

**FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED OCTOBER 31, 2005**  
**(May 6, 2005 to October 31, 2005)**

December 15, 2005

Kenedix Realty Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 8972. ( URL: <http://www.kdx-reit.com> )

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Board of directors meeting for approving financial results: December 15, 2005

This financial report has been prepared in accordance with Japanese accounting standards and Japanese law. Figures have been rounded down to eliminate amounts of less than one million yen.

**1. PERFORMANCE FOR THE FIRST FISCAL PERIOD (MAY 6, 2005 ~ OCTOBER 31, 2005)**

(1) Business Results

(Millions of yen)

	Operating Revenues	Percentage Change	Operating Income	Percentage Change	Ordinary Income	Percentage Change	Net Income	Percentage Change
First Fiscal Period	¥1,196	- %	¥589	- %	¥243	- %	¥242	- %

(Yen)

	Net Income per Unit	Return on Unitholders' Equity (ROE)	< Reference > Annualized	Ordinary Income to Total Assets	< Reference > Annualized	Ordinary Income to Operating Revenues
First Fiscal Period	¥5,302	0.6%	2.2%	0.3%	1.3%	20.3%

Notes:

- Net income per unit is calculated using the average number of investment units for the first fiscal period: 45,683 units. Actual investment management for the first period commenced on August 1, 2005. Accordingly, net income per unit calculated using the weighted average number of investment units outstanding for the period commenced through August 1, 2005 through October 31, 2005 (78,722 units) was ¥3,077. Furthermore, net income per unit calculated using the number of investment units outstanding as of October 31, 2005 (79,370 units) was ¥3,052.
- Changes in accounting policies: No
- Percentage change figures are not shown for operating revenues, operating income, ordinary income and net income because the fiscal period is the first fiscal period.
- Annualized percentage figures = Percentage figures for the first fiscal period / number of days in the actual period of investment management (92days) × 365 days.
- Return on unitholders' equity and ordinary income to total assets are calculated using the averages of the respective balances of unitholders' equity and total assets as of the beginning and end of the fiscal period. The actual investment management commencement date of August 1, 2005 is used in the aforementioned calculations.

(2) Distributions

(Millions of yen, yen)

	Distribution per Unit (Yen) Excluding Excess of Earnings	Total Distributions	Distribution in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Unitholders' Equity
First Fiscal Period	¥3,052	¥242	-	-	99.9%	0.5%

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

(3) Financial Position

(Millions of yen, yen)

	Total Assets	Unitholders' Equity	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
First Fiscal Period	¥77,325	¥44,527	57.6%	¥561,008

Note: The number of investment units outstanding as of October 31, 2005 totaled 79,370 units.

**2. FORECAST OF RESULTS FOR THE SECOND FISCAL PERIOD**

**(NOVEMBER 1, 2005 ~ APRIL 30, 2006)**

(Millions of yen, yen)

	Operating Revenues	Ordinary Income	Net Income	Distribution per Unit (Yen) Excluding Excess of Earnings	Distribution in Excess of Earnings per Unit (Yen)
Second Fiscal Period	¥ 2,814	¥ 1,035	¥ 1,034	¥ 13,000	-

Reference: Estimated net income per unit for the second fiscal period: ¥ 13,000

Note: Forecasts presented in this document are based on "Assumptions for Forecasts for the Second Fiscal Period (from November 1, 2005 to April 30, 2006) and the Third Fiscal Period (from May 1, 2006 to October 31, 2006)" identified in a separate reference.

Forecasts for net income and distribution per unit may differ from actual results due to changes in operating conditions and a variety of factors. Accordingly, Kenedix Realty Investment Corporation does not guarantee any distribution amount.

**The information above is translated from the first page of the Japanese "Kessan Tanshin" report, dated December 15, 2005. Kenedix Realty Investment Corporation makes no assurance or warranty with respect to the completeness or accuracy of this English translation. To guarantee complete and accurate information, please refer to the original report in Japanese.**