

Prospect Reit Investment Corporation

Listed on the Tokyo Stock Exchange with the securities code 8969

Seventh Fiscal Period Results

(August 1, 2008 to January 31, 2009)

March 13, 2009



Disclaimer

This document contains a translation of the majority of the information provided in the Japanese material for the presentation of seventh fiscal period results held on March 17, 2009 as well as some information provided in the Financial Report (Kessan Tanshin) dated March 13, 2009, and others, with some updated data.

This English language document is provided solely for the convenience of and reference by non-Japanese investors, and is not intended to constitute a disclosure document. The Japanese language presentation material should be referred to as the original of this document. The English translation of legal, accounting, tax and business terms used herein may not precisely convey the identical meaning of equivalent Japanese terms. With respect to any and all terms herein, including without limitation, financial statements, if there exist any discrepancies in the meaning or interpretation thereof between the original Japanese document and English translation contained herein, the original Japanese document will govern the meaning and interpretation. Neither PRI, Prospect Reit Advisors, Co., Ltd. (“the Asset Management Company”) nor any of their respective directors, officers, employees, partners, shareholders, agents or affiliates will be responsible or liable for the completeness, appropriateness or accuracy of this English translation or any portion(s) of any document(s) translated into English. No person has been authorized to give any information or make any representations other than those contained in this document in relation to matters set out in this document, and if given or made, such information or representation must not be relied upon as having been authorized by PRI, Prospect Reit Advisors, Co., Ltd. or any of their respective directors, officers, employees, partners, shareholders, agents or affiliates.

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.

All rights are reserved. Unauthorized duplication and copy of this document and contents herein in any measures is strictly prohibited.

Contact Information:

Investor Relations

Prospect Reit Advisors, Co., Ltd.

2-2-1, Marunouchi, Chiyoda-ku, Tokyo, 100-0005, Japan

ir@pra.co.jp

Prospect Reit Investment Corporation
("PRI" or "the Investment Corporation")

Representative: Takeo Nishiyoshi, Executive Officer

Address: 2-2-1 Marunouchi, Chiyoda-ku, Tokyo

Prospect Reit 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*): April 22, 2009

Planned date of distribution payment commencement: April 15, 2009

(1) Operating Performance and Assets for the Fiscal Period Ended January 31, 2009

1) Operating Performance

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Operating Revenues		Operating Income		Ordinary Income		Net Income	
	%		%		%		%	
January 31, 2009	2,254	-9.8	902	-19.0	451	-36.6	448	-36.9
July 31, 2008	2,499	7.2	1,114	5.4	711	7.2	710	7.2

Fiscal Period Ended	Net Income per Unit	Return on Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
January 31, 2009	5,969	1.3	0.6	20.0
July 31, 2008	9,458	2.0	1.0	28.5

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
January 31, 2009	5,970	448	-	-	100.0%	1.3%
July 31, 2008	9,458	710	-	-	99.9%	2.0%

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)
January 31, 2009	71,767	34,980	48.7%	465,782
July 31, 2008	72,770	35,262	48.5%	469,544

(Reference Material) Net worth, JPY 34,980 million as of January 31, 2009 and JPY 35,262 million as of July 31, 2008

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
January 31, 2009	1,180	-144	-1,335	2,973
July 31, 2008	3,920	-1,420	-2,191	3,272

(2) Forecast of Revenues and Earnings (for the Eighth Fiscal Period: August 1, 2008 to January 31, 2009)

(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)
July 31, 2009	2,242 (-0.5)	909 (0.7)	422 (-6.4)	421 (-6.0)	5,608	-

(Reference Material) Estimated net income per unit for the seventh fiscal period ending July 31, 2009: JPY 5,608

(3) Others

- 1) Changes in accounting policies
 - A. Changes due to accounting standards: Please refer to 'Changes due to accounting standards' on page 19
 - 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 January 31, 2009; 75,100 units as of July 31, 2008
- B. Investment units owned by PRI at fiscal period-ends:
0 units as of January 31; 0 units as of July 31, 2008

(Note) Please refer to 'Information per Unit' on page 22 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 42.

2. Management Policy and Operating Conditions

(1) Management Policy

Because there have been no changes from the last Company Report (Yukashoken Hokokusho), submitted on October 23, 2008, disclosure is omitted.

(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

In the fiscal period under review (seventh fiscal period: the six-month period ended January 31, 2009), the financial crisis stemming from the subprime mortgage crisis also spread to the real economy and has escalated to the extent that it has caused a global economic crisis. Under such circumstances, the Japanese economy has fallen into a difficult situation, as reflected by such indicators as the double-digit dip in real GDP in the October to December 2008 period. Going forward, the prospects for an early bottoming out of the economy remain extremely low. From a real estate investment perspective as well, the real estate transaction market has shrunk substantially against the backdrop of the rapidly worsening financial situation, and the situation has grown so severe that there are arguably no buyers. In the rental housing market, while deteriorating trends have begun to surface for such properties as high-rent properties in central Tokyo, although not to the extent of the rapid deterioration seen in rental office market conditions, quality rental properties with reasonable rent levels located in such areas as the outskirts of Tokyo and other major cities remain relatively strong backed by robust demand.

B. Management Performance

- a. Although PRI is, consistent with its basic investment policy, dedicated to newly acquiring properties in an aim to secure steady growth and stable earnings from a medium- to long-term perspective, no acquisitions were made during the fiscal period under review. PRI also seeks to sell properties located in urban areas where competition is intensifying, properties with low profitability and properties that are small in size in an aim to restructure the property portfolio. During the fiscal period under review, PRI sold TK Flats Denenchofu Annex for JPY 225 million.
- b. 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, 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.
- c. Funds Procurement
PRI procured debt financing from Aozora Bank, Ltd. in the amount of JPY 4,000 million for a period of three months in August 2008 to refinance an existing loan, and in the amount of JPY 3,500 million for a period of three months ^(Note) in November 2008 to refinance the foregoing JPY 4,000 million loan. Cash reserves were allocated to the JPY 500 million difference between the new and old loans. As a result, PRI managed to reduce the balance of interest-bearing debt.
(Note) This borrowing of JPY 3,500 million for a period of three months was refinanced on February 27, 2009.

- d. PRI and PRA have been studying various measures, aiming at attaining remarkable growth in PRI's corporate value, including asset growth and a strengthening of its fundamentals.

C. Operating Results and Cash Distribution

Accounting for the aforementioned factors, operating revenues totaled JPY 2, 254 million in the fiscal period ended January 31, 2009. Ordinary income was JPY 451 million while net income amounted to JPY 448 million.

PRI distributes the total amount of its inappropriate retained earnings for each period. Accordingly, cash distribution for the third fiscal period was JPY 5, 970 per unit (rounded down to the nearest yen).

2) Outlook

A. Operating Environment

With the global economic crisis, the condition of the Japanese economy is also expected to remain harsh. Under such circumstances, the stagnant state of the real estate transaction market and real estate acquisition demand is also expected to persist. In the rental housing market, while such properties as high-rent properties in central Tokyo are highly likely to see stronger deteriorating trends, quality rental properties with reasonable rent levels located in such areas as the outskirts of Tokyo and other major cities are expected to remain relatively strong as robust demand is anticipated.

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.

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

PRI aims to carry out flexible procurement of short- and long-term loans with conservative LTV (Loan To Value) level 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 the second series Investment Corporation bonds in the future.

- E. PRI and PRA have been studying various measures, aiming at attaining remarkable growth in PRI's corporate value, including asset growth and a strengthening of its fundamentals.

(3) Important Subsequent Events

PRI undertook the following debt financing and repayment after January 31, 2009.

(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	February 27, 2009	Aozora Bank, Ltd.	3,500	Floating	May 29, 2009	Rollover	Secured
Repayment	November 28, 2008	Aozora Bank, Ltd.	3,500	Floating	February 27 2009	Repayment	Secured

(4) Forecast of Revenues and Earnings

Forecast of revenues and earnings for the eighth fiscal period (February 1, 2009 to July 31, 2009) is as follows. These forecasts are based on “Assumptions for Forecasts for the eighth Fiscal Period” mentioned afterwards.

Forecast of revenues and earnings for the eighth fiscal period (February 1, 2009 to July 31, 2009)

Operating revenues	JPY 2,242 million
Operating income	JPY 909 million
Ordinary income	JPY 422 million
Net income	JPY 421 million
Distributions per unit	JPY 5,608

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 Eighth Fiscal Period (February 1, 2009 to July 31, 2009)

	Assumptions
Operating Period	Eighth fiscal period: From February 1, 2009 to July 31, 2009 (181 days)
Managed Assets	Forecasts are based on a property portfolio comprising 53 properties held as of January 31, 2009. 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	The interest-bearing debt ratio as of January 31, 2009 was 49.3%. Forecasts are, however, based on an interest-bearing debt ratio of approximately 49.7% as of July 31, 2009, taking into account an increase in debt financing to acquire additional properties as well as repayment stemming from the above sale of one property. The interest-bearing debt ratio is calculated as follows: Interest-bearing debt ratio = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital) × 100
Operating Expenses	Forecasts are based on the assumption that PRI shall post repairs, maintenance and renovation expenses of JPY 91 million (an increase of JPY 5 million compared with the previous fiscal period) and shall post property tax and city planning tax of JPY 107 million. 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. 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. Forecasts are based on the assumption that PRI shall post property tax and city planning tax of JPY 111 million (a decrease of JPY 2 million compared with the previous fiscal period). Depreciation is calculated using the straight-line method inclusive of incidental expenses. Forecasts are based on the assumption that PRI shall post depreciation expenses of JPY 479 million (a decrease of JPY 7 million compared with the previous fiscal period).
Non-Operating Expenses	Forecasts are based on the assumption that PRI shall post total interest expenses including bond interest expenses of JPY 372 million (an increase of JPY 24 million compared with the previous fiscal period), and debt-related expenses of JPY 105 million (an increase of JPY 11 million compared with the previous fiscal period). Forecasts for the fiscal period ending in July 2009 are based on the rollover of a JPY3.5 billion short-term loan (repayment on May 29, 2009) and a JPY4.0 billion short-term loan (repayment on May 29, 2009) in the same amounts. There are neither long-term loans nor investment corporation bonds with repayment/maturity dates within this fiscal period.
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.

3. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	Notes	Sixth Fiscal Period (As of July 31, 2008)	Seventh Fiscal Period (As of January 31, 2009)	Increase (Decrease)
ASSETS				
I Current assets				
Cash and deposits		1,466,535	1,119,128	
Entrusted cash and deposits	* 1	1,805,995	1,854,042	
Rental receivables		29,093	22,097	
Prepaid expenses		123,997	118,030	
Deferred tax assets		8,816	10,504	
Consumption tax receivables		-	21,515	
Derivative assets		5,419	1,407	
Other current assets		25,515	25,545	
Reserve for possible losses of receivables		73	3,215	
Total current assets		3,465,300	3,169,057	296,243
II Fixed assets				
1. Property and equipment:				
Buildings	* 1	860,912	862,448	
Accumulated depreciation		90,967	108,194	754,254
Structures	* 1	1,131	1,131	
Accumulated depreciation		308	351	779
Machinery and equipment	* 1	6,189	6,189	
Accumulated depreciation		2,373	2,769	3,420
Tools, furniture and fixtures	* 1	3,307	3,307	
Accumulated depreciation		338	588	2,718
Land	* 1		794,545	794,545
Entrusted buildings	* 1	32,328,239	32,320,934	
Accumulated depreciation		2,125,629	2,557,699	29,763,234
Entrusted structures	* 1	153,668	161,243	
Accumulated depreciation		29,531	35,232	126,011
Entrusted machinery		354,454	358,359	
Accumulated depreciation		81,867	94,841	263,518
Entrusted tools, furniture and fixtures		50,179	55,047	
Accumulated depreciation		11,466	15,235	39,812
Entrusted land	* 1		36,880,302	36,725,509
Entrusted construction account			23,625	-
Total property and equipment		69,114,072	68,473,804	640,268
2. Intangible assets:				
Other intangible assets		3,726	6,803	
Total intangible assets		3,726	6,803	3077
3. Investments and other assets:				
Long-term prepaid expenses		72,703	28,414	
Deferred tax assets		36,265	47,919	
Leasehold and security deposits received		23,578	23,578	
Long-term derivative assets		36,632	6,859	
Total investments and other assets		169,180	106,772	62,408
Total fixed assets		69,286,979	68,587,380	699,599

III. Deferred assets:					
Expenses to issue Investment Corporation Bonds			18,333	10,646	
Total deferred assets			18,333	10,646	7,687
Total assets			72,770,613	71,767,084	1,003,529

(Thousands of yen)

	Notes	Sixth Fiscal Period (As of July 31, 2008)	Seventh Fiscal Period (As of January 31, 2009)	Increase (Decrease)
LIABILITIES				
I Current liabilities				
Operating payables		90,436	71,634	
Short-term debt	* 1	8,000,000	7,500,000	
Current Portion of Investment Corporation Bonds		-	5,000,000	
Other payables		36,816	50,271	
Accrued expenses		223,247	211,883	
Accrued income taxes		571	2,373	
Accrued consumption taxes		28,890	6,799	
Advances received		254,841	244,800	
Other current liabilities		3,471	207	
Total current liabilities		8,638,274	13,087,969	4,449,695
II Long-term liabilities				
Investment Corporation Bonds		5,000,000	-	
Long-term debt		23,028,000	22,904,000	
Leasehold and security deposits		841,516	794,824	
Total long-term liabilities		28,869,516	23,698,824	5,170,692
Total liabilities		37,507,791	36,786,793	720,998
NET ASSETS				
I Unitholders' capital				
1. Unitholders' capital				
Unitholders' capital		34,621,838	34,621,838	-
2. Retained earnings				
Unappropriated retained earnings for the period		710,320	448,355	
Total retained earnings		710,320	448,355	47,929
Total unitholders' capital		35,332,158	35,070,193	47,929
II Evaluation and conversions				
1. Earnings on deferred hedge				
Total evaluation and conversions		69,336	89,902	
		69,336	89,902	11,579
Total net assets		35,262,821	34,980,291	59,509
Total liabilities and net assets		72,770,613	71,767,084	1,572,876

(2) Statements of Income

(Thousands of yen)

	Notes	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)		Seventh Fiscal Period (August 1, 2008 to January 31, 2009)		Increase (Decrease)
I. Operating Revenues						
Real estate rental revenues	* 1	2,206,734		2,160,486		
Other rental revenues	* 1	135,040		93,566		
Gain on sale of real estate	* 2	157,303	2,499,077	-	2,254,053	245,024
II. Operating Expenses						
Real estate rental expenses	* 1	1,102,044		1,053,178		
Loss on sales of real estate properties	* 2	-		20,937		
Asset management fees		144,032		136,272		
Custodian fees		3,666		3,606		
Administrative service fees		21,962		21,265		
Directors' fees		6,000		6,000		
Transferred to reserve for possible losses of receivables		73		3,142		
Losses of receivables		855		1,599		
Other operating expenses		105,903	1,384,537	105,123	1,351,126	33,411
Operating income			1,114,540		902,926	211,614
III. Non-Operating Income						
Interest income		2,558		2,493		
Additional refunds		-		-		
Other non-operating income		754	3,313	39	2,533	715
IV. Non-Operating Expenses						
Interest expense		269,845		292,950		
Bonds interest expense		54,771		55,478		
Bonds issuance expense		7,686		7,686		
Debt-related expenses		71,455		94,073		
Other non-operating expenses		2,773	406,533	4,251	454,441	47,908
Ordinary income			711,320		451,018	260,302
Income before income taxes			711,320		451,018	260,302
Income taxes		1,009		2,811		
Deferred taxes	1		1,008	124	2,687	1,679
Net income			710,311		448,331	261,980
Retained earnings brought forward			8		24	16
Retained earnings at the end of the period			710,320		448,355	261,965

(3) Statement of Changes in Net Assets
Sixth Fiscal Period (February 1, 2008 to July 31, 2008)

(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	662,390	662,390	35,284,228	80,916	80,916	35,203,312
Movements during the fiscal period ended July 31, 2008							
Distribution of retained earnings	-	662,382	662,382	662,382	-	-	662,382
Net income	-	710,311	710,311	710,311	-	-	710,311
Net change due to items other than unitholders' capital	-	-	-	-	11,579	11,579	11,579
Total	-	47,929	47,929	47,929	11,579	11,579	59,509
Balance as of July 31, 2008	34,621,838	710,320	710,320	35,332,158	69,336	69,336	35,262,821

Seventh Fiscal Period (August 1, 2008 to January 31, 2009)

(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	710,320	710,320	35,332,158	69,336	69,336	35,262,821
Movements during the fiscal period ended January 31, 2009							
Distribution of retained earnings	-	710,295	710,295	710,295	-	-	710,295
Net income	-	448,331	448,331	448,331	-	-	448,331
Net change due to items other than unitholders' capital	-	-	-	-	20,565	20,565	20,565
Total	-	261,964	261,964	261,964	20,565	20,565	282,530
Balance as of January 31, 2009	34,621,838	448,355	448,355	35,070,193	89,902	89,902	34,980,291

(4) Basis for Calculating Cash Distribution

(Yen)

	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
I Unappropriated retained earnings at the end of the fiscal period	710,320,012	448,355,398
II Total distribution	710,295,800	448,347,000
(Distribution per unit)	(9,458)	(5,970)
III Retained earnings carried forward	24,212	8,398

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 710,295,800 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>	<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 448,355,398 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>
---	---	---

(5) Statements of Cash Flows

(Thousands of yen)

	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
I Cash flows from operating activities:		
Income before income taxes	711,320	451,018
Depreciation and amortization	504,438	486,763
Interest income	7,686	7,686
Reserve for possible losses of receivables	73	3,142
Amortization for issuance expense of investment corporation bonds	2,558	2,493
Interest expense	324,617	348,429
Decrease (increase) in operating receivables	4,429	6,995
Decrease in other receivables	249	41
Decrease in consumption tax and other receivables	-	21,515
(Increase) decrease in prepaid expenses	19,572	5,966
(Decrease) increase in operating payables	2,165	14,886
Decrease in other payables	29,616	14,438
Increase in accrued consumption taxes	16,547	22,091
(Decrease) increase in accrued expenses	21,151	13,825
(Decrease) increase in advances received	4,688	10,041
Decrease in long-term prepaid expenses	44,430	44,289
Loss on sale of entrusted property and Equipment	2,703,743	244,524
Other	10,174	3,264
Subtotal	4,243,430	1,525,094
Interest received	2,558	2,505
Interest paid	324,617	345,967
Income taxes paid	1,040	1,009
Net cash provided by operating activities	3,920,331	1,180,622
II Cash flows from investing activities:		
Payments for the purchase of property and Equipment	8,812	1,650
Payments for the purchase of entrusted property and equipment	1,376,791	92,499
Payments for leasehold and security deposits	126	-
Proceeds from leasehold and security deposits received	90,290	54,286
Payments for leasehold and security deposits received	124,796	100,978
Net cash used in investing activities	1,420,235	144,704
III Cash flows from financing activities:		
Proceeds from short-term debt	8,000,000	7,500,000
Payments of short-term debt	8,000,000	8,000,000
Proceeds of long-term debt	-	-
Payments of long-term debt	1,530,000	124,000
Proceeds of investment corporation bonds	-	-
Payments for issuance expense of investment corporation bonds	-	-
Payments for distributions to unitholders	661,286	711,279
Net cash (used in) provided by financing Activities	2,191,286	1,335,279
IV Net change in cash and cash equivalents	308,809	299,361
VI Cash and cash equivalents at the beginning of the period	2,963,721	3,272,531
VI Cash and cash equivalents at the end of the period	3,272,531	2,973,170

(6) Notes for Items Related to Important Accounting Policies

	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)								
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) Same as sixth fiscal period</p> <p>(2) Intangible fixed assets Same as sixth fiscal period</p> <p>(3) Long-term prepaid expenses Same as sixth fiscal period</p>
Buildings	3 – 60 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 1,024 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 were none.</p>								

<p>3. Hedge accounting method</p>	<p>(1) Hedge accounting method Deferred hedge method. In the cases of interest swaps meet conditions for special treatment, special treatment is adopted.</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>(1) 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. In the cases of interest swaps meet conditions for special treatment, effective judgement is omitted.</p>	<p>(1) Hedge accounting method Same as sixth fiscal period</p> <p>(2) Hedge type and objective Same as sixth fiscal period</p> <p>(3) Hedge policy Same as sixth fiscal period</p> <p>(4) Method to evaluate effectiveness of hedge accounting Same as sixth 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 sixth fiscal period</p>

