

Prospect Reit Investment Corporation

Listed on the Tokyo Stock Exchange with the securities code 8969

Ninth Fiscal Period Results

(August 1, 2009 to January 31, 2010)

March 15, 2010



Disclaimer

This document contains a translation of the majority of the information provided in the Japanese material for the presentation of ninth fiscal period results held on March 17, 2010 as well as some information provided in the Financial Report (Kessan Tanshin) dated March 15, 2010, and others, with some updated data.

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

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

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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 23, 2010

Planned date of distribution payment commencement: April 19, 2010

(1) Operating Performance and Assets for the Fiscal Period Ended January 31, 2010

1) Operating Performance

(Millions of yen rounded down unless otherwise stated)

Fiscal Period Ended	Operating Revenues		Operating Income		Ordinary Income		Net Income	
		%		%		%		%
January 31, 2010	2,191	-2.0	878	4.2	194	-46.4	193	-46.6
July 31, 2009	2,236	-0.8	843	-6.6	361	-19.8	362	-19.2

Fiscal Period Ended	Net Income per Unit	Return on Net Assets	Ordinary Income to Total Assets	Ordinary Income to Operating Revenues
	Yen	%	%	%
January 31, 2010	2,577	0.6	0.3	8.9
July 31, 2009	4,825	1.0	0.5	16.2

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, 2010	2,577	193	-	-	100.0	0.6
July 31, 2009	4,826	362	-	-	100.0	1.0

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, 2010	71,397	34,737	48.7	462,548
July 31, 2009	71,683	34,906	48.7	464,804

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, 2010	750	-111	-412	3,285
July 31, 2009	702	-167	-448	3,059

(2) Forecast of the Deemed Business Year Revenues and Earnings (for the Tenth Fiscal Period: February 1, 2010 to July 30, 2010)

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

	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit Excluding Excess of Earnings (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Deemed Business Year	1,874 (4.9)	689 (-3.8)	31 (-80.1)	30 (-80.6)	406	-

(Reference Material) Estimated net income per unit for the tenth fiscal period ending June 30, 2010 (deemed business year): JPY 406

*1: The period-on-period percentage changes for the deemed business year are calculated by converting the figures to increases/decreases per day.

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*2: The current forecast of expenses to be incurred in association with the merging of PRI and JRH is JPY 140 million. These expenses are not included in the above forecast figures. These expenses are to be accounted for by PRI as prepaid expenses and then accounted for by JRH after the merger with the negative goodwill from the merger.

In addition, expenses subject to the condition precedent that the merger takes effect will be incurred separately from the above in the amount of JPY 190 million. These expenses are to be similarly accounted for by JRH after the merger with the negative goodwill from the merger and thus are not included in the above forecast figures.

[Forecast of Revenues and Earnings (for the Tenth Fiscal Period: February 1, 2010 to July 30, 2010)]

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

/	Operating Revenues	Operating Income	Ordinary Income	Net Income	Distributions per Unit Excluding Excess of Earnings (Yen)	Distributions in Excess of Earnings per Unit (Yen)
Full Fiscal Period	2,252 (0.7)	910 (7.3)	357 (1.3)	356 (1.8)	4,740	-

(3) Others

1) Changes in accounting policies

A. Changes due to accounting standards: None

B. Other changes: None

2) Investment units outstanding

A. Investment units outstanding (including units owned by PRI) at fiscal period-ends:

75,100 units as of January 31, 2010; 75,100 units as of July 31, 2009

B. Investment units owned by PRI at fiscal period-ends:

0 units as of January 31, 2010; 0 units as of July 31, 2009

* 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 on page 9 "2. Management Policy and Operating Conditions (4) Forecast of Revenues and Earnings".

1. Structure of the Investment Corporation

Please refer to “Structure of the Investment Corporation” on page 43.

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, 2010, 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 (ninth fiscal period: the six-month period ended January 31, 2010), while economic recovery continued overseas centering on Asia, the Japanese economy began to show signs of picking up in general but there still remain traces of weakness. In the real estate market, the Prefectural Land Price Survey announced in September 2009 reported the land price trends for the one-year period from July 2009 reflected the severe economic conditions, resulting in the drops found in the previous analysis for all land uses following into this period as evident by such statistics as residential land prices falling 4.0% and commercial land prices falling 5.9% on average. In the real estate transaction market, the weak note persisted, reflecting the financing stance of financial institutions. In the rental housing market, although not to the extent of the deterioration seen in the rental office market, deteriorating trends continued for such properties as high-rent properties in central Tokyo. On the other hand, 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 sourcing properties for new acquisition and considers replacing investment assets and other restructuring of the portfolio for improvement of the portfolio in an aim to secure steady growth and stable earnings from a medium- to long-term perspective, detailed considerations of the financing, real estate transaction market trends and other factors resulted in no property acquisitions or sales being made during the fiscal period under review. During the fiscal period under review, nevertheless, there were neither acquisitions nor sales.

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 funds from Aozora Bank, Ltd. in the amount of JPY 5,000 million for a term of four months in October 2009 for redemption of JPY 5,000 million in existing investment corporation bonds. PRI also procured funds from Aozora Bank, Ltd. in the amount of JPY 3,000 million for a term of three months in September 2009 to refinance an existing loan and in the amount of JPY 2,950 million for a term of two months in December 2009 to refinance the foregoing JPY 3,000 million yen. The interest-bearing debt ratio as of January 31, 2010 was 49.5% with total JPY 35,354 million of interest bearing debt.

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 2,191 million in the fiscal period ended January 31, 2010. Ordinary income was JPY 194 million while net income amounted to JPY 193 million.

PRI distributes the total amount of its inappropriate retained earnings for each period. Accordingly, cash distribution for the ninth fiscal period was JPY 2,577 per unit (rounded down to the nearest yen).

2) Outlook

A. Operating Environment

While the Japanese economy is in the process of recovery, the real estate transaction market is starting to see the gap between the perspectives of buyers and sellers gradually narrow and also some financial institutions relaxing their financing stance for real estate. In light of such factors, a gradual upward trend in the real estate transaction market is expected. 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. 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.

C. 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.

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.

(3) Important Subsequent Events

The following important subsequent events took place at PRI subsequent to the end of the ninth fiscal period (January 31, 2010).

I. PRI and Japan Rental Housing Investments Inc. (JRH) decided at meetings held on February 26, 2010 by their respective board of officers to enter into a letter of intent regarding merging of the investment corporations (the "LOI"). The LOI was entered into on the same date.

1) Purpose of Merger

In seek of new growth opportunities, JRH and PRI made a detailed consideration of their respective growth strategies and financial strategies and, as a result, reached the common understanding that realization of expansion of asset size, application of negative goodwill, stabilization of financial aspects and such by merging the two investment corporations will contribute to further enhancement of their corporate value. It is based on this understanding that JRH and PRI have entered into the LOI.

The new investment corporation resulting from the merger will be a REIT specializing in residential properties that will boast one of the largest asset sizes in Japan from which stabilization of cash flows, as well as stabilization of balance sheets from lower financial leverage, are anticipated. Going forward, JRH and PRI will pursue merging of the two investment corporations with the support of their major unitholders and major financial institutions in accordance with the LOI. Furthermore, as of the effective date of the merger, the asset management agreement entered into by and between PRI and Prospect REIT Advisors Co., Ltd. (PRA) is scheduled to be terminated as agreed to by both parties and the post-merger investment corporation's asset management is scheduled to be conducted by Mi-Casa Asset Management Inc. (MAM). Consequently, MAM's parent company AppleRingo Holdings B.V. (ARH), PRA's parent company K.K. Prospect (KKP) and PRA have agreed, in principle, for all PRA shares issued and outstanding held by KKP to be transferred to MAM on the same date as the effective date of the merger and for MAM and PRA to merge on the same date with MAM as the corporation surviving the merger (the "Integration of Asset Management Companies").

2) Method of Merger

The merger agreement is scheduled to be entered into in March 2010 and the plan is for the merger to be in the form of an absorption-type merger in which JRH is the corporation surviving the absorption-type merger and PRI is the corporation absorbed in the absorption-type merger.

3) Merger Ratio

JRH and PRI have agreed, in principle, that JRH investment units shall be allocated at a ratio of 0.75 JRH investment units per 1 PRI investment unit. The foregoing merger ratio is subject to change upon consultation and agreement between the two investment corporations if an event that causes material impact on the grounds for calculation of the foregoing merger ratio does or is ascertained to take place.

4) Summary of Corporation Surviving Absorption-Type Merger's Most Recent Fiscal Period (JRH's Six-Month Period Ended September 30, 2009)

Business description Invests in and manages primarily specified assets pursuant to the Investment Trust and Investment Corporation Law

Operating revenues	JPY	3,494 million
Net income	JPY	480 million
Assets	JPY	111,914 million
Liabilities	JPY	51,879 million
Net assets	JPY	60,034 million

5) Schedule of Merger

The effective date of the merger is scheduled to be July 1, 2010.

II. Extension of Borrowing Term

PRI extended the term of the twelfth bank loan for properties and thirteenth bank loan for properties, which were due on February 15, 2010, as follows

	Lender	Borrowing date	Repayment date	Loan amount	Interest rates*
The twelfth bank loan for properties	Aozora Bank, Ltd.	October 8, 2009	March 15, 2010	JPY5,000,000,000	5.25545%
The thirteenth bank loan for properties	Aozora Bank, Ltd.	December 25, 2009	March 15, 2010	JPY2,950,000,000	2.20545%

*The interest rate applicable from February 16, 2010 to March 15, 2010.

III. Partial Early Repayment of Borrowings

PRI repaid some of the principal of borrowings in the amount of JPY 700 million in total on March 3, 2010.

Below is the breakdown of the repayment amount by loan.

	Amount of refund money
The third bank loan for properties	52,152,514
The fourth bank loan for properties	57,894,439
The tenth bank loan for properties	89,098,828
The twelfth bank loan for properties	98,998,698
The thirteenth bank loan for properties	58,409,232
The bank loan for acquired properties	343,446,289
Total	700,000,000

IV. Borrowing of Funds

PRI took out the following borrowing of funds subsequent to the date of closing of accounts.

	The fourteenth bank loan for properties	The fifteenth bank loan for properties	The sixteenth bank loan for properties
Lender	Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation, The Sumitomo Trust & Banking Corporation The Musashino Bank Ltd., NTT Finance Corp.	[Trustee] The Sumitomo Trust and Banking Co., Ltd. (real estate stabilization fund account)	Aozora Bank, Ltd.
Amount of loan	JPY11,817,931,466	JPY10,000,000,000	JPY2,977,214,315
Interest rate	TIBOR+1.7%	TIBOR+4.98368%	TIBOR+1.7%
Start of the loan period	May 15, 2010	May 15, 2010	May 15, 2010
Interest payment date	Last day of each of January, April, July and October, and maturity date	15th day of each of March, June, September and December, and maturity date	Last day of each of January, April, July and October, and maturity date
Repayment of principal	Payment in full on the principal repayment dates	Repayment made in installments of JPY 25 million on September 15, 2010 and 15th day of each of March, June, September and December of every year thereafter, until repayment is completed with repayment of remaining amount on repayment deadline	One-time repayment on repayment deadline
Repayment dates	September 15, 2010	September 18, 2012	September 15, 2010
Security	Secured	Secured	Secured
Fund utilization	Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due	Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due	Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due

(4) Forecast of Revenues and Earnings

Forecast of revenues and earnings for the deemed business year (tenth fiscal period: February 1, 2010 to June 30, 2010)

Prospect Reit Investment Corporation

based on “2. Management Policy and Operating Conditions; (3) Important Subsequent Events; I. 5) Schedule of Merger” on page 4 is as follows. Please refer to “Assumptions for Forecast for the Deemed Business Year (Tenth Fiscal Period: February 1, 2010 to June 30, 2010)” below for the assumptions underlying the forecast.

