



NOMURA
Residential Fund

For Translation Purposes Only

December 12, 2007

For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Tatsuo Inoue, President and Chief Executive Officer
Inquiries: Masatomi Natsume, Director
Residential Management Division
TEL: +81-3-3365-7729

Notice Concerning Property Acquisition

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

1. Summary of the Assets

(1) PRIME URBAN Nagamachi Icchome (tentative name)

Type of Asset	Real estate
Property Name	PRIME URBAN Nagamachi Icchome (tentative name)
Acquisition Price	¥1,110,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	December 12, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	February 1, 2008 (date of delivery of the real estate)
Seller	Sereno Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

(2) PRIME URBAN Yaotome Chuo (tentative name)

Type of Asset	Real estate
Property Name (Note)	PRIME URBAN Yaotome Chuo (tentative name)
Acquisition Price	¥428,000 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	December 12, 2007 (date of agreement on purchase and sale of the real estate)

Scheduled Date of Acquisition	February 1, 2008 (date of delivery of the real estate)
Seller	Sereno Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

2. Reasons for Acquisition

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

(1) PRIME URBAN Nagamachi Icchome (tentative name)

- This property is a 3-minute walk from Nagamachi Icchome Station on the Sendai Municipal Subway Namboku Line, a key transportation system in Sendai, and has access to Sendai Station (6 min.) and Kotodai Koen Station (9 min.), which is the closest station to Miyagi Prefectural Government and Sendai City Hall, and enables excellent accessibility to business and commercial areas. Also, this property also has easy access to main national highways (Route 4 and Route 286), which makes the location convenient to get to Sendai and other areas by car.
- The Nagamachi Area stands as a Southern Sendai regional center in the City of Sendai Basic Plan (“Sendai 21 Plan”) and currently a large-scale land readjustment project (“Asu To Nagamachi”), a project area of approximately 82 hectares, is underway in a neighboring area of the property by Urban Renaissance Agency. As the said land readjustment project is scheduled to open business facilities, commercial facilities, and the New Sendai City Hospital etc., it is one of the most promising developments that are being noticed within Sendai after its completion.
- The property consists of 5 types of room layouts (1LDK-3LDK), and as all the units having plenty of storage space and 60% of them are wide-span units (7.5m-9.4m frontage), it can ensure the differentiation of target tenants who seek a high quality living environment.
- As stated above, the Fund expects steady demand from a wide range of tenants, such as single adults who commute to the inner city, DINKs, and families.

(2) PRIME URBAN Yaotome Chuo (tentative name)

- This property is a 4-minute walk from Yaotome Station on the Sendai Municipal Subway Namboku Line, and has convenient access to Katodai Koen (approx. 10 min.) and Sendai (approx. 13 min.) on the said line. Also, this property also has easy access to main national highways (Route 4 and Route 286), which makes the location convenient to get to other areas by car.
- Adding to the convenient facilities surrounding the Yaotome Station area, this property is positioned next to Izumi Chuo Area, a regional center in Northern Sendai, and can easily access to the large-scale commercial facilities (Ito Yokado, Selva, etc.), public facilities (Izumi Ward Office, Library, Music Halls, etc.), and parks (Nanakita Koen, Yurtec Stadium Sendai).
- The property consists of 8 types of room layouts (1R-2LDK), mostly consisting of spacious 30 sq. meter 1R/1K units, and as over half of the units (23/43 units) are corner rooms with ample daylight and airflow, the property appeals to a wide range of tenants.
- As stated above, the Fund expects steady demand from single adults and DINKs etc., who look for a comfortable living space.

Regarding these two properties, in order to diminish the leasing risk at the time of acquisition, regarding the 6 months following the acquisition, it was decided with the scheduled master leasing company that the Rent Insurance Structure will be used, and following that period the Pass-through Structure will be used.

With this agreement, these properties will have a 100% occupancy rate for some time from the time of acquisition.

As these two properties are still under construction and scheduled to be completed in January 2008, the Fund plans to avoid completion and building delivery risks by making the conditions mentioned below the terms of payment.

