

Translation of Japanese Original

FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED APRIL 30, 2011 (REIT)  
(November 1, 2010 to April 30, 2011)

June 15, 2011

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

TEL +81-3-3519-3491

Planned submission of semiannual securities report: July 29, 2011

Planned start of distribution payments: July 21, 2011

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED APRIL 30, 2011 (TWELFTH FISCAL PERIOD)

(1) Business Results

(Amounts are rounded down to the nearest ¥million)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)
For the six months ended				
April 30, 2011	8,136 (-2.7%)	3,709 (-3.3%)	2,346 (-10.0%)	2,309 (-11.4%)
October 31, 2010	8,358 (3.6%)	3,835 (2.6%)	2,608 (1.5%)	2,607 (1.5%)

	Net Income per Unit (Yen)	Return on Unitholders' Equity	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
For the six months ended				
April 30, 2011	9,890	1.7%	0.9%	28.8%
October 31, 2010	11,162	1.9%	1.0%	31.2%

(2) Distribution

(Total distributions is rounded down to the nearest ¥million.)

	Distributions per Unit Excluding Excess of Earnings (Yen)	Total Distribution (Millions of Yen)	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings (Millions of Yen)	Payout Ratio	Distribution Ratio to Unitholders' Equity
For the six months ended						
April 30, 2011	9,891	2,310	0	-	100.0%	1.7%
October 31, 2010	10,881	2,541	0	-	97.5%	1.9%

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

(3) Financial Position

(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)
For the six months ended				
April 30, 2011	261,928	135,505	51.7%	580,199
October 31, 2010	251,080	135,732	54.1%	581,170

This is an English-language translation of the original Japanese announcement on our Web site released on June 15, 2011. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## (4) Cash Flow Position

(Amounts are rounded down to the nearest ¥million.)

	Cash Flows from Operating Activities (Millions of Yen)	Cash Flows from Investing Activities (Millions of Yen)	Cash Flows from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at Period End (Millions of Yen)
For the six months ended				
April 30, 2011	3,546	-13,701	7,607	12,820
October 31, 2010	6,664	- 615	- 2,966	15,367

## 2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING OCTOBER 31, 2011 (May 1, 2011 to October 31, 2011)

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution per Unit Excluding Excess of Earnings (Yen)	Distribution in Excess of Earnings per Unit (Yen)
For the six months ending						
October 31, 2011	8,647 (+6.3%)	3,974 (+7.1%)	2,571 (+9.6%)	2,570 (+11.3%)	9,900	0

(Reference) Estimated net income per unit for the fiscal period ending October 31, 2011: ¥11,004

Forecasted number of investment units issued and outstanding as of October 31, 2011: 233,550 units

(Note) Distribution per unit is calculated under the assumption that net profit after deduction of projected provision of reserve for reduction entry for the period ended October 31, 2011 of ¥257 million will be distributed

## 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 period end (including treasury units)

As of April 30, 2011: 233,550 units

As of October 31, 2010: 233,550 units

## (b) Number of treasury units at period end

As of April 30, 2011: 0 units

As of October 31, 2010: 0 units

Note: Please refer to page 40 "Notes to the Information per Unit" for the calculation of net income per unit.

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

The forecast of results for the thirteenth fiscal period ending October 31, 2011 are calculated as of June 15, 2011 based on the assumptions presented on page 14 "Preconditions and Assumptions for the Fiscal Period Ending October 31, 2011." Readers are advised that actual operating revenues, operating income, ordinary income, net income and 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.

This notice is an English-language translation of the original Japanese announcement on our Web site released on June 15, 2011. However, no assurance or warranties are given with respect to the accuracy or completeness of this English-language translation. The Japanese original shall prevail in the case of discrepancies between this translation and the Japanese original.

## 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 January 28, 2011), and accordingly this information 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 January 28, 2011), and accordingly this information has been omitted from this document.

### (2) Operating Conditions

(1) Operating Conditions for the Twelfth Fiscal Period (fiscal period ended April 30, 2011)

#### 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 with a total of 75,400 investment units issued and outstanding (Securities Code: 8972). Subsequently, the Investment Corporation raised funds through public offerings including two global offerings. The Investment Corporation also undertook an additional issue of 33,550 investment units through a public offering in Japan on November 16, 2009. Consequently, as of April 30, 2011, the end of the twelfth fiscal period, the number of investment units issued and outstanding totaled 233,550 units.

The Investment Corporation appointed Kenedix REIT Management, Inc. as its asset management company. In collaboration 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 seeks to respond to its environment and market trends, and endeavors to ensure a timely response to opportunities. The Investment Corporation endeavors to develop a diversified investment portfolio that it calls, “KENEDIX Selection,” adopting a three-point investment methodology based on property type, area and size.

#### B. Investment Environment and Management Performance

##### (a) Investment Environment

During the fiscal period under review (fiscal period ended April 30, 2011), though some recovery of the Japanese economy was initially observed, this movement weakened following the East Japan Earthquake of 2011 that led to the disruption of supply chains, deterioration of investor and consumer confidence, and a temporary drop of corporate earnings.

Concerning real estate market conditions, official land prices (as of January 1, 2011) announced by the Ministry of Land, Infrastructure, Transport and Tourism on March 17, 2011 show that, although land prices nationally continued to decrease throughout 2010, the degree of decrease was lessening.

The average annual change in land prices in Japan decreased by 3.8% for commercial land and decreased by 2.7% for residential land. In the Tokyo Area, the average decreased by 2.5% for commercial land and decreased by 1.7% for residential land. In the three major metropolitan areas, the average decreased by 2.5% for commercial land and decreased by 1.8% for residential land. In each case, the rate of decrease was smaller when compared to the previous survey, and a turnaround from the downtrend may be visible.

Concerning the office building leasing market conditions, although there were concerns regarding the effects of the East Japan Earthquake of 2011, there was limited direct impact. There were signs of a potential break in the drop in new rentals and the rise in vacancy rates in central Tokyo.

On the other hand, in the real estate transaction market, an increasing trend in the number of transactions could be seen centering on J-REITs as the financing environment improved and real estate prices were adjusted. Also, though transactions were temporarily stagnant due to the impact of the East Japan Earthquake of 2011, real estate transactions have since showed signs of recovery.

##### (b) Management Performance

As of the end of the eleventh fiscal period (fiscal period ended October 31, 2010), the Investment Corporation owned 67 properties with a total acquisition price of ¥233,281 million. In the fiscal period under review (fiscal period ended April 30, 2011), the Investment Corporation acquired 2 office buildings (total acquisition price of ¥8,300 million) located in the Tokyo Metropolitan Area and 2 office buildings (total acquisition price of ¥4,875 million) located in the Other Regional Areas.

## &lt;4 Office Buildings Acquired During the Twelfth Fiscal Period&gt;

Property No.	Property Name	Location	Acquisition Price (Millions of Yen)	Acquisition Date
A-67	Kyodo Building (Ginza No.8)	Chuo ward, Tokyo	4,300	November 12, 2010
A-68	Kyodo Building (Honcho 1chome)	Chuo ward, Tokyo	4,000	November 12, 2010
A-69	KDX Kobayashi-Doshomachi Building	Osaka, Osaka	2,870	December 1, 2010
A-70	Kitananajo SIA Building	Sapporo, Hokkaido	2,005	March 25, 2011

As a result, the number of properties owned as of April 30, 2011 amounts to 71, with a total acquisition price of ¥246,456 million. In addition, the Investment Corporation decided to sell KDX Hirakawacho Building (initial acquisition price of ¥5,180 million) on April 5, 2011.

Looking at the portfolio as a whole, 91.1% was comprised of office buildings, 5.0% of central urban retail properties and 3.8% of residential properties on an acquisition price basis. The occupancy ratio as of the end of the twelfth fiscal period was 94.6% reflecting stable investment and asset management.

## &lt;Changes in Asset Size since Eighth Fiscal Period&gt;

		Eighth Fiscal Period (as of April 30, 2009)		Ninth Fiscal Period (as of October 31, 2009)		Tenth Fiscal Period (as of April 30, 2010)		Eleventh Fiscal Period (as of October 31, 2010)		Twelfth Fiscal Period (as of April 30, 2011)	
		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	193,911	88.5	197,461	89.6	213,071	90.3	211,461	90.6	224,636	91.1
	Central Urban Retail Properties	12,379	5.6	12,379	5.6	12,379	5.2	12,379	5.3	12,379	5.0
	Residential Properties	12,709	5.8	10,319	4.6	10,319	4.3	9,441	4.0	9,441	3.8
	Total	218,999	100.0	220,159	100.0	235,769	100.0	233,281	100.0	246,456	100.0
Area	Tokyo Metropolitan Area	188,534	86.0	186,144	84.5	201,754	85.5	199,266	85.4	207,566	84.2
	Other Regional Areas	30,465	13.9	34,015	15.4	34,015	14.4	34,015	14.5	38,890	15.7
	Total	218,999	100.0	220,159	100.0	235,769	100.0	233,281	100.0	246,456	100.0

Notes:

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

Property Acquisitions in the Tenth Fiscal Period (fiscal period ended April 30, 2010) Onwards

The Investment Corporation has built a strong asset base (portfolio) that is focused on office buildings in the Tokyo Metropolitan Area with 71 properties amounting to ¥246,456 million in total acquisition price and an occupancy ratio of 94.6% as of the end of the fiscal period under review (fiscal period ended April 30, 2011).

The Investment Corporation acquired four office buildings in November 2009, in advance of the pre-earthquake recovery of the real estate transaction market, with funds procured by increasing capital through public offering and additionally acquired one office building in February 2010 with funds procured through new borrowings. In this manner, the Investment Corporation has been enhancing its presence in the mid-sized office building transaction market. Specifically, four properties were acquired from third party private placement funds and other sources by increasing capital through our public offering in November 2009 (Koishikawa TG Building, Gotanda TG Building, KDX Nihonbashi 216 Building and KDX Shin-Yokohama 381 Building Annex Tower) and one property was acquired in a negotiated transaction with another J-REIT through new borrowings (KDX Shinjuku Building) for a total of five properties (total acquisition price of ¥15,610 million) acquired in the tenth fiscal period (fiscal period ended April 30, 2010). Moreover, the Investment Corporation also secured funds for new acquisitions by selling KDX Shinjuku-Gyoen Building and Court Shin-Okachimachi (total sales price: ¥2,500 million).

The Investment Corporation has drawn on the advantages of being among the first to resume property acquisitions in the form of expansion and cultivation of its own information sourcing channels, such as private placement funds, other J-REITs, businesses, financial institutions and brokerage firms, which is supporting external growth.

During the Twelfth Fiscal Period, the Investment Corporation acquired Kyodo Building (Ginza No. 8) and Kyodo Building (Honcho 1chome) in November 2010 and KDX Kobayashi-Doshomachi Building in December 2010 with funds procured through new borrowings and cash on hand for a total of three properties. In addition, the Investment Corporation acquired Kitananajo SIA Building in March 2011 mainly with funds procured through new borrowings. A total of four properties were

acquired (total acquisition price of ¥13,175 million) during this fiscal period, and as a result the Investment Corporation has increased its presence in the mid-sized office building transaction market.

Further, in April 2011, the Investment Corporation concluded an agreement to sell the KDX Hirakawacho Building (planned sales price: ¥5,800 million) on June 30, 2011.

As an investment corporation with an asset base (portfolio) focused on mid-sized office buildings, the Investment Corporation pursues consistent external growth by leveraging the know-how on operating mid-sized office buildings accumulated by the Asset Management Company.

#### 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 service with a high degree of quality. As of April 30, 2011, the investment portfolio is being managed generally at a high occupancy ratio and the occupancy ratio for the portfolio as of the end of the fiscal period under review was 94.6%. The Investment Corporation is satisfied with the quality of property management.

#### Stable Management through Large Number of Tenants and Tenant Diversification by Sector

The number of end-tenants for our office buildings was 691 as of the end of the fiscal period under review (fiscal period ended April 30, 2011). Floor area leased to the largest end-tenant as a proportion of total leased floor area of the total portfolio was at 1.9%, and 5.1% for the top 3 office building tenants. This illustrates our diversification of tenants. Furthermore, tenants of office buildings are in various sectors. As a result, we believe the impact by a certain end-tenant vacating the property or sluggish performance in certain sectors would have a relatively limited effect..

#### Leasing Management in View of the Leasing Market Environment

The Investment Corporation believes that the mid-sized office building market tends to be less volatile in a weakening leasing environment than the large-sized office building market. This is because the market has a broad base of potential tenants as well as tenants with a variety of lease needs. We believe that the mid-sized office buildings market in the Tokyo Metropolitan Area, which is a primary investment focus area for the Investment Corporation, is the largest market in terms of demand due to the economic scale of the Tokyo Metropolitan Area and due to the many middle-market and small- and medium-sized enterprises that are candidates for tenancy.

Since listing in 2005, the Investment Corporation had conducted negotiations to increase rent while maintaining favorable relationships with tenants in cases where market rent greatly exceeded contracted rent. These activities to match contracted rents with the market rents contributed to increases in rental revenue.

However, in view of the sudden deterioration of the economy since autumn 2008 and the accompanying trends in the leasing market, at the beginning of the eighth fiscal period (fiscal period ended April 30, 2009), the Investment Corporation shifted to a management policy of placing priority on maintaining occupancy ratios without, in principle, negotiating to raise rent during forthcoming rent negotiations.

One reason why it was able to swiftly modify policies was because the Investment Corporation entrusts all its property management duties to the Asset Management Company, and that it has an established structure that enables it to take into account future trends of the leasing market in advance and swiftly respond to market changes.

#### Change in Occupancy Ratio

The occupancy ratio of office buildings that the Investment Corporation owns in the Tokyo Metropolitan Area was maintained at over 95% at the end of the seventh fiscal period (fiscal period ended October 31, 2008) up to the end of the tenth fiscal period (fiscal period ended April 30, 2010) through a flexible leasing policy responding promptly to the market trends mentioned above, before declining to 94.6% as of the end of the eleventh fiscal period. The fiscal period under review (fiscal period ended April 30, 2011) continued with a difficult leasing environment and was affected by such factors as extended periods of vacancy. Nevertheless, the occupancy ratio of the Investment Corporation's office buildings in the Tokyo Metropolitan Area recovered to the 95% level and the occupancy ratio of office buildings overall rose to 94.2%, an increase of 0.9% compared to the end of the previous fiscal period. Furthermore, the occupancy ratio was 100% for 40 out of 65 office buildings that the Investment Corporation owns..

## &lt;Changes in Occupancy Ratio (Note) for Total Office Buildings, Tokyo Metropolitan Area, Other Regional Areas and Portfolio&gt;

	Office Buildings			Portfolio
	Total	Tokyo Metropolitan Area	Other Regional Areas	
Eighth Fiscal Period (As of April 30, 2009)	95.6%	96.5%	92.4%	95.7%
Ninth Fiscal Period (As of October 31, 2009)	94.4%	97.3%	85.9%	94.7%
Tenth Fiscal Period (As of April 30, 2010)	94.0%	95.7%	88.2%	94.4%
Eleventh Fiscal Period (As of October 31, 2010)	93.3%	94.6%	89.0%	93.6%
Twelfth Fiscal Period (As of April 30, 2011)	94.2%	95.5%	90.4%	94.6%

Note: Occupancy ratios are rounded to the nearest first decimal place.

## C. Capital Acquisition

## (a) Status of Borrowings

The Investment Corporation undertook borrowings of ¥11,500 million (¥9,500 million in long-term borrowings and ¥2,000 million in short-term borrowings (Note 1)) to acquire additional assets and borrowings of ¥21,000 million (¥16,800 million in long-term borrowings and ¥4,200 million in short-term borrowings (Note 1)) to repay borrowings that matured during the twelfth fiscal period (fiscal period ended April 30, 2011). Details are provided as follows:

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

However, the borrowings whose period until repayment date have surpassed one year because the repayment date one year from the drawdown date is not a business day and for which the repayment date has been moved to the following business day are included in short-term borrowings.

Long-term borrowings refer to borrowings with a period of more than one year from the drawdown date to the repayment date. The same classification criteria apply to other borrowings listed below.

## &lt;Borrowings during the Twelfth Fiscal Period&gt;

Lender	Classification	Borrowing Amount (Millions of Yen)	Drawdown Date	Last Repayment Date
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Term Loan 51-A	1,500	November 12, 2010	November 12, 2013
The Chuo Mitsui Trust and Banking Co., Ltd.		800		
Aozora Bank, Ltd.		400		
Sumitomo Mitsui Banking Corporation	Term Loan 51-C	1,200	November 12, 2010	November 12, 2015
Resona Bank, Ltd.		800		
Development Bank of Japan Inc.	Term Loan 51-E	2,300	November 12, 2010	November 12, 2017
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Term Loan 51-B	500	December 1, 2010	November 12, 2013
The Chuo Mitsui Trust and Banking Co., Ltd.		200		
Aozora Bank, Ltd.		100		
Sumitomo Mitsui Banking Corporation	Term Loan 51-D	800	December 1, 2010	November 12, 2015
Resona Bank, Ltd.		200		
Development Bank of Japan Inc.	Term Loan 51-F	700	December 1, 2010	November 12, 2017
Mitsubishi UFJ Trust and Banking Corporation	Series 52-A	2,700	January 31, 2011	January 31, 2012
Sumitomo Mitsui Banking Corporation	Series 52-B	1,300	January 31, 2011	January 31, 2014
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 52-C	800	January 31, 2011	January 29, 2016
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 52-D	500	February 28, 2011	January 29, 2016
Aozora Bank, Ltd.	Series 53-A	3,000	February 28, 2011	August 31, 2015
The Chuo Mitsui Trust and Banking Co., Ltd.	Series 54	2,700	March 22, 2011	September 22, 2014
Mitsubishi UFJ Trust and Banking Corporation	Series 55-T	2,000	March 25, 2011	March 23, 2012
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 52-E	2,000	March 31, 2011	January 29, 2016
Aozora Bank, Ltd.	Series 53-B	2,000	March 31, 2011	September 30, 2013
Resona Bank, Ltd.	Series 56	1,000	March 31, 2011	March 31, 2016
The Norinchukin Bank	Series 57	1,500	April 18, 2011	November 30, 2011
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Series 52-F	1,000	April 28, 2011	January 29, 2016

Lender	Classification	Borrowing Amount (Millions of Yen)	Drawdown Date	Last Repayment Date
Aozora Bank, Ltd.	Series 53-C	1,500	April 28, 2011	October 31, 2015
Mitsubishi UFJ Trust and Banking Corporation	Series 58	1,000	April 28, 2011	April 30, 2013
Total	-	32,500	-	-

As of the end of the eleventh fiscal period (fiscal period ended October 31, 2010), the balance of borrowings amounted to ¥90,567 million (¥84,267 million in long-term borrowings and ¥6,300 million in short-term borrowings). As a result, the balance of interest-bearing debt amounted to ¥112,715.5 million as of April 30, 2011, comprising ¥100,715.5 million in borrowings (¥92,015.5 million in long-term borrowings and ¥8,700 million in short-term borrowings) and ¥12,000 million in investment corporation bonds.

As of April 30, 2011, ¥10,000 million out of ¥19,800 million of long-term borrowings, which have floating interest rates, have been hedged and fixed by utilizing interest-rate swap agreements. In addition, the long-term debt ratio (Note 2) was 92.3% and the long-term fixed interest debt ratio (Note 3) was 83.6%.

Note 2: 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 to the nearest first decimal place.

Note 3: 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 to the nearest first decimal place.

The balance of borrowings according to financial institution as of October 31, 2010 and April 30, 2011 are as follows:

Lender	Eleventh Fiscal Period (as of October 31, 2010) (Millions of Yen)	Twelfth Fiscal Period (as of April 30, 2011) (Millions of Yen)	Ratio as of End of Twelfth Fiscal Period (%) (Note 4)
Sumitomo Mitsui Banking Corporation	21,337.0	23,135.5	23.0
Development Bank of Japan Inc.	13,555.0	16,492.5	16.4
The Chuo Mitsui Trust and Banking Co., Ltd.	15,400.0	16,325.0	16.2
Aozora Bank, Ltd.	13,975.0	14,462.5	14.4
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	9,800.0	11,800.0	11.7
Mitsubishi UFJ Trust and Banking Corporation	7,200.0	9,200.0	9.1
Resona Bank, Ltd.	4,300.0	5,300.0	5.3
The Norinchukin Bank	4,000.0	4,000.0	4.0
Mitsui Sumitomo Insurance Co., Ltd.	1,000.0	-	-
Total	90,567.0	100,715.5	100.0

Note 4: Percentages are rounded down to the nearest first decimal place.

