



NOMURA
Residential Fund

For Translation Purposes Only

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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 to acquire real estate, as briefly explained below.

1. Summary of the Assets

(1) PRIME URBAN Minami Karasuyama

Type of Asset	Real estate
Property Name	PRIME URBAN Minami Karasuyama
Acquisition Price	¥840,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	September 28, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	September 28, 2007 (date of delivery of the real estate)
Seller	DIA Kensetsu Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Debt financing
Form of Payment	Payment in full at the time of purchase

(2) PRIME URBAN Karasuyama Galleria

Type of Asset	Real estate
Property Name	PRIME URBAN Karasuyama Galleria
Acquisition Price	¥645,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	September 28, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	September 28, 2007 (date of delivery of the real estate)

Seller	Shimada House Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Debt financing
Form of Payment	Payment in full at the time of purchase

(Note) Although the current property name is “Grand Asset Karasuyama Galleria”, the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

(3) PRIME URBAN Karasuyama Court

Type of Asset	Real estate
Property Name	PRIME URBAN Karasuyama Court
Acquisition Price	¥413,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	September 28, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	September 28, 2007 (date of delivery of the real estate)
Seller	Shimada House Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Debt financing
Form of Payment	Payment in full at the time of purchase

(Note) Although the current property name is “Grand Asset Karasuyama Court”, the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

(4) URBAN STAGE Musashikosugi comodo

Type of Asset	Real estate
Property Name	URBAN STAGE Musashikosugi comodo
Acquisition Price	¥2,150,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	September 28, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	September 28, 2007 (date of delivery of the real estate)
Seller	ReBITA Inc. (refer to “6. Seller Profile” below)
Financing	Debt financing
Form of Payment	Payment in full at the time of purchase

(Note) Although the current property name is “Comodo Musashikosugi”, the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

2. Reasons for Acquisition

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

- (1) PRIME URBAN Minami Karasuyama
PRIME URBAN Karasuyama Galleria
PRIME URBAN Karasuyama Court

The Chitose Karasuyama Area

- PRIME URBAN Minami Karasuyama, PRIME URBAN Karasuyama Galleria, and PRIME URBAN Karasuyama Court are all located within walking distance of Chitose Karasuyama Station, an express station on the Keio Line. Using the line, access to Shinjuku Station is approx. 13 minutes and to Shibuya Station is approx. 18 minutes

(transferring on to the Keio Inogashira Line). Also, it has convenient accessibility, by using the Toei Subway Shinjuku Line, which extends on from Keio Line, Otemachi Station is approx. 30 minutes (by express) away.

- The area surrounding Chitose Karasuyama Station has both convenient livability and excellent living atmosphere, as there is a busy commercial street in front of the station.
- Along the Keio Line are many universities such as Meiji University, Nihon University, Shirayuri Women's College, Japan Women's College of Physical Education, Toho Gakuen School, etc, and the properties can expect steady demand from not only those who commute to the city, but also those affiliated with the universities (faculty, students, etc.).

PRIME URBAN Minami Karasuyama

- Although this property is relatively close, a 3-minute walk, to the Chitose Karasuyama Station, the location is slightly secluded from the commercial street in front of the station, giving the area a quiet living environment.
- This property consists of 6 different room layouts (1K, 1LDK), which all have a spacious openings, and can expect high competitiveness from the exterior design and interior specifications, etc.

PRIME URBAN Karasuyama Galleria

- This property is a 2-minute walk to Chitose Karasuyama Station.
- Adding to the stately exterior design of the building, this property consists of 6 types of 1K room layouts that are able to support a variety of lifestyles, and can expect to meet the needs of single adults who focus on functionality.

PRIME URBAN Karasuyama Court

- This property is accessible to 2 stations, Chitose Karasuyama Station (8-minute walk) and Roka Koen Station (7-minute walk), both on the Keio Line.
- This property consists of 11 various types of room layouts (1K) and 12 out of 23 units are a corner room with natural light on two sides (certain rooms three sides), able to meet the needs of various prospect tenants.

(2) URBAN STAGE Musashi Kosugi comodo

- This property is accessible to 3 stations, Musashi Kosugi Station on the Tokyu Toyoko Line (limited express stop, 5-minute walk), Musashi Kosugi Station on the Tokyu Meguro Line (first station on the line, express stop, 5-minute walk), and Musashi Kosugi Station on the JR Nambu Line (4-minute walk), which has high access convenience.
- Access to Shibuya Station using the Tokyu Toyoko Line is approx. 13 minutes and Yokohama Station is approx. 12 minutes (both by limited express). This property also has excellent access to the Roppongi and Otemachi areas, using the Tokyu Toyoko Line, which extends on to Tokyo Metro Hibiya Line, or the Tokyu Meguro Line, which extends on to Tokyo Metro Nambu Line and Toei Subway Mita Line.
- Also, from Kawasaki Station on the JR Nambu Line (approx. 12 minutes), connectable to JR Keihin Tohoku Line, Tokaido Line, etc., enables access to Haneda Airport and Shinagawa, etc., a convenient access to domestic flights and the Shinkansen.
- In addition, a new Musashi Kosugi Station on the JR Yokosuka Line is scheduled to be constructed in 2009. Already a large-scale redevelopment project of office buildings, commercial facilities, and high rise apartments, etc., are underway in the surrounding area of the station. It is expected to be one of the most developed and growing areas along the line.