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

3. Property Summary

(1) PRIME URBAN Nagamachi Icchome (tentative name)

Property Name		PRIME URBAN Nagamachi Icchome (tentative name)
Type of Asset		Real Estate (Note 1)
Location (Note 2)	Registry	1-127-6 Nagamachi Icchome, Taihaku-ku Sendai-shi, Miyagi
	Street Address	1-2-30 Nagamachi Icchome, Taihaku-ku Sendai-shi, Miyagi
Access		3-minute walk to Nagamachi Icchome Station on the Sendai Municipal Subway Namboku Line.
Land	Ownership	Ownership
	Area (Note 2)	1,075.14 sq. meters (Note 3)
	Building Coverage	80%
	Floor Area Ratio	400%
Building	Ownership	Ownership
	Use (Note 2)	Apartment building
	Completion Date (Note 2)	January 2008 (scheduled)
	Total Floor Area (Note 2)	4,092.85 sq. meters
	Structure (Note 2)	RC, 13F
	Leasable Units (Note 2)	60 Units (30-50 sq. meters: 12 units, 50-70 sq. meters: 48 units)
Property Management Company (Note 4)		REI Co., Ltd.
Master Leasing Company (Note 5)		REI Co., Ltd.
Type of Master Lease		Pass-through Structure (Note 6)
Collateral		None
Notes		None

Acquisition Price		¥1,110,000 thousand				
Appraisal (Note 7)	Appraisal Method	Price survey by HIRO & REAS Network, Inc.				
	Appraisal Value	¥1,110,000 thousand				
	Appraisal Date	November 20, 2007				
Estimated NOI (Note 8)		¥65,561 thousand				
Leasing Status (as of December 12, 2007) (Note 9)						
Total Number of Tenants		—				
Total Rental Income		—				
Security Deposits		—				
Occupancy Rate		—				
Total Leased Floor Area		—				
Total Leasable Floor Area (Note 2)		3,411.24 sq. meters				
Past Occupancy Rates		May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007
		—%	—%	—%	—%	—%

(Note 1) Type of Specified Asset

At present, the property's land is in trust, but the Fund is scheduled to acquire the land as real estate. Also at present, the building is not in trust, and there are no plans to do as such.

(Note 2) 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 3) Area

The property's frontal road is a planning decision made as an urban planning road (name: 3.2.51 Mototera Koji Koriyama Line), and is 36 meters. This urban planning road part was determined in the December 10, 1954 Street Zone and buildings cannot be constructed on the said part. Also, the area that applies to the said urban planning road is 168.19 sq. meters.

(Note 4) Property Management Company

The scheduled property management company after the acquisition is stated.

(Note 5) Master Leasing Company

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

(Note 6) Type of Master Lease

The Pass-through Structure is scheduled, but regarding the 6 months following the acquisition, it was decided with the scheduled master leasing company that the Rent Insurance Structure will be used. 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. Rent Insurance Structure refers to a lease structure involving the master lease company paying a fixed amount.

(Note 7) Appraisal

The appraisal, 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 8) 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 9) Leasing Status

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

(2) PRIME URBAN Yaotome Chuo (tentative name)

Property Name		PRIME URBAN Yaotome Chuo (tentative name)			
Type of Asset		Real Estate (Note 1)			
Location (Note 2)	Registry	3-311-2,-9 Yaotome Chuo, Izumi-ku Sendai-shi, Miyazaki			
	Street Address	3-8-70 Yaotome Chuo, Izumi-ku Sendai-shi, Miyazaki			
Access		4-minute walk to Yaotome Station on the Sendai Municipal Subway Namboku Line.			
Land	Ownership	Ownership			
	Area (Note 2)	894.53 sq. meters			
	Building Coverage	60%			
	Floor Area Ratio	163.6% (Note 3)			
Building	Ownership	Ownership			
	Use (Note 2)	Apartment building			
	Completion Date (Note 2)	January 2008 (scheduled)			
	Total Floor Area (Note 2)	1,687.51 sq. meters			
	Structure (Note 2)	RC, 8F			
	Leasable Units (Note 2)	43 Units (30-50 sq. meters: 41 units, 50-70 sq. meters: 2 units)			
Property Management Company		REI Co., Ltd. (Note 4)			
Master Leasing Company		REI Co., Ltd. (Note 5)			
Type of Master Lease		Pass-through Structure (Note 6)			
Collateral		None			
Notes		None			
Acquisition Price		¥428,000 thousand			
Appraisal (Note 7)	Appraisal Method	Price survey by HIRO & REAS Network, Inc.			
	Appraisal Value	¥428,000 thousand			
	Appraisal Date	November 20, 2007			
Estimated NOI (Note 8)		¥25,954 thousand			
Leasing Status (as of December 12, 2007) (Note 9)					
Total Number of Tenants		—			
Total Rental Income		—			
Security Deposits		—			
Occupancy Rate		—			
Total Leased Floor Area		—			
Total Leasable Floor Area (Note 2)		1,380.21 sq. meters			
Past Occupancy Rates	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006	May 31, 2007
	—%	—%	—%	—%	—%

