

Translation of Japanese Original

**FINANCIAL REPORT FOR THE FISCAL PERIOD ENDED JANUARY 31, 2013(REIT)
 (August 1, 2012 to January 31, 2013)**

March 13, 2013

Kenedix Residential Investment Corporation is listed on the Tokyo Stock Exchange with the securities code number 3278.
 (URL <http://www.kdr-reit.com/english>)

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Planned submission of semiannual securities report: April 25, 2013
 Planned start of distribution payments: April 15, 2013
 Preparing presentation material: Yes
 Hold a financial brief meeting: Yes (for analysts and institutional investors)

1. PERFORMANCE FOR THE FISCAL PERIOD ENDED JANUARY 31, 2013 (SECOND 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)	
The second fiscal period ended January 31, 2013	1,114	(101.3) %	615	(82.7) %	464	(81.3) %	463	(81.9) %
The first fiscal period ended July 31, 2012	553	(—) %	336	(—) %	256	(—) %	254	(—) %

	Net Income per Unit	Return on Unitholders' Equity	[Reference] (annualized)	Ordinary Income to Total Assets	[Reference] (annualized)	Ordinary Income to Operating Revenues
The second fiscal period ended January 31, 2013	6,145 Yen	3.3 %	6.5 %	1.4 %	2.8 %	41.7 %
The first fiscal period ended July 31, 2012	8,818 Yen (3,378)	1.8 %	6.9 %	1.1 %	4.1 %	46.3 %

- Note1: The first accounting period for this investment corporation starts from November 15, 2011 to July 31, 2012 and runs for 260 days. However, the number of days of the actual operating period after the acquisition of properties is 97.
- Note2: Net Income per Unit = Net Income / Day-weighted average units.
 Also, regarding the fiscal period ended July 2012, Net Income / Day-weighted average units for the actual operating period from April 26, 2012 (75,440 units) is shown in parentheses.
- Note3: The percentages in Operating Revenues, Operating Income, Ordinary Income and Net Income are the ratios of year-on-year changes. The previous term is not applicable since it is the first fiscal period.
- Note4: Return on Unitholders' Equity and Ordinary Income to Total Assets as of the fiscal period ended July 2012 are calculated by Unitholders' Equity and Total Assets, which are average of April 26, 2012 (actual operational start date) and July 31, 2012.
- Note5: Annualized (the fiscal period ended January 2013) = Figure for the relevant fiscal period / Actual operating period (184 days) × 365 days
 Annualized (the fiscal period ended July 2012) = Figure for the relevant fiscal period / Actual operating period (97 days) × 365 days

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(2) Distribution

	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
The second fiscal period ended January 31, 2013	6,145	463	0	0	100.0%	3.3%
The first fiscal period ended July 31, 2012	3,378	254	0	0	100.0%	1.8%

(3) Financial Position

	Total Assets (Millions of Yen)	Unitholders' Equity (Millions of Yen)	Unitholders' Equity to Total Assets	Unitholders' Equity per Share of Common Stock (Yen)
As of January 31, 2013	33,195	14,213	42.8%	188,402
As of July 31, 2012	32,994	14,028	42.5%	185,953

(4) Cash Flow Position

	Cash Flow from Operating Activities (Millions of Yen)	Cash Flow from Investing Activities (Millions of Yen)	Cash Flow from Financing Activities (Millions of Yen)	Cash and Cash Equivalents at the End of the Period (Millions of Yen)
The second fiscal period ended January 31, 2013	810	△52	△315	1,502
The first fiscal period ended July 31, 2012	285	△31,424	32,199	1,060

2. FORECAST OF RESULTS FOR THE FISCAL PERIOD ENDING JULY 31, 2013 (February 1, 2013 to July 31, 2013)

	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)
The third fiscal period ending July 31, 2013	1,112 (△0.2)	548 (△10.8)	400 (△13.7)	399 (△13.7)	5,300	0

(Reference) Estimated net income per unit for the fiscal period ending July 31, 2013: ¥5,300

3. OTHER

(1) Changes in Accounting Policies/Changes in Accounting Estimate/Retrospective Restatement

- (a) Changes concerning accounting policy accompanying amendments to accounting standards: No
- (b) Changes other than (a): No
- (c) Changes in accounting estimate: No
- (d) Retrospective restatement: No

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- (2) Number of Investment Unit Issued and Outstanding (including treasury units)
- (a) Number of investment units issued and outstanding at the end of the period (including treasury units)
As of July 31, 2012: 75,440 units As of January 31, 2013: 75,440 units
 - (b) Number of treasury units at the end of the period
As of July 31, 2012: 0 units As of January 31, 2013: 0 units

[Provisional Translation Only]

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