- This property, despite it being close to Musashi Kosugi Station, is located in a quiet residential area, and as there are roads on three sides of the property, a spacious layout plan was provided.
- Also, with the large scale renovations that took place last year, such as renovation construction in all units (full renovations of interior, including layout changes, and instillation of all electric system), design renewal construction in common areas (building exterior, entrance, entrance hall, etc.), paint work (spray painting exterior wall, iron section), waterproofing (roof), etc., it ensures a competitive strength that is equal to a newly built property, which has been realized by this property with its high occupancy rate (as of today 98.4%).

As stated above, the Fund expects steady demand from DINKs and young families who commute to the inner city and Keihin areas.

3. Property Summary

(1) PRIME URBAN Minami Karasuyama

Property Name		PRIME URBAN Minami Karasuyama
Type of Asset		Real Estate
Location (Note 1)	Registry	5-592-30 Minami Karasuyama, Setagaya-ku Tokyo
	Street Address	5-7-4 Minami Karasuyama, Setagaya-ku Tokyo
Access		3-minute walk from Chitose Karasuyama Station on the Keio Line.
Land	Ownership	Ownership
	Area (Note 1)	685.69 sq. meters
	Building Coverage	60%
	Floor Area Ratio (Note 2)	161.4%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	January 31, 2007
	Total Floor Area (Note 1)	1,170.58 sq. meters
	Structure (Note 1)	RC, 5F
	Leasable Units (Note 3)	41 units (under 30 sq. meters: 40 units, 30-50 sq. meters: 1 unit)
Property Management Company		Shimada House Co., Ltd. (Note 4)
Master Leasing Company		Shimada House Co., Ltd. (Note 5)
Type of Master Lease		Pass-through Structure (Note 6)
Collateral		None
Notes		According to the plat, there is private land (registry: 592-9, category: public road) owned by a third-party between the property and the city road, but the City of Setagaya has already determined the road precinct regarding the city road, and according to the interview with the City of Setagaya Road Management Division, it is viewed that the property is on the boarder of a city road approved and administered by the City of Setagaya, confirmed on September 13, 2007.
Acquisition Price		¥840,000 thousand

Appraisal (Note 5)	Appraisal Method	Price survey by HIRO & REAS Network, Inc.				
	Appraisal Value	¥845,000 thousand				
	Appraisal Date	September 1, 2007				
Estimated NOI (Note 7)		¥42,872 thousand				
Leasing Status (as of September 27, 2007) (Note 8)						
Total Number of Tenants	—					
Total Rental Income	—					
Security Deposits	—					
Occupancy Rate	—					
Total Leased Floor Area	—					
Total Leasable Floor Area (Note 3)	1,049.73 sq. meters					
Past Occupancy Rates	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007	
	—%	—%	—%	—%	—%	

(Note 1) Location and Other Items
Location, Area, Completion Date, Total Floor Area, and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated.

(Note 2) Floor Area Ratio
The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.035 meters × 40%) is prioritized.

(Note 3) Leasable Units and Total Leasable Floor Area
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 4) Property Management Company
The scheduled property management company after the acquisition is stated.

(Note 5) Master Leasing Company
The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.

(Note 6) Type of Master Lease
The type of master lease scheduled for use upon completion of the acquisition is stated. 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.

(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 "Appraisal Report Summary"). The stated amount, therefore, is not the Fund's forecasted figure for the specified fiscal period.

(Note 8) Leasing Status
The property has not entered into a lease agreement with the end-tenant, as of today (After the acquisition of this property by the Fund, executing a lease agreement with the end-tenant is scheduled.).

(2)PRIME URBAN Karasuyama Galleria

Property Name	PRIME URBAN Karasuyama Galleria				
Type of Asset	Real Estate				
Location	Registry	4-615-12, 618-4 Minami Karasuyama, Setagaya-ku Tokyo			

(Note 1)	Street Address	4-10-24 Minami Karasuyama, Setagaya-ku Tokyo			
Access		2-minute walk from Chitose Karasuyama Station on the Keio Line.			
Land	Ownership	Ownership			
	Area (Note 1)	436.61 sq. meters			
	Building Coverage	60%			
	Floor Area Ratio (Note 2)	160%			
Building	Ownership	Ownership			
	Use (Note 1)	Apartment building			
	Completion Date (Note 1)	March 15, 2007			
	Total Floor Area (Note 1)	994.54 sq. meters			
	Structure (Note 1)	RC, B1/4F			
	Leasable Units (Note 3)	33 units (under 30 sq. meters: 33 units)			
Property Management Company		Shimada House Co., Ltd. (Note 4)			
Master Leasing Company		Shimada House Co., Ltd. (Note 5)			
Type of Master Lease		Pass-through Structure (Note 6)			
Collateral		None			
Notes		None			
Acquisition Price		¥645,000 thousand			
Appraisal	Appraisal Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.			
	Appraisal Value	¥645,000 thousand			
	Appraisal Date	July 31, 2007			
Estimated NOI (Note 7)		¥31,041 thousand			
Leasing Status (as of September 27, 2007)					
Total Number of Tenants (Note 8)	33				
Total Rental Income	¥40,128 thousand				
Security Deposits	¥6,294 thousand				
Occupancy Rate	100%				
Total Leased Floor Area (Note 9)	835.05 sq. meters				
Total Leasable Floor Area (Note 3)	835.05 sq. meters				
Past Occupancy Rates	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007
	—%	—%	—%	—%	100%

(Note 1) Location and Other Items

Location, Area, Completion Date, Total Floor Area, and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated. Also, regarding Area, approx. 4.11 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law.