#### (b) Overview of Posted Collateral

On November 12, 2010, the Investment Corporation posted collateral for 3 more properties (KDX Shin-Yokohama 381 Building, Kyodo Building (Ginza No.8), Kyodo Building (Honcho 1chome) in addition to the 44 properties it had already posted collateral for as of the end of the eleventh fiscal period (October 31, 2010). The status of the posted collateral as of the end of the fiscal period under review (fiscal period ended April 30, 2011) are as follows:

(Unit: Millions of Yen)

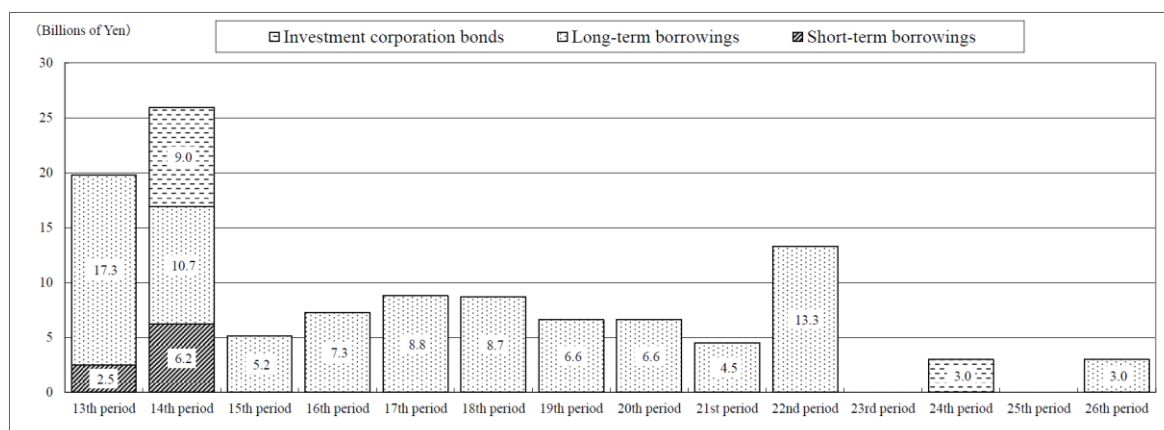
Collateralized Assets (Secured)		Uncollateralized Assets (Unsecured)	
Number of Properties	Appraisal Value at the End of Twelfth Fiscal Period	Number of Properties	Appraisal Value at the End of Twelfth Fiscal Period
47 properties	169,200	24 properties	52,574

Moreover, the outstanding balance of secured borrowings as of the end of the fiscal period under review is ¥100,715.5 million.

#### (c) Diversification of Debt Maturities

The Investment Corporation will continue to strive to reduce refinancing risk by diversifying repayment dates and extending borrowing periods for its interest-bearing debt. In addition, the total balance of interest-bearing debt as of the end of the twelfth fiscal period (fiscal period ended April 30, 2011) maturing in each fiscal period is as follows:

## Balance of Interest-Bearing Debt Maturing in Each Fiscal Period of the Investment Corporation (Note)



Note: Amounts are rounded to the nearest second decimal place.

## (d) Status of Credit Rating

The status of the credit ratings as of April 30, 2011 is as follows:

Credit Rating Agency	Details of the Ratings	
Japan Credit Rating Agency, Ltd.	Rating of Long-Term Senior Debts Ratings on Bonds Rating of Shelf Registration	A
	Outlook	Stable

## (e) Status of Shelf Registration

The Investment Corporation filed a debt shelf registration statement in February 2009. However, as the planned issuance period was originally set to expire on February 14, 2011, the Investment Corporation filed a new debt shelf registration statement on February 4, 2011. Details are as follows:

	Investment Corporation Bond
Planned Issue Amount	¥100,000,000,000
Planned Issuance Period	February 15, 2011 to February 14, 2013
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.

The Investment Corporation's First Series Unsecured Investment Corporation Bonds of ¥9,000,000,000 and Second Series Unsecured Investment Corporation Bonds of ¥3,000,000,000 were issued in March 2007 based on the debt shelf registration statement filed in February 2007.

On February 4, 2011, the Investment Corporation filed a notice of withdrawal related to the investment unit certificate registration statement filed in April 2009 (Planned issuance period: May 7, 2011). Following this, on February 4, 2011, the Investment Corporation filed an equity shelf registration statement again to continue to secure opportunity for flexible equity financing. Details are as follows:

	Investment Unit Certificate	
	Primary Offering	Secondary Offering
Planned Issue Amount	¥100,000,000,000	¥15,000,000,000
Planned Issuance Period	February 15, 2011 to February 14, 2013	February 15, 2011 to February 14, 2013
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.	Not applicable



There has not yet been any primary offering or secondary offering based on the abovementioned investment unit certificate shelf registration.

#### D. Operating Results and Cash Distribution

As a result of the aforementioned operations, the Investment Corporation reported operating revenues of ¥8,136 million, operating income of ¥3,709 million, ordinary income of ¥2,346 million and net income of ¥2,309 million for its twelfth fiscal period (fiscal period ended April 30, 2011). Loss on disaster of ¥35 million was recorded as extraordinary loss related to the East Japan Earthquake of 2011.

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 twelfth fiscal period was ¥9,891 per unit.

## (2) Outlook

### A. Investment Environment

The Japanese economy is presently at risk of a downturn due to the impacts of the East Japan Earthquake of 2011 such as the constraints on electricity supply, the delay in rebuilding supply chains, the nuclear power plant accidents and rising fuel prices. However, if the recovery of industrial activity accompanied by an improvement in overseas economies and effective government policies can be introduced, an economic recovery may follow.

Concerning the real estate market conditions, according to the “Trend Report of the Prices of Intensively Used Land in Major Cities” (survey period: January 1, 2011 to April 1, 2011) announced by the Ministry of Land, Infrastructure, Transport and Tourism on May 27, 2011, land prices fell in the majority of the heavily populated districts (commercial and residential districts) of major cities in Japan (98 districts (67%) out of all 146 districts) and land prices rose or remained unchanged in 48 districts (33%). The number of districts in which prices fell increased in comparison to the last survey.

In the office building leasing market, according to Miki Shoji Co., Ltd., the average vacancy rate of large and mid-sized buildings (100 tsubo or more in floor area of a typical floor) in the central business district of Tokyo (five central wards of Tokyo) as of April 30, 2011 fell 0.27 points month-on-month. There have been forward-looking movements by tenant companies and relocations for integration, expansion, etc.. Additionally, the number of consultations and inquiries regarding relocations increased, and it is believed that there will continue to be many more relocations.

In the real estate transaction market, transactions temporarily halted due to the effects of the East Japan Earthquake of 2011. However, the current situation has some positive signs such as the beginning of normalization of Japan’s post-earthquake economic activity, expectations of a macro economic recovery accompanying future reconstruction, and the limited impact on capital liquidity, unlike the case of the recent global financial crisis. Recently, J-REITs have resumed property transactions, and the Investment Corporation believes that the number of office building transactions will increase over time.

### B. Future Management Policies and Pending Issues

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 methodology 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, real estate transaction market, etc.), the Investment Corporation creates a property investment strategy, existing property management strategy, and financial strategy in a dynamic and flexible manner as set forth below.

#### (a) New Property Investment Strategy and Sales Policy

The Investment Corporation aims for further expansion of its asset size, with the goal of “forming a firm portfolio focusing on mid-sized office buildings” and to become the “No. 1 J-REIT for mid-sized office buildings.” The Investment Corporation believes that keeping office buildings in the Tokyo Metropolitan Area, as its focus while maintaining an investment strategy which aims for a certain degree of regional diversification, will be a foundation for constructing a superior portfolio and differentiating the Investment Corporation from others in the business.

The Investment Corporation believes that it holds a competitive advantage over other real estate acquiring firms as it has laid a foundation for renewed external growth ahead of many other real estate firms since November 2009, has resumed property acquisitions through public offerings and new borrowings, holds a portfolio surpassing ¥200 billion, and has a track-record in investing in and managing mid-sized office buildings and financial stability.

Moreover, in acquiring properties, the Investment Corporation is striving to diversify investment methods also taking into consideration the balance of financing sources, such as fund-type investments through investments in silent partnership, and is also strengthening the sourcing of information on portfolio matters in order to acquire properties ahead of competitors.

The Investment Corporation aims to acquire properties that should contribute to increased profitability of its portfolio, fully considering the rental NOI yield (Note) of the portfolio it owns, the weighted average costs and the significance and impact of the properties on its growth strategies.

In selling properties, the Investment Corporation will examine the sale of properties individually in considering the use of funds for replacement of assets through property acquisition or fund-type investments. Of this, concerning central urban retail properties and residential properties, the Investment Corporation will not only refrain from conducting new investments in principle, 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. On the other hand, the Investment Corporation will decide on the sale of office buildings individually by considering the current profitability, revenue projections that take into account future market trends, building age, area and property size, among other factors, and also in light of the significance of the property’s presence in the portfolio.

Note: The leasing NOI yield is a weighted-average figure of the annualized yield of leasing NOI (= Rental revenues - Rental expenses + Depreciation expenses for the period) against the acquisition price, in accordance with the operating period.

(b) Existing property management strategy

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 twelfth fiscal period (fiscal period ended April 30, 2011). 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.

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 response as well as optimal tenant satisfaction. Accordingly, the Investment Corporation will aim to maintain / increase cash flow by offering office environments with high tenant satisfaction. Based on the aforementioned, the Asset Management Company undertakes property management activities as follows:

- Identify degree of satisfaction through use of CS surveys (customer satisfaction = tenant satisfaction)
- Take measures to maintain and raise competitiveness of properties
- Tailor leasing management according to the market environment
- Apply careful control of management and operating costs by taking advantage of portfolio size
- Ensure appropriate response to relevant laws and regulations
- Develop a proactive environmental response
- Implement electricity conservation efforts for Summer 2011

Identify degree of tenant satisfaction through use of CS 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 (“CS 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 (fiscal period ended April 30, 2006), the second CS Survey, which covered 44 of its properties, during the fifth fiscal period (fiscal period ended October 31, 2007) and the third CS Survey, which covers 58 properties during the ninth fiscal period (fiscal period ended October 31, 2009).

Furthermore, based on the responses of tenants up to the third survey, the Investment Corporation established guidelines on management response centering on improvement measures to reflect issues of dissatisfaction in terms of soft services (operating and management services), including cleaning and tenant services, in an aim to standardize and enhance service quality in relation to the portfolio. The Investment Corporation has adopted the guidelines as a rule as of the twelfth fiscal period (fiscal period ending April 30, 2011).

The Investment Corporation will continue to listen to the voices of tenants, its customers, and will endeavor to conduct improvement activities after grasping its strengths and problems both in terms of hardware and soft services for each property, in pursuit of maintaining and enhancing tenant satisfaction.

By periodically conducting such surveys, the Investment Corporation will aim to increase customer satisfaction, generate improvements in rent levels and asset values, promote enhanced earnings and aim to maintain and increase cash flow.

Take measures to maintain and raise competitiveness of properties

The Investment Corporation aims to provide attractive mid-sized office buildings in order to enhance portfolio value and rental revenues.

The Investment Corporation believes 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 will consolidate its building maintenance companies by taking utmost advantage of the portfolio size, and then will implement operation and management in close contact with the actual properties in order to further enhance the management quality and services. The Investment Corporation will set unified standards in regards to specifications and services that tend to differ by property, and implement measures to enhance value by carrying out property management based on these unified standards. By doing so, the Investment Corporation aims to maintain rent levels and asset values.

Tailor 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 by adopting the basic policy of endeavoring to maximize revenues for the medium- to long-term through maintaining occupancy ratios, while taking 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.

On the other hand, the Investment Corporation will endeavor to conduct property management so as to increase customer satisfaction by adopting the basic policy of maintaining current conditions in serving existing tenants.

Apply 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 acquired through its management track record to reduce building maintenance costs. The Investment Corporation has managed to reduce building maintenance expenses for office buildings, trust fees and electricity costs at some properties by reviewing the specific elements of building maintenance. In addition, the Investment Corporation has managed to improve the efficiency of content of maintenance and also managed to reduce costs by consolidating the building maintenance company for office buildings in Tokyo.

The Investment Corporation will carefully control the quality of property management and operating costs and reduce building maintenance and operating costs by taking advantage of the portfolio size in building maintenance costs and construction bidding.

Ensure appropriate responses to relevant laws and regulations

The Investment Corporation will swiftly collect information with regard to the laws to be revised, including the Energy Saving Act, as well as present laws and regulations, to appropriately make the required responses.

Develop a proactive environmental response

The Investment Corporation was designated as a specified corporation pursuant to the Act on the Rational Use of Energy on October 1, 2010. The Investment Corporation will research on energy saving and environmental friendliness of mid-sized office buildings, develop medium- to long-term energy saving plans and reduction targets, and proactively institute measures in terms of both hardware (buildings and facilities) and soft services (operating and management services) in an aim to ensure the simultaneous pursuit of return on investment and social benefits.

Implement electricity conservation efforts for Summer 2011

As an owner of office buildings, the Investment Corporation will implement measures for a 15% reduction in electricity consumption at its properties located within the service areas of the Tokyo Electric Power Company and Tohoku Electric Power Company.

Further, the Investment Corporation's utility charge reimbursements are anticipated to fall in the event that electric power consumption is reduced.

(c) Financial Strategy (Debt Financing)

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.

While all borrowings of the Investment Corporation were unsecured and unguaranteed since the first borrowing was drawn in August 2005, collateral was posted in April 2009 for a certain proportion of its assets under management for the purpose of smooth fund procurement. Given the ongoing improvement in the financing environment since 2010, the Investment Corporation will aim to improve present borrowing terms.

In order to pursue stable financial management, the Investment Corporation will continue to aim to keep the ratio of interest-bearing debt to total assets (LTV) at less than 45% as a rule. However, it will also remain open to the option of increasing LTV to the upper 40% level in the event of debt financing conducted for the purpose of acquiring competitive properties or otherwise.

Moreover, the Investment Corporation will undertake stable fund procurement based on existing favorable relations with financial institutions, especially mega-banks, trust banks and Development Bank of Japan, Inc., as well as aim for more conservative financial management.

(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 subsequent events following the close of the twelfth fiscal period (fiscal period ended April 30, 2011).

**(4) Outlook**

Forecasts for the thirteenth fiscal period (May 1, 2011 to October 31, 2011) are presented as follows. Please refer to the “Preconditions and Assumptions for the Fiscal Period Ending October 31, 2011” below for factors that underpin forecasts.

Operating Revenues	¥8,647 million
Operating Income	¥3,974 million
Ordinary Income	¥2,571 million
Net Income	¥2,570 million
Distribution per Unit	¥9,900
Distribution in Excess of Earnings per Unit	¥0

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

“Preconditions and Assumptions for the Fiscal Period Ending October 31, 2011”

	Preconditions and Assumptions
Calculation Period	<ul style="list-style-type: none"> <li>The thirteenth fiscal period: May 1, 2011 to October 31, 2011 (184 days)</li> </ul>
Property Portfolio	<ul style="list-style-type: none"> <li>Forecasts are based on the 71 properties held as of June 15, 2011.</li> <li>Forecasts are based on the number of properties remaining unchanged up to and including the end of the thirteenth fiscal period other than the sale of KDX Hirakawacho Building as of June 30, 2011.</li> <li>The property portfolio may change due to a variety of factors in the future.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>Rental revenues are estimated based on valid leasing agreements as of June 15, 2011 and by considering variable factors, such as seasonal factors against the backdrop of historical performance, as well as leasing conditions, such as the recent deterioration of real estate market conditions, in addition to the difference in number of operating days due to movements in existing investment assets.</li> <li>Forecasts are based on the assumption that there will be no rent in arrears or non-payments from tenants.</li> <li>As announced in the press release “Notice Concerning the Conclusion of Agreement of the Sale of Property (KDX Hirakawacho Building)” dated April 5, 2011, KDX Hirakawacho Building will be transferred on June 30, 2011 and the capital gains from the sale is assumed to be ¥535 million.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>Property-related expenses other than depreciation are based on the difference in number of operating days due to movements in existing investment assets and historic expenses, adjusted to reflect expense variables including seasonal factors.</li> <li>An amount of ¥814 million has been assumed for property management fees and facility management fees (property management and building maintenance fees, etc.).</li> <li>An amount of ¥697 million has been assumed for taxes and public dues (property tax and city-planning tax, etc.).</li> <li>An amount of ¥1,400 million has been assumed for depreciation expense.</li> <li>An amount of ¥189 million has been assumed for repairs, maintenance and renovation expenses.</li> <li>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>In general, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of the Investment Corporation, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property.</li> </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 financing related expenses etc.) of ¥1,373 million is assumed for the thirteenth fiscal period.</li> </ul>

Extraordinary Profit/Loss	<ul style="list-style-type: none"> <li>• Extraordinary profit/loss is not assumed.</li> <li>• Furthermore, of the expected expense as extraordinary loss for the fiscal period ending October 31, 2011 as announced in the press release “Notice Concerning Announcement of Operating Forecasts for the Fiscal Period Ending October 31, 2011” dated April 21, 2011, ¥35 million is recorded as extraordinary loss for the fiscal period ending April 30, 2011.</li> </ul>
Debt Financing and Investment Corporation Bonds	<ul style="list-style-type: none"> <li>• The balance of the borrowings and the investment corporation bonds as of June 15, 2011 are ¥100,715.5 million and ¥12,000 million, respectively.</li> <li>• Of the borrowings as of June 15, 2011, ¥19,801.5 million (short-term borrowings: ¥2,500 million and long-term borrowings: ¥17,301.5 million) in borrowings are due during the thirteenth fiscal period. However, all borrowings are presupposed to be refinanced excluding ¥301.5 million of the partial payment.</li> </ul>
Investment Units Issued and Outstanding	<ul style="list-style-type: none"> <li>• The number of investment units issued and outstanding as of June 15, 2011 is 233,550 units. Forecasts are based on the assumption that the number of investment units issued and outstanding shall remain unchanged for the thirteenth 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. Forecasts are based on the assumption that of the estimated amount of ¥535 million in the capital gains from the sale of KDX Hirakawacho Building, the provision of reserve for reduction entry (estimated amount of ¥257 millions) will be the amount which the limit is 80% of the capital gain on sale of land and does not conflict with the conduit requirements stipulated in Article 67-15 of the Special Taxation Measures Law, pursuant to the “Special Provisions for Taxation in the Event of Advance Acquisition of Land, etc. in 2009 and 2010” (Article 66-2 of the Special Taxation Measures Law).</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 the incidence of major unforeseen renovation expense.</li> </ul>
Distributions in Excess of Earnings per Unit	<ul style="list-style-type: none"> <li>• The Investment Corporation does not currently anticipate distributions in excess of earnings per unit.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• Forecasts are based on the assumption that any revisions to regulatory requirements, taxation, accounting standards, public listing regulations or requirements of the Investment Trusts Association, Japan will not impact forecast figures.</li> <li>• Forecasts are based on the assumption that there will be no major unforeseen changes to economic trends and in real estate and other markets.</li> </ul>

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

(Thousands of Yen)

	Eleventh Fiscal Period (As of October 31, 2010)	Twelfth Fiscal Period (As of April 30, 2011)
<b>ASSETS</b>		
Current assets		
Cash and deposits *3	10,416,712	7,925,308
Cash and deposits in trust *3	5,828,961	5,869,654
Accounts receivable-trade	208,479	186,412
Prepaid expenses	66,530	54,913
Consumption taxes receivable	-	310,485
Other	8,187	5,475
Total current assets	16,528,870	14,352,250
Noncurrent assets		
Property, plant and equipment		
Buildings	14,743,175	14,792,636
Accumulated depreciation	-1,439,687	-1,686,763
Buildings, net	13,303,487	13,105,873
Structures	19,086	22,260
Accumulated depreciation	-4,379	-5,055
Structures, net	14,707	17,204
Machinery and equipment	341,632	345,675
Accumulated depreciation	-60,538	-72,198
Machinery and equipment, net	281,094	273,476
Tools, furniture and fixtures	75,740	77,350
Accumulated depreciation	-14,341	-17,888
Tools, furniture and fixtures, net	61,399	59,461
Land	29,104,205	29,104,205
Buildings in trust *4	65,118,690	70,624,524
Accumulated depreciation	-9,200,374	-10,215,088
Buildings in trust, net	55,918,316	60,409,436
Structures in trust	186,595	218,908
Accumulated depreciation	-69,189	-75,935
Structures in trust, net	117,406	142,972
Machinery and equipment in trust	934,428	963,183
Accumulated depreciation	-391,706	-425,123
Machinery and equipment in trust, net	542,721	538,060
Tools, furniture and fixtures in trust	290,955	324,187
Accumulated depreciation	-138,638	-155,485
Tools, furniture and fixtures in trust, net	152,316	168,701
Land in trust	133,943,076	142,006,875
Total property, plant and equipment *3	233,438,730	245,826,267
Intangible assets		
Leasehold right	285,350	285,350
Leasehold rights in trust	-	74,853
Right of using water facilities in trust *3	1,027	908
Total intangible assets	286,377	361,112
Investments and other assets		
Lease and guarantee deposits	11,652	10,000
Lease and guarantee deposits in trust	-	124,361



## KENEDIX REALTY INVESTMENT CORPORATION (8972)

Long-term prepaid expenses	752,924	1,207,565
Total investments and other assets	764,576	1,341,926
Total noncurrent assets	234,489,684	247,529,306
Deferred assets		
Investment corporation bond issuance costs	27,987	22,205
Investment unit issuance expenses	33,514	25,136
Total deferred assets	61,502	47,342
Total assets	251,080,057	261,928,899

(Thousands of Yen)

