



NOMURA  
Residential Fund

For Translation Purposes Only

November 18, 2009

**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

(1) PROUD FLAT Kamata II

Type of Asset	Real Estate
Property Name	PROUD FLAT Kamata II
Acquisition Price	¥2,980,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	November 18, 2009 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	December 15, 2009 (date of delivery of the real estate)
Seller	Nomura Real Estate Development Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Scheduled to acquire through a part of the funds from the public offering and third-party allotment mentioned in the “Notice Concerning the Issue of New Investment Units and the Secondary Offering” released today.
Form of Payment	Payment in full at the time of purchase

## (2) PROUD FLAT Asakusa Komagata

Type of Asset	Real Estate
Property Name	PROUD FLAT Asakusa Komagata
Acquisition Price	¥1,960,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	November 18, 2009 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	December 15, 2009 (date of delivery of the real estate)
Seller	Nomura Real Estate Development Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Scheduled to acquire through a part of the funds from the public offering and third-party allotment mentioned in the “Notice Concerning the Issue of New Investment Units and the Secondary Offering” released today.
Form of Payment	Payment in full at the time of purchase

## (3) URBAN STAGE Shibaura LOFT

Type of Asset	Real Estate
Property Name	URBAN STAGE Shibaura LOFT
Acquisition Price	¥1,150,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	November 18, 2009 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	December 15, 2009 (date of delivery of the real estate)
Seller	Simplex Investment Advisors Co., Ltd. (refer to “6. Seller Profile” below)
Financing	Scheduled to acquire through a part of the funds from the public offering and third-party allotment mentioned in the “Notice Concerning the Issue of New Investment Units and the Secondary Offering” released today.
Form of Payment	Payment in full at the time of purchase

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

## (4) URBAN STAGE Nihonbashi Yokoyamacho

Type of Asset	Real Estate
Property Name	URBAN STAGE Nihonbashi Yokoyamacho
Acquisition Price	¥3,530,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	November 18, 2009 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	December 15, 2009 (date of delivery of the real estate)
Seller	Tosei Corporation (refer to “6. Seller Profile” below)
Financing	Scheduled to acquire through a part of the funds from the public offering and third-party allotment mentioned in the “Notice Concerning the Issue of New Investment Units and the Secondary Offering” released today.
Form of Payment	Payment in full at the time of purchase

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

## 2. Reasons for Acquisition

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

### (1) PROUD FLAT Kamata II

- This property is a 7-minute walk from Kamata Station on the JR Keihin Tohoku Line, which has easy access to major transfer stations such as Shinagawa, Tokyo, and Yokohama Station. Also, access to Haneda Airport is convenient from Keikyu Kamata Station on the Keikyu Main Line, a 4-minute walk from this property.
- Convenient facilities such as GRANDUO Kamata (an urban commercial facility within the JR station building), Shopping Arcade AsuTo (a community based commercial facility), and LIFE (a supermarket that is open until 1:00AM), etc., are all within a walking distance of this property.
- The building provides 14 different room layouts, from 1K (some with lofts) to 1LDK rooms, which meets various needs.
- As stated above, the Fund expects steady demand from a wide array of tenants, such as single adults and DINKs who commute to the inner city or the Keihin area.

### (2) PROUD FLAT Asakusa Komagata

- This property is a 6-minute and 2-minute walk from Asakusa Station on the Tokyo Metro Ginza Line and Toei Subway Asakusa Line, respectively, and access to commercial and business areas such as Ginza, Nihonbashi, and Omotesando is convenient through both lines.
- The Asakusa area is high on livability, with its historical background as an area with high density of population and commercial businesses, and facilities such as the 24-hour supermarket 'Seiyu' and other various convenience stores, etc. Also, the area has a good living environment, as Sumida Park, which has a fitness center and a baseball field, is located along the Sumida River.
- The building, added to the high visibility of its exterior design, has over 80% of all units face the 33 meter wide road, giving the units an open feel, and as 8 types of room layouts (1K-2LDK) are provided, it is able to meet the needs of various tenants.
- As stated above, the Fund expects steady demand from a wide array of tenants, such as single adults, DINKs, and families who commute to the inner city.
- The first floor retail space can expect stable tenant demands from retail stores, commercial facilities with expectant visitors, etc., as it is located close to the Asakusa Station.

### (3) URBAN STAGE Shibaura LOFT

- This property is a 10-minute walk from Tamachi Station on the JR Yamanote Line, which has easy access to Tokyo, Shinagawa, Shibuya, and other major transfer stations within the metropolis.
- The surrounding area is a waterfront being rapidly developed in the recent years, which adds to the livability of the area, and as it is close to major commercial areas such as Roppongi and Ginza, it appeals to a variety of tenants who aspire an urban lifestyle.
- The building has an exterior design adequate for the urban style property and provides 5 types of room layouts (1K, 1LDK) in 9 different variations.
- As all units have lofts and floor heating, and over 40% of the units have an open feel with view of the canal, it provides high quality specifics, which meet the needs of the tenants in the said area, and a competitive edge.

- As stated above, the Fund expects steady demand from mainly single tenants who commute to the inner city and prefer the urban lifestyle.

#### (4) URBAN STAGE Nihonbashi Yokoyamacho

- This property is a 2-minute and 4-minute walk to Bakurocho Station on the JR Sobu Line and Kodemmacho Station on the Tokyo Metro Hibiya Line, respectively, and has easy access to business areas such as Tokyo, Hibiya, etc., and commercial areas such as Ginza, Roppongi, Ebisu, etc.
- Surrounding the property is the commercially dense Nihonbashi/Ginza area, and also Hamamachi Park, a large-scale park with a fitness center, etc., which provides both urban livability and a good living environment.
- The residential floors consist of 1LDK rooms provided in 9 types of layouts/10 variations, and adding the high quality feel of the entrance, room design, and interior specifications, etc., it meets the average needs of the tenant class in the said area.
- As stated above, the Fund expects steady demand from DINKs who commute to the inner city.
- Regarding the first floor retail space, it can expect stable tenant demands from retail stores, commercial facilities with expectant visitors, etc., as the surrounding area is a business district and is located close to Bakuro Yokoyama Station, etc.