(Note 2) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.00 meters × 40%) is prioritized.

(Note 3) Leasable Units and Total Leasable Floor Area

Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included). The Total Leasable Floor Area is not based on the real estate registry, but the floor area

indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

- (Note 4) Property Management Company
The scheduled property management company after the acquisition is stated.
- (Note 5) Master Leasing Company
The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.
- (Note 6) Type of Master Lease
The type of master lease scheduled for use upon completion of the acquisition is stated. 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.
- (Note 7) Estimated NOI
NOI stands for Net Operating Income, and is the amount of the Property's rental income, minus the total of all leasing business expenses.
Estimated NOI is the fiscal year's estimated figure, excluding the special causes during the first year of acquisition, and is prepared under the terms mentioned below. That said, the stated amount, therefore, is not the Fund's forecast figure for the specified fiscal period.
(i) Assuming that the occupation rate is 95% concerning the rental revenue.
(ii) Expected to have expenditures of the estimated assessment amount for the year 2007, concerning the tax and public dues.
- (Note 8) Total Number of Tenants
The total number of tenants that have actually leased and a lease agreement has been executed with the end-tenant, as of today, has been indicated, but by the time of delivery, a master lease agreement is scheduled to be executed with the master lease company, and after the agreement, the total number of tenants is scheduled to be 1.
- (Note 9) Total Leased Floor Area
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

(3)PRIME URBAN Karasuyama Court

Property Name		PRIME URBAN Karasuyama Court
Type of Asset		Real Estate
Location (Note 1)	Registry	4-362-4, -8, -5, -7 Minami Karasuyama, Setagaya-ku Tokyo
	Street Address	4-1-11 Minami Karasuyama, Setagaya-ku Tokyo
Access		8-minute walk from Chitose Karasuyama Station and a 7 minute walk from Roka Koen Station on the Keio Line.
Land	Ownership	Ownership (co-ownership in certain areas)
	Area (Note 1)	(1) 308.98 sq. meters (2) 49.70 sq. meters (Note 2)
	Building Coverage	60%
	Floor Area Ratio (Note 3)	160%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	March 26, 2007
	Total Floor Area (Note 1)	634.19 sq. meters
	Structure (Note 1)	RC, B1/3F
	Leasable Units (Note 4)	23 units (under 30 sq. meters: 23 units)
Property Management Company		Shimada House Co., Ltd. (Note 5)
Master Leasing Company		Shimada House Co., Ltd. (Note 6)
Type of Master Lease		Pass-through Structure (Note 7)

Collateral		None				
Notes		None				
Acquisition Price		¥413,000 thousand				
Appraisal	Appraisal Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.				
	Appraisal Value	¥413,000 thousand				
	Appraisal Date	July 31, 2007				
Estimated NOI (Note 8)		¥20,316 thousand				
Leasing Status (as of September 27, 2007)						
Total Number of Tenants (Note 9)	23					
Total Rental Income	¥26,256 thousand					
Security Deposits	¥2,556 thousand					
Occupancy Rate	100%					
Total Leased Floor Area (Note 10)	576.20 sq. meters					
Total Leasable Floor Area (Note 4)	576.20 sq. meters					
Past Occupancy Rates	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007	
	—%	—%	—%	—%	95.7%	

(Note 1) Location and Other Items

Location, Area, Completion Date, Total Floor Area, and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated.

(Note 2) Area

(1) is the area of the land owned (362-4, -8) and (2) is the area of the land co-owned (362-5, -7: the ratio owned by the Fund is 30,744/48,286). Regarding (1), approx. 1.54 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law. Regarding (2), approx. 48.30 sq. meters has been specifically positioned as a road according to Article 42, Paragraph 1 of the Building Standard Law, and approx. 1.40 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law

(Note 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.00 meters × 40%) is prioritized.

(Note 4) Leasable Units and Total Leasable Floor Area

Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included). The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 5) Property Management Company

The scheduled property management company after the acquisition is stated.

(Note 6) Master Leasing Company

The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.

(Note 7) Type of Master Lease

The type of master lease scheduled for use upon completion of the acquisition is stated. 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.

(Note 8) Estimated NOI

NOI stands for Net Operating Income, and is the amount of the Property's rental income, minus the total of all leasing business expenses.

Estimated NOI is the fiscal year's estimated figure, excluding the special causes during the first

year of acquisition, and is prepared under the terms mentioned below. That said, the stated amount, therefore, is not the Fund's forecast figure for the specified fiscal period.

(i) Assuming that the occupation rate is 95% concerning the rental revenue.

(ii) Expected to have expenditures of the estimated assessment amount for the year 2007, concerning the tax and public dues.

(Note 9) Total Number of Tenants

The total number of tenants that have actually leased and a lease agreement has been executed with the end-tenant, as of today, has been indicated, but by the time of delivery, a master lease agreement is scheduled to be executed with the master lease company, and after the agreement, the total number of tenants is scheduled to be 1.

