



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, and reached an agreement with the seller to acquire real estate, as briefly explained below.

1. Summary of the Assets

(1) PROUD FLAT Shibuya Sakuragaoka (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Shibuya Sakuragaoka (tentative name)
Acquisition Price	¥800,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to April 21, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(2) PROUD FLAT Shinjuku Kawadacho (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Shinjuku Kawadacho (tentative name)

Acquisition Price	¥1,010,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to April 21, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(3) PROUD FLAT Shinotsuka (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Shinotsuka (tentative name)
Acquisition Price	¥650,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to April 21, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(4) PROUD FLAT Monzen Nakacho II (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Monzen Nakacho II (tentative name)
Acquisition Price	¥700,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to April 21, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(5) PROUD FLAT Shirokane Takanawa (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Shirokane Takanawa (tentative name)
Acquisition Price	¥3,510,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)

Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to September 5, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(6) PROUD FLAT Monzen Nakacho I (tentative name)

Type of Asset	Real estate
Property Name (Note)	PROUD FLAT Monzen Nakacho I (tentative name)
Acquisition Price	¥1,130,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	October 30, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	The agreed upon date, between the Fund and the seller, from the date of agreement of purchase and sale to August 5, 2008 (date of delivery of the real estate)
Seller	Nomura Real Estate Co., Ltd. (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.

(1) PROUD FLAT Shibuya Sakuragaoka (tentative name)

- This property, located off Sakura Dori, which is lined with cherry trees, is a 5-minute walk to Shibuya Station, one of the most commercially accumulated areas in the nation, and provides an excellent location, surrounded by some of Shibuya’s prestigious residential areas, such as Nampei Daicho, Uguisu Danicho, Hachiyamacho, etc.
- A total of 7 lines go through Shibuya Station, the JR Yamanote and Saikyo Lines, Tokyo Metro Ginza and Hanzomon Lines, Tokyu Toyoko and Denentoshi Lines, and Keio Inogashira Line which provides excellent access convenience to many of the city’s business and commercial areas, accessible to in approx. 15 minutes. Also, further convenience can be expected from the opening of the Tokyo Metro Fukutoshin Line (Line 13), scheduled to commence in June 2008.
- This property’s units are all 1K rooms with a focus on functionality, and the building exterior and entrance, etc., are able to meet the standard needs of the tenant class in the area.
- As stated above, the Fund expects steady demand from mostly single adults who commute to the business areas within the city and the Shibuya areas.

(2) PROUD FLAT Shinjuku Kawadacho (tentative name)

- Kawadacho, where this property is located, is an area where the population has been growing in recent years, due to the opening of Wakamatsu Kawada Station on the Toei Subway Oedo Line and large scale rental residence development by Urban Renaissance

Agency in the vacant lot of the former Fuji Television Network, Inc. headquarter building, etc.

- This property is accessible to 2 lines, Wakamatsu Kawada Station (6-minute walk) and Akebonobashi Station (8-minute walk), both on the Toei Subway Oedo Line, which has excellent access to the Shinjuku and Otemachi areas.
- Also, this property is located along the Joshi Idai Dori, adding to its closeness to the Tokyo Women's Medical University, the International Medical Center of Japan is also within walking distance, and can expect demands from people affiliated with the medical facilities, etc.
- The building's exterior design has a modern image, due to the use of exposed concrete, and the property consists of 8 different types of room layouts (1Room, 1DK), which are able to meet the needs of tenants of various lifestyles.

(3) PROUD FLAT Shinotsuka (tentative name)

- This property, is located a 5-minute walk from the Shin Otsuka Station on the Tokyo Metro Marunouchi Line and Otsuka Station on the JR Yamanote Line. It provides excellent access convenience to the city's business and commercial areas, such as Otemachi (approx. 12 minutes using the Tokyo Metro Marunouchi Line), Tokyo (approx 13 minutes using same line), Shinjuku (approx. 12 minutes using JR Yamanote Line), Ikebukuro (approx. 4 minutes using same line), etc.
- Along the front of this property is a well-maintained walkway aligned with cherry trees, providing an excellent living atmosphere and convenience.
- This property consists of 4 different room layouts (1K, 1DK), including units with roof terraces, and over half of the units (18/35 units) are corner rooms which have excellent ventilation and natural lighting on two sides and a spacious open view bath, promoting product differentiation.
- As stated above, the Fund expects steady demand from tenants such as single adults who commute to the business central of the city.

(4) PROUD FLAT Monzen Nakacho I (tentative name)

PROUD FLAT Monzen Nakacho II (tentative name)

[Monzen Nakacho Area]

- The 2 properties are both within walking distance from Monzen Nakacho Station on the Tokyo Metro Tozai Line and Toei Subway Oedo Line. Able to access 2 lines leading to the city's business districts, it has excellent access to Otemachi (approx. 7 minutes on the Tokyo Metro Tozai Line), Nihonbashi (approx. 5 minutes on the same line), Shiodome (approx. 8 minutes on the Toei Subway Oedo Line), and Roppongi (approx. 17 minutes on the same line).
- Monzen Nakacho grew as a Monzenmachi (a commercial area made in front of temples) by the surrounding Tomioka Hachimangu, Fukagawa Fudodo, etc., and currently there is a productive commercial street, which makes for excellent livability.
- As stated above, the Fund expects steady demand from a wide array of tenants, such as single adults and DINKs, who commute to the city.

