

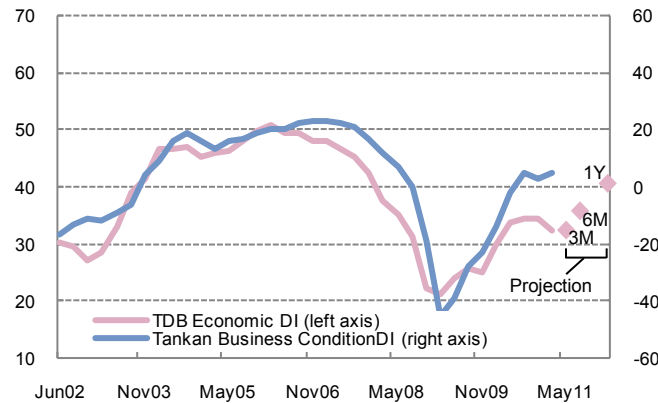


1. Economic Outlook

Real GDP Growth Rate Forecasts

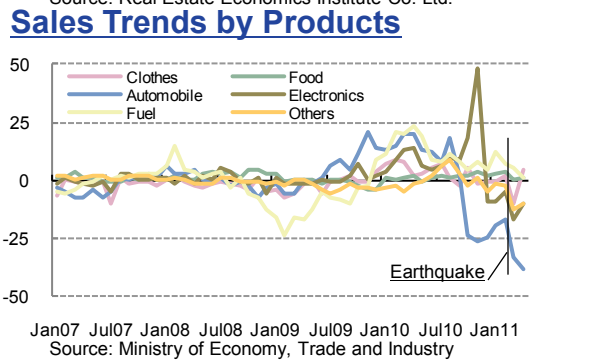
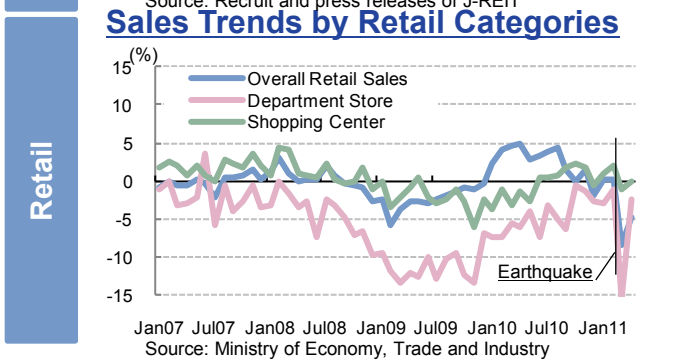
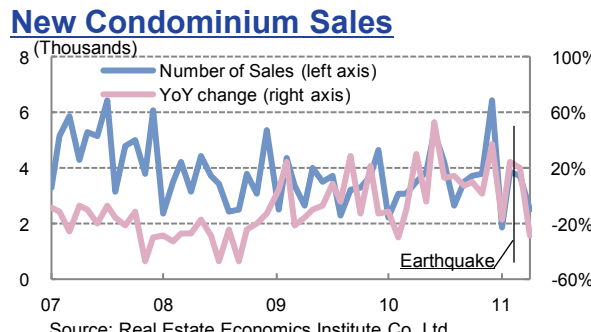
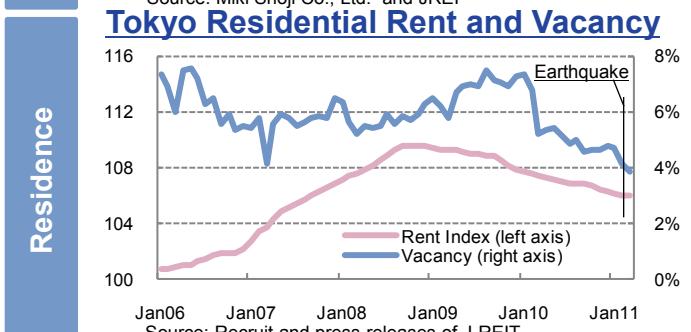
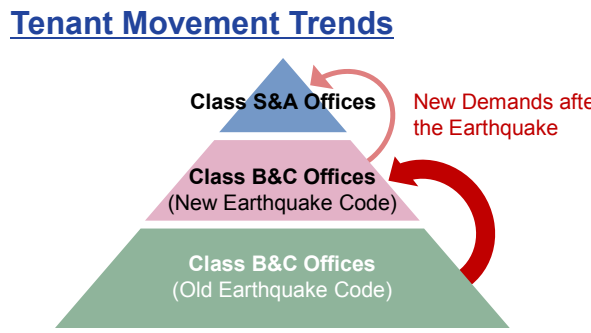
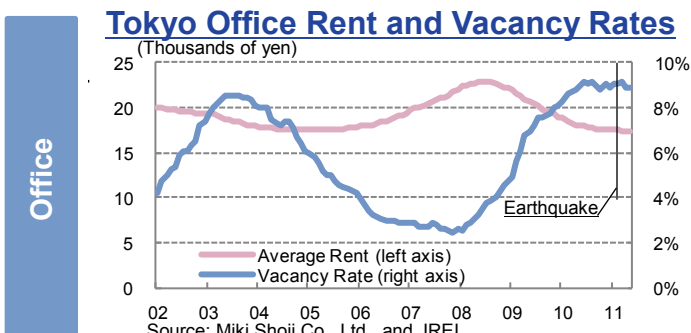
	FY2011		FY2012	
	Before	After (Jun)	Before	After (Jun)
MS MUFG	2.00%	(1.20%)	1.90%	2.90%
Mizuho	1.80%	(0.50%)	2.20%	3.70%
Citi	1.70%	(0.60%)	1.90%	3.20%
J. P. Morgan	1.70%	(0.30%)	1.80%	3.60%
BoAML	1.70%	(0.30%)	2.20%	3.60%
UBS	1.50%	(0.40%)	2.10%	3.50%
Daiwa	1.40%	(1.00%)	2.30%	3.00%
Nomura	1.30%	(0.60%)	2.20%	3.50%
Goldman	1.30%	(0.80%)	2.00%	3.00%
Average	1.60%	(0.60%)	2.10%	3.30%
Median	1.70%	(0.60%)	2.10%	3.50%