(Note 1) Type of Specified Asset

At present, the property's land is in trust, but the Fund is scheduled to acquire the land as real estate. Also at present, the building is not in trust, and there are no plans to do as such.

(Note 2) 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 3) Floor Area Ratio
The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.09 meters×40%) is prioritized.
- (Note 4) Property Management Company
The scheduled property management company after the acquisition is stated.
- (Note 5) Master Leasing Company
The master leasing company scheduled to enter into a master lease agreement after the completion of the acquisition is stated.
- (Note 6) Type of Master Lease
The Pass-through Structure is scheduled, but regarding the 6 months following the acquisition, it was decided with the scheduled master leasing company that the Rent Insurance Structure will be used. 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. Rent Insurance Structure refers to a lease structure involving the master lease company paying a fixed amount.
- (Note 7) Appraisal
The appraisal, 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 8) 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 9) Leasing Status
As the property is still under construction, no lease agreements have been executed with tenants.

4. Building Condition Appraisal Report Summary

	PRIME URBAN Nagamachi Icchome (tentative name)	PRIME URBAN Yaotome Chuo (tentative name)
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	November 28, 2007	November 28, 2007
Estimated Amount of Emergency Repair Expenses (Note 1)	—	—
Estimated Amount of Short Term Repair Expenses (Note 2)	—	—
Estimated Amount of Long Term Repair Expenses (Note 3)	¥18,510 thousand	¥14,540 thousand

- (Note 1) Emergency Repair Expenses indicate the amount of repair expenses for items that are functionally deficient and hinder daily routine or items that have legal instructions for improvement and have yet to be repaired, depending on the level of urgency.
- (Note 2) Short Term Repair Expenses indicate the amount for repairs, items that are in need of immediate improvements due to rapid deterioration (excluding standard repair expenses and interior/facility renewal expenses), or items that may malfunction if left unattended.
- (Note 3) The Estimated Amount of Long Term Repair Expenses is the total amount indicated by the issuer, mentioned above, in the Long Term Repair Expenses Forecast (12 years), which is based on the Building Condition Appraisal Report.

	PRIME URBAN Nagamachi Icchome (tentative name)	PRIME URBAN Yaotome Chuo (tentative name)
Earthquake PML Appraisal Report Issuer	Sompo Japan Risk Management, Inc.	Sompo Japan Risk Management, Inc.
Earthquake PML Appraisal Report Issue Date	November 2007	November 2007
Earthquake Risk Analysis (PML) (Note)	1.75%	4.41%

(Note) PML (Probable Maximum Loss), which is expressed as a percentage of the replacement value, indicates an estimate of costs to be incurred during the anticipated usable period (generally, the duration of a building is 50 years) for restoration of the property to pre-earthquake condition (a large scale earthquake is likely to occur every 475 years; the possibility of an earthquake occurring during the next 50 years is 10%).

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

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

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

Property Name	Architect	Contractor	Building Permit Agency	Evaluation Agency
PRIME URBAN Nagamachi Icchome (tentative name)	Gendai Kenchiku Kobo Co., Ltd.	Matsumura-gumi Corporation	Sendai Urban Arrangement Center Co., Ltd.	HI International Consultant Co., Ltd.
PRIME URBAN Yaotome Chuo (tentative name)	Handa Kenchiku Kenkyujo Co., Ltd.	Onoryo Co., Ltd.	Miyagi Architecture Residence Center	HI International Consultant Co., Ltd.