### 3. Property Summary

#### (1) PROUD FLAT Kamata II

Property Name		PROUD FLAT Kamata II
Type of Asset		Real Estate
Location (Note 1)	Registry	4-25-3, -13 Kamata, Ota-ku Tokyo
	Street Address	4-25-5 Kamata, Ota-ku Tokyo
Access		4-minute walk from Keikyu Kamata Station on the Keikyu Main Line/Airport Line. 7-minute walk from Kamata Station on the JR Keihin Tohoku Line. 10-minute walk from Kamata Station on the Tokyu Ikegami Line/Tamagawa Line.
Land	Ownership	Ownership
	Area (Note 1)	726.24 sq. meters
	Building Coverage (Note 2)	100%, 70%
	Floor Area Ratio (Note 3)	700%, 300%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	February 8, 2008
	Total Floor Area (Note 1)	5,315.83 sq. meters
	Structure (Note 1)	RC, B1/15F
	Leasable Units (Note 4)	169 units (under 30 sq. meters: 142 units, 30-50 sq. meters: 27 units)
Property Management Company (Note 5)		Haseko Livenet Inc.

Master Leasing Company (Note 6)		Haseko Livenet Inc.				
Type of Master Lease (Note 7)		Pass-through Structure				
Collateral		None				
Notes		None				
Acquisition Price		¥2,980,000 thousand				
Appraisal	Appraisal Method	Appraisal by Tanizawa Sogo Appraisal Co., Ltd.				
	Appraisal Value	¥2,980,000 thousand				
	Appraisal Date	October 1, 2009				
Leasing Status (as of September 30, 2009)						
Total Number of Tenants		1				
Total Rental Income (Note 8)		¥198,648 thousand				
Security Deposits		¥23,776 thousand				
Occupancy Rate		93.6%				
Total Leased Floor Area (Note 9)		3,792.20 sq. meters				
Total Leasable Floor Area (Note 4)		4,052.72 sq. meters				
Past Occupancy Rates (Note 10)		May 31, 2005	May 31, 2006	May 31, 2007	May 31, 2008	May 31, 2009
		—%	—%	—%	—%	95.8%

- (Note 1) Location and Other Items  
Location (registry), Area, Completion Date, Total Floor Area and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated.
- (Note 2) Building Coverage  
Of the property lot, the area from the north street boundary to within 20 meters is a Commercial district of 80% and the area over 20 meters is a Category 1 residential district of 60%. As the property is a fireproof building in a Fire Prevention District, the Building Coverage is 100% and 70%, respectively, and the weighted average figures are applied according to the area ratio.
- (Note 3) Floor Area Ratio  
The property's land is a Commercial district of 700% and a Category 1 residential district of 300%, and the weighted average figures are applied according to the area ratio.
- (Note 4) Leasable Units and Total Leasable Floor Area  
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).
- (Note 5) Property Management Company  
From the day of this property's acquisition to March 31, 2010, the property management company will continue to be Touchstone Residential Management Corporation, consigned by the owner, and as of April 1, 2010, the property management company is scheduled to be switched over to Haseko Livenet Inc.
- (Note 6) Master Lease Company  
From the day of this property's acquisition to March 31, 2010, the master lease company will continue to be Touchstone Residential Management Corporation, consigned by the owner, and as of April 1, 2010, the master lease company is scheduled to be switched over to Haseko Livenet Inc.
- (Note 7) Type of Master Lease  
Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.

- (Note 8) Total Rental Income  
Total Rental Income indicates the total monthly rent (Total of the rent and common area expense of the resident etc. However, when parking lot fees are included in the rent under the lease agreement, this includes the parking lot fees. Also, when the master lease company is applying the rent guaranteed master lease on all or any of the units, the said units are based on the rent, etc., stated on the lease agreement with the master lease company.) that is stated on the lease agreement and is actually executed with the end-tenant, multiplied by twelve (amounts under a thousand yen are rounded down.), regarding the property as of the end of September 2009. Also, regarding the tenants who receive a certain period of free rent due to the agreement, the said period is not included.
- (Note 9) Total Leased Floor Area  
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.
- (Note 10) Past Occupancy Rates  
Regarding the occupancy rates before May 2008, the figures are not stated, as the information has not been received from the owner.

(2) PROUD FLAT Asakusa Komagata

Property Name		PROUD FLAT Asakusa Komagata
Type of Asset		Real Estate
Location (Note 1)	Registry	1-8-5 Komagata, Taito-ku, Tokyo
	Street Address	1-10-6 Komagata, Taito-ku, Tokyo
Access		2-minute walk from Asakusa Station on the Toei Subway Asakusa Line. 6-minute walk from Asakusa Station on the Tokyo Metro Ginza Line. 4-minute walk from Tawaramachi Station on the Tokyo Metro Ginza Line.
Land	Ownership	Ownership
	Area (Note 1)	409.19 sq. meters
	Building Coverage (Note 2)	100%
	Floor Area Ratio	700%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building, retail
	Completion Date (Note 1)	March 5, 2008
	Total Floor Area (Note 1)	2,992.29 sq. meters
	Structure (Note 1)	RC, B1/15F
	Leasable Units (Note 3)	79 units (under 30 sq. meters: 46 units, 30-50 sq. meters: 13 units, 50-70 sq. meters: 19 units, retail/office: 1 units)
Property Management Company (Note 4)		Haseko Livenet Inc.
Master Leasing Company (Note 5)		Haseko Livenet Inc.
Type of Master Lease (Note 6)		Pass-through Structure
Collateral		None
Notes		None
Acquisition Price		¥1,960,000 thousand
Appraisal	Appraisal Method	Price survey by Tanizawa Sogo Appraisal Co., Ltd.
	Appraisal Value	¥1,960,000 thousand
	Appraisal Date	October 1, 2009

Leasing Status (as of September 30, 2009)					
Total Number of Tenants	1				
Total Rental Income (Note 7)	¥132,218 thousand				
Security Deposits	¥29,107 thousand				
Occupancy Rate	93.3%				
Total Leased Floor Area (Note 8)	2,505.33 sq. meters				
Total Leasable Floor Area (Note 3)	2,685.39 sq. meters				
Past Occupancy Rates (Note 9)	May 31, 2005	May 31, 2006	May 31, 2007	May 31, 2008	May 31, 2009
	—%	—%	—%	—%	89.3%

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

(Note 2) 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 3) Leasable Units and Total Leasable Floor Area  
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 4) Property Management Company  
From the day of this property's acquisition to March 31, 2010, the property management company will continue to be Touchstone Residential Management Corporation, consigned by the owner, and as of April 1, 2010, the property management company is scheduled to be switched over to Haseko Livenet Inc.