(Note 10) Total Leased Floor Area

Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

(4) URBAN STAGE Musashi Kosugi comodo

Property Name		URBANS STAGE Musashi Kosugi comodo
Type of Asset		Real Estate
Location (Note 1)	Registry	2-902-1 Shin Maruko Higashi Nakahara-ku, Kawasaki-shi Kanagawa
	Street Address	2-902-1 Shin Maruko Higashi Nakahara-ku, Kawasaki-shi Kanagawa (Note 2)
Access		5-minute walk from Musashi Kosugi Station on the Tokyu Toyoko and Meguro Lines. 4-minute walk from Musashi Kosugi Station on the JR Nambu Line. 3-minute walk from Shin Maruko Station on the Tokyu Toyoko and Meguro Lines.
Land	Ownership	Ownership
	Area (Note 1)	1,614.32 sq. meters
	Building Coverage (Note 3)	100%
	Floor Area Ratio (Note 4)	336%
Building	Ownership	Ownership
	Use (Note 1)	Office/Apartment building
	Completion Date (Note 1)	February 25, 1987
	Total Floor Area (Note 1)	4,233.62 sq. meters
	Structure (Note 1)	RC, 7F
	Leasable Units (Note 5)	56 units (30-50 sq. meters: 6 units, 50-70 sq. meters: 36 units, over 70 sq. meters: 11 units, retail/office: 3 units)
Property Management Company		Rio Corporation (Note 6)
Master Leasing Company		Rio Corporation (Note 7)
Type of Master Lease		Pass-through Structure (Note 8)
Collateral		None
Notes		None
Acquisition Price		¥2,150,000 thousand
Appraisal	Appraisal Method	Price survey by HIRO & REAS Network, Inc.
	Appraisal Value	¥2,170,000 thousand
	Appraisal Date	September 1, 2007
Estimated NOI (Note 9)		¥115,946 thousand

Leasing Status (as of September 27, 2007)					
Total Number of Tenants (Note 10)	53				
Total Rental Income	¥125,880 thousand				
Security Deposits	¥31,730 thousand				
Occupancy Rate	98.4%				
Total Leased Floor Area (Note 11)	3,632.05 sq. meters				
Total Leasable Floor Area (Note 5)	3,690.37 sq. meters				
Past Occupancy Rates (Note 12)	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007
	—%	—%	—%	—%	—%

(Note 1) Location and Other Items
Location, Area, Completion Date, Total Floor Area, and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated.

(Note 2) Location
The Property's location does not have a street address.

(Note 3) Building Coverage
As the Property is located within a commercial district, the Building Coverage would originally be 80%; however, the Building Coverage has been increased to 100%, as the Property is a fireproof building in a Fire Prevention District.

(Note 4) Floor Area Ratio
The Property's Floor Area Ratio limit was originally set at 400%, but the frontal road regulation (5.60 meters × 60%) is prioritized.

(Note 5) Leasable Units and Total Leasable Floor Area
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 6) Property Management Company
The scheduled property management company after the acquisition is stated.

(Note 7) Master Leasing Company
The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.

(Note 8) Type of Master Lease
The type of master lease scheduled for use upon completion of the acquisition is stated. 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.

(Note 9) Estimated NOI
NOI stands for Net Operating Income, and is the amount of the Property's rental income, minus the total of all leasing business expenses.
Estimated NOI is the fiscal year's estimated figure, excluding the special causes during the first year of acquisition, and is prepared under the terms mentioned below. That said, the stated amount, therefore, is not the Fund's forecast figure for the specified fiscal period.
(i) Assuming that the occupation rate is 96% concerning the rental revenue.
(ii) Expected to have the same amount of expenditures as the tax payment in the year 2007, concerning the tax and public dues.

(Note 10) Total Number of Tenants
The total number of tenants that have actually leased and a lease agreement has been executed with the end-tenant, as of today, has been indicated, but by the time of delivery, a master lease agreement is scheduled to be executed with the master lease company, and after the agreement, the total number of tenants is scheduled to be 1.

(Note 11) Total Leased Floor Area
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

(Note 12) Past Occupancy Rates
Regarding the occupancy rates before May 2006, the figures are not stated, as the information has not been received from the owner.

4. Building Condition Appraisal Report Summary

	PRIME URBAN Minami Karasuyama	PRIME URBAN Karasuyama Galleria
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	Sept. 18, 2007	Sept. 19, 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)	¥11,137 thousand	¥10,123 thousand

	PRIME URBAN Karasuyama Court	URBAN STAGE Musashi Kosugi comodo
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	Sept. 18, 2007	Sept. 14, 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)	¥7,360 thousand	¥106,540 thousand

(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.

	PRIME URBAN Minami Karasuyama	PRIME URBAN Karasuyama Galleria
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	September 2007	August 2007
Earthquake Risk Analysis (PML) (Note)	8.15%	7.42%

	PRIME URBAN Karasuyama Court	URBAN STAGE Musashi Kosugi comodo
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	August 2007	September 2007
Earthquake Risk Analysis (PML) (Note)	6.03%	14.87%

(Note) 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 properties are as follows:

The Fund has received appraisal results for the properties, 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 state that, "The structural calculations have an earthquake resistance capacity that complies with the Building Standard Law."