Forecast of revenues and earnings for the tenth fiscal period (February 1, 2010 to June 30, 2010)

Operating revenues	JPY 1,874 million
Operating income	JPY 689 million
Ordinary income	JPY 31 million
Net income	JPY 30 million
Distributions per unit	JPY 406

*1. 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.

*2. The current forecast of expenses to be incurred in association with the merging of PRI and JRH is JPY 140 million. These expenses are not included in the above forecast figures. These expenses are to be accounted for by PRI as prepaid expenses and then accounted for by JRH after the merger with the negative goodwill from the merger.

In addition, expenses subject to the condition precedent that the merger takes effect will be incurred separately from the above in the amount of JPY 190 million. These expenses are to be similarly accounted for by JRH after the merger with the negative goodwill from the merger and thus are not included in the above forecast figures.

Assumptions for Forecasts for the Tenth Fiscal Period (February 1, 2010 to June 30, 2010)

	Assumptions
Operating Period	Tenth fiscal period: From February 1, 2010 to June 30, 2010 (150 days)
Managed Assets	Forecasts are based on a property portfolio comprising 53 properties held as of January 31, 2010. 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, 2010 was 49.5%. Forecasts are, however, based on an interest-bearing debt ratio of approximately 49.7% as of June 30, 2010, 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 = $\text{Interest-bearing debt} \div (\text{Interest-bearing debt} + \text{Unitholders' capital}) \times 100$
Operating Expenses	Forecasts are based on the assumption that PRI shall post repairs, maintenance and renovation expenses of JPY 93 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. Forecasts are also based on the assumption that PRI shall post property management expenses of JPY 180 million. 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 102 million. 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 407 million.
Non-Operating Expenses	Forecasts are based on the assumption that PRI shall post total interest expenses of JPY 395 million, and debt-related expenses of JPY 258 million. Forecasts for the deemed business year are based on the balance outstanding of JPY 7,950 million in short-term debt (repayment due on February 15, 2010), as well as the balance outstanding after voluntary early repayment of about JPY 343 million (repayment due on March 3, 2010) is made from the balance outstanding of JPY 17,346 million in long-term debt (repayment due on March 15, 2010), being refinanced in the same amount.
Others	Plans are to strive to enhance corporate value and unitholder value by promoting the merging of PRI and JRH.
Cash Distribution	Forecasts are based on the assumption that PRI shall distribute the full amount of retained earnings each fiscal period in line with its distribution policy. Forecasts are also based on the assumption that PRI shall have no distributions in excess of earnings.

[Factors to Decreases in Amount Compared to Ninth Fiscal Period]

Decreases in revenues and income are forecast for the tenth fiscal period, primarily due to the following increase in interest expense and debt-related expenses in correlation with the calculation period being shorter as a result of the merger (decrease in number of days of asset management) and the execution of refinancing of JPY 24,795 million in total on March 15, 2010 as outlined in “(3) Important Subsequent Events; IV. Borrowing of Funds.” Please refer to below for the breakdown of factors by item.

<Breakdown of Increases/Decreases per Day by Key Item>

(Thousands of yen)

	<u>Ninth Fiscal Period</u>	<u>Tenth Fiscal Period</u>	Amount of increase and decrease
Operating revenues	11,912	12,493	581
Operating income	4,777	4,594	-183
(Interest expense and debt-related expenses) *	3,654	4,355	701
Ordinary income	1,054	210	-844
Net income	1,052	203	-849
Reference: Number of days of asset management	184 days	150 days	-34 days

* Interest expense and debt-related expenses for the ninth fiscal period include bonds interest expense and amortization for issuance expense of investment corporation bonds.

[Note] The effective date of the merging of PRI and JRH is currently scheduled for July 1, 2010, but future unforeseen circumstances may possibly cause a delay in the effective date of the merger. In the event of such delay, forecast of revenues and earnings for the full fiscal period (tenth fiscal period: February 1, 2010 to July 31, 2010) is as follows

Tenth Fiscal Period (February 1, 2010 to June 30, 2010)

Operating revenues	JPY 2,229 million
Operating income	JPY 851 million
Ordinary income	JPY 22 million
Net income	JPY 21 million
Distributions per unit	JPY 292

*1. 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.

*2. The current forecast of expenses to be incurred in association with the merging of PRI and JRH is JPY 140 million. These expenses are not included in the above forecast figures. These expenses are to be accounted for by PRI as prepaid expenses and then accounted for by JRH after the merger with the negative goodwill from the merger.

In addition, expenses subject to the condition precedent that the merger takes effect will be incurred separately from the above in the amount of JPY 190 million. These expenses are to be similarly accounted for by JRH after the merger with the negative goodwill from the merger and thus are not included in the above forecast figures.

3. Financial Statements

(1) Balance Sheets

(Thousands of yen)

	Notes	Eighth Fiscal Period (As of July 31, 2009)		Ninth Fiscal Period (As of January 31, 2010)	
ASSETS					
I Current assets					
Cash and deposits			1,291,069		1,501,188
Entrusted cash and deposits	*1		1,768,022		1,784,152
Rental receivables			17,158		18,812
Prepaid expenses			222,713		192,756
Deferred tax assets			23,862		50,816
Consumption tax receivables			409		—
Derivative assets			279		120
Other current assets			25,875		2,805
Reserve for possible losses of receivables			2,634		2,031
Total current assets			3,346,755		3,548,621
II Fixed assets					
1. Property and equipment:					
Buildings	*1	866,388		867,550	
Accumulated depreciation		125,472	740,916	142,829	724,721
Structures	*1	1,131		1,131	
Accumulated depreciation		395	735	439	692
Machinery and equipment	*1	6,189		6,189	
Accumulated depreciation		3,164	3,024	3,560	2,629
Tools, furniture and fixtures	*1	3,307		3,848	
Accumulated depreciation		838	2,468	1,120	2,728
Land	*1		794,545		794,545
Entrusted buildings	*1	32,441,755		32,537,860	
Accumulated depreciation		3,001,016	29,440,739	3,445,496	29,092,363
Entrusted structures	*1	162,742		164,852	
Accumulated depreciation		42,051	120,690	48,637	116,214
Entrusted machinery and equipment		358,359		358,583	
Accumulated depreciation	*1	107,197	251,161	119,325	239,257
Entrusted tools, furniture and fixtures		70,793		88,055	
Accumulated depreciation	*1	20,051	50,742	25,989	62,066
Entrusted land	*1		36,725,573		36,725,573
Entrusted construction account			11,210		—
Total property and equipment			68,141,808		67,760,791
2. Intangible assets:					
Other intangible assets			5,696		4,588
Total intangible assets			5,696		4,588
3. Investments and other assets:					
Long-term prepaid expenses			135,098		60,268
Deferred tax assets			27,028		—
Leasehold and security deposits received			23,393		23,250
Long-term derivative assets			777		—
Total investments and other assets			186,298		83,518
Total fixed assets			68,333,802		67,848,898
III Deferred assets:					
Expenses to issue Investment Corporation Bonds			2,959		—
Total deferred assets			2,959		—
Total assets			71,683,518		71,397,520

(Thousands of yen)

	Notes	Eighth Fiscal Period (As of July 31, 2009)	Ninth Fiscal Period (As of January 31, 2010)
LIABILITIES			
I Current liabilities			
Operating payables		100,025	72,718
Short-term debt	*1	3,000,000	7,950,000
Long-term Borrowing with repayment dates within one year	*1	17,346,000	17,346,000
Current Portion of Investment Corporation Bonds		5,000,000	—
Other payables		37,800	54,504
Accrued expenses		196,489	162,591
Accrued income taxes		605	605
Accrued consumption taxes		—	3,856
Advances received		264,637	254,911
Other current liabilities		1,486	1,390
Total current liabilities		25,947,044	25,846,577
II Long-term liabilities			
Long-term debt		10,058,000	10,058,000
Leasehold and security deposits		771,640	755,533
Total long-term liabilities		10,829,640	10,813,533
Total liabilities		36,776,684	36,660,111
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		362,436	193,579
Total retained earnings		362,436	193,579
Total unitholders' capital		34,984,275	34,815,418
II Evaluation and conversions			
1. Earnings on deferred hedge transactions			
		77,441	78,009
Total evaluation and conversions		77,441	78,009
Total net assets	*2	34,906,833	34,737,409
Total liabilities and net assets		71,683,518	71,397,520

(2) Statements of Income

(Thousands of yen)

	Notes	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)		Ninth Fiscal Period (August 1, 2009 to January 31, 2010)	
I. Operating Revenues					
Real estate rental revenues	*1	2,121,562		2,115,122	
Other rental revenues	*1	115,305		76,711	
Gain on sale of real estate	*2	-	2,236,868	-	2,191,833
II. Operating Expenses					
Real estate rental expenses	*1	1,133,698		1,065,331	
Loss on sales of real estate properties		-		-	
Asset management fees		122,267		116,704	
Custodian fees		3,584		3,576	
Administrative service fees		22,848		23,590	
Directors' fees		6,000		8,400	
Transferred to reserve for possible losses of receivables		-		-	
Losses of receivables		1,322		450	
Other operating expenses		103,944	1,393,667	94,812	1,312,864
Operating income			843,200		878,969
III. Non-Operating Income					
Interest income		1,431		512	
Additional refunds		-		-	
Other non-operating income		787	2,218	359	871
IV. Non-Operating Expenses					
Interest expense		284,995		336,209	
Bonds interest expense		54,364		21,279	
Bonds issuance expense		7,686		2,959	
Debt-related expenses		129,020		311,913	
Other non-operating expenses		7,442	483,510	13,459	685,820
Ordinary income			361,908		194,020
Income before income taxes			362,488		194,623
Income taxes		605		605	
Deferred taxes		544	60	442	1,047
Net income			362,428		193,575
Retained earnings brought forward			8		4
Retained earnings at the end of the period			362,436		193,579

(3) Statement of Changes in Net Assets
Eighth Fiscal Period (February 1, 2009 to July 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	
		Unappropriate d Retained Earnings	Total Retained Earnings				
Balance as of the previous fiscal period-end	34,621,838	448,355	448,355	35,070,193	89,902	89,902	34,980,291
Movements during the fiscal period ended July 31, 2009							
Distribution of retained earnings	-	448,347	448,347	448,347	-	-	448,347
Net income	-	362,428	362,428	362,428	-	-	362,428
Net change due to items other than unitholders' capital	-	-	-	-	12,461	12,461	12,461
Total	-	85,918	85,918	85,918	12,461	12,461	73,457
Balance as of July 31, 2009	34,621,838	362,436	362,436	34,984,275	77,441	77,441	34,906,833

Ninth Fiscal Period (August 1, 2009 to January 31, 2010)

(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	
		Unappropriate d Retained Earnings	Total Retained Earnings				
Balance as of the previous fiscal period-end	34,621,838	362,436	362,436	34,984,275	77,441	77,441	34,906,833
Movements during the fiscal period ended January 31, 2010							
Distribution of retained earnings	-	362,432	362,432	362,432	-	-	362,432
Net income	-	193,575	193,575	193,575	-	-	193,575
Net change due to items other than unitholders' capital	-	-	-	-	567	567	567
Total	-	168,856	168,856	168,856	567	567	169,424
Balance as of January 31, 2010	34,621,838	193,579	193,579	34,815,418	78,009	78,009	34,737,409

(4) Basis for Calculating Cash Distribution

(Yen)

	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
I Unappropriated retained earnings at the end of the fiscal period	362,436,651	193,579,723
II Total distribution (Distribution per unit)	362,432,600 (4,826)	193,532,700 (2,577)
III Retained earnings carried forward	4,051	47,023