(Note 5) Master Lease Company  
From the day of this property's acquisition to March 31, 2010, the master lease company will continue to be Touchstone Residential Management Corporation, consigned by the owner, and as of April 1, 2010, the master lease company is scheduled to be switched over to Haseko Livenet Inc.

(Note 6) Type of Master Lease  
Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.

(Note 7) Total Rental Income  
Total Rental Income indicates the total monthly rent (Total of the rent and common area expense of the resident etc. However, when parking lot fees are included in the rent under the lease agreement, this includes the parking lot fees. Also, when the master lease company is applying the rent guaranteed master lease on all or any of the units, the said units are based on the rent, etc., stated on the lease agreement with the master lease company.) that is stated on the lease agreement and is actually executed with the end-tenant, multiplied by twelve (amounts under a thousand yen are rounded down.), regarding the property as of the end of September 2009. Also, regarding the tenants who receive a certain period of free rent due to the agreement, the said period is not included.

(Note 8) Total Leased Floor Area  
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

(Note 9) Past Occupancy Rates  
Regarding the occupancy rates before May 2008, the figures are not stated, as the information has not been received from the owner.

## (3) URBAN STAGE Shibaura LOFT

Property Name		URBAN STAGE Shibaura LOFT			
Type of Asset		Real Estate			
Location (Note 1)	Registry	4-1-33 Shibaura, Minato-ku, Tokyo			
	Street Address	4-5-17 Shibaura, Minato-ku, Tokyo			
Access		10-minute walk from Tamachi Station on the JR Yamanote Line/Keihin Tohoku Line.			
Land	Ownership	Ownership			
	Area (Note 1)	495.86 sq. meters			
	Building Coverage (Note 2)	70%			
	Floor Area Ratio	400%			
Building	Ownership	Ownership (Building ownership: 100%)			
	Use (Note 1)	Apartment building			
	Completion Date (Note 1)	July 19, 2006			
	Total Floor Area (Note 1)	2,429.98 sq. meters			
	Structure (Note 1)	RC, 11F			
	Leasable Units (Note 3)	68 units (under 30 sq. meters: 57 units, 30-50 sq. meters: 10 units, 50-70 sq. meters: 1 units)			
Property Management Company (Note 4)		Haseko Livenet Inc.			
Master Leasing Company (Note 5)		Haseko Livenet Inc.			
Type of Master Lease (Note 6)		Pass-through Structure			
Collateral		None			
Notes		None			
Acquisition Price		¥1,510,000 thousand			
Appraisal	Appraisal Method	Price survey by Hiro & Reas Network, Inc.			
	Appraisal Value	¥1,710,000 thousand			
	Appraisal Date	October 1, 2009			
Leasing Status (as of September 30, 2009)					
Total Number of Tenants		1			
Total Rental Income		¥109,404 thousand (Note 7)			
Security Deposits		¥9,470 thousand			
Occupancy Rate		98.6%			
Total Leased Floor Area (Note 8)		1,879.65 sq. meters			
Total Leasable Floor Area (Note 3)		1,905.39 sq. meters			
Past Occupancy Rates	May 31, 2005	May 31, 2006	May 31, 2007	May 31, 2008	May 31, 2009
	—%	—%	100%	97.3%	95.3%

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

(Note 2) Building Coverage  
As the Property is located within a Quasi-industrial district, 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 3) **Leasable Units and Total Leasable Floor Area**  
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).
- (Note 4) **Property Management Company**  
The scheduled property management company after the acquisition is stated.
- (Note 5) **Master Lease Company**  
The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.
- (Note 6) **Type of Master Lease**  
Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.
- (Note 7) **Total Rental Income**  
Total Rental Income indicates the total monthly rent (Total of the rent and common area expense of the resident etc. However, when parking lot fees are included in the rent under the lease agreement, this includes the parking lot fees. Also, when the master lease company is applying the rent guaranteed master lease on all or any of the units, the said units are based on the rent, etc., stated on the lease agreement with the master lease company.) that is stated on the lease agreement and is actually executed with the end-tenant, multiplied by twelve (amounts under a thousand yen are rounded down.), regarding the property as of the end of September 2009. Also, regarding the tenants who receive a certain period of free rent due to the agreement, the said period is not included.
- (Note 8) **Total Leased Floor Area**  
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

(4) URBAN STAGE Nihonbashi Yokoyamacho

<b>Property Name</b>		URBAN STAGE Nihonbashi Yokoyamacho
<b>Type of Asset</b>		Real Estate
<b>Location</b> (Note 1)	<b>Registry</b>	3-1 Nihonbashi Yokoyamacho, Chuo-ku, Tokyo
	<b>Street Address</b>	3-4 Nihonbashi Yokoyamacho, Chuo-ku, Tokyo
<b>Access</b>		2-minute walk from Bakurocho Station on the JR Sobu Line and Bakuro Yokoyama Station on the Toei Subway Shinjuku Line. 4-minute walk from Kodemmacho Station on the Tokyo Metro Hibiya Line. 5-minute walk from Higashi Nihonbashi Station on the Toei Subway Asakusa Line.
<b>Land</b>	<b>Ownership</b>	Ownership
	<b>Area (Note 1)</b>	858.31 sq. meters
	<b>Building Coverage (Note 2)</b>	100%
	<b>Floor Area Ratio (Note 3)</b>	720%
<b>Building</b>	<b>Ownership</b>	Ownership
	<b>Use (Note 1)</b>	Apartment building/Retail
	<b>Completion Date (Note 1)</b>	January 25, 2008
	<b>Total Floor Area (Note 1)</b>	6,898.33 sq. meters
	<b>Structure (Note 1)</b>	RC, B1/12F
	<b>Leasable Units (Note 4)</b>	124 units (30-50 sq. meters: 99 units, 50-70 sq. meters: 22 units, retail/office: 3 units)