[PROUD FLAT Monzen Nakacho I (tentative name)]

- This property is located one street inside the commercial street in front of the station, a 5-minute walk from Monzen Nakacho Station on the Tokyo Metro Tozai Line. It has excellent living atmosphere with green facilities such as Tomioka Hachimangu, Fukagawa

Park, etc. in the surrounding area.

- This property consists of 3 room layouts in 5 different variations for 1K rooms, and over 60% of the units (33/53 units) are corner rooms with quality ventilation and natural lighting on 2 sides, etc., which meet the standard needs of tenants in this area which, not only the consideration towards livability, but also building exterior, entrance, etc.

[PROUD FLAT Monzen Nakacho II (tentative name)]

- This property, located in a residential area 7 minutes from Monzen Nakacho Station on the Tokyo Metro Tozai Line, has excellent livability with Furuichibagawa Shinsui Park, which provides a path along both sides of the park, near by.
- This property consists of 9 room layouts in 10 different variations (1Room-Maisonette type 1DK (some with roof terraces)), with approx. 30% of the units (9/35 units) provided with open view baths, etc., which meet the needs of various high standards regarding the building merchantability.

(5) PROUD FLAT Shirokane Takanawa (tentative name)

- This property, utilizing the location conditions, the Minato-ku Mita/Shirokane/Takanawa district, and access to the business and commercial areas, such as Otemachi, Roppongi, and Akasaka areas, are convenient, with access to Shirokane Takanawa Station (5-minute walk) on the Toei Subway Mita Line and Tokyo Metro Namboku Line.
- Regarding this building, adding to the fact that it provides an exterior design suitable for a large scale property (approx. 100 units) in a city location, it also consists of 1 Rooms to 1LDK rooms, providing 9 room layouts in 10 different variations (approx. all top floor units have lofts), which meet the needs of the upper middle tenant class who focus on brand image and quality.

As these properties are still under construction, 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

(1) PROUD FLAT Shibuya Sakuragaoka (tentative name)

Property Name		PROUD FLAT Shibuya Sakuragaoka (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	91-2 Sakuragaoka-cho, Shibuya-ku Tokyo
	Street Address	(Note 2)
Access		5-minute walk from Shibuya Station on the JR Yamanote and Saikyo Lines, Tokyo Metro Ginza and Hanzomon Lines, and Tokyu Toyoko and Denentoshi Lines. 7-minute walk from Shibuya Station on the Keio Inogashira Line.

Land	Ownership	Ownership				
	Area (Note 1)	306.54 sq. meters				
	Building Coverage	100% (Note 3)				
	Floor Area Ratio	240% (Note 4)				
Building	Ownership	Ownership				
	Use (Note 1)	Apartment building				
	Completion Date (Note 1)	February 2008 (scheduled date)				
	Total Floor Area (Note 1)	820.03 sq. meters				
	Structure (Note 1)	RC, 8F				
	Leasable Units (Note 1)	30 units (under 30 sq. meters: 30 units)				
Property Management Company		To Be Determined				
Master Leasing Company		To Be Determined				
Type of Master Lease (Note 5)		Pass-through Structure (scheduled)				
Collateral		None				
Notes		None				
Acquisition Price		¥800,000 thousand				
Price Survey (Note 6)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.				
	Survey Value	¥800,000 thousand				
	Survey Date	August 31, 2007				
Estimated NOI (Note 7)		¥37,264 thousand				
Leasing Status (as of October 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)		638.70 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 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. Also, regarding Area, approx. 14.45 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law.

(Note 2) Street Address

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

(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 500%, but the frontal road regulation (4.00 meters×60%) is prioritized.

(Note 5) 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 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 Price Survey by Daiwa Real Estate Appraisal Co., Ltd., 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.

(2) PROUD FLAT Shinjuku Kawadacho (tentative name)

Property Name		PROUD FLAT Shinjuku Kawadacho (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	7-13-2 Kawada-cho, Shinjuku-ku Tokyo
	Street Address	(Note 2)
Access		6-minute walk from Wakamatsu Kawada Station on the Toei Subway Oedo Line. 8-minute walk from Okebonobashi Station on the Toei Subway Shinjuku Line.
Land	Ownership	Ownership
	Area (Note 1)	422.07 sq. meters
	Building Coverage	100% (Note 3)
	Floor Area Ratio	400%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building and everyday goods store
	Completion Date (Note 1)	December 2007 (scheduled date)
	Total Floor Area (Note 1)	1,372.32 sq. meters
	Structure (Note 1)	RC, 8F
	Leasable Units (Note 1)	41 units (under 30 sq. meters: 34 units, 30-50 sq. meters: 6 units, retail/office: 1 unit)
Property Management Company		To Be Determined
Master Leasing Company		To Be Determined
Type of Master Lease (Note 4)		Pass-through Structure (scheduled)
Collateral		None
Notes		None
Acquisition Price		¥1,010,000 thousand
Price Survey (Note 5)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.
	Survey Value	¥1,010,000 thousand
	Survey Date	August 31, 2007
Estimated NOI (Note 6)		¥48,851 thousand
Leasing Status (as of October 30, 2007) (Note 7)		
Total Number of Tenants	—	
Total Rental Income	—	
Security Deposits	—	
Occupancy Rate	—	
Total Leased Floor Area	—	
Total Leasable Floor Area (Note 1)	1,102.20 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 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. Also, regarding Area, approx. 113.28 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law.

