



NOMURA  
Residential Fund

For Translation Purposes Only

May 30, 2007

### For Immediate Release

Nomura Real Estate Residential Fund, Inc.  
Nobuyuki Hamada, Representative and Executive Director  
(Securities Code: 3240)

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### Notice Concerning Property Acquisition

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today that it has determined, and reached an agreement with the seller to acquire real estate, as briefly explained below.

#### 1. Summary of the Asset (the “Property”)

|                               |   |
|-------------------------------|---|
| Type of Asset                 | Real estate   |
| Property Name                 | PRIME URBAN Tsurumai (tentative name)   |
| Acquisition Price             | ¥1,189,096 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes) |
| Date of Agreement             | May 30, 2007<br>(date of agreement on purchase and sale of the real estate)   |
| Scheduled Date of Acquisition | March 5, 2009 (date of delivery of the real estate)   |
| Seller                        | Archish Gallery Corporation<br>(refer to “6. Seller Profile” below)   |
| Financing                     | To be determined  |
| Form of Payment               | Payment in full at the time of purchase   |

## 2. Reasons for Acquisition

Nomura Residential Fund will acquire the Property in accordance with the Fund's policies as stipulated in the Articles of Incorporation. The Fund places particular value on the following factors.

- The Property is a 5-minute walk from Tsurumai Station on the JR Chuo Main Line and a 7-minute walk from Tsurumai Station on the Nagoya Municipal Subway Tsurumai Line, and has excellent access to Nagoya Station (6 minutes) and Fushimi (5 minutes), the business and commercial center of Nagoya.
- The Property is located near Route 41, a national highway that runs through Nagoya, and the Nagoya highway interchange and has excellent access to Nagoya and other destinations, which makes it convenient for automobile drivers.
- Both the Sakae and Hirokoji areas, which are the commercial center of Nagoya, are within a walking distance from the Property, and in the Tsurumai area are quality facilities such as AEON Chikusa Shopping Center, a large scale supermarket, Tsuruma Park, which has a history over 100 years and has public facilities such as the Nagoya City Public Hall, Tsuruma Central Library, etc. inside the park, and Nagoya University Hospital, which has over a thousand beds, that makes living convenient.
- The Property units are all 1K types (24 sq. meters) with windows facing south, in consideration of ample sunlight and livability, which meet the needs of the tenants.
- As stated above, the Fund expects steady demand from single adults who commute to Nagoya and the surrounding areas and students who go to schools, such as Nagoya University and Nagoya Institute of Technology, located near the Tsurumai Station.

As the Property's date of acquisition is approximately one year nine months ahead from the date of agreement on purchase and sale, with the purpose of reducing the leasing risk at the time of completion, an agreement was made with the scheduled master leasing company that the Fund can choose, for one year from the date of the Property's acquisition, the type of master lease, the Pass-through Structure or the Rent Guaranteed Structure.

Also, as the Property is still under construction and is not scheduled for completion until July 2008, the Fund plans to avoid completion and building delivery risks by making the conditions mentioned below the terms of payment.

- that the building be constructed in accordance with drawings and specifications provided in the sales contract.
- that the CIG be delivered after the building is completed, following the completion of an inspection by the regulatory agency.
- that there be no violations of the Building Standard Law, the Urban Planning Law and the Fire Prevention Law, and that no problems are revealed through due diligence.

## 3. Property Summary

|                      |                |   |
|----------------------|----------------|---|
| Property Name        |                | PRIME URBAN Tsurumai (tentative name)       |
| Type of Asset        |                | Real Estate                                 |
| Location<br>(Note 1) | Registry       | 5-819,820 Chiyoda Naka-ku, Nagoya-shi Aichi |
|                      | Street Address | (Note 2)                                    |