	Eleventh Fiscal Period (As of October 31, 2010)	Twelveth Fiscal Period (As of April 30, 2011)
Liabilities		
Current Liabilities		
Accounts payable	499,242	409,413
Short-term loans payable*3	6,300,000	8,700,000
Current portion of investment corporation bond	-	9,000,000
Current portion of long-term loans payable *2 *3	35,250,000	27,460,000
Accounts payable-other	212,243	208,083
Accrued expenses	155,398	192,370
Income taxes payable	632	1,171
Accrued consumption taxes	282,121	51,280
Advances received	1,166,896	1,872,708
Deposits received	7,158	16,243
Derivatives liabilities	7,420	-
Provision for loss on disaster	-	30,932
Total current liabilities	43,881,112	47,942,202
Noncurrent liabilities		
Investment corporation bond	12,000,000	3,000,000
Long-term loans payable *3	49,017,000	64,555,500
Tenant leasehold and security deposits	1,547,030	1,521,762
Tenant leasehold and security deposits in trust	8,902,539	9,403,820
Total noncurrent liabilities	71,466,569	78,481,082
Total liabilities	115,347,682	126,423,284
Net assets		
Unitholders' equity		
Unitholders' capital	133,129,755	133,129,755
Surplus		
Reserve for reduction entry	-	65,795
Total voluntary reserve	-	65,795
Unappropriated retained earnings(undisposed loss)	2,607,121	2,310,063
Total surplus	2,607,121	2,375,859
Total unitholders' equity	135,736,876	135,505,614
Valuation and translation adjustments		
Deferred gains or losses on hedges	-4,502	-
Total valuation and translation adjustments	-4,502	-
Total net assets *1	135,732,374	135,505,614
Total liabilities and net assets	251,080,057	261,928,899

**(2) Statements of Income**

(Thousands of Yen)

	Eleventh Fiscal Period May 1, 2010 to October 31, 2010	Twelveth Fiscal Period November 1, 2010 to April 30, 2011
Operating revenue		
Rent revenue-real estate *1	7,159,361	7,208,235
Other lease business revenue *1	1,082,839	928,681
Gain on sales of real estate properties	116,396	-
Total operating revenue	8,358,596	8,136,917
Operating expenses		
Expenses related to rent business *1	3,817,751	3,767,177
Loss on sales of real estate properties *2	64,348	-
Asset management fee	458,033	448,106
Directors' compensation	5,400	5,850
Asset custody fee	24,851	24,820
Administrative service fees	55,209	54,771
Audit fee	10,800	10,800
Other operating expenses	86,547	115,482
Total operating expenses	4,522,943	4,427,007
Operating income	3,835,653	3,709,909
Non-operating income		
Interest income	1,916	1,205
Dividends and redemption-prescription	346	1,143
Other	1,812	999
Total non-operating income	4,075	3,348
Non-operating expenses		
Interest expenses	879,628	935,345
Interest expenses on investment corporation bonds	114,321	113,378
Borrowing related expenses	211,796	303,479
Amortization of investment corporation bond issuance costs	5,877	5,781
Amortization of investment unit issuance expenses	8,378	8,378
Other	11,671	155
Total non-operating expenses	1,231,673	1,366,519
Ordinary income	2,608,055	2,346,738
Extraordinary income		
Subsidy	-	26,230
Total Extraordinary income	-	26,230
Extraordinary loss		
Loss on disaster	-	35,360
Loss on reduction of noncurrent assets	-	26,230
Total Extraordinary loss	-	61,590
Income before income taxes	2,608,055	2,311,378
Income taxes-current	826	1,412
Income taxes-deferred	171	-28
Total income taxes	998	1,383
Net income	2,607,056	2,309,995
Retained earnings brought forward	64	68
Unappropriated retained earnings(undisposed loss)	2,607,121	2,310,063

**(3) Statements of Unitholders' Equity**

(Thousands of Yen)

(Thousands of Yen)

	Eleventh Fiscal Period May 1, 2010 to October 31, 2010	Twelveth Fiscal Period November 1, 2010 to April 30, 2011
Unitholders' equity		
Unitholders' capital *		
Balance at the end of previous period	133,129,755	133,129,755
Changes of items during the period		
Total changes of items during the period	-	-
Balance at the end of current period	133,129,755	133,129,755
Surplus		
Voluntary reserve		
Reduction entry		
Balance at the end of previous period	-	-
Changes of items during the period		
Provision of reserve for reduction entry	-	65,795
Total changes of items during the period	-	65,795
Balance at the end of current period	-	65,795
Total Voluntary reserve		
Balance at the end of previous period	-	-
Changes of items during the period		
Provision of reserve for reduction entry	-	65,795
Total changes of items during the period	-	65,795
Balance at the end of current period	-	65,795
Unappropriated retained earnings (undisposed loss)		
Balance at the end of previous period	2,567,479	2,607,121
Changes of items during the period		
Provision of reserve for reduction entry	-	-65,795
Distribution from surplus	-2,567,415	-2,541,257
Net income	2,607,056	2,309,995
Total changes of items during the period	39,641	-297,058
Balance at the end of current period	2,607,121	2,310,063
Total Surplus		
Balance at the end of previous period	2,567,479	2,607,121
Changes of items during the period		
Distribution from surplus	-2,567,415	-2,541,257
Net income	2,607,056	2,309,995
Total changes of items during the period	39,641	-231,262
Balance at the end of current period	2,607,121	2,375,859
Total unitholders' equity		
Balance at the end of previous period	135,697,235	135,736,876
Changes of items during the period		
Distribution from surplus	-2,567,415	-2,541,257
Net income	2,607,056	2,309,995
Total changes of items during the period	39,641	-231,262
Balance at the end of current period	135,736,876	135,505,614
Valuation and translation adjustments		
Deferred gains or losses on hedges		
Balance at the end of previous period	-7,596	-4,502

## KENEDIX REALTY INVESTMENT CORPORATION (8972)

(Thousands of Yen)

	Eleventh Fiscal Period May 1, 2010 to October 31, 2010	Twelfth Fiscal Period November 1, 2010 to April 30, 2011
Changes of items during the period		
Net change of items other than owners' equity	3,093	4,502
Total changes of items during the period	3,093	4,502
Balance at the end of current period	-4,502	-
Total valuation and translation adjustments		
Balance at the end of previous period	-7,596	-4,502
Changes of items during the period		
Net change of items other than owners' equity	3,093	4,502
Total changes of items during the period	3,093	4,502
Balance at the end of current period	-4,502	-
Total net assets		
Balance at the end of previous period	135,689,639	135,732,374
Changes of items during the period		
Distribution from surplus	-2,567,415	-2,541,257
Net income	2,607,056	2,309,995
Net change of items other than owners' equity	3,093	4,502
Total changes of items during the period	42,735	-226,760
Balance at the end of current period	135,732,374	135,505,614

**(4) Basis for Calculating Cash Distribution**

(Unit: Yen)

	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
I. Retained earnings at the end of period	2,607,121,406	2,310,063,344
II. Total Distribution	2,541,257,550	2,310,043,050
(Distribution per Unit)	(10,881)	(9,891)
III. Voluntary retained earnings		
Provision for reserve for reduction entry	65,795,848	-
IV. Retained Earnings brought forward to the next period	68,008	20,294
Method of calculating the distribution amount	<p>In accordance with the policy depicted in Article 35-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided that, of the amount remaining after the reserve for reduction entry as stipulated in Article 66-2 of the Special Taxation Measures Law is deducted from unappropriated retained earnings, it shall distribute the maximum amount of retained earnings at the period-end, namely totaling ¥2,541,257,550 to 233,550 units issued and outstanding.</p> <p>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 profit.</p>	<p>In accordance with the policy depicted in Article 35-1 of its Articles of Incorporation, the Investment Corporation determines that the amount of distribution shall exceed the amount equivalent to 90% of its distributable profit as stipulated in Article 67-15 of the Special Taxation Measures Law, and shall be up to the amount of its profits as the ceiling. Following this policy, the Investment Corporation has decided to distribute the maximum amount of retained earnings at the period-end, namely totaling ¥2,310,043,050 to 233,550 units issued and outstanding.</p> <p>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 profit.</p>

**(5) Statements of Cash Flows**

(Thousands of Yen)

	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Net cash provided by (used in) operating activities		
Income before income taxes	2,608,055	2,311,378
Depreciation and amortization	1,440,311	1,406,895
Amortization of long-term prepaid expenses	191,122	213,368
Interest income	-1,916	-1,205
Interest expenses	993,950	1,048,723
Amortization of investment unit issuance expenses	8,378	8,378
Amortization of investment corporation bond issuance expenses	5,877	5,781
Loss on disaster	-	35,360
Subsidy	-	-26,230
Loss on reduction of noncurrent assets	-	26,230
Decrease (increase) in accounts receivable-trade	-57,116	22,066
Decrease (increase) in consumption taxes refund receivable	48,308	-310,485
Decrease (increase) in prepaid expenses	-14,437	11,616
Increase (decrease) in accounts payable	37,913	-12,251
Increase (decrease) in accounts payable-other	35,586	-21,496
Increase (decrease) in accrued consumption taxes	264,790	-230,840
Increase (decrease) in advances received	-78,506	705,811
Increase (decrease) in deposits received	-9,894	9,084
Loss on retirement of noncurrent assets	1,143	5,402
Changes in net property, plant and equipment held in trust from sale	2,406,185	-
Decrease (increase) in long-term prepaid expenses	-234,386	-668,009
Other, net	4,702	18,596
Subtotal	7,650,069	4,558,174
Interest income received	1,916	1,205
Interest expenses paid	-987,325	-1,011,751
Income taxes paid	-639	-632
Net cash provided by (used in) operating activities	6,664,020	3,546,997
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-55,081	-57,818
Purchase of property, plant and equipment in trust	-311,836	-13,745,779
Purchase of intangible assets in trust	-	-75,498
Payments for lease and guarantee deposits in trust	-	-122,709
Payments of tenant leasehold and security deposits	-108,141	-85,045
Proceeds from tenant leasehold and security deposits	73,207	51,353
Payments of tenant leasehold and security deposits in trust	-611,265	-530,111
Proceeds from tenant leasehold and security deposits in trust	263,920	960,494
Payments of term deposits in trust	-	-74,000
Payments of restricted bank deposits in trust	-13,667	-134,899
Proceeds from restricted bank deposits in trust	146,977	112,587
Net cash provided by (used in) investment activities	-615,886	-13,701,425
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	2,500,000	6,200,000
Decrease in short-term loans payable	-5,000,000	-3,800,000

## KENEDIX REALTY INVESTMENT CORPORATION (8972)

Proceeds from long-term loans payable	12,400,000	26,300,000
Repayment of long-term loans payable	-10,301,500	-18,551,500
Dividends paid	-2,565,441	-2,541,093
Net cash provided by (used in) financing activities	-2,966,941	7,607,406
Net increase (decrease) in cash and cash equivalents	3,081,192	-2,547,022
Cash and cash equivalents at beginning of period	12,285,856	15,367,049
Cash and cash equivalents at end of period	* 15,367,049	12,820,027

**(6) Notes****【Going Concern】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
None	Same applies as left.

**【Important Accounting Standards】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
1. Depreciation of fixed assets	<p>(1) Property, plant 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) Intangible assets (includes trust assets) The straight-line method is applied. Right of using water facilities: 6 years</p> <p>(3) Long-term prepaid expenses The straight-line method is applied.</p>
2. Accounting policies for deferred assets	<p>(1) Property, plant and equipment (includes trust assets) Same applies as left.</p> <p>(2) Intangible assets (includes trust assets) Same applies as left.</p> <p>Leasehold rights Fixed term leasehold is amortized over a contractual period of forty-eight years and nine months under the straight-line method.</p> <p>(3) Long-term prepaid expenses Same applies as left.</p>
2. Accounting policies for deferred assets	<p>(1) Investment unit issuance costs Unit issuance costs are amortized over a period of 3 years.</p> <p>(2) Investment corporation bond issuance costs Bond issuance costs are amortized by applying the straight-line method for the entire redemption period.</p>
3. Accounting standards for provision	<p>(1) Investment unit issuance costs Same applies as left.</p> <p>(2) Investment corporation bond issuance costs Same applies as left.</p>
3. Accounting standards for provision	<p>Provision for loss due to disaster Of the cost of repairs on impaired fixed assets due to the East Japan Earthquake of 2011, the amount reasonably estimable at the period end is recognized as a provision.</p>



	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
4. Accounting standards for revenues and expenses	<p>Accounting method for property tax</p> <p>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 the portion of such taxes corresponding to 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 ¥52,547 thousand.</p>	<p>Accounting method for property tax</p> <p>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 ¥23,704 thousand.</p>
5. Accounting for hedges	<p>(1) Hedge accounting method</p> <p>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> <p>Hedge instruments</p> <p>The Investment Corporation enters into interest-rate swap transactions.</p> <p>Risks hedged</p> <p>Interest rates on debt.</p> <p>(3) Hedging policy</p> <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</p> <p>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>(1) Hedge accounting method</p> <p>Same applies as left.</p> <p>(2) Hedging instruments and risks hedged</p> <p>Hedge instruments</p> <p>Same applies as left.</p> <p>Risks hedged</p> <p>Same applies as left.</p> <p>(3) Hedging policy</p> <p>Same applies as left.</p> <p>(4) Method of evaluating the effectiveness of hedging</p> <p>Same applies as left.</p>

	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
6. 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.
7. 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. Right of using water facilities in trust</li> <li>4. 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> <ol style="list-style-type: none"> <li>1. Same applies as left.</li> <li>2. Same applies as left.</li> <li>3. Leasehold rights in trust and right of using water facilities in trust</li> <li>4. Lease and guarantee deposits in trust</li> <li>5. Tenant leasehold and security deposits in trust</li> </ol> <p>(2) Accounting method for consumption tax</p> <p>Same applies as left.</p>

**【Notes to the Changes in Accounting Policy】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
<p>①Accounting Standard for Asset Retirement Obligations</p> <p>From the fiscal period under review, the Investment Corporation has applied “Accounting Standard for Asset Retirement Obligations” (Accounting Standards Board of Japan (ASBJ) Statement No. 18; March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21; March 31, 2008). This does not impact profit/loss.</p> <p>②Accounting Method for Property Tax</p> <p>Under the accounting method adopted for property-related taxes, including property taxes, city planning taxes and depreciable property taxes, for owned real estate, of the tax amount determined to be imposed, the amount of taxes to be paid in the fiscal period under review used to be charged to rental expenses (expenses related to rent business). As of the fiscal period under review, the Investment Corporation changed the accounting method to one under which, of the tax amount determined to be imposed, the amount of taxes corresponding to the fiscal period under review is charged to rental expenses (expenses related to rent business).</p> <p>The recent increase in real estate and other acquisitions has increased the financial significance of the amount of property taxes, etc. charged to expenses. The change in accounting method is thus being made to more appropriately allocate expenses because the described circumstances are expected to persist.</p> <p>As a result, compared to the accounting method adopted prior to the change, operating expenses increase by ¥67,895 thousand and operating income, ordinary income and income before income taxes each decrease by said amount.</p>	<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>

**【Additional Information】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)										
<hr style="width: 20%; margin-left: auto; margin-right: 0;"/>	<p>The Investment Corporation concluded an agreement dated June 30, 2011 to sell the KDX Hirakawacho Building on April 5, 2011.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Property Name</td> <td>KDX Hirakawacho Building</td> </tr> <tr> <td>Type of Specified Asset</td> <td>Trust beneficiary interest in real estate</td> </tr> <tr> <td>Location</td> <td>1-4-12 Hirakawacho, Chiyoda-ku, Tokyo</td> </tr> <tr> <td>Seller</td> <td>Sanshin Co., Ltd.</td> </tr> <tr> <td>Planned Sales Price</td> <td>¥5,800,000 thousand</td> </tr> </table> <p>The aforementioned planned sales price excludes sales costs, adjusted amounts for property and city-planning tax, consumption tax, regional consumption tax, etc.</p> <p>Capital gains from the sale are estimated to be ¥535 million for the thirteenth fiscal period.</p>	Property Name	KDX Hirakawacho Building	Type of Specified Asset	Trust beneficiary interest in real estate	Location	1-4-12 Hirakawacho, Chiyoda-ku, Tokyo	Seller	Sanshin Co., Ltd.	Planned Sales Price	¥5,800,000 thousand
Property Name	KDX Hirakawacho Building										
Type of Specified Asset	Trust beneficiary interest in real estate										
Location	1-4-12 Hirakawacho, Chiyoda-ku, Tokyo										
Seller	Sanshin Co., Ltd.										
Planned Sales Price	¥5,800,000 thousand										

(Thousands of Yen)

Eleventh Fiscal Period (October 31, 2010)	Twelfth Fiscal Period (April 30, 2010)
*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 Same applies as left.
*2. Balance of undrawn credit facility The Investment Corporation established credit facilities with financial institutions. (Note)  Total credit facility 2,000,000 Drawn credit facility 2,000,000 Balance of Undrawn credit facility —	
Note: The commitment period of the commitment line agreement (total commitment line amount ¥2,000,000 thousand) concluded with The Bank of Tokyo-Mitsubishi UFJ, Ltd. has already expired. Furthermore, the expiration date of the commitment line agreement is March 31, 2011, set in the memorandum of understanding executed on September 26, 2008. However, since the commitment period already expired, the Investment Corporation can not undertake new borrowings.	
*3. Assets pledged as collateral and secured loans payable	*3. Assets pledged as collateral and secured loans payable
Assets pledged as collateral	Assets pledged as collateral
Cash and deposits 390,000	Cash and deposits 464,000
Cash and deposits in trust 4,694,003	Cash and deposits in trust 4,626,463
Buildings 7,040,275	Buildings 6,947,263
Structures 2,288	Structures 5,337
Machinery and equipment 12,160	Machinery and equipment 14,164
Tools, furniture and fixtures 7,891	Tools, furniture and fixtures 7,507
Land 12,547,562	Land 12,547,562
Buildings in trust 43,638,595	Buildings in trust 47,260,160
Structures in trust 91,714	Structures in trust 97,080
Machinery and equipment in trust 506,717	Machinery and equipment in trust 493,645
Tools, furniture and fixtures in trust 124,371	Tools, furniture and fixtures in trust 127,528
Land in trust 104,993,667	Land in trust 115,133,177
Right of using water facilities in trust 1,027	Right of using water facilities in trust 908
Total 174,050,274	Total 187,724,799
Secured loans payable	Secured loans payable
Short-term loans payable 6,300,000	Short-term loans payable 8,700,000
Current portion of long-term loans payable 35,250,000	Current portion of long-term loans payable 27,460,000
Long-term loans payable 49,017,000	Long-term loans payable 64,555,500
Total 90,567,000	Total 100,715,500
	*4 The amount of advanced depreciation of property, plant and equipment acquired by government subsidy Building in trust ¥26,230

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

(Thousands of Yen)

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
<b>*1. Breakdown of real estate rental business profit and loss</b>	
<b>A. Rental and other operating revenues</b>	
Rental revenues	
Leasing income	5,861,093
Common area charges	1,298,267
Total	7,159,361
Others	
Parking space rental revenues	242,536
Utility charge reimbursement	742,082
Miscellaneous	98,219
Subtotal	1,082,839
Total rental and operating revenues	8,242,200
<b>B. Rental and other operating expenses</b>	
Rental expenses	
Property management fees and facility management fees	804,754
Utilities	634,220
Taxes	648,652
Repairs and maintenance costs	149,673
Insurance	16,134
Trust fees	41,817
Others	81,042
Depreciation	1,440,311
Loss on retirement of fixed assets	1,143
Total property-related expenses	3,817,751
C. Rental business profit (A–B)	4,424,448
<b>*2. Gain and Loss on sale of real estate</b>	
①KDX Shinjuku-Gyoen Building	
Revenue from sale of the investment property	1,710,000
Costs of the investment property	1,569,750
Other sales' expenses	23,852
Gain on sale of real estate	116,396
②Court Shin-Okachimachi	
Revenue from sale of the investment property	790,000
Costs of the investment property	836,434
Other sales' expenses	17,914
Loss on sale of real estate	64,348

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

	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
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	233,550 units	233,550 units

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

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
*Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements. (As of October 31, 2010) (Thousands of Yen)	*Reconciliation of balance sheet items to cash and cash equivalents at end of period in the cash flows statements. (As of April 30, 2011) (Thousands of Yen)
Cash and bank deposits 10,416,712	Cash and bank deposits 7,925,308
Cash and deposits in trust 5,828,961	Cash and deposits in trust 5,869,654
Restricted bank deposits held in trust (Note 1) - 488,624	Restricted bank deposits held in trust (Note 1) -510,936
Longer than 3 months fixed deposits (Note 2) - 390,000	Longer than 3 months fixed deposits (Note 2) -464,000
Cash and cash equivalents <u>15,367,049</u>	Cash and cash equivalents <u>12,820,027</u>
Note 1: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.	Note 1: Restricted bank deposits held in trust are retained for repayment of tenant leasehold and security deposits held in trust.
Note 2: Longer than 3 months fixed deposits are fixed deposit which have a deposit term longer than 3 months.	Note 2: Longerr than 3 months fixed deposits are fixed deposit which have a deposit term longer than 3 months.

**【Notes to the Lease Transactions】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Operating lease transactions (Thousands of Yen) (Lessor)	Operating lease transactions (Thousands of Yen) (Lessor)
Unearned lease payments	Unearned lease payments
Due within one year 1,178,139	Due within one year 1,008,045
Due after one year 7,068,297	Due after one year 5,892,331
Total <u>8,246,436</u>	Total <u>6,900,376</u>

**【Notes to the Financial Instruments】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)

1. Items with Regard to the current status of Financial Instruments

(1) Action Policy with Regard to Financial Instruments

The Investment Corporation procures essential funds for acquiring properties and undertaking the repayment of loans primarily through bank loans and the issuance of corporate bonds and new investment accounts. The Investment Corporation makes use of derivative instruments primarily as a risk hedge against interest rate fluctuations and to lessen interest rate payments. In addition, it is company policy to not conduct speculative derivative transactions. Management of surplus funds is undertaken in a prudent manner that considers fully such factors as safety, liquidity, interest rate conditions and cash flows.