(Note 2) Street Address

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

(Note 3) Building Coverage

As the property is located in Neighborhood 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) 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 5) 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 6) Estimated NOI

The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the Price Survey by Daiwa Real Estate Appraisal Co., Ltd. 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 7) Lease Status

As the property is still under construction, no lease agreements have been executed with tenants.

(3) PROUD FLAT Shinotsuka (tentative name)

Property Name		PROUD FLAT Shinotsuka (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	3-12-10, -11 Minami Otsuka, Toshima-ku Tokyo
	Street Address	(Note 2)
Access		5-minute walk from Shin Otsuka Station on the Tokyo Metro Marunouchi Line. 5-minute walk from Otsuka Station on the JR Yamanote Line.
Land	Ownership	Ownership
	Area (Note 1)	204.75 sq. meters
	Building Coverage	70% (Note 3)
	Floor Area Ratio	400%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	April 2008 (scheduled date)
	Total Floor Area (Note 1)	999.57 sq. meters
	Structure (Note 1)	RC, 10F
	Leasable Units (Note 1)	35 units (under 30 sq. meters: 34 units, 30-50 sq. meters: 1 units)



Property Management Company		To Be Determined			
Master Leasing Company		To Be Determined			
Type of Master Lease (Note 4)		Pass-through Structure (scheduled)			
Collateral		None			
Notes		None			
Acquisition Price		¥700,000 thousand			
Price Survey (Note 5)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.			
	Survey Value	¥700,000 thousand			
	Survey Date	August 31, 2007			
Estimated NOI (Note 6)		¥34,796 thousand			
Leasing Status (as of October 30, 2007) (Note 7)					
Total Number of Tenants	—				
Total Rental Income	—				
Security Deposits	—				
Occupancy Rate	—				
Total Leased Floor Area	—				
Total Leasable Floor Area (Note 1)	752.09 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 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) Building Coverage

As the property is located in Category 1 exclusive district for low-rise residential buildings, the Building Coverage would originally be 60%, however, the Building Coverage has been increased to 70%, as the property is a fireproof building in a Fire Prevention District..

(Note 4) 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 5) 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 6) Estimated NOI

The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the Price Survey by Daiwa Real Estate Appraisal Co., Ltd., 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 7) Lease Status

As the property is still under construction, no lease agreements have been executed with tenants.

(4) PROUD FLAT Monzen Nakacho II

Property Name		PROUD FLAT Monzen Nakacho II (tentative name)
Type of Asset		Real Estate
Location	Registry	2-27-6-4 Furuishiba, Koto-ku Tokyo

(Note 1)	Street Address	(Note 2)			
Access		7-minute walk from Monzen Nakacho Station on the Tokyo Metro Tozai Line. 11-minute walk from Monzen Nakacho Station on the Toei Subway Oedo Line.			
Land	Ownership	Ownership			
	Area (Note 1)	328.23 sq. meters			
	Building Coverage	70% (Note 3)			
	Floor Area Ratio	300%			
Building	Ownership	Ownership			
	Use (Note 1)	Apartment building			
	Completion Date (Note 1)	February 2008 (scheduled date)			
	Total Floor Area (Note 1)	1,049.13 sq. meters			
	Structure (Note 1)	RC, 8F			
	Leasable Units (Note 1)	35 units (under 30 sq. meters: 33 units, 30-50 sq. meters: 2 units)			
Property Management Company		To Be Determined			
Master Leasing Company		To Be Determined			
Type of Master Lease (Note 4)		Pass-through Structure (scheduled)			
Collateral		None			
Notes		None			
Acquisition Price		¥650,000 thousand			
Price Survey (Note 5)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.			
	Survey Value	¥650,000 thousand			
	Survey Date	August 31, 2007			
Estimated NOI (Note 6)		¥33,065 thousand			
Leasing Status (as of October 30, 2007) (Note 7)					
Total Number of Tenants		—			
Total Rental Income		—			
Security Deposits		—			
Occupancy Rate		—			
Total Leased Floor Area		—			
Total Leasable Floor Area (Note 1)		830.55 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 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) Building Coverage

As the property is located in a Neighborhood commercial district, the Building Coverage would originally be 60%, however, the Building Coverage has been increased to 70%, as the property is a corner lot.

(Note 4) 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 5) 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 6) Estimated NOI  
The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the Price Survey by Daiwa Real Estate Appraisal Co., Ltd., 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 7) Lease Status  
As the property is still under construction, no lease agreements have been executed with tenants.

(5) PROUD FLAT Shirokane Takanawa (tentative name)

Property Name		PROUD FLAT Shirokane Takanawa (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	5-47-1-5 Mita, Minato-ku Tokyo
	Street Address	(Note 2)
Access		5-minute walk from Shirokane Takanawa Station on Tokyo Metro Namboku Line and Toei Subway Mita Line.
Land	Ownership	Ownership
	Area (Note 1)	619.58 sq. meters
	Building Coverage	100% (Note 3)
	Floor Area Ratio	500%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building and everyday goods store
	Completion Date (Note 1)	August 2008 (scheduled date)
	Total Floor Area (Note 1)	3,787.36 sq. meters
	Structure (Note 1)	RC, B1/14F
	Leasable Units (Note 1)	106 units (under 30 sq. meters: 92 units, 30-50 sq. meters: 4 units, 50-70 sq. meters: 9 units, office/retail: 1 units)
Property Management Company		To Be Determined
Master Leasing Company		To Be Determined
Type of Master Lease (Note 4)		Pass-through Structure (scheduled)
Collateral		None
Notes		None
Acquisition Price		¥3,510,000 thousand
Price Survey (Note 5)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.
	Survey Value	¥3,510,000 thousand
	Survey Date	August 31, 2007
Estimated NOI (Note 6)		¥162,148 thousand
Leasing Status (as of October 30, 2007) (Note 7)		
Total Number of Tenants	—	
Total Rental Income	—	
Security Deposits	—	
Occupancy Rate	—	
Total Leased Floor Area	—	
Total Leasable Floor Area (Note 1)	2,950.11 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 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. Also, regarding Area, approx. 14.22 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law, but such part is scheduled to be subdivided by the owner and offered to Minato City before the acquisition of the property by the Fund.

