

1. Topics in 1Q & Consolidated Income Statements

Topics in 1Q

Kenedix Residential Investment Corp. was listed on TSE REIT Market

Listed on Apr 26, 2012, and its total asset is ¥30.4 bn.

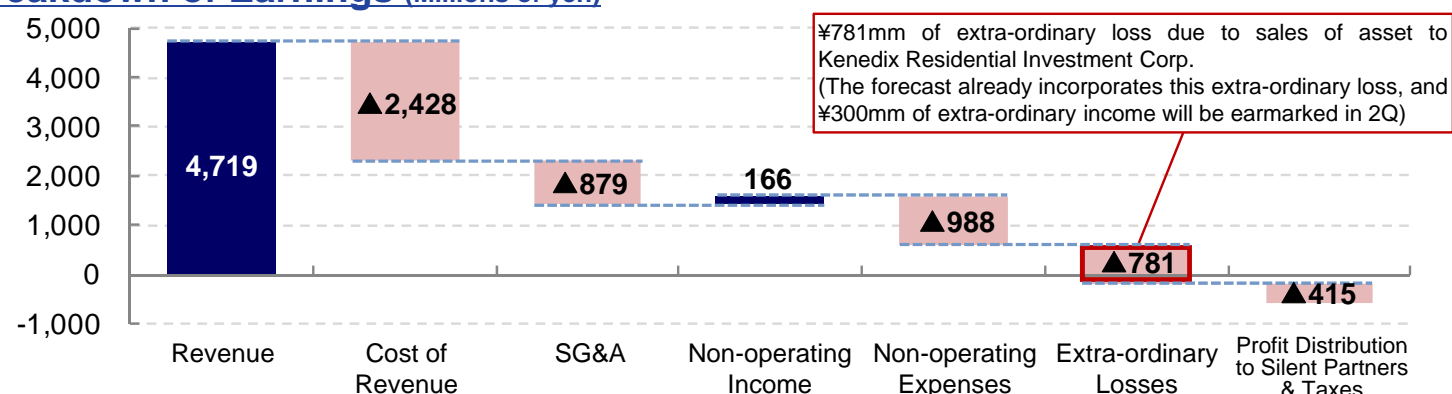
1.5 bn yen of net decrease of AUM due to asset sales

¥14.2 bn of increase and ¥15.8 bn of decrease in 1Q

Earnings Summary (Millions of yen, unless otherwise stated)

	FY2010		FY2011		FY2012		Full Year (f.)
	1Q	Full Year	1Q	Full Year	1Q	YoY Change	
Revenue	5,193	38,589	4,980	19,486	4,719	-5.2%	17,300
Gross Profit	2,552	11,411	2,405	10,609	2,290	-4.8%	10,300
(Gross Profit Margin)	49.1%	29.6%	48.3%	54.4%	48.5%		59.5%
Operating Income	1,434	7,331	1,552	6,931	1,411	-9.1%	6,700
(Operating Income Margin)	27.6%	19.0%	31.2%	35.6%	29.9%		38.7%
Ordinary Income	53	2,202	640	2,464	589	-8.0%	3,400
(Ordinary Income Margin)	1.0%	5.7%	12.9%	12.6%	12.5%		19.7%
Income before Provision for Income Taxes	-206	-406	120	2,294	-191	-	2,900
Net Income/Loss	-652	-2,542	-105	1,313	-607	-	1,700

