

Overview and Characteristics of Company

1. Corporate Profile

The Company was founded by Sam Kaneko in August 1998. Kaneko graduated from high school and university in the U.S. For over 30 years, he was based in the U.S. and was engaged in real estate investment activity on behalf of various investors all over the world with main focus on organizing and managing opportunity fund specializing in investing in income producing real estate assets in the U.S and Europe. In 1998, Kaneko commenced investing in Japanese real estate assets. In 2001, Kaneko relocated the main investment activity from the U.S. to Japan.

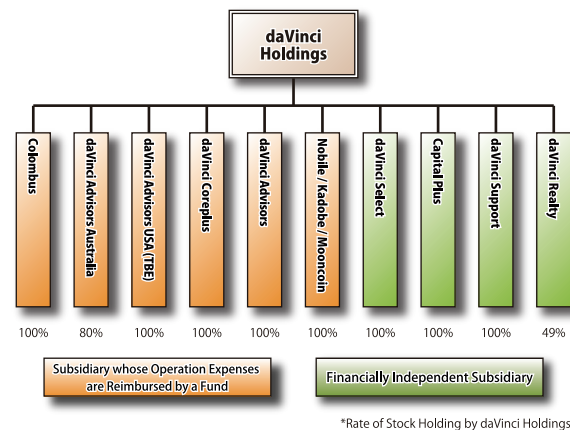
Listing : December 2001 (Heracles 4314)
 Employees : 26, consolidated basis 220 [as of August 1st, 2008]
 Business Description : Holdings company which owns 10 subsidiary companies to provide real estate advisory and other affiliated business activity
 Business Policy : Organising, launching, and management of the real estate fund, under the concept of "Growing with the investors"

2. Overview of Real Estate Market

- The real estate market worldwide has been deteriorated due to the financial market turmoil caused by the sub-prime loan problem, which caused real estate investment activity to concentrate in the limited number of large cities that have strong economical fundamentals.
- Market condition is similar in the Japanese real estate market where Tokyo and Tokyo vicinity is the only area with sufficient liquidity, while the rural area have virtually no liquidity resulting in the significant downside of real estate market price. The market price had hit the bottom except the rural cities, yet the recovery is uncertain. Therefore, we are strategically restricting aggressive real estate transaction.

3. Organization

- Due to deteriorated real estate market condition and limited availability of market opportunity, the company is adopting "wait and see" attitude rather than aggressively pursuing investment.
- In order to maintain coherent investment team, the company has transformed its organizational structure to control overall corporate budget. Operating expense of the subsidiary (identified in orange) is reimbursed by each fund operated by the related subsidiary. The operating expense of subsidiary (identified in green) is operated independently and will not affect expense of the parent company.



4. Investment Strategy

The breakdown of the assets under management is shown in the chart below.

1. Disposition Strategy

Office properties (identified in blue) remains high liquidity with continuation of balanced supply and demand of rentable space. On the other hand, assets located outside Tokyo and Tokyo vicinity as well as all the residential properties (identified in red) shows no liquidity due to the scarcity of financing.

Since most of the investments by our opportunity fund are office properties, located in Tokyo and Tokyo vicinity (identified in blue), we will continue to concentrate disposition of the assets at fair price.

2. Acquisition Strategy

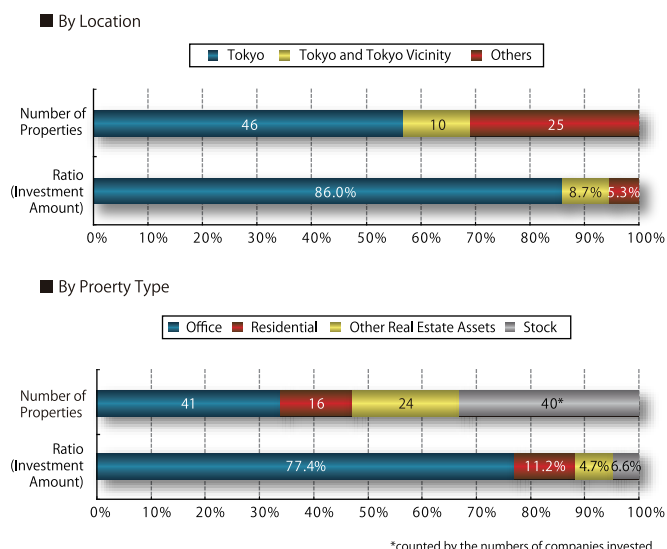
We will continue to acquire property selectively based on the strict underwriting criteria targeting the following assets:

Existing income producing assets: We will target assets owned by the seller who are forced to dispose assets in order to pay off certain debt.

Development assets: The asset will be acquired from developer who requires the take-out buyer.

Non-performing loan: We will be working with the lenders to restructure non-performing loans to acquire target assets.

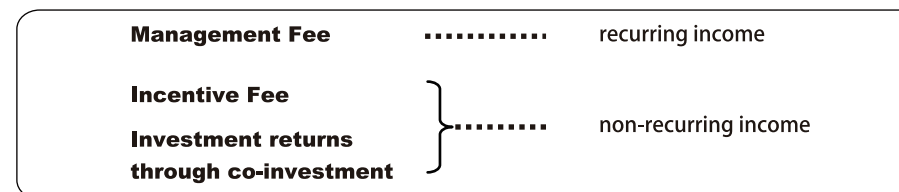
In the mean time, we will continue to acquire existing income producing assets as well as development deals located at Tokyo and Tokyo vicinity (identified in blue).



5. Characteristics of the Corporation

Some of real estate companies which use its balance sheet to invest in real estate assets are facing serious down turn and indeed, several listed companies filed bankruptcy. On the other hand, our business model is to invest through fund resulting in off balance investment.

Our main business is to invest in income producing real estate assets through equity from investors and non-recourse financing and receive three sources of income as follows:



While most of investment fee and co-investment fee above are realized through disposition of invested assets, we are strategically delaying its disposition until recovery of real estate market condition.

The opportunity fund structure does provide us sufficient management fee income to stabilize our overhead expenses while market condition does not permit us to capitalize its opportunity. The management fee from opportunity fund along with management fee from REIT and Coreplus Fund provide us stabilized management structure regardless of market condition so that company can concentrate on maximizing its return.

Management Fee Structure (Recurring income) - Case of Opportunity Fund -

1. Investment Management Fee

1.5% of committed capital can be charged to investors regardless the size of invested amount. This steady income provides us stabilized management regardless of market condition. Upon expiration of investment period, 1.5% of management fee is chargeable toward actual invested equity amount.

Currently Fund IV ("Kadobe") is providing us JPY4.8 billion per annual based on 1.5% of equity commitment of JPY320.0billion.

2. Reimbursement Fee

This fee is to cover and reimburse all personnel and related expense of employees who dedicate all the time to the operation of the fund. 1.5% of committed amount is the maximum amount chargeable to the fund. Currently, we are charging approximately JPY1.5 billion against maximum of JPY4.8 billion reimbursable by the fund.

Since maximum term of opportunity fund is 10 years, we will have stabilized management fee income on mid to long term basis unlike some of hedge fund facing short-term look-up period.

6. Opportunity Fund Schedule

1. Real Estate Opportunity Fund

At the beginning of this year, we have scheduled to complete 95% of investment of Real Estate Opportunity Fund IV ("Kadobe") by the end of March, 2008. However, we have decided to delay deployment of the capital considering current market deterioration, which resulted in extending completion of Fund IV investment to the end of September 2008. At the same time, we have scheduled to begin investing through Real Estate Opportunity Fund V ("Nobile") by October, 2008, which we have already received capital commitment from the investors of JPY71.0 billion. This committed amount should reach JPY100.0 billion by the year end.

We will decide on the final amount of equity commitment size of Fund V by May, 2009, reflecting future market condition and its opportunity size.

