

**Investor Relations Office* of Prospect Residential Investment Corporation (“PRI”)
Listed on the Tokyo Stock Exchange under securities code 8969
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New Bank Borrowings

On August 27, 2008, Prospect Residential Investment Corporation (PRI) decided the following bank borrowings.

1. Purpose: Repayment of the existing bank loan (rollover)

2. Outline of the bank borrowings

- (1) Lender: Aozora Bank, Ltd.
 (2) Loan amount: JPY4,000 million
 (3) Interest rates: 1.81250% (TIBOR+100 bps)
 (4) Borrowing date: August 29, 2008
 (5) Borrowing measures: Based on the contract of the sixth bank loan for properties dated on August 27, 2008
 (6) Repayment dates: November 28, 2009
 (7) Repayment method: One-time repayment on repayment dates
 (8) Security: Secured

3. Fund utilization: Repayment of the following bank loan

Lender	Borrowing date	Maturity / Repayment date	Debt amount (JPY million)	Applicable period for fixed-interest rate	New fixed-inter- est rate per annum
Aozora Bank, Ltd.	May 30, 2008	August 29, 2008	4,000	August 1 to August 29, 2008	1.45250%

4. The interest-bearing debt balance after aforementioned bank borrowings.

(1) Total long-term and short-term borrowings, and others (Yen)

	Before repayment	After repayment	Change
Long-term borrowings	23,028,000,000	23,028,000,000	0
Short-term borrowings	8,000,000,000	8,000,000,000	0
Total borrowings	31,028,000,000	31,028,000,000	0
Investment corporation bonds	5,000,000,000	5,000,000,000	0
Total interest-bearing debt	36,028,000,000	36,028,000,000	0
Interest-bearing debt ratio (%)*	51.0	51.0	0

*Interest-bearing debt ratio = Interest-bearing debt ÷ (Interest-bearing debt + Unitholders' capital) × 100

(2) Long-term borrowings

Lender	Borrowing date	Maturity / Repayment date	Debt amount (JPY million)	Applicable period for fixed-interest rate	Fixed- interest rate per annum
Aozora Bank, Ltd., Sumitomo Mitsui Banking Corporation, The Sumitomo Trust & Banking Corporation, The Norinchukin Trust & Banking Co., Ltd., The Musashino Bank, Ltd., NTT Finance Corp.	March 15, 2007	March 15, 2010	17,470	August 1 to October 31, 2008	1.60500%
The Norinchukin Bank	June 28, 2007	July 31, 2012	2,634	August 1 to October 31, 2008	1.80500%
Lehman Brothers Japan Inc.	September 7, 2007	October 31, 2012	2,924	August 1 to October 31, 2008	1.85500%

(3) Short-term borrowings

Lender	Borrowing date	Maturity / Repayment date	Debt amount (JPY million)	Applicable period for fixed-interest rate	Fixed- interest rate per annum
Aozora Bank, Ltd.	May 30, 2008	May 29, 2009	4,000	August 1 to October 31, 2008	1.70500%
Aozora Bank, Ltd.	August 29, 2008	November 28, 2008	4,000	August 1 to October 31, 2008	1.81250%

August 27, 2008

[Disclaimer]

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