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 362,432,600 to 75,100 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 36.1-4 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 193,532,700 to 75,100 units issued and outstanding. Procedures for the distribution of amounts exceeding distributable income are outlined in Article 36.1-4 of PRI's Articles of Incorporation. PRI decided not to distribute cash in excess of distributable income for the fiscal period.</p>
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(5) Statements of Cash Flows

(Thousands of yen)

	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
I Cash flows from operating activities:		
Income before income taxes	362,488	194,623
Depreciation and amortization	486,382	488,576
Interest income	7,686	2,959
Reserve for possible losses of receivables	580	603
Amortization for issuance expense of investment corporation bonds	1,431	512
Interest expense	339,360	357,488
Decrease (increase) in operating receivables	4,938	1,653
Decrease in other receivables	230	25,177
Decrease in consumption tax and other receivables	21,106	409
(Increase) decrease in prepaid expenses	104,682	29,956
(Decrease) increase in operating payables	19,408	42,220
Decrease in other payables	11,862	17,160
Increase in accrued consumption taxes	6,799	3,856
(Decrease) increase in accrued expenses	13,231	4,286
(Decrease) increase in advances received	19,836	9,725
Decrease in long-term prepaid expenses	106,683	74,829
Loss on sale of entrusted property and Equipment	-	-
Other	28,928	1,440
Subtotal	1,044,637	1,137,476
Interest received	1,431	514
Interest paid	341,522	387,100
Income taxes paid	2,373	605
Net cash provided by operating activities	702,173	750,285
II Cash flows from investing activities:		
Payments for the purchase of property and Equipment	1,812	538
Payments for the purchase of entrusted property and equipment	142,484	95,721
Payments for leasehold and security deposits	184	143
Proceeds from leasehold and security deposits received	83,315	53,904
Payments for leasehold and security deposits received	108,499	70,011
Net cash used in investing activities	167,295	111,146
III Cash flows from financing activities:		
Proceeds from short-term debt	6,500,000	10,950,000
Payments of short-term debt	11,000,000	6,000,000
Proceeds of long-term debt	4,500,000	-
Payments for issuance expense of investment corporation bonds	-	5,000,000
Payments for distributions to unitholders	448,955	362,889
Net cash (used in) provided by financing Activities	448,955	412,889
IV Net change in cash and cash equivalents	85,922	226,249
VI Cash and cash equivalents at the beginning of the period	*1 2,973,170	*1 3,059,092
VI Cash and cash equivalents at the end of the period	*1 3,059,092	*1 3,285,341

(6) Notes for preconditions of going concern entities

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
None	None

(7) Notes for Items Related to Important Accounting Policies

	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)								
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 style="margin-left: 40px;"> <tr> <td>Buildings</td> <td style="text-align: right;">3 – 60 years</td> </tr> <tr> <td>Structures</td> <td style="text-align: right;">2 – 45 years</td> </tr> <tr> <td>Machinery and equipment</td> <td style="text-align: right;">3 – 15 years</td> </tr> <tr> <td>Tools, furniture, and fixtures</td> <td style="text-align: right;">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 eighth fiscal period</p> <p>(2) Intangible fixed assets Same as eighth fiscal period</p> <p>(3) Long-term prepaid expenses Same as eighth 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 were none.</p>	<p>Method to post fixed asset taxes and other taxes</p> <p>Same as eighth fiscal period</p>								

3. Hedge accounting method	<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>(3) Hedge policy PRI carries out derivative transactions to hedge risks based on its risk management policy and in accordance with the Articles of the Investment Corporation.</p> <p>(4) Method to evaluate effectiveness of hedge accounting PRI judges the effectiveness of hedge accounting based on such indicators as accumulated cash flow changes in comparison with hedging objects and hedging methods, during commence of hedge and the time to judge effectiveness. In the cases of interest swaps meet conditions for special treatment, effective judgment is omitted.</p>	<p>(1) Hedge accounting method Same as eighth fiscal period</p> <p>(2) Hedge type and objective Same as eighth fiscal period</p> <p>(3) Hedge policy Same as eighth fiscal period</p> <p>(4) Method to evaluate effectiveness of hedge accounting Same as eighth fiscal period</p>
4. Composition of cash and cash equivalents in the statements of cash flows	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.	Same as eighth fiscal period
5. Other important items for the basis of compiling financial statements	<p>(1) Accounting method with respect to trust beneficiary rights to real estate and other entrusted assets 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 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 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"> 3) Entrusted cash and entrusted deposits 4) Entrusted buildings, entrusted structures, entrusted machinery and equipment, entrusted tools, furniture and fixtures, entrusted land <p>(2) Accounting method for consumption tax and others Same as eighth fiscal period</p>

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

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)																																																																
<p>*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;">1,768,022</td></tr> <tr><td>Buildings</td><td style="text-align: right;">740,916</td></tr> <tr><td>Structures</td><td style="text-align: right;">735</td></tr> <tr><td>Machinery and equipment</td><td style="text-align: right;">3,024</td></tr> <tr><td>Tools, furniture and fixtures</td><td style="text-align: right;">2,468</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;">29,440,739</td></tr> <tr><td>Entrusted structures</td><td style="text-align: right;">120,690</td></tr> <tr><td>Entrusted machinery and equipment</td><td style="text-align: right;">251,161</td></tr> <tr><td>Entrusted tools, furniture and fixtures</td><td style="text-align: right;">50,742</td></tr> <tr><td>Entrusted land</td><td style="text-align: right;">36,725,573</td></tr> <tr><td>Total</td><td style="text-align: right;">69,898,621</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;">3,000,000</td></tr> <tr><td>Long-term Borrowing with repayment dates within one year</td><td style="text-align: right;">17,346,000</td></tr> <tr><td>Long-term debt</td><td style="text-align: right;">10,058,000</td></tr> <tr><td>Total</td><td style="text-align: right;">30,404,000</td></tr> </table>	Entrusted cash and entrusted deposits	1,768,022	Buildings	740,916	Structures	735	Machinery and equipment	3,024	Tools, furniture and fixtures	2,468	Entrusted buildings	794,545	Entrusted buildings	29,440,739	Entrusted structures	120,690	Entrusted machinery and equipment	251,161	Entrusted tools, furniture and fixtures	50,742	Entrusted land	36,725,573	Total	69,898,621	Short-term debt	3,000,000	Long-term Borrowing with repayment dates within one year	17,346,000	Long-term debt	10,058,000	Total	30,404,000	<p>*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;">1,784,152</td></tr> <tr><td>Buildings</td><td style="text-align: right;">724,721</td></tr> <tr><td>Structures</td><td style="text-align: right;">692</td></tr> <tr><td>Machinery and equipment</td><td style="text-align: right;">2,629</td></tr> <tr><td>Tools, furniture and fixtures</td><td style="text-align: right;">2,728</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;">29,092,363</td></tr> <tr><td>Entrusted structures</td><td style="text-align: right;">116,214</td></tr> <tr><td>Entrusted machinery and equipment</td><td style="text-align: right;">239,257</td></tr> <tr><td>Entrusted tools, furniture and fixtures</td><td style="text-align: right;">62,066</td></tr> <tr><td>Entrusted land</td><td style="text-align: right;">36,725,573</td></tr> <tr><td>Total</td><td style="text-align: right;">69,544,944</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;">7,950,000</td></tr> <tr><td>Long-term Borrowing with repayment dates within one year</td><td style="text-align: right;">17,346,000</td></tr> <tr><td>Long-term debt</td><td style="text-align: right;">10,058,000</td></tr> <tr><td>Total</td><td style="text-align: right;">35,354,000</td></tr> </table>	Entrusted cash and entrusted deposits	1,784,152	Buildings	724,721	Structures	692	Machinery and equipment	2,629	Tools, furniture and fixtures	2,728	Entrusted buildings	794,545	Entrusted buildings	29,092,363	Entrusted structures	116,214	Entrusted machinery and equipment	239,257	Entrusted tools, furniture and fixtures	62,066	Entrusted land	36,725,573	Total	69,544,944	Short-term debt	7,950,000	Long-term Borrowing with repayment dates within one year	17,346,000	Long-term debt	10,058,000	Total	35,354,000
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<p>*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>*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 eighth fiscal period</p>																																																																

[Notes to the Statements of Income]

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
<p>*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 1,936,298</p> <p>Common area maintenance fee revenues 80,195</p> <p>Parking revenues 78,814</p> <p>Other related revenues 26,253 <u>2,121,562</u></p> <p>Other rental revenues</p> <p>Other rental revenues 115,305 <u>115,305</u></p> <p>Total real estate rental revenues 2,236,868</p> <p>B. Real estate rental expenses</p> <p>Real estate rental expenses</p> <p>Property management expenses 206,073</p> <p>Repair expenses 115,089</p> <p>Water, electricity, and other rates 45,295</p> <p>Taxes 120,201</p> <p>Insurance premiums against losses 6,858</p> <p>Trust fees 44,183</p> <p>Depreciation expenses 485,275</p> <p>Other rental expenses 110,721 <u>1,133,698</u></p> <p>Total real estate rental expenses <u>1,133,698</u></p> <p>C. Real estate rental business earnings (A – B) <u><u>1,103,169</u></u></p>	<p>*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 1,928,988</p> <p>Common area maintenance fee revenues 84,946</p> <p>Parking revenues 75,914</p> <p>Other related revenues 25,272 <u>2,115,122</u></p> <p>Other rental revenues</p> <p>Other rental revenues 76,711 <u>76,711</u></p> <p>Total real estate rental revenues 2,191,833</p> <p>B. Real estate rental expenses</p> <p>Real estate rental expenses</p> <p>Property management expenses 172,168</p> <p>Repair expenses 77,427</p> <p>Water, electricity, and other rates 42,231</p> <p>Taxes 120,149</p> <p>Insurance premiums against losses 7,203</p> <p>Trust fees 44,183</p> <p>Depreciation expenses 487,468</p> <p>Other rental expenses 114,499 <u>1,065,331</u></p> <p>Total real estate rental expenses <u>1,065,331</u></p> <p>C. Real estate rental business earnings (A – B) <u><u>1,126,502</u></u></p>

[Notes to the Statement of Changes in Net Assets]

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
*1. Total number of investment units authorized for issuance and outstanding Total number of investment units authorized for issuance 2,000,000 Total number of investment units outstanding 75,100	*1. Total number of investment units authorized for issuance and outstanding Same as eighth fiscal period

[Notes to the Statement of Cash Flows]

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
*1. Relationship between cash and cash equivalents at the end of the period and items posted on the balance sheets As of July 31, 2009 (Thousands of yen) Cash and deposits 1,291,069 Entrusted cash and entrusted deposits <u>1,768,022</u> Cash and cash equivalents 3,059,092	*1. Relationship between cash and cash equivalents at the end of the period and items posted on the balance sheets As of January 31, 2010 (Thousands of yen) Cash and deposits 1,501,188 Entrusted cash and entrusted deposits <u>1,784,152</u> Cash and cash equivalents 3,285,341

(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]

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
Net assets per investment unit JPY 464,804 Net income per investment unit JPY 4,825 Because there are no latent investment units, PRI does not record net income per investment unit after adjustment of latent investment units.	Net assets per investment unit JPY 462,548 Net income per investment unit JPY 2,577 Same as eighth 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 seventh and eighth fiscal periods:

Ninth Fiscal Period (August 1, 2009 to January 31, 2010): 75,100 (no changes during the period)

Eighth Fiscal Period (February 1, 2009 to July 31, 2009): 75,100 (no changes during the period)

The calculation formulae for net income per unit are as follows.