6. Seller Profile

Company Name	Sereno Co., Ltd.
Head Office	4-11 Futsukamachi Aoba-ku, Sendai-shi, Miyagi
Representative	Hisanori Narisawa, Representative Director
Capital	¥50,000 thousand (as of December 12, 2007)
Principal Shareholder	Hisanori Narisawa
Principal Business	Real estate business
Relationship with the Fund and/ or NREAM	None

7. Broker Profile

Broker	REI 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

Forecasts of financial results for the third fiscal period (December 1, 2007 to May 31, 2008) after the acquisition of the two properties are scheduled to be announced separately, at the time of the second fiscal period end results (scheduled to be announced January 2008).

Attachments:

Reference Material 1 "Appraisal Report Summary"

Reference Material 2 "Portfolio After Acquisition of the Properties"

Reference Material 3 "Property Image"

(Reference Material 1)

Appraisal Report Summary

Property Name	PRIME URBAN Nagamachi Icchome (tentative name)
Appraisal Value	¥1,110,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	November 20, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	1,110,000,000	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	1,170,000,000	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))	78,553,224	
(a) Potential Rental Income	84,189,987	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	5,636,763	Appraisal based on the market vacancy ratio.
(2) Operating Expenses	12,992,146	
Maintenance Expenses	1,749,600	Appraisal based on the estimated amount.
Utility Expenses	726,788	Appraisal based on the general standard.
Repair Expenses	462,750	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Unit Restoration Expenses	331,602	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	2,318,338	Appraisal based on the scheduled amount.
Tenant Recruit Expenses, etc.	1,275,270	Appraisal based on the scheduled amount.
Tax and Public Dues	5,446,568	Appraisal based on the fixed asset value confirmation document.
Insurance Fees	294,840	Appraisal based on the estimated amount.
Other Expenses	386,390	Appraisal based on the general standard.
(3) Net Operating Income (NOI=(1)-(2))	65,561,078	
(4) Temporary Deposit Management Profits, etc.	109,206	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	1,079,750	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (NCF=(3)-(4))	64,590,534	
(7) Capitalization Rate	5.5%	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	1,110,000,000	
Discount Rate	5.5%	
Final Capitalization Rate	5.8%	
Cost Approach Value	984,000,000	
Land Ratio	30.7%	
Building Ratio	69.3%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	This property is a new apartment under construction in an area close to the city with access convenience. The said property can expect stable occupancy rates as a rental apartment targeting mainly families and DINKS who commute to the city, as it has not only the location, but also a certain level of building quality. Also, from an investment point of view, as the property has large grounds, it can be said that the building has high rarity. The appraisal value was determined in light of the above factors.
--	--

(Note) In the appraisal report the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date assuming that the completion of the building is on schedule.

Appraisal Report Summary

Property Name	PRIME URBAN Yaotome Chuo (tentative name)
Appraisal Value	¥428,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	November 20, 2009

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	428,000,000	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	449,000,000	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))	34,715,752	
(a) Potential Rental Income	37,026,715	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	2,310,963	Appraisal based on the market vacancy ratio.
(2) Operating Expenses	8,761,380	
Maintenance Expenses	1,526,400	Appraisal based on the estimated amount.
Utility Expenses	315,026	Appraisal based on the general standard.
Repair Expenses	363,500	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Unit Restoration Expenses	287,729	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Property Management Fees	1,015,639	Appraisal based on the scheduled amount.
Tenant Recruit Expenses, etc.	861,125	Appraisal based on the scheduled amount.
Tax and Public Dues	2,886,288	Appraisal based on the fixed asset value confirmation document.
Insurance Fees	133,800	Appraisal based on the estimated amount.
Other Expenses	1,371,873	Appraisal based on the estimated amount and the general standard.
(3) Net Operating Income (3) (NOI=(1)-(2))	25,954,372	
(4) Temporary Deposit Management Profits, etc.	46,284	Considering the ordinary deposit interest, etc.
(5) Capital Expenditures	848,167	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(6) Standardized Net Cash Flow (5) (NCF=(3)-(4))	25,152,489	
(7) Capitalization Rate	5.6%	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	428,000,000	
Discount Rate	5.6%	
Final Capitalization Rate	5.9%	
Cost Approach Value	382,000,000	
Land Ratio	22.0%	
Building Ratio	78.0%	

