

**Overview of the Financial Results for the Fiscal Period Ended April 30, 2006 (7<sup>th</sup> Fiscal Period)**

(Millions of Yen)

	Results for 7 <sup>th</sup> Fiscal Period( )	Forecast for 7 <sup>th</sup> Fiscal Period	Results for 6 <sup>th</sup> Fiscal Period( )	Variation Compared to 6 <sup>th</sup> Fiscal Period ( - )
Number of Days of Asset Management	181	181	184	(3)
Operating Revenues	3,742	3,690	3,737	5
Ordinary Income	1,452	1,370	1,483	(31)
Net Income	1,451	1,369	1,481	(30)
Distribution per Unit (Yen)	14,311	13,500	14,614	(303)
Number of Investment Properties	32	31	31	1
Average Occupancy Rate for Fiscal Period (%)	94.9	94.7	93.1	1.8

- The average occupancy rate during the 7<sup>th</sup> Fiscal Period improved to 94.9% (up 1.8% from the previous period (6<sup>th</sup> Fiscal Period)) due in part to increases in leases at several residential properties that were acquired during the 6<sup>th</sup> Fiscal Period but which had not yet been occupied by tenants. This helped **secure increases in both revenue and income, although such increases were limited to rental earnings.**
- However, the favorable rental earnings were not enough to match the 6<sup>th</sup> Fiscal Period's extraordinary profit of 118 million yen on a sale of real estate through an exchange of land. While **operating revenues increased slightly** as a result, net income decreased by 30 million yen. **The distribution per unit also decreased, down 303 yen from the 6<sup>th</sup> Fiscal Period.**

**Management Summary for the Fiscal Period Ended April 30, 2006 (7<sup>th</sup> Fiscal Period)**

- [External Growth] ✓ Acquired one residential property (Premier Nozze Yutenji). Our current portfolio size (in terms of acquisition price) of all 32 properties is 92.8 billion yen. In addition, a sale and purchase agreement was concluded for Premier Stage Shibakoen, for which construction completion and acquisition is scheduled for October 2006.
- [Internal Growth] ✓ The average occupancy rate for the fiscal period increased from 93.1% in the previous fiscal period (6<sup>th</sup> Fiscal Period) to 94.9% (as a result of the increase in leases at the properties that were acquired as brand new, vacant properties in the 6<sup>th</sup> Fiscal Period). Although having to contend slightly with leasing difficulties after a major tenant of The Kanagawa Science Park R&D Building moved out, the other office properties maintained steady occupancy levels on par with the previous fiscal period.
- ✓ There have been a growing number of cases where rents increased following tenant replacement for office properties.

**Management Policy for the Fiscal Period Ending October 31, 2006 (8<sup>th</sup> Fiscal Period)**

- Investment Policy for New Properties
  - ✓ Interpretation of environment
 

While the opportunities to sell off assets of the business corporation are decreasing, the number of properties being sold by private funds (replacement of properties) is increasing.

There have been less sales of illegal and Kizon Futekikaku (structures that originally conformed to the law when put into place but which no longer conform to the law as a result of subsequent new laws or amendments, but which are not categorized as illegal structures) properties due to more stringent standards for placing properties in trust at trust banks. This is a good opportunity to optimize the market.
  - ✓ Policy for projects
 

Continue pursuing proactive paths of expansion by leveraging the stability of the long-term, fixed dead costs and LTV that has yet to reach a maximum acceptable level.
- Management Policy for Premier Properties
  - ✓ Set Premier apart from other REITs that specialize in residential properties by achieving internal growth backed by the upturn in the office rental market.

**Forecast Budget for the Fiscal Period Ending October 31, 2006 (8<sup>th</sup> Fiscal Period)**

	(Millions of yen; Yen)	[Assumptions]
Number of Days of Asset Management	184 days	<ul style="list-style-type: none"> <li>■ Total of 33 properties, assuming that Premier Stage Shibakoen will be acquired adding to the 32 properties already owned as at the end of the 7<sup>th</sup> Fiscal Period.</li> <li>■ The average occupancy rate for the fiscal period is expected to be 96.0% for office properties, 92.8% for residential properties and 94.6% for the entire portfolio.</li> <li>■ No planned issue of new investment units.</li> </ul>
Operating Revenues	3,751 million yen	
Ordinary Income	1,451 million yen	
Net Income	1,450 million yen	
Distribution per Unit	14,300 yen	

\*Please note that this English translation of the Japanese original document is provided solely for information purposes. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original will prevail.