Property Management Company (Note 5)		Haseko Livenet Inc.			
Master Leasing Company (Note 6)		Haseko Livenet Inc.			
Type of Master Lease (Note 7)		Pass-through Structure			
Collateral		None			
Notes		None			
Acquisition Price		¥3,530,000 thousand			
Appraisal	Appraisal Method	Price survey by Hiro & Reas Network, Inc.			
	Appraisal Value	¥3,890,000 thousand			
	Appraisal Date	October 1, 2009			
Leasing Status (as of September 30, 2009)					
Total Number of Tenants (Note 8)	110				
Total Rental Income (Note 9)	¥256,788 thousand				
Security Deposits	¥44,477 thousand				
Occupancy Rate	89.4%				
Total Leased Floor Area (Note 10)	5,296.13 sq. meters				
Total Leasable Floor Area (Note 4)	5,926.17 sq. meters				
Past Occupancy Rates (Note 11)	May 31, 2005	May 31, 2006	May 31, 2007	May 31, 2008	May 31, 2009
	—%	—%	—%	—%	89.3%

(Note 1) Location and Other Items

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

(Note 2) 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 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 600%, but as the Property is located within the covered area of "Streetscape Promoting District Planning (Nihonashi Tonyagai District)" and meets the modification requirements, the Floor Area Ratio after the modification is set at 720%.

(Note 4) Leasable Units and Total Leasable Floor Area

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

(Note 5) Property Management Company

The scheduled property management company after the acquisition is stated.

(Note 6) Master Lease Company

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

(Note 7) Type of Master Lease

Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.

- (Note 8) Total Number of Tenants  
The total number of tenants that have actually leased and a lease agreement has been executed with the end-tenant, as of today, has been indicated, but by the time of delivery, a master lease agreement is scheduled to be executed with the master lease company, and after the agreement, the total number of tenants is scheduled to be 1.
- (Note 9) Total Rental Income  
Total Rental Income indicates the total monthly rent (Total of the rent and common area expense of the resident etc. However, when parking lot fees are included in the rent under the lease agreement, this includes the parking lot fees. Also, when the master lease company is applying the rent guaranteed master lease on all or any of the units, the said units are based on the rent, etc., stated on the lease agreement with the master lease company.) that is stated on the lease agreement and is actually executed with the end-tenant, multiplied by twelve (amounts under a thousand yen are rounded down.), regarding the property as of the end of September 2009. Also, regarding the tenants who receive a certain period of free rent due to the agreement, the said period is not included.
- (Note 10) Total Leased Floor Area  
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.
- (Note 11) Past Occupancy Rates  
Regarding the occupancy rates before May 2008, the figures are not stated, as the information has not been received from the owner.

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

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

	PROUD FLAT Kamata II	PROUD FLAT Asakusa Komagata
Building Condition Appraisal Report Issuer	Takenaka Corporation	Tokyo Bldg-Tech Center Co., Ltd.
Building Condition Appraisal Report Issue Date	October 1, 2009	October 2, 2009
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)	¥60,077 thousand	¥8,660 thousand

	URBAN STAGE Shibaura LOFT	URBAN STAGE Nihonbashi Yokoyamacho
Building Condition Appraisal Report Issuer	Shimizu Corporation	Shimizu Corporation
Building Condition Appraisal Report Issue Date	September 25, 2009	September 25, 2009
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)	¥36,730 thousand	¥57,273 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 Kamata II	PROUD FLAT Asakusa Komagata
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	September 2009	September 2009
Earthquake Risk Analysis (PML) (Note)	6.99%	5.41%

	URBAN STAGE Shibaura LOFT	URBAN STAGE Nihonbashi Yokoyamacho
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	September 2009	September 2009
Earthquake Risk Analysis (PML) (Note)	11.59%	6.52%

(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 calculation have an earthquake resistance capacity and complies with the Building Standard Law.”

Property Name	Architect	Contractor	Building Permit Agency	Evaluation Agency
PROUD FLAT Kamata II	Form Architect Planning Co., Ltd.	Nomura Construction Industrial Co., Ltd.	Japan Building Equipment and Elevator Center Foundation	Nissoken Architencts/ Engineers, Inc.
PROUD FLAT Asakusa Komagata	Tachibana Kenchiku Sekkei Jimusho	Sampei Construction Co., Ltd.	Tokyo-to Bosai/Kenchiku Machizukuri Center	HI International Consultant Co., Ltd
URBAN STAGE Shibaura LOFT	Environmental Design Laboratory	The Zenitaka Corporation	JE Support Co., Ltd.	Yasui Architects & Engineers, Inc.
URBAN STAGE Nihonbashi Yokoyamacho	Spacetech Co., Ltd.	Obayashi Corporation	Chuo City	Yasui Architects & Engineers, Inc.

## 6. Seller Profile

### (1) PROUD FLAT Kamata II, PROUD LAT AsakusaKomagata

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Hirohisa Suzuki, President
Principal Business	Real Estate
Capital	¥2,000,000 thousand
Established	April 15, 1957
Net Assets	Confidential
Total Assets	Confidential
Principal Shareholder (as of March 31, 2009)	Nomura Real Estate Holdings, Inc. (100%)
Relationship with the Fund and/or NREAM	
Capital	As of May 31, 2009, this company owns 12.92% of the Fund's investment units. Also, this company is an affiliated company (100%) 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.
Personnel	As of the end of the sixth fiscal period, 52 of the asset management company's employees are dispatched from the said company.
Transactions	The Fund has acquired 1 property/¥724 million in asset from the said company during the sixth fiscal period.
Status of Related Parties	The said company is not considered a directly associating party of the Fund. However, as stated above, the said company is a Related Party, etc., of the asset management company under the Investment Trust Law.