	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
	(Thousands of yen)	(Thousands of yen)
Net income	362,428	193,575
Net income not distributed to unitholders	-	-
Net income distributed to unitholders	362,428	193,575
Average number of units	75,100 units	75,100 units

[Notes regarding subsequent events]

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
None.	<p>Prospect Reit Investment Corporation (hereinafter referred to as “PRI”) and Japan Rental Housing Investment Inc. (hereinafter referred to as “JRH”) announce that they decided at their respective board of directors’ meetings on February 26, 2010 to enter into the Letter of Intent regarding REIT MERGER (the “LOI”) as follows, and entered into the LOI among their respective asset management companies, Prospect Reit Advisors Co., Ltd. (“PRA”) and Mi-Casa Asset Management Inc. (“MAM”) , on the same date.</p> <p>Purpose of the Merger PRI and JRH, with the purpose of seeking new growth opportunities, considered thoroughly their respective growth strategies and financial strategies, and, as a result, both corporations reached the common understanding that realization of expansion of the asset scale, using negative goodwill, and strengthening financial aspects and others will contribute to the further enhancement of corporate value of both investment corporations. Therefore, PRI and JRH have entered into the LOI on February 26, 2010. New investment Corporation after the merger will be one of the largest domestic REIT as a residential specialized REIT in Japan, and stabilization of its cash flow and its balance sheet in response to the lower LTV. PRI and JRH aim to realize the merger between both corporations (hereinafter referred to as the “Merger”) with support of major unit holders as well as main lenders of PRI and JRH in accordance with the LOI. As of the effective date of the Merger, the asset management agreement entered into by and between PRI and PRA shall be terminated and MAM will take over the role of the asset management of the investment corporation after the Merger. Appleringo Holding BV (hereinafter referred to as “ARH”), MAM’s parent company, and K.K. Prospect (“KKP”), PRA’S parent company, and PRA entered into a basic agreement that all issued shares of PRA held by KKP shall be transferred to MAM, and MAM and PRA shall implement the merger where MAM shall be a surviving company upon the effective date of the merger (“Integration of Asset Management Companies”).</p> <p>Method of the Merger The conclusion of a merger agreement is scheduled for March, and the Merger will be an absorption-type merger with JRH as the surviving corporation and PRI will be dissolved.</p> <p>Allocation of Units under the Merger PRI and JRH agreed that JRH shall allocate units of JRH at a ratio of 0.75 units of JRH per one unit of PRI. If any event that materially affects the grounds for calculation of the abovementioned merger ratio occurs or is discovered, PRI and JRH may amend the merger ratio upon agreement through mutual consultation.</p>

Prospect Reit Investment Corporation

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)																												
	<p>Summary of Corporation Surviving Absorption-Type Merger's Most Recent Fiscal Period (JRH's Six-Month Period Ended September 30, 2009) (Millions of yen)</p> <table border="1" data-bbox="810 376 1406 707"> <tr> <td>Business description</td> <td>Invests in and manages primarily specified assets pursuant to the Investment Trust and Investment Corporation Law</td> </tr> <tr> <td>Operating Revenue</td> <td>3,494</td> </tr> <tr> <td>Net Income</td> <td>480</td> </tr> <tr> <td>Total Asset</td> <td>111,914</td> </tr> <tr> <td>Total Liabilities</td> <td>51,879</td> </tr> <tr> <td>Total Net Assets</td> <td>60,034</td> </tr> </table> <p>Schedule of the Merger The conclusion of a merger agreement is scheduled for March, and the merger is expected to take effect in July 1.</p> <p>II. Extension of Borrowing Term PRI extended the term of the twelfth bank loan for properties and thirteenth bank loan for properties, which were due on February 15, 2010, as follows</p> <p>The twelfth bank loan for properties Lender: Aozora Bank, Ltd. Borrowing date: October 8, 2009 Repayment dates: March 15, 2010 Loan amount: JPY5,000,000,000 Interest rates (Annual rates): 5.25545%</p> <p>The thirteenth bank loan for properties Lender: Aozora Bank, Ltd. Borrowing date: October 8, 2009 Repayment dates: March 15, 2010 Loan amount: JPY5,000,000,000 Interest rates (Annual rates): 5.25545%</p> <p>III. Partial Early Repayment of Borrowings PRI repaid some of the principal of borrowings in the amount of JPY 700 million in total on March 3, 2010. Below is the breakdown of the repayment amount by loan.</p> <table border="1" data-bbox="810 1473 1406 1877"> <thead> <tr> <th></th> <th>Amount of refund money</th> </tr> </thead> <tbody> <tr> <td>The third bank loan for properties</td> <td>52,152,514</td> </tr> <tr> <td>The fourth bank loan for properties</td> <td>57,894,439</td> </tr> <tr> <td>The tenth bank loan for properties</td> <td>89,098,828</td> </tr> <tr> <td>The twelfth bank loan for properties</td> <td>98,998,698</td> </tr> <tr> <td>The thirteenth bank loan for properties</td> <td>58,409,232</td> </tr> <tr> <td>The bank loan for acquired properties</td> <td>343,446,289</td> </tr> <tr> <td>Total</td> <td>700,000,000</td> </tr> </tbody> </table>	Business description	Invests in and manages primarily specified assets pursuant to the Investment Trust and Investment Corporation Law	Operating Revenue	3,494	Net Income	480	Total Asset	111,914	Total Liabilities	51,879	Total Net Assets	60,034		Amount of refund money	The third bank loan for properties	52,152,514	The fourth bank loan for properties	57,894,439	The tenth bank loan for properties	89,098,828	The twelfth bank loan for properties	98,998,698	The thirteenth bank loan for properties	58,409,232	The bank loan for acquired properties	343,446,289	Total	700,000,000
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Prospect Reit Investment Corporation

Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
	<p>IV. Borrowing of Funds PRI took out the following borrowing of funds subsequent to the date of closing of accounts.</p> <p>The fourteenth bank loan for properties Lender: Aozora Bank, Ltd. Sumitomo Mitsui Banking Corporation, The Sumitomo Trust & Banking Corporation The Musashino Bank Ltd., NTT Finance Corp. Loan amount: JPY11,817,931,466 Interest rates (Annual rates): TIBOR+1.7% Borrowing date: March 15, 2010 Interest payment date: Last day of each of January, April, July and October, and maturity date Repayment method : One-time repayment on repayment dates deadline Repayment dates : September 15, 2010 Security: Secured Fund utilization: Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due</p> <p>The fifteenth bank loan for properties Lender: [Trustee] The Sumitomo Trust and Banking Co., Ltd. (real estate stabilization fund account) Loan amount: JPY10,000,000,000 Interest rates (Annual rates): TIBOR+1.7%* Borrowing date: March 15, 2010 Interest payment date: 15th day of each of March, June, September and December, and maturity date</p> <p>Repayment method : Repayment made in installments of JPY 25 million on September 15, 2010 and 15th day of each of March, June, September and December of every year thereafter, until repayment is completed with repayment of remaining amount on repayment deadline Repayment dates : September 18, 2012 Security: Secured Fund utilization: Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due</p> <p>The sixteenth bank loan for properties Lender: Aozora Bank, Ltd. Loan amount: JPY2,977,214,315 Interest rates (Annual rates): TIBOR+1.7% Borrowing date: March 15, 2010 Interest payment date: Last day of each of January, April, July and October, and maturity date Repayment method : One-time repayment on repayment dates deadline Repayment dates : September 15, 2010 Security: Secured Fund utilization: Refinancing with twelfth bank loan for properties, thirteenth bank loan for properties and bank loan for acquired properties becoming due</p>

Prospect Reit Investment Corporation

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

(9) Changes in total investment units outstanding

Public and private offerings from the establishment of PRI to the end of the ninth fiscal period (ended January 31, 2010) 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	*1
July 12, 2005	Public offering	74,698	75,100	34,420	34,621	*2

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

*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. Changes in Officers

None

5. Reference material

(1) Investment breakdown

A breakdown of PRI's investment assets as of the end of the ninth fiscal period (ended January 31, 2010) is as follows:

Type of asset	Use	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)		Ninth Fiscal Period (August 1, 2009 to January 31, 2010)	
		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	66,588	92.9	66,235	92.8
Real estate	Residential rental units	1,541	2.2	1,525	2.1
Deposit and other assets		3,552	5.0	3,636	5.1
Total assets		71,683	100.0	71,397	100.0

*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

a. Overview of investment properties

The following chart lists investment properties owned by PRI as of January 31, 2010. 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)	Percentage Share of Total (%)	Appraisal Value (Millions of Yen)	Acquisition Date
		*1	*2	*3	
S001	TK Flats Shibuya	6,399	9.4	5,150	July 12, 2005
S002	Prospect Shinonomebashi	3,353	4.9	3,270	July 12, 2005
S004	Maison de Ville Takanawa Gyoranzaka	1,768	2.6	1,540	July 14, 2005
S005	Prospect Omori-Kaigan	1,807	2.7	1,660	July 14, 2005
S006	Abreast Shin-Osaka	1,826	2.7	1,444	July 12, 2005
S007	Maison de Ville Naka-Meguro	1,189	1.7	1,080	July 14, 2005
S008	Roppongi Rise House	1,184	1.7	930	July 12, 2005
S009	Prospect Nihonbashi-Honcho	1,070	1.6	881	July 12, 2005

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S011	Fragrance Kawasaki	624	0.9	582	July 12, 2005
S012	Abreast Sakuragawa	516	0.8	415	July 12, 2005
S013	Dome Takamine	322	0.5	210	July 12, 2005
S014	Dome Yotsuya	275	0.4	183	July 12, 2005
S016	Abreast Nagase	209	0.3	155	July 12, 2005
S017	Living Stage Higashi-Sendai	435	0.6	336	August 31, 2005
S018	Prospect Toyonaka Hattori	396	0.6	382	February 10, 2006
S019	Prospect Bishoen	376	0.6	284	February 15, 2006
S020	Prospect Shimogamo	411	0.6	314	March 15, 2006
S021	Prospect Kawaramachi-Gojo	803	1.2	614	March 15, 2007
S022	Prospect Chuo-Rinkan	700	1.0	538	March 15, 2007
S023	Sky Hills N15	932	1.4	841	May 31, 2007
S024	Sky Hills Sakaimachi	1,115	1.6	878	May 31, 2007
S025	Domy Chitose	592	0.9	500	May 31, 2007
S026	Sky Hills Takadai I	691	1.0	507	May 31, 2007
S027	Exceria Ikebukuro West II	1,020	1.5	864	June 20, 2007
S028	Prospect Monzennakacho	1,250	1.8	1,080	June 20, 2007
S029	Prospect KALON Minowa	1,930	2.8	1,730	September 7, 2007
S030	Prospect Nakanoshima	1,000	1.5	768	October 19, 2007
S031	Prospect Ogikubo	880	1.3	708	November 7, 2007
S032	Prospect Musashi-Shinjo	1,230	1.8	1,090	May 30, 2008
F001	Prospect Kiyosumi-Teien	2,780	4.1	2,660	July 14, 2005
F002	Park Terrace Ebisu	2,712	4.0	2,160	July 14, 2005
F003	BELNOS34	2,534	3.7	1,890	July 12, 2005
F004	Prospect Dogenzaka	2,294	3.4	1,740	July 12, 2005
F005	U House Daikan-Cho	1,548	2.3	1,230	July 12, 2005
F006	U House Gokiso	1,406	2.1	1,124	July 12, 2005
F007	Angel Heim Nishi-Rokugo No.2	1,401	2.1	1,014	July 14, 2005
F008	Prospect Onshi-Koen	1,196	1.8	1,160	July 12, 2005
F009	Deim-Hashimoto	992	1.5	825	July 12, 2005
F010	SK Residence	1,020	1.5	876	July 12, 2005
F012	Prospect Urawa-Tokiwa (Note 4)	878	1.3	779	July 12, 2005
F014	U House Tsurumai II	685	1.0	576	July 12, 2005
F017	Living Stage Minami-Sendai	275	0.4	222	August 31, 2005
F019	Prospect Glarsa Hiroo	3,905	5.7	3,930	February 15, 2006
F020	Prospect Katsura-	570	0.8	471	March 03, 2006
F021	Crown Heim Nishi-Tanabe	601	0.9	436	March 03, 2006

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F022	Takasagoseki Nibankan	810	1.2	619	March 15, 2006
F023	Prospect Machiya	547	0.8	497	November 07, 2006
F024	Prospect Hatsudai	730	1.1	560	March 15, 2007
F025	Prospect Morishita	1,480	2.2	1,260	March 15, 2007
F026	Prospect Nishi-Sugamo	1,419	2.1	1,170	March 30, 2007
F027	Palais D'Or Maruyama	1,250	1.8	824	October 19, 2007
F028	Prospect Kawasaki	1,717	2.5	1,600	October 19, 2007
F029	Prospect Nihonbashi-Koamicho	946	1.4	857	October 19, 2007
Total		68,000	100.0	57,417	

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

*2. Figures are rounded to the nearest first decimal place.