2. Corporate Opportunity Fund

Corporate Opportunity Fund ("Columbus") was launched with an equity size of JPY113.8 billion. As of the end of the 2nd Quarter 2008, JPY32.8 billion (29%) has been invested, of which JPY27.2 billion (total investment amount JPY60.0 billion) is invested in DA Office Investment Corporation through issuance of new stock. The fund is actively seeking opportunity to invest in additional J-REIT stocks.

3. Future Funds

Schedule to organize "Core Plus Fund" and "Australia Opportunity Fund". Core Plus Fund will be mainly consisting of overseas investors.

Core Plus Fund with the planned equity size of JPY50.0 billion is intended to purchase some of assets from Real Estate Opportunity Funds in order to achieve an external growth. The fund also intends to acquire assets owned by third party which will provide long term upside potential.

Australia Opportunity Fund is an opportunity fund which invests in the income producing real estate assets in Australia's largest cities. The planned equity size for this fund is JPY25.0 billion.

7. Overview of Opportunity Funds (as of June, 2008)

a. Summary

Unit: billion yen

| Fund | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
|----------------------|--------------------|-----------------|-----------------|------------------|-----------------|---------------------|-----------------------|------------------|---------------------|--------------------------------|----------------------------------|-------------|---------------|-----------------|
| | Initial Investment | Assets Acquired | Assets Disposed | Total Investment | Equity Invested | Realized Proceeds*2 | Unrealized Proceeds*2 | Total Proceeds*2 | Net Proceeds (=8-5) | (U/W) Multiple on Investment*1 | (M-T-M) Multiple on Investment*2 | (U/W) IRR*1 | (M-T-M) IRR*2 | Exit Date*3 |
| Ballista (DJREP I)*4 | Nov-02 | 22 | 22 | ¥79.7 | ¥21.5 | ¥49.0 | ¥0 | ¥49.0 | ¥27.5 | 1.80x | 2.28x | 33% | 71% | Jul-06 |
| Mikonos (DJREP II) | Mar-04 | 22 | 22 | ¥52.1 | ¥12.8 | ¥33.6 | ¥0.4 | ¥34.0 | ¥21.2 | 1.58x | 2.66x | 32% | 74% | Jun-07 |
| Mooncoin (DJREP III) | Nov-04 | 60 | 28 | ¥443.8 | ¥111.1 | ¥116.5 | ¥143.4 | ¥259.9 | ¥148.8 | 1.54x | 2.34x | 34% | 51% | Apr-12 |
| Kadobe (DJREP IV) | Mar-06 | 57 | 7 | ¥766.4 | ¥181.5 | ¥31.6 | ¥336.7 | ¥368.3 | ¥186.9 | 1.72x | 2.03x | 26% | 36% | Under Investing |
| Total | | 161 | 79 | ¥1,342.0 | ¥326.9 | ¥230.7 | ¥480.6 | ¥711.3 | ¥384.4 | 1.66x | 2.18x | 29% | 45% | |

Note: The above table includes the co-investors' equity.

Total Expected Net Proceeds from Opportunity Funds **¥335.7**

- *1 Multiple and IRR are calculated based on weighted average.
- *2 To simplify comparison, Realized Proceeds, Unrealized Proceeds, Total Proceeds, Multiple, and IRR are calculated before deducting management fee (investment management fee and reimbursement fee), taxes, and incentive fee.
- *3 Exit Date: Assumed as the period in which the fund finished disposing its last asset.
- *4 Ballista: Multiple and IRR are calculated after deduction of management fee, but before withholding tax and incentive fee.
- *5 Mikonos: Unrealized Proceeds is the final distribution projected as of July, 2008.