### (2) URBAN STAGE Shibaura LOFT

Company Name	Simplex Investment Advisors, Inc.
Head Office	1-5-1 Marunouchi, Chiyoda-ku, Tokyo
Representative	Hiroyuki Katsuno, President & CEO Daniel H. Clebes, Preident & CEO
Principal Business	Real Estate
Capital	¥11,508,150 thousand
Established	June 6, 2002
Net Assets	Confidential
Total Assets	Confidential
Principal Shareholder	Confidential
Relationship with the Fund and/or NREAM	
Capital	There are no capital involvement between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Personnel	There are no personnel involvement between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	There are no transactions between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.



Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trust Law.
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(3) URBAN STAGE Nihonbashi Yokoyamacho

Company Name	Tosei Corporation
Head Office	4-2-3 Toranomom, Minato-ku, Tokyo
Representative	Seiichiro Yamaguchi, President & CEO
Principal Business	Real Estate
Capital	¥4,452,807 thousand
Established	February 2, 1950
Net Assets	¥21,887,249 thousand (as of November 30, 2008)
Total Assets	¥78,309,499 thousand (as of November 30, 2008)
Principal Shareholder (as of May 31, 2009)	Seiichiro Yamaguchi (36.84%) Zeus Capital Ltd. (15.92%)
Relationship with the Fund and/or NREAM	
Capital	There are no capital involvement between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Personnel	There are no personnel involvement between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	There are no transactions between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trust Law.

7. Status of Previous Owner

(1) PROUD FLAT Kamata II, PROUD FLAT Asakusa Komagata

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. (Nomura Real Estate Development Co., Ltd.)
Acquisition Process & Reasons, etc.	Developed with the purpose of selling.
Acquisition Price (including other expenses)	—
Time of Acquisition	—

(2) URBAN STAGE Shibaura LOFT, URBAN STAGE Nihonbashi Yokoyamacho

The two properties stated above were not acquired from a Related Party of the Fund or asset management company.

8. Broker Profile

No brokers were involved in the transaction of the Property.

9. Transactions with Related Parties

The transactions regarding PROUD FLAT Kamata II and PROUD FLAT Asakusa Komagata is 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

Financial results after the acquisition of the four properties for the sixth fiscal period (June 1, 2009 to November 30, 2009) have not been changed. Refer to the "Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending May 31, 2010 and November 30, 2010," released today, for forecasts after the acquisition of the four properties.

Attachments:

Reference Material 1 "Appraisal Report Summary"

Reference Material 2 "Portfolio After Acquisition of the Properties"

Reference Material 3 "Property Image"

(Reference Material 1)

## Appraisal Report Summary

Property Name	PROUD FLAT Kamata II
Appraisal Value	¥2,980,000,000
Appraisal Agency	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	October 1, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	2,980,000,000	Using the value calculated by means of the Discount Cash Flow Method as a reference, a value using the Direct Capitalization Method was adopted.
Value using the Direct Capitalization Method	2,990,000,000	
(1) Gross Income ((a)-(b))	209,014,016	
(a) Common Area Charge and Rent Income	207,709,281	Appraisal based on the standard market rent, etc.
(a) Parking Space Income	6,480,000	Appraisal based on the current lease and new rent standard, etc.
(a) Other Income	8,450,199	Allocation of key money income and renewal fees.
(b) Vacancy Loss	13,625,464	Appraisal based on the leveling mid-to-long term occupancy rate.
(b) Bad Debt Loss	0	Not allocated as security deposit covers the guarantee.
(2) Operating Expenses	40,974,574	
Maintenance Expenses	6,808,570	Appraisal based on previous income statements, etc.
Utility Expenses	1,945,306	Appraisal based on previous income statements, etc.
Repair Expenses	4,819,870	Allocate the repair expenses appraised, based on the restoration expenses and the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	6,019,291	Appraisal based on details of scheduled agreement and standard level, etc.
Tenant Recruit Expenses, etc.	6,269,907	Appraisal of new and renewal fees.
Tax and Public Dues	10,590,800	Actual amount of the year 2009.
Insurance Fees	340,550	Adopting the estimated amount.
Other Expenses	4,180,280	Appraisal based on previous income statements, etc.
(3) Net Operating Income (NOI=(1)-(2))	168,039,442	
(4) Temporary Deposit Management Profits, etc.	565,766	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Capital Expenditures	4,095,000	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (NCF=(3)+(4)-(5))	164,510,208	
(7) Capitalization Rate	5.5%	Appraisal based the comparison of various investment cap rates in the surrounding area or an area with similar demands.
Value Using the Discounted Cash Flow Method	2,980,000,000	
Discount Rate	5.5%	Appraisal based on the standard property's cap rate plus the property's individual risk.
Final Capitalization Rate	5.8%	Appraisal based on the cap rate and while considering the forecast uncertainty.
Cost Approach Value	1,860,000,000	
Land Ratio	41.4%	
Building Ratio	58.6%	



<p>Items applied to adjustments in approaches to the value and the determination of the appraisal value</p>	<p>This property, a rental apartment, is a 4-minute walk to Keikyu Kamata Station on the Keihin Kyuko Main Line and Kuko Line, a 7-minute walk from Kamata Station on the JR Keihin Tohoku Line, and Kamata Station on the Tokyu Tamagawa Line and Ikegami Line. Stable demand can be expected from singles and DINKs, as not only is the property facing a bus route street and have convenient transportation, but with supermarkets and a commercial street close by, it provides excellent livability. Also, in consideration to the fact that, as the property has convenient access to Haneda International Airport, tenant demands from people who work in the airline industry can be expected, and stable rent can be expected in the future.</p> <p>The appraisal value was determined in light of the above factors, with the revenue price properly reflecting the investor's investment profitability as the standard and verifying through the settlement price.</p>
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## Appraisal Report Summary