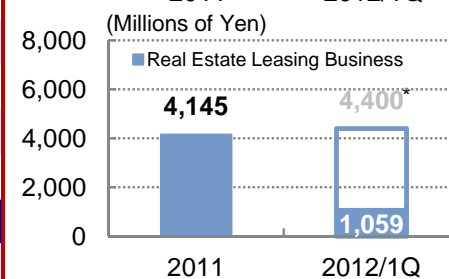
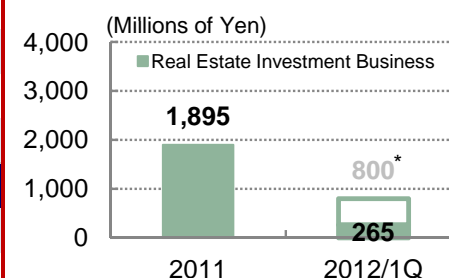
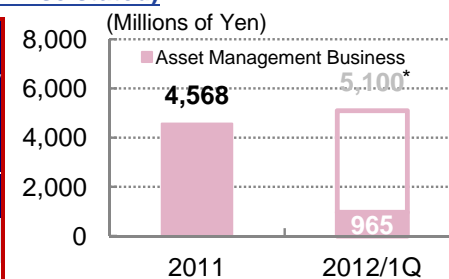
Breakdown of Earnings (Millions of yen)



2. Business Segment Information

Breakdown of Gross Operating Income (Millions of yen, unless otherwise stated)

	FY2011		FY2012		YoY Change	Full Year (f.)
	1Q	Full Year	1Q	Full Year		
Gross Operating Income	2,405	10,609	2,290	10,300	-4.8%	10,300
Asset Management Business	955	4,568	965	5,100	1.0%	5,100
Acquisition Fees	24	405	57	1,000	136.4%	1,000
Asset Management Fees	743	3,130	795	3,400	7.0%	3,400
Disposition Fees	15	211	31	50	106.6%	50
Incentive Fees	69	153	24	50	-65.2%	50
Other Fees	102	666	57	600	-44.4%	600
Real Estate Investment Business	550	1,895	265	800	-51.8%	800
Rental Revenue	339	1,608	74	450	-78.0%	450
Gain on Sales of Properties	136	378	92	10	-32.6%	10
Dividend Income from Investment in TK	-54	-518	-29	40	-	40
Valuation Loss of Properties	-	-91	-	0	-	0
Gain on Sales/Collection Profits on NPL	62	217	28	150	-53.5%	150
Others	66	301	98	150	47.6%	150
Real Estate Leasing Business	899	4,145	1,059	4,400	17.8%	4,400
Rental Revenue	906	4,174	1,257	4,400	38.6%	4,400
Others	-7	-28	-197	0	-	0