|  |                           |   |              |              |              |    |
|--|---------------------------|---|--------------|--------------|--------------|----|
| Access                                       |                           | 5-minute walk from Tsurumai Station on the JR Chuo Main Line, 7-minute walk from Tsurumai Station on the Nagoya Municipal Subway Tsurumai Line. |              |              |              |    |
| Land   | Ownership                 | Ownership   |              |              |              |    |
|  | Area (Note 1)             | 553.10 sq. meters   |              |              |              |    |
|  | Building Coverage         | 80%   |              |              |              |    |
|  | Floor Area Ratio          | 500%  |              |              |              |    |
| Building                                     | Ownership                 | Ownership   |              |              |              |    |
|  | Use (Note 1)              | Apartment building  |              |              |              |    |
|  | Completion Date (Note 1)  | July 2008 (scheduled date)  |              |              |              |    |
|  | Total Floor Area (Note 1) | 3,215.63 sq. meters   |              |              |              |    |
|  | Structure (Note 1)        | RC, 14F   |              |              |              |    |
|  | Leasable Units (Note 1)   | 104 Units (under 30 sq. meters: 104 units)  |              |              |              |    |
| Property Management Company                  |                           | SBA Management Co., Ltd. (Note 3)   |              |              |              |    |
| Master Leasing Company                       |                           | SBA Management Co., Ltd. (Note 4)   |              |              |              |    |
| Type of Master Lease                         |                           | Pass-through Structure (scheduled) (Note 5)   |              |              |              |    |
| Collateral                                   |                           | None  |              |              |              |    |
| Notes  |                           | None  |              |              |              |    |
| Acquisition Price                            |                           | ¥1,189,096 thousand   |              |              |              |    |
| Price Survey (Note 6)                        | Survey Method             | Price survey by HIRO & REAS Network, Inc.   |              |              |              |    |
|  | Survey Value              | ¥1,200,000 thousand   |              |              |              |    |
|  | Survey Date               | May 10, 2007  |              |              |              |    |
| Estimated NOI (Note 7)                       |                           | ¥67,687 thousand  |              |              |              |    |
| Leasing Status (as of May 30, 2007) (Note 8) |                           |   |              |              |              |    |
| Total Number of Tenants                      | —                         |   |              |              |              |    |
| Total Rental Income                          | —                         |   |              |              |              |    |
| Security Deposits                            | —                         |   |              |              |              |    |
| Occupancy Rate                               | —                         |   |              |              |              |    |
| Total Leased Floor Area                      | —                         |   |              |              |              |    |
| Total Leasable Floor Area (Note 1)           | 2,502.11 sq. meters       |   |              |              |              |    |
| Past Occupancy Rates                         | May 31, 2002              | May 31, 2003  | May 31, 2004 | May 31, 2005 | May 31, 2006 |    |
|  | —%                        | —%  | —%           | —%           | —%           | —% |

(Note 1) Location and Other Items  
Location (Registry) and Area are based on the information in the real estate registry. As the building is still under construction, Use, Completion Date, Total Floor Area, and Structure are based on the information in the building permit. Leasable Units and Total Leasable Floor Area are based on the information in the application for confirmation of drawings and materials.

(Note 2) Street Address  
As the property is still under construction, the Street Address has yet to be confirmed.

(Note 3) Property Management Company  
The property management company, scheduled for commission after the acquisition, is stated.

(Note 4) Master Leasing Company  
The master leasing company, scheduled to sign a master lease agreement with after the acquisition, is stated.

(Note 5) Type of Master Lease  
The Pass-through Structure is scheduled for the type of master lease, but during the one year

period from the date of acquisition of the Property, the Fund will choose either the Pass-through Structure or the Rent Guaranteed Structure, on the last day of February 2009 before the acquisition, and will sign the master lease agreement on the scheduled date of acquisition. The Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant, and Rent Guaranteed Structure refers to a lease structure involving the master lease company paying a fixed amount of rent.

- (Note 6) Price Survey  
The price survey, relying on standard valuation method, is conducted by the real estate appraiser on the survey date, assuming that the completion of the building is on schedule.
- (Note 7) Estimated NOI  
The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the appraisal report by HIRO & REAS Network, Inc., and such amount has been rounded down to the nearest thousand (refer to Reference Material 1 “Price Survey Summary”). The stated amount, therefore, is not the Fund’s forecasted figure for the specified fiscal period.
- (Note 8) Lease Status  
As the property is still under construction, no lease agreements have been executed with tenants.

#### 4. Building Condition Appraisal Report Summary

|   |  |
|---|--|
|   | PRIME URBAN Tsurumai<br>(Tentative name) |
| Building Condition Appraisal Report Issuer              | Takenaka Corporation                     |
| Building Condition Appraisal Report Issue Date          | May 9, 2007                              |
| Estimated Amount of Emergency Repair Expenses (Note 1)  | —  |
| Estimated Amount of Short Term Repair Expenses (Note 2) | —  |
| Estimated Amount of Long Term Repair Expenses (Note 3)  | ¥26,722 thousand                         |
| Earthquake Risk Analysis (PML) (Note 4)                 | 13.5%                                    |

- (Note 1) Emergency Repair Expenses indicate the amount of repair expenses for items that are functionally deficient and hinder daily routine or items that have legal instructions for improvement and have yet to be repaired, depending on the level of urgency.
- (Note 2) Short Term Repair Expenses indicate the amount for repairs, items that are in need of immediate improvements due to rapid deterioration (excluding standard repair expenses and interior/facility renewal expenses), or items that may malfunction if left unattended.
- (Note 3) The Estimated Amount of Long Term Repair Expenses is the total amount indicated by the issuer, mentioned above, in the Long Term Repair Expenses Forecast (12 years), which is based on the Building Condition Appraisal Report.
- (Note 4) PML (Probable Maximum Loss), which is expressed as a percentage of the replacement value, indicates an estimate of costs to be incurred during the anticipated usable period (generally, the duration of a building is 50 years) for restoration of the property to pre-earthquake condition (a large scale earthquake is likely to occur every 475 years; the possibility of an earthquake occurring during the next 50 years is 10%).

