



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

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

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Notice Concerning Property Acquisition

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

1. Summary of the Assets

(1) PRIME URBAN Miyanosawa (tentative name)

Type of Asset	Real estate
Property Name	PRIME URBAN Miyanosawa (tentative name)
Acquisition Price	¥576,200 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	March 12, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	February 29, 2008 (date of delivery of the real estate)
Seller	Hisasue Koshin Kensetu 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 Maruyama (tentative name)

Type of Asset	Real estate
Property Name	PRIME URBAN Maruyama (tentative name)
Acquisition Price	¥283,200 thousand (excluding acquisition related costs, fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Date of Agreement	March 12, 2007 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Acquisition	February 29, 2008 (date of delivery of the real estate)
Seller	Hisasue Koshin Kensetu Co., Ltd. (refer to “6. Seller Profile” below)
Financing	To be determined
Form of Payment	Payment in full at the time of purchase

2. Reason 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) PRIME URBAN Miyanosawa (tentative name)

- This property is located within a 2 minute walk of Miyanosawa Station, the first station on the Sapporo Municipal Subway Tozai Line, one of the main transportation systems within the city of Sapporo. It takes 15 minutes from Miyanosawa Station to Odori Station, the business and commercial center of Sapporo.
- A bus terminal with direct access from the Miyanosawa Station has bus services that go to Teinei-ku and Otaru-shi, which are located northwest of Sapporo, as well as buses to JR Sapporo Station and the New Chitose Airport, which are transportation hubs. Due to this, the location is highly recognized by the neighborhood residents.
- The area around Miyanosawa Station has a variety of supermarkets and commercial facilities developed in recent years due to the increasing population inflow, and adding to the excellent convenience is the promenade leading to Miyanosawa Station from the quiet residential location.
- The property consists of three types of room layouts (1LDK, 2LDK) and has a tiled exterior design and interior specifications that are well suited for a wide range of prospective tenants.
- As stated above, the Fund expects steady demand from a wide array of tenants, such as single adults who commute to the city, DINKs, or young families.

(2) PRIME URBAN Maruyama (tentative name)

- This property is located within walking distance of three stations, 12 minutes from Nishi 18-Chome Station, 13 minutes from Maruyama Koen Station, and 10 minutes from Nishi 28-Chome Station, all on the Sapporo Municipal Subway Tozai Line. From Nishi 18-Chome Station, Odori Station is two stops away (approx. 4 minutes), making it easy access to the center of the city.
- The Maruyama Area where the property is located is very popular for its quiet residential area within the city of Sapporo, and in addition to the favorable brand image there are ample commercial and medical facilities to assure a convenient lifestyle.
- The property consists of 1LDK units in three different room layouts. The accommodation and specifications apply to the comfort needs of single residents, and also has an excellent view, as the property, 10 stories high, is surrounded by low-rise residences.
- As stated above, the Fund expects steady demand from primarily single adults who commute to the city.

As these two properties are still under construction and scheduled to be completed in February 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 Miyanosawa (tentative name)

Property Name		PRIME URBAN Miyanosawa (tentative name)				
Type of Asset		Real Estate				
Location (Note 1)	Registry	628-15 9-Chome Hassamu 6-Jyo Nishi-ku, Sapporo-shi, Hokkaido				
	Street Address	(Note 2)				
Access		2-minute walk from Miyanosawa Station on the Sapporo Municipal Subway Tozai Line.				
Land	Ownership	Ownership				
	Area (Note 1)	1,441.85 sq. meters				
	Building Coverage	60%				
	Floor Area Ratio	200%				
Building	Ownership	Ownership				
	Use (Note 1)	Apartment building				
	Completion Date (Note 1)	February 2008 (scheduled date)				
	Total Floor Area (Note 1)	2,481.58 sq. meters				
	Structure (Note 1)	RC, 11F/ Deck Roof				
	Leasable Units (Note 1)	54 Units (30-50 sq. meters: 54 units)				
Property Management Company		To be determined				
Master Leasing Company		To be determined				
Type of Master Lease (Note 3)		Pass-through Structure (Scheduled)				
Collateral		None				
Notes		None				
Acquisition Price		¥576,200 thousand				
Price Survey (Note 4)	Survey Method	Price survey by HIRO & REAS Network, Inc.				
	Survey Value	¥580,000 thousand				
	Survey Date	March 7, 2007				
Estimated NOI (Note 5)		¥36,381 thousand				
Leasing Status (as of March 12, 2007) (Note 6)						
Total Number of Tenants		—				
Total Rental Income		—				
Security Deposits		—				
Occupancy Rate		—				
Total Leased Floor Area		—				
Total Leasable Floor Area (Note 1)		2,114.53 sq. meters				
Past Occupancy Rates		May 31, 2002	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006
		—%	—%	—%	—%	—%

(Note 1) Location and Other Items

Location and Area are based on the information in the real estate registry. As the building is still under construction, Use, Completion Date, Total Floor Area and Structure are based on the information in the building permit. Leasable Units and Total Leasable Floor Area are based on the information in the application for confirmation of drawings and materials.

