

Prospect Residential Investment Corporation

Listed on the Tokyo Stock Exchange with the securities code 8969

Fourth Fiscal Period Results

(February 1, 2007 to July 31, 2007)

September 21, 2007



Prospect
Residential
Investment Corporation

Disclaimer

This document contains a translation of information provided in the Financial Report (*Kessan Tanshin*) of Prospect Residential Investment Corporation (“PRI”) dated September 21, 2007, and prepared under the timely disclosure requirements of the Tokyo Stock Exchange for the period from February 1, 2007 to July 31, 2007.

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The financial statements of PRI have been prepared in accordance with generally accepted accounting principles in Japan (Japanese GAAP), which may materially differ in certain respects from generally accepted accounting principles in other jurisdictions.

Many provisions within this document contain information that constitutes forward-looking statements. These forward-looking statements are not a guarantee of future performance and involve risks and uncertainties. Therefore, actual results may differ materially from those in the forward-looking statements as a result of various factors.

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Prospect Residential Investment Corporation
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Prospect Residential Investment Corporation is listed
as a Japanese Real Estate Investment Trust (J-REIT) on
the Tokyo Stock Exchange with the securities code 8969

(URL of English website <http://www.prospect-reit.co.jp/en/index.html>)

Planned date of submission of the Company Report (*Yukashoken Hokokusho*): October 25, 2007

Planned date of distribution payment commencement: October 19, 2007

(1) Operating Performance and Assets for the Fiscal Period Ended July 31, 2007

1) Operating Performance

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
July 31, 2007	2,148	-3.7	972	-3.2	710	-4.5	709	-4.6
January 31, 2007	2,231	12.6	1,003	27.2	744	16.2	743	16.2

Fiscal Period Ended	Net Income per Unit	Return on Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
July 31, 2007	9,448	2.0	1.1	33.1
January 31, 2007	9,901	2.1	1.2	33.4

2) Distributions

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Distributions per Unit Excluding Excess of Earnings (Yen)	Total Distribution	Distributions in Excess of Earnings per Unit (Yen)	Total Distributions in Excess of Earnings	Payout Ratio	Distribution Ratio to Net Assets
July 31, 2007	9,448	709	—	—	99.9%	2.0%
January 31, 2007	9,901	743	—	—	99.9%	2.1%

3) Financial Position

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Total Assets	Net Assets	Net Assets to Total Assets	Net Assets per Unit (Yen)
July 31, 2007	67,589	35,316	52.3%	470,265
January 31, 2007	56,755	35,368	62.3%	470,950

(Reference Material) Net worth, JPY 35,316 million as of July 31, 2007 and JPY 35,368 million as of January 31, 2007

4) Cash Flow Situation

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at The End of The Period
July 31, 2007	1,630	-11,343	10,163	3,324
January 31, 2007	8,063	-702	-7,781	2,873

(2) Forecast of Revenues and Earnings (for the Fifth Fiscal Period :August 1, 2007 to January 31, 2008)

(Millions of yen rounded down unless otherwise stated, yoy % change)

Fiscal Period Ending	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit Excluding Excess of Earnings (Yen)	Distributions in Excess of Earnings per Unit (Yen)
January 31, 2008	2,294 (6.8)	997(2.6)	697(-1.9)	696(-1.9)	9,268	—

(Reference Material) Estimated net income per unit for the fifth fiscal period ending January 31, 2008: JPY 9,267

(3) Others

- 1) Changes in accounting policies
 - A. Changes due to accounting standards: None
 - B. Other changes: None
- 2) Investment units outstanding
 - A. Investment units outstanding (including units owned by PRI) at fiscal period-ends:
75,100 units as of July 31, 2007; 75,100 units as of January 31, 2007
 - B. Investment units owned by PRI at fiscal period-ends:
0 units as of July 31, 2007; 0 units as of January 31, 2007

(Note) Please refer to 'Information per Unit' on page 24 with respect to the number of investment units used as the base to calculate the aforementioned 'net income per investment unit.'

* Disclaimer regarding 'Forecasts of Revenues and Earnings'

Forward-looking statements such as forecasts of revenues and earnings in this document are based on many sources including current information available to PRI's management as well as the assumptions judged to be rational by management. These forward-looking statements are not guarantees of future performance and they involve risks and uncertainties. As a result of various factors, actual results may differ materially from those in the forward-looking statements. With respect to the assumptions underlying such forecasts, please refer to 2) Management Policy and Operating Conditions (2) Operating Conditions.

1) Structure of the Investment Corporation

Please refer to “Structure of the Investment Corporation” on page 48.

2) Management Policy and Operating Conditions

(1) Management Policy

The management policy has been omitted because no revisions have been made since the most recent company report, submitted on April 24, 2007.

(2) Operating Conditions

The Asset Management Company, as founder, filed for the establishment of PRI in accordance with the Investment Trust and Investment Corporation Law. PRI was established on April 22, 2005 with total capitalization of JPY 201 million, and registered on May 25, 2005 with the Kanto Local Finance Bureau (Registration No. 34). Thereafter, PRI undertook a public offering of additional investment units (74,698 units) raising JPY 34,420 million. On July 12, 2005, PRI was listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange under the securities code 8969. To date, PRI has continued to pursue business activities focusing on residential properties for rental purposes pursuant to its management policy.

1) Operating Conditions during the Fiscal Period under Review

A. Investment Environment

- a. In the fourth fiscal period, the six-month period ended July 31, 2007, the Japanese economy strengthened primarily in the corporate sector. Year-on-year results reported in the monthly mining and industrial output index from June 2007 onwards were positive, with the exception of a period during which an earthquake negatively affected performance. Corporate earnings overall were solid. The employment situation also became increasingly bright as the unemployment rate significantly improved from 4.0% in February 2007 to 3.6% in July 2007, on a flash report basis. The number of workers with regular employment grew by more than 1.5% year on year over the same time span. On the other hand, average income fell year on year according to the Working Statistics Survey, with a year-on-year decline of 1.9% as of July 2007 on a flash report basis. Statistical indicators of personal consumption showed only modest upward trends. With respect to financial markets, the Nikkei Stock Average frequently peaked above JPY 18,000 from JPY 17,000 levels, reflecting the Bank of Japan’s announcement of a second interest rate hike (unsecured overnight call rate) in February 2007 as well as solid corporate earnings. However, from July 2007 onwards, concerns spread throughout financial markets regarding possible negative affects from the subprime loan crisis in the United States. From an investment perspective, competition for the acquisition of prime properties not only in the Tokyo Metropolitan area but also other major cities continued to intensify. This is attributed to persistent high demand from Japan’s real estate investment trust companies and investment funds as well as the growing trend toward tight sales conditions and rising sales prices among developers, traditionally the main source of property supply. With the slowdown in recent development activity, the number of large-scale condominium projects has steadily declined. Looking ahead, the prices of condominiums and residential complexes for rental purposes are expected to hover at a high level.
- b. Demand for prime rental residential properties remains firm due to the continuing shift in population toward Tokyo and other major cities, cutbacks in corporate dormitories and housing as well as other factors. While certain companies that have successfully bolstered their financial standing are undertaking development of their idle property holdings, the trend toward large-scale leasing demand is showing signs of decline.

During the fiscal period under review, occupancy and rental rates for prime residential properties continued to rise. Based on a survey by Recruit Co., Ltd., residential property rental rates in the Tokyo Metropolitan area bottomed out in autumn 2005. In certain select city center locations, rental rates have experienced a moderate increase.

B. Management Performance

- a. As of February 1, 2007, Prospect Residential Investment Corporation ("PRI") managed a portfolio comprising 39 properties (2,254 rental condominiums with a total leasable floor space of 93,795.18 m²) worth JPY 52,941 million on an acquisition price basis. Consistent with its basic management policy to secure steady growth and stable earnings from a medium- to long-term perspective, PRI carried out aggressive acquisition activities and acquired 11 properties during the fiscal period under review. This was PRI's largest number of acquisitions since its listing on the Tokyo Stock Exchange. Seven of the 11 properties are relatively new, having been completed within the past year, and therefore contributed to improving the overall quality of the portfolio and lowering the average building age. The majority of the 11 properties are located in areas in which future rental rates are expected to increase. In descending order of acquisition date, the names of the newly acquired properties are as follows:

Prospect Kawaramachi-Gojo, Prospect Hatsudai, Prospect Chuo-Rinkan, Prospect Morishita, Prospect Nishi-Sugamo, Sky Hills N15, Sky Hills Sakaimachi, Domy Chitose, Sky Hills Kodai I, Exceria Ikebukuro West II, and Prospect Monzennakacho.

In order to improve the quality of the portfolio through an active replacement strategy of selective property purchases and sales, PRI considers selling certain properties that are either located in highly competitive urban areas or characterized by comparatively low earnings. PRI sold O Fort Nishi-Kasai in July 2007, posting a net gain on sale of JPY 146 million.

- b. As a result of its management performance in the period under review, PRI acquired 11 properties worth JPY 10,732 million on an acquisition price basis and with a total leasable floor space of 30,662.54 m², and sold one property at a sales price of JPY 1,080 million and with total leasable floor space of 1,960.00 m². As of July 31, 2007, PRI maintained an investment property portfolio comprising 49 properties (3,021 rental condominiums with a total leasable floor space of 122,497.72 m²) worth JPY 62,747 million on an acquisition price basis. This marked the first time that PRI's operating portfolio exceeded 3,000 condominiums.

Bolstering its capabilities in investment property acquisition and management, PRI will also promote stronger ties with interested-party Prospect Co., Ltd. (the "Sponsor Company"), taking into account issues relating to third-party transactions and conflicts of interest. The Sponsor Company serves as the provider of such functions as property warehousing, development and information collection. Leveraging these functions provided by the Sponsor Company, the Investment Corporation acquires properties that have potential for high investment returns at favorable acquisition prices.

* Prospect Co., Ltd. is the sole shareholder of Prospect Residential Advisors Co., Ltd., the Investment Corporation's Asset Management Company.

The warehousing function allows the Sponsor Company to acquire a newly constructed property on behalf of the Investment Corporation through a special purpose company. After such acquisition, the Sponsor Company conducts leasing operations and works to raise the occupancy rate of the property. Once the occupancy rate has improved, the Investment Corporation purchases the property at the market price. This approach reduces the Investment Corporation's exposure to risks associated with leasing operations.

Utilizing the warehousing functions of its Sponsor Company, Prospect Co., Ltd.*, PRI acquired the following three properties: Prospect Hatsudai, Prospect Chuo-Rinkan, and Prospect Morishita.

* Prospect Co., Ltd. is the sole shareholder of Prospect Residential Advisors Co., Ltd., PRI's Asset Management Company.

- c. Existing property management (Internal Growth)

In an effort to increase occupancy rates and profitability, PRI examined the merits of a variety of property management companies in terms of their individual characteristics, strengths,

Prospect Residential Investment Corporation service contents and fees. Furthermore, property management companies were selected and dismissed, and property management rates set and revised, based on quantitative and qualitative assessments by the Asset Management Company. In the fiscal period under review, PRI changed the property management company for BELNOS 34.

PRI also carried out large-scale renovations of U House Gokiso, which was constructed 16 years ago, with earnings improving as a result. Furthermore, while maintaining the same level of service quality, property management fees for 20 properties were reduced. PRI also continued efforts to revise as many electricity supply contracts as possible with the aim of implementing cost reductions

d. Funds procurement

In March 2007, PRI procured debt financing totaling JPY 20,000 million for a period of three years under a long-term loan agreement with a variety of financial institutions (arranged by Aozora Bank, Ltd.), primarily for refinancing long- and short-term loans. In order to flexibly acquire additional investment properties, PRI also executed a commitment line agreement for a maximum is JPY 7,000 million with Aozora Bank, Ltd. and the Norinchukin Bank. Including loan procurement for the aforementioned new acquisition, as of July 31, 2007, the balance of debt financing was JPY 30,934 million and the ratio of interest-bearing debt to total assets was 45.8%, compared to JPY 20,020 million and 35.5%, respectively, as of January 31, 2007.

In July 2007, PRI received a long-term issuer credit rating of A- for long-term senior debt* from Japan Credit Rating Agency, Ltd. PRI will work to extend the repayment periods of debt and to obtain fixed-interest rates by continuing to issue Investment Corporation bonds in the future.

* The rating of long-term senior debts represents an assessment of an obligor's financial capacity to pay their overall financial obligations. This rating differs from ratings concerning specific financial obligations, which take into account the nature and provisions of the obligation and its senior/subordinate status, as well as the obligor's standing in terms of bankruptcy or liquidation. (Source: JCR's English Web site)

For further details of the rating, please refer to JCR's Web sites: <http://www.jcr.co.jp/english/> (English); <http://www.jcr.co.jp/> (Japanese)

In July 2007, PRI concluded three contract for the purchase of yen interest rate caps against a total of JPY15.0 billion in debt financing (bank borrowings), with the goal of hedging against the risk of increases in interest rates.

C. Operating Results and Cash Distribution

Accounting for the aforementioned factors, operating revenues totaled JPY 2,148 million in the fiscal period ended July 31, 2007. Ordinary income was JPY 710 million while net income amounted to JPY 709 million.

PRI distributes the total amount of its unappropriated retained earnings for each period. Accordingly, cash distribution for the third fiscal period was JPY 9,448 per unit (rounded down to the nearest yen).

2) Outlook

A. Operating Environment

The office building market in Japan continues to exhibit signs of increased vitality, reflecting improvements in corporate-sector results and positive conditions in the overall domestic economy. While the residential market for rental properties lags behind its office building counterpart, condominium prices, particularly in the 23 wards of Tokyo, are increasingly distinguished by their steady upswing and aggressive price setting by residential property developers.

In Tokyo, the price of land has appreciated after bottoming out. This is contributing to increased difficulty in the acquisition of prime sites. Signs are also emerging of a drop in the sale of residential complexes to investment funds. Following on from the previous fiscal period, this has resulted in harsh conditions in connection with the acquisition of superior properties.

The price increase in rental properties in Tokyo has not, however, extended across Japan. Impacted by the high level of supply since 2006, certain regional areas are experiencing slight excesses.

Rental rates for residential properties are currently increasing only in select areas, but increasing rates are anticipated to gradually spread into other areas.

B. Acquisition of New Properties (External Growth)

Under these circumstances and in addition to trust banks that have traditionally served as a key source of information, PRI will foster a wide variety of relationships with the aim of collecting invaluable property information. Through these means, PRI will pursue the acquisition of prime properties from a medium- to long-term perspective.

In an effort to expand its asset scale, and taking into consideration future increases in interest rates, PRI will focus on properties that can generate profit growth and provide a basis for improved cash distribution.

Utilizing the functions provided by Prospect Co., Ltd., PRI's Sponsor Company, such as property warehousing, development and information collection, PRI will acquire properties with high investment values at appropriate prices. PRI will also step up efforts in connection with due diligence and place the utmost priority on tenant and investor satisfaction.

C. Property Management (Internal Growth)

Carrying on from the previous fiscal period, PRI shall examine the merits of a variety of property management companies in terms of their individual characteristics, strengths, service contents and fees. Based on a philosophy of strict competition, PRI shall select property management companies that can contribute to increasing occupancy and profitability. Furthermore, PRI will continue to implement checks by internal specialists including first-class architects with the aims of reducing costs and securing the increased trust of tenants and investors.