Prospect Reit Investment Corporation

<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, entrusted land, and entrusted construction account <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 sixth fiscal period</p> <p>(2) Accounting method for consumption tax and others</p> <p>Same as sixth fiscal period</p>
---	--	---

Changes due to accounting policies

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
None.	<p>Adoption of Accounting Standards for Lease Transactions</p> <p>PRI began the adoption of the 'Accounting Standards for Lease Transactions' (The Accounting Standards Board of Japan, ASBJ Statement No. 13, revised on March 30, 2007) and the 'Guidance on Accounting Standards for Lease Transactions' (The Accounting Standards Board of Japan, ASBJ Guidance No. 16, revised on March 30, 2007) from the fiscal period under review. This adoption has no effect on revenues or expenses.</p>

(7) Notes to the Financial Statements
[Notes for the Balance Sheets]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)																																																												
<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;">1,772,369</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">769,944</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">823</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">3,815</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2,968</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;">29,626,525</td> </tr> <tr> <td>Entrusted structures</td> <td style="text-align: right;">109,989</td> </tr> <tr> <td>Entrusted machinery and equipment</td> <td style="text-align: right;">233,445</td> </tr> <tr> <td>Entrusted tools, furniture and fixtures</td> <td style="text-align: right;">38,712</td> </tr> <tr> <td>Entrusted land</td> <td style="text-align: right;">36,229,304</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">69,582,445</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;">8,000,000</td> </tr> <tr> <td>Long-term debt</td> <td style="text-align: right;">23,028,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">31,028,000</td> </tr> </table>	Entrusted cash and entrusted deposits	1,772,369	Buildings	769,944	Structures	823	Machinery and equipment	3,815	Tools, furniture and fixtures	2,968	Entrusted buildings	794,545	Entrusted buildings	29,626,525	Entrusted structures	109,989	Entrusted machinery and equipment	233,445	Entrusted tools, furniture and fixtures	38,712	Entrusted land	36,229,304	Total	69,582,445	Short-term debt	8,000,000	Long-term debt	23,028,000	Total	31,028,000	<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;">1,825,489</td> </tr> <tr> <td>Buildings</td> <td style="text-align: right;">754,254</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">779</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">3,420</td> </tr> <tr> <td>Tools, furniture and fixtures</td> <td style="text-align: right;">2,718</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;">29,195,304</td> </tr> <tr> <td>Entrusted structures</td> <td style="text-align: right;">112,382</td> </tr> <tr> <td>Entrusted machinery and equipment</td> <td style="text-align: right;">225,593</td> </tr> <tr> <td>Entrusted tools, furniture and fixtures</td> <td style="text-align: right;">39,812</td> </tr> <tr> <td>Entrusted land</td> <td style="text-align: right;">36,074,511</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">69,028,811</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;">7,500,000</td> </tr> <tr> <td>Long-term debt</td> <td style="text-align: right;">22,904,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">30,404,000</td> </tr> </table>	Entrusted cash and entrusted deposits	1,825,489	Buildings	754,254	Structures	779	Machinery and equipment	3,420	Tools, furniture and fixtures	2,718	Entrusted buildings	794,545	Entrusted buildings	29,195,304	Entrusted structures	112,382	Entrusted machinery and equipment	225,593	Entrusted tools, furniture and fixtures	39,812	Entrusted land	36,074,511	Total	69,028,811	Short-term debt	7,500,000	Long-term debt	22,904,000	Total	30,404,000
Entrusted cash and entrusted deposits	1,772,369																																																												
Buildings	769,944																																																												
Structures	823																																																												
Machinery and equipment	3,815																																																												
Tools, furniture and fixtures	2,968																																																												
Entrusted buildings	794,545																																																												
Entrusted buildings	29,626,525																																																												
Entrusted structures	109,989																																																												
Entrusted machinery and equipment	233,445																																																												
Entrusted tools, furniture and fixtures	38,712																																																												
Entrusted land	36,229,304																																																												
Total	69,582,445																																																												
Short-term debt	8,000,000																																																												
Long-term debt	23,028,000																																																												
Total	31,028,000																																																												
Entrusted cash and entrusted deposits	1,825,489																																																												
Buildings	754,254																																																												
Structures	779																																																												
Machinery and equipment	3,420																																																												
Tools, furniture and fixtures	2,718																																																												
Entrusted buildings	794,545																																																												
Entrusted buildings	29,195,304																																																												
Entrusted structures	112,382																																																												
Entrusted machinery and equipment	225,593																																																												
Entrusted tools, furniture and fixtures	39,812																																																												
Entrusted land	36,074,511																																																												
Total	69,028,811																																																												
Short-term debt	7,500,000																																																												
Long-term debt	22,904,000																																																												
Total	30,404,000																																																												
<p>Note 2. 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 2. Minimum net assets set by Article 67.4 of the Investment Trust and Investment Corporation Law</p> <p style="text-align: center;">Same as sixth fiscal period</p>																																																												

[Notes to the Statements of Income]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
<p>Note 1. Breakdown of real estate rental revenues and earnings (Thousands of yen)</p> <p>A. Real estate rental revenues</p> <p>Real estate rental revenues</p> <p>Rental revenues 2,018,143</p> <p>Common area maintenance fee revenues 80,947</p> <p>Parking revenues 80,941</p> <p>Other related revenues 26,701</p> <p style="text-align: right;"><u>2,206,734</u></p> <p>Other rental revenues</p> <p>Other rental revenues 135,040</p> <p style="text-align: right;"><u>135,040</u></p> <p>Total real estate rental revenues 2,341,774</p> <p>B. Real estate rental expenses</p> <p>Real estate rental expenses</p> <p>Property management expenses 181,713</p> <p>Repair expenses 94,943</p> <p>Water, electricity, and other rates 43,665</p> <p>Taxes 115,161</p> <p>Insurance premiums against losses 8,218</p> <p>Trust fees 44,641</p> <p>Depreciation expenses 503,717</p> <p>Other rental expenses 109,982</p> <p style="text-align: right;"><u>1,102,044</u></p> <p>Total real estate rental expenses 1,102,044</p> <p>C. Real estate rental business earnings (A – B) <u>1,239,730</u></p>	<p>Note 1. Breakdown of real estate rental revenues and earnings (Thousands of yen)</p> <p>A. Real estate rental revenues</p> <p>Real estate rental revenues</p> <p>Rental revenues 1,975,963</p> <p>Common area maintenance fee revenues 78,245</p> <p>Parking revenues 80,723</p> <p>Other related revenues 25,554</p> <p style="text-align: right;"><u>21,160,486</u></p> <p>Other rental revenues</p> <p>Other rental revenues 93,566</p> <p style="text-align: right;"><u>93,566</u></p> <p>Total real estate rental revenues 2,254,053</p> <p>B. Real estate rental expenses</p> <p>Real estate rental expenses</p> <p>Property management expenses 161,966</p> <p>Repair expenses 86,043</p> <p>Water, electricity, and other rates 45,969</p> <p>Taxes 113,433</p> <p>Insurance premiums against losses 7,279</p> <p>Trust fees 44,434</p> <p>Depreciation expenses 485,978</p> <p>Other rental expenses 108,072</p> <p style="text-align: right;"><u>1,053,178</u></p> <p>Total real estate rental expenses 1,053,178</p> <p>C. Real estate rental business earnings (A – B) <u>1,200,875</u></p>
<p>Note 2. Breakdown of real estate rental revenues and earnings (Thousands of yen)</p> <p>Maison de Ville Azabudai</p> <p>Revenues from sale of real estate and others 2,956,150</p> <p>Book value for sold real estate and others 2,704,644</p> <p>Other expenses for sales 94,202</p> <p style="text-align: right;"><u>157,303</u></p> <p>Profit from sale of real estate and others <u>157,303</u></p>	<p>Note 2. Breakdown of real estate rental revenues and earnings (Thousands of yen)</p> <p>TK Flats Denenchofu Annex</p> <p>Revenues from sale of real estate and others 225,000</p> <p>Book value for sold real estate and others 244,524</p> <p>Other expenses for sales 1,413</p> <p style="text-align: right;"><u>20,937</u></p> <p>Loss on sale of real estate and others <u>20,937</u></p>

[Notes to the Statement of Changes in Net Assets]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
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 2,000,000	Same as sixth fiscal period
Total number of investment units outstanding 75,100	

[Notes to the Statement of Cash Flows]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
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 July 31, 2008 (Thousands of yen)	As of January 31, 2009 (Thousands of yen)
Cash and deposits 1,466,535	Cash and deposits 1,119,128
Entrusted cash and entrusted deposits <u>1,805,995</u>	Entrusted cash and entrusted deposits <u>1,854,042</u>
Cash and cash equivalents 3,272,531	Cash and cash equivalents 2,973,170

(Disclosure is omitted for notes regarding lease transactions, derivatives transactions and others because of small necessity to disclose in this Financial Report <Kessan Tanshin>)

[Notes regarding information per investment unit]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
Net assets per investment unit JPY 469,544	Net assets per investment unit JPY 465,782
Net income per investment unit JPY 9,458	Net income per investment unit JPY 5,969
Because there are no latent investment units, PRI does not record net income per investment unit after adjustment of latent investment units.	Same as sixth 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:

Seventh fiscal period(August 1, 2008 to January 31, 2009): 75,100 (no changes during the period)

Sixth fiscal period (February 1, 2008 to July 31, 2008): 75,100 (no changes during the period)

	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
	(JPY thou)	(JPY thou)
Net income	710,311	448,331
Net income not distributed to unitholders	-	-
Net income distributed to unitholders	710,311	448,331
Average number of units	75,100 units	75,100 units

[Notes regarding subsequent events]

Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
None.	None.

(8) Changes in total investment units outstanding

Public and private offerings from the establishment of PRI to the end of the seventh fiscal period (ended January 31, 2009) 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.