Property Name	Architect	Contractor	Building Permit Agency	Evaluation Agency
PRIME URBAN Minami Karasuyama	CITY First Class Architect Office Co., Ltd.	Kitano Construction Corporation	Setagaya-ku	HI International Consultant Co., Ltd
PRIME URBAN Karasuyama Galleria	Toshi Kenchiku Kobo	Keio Construction Co., Ltd.	Tokyo-to Bosai Kenchiku Machizukuri Center	NTT Facilities, Inc.
PRIME URBAN Karasuyama Court	Toshi Kenchiku Kobo	Keio Construction Co., Ltd.	Tokyo-to Bosai Kenchiku Machizukuri Center	HI International Consultant Co., Ltd
URBAN STAGE Musashi Kosugi comodo	Obayashi Corporation	Obayashi Corporation	Kawasaki-shi	HI International Consultant Co., Ltd

6. Seller Profile

(1) PRIME URBAN Minami Karasuyama

Company Name	DIA Kensetsu Co., Ltd.
Head Office	6-28-7 Shinjuku, Shinjuku-ku Tokyo
Representative	Koji Nishijima, President

Capital	¥7,181,448 thousand (as of September 27, 2007)
Principal Shareholder	Leopalace21 Corporation
Principal Business	Real estate business
Relationship with the Fund and/ or NREAM	None

(2) PRIME URBAN Karasuyama Galleria, PRIME URBAN Karasuyama Court

Company Name	Shimada House Co., Ltd.
Head Office	2-17-26 Sengawa-cho, Chofu-shi Tokyo
Representative	Masaharu Shimada, Narutoshi Shimada, Representative Directors
Capital	¥50,000 thousand (as of September 27, 2007)
Principal Shareholder	Narutoshi Shimada
Principal Business	Real estate business
Relationship with the Fund and/ or NREAM	None

(3) URBAN STAGE Musashi Kosugi comodo

Company Name	ReBITA Inc.
Head Office	Tomita Bldg. 2F, 1-4-12 Shibuya, Shibuya-ku Tokyo
Representative	Hirofumi Uchiyama, Representative Director
Capital	¥310,000 thousand (as of September 27, 2007)
Principal Shareholder	The Tokyo Electric Power Company, Inc. Urban Design System Co., Ltd.
Principal Business	Renovation (remodeling/reproducing of real estate/buildings)
Relationship with the Fund and/ or NREAM	None

7. Broker Profile

(1) PRIME URBAN Minami Karasuyama

Broker	Index One Co., Ltd.
Relationship with the Fund and/ or NREAM	None
Commission	Due to the confidentiality obligation appointed in the brokerage contract, this information is not disclosed.

(2) PRIME URBAN Karasuyama Galleria
PRIME URBAN Karasuyama Court

Broker	SD Corporation Co., Ltd.
Relationship with the Fund and/ or NREAM	None
Commission	Due to the confidentiality obligation appointed in the brokerage contract, this information is not disclosed.

There were no brokerage transactions in the acquisition of URBAN STAGE Musashi Kosugi

8. Forecast

Forecast of financial results for the second fiscal period (June 1, 2007 to November 30, 2007) have not been changed.

Attachments:

Reference Material 1 "Appraisal Report Summary"

Reference Material 2 "Portfolio After Acquisition of the Properties"

Reference Material 3 "Property Image"

(Reference Material 1)

Appraisal Report Summary

Property Name	PRIME URBAN Minami Karasuyama
Appraisal Value	¥845,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	September 1, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	845,000,000	Using the value calculated by means of the Direct Capitalization Method as a reference, a value using the Discount Cash Flow Method was adopted.
Value using the Direct Capitalization Method	900,000,000	Calculated by the discount cap rate, using the 1-11 year net cash flow chart relating to the DCF method.
(1) Gross Income ((a)-(b))	54,558,012	
(a) Potential Rental Income	57,232,940	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	2,674,928	Appraisal based on the market vacancy ratio.
(2) Operating Expenses	11,686,003	
Maintenance Expenses	1,800,000	Appraisal based on the estimated amount.
Utility Expenses	503,389	Appraisal based on the general standard.
Repair Expenses	278,400	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Unit Restoration Expenses	226,642	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	2,516,947	Appraisal based on the general standard.
Tenant Recruit Expenses, etc.	2,109,539	Appraisal based on the general standard.
CATV Fees	246,000	Appraisal based on the current fee.
Remote Parking Space Fees	480,000	Appraisal based on the scheduled amount.
Tax and Public Dues	3,396,386	Appraisal based on the estimated amount.
Insurance Fees	128,700	Appraisal based on the estimated amount.
(3) Net Operating Income (NOI=(1)-(2))	42,872,009	
(4) Temporary Deposit Management Profits, etc.	80,941	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	649,600	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (NCF=(3)-(4))	42,303,350	
(7) Capitalization Rate	4.7%	Appraisal based on the real estate's regional 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	845,000,000	
Discount Rate	4.7%	
Final Capitalization Rate	5.0%	
Cost Approach Value	797,000,000	
Land Ratio	56.5%	
Building Ratio	43.5%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is a 3-minute walk from Chitose Karasuyama Station on the Keio Dentetsu Keio Line and is located in an area with both access and living convenience. Both the property's location and the quality of the building are above a certain level, and can expect stable occupancy rates as a rental apartment targeting city commuters, students, etc. The appraisal value was determined in light of the above factors.
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Appraisal Report Summary