Total Expected Net Proceeds from Opportunity Funds

Unit: billion yen

| Fund | daVinci Equity Share | Total Net Proceeds | Periodical Allocation of Net Proceeds | | Details of Net Proceeds from Jul-08 | | | |
|-------------------------|----------------------|--------------------|---------------------------------------|-----------------|-------------------------------------|----------------|-------------------|-------------|
| | | | Up to June 30, 08 | From July 1, 08 | Investors | daVinci | | |
| | | | | | | Incentive Fees | Fund Distribution | Total |
| Mooncoin (DJREP III) | 10.85% | 148.8 | 53.4 | 95.4 | 69.8 | 19.1 | 6.5 | 25.6 |
| Kadobe (DJREP IV) | 16.76% | 186.9 | (2.8) | 189.7 | 127.1 | 37.9 | 24.7 | 62.6 |
| Total of 2 Funds | | 335.7 | 50.6 | 285.1 | 196.9 | 57.0 | 31.2 | 88.2 |

b. Year to Date Asset under Management Summary

Unit: billion yen

| | DJREP I & II => | | DJREP III => | | DJREP IV => | | YE. 2009 | YE. 2010 |
|-------------|-----------------|--------------|--------------|--------------|--------------|-------------------|----------------|----------------|
| | YE. 2003 | YE. 2004 | YE. 2005 | YE. 2006 | YE. 2007 | YE. 2008 (Actual) | | |
| Acquisition | 42.5 | 138.7 | 289.6 | 535.5 | 184.5 | 280.3 | 900.0 | 900.0 |
| Disposition | 1.4 | 46.2 | 98.0 | 66.1 | 152.7 | 5.4 | 213.5 | 364.5 |
| AUM | 53.9 | 146.4 | 338.0 | 807.4 | 839.2 | 1,114.1 | 1,525.7 | 2,061.2 |

*Development project with signed Purchase and Sales Agreement are calculated based on total purchase price for the land and the construction cost divided by the construction period for the construction.

8. Total Asset under Management "AUM"

Unit: billion yen

| Fund Type | YE. 2003 | YE. 2004 | YE. 2005 | YE. 2006 | YE. 2007 | YE. 2008 (Actual) | YE. 2008 (Forecast) | YE. 2009 | YE. 2010 |
|------------------|--------------|--------------|--------------|----------------|----------------|-------------------|---------------------|----------------|----------------|
| Opportunity Fund | 53.9 | 146.4 | 338.0 | 807.4 | 839.2 | 1,114.1 | 1,525.7 | 2,061.2 | 2,844.3 |
| Core Fund | 11.8 | 57.1 | 152.9 | 191.1 | 354.3 | 348.1 | 623.3 | 1,094.8 | 1,173.3 |
| Others | 35.3 | 10.5 | 5.1 | 6.4 | 19.9 | 31.3 | 19.9 | 19.9 | 19.9 |
| Total AUM | 101.0 | 214.0 | 496.0 | 1,004.9 | 1,213.4 | 1,493.5 | 2,168.9 | 3,175.9 | 4,037.5 |
| Acquisition | 53.8 | 164.1 | 404.9 | 654.2 | 412.7 | 293.4 | 1,187.4 | 1,371.5 | 978.5 |
| Disposition | 20.8 | 51.1 | 122.9 | 145.3 | 204.2 | 13.3 | 231.9 | 364.5 | 116.9 |

9. Financial Results of Midterm FY2008

High Light of the First Half of FY 2008:

1. Acquisition of asset amounting of JPY293.4 billion and disposition of JPY13.2 billion mainly by DA Office Investment Corporation, resulting asset under management totaling JPY1.493 trillion at the first half of fiscal year.
2. Included in the abovementioned asset under management, Corporate Opportunity Fund invested total of JPY68.8 billion in two (2) investments in first half of fiscal year 2008.
3. Completed the first closing of Real Estate Opportunity Fund V ("Nobile").
4. No incentive fee realized due to insufficient amount of asset disposed resulted in JPY7.6 billion decreasing income.
5. Loss resulting through co-investment to the fund equity method is JPY1.052 billion since none of the property was disposed and the newly acquired assets were mostly development projects which need to go through value added process. (We changed the segment naming from "Capital Gain" to "Fund Distribution").

High Light of the Second Half of FY 2008:

1. Completion of disposition of assets totaling JPY208.1 billion mainly located in central Tokyo.
2. Launch Real Estate Opportunity Fund V ("Nobile") (Detail is described in 6.Opportunity Fund Schedule).
3. Organize and launch two (2) new funds. (Detail is described in 6.Opportunity Fund Schedule).