4. Reference material

(1) Investment breakdown

A breakdown of PRI's investment assets as of the end of the sixth fiscal period (ended July 31, 2008) is as follows:

		Sixth Fiscal Period (February 1, 2008 to July 31, 2008)		Seventh Fiscal Period (August 1, 2008 to January 31, 2009)	
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	67,518	92.8	66,918	93.2
Real estate	Residential rental units	1,572	2.2	1,555	2.2
Deposit and other assets		3,680	5.0	3,293	4.6
Total assets		72,770	100.0	71,767	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

Overview of investment properties

The following chart lists investment properties owned by PRI as of July 31, 2008. 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	9.4	5,300	July 12, 2005
S002	Prospect Shinonomebashi	3,353	4.9	3,360	July 12, 2005
S004	Maison de Ville Takanawa Gyoranzaka	1,768	2.6	1,650	July 14, 2005
S005	Prospect Omori-Kaigan	1,807	2.6	1,690	July 14, 2005

Prospect Reit Investment Corporation

S006	Abreast Shin-Osaka	1,826	2.7	1,684	July 12, 2005
S007	Maison de Ville Naka-Meguro	1,189	1.7	1,120	July 14, 2005
S008	Roppongi Rise House	1,184	1.7	992	July 12, 2005
S009	Prospect Nihonbashi-Honcho	1,070	1.6	892	July 12, 2005
S011	Fragrance Kawasaki	624	0.9	613	July 12, 2005
S012	Abreast Sakuragawa	516	0.8	451	July 12, 2005
S013	Dome Takamine	322	0.5	233	July 12, 2005
S014	Dome Yotsuya	275	0.4	203	July 12, 2005
S016	Abreast Nagase	209	0.3	164	July 12, 2005
S017	Living Stage Higashi-Sendai	435	0.6	368	August 31, 2005
S018	Prospect Toyonaka Hattori	396	0.6	404	February 10, 2006
S019	Prospect Bishoen	376	0.6	336	February 15, 2006
S020	Prospect Shimogamo	411	0.6	339	March 15, 2006
S021	Prospect Kawaramachi-Gojo	803	1.2	683	March 15, 2007
S022	Prospect Chuo-Rinkan	700	1.0	553	March 15, 2007
S023	Sky Hills N15	932	1.4	877	May 31, 2007
S024	Sky Hills Sakaimachi	1,115	1.6	939	May 31, 2007
S025	Domy Chitose	592	0.9	518	May 31, 2007
S026	Sky Hills Takadai I	691	1.0	639	May 31, 2007
S027	Exceria Ikebukuro West II	1,020	1.5	959	June 20, 2007
S028	Prospect Monzennakacho	1,250	1.8	1,180	June 20, 2007
S029	Prospect KALON Minowa	1,930	2.8	1,770	September 7, 2007
S030	Prospect Nakanoshima	1,000	1.5	860	October 19, 2007
S031	Prospect Ogikubo	880	1.3	784	November 7, 2007
S032	Prospect Musashi-Shinjo	1,230	1.8	1,170	May 30, 2008
F001	Prospect Kiyosumi-Teien	2,780	4.1	2,690	July 14, 2005
F002	Park Terrace Ebisu	2,712	4.0	2,380	July 14, 2005
F003	BELNOS34	2,534	3.7	1,960	July 12, 2005
F004	Prospect Dogenzaka	2,294	3.4	1,830	July 12, 2005
F005	U House Daikan-Cho	1,548	2.3	1,405	July 12, 2005
F006	U House Gokiso	1,406	2.1	1,197	July 12, 2005
F007	Angel Heim Nishi-Rokugo No.2	1,401	2.1	1,319	July 14, 2005
F008	Prospect Onshi-Koen	1,196	1.8	1,190	July 12, 2005
F009	Deim-Hashimoto	992	1.5	823	July 12, 2005
F010	SK Residence	1,020	1.5	912	July 12, 2005
F012	Prospect Urawa-Tokiwa (Note 4)	878	1.3	652	July 12, 2005
F014	U House Tsurumai II	685	1.0	536	July 12, 2005

Prospect Reit Investment Corporation

F017	Living Stage Minami-Sendai	275	0.4	244	August 31, 2005
F019	Prospect Glarsa Hiroo	3,905	5.7	4,110	February 15, 2006
F020	Prospect Katsura-	570	0.8	494	March 03, 2006
F021	Crown Heim Nishi-Tanabe	601	0.9	483	March 03, 2006
F022	Takasagoseki Nibankan	810	1.2	703	March 15, 2006
F023	Prospect Machiya	547	0.8	497	November 07, 2006
F024	Prospect Hatsudai	730	1.1	603	March 15, 2007
F025	Prospect Morishita	1,480	2.2	1,340	March 15, 2007
F026	Prospect Nishi-Sugamo	1,419	2.1	1,300	March 30, 2007
F027	Palais D'Or Maruyama	1,250	1.8	973	October 19, 2007
F028	Prospect Kawasaki	1,717	2.5	1,650	October 19, 2007
F029	Prospect Nihonbashi-Koamicho	946	1.4	929	October 19, 2007
Total		68,249	100.0	60,955	

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.

Note 4: The property name was changed from 'Garden City Urawa' to 'Prospect Urawa-Tokiwa' as of January 1, 2009.

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	6,081.70	194	171	27,830	1	88.1	88.1
S002	Prospect Shinonomebashi	Koto-ku, Tokyo	1,385.45	4,849.20	4,739.21	171	167	17,977	1	97.7	97.7
S004	Maison de Ville Takanawa Gyozanzaka	Minato-ku, Tokyo	638.65	1,778.37	1,650.87	70	65	8,028	1	92.8	92.9
S005	Prospect Omori-Kaigan	Ota-ku, Tokyo	856.82	2,478.04	2,446.04	89	88	8,881	1	98.7	98.9
S006	Abreast Shin-Osaka	Osaka-shi, Osaka	766.13	2,984.64	2,361.96	92	74	14,916	43	79.1	80.4
S007	Maison de Ville Naka-Meguro	Meguro-ku, Tokyo	275.36	1,275.00	1,249.50	50	49	5,933	1	98.0	98.0
S008	Roppongi Rise House	Minato-ku, Tokyo	574.65	1,209.87	1,005.55	34	29	4,596	1	83.1	85.3
S009	Prospect Nihonbashi-Honcho	Chuo-ku, Tokyo	174.36	1,290.49	1,247.56	50	48	5,307	1	96.7	96.0

Prospect Reit Investment Corporation

S011	Fragrance Kawasaki	Kawasaki-shi, Kanagawa	228.05	1,065.96	995.96	45	42	3,490	1	93.4	93.3
S012	Abreast Sakuragawa	Osaka-shi, Osaka	361.99	1,009.92	967.92	48	46	2,867	1	95.8	95.8
S013	Dome Takamine	Nagoya-shi, Aichi	983.60	946.04	708.58	36	27	1,482	1	74.9	75.0
S014	Dome Yotsuya	Nagoya-shi, Aichi	812.09	765.90	724.90	36	34	1,605	1	94.6	94.4
S016	Abreast Nagase	Higashiosaka- shi, Osaka	318.54	532.98	491.98	26	24	1,302	24	92.3	92.3
S017	Living Stage Higashi-Sendai	Sendai-shi, Miyagi	904.00	1,539.41	1,307.17	52	44	2,373	1	84.9	84.6
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	840.47	26	24	2,096	1	93.3	92.3
S020	Prospect Shimogamo	Kyoto-shi, Kyoto	234.53	675.51	613.41	31	28	1,776	1	90.8	90.3
S021	Prospect Kawaramachi -Gojo	Shimogyo-ku, Kyoto	234.98	1,528.12	1,333.09	52	46	3,962	1	87.2	88.5
S022	Prospect Chuo-Rinkan	Yamato-shi, Kanagawa	589.73	1,098.24	1,052.48	48	46	3,335	1	95.8	95.8
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	135	135	6,039	1	100.0	100.0
S025	Domy Chitose	Chitose-shi, Hokkaido	1,796.60	3,383.02	3,383.02	111	111	4,081	1	100.0	100.0
S026	Sky Hills Takadai I	Chitose-shi, Hokkaido	2,401.78	4,712.47	4,712.47	120	120	5,500	1	100.0	100.0
S027	Exceria Ikebukuro West II	Toshima-ku, Tokyo	290.14	1,379.52	1,318.72	48	46	5,016	1	95.6	95.8
S028	Prospect Monzennaka cho	Koto-ku, Tokyo	613.01	1,790.56	1,715.80	62	59	6,233	1	95.8	95.2
S029	Prospect KALON Minowa	Taito-ku, Tokyo	473.35	3,032.27	2,774.91	82	76	9,342	1	91.5	92.7
S030	Prospect Nakanoshima	Kita-ku, Osaka	370.61	1,572.48	1,547.52	63	62	5,417	1	98.4	98.4
S031	Prospect Ogikubo	Suginami-ku, Tokyo	731.41	1,106.63	1,031.55	40	37	4,162	1	93.2	92.5
S032	Prospect Musashi- Shinjo	Kawasaki-shi, Kanagawa	972.48	1,855.03	1,855.03	85	85	6,827	1	100.0	100.0
F001	Prospect Kiyosumi- Teien	Koto-ku, Tokyo	1,586.77	5,556.73	5,481.44	77	76	14,828	1	98.6	98.7
F002	Park Terrace Ebisu	Shibuya-ku, Tokyo	790.18	2,705.09	2,529.16	51	47	11,407	1	93.5	92.2
F003	BELNOS 34	Katsushika- ku, Tokyo	3,092.58	5,321.89	4,271.21	100	84	10,661	1	80.3	84.0