(2) Financial Instruments and Respective Risks

Loans and investment corporation bonds are used primarily for procuring funds necessary for the acquisition of properties and have a redemption date of a maximum of seven years following the accounting date. Although a certain portion of said liabilities are subject to interest rate fluctuation risks, the Investment Corporation utilizes derivative instruments (interest-rate swap transactions) in order to hedge against such risks.

Derivative instruments are interest-rate swap transactions that are used to hedge against interest rate fluctuation risks. Utilizing interest-rate swap transactions, the Investment Corporation fixed its interest payments for funds procured on a floating interest rate basis. With regard to hedge accounting methods, hedging instruments and hedged items, hedge policy, and the method of evaluation of hedge effectiveness, please see 4. Hedge Accounting Method in notes concerning Important Accounting Standards.

(3) Risk Management Structure with Regard to Financial Instruments

A. Management of Market Risk (Risk Associated with Fluctuations in Interest Rates and Others)

The Investment Corporation uses interest-rate swap transactions in order to minimize risks associated with interest payment rate fluctuations on funds procured.

B. Management of Liquidity Risk (Risk of Defaulting on Payments by the Due Date) Associated with Funds Procurement

Although loans and other liabilities are subject to liquidity risks, the Investment Corporation reduces such risks by spreading out payment due dates and by using diversified fund procurement methods. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

(4) Supplemental Explanation of Items with Regard to Fair Value of Financial Instruments

Included in the fair value of financial products are market prices, or, in the event market prices are not available, prices that are calculated on a rational basis. Because the factors incorporated into the calculation of these prices are subject to change, differing assumptions are adopted which may alter fair value.

2. Items with Regard to Fair Value of Financial Instruments

The book value per the balance sheet, fair values, as well as their difference as of October 31, 2010 are as follows:

	Book Value (Thousands of Yen)	Fair Value (Thousands of Yen)	Difference (Thousands of Yen)
(1) Cash and deposits	10,416,712	10,416,712	-
(2) Cash and deposits in trust	5,828,961	5,828,961	-
Total assets	16,245,673	16,245,673	-
(1) Short-term loans payable	6,300,000	6,300,000	-
(2) Investment corporation bonds	12,000,000	11,700,300	- 299,700
(3) Long-term loans payable	84,267,000	83,766,880	- 500,120
Total liabilities	102,567,000	101,767,180	- 799,820
Derivative Transaction			
Items that do not apply hedge accounting	-	-	-
Items that apply hedge accounting	- 7,420	- 7,420	-
Total derivative transactions	- 7,420	- 7,420	-

Note 1: Items with regard to the calculation method of financial instrument fair value together with investment securities and derivative transactions

Assets

(1) Cash and deposits (2) Cash and deposits in trust

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

Liabilities

(1) Short-term loans payable

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

## (2) Investment corporation bonds

The fair value of investment corporation bonds is based on market prices.

## (3) Long-term loans payable

The fair value of long-term borrowings is calculated based on the present value that discounts the total amount of principal and interest by using the estimated interest rate in the event that the Investment Corporation conducts new borrowings of the same type. Among interest rate fluctuations on long-term borrowings, said borrowings—which are subject to fixed interest rates resulting from interest-rate swaps and special treatment applied to said swaps—are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest-rate swaps, by the rationally estimated interest rate in the case that the same type of borrowings are undertaken.

Derivative Transaction

Please refer to the aforementioned “Derivative Transaction.”

## Note 2: Amount of redemption of monetary claims

	Less than or equal to 1 year (Thousands of Yen)
Cash and deposits	10,416,712
Cash and deposits in trust	5,828,961
Total	16,245,673

## Note 3: Investment corporation bonds, repayment of loans, planned repayment amount

	Less than or Equal to 1 yr. (Thousands of Yen)	1-2 yrs. (Thousands of Yen)	2-3 yrs. (Thousands of Yen)
Short-term loans payable	6,300,000	-	-
Investment corporation bonds	-	9,000,000	-
Long-term loans payable	35,250,000	15,410,000	12,880,000

	3-4 yrs. (Thousands of Yen)	4-5 yrs. (Thousands of Yen)	More than 5 yrs. (Thousands of Yen)
Short-term loans payable	-	-	-
Investment corporation bonds	-	-	3,000,000
Long-term loans payable	7,400,000	8,327,000	5,000,000

## Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)

## 1. Items with Regard to the current status of Financial Instruments

## (1) Action Policy with Regard to Financial Instruments

The Investment Corporation procures essential funds for acquiring properties and undertaking the repayment of loans primarily through bank loans and the issuance of corporate bonds and new investment accounts. The Investment Corporation makes use of derivative instruments primarily as a risk hedge against interest rate fluctuations and to lessen interest-rate payments. In addition, it is company policy to not conduct speculative derivative transactions. Management of surplus funds is undertaken in a prudent manner that considers fully such factors as safety, liquidity, interest rate conditions and cash flows.

## (2) Financial Instruments and Respective Risks

Loans and investment corporation bonds are used primarily for procuring funds necessary for the acquisition of properties and have a redemption date of a maximum of seven years following the accounting date. Although a certain portion of said liabilities are subject to interest rate fluctuation risks, the Investment Corporation utilizes derivative instruments (interest-rate swap transactions) in order to hedge against such risks.

Derivative instruments are interest-rate swap transactions that are used to hedge against interest rate fluctuation risks. Utilizing interest-rate swap transactions, the Investment Corporation fixed its interest payments for funds procured on a floating interest rate basis. With regard to hedge accounting methods, hedging instruments and hedged items, hedge policy, and the method of evaluation of hedge effectiveness, please see 4. Hedge Accounting Method in notes concerning Important Accounting Standards.

## (3) Risk Management Structure with Regard to Financial Instruments

## A. Management of Market Risk (Risk Associated with Fluctuations in Interest Rates and Others)

The Investment Corporation uses interest-rate swap transactions in order to minimize risks associated with interest payment rate fluctuations on funds procured.



## B. Management of Liquidity Risk (Risk of Defaulting on Payments by the Due Date) Associated with Funds Procurement

Although loans and other liabilities are subject to liquidity risks, the Investment Corporation reduces such risks by spreading out payment due dates and by using diversified fund procurement methods. Liquidity risk is also managed by such means as regularly checking the balance of cash reserves.

## (4) Supplemental Explanation of Items with Regard to Fair Value of Financial Instruments

Included in the fair value of financial products are market prices, or, in the event market prices are not available, prices that are calculated on a rational basis. Because the factors incorporated into the calculation of these prices are subject to change, differing assumptions are adopted which may alter fair value.

## 2. Items with Regard to Fair Value of Financial Instruments

The book value per the balance sheet, fair values, as well as their difference as of April 30, 2011 are as follows:

	Book Value (Thousands of Yen)	Fair Value (Thousands of Yen)	Difference (Thousands of Yen)
(1) Cash and deposits	7,925,308	7,925,308	-
(2) Cash and deposits in trust	5,869,654	5,869,654	-
Total assets	13,794,963	13,794,963	-
(1) Short-term loans payable	8,700,000	8,700,000	-
(2) Investment corporation bonds	12,000,000	11,737,200	-262,800
(3) Long-term loans payable	92,015,500	91,186,358	-829,142
Total liabilities	112,715,500	111,623,558	-1,091,942
Derivative Transaction	-	-	-

Note 1: Items with regard to the calculation method of financial instrument fair value together with investment securities and derivative transactions.

Assets

## (1) Cash and deposits, (2) Cash and deposits in trust

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

Liabilities

## (1) Short-term loans payable

Because these are settled in the short-term, the fair value can be considered as equivalent to the book value; therefore, the book value is used to determine fair value.

## (2) Investment corporation bonds

The fair value of investment corporation bonds is based on market prices.

## (3) Long-term loans payable

The fair value of long-term borrowings is calculated based on the present value that discounts the total amount of principal and interest by using the estimated interest rate in the event that the Investment Corporation conducts new borrowings of the same type. Among interest rate fluctuations on long-term borrowings, said borrowings—which are subject to fixed interest rates resulting from interest-rate swaps and special treatment applied to said swaps—are calculated by discounting the total amount of principal and interest, which is handled together with applicable interest-rate swaps, by the rationally estimated interest rate in the case that the same type of borrowings are undertaken.

Derivative Transaction

Please refer to the aforementioned “Derivative Transaction.”

## Note 2: Amount of redemption of monetary claims

	Less than or equal to 1 year (Thousands of Yen)
Cash and deposits	7,925,308
Cash and deposits in trust	5,869,654
Total	13,794,962

Note 3: Investment corporation bonds, repayment of loans, planned repayment amount

	Less than or Equal to 1 yr. (Thousands of Yen)	1-2 yrs. (Thousands of Yen)	2-3 yrs. (Thousands of Yen)
Short-term loans payable	8,700,000	-	-
Investment corporation bonds	9,000,000	-	-
Long-term loans payable	27,460,000	11,920,000	17,320,000

	3-4 yrs. (Thousands of Yen)	4-5 yrs. (Thousands of Yen)	More than 5 yrs. (Thousands of Yen)
Short-term loans payable	-	-	-
Investment corporation bonds	-	-	3,000,000
Long-term loans payable	14,515,500	17,800,000	3,000,000

**【Notes to the Marketable Securities】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
The Investment Corporation has not undertaken transactions in marketable securities. Accordingly, there is no information to disclose.	Same applies as left.

**【Notes to the Derivative Transactions】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)

(1) Items that do not apply hedge accounting

Not applicable

(2) Items that apply hedge accounting

Hedge accounting method	Type of Derivative Transactions	Main target risk hedge
Accounting method, in principle	Interest-rate swap transaction Fixed rate payable Floating rate receivable	Long-term loans payable
Special treatment of interest-rate swaps	Interest-rate swap transaction Fixed rate payable Floating rate receivable	Long-term loans payable

Hedge accounting method	Contracted amount (Thousands of Yen)		Fair value (Thousands of Yen)	Calculation method for applicable fair value
		More than 1 yr.		
Accounting method, in principle	1,500,000	-	- 7,420	*1
Special treatment of interest rate swaps	14,000,000	4,500,000	*2	
Total	15,500,000	4,500,000	- 7,420	

\*1 In accordance with the amount provided by counterparty financial institutions.

\*2 Special treatment of interest-rate swaps are reported at the fair value of applicable long-term loans payable. This is because such swaps are handled together with hedged long-term loans payable.

Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)

(1) Items that do not apply hedge accounting

Not applicable

(2) Items that apply hedge accounting

Hedge accounting method	Type of Derivative Transactions	Main target risk hedge
Special treatment of interest-rate swaps	Interest-rate swap transaction Fixed rate payable Floating rate receivable	Long-term loans payable

Hedge accounting method	Contracted amount (Thousands of Yen)		Fair value (Thousands of Yen)	Calculation method for applicable fair value
		More than 1 yr.		
Special treatment of interest-rate swaps	10,000,000	1,000,000	*	
Total	10,000,000	1,000,000		

\* Special treatment of interest-rate swaps are reported at the fair value of applicable long-term loans payable. This is because such swaps are handled together with hedged long-term loans payable.

**【Notes to the Retirement Payment】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
The Investment Corporation does not maintain a retirement payment system. Accordingly, there is no information to disclose.	Same applies as left.

**【Asset Retirement Obligations】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Not applicable	Same applies as left.

**【Segment and Related Information】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
<p>1. Segment Information Disclosure is omitted because the real estate leasing business is the Investment Corporation's sole business and it has no reportable segment subject to disclosure.</p> <p>2. Related Information</p> <p>(1) Information about each product and service Disclosure is omitted because net sales to external customers for a single product/service category account for over 90% of the operating revenue on the statement of income.</p> <p>(2) Information about each geographic area</p> <p>A. Net sales Disclosure is omitted because net sales to external customers in Japan account for over 90% of the operating revenue on the statement of income.</p> <p>B. Property, plant and equipment Disclosure is omitted because the amount of property, plant and equipment located in Japan accounts for over 90% of the amount of property, plant and equipment on the balance sheet.</p> <p>(3) Information about each major customer Disclosure is omitted because net sales to a single external customer account for less than 10% of the operating revenue on the statement of income.</p> <p>(Additional Information) From the fiscal period under review, the Investment Corporation has applied "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17; March 27, 2009) and "Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Guidance No. 20; March 21, 2008). Disclosure of segment information for the previous fiscal period in accordance with the Accounting Standard, etc. is omitted because the real estate leasing business is the Investment Corporation's only segment.</p>	<p>1. Segment Information Same applies as left.</p> <p>2. Related Information</p> <p>(1) Information about each product and service Same applies as left.</p> <p>(2) Information about each geographic area</p> <p>A. Net sales Same applies as left.</p> <p>B. Property, plant and equipment Same applies as left.</p> <p>(3) Information about each major customer Same applies as left.</p>

**【Tax-Effect Accounting】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)		Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)	
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	10	Enterprise tax payable not included in expenses	39
Unrealized loss from deferred hedge transactions	2,918	Amortization of leasehold rights in trust	253
Total deferred tax assets	2,929	Subtotal deferred tax assets	293
		Valuation Allowance	-253
		Total deferred tax assets	39
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 (%)	
Statutory tax rate	39.33	Statutory tax rate	39.33
(Adjustments)		(Adjustments)	
Deductible cash distributions	-38.32	Deductible cash distributions	- 39.31
Others	- 0.97	Others	0.04
Effective tax rate	0.04	Effective tax rate	0.06

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

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2009 to April 30, 2011)
The Investment Corporation has no affiliated companies accounted for under the equity-method. Accordingly, there is no information to disclose.	Same applies as left.

**【Related-Party Transactions】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)

1. Parent Company, corporate shareholders and other: None
2. Affiliated companies and other: None
3. Fellow subsidiary companies and other: None
4. 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)	470,533 (Note 2) (Note 4)	Accounts Payable -other	84,718 (Note 4)
As above	As above	As above	As above	Payment of business consignment fee to Kenedix REIT Management, Inc. (Note 3)	1,500 (Note4)	—	—
As above	As above	As above	As above	Payment of property management fee to Kenedix REIT Management, Inc. (Note 5)	304,690 (Note 4)	Accounts Payable	54,543 (Note 4)

Notes:

1. Taisuke Miyajima served 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 ¥12,500 thousand management fee related to the acquisition of property are accounted for in the book value for the individual real estate.
3. Taisuke Miyajima served 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 the deal amount, and are included in the balance of the end of period.
5. Taisuke Miyajima served 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 ¥11,324 thousand related to the acquisition of property are accounted for in the book value, and ¥3,800 thousand related to the sale of properties are accounted for in sales expense for the individual real estate.

Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)

1. Parent Company, corporate shareholders and other: None
2. Affiliated companies and other: None
3. Fellow subsidiary companies and other: None
4. 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)	500,806 (Note 2) (Note 4)	Accounts Payable -other	75,060 (Note 4)
As above	As above	As above	As above	Payment of business consignment fee to Kenedix REIT Management, Inc. (Note 3)	6,500 (Note4)	—	—

Attributes	Name	Business Activities / Position	Ratio of Possession of Voting Rights (%)	Details of Business	Deal Amount (¥Thousands)	Accounting Term	Balance of Period End (¥Thousands)
As above	As above	As above	As above	Payment of property management fee to Kenedix REIT Management, Inc. (Note 5)	313,752 (Note 4)	Accounts Payable	65,086 (Note 4)

Notes:

1. Taisuke Miyajima served 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 ¥58,700 thousand sales fee related to the sale of property are accounted for in the sales expense for the individual real estate.
3. Taisuke Miyajima served 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 the deal amount, and are included in the balance of the end of period.
5. Taisuke Miyajima served 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 ¥28,522 thousand related to the acquisition of property are accounted in book value for the individual real estate.

### 【Fair Value of Real Estate for Rental Purposes】

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)

The Investment Corporation owns real estate for rental purposes mainly in the Tokyo Metropolitan Area for the purpose of generating rental revenue.

The book value per balance sheet for the fiscal period under review and fair value concerning the above real estate for rental purposes are as follows:

Book Value (Thousands of Yen)			Fair value at the end of current period (Thousands of Yen)
Balance at the end of previous period	Changes during the period	Balance at the end of current period	
237,204,249	- 3,479,142	233,725,107	209,597,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Fair value at the end of the fiscal period under review is the appraisal value determined by outside appraisers.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the fiscal period under review, principal increases were the sales of real estate trust beneficiary interests to two properties totaling ¥2,406,185 thousand, and depreciation amounting to ¥1,440,311 thousand.

Income and loss in the fiscal period ended October 31, 2010 for real estate for rental purposes is listed in Notes Concerning Statements of Income.

Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)

The Investment Corporation owns real estate for rental purposes mainly in the Tokyo Metropolitan Area for the purpose of generating rental revenue.

The book value per balance sheet for the fiscal period under review and fair value concerning the above real estate for rental purposes are as follows:

Book Value (Thousands of Yen)			Fair value at the end of current period (Thousands of Yen)
Balance at the end of previous period	Changes during the period	Balance at the end of current period	
233,725,107	12,462,272	246,187,379	222,664,000

Note 1: Book value excludes accumulated depreciation from acquisition costs.

Note 2: Fair value at the end of the fiscal period under review is the appraisal value determined by outside appraisers. KDX Hirakawacho Building is calculated based on the sales price of ¥5,800 million under the sales and purchase agreement dated April 5, 2011.

Note 3: Among changes in the amount of real estate for rental purposes that occurred during the fiscal period under review, principal increases were the sales of real estate trust beneficiary interests to four properties totaling ¥13,298,226 thousand, and depreciation amounting to ¥1,406,895 thousand.

Income and loss in the fiscal period ended October 31, 2010 for real estate for rental purposes is listed in Notes Concerning Statements of Income.

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

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)		Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)	
Unitholders' Equity per Unit	¥581,170	Unitholders' Equity per Unit	¥580,199
Net Income per Unit	¥11,162	Net Income per Unit	¥9,890
Net Income per Unit is calculated by dividing Net Income by the weighted average (based on number of days) number of units.		Net Income per Unit is calculated by dividing Net Income by the weighted average (based on number of days) number of units.	
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.

	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Net Income (¥ thousand)	2,607,056	2,309,995
Amount not vested in ordinary investors (¥ thousand)	—	—
Net income for ordinary units (¥ thousand)	2,607,056	2,309,995
Average number of units during the period (unit)	233,550	233,550

**【Important Subsequent Events】**

Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Not applicable	Same applies as left.



**(7) 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)
November 16, 2009	Public offering	33,550	233,550	8,156	133,129	(Note 8)

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.
8. 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 ¥252,200 per unit with an issue price of ¥243,100 per unit.

**4. Resignation/Appointment of the Directors**

During the twelfth fiscal period (fiscal period ended April 30, 2011), there was no resignation/appointment of Directors.

## 5. Reference Information

### (1) Component of Assets

Type of Specified Asset	Type	Area	Eleventh Fiscal Period (As of October 31, 2010)		Twelfth Fiscal Period (As of April 30, 2011)	
			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	30,510	12.2	30,394	11.6
		Other Regional Areas	12,539	5.0	12,450	4.8
Total for Real Estate			43,050	17.1	42,845	16.4
Trust Beneficiary Interest in Real Estate	Office Buildings	Tokyo Metropolitan Area	150,075	59.8	158,143	60.4
		Other Regional Areas	18,950	7.5	23,700	9.0
	Total for Office Buildings		169,026	67.3	181,843	69.4
	Residential Properties	Tokyo Metropolitan Area	7,329	2.9	7,262	2.8
		Other Regional Areas	1,875	0.7	1,852	0.7
	Total for Residential Properties		9,204	3.7	9,114	3.5
Central Urban Retail Properties	Tokyo Metropolitan Area	12,443	5.0	12,383	4.7	
Total of Trust Beneficiary Interests in Real Estate			190,674	75.9	203,341	77.6
Bank Deposits and Other Assets			17,354	6.9	15,741	6.0
Total Assets			251,080	100.0	261,928	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 ¥1 million.
2. "Ratio" is the ratio of the amount allocated in the balance sheets to the total assets rounded to the first decimal place.