(Note 2) Street Address

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

(Note 3) Building Coverage

As the property is located in 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) 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 5) 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 6) Estimated NOI

The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the Price Survey by Daiwa Real Estate Appraisal Co. Ltd., 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 7) Lease Status

As the property is still under construction, no lease agreements have been executed with tenants.

(6) PROUD FLAT Monzen Nakacho I (tentative name)

Property Name		PROUD FLAT Monzen Nakacho I (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	2-3-1 Tomioka, Koto-ku Tokyo
	Street Address	(Note 2)
Access		5-minute walk from Monzen Nakacho Station on the Tokyo Metro Tozai Line. 8-minute walk from Monzen Nakacho Station on the Toei Subway Oedo Line.
Land	Ownership	Ownership
	Area (Note 1)	323.75 sq. meters
	Building Coverage	100% (Note 3)
	Floor Area Ratio	400%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	July 2008 (scheduled date)
	Total Floor Area (Note 1)	1,609.70 sq. meters
	Structure (Note 1)	RC, 12F

	Leasable Units (Note 1)	55 units (under 30 sq. meters: 55 units)				
Property Management Company		To Be Determined				
Master Leasing Company		To Be Determined				
Type of Master Lease (Note 4)		Pass-through Structure (scheduled)				
Collateral		None				
Notes		None				
Acquisition Price		¥1,130,000 thousand				
Price Survey (Note 5)	Survey Method	Price survey by Daiwa Real Estate Appraisal Co., Ltd.				
	Survey Value	¥1,130,000 thousand				
	Survey Date	August 31, 2007				
Estimated NOI (Note 6)		¥56,511 thousand				
Leasing Status (as of October 30, 2007) (Note 7)						
Total Number of Tenants		—				
Total Rental Income		—				
Security Deposits		—				
Occupancy Rate		—				
Total Leased Floor Area		—				
Total Leasable Floor Area (Note 1)		1,191.08 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 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) Building Coverage

As the property is located in a Neighborhood commercial district, the Building Coverage would originally be 80%, however, the Building Coverage has been increased to 100%, as the Property is a corner lot and a fireproof building in a Fire Prevention District.

(Note 4) 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 5) 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 6) Estimated NOI

The estimated NOI is the amount of rent income minus the amount of rent expenses (excluding depreciation) taken from the Price Survey by Daiwa Real Estate Appraisal Co. Ltd., 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 7) Lease Status

As the property is still under construction, no lease agreements have been executed with tenants.

#### 4. Building Condition Appraisal Report Summary, etc.

##### (1) Building Condition Appraisal Report

	PROUD FLAT Shibuya Sakuragaoka (tentative name)	PROUD FLAT Shinjuku Kawadacho (tentative name)
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	October 4, 2007	October 4, 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)	¥8,487 thousand	¥10,400 thousand

	PROUD FLAT Shinotsuka (tentative name)	PROUD FLAT Monzen Nakacho II (tentative name)
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	October 4, 2007	October 4, 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)	¥8,560 thousand	¥8,280 thousand

	PROUD FLAT Shirokane Takanawa (tentative name)	PROUD FLAT Monzen Nakacho I (tentative name)
Building Condition Appraisal Report Issuer	Shimizu Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	October 4, 2007	October 4, 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)	¥26,915 thousand	¥17,933 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.

##### (2) Earthquake PML Appraisal Report

	PROUD FLAT Shibuya Sakuragaoka (tentative name)	PROUD FLAT Shinjuku Kawadacho (tentative name)
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	October 2007	October 2007
Earthquake Risk Analysis (PML) (Note)	5.74%	4.70%

	PROUD FLAT Shinotsuka (tentative name)	PROUD FLAT Monzen Nakacho II (tentative name)
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	October 2007	October 2007
Earthquake Risk Analysis (PML) (Note)	3.55%	6.44%

	PROUD FLAT Shirokane Takanawa (tentative name)	PROUD FLAT Monzen Nakacho I (tentative name)
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	October 2007	October 2007
Earthquake Risk Analysis (PML) (Note)	5.63%	8.49%

(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 (Note)	Evaluation Agency
PROUD FLAT Shibuya Sakuragaoka (tentative name)	First Core Co., Ltd.	Daioh Construction Co., Ltd.	City of Shibuya	HI International Consultant Co., Ltd.
PROUD FLAT Shinjuku Kawadacho (tentative name)	S&D Architects Associates	Kagata Corporation	Urban Housing Evaluation Center	HI International Consultant Co., Ltd.
PROUD FLAT Shinotsuka (tentative name)	United Liberty Architects, Inc.	Goda Koumuten Co., Ltd.	Urban Housing Evaluation Center	HI International Consultant Co., Ltd.
PROUD FLAT Monzen Nakacho II (tentative name)	Nomura Construction Industrial Co., Ltd.	Nomura Construction Industrial Co., Ltd.	Japan Building Equipment and Elevator Center Foundation	HI International Consultant Co., Ltd.
PROUD FLAT Shirokane Takanawa (tentative name)	Form Architect Planning Co., Ltd.	Hazama Corporation	Urban Housing Evaluation Center	NTT Facilities, Inc.
PROUD FLAT Monzen Nakacho I (tentative name)	First Core Co., Ltd.	Nomura Construction Industrial Co., Ltd.	Building Navigation	HI International Consultant Co., Ltd.