Prospect Reit Investment Corporation

F004	Prospect Dogenzaka	Shibuya-ku, Tokyo	274.24	2,058.53	1,573.95	47	35	7,810	1	76.5	74.5
F005	U House Daikan-Cho	Nagoya-shi, Aichi	2,060.52	5,944.44	5,399.36	96	88	8,796	1	90.8	91.7
F006	U House Gokiso	Nagoya-shi, Aichi	3,113.87	5,127.19	4,484.17	78	72	7,746	1	87.5	92.3
F007	Angel Heim Nishi-Rokugo No.2	Ota-ku, Tokyo	1,666.28	2,776.64	2,776.64	40	40	6,455	1	100.0	100.0
F008	Prospect Onshi-Koen	Koto-ku, Tokyo	772.00	2,033.77	1,995.70	61	60	6,539	1	98.1	98.4
F009	Deim-Hashimoto	Sagamihara-shi, Kanagawa	898.13	3,170.41	2,733.87	92	84	5,718	1	86.2	91.3
F010	SK Residence	Toshima-ku, Tokyo	474.55	1,624.49	1,494.23	30	27	4,917	1	92.0	90.0
F012	Prospect Urawa-Tokiwa	Saitama-shi, Saitama	1,557.49	2,468.51	0.00	30	0	0	1	0.0	0.0
F014	U House Tsurumai II	Nagoya-shi, Aichi	615.51	2,262.63	2,063.58	34	31	3,545	1	91.2	91.2
F017	Living Stage Minami-Sendai	Sendai-shi, Miyagi	476.23	1,277.10	1,182.35	27	25	1,867	1	92.6	92.6
F019	Prospect Glarsa Hiroo	Shibuya-ku, Tokyo	803.31	3,846.27	3,344.94	112	102	17,379	1	87.0	91.1
F020	Prospect Katsura	Kyoto-shi, Kyoto	1,354.29	1,769.96	1,708.72	29	28	3,083	1	96.5	96.6
F021	Crown Heim Nishi-Tanabe	Osaka-shi, Osaka	444.20	1,517.86	1,342.29	22	20	2,732	1	88.4	90.9
F022	Takasagoseki Nibankan	Sendai-shi, Miyagi	1,794.83	3,336.52	3,114.93	41	38	5,001	1	93.4	92.7
F023	Prospect Machiya	Arakawa-ku, Tokyo	251.44	1,169.37	1,114.53	21	20	2,938	1	95.3	95.2
F024	Prospect Hatsudai	Shibuya-ku, Tokyo	586.68	817.71	817.71	22	22	3,444	1	100.0	100.0
F025	Prospect Morishita	Koto-ku, Tokyo	736.43	2,399.23	2,252.52	45	41	6,938	1	93.9	91.1
F026	Prospect Nishi-Sugamo	Koto-ku, Tokyo	368.15	2,023.42	2,023.42	42	42	6,610	1	100.0	100.0
F027	Palais D'Or Maruyama	Chuo-ku, Sapporo	2,236.99	4,678.32	3,431.49	64	49	5,660	1	73.3	76.6
F028	Prospect Kawasaki	Saiwai-ku, Kawasaki	1,218.89	3,377.53	3,377.53	52	52	9,059	1	100.0	100.0
F029	Prospect Nihonbashi-Koamicho	Chuo-ku, Tokyo	273.37	1,364.02	1,226.22	37	34	4,700	1	89.9	91.9
	Total		52,323.89	132,808.58	124,243.34	3,291	3,045	335,768	118	90.7	92.5

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.

Prospect Reit Investment Corporation

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 January 31, 2009.

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 January 31, 2009. 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 January 31, 2009.

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 January 31, 2009.

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 January 31, 2009.

(3) Capital Expenditures for Investment Properties

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

Property Name	Purpose	Planned period	Planned work amount (millions of yen) Note		
			Total	Paid in this period	Total paid
Prospect Urawa-Tokiwa	Large-scale repair work	From January 2009 to March 2009	93	-	-
SK Residence	Renovation of retail space on the second floor	From June 2009 to July 2009	3	-	-
Angel Heim Nishi-Rokugo No.2	Repair of waterproofing material on roof	From April 2009 to May 2009	6	-	-
Crown Heim Nishi-Tanabe	New installation of net to prevent pigeon droppings	From March 2009 to March 2009	1	-	-
Takasagoseki Nibankan	Replacement of water-supply meters	From March 2009 to March 2009	1	-	-
Dome Takamine	New installation of security cameras	From March 2009 to March 2009	1	-	-
Dome Yotsuya	New installation of security cameras	From March 2009 to March 2009	1	23	23
Prospect Kiyosumi-Teien	Replacement of intercoms	From June 2009 to July 2009	12	-	-
Maison de Ville Takanawa Gyozanzaka	Construction to install digital cable television	From March 2009 to March 2009	1	-	-
U House Tsurumai II	Large-scale repair work	From March 2009 to July 2009	60	-	-
Sky Hills Sakaimachi	New installation of security cameras	From March 2009 to March 2009	3	-	-
Sky Hills Sakaimachi	New installation of cover to prevent falling of wing wall fragments	From April 2009 to May 2009	4	-	-
Sky Hills Takadai I	New installation of residential fire alarm system	From March 2009 to March 2009	1	-	-
Domy Chitose	Replacement of intercoms and automatic locking system device	From March 2009 to March 2009	12	-	-

Prospect Reit Investment Corporation

Palais D'Or Maruyama	Replacement of air conditioners for office space on the first floor	From March 2009 to March 2009	5	-	-
Deim-Hashimoto	Renovation of two rooms	From February 2009 to July 2009	6		
BELNOS 34	Renovation of retail space on the second floor	From February 2009 to July 2009	35		
U House Gokiso	Renovation of three rooms	From February 2009 to July 2009	10		
U House Gokiso	Construction to install digital cable television	From March 2009 to March 2009	1		
U House Gokiso	Renovation of office space on the first floor	From February 2009 to March 2009	28		

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

Capital expenditures in the period under review

Property Name	Purpose	Period	Amount paid (millions of yen)
U House Daikan-Cho	Large-scale repair work	From June 2008 to October 2008	73
U House Tsurumai II	Replacement of turning parts and other parts of tower parking	From September 2008 to November 2008	3
Maison de Ville Naka-Meguro	New installation of security cameras	From November 2008 to November 2008	1
Deim-Hashimoto	Renovation of three rooms	From August 2008 to August 2008	7
Palais D'Or Maruyama	Replacement of air conditioners for office space on the second floor	From December 2008 to January 2009	1
Deim-Hashimoto	Repair of divisional wall and underground beams of unit 102	From December 2008 to December 2008	2
U House Gokiso	Renovation of one room	From August 2008 to August 2008	2
Others	Replacementment of air conditioners, water heaters, and others		13
Total			105

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

Reserve for repair expenses

(Millions of yen)

Items	Period	Sixth Fiscal Period (February 1, 2008 to July 31, 2008)	Seventh Fiscal Period (August 1, 2008 to January 31, 2009)
	Reserve balance at the end of previous fiscal period		428
Reserved amount in the period		81	151
Withdrawal in the period		40	72
Balance carried forward		469	548

(4) Figures in Engineering Reports

Outline of building engineering reports

In addition to receiving support from research firms, PRI commissions them for the following items for each of its

Prospect Reit Investment Corporation

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.

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
			Urgent	Within one year	Over 12 years		
S001	TK Flats Shibuya	Takenaka	-	490	184,420	2,174	June 2005
S002	Prospect Shinonomebashi	TBTC	-	-	10,180	1,450	April 2005
S004	Maison de Ville Takanawa Gyoranzaka	TBTC	-	-	47,800	463	April 2005
S005	Prospect Omori-Kaigan	TBTC	-	-	6,830	600	April 2005
S006	Abreast Shin-Osaka	TBTC	-	-	94,760	910	May 2005
S007	Maison de Ville Naka-Meguro	TBTC	-	-	37,070	372	April 2005
S008	Roppongi Rise House	TBTC	-	-	3,570	362	April 2005
S009	Prospect Nihonbashi-Honcho	TBTC	-	-	3,830	385	April 2005
S011	Fragrance Kawasaki	TBTC	-	-	2,990	274	April 2005
S012	Abreast Sakuragawa	TBTC	-	-	11,570	275	June 2005
S013	Dome Takamine	Takenaka	-	870	49,760	161	June 2005
S014	Dome Yotsuya	Takenaka	-	370	49,250	138	June 2005
S016	Abreast Nagase	TBTC	-	-	21,200	160	May 2005
S017	Living Stage Higashi-Sendai	TBTC	-	300	46,660	312	August 2005
S018	Prospect Toyonaka Hattori	Takenaka	-	-	18,490	277	February 2006
S019	Prospect Bishoen	Takenaka	-	-	8,360	209	February 2006
S020	Prospect Shimogamo	TBTC	-	-	2,460	203	March 2006
S021	Prospect Kawaramachi-Gojo	TBTC	-	-	4,320	440	January 2007
S022	Prospect Chuo-Rinkan	TBTC	-	-	3,960	301	February 2007
S023	Sky Hills N15	Takenaka	300	-	52,710	609	March 2007
S024	Sky Hills Sakaimachi	Takenaka	-	-	98,660	850	March 2007
S025	Domy Chitose	Takenaka	300	-	63,750	415	March 2007
S026	Sky Hills Takadai I	Takenaka	1,200	680	133,960	581	March 2007
S027	Exceria Ikebukuro West II	TBTC	-	-	4,860	350	May 2007
S028	Prospect Monzennakacho	TBTC	-	-	5,400	410	May 2007
S029	Prospect KALON Minowa	TBTC	-	-	8,000	970	July 2007
S030	Prospect Nakanoshima	TBTC	-	-	5,210	534	August 2007
S031	Prospect Ogikubo	TBTC	-	-	3,300	305	August 2007
S032	Prospect Musashi-Shinjo	Takenaka	-	-	26,960	501	May 2008
F001	Prospect Kiyosumi-Teien	Takenaka	-	100	238,790	1,332	March 2003
F002	Park Terrace Ebisu	TBTC	-	-	41,750	700	April 2005
F003	BELNOS34	TBTC	-	150	174,670	1,735	April 2005
F004	Prospect Dogenzaka	TBTC	-	-	4,130	552	February 2005
F005	U House Daikan-Cho	Takenaka	250	410	228,290	1,563	March 2003
F006	U House Gokiso	Takenaka	-	500	165,900	1,141	July 2007
F007	Angel Heim Nishi-Rokugo No.2	Takenaka	-	130	108,540	580	March 2003
F008	Prospect Onshi-Koen	TBTC	-	-	4,980	574	February 2005
F009	Deim-Hashimoto	TBTC	-	150	38,280	646	April 2005
F010	SK Residence	TBTC	-	-	36,930	447	April 2005
F012	Prospect Urawa-Tokiwa	TBTC	-	-	54,830	605	April 2005
F014	U House Tsurumai II	Takenaka	-	820	125,540	491	April 2005
F017	Living Stage Minami-Sendai	TBTC	-	150	36,750	300	August 2005
F019	Prospect Glarsa Hiroo	TBTC	-	270	16,680	1,185	December 2005
F020	Prospect Katsura	TBTC	-	-	41,620	351	March 2006
F021	Crown Heim Nishi-Tanabe	TBTC	-	160	7,070	405	March 2006

Prospect Reit Investment Corporation

F022	Takasagoseki Nibankan	TBTC	-	150	80,220	761	February 2006
F023	Prospect Machiya	TBTC	-	-	2,680	290	October 2006
F024	Prospect Hatsudai	TBTC	-	-	2,190	179	January 2007
F025	Prospect Morishita	TBTC	-	-	4,930	616	February 2007
F026	Prospect Nishi-Sugamo	TBTC	-	-	3,890	504	February 2007
F027	Palais D'Or Maruyama	TBTC	-	300	96,650	975	August 2007
F028	Prospect Kawasaki	TBTC	-	-	5,810	862	September 2007
F029	Prospect Nihonbashi-Koamicho	TBTC	-	-	4,150	399	August 2007
Total portfolio			2,050	6,000	2,535,560	32,184	