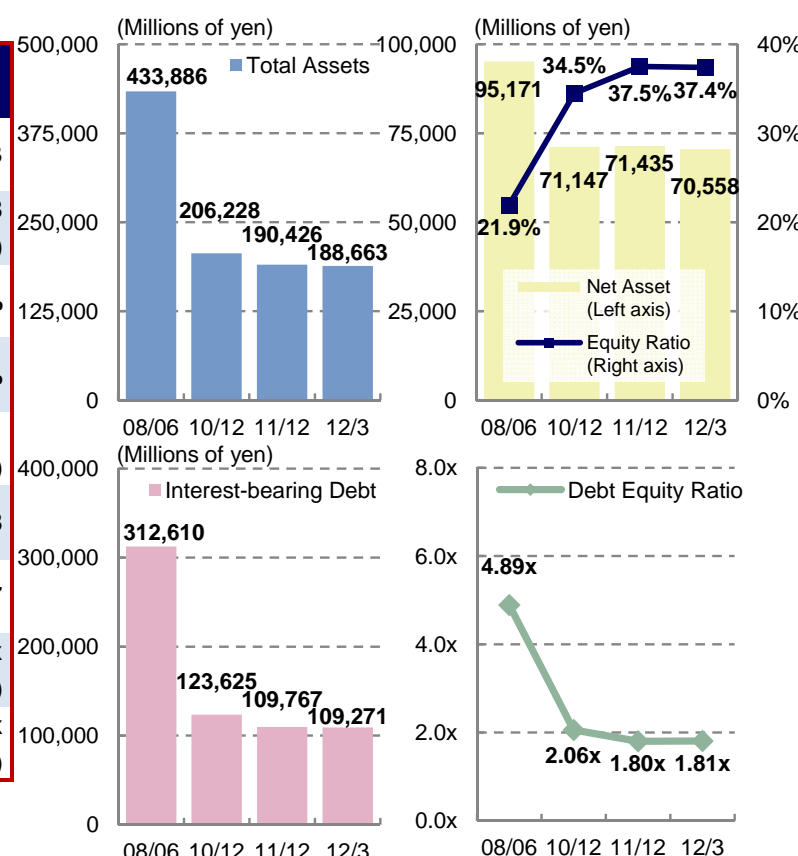
* Full-year forecasts

3. Summary of Consolidated Balance Sheets

Summary of Asset and Debt (Millions of Yen)

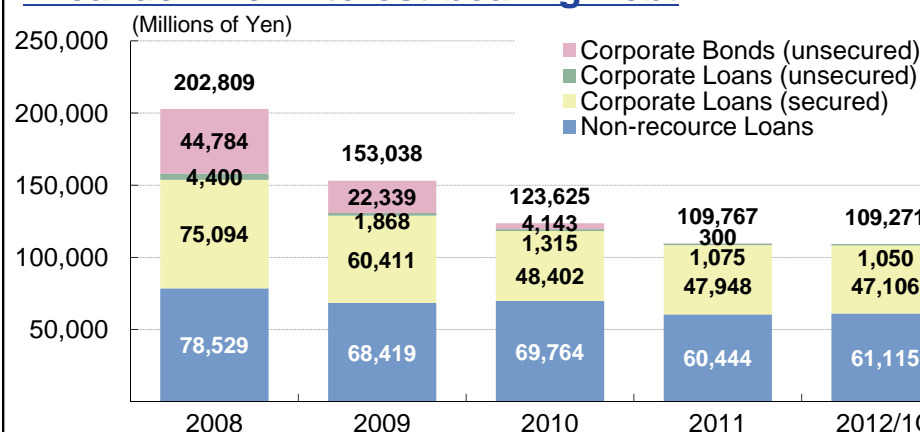
	Jun 30, 2008	Dec 31, 2010	Dec 31, 2011	Mar 31, 2012
Total Assets	433,886	206,228	190,426	188,663
Net Assets	95,171	71,147	71,435	70,558
(of which Minority Interests)	(31,251)	(11,080)	(10,518)	(10,147)
Equity Ratio	21.9%	34.5%	37.5%	37.4%
Equity Ratio (excluding Minority Interests)	14.7%	29.1%	32.0%	32.0%
Interest-bearing Debt	312,610	123,625	109,767	109,271
(of which Non-recourse Loans)	(134,959)	(69,764)	(60,444)	(61,115)
Cash and Deposits	26,769	10,913	7,706	7,918
Net Debt*	150,882	42,947	41,617	40,237
Net Debt Equity Ratio*	2.36x	0.72x	0.68x	0.67x
(including Minority Interests)	(1.59x)	(0.60x)	(0.58x)	(0.57x)
Debt Equity Ratio	4.89x	2.06x	1.80x	1.81x
(including Minority Interests)	(3.28x)	(1.74x)	(1.54x)	(1.55x)

Note: "Equity ratio" = "Net Assets" / "Total Assets"
 "Net Debt" = "Interest-bearing Debt" - "Non-recourse Loans" - "Cash and Deposits"
 "Net-Debt-Equity-Ratio" = "Net-Debt" / "Interest-bearing Debt (of which Non-recourse Loans)"