#### 5. Architect/ Contractor/ Building Permit Agency/ Evaluation Agency

The architect, contractor, building permit agency and evaluation agency for the Property are as follows:

The Fund has received appraisal results for the Property, from a third party specialized agency, in respect of the confirmation of structural calculation (terms and results of the calculation and drawing consistency with the structural calculations), and such appraisal results states that, “The structural calculations have an earthquake resistance capacity that complies with the Building Standard Law.”

| Property Name                            | Architect                     | Contractor                    | Building Permit Agency (Note)  | Evaluation Agency                     |
|--|-------------------------------|-------------------------------|--------------------------------|---------------------------------------|
| PRIME URBAN Tsurumai<br>(tentative name) | Yahagi Construction Co., Ltd. | Yahagi Construction Co., Ltd. | Bureau Veritas Japan Co., Ltd. | HI International Consultant Co., Ltd. |

#### 6. Seller Profile

|   |  |
|---|--|
| Company Name                            | Archish Gallery Corporation  |
| Head Office                             | 3-10-32 Nishiki, Naka-ku Nagoya-shi, Aichi                                     |
| Representative                          | Masaya Onishi, Representative Director   |
| Capital                                 | ¥329,000 thousand (as of May 30, 2007)   |
| Principal Shareholder                   | VT Capital Co., Ltd.   |
| Principal Business                      | 1. Construction business<br>2. Building lots and building transaction business |
| Relationship with the Fund and/or NREAM | None   |

#### 7. Broker Profile

No brokers were involved in the transaction of the Property.

#### 8. Forecasts

Forecasts of financial results for the first fiscal period (August 3, 2006 - May 31, 2007) and the second fiscal period (June 1, 2007 - November 30, 2007) have not been changed.

#### Attachments:

Reference Material 1 “Price Survey Summary”

Reference Material 2 “Portfolio After Acquisition of the Property”

Reference Material 3 “Property Image”

(Reference Material 1)

## Price Survey Summary

|                  |                                       |
|------------------|---------------------------------------|
| Property Name    | PRIME URBAN Tsurumai (tentative name) |
| Appraisal Value  | ¥1,200,000,000                        |
| Appraisal Agency | HIRO & REAS Network, Inc.             |
| Appraisal Date   | May 10, 2007                          |

(Yen)

| Item  | Content       | Basis  |
|---|---------------|--|
| Income Capitalization Approach Value            | 1,200,000,000 | Using the value calculated by means of the Direct Capitalization Method as a reference, a value using the Discounted Cash Flow Method was adopted.   |
| Value using the Direct Capitalization Method    | 1,210,000,000 | Calculated by reducing the cap rate, using the second year net cash flow relating to the DCF method (excluding long term repair expenses, which use the 5-10 year average from the Building Condition Appraisal Report by Takenaka Corporation). |
| (1) Gross Income                                | 85,571,689    |  |
| Rental Income: (a)-(b)                          | 81,770,089    |  |
| (a) Potential Rental Income                     | 85,177,176    | Appraisal based on the standard market rent.   |
| (b) Vacancy Loss, etc.                          | 3,407,087     | Appraisal based on the market vacancy ratio.   |
| Parking Lot Income                              | 3,801,600     | Appraisal based on the standard market rent.   |
| (2) Total Expenses                              | 17,884,227    |  |
| Maintenance Expenses                            | 4,662,000     | Appraisal based on the estimated amount.   |
| Operation Management Fees                       | 2,567,151     | Appraisal based on the estimated amount.   |
| Utility Expenses                                | 855,717       | Appraisal based on performance of other properties.  |
| Restitution Expenses                            | 654,161       | Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.  |
| Insurance Fees                                  | 755,640       | Appraisal based on performance of other properties.  |
| Tax and Public Dues                             | 7,400,100     | Appraisal based on the fixed asset value confirmation document.  |
| CATV  | 561,600       | Appraisal based on the estimated amount.   |
| Other Expenses                                  | 427,858       | Appraisal based on performance of other properties.  |
| (3) Leasing Net Operating Income (NOI=(1)-(2))  | 67,687,462    |  |
| (4) Annual Funding for Large Scale Repair Costs | 3,340,250     | Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.  |
| (5) Standardized Net Cash Flow (NCF=(3)-(4))    | 64,347,212    |  |
| (6) Capitalization Rate                         | 5.3%          | Appraisal based on the regional and individual characteristics of real estate, while also taking into account the investment cap rate of the surrounding area.   |
| Value Using the Discounted Cash Flow Method     | 1,200,000,000 |  |
| Discount Rate                                   | 5.3%          |  |
| Final Capitalization Rate                       | 5.6%          |  |
| Cost Approach Value                             | 1,097,000,000 |  |
| Land Ratio                                      | 31.2%         |  |
| Building Ratio                                  | 68.8%         |  |

|  |  |
|--|--|
| Items applied to adjustments in value calculations and to the determination of the appraisal value | The property is located near Sakae-ku, the commercial center of the city, where large-scale shopping centers have opened in the recent years, making the area convenient for transportation and livability. Also, as the property is a newly built condominium, it is recognized as having competitive advantage over property in the surrounding area and expected to have demand from single adults who seek convenience and building quality, and therefore, stable operations can be expected. The appraisal value was determined in light of the above factors. |
|--|--|