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

Note 2. 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 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	Probable Maximum Loss (%) (Note 1)	Month and year of earthquake risk reports
S001	TK Flats Shibuya	8	January 2009
S002	Prospect Shinonomebashi	19	January 2009
S004	Maison de Ville Takanawa Gyoranzaka	12	January 2009
S005	Prospect Omori-Kaigan	10	January 2009
S006	Abreast Shin-Osaka	12	January 2009
S007	Maison de Ville Naka-Meguro	7	January 2009
S008	Roppongi Rise House	15	January 2009
S009	Prospect Nihonbashi-Honcho	12	January 2009
S011	Fragrance Kawasaki	13	January 2009
S012	Abreast Sakuragawa	15	January 2009
S013	Dome Takamine	6	January 2009
S014	Dome Yotsuya	5	January 2009
S016	Abreast Nagase	12	January 2009
S017	Living Stage Higashi-Sendai	7	January 2009
S018	Prospect Toyonaka Hattori	9	January 2009
S019	Prospect Bishoen	14	January 2009
S020	Prospect Shimogamo	5	January 2009
S021	Prospect Kawaramachi-Gojo	12	January 2009
S022	Prospect Chuo-Rinkan	14	January 2009
S023	Sky Hills N15	2	January 2009
S024	Sky Hills Sakaimachi	4	January 2009
S025	Domy Chitose	3	January 2009
S026	Sky Hills Takadai I	4	January 2009
S027	Exceria Ikebukuro West II	10	January 2009
S028	Prospect Monzennakacho	19	January 2009
S029	Prospect KALON Minowa	14	January 2009
S030	Prospect Nakanoshima	12	January 2009
S031	Prospect Ogikubo	11	January 2009
S032	Prospect Musashi-Shinjo	12	January 2009
F001	Prospect Kiyosumi-Teien	15	January 2009
F002	Park Terrace Ebisu	11	January 2009
F003	BELNOS34	12	January 2009
F004	Prospect Dogenzaka	9	January 2009
F005	U House Daikan-Cho	11	January 2009

Prospect Reit Investment Corporation

F006	U House Gokiso	10	January 2009
F007	Angel Heim Nishi-Rokugo No.2	11	January 2009
F008	Prospect Onshi-Koen	25	January 2009
F009	Deim-Hashimoto	13	January 2009
F010	SK Residence	11	January 2009
F012	Prospect Urawa-Tokiwa	5	January 2009
F014	U House Tsurumai II	17	January 2009
F017	Living Stage Minami-Sendai	7	January 2009
F019	Prospect Glarsa Hiroo	7	January 2009
F020	Prospect Katsura	7	January 2009
F021	Crown Heim Nishi-Tanabe	11	January 2009
F022	Takasagoseki Nibankan	11	January 2009
F023	Prospect Machiya	14	January 2009
F024	Prospect Hatsudai	8	January 2009
F025	Prospect Morishita	11	January 2009
F026	Prospect Nishi-Sugamo	10	January 2009
F027	Palais D'Or Maruyama	2	January 2009
F028	Prospect Kawasaki	10	January 2009
F029	Prospect Nihonbashi-Koamicho	12	January 2009
Total portfolio		7.6	

Note 1. 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 2. PRI has purchased earthquake insurance for this property.

(6) Outline of tenants and others

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

(As of July 31, 2008)

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	6,081.70	1	182	8.1
S002	Prospect Shinonomebashi	4,849.20	4,739.21	1	109	4.9
S004	Maison de Ville Takanawa Gyoranzaka	1,778.37	1,650.87	1	52	2.3
S005	Prospect Omori-Kaigan	2,478.04	2,446.04	1	57	2.6
S006	Abreast Shin-Osaka	2,984.64	2,361.96	47	94	4.2
S007	Maison de Ville Naka-Meguro	1,275.00	1,249.50	1	37	1.7
S008	Roppongi Rise House	1,209.87	1,005.55	1	30	1.3
S009	Prospect Nihonbashi-Honcho	1,290.49	1,247.56	1	32	1.4
S011	Fragrance Kawasaki	1,065.96	995.96	1	22	1.0
S012	Abreast Sakuragawa	1,009.92	967.92	1	18	0.8
S013	Dome Takamine	946.04	708.58	1	9	0.4
S014	Dome Yotsuya	765.90	724.90	1	10	0.5
S015	TK Flats Denenchofu Annex (Note)	-	-	1	4	0.2
S016	Abreast Nagase	532.98	491.98	26	8	0.4
S017	Living Stage Higashi-Sendai	1,539.41	1,307.17	1	16	0.7
S018	Prospect Toyonaka Hattori	986.34	986.34	1	15	0.7
S019	Prospect Bishoen	901.15	840.47	1	12	0.6
S020	Prospect Shimogamo	675.51	613.41	1	11	0.5
S021	Prospect Kawaramachi-Gojo	1,528.12	1,333.09	1	25	1.1
S022	Prospect Chuo-Rinkan	1,098.24	1,052.48	1	23	1.1
S023	Sky Hills N15	4,754.86	4,754.86	1	32	1.4
S024	Sky Hills Sakaimachi	6,775.39	6,775.39	1	38	1.7

Prospect Reit Investment Corporation

S025	Domy Chitose	3,383.02	3,383.02	1	25	1.1
S026	Sky Hills Takadai I	4,712.47	4,712.47	1	35	1.6
S027	Exceria Ikebukuro West II	1,379.52	1,318.72	1	32	1.4
S028	Prospect Monzennakacho	1,790.56	1,715.80	1	39	1.8
S029	Prospect KALON Minowa	3,032.27	2,774.91	1	59	2.6
S030	Prospect Nakanoshima	1,572.48	1,547.52	1	31	1.4
S031	Prospect Ogikubo	1,106.63	1,031.55	1	25	1.1
S032	Prospect Musashi-Shinjo	1,855.03	1,855.03	1	42	1.9
F001	Prospect Kiyosumi-Teien	5,556.73	5,481.44	1	96	4.3
F002	Park Terrace Ebisu	2,705.09	2,529.16	1	73	3.3
F003	BELNOS34	5,321.89	4,271.21	1	81	3.6
F004	Prospect Dogenzaka	2,058.53	1,573.95	1	53	2.4
F005	U House Daikan-Cho	5,944.44	5,399.36	1	58	2.6
F006	U House Gokiso	5,127.19	4,484.17	1	54	2.4
F007	Angel Heim Nishi-Rokugo No.2	2,776.64	2,776.64	1	53	2.4
F008	Prospect Onshi-Koen	2,033.77	1,995.70	1	41	1.8
F009	Deim-Hashimoto	3,170.41	2,733.87	1	39	1.7
F010	SK Residence	1,624.49	1,494.23	1	34	1.5
F012	Garden City Urawa	2,468.51	0.00	1	31	1.4
F014	U House Tsurumai II	2,262.63	2,063.58	1	29	1.3
F017	Living Stage Minami-Sendai	1,277.10	1,182.35	1	12	0.6
F019	Prospect Glarsa Hiroo	3,846.27	3,344.94	1	119	5.3
F020	Prospect Katsura	1,769.96	1,708.72	1	22	1.0
F021	Crown Heim Nishi-Tanabe	1,517.86	1,342.29	1	17	0.8
F022	Takasagoseki Nibankan	3,336.52	3,114.93	1	35	1.6
F023	Prospect Machiya	1,169.37	1,114.53	1	20	0.9
F024	Prospect Hatsudai	817.71	817.71	1	19	0.9
F025	Prospect Morishita	2,399.23	2,252.52	1	45	2.0
F026	Prospect Nishi-Sugamo	2,023.42	2,023.42	1	39	1.8
F027	Palais D'Or Maruyama	4,678.32	3,431.49	1	39	1.8
F028	Prospect Kawasaki	3,377.53	3,377.53	1	64	2.9
F029	Prospect Nihonbashi-Koamicho	1,364.02	1,226.22	1	29	1.3
Total		132,808.58	120,413.92	125	2,254	100.0

Note: Leasing operations ended on October 30, 2008 for TK Flats Denenchofu Annex (S015).

Occupancy rates

(End of each month)

Code	Property Name	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008	January 2009
S001	TK Flats Shibuya	85.2	87.7	89.4	89.1	87.5	86.7	88.1
S002	Prospect Shinonomebashi	90.8	91.4	92.7	94.4	95.1	97.1	97.7
S004	Maison de Ville Takanawa Gyozanzaka	97.1	98.6	95.8	94.2	91.4	92.8	92.8
S005	Prospect Omori-Kaigan	100.0	100.0	98.7	97.7	99.0	100.0	98.7
S006	Abreast Shin-Osaka	84.3	82.3	82.2	82.2	81.2	80.2	79.1
S007	Maison de Ville Naka-Meguro	100.0	98.0	98.0	98.0	100.0	98.0	98.0
S008	Roppongi Rise House	87.9	87.9	90.3	85.5	85.5	87.9	83.1
S009	Prospect Nihonbashi-Honcho	92.6	92.6	88.8	89.2	90.9	89.2	96.7
S011	Fragrance Kawasaki	96.0	93.7	95.7	95.5	95.5	97.7	93.4
S012	Abreast Sakuragawa	95.8	97.9	97.9	95.8	95.8	95.8	95.8
S013	Dome Takamine	74.9	74.9	77.6	74.9	77.6	74.9	74.9
S014	Dome Yotsuya	94.6	94.6	97.4	97.4	97.4	94.6	94.6
S015	TK Flats Denenchofu Annex	78.4	85.6	85.6	-	-	-	-
S016	Abreast Nagase	100.0	100.0	100.0	100.0	100.0	96.2	92.3
S017	Living Stage Higashi-Sendai	88.4	86.5	88.4	84.7	84.7	84.7	84.9
S018	Prospect Toyonaka Hattori	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S019	Prospect Bishoen	96.6	93.2	93.2	93.2	89.9	89.9	93.3

