



NOMURA  
Residential Fund

For Translation Purposes Only

April 8, 2008

**For Immediate Release**

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

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**Notice Concerning Property Acquisition**

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

1. Summary of the Asset

Type of Asset	Real estate
Property Name	PRIME URBAN Chitose Funabashi (tentative name)
Acquisition Price	¥885,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	April 8, 2008 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	February 28, 2009 (date of delivery of the real estate)
Seller	Toray Construction 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.

- The property is a 7 minute walk from Chitose Funabashi Station on the Odakyu Odawara Line. On this line, access to Shinjuku Station takes only approx. 16 min (change to express at Tsujido Station), and can also access to business/commercial areas such as Otemachi, Hibiya, Akasaka, and Omotesando within approx. 30 minutes (change onto Tokyo Metro Chiyoda Line).
- Surrounding the property are several universities such as Seijo University, Nihon University, Tokyo University of Agriculture, and Kokushikan University. The Fund can expect stable demand from not only people who commute into the city, etc., but also university students and faculty, etc.
- Within walking distance of this property, other than the commercial street in front of Chitose Funabashi Station, are various supermarkets, restaurants, and sports gyms, including Queen's Isetan, in the surrounding area, which provides excellent livability. Also, the property is located in a quiet residential district with mainly houses and low-rise apartments. It has an excellent living environment as the property is located in a corner lot next to a park.
- The property consists of mainly 1K rooms in 10 different types of room layouts. The high quality monotone themed exterior design and amenities such as an open view bath (14 of 38 units) or a roof terrace (3 units) provide the property with high tenant appeal.

As the property is still under construction and scheduled to be completed in February 2009, the Fund plans to avoid completion and building delivery risks by making the conditions mentioned below the terms of payment.

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

### 3. Property Summary

Property Name		PRIME URBAN Chitose Funabashi (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	5-3052-3 Sakuragaoka, Setagaya-ku, Tokyo
	Street Address	(Note 2)
Access		7-minute walk to Chitose Funabashi Station on the Odakyu Odawara Line.
Land	Ownership	Ownership
	Area (Note 1)	550.97 sq. meters
	Building Coverage	70% (Note 3)
	Floor Area Ratio	200%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	February 2009 (scheduled)

	Total Floor Area (Note 1)	1,366.97 sq. meters				
	Structure (Note 1)	RC, 5F				
	Leasable Units (Note 1)	38 Units (Under 30 sq. meters: 36 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		¥885,000 thousand				
Survey (Note 5)	Survey Method	Price survey by HIRO & REAS Network, Inc.				
	Survey Value	¥885,000 thousand				
	Survey Date	March 31, 2008				
Estimated NOI (Note 6)		¥44,006 thousand				
Leasing Status (as of April 8, 2008) (Note 7)						
Total Number of Tenants		—				
Total Rental Income		—				
Security Deposits		—				
Occupancy Rate		—				
Total Leased Floor Area		—				
Total Leasable Floor Area (Note 1)		1,027.44 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 Category 1 exclusive district for medium and high-rise residential buildings, 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 to be conducted by the real estate appraiser on the appraisal 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 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 7) Leasing 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 Summary

	PRIME URBAN Chitose Funabashi (tentative name)
Building Condition Appraisal Report Issuer	Takenaka Corporation
Building Condition Appraisal Report Issue Date	March 31, 2008
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)	¥11,990 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

	PRIME URBAN Chitose Funabashi (tentative name)
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	March 2008
Earthquake Risk Analysis (PML) (Note)	11.97%

(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 structural calculation conformation examiner for the properties are as follows.

The Fund has received the structural calculation confirmation (the confirmation that the structural calculation was executed according to the method established by the Minister of Land, Infrastructure, Transport, and Tourism) from the specified structural calculation confirmation agency stated in the structural calculation confirmation examiner box below, due to the revisions in the Building Standards Law enforced in June 2007 (newly revised Building Standards Law).

Property Name	Architect	Contractor	Building Permit Agency	Examiner
PRIME URBAN Chitose Funabashi (tentative name)	Toray Construction Co., Ltd.	Toray Construction Co., Ltd.	Bureau Veritas Japan Co., Ltd.	The Building Center of Japan

#### 6. Seller Profile

Company Name	Toray Construction Co., Ltd.
Head Office	3-3 Nakanoshima, Kita-ku, Osaka-shi, Osaka
Representative	Toshio Takayasu, President & CEO
Capital	¥1,503,000 thousand (as of April 8, 2008)
Principal Shareholder	Toray Industries, Inc.
Principal Business	Architecture and real estate business
Relationship with the Fund and/ or NREAM	None

#### 7. Broker Profile

Broker	Toray Housing Sales 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.