Economic Diffusion Index (Large Corporations)



Source: Bank of Japan, Teikoku Research and Kenedix

2. Real Estate Fundamentals

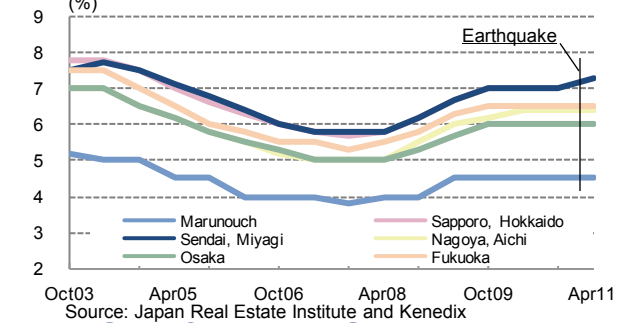


3. Real Estate Investors' Trends

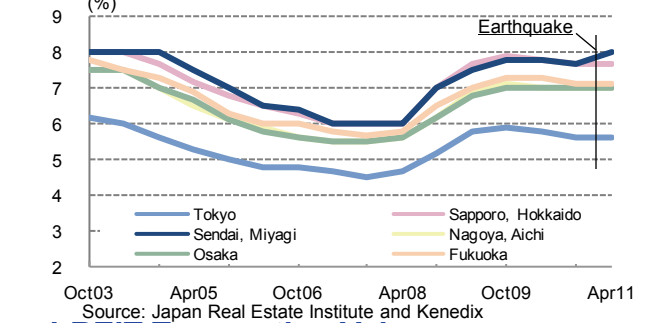
Recent trends

	April	June
Overseas Investors	<ul style="list-style-type: none"> General wait-and-see attitude, until the stabilization of the nuclear power plant situation Certain investors aggressively seeking opportunistic transactions Anticipated increase in investor activities after the stabilization of the nuclear situation, with additional support from the weakening yen 	<ul style="list-style-type: none"> Restored calmness in seeking investment opportunities, having overcome the initial over-reaction Seeking the right moment to shift weight on Japanese real estate, alarmed by the risk of credit tightening in Asia Few owners are pressed to sell assets, and as a result, the amount of deal flows remain slim post the earthquake
Domestic Institutional Investors	<ul style="list-style-type: none"> Sudden drop in interest towards real estate investments from pension funds, which used to be rising from the latter half of 2010 Closely watching the activities of other investors; they may make a quick comeback when they return to the market 	<ul style="list-style-type: none"> Seeking new investment opportunities due to lackluster performance in core fixed income investments, and gradually returning to the real estate market Certain financial institutions have begun considering specific real estate equity investments
J-REITs	<ul style="list-style-type: none"> Fathoming trends in the financial markets and seeking the right timing to reconvene equity financings High likelihood of more aggressive asset acquisition activities in association with the commencement of financings Access to debt capital remains open; asset acquisition activities have been partially ongoing post the earthquake 	<ul style="list-style-type: none"> Aggressively seeking investment opportunities, given the solid debt financing environment and the re-opening of equity financing markets in May Strong performance continues for residential J-REITs J-REIT prices are supported by BoJ's policy to continue purchasing REITs in the market through the year-end of 2011
Developers	<ul style="list-style-type: none"> Slowing down acquisitions due to an expected rise in construction costs Aware of the risk of potentially protracted development periods due to the strain in construction resources in Tokyo, caused by higher demands in victimized areas 	<ul style="list-style-type: none"> Recommended acquisitions of land, as the spike in development costs turned out to be milder than expected Becoming cautious on the development of waterfront properties and high-rise rental condos