Prospect Reit Investment Corporation

S020	Prospect Shimogamo	87.7	90.8	90.8	90.8	90.8	90.8	90.8
S021	Prospect Kawaramachi-Gojo	85.6	85.5	87.3	92.6	87.2	87.2	87.2
S022	Prospect Chuo-Rinkan	95.8	95.8	93.8	95.8	97.9	93.8	95.8
S023	Sky Hills N15	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S024	Sky Hills Sakaimachi	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S025	Domy Chitose	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S026	Sky Hills Takadai I	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S027	Exceria Ikebukuro West II	94.5	95.8	95.8	91.1	100.0	94.0	95.6
S028	Prospect Monzennakacho	98.3	95.0	93.5	93.5	92.1	97.2	95.8
S029	Prospect KALON Minowa	95.6	95.6	92.9	92.4	91.9	91.5	91.5
S030	Prospect Nakanoshima	88.9	88.9	87.3	84.1	96.8	100.0	98.4
S031	Prospect Ogikubo	94.1	95.4	95.4	92.5	93.2	93.2	93.2
S032	Prospect Musashi-Shinjo	100.0	100.0	100.0	100.0	100.0	100.0	100.0
F001	Prospect Kiyosumi-Teien	96.3	98.7	100.0	98.6	98.6	98.6	98.6
F002	Park Terrace Ebisu	93.5	92.7	92.7	97.0	94.3	89.5	93.5
F003	BELNOS34	81.8	83.2	83.3	82.8	83.1	80.3	80.3
F004	Prospect Dogenzaka	90.8	88.8	85.3	83.1	83.7	80.7	76.5
F005	U House Daikan-Cho	93.0	93.0	93.8	92.4	91.0	92.2	90.8
F006	U House Gokiso	86.7	84.3	85.7	85.7	85.7	87.3	87.5
F007	Angel Heim Nishi-Rokugo No.2	100.0	100.0	100.0	100.0	100.0	100.0	100.0
F008	Prospect Onshi-Koen	100.0	100.0	97.9	97.9	100.0	100.0	98.1
F009	Deim-Hashimoto	93.8	91.1	93.4	93.4	86.2	84.9	86.2
F010	SK Residence	100.0	100.0	100.0	97.4	91.9	91.9	92.0
F012	Garden City Urawa	100.0	100.0	100.0	100.0	100.0	100.0	0.0
F014	U House Tsurumai II	96.8	96.8	94.4	94.4	91.9	91.2	91.2
F017	Living Stage Minami-Sendai	92.6	92.6	92.6	92.6	96.3	92.6	92.6
F019	Prospect Glarsa Hiroo	91.6	92.1	90.6	92.6	94.9	92.0	87.0
F020	Prospect Katsura	96.5	96.5	93.1	93.1	96.5	96.5	96.5
F021	Crown Heim Nishi-Tanabe	78.8	88.4	83.9	83.9	83.9	83.9	88.4
F022	Takasagoseki Nibankan	95.7	95.7	93.4	93.4	93.4	93.4	93.4
F023	Prospect Machiya	85.8	85.8	90.5	95.3	90.6	95.3	95.3
F024	Prospect Hatsudai	86.6	95.2	100.0	96.1	86.6	96.1	100.0
F025	Prospect Morishita	100.0	100.0	100.0	100.0	97.6	94.7	93.9
F026	Prospect Nishi-Sugamo	100.0	100.0	100.0	100.0	100.0	100.0	100.0
F027	Palais D'Or Maruyama	75.4	78.3	76.1	72.7	73.3	72.0	73.3
F028	Prospect Kawasaki	100.0	100.0	100.0	97.9	100.0	100.0	100.0
F029	Prospect Nihonbashi-Koamicho	100.0	91.4	92.7	92.7	92.7	92.7	89.9

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

(7) Revenues and earnings of individual assets

Revenues and earnings of individual assets are shown in the table below. The Leasing NOI (Net Operating Income) of each property includes the real estate rental business earnings of each property plus depreciation expenses. Monetary amounts are rounded down to the nearest thousand yen unless otherwise stated.

Prospect Reit Investment Corporation

(Thousands of yen)

	S001 TK Flats Shibuya	S002 Prospect Shinonomebashi	S004 Maison de Ville Takanawa Gyoranzaka	S005 Prospect Omori-Kaigan	S006 Abreast Shin-Osaka
Total real estate rental revenues	182,799	109,814	52,489	57,903	94,587
Real estate rental revenues	174,320	103,774	49,689	56,165	92,787
Other rental revenues	8,478	6,040	2,800	1,738	1,800
Real estate rental expenses	89,296	49,495	17,066	20,322	67,403
Taxes	10,906	4,928	1,909	2,346	3,736
Other expenses	13,988	5,958	3,689	4,228	2,685
Property management expenses	16,621	10,387	3,369	2,787	34,384
Water, electricity, and other rates	6,968	1,267	469	694	5,482
Repair expenses	8,034	3,568	1,093	903	1,164
Depreciation expenses	32,777	23,385	6,534	9,362	19,949
Real estate rental business earnings	93,502	60,319	35,423	37,581	27,184
NOI (Net Operating Income)	126,280	83,704	41,957	46,943	47,134

	S007 Maison de Ville Naka-Meguro	S008 Roppongi Rise House	S009 Prospect Nihonbashi-Ho ncho	S011 Fragrance Kawasaki	S012 Abreast Sakuragawa
Total real estate rental revenues	37,671	30,259	32,087	22,087	18,173
Real estate rental revenues	36,134	29,372	30,319	21,295	17,973
Other rental revenues	1,537	887	1,767	791	200
Real estate rental expenses	12,544	12,607	13,906	10,670	9,410
Taxes	1,406	1,460	1,658	1,162	934
Other expenses	2,497	2,076	2,150	1,594	1,337
Property management expenses	1,976	2,237	2,584	1,740	806
Water, electricity, and other rates	639	408	552	302	734
Repair expenses	756	1,048	484	430	96
Depreciation expenses	5,267	5,377	6,475	5,441	5,501
Real estate rental business earnings	25,127	17,651	18,181	11,416	8,763
NOI (Net Operating Income)	30,395	23,028	24,656	16,857	14,264

Prospect Reit Investment Corporation

	S013	S014	S015	S016	S017
	Dome Takamine	Dome Yotsuya	TK Flats Denenchofu Annex	Abreast Nagase	Living Stage Higashi-Sendai
Total real estate rental revenues	9,714	10,251	4,098	8,701	16,587
Real estate rental revenues	9,340	10,211	3,943	8,701	16,110
Other rental revenues	374	40	155	-	477
Real estate rental expenses	6,181	4,435	2,897	5,692	10,837
Taxes	696	560	295	474	1,182
Other expenses	1,306	1,210	686	309	1,925
Property management expenses	538	469	397	1,568	1,038
Water, electricity, and other rates	436	396	138	442	818
Repair expenses	1,025	408	337	324	759
Depreciation expenses	2,178	1,390	1,041	2,573	5,112
Real estate rental business earnings	3,532	5,816	1,201	3,009	5,750
NOI (Net Operating Income)	5,711	7,206	2,242	5,583	10,862

Note: Leasing operations ended on October 30, 2008 for TK Flats Denenchofu Annex (S015).

	S018	S019	S020	S021	S022
	Prospect Toyonaka Hattori	Prospect Bishoen	Prospect Shimogamo	Prospect Kawaramachi- Gojo	Prospect Chuo-Rinkan
Total real estate rental revenues	15,063	12,785	11,266	25,239	23,711
Real estate rental revenues	15,058	12,468	11,156	24,554	21,831
Other rental revenues	4	316	110	684	1,879
Real estate rental expenses	7,858	6,491	6,879	13,542	13,626
Taxes	1,172	910	696	1,721	1,458
Other expenses	1,340	1,357	1,341	2,333	2,238
Property management expenses	300	479	456	1,505	1,423
Water, electricity, and other rates	404	143	514	1,071	431
Repair expenses	-	244	444	156	658
Depreciation expenses	4,640	3,357	3,427	6,753	7,415
Real estate rental business earnings	7,204	6,293	4,386	11,697	10,084
NOI (Net Operating Income)	11,845	9,651	7,813	18,451	17,500

Prospect Reit Investment Corporation

	S023	S024	S025	S026	S027
	Sky Hills N15	Sky Hills Sakaimachi	Domy Chitose	Sky Hills Takadai I	Exceria Ikebukuro West II
Total real estate rental revenues	32,076	38,591	25,653	35,270	32,225
Real estate rental revenues	32,076	38,591	25,653	35,270	30,075
Other rental revenues	-	-	-	-	2,149
Real estate rental expenses	12,842	15,101	8,793	12,821	13,547
Taxes	3,866	4,655	2,374	3,066	821
Other expenses	1,194	1,249	1,144	3,482	2,644
Property management expenses	500	500	500	500	3,150
Water, electricity, and other rates	40	42	-	1,051	512
Repair expenses	345	192	157	196	593
Depreciation expenses	6,895	8,462	4,617	4,523	5,825
Real estate rental business earnings	19,233	23,489	16,859	22,449	18,677
NOI (Net Operating Income)	26,128	31,951	21,477	26,973	24,503

	S028	S029	S030	S031	S032
	Prospect Monzennakacho	Prospect KALON Minowa	Prospect Nakanoshima	Prospect Ogikubo	Prospect Musashi-Shinjo
Total real estate rental revenues	39,493	59,669	31,545	25,806	42,045
Real estate rental revenues	37,056	58,518	31,421	25,320	42,045
Other rental revenues	2,436	1,150	124	485	-
Real estate rental expenses	15,153	28,012	21,864	10,834	14,550
Taxes	1,197	927	2,251	697	-
Other expenses	2,721	5,188	4,057	2,156	3,131
Property management expenses	2,755	2,722	3,568	861	1,110
Water, electricity, and other rates	373	858	455	393	420
Repair expenses	1,168	729	658	526	-
Depreciation expenses	6,937	17,587	10,873	6,199	9,889
Real estate rental business earnings	24,339	31,656	9,680	14,971	27,495
NOI (Net Operating Income)	31,277	49,243	20,553	21,171	37,384