(Note) As the property is still under construction, only the agencies with confirmation certificates are mentioned.

#### 6. Seller Profile

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi Shinjuku, Shinjuku-ku Tokyo
Representative	Hirohisa Suzuki, President

Capital	¥2,000,000 thousand (as of April 1, 2007)
Principal Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Principal Business	Real Estate
Relationship with the Fund and/or NREAM	Nomura Real Estate Development Co., Ltd. is an affiliated company of Nomura Real Estate Holdings, Inc., which has 100% ownership of Nomura Real Estate Asset Management Co., Ltd., the Fund's asset management company, and therefore, is a Related Party under the Investment Trust Law.

#### 7. Status of Previous Owner

Property Name	PROUD FLAT Shibuya Sakuragaoka (tentative name), etc.
Property Owner Status	Previous Owner
Company Name	Nomura Real Estate Development Co., Ltd.
Relationship with NREAM	An affiliated company (100%) of Nomura Real Estate Holdings, Inc., which holds 100% ownership of Nomura Real Estate Asset Management Co., Ltd., the Fund's asset management company.
Acquisition Process & Reasons, etc.	Developed with the purpose of selling
Acquisition Price (including other expenses)	—
Time of Acquisition	—

#### 8. Broker Profile

No brokers were involved in the transaction of these properties.

#### 9. Transactions with Related Parties

The transactions of the six properties are considered transactions with a Related Party under the Investment Trust Law. Therefore, the asset management company's Compliance Committee and Residence Management Division Investment Committee has deliberated and given its approval on the acquisition, acquisition price and other conditions of the Property according to the Residence Management Division Investment Committee Policy, the Compliance Policy, the Compliance Manual, etc.

#### 10. Forecasts

Forecasts of financial results for 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 Properties"

Reference Material 3 "Property Image"



(Reference Material 1)

## Price Survey Summary

Property Name	PROUD FLAT Shibuya Sakuragaoka (tentative name)
Appraisal Value	¥800,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	800,000	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	818,000	
(1) Valid Gross Income	46,027	
Rental Income	46,031	Appraisal based on the expected new rent.
Other Income	2,355	Allocation of premium and renewal fee income, etc.
Potential Gross Income	48,386	
Vacancy Loss Equivalent	2,359	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	8,763	
Maintenance Expenses	4,824	Appraisal based on the estimated amount.
Tax and Public Dues	1,971	Allocation of estimate.
Damage Insurance Fees	90	Appraisal based on performance of similar buildings.
Other Expenses	1,877	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	37,264	
(4) Interest from Security Deposit	135	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	576	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))	36,823	
(7) Capitalization Rate	4.5%	Appraised, taking into account the real estate's overall regional characteristics and individuality, etc.
Value Using the Discounted Cash Flow Method	792,000	
Discount Rate	4.3%	
Final Capitalization Rate	4.7%	
Cost Approach Value	696,000	
Land Ratio	70.5%	
Building Ratio	29.5%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	<p>The property is within walking distance of Shibuya Station on the JR Yamanote Line, etc., and is located in an residential and commercial area, with restaurants, parking lots, etc., among the mid to high rise residential buildings.</p> <p>Adding to the closeness of the property to the nearest station, there are benefits such as the access to various parts of the city, which are highly convenient, and as the property is located in a relatively quiet area within the flourishing Shibuya area and can expect rental high demands for the single type apartment.</p>
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule

## Price Survey Summary

Property Name	PROUD FLAT Shinjuku Kawadacho (tentative name)
Appraisal Value	¥1,010,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	1,010,000	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	1,030,000	
(1) Valid Gross Income	60,115	
Rental Income	60,363	Appraisal based on the expected new rent.
Other Income	2,523	Allocation of premium and renewal fee income, etc.
Potential Gross Income	62,886	
Vacancy Loss Equivalent	2,771	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	11,264	
Maintenance Expenses	5,992	Appraisal based on the estimated amount.
Tax and Public Dues	2,804	Allocation of estimate.
Damage Insurance Fees	130	Appraisal based on the estimated amount.
Other Expenses	2,338	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	48,851	
(4) Interest from Security Deposit	344	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	895	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))	48,300	
(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	1,000,000	
Discount Rate	4.5%	
Final Capitalization Rate	4.9%	
Cost Approach Value	729,000	
Land Ratio	56.1%	
Building Ratio	43.9%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	The property is located in an area with mid rise residences, universities, hospitals, retail, etc., along the street known as Jyoshi Idai Dori. It is located within walking distance of Wakamatsu Kawada Station on the Toei Subway Oedo Line and Akebonobashi Station on the Toei Subway Shinjuku Line, which has convenient access to various parts of the city, and also adding the excellent living atmosphere, it can expect stable needs from single adults who seek convenient urban lifestyles.
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule.