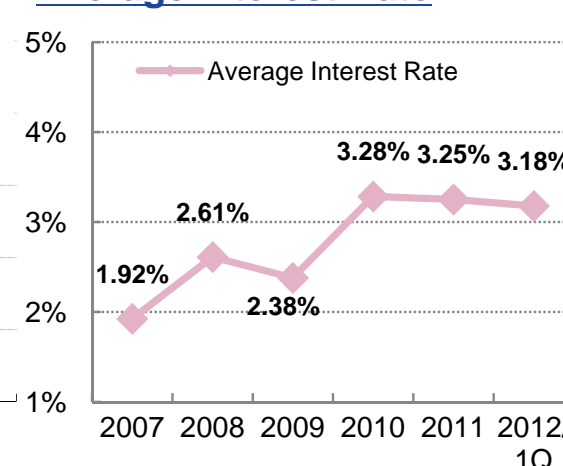


4. Interest-bearing Debt

Breakdown of Interest-bearing Debt

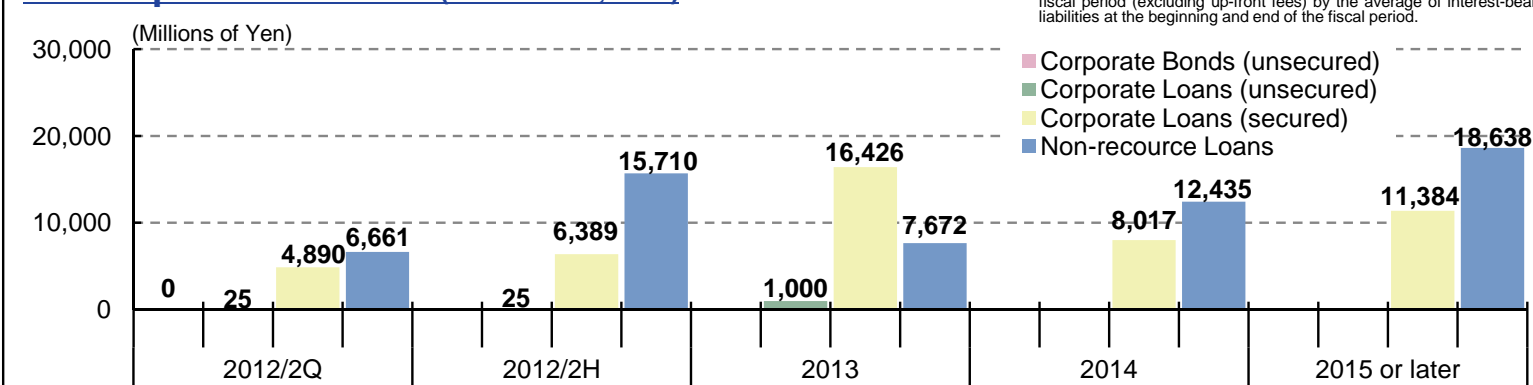


Average Interest Rate



Note: The average interest rate is calculated by dividing interest paid in each fiscal period (excluding up-front fees) by the average of interest-bearing liabilities at the beginning and end of the fiscal period.

Redemption Schedule (as of Mar 31, 2012)



5. Inventories, Fixed Assets, and Investment Securities

Breakdown of Inventories (as of Mar 31, 2012)

(Millions of Yen, number of properties in parentheses)	Gas Station (Operating)	Gas Station (Closed)	Undeveloped Land, etc.	Total
Tokyo Metropolitan	5,358 (16)	43 (1)	-	5,401 (17)
Kansai Area	1,853 (16)	184 (2)	1,170 (1)	3,208 (19)
Chubu Area	1,819 (19)	-	-	1,819 (19)
Kyusyu	1,294 (10)	65 (2)	-	1,360 (12)
Others	2,405 (28)	493 (13)	-	2,899 (41)
Total	12,732 (89)	787 (18)	1,170 (1)	14,689 (108)
LTV	46.8% (Total Loan Balance:¥6,874mm, including ¥6,270mm non-recourse loans)			

Breakdown of Fixed Assets (as of Mar 31, 2012)

Note: (1) Appraised NOI Yield = Appraised NOI / Book Value
(2) Book Value weighted average (3) Net Rentable Area weighted average