Property Name	PROUD FLAT Asakusa Komagata
Appraisal Value	¥1,960,000,000
Appraisal Agency	Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	October 1, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,960,000,000	Using the value calculated by means of the Discount Cash Flow Method as a reference, a value using the Direct Capitalization Method was adopted.
Value using the Direct Capitalization Method	1,970,000,000	
(1) Gross Income ((a)-(b))	138,516,637	
(a) Common Area Charge and Rent Income	138,421,647	Appraisal based on the standard market rent, etc.
(a) Parking Space Income	2,160,000	Appraisal based on the current lease and new rent standard, etc.
(a) Other Income	5,180,073	Allocation of key money income and renewal fees.
(b) Vacancy Loss	7,245,083	Appraisal based on the leveling mid-to-long term occupancy rate.
(b) Bad Debt Loss	0	Not allocated as security deposit covers the guarantee.
(2) Operating Expenses	27,837,853	
Maintenance Expenses	4,833,702	Appraisal based on previous income statements, etc.
Utility Expenses	1,611,234	Appraisal based on previous income statements, etc.
Repair Expenses	3,150,728	Allocate the repair expenses appraised, based on the restoration expenses and the Building Condition Appraisal Report by Tokyo Bldg-Tech Center Co., Ltd.
Property Management Fees	4,001,369	Appraisal based on details of scheduled agreement and standard level, etc.
Tenant Recruit Expenses, etc.	3,887,587	Appraisal of new and renewal fees.
Tax and Public Dues	7,349,000	Actual amount of the year 2009.
Insurance Fees	233,900	Adopting the estimated amount.
Other Expenses	2,770,333	Appraisal based on previous income statements, etc.
(3) Net Operating Income (NOI=(1)-(2))	110,678,784	
(4) Temporary Deposit Management Profits, etc.	527,300	Appraisal based on the assumption that the operation has a 2.0% investment yield.
(5) Capital Expenditures	2,835,000	Appraisal based on the Building Condition Appraisal Report by Tokyo Bldg-Tech Center Co., Ltd.
(6) Standardized Net Cash Flow (NCF=(3)+(4)-(5))	108,371,084	
(7) Capitalization Rate	5.5%	Appraisal based the comparison of various investment cap rates in the surrounding area or an area with similar demands.
Value Using the Discounted Cash Flow Method	1,960,000,000	
Discount Rate	5.5%	Appraisal based on the standard property's cap rate plus the property's individual risk.
Final Capitalization Rate	5.8%	Appraisal based on the cap rate and while considering the forecast uncertainty.
Cost Approach Value	1,120,000,000	
Land Ratio	33.0%	
Building Ratio	67.0%	

<p>Items applied to adjustments in approaches to the value and the determination of the appraisal value</p>	<p>This property, a rental apartment, is a 6 minute walk and 2 minute walk from Asakusa Station on the Tokyo Metro Ginza Line and Toei Subway Asakusa Line, respectively. Taking into consideration the convenience and closeness to the city, stable rent demand from not only singles, DINKs, etc., but as old residents have a strong preference for living in this area, the Fund can expect a relatively stable rent demand from a wide variety of tenants.</p> <p>The appraisal value was determined in light of the above factors, with the revenue price properly reflecting the investor's investment profitability as the standard and verifying through the settlement price.</p>
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## Appraisal Report Summary

Property Name	URBAN STAGE Shibaura LOFT
Appraisal Value	¥1,710,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	October 1, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,710,000,000	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	1,810,000,000	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))	115,318,413	
(a) Potential Rental Income	121,504,076	Appraisal based on the current and standard market rent.
(b) Vacancy Loss, etc.	6,185,663	Appraisal based on the current and market vacancy ratio.
(2) Operating Expenses	23,441,247	
Maintenance Expenses	5,160,000	Appraisal based on the estimated amount and standard level.
Utility Expenses	2,507,315	Appraisal based on actual value.
Repair Expenses	1,757,667	Appraisal based on the Building Condition Appraisal Report by Shimizu Corporation.
Unit Restoration Expenses	526,173	Appraisal based on the standard level.
Property Management Fees	3,303,713	Appraisal based on agreement details and standard level.
Tenant Recruit Expenses, etc.	4,348,704	Appraisal based on similar examples and precedent examples.
Local Organization Fees	130,560	Appraisal based on actual value.
CATV Fees	326,400	Estimated amount stated on the document.
Other Expenses	105,234	Appraisal based on actual value.
Tax and Public Dues	5,089,861	Actual amount of the year 2009.
Insurance Fees	185,620	Appraisal based on the standard level.
(3) Net Operating Income (NOI=(1)-(2))	91,877,166	
(4) Temporary Deposit Management Profits, etc.	90,971	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	1,303,167	Appraisal based on the Building Condition Appraisal Report by Shimizu Corporation.
(6) Standardized Net Cash Flow (NCF=(3)-(4))	90,664,970	
(7) Capitalization Rate	5.0%	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	1,710,000,000	
Discount Rate	5.0%	
Final Capitalization Rate	5.3%	
Cost Approach Value	1,420,000,000	
Land Ratio	57.7%	
Building Ratio	42.3%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	Warehouses and industrial land in the recent years have declined in this area and many high-rise apartment buildings and office buildings have been redeveloped in its stead. Also, the said property is a fairly new rental apartment, with high quality specification and furnishings, and a distinct design, and as it appeals to young adults who seek an urban lifestyle, the Fund can expect stable occupancy rates. The appraisal value was determined in light of the above factors
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## Appraisal Report Summary