Items applied to adjustments in value calculations and to the determination of the appraisal value	This property is a new apartment under construction in an area close to the city with access convenience. The said property can expect stable occupancy rates as a rental apartment targeting mainly single adults such as those who commute to the city, students, etc. as it has not only the location, but also a certain level of building quality. Also, from an investment point of view, as the property has large grounds, it can be said that the building has high rarity. The appraisal value was determined in light of the above factors.
--	--

(Note) In the appraisal report the real estate appraiser has assessed the appraisal value relying on the standard valuation method, at the appraisal date assuming that the completion of the building is on schedule.

Portfolio After Acquisition of the Properties

[Acquired Properties]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Greater Tokyo Area	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	1.0	1st FP
	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	0.8	1st FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	0.8	1st FP
	PROUD FLAT Meguro Gvoinzaka	Meguro-ku, Tokyo	855.23	40	882,000	0.8	1st FP
	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	3,055.21	110	2,260,000	2.1	2nd FP
	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	1.4	1st FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	1.0	2nd FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.3	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	1.1	1st FP
	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	0.8	1st FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	0.9	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	0.9	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	0.9	1st FP
	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	439.56	19	408,000	0.4	1st FP
	PRIME URBAN Bancho	Chivoda-ku, Tokyo	1,277.04	52	1,170,000	1.1	1st FP
	PRIME URBAN Chivoda Fujimi	Chivoda-ku, Tokyo	793.87	32	707,000	0.7	1st FP
	PRIME URBAN Idabashi	Chivoda-ku, Tokyo	2,087.70	90	2,030,000	1.9	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	1.1	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.2	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 Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,459.86	60	1,290,000	1.2	1st FP
	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,162.55	46	1,000,000	0.9	1st FP
	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	578.18	14	512,000	0.5	1st FP
	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	507.11	28	503,000	0.5	2nd FP
	PRIME URBAN Sangen Java	Setagaya-ku, Tokyo	874.15	33	835,000	0.8	1st FP
	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	1,049.73	41	840,000	0.8	2nd FP
	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	835.05	33	645,000	0.6	2nd FP
	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	576.20	23	413,000	0.4	2nd FP
	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	961.25	46	624,000	0.6	1st FP
	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	2,106.16	99	1,700,000	1.6	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	0.8	1st FP
	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	834.90	46	576,000	0.5	1st FP
	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	543.09	24	435,000	0.4	1st FP