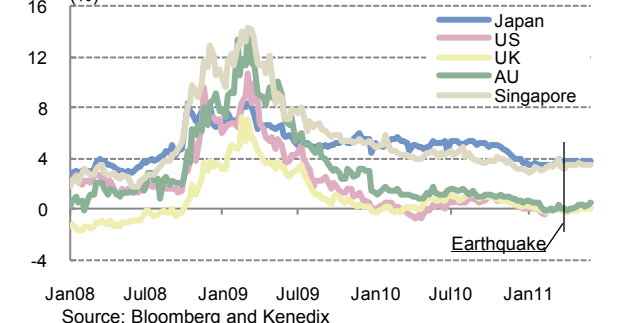
Investors' Expected Cap Rates (Office)



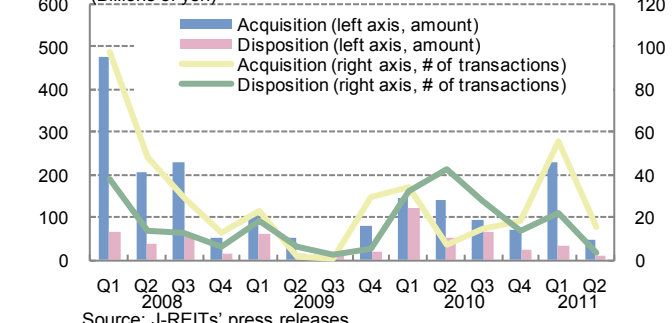
Investors' Expected Cap Rates (Residence)