## Price Survey Summary

Property Name	PROUD FLAT Shinotsuka (tentative name)
Appraisal Value	¥700,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	700,000	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	713,000	
(1) Valid Gross Income	42,893	
Rental Income	42,817	Appraisal based on the expected new rent.
Other Income	2,240	Allocation of premium and renewal fee income, etc.
Potential Gross Income	45,058	
Vacancy Loss Equivalent	2,165	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	8,097	
Maintenance Expenses	4,134	Appraisal based on the estimated amount.
Tax and Public Dues	2,019	Allocation of estimate.
Damage Insurance Fees	103	Appraisal based on the estimated amount.
Other Expenses	1,841	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	34,796	
(4) Management Profit from Temporary Deposits	129	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	695	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))	34,229	
(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	694,000	
Discount Rate	4.6%	
Final Capitalization Rate	5.0%	
Cost Approach Value	437,000	
Land Ratio	43.2%	
Building Ratio	56.8%	

<p>Items applied to adjustments in value calculations and to the determination of the appraisal value</p>	<p>The property is accessible to 2 lines, a 5-minute walk to Shinotsuka Station on the Tokyo Metro Marunouchi Line and Otsuka Station on the JR Yamanote Line, and has convenient access to main commercial areas such as, Ikebukuro, Shinjuku, Otemachi, etc. The property is located within the arterial highway along the row of cherry trees, as the living atmosphere is good with various retail store in front of the station, it can expect stable needs from mainly single adults who seek convenient urban lifestyles.</p>
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule.

## Price Survey Summary

Property Name	PROUD FLAT Monzen Nakacho II (tentative name)
Appraisal Value	¥650,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	650,000	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	662,000	
(1) Valid Gross Income	41,954	
Rental Income	41,907	Appraisal based on the expected new rent.
Other Income	2,172	Allocation of premium and renewal fee income, etc.
Potential Gross Income	44,079	
Vacancy Loss Equivalent	2,125	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	8,889	
Maintenance Expenses	4,605	Appraisal based on the estimated amount.
Tax and Public Dues	2,189	Allocation of estimate.
Damage Insurance Fees	107	Appraisal based on performance of similar buildings.
Other Expenses	1,988	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	33,065	
(4) Interest from Security Deposit	124	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	727	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))	32,462	
(7) Capitalization Rate	4.9%	Appraised, taking into account the real estate's overall regional characteristics and individuality, etc.
Value Using the Discounted Cash Flow Method	645,000	
Discount Rate	4.7%	
Final Capitalization Rate	5.1%	
Cost Approach Value	541,000	
Land Ratio	52.0%	
Building Ratio	48.0%	

<p>Items applied to adjustments in value calculations and to the determination of the appraisal value</p>	<p>The property is within walking distance of Monzen Nakacho Station on the Tokyo Metro Tozai Line and Toei Subway Oedo Line, located in an area not only with mid/low rise office buildings and residences along the street, but also with work places, parking lots, etc. As it has excellent access to the city, and is also conveniently close to the nearest station, so it can be assumed that a corporate business may rent the building as a whole for employee housing, therefore the rental demand for a 1R apartment is relatively high.</p>
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule.

## Price Survey Summary

Property Name	PROUD FLAT Shirokane Takanawa (tentative name)
Appraisal Value	¥3,510,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	3,510,000	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	3,570,000	
(1) Valid Gross Income	192,472	
Rental Income	192,893	Appraisal based on the expected new rent.
Other Income	9,038	Allocation of premium and renewal fee income, etc.
Potential Gross Income	201,931	
Vacancy Loss Equivalent	9,458	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	30,324	
Maintenance Expenses	12,956	Appraisal based on the estimated amount.
Tax and Public Dues	8,618	Allocation of estimate.
Damage Insurance Fees	367	Appraisal based on the estimated amount.
Other Expenses	8,383	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	162,148	
(4) Interest from Security Deposit	822	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	2,474	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))	160,496	
(7) Capitalization Rate	4.5%	Appraised, taking into account the real estate's overall regional characteristics and individuality, etc.
Value Using the Discounted Cash Flow Method	3,480,000	
Discount Rate	4.3%	
Final Capitalization Rate	4.7%	
Cost Approach Value	2,540,000	
Land Ratio	65.2%	
Building Ratio	34.8%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	The property is located in an area along the National Highway Route 1 (Sakurada Dori) where many buildings stand, such as rental apartments, small-scale businesses, residential and retail buildings, etc. The property is located within walking distance of Shirokane Takanawa Station on the Tokyo Metro Nanboku Line, etc., with excellent living atmosphere and convenient access to various parts of the city, it has higher quality as a residential area that before, and can expect stable demands from mostly single adult tenants who seek convenient city lifestyles.
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule.