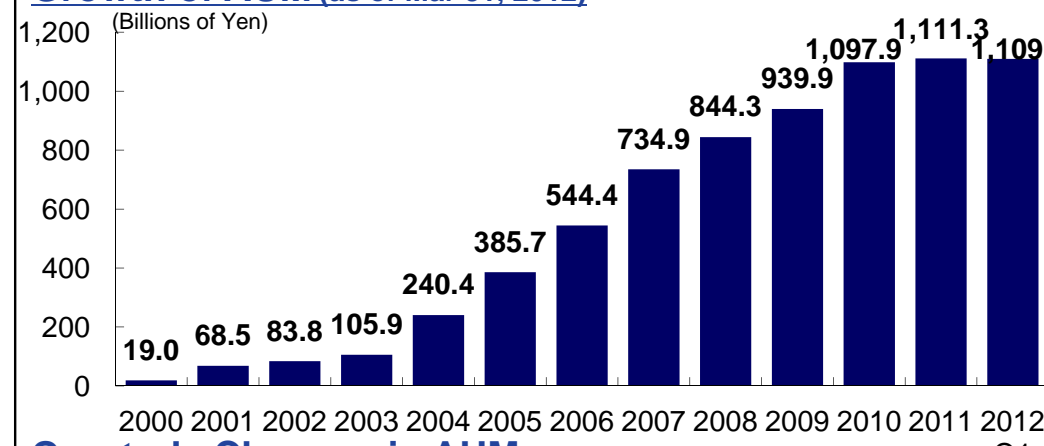
(Millions of Yen, number of properties in parentheses)	Office	Residential	Retail Facilities	Senior Healthcare	Redevelopment Projects (Ginza/Roppongi)	Data Center	Others	Total
Tokyo Metropolitan	33,245 (10)	6,678 (9)	2,922 (1)	2,866 (2)	9,529 (2)	6,253 (2)	30 (1)	61,526 (27)
Kansai Area	17,509 (3)	10,823 (8)	2,264 (1)	1,849 (2)	-	1,143 (1)	401 (1)	33,991 (16)
Chubu Area	3,685 (3)	8,048 (7)	-	-	-	1,067 (1)	-	12,802 (11)
Kyusyu	-	2,251 (2)	-	-	-	-	-	2,251 (2)
Others	4,075 (4)	6,041 (7)	13,534 (3)	-	-	1,518 (2)	834 (2)	26,004 (18)
Total	58,515 (20)	33,843 (33)	18,721 (5)	4,716 (4)	9,529 (2)	9,982 (6)	1,266 (4)	136,575 (74)
Appraised NOI Yield⁽¹⁾⁽²⁾	5.6%	6.4%	6.0%	7.1%	5.2%	5.4%	4.1%	5.8%
Actual NOI Yield⁽²⁾	3.9%	6.3%	5.8%	6.8%	4.5%	5.3%	4.1%	5.0%
Average Occupancy Rate⁽³⁾	80.8%	95.6%	85.7%	100.0%	97.8%	100.0%	76.8%	88.7%
LTV	63.4% (Total Loan Balance:¥86,603mm, including ¥54,844mm non-recourse loans)							

Breakdown of Investment Securities (as of Mar 31, 2012)