Balance Sheet (Unit: billion yen)

| Equity Method | FY2007 Annual | FY2008 Interim | 07 vs 08 |
|---|---------------|----------------|--------------|
| Cash & Cash Equivalents | 24.8 | 6.2 | (18.6) |
| Investments | 48.9 | 70.8 | 21.9 |
| Other Assets | 10.7 | 14.5 | 3.9 |
| Total Assets | 84.4 | 91.6 | 7.1 |
| Short Term Liabilities | 13.2 | 14.6 | 1.4 |
| Long Term Liabilities | 12.0 | 27.5 | 15.5 |
| Other Liabilities | 24.7 | 16.6 | (8.1) |
| Total Liabilities | 49.9 | 58.7 | 8.8 |
| Share Holders Equity | 33.5 | 34.0 | 0.5 |
| Other | 1.0 | (1.2) | (2.1) |
| Total Net Assets | 34.5 | 32.9 | (1.6) |
| Total Liabilities & Net Assets | 84.4 | 91.6 | 7.1 |
| Net Interest Bearing Liabilities | 0.4 | 35.9 | 35.4 |
| Shareholders' Equity to Total Assets | 40% | 37% | -3% |

Profit and Loss (Unit: billion yen)

| Equity Method | FY2007 Interim | FY2008 | | | 07 vs. 08 | FY2008 Annual Plan |
|--------------------------------|----------------|-------------|-------------|------------|--------------|--------------------|
| | | 1st Quarter | 2nd Quarter | Interim | | |
| Total Management Fees | 4.6 | 2.4 | 2.3 | 4.6 | (0) | 12.5 |
| Incentive Fees | 7.4 | 0 | 0 | 0 | (7.4) | 15.6 |
| Fund Distribution | 1.1 | (0.6) | (0.5) | (1.1) | (2.1) | 2.1 |
| Other | 0.9 | 0.5 | 2.3 | 2.9 | 2.0 | 10.2 |
| Gross Revenue | 14.0 | 2.3 | 4.1 | 6.4 | (7.6) | 40.5 |
| Operating Expense | 3.6 | 1.7 | 3.5 | 5.2 | 1.6 | 12.7 |
| Operating Profit | 10.4 | 0.6 | 0.6 | 1.2 | (9.2) | 27.8 |
| Recurring Profit | 10.4 | 0.7 | 0.5 | 1.1 | (9.3) | 26.6 |
| Net Profit | 6.1 | 0.3 | 0.2 | 0.5 | (5.6) | 15.7 |
| Sales Cost | 2.5 | 1.0 | 2.7 | 3.6 | 1.2 | 8.3 |
| Sales Administrative Expense | 1.1 | 0.7 | 0.9 | 1.6 | 0.5 | 4.3 |
| Total Operating Expense | 36 | 1.7 | 3.5 | 5.2 | 1.6 | 12.7 |
| Recurring Profit Margin | 75% | 28% | 12% | 18% | -57% | 66% |
| Net Profit Margin | 43% | 13% | 5% | 8% | -36% | 39% |

10. Revision to Three-Year Plan Beyond FY2009

Since significant deviation in the total amount of asset under management between the actual and the forecast (Details in 7.-b Year to Date Asset under Management Summary and 8. Total Asset under Management "AUM"), we intend to revise three year forecast at this fiscal year earnings announcement (mid Feb. 2009) reflecting the following major points:

1. Status of scheduled disposition of assets amounting JPY208.1 billion in the second half of this fiscal year.
2. Determination of equity amount to be raised through "Nobile", "Core Plus Fund", and "Australian Opportunity Fund" reflecting future market condition and its opportunity size.
3. Timing of disposition of assets owned by "Kadobe" and "Mooncoin" to schedule realization of JPY88.2 billion.
4. Schedule realization of "unrealized profit" of above mentioned 1-3 points over next three years.

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