*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., and Daiwa Real Estate Appraisal Co., Ltd as of the Investment Corporation's closing date. Furthermore, the valuations are based on appraisals in the case of S022 Prospect Chuo-Rinkan, S026 Sky Hills Takadai I, F014 U House Tsurumai II, F024 Prospect Hatsudai and F025 Prospect Morishita, and price surveys in the case of the other properties.

b. 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) *1	Total Leasable Floor Space (m ²) *2	Total Leased Floor Space (m ²) *3	Total No. of Leasable Residential Units *4	Total No. of Leased Residential Units *5	Total Monthly Rental Revenues (Thousands of Yen) *6	Number of tenants *7	Occupan cy Ratio (By Space) (%) *8	Occupan cy Ratio (By No. of Residenti al Units) (%) *9
S001	TK Flats Shibuya	Shibuya-ku, Tokyo	1,800.47	6,903.54	5,710.08	194	163	26,016	1	82.7	84.0
S002	Prospect Shinonomeba shi	Koto-ku, Tokyo	1,385.45	4,849.20	4,673.08	171	165	17,803	1	96.4	96.5
S004	Maison de Ville Takanawa Gyoranzaka	Minato-ku, Tokyo	638.65	1,778.37	1,653.12	70	65	7,825	1	93.0	92.9
S005	Prospect Omori-Kaigan	Ota-ku, Tokyo	856.82	2,478.04	2,478.04	89	89	9,013	1	100.0	100.0
S006	Abreast Shin-Osaka	Osaka-shi, Osaka	766.13	2,984.64	2,206.17	92	70	13,767	37	73.9	76.1
S007	Maison de Ville Naka-Meguro	Meguro-ku, Tokyo	275.36	1,275.00	1,249.50	50	49	5,870	1	98.0	98.0
S008	Roppongi Rise House	Minato-ku, Tokyo	574.65	1,209.87	1,152.33	34	32	5,011	1	95.2	94.1
S009	Prospect Nihonbashi-H oncho	Chuo-ku, Tokyo	174.36	1,290.49	1,066.66	50	42	4,531	1	82.7	84.0
S011	Fragrance Kawasaki	Kawasaki-shi , Kanagawa	228.05	1,065.96	847.98	45	36	2,970	1	79.6	80.0
S012	Abreast Sakuragawa	Osaka-shi, Osaka	361.99	1,009.92	967.92	48	46	2,864	1	95.8	95.8
S013	Dome Takamine	Nagoya-shi, Aichi	983.60	946.04	786.20	36	30	1,633	1	83.1	83.3
S014	Dome Yotsuya	Nagoya-shi, Aichi	812.09	765.90	639.66	36	30	1,409	1	83.5	83.3

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S016	Abreast Nagase	Higashiosaka-shi, Osaka	318.54	532.98	471.74	26	23	1,257	23	88.5	88.5
S017	Living Stage Higashi-Sendai	Sendai-shi, Miyagi	904.00	1,539.41	1,304.59	52	44	2,376	1	84.7	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	901.15	26	26	2,010	1	100.0	100.0
S020	Prospect Shimogamo	Kyoto-shi, Kyoto	234.53	675.51	611.76	31	28	1,775	1	90.6	90.3
S021	Prospect Kawaramachi-Gojo	Shimogyo-ku, Kyoto	234.98	1,528.12	1,287.86	52	44	3,752	1	84.3	84.6
S022	Prospect Chuo-Rinkan	Yamato-shi, Kanagawa	589.73	1,098.24	1,075.36	48	47	3,403	1	97.9	97.9
S023	Sky Hills N15	Sapporo-shi, Hokkaido	1,232.73	3,443.55	3,443.55	111	111	5,106	1	100.0	100.0
S024	Sky Hills Sakaimachi*10	Chitose-shi, Hokkaido	4,189.97	5,194.78	5,194.78	134	134	6,039	1	100.0	100.0
S025	Domy Chitose	Chitose-shi, Hokkaido	1,796.60	2,145.70	2,145.70	110	110	4,081	1	100.0	100.0
S026	Sky Hills Takadai I	Chitose-shi, Hokkaido	2,401.78	3,697.20	3,697.20	120	120	5,500	1	100.0	100.0
S027	Exceria Ikebukuro West II	Toshima-ku, Tokyo	290.14	1,379.52	1,286.22	48	45	4,839	1	93.2	93.8
S028	Prospect Monzennakacho	Koto-ku, Tokyo	613.01	1,790.56	1,657.70	62	57	6,030	1	92.6	91.9
S029	Prospect KALON Minowa	Taito-ku, Tokyo	473.35	3,032.27	2,757.86	82	76	9,282	1	91.0	92.7
S030	Prospect Nakanoshima	Kita-ku, Osaka	370.61	1,572.48	1,472.64	63	59	4,966	1	93.7	93.7
S031	Prospect Ogikubo	Suginami-ku, Tokyo	731.41	1,106.63	1,053.91	40	38	4,170	1	95.2	95.0
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	5,491.37	77	76	14,894	1	98.8	98.7
F002	Park Terrace Ebisu	Shibuya-ku, Tokyo	790.18	2,705.09	2,561.44	51	48	11,247	1	94.7	94.1
F003	BELNOS 34	Katsushika-ku, Tokyo	3,092.58	5,321.89	4,698.79	100	94	11,541	1	88.3	94.0
F004	Prospect Dogenzaka	Shibuya-ku, Tokyo	274.24	2,058.53	2,028.52	47	46	9,576	1	98.5	97.9
F005	U House Daikan-Cho	Nagoya-shi, Aichi	2,060.52	5,944.44	5,356.01	96	87	8,775	1	90.1	90.6
F006	U House Gokiso	Nagoya-shi, Aichi	3,113.87	5,127.19	4,541.40	78	68	7,700	1	88.6	87.2

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F007	Angel Heim Nishi-Rokugo No.2	Ota-ku, Tokyo	1,666.28	2,776.64	2,702.05	40	39	6,315	1	97.3	97.5
F008	Prospect Onshi-Koen	Koto-ku, Tokyo	772.00	2,033.77	1,954.74	61	58	6,439	1	96.1	95.1
F009	Deim-Hashimoto	Sagamihara-shi, Kanagawa	898.13	3,170.41	2,934.34	92	88	6,101	1	92.6	95.7
F010	SK Residence	Toshima-ku, Tokyo	474.55	1,624.49	1,584.09	30	29	5,160	1	97.5	96.7
F012	Prospect Urawa-Tokiwa	Saitama-shi, Saitama	1,557.49	2,263.05	2,263.05	30	30	4,848	1	100.0	100.0
F014	U House Tsurumai II	Nagoya-shi, Aichi	615.51	2,262.63	2,135.01	34	32	3,660	1	94.4	94.1
F017	Living Stage Minami-Sendai	Sendai-shi, Miyagi	476.23	1,277.10	851.25	27	18	1,352	1	66.7	66.7
F019	Prospect Glarsa Hiroo	Shibuya-ku, Tokyo	803.31	3,846.27	3,503.01	112	104	17,686	1	91.1	92.9
F020	Prospect Katsura	Kyoto-shi, Kyoto	1,354.29	1,769.96	1,769.96	29	29	3,215	1	100.0	100.0
F021	Crown Heim Nishi-Tanabe	Osaka-shi, Osaka	444.20	1,517.86	1,342.29	22	20	2,704	1	88.4	90.9
F022	Takasagoseki Nibankan	Sendai-shi, Miyagi	1,794.83	3,336.52	2,880.38	41	35	4,576	1	86.3	85.4
F023	Prospect Machiya	Arakawa-ku, Tokyo	251.44	1,169.37	1,057.72	21	19	2,805	1	90.5	90.5
F024	Prospect Hatsudai	Shibuya-ku, Tokyo	586.68	817.71	817.71	22	22	3,364	1	100.0	100.0
F025	Prospect Morishita	Koto-ku, Tokyo	736.43	2,399.23	2,258.86	45	43	6,978	1	94.1	95.6
F026	Prospect Nishi-Sugamo	Koto-ku, Tokyo	368.15	2,023.42	1,569.77	42	32	5,263	1	77.6	76.2
F027	Palais D'Or Maruyama	Chuo-ku, Sapporo	2,236.99	4,678.32	3,329.08	64	49	5,404	1	71.2	76.6
F028	Prospect Kawasaki	Saiwai-ku, Kawasaki	1,218.89	3,377.53	3,377.53	52	52	9,098	1	100.0	100.0
F029	Prospect Nihonbashi-Koamicho	Chuo-ku, Tokyo	273.37	1,364.02	1,264.52	37	35	4,729	1	92.7	94.6
	Total		52,324.40	127,458.61	116,907.02	3,289	3,051	336,012	111	-	-

- *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.
- *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. These figures are based on real estate registers or blueprints. In the cases of Sky Hills N15, Sky Hills Sakaimachi, Domy Chitose, Sky Hills Takadai I, and Prospect Urawa-Tokiwa, the figures are based on sole ownership portions from February 1, 2009, changed from floor space figures on registers, taking into account being wholly leased.
- *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.
- *4. In the 'Total Leasable Residential Units' column, figures represent leasable units for portions of real estate or entrusted real estate acquired by PRI. In the cases of Sky Hills Sakaimachi, and Domy Chitose, the figures exclude spaces for caretakers from February 1, 2009, changed from being included, taking into account being wholly leased.
- *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, 2010.
- *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, 2010. 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.
- *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 lesser 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, 2010.

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- *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, 2010.
- *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, 2010.
- *10. The site area figure was changed on February 5, 2009, following compilation of official maps at Sapporo Registration Office.