(Note) In the Appraisal Report, the real estate appraiser has assessed the appraisal value relying on the standard valuation method, on the appraisal date, assuming that the building will be completed as scheduled.

## Portfolio After Acquisition of the Property

[Acquired Properties]

| Area<br>(Note 1)         | Name of Property                   | Location               | Leasable<br>Floor Area<br>(sqm) (Note 2) | Leasable<br>Units<br>(Units) | Acquisition Price<br>(Thousands of<br>Yen) (Note 3) | Percent of<br>Total (%)<br>(Note 4) | Acquired<br>Period<br>(Note 5) |
|--------------------------|------------------------------------|------------------------|--|------------------------------|---|-------------------------------------|--------------------------------|
| Greater<br>Tokyo<br>Area | PROUD FLAT Yovogi Uehara           | Shibuya-ku, Tokyo      | 1,151.34                                 | 44                           | 1,100,000   | 1.4                                 | 1st FP                         |
|                          | PROUD FLAT Hatsudai                | Shibuya-ku, Tokyo      | 958.98                                   | 31                           | 865,000   | 1.1                                 | 1st FP                         |
|                          | PROUD FLAT Gakugei Daigaku         | Meguro-ku, Tokyo       | 934.39                                   | 41                           | 812,000   | 1.0                                 | 1st FP                         |
|                          | PROUD FLAT Meguro Gyoninzaka       | Meguro-ku, Tokyo       | 855.26                                   | 40                           | 882,000   | 1.1                                 | 1st FP                         |
|                          | PROUD FLAT Kagurazaka              | Shinjuku-ku, Tokyo     | 1,793.43                                 | 70                           | 1,540,000   | 2.0                                 | 1st FP                         |
|                          | PROUD FLAT Sangen Java             | Setagaya-ku, Tokyo     | 1,277.82                                 | 48                           | 1,350,000   | 1.7                                 | 1st FP                         |
|                          | PROUD FLAT Kamata                  | Ota-ku, Tokyo          | 1,541.64                                 | 67                           | 1,140,000   | 1.4                                 | 1st FP                         |
|                          | PROUD FLAT Kiyosumi Shirakawa      | Koto-ku, Tokyo         | 1,209.56                                 | 55                           | 900,000   | 1.1                                 | 1st FP                         |
|                          | PRIME URBAN Akasaka                | Minato-ku, Tokyo       | 1,062.05                                 | 25                           | 956,000   | 1.2                                 | 1st FP                         |
|                          | PRIME URBAN Tamachi                | Minato-ku, Tokyo       | 1,107.36                                 | 48                           | 941,000   | 1.2                                 | 1st FP                         |
|                          | PRIME URBAN Ebisu Minami           | Shibuya-ku, Tokyo      | 881.89                                   | 21                           | 947,000   | 1.2                                 | 1st FP                         |
|                          | PRIME URBAN Yovogi                 | Shibuya-ku, Tokyo      | 439.56                                   | 19                           | 408,000   | 0.5                                 | 1st FP                         |
|                          | PRIME URBAN Bancho                 | Chiyoda-ku, Tokyo      | 1,277.04                                 | 52                           | 1,170,000   | 1.5                                 | 1st FP                         |
|                          | PRIME URBAN Chiyoda Fujimi         | Chiyoda-ku, Tokyo      | 793.87                                   | 32                           | 707,000   | 0.9                                 | 1st FP                         |
|                          | PRIME URBAN Idabashi               | Chiyoda-ku, Tokyo      | 2,087.70                                 | 90                           | 2,030,000   | 2.6                                 | 1st FP                         |
|                          | PRIME URBAN Ebisu                  | Meguro-ku, Tokyo       | 1,444.40                                 | 29                           | 1,200,000   | 1.5                                 | 1st FP                         |
|                          | PRIME URBAN Naka Meguro            | Meguro-ku, Tokyo       | 1,302.42                                 | 49                           | 1,320,000   | 1.7                                 | 1st FP                         |
|                          | PRIME URBAN Gakugei Daigaku        | Meguro-ku, Tokyo       | 1,008.39                                 | 32                           | 886,000   | 1.1                                 | 1st FP                         |
|                          | PRIME URBAN Senzoku                | Meguro-ku, Tokyo       | 655.27                                   | 22                           | 536,000   | 0.7                                 | 1st FP                         |
|                          | PRIME URBAN Nishi Shinjuku I       | Shinjuku-ku, Tokyo     | 1,459.86                                 | 60                           | 1,290,000   | 1.6                                 | 1st FP                         |
|                          | PRIME URBAN Nishi Shinjuku II      | Shinjuku-ku, Tokyo     | 1,162.55                                 | 46                           | 1,000,000   | 1.3                                 | 1st FP                         |
|                          | PRIME URBAN Shinjuku Naitomachi    | Shinjuku-ku, Tokyo     | 578.18                                   | 14                           | 512,000   | 0.6                                 | 1st FP                         |
|                          | PRIME URBAN Sangen Java            | Setagaya-ku, Tokyo     | 874.15                                   | 33                           | 835,000   | 1.1                                 | 1st FP                         |
|                          | PRIME URBAN Shinagawa Nishi        | Shinagawa-ku, Tokyo    | 961.25                                   | 46                           | 624,000   | 0.8                                 | 1st FP                         |