#### 8. Forecasts

Changes in financial results, due to the acquisition of the property, are slight and the forecasts of financial results for the third fiscal period (December 1, 2007 to May 31, 2008) and fourth fiscal period (June 1, 2008 to November 30, 2008) have not been changed.

#### Attachments:

Reference Material 1 “Appraisal Report Summary”

Reference Material 2 “Portfolio After Acquisition of the Property”

Reference Material 3 “Property Image”

(Reference Material 1)

## Price Survey Summary

Property Name	PRIME URBAN Chitose Funabashi (tentative name)
Appraisal Value	¥885,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	March 31, 2008

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	885,000,000	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	943,000,000	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))	54,600,856	
(a) Potential Rental Income	57,044,858	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	2,444,002	Appraisal based on the market vacancy ratio.
(2) Operating Expenses	10,594,494	
Maintenance Expenses	2,016,000	Appraisal based on the scheduled amount.
Utility Expenses	504,936	Appraisal based on similar examples and precedent examples.
Repair Expenses	299,750	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Unit Restoration Expenses	180,089	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	1,514,808	Appraisal based on the estimated amount.
Tenant Recruit Expenses, etc.	2,053,626	Appraisal based on similar examples and precedent examples.
Separate Parking Lot Fees	720,000	Appraisal based on the scheduled amount.
CATV Fees	228,000	Appraisal based on the scheduled amount.
Other Expenses	252,468	Appraisal based on similar examples and precedent examples.
Tax and Public Dues	2,702,117	Appraisal based on the estimated taxation base.
Insurance Fees	122,700	Appraisal based on the scheduled amount.
(3) Net Operating Income (NOI=(1)-(2))	44,006,362	
(4) Temporary Deposit Management Profits, etc.	78,554	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	699,417	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (NCF=(3)-(4))	43,385,499	
(7) Capitalization Rate	4.6%	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	885,000,000	
Discount Rate	4.6%	
Final Capitalization Rate	4.9%	
Cost Approach Value	719,000,000	
Land Ratio	58.1%	
Building Ratio	41.9%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	The property is located in a quiet residential area, which has excellent accessibility and livability, as it is only a 7 minute walk to Chitose Funabashi Station on the Odakyu Odawara Line. The property can expect stable occupancy rates as a rental apartment targeting mainly adults and students who commute to the city, as it has not only a relatively good location, but also the building quality which is above a certain level. The survey value was determined in light of the above factors.
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(Note) In the appraisal report 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 Property