D. Financial Strategy

In July 2007, PRI received a long-term issuer credit rating of A- for long-term senior debt from Japan Credit Rating Agency, Ltd. Following in September 2007, PRI submitted the Registration for Issuance of Investment Corporation Bonds to the Kanto Finance Office of the Financial Services Agency, applying for a maximum issuance of JPY 50,000 million. PRI aims to carry out flexible procurement of short- and long-term loans while broadening the types of lenders and diversifying repayment dates. PRI will work to extend the repayment periods of debt and to obtain fixed-interest rates by continuing to issue Investment Corporation bonds in the future.

(3) Important Subsequent Events

1) Property Sales

Property Code	F013
Property Name	Garden City Kita-Toda
Location (Address)	4-40-1 Sasame, Toda City, Saitama
Sales Price (Note)	JPY811 million
Sales Date	August 31, 2007

Note: Excluding fixed-asset tax, city planning tax, and consumption taxes.

2) Debt Financing and Repayment

PRI undertook the following debt financing and repayment after July 31, 2007.

(Millions of yen unless otherwise stated)

	Drawdown Date	Lender	Debt Financing / Repayment	Interest Rate	Maturity / Repayment Date	Application of Funds / Repayment Method	Remarks
Debt Financing	September 7, 2007	Lehman Brothers Japan Inc.	2,924	Floating	October 31, 2012	Acquisition of trust beneficiary right in real estate and repayment of debt financing	Secured
	September 7, 2007	Aozora Bank, Ltd., The Norinchukin Bank	2,400	Floating	September 5, 2008	Acquisition of trust beneficiary right in real estate and repayment of debt financing	Secured
Repayment	March 30, 2007.	Mitsubishi UFJ Trust and Banking Corporation	3,940	Floating	September 7, 2007	Repayment	Secured
	April 16, 2007	Aozora Bank, Ltd., The Norinchukin Bank	1,700	Floating	September 7, 2007	Repayment	Secured
	March 15, 2007	Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation The Sumitomo Trust & Banking Corporation The Norinchukin Trust & Bankig Co.,Ltd The Musashino Bank, Ltd. NTT Finance Corp.	500	Floating	August 31, 2007	Repayment	Secured

(Reference Material)

Property Acquisition

Property Name	KALON
Acquisition Date	September 7, 2007
Location(Address)	1-28-9 Minowa, Taito-ku, Tokyo
Acquisition Price(Note 1)	JPY1,930 million
Use	Residential complex
Site Area	473.35m ²
Total Floor Space	4,131.53m ²
Structure	RC/Flat roof/15F with B1
Completion Date	February 2007
Total No. of Leasable Residential Units	82
Total Leasable Floor Space	3,032.37m ²
Type of Assets(Note 2)	Real estate

Note 1: Acquisition price does not include real estate brokerage fees, taxes and public charges and other expenses incurred through the acquisition of properties and is presented in line with the price stated in the transaction agreements.

Note 2: Trust beneficiary rights in real estate were granted on September 7, 2007, establishing this real estate as entrusted property.

(3) Forecast of Revenues and Earnings

Forecast of revenues and earnings for the fifth fiscal period (August 1, 2007 to January 31, 2008) is as follows. These forecasts are based on "Assumptions for Forecasts for the Fifth Fiscal Period" mentioned afterwards.

Forecast of revenues and earnings for the fifth fiscal period (August 1, 2007 to January 31, 2008)

Operating revenues	JPY2,294 million
Ordinary income	JPY 697 million
Net income	JPY 696 million
Distributions per unit	JPY9,268

Note: Forecasts for operating revenues, ordinary income, net income and distributions per unit may differ from actual results due to changes in the operating environment and a variety of factors. Accordingly, PRI does not guarantee any distribution amount.

Assumptions for Forecasts for the Fifth Fiscal Period (August 1, 2007 to January 31, 2008)

	Assumptions
Operating Period	Fourth fiscal period: From August 1, 2007 to January 31, 2008 (184 days)
Managed Assets	Forecasts are based on a property portfolio comprising 49 properties held as of July 31, 2007. This total includes one additional property acquired as well as one property sold as of the date of this report (please refer to page 7 and 8 for details). The property portfolio may change, however, due to property acquisition or sale.
Investment Units Issued	Forecasts are based on the assumption that PRI shall not issue additional investment units.
Interest-Bearing Debt Ratio	<p>The interest-bearing debt ratio as of July 31, 2007 was 47.2%. Forecasts are, however, based on an interest-bearing debt ratio of 48.5% as of January 31, 2008, taking into account an increase in debt financing to acquire additional properties as well as repayment stemming from the above sale of one property.</p> <p>The interest-bearing debt ratio is calculated as follows: $\text{Interest-bearing debt ratio} = \frac{\text{Interest-bearing debt}}{\text{Interest-bearing debt} + \text{Unitholders' capital}} \times 100$</p>
Operating Expenses	<p>Of the amount of property tax and city planning tax assessed for the property portfolio, the applicable portion is recorded as rental business expenses for each fiscal period. For properties acquired during each period, property tax and city planning tax are allocated to the seller and purchaser on a pro rata basis at the time of acquisition settlement. In the case of PRI, an amount equivalent to the portion allocated to the purchaser is included in the acquisition price of the property and not recorded as an expense.</p> <p>Repairs, maintenance and renovation expenses are estimated based on amounts considered essential for each property for each fiscal period. Actual repairs, maintenance and renovation expenses for each fiscal period, however, may differ significantly from these amounts due to unforeseen circumstances or emergencies.</p> <p>Depreciation is calculated using the straight-line method inclusive of incidental expenses.</p>
Cash Distribution	Forecasts are based on the assumption that PRI shall distribute the full amount of retained earnings each fiscal period in line with its distribution policy. Forecasts are also based on the assumption that PRI shall not undertake distribution in excess of earnings.

3) Financial Statements

(1) Balance Sheets

(Thousands of yen)

	Notes	Third Fiscal Period (As of January 31, 2007)		Fourth Fiscal Period (As of July 31, 2007)		Increase (Decrease)		
ASSETS								
I Current assets								
Cash and deposits			1,375,115		1,671,760			
Entrusted cash and deposits	* 1		1,498,817		1,652,851			
Rental receivables			21,426		22,309			
Prepaid expenses			107,031		119,950			
Deferred tax assets			19		9,437			
Consumption tax and other receivables			—		78,412			
Derivative assets			2,962		3,258			
Other current assets			735		1,291			
Total current assets			3,006,108	5.3	3,559,271	5.3	553,162	18.4
II Fixed assets								
1. Property and equipment:								
Buildings	* 1	842,114			846,350			
Accumulated depreciation		39,884	802,229		56,785	789,565		
Structures	* 1	417			417			
Accumulated depreciation		137	280		195	222		
Machinery and equipment	* 1	6,189			6,189			
Accumulated depreciation		1,187	5,002		1,582	4,606		
Tools, furniture and fixtures	* 1	157			315			
Accumulated depreciation		5	151		25	289		
Land	* 1		794,545			794,545		
Entrusted buildings	* 1	23,676,623			28,268,874			
Accumulated depreciation		965,941	22,710,681		1,321,531	26,947,342		
Entrusted structures	* 1	89,556			115,899			
Accumulated depreciation		13,775	75,781		19,368	96,530		
Entrusted machinery and equipment		236,802			257,481			
Accumulated depreciation		40,168	196,634		53,776	203,705		
Entrusted tools, furniture and fixtures		27,628			37,881			
Accumulated depreciation		2,068	25,559		4,682	33,199		
Entrusted land	* 1		29,121,832			34,940,138		
Total property and equipment			53,732,698	94.7	63,810,145	94.4	10,077,447	18.8
2. Intangible assets:								
Other intangible assets			5,889		5,168			
Total intangible assets			5,889	0.0	5,168	0.0	△721	△12.2
3. Investments and other assets:								
Long-term prepaid expenses			-		136,940			
Leasehold and security deposits received			11,206		11,382			
Long-term derivative assets			-		66,556			
Total investments and			11,206	0.0	214,879	0.3	203,673	—
Total fixed assets			53,749,794	94.7	64,030,194	94.7	10,280,39	19.1
Total assets			56,755,902	100.0	67,589,465	100.0	10,833,562	19.1

Prospect Residential Investment Corporation
(Thousands of yen)

	Notes	Third Fiscal Period (As of January 31, 2007)		Fourth Fiscal Period (As of July 31, 2007)		Increase (Decrease)	
LIABILITIES							
I Current liabilities							
Operating payables		60,630		84,249			
Short-term debt	* 1	7,279,306		8,800,000			
Current portion of long-term debt	* 1	12,747,125		—			
Other payables		43,077		33,006			
Accrued expenses		160,370		189,811			
Accrued income taxes		966		1,030			
Accrued consumption taxes		152,017		—			
Advances received		211,177		224,786			
Other current liabilities		150		255			
Total current liabilities		20,654,822	36.4	9,333,141	13.8	△11,321,681	△54.8
II Long-term liabilities							
Long-term debt				22,134,000			
Leasehold and security deposits		732,702		805,398			
Total long-term liabilities		732,702	1.3	22,939,398	33.9	22,206,695	—
Total liabilities		21,387,525	37.7	32,272,539	47.7	10,885,013	50.9
NET ASSETS							
I Unitholders' capital							
1. Unitholders' capital							
Unitholders' capital		34,621,838	61.0	34,621,838	51.2	—	—
2. Retained earnings							
Unappropriated retained earnings for the period		743,576		709,564			
Total retained earnings		743,576	1.3	709,564	1.1	△34,012	△4.6
Total unitholders' capital		35,365,414	62.3	35,331,402	52.3	△34,012	△0.1
II Evaluation and conversions							
1. Earnings on deferred hedge transactions							
Total evaluation and conversions		2,962		△14,476			
Total evaluation and conversions		2,962	0.0	△14,476	△0.0	△17,438	—
Total net assets		35,368,377	62.3	35,316,925	52.3	△51,451	△0.1
Total liabilities and net assets		56,755,902	100.0	67,589,465	100.0	10,833,562	19.1

(2) Statements of Income

(Thousands of yen)

	Notes	Third Fiscal Period (August 1, 2006 to January 31, 2007)			Fourth Fiscal Period (February 1, 2007 to July 31, 2007)			Increase (Decrease)	
I. Operating Revenues									
Real estate rental revenues	*1	1,809,251			1,884,684				
Other rental revenues	*1	95,762			117,059				
Gain on sale of real estate	*2	326,161	2,231,175	100.0	146,548	2,148,292	100.0	△82,883	△3.7
II. Operating Expenses									
Real estate rental expenses	*1	852,118			918,295				
Loss on sale of real estate	*2	130,567			—				
Asset management fees		115,738			132,273				
Custodian fees		2,962			3,181				
Administrative service fees		16,978			20,249				
Directors' fees		3,600			4,800				
Bad debt loss		1,004			—				
Other operating expenses		104,263	1,227,234	55.0	97,467	1,176,267	54.8	△50,967	△4.2
Operating income			1,003,941	45.0		972,025	45.2	△31,915	△3.2
III. Non-Operating Income									
Interest income		245			883				
Other non-operating income		162	407	0.0	16	900	0.0	493	121.1
IV. Non-Operating Expenses									
Interest expense		121,319			172,163				
Debt-related expenses		137,244			87,332				
Other non-operating expenses		1,209	259,773	11.6	2,693	262,190	12.2	2,416	0.9
Ordinary income			744,574	33.4		710,735	33.0	△33,839	△4.5
Income before income taxes			744,574	33.4		710,735	33.0	△33,839	△4.5
Income taxes		1,004			1,191				
Deferred taxes		(2)	1,002	0.0	△9	1,182	0.0	180	18.0
Net income			743,572	33.3		709,552	33.0	△34,019	△4.6
Retained earnings brought forward			4			11		7	177.3
Retained earnings at the end of the period			743,576			709,564		△34,012	△4.6

(3) Statement of Changes in Net Assets
(August 1, 2006 to January 31, 2007)

(Thousands of yen)

	Unitholders' Capital			Evaluation and Conversions		Total Net Assets	
	Unitholders' Capital *1	Retained Earnings		Total Unitholders' Capital	Earnings (Loss) on Deferred Hedge Transactions		Total Evaluation and Conversions
		Unappropriated Retained Earnings	Total Retained Earnings				
Balance as of the previous fiscal period-end	34,621,838	639,780	639,780	35,261,619	7,339	7,339	35,268,958
Movements during the fiscal period ended January 31, 2007							
Issue of new investment units	—	△639,776	△639,776	△639,776	—	—	△639,776
Distribution of retained earnings	—	743,572	743,572	743,572	—	—	743,572
Net income	—	—	—	—	△4,376	△4,376	△4,376
Net change due to items other than unitholders' capital	—	103,795	103,795	103,795	△4,376	△4,376	99,418
Total	34,621,838	743,576	743,576	35,365,414	2,962	2,962	35,368,377
Balance as of January 31, 2007	34,621,838	639,780	639,780	35,261,619	7,339	7,339	35,268,958

(August 1, 2006 to January 31, 2007)

(Thousands of yen)

	Unitholders' Capital			Evaluation and Conversions		Total Net Assets	
	Unitholders' Capital *1	Retained Earnings		Total Unitholders' Capital	Earnings on Deferred Hedge Transactions		Total Evaluation and Conversions
		Unappropriated Retained Earnings	Total Retained Earnings				
Balance as of the previous fiscal period-end	34,621,838	743,576	743,576	35,365,414	2,962	2,962	35,368,377
Movements during the fiscal period ended July 31, 2006							
Issue of new investment units	—	△743,565	△743,565	△743,565	—	—	△743,565
Distribution of retained earnings	—	709,552	709,552	709,552	—	—	709,552
Net income	—	—	—	—	△17,438	△17,438	△17,438
Net change due to items other than unitholders' capital	—	△34,012	△34,012	△34,012	△17,438	△17,438	△51,451
Total	34,621,838	709,564	709,564	35,331,402	△14,476	△14,476	35,316,925
Balance as of July 31, 2006	34,621,838	743,576	743,576	35,365,414	2,962	2,962	35,368,377

(4) Basis for Calculating Cash Distribution

(Yen)

	Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
I Unappropriated retained earnings at the end of the fiscal period	743,576,398	709,564,207
II Total distribution (Distribution per unit)	743,565,100 (9,901)	709,544,800 (9,448)
III Retained earnings carried forward	11,298	19,407

Method of Calculating the Amount of Distribution	<p>PRI determines the amount of distribution in accordance with Article 34.1 of its Articles of Incorporation. The amount must exceed 90% of distributable income as stipulated in Articles 67.15 of the Special Taxation Measures Law.</p> <p>PRI has therefore decided to distribute the maximum amount of retained earnings at the end of the period: JPY 743,565,100 to 75,100 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 34.1-4 of PRI's Articles of Incorporation. PRI decided not to distribute cash in excess of distributable income for the fiscal period.</p>	<p>PRI determines the amount of distribution in accordance with Article 36.1 of its Articles of Incorporation. The amount must exceed 90% of distributable income as stipulated in Articles 67.15 of the Special Taxation Measures Law.</p> <p>PRI has therefore decided to distribute the maximum amount of retained earnings at the end of the period: JPY 709,544,800 to 75,100 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 34.1-4 of PRI's Articles of Incorporation. PRI decided not to distribute cash in excess of distributable income for the fiscal period.</p>
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(5) Statements of Cash Flows