|                          | PRIME URBAN Osaki                  | Shinagawa-ku, Tokyo    | 2,106.16                                 | 99                           | 1,700,000   | 2.2                                 | 1st FP                         |
|                          | PRIME URBAN Omori                  | Ota-ku, Tokyo          | 1,190.70                                 | 54                           | 824,000   | 1.0                                 | 1st FP                         |
|                          | PRIME URBAN Kita Senzoku           | Ota-ku, Tokyo          | 834.90                                   | 46                           | 576,000   | 0.7                                 | 1st FP                         |
|                          | PRIME URBAN Nishi Ogikubo          | Suginami-ku, Tokyo     | 543.09                                   | 24                           | 435,000   | 0.6                                 | 1st FP                         |
|                          | PRIME URBAN Otsuka                 | Toshima-ku, Tokyo      | 944.99                                   | 46                           | 794,000   | 1.0                                 | 1st FP                         |
|                          | PRIME URBAN Monzen Nakacho         | Koto-ku, Tokyo         | 3,127.94                                 | 117                          | 2,200,000   | 2.8                                 | 1st FP                         |
|                          | PRIME URBAN Kameido                | Koto-ku, Tokyo         | 1,117.34                                 | 52                           | 705,000   | 0.9                                 | 1st FP                         |
|                          | PRIME URBAN Sumiyoshi              | Koto-ku, Tokyo         | 813.52                                   | 40                           | 552,000   | 0.7                                 | 1st FP                         |
|                          | PRIME URBAN Kinshi Koen            | Sumida-ku, Tokyo       | 1,886.50                                 | 77                           | 1,180,000   | 1.5                                 | 1st FP                         |
|                          | PRIME URBAN Kinshicho              | Sumida-ku, Tokyo       | 991.62                                   | 49                           | 668,000   | 0.8                                 | 1st FP                         |
|                          | PRIME URBAN Hirai                  | Edogawa-ku, Tokyo      | 1,095.91                                 | 53                           | 700,000   | 0.9                                 | 1st FP                         |
|                          | PRIME URBAN Kasai                  | Edogawa-ku, Tokyo      | 905.81                                   | 45                           | 637,000   | 0.8                                 | 1st FP                         |
|                          | PRIME URBAN Kasai II               | Edogawa-ku, Tokyo      | 1,437.84                                 | 68                           | 958,000   | 1.2                                 | 1st FP                         |
|                          | PRIME URBAN Uravasu                | Uravasu-shi, Chiba     | 1,264.84                                 | 60                           | 840,000   | 1.1                                 | 1st FP                         |
|                          | PRIME URBAN Gvotoku I              | Ichikawa-shi, Chiba    | 1,151.36                                 | 52                           | 635,000   | 0.8                                 | 1st FP                         |
|                          | PRIME URBAN Gvotoku II             | Ichikawa-shi, Chiba    | 1,244.00                                 | 58                           | 741,000   | 0.9                                 | 1st FP                         |
|                          | PRIME URBAN Gvotoku Ekimae         | Ichikawa-shi, Chiba    | 778.19                                   | 37                           | 476,000   | 0.6                                 | 1st FP                         |
|                          | PRIME URBAN Nishi Funabashi        | Funabashi-shi, Chiba   | 1,237.80                                 | 60                           | 772,000   | 1.0                                 | 1st FP                         |
|                          | URBAN STAGE Azabu Juban            | Minato-ku, Tokyo       | 1,222.13                                 | 40                           | 991,000   | 1.3                                 | 1st FP                         |
|                          | URBAN STAGE Hatagava               | Shibuya-ku, Tokyo      | 650.60                                   | 38                           | 452,000   | 0.6                                 | 1st FP                         |
|                          | URBAN STAGE Toritsu Daigaku        | Meguro-ku, Tokyo       | 996.81                                   | 16                           | 524,000   | 0.7                                 | 1st FP                         |
|                          | URBAN STAGE Kachidoki              | Chuo-ku, Tokyo         | 4,481.82                                 | 144                          | 2,290,000   | 2.9                                 | 1st FP                         |
|                          | URBAN STAGE Naka Ochiai            | Shinjuku-ku, Tokyo     | 1,237.98                                 | 18                           | 655,000   | 0.8                                 | 1st FP                         |
|                          | URBAN STAGE Ochiai                 | Shinjuku-ku, Tokyo     | 517.53                                   | 32                           | 324,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Roka Koen              | Setagaya-ku, Tokyo     | 567.20                                   | 34                           | 362,000   | 0.5                                 | 1st FP                         |
|                          | URBAN STAGE Kamiyama               | Setagaya-ku, Tokyo     | 1,739.86                                 | 37                           | 900,000   | 1.1                                 | 1st FP                         |
|                          | URBAN STAGE Sangen Java            | Setagaya-ku, Tokyo     | 1,018.72                                 | 47                           | 755,000   | 1.0                                 | 1st FP                         |