Property Name	URBAN STAGE Nihonbashi Yokoyamacho
Appraisal Value	¥3,890,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	October 1, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	3,890,000,000	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	4,160,000,000	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))	264,980,381	
(a) Potential Rental Income	289,048,394	Appraisal based on the current and standard market rent.
(b) Vacancy Loss, etc.	24,068,013	Appraisal based on the current and market vacancy ratio.
(2) Operating Expenses	50,928,483	
Maintenance Expenses	12,954,000	Appraisal based on the estimated amount and standard level.
Utility Expenses	2,726,232	Appraisal based on actual value.
Repair Expenses	2,695,667	Appraisal based on the Building Condition Appraisal Report by Shimizu Corporation.
Unit Restoration Expenses	2,504,838	Appraisal based on the standard level.
Property Management Fees	5,231,149	Appraisal based on agreement details and standard level.
Tenant Recruit Expenses, etc.	12,361,418	Appraisal based on similar examples and precedent examples.
Local Organization Fees	341,724	Appraisal based on actual value.
Other Expenses	250,484	Appraisal based on actual value.
Tax and Public Dues	11,400,031	Actual amount of the year 2009.
Insurance Fees	462,940	Appraisal based on the standard level.
(3) Net Operating Income (3) (NOI=(1)-(2))	214,051,898	
(4) Temporary Deposit Management Profits, etc.	317,001	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	2,077,083	Appraisal based on the Building Condition Appraisal Report by Shimizu Corporation.
(6) Standardized Net Cash Flow (5) (NCF=(3)-(4))	212,291,816	
(7) Capitalization Rate	5.1%	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	3,890,000,000	
Discount Rate	5.1%	
Final Capitalization Rate	5.4%	
Cost Approach Value	3,170,000,000	
Land Ratio	52.4%	
Building Ratio	47.6%	

<p>Items applied to adjustments in approaches to the value and the determination of the appraisal value</p>	<p>The said area used to be a thriving wholesaler's district, and as it has high operation efficiency for developers, due to the high floor area ratio, recently the provision of apartment or office buildings with retail has increased in the area. Furthermore, the convenience of having access to multiple train lines and located close to the city, which is a good condition for all retail, office, and apartment buildings, it is an area where steady real estate demand can be expected. The appraisal value was determined in light of the above factors</p>
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## Portfolio After Acquisition of the Properties

[Acquired Properties]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Greater Tokyo Area	PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	2,950.11	106	3,510,000	2.7	4th FP
	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	0.8	1st FP
	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	0.7	1st FP
	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	638.70	30	800,000	0.6	3rd FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	0.6	1st FP
	PROUD FLAT Meguro Gyoninzaka	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	1.7	2nd FP
	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	1.2	1st FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	0.8	2nd FP
	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,102.20	41	1,010,000	0.8	3rd FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.0	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	0.9	1st FP
	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	752.09	35	695,000	0.5	3rd FP
	PROUD FLAT Kivotsumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	0.7	1st FP
	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	830.55	35	650,000	0.5	3rd FP
	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,191.08	55	1,130,000	0.9	4th FP
	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	3,118.12	113	2,340,000	1.8	3rd FP
	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	4,872.17	200	2,770,000	2.1	3rd FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	0.7	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	0.7	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	0.7	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	0.9	1st FP
	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	793.87	32	707,000	0.5	1st FP
	PRIME URBAN Idabashi	Chiyoda-ku, Tokyo	2,087.70	90	2,030,000	1.5	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	0.9	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.0	1st FP
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	1,008.39	32	886,000	0.7	1st FP
	PRIME URBAN Senzoku	Meguro-ku, Tokyo	655.27	22	536,000	0.4	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	2.7	3rd FP
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.82	42	893,000	0.7	3rd FP
	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,759.11	51	1,700,000	1.3	1st FP
	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,459.86	60	1,290,000	1.0	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	0.6	1st FP
	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	1,049.73	41	840,000	0.6	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	0.3	2nd FP
	PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	1,027.44	38	885,000	0.7	5th 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	1.3	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	0.6	1st FP
	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	834.90	46	576,000	0.4	1st FP
	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	1,100.17	44	900,000	0.7	3rd FP
	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	818.75	33	640,000	0.5	3rd FP
	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	543.09	24	435,000	0.3	1st FP
	PRIME URBAN Otsuka	Toshima-ku, Tokyo	944.99	46	794,000	0.6	1st FP
	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	3,207.92	118	2,200,000	1.7	1st FP
	PRIME URBAN Kameido	Koto-ku, Tokyo	1,117.34	52	705,000	0.5	1st FP
	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	813.52	40	552,000	0.4	1st FP
	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,886.50	77	1,180,000	0.9	1st FP
	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	991.62	49	668,000	0.5	1st FP
	PRIME URBAN Hirai	Edogawa-ku, Tokyo	1,095.91	53	700,000	0.5	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	0.7	1st FP
	PRIME URBAN Shinjirigaoka	Kawasaki-shi, Kanagawa	1,708.19	64	1,210,000	0.9	5th FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	0.6	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	0.6	1st FP
	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,477.11	98	2,170,000	1.7	3rd FP
	URBAN STAGE Azabu Iuban	Minato-ku, Tokyo	1,222.13	40	991,000	0.8	1st FP
	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	650.60	38	452,000	0.3	1st FP
	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	996.81	16	524,000	0.4	1st FP
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,524.00	145	2,290,000	1.7	1st FP
	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	3,600.61	46	2,250,000	1.7	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	0.5	1st FP	
URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	517.53	32	324,000	0.2	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 Kamiuma	Setagaya-ku, Tokyo	1,739.86	37	900,000	0.7	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	0.4	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	0.4	1st FP	
URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,782.26	93	1,100,000	0.8	1st FP	
URBAN STAGE Yukigaya	Ota-ku, Tokyo	1,536.59	94	970,000	0.7	1st FP	
URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	1.1	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	0.8	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 Machiva	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 Musashi Koganei	Koganei-shi, Tokyo	5,999.80	98	2,390,000	1.8	3rd FP	
URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	2,961.06	80	1,590,000	1.2	3rd FP	
URBAN STAGE Hino	Hino-shi, Tokyo	994.68	54	319,000	0.2	1st 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 Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	3,690.37	56	2,150,000	1.6	2nd FP
	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,706.46	80	1,150,000	0.9	3rd FP
	URBAN STAGE Tsurumi Terava	Yokohama-shi, Kanagawa	952.06	50	457,000	0.3	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	0.4	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	0.7	3rd FP
	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
	Sub Total (112 Properties)		148,167.45	5,659	104,191,000	79.3	
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	0.5	1st FP
	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	1,967.54	64	724,000	0.6	5th FP
	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.3	1st FP
	PRIME URBAN Kita Iuvo Jo	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	0.4	1st FP
	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.2	1st FP
	PRIME URBAN Kita Iuichi Jo	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	0.4	3rd FP
	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	1,494.36	36	424,000	0.3	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 Nijuvo Jo	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 Icchome	Sendai-shi, Miyagi	3,411.24	60	1,110,000	0.8	3rd FP
	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	1,380.21	43	428,000	0.3	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 Tsurumai	Nagoya-shi, Aichi	2,502.11	104	1,189,096	0.9	5th FP
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	0.5	1st FP
	PRIME URBAN Esaka II	Suita-shi, Osaka	1,392.00	57	790,000	0.6	1st FP
	PRIME URBAN Esaka III	Suita-shi, Osaka	2,151.67	79	1,535,000	1.2	5th FP
	URBAN STAGE Tsutsumidori Amamiva	Sendai-shi, Miyagi	4,251.91	65	969,000	0.7	4th FP
	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	2,176.23	67	830,000	0.6	1st FP
	Benefis Yakuin 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	0.5	3rd FP
	Benefis Chihava Grand Suite	Fukuoka-shi, Fukuoka	1,740.70	48	545,000	0.4	3rd FP
	Sub Total (27 Properties)		48,226.21	1,408	17,291,696	13.2	
	Total (139 Properties)		196,393.66	7,067	121,482,696	92.4	