(Note 2) Street Address

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

(Note 3) Type of Master Lease

The type of master lease scheduled for use upon completion of the acquisition is stated. Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.

(Note 4) Price Survey

The price survey, relying on standard valuation method, is conducted by the real estate appraiser on the survey date, assuming that the completion of the building is on schedule.

(Note 5) 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 the amount has been rounded down to the nearest thousand (refer to Reference Material 1 "Price Survey Summary"). The stated amount, therefore, is not the Fund's forecasted figure for the specified fiscal period.

(Note 6) Lease Status

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

(2) PRIME URBAN Maruyama (tentative name)

Property Name		PRIME URBAN Maruyama (tentative name)
Type of Asset		Real Estate
Location (Note 1)	Registry	8-1, Nishi 22-Chome Kita 4-Jyo, Chuo-ku, Sapporo, Hokkaido
	Street Address	(Note 2)
Access		12 minute walk from Nishi 18-Chome Station, 13 minute walk from Maruyama Koen Station, and 10 minute walk from Nishi 28-Chome Station, all on the Sapporo Municipal Subway Tozai Line.
Land	Ownership	Ownership
	Area (Note 1)	481.41 sq. meters
	Building Coverage	60%
	Floor Area Ratio	200%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	February 2008 (scheduled date)
	Total Floor Area (Note 1)	1,181.18 sq. meters
	Structure (Note 1)	RC, 10F/ Deck Roof
	Leasable Units (Note 1)	27 Units (30-50 sq. meters: 27 units)
Property Management Company		To be determined
Master Leasing Company		To be determined
Type of Master Lease (Note 3)		Pass-through Structure (Scheduled)
Collateral		None
Notes		None
Acquisition Price		¥283,200 thousand
Price Survey (Note 4)	Survey Method	Price survey by HIRO & REAS Network, Inc.
	Survey Value	¥286,000 thousand
	Survey Date	March 7, 2007
Estimated NOI (Note 5)		¥17,646 thousand
Leasing Status (as of March 12, 2007) (Note 6)		
Total Number of Tenants	—	
Total Rental Income	—	
Security Deposits	—	
Occupancy Rate	—	

Total Leased Floor Area	—				
Total Leasable Floor Area (Note 1)	911.07 sq. meters				
Past Occupancy Rates	May 31, 2002	May 31, 2003	May 31, 2004	May 31, 2005	May 31, 2006
	—%	—%	—%	—%	—%

(Note 1) Location and Other Items

Location and Area are based on the information in the real estate registry. As the building is still under construction, Use, Completion Date, Total Floor Area and Structure are based on the information in the building permit. Leasable Units and Total Leasable Floor Area are based on the information in the application for confirmation of drawings and materials.

(Note 2) Street Address

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

(Note 3) Type of Master Lease

The type of master lease scheduled for use upon completion of the acquisition is stated. Pass-through Structure refers to a lease structure involving the master lease company paying an amount the same as rent, based on the lease agreement with the end-tenant.

(Note 4) Price Survey

The price survey, relying on standard valuation method, is conducted by the real estate appraiser on the survey date, assuming that the completion of the building is on schedule.

(Note 5) 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 “Price Survey Summary”). The stated amount, therefore, is not the Fund’s forecasted figure for the specified fiscal period.

(Note 6) Lease Status

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

4. Building Condition Appraisal Report Summary

	PRIME URBAN Miyanosawa (Tentative name)	PRIME URBAN Maruyama (Tentative name)
Building Condition Appraisal Report Issuer	Takenaka Corporation	Takenaka Corporation
Building Condition Appraisal Report Issue Date	March 5, 2007	March 5, 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)	¥21,490 thousand	¥9,690 thousand
Earthquake Risk Analysis (PML) (Note 4)	3.2%	4.7%

(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.

(Note 4) 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 Property are as follows:

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

Property Name	Architect	Contractor	Building Permit Agency (Note)	Evaluation Agency
PRIME URBAN Miyanosawa (tentative name)	Presence Inc.	Hisasue Koushin Kensetu Co., Ltd.	Sapporo-shi	AXIS SATOW INC.
PRIME URBAN Maruyama (tentative name)	Presence Inc.	Hisasue Koushin Kensetu Co., Ltd.	Sapporo-shi	Yamashita Sekkei Inc.