[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 Yoyogi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	0.9	1st FP
	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	0.7	1st FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	0.7	1st FP
	PROUD FLAT Meguro Gvoinzaka	Meguro-ku, Tokyo	855.23	40	882,000	0.7	1st FP
	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	3,055.21	110	2,260,000	1.9	2nd FP
	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	1.3	1st FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	0.9	2nd FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.1	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	1.0	1st FP
	PROUD FLAT Kivotsumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	0.8	1st FP
	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	3,118.12	113	2,340,000	2.0	3rd FP
	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	4,872.17	200	2,770,000	2.4	3rd FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	0.8	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	0.8	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	0.8	1st FP
	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	439.56	19	408,000	0.3	1st FP
	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,277.04	52	1,170,000	1.0	1st FP
	PRIME URBAN Chivoda Fujimi	Chiyoda-ku, Tokyo	793.87	32	707,000	0.6	1st FP
	PRIME URBAN Idabashi	Chiyoda-ku, Tokyo	2,087.70	90	2,030,000	1.7	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	1.0	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.1	1st FP
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	1,008.39	32	886,000	0.8	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	0.4	2nd FP
	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	2,955.74	99	3,580,000	3.0	3rd FP
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.82	42	893,000	0.8	3rd FP
	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,459.86	60	1,290,000	1.1	1st FP
	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,162.55	46	1,000,000	0.8	1st FP
	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	578.18	14	512,000	0.4	1st FP
	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	507.11	28	503,000	0.4	2nd FP
	PRIME URBAN Sangen Java	Setagaya-ku, Tokyo	874.15	33	835,000	0.7	1st FP
	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	1,049.73	41	840,000	0.7	2nd FP
	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	835.05	33	645,000	0.5	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	0.5	1st FP
	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	2,106.16	99	1,700,000	1.4	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	0.7	1st FP
	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	834.90	46	576,000	0.5	1st FP
	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	818.75	33	640,000	0.5	3rd FP
	PRIME URBAN Nishi Oetokubo	Suginami-ku, Tokyo	543.09	24	435,000	0.4	1st FP
	PRIME URBAN Otsuka	Toshima-ku, Tokyo	944.99	46	794,000	0.7	1st FP
	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	3,127.94	117	2,200,000	1.9	1st FP
	PRIME URBAN Kameido	Koto-ku, Tokyo	1,117.34	52	705,000	0.6	1st FP
	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	813.52	40	552,000	0.5	1st FP
	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,886.50	77	1,180,000	1.0	1st FP
	PRIME URBAN Kinsicho	Sumida-ku, Tokyo	991.62	49	668,000	0.6	1st FP
	PRIME URBAN Hirai	Edogawa-ku, Tokyo	1,095.91	53	700,000	0.6	1st FP
	PRIME URBAN Kasai	Edogawa-ku, Tokyo	905.81	45	637,000	0.5	1st FP
	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	1,437.84	68	958,000	0.8	1st FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	0.7	1st FP
	PRIME URBAN Gvotoku I	Ichikawa-shi, Chiba	1,151.36	52	635,000	0.5	1st FP
	PRIME URBAN Gvotoku II	Ichikawa-shi, Chiba	1,244.00	58	741,000	0.6	1st FP
	PRIME URBAN Gvotoku Ekimae	Ichikawa-shi, Chiba	778.19	37	476,000	0.4	1st FP
	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	1,237.80	60	772,000	0.7	1st FP
	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,477.11	98	2,170,000	1.8	3rd FP
	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	1,222.13	40	991,000	0.8	1st FP
	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	650.60	38	452,000	0.4	1st FP
	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	996.81	16	524,000	0.4	1st FP
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,481.82	144	2,290,000	1.9	1st FP
	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	3,600.61	46	2,250,000	1.9	3rd FP
	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	662.58	27	647,000	0.5	3rd FP
	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	1,237.98	18	655,000	0.6	1st FP
	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	517.53	32	324,000	0.3	1st FP
	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	1,053.39	28	635,000	0.5	3rd FP
	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	567.20	34	362,000	0.3	1st FP
	URBAN STAGE Kamijima	Setagaya-ku, Tokyo	1,739.86	37	900,000	0.8	1st FP
	URBAN STAGE Sangen Java	Setagaya-ku, Tokyo	1,018.72	47	755,000	0.6	1st FP
	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	1,774.01	27	730,000	0.6	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	0.3	1st FP
	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	507.52	28	344,000	0.3	1st FP
URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	1,384.45	29	738,000	0.6	3rd 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	0.9	1st FP	
URBAN STAGE Yukigaya	Ota-ku, Tokyo	1,536.59	94	970,000	0.8	1st FP	
URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	1.2	1st FP	
URBAN STAGE Nakano	Nakano-ku, Tokyo	801.30	51	472,000	0.4	1st FP	
URBAN STAGE Takaido	Suginami-ku, Tokyo	1,746.20	107	1,080,000	0.9	1st FP	
URBAN STAGE Komagome	Toshima-ku, Tokyo	990.18	19	412,000	0.3	1st FP	
URBAN STAGE Mukojima	Sumida-ku, Tokyo	1,108.91	55	487,000	0.4	1st FP	
URBAN STAGE Ekoda	Nerima-ku, Tokyo	872.49	35	385,000	0.3	1st FP	
URBAN STAGE Takinokawa	Kita-ku, Tokyo	554.39	29	287,000	0.2	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 Kozanei	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	1.8	2nd FP	
URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,706.46	80	1,150,000	1.0	3rd FP	
URBAN STAGE Tsurumi Terava	Yokohama-shi, Kanagawa	952.06	50	457,000	0.4	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	0.2	1st FP	
URBAN STAGE Minami Gvotoku I	Ichikawa-shi, Chiba	682.05	41	357,000	0.3	1st FP	
URBAN STAGE Minami Gvotoku II	Ichikawa-shi, Chiba	611.61	37	285,000	0.2	1st FP	
URBAN STAGE Minami Gvotoku III	Ichikawa-shi, Chiba	543.84	33	263,000	0.2	1st FP	
URBAN STAGE Minami Gvotoku IV	Ichikawa-shi, Chiba	535.08	32	256,000	0.2	1st FP	
URBAN STAGE Gvotoku Ekimae	Ichikawa-shi, Chiba	927.33	46	561,000	0.5	3rd FP	
URBAN STAGE Minami Gvotoku V	Ichikawa-shi, Chiba	662.68	38	293,000	0.2	3rd FP	
URBAN STAGE Gvotoku	Ichikawa-shi, Chiba	1,766.47	77	948,000	0.8	3rd FP	