	Eleventh Fiscal Period (As of October 31, 2010)		Twelfth Fiscal Period (As of April 30, 2011)	
	Price (Millions of Yen)	Ratio (%)	Price (Millions of Yen)	Ratio (%)
Total of Liabilities	115,347	45.9	126,423	48.3
Total Unitholders' Equity	135,732	54.1	135,505	51.7
Total of Assets	251,080	100.0	261,928	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 Twelfth 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 Hatumi Building	10,250	9,845	10,000	10,200	4.9	9,800	4.6	5.0	A	4.1
		A-40	Toranomon Toyo Building	9,850	9,867	9,690	9,890	4.7	9,480	4.5	5.0	A	3.9
		A-46	Hiei Kudan-Kita Building	7,600	7,594	7,560	7,890	4.8	7,420	4.6	5.0	B	3.0
		A-66	KDX Shinjuku Building	6,800	6,872	6,560	6,620	4.7	6,500	4.5	4.9	A	2.7
		A-37	KDX Ochanomizu Building	6,400	6,690	6,460	6,550	4.9	6,360	4.7	5.1	A	2.5
		A-32	KDX Shiba-Daimon Building	6,090	6,234	4,880	4,910	5.1	4,850	4.9	5.3	A	2.4
		A-13	KDX Kojimachi Building	5,950	5,665	4,230	4,270	4.6	4,190	4.4	4.8	A	2.4
		A-1	KDX Nihonbashi 313 Building	5,940	6,147	7,170	7,340	4.9	7,090	4.7	5.1	B	2.4
		A-47	KDX Shin-Yokohama 381 Building (Note 6)	5,800	5,899	4,210	4,240	5.8	4,170	5.6	6.0	A	2.3
		A-16	Toshin-24 Building	5,300	5,148	4,240	4,300	5.7	4,180	5.5	5.9	A	2.1
		A-2	KDX Hirakawacho Building (Note 7)	5,180	5,130	4,910	5,090	4.8	4,830	4.6	5.0	B	2.1
		A-17	Ebisu East 438 Building	4,640	4,564	4,150	4,170	5.2	4,130	4.9	5.4	A	1.8
		A-3	Higashi-Kayabacho Yuraku Building	4,450	4,399	5,180	5,240	5.1	5,110	4.9	5.3	A	1.8
		A-39	KDX Toranomon Building	4,400	4,816	3,540	3,570	4.5	3,500	4.3	4.7	A	1.7
		A-67	Kyodo Building (Ginza No.8)	4,300	4,323	4,590	4,700	4.6	4,540	4.4	4.8	B	1.7
		A-30	KDX Nishi-Gotanda Building	4,200	4,092	3,750	3,780	5.2	3,710	5.1	5.5	A	1.7
		A-68	Kyodo Building (Honcho 1chome)	4,000	4,024	4,330	4,380	4.9	4,310	4.7	5.1	B	1.6
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	3,760	3,843	3,410	3,410	6.3	3,410	5.9	6.5	A	1.5
		A-4	KDX Hatchobori Building	3,680	3,371	3,380	3,400	5.1	3,370	4.9	5.3	B	1.4
		A-18	KDX Omori Building	3,500	3,393	3,650	3,680	5.5	3,620	5.3	5.7	A	1.4
		A-19	KDX Hamamatsucho Building	3,460	3,285	3,180	3,290	4.8	3,130	4.6	5.0	B	1.4
		A-45	KDX Roppongi 228 Building	3,300	3,440	2,130	2,160	4.9	2,100	4.6	5.0	A	1.3
		A-62	Koishikawa TG Building	3,080	3,153	3,200	3,230	5.2	3,170	5.0	5.4	A	1.2
		A-29	KDX Higashi-Shinjuku Building	2,950	3,175	3,320	3,400	5.3	3,290	5.1	5.5	B	1.1
		A-20	KDX Kayabacho Building	2,780	2,838	3,180	3,180	5.4	3,170	5.1	5.6	A	1.1
		A-56	KDX Jimbocho Building	2,760	2,914	1,790	1,800	5.6	1,770	5.2	5.7	A	1.1
		A-49	Nissou Dai-17 Building	2,710	2,645	1,600	1,620	5.8	1,570	5.6	6.0	A	1.0
		A-21	KDX Shinbashi Building	2,690	2,657	2,840	2,850	4.7	2,820	4.3	4.9	A	1.0
		A-63	Gotanda TG Building	2,620	2,812	2,520	2,530	5.5	2,500	5.2	5.6	A	1.0
		A-5	KDX Nakano-Sakaue Building	2,533	2,451	2,350	2,370	5.5	2,340	5.3	5.7	B	1.0
		A-22	KDX Shin-Yokohama Building	2,520	2,483	2,340	2,360	5.9	2,310	5.7	6.1	A	1.0
		A-6	Harajuku F.F. Building	2,450	2,446	2,910	2,930	5.7	2,880	5.5	5.9	A	0.9
A-50	Ikejiri-Ohashi Building	2,400	2,471	1,620	1,640	6.0	1,600	5.8	6.2	A	0.9		
A-27	KDX Kajicho Building	2,350	2,403	2,280	2,340	5.2	2,260	5.0	5.4	B	0.9		
A-51	KDX Hamacho Nakanohashi Building	2,310	2,365	1,680	1,700	5.5	1,660	5.3	5.7	A	0.9		
A-15	KDX Hamacho Building	2,300	2,273	2,390	2,400	5.4	2,370	5.2	5.6	A	0.9		
A-41	KDX Shinjuku 286 Building	2,300	2,340	2,100	2,120	5.2	2,070	5.0	5.4	A	0.9		
A-7	FIK Minami Aoyama	2,270	2,257	2,110	2,140	4.9	2,080	4.7	5.1	A	0.9		
A-14	KDX Funabashi Building	2,252	2,430	1,980	1,980	6.1	1,970	5.9	6.3	A	0.9		
A-61	KDX Hamamatsucho Dai-2 Building	2,200	2,261	1,920	1,960	4.7	1,900	4.5	4.9	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 Twelfth 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-55	Shin-toshin Maruzen Building	2,110	2,160	1,570	1,570	5.5	1,560	5.1	5.7	A	0.8
		A-64	KDX Nihonbashi 216 Building	2,010	1,992	1,850	1,870	4.9	1,820	4.7	5.1	A	0.8
		A-33	KDX Okachimachi Building	2,000	2,134	1,790	1,830	5.2	1,770	5.1	5.4	B	0.8
		A-57	KDX Gobancho Building	1,951	1,997	1,480	1,500	5.1	1,460	4.9	5.3	A	0.7
		A-8	Kanda Kihara Building	1,950	1,863	1,870	1,910	5.1	1,850	4.9	5.3	B	0.7
		A-23	KDX Yotsuya Building	1,950	1,998	2,360	2,380	5.5	2,340	5.3	5.7	A	0.7
		A-59	KDX Iwamoto-cho Building	1,864	1,821	1,330	1,340	5.5	1,320	5.3	5.7	A	0.7
		A-26	KDX Kiba Building	1,580	1,580	1,550	1,560	5.8	1,540	5.6	6.0	A	0.6
		A-38	KDX Nishi-Shinjuku Building	1,500	1,530	1,220	1,230	5.3	1,210	5.1	5.5	A	0.6
		A-31	KDX Monzen-Nakacho Building	1,400	1,420	1,270	1,300	5.6	1,260	5.4	5.8	B	0.5
		A-52	KDX Kanda Misaki-cho Building	1,380	1,381	990	1,000	5.4	980	5.2	5.6	A	0.5
		A-34	KDX Hon-Atsugi Building	1,305	1,202	1,070	1,060	6.3	1,070	6.1	6.5	B	0.5
		A-35	KDX Hachioji Building	1,155	1,294	821	821	5.9	821	5.7	6.1	B	0.4
	A-28	KDX Nogizaka Building	1,065	1,125	833	841	5.5	825	5.3	5.7	A	0.4	
	Other Regional Areas	A-58	KDX Nagoya Sakae Building	7,550	7,630	4,710	4,840	5.2	4,660	5.0	5.4	B	3.0
		A-12	Portus Center Building	5,570	4,682	4,590	4,600	6.4	4,580	6.2	6.6	B	2.2
		A-42	Karasuma Building	5,400	5,431	5,020	5,120	5.6	4,970	5.4	5.8	B	2.1
		A-53	KDX Hakata-Minami Building	4,900	4,819	3,690	3,730	6.5	3,650	6.3	6.7	A	1.9
		A-69	KDX Kobayashi-Doshomachi Building	2,870	2,847	2,970	3,000	6.9	2,940	5.3	7.3	A	1.1
		A-54	KDX Kitahama Building	2,220	2,224	1,670	1,670	6.0	1,670	5.6	6.2	A	0.9
A-44		KDX Sendai Building	2,100	2,167	1,440	1,430	6.1	1,450	6.1	6.3	B	0.8	
A-70		Kitananajo SIA Building	2,005	2,034	2,050	2,100	5.8	2,030	5.6	6.0	B	0.8	
A-24		KDX Minami Sembai-1 Building	1,610	1,476	1,060	1,060	5.8	1,050	5.6	6.0	A	0.6	
A-25		KDX Minami Sembai-2 Building	1,560	1,379	1,130	1,140	5.8	1,120	5.6	6.0	A	0.6	
A-36	KDX Niigata Building	1,305	1,455	872	885	7.3	859	7.1	7.5	A	0.5		
Subtotal of Office Buildings (65 properties)				224,636	224,688	202,536	205,417	-	200,335	-	-	-	91.1
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	5,353	5,064	4,480	4,520	5.3	4,440	5.1	5.5	A	2.1
		B-3	Court Mejiro	1,250	1,182	951	955	5.5	946	5.3	5.7	A	0.5
		B-34	Gradito Kawaguchi	1,038	1,014	937	944	5.8	929	5.6	6.0	A	0.4
	Other Regional Areas	B-18	Venus Hibiugaoka	1,800	1,852	1,400	1,400	7.1	1,400	6.9	7.3	A	0.7
Subtotal of Residential Properties (4 properties)				9,441	9,114	7,768	7,819	-	7,715	-	-	-	3.8
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	9,900	9,853	9,550	9,600	4.7	9,490	4.4	4.8	A	4.0
		C-2	KDX Yoyogi Building	2,479	2,530	1,920	1,920	5.3	1,910	4.9	5.5	A	1.0
Subtotal of Central Urban Retail Properties (2 properties)				12,379	12,383	11,470	11,520	-	11,400	-	-	-	5.0
Total of 71 properties				246,456	246,187	221,774	224,756	-	219,450	-	-	-	100.0

## Notes:

1. Acquisition price is the purchase price for trust beneficiary interests or properties acquired by the Investment Corporation (excluding acquisition costs, property tax, city-planning tax, and consumption tax, etc., 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 twelfth 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 Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd.

4. As of the fiscal period under review, appraisals of the properties are entrusted to two appraisers: Japan Real Estate Institute and Daiwa Real Estate Appraisal Co., Ltd. In the table, the appraisers are referred to as "A" for Japan Real Estate Institute and "B" for Daiwa Real Estate Appraisal Co., Ltd.
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. The figures entered in the subtotal and total columns are those obtained by dividing the subtotal (total) of acquisition prices of properties corresponding to each subtotal and total column by the total acquisition price of the entire assets (71 properties).
6. KDX Shin-Yokohama 381 Building: Starting from disclosures pertaining to the fiscal period ended October 2010, A-47 KDX Shin-Yokohama 381 Building (existing tower) (acquisition price: ¥4,700 million) and A-65 KDX Shin-Yokohama 381 Building Annex Tower (acquisition price: ¥1,100 million) are indicated collectively as one property. Same applies below.
7. The Investment Corporation plans to sell KDX Hirakawacho Building on June 30, 2011. Same applies below.

## ② Property Distribution

### Property Types

Type	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Office Buildings	65	224,636	91.1
Residential Properties	4	9,441	3.8
Central Urban Retail Properties	2	12,379	5.0
Total	71	246,456	100.0

### Geographic Distribution

Area	Number of Properties	Acquisition Price (Millions of Yen)	Ratio (Note) (%)
Tokyo Metropolitan Area	59	207,566	84.2
Other Regional Areas	12	38,890	15.7
Total	71	246,456	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	-	-	-
1,000 - 2,500	33	61,420	24.9
2,500 - 5,000	22	76,103	30.8
5,000 - 7,500	11	63,783	25.8
7,500 - 10,000	4	34,900	14.1
10,000 - 12,500	1	10,250	4.1
Total	71	246,456	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.

## ③ Details of Investment Real Estate and Trust Real Estate

## A. 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 (%)(Note 6)
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-66	KDX Shinjuku Building	1,118.12	Offices, Retail Shops Parking	10,348.02	SRC B4F11	May 1993	1.78
		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	1,188.28	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-47	KDX Shin-Yokohama 381 Building (Note 7)	1,229.24	Offices, Retail Shops, Garbage Room, Parking	10,290.30	SRC・RC B1F10	March 1988 (Note 8)	12.02
		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-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	Offices Retail Shops	2,277.38	SRC B1F9	April 1988	8.07
		A-67	Kyodo Building (Ginza No.8)	678.24	Offices, Bank	4,724.62	SRC F9	March 1991	8.41
		A-30	KDX Nishi-Gotanda Building	684.41	Offices, Parking	5,192.87	SRC B1F8	November 1992	8.28
		A-68	Kyodo Building (Honcho 1chome)	583.40	Offices, Parking	5,110.45	SRC B1F9	January 1984	7.92
		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	April 1989	8.95		

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 (%)(Note 6)
Office Buildings	Tokyo Metropolitan Area	A-62	Koishikawa TG Building	1,250.42	Offices, Parking	5,862.02	SRC B1F8	November 1989	7.54
		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
		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-63	Gotanda TG Building	582.90	Offices, Parking Storage	4,440.61	SRC B1F9	April 1988	8.37
		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-64	KDX Nihonbashi 216 Building	307.77	Offices	1,871.62	SRC F9	October 2006	6.99
		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		

Type	Area	No.	Property Name	Site Area (㎡) (Note 1)	Usage (Note 2)	Total Floor Area (㎡) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Office Buildings	Tokyo Metropolitan Area	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-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
		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
	Other Regional Areas	A-58	KDX Nagoya Sakae Building	1,192.22	Offices, Retail Shops	9,594.00	S F11	April 2009	2.87
		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-69	KDX Kobayashi-Doshomachi Building (Note 9)	1,561.04	Offices, Parking Retail Shops	10,723.83	S · SRC B1F12	July 2009	13.79
		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-70	Kitananajo SIA Building	819.44	Offices	5,503.90	SRC B1F9	October 1989	0.51
		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 (65 properties)				-	-	-	-	Average of 21.4 yrs (Note 8)	-
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-34	Gradito Kawaguchi	423.94	Residential Complex Retail Shops	1,705.38	RC F12	February 2006	6.46



Type	Area	No.	Property Name	Site Area (㎡) (Note 1)	Usage (Note 2)	Total Floor Area (㎡) (Note 3)	Type of Structure (Note 4)	Completion Date (Note 5)	PML (%) (Note 6)
Residential Properties	Other Regional Areas	B-18	Venus Hibarigaoka	8,595.00	Residential Complex	14,976.25	①RC F6 ②RC F5 ③RC F6	March 1989	5.20
Subtotal of Residential Properties (4 properties)				-	-	-	-	Average of 10.8 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)				-	-	-	-	Average of 8.8 yrs	-
Total of 71 properties				-	-	-	-	Average of 20.4 yrs (Note 8)	5.15 (Note 6)

## Notes:

1. Site area data is based on figures recorded in the land register (including relevant figures for leasehold land, if any). Data may not match with the actual current status. In the case of buildings with compartmentalized ownership, the figure indicates the site area of the entire land subject to site rights.
2. Usage is based on data recorded in the land register. For buildings with compartmentalized ownership, the usage type of areas covered by the relevant ownership is shown.
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. For buildings with compartmentalized ownership, the structure and the number of floors of the entire building that includes the compartmentalized ownership is shown. 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 April 30, 2011, and is rounded down to the nearest first decimal place.
6. Probable Maximum Loss (PML) data is based on a survey provided by NKSJ Risk Management, Inc. as of February 2011. The Portfolio PML is the data based on 71 properties.
7. KDX Shin-Yokohama 381 Building is comprised from two compartmentalized buildings within a single building. By consolidating them together, they become a property that comprises the entire building (total ownership ratio: 100%).
8. The completion date of the existing tower is shown for the completion date of KDX Shin-Yokohama 381 Building. Upon calculating the weighted-average portfolio age, the completion date (April 2009) for the KDX Shin-Yokohama 381 Building Annex Tower is not considered.
9. KDX Kobayashi Doshomachi Building includes the term leasehold interest with a special agreement to transfer building. In addition, the rent for land to the land owner (Kobayashi Pharmaceutical Co., Ltd.) is stipulated according to specific terms under the land lease agreement and the annual rent to be paid is ¥80.7 million until August 2014.

## B. Capital Expenditure

## (a) Planned capital expenditures

Major capital expenditure plans for renovation of properties in which the Investment Corporation holds for the thirteenth fiscal period (May 1, 2011 to October 31, 2011) are as follows. Planned capital expenditure may include 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 Higashi-Shinjuku Building (Shinjuku-ku, Tokyo)	Upgrade of restrooms · common areas, other	May 2011 to October 2011	78	-	-
Kitananajo SIA Building (Sapporo, Hokkaido)	Air conditioning system construction, other	As above	59	-	-
KDX Nakano-Sakaue Building (Nakano-ku, Tokyo)	Upgrade of external walls, other	As above	58	-	-
Harajuku F.F. Building (Shibuya-ku, Tokyo)	Upgrade of external walls, other	As above	48	-	-
Shin-toshin Maruzen Building (Shinjuku-ku, Tokyo)	Upgrade of external walls, other	As above	34	-	-

## (b) Capital Expenditures during the Fiscal Period Under Review (fiscal period ended April 30, 2011)

The Investment Corporation undertook the following major capital expenditures as follows. In the fiscal period under review (fiscal period ended April 30, 2011), the Investment Corporation completed work across its entire portfolio totaling ¥698 million. This total comprised of ¥574 million in capital expenditures and ¥123 million for repairs, maintenance and renovation expenses.

Property Name (Location)	Purpose	Schedule	Amount of Capital Expenditures (Millions of Yen)
Gotanda TG Building (Shinagawa-ku, Tokyo)	Air conditioning system construction, upgrade of restrooms · common areas, other	November 2010 to April 2011	108
KDX Shin-Yokohama Building (Yokohama-shi, Kanagawa)	Air conditioning system construction, other	As above	71
Ebisu East 438 Building (Shibuya-ku, Tokyo)	Air conditioning system construction, other	As above	71
KDX Hamacho Building (Chuo-ku, Tokyo)	Air conditioning system construction, other	As above	66
KDX Yotsuya Building (Shinjuku-ku, Tokyo)	Air conditioning system construction, other	As above	52
Others			205
Portfolio Total			574

Note: The amounts of the capital expenditures are rounded down 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	Eighth Fiscal Period (November 1, 2008 to April 30, 2009)	Ninth Fiscal Period (May 1, 2009 to October 31, 2009)	Tenth Fiscal Period (November 1, 2009 to April 30, 2010)	Eleventh Fiscal Period (May 1, 2010 to October 31, 2010)	Twelfth Fiscal Period (November 1, 2010 to April 30, 2011)
Reserve for the end of the previous period	552	477	469	444	430
Reserve for the fiscal period under review	93	71	29	-	10
Reversal of reserve for the fiscal period under review	167	79	54	14	-
Reserve brought forward to the next period	477	469	444	430	440

## C. Details of the Tenants

(As of April 30, 2011)

Type	Area	No.	Property Name	Total Leasable Floor Area (mf)(Note 1)	Total Leased Floor Area (mf)(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	9,122.60	-	-	6	98.2	352,822	496,959
		A-40	Toranomon Toyo Building	6,362.78	6,362.78	-	-	12	100.0	301,171	534,705
		A-46	Hiei Kudan-Kita Building	6,903.94	6,622.37	-	-	14	95.9	238,101	330,638
		A-66	KDX Shinjuku Building	5,887.37	5,887.37	-	-	22	100.0	264,048	365,009
		A-37	KDX Ochanomizu Building	5,880.88	5,880.88	-	-	5	100.0	211,315	242,639
		A-32	KDX Shiba-Daimon Building	5,984.71	5,984.71	-	-	9	100.0	196,310	256,990
		A-13	KDX Kojimachi Building	3,792.64	3,792.64	-	-	10	100.0	140,911	231,525
		A-1	KDX Nihonbashi 313 Building	5,899.56	4,233.77	-	-	8	71.8	196,910	224,481
		A-47	KDX Shin-Yokohama 381 Building	8,131.94	7,281.74	-	-	35	89.5	158,218	242,894
		A-16	Toshin-24 Building	6,618.37	5,607.45	-	-	15	84.7	154,708	227,542
		A-2	KDX Hirakawacho Building	4,457.97	4,457.97	4	4	18	100.0	167,316	207,610
		A-17	Ebisu East 438 Building	3,077.61	3,077.61	-	-	7	100.0	132,781	243,015
		A-3	Higashi-Kayabacho Yuraku Building	4,413.17	4,413.17	-	-	7	100.0	173,778	246,519
		A-39	KDX Toranomon Building	1,966.56	1,966.56	-	-	7	100.0	109,725	183,786
		A-67	Kyodo Building (Ginza No.8)	3,573.59	3,573.59	-	-	5	100.0	57,471	182,026
		A-30	KDX Nishi-Gotanda Building	3,881.58	3,881.58	-	-	5	100.0	153,837	211,542
		A-68	Kyodo Building (Honcho 1chome)	3,998.39	3,998.39	-	-	6	100.0	124,104	160,331
		A-48	KDX Kawasaki-Ekimae Hon-cho Building	5,124.98	5,124.98	-	-	1	100.0	165,491	155,091
		A-4	KDX Hatchobori Building	3,323.83	3,323.83	-	-	6	100.0	136,137	148,343
		A-18	KDX Omori Building	4,945.03	4,945.03	-	-	10	100.0	164,556	227,454
		A-19	KDX Hamamatsucho Building	2,724.35	2,724.35	-	-	8	100.0	101,171	137,148
		A-45	KDX Roppongi 228 Building	1,909.08	1,242.01	-	-	6	65.1	41,580	58,188
		A-62	Koishikawa TG Building	3,944.26	3,944.26	-	-	5	100.0	135,979	165,511
		A-29	KDX Higashi-Shinjuku Building	5,927.09	5,927.09	-	-	8	100.0	144,365	162,535
		A-20	KDX Kayabacho Building	3,019.95	3,019.95	-	-	5	100.0	121,654	190,438
		A-56	KDX Jimbocho Building	2,321.10	1,735.26	-	-	2	74.8	60,710	76,050
		A-49	Nissou Dai-17 Building	2,739.62	2,366.99	-	-	5	86.4	65,179	65,318
		A-21	KDX Shinbashi Building	1,696.62	1,696.62	-	-	6	100.0	97,627	129,117
		A-63	Gotanda TG Building	3,169.57	2,535.34	-	-	8	80.0	68,978	119,027
		A-5	KDX Nakano-Sakaue Building	4,389.65	4,389.65	18	18	25	100.0	100,946	98,765
		A-22	KDX Shin-Yokohama Building	4,802.64	4,472.68	-	-	18	93.1	80,334	154,064
		A-6	Harajuku F.F. Building	3,068.36	3,068.36	-	-	3	100.0	112,771	169,103
		A-50	Ikejiri-Oohashi Building	2,449.11	1,821.51	-	-	6	74.4	80,142	81,271
		A-27	KDX Kajicho Building	2,564.11	2,564.11	-	-	10	100.0	74,680	100,026
		A-51	KDX Hamacho Nakanohashi Building	2,240.08	2,240.08	-	-	9	100.0	52,259	80,006
		A-15	KDX Hamacho Building	3,106.00	3,106.00	-	-	9	100.0	94,142	137,548
		A-41	KDX Shinjuku 286 Building	2,447.80	2,447.80	-	-	9	100.0	86,888	104,287
		A-7	FIK Minami Aoyama	1,814.56	1,814.56	-	-	8	100.0	71,439	109,093
		A-14	KDX Funabashi Building	3,861.69	3,861.69	-	-	19	100.0	105,303	127,312
		A-61	KDX Hamamatsucho Dai-2 Building	1,953.50	1,953.50	-	-	8	100.0	64,382	99,097
A-55	Shin-toshin Manzen Building	1,922.79	1,922.79	-	-	5	100.0	64,276	92,798		
A-64	KDX Nihonbashi 216 Building	1,615.20	1,615.20	-	-	7	100.0	56,749	115,142		
A-33	KDX Okachimachi Building	1,792.54	1,792.54	-	-	4	100.0	69,031	109,239		
A-57	KDX Gobancho Building	1,650.58	1,650.58	-	-	7	100.0	41,895	54,598		
A-8	Kanda Kihara Building	1,946.89	1,820.25	-	-	8	93.5	68,941	136,064		