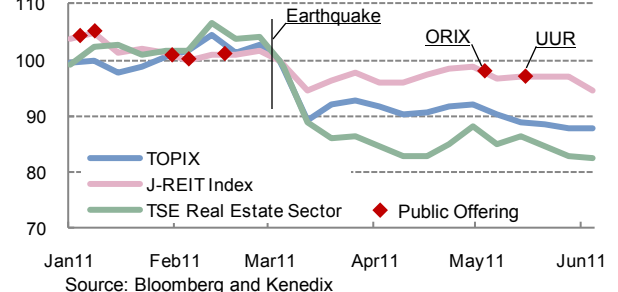
Yield Gap of REITs vs. Government Bonds



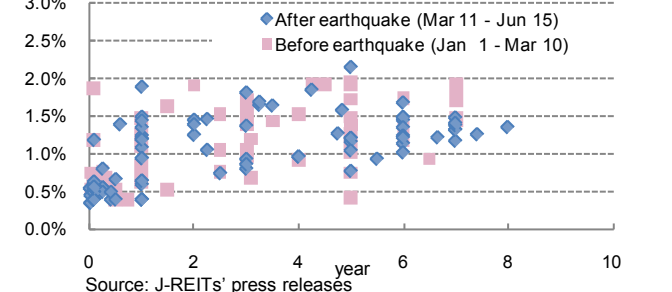
J-REIT Transaction Volume



J-REIT Equity Financings and Stock Price



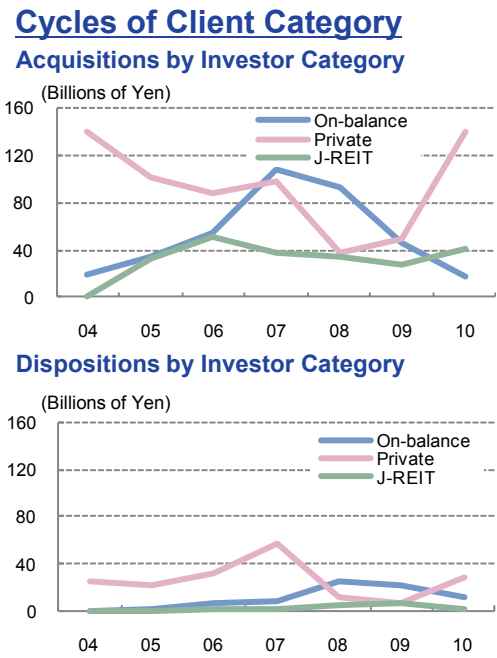
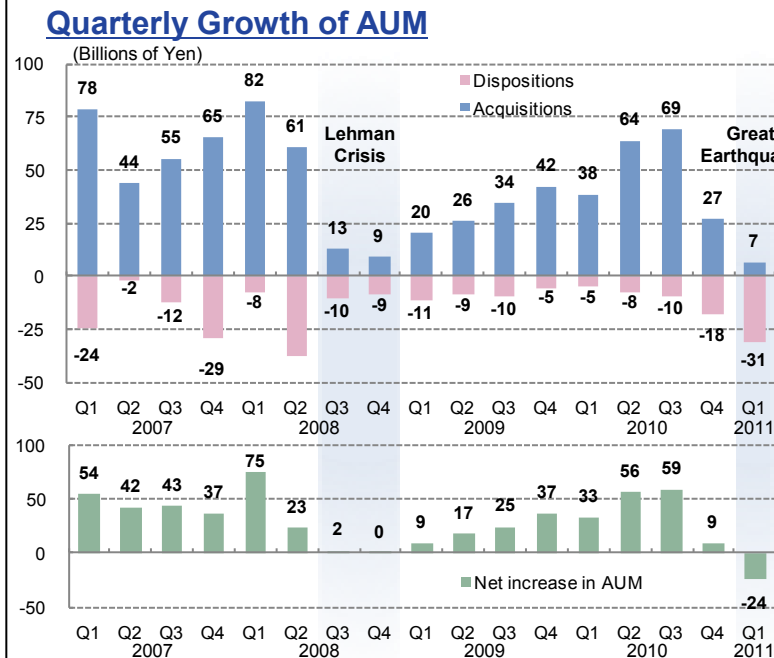
Debt Cost



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4. Kenedix Cyclical Growth of AUM



6. Enhancement of Profit Structure

Human Resource Enhancement

- Expansion of the Acquisition and Asset Management Teams, in order to further strengthen our revenue generating platform
- Restarted the hiring of new college graduates, while simultaneously promoting the training of future generation employees

Debt Cost Reduction

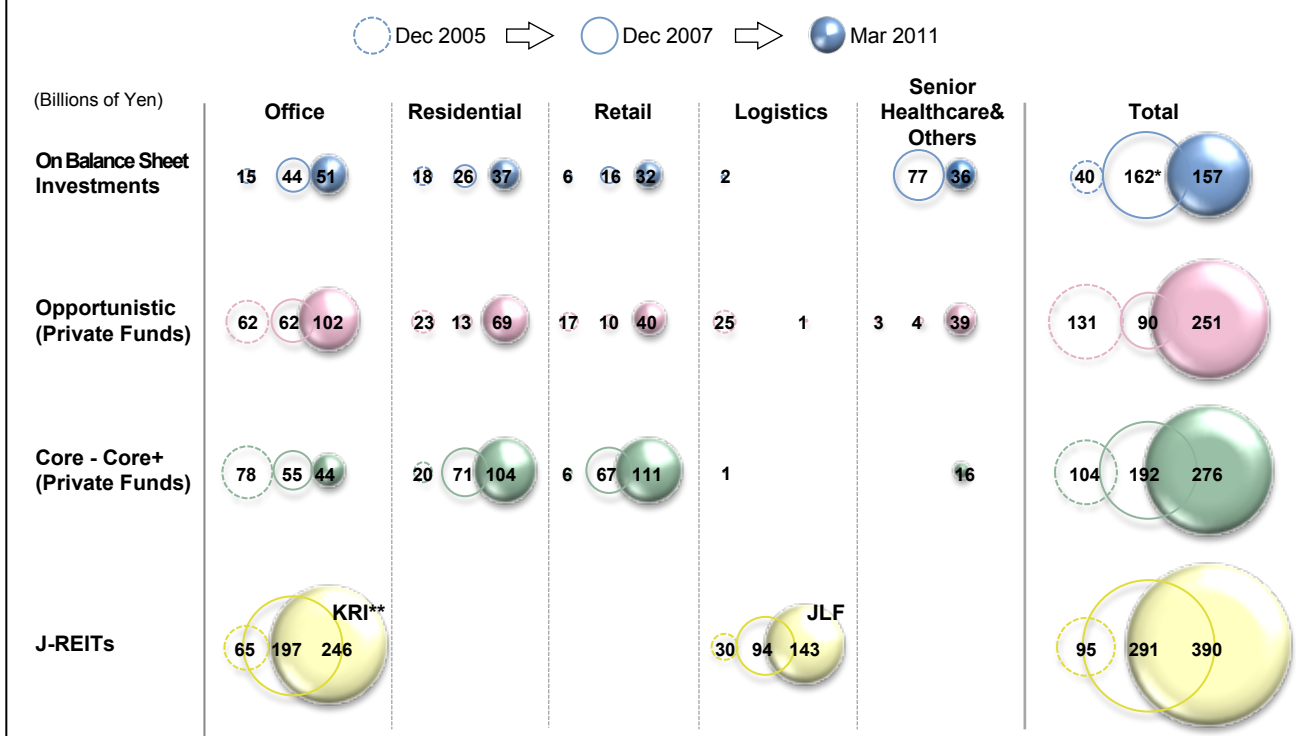
- Strong willingness of various lenders to provide loans to real estate sector
- Refinanced high coupon debts, which were borrowed during periods of tighter credit, with lower interest loans