[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 Kamata II	Ota-ku, Tokyo	4,052.72	169	2,980,000	2.3	7th FP
	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	2,685.39	79	1,960,000	1.5	7th FP
	URBAN STAGE Shibaura LOFT	Minato-ku, Tokyo	1,905.39	68	1,510,000	1.1	7th FP
	URBAN STAGE Nihonbashi Yokovamacho	Chuo-ku, Tokyo	5,926.17	124	3,530,000	2.7	7th FP
	Sub Total (4 Properties)		14,569.67	440	9,980,000	7.6	
	Total (4 Properties)		14,569.67	440	9,980,000	7.6	

[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 (116 Properties)	162,737.12	6,099	114,171,000	86.8
Other Areas (27 Properties)	48,226.21	1,408	17,291,696	13.2
Total (143 Properties)	210,963.33	7,507	131,462,696	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  
Sixth Fiscal Period: June 1, 2009 - November 30, 2009  
Seventh Fiscal Period: December 1, 2009 - May 31, 2010

(Reference Material 3)

## Property Image

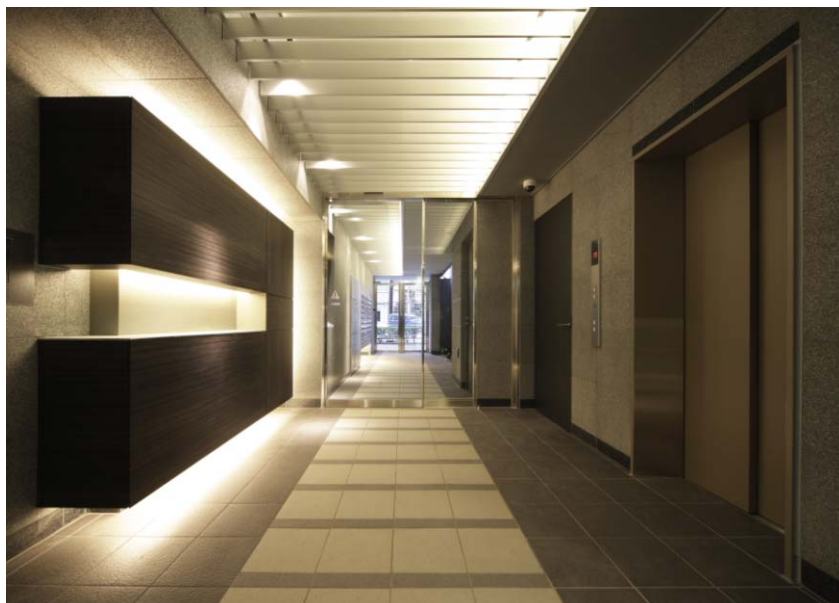
(1) PROUD FLAT Kamata II





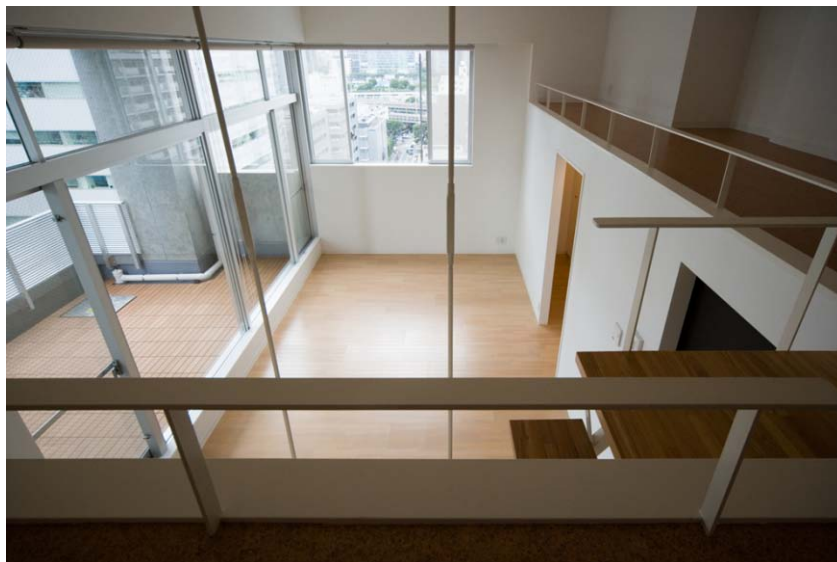
Property Image

(2) PROUD FLAT Asakusa Komagata



Property Image

(3) URBAN STAGE Shibaura LOFT



Property Image

(4) URBAN STAGE Nihonbashi Yokoyamacho