(Thousands of yen)

	Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)	Increase (Decrease)
I Cash flows from operating activities:			
Income before income taxes	744,574	710,735	△33,839
Depreciation and amortization	387,661	417,583	29,922
Interest income	△ 245	△883	△ 638
Interest expense	121,319	172,163	50,844
Decrease (increase) in operating receivables	3,617	△883	△4,501
Decrease in other receivables	108	△556	△ 665
Decrease in consumption tax and other receivables	4,646	△78,412	△83,058
(Increase) decrease in prepaid expenses	△ 54,266	△12,918	41,348
(Decrease) increase in operating payables	△ 21,294	12,468	33,763
Decrease in other payables	△ 3,261	△9,625	△6,363
Increase in accrued consumption taxes	152,017	△152,017	△304,034
(Decrease) increase in accrued expenses	△ 2,334	29,440	31,774
(Decrease) increase in advances received	△ 24,403	13,608	38,012
Decrease in long-term prepaid expenses	—	△136,940	△136,940
Loss on sale of entrusted property and Equipment	6,877,064	932,423	△5,944,640
Other	57	△93,595	△93,653
Subtotal	8,185,261	1,802,591	△6,382,669
Interest received	245	883	638
Interest paid	△ 121,319	△172,163	△50,844
Income taxes paid	△997	△1,127	△129
Net cash provided by operating activities	8,063,189	1,630,184	△6,433,004
II Cash flows from investing activities:			
Payments for the purchase of property and Equipment	△400	△290	109
Payments for the purchase of entrusted property and equipment	△ 636,666	△11,415,292	△10,778,625
Proceeds from leasehold and security deposits paid	117	—	△117
Payments for leasehold and security deposits	—	△176	△176
Proceeds from leasehold and security deposits received	63,870	166,838	102,967
Payments for leasehold and security deposits Received	△129,092	△94,142	34,949
Net cash used in investing activities	△702,171	△11,343,063	△10,640,892
III Cash flows from financing activities:			
Proceeds from short-term debt	6,050,000	19,700,000	13,650,000
Payments of short-term debt	△12,940,693	△30,926,432	△17,985,738
Proceeds of long-term debt	—	22,634,000	22,634,000
Payments of long-term debt	△252,874	△500,000	△247,125
Payments for distributions to unitholders	△637,455	△744,010	△106,554
Net cash (used in) provided by financing Activities	△7,781,023	10,163,557	17,944,580
IV Net change in cash and cash equivalents	△420,005	450,678	870,684
VI Cash and cash equivalents at the beginning of the period	3,293,939	2,873,933	△420,005
VI Cash and cash equivalents at the end of the period	2,873,933	3,324,611	450,678

(6) Notes for Items Related to Important Accounting Policies

	Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)																
1. Depreciation method for fixed assets	<p>(1) Tangible fixed assets (including entrusted assets) The straight-line method has been adopted. Estimated years of use for major tangible fixed assets are as follows:</p> <table> <tr> <td>Buildings</td> <td>3 – 60 years</td> </tr> <tr> <td>Structures</td> <td>2 – 45 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>3 – 15 years</td> </tr> <tr> <td>Tools, furniture, and fixtures</td> <td>3 – 15 years</td> </tr> </table> <p>(2) Intangible fixed assets The straight-line method has been adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method has been adopted.</p>	Buildings	3 – 60 years	Structures	2 – 45 years	Machinery and equipment	3 – 15 years	Tools, furniture, and fixtures	3 – 15 years	<p>(1) Tangible fixed assets (including entrusted assets) The straight-line method has been adopted. Estimated years of use for major tangible fixed assets are as follows:</p> <table> <tr> <td>Buildings</td> <td>3 – 58 years</td> </tr> <tr> <td>Structures</td> <td>2 – 45 years</td> </tr> <tr> <td>Machinery and equipment</td> <td>3 – 15 years</td> </tr> <tr> <td>Tools, furniture, and fixtures</td> <td>3 – 15 years</td> </tr> </table> <p>(2) Intangible fixed assets The straight-line method has been adopted.</p> <p>(3) Long-term prepaid expenses The straight-line method has been adopted.</p>	Buildings	3 – 58 years	Structures	2 – 45 years	Machinery and equipment	3 – 15 years	Tools, furniture, and fixtures	3 – 15 years
Buildings	3 – 60 years																	
Structures	2 – 45 years																	
Machinery and equipment	3 – 15 years																	
Tools, furniture, and fixtures	3 – 15 years																	
Buildings	3 – 58 years																	
Structures	2 – 45 years																	
Machinery and equipment	3 – 15 years																	
Tools, furniture, and fixtures	3 – 15 years																	
2. Accounting standards to post revenues and expenses	<p>Method to post fixed asset taxes and other taxes</p> <p>In terms of fixed asset taxes, city planning taxes, depreciable taxes, and others levied on holding real estate and others, the tax amount to be paid in this period is posted as expenses in the period.</p> <p>In terms of settled amounts for fixed asset taxes and other taxes for the first year in the case of acquiring real estate or trust beneficiary rights (with real estate as entrusted assets) from sellers, such amounts are not posted as expenses but included in book values at the time of acquisition of such real estate or trust beneficiary rights.</p> <p>Such fixed assets and other taxes included in book values at the time of acquisition of such real estate and trust beneficiary rights totaled JPY 102 thousand.</p>	<p>Method to post fixed asset taxes and other taxes</p> <p>In terms of fixed asset taxes, city planning taxes, depreciable taxes, and others levied on holding real estate and others, the tax amount to be paid in this period is posted as expenses in the period.</p> <p>In terms of settled amounts for fixed asset taxes and other taxes for the first year in the case of acquiring real estate or trust beneficiary rights (with real estate as entrusted assets) from sellers, such amounts are not posted as expenses but included in book values at the time of acquisition of such real estate or trust beneficiary rights.</p> <p>Such fixed assets and other taxes included in book values at the time of acquisition of such real estate and trust beneficiary rights totaled JPY 200,075 thousand.</p>																

<p>3. Hedge accounting method</p>	<p>(1) Hedge accounting method Deferred hedge method</p> <p>(2) Hedge type and objective Hedge type Interest rate swap transaction Hedge objective Interest payment on borrowing</p> <p>(3) Hedge policy PRI carries out derivative transactions to hedge risks based on its risk management policy and in accordance with the Articles of the Investment Corporation.</p> <p>(4) Method to evaluate effectiveness of hedge accounting PRI judges the effectiveness of hedge accounting based on such indicators as accumulated cash flow changes in comparison with hedging objects and hedging methods, during commence of hedge and the time to judge effectiveness.</p>	<p>(1) Hedge accounting method Same as third fiscal period</p> <p>(2) Hedge type and objective Hedge type Interest rate swap transaction Interest rate cap transaction Hedge objective Interest payment on borrowing</p> <p>(3) Hedge policy Same as third fiscal period</p> <p>(4) Method to evaluate effectiveness of hedge accounting Same as third fiscal period</p>
<p>4. Composition of cash and cash equivalents in the statements of cash flows</p>	<p>Cash and cash equivalents in the statements of cash flows consist of cash in hand, entrusted cash, cash and entrusted deposits that can be withdrawn easily, and short-term investments redeemable within three months from acquisition that pose minimal risk of value fluctuations and are easily convertible to cash.</p>	<p>Same as third fiscal period</p>

<p>5. Other important items for the basis of compiling financial statements</p>	<p>(1) Accounting method with respect to trust beneficiary rights to real estate and other entrusted assets</p> <p>With respect to trust beneficiary rights to real estate and other entrusted assets, all of the asset and liability items within entrusted assets as well as all revenue and expense items generated from entrusted assets are posted in the corresponding items in the balance sheets and statements of income. Among entrusted asset items posted in such corresponding items, the following important items are posted independently in the balance sheets.</p> <ol style="list-style-type: none"> 1) Entrusted cash and entrusted deposits 2) Entrusted buildings, entrusted structures, entrusted machinery and equipment, entrusted tools, furniture and fixtures, and entrusted land <p>(2) Accounting method for consumption tax and others</p> <p>The accounting method for consumption tax and local consumption tax is the tax-exclusive method. Undeductable consumption taxes for asset acquisition are included in book values at the time of each respective asset acquisition.</p>	<p>(1) Accounting method with respect to trust beneficiary rights to real estate and other entrusted assets</p> <p>Same as third fiscal period</p> <p>(2) Accounting method for consumption tax and others</p> <p>Same as third fiscal period</p>
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(7) Notes to the Financial Statements
[Notes for the Balance Sheets]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)																																																												
<p>Note 1. Assets put up for collateral or assets put up for collateral of secured debt are as follows:</p> <p style="text-align: right;">(Thousands of yen)</p> <table border="1"> <tr><td>Entrusted cash and entrusted deposits</td><td style="text-align: right;">1,485,083</td></tr> <tr><td>Buildings</td><td style="text-align: right;">436,291</td></tr> <tr><td>Structures</td><td style="text-align: right;">81</td></tr> <tr><td>Machinery and equipment</td><td style="text-align: right;">—</td></tr> <tr><td>Tools, furniture and fixtures</td><td style="text-align: right;">151</td></tr> <tr><td>Entrusted buildings</td><td style="text-align: right;">420,930</td></tr> <tr><td>Entrusted buildings</td><td style="text-align: right;">22,293,772</td></tr> <tr><td>Entrusted structures</td><td style="text-align: right;">71,269</td></tr> <tr><td>Entrusted machinery and equipment</td><td style="text-align: right;">196,634</td></tr> <tr><td>Entrusted tools, furniture and fixtures</td><td style="text-align: right;">13,531</td></tr> <tr><td>Entrusted land</td><td style="text-align: right;">28,949,096</td></tr> <tr><td>Total</td><td style="text-align: right;">53,866,843</td></tr> </table> <p>Secured debt with collateral are as follows:</p> <table border="1"> <tr><td>Short-term debt</td><td style="text-align: right;">7,279,306</td></tr> <tr><td>Current portion of long-term debt</td><td style="text-align: right;">12,747,125</td></tr> <tr><td>Total</td><td style="text-align: right;">20,026,432</td></tr> </table> <p>Note 2. Commitment line contracts None</p>	Entrusted cash and entrusted deposits	1,485,083	Buildings	436,291	Structures	81	Machinery and equipment	—	Tools, furniture and fixtures	151	Entrusted buildings	420,930	Entrusted buildings	22,293,772	Entrusted structures	71,269	Entrusted machinery and equipment	196,634	Entrusted tools, furniture and fixtures	13,531	Entrusted land	28,949,096	Total	53,866,843	Short-term debt	7,279,306	Current portion of long-term debt	12,747,125	Total	20,026,432	<p>Note 1. Assets put up for collateral or assets put up for collateral of secured debt are as follows:</p> <p style="text-align: right;">(Thousands of yen)</p> <table border="1"> <tr><td>Entrusted cash and entrusted deposits</td><td style="text-align: right;">1,652,851</td></tr> <tr><td>Buildings</td><td style="text-align: right;">789,565</td></tr> <tr><td>Structures</td><td style="text-align: right;">222</td></tr> <tr><td>Machinery and equipment</td><td style="text-align: right;">4,606</td></tr> <tr><td>Tools, furniture and fixtures</td><td style="text-align: right;">289</td></tr> <tr><td>Entrusted buildings</td><td style="text-align: right;">794,545</td></tr> <tr><td>Entrusted buildings</td><td style="text-align: right;">26,947,342</td></tr> <tr><td>Entrusted structures</td><td style="text-align: right;">96,530</td></tr> <tr><td>Entrusted machinery and equipment</td><td style="text-align: right;">203,705</td></tr> <tr><td>Entrusted tools, furniture and fixtures</td><td style="text-align: right;">33,199</td></tr> <tr><td>Entrusted land</td><td style="text-align: right;">34,940,138</td></tr> <tr><td>Total</td><td style="text-align: right;">65,462,997</td></tr> </table> <p>Secured debt with collateral are as follows:</p> <table border="1"> <tr><td>Short-term debt</td><td style="text-align: right;">8,800,000</td></tr> <tr><td>Current portion of long-term debt</td><td style="text-align: right;">22,134,000</td></tr> <tr><td>Total</td><td style="text-align: right;">30,934,000</td></tr> </table> <p>Note 2. Commitment line contracts PRI has commitment line contracts with client banks (Thousands of yen)</p> <p>Total of commitment line contracts 7,000,000</p> <p>Loan balance at the end of <u>the third fiscal period</u> 5,300,000</p> <p>Balance of unused contract at the end of the third fiscal period 1,700,000</p>	Entrusted cash and entrusted deposits	1,652,851	Buildings	789,565	Structures	222	Machinery and equipment	4,606	Tools, furniture and fixtures	289	Entrusted buildings	794,545	Entrusted buildings	26,947,342	Entrusted structures	96,530	Entrusted machinery and equipment	203,705	Entrusted tools, furniture and fixtures	33,199	Entrusted land	34,940,138	Total	65,462,997	Short-term debt	8,800,000	Current portion of long-term debt	22,134,000	Total	30,934,000
Entrusted cash and entrusted deposits	1,485,083																																																												
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<p>Note 3. Minimum net assets set by Article 67.4 of the Investment Trust and Investment Corporation Law</p> <p style="text-align: center;">JPY 50,000 thousand</p>	<p>Note 3. Minimum net assets set by Article 67.4 of the Investment Trust and Investment Corporation Law</p> <p style="text-align: center;">Same as third fiscal period</p>																																																												

[Notes to the Statements of Income]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Note 1. Breakdown of real estate rental revenues and earnings (Thousands of yen)	Note 1. Breakdown of real estate rental revenues and earnings (Thousands of yen)
A. Real estate rental revenues	A. Real estate rental revenues
Real estate rental revenues	Real estate rental revenues
Rental revenues 1,654,469	Rental revenues 1,717,265
Common area maintenance fee revenues 65,651	Common area maintenance fee revenues 71,603
Parking revenues 69,655	Parking revenues 71,865
Other related revenues 19,475	Other related revenues 23,949
Other rental revenues 1,809,251	Other rental revenues 1,884,684
Other rental revenues 95,762	Other rental revenues 117,059
Total real estate rental revenues 1,905,014	Total real estate rental revenues 2,001,744
B. Real estate rental expenses	B. Real estate rental expenses
Real estate rental expenses	Real estate rental expenses
Property management expenses 144,354	Property management expenses 160,810
Repair expenses 70,555	Repair expenses 79,776
Water, electricity, and other rates 39,184	Water, electricity, and other rates 38,534
Taxes 71,615	Taxes 81,482
Insurance premiums against losses 6,801	Insurance premiums against losses 7,098
Trust fees 30,758	Trust fees 34,865
Depreciation expenses 386,939	Depreciation expenses 416,862
Other rental expenses 101,908	Other rental expenses 98,864
Total real estate rental expenses 852,118	Total real estate rental expenses 918,295
C. Real estate rental business earnings (A – B) 1,052,895	C. Real estate rental business earnings (A – B) 1,083,448