Budget Control

- Launched an internal project to further tighten internal cost control

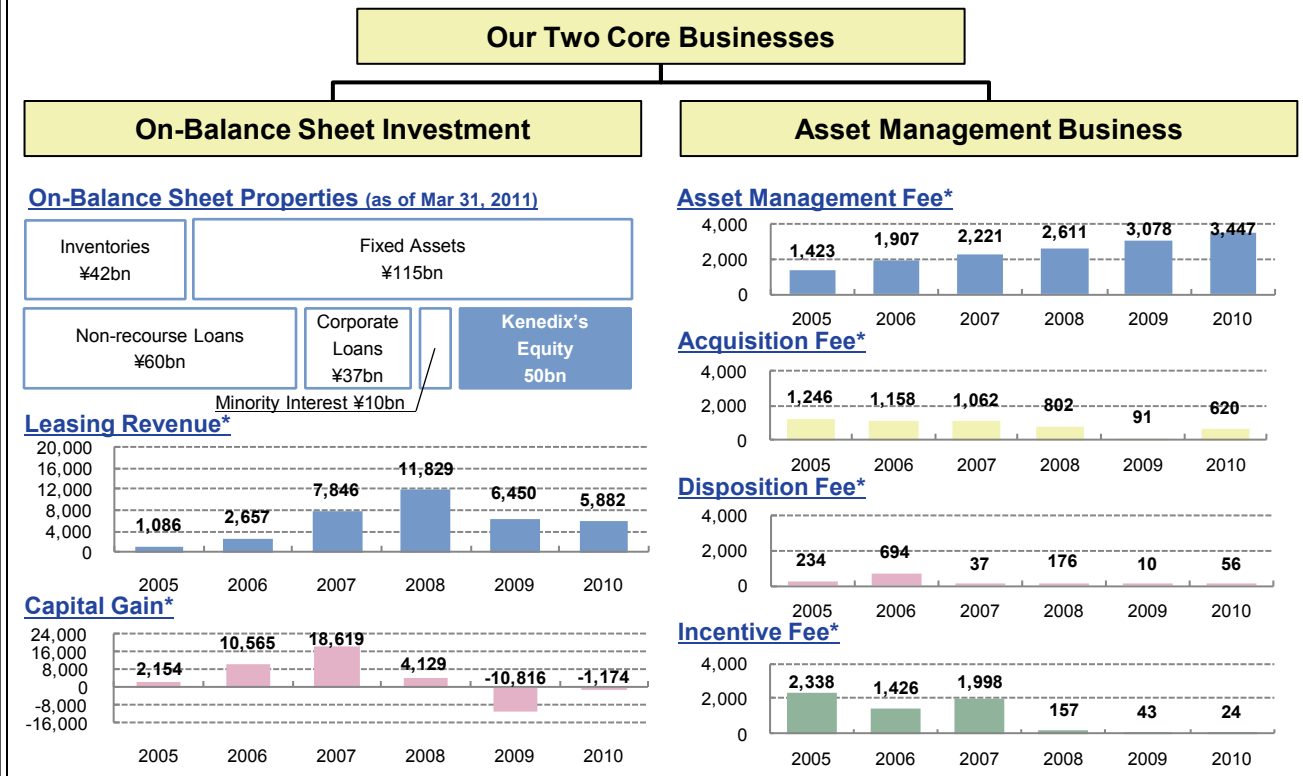


5. Historical Trends of AUM Mixture



Note: *Excluding consolidated Pension Fund No.9 and No.10
 **Including residential properties (¥9 bn) and retail properties (¥12 bn).

7. Kenedix Value Structure



Note: *These graphs in this section express Gross Operating Profit in millions of yen, unless noted otherwise.