	PRIME URBAN Orsuka	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	2.1	1st FP
	PRIME URBAN Kamido	Koto-ku, Tokyo	1,117.34	52	705,000	0.7	1st FP
	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	813.52	40	552,000	0.5	1st FP
	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,886.50	77	1,180,000	1.1	1st FP
	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	991.62	49	668,000	0.6	1st FP
	PRIME URBAN Hirai	Edogawa-ku, Tokyo	1,095.91	53	700,000	0.7	1st FP
	PRIME URBAN Kasai	Edogawa-ku, Tokyo	905.81	45	637,000	0.6	1st FP
	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	1,437.84	68	958,000	0.9	1st FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	0.8	1st FP
	PRIME URBAN Gvotoku I	Ichikawa-shi, Chiba	1,151.36	52	635,000	0.6	1st FP
	PRIME URBAN Gvotoku II	Ichikawa-shi, Chiba	1,244.00	58	741,000	0.7	1st FP
	PRIME URBAN Gvotoku Ekimae	Ichikawa-shi, Chiba	778.19	37	476,000	0.4	1st FP
	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	1,237.80	60	772,000	0.7	1st FP
	URBAN STAGE Azabu Iuban	Minato-ku, Tokyo	1,222.13	40	991,000	0.9	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	0.5	1st FP
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,481.82	144	2,290,000	2.2	1st FP
	URBAN STAGE Honpo Ikizaka	Bunkyo-ku, Tokyo	662.58	27	647,000	0.6	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	0.6	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	0.8	1st FP
	URBAN STAGE Sangen Java	Setagaya-ku, Tokyo	1,018.72	47	755,000	0.7	1st FP
	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	1,774.01	27	730,000	0.7	1st FP
	URBAN STAGE Sangen Java II	Setagaya-ku, Tokyo	810.98	17	539,000	0.5	1st FP
	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	572.41	26	396,000	0.4	1st FP
	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	507.52	28	344,000	0.3	1st FP
	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	1,384.45	29	738,000	0.7	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	1.0	1st FP
	URBAN STAGE Yukiya	Ota-ku, Tokyo	1,536.59	94	970,000	0.9	1st FP
	URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	1.4	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	1.0	1st FP
	URBAN STAGE Komagome	Toshima-ku, Tokyo	990.18	19	412,000	0.4	1st FP
	URBAN STAGE Mukoitama	Sumida-ku, Tokyo	1,108.91	55	487,000	0.5	1st FP
URBAN STAGE Ekoda	Nerima-ku, Tokyo	872.49	35	385,000	0.4	1st FP	
URBAN STAGE Takinokawa	Kita-ku, Tokyo	554.39	29	287,000	0.3	1st FP	
URBAN STAGE Asakusa	Taito-ku, Tokyo	876.70	22	350,000	0.3	1st FP	
URBAN STAGE Machiya	Arakawa-ku, Tokyo	455.19	26	210,000	0.2	1st FP	
URBAN STAGE Koganei	Koganei-shi, Tokyo	682.43	27	229,000	0.2	1st FP	
URBAN STAGE Hino	Hino-shi, Tokyo	994.68	54	319,000	0.3	1st FP	
URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	3,690.37	56	2,150,000	2.0	2nd 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	0.3	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	0.3	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	0.3	3rd FP	
URBAN STAGE Minami Urawa	Saitama-shi, Saitama	694.05	32	274,000	0.3	1st FP	
URBAN STAGE Yono Hommachi	Saitama-shi, Saitama	1,372.74	70	519,000	0.5	1st FP	
Cosmo Gracia Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,759.61	51	1,700,000	1.6	1st FP	
Koganei Habitation	Koganei-shi, Tokyo	5,999.80	98	2,390,000	2.2	3rd FP	
	Sub Total (93 Properties)		111,336.51	4,340	75,070,000	70.7	