Note 2. Breakdown of real estate rental revenues and earnings (Thousands of yen)	Note 2. Breakdown of real estate rental revenues and earnings (Thousands of yen)
Prospect Yoyogi	O Fort Nishi-Kasai
Revenues from sale of real estate and others	Revenues from sale of real estate and others
943,489	1,080,000
Book value for sold real estate and others	Book value for sold real estate and others
786,360	932,423
Other expenses for sales	Other expenses for sales
26,533	1,027
Profit from sale of real estate and others	Profit from sale of real estate and others
130,595	146,548
Prospect Kojimachi	
Revenues from sale of real estate and others	
2,500,000	
Book value for sold real estate and others	
2,361,478	
Other expenses for sales	
26,067	
Profit from sale of real estate and others	
112,454	
Prospect Hanzomon	
Revenues from sale of real estate and others	
1,350,000	
Book value for sold real estate and others	
1,465,997	
Other expenses for sales	
14,570	
Profit from sale of real estate and others	
130,567	
Prospect Ochanomizu	
Revenues from sale of real estate and others	
2,420,000	
Book value for sold real estate and others	
2,263,228	
Other expenses for sales	
73,660	
Profit from sale of real estate and others	
83,111	

[Notes to the Statement of Changes in Net Assets]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Note 1. Total number of investment units authorized for issuance and outstanding	Note 1. Total number of investment units authorized for issuance and outstanding
Total number of investment units authorized for issuance	Same as third fiscal period
2,000,000	
Total number of investment units outstanding	
75,100	

[Notes to the Statement of Cash Flows]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
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Note 1. Relationship between cash and cash equivalents at the end of the period and items posted on the balance sheets	Note 1. Relationship between cash and cash equivalents at the end of the period and items posted on the balance sheets
As of January 31, 2007 (Thousands of yen)	As of July 31, 2007 (Thousands of yen)
Cash and deposits	Cash and deposits
1,375,115	1,671,760
Entrusted cash and entrusted deposits	Entrusted cash and entrusted deposits
<u>1,498,817</u>	<u>1,652,851</u>
Cash and cash equivalents	Cash and cash equivalents
2,873,933	3,324,611

[Notes regarding lease transactions]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Note 1. Lease fees for the period not being elapsed for operating lease transactions (lesser side) (Thousands of yen)	Note 1. Lease fees for the period not being elapsed for operating lease transactions (lesser side) (Thousands of yen)
Within one year	Within one year
329,721	432,514
<u>Over one year</u>	<u>Over one year</u>
-	-
Cash and cash equivalents	Cash and cash equivalents
329,721	432,514

[Notes regarding securities]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Not applicable, as PRI does not carry out securities transactions.	Same as third fiscal period

[Notes regarding derivatives transactions]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
<p>1. Items related to transactions</p> <p>(1) Contents of transactions Derivative transactions used by PRI are interest swap transactions.</p> <p>(2) PRI's policy precludes speculative transactions as it aims to avoid risks stemming from future fluctuations of interest rates.</p> <p>(3) PRI utilizes interest swap transactions for the purpose of avoiding risks stemming from future fluctuations in interest rates. PRI employs hedge accounting for interest swap transactions.</p> <p>① Hedge accounting method Differed hedge method</p> <p>② Hedge type and object Hedge type Interest rate swap transaction Hedge object Interest payment on borrowing</p> <p>③ Hedge policy Based on risk management policy, PRI carries out derivative transactions to hedge risks the Articles of Investment Corporation of PRI.</p> <p>④ Method to evaluate effectiveness of hedge PRI judges effectiveness of hedge based on changes such as accumulated cash flow changes with comparison between hedge object and hedge method during commence of hedge and the time to judge effectiveness.</p> <p>(4) Nature of risks related to transactions Interest swap transactions pose risks stemming from fluctuations of market interest rates. In order to minimize credit risk, the counter parties of such transactions are limited to financial institutions with high credit ratings.</p> <p>(5) Risk management structure related to transactions PRI carries out risk management based on the "Risk Management Rules" of the Asset Management Company.</p>	<p>1. Items related to transactions</p> <p>(1) Contents of transactions Derivative transactions used by PRI are interest swap as well as interest cap transactions.</p> <p>(2) Same as third fiscal period</p> <p>(3) PRI utilizes interest swap transactions for the purpose of avoiding risks stemming from future fluctuations in interest rates. PRI employs hedge accounting for interest swap transactions.</p> <p>① Hedge accounting method Differed hedge method</p> <p>② Hedge type and object Hedge type Interest rate swap as well as interest cap transaction Hedge object Interest payment on borrowing</p> <p>③ Hedge policy Same as third fiscal period</p> <p>④ Method to evaluate effectiveness of hedge Same as third fiscal period</p> <p>(4) Nature of risks related to transactions Interest swap transactions and interest cap transactions pose risks stemming from fluctuations of market interest rates. In order to minimize credit risk, the counter parties of such transactions are limited to financial institutions with high credit ratings.</p> <p>(5) Risk management structure related to transactions PRI carries out risk management based on the "Risk Management Rules" of the Asset Management Company.</p>

[Notes regarding retirement benefit liabilities]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Not applicable, as PRI does not have a retirement benefits plan.	Same as third fiscal period

[Notes regarding tax effective accounting]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
<p>1. Breakdown of reasons for deferred tax assets and deferred tax liabilities (Thousands of yen)</p> <p>Deferred tax assets</p> <p>Accrued corporation enterprise tax, not accounted as loss on taxation 19</p> <p>Total deferred tax assets <u>19</u></p> <p>Net deferred tax assets 19</p> <p>2. Breakdown of major items related to important differences between the statutory tax rate and the effective tax rate after adoption of tax effective accounting (Thousands of yen)</p> <p>Statutory tax rate 39.39%</p> <p>Distribution payments accounted as loss on taxation -39.33%</p> <p>Others <u>0.07%</u></p> <p>Effective tax rate after adoption of tax effective accounting 0.13%</p>	<p>1. Breakdown of reasons for deferred tax assets and deferred tax liabilities (Thousands of yen)</p> <p>Deferred tax assets</p> <p>Accrued corporation enterprise tax, not accounted as loss on taxation 29</p> <p>Deferred derivative profit and loss 9,408</p> <p>Total deferred tax assets <u>9,437</u></p> <p>Net deferred tax assets 9,437</p> <p>2. Breakdown of major items related to important differences between the statutory tax rate and the effective tax rate after adoption of tax effective accounting (Thousands of yen)</p> <p>Statutory tax rate 39.39%</p> <p>Distribution payments accounted as loss on taxation -39.32%</p> <p>Others <u>0.09%</u></p> <p>Effective tax rate after adoption of tax effective accounting 0.16%</p>

[Notes regarding equities in earnings of affiliates and others]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Not applicable, as PRI does not have affiliates.	Same as third fiscal period

[Notes regarding transactions with related parties and personnel]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
<p>Transactions between PRI and related parties and personnel are as follows:</p> <p>1. Parent company and major corporate unitholders None</p> <p>2. Directors and major individual unitholders None</p> <p>3. Subsidiaries and others None</p> <p>4. Related Group subsidiaries and others None</p>	Same as third fiscal period

[Notes regarding information per investment unit]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)

Prospect Residential Investment Corporation

Net assets per investment unit	JPY 470,950	Net assets per investment unit	JPY 470,265
Net income per investment unit	JPY 9,901	Net income per investment unit	JPY 9,448
Because there are no latent investment units, PRI does not record net income per investment unit after adjustment of latent investment units.		Same as third fiscal period	

Note: Net income per investment unit is calculated using the following average investment units in the respective periods.

Average investment units in the third and fourth fiscal periods:

Fourth fiscal period (February 1, 2007 to July 31, 2007): 75,100 (no changes during the period)

Third fiscal period (August 1, 2006 to January 31, 2007): 75,100 (no changes during the period)

	Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
	(JPY thou)	(JPY thou)
Net income	743,572	709,552
Net income not distributed to unitholders	-	-
Net income distributed to unitholders	743,572	709,552
Average number of units	75,100 units	75,100 units

[Notes regarding subsequent events]

Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
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None.	<p>1. Property Sales</p> <p>PRI carried out the following sale of property Garden City Kita-Toda</p> <p>Sales Price JPY811 million Contract Date July 19, 2007 Sales Date August 31, 2007 Buyer Chuo Jutaku Co. Ltd</p> <p>Profits from real estate sale of approximately JPY 80 million to be posted as revenues</p> <p>2. Debt Financing</p> <p>PRI undertook the following debt financing after July 31, 2007</p> <p>Lender Lehman Brothers Japan Inc. Drawdown Date September 7,2007 Debt Financing JPY 2,924 million</p> <p>Repayment method Repayment as a lump sum on repayment date</p> <p>Interest Rate 1.78917%(Floating) Maturity Date October 31, 2012</p> <p>Lenders Aozora Bank, Ltd., The Norinchukin Bank</p> <p>Drawdown Date September 7, 2007 Debt Financing JPY 2,400 million</p> <p>Repayment method Repayment as a lump sum on repayment date</p> <p>Interest Rate 1.78917%(Floating) Maturity Date September 5, 2008</p> <p>3. Debt Repayment</p> <p>PRI undertook the following debt repayment after July 31, 2007</p> <p>(1) Long-term debt</p> <p>Lenders Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation The Sumitomo Trust & Banking Corporation The Norinchukin Trust & Bankig Co.,Ltd The Musashino Bank, Ltd. NTT Finance Corp.</p> <p>Debt Repayment JPY 500 million Drawdown Date March 15, 2007 Repayment Date August 31, 2007</p> <p>(2) Short-term debt</p> <p>Lender Mitsubishi UFJ Trust and Banking Corporation</p> <p>Debt Repayment JPY 3,940million Drawdown Date March 30, 2007 Repayment Date September 7,2007</p>
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	Lenders Aozora Bank, Ltd., The Norinchukin Bank Debt Repayment JPY 1,700 million Repayment Date September 7, 2007 Drawdown Date April 16, 2007
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(8) Changes in total investment units outstanding

Public and private offerings from the establishment of PRI to the end of the fourth fiscal period (ended July 31, 2007) are as follows:

Date	Type	Total investment units outstanding (unit)		Paid-in capital (Millions of yen)		Notes
		Change	Balance	Change	Balance	
April 22, 2005	Established by private offering	402	402	201	201	(Note 1)
July 12, 2005	Public offering	74,698	75,100	34,420	34,621	(Note 2)

Note 1: PRI's investment units were set at JPY 500,000 per unit at the time of establishment.

Note 2: PRI issued new investment units priced at JPY 480,000 per unit (underwritten price set at JPY 460,800) through a public offering for the purpose of raising funds mainly for the new acquisition of property.

1. Changes in officers

At the Third Meeting of Unitholders held on April 11, 2007, Executive Officer Takeo Okada resigned and was replaced by Takeo Nishiyoshi. Details of officers are as follows:

On June 15, 2007, directors of the Asset Management Companies were changed as follows:

Title	Name	Career Summary	Number of Investment Units Held
Executive Officer	Takeo Nishiyoshi	Apr. 1988 Entered the Supreme Court Legal Training and Research Institute of Japan Apr. 1990 Admission to the Bar (The Daini Tokyo Bar Association) Entered the law firm Saruyama & Fujimaki Jun. 2004 Opened the law firm Saruyama, Nishiyoshi & Sasaki (present post) Apr. 2007 Appointed Executive Officer, Prospect Residential Investment Corporation (present post)	0
Supervising Officer	Chikao Nomura	Apr. 1992 Entered the Management and Coordination Agency in Japan Apr. 2003 Entered the Supreme Court Legal Training and Research Institute of Japan Oct. 2004 Admission to the Bar (The Daiichi Tokyo Bar Association) Entered Hiroshi Hori Law Firm (currently Hori Law Firm) (present post) Apr. 2005 Appointed Supervising Officer, Prospect Residential Investment Corporation (present post)	0
Supervising Officer	Kazuhiko Chiba	Oct. 1982 Entered the auditing firm Arthur Anderson in Japan (currently KPMG AZSA & Co.) Aug. 1988 Registered as a certified public accountant	0

	May 2000	Appointed Managing Partner of Asahi & Co. (currently KPMG AZSA & Co.)	
	Apr. 2004	Appointed Representative Director of AP Outsourcing Ltd. (present post)	
	Jun. 2004	Registered as a certified public tax accountant	
	Apr. 2005	Appointed Supervising Officer, Prospect Residential Investment Corporation (present post)	

On June 15, 2007, directors of the Asset Management Companies were changed as follows:

Appointment

Representative Director and President Takeshi Maki (reappointment)
 Director and General Manager of Investment Department Yasushi Yoda (reappointment)
 Director (part-time) Curtis Freeze (reappointment)

Resignation

Director Takashi Okazaki
 Director Saori Saito

Title	Name	Career Summary	Number of Shares Held
Representative Director and President	Takeshi Maki	<p>Apr. 1973 Entered Yasuda Life Insurance Company (currently Meiji Yasuda Life Insurance Company)</p> <p>Apr. 1988 Seconded to Paine Webber Securities Company</p> <p>Apr. 1991 Appointed Manager of International Finance Section, International Investment Department, Yasuda Life Insurance Company</p> <p>Apr. 1997 Appointed Deputy General Manager of Market Finance Department, Yasuda Life Insurance Company</p> <p>Apr. 1999 Appointed Deputy General Manager of Pension Fund Administrative Department, Yasuda Life Insurance Company</p> <p>Apr. 2000 Appointed General Manager of Pension Fund Investment Department, Yasuda Life Insurance Company</p> <p>Jul. 2001 Appointed Director and General Manager, Tokyo Realty Investment Management Co., Ltd (seconded from Yasuda Life Insurance Company)</p> <p>Apr. 2006 Resigned Director and General Manager, Tokyo Realty Investment Management Co., Ltd as well as Yasuda Life Insurance Company</p> <p>May 2006 Appointed Adviser, Prospect Residential Advisors Co., Ltd</p> <p>Jun. 2006 Appointed Representative Director and President, Prospect Residential Advisors Co., Ltd (present post)</p> <p>Apr. 2007 Appointed Substitute Executive Officer, Prospect Residential Investment Corporation</p>	-

Note: At the Third Meeting of Unitholders held on April 11, 2007, Takeshi Maki was appointed substitute executive officer of PRI to ensure an appropriate number of executive officers as set by law. As Takeshi Maki is also a representative director of the Asset Management Company, his dual post was approved by the Director of the Financial Services Agency on February 27, 2007.