## Price Survey Summary

Property Name	PROUD FLAT Monzen Nakacho I (tentative name)
Appraisal Value	¥1,130,000,000
Appraisal Agency	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2007

(Thousands of Yen (excluding percentages))

Item	Content	Basis
Income Capitalization Approach Value	1,130,000	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	1,160,000	
(1) Valid Gross Income	70,599	
Rental Income	70,776	Appraisal based on the expected new rent.
Other Income	3,491	Allocation of premium and renewal fee income, etc.
Potential Gross Income	74,267	
Vacancy Loss Equivalent	3,668	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	14,088	
Maintenance Expenses	7,613	Appraisal based on the estimated amount.
Tax and Public Dues	3,114	Allocation of estimate.
Damage Insurance Fees	158	Appraisal based on performance of similar buildings.
Other Expenses	3,203	Allocation of tenant recruit expenses and tenant replacement expenses, etc.
(3) Leasing Net Operating Income (NOI=(1)-(2))	56,511	
(4) Interest from Security Deposit	199	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Annual Funding for Large Scale Repair Costs	1,092	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))	55,618	
(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	1,120,000	
Discount Rate	4.6%	
Final Capitalization Rate	5.0%	
Cost Approach Value	779,000	
Land Ratio	49.9%	
Building Ratio	50.1%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	The property is a 5 minute walk from Monzen Nakacho Station on the Tokyo Metro Tozai Line and Toei Subway Oedo Line, and is located behind Eitai Dori, where mid/low rise offices, residential apartments, parking lots, etc. are aligned. Adding to the close location of the station, access to the city is convenient, and can expect rental needs from not only employed adults, students, etc. who commute to the city, but also can be assumed that a corporate business may rent the building as a whole for employee housing, therefore the rental demand for a 1R apartment is relatively high.
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(Note) In the Price Survey the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date, assuming that the completion of the building is on schedule.

## 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 Yovozi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	1.1	1st FP
	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	0.9	1st FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	0.8	1st FP
	PROUD FLAT Meguro Gvonzinzaka	Meguro-ku, Tokyo	855.23	40	882,000	0.9	1st FP
	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	3,055.21	110	2,260,000	2.3	2nd FP
	PROUD FLAT Kaerazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	1.5	1st FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	1.1	2nd FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.3	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	1.1	1st FP
	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	0.9	1st FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	1.0	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	0.9	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	0.9	1st FP
	PRIME URBAN Yovozi	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	1.2	1st FP
	PRIME URBAN Chivoda Fujimi	Chiyoda-ku, Tokyo	793.87	32	707,000	0.7	1st FP
	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,087.70	90	2,030,000	2.0	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	1.2	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.3	1st FP
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	1,008.39	32	886,000	0.9	1st FP
	PRIME URBAN Senzoku	Meguro-ku, Tokyo	655.27	22	536,000	0.5	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	1.3	1st FP
	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,162.55	46	1,000,000	1.0	1st FP
	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	578.18	14	512,000	0.5	1st FP
	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	507.11	28	503,000	0.5	2nd FP
	PRIME URBAN Sangen Java	Setagaya-ku, Tokyo	874.15	33	835,000	0.8	1st FP
	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	1,049.73	41	840,000	0.8	2nd FP
	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	835.05	33	645,000	0.6	2nd FP
	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	576.20	23	413,000	0.4	2nd FP
	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	961.25	46	624,000	0.6	1st FP
	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	2,106.16	99	1,700,000	1.7	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	0.8	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	0.4	1st FP
	PRIME URBAN Otsuka	Toshima-ku, Tokyo	944.99	46	794,000	0.8	1st FP
	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	3,127.94	117	2,200,000	2.2	1st FP
	PRIME URBAN Kameido	Koto-ku, Tokyo	1,117.34	52	705,000	0.7	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	1.2	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	0.7	1st FP
	PRIME URBAN Kasai	Edogawa-ku, Tokyo	905.81	45	637,000	0.6	1st FP
	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	1,437.84	68	958,000	1.0	1st FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	0.8	1st FP
	PRIME URBAN Gvotoku I	Ichikawa-shi, Chiba	1,151.36	52	635,000	0.6	1st FP
	PRIME URBAN Gvotoku II	Ichikawa-shi, Chiba	1,244.00	58	741,000	0.7	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	0.8	1st FP
	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	1,222.13	40	991,000	1.0	1st FP
	URBAN STAGE Hatagava	Shibuya-ku, Tokyo	650.60	38	452,000	0.5	1st FP
	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	996.81	16	524,000	0.5	1st FP
URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,481.82	144	2,290,000	2.3	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	0.3	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	0.9	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	0.7	1st FP	
URBAN STAGE Sangen Java II	Setagaya-ku, Tokyo	810.98	17	539,000	0.5	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	0.3	1st FP	
URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	722.70	45	530,000	0.5	1st FP	
URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,719.82	92	1,100,000	1.1	1st FP	
URBAN STAGE Yukigava	Ota-ku, Tokyo	1,536.59	94	970,000	1.0	1st FP	
URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	1.5	1st FP	
URBAN STAGE Nakano	Nakano-ku, Tokyo	801.30	51	472,000	0.5	1st FP	
URBAN STAGE Takaide	Suginami-ku, Tokyo	1,746.20	107	1,080,000	1.1	1st FP	
URBAN STAGE Komagome	Toshima-ku, Tokyo	990.18	19	412,000	0.4	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	0.3	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	0.2	1st FP	
URBAN STAGE Hino	Hino-shi, Tokyo	994.68	54	319,000	0.3	1st FP	
URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	3,690.37	56	2,150,000	2.1	2nd FP	
URBAN STAGE Tsurumi Terava	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	0.5	1st FP	
Cosmo Gracia Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,759.61	51	1,700,000	1.7	1st FP	
	Sub Total (87 Properties)		100,646.28	4,074	69,806,000	69.6	