Prospect Reit Investment Corporation

	F001 Prospect Kiyosumi-Teien	F002 Park Terrace Ebisu	F003 BELNOS34	F004 Prospect Dogenzaka	F005 U House Daikan-Cho
Total real estate rental revenues	96,697	73,659	81,167	53,411	58,641
Real estate rental revenues	92,921	70,764	75,831	51,273	57,616
Other rental revenues	3,776	2,895	5,336	2,138	1,025
Real estate rental expenses	38,336	30,194	45,209	19,274	44,186
Taxes	6,228	3,303	6,992	1,216	3,478
Other expenses	5,365	4,048	6,203	2,480	2,805
Property management expenses	5,041	5,563	7,113	2,656	2,722
Water, electricity, and other rates	1,233	698	3,045	588	994
Repair expenses	2,605	2,747	4,890	3,090	22,809
Depreciation expenses	17,862	13,832	16,963	9,242	11,376
Real estate rental business earnings	58,360	43,465	35,957	34,136	14,455
NOI (Net Operating Income)	76,223	57,297	52,921	43,379	25,831

	F006 U House Gokiso	F007 Angel Heim Nishi-Rokugo No.2	F008 Prospect Onshi-Koen	F009 Deim-Hashimoto	F010 SK Residence
Total real estate rental revenues	54,596	53,829	41,487	39,256	34,784
Real estate rental revenues	52,716	52,924	40,699	36,333	33,872
Other rental revenues	1,880	904	788	2,923	911
Real estate rental expenses	27,540	22,708	17,087	19,361	14,871
Taxes	4,342	3,134	606	2,169	1,944
Other expenses	4,052	5,830	3,423	2,739	3,559
Property management expenses	2,986	2,028	1,307	2,794	1,674
Water, electricity, and other rates	1,574	420	436	467	662
Repair expenses	4,096	1,199	193	3,484	1,606
Depreciation expenses	10,487	10,095	11,120	7,705	5,424
Real estate rental business earnings	27,056	31,120	24,400	19,895	19,912
NOI (Net Operating Income)	37,544	41,216	35,520	27,600	25,337

Prospect Reit Investment Corporation

	F012		F014		F017		F019		F020
	Garden Urawa	City	U Tsurumai	House II	Living Minami-Sendai	Stage	Prospect Hiroo	Glarsa	Prospect Katsura
Total real estate rental revenues		31,822		29,692		12,456		119,275	22,757
Real estate rental revenues		24,825		25,086		12,325		112,631	21,771
Other rental revenues		6,997		4,606		131		6,644	986
Real estate rental expenses		10,581		12,483		7,520		46,580	11,974
Taxes		1,964		2,010		1,080		2,066	1,372
Other expenses		656		2,548		1,487		4,791	2,326
Property management expenses		879		930		615		6,211	897
Water, electricity, and other rates		20		275		634		915	1,108
Repair expenses		-		1,024		359		2,638	1,280
Depreciation expenses		7,060		5,693		3,344		29,957	4,989
Real estate rental business earnings		21,240		17,209		4,935		72,695	10,782
NOI (Net Operating Income)		28,301		22,903		8,279		102,652	15,771

	F021		F022	F023	F024	F025
	Crown Nishi-Tanabe	Heim	Takasagoseki Nibankan	Prospect Machiya	Prospect Hatsudai	Prospect Morishita
Total real estate rental revenues		17,305	35,899	20,311	19,872	45,603
Real estate rental revenues		16,505	35,104	17,159	19,391	44,970
Other rental revenues		800	794	3,152	481	633
Real estate rental expenses		9,340	19,755	12,360	9,871	17,918
Taxes		928	3,135	161	407	362
Other expenses		1,585	2,829	2,355	2,129	2,487
Property management expenses		966	1,116	2,186	2,540	1,542
Water, electricity, and other rates		377	1,581	350	222	645
Repair expenses		2,005	1,632	329	304	820
Depreciation expenses		3,477	9,459	6,976	4,268	12,059
Real estate rental business earnings		7,964	16,143	7,951	10,001	27,684
NOI (Net Operating Income)		11,442	25,603	14,927	14,269	39,744

Prospect Reit Investment Corporation

	F026	F027	F028	F029
	Prospect Nishi-Sugamo	Palais D'Or Maruyama	Prospect Kawasaki	Prospect Nihonbashi-Koa micho
Total real estate rental revenues	39,660	39,594	64,945	29,654
Real estate rental revenues	39,660	38,943	56,998	28,922
Other rental revenues	-	650	7,947	731
Real estate rental expenses	13,005	25,545	27,839	13,849
Taxes	166	3,585	2,799	513
Other expenses	2,783	5,927	3,186	2,169
Property management expenses	-	1,715	5,554	1,677
Water, electricity, and other rates	360	1,712	814	357
Repair expenses	-	1,723	94	293
Depreciation expenses	9,695	10,879	15,390	8,837
Real estate rental business earnings	26,654	14,048	37,106	15,804
NOI (Net Operating Income)	36,349	24,928	52,497	24,642

(8) 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 fifth fiscal period.

(9) Portfolio diversification

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

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	25	45,064	66.0	61,220.15	45.9
Tokyo Metropolitan Area (excluding Tokyo's 23 Wards)	6	6,141	9.0	13,035.68	9.8
Other Regions (Note 1)	23	17,044	25.0	58,982.25	44.3
Total	54	68,249	100.0	133,238.08	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).

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)
--------------------------	--------------------	---	---	---	---

Prospect Reit Investment Corporation

Up to one year	1	1,230	1.8	1,855.03	1.4
More than one year and up to five years	23	28,649	42.0	41,884.18	31.4
More than five years and up to ten years	13	21,452	31.4	38,792.31	29.1
More than ten years	17	16,918	24.8	50,706.56	38.1
Total	54	68,249	100.0	133,238.08	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).

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

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 lessers.

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	50,322.31	40.5	151,517	43.8
Tokyu Community Co., Ltd	Real estate	33,693.88	27.1	47,290	13.7
Mitsui Fudosan Residential Lease Co., Ltd (Note 1)	Real estate	16,134.98	13.0	55,771	16.1
Total of Major Tenants		100,151.17	80.6	254,575	73.6
Total Portfolio		124,243.34	100.0	345,767	100.0

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.

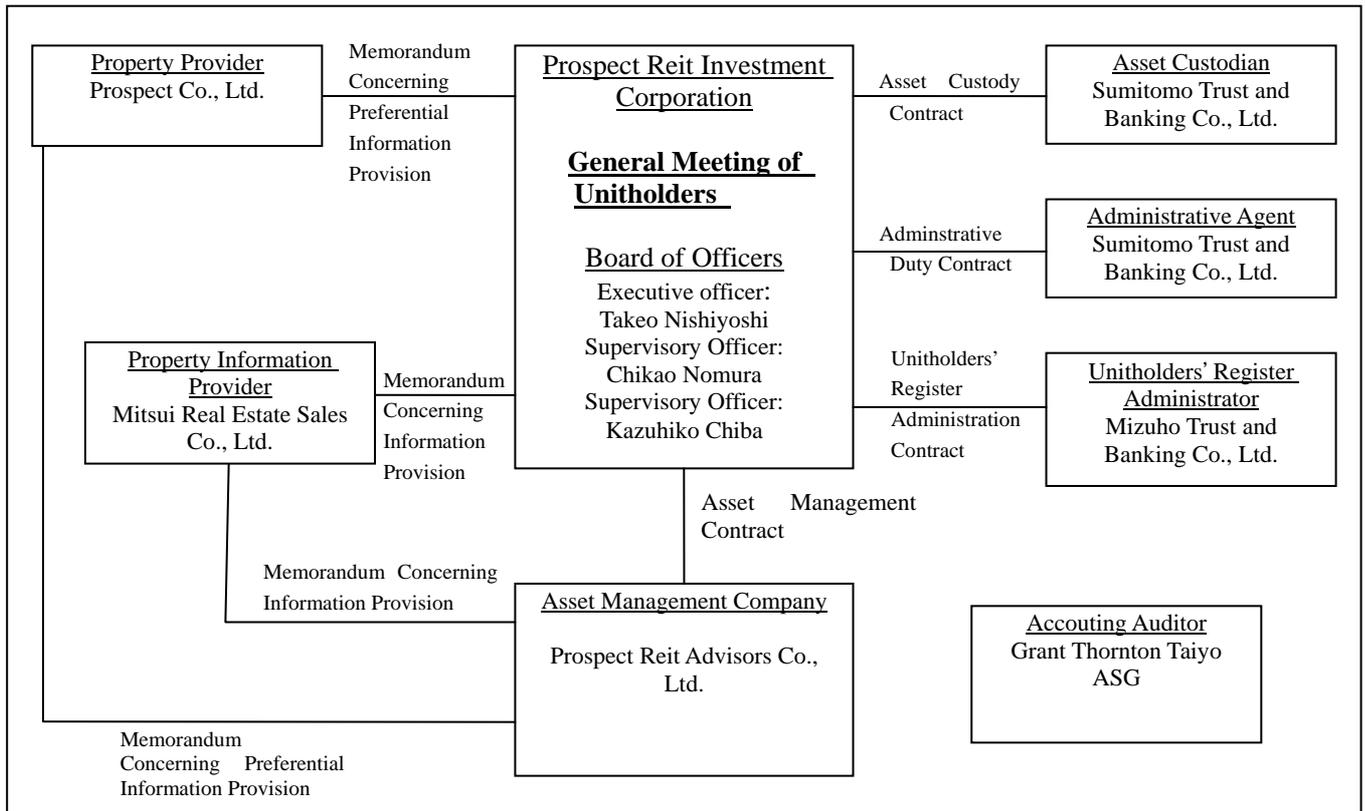
Note 2. Percentage numbers are rounded to the nearest first decimal place.

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.

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

(1) Structure of the Investment Corporation



Prospect Reit Investment Corporation

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

Operational roles	Names	Outline of related operations
Investment Corporation	Prospect Reit 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 Reit 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: Operations for asset management, fund raising operations, reporting on asset conditions compiling property management plans, related operations of and 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>Operations for calculations of PRI (excluding unitholders' register administrative operations), operations to compile accounting books for PRI, taxation accounting for PRI, operations for board meetings of officers of PRI and general meetings of unitholders of PRI, and related operations of and . 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>
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>Change of names of unitholders, operations to issue investment securities, 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, operations to calculate and pay distributions to unitholders, operations to respond to inquiries about investment units, to issue related certificates, and to handle applications of mishaps, operations to sort out and keep documents and undelivered postal items related to outsourced operations, operations to compile statistics of investment units needed by PRI based on related laws and provisions as well as contracts with PRI, and related operations of and .</p>

Notes:

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

PRI primarily invests in the following designated assets, as set in Item 28.I of its Articles of Incorporation

- a. real estate
- b. 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
- c. 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 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.