Property Name	PRIME URBAN Karasuyama Galleria
Appraisal Value	¥645,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	July 31, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	645,000,000	The Income Capitalization Approach Value has been calculated using the value of the Direct Capitalization Method, which was considered more persuasive, and using the value of the Discount Cash Flow Method as reference.
Value using the Direct Capitalization Method	655,000,000	
(1) Valid Gross Income	41,218,000	
Rental Income	41,192,000	Appraisal based on the expected new rent.
Other Income	2,083,000	Allocation of premium and renewal income.
Potential Gross Income	43,275,000	
Vacancy Loss Equivalent	2,057,000	Appraisal based on distinctness of the said real estate.
Bad Debt Loss Equivalent	0	Not allocated, as the security deposit covers bad debt.
(2) Total Expenses	9,862,000	
Maintenance Expenses	4,442,000	Appraisal based on the estimated amount.
Tax and Public Dues	2,191,000	Allocation of estimate.
Damage Insurance Fees	105,000	Appraisal based on the estimated amount.
Other Expenses	3,124,000	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	31,356,000	
(4) Interest from Security Deposit	119,000	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	673,000	Appraised, taking into account the Building Condition Appraisal Report and the standard expenditures of similar buildings.
(6) Standardized Net Cash Flow (NCF=(3)+(4)-(5))	30,802,000	
(7) Capitalization Rate	4.7%	Appraised, taking into account the real estate's overall regional characteristics and individuality, etc.
Value Using the Discounted Cash Flow Method	640,000,000	
Discount Rate	4.5%	
Final Capitalization Rate	4.9%	
Cost Approach Value	495,000,000	
Land Ratio	51.5%	
Building Ratio	48.5%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is located in a residential area with a mixture of small-scale rental apartments, etc. The property is a 2-minute walk to Chitose Karasuyama Station on the Keio Dentetsu Keio Line, with not only excellent access to various parts of the city, has many convenient facilities surrounding the station area, and can expect stable needs from single adults who focus on livability and being near the city.
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Appraisal Report Summary

Property Name	PRIME URBAN Karasuyama Court
Appraisal Value	¥413,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	July 31, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	413,000,000	The Income Capitalization Approach Value has been calculated using the value of the Direct Capitalization Method, which was considered more persuasive, and using the value of the Discount Cash Flow Method as reference.
Value using the Direct Capitalization Method	420,000,000	
(1) Valid Gross Income	26,881,000	
Rental Income	26,832,000	Appraisal based on the expected new rent.
Other Income	1,390,000	Allocation of premium and renewal income.
Potential Gross Income	28,222,000	
Vacancy Loss Equivalent	1,342,000	Appraisal based on distinctness of the said real estate.
Bad Debt Loss Equivalent	0	Not allocated, as the security deposit covers bad debt.
(2) Total Expenses	6,294,000	
Maintenance Expenses	2,838,000	Appraisal based on the estimated amount.
Tax and Public Dues	1,397,000	Allocation of estimate.
Damage Insurance Fees	66,000	Appraisal based on the estimated amount.
Other Expenses	1,993,000	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	20,586,000	
(4) Interest from Security Deposit	40,000	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	454,000	Appraised, taking into account the Building Condition Appraisal Report and the standard expenditures of similar buildings.
(6) Standardized Net Cash Flow (NCF=(3)+(4)-(5))	20,172,000	
(7) Capitalization Rate	4.8%	Appraised, taking into account the real estate's overall regional characteristics and individuality, etc.
Value Using the Discounted Cash Flow Method	410,000,000	
Discount Rate	4.6%	
Final Capitalization Rate	5.0%	
Cost Approach Value	335,000,000	
Land Ratio	51.6%	
Building Ratio	48.4%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is a mid-rise residential apartment, located within a residential area among single family homes. The property is located within walking distance of both Chitose Karasuyama Station and Roka Koen Station on the Keio Dentetsu Keio Line, has not only excellent access to the inner city such as Shinjuku and Shibuya areas, but also many convenient facilities surrounding the station area, and can expect stable demand from single adults who focus on livability and being near the city.
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Appraisal Report Summary

Property Name	URBAN STAGE Musashi Kosugi comodo
Appraisal Value	¥2,170,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	September 1, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,170,000,000	Using the value calculated by means of the Direct Capitalization Method as a reference, a value using the Discount Cash Flow Method was adopted.
Value using the Direct Capitalization Method	2,300,000,000	Calculated by the discount cap rate, using the 1-11 year net cash flow chart relating to the DCF method.
(1) Gross Income ((a)-(b))	138,063,499	
(a) Potential Rental Income	144,317,012	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	6,253,513	Appraisal based on the market vacancy ratio.
(2) Operating Expenses	21,897,462	
Maintenance Expenses	2,390,880	Appraisal based on the actual value, etc.
Utility Expenses	2,596,095	Appraisal based on the actual value, etc.
Repair Expenses	2,663,500	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Unit Restoration Expenses	618,604	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	3,894,142	Appraisal based on the agreement details, general standard, etc.
Tenant Recruit Expenses, etc.	3,547,950	Appraisal based on the agreement details, general standard, etc.
Tax and Public Dues	4,164,550	Appraisal based on the actual amount of 2007.
Insurance Fees	471,980	Actual value.
Other Expenses	1,549,761	Appraisal based on the actual value, etc.
(3) Net Operating Income (3) (NOI=(1)-(2))	116,166,037	
(4) Temporary Deposit Management Profits, etc.	307,450	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	6,214,833	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (5) (NCF=(3)-(4))	110,258,654	
(7) Capitalization Rate	4.8%	Appraisal based on the real estate's regional 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	2,170,000,000	
Discount Rate	4.8%	
Final Capitalization Rate	5.1%	
Cost Approach Value	1,970,000,000	
Land Ratio	68.5%	
Building Ratio	31.5%	

<p>Items applied to adjustments in approaches to the value and the determination of the appraisal value</p>	<p>The property is a 2-3 minute walk from Shin Maruko Station on the Tokyu Toyoko and Meguro Lines, and a 5-minute walk from Musashi Kosugi Station on the same line, in an area with convenient accessibility. The property has a bulk lot in size and although the building is almost 20 years old, it completed a renovation in 2006 lifting the building above a certain standard level, and can expect stable occupancy as a rental apartment, targeting families. The appraisal value was determined in light of the above factors.</p>
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Portfolio After Acquisition of the Properties