(3) Capital Expenditures for Investment Properties

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

Property Name	Purpose	Planned period	Planned work amount (millions of yen)		
			Total	Paid in this period	Total paid
TK Flats Shibuya	Replacement of inhouse power generation facility battery and emergency UPS	From February 2010 to April 2010	1	-	-
Dome Takamine	New installation of security cameras	From February 2010 to March 2010	1	-	-
Dome Takamine	Repair of drainage pump and water tank	From May 2010 to July 2010	3	-	-
Dome Yotsuya	New installation of security cameras	From February 2010 to March 2010	1	-	-
Sky Hills Sakaimachi	New installation of cover to prevent falling of wing wall fragments	From April 2010 to July 2010	4	-	-
Sky Hills Takadai I	Replacement of pressurized water supply pump	From February 2010 to March 2010	1	-	-
Sky Hills Takadai I	New installation of outdoor parking	From June 2010 to July 2010	4	-	-
BELNOS34	Maintenance of mechanical parking systems	From June 2010 to July 2010	7	-	-
BELNOS34	New installation of security cameras	From June 2010 to July 2010	2	-	-
BELNOS34	Renovation of retail space on the second floor	From February 2010 to July 2010	35	-	-
U House Daikan-Cho	Repair of incoming power distribution board	From April 2010 to July 2010	4	-	-
U House Daikan-Cho	Replacement of water-supply meters	From April 2010 to July 2010	3	-	-
U House Gokiso	Construction to install digital cable television	From July 2010 to July 2010	1	-	-
U House Gokiso	Replacement of mail box	From April 2010 to April 2010	1	-	-
U House Gokiso	Renovation of three rooms	From February 2010 to July 2010	9	-	-
Deim-Hashimoto	Renovation of three rooms	From February 2010 to July 2010	9	-	-
SK Residence	Maintenance of mechanical parking systems	From May 2010 to July 2010	5	-	-
Prospect Katsura	Repair of waterproofing material of roof	From June 2010 to June 2010	10	-	-

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Takasagoseki Nibankan	Replacement of emergency lights	From June 2010 to June 2010	1	-	-
Palais D'Or Maruyama	Replacement of pressurized water supply pump	From February 2010 to March 2010	1	-	-
Palais D'Or Maruyama	Replacement of air conditioners for office of retail space	From February 2010 to February 2010	6	-	-
Prospect Kawasaki	Replacement of drainage pump; Addressing sump water	From February 2010 to March 2010	1	-	-

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

b. Capital expenditures in the period under review

Property Name	Purpose	Period	Amount paid (millions of yen)
Sky Hills Takadai I	Large-scale repair work	From August 2009 to November 2009	49
U House Gokiso	Renovation of two rooms	From June 2009 to August 2009	6
Deim-Hashimoto	Renovation of 1F assembly room and store beam	From July 2009 to September 2009	2
U House Tsurumai II	Large-scale repair work	From June 2009 to December 2009	36
U House Tsurumai II	Replacement of turning parts of tower parking	From November 2009 to November 2009	3
Others	Replacement of air conditioners, water heaters, and others		12
Total			111

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

c. Reserve for repair expenses

(Millions of yen)

Items	Period	Eighth Fiscal Period (February 1, 2009 to July 31, 2009)	Ninth Fiscal Period (August 1, 2009 to January 31, 2010)
Reserve balance at the end of previous fiscal period		548	512
Reserved amount in the period		69	56
Withdrawal in the period		104	28
Balance carried forward		512	540

(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 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.

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Code	Property name	Research firm *1	Estimate of repair expenses*2 (thousands of yen rounded down)			Rebuilding price of building *2 (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	TBTC	-	-	83,480	818	January 2010
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	January 2009
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	-	-	14,980	657	June 2009
F014	U House Tsurumai II	Tokyo Kntei	-	-	19,270	513	January 2010
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
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			850	4,500	2,338,960	32,498	

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

*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 ^{*1} (%)	Month and year of earthquake risk reports
S001	TK Flats Shibuya	8.0	January 2010
S002	Prospect Shinonomebashi	19.0	January 2010
S004	Maison de Ville Takanawa Gyoranzaka	12.0	January 2010
S005	Prospect Omori-Kaigan	10.0	January 2010
S006	Abreast Shin-Osaka	12.0	January 2010
S007	Maison de Ville Naka-Meguro	7.0	January 2010
S008	Roppongi Rise House	15.0	January 2010
S009	Prospect Nihonbashi-Honcho	12.0	January 2010
S011	Fragrance Kawasaki	13.0	January 2010
S012	Abreast Sakuragawa	15.0	January 2010
S013	Dome Takamine	6.0	January 2010
S014	Dome Yotsuya	5.0	January 2010
S016	Abreast Nagase	12.0	January 2010
S017	Living Stage Higashi-Sendai	7.0	January 2010
S018	Prospect Toyonaka Hattori	9.0	January 2010
S019	Prospect Bishoen	14.0	January 2010
S020	Prospect Shimogamo	5.0	January 2010
S021	Prospect Kawaramachi-Gojo	12.0	January 2010
S022	Prospect Chuo-Rinkan	14.0	January 2010
S023	Sky Hills N15	2.0	January 2010
S024	Sky Hills Sakaimachi	4.0	January 2010
S025	Domy Chitose	3.0	January 2010
S026	Sky Hills Takadai I	4.0	January 2010
S027	Exceria Ikebukuro West II	10.0	January 2010
S028	Prospect Monzennakacho	19.0	January 2010
S029	Prospect KALON Minowa	14.0	January 2010
S030	Prospect Nakanoshima	12.0	January 2010
S031	Prospect Ogikubo	11.0	January 2010
S032	Prospect Musashi-Shinjo	12.0	January 2010
F001	Prospect Kiyosumi-Teien	15.0	January 2010
F002	Park Terrace Ebisu	11.0	January 2010
F003	BELNOS34	12.0	January 2010
F004	Prospect Dogenzaka	9.0	January 2010
F005	U House Daikan-Cho	11.0	January 2010
F006	U House Gokiso	10.0	January 2010
F007	Angel Heim Nishi-Rokugo No.2	11.0	January 2010
F008	Prospect Onshi-Koen ^{*2}	25.0	January 2010
F009	Deim-Hashimoto	13.0	January 2010
F010	SK Residence	11.0	January 2010
F012	Prospect Urawa-Tokiwa	5.0	January 2010
F014	U House Tsurumai II	17.0	January 2010
F017	Living Stage Minami-Sendai	7.0	January 2010
F019	Prospect Glarsa Hiroo	7.0	January 2010
F020	Prospect Katsura	7.0	January 2010
F021	Crown Heim Nishi-Tanabe	11.0	January 2010
F022	Takasagoseki Nibankan	11.0	January 2010
F023	Prospect Machiya	14.0	January 2010
F024	Prospect Hatsudai	8.0	January 2010
F025	Prospect Morishita	11.0	January 2010

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F026	Prospect Nishi-Sugamo	10.0	January 2010
F027	Palais D'Or Maruyama	2.0	January 2010
F028	Prospect Kawasaki	10.0	January 2010
F029	Prospect Nihonbashi-Koamicho	12.0	January 2010
Total portfolio		7.6	January 2010

*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.

*2. PRI has purchased earthquake insurance for this property.

(6) Outline of tenants and others

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

Code	Property Name	Total Leasable Floor Space (m ²)	Total Leased Floor Space (m ²)	Number of tenants	Total Monthly Rental Revenues (Thousands of Yen)	Percentage share to total revenues (%)
S001	TK Flats Shibuya	6,903.54	5,710.08	1	177	8.1
S002	Prospect Shinonomebashi	4,849.20	4,673.08	1	114	5.2
S004	Maison de Ville Takanawa Gyoranzaka	1,778.37	1,653.12	1	48	2.2
S005	Prospect Omori-Kaigan	2,478.04	2,478.04	1	57	2.6
S006	Abreast Shin-Osaka	2,984.64	2,206.17	37	85	3.9
S007	Maison de Ville Naka-Meguro	1,275.00	1,249.50	1	35	1.6
S008	Roppongi Rise House	1,209.87	1,152.33	1	31	1.5
S009	Prospect Nihonbashi-Honcho	1,290.49	1,066.66	1	30	1.4
S011	Fragrance Kawasaki	1,065.96	847.98	1	22	1.0
S012	Abreast Sakuragawa	1,009.92	967.92	1	19	0.9
S013	Dome Takamine	946.04	786.20	1	10	0.5
S014	Dome Yotsuya	765.90	639.66	1	8	0.4
S015	TK Flats Denenchofu Annex	532.98	471.74	23	8	0.4
S016	Abreast Nagase	1,539.41	1,304.59	1	15	0.7
S017	Living Stage Higashi-Sendai	986.34	986.34	1	15	0.7
S018	Prospect Toyonaka Hattori	901.15	901.15	1	12	0.6
S019	Prospect Bishoen	675.51	611.76	1	11	0.5
S020	Prospect Shimogamo	1,528.12	1,287.86	1	24	1.1
S021	Prospect Kawaramachi-Gojo	1,098.24	1,075.36	1	22	1.0
S022	Prospect Chuo-Rinkan	3,443.55	3,443.55	1	32	1.5
S023	Sky Hills N15	5,194.78	5,194.78	1	38	1.7
S024	Sky Hills Sakaimachi	2,145.70	2,145.70	1	25	1.2
S025	Domy Chitose	3,697.20	3,697.20	1	35	1.6
S026	Sky Hills Takadai I	1,379.52	1,286.22	1	31	1.4
S027	Exceria Ikebukuro West II	1,790.56	1,657.70	1	39	1.8
S028	Prospect Monzennakacho	3,032.27	2,757.86	1	62	2.9
S029	Prospect KALON Minowa	1,572.48	1,472.64	1	31	1.4
S030	Prospect Nakanoshima	1,106.63	1,053.91	1	24	1.1
S031	Prospect Ogikubo	1,855.03	1,855.03	1	42	1.9
S032	Prospect Musashi-Shinjo	1,275.00	1,249.50	1	35	1.6
F001	Prospect Kiyosumi-Teien	5,556.73	5,491.37	1	95	4.4
F002	Park Terrace Ebisu	2,705.09	2,561.44	1	69	3.2
F003	BELNOS34	5,321.89	4,698.79	1	80	3.7
F004	Prospect Dogenzaka	2,058.53	2,028.52	1	59	2.7
F005	U House Daikan-Cho	5,944.44	5,356.01	1	56	2.6
F006	U House Gokiso	5,127.19	4,541.40	1	54	2.5
F007	Angel Heim Nishi-Rokugo No.2	2,776.64	2,702.05	1	54	2.5
F008	Prospect Onshi-Koen	2,033.77	1,954.74	1	40	1.9
F009	Deim-Hashimoto	3,170.41	2,934.34	1	38	1.8
F010	SK Residence	1,624.49	1,584.09	1	34	1.6
F012	Garden City Urawa	2,263.05	2,263.05	1	30	1.4

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F014	U House Tsurumai II	2,262.63	2,135.01	1	28	1.3
F017	Living Stage Minami-Sendai	1,277.10	851.25	1	8	0.4
F019	Prospect Glarsa Hiroo	3,846.27	3,503.01	1	108	5.0
F020	Prospect Katsura	1,769.96	1,769.96	1	24	1.1
F021	Crown Heim Nishi-Tanabe	1,517.86	1,342.29	1	16	0.8
F022	Takasagoseki Nibankan	3,336.52	2,880.38	1	31	1.4
F023	Prospect Machiya	1,169.37	1,057.72	1	18	0.8
F024	Prospect Hatsudai	817.71	817.71	1	20	0.9
F025	Prospect Morishita	2,399.23	2,258.86	1	43	2.0
F026	Prospect Nishi-Sugamo	2,023.42	1,569.77	1	35	1.6
F027	Palais D'Or Maruyama	4,678.32	3,329.08	1	36	1.7
F028	Prospect Kawasaki	3,377.53	3,377.53	1	59	2.7
F029	Prospect Nihonbashi-Koamicho	1,364.02	1,264.52	1	28	1.3
Total		127,458.61	116,907.02	111	2,191	100.0

b. Occupancy rates

(End of each month)