Director and General Manager of Investment Department	Yasushi Yoda	<p>Apr. 1987 Entered Mitsui Trust and Banking Corporation (currently Chuo Mitsui Trust and Banking Corporation)</p> <p>Apr. 1992 Seconded to Proper Real Estate Transaction Promotion Foundation</p> <p>Apr. 1999 Appointed Manager of Development Business Group, Real Estate Department, Head Office, Mitsui Trust and Banking Corporation</p> <p>Apr. 1999 Appointed Manager, Asset Finance Sales Department, Mitsui Trust and Banking Corporation</p> <p>Jul. 2001 Appointed General Manager of Finance Department, Prospect Co., Ltd</p> <p>Jul. 2003 Appointed Representative Director and President, Prospect Co., Ltd</p> <p>Jul. 2004 Appointed Director and General Manager of Investment Department, Prospect Co., Ltd</p> <p>Sep. 2004 Appointed Director and General Manager of Investment Department, Prospect Residential Advisors Co., Ltd</p> <p>Jun. 2006 Appointed Director, General Manager of Investment Department, and General Manager of Finance Department, Prospect Residential Advisors Co., Ltd</p> <p>Jun. 2007 Appointed Director and General Manager of Investment, Prospect Residential Advisors Co., Ltd (present post)</p>	-
Director (part-time)	Curtis Freeze	<p>Apr. 1988 Entered Nikko Securities Co., Ltd.</p> <p>Sep. 1989 Entered Shearson Lehman Brothers Securities Co., Ltd.</p> <p>June 1990 Entered DB Morgan Grenfell Asset Management as Senior Fund Manager</p> <p>Sep. 1994 Established Prospect Asset Management (USA), appointed as Director</p> <p>June 2003 Appointed Director of Prospect Co., Ltd.</p> <p>Sep. 2004 Appointed Director of Prospect Residential Advisors Co., Ltd. (present post)</p> <p>Nov. 2004 Appointed Representative Director of Prospect Co., Ltd.</p> <p>Dec. 2004 Appointed Director of Prospect Co., Ltd.</p> <p>Aug. 2007 Appointed Representative Director of Prospect Co., Ltd. (present post)</p>	-
Auditor (part-time)	Akihiro Hirano	<p>Apr. 1982 Entered Mitsui Trust and Banking Corporation (currently Chuo Mitsui Trust and Banking Corporation)</p> <p>Sep. 1991 Entered Mori Tax and Accounting firm</p> <p>May 1994 Entered the auditing and law firm Taiyo Kowa</p> <p>Apr. 1997 Registered as a certified public accountant, established Hirano Public Accountant Office (present post)</p> <p>Jun. 2004 Appointed Auditor, Prospect Co., Ltd</p> <p>Sep. 2004 Appointed Auditor, Prospect Residential Advisors Co., Ltd (present post)</p>	0

2. Reference material

(1) Investment breakdown

A breakdown of PRI's investment assets as of the end of the fourth fiscal period (ended July 31, 2007) is as follows:

		Third Fiscal Period (As of January 31, 2007)		Fourth Fiscal Period (As of July 31, 2007)	
Type of asset	Use	Total held (Millions of yen)	Proportion to total (%)	Total held (Millions of yen)	Proportion to total (%)
Trust beneficiary rights in real estate	Residential rental units	52,130	91.9	62,220	92.1
Real estate	Residential rental units	1,602	2.8	1,589	2.4
Deposit and other assets		3,023	5.3	3,779	5.5
Total assets		56,755	100.0	67,589	100.0

Note: Total held amounts are recorded on the balance sheets (total of book values after deducting depreciation).

(2) Investment properties classified as real estate or entrusted real estate

① Overview of investment properties

The following chart lists investment properties owned by PRI as of July 31, 2007. With the exception of properties S017, F017, and F022, which are classified as real estate, all other assets are classified as trust beneficiary rights in real estate.

Code	Property Name	Acquisition Price (Millions of Yen) (Note 1)	Percentage Share of Total (%) (Note 2)	Appraisal Value (Millions of Yen) (Note 3)	Acquisition Date
S001	TK Flats Shibuya	6,399	10.2	6,450	July 12, 2005
S002	Prospect Shinonomebashi	3,353	5.3	3,490	July 12, 2005
S003	Maison de Ville Azabudai	2,720	4.3	2,720	July 14, 2005
S004	Maison de Ville Takanawa Gyoranzaka	1,768	2.8	1,820	July 14, 2005
S005	Prospect Omori-Kaigan	1,807	2.9	1,830	July 14, 2005
S006	Abreast Shin-Osaka	1,826	2.9	1,934	July 12, 2005
S007	Maison de Ville Naka-Meguro	1,189	1.9	1,220	July 14, 2005
S008	Roppongi Rise House	1,184	1.9	1,140	July 12, 2005
S009	Prospect Nihonbashi-Honcho	1,070	1.7	1,030	July 12, 2005
S011	Fragrance Kawasaki	624	1.0	610	July 12, 2005
S012	Abreast Sakuragawa	516	0.8	486	July 12, 2005
S013	Dome Takamine	322	0.5	269	July 12, 2005
S014	Dome Yotsuya	275	0.4	232	February, 1988
S015	TK Flats Denenchofu Annex	249	0.4	216	March, 1999
S016	Abreast Nagase	209	0.3	183	March, 1999
S017	Living Stage Higashi-Sendai	435	0.7	419	July, 2006
S018	Prospect Toyonaka Hattori	396	0.6	452	December, 2005
S019	Prospect Bishoen	376	0.6	385	October, 2005
S020	Prospect Shimogamo	411	0.7	388	February, 2006
S021	Prospect Kawaramachi-Gojo	803	1.3	804	January, 2007

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S022	Prospect Chuo-Rinkan	700	1.1	700	May, 2005
S023	Sky Hills N15	932	1.5	950	March, 2000
S024	Sky Hills Sakaimachi	1,115	1.8	1,120	February, 2002
S025	Domy Chitose	592	0.9	598	March, 1999
S026	Sky Hills Kodai I	691	1.1	694	January, 1992
S027	Exceria Ikebukuro West II	1,020	1.6	996	September, 2006
S028	Prospect Monzennakacho	1,250	2.0	1,220	January, 2007
F001	Prospect Kiyosumi-Teien	2,780	4.4	2,930	February, 2002
F002	Park Terrace Ebisu	2,712	4.3	2,680	October, 2000
F003	BELNOS34	2,534	4.0	2,380	May, 1991
F004	Prospect Dogenzaka	2,294	3.7	2,170	February, 2005
F005	U House Daikan-Cho	1,548	2.5	1,427	March, 1986
F006	U House Gokiso	1,406	2.2	1,344	February, 1991
F007	Angel Heim Nishi-Rokugo No.2	1,401	2.2	1,344	May, 1997
F008	Prospect Onshi-Koen	1,196	1.9	1,260	February, 2005
F009	Deim-Hashimoto	992	1.6	1,030	August, 1987
F010	SK Residence	1,020	1.6	976	February, 1990
F012	Garden City Urawa	878	1.4	868	February, 1993
F013	Garden City Kita-Toda	731	1.2	724	June, 1993
F014	U House Tsurumai II	685	1.1	560	February, 1991
F017	Living Stage Minami-Sendai	275	0.4	279	April, 1995
F019	Prospect Glarsa Hiroo	3,905	6.2	4,500	November, 2005
F020	Prospect Katsura	570	0.9	565	March, 1996
F021	Crown Heim Nishi-Tanabe	601	1.0	598	January, 2004
F022	Takasagoseki Nibankan	810	1.3	810	February, 1995
F023	Prospect Machiya	547	0.9	557	November, 2006
F024	Prospect Hatsudai	730	1.2	732	February, 2006
F025	Prospect Morishita	1,480	2.4	1,510	January, 2007
F026	Prospect Nishi-Sugamo	1,419	2.3	1,420	June, 2004
Total		62,746	100.0	63,025	

Note 1: Acquisition price does not include real estate brokerage fees and other expenses incurred through the acquisition of properties.

Note 2: Figures are rounded to the nearest first decimal place.

Note 3: Based on the Cabinet Office Ordinance Concerning Balance Sheets, Income Statements, Asset Management Reports, Cash Distribution Statements and Other Supplementary Documents to be Prepared by Investment Corporations, appraisal values are drawn from valuation reports prepared by Aoyama Realty Advisors Inc., Chuo Real Estate Appraisal Co., Ltd., Tanizawa Sogo Appraisal Co., Ltd., Mitsui Real Estate Sales Co., Ltd., and Daiwa Real Estate Appraisal Co., Ltd as of the Investment Corporation's closing date. The properties appraised by each appraiser are shown below, with the property codes corresponding to those in the above table.

Aoyama Realty Advisors Inc.: S001 to S005, S007 to S009, S018 to S021, F001, F003, F004, F009, F010, F012, F019 to F023, and F026

Chuo Real Estate Appraisal Co., Ltd.: S006, S011 to S017, F005 to F007, F013, F014 and F017

Tanizawa Sogo Appraisal Co., Ltd.: S023 to S026, F002 and F008

Mitsui Real Estate Sales Co., Ltd.: S022, F024, and F025

② Overview of real estate and entrusted real estate

The following chart lists property names, site areas, and other information for real estate and entrusted real estate.

Code	Property Name	Location	Site Area (m ²) (Note 1)	Total Leasable Floor Space (m ²) (Note 2)	Total Leased Floor Space (m ²) (Note 3)	Total No. of Leasable Residential Units (Note 4)	Total No. of Leased Residential Units (Note 5)	Total Monthly Rental Revenues (Thousands of Yen) (Note 6)	Number of tenants (Note 7)	Occupancy Ratio (By Space) (%) (Note 8)	Occupancy Ratio (By No. of Residential Units) (%) (Note 9)
S001	TK Flats Shibuya	Shibuya-ku, Tokyo	1,800.47	6,903.54	5,926.79	194	167	26,867	1	85.9	86.1
S002	Prospect Shinonomebashi	Koto-ku, Tokyo	1,385.45	4,849.20	4,672.36	171	165	17,431	1	96.4	96.5
S003	Maison de Ville Azabudai	Minato-ku, Tokyo	444.01	2,567.09	2,285.77	91	82	11,342	1	89.0	90.1
S004	Maison de Ville Takanawa Gyoranzaka	Minato-ku, Tokyo	638.65	1,778.37	1,753.32	70	69	8,558	1	98.6	98.6
S005	Prospect Omori-Kaigan	Ota-ku, Tokyo	856.82	2,478.04	2,478.04	89	89	8,955	1	100.0	100.0
S006	Abreast Shin-Osaka	Osaka-shi, Osaka	766.13	2,984.64	2,734.32	92	84	17,152	51	91.6	91.3
S007	Maison de Ville Naka-Meguro	Meguro-ku, Tokyo	275.36	1,275.00	1,173.00	50	46	5,521	1	92.0	92.0
S008	Roppongi Rise House	Minato-ku, Tokyo	574.65	1,209.87	1,094.63	34	30	4,892	1	90.5	88.2
S009	Prospect Nihonbashi-Honcho	Chuo-ku, Tokyo	174.36	1,290.49	1,245.59	50	49	5,393	1	96.5	98.0
S011	Fragrance Kawasaki	Kawasaki-shi, Kanagawa	228.05	1,065.96	1,044.40	45	44	3,649	1	98.0	97.8
S012	Abreast Sakuragawa	Osaka-shi, Osaka	361.99	1,009.92	967.92	48	46	2,868	1	95.8	95.8
S013	Dome Takamine	Nagoya-shi, Aichi	983.60	946.04	790.28	36	30	1,642	1	83.5	83.3
S014	Dome Yotsuya	Nagoya-shi, Aichi	812.09	765.90	618.02	36	29	1,391	1	80.7	80.6
S015	TK Flats Denenchofu Annex	Ota-ku, Tokyo	286.90	429.50	429.50	14	14	1,537	1	100.0	100.0
S016	Abreast Nagase	Higashiosaka-shi, Osaka	318.54	532.98	532.98	26	26	1,404	26	100.0	100.0
S017	Living Stage Higashi-Sendai	Sendai-shi, Miyagi	904.00	1,539.41	1,187.01	52	40	2,211	1	77.1	76.9
S018	Prospect Toyonaka Hattori	Toyonaka-shi, Osaka	352.75	986.34	986.34	34	34	2,448	1	100.0	100.0
S019	Prospect Bishoen	Osaka-shi, Osaka	313.24	901.15	901.15	26	26	2,266	1	100.0	100.0
S020	Prospect Shimogamo	Kyoto-shi, Kyoto	234.53	675.51	675.51	31	31	1,966	1	100.0	100.0

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S021	Prospect Kawaramachi-Gojo	Shimogyo-ku, Kyoto	234.98	1,528.12	1,250.12	52	43	3,736	1	81.8	82.7
S022	Prospect Chuo-Rinkan	Yamato-shi, Kanagawa	589.73	1,098.24	1,075.36	48	47	3,408	1	97.9	97.9
S023	Sky Hills N15	Sapporo-shi, Hokkaido	1,232.73	4,754.86	4,754.86	111	111	5,106	1	100.0	100.0
S024	Sky Hills Sakaimachi	Chitose-shi, Hokkaido	4,189.46	6,775.39	6,775.39	134	134	6,776	1	100.0	100.0
S025	Domy Chitose	Chitose-shi, Hokkaido	1,796.60	3,383.02	3,383.02	111	111	4,244	1	100.0	100.0
S026	Sky Hills Kodai I	Chitose-shi, Hokkaido	2,401.78	4,712.47	4,712.47	120	120	5,594	1	100.0	100.0
S027	Exceria Ikebukuro West II	Toshima-ku, Tokyo	290.14	1,379.52	1,126.68	48	40	4,275	1	81.7	83.3
S028	Prospect Monzennaka cho	Koto-ku, Tokyo	613.01	1,790.56	1,790.56	62	62	5,850	1	100.0	100.0
F001	Prospect Kiyosumi-Teien	Koto-ku, Tokyo	1,586.77	5,556.73	5,517.29	77	76	14,742	1	99.3	98.7
F002	Park Terrace Ebisu	Shibuya-ku, Tokyo	790.18	2,705.09	2,663.77	51	50	12,140	1	98.5	98.0
F003	BELNOS34	Katsushika-ku, Tokyo	3,092.58	5,321.89	4,986.64	100	93	13,521	1	93.7	93.0
F004	Prospect Dogenzaka	Shibuya-ku, Tokyo	274.24	2,058.53	1,878.15	47	43	9,358	1	91.2	91.5
F005	U House Daikan-Cho	Nagoya-shi, Aichi	2,060.52	5,944.44	5,842.38	96	94	9,758	1	98.3	97.9
F006	U House Gokiso	Nagoya-shi, Aichi	3,113.87	5,127.19	4,538.67	78	74	8,005	1	88.5	94.9
F007	Angel Heim Nishi-Rokugo No.2	Ota-ku, Tokyo	1,666.28	2,776.64	2,776.64	40	40	6,716	1	100.0	100.0
F008	Prospect Onshi-Koen	Koto-ku, Tokyo	772.00	2,033.77	2,003.95	61	60	6,499	1	98.5	98.4
F009	Deim-Hashimoto	Sagamihara-shi, Kanagawa	898.13	3,170.41	2,698.57	92	76	5,691	1	85.1	82.6
F010	SK Residence	Toshima-ku, Tokyo	474.55	1,624.49	1,581.56	30	29	5,237	1	97.4	96.7
F012	Garden City Urawa	Saitama-shi, Saitama	1,557.49	2,468.51	2,468.51	30	30	4,965	1	100.0	100.0
F013	Garden City Kita-Toda	Toda-shi, Saitama	2,382.00	3,678.83	3,603.66	49	48	5,392	1	98.0	98.0
F014	U House Tsurumai II	Nagoya-shi, Aichi	615.51	2,262.63	2,191.20	34	33	3,752	1	96.8	97.1
F017	Living Stage Minami-Sendai	Sendai-shi, Miyagi	476.23	1,277.10	1,135.35	27	24	1,868	1	88.9	88.9
F019	Prospect Glarsa Hiroo	Shibuya-ku, Tokyo	803.31	3,846.27	3,820.63	112	111	19,718	1	99.3	99.1
F020	Prospect Katsura	Kyoto-shi, Kyoto	1,354.29	1,769.96	1,649.88	29	27	3,294	1	93.2	93.1

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F021	Crown Heim Nishi-Tanabe	Osaka-shi, Osaka	444.20	1,517.86	1,453.20	22	21	2,971	1	95.7	95.5
F022	Takasagoseki Nibankan	Sendai-shi, Miyagi	1,794.83	3,336.52	3,110.73	41	38	5,284	1	93.2	92.7
F023	Prospect Machiya	Arakawa-ku, Tokyo	251.44	1169.37	1,169.37	21	21	3,069	1	100.0	100.0
F024	Prospect Hatsudai	Shibuya-ku, Tokyo	586.68	817.71	817.71	22	22	3,423	1	100.0	100.0
F025	Prospect Morishita	Koto-ku, Tokyo	736.43	2,399.23	2,352.89	45	44	7,238	1	98.1	97.8
F026	Prospect Nishi-Sugamo	Koto-ku, Tokyo	368.15	2,023.42	2,023.42	42	42	6,610	1	100.0	100.0
	Tota		49,159.70	122,497.72	116,649.56	3,021	2,865	325,742	124	95.2	94.8

Note 1. In the 'Site Area' column, figures for total site area of real estate or entrusted real estate are based on data in register books or records. In some cases, such data might not be completely accurate.