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-23	KDX Yotsuya Building	2,530.71	2,530.71	-	-	4	100.0	93,289	142,123
		A-59	KDX Iwamoto-cho Building	1,524.68	1,524.68	3	3	9	100.0	57,256	66,687
		A-26	KDX Kiba Building	2,450.90	2,450.90	-	-	7	100.0	67,811	80,731
		A-38	KDX Nishi-Shinjuku Building	1,599.71	1,401.10	-	-	6	87.6	43,841	55,738
		A-31	KDX Monzen-Nakacho Building	2,010.55	1,695.65	-	-	4	84.3	51,666	58,559
		A-52	KDX Kanda-Misaki-cho Building	1,339.46	1,164.27	-	-	7	86.9	34,266	41,567
		A-34	KDX Hon-Atsugi Building	2,747.28	2,747.28	-	-	10	100.0	60,990	87,259
		A-35	KDX Hachioji Building	2,178.61	2,178.61	-	-	8	100.0	48,595	47,383
		A-28	KDX Nogizaka Building	1,250.12	702.52	1	1	4	56.2	28,903	25,177
	Other Regional Areas	A-58	KDX Nagoya Sakae Building	6,923.12	6,485.98	-	-	14	93.7	163,313	203,511
		A-12	Portus Center Building	11,569.15	11,082.10	-	-	27	95.8	290,351	374,814
		A-42	Karasuma Building	8,736.10	8,229.62	-	-	38	94.2	204,408	270,068
		A-53	KDX Hakata-Minami Building	10,062.83	7,584.72	-	-	43	75.4	159,151	179,399
		A-69	KDX Kobayashi-Doshomachi Building	7,071.53	6,438.47	-	-	10	91.0	143,858	234,477
		A-54	KDX Kitahama Building	3,993.67	3,706.88	-	-	8	92.8	80,281	80,642
		A-44	KDX Sendai Building	3,957.62	3,921.90	-	-	30	99.1	92,180	190,659
		A-70	Kitananajo SIA Building	3,788.73	3,788.73	-	-	20	100.0	20,304	109,314
		A-24	KDX Minami Sembai Dai-1 Building	3,108.17	2,971.84	-	-	11	95.6	54,592	74,090
		A-25	KDX Minami Sembai Dai-2 Building	2,693.72	2,693.72	-	-	24	100.0	57,374	46,372
		A-36	KDX Niigata Building	4,060.47	2,708.19	-	-	20	66.7	51,365	51,600
Subtotal of Office Buildings (65 properties)				256,193.17	241,280.06	26	26	720	94.2	7,464,961	10,411,047
Residential Properties	Tokyo Metropolitan Area	B-19	Residence Charmante Tsukishima	7,711.14	7,711.14	140	140	<sup>1</sup> (Note 9)	100.0	157,198	50,580
		B-3	Court Mejiro	2,046.79	1,868.74	20	18	18	91.3	40,588	16,491
		B-34	Gradito Kawaguchi	1,619.34	1,619.34	66	66	<sup>2</sup> (Note 10)	100.0	32,889	10,028
	Other Regional Areas	B-18	Venus Hibiya-gaoka	12,829.64	12,406.81	159	154	120	96.7	93,184	26,490
Subtotal of Residential Properties (4 properties)				24,206.91	23,606.03	385	378	141	97.5	323,861	103,590
Central Urban Retail Properties	Tokyo Metropolitan Area	C-1	Frame Jinnan-zaka	4,655.71	4,655.71	-	-	11	100.0	283,774	302,794
		C-2	KDX Yoyogi Building	1,182.14	1,182.14	-	-	11	100.0	64,320	108,150
Subtotal of Central Urban Retail Properties (2 properties)				5,837.85	5,837.85	-	-	22	100.0	348,094	410,944
Total of 71 properties				286,237.93	270,723.94	411	404	<sup>883</sup> (Note 11)	94.6	8,136,917	10,925,582
Occupancy Ratio over the Past Five Years											
				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%						
				April 30, 2009	95.7%						
				October 31, 2009	94.7%						
				April 30, 2010	94.4%						
				October 31, 2010	93.6%						
				April 30, 2011	94.6%						

## Notes:

1. 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.
2. Total leased floor area refers to the area identified in lease agreements with end tenants or sub-lease agreements.
3. 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.
4. 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.
5. 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 9, and for Gradito Kawaguchi, please refer to Note 10.
6. The occupancy ratio is calculated by dividing leased floor area by total leasable floor area. Figures are rounded to the nearest first decimal place.
7. 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.
8. Guarantee and security deposits refers to the total of the balances of security deposits held (including net security deposits in the case of discount) and guarantee deposits, both identified in lease agreements or sub-lease agreements, with the figure rounded down to the nearest thousand yen.
9. Residence Charmante Tsukishima: Because we have concluded a rental guarantee (fixed-term lease: until January 30, 2014) fixed-term building lease contract (term of contract: to January 30, 2029) with Sekiwa Real Estate, Ltd., a master lessor, the total number of tenants is indicated as 1.
10. Gradito Kawaguchi: Because the master lessor and Haseko Livenet Inc. have concluded a rental guarantee (fixed-term lease: until March 31, 2012) building lease contract for dwelling units (excluding first-floor shops), the total number of tenants is indicated as 2.
11. The number presented does not reflect the adjustment for end-tenants who are overlapping in multiple properties.

## 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 twelfth fiscal period (fiscal period ended April 30, 2011).

## 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 April 30, 2011)

	Name of End Tenant	Property Name	Leased Floor Area	Percentage of Total Leased Floor Area (Note 1)
1	Sekiwa Real Estate, Ltd.	Residence Charmante Tsukishima	7,711.14 m <sup>2</sup>	2.8%
2	NTT Data Corporation (Note 2)	KDX Harumi Building, KDX Higashi-Shinjuku Building	5,185.96 m <sup>2</sup> (Note 2)	1.9%
3	N/A (Note 3)	KDX Kawasaki-Ekimae Hon-cho Building	5,124.98 m <sup>2</sup>	1.9%
4	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	Toranomon Toyo Building, Harajuku F.F. Building, KDX Yoyogi Building	3,419.54 m <sup>2</sup>	1.3%
5	Kodak Japan Ltd.	KDX Monzen Nakacho Building, KDX Ochanomizu Building	3,121.83 m <sup>2</sup>	1.2%
Subtotal			24,563.45 m <sup>2</sup>	9.1%
Portfolio Total			270,723.94 m <sup>2</sup>	100.0%

## Notes:

1. 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.
2. We received a "Notice of the termination of a lease agreement" for KDX Harumi Building (4,307.60 m<sup>2</sup>) out of 5,185.96 m<sup>2</sup> on April 27, 2011.
3. Not disclosed due to the tenants' request.

## ④ Status of the Posted Collateral

No.	Property Name	Status of Collateral (Secured • Unsecured)		Type of Collateral	Appraisal Value at the End of Twelfth Fiscal Period (Millions of Yen)	
					Collateralized	Uncollateralized
A-60	KDX Harumi Building	Secured		Fixed pledge	10,000	-
A-40	Toranomon Toyo Building	Secured		Fixed pledge	9,690	-
A-46	Hiei Kudan-Kita Building	Secured		Fixed pledge	7,560	-
A-66	KDX Shinjuku Building	Secured		Fixed pledge	6,560	-
A-37	KDX Ochanomizu Building	Secured		Fixed pledge	6,460	-
A-32	KDX Shiba-Daimon Building	Secured		Fixed pledge	4,880	-
A-13	KDX Kojimachi Building		Unsecured	-	-	4,230
A-1	KDX Nihonbashi 313 Building	Secured		Fixed pledge	7,170	-
A-47	KDX Shin-Yokohama 381 Building (Note 1)	Secured		Fixed pledge	4,210	-
A-16	Toshin-24 Building	Secured		Fixed pledge	4,240	-
A-2	KDX Hirakawacho Building		Unsecured	-	-	4,910
A-17	Ebisu East 438 Building		Unsecured	-	-	4,150
A-3	Higashi-Kayabacho Yuraku Building	Secured		Fixed pledge	5,180	-
A-39	KDX Toranomom Building	Secured		Fixed pledge	3,540	-
A-67	Kyodo Building (Ginza No.8)	Secured		Fixed pledge	4,590	-
A-30	KDX Nishi-Gotanda Building	Secured		Fixed mortgage	3,750	-
A-68	Kyodo Building (Honcho Ichome)	Secured		Fixed pledge	4,330	-
A-48	KDX Kawasaki-Ekimae Hon-cho Building	Secured		Fixed mortgage	3,410	-
A-4	KDX Hatchobori Building		Unsecured	-	-	3,380
A-18	KDX Omori Building	Secured		Fixed pledge	3,650	-
A-19	KDX Hamamatsucho Building	Secured		Fixed pledge	3,180	-
A-45	KDX Roppongi 228 Building		Unsecured	-	-	2,130
A-62	Koishikawa TG Building	Secured		Fixed pledge	3,200	-
A-29	KDX Higashi-Shinjuku Building	Secured		Fixed pledge	3,320	-
A-20	KDX Kayabacho Building	Secured		Fixed pledge	3,180	-
A-56	KDX Jimbocho Building	Secured		Fixed mortgage	1,790	-
A-49	Nissou Dai-17 Building	Secured		Fixed pledge	1,600	-
A-21	KDX Shinbashi Building		Unsecured	-	-	2,840
A-63	Gotanda TG Building	Secured		Fixed pledge	2,520	-
A-5	KDX Nakano-Sakaue Building	Secured		Fixed pledge	2,350	-
A-22	KDX Shin-Yokohama Building	Secured		Fixed pledge	2,340	-
A-6	Harajuku F.F. Building	Secured		Fixed pledge	2,910	-
A-50	Ikejiri-Oohashi Building	Secured		Fixed pledge	1,620	-
A-27	KDX Kajicho Building	Secured		Fixed pledge	2,280	-
A-51	KDX Hamacho Nakanohashi Building	Secured		Fixed pledge	1,680	-
A-15	KDX Hamacho Building	Secured		Fixed pledge	2,390	-
A-41	KDX Shinjuku 286 Building	Secured		Fixed pledge	2,100	-
A-7	FIK Minami Aoyama		Unsecured	-	-	2,110
A-14	KDX Funabashi Building	Secured		Fixed mortgage	1,980	-
A-61	KDX Hamamatsucho Dai-2 Building		Unsecured	-	-	1,920
A-55	Shin-toshin Maruzen Building	Secured		Fixed pledge	1,570	-
A-64	KDX Nihonbashi 216 Building	Secured		Fixed pledge	1,850	-
A-33	KDX Okachimachi Building		Unsecured	-	-	1,790
A-57	KDX Gobancho Building		Unsecured	-	-	1,480
A-8	Kanda Kihara Building	Secured		Fixed pledge	1,870	-

No.	Property Name	Status of Collateral (Secured • Unsecured)		Type of Collateral	Appraisal Value at the End of Twelfth Fiscal Period (Millions of Yen)	
					Collateralized	Uncollateralized
A-23	KDX Yotsuya Building		Unsecured	-	-	2,360
A-59	KDX Iwamoto-cho Building		Unsecured	-	-	1,330
A-26	KDX Kiba Building	Secured		Fixed pledge	1,550	-
A-38	KDX Nishi-Shinjuku Building		Unsecured	-	-	1,220
A-31	KDX Monzen-Nakacho Building	Secured		Fixed mortgage	1,270	-
A-52	KDX Kanda Misaki-cho Building		Unsecured	-	-	990
A-34	KDX Hon-Atsugi Building	Secured		Fixed pledge	1,070	-
A-35	KDX Hachioji Building		Unsecured	-	-	821
A-28	KDX Nogizaka Building		Unsecured	-	-	833
A-58	KDX Nagoya Sakae Building		Unsecured	-	-	4,710
A-12	Portus Center Building	Secured		Fixed pledge	4,590	-
A-42	Karasuma Building	Secured		Fixed pledge	5,020	-
A-53	KDX Hakata-Minami Building	Secured		Fixed mortgage	3,690	-
A-69	KDX Kobayashi-Doshomachi Building		Unsecured	-	-	2,970
A-54	KDX Kitahama Building		Unsecured	-	-	1,670
A-44	KDX Sendai Building	Secured		Fixed pledge	1,440	-
A-70	Kitananajo SIA Building		Unsecured	-	-	2,050
A-24	KDX Minami Semba Dai-1 Building	Secured		Fixed pledge	1,060	-
A-25	KDX Minami Semba Dai-2 Building	Secured		Fixed pledge	1,130	-
A-36	KDX Niigata Building		Unsecured	-	-	872
B-19	Residence Charmante Tsukishima	Secured		Fixed pledge	4,480	-
B-3	Court Mejiro		Unsecured	-	-	951
B-34	Gradito Kawaguchi		Unsecured	-	-	937
B-18	Venus Hibarigaoka	Secured		Fixed pledge	1,400	-
C-1	Frame Jinnan-zaka	Secured		Fixed pledge	9,550	-
C-2	KDX Yoyogi Building		Unsecured	-	-	1,920
Total					169,200	52,574

## Notes:

- Starting from the end of the fiscal period October 2010, A-47 KDX Shin-Yokohama 381 Building (existing tower) and A-65 KDX Shin-Yokohama 381 Building Annex Tower are indicated collectively as one property. However, assets that are to be pledged as additional collateral are in the form of separate trust beneficiary interests in real estate for the existing tower and the annex tower.
- Collateral right holders (including fixed pledge holders and fixed mortgage holders) for all of the collateralized properties are as follows:  
Sumitomo Mitsui Banking Corporation, Development Bank of Japan Inc., The Chuo Mitsui Trust and Banking Co., Ltd., Aozora Bank, Ltd., The Bank of Tokyo-Mitsubishi UFJ, Ltd., Mitsubishi UFJ Trust and Banking Corporation, Resona Bank, Ltd., The Norinchukin Bank and Mitsui Sumitomo Insurance Co., Ltd.
- The outstanding balance of secured borrowings as of the end of the fiscal period under review is ¥100,715.5million.



**[Reference]**

**Earnings Performance for the Individual Properties for the 12th Fiscal Period (November 1, 2010 to April 30, 2011) : 181days ※As of April 30, 2011**

Type	Office Buildings																			
Location	Tokyo Metropolitan Area																			
Property Name	KDX Harumi Building	Toranomon Toyo Building	Hiei Kudan-Kita Building	KDX Shinjuku Building	KDX Ochanomizu Building	KDX Shiba-Daimon Building	KDX Kojimachi Building	KDX Nihonbashi 313 Building	KDX Shin-Yokohama 381 Building	Toshin 24 Building	KDX Hirakawacho Building	Ebisu East 438 Building	Higashi-Kayabacho Yuraku Building	KDX Toranomon Building	Kyodo Building (Ginza No.8)	KDX Nishi-Gotanda Building	Kyodo Building (Honcho 1chome)	KDX Kawasaki-Ekimae Honcho Building	KDX Hatchobori Building	
Acquisition Date	June 30, 2008	June 1, 2007	February 1, 2008	February 18, 2010	April 2, 2007	March 1, 2007	November 1, 2005	August 1, 2005	February 1, 2008	May 1, 2006	August 1, 2005	May 1, 2006	August 1, 2005	April 17, 2007	November 12, 2010	December 1, 2006	November 12, 2010	February 1, 2008	August 1, 2005	
Price Information	Acquisition price (Millions)	10,250	9,850	7,600	6,800	6,400	6,090	5,950	5,940	5,800	5,300	5,180	4,640	4,450	4,400	4,300	4,200	4,000	3,760	3,680
	Percentage of total portfolio	4.2%	4.0%	3.1%	2.8%	2.6%	2.5%	2.4%	2.4%	2.4%	2.2%	2.1%	1.9%	1.8%	1.8%	1.7%	1.7%	1.6%	1.5%	1.5%
	Net book value (Millions)	9,845	9,867	7,594	6,872	6,690	6,234	5,665	6,147	5,899	5,148	5,130	4,564	4,399	4,816	4,323	4,092	4,024	3,843	3,371
	Appraisal value at the end of period (Millions)	10,000	9,690	7,560	6,560	6,460	4,880	4,230	7,170	4,210	4,240	4,910	4,150	5,180	3,540	4,590	3,750	4,330	3,410	3,380
Percentage of total appraisal value	4.5%	4.4%	3.4%	3.0%	2.9%	2.2%	1.9%	3.2%	1.9%	1.9%	2.2%	1.9%	2.3%	1.6%	2.1%	1.7%	2.0%	1.5%	1.5%	
Lease Information	Number of tenants	6	12	14	22	5	9	10	8	35	15	18	7	7	7	5	5	6	1	6
	Leasable floor area (㎡)	9,294.00	6,362.78	6,903.94	5,887.37	5,880.88	5,984.71	3,792.64	5,899.56	8,131.94	6,618.37	4,457.97	3,077.61	4,413.17	1,966.56	3,573.59	3,881.58	3,998.39	5,124.98	3,323.83
	Leased floor area (㎡)	9,122.60	6,362.78	6,622.37	5,887.37	5,880.88	5,984.71	3,792.64	4,233.77	7,281.74	5,607.45	4,457.97	3,077.61	4,413.17	1,966.56	3,573.59	3,881.58	3,998.39	5,124.98	3,323.83
	Occupancy ratio																			
	As of April 30, 2011	98.2%	100.0%	95.9%	100.0%	100.0%	100.0%	100.0%	71.8%	89.5%	84.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2010	98.2%	95.4%	85.3%	93.7%	100.0%	100.0%	100.0%	91.9%	100.0%	72.7%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	100.0%
	As of April 30, 2010	98.2%	93.9%	91.9%	93.8%	100.0%	100.0%	100.0%	97.3%	100.0%	84.1%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	100.0%
	As of October 31, 2009	100.0%	95.4%	100.0%	-	100.0%	100.0%	100.0%	86.7%	100.0%	93.3%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	93.1%
	As of April 30, 2009	100.0%	100.0%	100.0%	-	100.0%	100.0%	100.0%	88.6%	100.0%	92.1%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	100.0%
	As of October 31, 2008	100.0%	100.0%	100.0%	-	90.2%	100.0%	100.0%	98.2%	100.0%	97.5%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	100.0%
	As of April 30, 2008	-	99.1%	100.0%	-	100.0%	100.0%	100.0%	98.2%	100.0%	94.6%	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	100.0%
	As of October 31, 2007	-	97.5%	-	-	100.0%	100.0%	100.0%	97.1%	100.0%	-	100.0%	100.0%	100.0%	100.0%	-	100.0%	-	-	100.0%
As of April 30, 2007	-	-	-	-	100.0%	93.0%	97.1%	97.1%	98.9%	-	100.0%	100.0%	100.0%	89.1%	0.0%	-	73.7%	-	100.0%	
As of October 31, 2006	-	-	-	-	-	-	97.1%	100.0%	-	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-	100.0%	
Income and Related Earnings Information for the 12th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	170days	181days	170days	181days	181days	
	①Rental and other operating revenues (Thousands)	352,822	301,171	238,101	264,048	211,315	196,310	140,911	196,910	158,218	154,708	167,316	132,781	173,778	109,725	57,471	153,837	124,104	165,491	136,137
	Rental revenues	313,473	287,140	216,685	229,693	203,230	180,736	121,442	185,126	132,804	133,181	150,484	114,864	157,613	102,923	46,911	131,910	118,078	134,066	118,680
	Other operating revenues	39,349	14,031	21,416	34,355	8,085	15,573	19,469	11,784	25,414	21,526	16,832	17,916	16,165	6,802	10,560	21,926	6,026	31,425	17,457
	②Property-related expenses (Thousands)	93,911	71,123	90,271	50,402	41,442	44,561	41,694	49,577	46,406	51,963	47,356	38,587	33,653	23,187	17,802	31,832	14,565	61,022	36,381
	Property management fees	38,353	20,899	29,638	24,117	12,881	16,224	10,257	16,083	13,238	17,580	16,247	9,999	13,594	6,637	6,229	12,135	9,306	14,725	12,655
	Taxes	19,857	31,377	26,422	1	16,038	12,075	17,905	19,880	13,819	12,893	15,782	10,900	9,807	10,579	6	9,568	1	7,745	9,503
	Utilities	28,627	13,904	15,702	19,057	10,130	12,782	9,342	10,888	14,057	12,947	11,606	9,560	7,982	4,122	7,485	8,226	4,050	22,545	8,616
	Repairs and maintenance costs	3,705	1,322	5,078	1,575	445	1,795	493	1,119	1,392	2,683	1,270	1,105	407	459	25	1,347	240	15,036	4,187
	Insurance	498	329	450	415	305	270	218	322	369	336	293	170	219	92	167	204	176	244	195
	Trust fees and other expenses	2,868	3,289	12,978	5,236	1,641	1,413	3,477	1,283	3,528	5,521	2,156	6,851	1,642	1,296	3,888	351	791	724	1,222
	③NOI (=①-②) (Thousands)	258,910	230,048	147,830	213,645	169,872	151,748	99,217	147,333	111,812	102,744	119,960	94,193	140,125	86,538	39,669	122,004	109,539	104,469	99,756
④Depreciation (Thousands)	76,974	11,988	14,784	14,780	26,725	28,655	31,701	28,562	46,027	34,402	24,515	17,856	27,146	13,176	11,237	29,409	9,093	30,311	18,125	
⑤Rental operating income (=③-④) (Thousands)	181,936	218,060	133,045	198,865	143,147	123,092	67,516	118,770	65,785	68,342	95,445	76,337	112,979	73,361	28,431	92,594	100,446	74,157	81,630	
⑥Capital expenditures (Thousands)	-	5,845	1,575	6,743	-	140	550	1,016	17,377	13,233	1,365	71,469	990	-	-	3,045	-	19,495	3,835	
⑦NCF (=⑤-⑥) (Thousands)	258,910	224,202	146,255	206,902	169,872	151,608	98,667	146,317	94,435	89,511	118,595	22,724	139,135	86,538	39,669	118,959	109,539	84,973	95,921	
Reference	Expense ratio (=⑥/①)	26.6%	23.6%	37.9%	19.1%	19.6%	22.7%	29.6%	25.2%	29.3%	33.6%	28.3%	29.1%	19.4%	21.1%	31.0%	20.7%	11.7%	36.9%	26.7%
	Property tax for the year 2011 or 2010 (Thousands)	39,715	62,754	52,845	60,504	32,076	24,147	35,809	39,760	27,165	25,731	31,565	21,800	19,624	21,158	26,274	19,139	28,778	15,469	19,006
	Among ② of property management fee (Leasing management fees) (Thousands)	12,646	10,841	7,876	9,748	7,779	7,163	4,900	7,025	5,510	5,307	5,862	4,632	4,005	1,982	5,629	4,768	6,028	4,896	
	Reference: Percentage of rental and other operating revenues	3.58%	3.60%	3.31%	3.69%	3.68%	3.65%	3.48%	3.57%	3.48%	3.43%	3.50%	3.49%	3.69%	3.65%	3.45%	3.66%	3.84%	3.64%	3.60%
	Long-term repairs, maintenance and renovation Estimated amount of 1st yr to 12th yr (Thousands) Reference: Amount of yearly avg.	110,320 9,193	260,050 21,670	296,707 24,725	362,230 30,185	323,470 26,955	169,180 14,098	180,970 15,080	214,470 17,872	216,990 18,082	217,670 18,139	210,660 17,555	147,940 12,328	107,050 8,920	70,400 5,866	80,690 6,724	133,200 11,100	82,180 6,848	446,967 37,247	158,190 13,182
Assets pledged as collateral	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	

