-
Total of end tenants	-	-	-	-	-
Leasable floor area (rft)	-	-	-	-	-
Leased floor area (rft)	-	-	-	-	-
Occupancy ratio	-	-	-	-	-
As of October 31, 2008	-	-	-	-	-
As of April 30, 2008	99.3%	100.0%	-	-	-
As of October 31, 2007	94.4%	100.0%	-	-	-
As of April 30, 2007	95.8%	100.0%	-	-	-
As of October 31, 2006	99.2%	100.0%	-	-	-
As of April 30, 2006	96.7%	100.0%	-	-	-
Operating periods	90days	55days	65days	177days	-
Income and Retained Earnings Information for the 6th Fiscal Period	①Rental and other operating revenues (¥ Thousands)	32,400	75,519	8,156,516	-
Rental revenues	38,237	32,400	70,637	7,111,092	-
Other operating revenues	4,881	-	4,881	1,045,424	-
②Property-related expenses (¥ Thousands)	13,430	1,326	14,757	2,233,452	-
Property management fees	5,365	1,295	6,661	792,076	-
Taxes	3,493	-	3,493	406,438	-
Utilities	3,195	-	3,195	611,721	-
Repairs and maintenance costs	970	-	970	188,400	-
Insurance	105	31	137	17,035	-
Trust fees and other expenses	299	-	299	217,780	-
③NOCI (=①-②) (¥ Thousands)	29,688	31,073	60,761	5,923,064	-
④Depreciation (¥ Thousands)	10,718	3,285	14,004	1,445,266	-
⑤Rental operating income (=③-④) (¥ Thousands)	18,969	27,788	46,757	4,477,797	-
⑥Capital expenditures (¥ Thousands)	-	-	-	1,105,668	-
⑦NCF (=⑤-⑥) (¥ Thousands)	29,688	31,073	60,761	4,817,395	-
Expense ratio (=②/①)	31.1%	4.1%	19.5%	27.4%	-
Reference	Property tax for the year 2008 for the year 2007) (¥ Thousands)	1,485	2,781	287,550	-
Average of property management fee (Leasing management fee) (¥ Thousands)	3.45%	4.00%	3.68%	3.53%	-
Reference: Percentage of rental and other operating revenues	-	-	-	-	-
Long-term repairs, maintenance and renovation	-	-	-	-	-
Estimated amount of 12 yrs. after the acquisition (¥ Thousands)	-	-	-	-	-
Reference: Amount of yearly avg.	-	-	-	-	-

Note: The Investment Corporation has sold Hakata Ekimae Dai-2 Building on July 30, 2008, and ZARA Tenjin Nishi-dori on June 25, 2008.



**(Reference) Borrowings**

Borrowings on a financial institution basis as of October 31, 2008 are as follows.