Note 2. In the 'Total Leasable Floor Space' column, figures represent leasable floor space for portions of real estate or entrusted real estate acquired by PRI.

Note 3. In the 'Total Leased Floor Space' column, figures represent leased floor space with lease contracts concluded with end-tenants. Such floor space excludes leased site (land) area. Figures are based on lease contracts between end-tenants and master lessors or trust beneficiaries. Nevertheless, in cases of apparent errors in lease contracts, floor space data are based on information given by the previous owner of the acquired properties, information shown on plans at completion, etc.

Note 4. In the 'Total Leasable Residential Units' column, figures represent leasable units for portions of real estate or entrusted real estate acquired by PRI.

Note 5. In the 'Total Leased Residential Units' column, figures represent leased units to end-tenants with lease contracts concluded between end-tenants and master lessors or trust beneficiaries as of July 31, 2007.

Note 6. In the 'Total Monthly Rental Revenues' column, figures represent total monthly revenues as recorded in lease contracts concluded between end-tenants and master lessors or trust beneficiaries as of July 31, 2007. Such revenues include common area maintenance fee revenues but exclude revenues from monthly contracted parking spaces or such supplemental facilities as storage and locker space.

Note 7. In the 'Total Number of Tenants' column, '1' represents cases of lease contracts concluded between trust beneficiaries and master lessors. In such cases, figures are based on the assumption that all end-tenants have agreed with their master lessor to be lessors (sub-lessors). In the cases that one tenant leases more than one unit, the number of tenants is recorded as '1.' These figures are based on information current as of July 31, 2007.

Note 8. In the 'Occupancy Ratio (By Space)' column, percentage figures represent the proportion of leased floor space to leasable floor space of each real estate or entrusted real estate property. In addition, percentage numbers are rounded to the nearest first decimal place. The 'Total' percentage figure represents the proportion of total leased floor space to total leasable floor space as of July 31, 2007.

Note 9. In the 'Occupancy Ratio (By No. of Residential Units)' column, percentage figures represent the proportion of leased floor space to leasable floor space of each asset. In the 'Occupancy Ratio (By Space)' column, percentage figures are rounded to the nearest first decimal place. The 'Total' percentage figure represents the proportion of total leased floor space to total leasable floor space as of July 31, 2007.

(3) Capital Expenditures for Investment Properties

① Capital Expenditure Plan (consisting of items from JPY 1 million)

Property Name	Purpose	Planned period	Planned work amount (millions of yen)		
			Total	Paid in this period	Total paid
Dome Yotsuya	Large-scale repair work	Early October 2007	6.0	—	—
BELNOS 34	Water-supply, sewerage, and sanitation facilities	Late September 2007	8.5	—	—
SK Residence	Large-scale repair work	Late November 2007	29.0	—	—

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Deim-Hashimoto	Air conditioning,	Late October 2007	3.2	—	—
Deim-Hashimoto	Water-supply, sewerage, and sanitation facilities	Late August 2007	1.9	—	—
Deim-Hashimoto	Painting of steel parts and replacement of a large sheet at the RC staircase and corridors	Early November 2007	10.5	—	—
Abreast Shin-Osaka	Replacement of water-supply meters and water-heater meters	Mid-November 2007	5.2	—	—
Abreast Shin-Osaka	Replacement of ceiling material in the large bath facility and repair of tiles of a bathtub	Early December 2007	1.0	—	—
Domy Chitose	Replacement of water-supply meters	Early November 2007	3.5	—	—
Takasagoseki Nibankan	Repair of water leaks on external walls	Early October 2007	3.1	—	—
Takasagoseki Nibankan	Replacement of waterproofing material	Mid-October 2007	5.2	—	—
Takasagoseki Nibankan	New installation of security cameras	Late October 2007	1.0	—	—
Living Stage Higashi-Sendai	New installation of fences in open corridors on the ground floor to prevent trespassing	Mid-November 2007	1.0	—	—
Living Stage Higashi-Sendai	New installation of security cameras	Mid-November 2007	1.0	—	—
Living Stage Minami-Sendai	Security measures for the external staircase	Late November 2007	1.0	—	—
Living Stage Minami-Sendai	New installation of security cameras	Late November 2007	1.0	—	—
U House Daikan-Cho	New installation of security cameras	Early December 2007	1.0	—	—
U House Tsurumai II	New installation of security cameras	Mid-December 2007	1.0	—	—
U House Tsurumai II	Overhaul and replacement of leaky pump-up pumps underneath the external staircase	Early December 2007	1.0	—	—
U House Gokiso	Renovation of room No. 705	Early October 2007	3.3	—	—
U House Gokiso	Renovation of room No. 1201	Early October 2007	3.1	—	—
Sky Hills Kodai I	Replacement of cooking facilities in kitchens	Late October 2007	1.5	—	—
Sky Hills Kodai I	Replacement of emergency lights, gas sensors, and joint-hoses for the water supply Painting of steel fixtures and emergency hatches	Early September 2007	1.9	—	—

Note. Numbers are rounded down to the nearest first decimal place.

②Capital expenditures in the period under review

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	Purpose	Period	Amount paid (millions of yen)
Abreast Shin-Osaka	Replacement of PBX	From March 26, 2007 to March 30, 2007	2.1
Maison de Ville Takanawa Gyoranzaka	Replacement of key cylinders	From March 1, 2007 to May 1, 2007	1.7
Park Terrace Ebisu	Replacement of key cylinders	From March 1, 2007 to May 16, 2007	1.5
Maison de Ville Azabudai	Replacement of toilet bowls	From February 26, 2007 to July 26, 2007	3.2
Garden City Urawa	Replacement of interphone system	From March 30, 2007 to April 23, 2007	3.6
Deim-Hashimoto	Painting of external steel	From July 3, 2007 to July 27, 2007	3.4
Living Stage Minami-Sendai	Painting of external steel	From July 3, 2007 to July 27, 2007	3.6
Dome Takamine	Replacement of external sewage tanks and external rain-water tanks	From April 6, 2007 to June 30, 2007	4.4
U House Tsurumai II	Repair of sunken drain tanks	From February 1, 2007 to February 3, 2007	1.4
U House Gokiso	Renovation of room No. 219	From February 1, 2007 to February 28, 2007	2.9
U House Gokiso	Renovation of room No. 207	From April 20, 2007 to June 1, 2007	2.9
U House Gokiso	Large-scale repair work	From March 9, 2007 to June 27, 2007	50.7
Other properties	Replacement of air conditioners, new installation of security cameras, and others		11.4
Total			93.4

Note. Numbers are rounded down to the nearest first decimal place.

③ Reserve for repair expenses

(Millions of yen)

Period	Third Fiscal Period (August 1, 2006 to January 31, 2007)	Fourth Fiscal Period (February 1, 2007 to July 31, 2007)
Reserve balance at the end of previous fiscal period	309	376
Reserved amount in the period	169	64
Withdrawal in the period	112	57
Balance carried forward	376	384

4) Figures in Engineering Reports

① Outline of building engineering reports

In addition to receiving support from research firms, PRI commissions them for the following items for each of its investment real estate or entrusted real estate properties.

–Examination of building deterioration, planning of short- and long-term repair expenses, research of compliance in accordance with the Building Standards Law, research of hazardous material contents in buildings, and research of soil conditions.

Nevertheless, the contents of these reports are the opinions of the respective research firms, and PRI does not

guarantee the appropriateness and accuracy of such contents.

② Outline of earthquake risk reports

PRI commissions Tokyo Bldg-Tech Center Co., Ltd. (TBTC) for earthquake risk reports and other reports for each investment real estate and entrusted real estate property.

Nevertheless, the contents of the reports are the opinions of TBTC, and PRI does not guarantee the appropriateness and accuracy of such contents.

Code	Property name	Research firm (Note 1)	Estimate of repair expenses (thousands of yen rounded down)			Rebuilding price of building (millions of yen rounded down)	Month and year of building engineering reports	Probable Maximum Loss (%) (Note 2)	Month and year of earthquake risk reports
			Urgen t	Within one year	Over 12 years				
S001	TK Flats Shibuya	Takenaka	—	490	184,420	2,174	April 2005	8	July 2007
S002	Prospect Shinonomebashi	TBTC	—	—	10,180	1,450	April 2005	19	July 2007
S003	Maison de Ville Azabudai	TBTC	—	—	31,550	772	April 2005	10	July 2007
S004	Maison de Ville Takanawa Gyoranzaka	TBTC	—	—	47,800	463	April 2005	12	July 2007
S005	Prospect Omori-Kaigan	TBTC	—	—	6,830	600	April 2005	10	July 2007
S006	Abreast Shin-Osaka	TBTC	—	—	94,760	910	May 2005	12	July 2007
S007	Maison de Ville Naka-Meguro	TBTC	—	—	37,070	372	April 2005	7	July 2007
S008	Roppongi Rise House	TBTC	—	—	3,570	362	February 2005	15	July 2007
S009	Prospect Nihonbashi-Honcho	TBTC	—	—	3,830	385	April 2005	12	July 2007
S011	Fragrance Kawasaki	TBTC	—	—	2,990	274	April 2005	13	July 2007
S012	Abreast Sakuragawa	TBTC	—	—	11,570	275	May 2005	15	July 2007
S013	Dome Takamine	Takenaka	—	870	49,760	161	April 2005	6	July 2007
S014	Dome Yotsuya	Takenaka	—	370	49,250	138	April 2005	5	July 2007
S015	TK Flats Denenchofu Annex	TBTC	—	—	21,040	108	April 2005	10	July 2007
S016	Abreast Nagase	TBTC	—	—	21,200	160	May 2005	12	July 2007
S017	Living Stage Higashi-Sendai	TBTC	—	300	46,660	312	August 2005	7	July 2007
S018	Prospect Toyonaka Hattori	竹中工務店	—	—	18,490	277	December 2005	9	July 2007
S019	Prospect Bishoen	竹中工務店	—	—	8,360	209	December 2005	14	July 2007
S020	Prospect Shimogamo	TBTC	—	—	2,460	203	March 2004	5	July 2007
S021	Prospect Kawaramachi-Gojo	TBTC	—	—	4,320	440	January 2007	12	July 2007
S022	Prospect Chuo-Rinkan	TBTC	—	—	3,960	301	February 2007	14	July 2007
S023	Sky Hills N15	Takenaka	300	—	52,710	609	March 2007	2	July 2007
S024	Sky Hills Sakaimachi	Takenaka	—	—	98,660	850	March 2007	4	July 2007
S025	Domy Chitose	Takenaka	300	—	63,750	415	March 2007	3	July 2007
S026	Sky Hills Kodai I	Takenaka	1,200	680	133,960	581	March 2007	4	July 2007
S027	Exceria Ikebukuro West II	TBTC	—	—	4,860	350	May 2007	10	July 2007
S028	Prospect Monzennakacho	TBTC	—	—	5,400	410	May 2007	19	July 2007
F001	Prospect Kiyosumi-Teien	Takenaka	—	100	238,790	1,332	March 2003	15	July 2007
F002	Park Terrace Ebisu	TBTC	—	—	41,750	700	April 2005	11	July 2007
F003	BELNOS34	TBTC	—	150	174,670	1,735	April 2005	12	July 2007
F004	Prospect Dogenzaka	TBTC	—	—	4,130	552	February 2005	9	July 2007
F005	U House Daikan-Cho	Takenaka	—	1,990	260,200	1,181	March 2003	11	July 2007
F006	U House Gokiso	Takenaka	—	500	165,900	1,141	July 2007	10	July 2007
F007	Angel Heim Nishi-Rokugo No.2	Takenaka	—	130	108,540	580	March 2003	11	July 2007
F008	Prospect Onshi-Koen	TBTC	—	—	4,980	574	February 2005	25	July 2007
F009	Deim-Hashimoto	TBTC	—	150	38,280	646	April 2005	13	July 2007
F010	SK Residence	TBTC	—	150	52,560	413	April 2005	11	July 2007

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F012	Garden City Urawa	TBTC	—	4,569	54,830	605	April 2005	5	July 2007
F013	Garden City Kita-Toda	TBTC	—	5,695	68,340	875	April 2005	12	July 2007
F014	U House Tsurumai II	Takenaka	—	820	125,540	491	April 2005	17	July 2007
F017	Living Stage Minami-Sendai	TBTC	—	—	36,750	300	August 2005	7	July 2007
F019	Prospect Glarsa Hiroo	TBTC	—	—	16,680	1,185	December 2005	7	July 2007
F020	Prospect Katsura	TBTC	—	—	41,620	351	March 2006	7	July 2007
F021	Crown Heim Nishi-Tanabe	TBTC	—	—	7,070	405	March 2006	11	July 2007
F022	Takasagoseki Nibankan	TBTC	—	—	80,220	761	February 2006	11	July 2007
F023	Prospect Machiya	TBTC	—	—	2,680	290	October 2006	14	July 2007
F024	Prospect Hatsudai	TBTC	—	—	2,190	179	January 2007	8	July 2007
F025	Prospect Morishita	TBTC	—	—	4,930	616	February 2007	11	July 2007
F026	Prospect Nishi-Sugamo	TBTC	—	—	3,890	504	February 2007	10	July 2007
Total portfolio			1,800	16,964	2,553,950	28,977		7.7	

Note 1. In the 'Research firm' column, TBTC stands for Tokyo Bldg-Tech Center Co., Ltd., and Takenaka stands for Takenaka Corporation.