|                          | URBAN STAGE Chitose Karasuyama     | Setagaya-ku, Tokyo     | 1,774.01                                 | 27                           | 730,000   | 0.9                                 | 1st FP                         |
|                          | URBAN STAGE Sangen Java II         | Setagaya-ku, Tokyo     | 810.98                                   | 17                           | 539,000   | 0.7                                 | 1st FP                         |
|                          | URBAN STAGE Komazawa               | Setagaya-ku, Tokyo     | 572.41                                   | 26                           | 396,000   | 0.5                                 | 1st FP                         |
|                          | URBAN STAGE Karasuyama             | Setagaya-ku, Tokyo     | 507.52                                   | 28                           | 344,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Oimachi                | Shinagawa-ku, Tokyo    | 722.70                                   | 45                           | 530,000   | 0.7                                 | 1st FP                         |
|                          | URBAN STAGE Oimachi II             | Shinagawa-ku, Tokyo    | 1,719.82                                 | 92                           | 1,100,000   | 1.4                                 | 1st FP                         |
|                          | URBAN STAGE Yukigava               | Ota-ku, Tokyo          | 1,536.59                                 | 94                           | 970,000   | 1.2                                 | 1st FP                         |
|                          | URBAN STAGE Ikegami                | Ota-ku, Tokyo          | 2,456.48                                 | 95                           | 1,460,000   | 1.9                                 | 1st FP                         |
|                          | URBAN STAGE Nakano                 | Nakano-ku, Tokyo       | 801.30                                   | 51                           | 472,000   | 0.6                                 | 1st FP                         |
|                          | URBAN STAGE Takaido                | Suginami-ku, Tokyo     | 1,746.20                                 | 107                          | 1,080,000   | 1.4                                 | 1st FP                         |
|                          | URBAN STAGE Komagome               | Toshima-ku, Tokyo      | 990.18                                   | 19                           | 412,000   | 0.5                                 | 1st FP                         |
|                          | URBAN STAGE Mukojima               | Sumida-ku, Tokyo       | 1,108.91                                 | 55                           | 487,000   | 0.6                                 | 1st FP                         |
|                          | URBAN STAGE Ekoda                  | Nerima-ku, Tokyo       | 872.49                                   | 35                           | 385,000   | 0.5                                 | 1st FP                         |
|                          | URBAN STAGE Takinokawa             | Kita-ku, Tokyo         | 554.39                                   | 29                           | 287,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Asakusa                | Taito-ku, Tokyo        | 876.70                                   | 22                           | 350,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Machiva                | Arakawa-ku, Tokyo      | 455.19                                   | 26                           | 210,000   | 0.3                                 | 1st FP                         |
|                          | URBAN STAGE Koganei                | Koganei-shi, Tokyo     | 682.43                                   | 27                           | 229,000   | 0.3                                 | 1st FP                         |
|                          | URBAN STAGE Hino                   | Hino-shi, Tokyo        | 994.68                                   | 54                           | 319,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Tsurumi Terava         | Yokohama-shi, Kanagawa | 952.06                                   | 50                           | 457,000   | 0.6                                 | 1st FP                         |
|                          | URBAN STAGE Tennocho               | Yokohama-shi, Kanagawa | 332.48                                   | 20                           | 136,000   | 0.2                                 | 1st FP                         |
|                          | URBAN STAGE Uravasu                | Uravasu-shi, Chiba     | 437.94                                   | 27                           | 277,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Minami Gvotoku I       | Ichikawa-shi, Chiba    | 682.05                                   | 41                           | 357,000   | 0.5                                 | 1st FP                         |
|                          | URBAN STAGE Minami Gvotoku II      | Ichikawa-shi, Chiba    | 611.61                                   | 37                           | 285,000   | 0.4                                 | 1st FP                         |
|                          | URBAN STAGE Minami Gvotoku III     | Ichikawa-shi, Chiba    | 543.84                                   | 33                           | 263,000   | 0.3                                 | 1st FP                         |
|                          | URBAN STAGE Minami Gvotoku IV      | Ichikawa-shi, Chiba    | 535.08                                   | 32                           | 256,000   | 0.3                                 | 1st FP                         |
|                          | URBAN STAGE Minami Urawa           | Saitama-shi, Saitama   | 694.05                                   | 32                           | 274,000   | 0.3                                 | 1st FP                         |
|                          | URBAN STAGE Yono Hommachi          | Saitama-shi, Saitama   | 1,372.74                                 | 70                           | 519,000   | 0.7                                 | 1st FP                         |
|                          | Cosmo Gracia Yotsuya Gaien Higashi | Shinjuku-ku, Tokyo     | 1,759.61                                 | 51                           | 1,700,000   | 2.2                                 | 1st FP                         |
|                          | Sub Total (79 Properties)          |                        | 89,027.96                                | 3,699                        | 61,421,000  | 77.8                                |                                |