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	0.6	1st FP
	PRIME URBAN Yamahana (Note 6)	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.4	1st FP
	PRIME URBAN Kita Juyo Jo (Note 7)	Sapporo-shi, Hokkaido	1,155.60	36	336,000	0.3	1st FP
	PRIME URBAN Odori Koen I (Note 8)	Sapporo-shi, Hokkaido	1,850.20	53	530,000	0.5	1st FP
	PRIME URBAN Odori Koen II (Note 9)	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.3	1st FP
	PRIME URBAN Aoi	Nagoya-shi, Aichi	1,571.04	46	724,000	0.7	1st FP
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	0.6	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	0.8	1st FP
	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	897.84	34	351,000	0.3	1st FP
	Sub Total (10 Properties)		14,760.89	470	5,614,000	5.3	
	Total (103 Properties)		126,097.40	4,810	80,684,000	75.9	

[Scheduled Acquisitions]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquiring Period (Note 5)	
Greater Tokyo Area	PROUD FLAT Shibuya Sakuragaoka (tentative name)	Shibuya-ku, Tokyo	638.70	30	800,000	0.8	3rd FP	
	PROUD FLAT Shinjuku Kawadacho (tentative name)	Shinjuku-ku, Tokyo	1,102.20	41	1,010,000	1.0	3rd FP	
	PROUD FLAT Shinotsuka (tentative name)	Toshima-ku, Tokyo	752.09	35	700,000	0.7	3rd FP	
	PROUD FLAT Monzen Nakacho II (tentative name)	Koto-ku, Tokyo	830.55	35	650,000	0.6	3rd FP	
	PROUD FLAT Yokohama (tentative name)	Yokohama-shi, Kanagawa	3,118.12	113	2,340,000	2.2	3rd FP	
	PRIME URBAN Meguro Ohashi Hills (tentative name)	Meguro-ku, Tokyo	2,955.74	99	3,580,000	3.4	3rd FP	
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.82	42	893,000	0.8	3rd FP	
	PRIME URBAN Denenchofu Minami (tentative name)	Ota-ku, Tokyo	1,100.17	44	900,000	0.8	3rd FP	
	PRIME URBAN Nakano Kamitakada (tentative name)	Nakano-ku, Tokyo	818.75	33	640,000	0.6	3rd FP	
	URBAN STAGE Gvotoku	Ichikawa-shi, Chiba	2,237.19	77	948,000	0.9	3rd FP	
	PROUD FLAT Shirokane Takanawa (tentative name)	Minato-ku, Tokyo	2,950.11	106	3,510,000	3.3	4th FP	
	PROUD FLAT Monzen Nakacho I (tentative name)	Koto-ku, Tokyo	1,191.08	55	1,130,000	1.1	4th FP	
		Sub Total (12 Properties)		18,764.52	710	17,101,000	16.1	
	Other Areas	PRIME URBAN Hokudaimae (tentative name)	Sapporo-shi, Hokkaido	1,851.39	60	600,000	0.6	3rd FP
PRIME URBAN Kita Nijuyo Jo (tentative name)		Sapporo-shi, Hokkaido	1,773.90	36	503,700	0.5	3rd FP	
PRIME URBAN Miyanosawa (tentative name)		Sapporo-shi, Hokkaido	2,114.53	54	576,200	0.5	3rd FP	
PRIME URBAN Odori Higashi (tentative name)		Sapporo-shi, Hokkaido	1,494.36	36	424,000	0.4	3rd FP	
PRIME URBAN Chiji Koukan (tentative name)		Sapporo-shi, Hokkaido	1,007.30	42	337,900	0.3	3rd FP	
PRIME URBAN Maruyama (tentative name)		Sapporo-shi, Hokkaido	911.07	27	283,200	0.3	3rd FP	
PRIME URBAN Odori Minami (tentative name)		Sapporo-shi, Hokkaido	2,439.90	58	731,600	0.7	3rd FP	
PRIME URBAN Nagamachi Icchome (tentative name)		Sendai-shi, Miyagi	3,411.24	60	1,110,000	1.0	3rd FP	
PRIME URBAN Yaotome Chuo (tentative name)		Sendai-shi, Miyagi	1,380.21	43	428,000	0.4	3rd FP	
PRIME URBAN Kanayama (tentative name)		Nagoya-shi, Aichi	1,391.02	58	632,000	0.6	3rd FP	
Benefis Kashii Verbena (Note 10)		Fukuoka-shi, Fukuoka	1,231.79	39	396,000	0.4	3rd FP	
Benefis Hakata Higashi Grand Suite (Note 11)		Fukuoka-shi, Fukuoka	1,856.92	65	693,000	0.7	3rd FP	
Benefis Chihaya Grand Suite (Note 12)		Fukuoka-shi, Fukuoka	1,738.87	48	545,000	0.5	3rd FP	
PRIME URBAN Tsurumai (tentative name)		Nagoya-shi, Aichi	2,502.11	104	1,189,096	1.1	5th FP	
	Sub Total (14 Properties)		25,104.61	730	8,449,696	8.0		
	Total (26 Properties)		43,869.13	1,440	25,550,696	24.1		

[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 (105 Properties)	130,101.03	5,050	92,171,000	86.8
Other Areas (24 Properties)	39,865.50	1,200	14,063,696	13.2
Total (129 Properties)	169,966.53	6,250	106,234,696	100.0

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

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

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

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

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

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

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

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

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

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

(Note 10) As of December 6, 2007, the property name has changed from "Benefis Kashii (tentative name)" to "Benefis Kashii Verbena."

(Note 11) As of December 6, 2007, the property name has changed from "Benefis Yoshizuka Grand Suite (tentative name)" to "Benefis Hakata Higashi Grand Suite."

(Note 12) As of December 6, 2007, the property name has changed from "Benefis Chihaya (tentative name)" to "Benefis Chihaya Grand Suite."

(Reference Material 3)

Property Image

(1) PRIME URBAN Nagamachi Icchome (tentative name)



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

Property Image

(2) PRIME URBAN Yaotome Chuo (tentative name)



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