[Acquired Properties]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Greater Tokyo Area	PROUD FLAT Yovogi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	1.2	1st FP
	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	1.0	1st FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	0.9	1st FP
	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	855.23	40	882,000	1.0	1st FP
	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	3,055.21	110	2,260,000	2.5	2nd FP
	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	1.7	1st FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	1.2	2nd FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.5	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	1.3	1st FP
	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	1.0	1st FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	1.1	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	1.0	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	1.0	1st FP
	PRIME URBAN Yovogi	Shibuya-ku, Tokyo	439.56	19	408,000	0.4	1st FP
	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,277.04	52	1,170,000	1.3	1st FP
	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	793.87	32	707,000	0.8	1st FP
	PRIME URBAN Idabashi	Chiyoda-ku, Tokyo	2,087.70	90	2,030,000	2.2	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	1.3	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.5	1st FP
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	1,008.39	32	886,000	1.0	1st FP
	PRIME URBAN Senzoku	Meguro-ku, Tokyo	655.27	22	536,000	0.6	1st FP
	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	453.77	24	464,000	0.5	2nd FP
	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,459.86	60	1,290,000	1.4	1st FP
	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,162.55	46	1,000,000	1.1	1st FP
	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	578.18	14	512,000	0.6	1st FP
	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	507.11	28	503,000	0.6	2nd FP
	PRIME URBAN Sangen Java	Setagaya-ku, Tokyo	874.15	33	835,000	0.9	1st FP
	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	961.25	46	624,000	0.7	1st FP
	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	2,106.16	99	1,700,000	1.9	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	0.9	1st FP
	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	834.90	46	576,000	0.6	1st FP
	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	543.09	24	435,000	0.5	1st FP
	PRIME URBAN Otsuka	Toshima-ku, Tokyo	944.99	46	794,000	0.9	1st FP
	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	3,127.94	117	2,200,000	2.4	1st FP
	PRIME URBAN Kameido	Koto-ku, Tokyo	1,117.34	52	705,000	0.8	1st FP
	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	813.52	40	552,000	0.6	1st FP
	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,886.50	77	1,180,000	1.3	1st FP
	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	991.62	49	668,000	0.7	1st FP
	PRIME URBAN Hirai	Edogawa-ku, Tokyo	1,095.91	53	700,000	0.8	1st FP
	PRIME URBAN Kasai	Edogawa-ku, Tokyo	905.81	45	637,000	0.7	1st FP
	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	1,437.84	68	958,000	1.1	1st FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	0.9	1st FP
	PRIME URBAN Gvotoku I	Ichikawa-shi, Chiba	1,151.36	52	635,000	0.7	1st FP
	PRIME URBAN Gvotoku II	Ichikawa-shi, Chiba	1,244.00	58	741,000	0.8	1st FP
	PRIME URBAN Gvotoku Ekimae	Ichikawa-shi, Chiba	778.19	37	476,000	0.5	1st FP
	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	1,237.80	60	772,000	0.9	1st FP
	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	1,222.13	40	991,000	1.1	1st FP
	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	650.60	38	452,000	0.5	1st FP
	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	996.81	16	524,000	0.6	1st FP
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,481.82	144	2,290,000	2.5	1st FP
	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	1,237.98	18	655,000	0.7	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	0.4	1st FP	
URBAN STAGE Kamiyama	Setagaya-ku, Tokyo	1,739.86	37	900,000	1.0	1st FP	
URBAN STAGE Sangen Java	Setagaya-ku, Tokyo	1,018.72	47	755,000	0.8	1st FP	
URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	1,774.01	27	730,000	0.8	1st FP	
URBAN STAGE Sangen Java II	Setagaya-ku, Tokyo	810.98	17	539,000	0.6	1st FP	
URBAN STAGE Komazawa	Setagaya-ku, Tokyo	572.41	26	396,000	0.4	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	0.6	1st FP	
URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,719.82	92	1,100,000	1.2	1st FP	
URBAN STAGE Yukigaya	Ota-ku, Tokyo	1,536.59	94	970,000	1.1	1st FP	
URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	1.6	1st FP	
URBAN STAGE Nakano	Nakano-ku, Tokyo	801.30	51	472,000	0.5	1st FP	
URBAN STAGE Takaido	Suginami-ku, Tokyo	1,746.20	107	1,080,000	1.2	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	0.5	1st FP	
URBAN STAGE Ekoda	Nerima-ku, Tokyo	872.49	35	385,000	0.4	1st FP	
URBAN STAGE Takinokawa	Kita-ku, Tokyo	554.39	29	287,000	0.3	1st FP	
URBAN STAGE Asakusa	Taito-ku, Tokyo	876.70	22	350,000	0.4	1st FP	
URBAN STAGE Machiya	Arakawa-ku, Tokyo	455.19	26	210,000	0.2	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 Teraya	Yokohama-shi, Kanagawa	952.06	50	457,000	0.5	1st FP	
URBAN STAGE Tennocho	Yokohama-shi, Kanagawa	332.48	20	136,000	0.1	1st FP	
URBAN STAGE Uravasu	Uravasu-shi, Chiba	437.94	27	277,000	0.3	1st FP	
URBAN STAGE Minami Gvotoku I	Ichikawa-shi, Chiba	682.05	41	357,000	0.4	1st FP	
URBAN STAGE Minami Gvotoku II	Ichikawa-shi, Chiba	611.61	37	285,000	0.3	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	0.6	1st FP	
Cosmo Gracia Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,759.61	51	1,700,000	1.9	1st FP	
	Sub Total (83 Properties)		94,494.93	3,921	65,758,000	72.5	