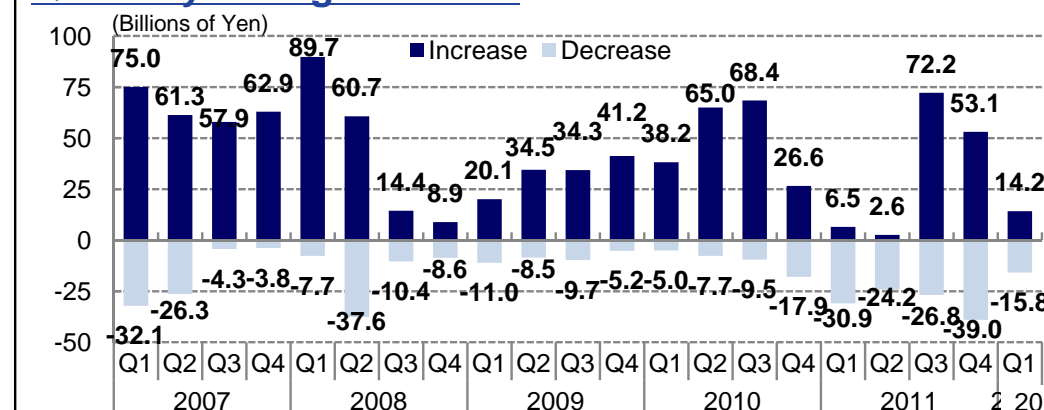
(Millions of Yen)	FY2011	FY2012 Q1	Ratio	
Prior to 2004	811	820	5.0%	TK investments in SPC, TMK investments, and etc.
2005	2,269	2,274	13.8%	
2006	1,946	1,926	11.7%	
2007	2,583	2,468	15.0%	
2008	984	982	6.0%	
2009	804	805	4.9%	
2010	415	413	2.5%	
Subtotal	9,817	9,691	58.9%	
Overseas Investments	1,615	1,639	10.0%	Investments in U.S. apartment buildings, Chinese real estate funds and other investments.
Mezzanine Loans	2,000	2,000	12.2%	Mezzanine Loans to SPC that invests in Tokyo office building. (Launched in 2007, and maturity is in 2013)
Equity Ownership in Affiliated Companies	2,479	2,224	13.5%	MAX-REALTY, Mitsui & Co. Logistics Partners, and others.
Others	613	900	5.5%	REIT investment units, etc.
Total	16,524	16,455	100%	

6. Asset Under Management (AUM)

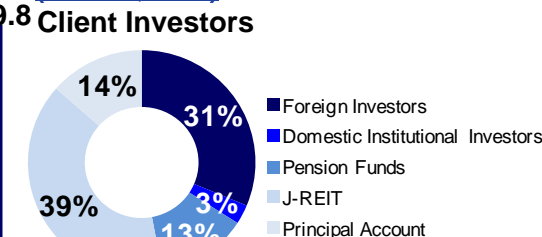
Growth of AUM (as of Mar 31, 2012)



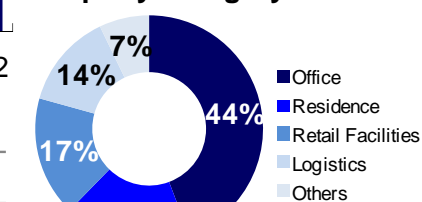
Quarterly Changes in AUM



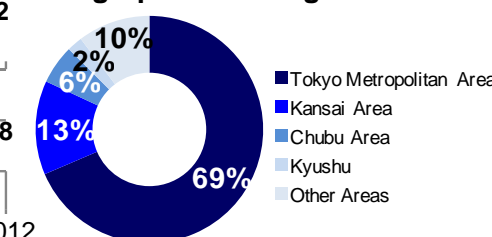
Breakdown of AUM (Mar 31, 2012)



Property Category



Geographic Coverage



7. Our Priority Issues

Effort of AUM Growth

Residential ¥30.4bn

Speedy growth to ¥100bn of assets through use of Kenedix Residential Investment Corporation our group AUM

Mid-size Offices **Logistics** **Private Funds**

Diversification of Asset Category & Client Investors

Reducing Interest Expenses

■ Refinancing of loans, which were obtained during the credit crunch, to low-interest rate loans

FY2011 Average Interest Rate: 3.25% → FY2012 1Q Average Interest Rate: 3.18%

Restructuring Balance Sheet

■ Reducing interest-bearing debt by dispositions of principal investment assets, to strengthen our balance sheet

Total Assets on Mar 31, 2012: ¥188.6bn → Target Total Assets on Dec 31, 2013: ¥134.4bn (Disclosed in Feb, 2010)

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