Classification	Lender	Drawdown Date	Balance at the End of Previous Period (¥Millions)	Balance at the End of Period (¥Millions)	Average Interest Rate (Note 1)	Repayment Date	Payment Method	Usage	Remarks		
Short-Term Payable	Aozora Bank, Ltd.	July 31, 2007	2,000	-	1.117	July 31, 2008	Full on maturity	(Note 2)	Unsecured/ Unguaranteed		
	The Chuo Mitsui Trust and Banking Co., Ltd.	September 20, 2007	1,250	-	1.075	September 20, 2008					
	Mitsubishi UFJ Trust and Banking Corporation	October 31, 2007	1,000	-	1.096	October 31, 2008					
	The Chuo Mitsui Trust and Banking Co., Ltd.	January 10, 2008	1,000	1,000	1.146	January 10, 2009					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 29, 2008	500	500	1.198	February 28, 2009					
	Citibank Japan, Ltd.	May 1, 2008	-	1,000	1.196	November 1, 2008					
	Citibank Japan, Ltd.	October 31, 2008	-	1,500	1.236	October 30, 2009					
	Mitsubishi UFJ Trust and Banking Corporation	October 31, 2008	-	1,000	1.518	October 31, 2009					
	Sub Total		5,750	5,000							
Current Portion of Long-Term Payable	Mitsubishi UFJ Trust and Banking Corporation	August 1, 2005	2,700	-	0.869	July 31, 2008	Full on maturity	(Note 2)	Unsecured/ Unguaranteed		
	The Norinchukin Bank		2,500	-							
	The Chiba Bank, Ltd.		1,200	-							
	The Chuo Mitsui Trust and Banking Co., Ltd.		1,000	-							
	Sumitomo Mitsui Banking Corporation		1,000	-							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		800	-							
	Resona Bank, Ltd.	300	-								
	The Norinchukin Bank	November 1, 2005	3,000	-	1.090	October 31, 2008					
	Resona Bank, Ltd.	December 8, 2005	500	-	1.098	December 7, 2008					
	Aozora Bank, Ltd.		1,500	1,500							
	Resona Bank, Ltd.	March 1, 2006	500	500	1.449	February 28, 2009					
	The Chiba Bank, Ltd.		800	800							
	Aozora Bank, Ltd.		500	500							
	Mitsui Sumitomo Insurance Co., Ltd.		700	700							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		2,500	2,500						1.476	March 16, 2009
	Aozora Bank, Ltd.		2,000	2,000							
	The Chuo Mitsui Trust and Banking Co., Ltd.	May 1, 2006	1,500	1,500	1.629	April 30, 2009					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,000	1,000							
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000							
	Resona Bank, Ltd.		1,000	1,000							
Sumitomo Mitsui Banking Corporation (Note 3)	October 31, 2007	2,000	2,000	1.339	October 31, 2009						
Sumitomo Mitsui Banking Corporation (Note 3)	April 25, 2008	1,000	1,000	1.563	October 25, 2009						
Aozora Bank, Ltd. (Note 3)		1,500	1,500								
The Bank of Tokyo-Mitsubishi UFJ, Ltd. (Note 3)		1,500	1,500								
	Sub Total		32,000	19,000							
Long-Term Payable	The Chuo Mitsui Trust and Banking Co., Ltd.	August 1, 2005	3,750	3,750	1.288	July 31, 2010	Full on maturity	(Note 2)	Unsecured/ Unguaranteed		
	Sumitomo Mitsui Banking Corporation		3,750	3,750							
	Mitsubishi UFJ Trust and Banking Corporation		1,500	1,500							
	Resona Bank, Ltd.		500	500							
	Aozora Bank, Ltd.	May 1, 2006	1,500	1,500	2.199	April 30, 2011					
	Mitsui Sumitomo Insurance Co., Ltd.		1,000	1,000							
	Development Bank of Japan Inc. (Note 4)	July 14, 2006	5,000	5,000	2.731	April 30, 2016					
	Mitsubishi UFJ Trust and Banking Corporation		1,000	1,000						2.149	July 13, 2011
	Development Bank of Japan Inc. (Note 4)		September 1, 2006	3,000						3,000	2.124
	The Norinchukin Bank	December 1, 2006	2,500	2,500	1.964	November 30, 2011					
	Sumitomo Mitsui Banking Corporation	April 2, 2007	2,000	2,000	1.574	April 2, 2010					
	The Chuo Mitsui Trust and Banking Co., Ltd.		2,000	2,000						1.875	April 2, 2012
	The Norinchukin Bank	April 17, 2007	1,500	1,500	1.646	April 16, 2011					
	Sumitomo Mitsui Banking Corporation	January 10, 2008	2,500	2,500	1.503	January 10, 2012					
	Aozora Bank, Ltd.	February 29, 2008	2,000	2,000	1.366	February 28, 2011					
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		1,500	1,500						1.429	August 31, 2011
	Sumitomo Mitsui Banking Corporation	March 31, 2008	3,000	3,000	1.609	September 30, 2011					
	The Chuo Mitsui Trust and Banking Co., Ltd.		2,000	2,000						1.559	
	The Chuo Mitsui Trust and Banking Co., Ltd.	May 1, 2008	-	1,000	1.905	November 1, 2011					
	Aozora Bank, Ltd.	June 30, 2008	-	1,000	1.987	February 28, 2011					
	Resona Bank, Ltd.		-	1,500						2.150	June 30, 2012
	Development Bank of Japan Inc. (Note 4)		-	3,000						2.263	December 28, 2012
	Aozora Bank, Ltd.	July 15, 2008	-	2,000	1.867	March 31, 2011					
	Sumitomo Mitsui Banking Corporation	July 31, 2008	-	1,200	1.681	January 31, 2010					
	Mitsubishi UFJ Trust and Banking Corporation		-	1,300							
	Sumitomo Mitsui Banking Corporation		-	1,300							
	Mitsubishi UFJ Trust and Banking Corporation		-	1,400						1.870	January 31, 2011
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	800							
	Sumitomo Mitsui Banking Corporation		-	2,200							
	The Chuo Mitsui Trust and Banking Co., Ltd.		-	1,000						1.992	July 31, 2011
Resona Bank, Ltd.	-		300								
The Chuo Mitsui Trust and Banking Co., Ltd.	September 1, 2008		-	1,000			1.775	September 1, 2011			
The Chuo Mitsui Trust and Banking Co., Ltd.	September 22, 2008		-	1,250			1.713	March 22, 2011			
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 30, 2008	-	2,000	1.818	March 31, 2011						
Resona Bank, Ltd.	October 31, 2008	-	500	1.565	October 31, 2010						
	Sub Total		40,000	62,750							
	Total		77,750	86,750							

Notes:

- The average interest rate is the weighted-average interest rate for the fiscal period. The Investment Corporation entered into interest-rate swap transactions with the aim of minimizing the risk of future increase in interest rates. The effect of interest-rate swap transactions has been incorporated into calculations for the weighted-average interest rate.
- Funds procured through borrowings were used to acquire real estate or trust beneficiary interests in real estate and to repay borrowings.
- Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.
- Development Bank of Japan has changed the company name to Development Bank of Japan Inc. on October 1, 2008, due to the privatization of the company.