Code	Property Name	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009	January 2010
S001	TK Flats Shibuya	90.3	87.3	89.2	88.3	85.8	83.5	82.7
S002	Prospect Shinonomebashi	98.3	99.5	100.0	97.5	97.5	96.4	96.4
S004	Maison de Ville Takanawa Gyoranzaka	90.1	91.5	91.5	90.1	88.7	90.1	93.0
S005	Prospect Omori-Kaigan	97.0	98.0	96.7	95.7	95.9	97.7	100.0
S006	Abreast Shin-Osaka	78.1	77.1	77.1	75.0	75.0	75.0	73.9
S007	Maison de Ville Naka-Meguro	90.0	84.0	92.0	98.0	98.0	98.0	98.0
S008	Roppongi Rise House	81.8	100.0	95.2	95.2	97.6	100.0	95.2
S009	Prospect Nihonbashi-Honcho	92.9	92.9	89.1	88.7	88.7	84.7	82.7
S011	Fragrance Kawasaki	100.0	100.0	100.0	100.0	100.0	75.0	79.6
S012	Abreast Sakuragawa	95.8	100.0	100.0	100.0	100.0	100.0	95.8
S013	Dome Takamine	88.6	85.9	83.1	83.1	80.4	77.6	83.1
S014	Dome Yotsuya	77.9	77.9	86.6	86.6	83.7	80.8	83.5
S015	TK Flats Denenchofu Annex	100.0	96.2	96.2	96.2	92.4	92.3	88.5
S016	Abreast Nagase	85.0	82.9	82.9	86.8	86.6	86.6	84.7
S017	Living Stage Higashi-Sendai	100.0	100.0	100.0	100.0	100.0	100.0	100.0
S018	Prospect Toyonaka Hattori	100.0	100.0	100.0	96.6	96.6	96.6	100.0
S019	Prospect Bishoen	100.0	96.9	96.9	96.9	93.8	93.8	90.6
S020	Prospect Shimogamo	85.8	85.8	84.1	87.7	89.4	86.0	84.3
S021	Prospect Kawaramachi-Gojo	91.7	95.8	93.8	91.7	93.8	97.9	97.9
S022	Prospect Chuo-Rinkan	90.3	100.0	100.0	100.0	100.0	100.0	100.0
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	98.2	100.0	95.0	93.2
S027	Exceria Ikebukuro West II	95.9	95.9	93.9	95.9	95.9	94.2	92.6
S028	Prospect Monzennakacho	95.8	94.8	97.5	96.0	92.5	92.4	91.0
S029	Prospect KALON Minowa	94.8	93.7	96.8	98.4	98.4	93.7	93.7
S030	Prospect Nakanoshima	92.1	78.0	73.0	77.0	92.9	95.2	95.2
S031	Prospect Ogikubo	88.6	100.0	100.0	100.0	100.0	100.0	100.0
S032	Prospect Musashi-Shinjo	100.0	87.3	89.2	88.3	85.8	83.5	82.7
F001	Prospect Kiyosumi-Teien	100.0	100.0	100.0	98.7	97.6	97.5	98.8
F002	Park Terrace Ebisu	84.5	86.5	87.1	91.0	97.0	93.4	94.7
F003	BELNOS34	86.4	88.3	89.6	85.3	86.5	87.4	88.3
F004	Prospect Dogenzaka	96.5	100.0	100.0	100.0	100.0	98.5	98.5
F005	U House Daikan-Cho	89.4	88.8	89.2	89.0	88.8	90.1	90.1
F006	U House Gokiso	89.0	89.0	92.5	90.8	86.6	84.4	88.6

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F007	Angel Heim Nishi-Rokugo No.2	92.6	97.6	100.0	97.3	97.3	97.3	97.3
F008	Prospect Onshi-Koen	94.9	94.9	98.8	97.3	97.3	94.3	96.1
F009	Deim-Hashimoto	89.5	90.8	90.8	93.2	93.2	93.9	92.6
F010	SK Residence	94.3	91.7	91.7	88.7	97.1	100.0	97.5
F012	Garden City Urawa	100.0	100.0	100.0	100.0	100.0	100.0	100.0
F014	U House Tsurumai II	97.5	97.5	97.5	97.5	94.4	94.4	94.4
F017	Living Stage Minami-Sendai	62.9	62.9	62.9	62.9	62.9	66.7	66.7
F019	Prospect Glarsa Hiroo	85.9	82.9	82.8	88.5	92.4	89.4	91.1
F020	Prospect Katsura	93.1	93.1	96.5	100.0	100.0	100.0	100.0
F021	Crown Heim Nishi-Tanabe	84.2	84.2	84.2	84.2	84.2	84.2	88.4
F022	Takasagoseki Nibankan	77.6	79.8	82.0	84.1	86.3	86.3	86.3
F023	Prospect Machiya	90.3	95.1	90.5	90.5	95.1	90.5	90.5
F024	Prospect Hatsudai	95.9	100.0	100.0	100.0	100.0	100.0	100.0
F025	Prospect Morishita	88.2	87.3	86.4	95.3	96.1	96.1	94.1
F026	Prospect Nishi-Sugamo	79.2	79.1	84.2	87.5	87.5	82.9	77.6
F027	Palais D'Or Maruyama	72.5	69.0	67.4	68.3	68.3	71.2	71.2
F028	Prospect Kawasaki	97.9	97.9	97.9	97.9	93.9	100.0	100.0
F029	Prospect Nihonbashi-Koamicho	82.6	80.5	80.5	79.0	89.9	92.7	92.7

*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.

(Thousands of yen)

	S001	S002	S004	S005	S006
	TK Flats Shibuya	Prospect Shinonomebashi	Maison de Ville Takanawa Gyoranzaka	Prospect Omori-Kaigan	Abreast Shin-Osaka
Total real estate rental revenues	177,587	114,689	48,233	57,254	85,785
Real estate rental revenues	171,190	110,105	45,987	54,002	84,580
Other rental revenues	6,396	4,584	2,245	3,252	1,204
Real estate rental expenses	89,486	42,872	20,686	23,317	63,247
Taxes	10,962	4,718	1,938	2,680	3,718
Other expenses	14,344	5,972	4,043	4,211	2,499
Property management expenses	16,448	6,458	5,064	4,090	30,879
Water, electricity, and other rates	5,703	1,155	461	641	4,702
Repair expenses	9,223	1,182	2,553	2,332	1,484
Depreciation expenses	32,804	23,385	6,623	9,362	19,962
Real estate rental business earnings	88,100	71,816	27,546	33,936	22,538
NOI (Net Operating Income)	120,904	95,202	34,170	43,299	42,500

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	S007	S008	S009	S011	S012
	Maison de Ville Naka-Meguro	Roppongi Rise House	Prospect Nihonbashi-Honcho	Fragrance Kawasaki	Abreast Sakuragawa
Total real estate rental revenues	35,533	31,816	30,329	22,696	19,037
Real estate rental revenues	34,125	30,554	29,270	21,095	18,441
Other rental revenues	1,408	1,261	1,059	1,601	596
Real estate rental expenses	14,556	14,958	13,042	10,324	10,492
Taxes	1,418	2,020	1,608	1,160	928
Other expenses	2,276	2,141	2,158	1,635	1,354
Property management expenses	2,760	3,517	1,570	1,671	1,170
Water, electricity, and other rates	517	383	486	270	899
Repair expenses	2,358	1,519	742	144	639
Depreciation expenses	5,223	5,377	6,475	5,441	5,501
Real estate rental business earnings	20,977	16,857	17,286	12,372	8,545
NOI (Net Operating Income)	26,201	22,234	23,762	17,813	14,046

	S013	S014	S016	S017	S018
	Dome Takamine	Dome Yotsuya	Abreast Nagase	Living Stage Higashi-Sendai	Prospect Toyonaka Hattori
Total real estate rental revenues	10,223	8,923	8,470	15,510	15,058
Real estate rental revenues	10,115	8,760	8,362	15,187	15,058
Other rental revenues	108	163	108	322	-
Real estate rental expenses	6,386	5,764	5,526	10,053	7,830
Taxes	698	568	476	1,176	1,062
Other expenses	1,317	1,208	399	1,218	1,426
Property management expenses	481	826	1,512	1,049	300
Water, electricity, and other rates	426	391	422	852	375
Repair expenses	1,261	1,396	167	598	25
Depreciation expenses	2,201	1,374	2,549	5,157	4,640
Real estate rental business earnings	3,837	3,158	2,943	5,456	7,228
NOI (Net Operating Income)	6,038	4,532	5,493	10,614	11,868

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	S019	S020	S021	S022	S023
	Prospect Bishoen	Prospect Shimogamo	Prospect Kawaramachi-Gojjo	Prospect Chuo-Rinkan	Sky Hills N15
Total real estate rental revenues	12,108	11,775	24,642	22,740	32,090
Real estate rental revenues	11,804	11,641	23,827	21,418	32,090
Other rental revenues	304	134	815	1,321	-
Real estate rental expenses	6,264	6,761	13,922	12,688	12,760
Taxes	826	640	1,682	1,323	3,864
Other expenses	1,354	1,441	2,354	2,074	1,161
Property management expenses	482	345	1,490	1,154	500
Water, electricity, and other rates	142	507	1,072	388	40
Repair expenses	168	399	534	330	292
Depreciation expenses	3,290	3,427	6,788	7,416	6,900
Real estate rental business earnings	5,844	5,013	10,720	10,051	19,330
NOI (Net Operating Income)	9,134	8,441	17,509	17,468	26,231

	S024	S025	S026	S027	S028
	Sky Hills Sakaimachi	Domy Chitose	Sky Hills Takadai I	Exceria Ikebukuro West II	Prospect Monzennakacho
Total real estate rental revenues	38,034	25,653	35,437	31,743	39,118
Real estate rental revenues	38,034	25,653	35,437	30,901	37,546
Other rental revenues	-	-	-	841	1,572
Real estate rental expenses	15,457	9,008	17,854	12,559	14,155
Taxes	4,620	2,362	3,047	759	1,165
Other expenses	1,214	1,117	3,435	2,708	2,772
Property management expenses	500	500	500	1,793	2,044
Water, electricity, and other rates	42	-	949	484	378
Repair expenses	376	411	4,459	983	857
Depreciation expenses	8,704	4,617	5,463	5,830	6,937
Real estate rental business earnings	22,576	16,644	17,583	19,184	24,963
NOI (Net Operating Income)	31,280	21,261	23,046	25,015	31,901

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	S029 Prospect KALON Minowa	S030 Prospect Nakanoshima	S031 Prospect Ogikubo	S032 Prospect Musashi-Shinjo
Total real estate rental revenues	62,631	31,292	24,825	42,458
Real estate rental revenues	58,885	30,824	22,453	42,458
Other rental revenues	3,745	468	2,372	-
Real estate rental expenses	31,965	20,542	13,613	17,525
Taxes	893	2,064	686	2,885
Other expenses	5,171	2,929	2,227	3,153
Property management expenses	6,212	3,101	3,318	893
Water, electricity, and other rates	810	429	422	575
Repair expenses	1,287	1,122	757	-
Depreciation expenses	17,589	10,895	6,200	10,016
Real estate rental business earnings	30,666	10,750	11,211	24,932
NOI (Net Operating Income)	48,255	21,645	17,412	34,949

	F001 Prospect Kiyosumi-Teien	F002 Park Terrace Ebisu	F003 BELNOS34	F004 Prospect Dogenzaka	F005 U House Daikan-Cho
Total real estate rental revenues	95,777	69,433	80,135	59,043	56,971
Real estate rental revenues	92,884	67,184	78,411	58,203	55,929
Other rental revenues	2,893	2,248	1,724	840	1,042
Real estate rental expenses	36,415	32,726	38,494	18,729	25,181
Taxes	6,240	3,331	6,945	2,380	3,490
Other expenses	5,455	4,903	6,161	2,757	3,740
Property management expenses	4,612	7,301	5,496	3,442	3,041
Water, electricity, and other rates	1,092	665	2,332	558	785
Repair expenses	1,126	2,688	2,322	344	2,325
Depreciation expenses	17,888	13,835	15,235	9,246	11,797
Real estate rental business earnings	59,362	36,707	41,640	40,314	31,790
NOI (Net Operating Income)	77,251	50,542	56,876	49,561	43,588