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)
	URBAN STAGE Minami Urawa	Saitama-shi, Saitama	694.05	32	274,000	0.2	1st FP
	URBAN STAGE Yono Hommachi	Saitama-shi, Saitama	1,372.74	70	519,000	0.4	1st FP
	Cosmo Gracia Yotsuva Gaien Higashi	Shinjuku-ku, Tokyo	1,759.61	51	1,700,000	1.4	1st FP
	Koganei Habitation	Koganei-shi, Tokyo	5,999.80	98	2,390,000	2.0	3rd FP
	Musashino Green Hills	Koganei-shi, Tokyo	2,970.50	78	1,590,000	1.4	3rd FP
	Sub Total (103 Properties)		136,692.26	5,206	93,401,000	79.3	
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	0.6	1st FP
	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.3	1st FP
	PRIME URBAN Kita Iuvo I	Sapporo-shi, Hokkaido	1,155.60	36	336,000	0.3	1st FP
	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	1,850.20	53	530,000	0.5	1st FP
	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.3	1st FP
	PRIME URBAN Kita Juichi I	Sapporo-shi, Hokkaido	1,851.39	60	600,000	0.5	3rd FP
	PRIME URBAN Mivanosawa	Sapporo-shi, Hokkaido	2,114.53	54	576,200	0.5	3rd FP
	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	1,494.36	36	424,000	0.4	3rd FP
	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	1,007.30	42	337,900	0.3	3rd FP
	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	911.07	27	283,200	0.2	3rd FP
	PRIME URBAN Kita Niijyo I	Sapporo-shi, Hokkaido	1,773.90	36	503,700	0.4	3rd FP
	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	2,439.90	58	731,600	0.6	3rd FP
	PRIME URBAN Nagamachi Ichome	Sendai-shi, Miyagi	3,411.24	60	1,110,000	0.9	3rd FP
	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	1,380.21	43	428,000	0.4	3rd FP
	PRIME URBAN Aoi	Nagoya-shi, Aichi	1,571.04	46	724,000	0.6	1st FP
	PRIME URBAN Kanayama	Nagoya-shi, Aichi	1,391.02	58	632,000	0.5	3rd FP
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	0.6	1st FP
	PRIME URBAN Esaka II	Suita-shi, Osaka	1,392.00	57	790,000	0.7	1st FP
	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	2,176.23	67	830,000	0.7	1st FP
	Benefis Yakun Minami	Fukuoka-shi, Fukuoka	897.84	34	351,000	0.3	1st FP
	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	1,222.34	39	396,000	0.3	3rd FP
	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	1,854.13	65	693,000	0.6	3rd FP
	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	1,740.70	48	545,000	0.5	3rd FP
	Sub Total (23 Properties)		37,352.98	1,096	12,874,600	10.9	
	Total (126 Properties)		174,045.24	6,302	106,275,600	90.2	

[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	0.7	3rd FP
	PROUD FLAT Shinjuku Kawadacho (tentative name)	Shinjuku-ku, Tokyo	1,102.20	41	1,010,000	0.9	3rd FP
	PROUD FLAT Shinotsuka (tentative name)	Toshima-ku, Tokyo	752.09	35	695,000	0.6	3rd FP
	PROUD FLAT Monzen Nakacho II (tentative name)	Koto-ku, Tokyo	830.55	35	650,000	0.6	3rd FP
	PROUD FLAT Shirokane Takanawa (tentative name)	Minato-ku, Tokyo	2,950.11	106	3,510,000	3.0	4th FP
	PROUD FLAT Monzen Nakacho I (tentative name)	Koto-ku, Tokyo	1,191.08	55	1,130,000	1.0	4th FP
	PRIME URBAN Denenchofu Minami (tentative name)	Ota-ku, Tokyo	1,100.17	44	900,000	0.8	4th FP
	PRIME URBAN Chitose Funabashi (tentative name)	Setagaya-ku, Tokyo	1,027.44	38	885,000	0.8	5th FP
	Sub Total (8 Properties)		9,592.34	384	9,580,000	8.1	
Other Areas	PROUD FLAT Kawaramachi (tentative name)	Sendai-shi, Miyagi	1,967.54	64	724,000	0.6	5th FP
	PRIME URBAN Tsurumai (tentative name)	Nagoya-shi, Aichi	2,502.11	104	1,189,096	1.0	5th FP
	Sub Total (2 Properties)		4,469.65	168	1,913,096	1.6	
	Total (10 Properties)		14,061.99	552	11,493,096	9.8	

[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 (111 Properties)	146,284.60	5,590	102,981,000	87.4
Other Areas (25 Properties)	41,822.63	1,264	14,787,696	12.6
Total (136 Properties)	188,107.23	6,854	117,768,696	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



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