Note 2. Probable Maximum Loss (PML) is a ratio that represents the probability of a maximum loss, and is calculated for each asset and the overall portfolio. In this document, PML is defined as a ratio of a building's estimated restoration cost to its rebuilding price resulting from a maximum-magnitude earthquake projected to occur within a 50-year period every 475 years, therefore having a 10% probability every 50 years.

Note 3. PRI has purchased earthquake insurance for this property.

Note 4. The month and year of building engineering reports and the month and year of earthquake risk reports refer to the first reports issued.

5) Outline of tenants and others

① Outline of leasing conditions for each real estate or entrusted real estate property

(As of July 31, 2007)

Code	Property Name	Total Leasable Floor Space (m ²)	Total Leased Floor Space (m ²)	Number of tenants	Total Monthly Rental Revenues (Thousands of Yen)	Percentage share to total revenues (%)
S001	TK Flats Shibuya	6,903.54	5,926.79	1	190	9.5
S002	Prospect Shinonomebashi	4,849.20	4,672.36	1	110	5.5
S003	Maison de Ville Azabudai	2,567.09	2,285.77	1	77	3.9
S004	Maison de Ville Takanawa Gyoranzaka	1,778.37	1,753.32	1	54	2.7
S005	Prospect Omori-Kaigan	2,478.04	2,478.04	1	61	3.1
S006	Abreast Shin-Osaka	2,984.64	2,734.32	51	109	5.4
S007	Maison de Ville Naka-Meguro	1,275.00	1,173.00	1	38	1.9
S008	Roppongi Rise House	1,209.87	1,094.63	1	29	1.5
S009	Prospect Nihonbashi-Honcho	1,290.49	1,245.59	1	35	1.7
S011	Fragrance Kawasaki	1,065.96	1,044.40	1	22	1.1
S012	Abreast Sakuragawa	1,009.92	967.92	1	19	1.0
S013	Dome Takamine	946.04	790.28	1	11	0.6

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S014	Dome Yotsuya	765.90	618.02	1	10	0.5
S015	TK Flats Denenchofu Annex	429.50	429.50	1	8	0.4
S016	Abreast Nagase	532.98	532.98	26	8	0.4
S017	Living Stage Higashi-Sendai	1,539.41	1,187.01	1	16	0.8
S018	Prospect Toyonaka Hattori	986.34	986.34	1	15	0.8
S019	Prospect Bishoen	901.15	901.15	1	13	0.7
S020	Prospect Shimogamo	675.51	675.51	1	12	0.6
S021	Prospect Kawaramachi-Gojo	1,528.12	1,250.12	1	18	0.9
S022	Prospect Chuo-Rinkan	1,098.24	1,075.36	1	17	0.9
S023	Sky Hills N15	4,754.86	4,754.86	1	10	0.5
S024	Sky Hills Sakaimachi	6,775.39	6,775.39	1	14	0.7
S025	Domy Chitose	3,383.02	3,383.02	1	8	0.4
S026	Sky Hills Kodai I	4,712.47	4,712.47	1	11	0.6
S027	Exceria Ikebukuro West II	1,379.52	1,126.68	1	4	0.2
S028	Prospect Monzennakacho	1,790.56	1,790.56	1	6	0.3
F001	Prospect Kiyosumi-Teien	5,556.73	5,517.29	1	97	4.9
F002	Park Terrace Ebisu	2,705.09	2,663.77	1	78	3.9
F003	BELNOS34	5,321.89	4,986.64	1	92	4.6
F004	Prospect Dogenzaka	2,058.53	1,878.15	1	60	3.0
F005	U House Daikan-Cho	5,944.44	5,842.38	1	62	3.1
F006	U House Gokiso	5,127.19	4,538.67	1	56	2.8
F007	Angel Heim Nishi-Rokugo No.2	2,776.64	2,776.64	1	54	2.7
F008	Prospect Onshi-Koen	2,033.77	2,003.95	1	47	2.4
F009	Deim-Hashimoto	3,170.41	2,698.57	1	39	2.0
F010	SK Residence	1,624.49	1,581.56	1	34	1.7
F011	Garden City Urawa	—	—	—	30	1.5
F012	Garden City Kita-Toda	2,468.51	2,468.51	1	29	1.5
F013	U House Tsurumai II	3,678.83	3,603.66	1	36	1.8

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F014	Living Stage Minami-Sendai	2,262.63	2,191.20	1	26	1.3
F017	Prospect Glarsa Hiroo	1,277.10	1,135.35	1	13	0.7
F019	Prospect Katsura	3,846.27	3,820.63	1	124	6.2
F020	Crown Heim Nishi-Tanabe	1,769.96	1,649.88	1	23	1.2
F021	Takasagoseki Nibankan	1,517.86	1,453.20	1	19	1.0
F022	Prospect Machiya	3,336.52	3,110.73	1	37	1.9
F023	Prospect Hatsudai	1,169.37	1,169.37	1	19	1.0
F024	Prospect Morishita	817.71	817.71	1	15	0.7
F025	Prospect Nishi-Sugamo	2,399.23	2,352.89	1	34	1.7
F026	TK Flats Shibuya	2,023.42	2,023.42	1	26	1.3
Total		122,497.72	116,649.56	124	2,001	100.0

Note: Leasing operations started from March 2006 for Prospect Kawaramachi-Gojo (Code: S021), Prospect Chuo-Rinkan (S022), Prospect Hatsudai (F024), Prospect Morishita (F025), and Prospect Nishi-Sugamo (F026). Leasing operations started from May 2006 for Sky Hills N15 (S023), Sky Hills Sakaimachi (S024), Domy Chitose (S025), and Sky Hills Kodai I (S026). Leasing operations started from June 2006 for Exceria Ikebukuro West II (S027), and Prospect Monzennakacho (S028). Leasing operations ended on July 30, 2007 for O Fort Nishi-Kasai.

② Occupancy rates

(End of each month)

Code	Property Name	January 2007	February 2007	March 2007	April 2007	May 2007	June 2007	July 2007
S001	TK Flats Shibuya	92.6	91.1	90.3	90.7	86.3	84.1	85.9
S002	Prospect Shinonomebashi	98.2	99.5	99.5	98.3	96.4	95.3	96.4
S003	Maison de Ville Azabudai	95.5	93.8	95.9	91.4	89.5	87.5	89.0
S004	Maison de Ville Takanawa Gyoranzaka	100.0	97.2	97.2	97.2	94.4	97.2	98.6
S005	Prospect Omori-Kaigan	99.0	100.0	98.2	96.2	97.2	99.0	100.0
S006	Abreast Shin-Osaka	87.5	87.5	87.5	93.7	94.8	92.7	91.6
S007	Maison de Ville Naka-Meguro	96.0	98.0	100.0	98.0	92.0	92.0	92.0
S008	Roppongi Rise House	90.4	88.0	82.7	77.9	80.3	88.1	90.5
S009	Prospect Nihonbashi-Honcho	97.9	100.0	98.4	98.4	96.3	97.9	96.5
S011	Fragrance Kawasaki	97.7	100.0	95.5	95.5	95.5	91.2	98.0
S012	Abreast Sakuragawa	97.9	100.0	100.0	97.9	100.0	97.9	95.8
S013	Dome Takamine	94.5	100.0	94.5	86.3	83.5	83.5	83.5
S014	Dome Yotsuya	100.0	97.4	100.0	86.2	86.2	80.7	80.7
S015	TK Flats Denenchofu Annex	71.3	64.2	78.7	78.7	100.0	100.0	100.0
S016	Abreast Nagase	100.0	100.0	92.3	100.0	100.0	100.0	100.0
S017	Living Stage Higashi-Sendai	86.8	85.0	78.9	86.8	83.1	77.3	77.1
S018	Prospect Toyonaka Hattori	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S019	Prospect Bishoen	100.0	100.0	100.0	100.0	96.6	100.0	100.0
S020	Prospect Shimogamo	96.9	96.9	100.0	100.0	96.9	96.9	100.0
S021	Prospect Kawaramachi-Gojo	—	—	52.6	64.9	76.6	80.2	81.8
S022	Prospect Chuo-Rinkan	—	—	97.9	97.9	97.9	97.9	97.9

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S023	Sky Hills N15	—	—	—	—	100.0	100.0	100.0
S024	Sky Hills Sakaimachi	—	—	—	—	100.0	100.0	100.0
S025	Domy Chitose	—	—	—	—	100.0	100.0	100.0
S026	Sky Hills Kodai I	—	—	—	—	100.0	100.0	100.0
S027	Exceria Ikebukuro West II	—	—	—	—	—	83.2	81.7
S028	Prospect Monzennakacho	—	—	—	—	—	100.0	100.0
F001	Prospect Kiyosumi-Teien	98.7	100.0	98.7	98.7	100.0	100.0	99.3
F002	Park Terrace Ebisu	97.7	100.0	100.0	98.7	97.0	98.7	98.5
F003	BELNOS34	92.3	91.3	93.0	90.0	90.2	89.9	93.7
F004	Prospect Dogenzaka	92.2	90.0	93.5	95.5	89.6	87.7	91.2
F005	U House Daikan-Cho	98.3	95.9	99.1	99.1	98.3	98.3	98.3
F006	U House Gokiso	91.1	91.1	90.5	88.3	86.8	86.8	88.5
F007	Angel Heim Nishi-Rokugo No.2	100.0	97.7	100.0	94.9	94.9	94.9	100.0
F008	Prospect Onshi-Koen	100.0	100.0	98.2	92.8	98.2	98.1	98.5
F009	Deim-Hashimoto	93.6	94.8	95.5	90.2	89.7	89.0	85.1
F010	SK Residence	91.9	89.1	83.2	86.0	91.9	91.9	97.4
F011	Garden City Urawa	96.4	100.0	100.0	89.3	78.6	82.1	—
F012	Garden City Kita-Toda	100.0	100.0	100.0	100.0	100.0	100.0	100.0
F013	U House Tsurumai II	98.0	100.0	100.0	98.0	98.0	98.0	98.0
F014	Living Stage Minami-Sendai	100.0	96.8	100.0	96.8	96.8	96.8	96.8
F017	Prospect Glarsa Hiroo	88.9	88.9	88.9	92.6	88.9	88.9	88.9
F019	Prospect Katsura	98.7	100.0	98.9	96.7	97.3	98.5	99.3
F020	Crown Heim Nishi-Tanabe	96.5	93.1	89.7	93.2	93.2	93.2	93.2
F021	Takasagoseki Nibankan	100.0	95.7	95.5	95.5	91.2	91.2	95.7
F022	Prospect Machiya	93.2	93.2	93.2	95.4	95.4	93.2	93.2
F023	Prospect Hatsudai	76.6	90.6	100.0	100.0	100.0	100.0	100.0
F024	Prospect Morishita	—	—	96.1	96.1	96.1	96.1	100.0
F025	Prospect Nishi-Sugamo	—	—	100.0	93.6	93.6	100.0	98.1
F026	TK Flats Shibuya	—	—	100.0	100.0	100.0	100.0	100.0

Note: The formula to calculate occupancy rate is 'leased floor space/leasable floor space,' with results rounded to the nearest first decimal place.

(6) Information related to major real estate and major entrusted real estate

None of the real estate or entrusted real estate properties owned by PRI independently accounted for at least 10% of total real estate rental revenues in the fourth fiscal period.

(7) Portfolio diversification

Portfolio diversification by region, years after construction, and type of units is as follows:

① By region

Region	Number of property	Acquisition price (millions of yen rounded down) (Note 2)	Percentage share of acquisition price to total (%) (Note 3)	Total leasable floor space (m ²) (Note 4)	Percentage share of floor space to total (%) (Note 3)
Tokyo's 23 Wards	23	44,027	70.1	58,284.32	47.6
Tokyo Metropolitan Area (excluding Tokyo's 23 Wards)	5	3,925	6.3	11,481.95	9.4

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Other Regions (Note 1)	21	14,794	23.6	52,731.45	43.0
Total	49	62,746	100.0	122,497.72	100.0

Note 1. The "other regions" category refers to government-designated cities and prefectural capitals, excluding regions within the Tokyo Metropolitan area, as well as other cities of equivalent size and commuter belts for all of the aforementioned regions.

Note 2. Transaction prices exclude consumption tax recorded on sales contracts.

Note 3. Percentage numbers are rounded to the nearest first decimal place.

Note 4. Leasable space owned by PRI excluding certain sites (ground-level parking spaces).

② Years after construction

Years after construction	Number of property	Acquisition price (millions of yen rounded down) (Note 1)	Percentage share of acquisition price to total (%) (Note 2)	Total leasable floor space (m ²) (Note 3)	Percentage share of floor space to total (%) (Note 2)
Up to one year	4	3,620	5.8	5,867.57	4.8
More than one year and up to five years	17	27,945	44.5	36,155.13	29.5
More than five years and up to ten years	11	14,782	23.6	30,767.95	25.1
More than ten years	17	16,399	26.1	49,707.07	40.6
Total	49	62,746	100.0	122,497.72	100.0

Note 1. Transaction prices exclude consumption tax recorded on sales contracts.

Note 2. Percentage numbers are rounded to the nearest first decimal place.

Note 3. Leasable space owned by PRI excluding certain sites (ground-level parking spaces).

③ Type of unit

Portfolio diversification by type of units is as follows. In the 'Number of property,' 'Acquisition Price,' and 'Percentage share of Acquisition Price to total' columns, buildings are categorized as unmarried individual type or family type. In the 'Total leasable floor space' and 'Percentage share of floor space to total' columns, each unit is categorized as unmarried individual type or family type.

Type of unit (Note 1)	Number of property	Acquisition price (millions of yen rounded down) (Note 2)	Percentage share of acquisition price to total (%) (Note 3)	Total leasable floor space (m ²) (Note 4)	Percentage share of floor space to total (%) (Note 3)
Unmarried individual	27	32,232	51.4	59,611.13	48.7
Family	22	30,514	48.6	62,886.59	51.3
Total	49	62,746	100.0	122,497.72	100.0

Note 1. The Asset Management Company categorizes residential property units by type and total leasable floor space, as shown in the table below. Based on these criteria, the Asset Management Company has set portfolio composition targets for these types of residential properties, also included in the table below. The actual composition of the portfolio, however, may temporarily differ from these targets due to various economic conditions and the status of the real estate market. In principle, the types of residential units, namely, for unmarried individuals or families, are delimited by total leasable floor space. For properties that offer both types of residential units, PRI determines the most representative type for the purpose of classification in its documentation. The representative type is determined in line with a property's majority residential-unit type. Accordingly, the "percentage share of total portfolio" category in the table below is based on the representative type of each residential property.

Property Type	Total Leasable Floor Space	Tenant Type	Type-Specific Market Characteristics	Peripheral Demand Characteristics	Percentage Share of Total Portfolio
Unmarried individual	Up to 35 m ²	Single person or married couples with no children	Demand is high, particularly in the Tokyo Metropolitan area and major local cities where population and the number of households are continuously growing. Rent levels are also relatively high.	Tenants in this category tend to value convenience in transportation and everyday living.	35% to 65%
Family	35 m ² or more	Families including married couples with no children	Demand for residential properties for purchase is high. Substitutive demand for family-type residential properties is expected to remain strong due to decreasing company housing units. In addition, leasing terms for families tend to be longer than those for unmarried individuals.	In addition to convenience in transportation and everyday living, tenants in this category place a high value on safety and security in the property's locality.	35% to 65%

Note 2. Transaction prices exclude consumption tax recorded on sales contracts.