**[Reference]**

**Earnings Performance for the Individual Properties for the 12th Fiscal Period (November 1, 2010 to April 30, 2011) : 181days ※As of April 30, 2011**

Type	Office Buildings																			
Location	Tokyo Metropolitan Area																			
Property Name	KDX Omori Building	KDX Hamamatsucho Building	KDX Roppongi 228 Building	Koishikawa TG Building	KDX Higashi-Shinjuku Building	KDX Kayabacho Building	KDX Jimbocho Building	Nissou Dai-17 Building	KDX Shinbashi Building	Gotanda TG Building	KDX Nakano-Sakae Building	KDX Shin-Yokohama Building	Harijuku F.F. Building	Ikejiri-Ohashi Building	KDX Kajicho Building	KDX Hamacho Nakanohashi Building	KDX Hamacho Building	KDX Shinjuku 286 Building	FIK Minami Aoyama	
Acquisition Date	May 1, 2006	May 1, 2006	January 10, 2008	November 18, 2009	September 1, 2006	May 1, 2006	March 31, 2008	February 1, 2008	May 1, 2006	November 18, 2009	August 1, 2005	May 1, 2006	August 1, 2005	February 1, 2008	July 3, 2006	February 1, 2008	March 16, 2006	June 1, 2007	August 1, 2005	
Price Information	Acquisition price (Millions)	3,500	3,460	3,300	3,080	2,950	2,780	2,760	2,710	2,690	2,620	2,533	2,520	2,450	2,400	2,350	2,310	2,300	2,300	2,270
	Percentage of total portfolio	1.4%	1.4%	1.3%	1.2%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.0%	1.0%	1.0%	1.0%	0.9%	0.9%	0.9%	0.9%	0.9%
	Net book value (Millions)	3,393	3,285	3,440	3,153	3,175	2,838	2,914	2,645	2,657	2,812	2,451	2,483	2,446	2,471	2,403	2,365	2,273	2,340	2,257
	Appraisal value at the end of period (Millions)	3,650	3,180	2,130	3,200	3,320	3,180	1,790	1,600	2,840	2,520	2,350	2,340	2,910	1,620	2,280	1,680	2,390	2,100	2,110
	Percentage of total appraisal value	1.6%	1.4%	1.0%	1.4%	1.5%	1.4%	0.8%	0.7%	1.3%	1.1%	1.1%	1.1%	1.3%	0.7%	1.0%	0.8%	1.1%	0.9%	1.0%
Lease Information	Number of tenants	10	8	6	5	8	5	2	5	6	8	25	18	3	6	10	9	9	9	8
	Leasable floor area (㎡)	4,945.03	2,724.35	1,909.08	3,944.26	5,927.09	3,019.95	2,321.10	2,739.62	1,696.62	3,169.57	4,389.65	4,802.64	3,068.36	2,449.11	2,564.11	2,240.08	3,106.00	2,447.80	1,814.56
	Leased floor area (㎡)	4,945.03	2,724.35	1,242.01	3,944.26	5,927.09	3,019.95	1,735.26	2,366.99	1,696.62	2,535.34	4,389.65	4,472.68	3,068.36	1,821.51	2,564.11	2,240.08	3,106.00	2,447.80	1,814.56
	Occupancy ratio																			
	As of April 30, 2011	100.0%	100.0%	65.1%	100.0%	100.0%	100.0%	74.8%	86.4%	100.0%	80.0%	100.0%	93.1%	100.0%	74.4%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2010	100.0%	100.0%	65.1%	100.0%	100.0%	100.0%	94.4%	94.9%	100.0%	77.1%	100.0%	96.5%	74.0%	100.0%	84.2%	93.0%	93.9%	100.0%	100.0%
	As of April 30, 2010	100.0%	100.0%	65.1%	100.0%	100.0%	100.0%	85.0%	94.9%	100.0%	57.8%	100.0%	86.3%	100.0%	100.0%	75.1%	100.0%	100.0%	100.0%	77.1%
	As of October 31, 2009	100.0%	100.0%	52.4%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-	91.3%	93.1%	100.0%	100.0%	94.3%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2009	94.5%	87.7%	65.2%	-	97.0%	100.0%	100.0%	100.0%	100.0%	-	92.3%	93.1%	100.0%	100.0%	82.6%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2008	100.0%	75.4%	100.0%	-	86.2%	100.0%	100.0%	100.0%	100.0%	-	96.5%	83.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
	As of April 30, 2008	100.0%	100.0%	80.4%	-	82.2%	100.0%	0%	100.0%	100.0%	-	100.0%	100.0%	100.0%	100.0%	91.3%	100.0%	100.0%	100.0%	100.0%
	As of October 31, 2007	100.0%	100.0%	-	-	92.6%	100.0%	-	-	100.0%	-	100.0%	99.6%	100.0%	-	85.8%	-	100.0%	100.0%	100.0%
	As of April 30, 2007	100.0%	100.0%	-	-	100.0%	84.9%	-	-	100.0%	-	100.0%	100.0%	100.0%	-	100.0%	-	100.0%	-	100.0%
As of October 31, 2006	100.0%	100.0%	-	-	100.0%	100.0%	-	-	100.0%	-	97.0%	99.6%	100.0%	-	100.0%	-	65.3%	-	100.0%	
Income and Retained Earnings Information for the 12th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days
	①Rental and other operating revenues (Thousands)	164,556	101,171	41,580	135,979	144,365	121,654	60,710	65,179	97,627	68,978	100,946	80,334	112,771	80,142	74,680	52,259	94,142	86,888	71,439
	Rental revenues	145,572	92,456	37,816	119,121	128,765	110,804	52,561	57,266	90,476	63,421	88,423	71,466	102,214	57,289	66,752	42,660	84,575	72,783	61,641
	Other operating revenues	18,983	8,715	3,763	16,857	15,599	10,850	8,148	7,912	7,150	5,557	12,522	8,868	10,556	22,852	7,927	9,599	9,567	14,104	9,797
	②Property-related expenses (Thousands)	48,979	26,249	16,832	38,699	45,115	23,392	17,302	21,476	25,138	33,227	29,732	36,738	28,091	36,166	22,564	20,022	27,655	24,185	17,732
	Property management fees	16,948	7,532	4,765	15,199	13,999	9,042	5,081	7,706	7,157	10,584	9,748	11,933	10,015	6,936	7,145	6,392	8,988	7,342	5,276
	Taxes	12,810	9,486	7,493	10,684	14,748	7,004	7,427	5,544	11,428	8,768	8,145	7,060	8,394	6,429	5,826	5,787	7,446	8,871	5,757
	Utilities	15,370	5,393	4,140	10,887	13,438	6,151	4,126	5,636	5,235	5,904	6,388	6,164	6,300	4,276	4,468	3,815	5,690	6,626	3,986
	Repairs and maintenance costs	2,720	1,377	198	420	1,045	91	398	1,128	345	1,779	3247	4,280	951	17,591	1,150	1,877	660	108	741
	Insurance	290	129	83	234	304	148	111	154	114	177	245	215	148	131	119	134	162	140	80
	Trust fees and other expenses	840	2,330	151	1,273	1,578	954	157	1,305	856	6,013	1,956	7,083	2,282	799	3,853	2,016	4,707	1,095	1,891
	③NOI (=①-②) (Thousands)	115,576	74,922	24,747	97,279	99,250	98,262	43,407	43,703	72,489	35,751	71,213	43,596	84,679	43,975	52,115	32,237	66,486	62,703	53,706
	④Depreciation (Thousands)	25,140	22,492	4,895	14,024	18,896	16,113	13,302	15,898	5,940	10,461	17,431	21,086	10,779	10,835	12,433	11,934	20,186	7,667	6,398
⑤Rental operating income (=③-④) (Thousands)	90,435	52,429	19,852	83,255	80,353	82,148	30,104	27,804	66,548	25,289	53,782	22,509	73,899	33,140	39,681	20,303	46,300	55,035	47,308	
⑥Capital expenditures (Thousands)	7,772	200	-	2,170	-	1,475	2,100	2,211	-	108,508	8,932	71,519	560	7,446	1,110	180	66,083	3,465	200	
⑦NCF (=⑤-⑥) (Thousands)	107,804	74,722	24,747	95,109	99,250	96,787	41,307	41,492	72,489	Δ72,757	62,280	Δ27,923	84,119	36,529	51,005	32,057	403	59,238	53,506	
Reference	Expense ratio (=⑥/①)	29.8%	25.9%	40.5%	28.5%	31.3%	19.2%	28.5%	32.9%	25.7%	48.2%	29.5%	45.7%	24.9%	45.1%	30.2%	38.3%	29.4%	27.8%	24.8%
	Property tax for the year 2011 or 2010 (Thousands)	25,619	18,935	14,989	21,230	29,494	14,016	14,856	11,103	22,859	17,604	16,291	14,114	16,788	12,858	11,652	11,573	14,893	17,743	11,514
	Among ② of property management fee (Leasing management fees) (Thousands)	5,717	3,593	1,353	4,760	4,971	4,488	2,124	2,222	3,471	2,175	3,635	2,680	4,029	3,138	2,587	1,724	3,278	3,052	2,553
	Reference: Percentage of rental and other operating revenues	3.47%	3.55%	3.26%	3.50%	3.44%	3.69%	3.50%	3.41%	3.56%	3.15%	3.60%	3.34%	3.57%	3.92%	3.47%	3.30%	3.48%	3.51%	3.58%
	Long-term repairs, maintenance and renovation Estimated amount of 1st yr to 12th yr (Thousands) Reference: Amount of yearly avg.	317,870 26,489	135,060 11,255	54,680 4,556	230,330 19,194	149,280 12,440	120,000 10,000	98,399 8,199	88,480 7,373	111,266 9,272	207,750 17,312	141,400 11,783	152,030 12,669	160,510 13,375	158,270 13,189	87,590 7,299	130,030 10,835	134,170 11,180	169,080 14,090	71,790 5,982
Assets pledged as collateral	◆	◆	-	◆	◆	◆	◆	◆	◆	-	◆	◆	◆	◆	◆	◆	◆	◆	◆	-

**[Reference]**

**Earnings Performance for the Individual Properties for the 12th Fiscal Period (November 1, 2010 to April 30, 2011) : 181days ※As of April 30, 2011**

Type	Office Buildings																	Other Regional Areas		
Location	Tokyo Metropolitan Area																			
Property Name	KDX Funabashi Building	KDX Hamamatsusho Dai-2 Building	Shin-toshin Maruzen Building	KDX Nihonbashi 216 Building	KDX Okachimachi Building	KDX Gobocho Building	Kanda Kihara Building	KDX Yotsuya Building	KDX Iwamotocho Building	KDX Kiba Building	KDX Nishi-Shinjuku Building	KDX Monzen-Nakacho Building	KDX Kanda Misaki-cho Building	KDX Hon-Atsugi Building	KDX Hachioji Building	KDX Nogizaka Building	KDX Nagoya Sakae Building	Portus Center Building	Karasuma Building	
Acquisition Date	March 1, 2006	September 1, 2008	February 29, 2008	December 1, 2009	March 1, 2007	March 31, 2008	August 1, 2005	May 1, 2006	May 1, 2008	June 20, 2006	April 2, 2007	January 19, 2007	February 1, 2008	March 1, 2007	March 1, 2007	July 14, 2006	July 1, 2009	September 21, 2005	June 1, 2007	
Price Information	Acquisition price (Millions)	2,252	2,200	2,110	2,010	2,000	1,951	1,950	1,864	1,580	1,500	1,400	1,380	1,305	1,155	1,065	7,550	5,570	5,400	
	Percentage of total portfolio	0.9%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.4%	3.1%	2.3%	2.2%	
	Net book value (Millions)	2,430	2,261	2,160	1,992	2,134	1,997	1,863	1,998	1,821	1,580	1,530	1,420	1,381	1,202	1,294	1,125	7,630	4,682	5,431
	Appraisal value at the end of period (Millions)	1,980	1,920	1,570	1,850	1,790	1,480	1,870	2,360	1,330	1,550	1,220	1,270	990	1,070	821	833	4,710	4,590	5,020
Percentage of total appraisal value	0.9%	0.9%	0.7%	0.8%	0.8%	0.7%	0.8%	1.1%	0.6%	0.7%	0.6%	0.6%	0.4%	0.5%	0.4%	0.4%	2.1%	2.1%	2.3%	
Lease Information	Number of tenants	19	8	5	7	4	7	8	4	9	7	6	4	7	10	8	14	27	38	
	Leasable floor area (sqm)	3,861.69	1,953.50	1,922.79	1,615.20	1,792.54	1,650.58	1,946.89	2,530.71	1,524.68	2,450.90	1,599.71	2,010.55	1,339.46	2,747.28	2,178.61	1,250.12	6,923.12	11,569.15	8,736.10
	Leased floor area (sqm)	3,861.69	1,953.50	1,922.79	1,615.20	1,792.54	1,650.58	1,820.25	2,530.71	1,524.68	2,450.90	1,401.10	1,695.65	1,164.27	2,747.28	2,178.61	702.52	6,485.98	11,082.10	8,229.62
	Occupancy ratio																			
	As of April 30, 2011	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	93.5%	100.0%	100.0%	100.0%	87.6%	84.3%	86.9%	100.0%	100.0%	56.2%	93.7%	95.8%	94.2%
	As of October 31, 2010	98.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	87.6%	100.0%	86.9%	100.0%	96.4%	78.1%	90.3%	93.9%	93.2%
	As of April 30, 2010	100.0%	87.5%	100.0%	87.5%	100.0%	100.0%	85.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	78.1%	90.3%	88.5%	93.9%
	As of October 31, 2009	100.0%	100.0%	100.0%	-	100.0%	100.0%	85.7%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.6%	100.0%	88.5%	86.1%
	As of April 30, 2009	100.0%	100.0%	64.3%	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	85.6%	87.7%	-	93.4%
	As of October 31, 2008	98.4%	100.0%	80.9%	-	100.0%	85.7%	100.0%	92.7%	100.0%	100.0%	100.0%	100.0%	100.0%	88.6%	85.6%	100.0%	88.6%	100.0%	98.1%
As of April 30, 2008	100.0%	-	100.0%	-	89.7%	100.0%	100.0%	100.0%	-	88.0%	100.0%	100.0%	86.9%	100.0%	85.6%	100.0%	-	100.0%	98.6%	
As of October 31, 2007	100.0%	-	-	-	100.0%	-	100.0%	-	100.0%	100.0%	100.0%	84.4%	100.0%	100.0%	85.6%	87.7%	-	94.6%	100.0%	
As of April 30, 2007	100.0%	-	-	-	100.0%	-	100.0%	-	100.0%	100.0%	100.0%	100.0%	-	100.0%	96.4%	100.0%	-	97.1%	-	
As of October 31, 2006	97.9%	-	-	-	-	-	100.0%	100.0%	-	69.1%	-	-	-	-	100.0%	-	-	100.0%	-	
Income and Retained Earnings Information for the 12th Fiscal Period	Operating periods	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	181days	
	①Rental and other operating revenues (Thousands)	105,303	64,382	64,276	56,749	69,031	41,895	68,941	93,289	57,256	67,811	43,841	51,666	34,266	60,990	48,595	28,903	163,313	290,351	204,408
	Rental revenues	90,782	58,295	53,321	52,022	61,107	38,048	63,905	85,496	53,262	60,268	38,796	43,804	31,811	53,663	41,756	19,217	144,025	241,402	178,597
	Other operating revenues	14,520	6,087	10,955	4,727	7,924	3,847	5,035	7,793	3,994	7,543	5,045	7,861	2,455	7,326	6,839	9,685	19,288	48,948	25,811
	②Property-related expenses (Thousands)	32,420	17,959	15,962	17,655	15,906	16,644	17,250	23,197	14,272	16,323	13,270	13,220	8,776	19,657	20,592	10,273	54,788	127,083	64,400
	Property management fees	13,193	4,797	6,438	5,505	5,929	4,164	6,330	9,152	4,163	5,937	4,650	4,943	3,767	6,714	10,118	3,351	16,937	74,432	20,801
	Taxes	7,864	8,410	4,883	5,027	3,322	4,317	4,497	6,594	3,176	5,030	4,720	3,314	2,755	3,946	4,242	3,375	22,746	25,518	21,443
	Utilities	8,069	4,239	3,651	2,740	3,509	2,304	4,545	5,036	2,624	4,415	3,265	4,550	1,903	4,879	4,173	2,274	13,204	18,696	15,831
	Repairs and maintenance costs	2,734	184	143	391	1,545	1,815	1,078	1,497	40	63	263	307	177	2,104	578	1,112	242	3,060	3,045
	Insurance	215	90	96	81	71	71	87	126	62	110	81	105	63	146	100	62	370	2,372	431
Trust fees and other expenses	343	236	750	3,910	1,527	3,971	711	790	4,205	765	289	-	109	1,866	1,378	96	1,287	3,004	2,846	
③NOI (=①-②) (Thousands)	72,882	46,423	48,313	39,094	53,125	25,250	51,690	70,092	42,984	51,488	30,570	38,445	25,490	41,332	28,002	18,629	108,525	163,267	140,008	
④Depreciation (Thousands)	19,249	4,397	7,453	11,225	7,944	10,160	9,541	9,177	13,076	13,209	6,268	9,457	4,485	24,492	9,843	5,624	71,233	65,283	29,246	
⑤Rental operating income (=③-④) (Thousands)	53,633	42,026	40,860	27,868	45,180	15,090	42,149	60,914	29,907	38,278	24,301	28,988	21,004	16,840	18,159	13,005	37,292	97,983	110,761	
⑥Capital expenditures (Thousands)	5,240	945	6,756	-	600	6,744	1,475	52,003	-	2,996	1,000	970	560	1,833	300	1,907	-	6,920	9,397	
⑦NCF (=⑤-⑥) (Thousands)	67,642	45,478	41,557	39,094	52,525	18,506	50,215	18,088	42,984	48,492	29,570	37,475	24,930	39,499	27,702	16,722	108,525	156,347	130,611	
Reference	Expense ratio (=⑥/⑤)	30.8%	27.9%	24.8%	31.1%	23.0%	39.7%	25.0%	24.9%	24.9%	24.1%	30.3%	25.6%	25.6%	32.2%	42.4%	35.5%	33.5%	43.8%	31.5%
	Property tax for the year 2011 or 2010 (Thousands)	15,709	16,843	10,386	10,053	6,648	8,634	8,995	13,188	6,353	10,061	9,444	6,633	5,511	7,892	8,484	6,754	45,095	51,041	43,638
	Among ② of property management fee (Leasing management fees) (Thousands)	3,636	2,261	2,297	1,955	2,493	1,370	2,470	3,365	2,045	2,434	1,518	1,839	1,219	2,164	1,563	994	5,547	9,257	7,090
	Reference: Percentage of rental and other operating revenues	3.45%	3.51%	3.57%	3.45%	3.61%	3.27%	3.58%	3.61%	3.57%	3.59%	3.46%	3.56%	3.56%	3.55%	3.22%	3.44%	3.40%	3.19%	3.47%
	Long-term repairs, maintenance and renovation Estimated amount of 1st yr to 12th yr (Thousands) Reference: Amount of yearly avg.	160,670 13,389	81,710 6,809	70,900 5,908	31,190 2,599	64,400 5,366	55,230 4,602	80,430 6,702	90,020 7,501	19,680 1,640	93,650 7,804	69,950 5,829	61,470 5,122	46,140 3,845	141,590 11,799	109,860 9,155	49,950 4,162	94,270 7,855	527,651 43,970	229,180 19,098
Assets pledged as collateral	◆	-	◆	◆	-	-	◆	-	-	◆	-	◆	-	◆	-	-	-	◆	◆	

Note: The land portion of KDX Nagoya Sakae Building was acquired on April 25, 2008.