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	0.7	1st FP
	PRIME URBAN Aoi	Nagova-shi, Aichi	1,571.04	46	724,000	0.7	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	0.8	1st FP
	PRIME URBAN Yamahana (Note 6)	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.4	1st FP
	PRIME URBAN Kita Juyo Jo (Note 7)	Sapporo-shi, Hokkaido	1,155.60	36	336,000	0.3	1st FP
	PRIME URBAN Odori Koen I (Note 8)	Sapporo-shi, Hokkaido	1,850.20	53	530,000	0.5	1st FP
	PRIME URBAN Odori Koen II (Note 9)	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.3	1st FP
	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	2,176.23	67	830,000	0.8	1st FP
	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	897.84	34	351,000	0.3	1st FP
		Sub Total (10 Properties)		14,760.89	470	5,614,000	5.6
	Total (97 Properties)		115,407.17	4,544	75,420,000	75.2	

[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 Shibuya Sakuragaoka (tentative name)	Shibuya-ku, Tokyo	638.70	30	800,000	0.8	3rd FP
	PROUD FLAT Shinjuku Kawadacho (tentative name)	Shinjuku-ku, Tokyo	1,102.20	41	1,010,000	1.0	3rd FP
	PROUD FLAT Shinotsuka (tentative name)	Toshima-ku, Tokyo	752.09	35	700,000	0.7	3rd FP
	PROUD FLAT Monzen Nakacho II (tentative name)	Koto-ku, Tokyo	830.55	35	650,000	0.6	3rd FP
	PROUD FLAT Yokohama (tentative name)	Yokohama-shi, Kanagawa	3,118.12	113	2,340,000	2.3	3rd FP
	PRIME URBAN Meguro Ohashi Hills (tentative name)	Meguro-ku, Tokyo	2,955.74	99	3,580,000	3.6	3rd FP
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.32	42	893,000	0.9	3rd FP
	PRIME URBAN Denenchofu Minami (tentative name)	Ota-ku, Tokyo	1,100.17	44	900,000	0.9	3rd FP
	PRIME URBAN Nakano Kamitakada (tentative name)	Nakano-ku, Tokyo	818.75	33	640,000	0.6	3rd FP
	URBAN STAGE Gvotoku Ekimae	Ichikawa-shi, Chiba	1,162.60	46	561,000	0.6	3rd FP
	URBAN STAGE Minami Gvotoku V	Ichikawa-shi, Chiba	662.68	38	293,000	0.3	3rd FP
	URBAN STAGE Gvotoku	Ichikawa-shi, Chiba	2,237.19	77	948,000	0.9	3rd FP
	PROUD FLAT Shirokane Takawawa (tentative name)	Minato-ku, Tokyo	2,950.11	106	3,510,000	3.5	4th FP
	PROUD FLAT Monzen Nakacho I (tentative name)	Koto-ku, Tokyo	1,191.08	55	1,130,000	1.1	4th FP
	Sub Total (14 Properties)		20,589.30	794	17,955,000	17.9	
Other Areas	PRIME URBAN Hokudaimae (tentative name)	Sapporo-shi, Hokkaido	1,851.39	60	600,000	0.6	3rd FP
	PRIME URBAN Kita Nijuyo Jo (tentative name)	Sapporo-shi, Hokkaido	1,773.90	36	503,700	0.5	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	0.4	3rd FP
	PRIME URBAN Chiji Koukan (tentative name)	Sapporo-shi, Hokkaido	1,007.30	42	337,900	0.3	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	0.7	3rd FP
	PRIME URBAN Kanavama (tentative name)	Nagova-shi, Aichi	1,391.02	58	632,000	0.6	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	0.7	3rd FP
	Benefis Chihava (tentative name)	Fukuoka-shi, Fukuoka	1,738.87	48	545,000	0.5	3rd FP
	PRIME URBAN Tsurumi (tentative name)	Nagova-shi, Aichi	2,502.11	104	1,189,096	1.2	5th FP
	Sub Total (12 Properties)		20,313.16	627	6,911,696	6.9	
	Total (26 Properties)		40,902.46	1,421	24,866,696	24.8	

[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 (101 Properties)	121,235.58	4,868	87,761,000	87.5
Other Areas (22 Properties)	35,074.05	1,097	12,525,696	12.5
Total (123 Properties)	156,309.63	5,965	100,286,696	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

(Note 6) As of October 30, 2007, the property name has changed from "Presence S17" to "PRIME URBAN Yamahana."

(Note 7) As of October 30, 2007, the property name has changed from "Presence N14" to "PRIME URBAN Kita Juyo Jo."

(Note 8) As of October 30, 2007, the property name has changed from "Classe Odori Koen" to "PRIME URBAN Odori Koen I."

(Note 9) As of October 30, 2007, the property name has changed from "Presence S1" to "PRIME URBAN Odori Koen II."



(Reference Material 3)

## Property Image

(1) PROUD FLAT Shibuya Sakuragaoka (tentative name)



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

Property Image

(2) PROUD FLAT Shinjuku Kawadacho (tentative name)



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

## Property Image

### (3) PROUD FLAT Shinotsuka (tentative name)



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

Property Image

(4) PROUD FLAT Monzen Nakacho II (tentative name)



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

## Property Image

### (5) PROUD FLAT Shirokane Takanawa (tentative name)



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

Property Image

(5) PROUD FLAT Monzen Nakacho I (tentative name)



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