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	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	54,687	54,003	40,987	38,935	34,197
Real estate rental revenues	53,119	51,312	39,580	37,371	32,815
Other rental revenues	1,567	2,690	1,406	1,564	1,381
Real estate rental expenses	28,577	22,079	18,920	22,476	14,337
Taxes	4,338	3,106	1,728	2,157	1,962
Other expenses	4,597	5,119	3,310	2,649	3,573
Property management expenses	3,188	2,590	1,794	2,919	2,078
Water, electricity, and other rates	1,631	383	408	406	617
Repair expenses	4,230	758	547	6,365	883
Depreciation expenses	10,591	10,120	11,131	7,978	5,222
Real estate rental business earnings	26,109	31,924	22,067	16,458	19,859
NOI (Net Operating Income)	36,701	42,044	33,198	24,437	25,082

	F012 Garden City Urawa	F014 U House Tsurumai II	F017 Living Stage Minami-Sendai	F019 Prospect Glarsa Hiroo	F020 Prospect Katsura
Total real estate rental revenues	30,853	28,755	8,655	108,962	24,020
Real estate rental revenues	30,655	24,931	8,407	104,437	22,578
Other rental revenues	198	3,824	248	4,524	1,442
Real estate rental expenses	15,853	19,026	7,109	55,450	11,423
Taxes	1,966	2,028	1,076	4,388	1,386
Other expenses	2,380	6,307	1,247	4,816	2,322
Property management expenses	1,159	733	499	12,236	1,003
Water, electricity, and other rates	450	265	571	991	1,153
Repair expenses	1,013	4,137	354	3,056	377
Depreciation expenses	8,882	5,553	3,360	29,962	5,180
Real estate rental business earnings	14,999	9,729	1,545	53,511	12,596
NOI (Net Operating Income)	23,882	18,929	4,906	83,473	17,777

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	F021	F022	F023	F024	F025
	Crown Heim Nishi-Tanabe	Takasagoseki Nibankan	Prospect Machiya	Prospect Hatsudai	Prospect Morishita
Total real estate rental revenues	16,596	31,379	18,427	20,675	43,621
Real estate rental revenues	16,096	30,561	17,342	20,027	41,716
Other rental revenues	500	817	1,084	647	1,904
Real estate rental expenses	7,907	19,352	11,626	8,588	20,704
Taxes	882	3,045	147	402	352
Other expenses	1,581	2,970	2,395	2,165	2,501
Property management expenses	739	1,685	986	1,109	3,804
Water, electricity, and other rates	347	1,259	374	187	586
Repair expenses	865	831	745	455	1,388
Depreciation expenses	3,491	9,559	6,976	4,268	12,071
Real estate rental business earnings	8,688	12,026	6,801	12,087	22,916
NOI (Net Operating Income)	12,180	21,585	13,778	16,355	34,988

	F026	F027	F028	F029
	Prospect Nishi-Sugamo	Palais D'Or Maruyama	Prospect Kawasaki	Prospect Nihonbashi-Koami cho
Total real estate rental revenues	35,770	36,866	59,345	28,028
Real estate rental revenues	33,688	35,979	55,495	26,577
Other rental revenues	2,082	886	3,849	1,450
Real estate rental expenses	17,583	25,969	26,919	15,143
Taxes	167	3,608	2,550	513
Other expenses	2,811	5,871	3,645	2,166
Property management expenses	3,725	1,228	3,406	2,745
Water, electricity, and other rates	424	1,726	735	340
Repair expenses	759	2,520	1,180	540
Depreciation expenses	9,695	11,014	15,401	8,837
Real estate rental business earnings	18,187	10,897	32,426	12,884
NOI (Net Operating Income)	27,882	21,911	47,827	21,721

(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 ninth fiscal period.

(9) Portfolio diversification

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

a. By region

Region	Number of property	Acquisition price (millions of yen rounded down) ^{*2}	Percentage share of acquisition price to total ^{*3} (%)	Total leasable floor space ^{*4} (m ²)	Percentage share of floor space to total ^{*3} (%)
Tokyo's 23 Wards	24	44,815	65.9	60,790.65	47.7
Tokyo Metropolitan Area (excluding Tokyo's 23 Wards)	6	6,141	9.0	12,830.22	10.1
Other Regions ^{*1}	23	17,044	25.1	53,837.74	42.2
Total	53	68,000	100.0	127,458.61	100.0

*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.

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

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

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

b. Years after construction

Years after construction	Number of property	Acquisition price (millions of yen rounded down) ^{*1}	Percentage share of acquisition price to total ^{*2} (%)	Total leasable floor space ^{*3} (m ²)	Percentage share of floor space to total ^{*2} (%)
More than one year and up to five years	20	24,231	35.6	35,015.70	27.5
More than five years and up to ten years	12	23,093	34.0	37,225.03	29.2
More than ten years	21	20,676	30.4	55,217.88	43.3
Total	53	68,000	100.0	127,458.61	100.0

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

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

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

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

a. 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 ninth fiscal period. To be designated as a major tenant, leased floor space must account for at least 10% of the total leased floor space of PRI's portfolio. All of these tenants are master lessors.

Tenant Name	Industry	Total Leased Floor Space (m ²)	Percentage share to Total Leased Floor Space ^{*2} (%)	Total Monthly Rental Revenues (Thousands of Yen)	Percentage share to total revenues ^{*3} (%)
Haseko Livenet Co., Ltd	Real estate	39,879.99	34.1	117,302	34.9
Tokyu Community Co., Ltd	Real estate	29,428.17	25.2	51,146	15.2
Mitsui Fudosan Residential Lease Co., Ltd ^{*1}	Real estate	16,135.52	13.8	55,164	16.4
Total of Major Tenants		85,443.68	73.1	223,614	66.5
Total Portfolio		116,907.02	100.0	336,012	100.0

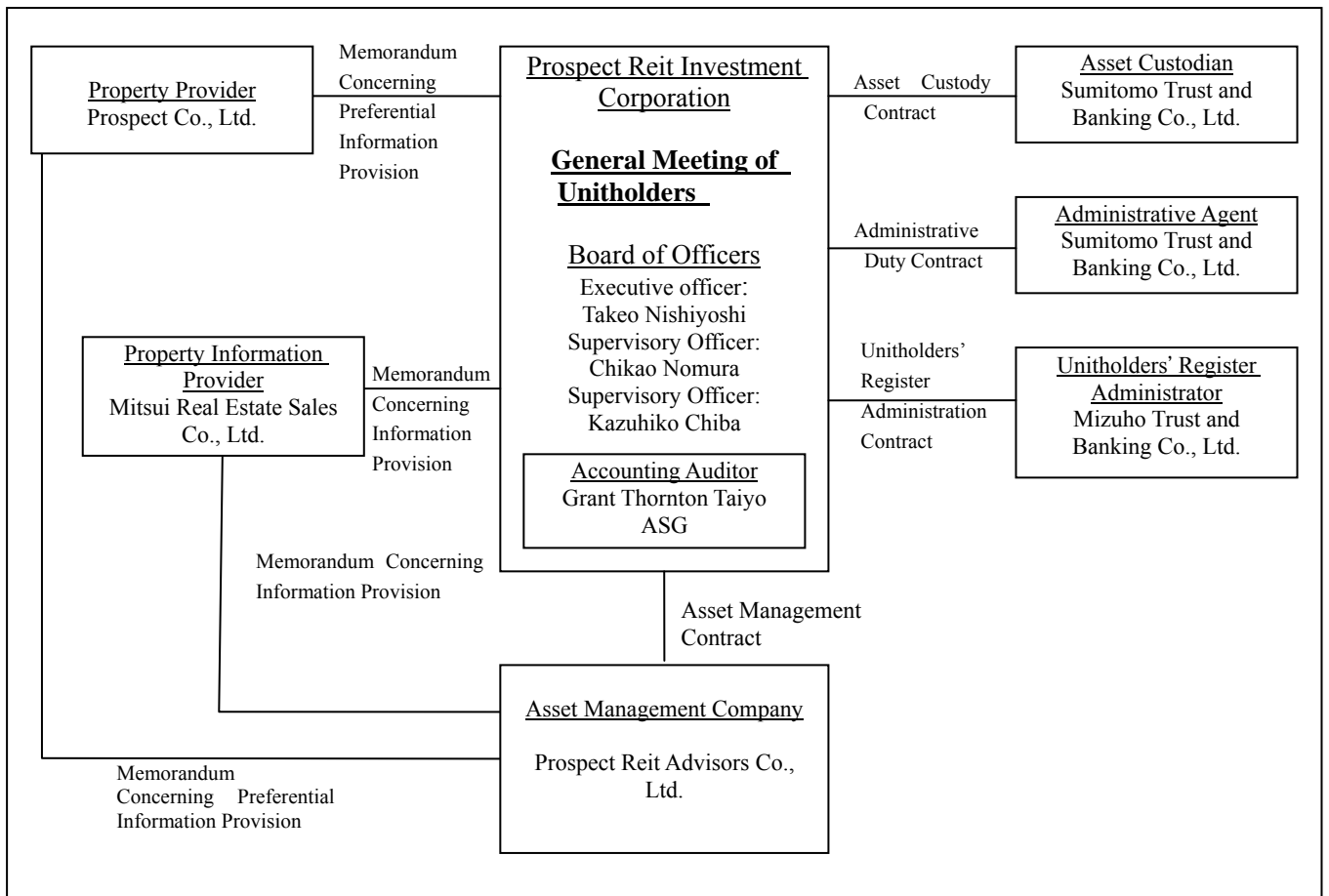
*1. Mitsui Fudosan Residential Lease Co., Ltd. succeeded the condominium leasing operations of Mitsui Fudosan Real Estate Sales Co., Ltd. on April 1, 2003. Hence, Mitsui Fudosan Real Estate Sales is used in master lease contracts.

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

*3. 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: (1)Operations for asset management, (2)fund raising operations, (3)reporting on asset conditions, (4)compiling property management plans, (5)related operations of (1) and (4) which are commissioned occasionally by PRI.</p>
Asset Custodian Administrative Agent	Sumitomo Trust and Banking Co., Ltd.	<p>Sumitomo Trust engages in the following operations based on the Administrative Duty Contract as an administrative duty contractor, in accordance with the Investment Trust Law:</p> <p>(1)Operations for calculations of PRI (excluding unitholders' register administrative operations), (2)operations to compile accounting books for PRI, (3)taxation accounting for PRI, (4) operations for board meetings of officers of PRI and general meetings of unitholders of PRI, and (5)related operations of (1) and (4). Sumitomo Trust also engages in asset custody operations and related cash management and book keeping operations as an asset custodian in accordance with the Asset Custody Contract and the Investment Trust Law:</p>
Unitholders' Register Administrator	Mizuho Trust and Banking Co., Ltd.	<p>Mizuho Trust engages in the following operations based on the Unitholders' Register Administrative Contracts as a unitholders' register administrator, in accordance with the Investment Trust Law:</p> <p>(1)Change of names of unitholders, (2)operations to issue investment securities, (3)operations to compile invitations to general meetings of unitholders, notices of decisions made on such meetings and reference documents, proxy documents, and reception support at such meetings, (4)operations to calculate and pay distributions to unitholders, (5)operations to respond to inquiries about investment units, to issue related certificates, and to handle applications of mishaps, (6)operations to sort out and keep documents and undelivered postal items related to outsourced operations, (7)operations to compile statistics of investment units needed by PRI based on related laws and provisions as well as contracts with PRI, and (8)related operations of (1) and (7).</p>

(3) Major related parties other than the aforementioned

Operational roles	Names	Outline of related operations
Property Provider	Prospect Co., Ltd. (KKP)*	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.

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