**[Reference]** Earnings Performance for the Individual Properties for the 12th Fiscal Period (November 1, 2010 to April 30, 2011) : 181days ※As of April 30, 2011

Type	Office Buildings									Residential Properties					Central Urban Retail Properties		Total of 71 Properties	
Location	Other Regional Areas									Tokyo Metropolitan Area					Other Regional Areas	Tokyo Metropolitan Area		
Property Name	KDX Hakata-Minami Building	KDX Kobayashi-Doshomachi Building	KDX Kitahama Building	KDX Sendai Building	Kitanunajo SIA Building	KDX Minami Semba Dai-1 Building	KDX Minami Semba Dai-2 Building	KDX Niigata Building	Residence Charmante Tsukishima	Court Mejiro	Gradito Kawaguchi	Venus Hibiyaogaoka	Frame Jinan-zaka	KDX Yoyogi Building				
Acquisition Date	February 1, 2008	December 1, 2010	February 1, 2008	June 1, 2007	March 25, 2011	May 1, 2006	May 1, 2006	March 1, 2007	May 1, 2006	August 1, 2005	June 30, 2006	December 8, 2005	August 1, 2005	September 30, 2005				
Price Information	Acquisition price (Millions)	4,900	2,870	2,220	2,100	2,005	1,610	1,560	1,305	5,353	1,250	1,038	1,800	9,900	2,479	246,456		
	Percentage of total portfolio	2.0%	1.2%	0.9%	0.9%	0.8%	0.7%	0.6%	0.5%	2.2%	0.5%	0.4%	0.7%	4.0%	1.0%	100.0%		
	Net book value (Millions)	4,819	2,847	2,224	2,167	2,034	1,476	1,379	1,455	5,064	1,182	1,014	1,852	9,853	2,530	246,187		
	Appraisal value at the end of period (Millions)	3,690	2,970	1,670	1,440	2,050	1,060	1,130	872	4,480	951	937	1,400	9,550	1,920	221,774		
Percentage of total appraisal value	1.7%	1.3%	0.8%	0.6%	0.9%	0.5%	0.5%	0.4%	2.0%	0.4%	0.4%	0.6%	4.3%	0.9%	100.0%			
Lease Information	Number of tenants	43	10	8	30	20	11	24	20	1	18	2	120	11	11	883		
	Leasable floor area (㎡)	10,062.83	7,071.53	3,993.67	3,957.62	3,788.73	3,108.17	2,693.72	4,060.47	7,711.14	2,046.79	1,619.34	12,829.64	4,655.71	1,182.14	286,237.93		
	Leased floor area (㎡)	7,584.72	6,438.47	3,706.88	3,921.90	3,788.73	2,971.84	2,693.72	2,708.19	7,711.14	1,868.74	1,619.34	12,406.81	4,655.71	1,182.14	270,723.94		
	Occupancy ratio																	
	As of April 30, 2011	75.4%	91.0%	92.8%	99.1%	100.0%	95.6%	100.0%	66.7%	100.0%	91.3%	100.0%	96.7%	100.0%	100.0%	94.6%		
	As of October 31, 2010	80.6%	-	96.4%	98.7%	-	83.1%	100.0%	65.4%	100.0%	95.2%	100.0%	92.4%	100.0%	94.8%	93.6%		
	As of April 30, 2010	86.2%	-	96.4%	92.8%	-	83.1%	94.1%	64.3%	100.0%	95.2%	100.0%	96.3%	100.0%	87.2%	94.4%		
	As of October 31, 2009	94.4%	-	96.4%	96.6%	-	84.4%	82.1%	62.2%	100.0%	85.3%	100.0%	96.5%	93.6%	100.0%	94.7%		
	As of April 30, 2009	95.8%	-	100.0%	91.2%	-	96.9%	88.1%	73.2%	100.0%	96.1%	100.0%	98.9%	96.0%	75.9%	95.7%		
	As of October 31, 2008	95.4%	-	-	86.2%	-	91.6%	91.2%	76.2%	100.0%	88.7%	100.0%	88.7%	97.9%	91.7%	95.6%		
As of April 30, 2008	95.4%	-	88.1%	93.7%	-	87.2%	94.1%	61.0%	100.0%	95.1%	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%	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%	100.0%	98.7%	91.7%	100.0%	95.9%			
As of October 31, 2006	-	-	-	-	-	100.0%	90.0%	-	100.0%	100.0%	100.0%	84.6%	100.0%	100.0%	95.3%			
Income and Retained Earnings Information for the 12th Fiscal Period	Operating periods	181days	151days	181days	181days	37days	181days	181days	181days	181days	181days	181days	181days	181days	181days	179days	*Total: Cost-weighted average management period (days)	
	①Rental and other operating revenues (Thousands)	159,151	143,858	80,281	92,180	20,304	54,592	57,374	51,365	157,198	40,588	32,889	93,184	283,774	64,320	8,136,917		
	Rental revenues	135,141	129,836	68,050	79,925	17,255	43,019	43,966	44,677	139,393	37,628	32,759	82,208	262,186	57,482	7,208,235		
	Other operating revenues	24,009	14,021	12,231	12,255	3,048	11,573	13,407	6,687	17,804	2,959	130	10,976	21,587	6,837	928,681		
	②Property-related expenses (Thousands)	50,658	65,449	27,665	32,483	4,698	23,848	18,324	28,249	41,982	10,777	6,599	36,052	54,166	14,621	2,360,282		
	Property management fees	15,191	13,142	7,894	12,069	2,112	6,881	5,890	10,954	16,796	2,921	2,473	8,204	19,008	4,312	811,786		
	Taxes	10,065	6,363	5,234	7,476	-	7,150	5,850	8,479	10,776	3,144	1,577	8,331	15,909	4,351	643,178		
	Utilities	20,603	11,121	7,974	10,484	2,339	6,353	5,193	7,035	1,228	734	376	2,085	16,460	3,513	561,061		
	Repairs and maintenance costs	1,261	-	574	878	30	552	378	574	4,890	1,410	1,289	6,664	836	421	123,949		
	Insurance	453	323	175	212	40	161	142	244	417	96	63	448	218	52	16,209		
Trust fees and other expenses	3,083	34,499	5,811	1,361	175	2,749	868	960	7,872	2,470	818	10,318	1,732	1,970	204,097			
③NOI (=①-②) (Thousands)	108,492	78,408	52,616	59,697	15,606	30,743	39,050	23,116	115,215	29,810	26,290	57,132	229,607	49,699	5,776,634			
④Depreciation (Thousands)	33,143	44,027	19,478	18,110	4,557	13,652	13,365	12,374	45,522	11,206	10,026	23,097	56,919	8,646	1,406,895			
⑤Rental operating income (=③-④) (Thousands)	75,349	34,381	33,137	41,587	11,048	17,091	25,684	10,741	69,693	18,604	16,263	34,034	172,688	41,053	4,369,739			
⑥Capital expenditures (Thousands)	15,680	-	5,029	2,795	-	2,656	9,182	3,036	-	-	-	-	600	5,458	574,700			
⑦NCF (=⑤-⑥) (Thousands)	92,812	78,408	47,587	56,902	15,606	28,087	29,867	20,080	115,215	29,810	26,290	57,132	229,007	44,241	5,201,934			
Reference	Expense ratio (=⑥/⑤)	31.8%	45.5%	34.5%	35.2%	23.1%	43.7%	31.9%	55.0%	26.7%	26.6%	20.1%	38.7%	19.1%	22.7%	29.0%		
	Property tax for the year 2011or 2010(Thousands)	20,143	33,742	10,458	14,953	18,097	14,265	11,676	16,501	21,551	6,288	3,176	16,725	31,822	8,701	1,440,950		
	Among ② of property management fee (Leasing management fees) (Thousands)	5,471	4,536	2,712	3,099	732	1,741	1,967	1,520	4,832	1,436	1,207	3,067	10,477	2,326	285,230		
	Reference: Percentage of rental and other operating revenues	3.44%	3.15%	3.38%	3.36%	3.61%	3.19%	3.43%	2.96%	3.07%	3.54%	3.67%	3.29%	3.69%	3.62%	3.51%		
Long-term repairs, maintenance and renovation																		
Estimated amount of 1st yr to 12th yr (Thousands)	140,450	87,340	167,760	192,400	202,790	140,130	122,820	249,590	170,810	74,650	30,480	339,440	82,330	39,160	10,625,410			
Reference: Amount of yearly avg.	11,704	7,278	13,980	16,033	16,899	11,677	10,235	20,799	14,234	6,220	2,540	28,286	6,860	3,263	885,451			
Assets pledged as collateral	◆	-	-	◆	-	◆	◆	-	◆	-	-	◆	◆	-	-			

## (Reference) Borrowings

Borrowings on a financial institution basis as of April 30, 2011 are as follows.

Classification	Lender	Drawdown Date	Balance at the End of Previous Period (¥Thousands)	Balance at the End of Period (¥Thousands)	Average Interest Rate (Note 1)	Last Repayment Date	Payment Method	Usage	Remarks				
Short-Term Payable	Mitsubishi UFJ Trust and Banking Corporation	January 29, 2010	1,300,000	-	1.240	January 29, 2011	Full on maturity	(Note 2)	Secured/ Unguaranteed				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 26, 2010	500,000	-	1.548	February 28, 2011							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	April 30, 2010	1,000,000	-	1.340	April 28, 2011							
	Mitsubishi UFJ Trust and Banking Corporation		1,000,000	-	1.340	April 30, 2011							
	Mitsubishi UFJ Trust and Banking Corporation	July 30, 2010	1,500,000	1,500,000	1.140	July 31, 2011							
	Mitsubishi UFJ Trust and Banking Corporation	October 29, 2010	1,000,000	1,000,000	1.140	October 31, 2011							
	Mitsubishi UFJ Trust and Banking Corporation	January 31, 2011	-	2,700,000	1.090	January 31, 2012							
	Mitsubishi UFJ Trust and Banking Corporation	March 25, 2011	-	2,000,000	1.430	March 23, 2012							
	The Norinchukin Bank	April 18, 2011	-	1,500,000	1.380	November 30, 2011							
	Sub Total			6,300,000	8,700,000								
Current Portion of Long-Term Payable	Mitsubishi UFJ Trust and Banking Corporation	July 31, 2008	1,400,000	-	1.870	January 31, 2011	Full on maturity	(Note 2)	Secured/ Unguaranteed				
	Sumitomo Mitsui Banking Corporation		1,300,000	-	1.870								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		800,000	-	1.870								
	Aozora Bank, Ltd.	February 29, 2008	2,000,000	-	1.366	February 28, 2011							
	Aozora Bank, Ltd.	June 30, 2008	1,000,000	-	1.987								
	The Chuo Mitsui Trust and Banking Co., Ltd.	September 22, 2008	1,250,000	-	1.713	March 22, 2011							
	Aozora Bank, Ltd.	July 15, 2008	2,000,000	-	1.867	March 31, 2011							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	September 30, 2008	2,000,000	-	1.818	March 31, 2011							
	The Norinchukin Bank	April 17, 2007	1,500,000	-	1.646	April 16, 2011							
	The Chuo Mitsui Trust and Banking Co., Ltd.(Note3)	April 30, 2009	1,500,000	-	2.225	April 28, 2011							
	Aozora Bank, Ltd.	May 1, 2006	1,500,000	-	2.199	April 30, 2011							
	Mitsui Sumitomo Insurance Co., Ltd.		1,000,000	-	2.199								
	Resona Bank, Ltd. (Note4)	April 30, 2009	1,000,000	-	2.230								
	Mitsubishi UFJ Trust and Banking Corporation	July 14, 2006	1,000,000	1,000,000	2.149	July 13, 2011							
	Sumitomo Mitsui Banking Corporation	July 31, 2008	2,200,000	2,200,000	1.992	July 31, 2011							
	The Chuo Mitsui Trust and Banking Co., Ltd.		1,000,000	1,000,000	1.992								
	Resona Bank, Ltd.		300,000	300,000	1.992								
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	February 29, 2008	1,500,000	1,500,000	1.429	August 31, 2011							
	The Chuo Mitsui Trust and Banking Co., Ltd.	September 1, 2008	1,000,000	1,000,000	1.775	September 1, 2011							
	Sumitomo Mitsui Banking Corporation	March 31, 2008	3,000,000	3,000,000	1.609	September 30, 2011							
	The Chuo Mitsui Trust and Banking Co., Ltd.		2,000,000	2,000,000	1.559								
	Aozora Bank, Ltd.	April 30, 2009	3,500,000	3,500,000	2.240	October 31, 2011							
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 26, 2010	1,500,000	1,500,000	1.243								
	The Chuo Mitsui Trust and Banking Co., Ltd.(Note5)	May 1, 2008	1,000,000	1,000,000	1.905	November 1, 2011							
	The Norinchukin Bank (Note5)	December 1, 2006	2,500,000	2,500,000	1.964	November 30, 2011							
	Sumitomo Mitsui Banking Corporation (Note5)	January 10, 2008	2,500,000	2,500,000	1.503	January 10, 2012							
	Sumitomo Mitsui Banking Corporation (Note5)	February 27, 2009	470,000	460,000	2.071	February 29, 2012							
	The Chuo Mitsui Trust and Banking Co., Ltd.(Note5)	April 2, 2007	2,000,000	2,000,000	1.875	April 2, 2012							
	Aozora Bank, Ltd. (Note5)	April 30, 2009	2,000,000	2,000,000	2.240	April 27, 2012							
	Sub Total			45,720,000	27,460,000								

Classification	Lender	Drawdown Date	Balance at the	Balance at the	Average	Last Repayment Date	Payment Method	Usage	Remarks	
			End of Previous Period (¥Thousands)	End of Period (¥Thousands)	Interest Rate (Note 1)					
Long-Term Payable	Development Bank of Japan Inc.	May 1, 2006	5,000,000	5,000,000	2.731	April 30, 2016	Full on maturity (Note 7)	(Note 2)	Secured/ Unguaranteed	
	Development Bank of Japan Inc.	September 1, 2006	3,000,000	3,000,000	2.124	August 31, 2013				
	Resona Bank, Ltd.	June 30, 2008	1,500,000	1,500,000	2.150	June 30, 2012				
	Development Bank of Japan Inc.		3,000,000	3,000,000	2.263	December 28, 2012				
	Development Bank of Japan Inc.	February 27, 2009	940,000	920,000	2.040	August 31, 2012				
	Sumitomo Mitsui Banking Corporation	October 26, 2009	960,000	940,000	2.424	October 26, 2013				
	Sumitomo Mitsui Banking Corporation	October 30, 2009	1,920,000	1,880,000	2.445	October 30, 2013				
	Resona Bank, Ltd.	December 8, 2009	500,000	500,000	1.671	December 8, 2012				
	The Chuo Mitsui Trust and Banking Co., Ltd.	January 13, 2010	1,000,000	1,000,000	1.901	January 15, 2013				
	Sumitomo Mitsui Banking Corporation	January 29, 2010	1,152,000	1,128,000	2.173	January 30, 2015				
	Aozora Bank, Ltd.	February 18, 2010	1,500,000	1,500,000	1.899	February 18, 2013				
	Sumitomo Mitsui Banking Corporation		2,185,000	2,127,500	2.190	February 18, 2015				
	Development Bank of Japan Inc.		1,615,000	1,572,500	2.190					
	The Chuo Mitsui Trust and Banking Co., Ltd.		950,000	925,000	2.190					
	Aozora Bank, Ltd.		475,000	462,500	2.190					
	Sumitomo Mitsui Banking Corporation	April 2, 2010	1,950,000	1,900,000	2.220	April 2, 2015				
	Resona Bank, Ltd.	July 30, 2010	500,000	500,000	1.488	July 31, 2013				
	The Chuo Mitsui Trust and Banking Co., Ltd.		3,700,000	3,700,000	1.660	January 31, 2014				
	Sumitomo Mitsui Banking Corporation		3,700,000	3,700,000	1.731	July 31, 2014				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	October 29, 2010	2,500,000	2,500,000	1.450	October 31, 2012				
	Resona Bank, Ltd.		500,000	500,000	1.463	October 31, 2013				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	November 12, 2010	-	1,500,000	1.584	November 12, 2013				
	The Chuo Mitsui Trust and Banking Co., Ltd.		-	800,000	1.584					
	Aozora Bank, Ltd.		-	400,000	1.584					
	Sumitomo Mitsui Banking Corporation		-	1,200,000	1.789	November 12, 2015				
	Resona Bank, Ltd.		-	800,000	1.789					
	Development Bank of Japan Inc.	December 1, 2010	-	2,300,000	2.023	November 12, 2017				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	500,000	1.372	November 12, 2013				
	The Chuo Mitsui Trust and Banking Co., Ltd.		-	200,000	1.372					
	Aozora Bank, Ltd.		-	100,000	1.372					
	Sumitomo Mitsui Banking Corporation		-	800,000	1.472	November 12, 2015				
	Resona Bank, Ltd.		-	200,000	1.472					
	Development Bank of Japan Inc.		January 31, 2011	-	700,000	2.206	November 12, 2017			
	Sumitomo Mitsui Banking Corporation			-	1,300,000	1.570	January 31, 2014			
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.			-	800,000	1.939	January 29, 2016			
	Aozora Bank, Ltd.			February 28, 2011	-	3,000,000	1.912			August 31, 2015
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.				-	500,000	1.952			January 29, 2016
	The Chuo Mitsui Trust and Banking Co., Ltd.			March 22, 2011	-	2,700,000	1.630			September 22, 2014
	Aozora Bank, Ltd.	March 31, 2011	-	2,000,000	1.525	September 30, 2013				
	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	March 31, 2011	-	2,000,000	1.905	January 29, 2016				
Resona Bank, Ltd.	March 31, 2011	-	1,000,000	1.390	March 31, 2016					
Mitsubishi UFJ Trust and Banking Corporation	April 28, 2011	-	1,000,000	1.496	April 30, 2013					
Aozora Bank, Ltd.		-	1,500,000	1.859	October 31, 2015					
The Bank of Tokyo-Mitsubishi UFJ, Ltd.		-	1,000,000	1.886	January 29, 2016					
Sub Total			38,547,000	64,555,500						
Total			90,567,000	100,715,500						

## 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.
- The Investment Corporation undertook prepayment on March 22, 2011.
- The Investment Corporation undertook prepayment on March 31, 2011.
- Borrowings listed in the current portion of long-term payable were listed in long-term payable in the previous fiscal period.
- Repayment Method: August 31, 2009 to August 31, 2011: repayment of 10,000 thousand yen every 6 months, and February 29, 2012: repayment of 450,000 thousand yen
- Repayment Method: August 31, 2009 to February 29, 2012: repayment of 20,000 thousand yen every 6 months, and August 31, 2012: repayment of 880,000 thousand yen
- Repayment Method: February 26, 2010 to August 31, 2013: repayment of 20,000 thousand yen every 6 months, and October 26, 2013: repayment of 840,000 thousand yen
- Repayment Method: January 29, 2010 to July 31, 2013: repayment of 40,000 thousand yen every 6 months, and October 30, 2013: repayment of 1,680,000 thousand yen
- Repayment Method: April 30, 2010 to October 31, 2014: repayment of 24,000 thousand yen every 6 months, and January 30, 2015: repayment of 960,000 thousand yen
- Repayment Method: February 26, 2010 to August 31, 2014: repayment of 137,500 thousand yen every 6 months, and February 18, 2015: repayment of 4,125,000 thousand yen
- Repayment Method: August 31, 2010 to February 28, 2015: repayment of 50,000 thousand yen every 6 months, and April 2, 2015: repayment of 1,500,000 thousand yen