| Area<br>(Note 1)          | Name of Property           | Location              | Leasable<br>Floor Area<br>(sqm) (Note 2) | Leasable<br>Units<br>(Units) | Acquisition Price<br>(Thousands of<br>Yen) (Note 3) | Percent of<br>Total (%)<br>(Note 4) | Acquired<br>Period<br>(Note 5) |
|---------------------------|----------------------------|-----------------------|--|------------------------------|---|-------------------------------------|--------------------------------|
| Other<br>Areas            | PROUD FLAT Itsutsubashi    | Sendai-shi, Miyagi    | 1,861.56                                 | 60                           | 682,000   | 0.9                                 | 1st FP                         |
|                           | PRIME URBAN Aoi            | Nagova-shi, Aichi     | 1,571.04                                 | 46                           | 724,000   | 0.9                                 | 1st FP                         |
|                           | PRIME URBAN Esaka I        | Suita-shi, Osaka      | 1,189.12                                 | 48                           | 672,000   | 0.9                                 | 1st FP                         |
|                           | PRIME URBAN Esaka II       | Suita-shi, Osaka      | 1,392.00                                 | 57                           | 790,000   | 1.0                                 | 1st FP                         |
|                           | Presence S17               | Sapporo-shi, Hokkaido | 1,518.58                                 | 33                           | 377,000   | 0.5                                 | 1st FP                         |
|                           | Presence N14               | Sapporo-shi, Hokkaido | 1,155.60                                 | 36                           | 336,000   | 0.4                                 | 1st FP                         |
|                           | Classe Odori Koen          | Sapporo-shi, Hokkaido | 1,850.20                                 | 53                           | 530,000   | 0.7                                 | 1st FP                         |
|                           | Presence S1                | Sapporo-shi, Hokkaido | 1,148.72                                 | 36                           | 322,000   | 0.4                                 | 1st FP                         |
|                           | Benefis Hakata Grand Suite | Fukuoka-shi, Fukuoka  | 2,176.23                                 | 67                           | 830,000   | 1.1                                 | 1st FP                         |
|                           | Benefis Yakuin Minami      | Fukuoka-shi, Fukuoka  | 897.84                                   | 34                           | 351,000   | 0.4                                 | 1st FP                         |
| Sub Total (10 Properties) |                            |                       | 14,760.89                                | 470                          | 5,614,000   | 7.1                                 |                                |
| Total (89 Properties)     |                            |                       | 103,788.85                               | 4,169                        | 67,035,000  | 84.9                                |                                |