Note 3. Percentage numbers are rounded to the nearest first decimal place.

Note 4. Leasable space owned by PRI excluding certain sites (ground-level parking spaces).

(8) Outline of major tenants and outline of overall tenants

① List of major tenants

The following chart shows the names of major tenants with leased floor space and total monthly rents for property owned by PRI at the end of the fourth fiscal period. To be designated as a major tenant, leased floor space must account for at least 10% of the total leased floor space of PRI's portfolio. All of these tenants are master lessors.

Tenant Name	Industry	Total Leased Floor Space (m ²)	Percentage share to Total Leased Floor Space (%) (Note 2)	Total Monthly Rental Revenues (Thousands of Yen) (Note 3)	Percentage share to total revenues (%) (Note 4)
Haseko Livenet Co., Ltd	Real estate	43,767.35	35.7	131,151	40.3
Tokyu Community Co., Ltd	Real estate	30,087.54	24.6	43,051	13.2
Mitsui Fudosan Residential Lease Co., Ltd (Note 1)	Real estate	18,647.83	15.2	67,975	20.9
Total of Major Tenants		92,502.72	75.5	242,177	74.3

Total Portfolio	116,649.56	100.0	325,742	100.0
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Note 1. Mitsui Fudosan Residential Lease Co., Ltd. succeeded the condominium leasing operations of Mitsui Fudosan Real Estate Sales Co., Ltd. on April 1, 2003. Hence, Mitsui Fudosan Real Estate Sales is used in master lease contracts.

Note 2. Percentage numbers are rounded to the nearest first decimal place.

Note 3. In the 'Total monthly rents' column represents total monthly rent received by trust beneficiaries of real estate or entrusted real estate properties based on master lease contracts.

Note 4. Percentage numbers are rounded to the nearest first decimal place.

② Leasing conditions of major tenants

Tenants mentioned in section ① are master lessors holding master lease contracts with the purpose of sub-leasing to the third parties. Rents received from these tenants are of the pass-through type, equal to rents received from end-tenants, and exclude rent assurance, with the exception of contracts for Sky-Hills Sakaecho. The following chart shows property names, major leasing conditions such as contract periods, and master lesser details.

Name of master lesser: Haseko Livenet

Property Name	TK Flats Shibuya	Prospect Shinonomebashi	Roppongi Rise House	Fragrance Kawasaki
Contract period	From December 1, 2006 to November 30, 2007	From April 1, 2007 to March 31, 2008	From April 1, 2007 to March 31, 2008	From April 1, 2007 to March 31, 2008
Method for contracts renewal	In cases when lessors and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

Property Name	Abreast Sakuragawa	Dome Takamine	Dome Yotsuya	TK Flats Denenchofu Annex
Contract period	From September 1, 2007 to August 31, 2008	From May 1, 2007 to April 30, 2008	From November 1, 2006 to October 31, 2007	From December 1, 2006 to November 30, 2007
Method for contracts renewal	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

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Property Name	Prospect Dogenzaka	U House Daikan-Cho	U House Gokiso	Deim-Hashimoto
Contract period	From April 1, 2007 to March 31, 2008	From May 1, 2007 to April 30, 2008	From November 1, 2006 to October 31, 2007	From July 3, 2006 to Septem 30, 2012
Method for contracts renewal	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	None.
Notes for leasing contracts	None.	None.	None.	None..

Property Name	U House Tsurumai II	BELNOS 34	Prospect Hatsudai	Prospect Morishita
Contract period	From May 1, 2007 to April 30, 2008	From February 1, 2007 to January 31, 2008	From March 1, 2007 to February 29, 2008	From March 1, 2007 to February 29, 2008
Method for contracts renewal	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

Property Name	Exceria Ikebukuro West II	Prospect Monzennakacho
Contract period	From June 28, 2007 to June 30, 2008	From June 28, 2007 to June 30, 2008
Method for contracts renewal	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.

Name of master lesser: Mitsui Fudosan Residential Lease

Property Name	Maison de Ville Azabudai	Maison de Ville Takanawa Gyoranzaka	Prospect Omori-Kaigan	Maison de Ville Naka-Meguro
Contract period	From October 1, 2006 to September 30, 2007	From October 1, 2006 to September 30, 2007	From April 1, 2007 to March 31, 2008	From October 1, 2006 to September 30, 2007
Method for contracts renewal	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

Property Name	Prospect Kiyosumi-Teien	Park Terrace Ebisu	Angel Heim Nishi-Rokugo No.2
Contract period	From April 1, 2007 to March 31, 2008	From October 1, 2006 to September 30, 2007	From March 28, 2002 to March 31, 2012
Method for contracts renewal	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	None.
Notes for leasing contracts	None.	None.	None.

Name of master lesser: Tokyu Community

Property Name	Living Stage Higashi-Sendai	Prospect Shimogamo	Living Stage Minami-Sendai	Prospect Katsura
Contract period	From September 1, 2007 to August 31, 2008	From April 1, 2007 to March 31, 2008	From September 1, 2007 to August 31, 2008	From April 1, 2007 to March 31, 2008
Method for contracts renewal	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessors and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

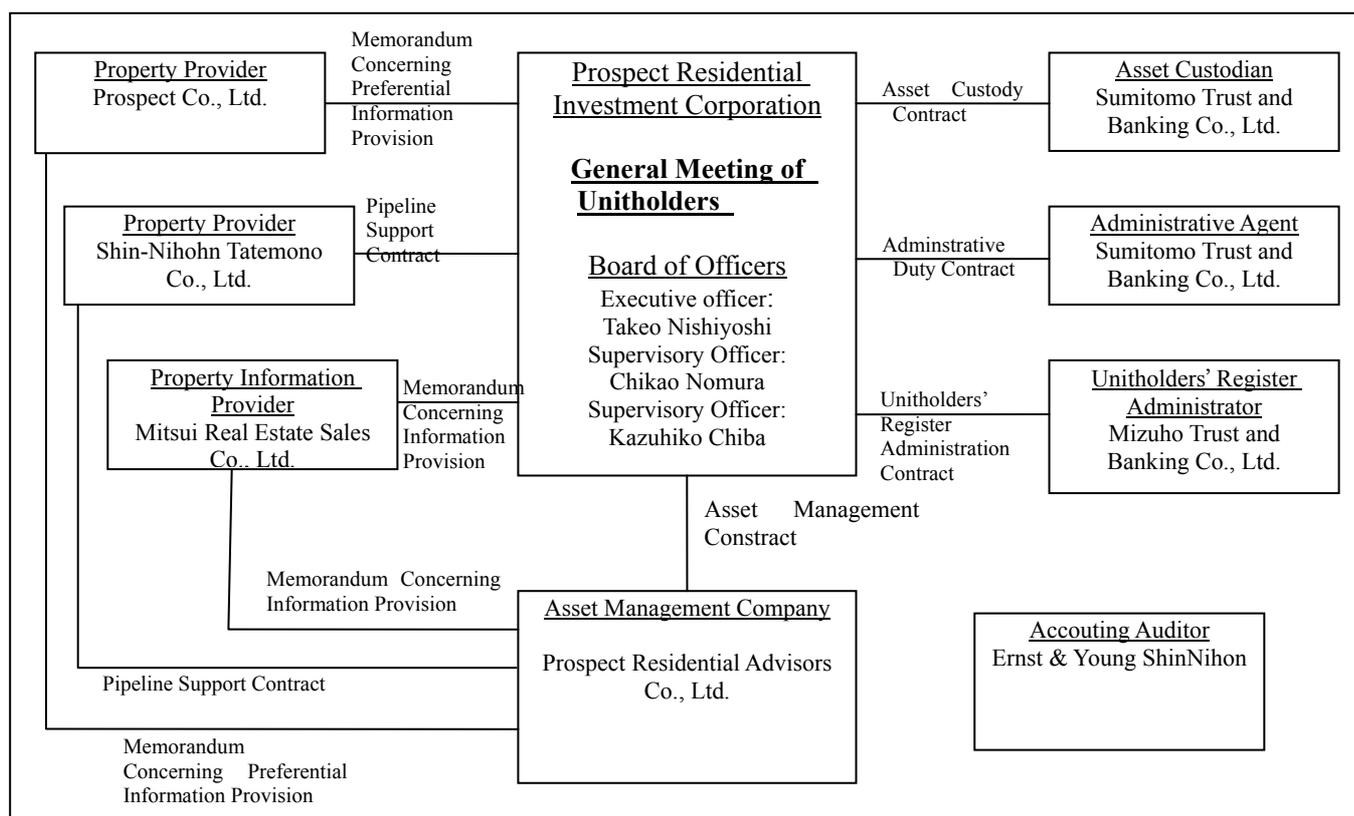
Property Name	Crown Heim Nishi-Tanabe	Takasagoseki Nibankan	Prospect Kawaramachi-Gojo	Sky Hills N15
Contract period	From April 1, 2007 to March 31, 2008	From April 1, 2007 to March 31, 2008	From March 15, 2007 to March 31, 2008	From October 1, 2006 to September 30, 2007
Method for contracts renewal	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to one month prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.	None.

Property Name	Sky Hills Sakaimachi	Domy Chitose	Sky Hills Kodai I
Contract period	From October 1, 2006 to September 30, 2007	From October 1, 2006 to September 30, 2007	From October 1, 2006 to September 30, 2007
Method for contracts renewal	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.	In cases when lessers and tenants give no notice up to three months prior to the end of contract periods, the leasing contracts are renewed for a further one year with the same conditions.
Notes for leasing contracts	None.	None.	None.

Note: With respect to Dome Yotsuya, U House Gokiso, Maison de Ville Azabudai, Maison de Ville Takanawa Gyozanzaka, Maison de Ville Nakameguro, Park Terrace Ebisu, Sky Hills N15, Sky Hills Sakaimachi, Domy Chitose, and Sky Hills Kodai I, the contract will be renewed for a further one year because no notices were issued from lessers or tenants as of the date of this document.

6. Corporations and entities related to PRI (in reference material 1. Corporations and entities related to PRI)

(1) Structure of the Investment Corporation



(2) Names, operational roles, and outline of related operations

Operational roles	Names	Outline of related operations
Investment Corporation	Prospect Residential Investment Corporation	PRI invests primarily in properties wholly or partly for residential use, and defined as real estate or real estate related assets (Notes) backed by real estate. With the aim of achieving steady growth and securing stable earnings and profits over the medium to long term, PRI carries out the management of its investment assets.
Asset Management Company	Prospect Residential Advisors Co., Ltd.	<p>PRI outsources all asset management operations to Prospect Residential Advisors Co., Ltd. (the "Asset Management Company"). Based on the Asset Management Contract signed between the two parties on April 22, 2005 (the "Contract," as amended thereafter), the Asset Management Company has formulated its Investment Management Policy (the "Policy") to function as in-house rules and regulations regarding the management of the Investment Assets.</p> <p>In accordance with the Policy, the Asset Management Company formulates Annual Asset Management Plans ("Plans") for each of the Investment Corporation's operating periods. The Plans present period-specific reports concerning the acquisition, disposition and management of real estate-related assets; fund procurement and other financing schemes; and distribution strategies.</p> <p>The outsourced operations to the Asset Management Company from PRI are as follows: ① Operations for asset management, ② fund raising operations, ③ reporting on asset conditions ④ compiling property management plans , ⑤ related operations of ① and ④ which are commissioned occasionally by PRI.</p>
Asset Custodian Administrative Agent	Sumitomo Trust and Banking Co., Ltd.	<p>Sumitomo Trust engages in the following operations based on the Administrative Duty Contract as an administrative duty contractor, in accordance with the Investment Trust Law:</p> <p>① Operations for calculations of PRI (excluding unitholders' register administrative operations), ② operations to compile accounting books for PRI, ③ taxation accounting for PRI, ④ operations for board meetings of officers of PRI and general meetings of unitholders of PRI, and ⑤ related operations of ① and ④ . Sumitomo Trust also engages in asset custody operations and related cash management and book keeping operations as an asset custodian in accordance with the Asset Custody Contract and the Investment Trust Law:</p>

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Unitholders' Register Administrator	Mizuho Trust and Banking Co., Ltd.	<p>Mizuho Trust engages in the following operations based on the Unitholders' Register Administrative Contracts as a unitholders' register administrator, in accordance with the Investment Trust Law:</p> <p>① Change of names of unitholders, ② operations to issue investment securities, ③ operations to compile invitations to general meetings of unitholders, notices of decisions made on such meetings and reference documents, proxy documents, and reception support at such meetings, ④ operations to calculate and pay distributions to unitholders, ⑤ operations to respond to inquiries about investment units, to issue related certificates, and to handle applications of mishaps, ⑥ operations to sort out and keep documents and undelivered postal items related to outsourced operations, ⑦ operations to compile statistics of investment units needed by PRI based on related laws and provisions as well as contracts with PRI, and ⑧ related operations of ① and ⑦.</p>
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Notes:

Real estate related assets are defined in a. and c.

PRI primarily invests in the following designated assets, as set in Item 28.1 of its Articles of Incorporation

- b. real estate
- c. real estate equivalent assets, as follows
 - i) leasing rights to real estate
 - ii) surface rights
 - iii) trust beneficiary rights to real estate, leasehold, and surface rights
 - iv) cash trust beneficiary rights to real estate, leasehold, and surface rights
 - v) equity contracts with the above a. and b.i), and iv) as investment assets
 - vi) cash trust beneficiary rights to anonymous partnership equity with real estate as major trust assets
- d. More than half or equal to half of backed assets investmented in real estate
 - i) preferred equity securities (according to Article 2.12 of the Asset Liquidation Act)
 - ii) beneficiary securities (according to Article 2.12 of the Investment Trust Law)
 - iii) investment securities (according to Article 2.22 of the Investment Trust Law)
 - iv) beneficiary securities for designated purpose trusts (according to Article 2.15 of the Asset Liquidation Act, excluding the above b. iii. iv. and v.)

(3) Major related parties other than the aforementioned

Operational roles	Names	Outline of related operations
Property Provider	Prospect Co., Ltd. (KKP) (Note)	KKP concluded the Memorandum Concerning Preferential Information Provision with PRI as well as PRA. Based on the memorandum, KKP agrees to supply certain information about real estate and to give preferential negotiation rights to PRI with respect to acquiring real estate as well as real estate related assets it owns, will own or develop.
Property Provider	Shin-Nihon Tatemono Co., Ltd.	Shin-Nihon Tatemono Co., Ltd. concluded the Pipeline Support Contracts with PRI as well as PRA. Based on the contracts, it agrees to supply condominiums it develops for rental residential purposes.
Property Information Provider	Mitsui Real Estate Sales Co., Ltd.	Mitsui Real Estate Sales Co., Ltd. concluded the Memorandum Concerning Information Provision with PRI as well as PRA. Based on the memorandum, it supplies PRI as well as PRA information about certain real estate to be sold.

Note: KKP is a 100% shareholder of the Asset Management Company.