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	0.8	1st FP
	PRIME URBAN Aoi	Nagoya-shi, Aichi	1,571.04	46	724,000	0.8	1st FP
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	0.7	1st FP
	PRIME URBAN Esaka II	Suita-shi, Osaka	1,392.00	57	790,000	0.9	1st FP
	Presence S17	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.4	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	0.6	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	0.9	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	6.2	
	Total (93 Properties)		109,255.82	4,391	71,372,000	78.7	

[Scheduled Acquisitions]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquiring Period (Note 5)
Greater Tokyo Area	PROUD FLAT Yokohama (tentative name)	Yokohama-shi, Kanagawa	3,118.12	113	2,340,000	2.6	3rd FP
	PRIME URBAN Meguro Ohashi Hills (tentative name)	Meguro-ku, Tokyo	2,955.74	99	3,580,000	3.9	3rd FP
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.32	42	893,000	1.0	3rd FP
	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	1,049.73	41	840,000	0.9	2nd FP
	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	835.05	33	645,000	0.7	2nd FP
	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	576.20	23	413,000	0.5	2nd FP
	PRIME URBAN Denenchofu Minami (tentative name)	Ota-ku, Tokyo	1,100.17	44	900,000	1.0	3rd FP
	PRIME URBAN Nakano Kamitakada (tentative name)	Nakano-ku, Tokyo	818.75	33	640,000	0.7	3rd FP
	URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	3,690.37	56	2,150,000	2.4	2nd FP
		Sub Total (9 Properties)		15,213.45	484	12,401,000	13.7
Other Areas	PRIME URBAN Hokudaimae (tentative name)	Sapporo-shi, Hokkaido	1,851.39	60	600,000	0.7	3rd FP
	PRIME URBAN Kita Nijuvo Jo (tentative name)	Sapporo-shi, Hokkaido	1,773.90	36	503,700	0.6	3rd FP
	PRIME URBAN Miyanosawa (tentative name)	Sapporo-shi, Hokkaido	2,114.53	54	576,200	0.6	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	0.3	3rd FP
	PRIME URBAN Odori Minami (tentative name)	Sapporo-shi, Hokkaido	2,439.90	58	731,600	0.8	3rd FP
	PRIME URBAN Kanayama (tentative name)	Nagoya-shi, Aichi	1,391.02	58	632,000	0.7	3rd FP
	Benefis Kashii (tentative name)	Fukuoka-shi, Fukuoka	1,231.79	39	396,000	0.4	3rd FP
	Benefis Yoshizuka Grand Suite (tentative name)	Fukuoka-shi, Fukuoka	1,856.92	65	693,000	0.8	3rd FP
	Benefis Chihaya (tentative name)	Fukuoka-shi, Fukuoka	1,738.87	48	545,000	0.6	3rd FP
	PRIME URBAN Tsurumai (tentative name)	Nagoya-shi, Aichi	2,502.11	104	1,189,096	1.3	5th FP
	Sub Total (12 Properties)		20,313.16	627	6,911,696	7.6	
	Total (21 Properties)		35,526.61	1,111	19,312,696	21.3	

[Acquired Properties and Scheduled Acquisitions Total]

Area (Number of Properties) (Note 1)	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)
Greater Tokyo Area (92 Properties)	109,708.38	4,405	78,159,000	86.2
Other Areas (22 Properties)	35,074.05	1,097	12,525,696	13.8
Total (114 Properties)	144,782.43	5,502	90,684,696	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

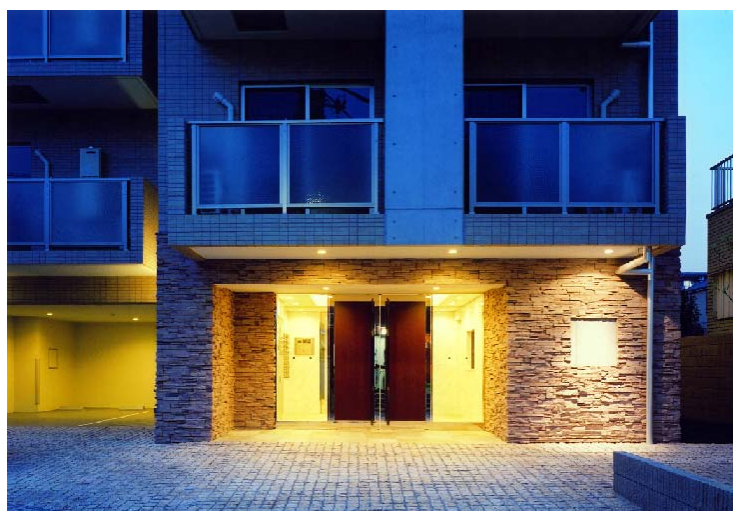
Fourth Fiscal Period: June 1, 2008 - November 30, 2008

Fifth Fiscal Period: December 1, 2008 - May 31, 2009

(Reference Material 3)

Property Image

(1) PRIME URBAN Minami Karasuyama



Property Image

PRIME URBAN Karasuyama Galleria



Property Image

PRIME URBAN Karasuyama Court



Property Image

URBAN STAGE Musashi Kosugi comoda