[Scheduled Acquisitions]

| Area<br>(Note 1)         | Name of Property                            | Location               | Leasable<br>Floor Area<br>(sqm) (Note 2) | Leasable<br>Units<br>(Units) | Acquisition Price<br>(Thousands of<br>Yen) (Note 3) | Percent of<br>Total (%)<br>(Note 4) | Acquiring<br>Period<br>(Note 5) |
|--------------------------|---|------------------------|--|------------------------------|---|-------------------------------------|---------------------------------|
| Greater<br>Tokyo<br>Area | PROUD FLAT Sumida Riverside                 | Chuo-ku, Tokyo         | 3,055.21                                 | 110                          | 2,260,000   | 2.9                                 | 2nd FP                          |
|                          | PROUD FLAT Waseda                           | Shinjuku-ku, Tokyo     | 1,450.91                                 | 60                           | 1,110,000   | 1.4                                 | 2nd FP                          |
|                          | PROUD FLAT Yokohama (tentative name)        | Yokohama-shi, Kanagawa | 3,118.12                                 | 113                          | 2,340,000   | 3.0                                 | 3rd FP                          |
|                          | PRIME URBAN Hakusan                         | Bunkyo-ku, Tokyo       | 1,069.32                                 | 42                           | 893,000   | 1.1                                 | 3rd FP                          |
| Sub Total (4 Properties) |   |                        | 8,693.56                                 | 325                          | 6,603,000   | 8.4                                 |                                 |
| Other<br>Areas           | PRIME URBAN Hokudaimae (tentative name)     | Sapporo-shi, Hokkaido  | 1,851.39                                 | 60                           | 600,000   | 0.8                                 | 3rd FP                          |
|                          | PRIME URBAN Kita Nijuvo Jo (tentative name) | Sapporo-shi, Hokkaido  | 1,773.90                                 | 36                           | 503,700   | 0.6                                 | 3rd FP                          |
|                          | PRIME URBAN Mivanosawa (tentative name)     | Sapporo-shi, Hokkaido  | 2,114.53                                 | 54                           | 576,200   | 0.7                                 | 3rd FP                          |
|                          | PRIME URBAN Odori Higashi (tentative name)  | Sapporo-shi, Hokkaido  | 1,494.36                                 | 36                           | 424,000   | 0.5                                 | 3rd FP                          |
|                          | PRIME URBAN Chiji Koukan (tentative name)   | Sapporo-shi, Hokkaido  | 1,007.30                                 | 42                           | 337,900   | 0.4                                 | 3rd FP                          |
|                          | PRIME URBAN Maruyama (tentative name)       | Sapporo-shi, Hokkaido  | 911.07                                   | 27                           | 283,200   | 0.4                                 | 3rd FP                          |
|                          | PRIME URBAN Odori Minami (tentative name)   | Sapporo-shi, Hokkaido  | 2,439.90                                 | 58                           | 731,600   | 0.9                                 | 3rd FP                          |
|                          | PRIME URBAN Kanayama (tentative name)       | Nagova-shi, Aichi      | 1,391.02                                 | 58                           | 632,000   | 0.8                                 | 3rd FP                          |
|                          | PRIME URBAN Tsurumai (tentative name)       | Nagova-shi, Aichi      | 2,502.11                                 | 104                          | 1,189,096   | 1.5                                 | 5th FP                          |
| Sub Total (9 Properties) |   |                        | 15,485.58                                | 475                          | 5,277,696   | 6.7                                 |                                 |
| Total (13 Properties)    |   |                        | 24,179.14                                | 800                          | 11,880,696  | 15.1                                |                                 |

[Acquired Properties and Scheduled Acquisitions Total]

| Area (Number of Properties) (Note 1) | Leasable<br>Floor Area<br>(sqm) (Note 2) | Leasable<br>Units<br>(Units) | Acquisition Price<br>(Thousands of<br>Yen) (Note 3) | Percent of<br>Total (%)<br>(Note 4) |
|--------------------------------------|--|------------------------------|---|-------------------------------------|
| Greater Tokyo Area (83 Properties)   | 97,721.52                                | 4,024                        | 68,024,000  | 86.2                                |
| Other Areas (19 Properties)          | 30,246.47                                | 945                          | 10,891,696  | 13.8                                |
| Total (102 Properties)               | 127,967.99                               | 4,969                        | 78,915,696  | 100.0                               |

(Note 1) "Greater Tokyo Area" refers to the metropolis of Tokyo and the three surrounding prefectures, Kanagawa, Chiba and Saitama. "Other Areas" refer to the three major metropolitan areas, excluding Tokyo, and other major cities throughout Japan, including government designated cities.

(Note 2) "Leasable Floor Area" refers to the area entered in the Lease Agreement and calculated from the as-built drawings, not from the real estate registry. As a result, the sum of Leasable Floor Area may exceed the total floor area.

(Note 3) "Acquisition Price" refers to the amount entered in the Sales Contract of Real Estate or Trust Beneficiary Rights, or the Conditional Sales Contract, and does not include the expenses in the acquisition, such as trading intermediate fees, taxes and public dues.

(Note 4) "Percentage of Total" refers to the acquisition price ratio of each property, based on the acquisition price.

(Note 5) "Acquired Period" "Acquiring Period" refers to the Fund's fiscal period in which the acquisition, or the scheduled acquisition, of each property is completed, or scheduled to be completed.

First Fiscal Period: August 3, 2006 - May 31, 2007  
Second Fiscal Period: June 1, 2007 - November 30, 2007  
Third Fiscal Period: December 1, 2007 - May 31, 2008  
Fourth Fiscal Period: June 1, 2008 - November 30, 2008  
Fifth Fiscal Period: December 1, 2008 - May 31, 2009



(Reference Material 3)

## Property Image

PRIME URBAN Tsurumai (tentative name)



(Note) This image has been created in accordance with architectural drawings and specifications and may differ from the actual building.