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

6. Seller Profile

Company Name	Hisasue Koushin Kensetu Co., Ltd.
Head Office	6-17 2-Chome Hassamu 10-Jyo, Nishi-ku Sapporo, Hokkaido
Representative	Mitsuhiro Nagoya, Executive Director
Capital	¥22,500 thousand (as of March 12, 2007)
Principal Shareholder	Mitsuhiro Nagoya
Principal Business	<ol style="list-style-type: none"> 1. Proposal, design, execution and supervision of civil engineering and construction. 2. Proposal, design, execution and supervision of building interior finishing, landscaping and exterior construction. 3. Proposal, design, execution and supervision of air conditioning, plumbing, electric and gas installment and road heating construction. 4. Design, manufacture and distribution of furniture and interior goods. 5. Distribution of civil engineering and construction materials. 6. Leasing, purchase and sale, brokerage, conciliation and management of real estate. 7. Financing and loan facilitation, guarantees and vicarious execution business. 8. Various casualty insurance agency businesses. 9. Any business incidental to the items mentioned above.
Relationship with the Fund and/ or NREAM	None

7. Broker Profile

Broker	Escrow Real Estate Co., Ltd.
Relationship with the Fund and/ or NREAM	None
Commission	Due to the confidentiality obligation stipulated in the brokerage contract, this information is not disclosed.

8. Forecasts

Forecasts of financial results for the first fiscal period (August 3, 2006 to May 31, 2007) and the second fiscal period (June 1, 2007 to November 30, 2007) have not been changed.

Attachments:

Reference Material 1 “Price Survey Summary”

Reference Material 2 “Portfolio After Acquisition of the Properties”

Reference Material 3 “Property Image”

Price Survey Summary

Property Name	PRIME URBAN Miyanosawa (tentative name)
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Appraisal Value	¥580,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	March 7, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	580,000,000	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	590,000,000	Calculated by the discount cap rate, using the second year net cash flow relating to the DCF method.
(1) Gross Income	45,578,386	
Rental Income: (a)-(b)	39,784,906	
(a) Potential Rental Income	41,878,848	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	2,093,942	Appraisal based on the market vacancy ratio.
Parking Lot Income	5,793,480	Appraisal based on the standard market rent.
(2) Total Expenses	9,196,681	
Maintenance Expenses	2,040,000	Appraisal based on the estimated amount.
Operation Management Fees	1,367,352	Appraisal based on the estimated amount.
Utility Expenses	455,784	Appraisal based on performance of other properties.
Restitution Expenses	159,140	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Insurance Fees	427,913	Appraisal based on performance of other properties.
Tax and Public Dues	4,518,600	Appraisal based on the fixed asset value confirmation document.
Other Expenses	227,892	Appraisal based on performance of other properties.
(3) Leasing Net Operating Income (NOI=(1)-(2))	36,381,705	
(4) Annual Funding for Large Scale Repair Costs	2,731,667	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(5) Standardized Net Cash Flow (NCF=(3)-(4))	33,650,038	
(6) Capitalization Rate	5.7%	Appraisal based on the real estate's regional individual characteristics of real estate, while also taking into account the investment cap rate of the surrounding area.
Value Using the Discounted Cash Flow Method	580,000,000	
Discount Rate	5.7%	
Final Capitalization Rate	6.0%	
Cost Approach Value	551,000,000	
Land Ratio	23.2%	
Building Ratio	76.8%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property is located in the northwest part of Sapporo, a short distance from the inner city. Although, compared to the inner city, the condominium's standard market rent is approximately 10-20% lower, it has an excellent transportation advantage, and because of the reasonable rent, it is an area with good potential demand for condominiums. Taking into consideration the fact that, in an area surrounded by relatively small lots, the property has a large scale lot, and also taking into consideration the low supply of newly built apartments in the area, it is expected to have stable occupancy rates in the future. The appraisal value was determined in light of the above factors.
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(Note) In the price survey report the real estate appraiser has assessed the survey value relying on the standard valuation method, at the survey date assuming that the completion of the building is on schedule.

Price Survey Summary

Property Name	PRIME URBAN Maruyama (tentative name)
Appraisal Value	¥286,000,000
Appraisal Agency	HIRO & REAS Network, Inc.
Appraisal Date	March 7, 2007

(Yen)

Item	Content	Basis
Income Capitalization Approach Value	286,000,000	Using the value calculated by means of the Direct Capitalization Method as a reference, a value using the Discounted Cash Flow Method was adopted.
Value using the Direct Capitalization Method	293,000,000	Calculated by reducing the cap rate, using the second year net cash flow relating to the DCF method
(1) Gross Income	22,468,442	
Rental Income: (a)-(b)	19,595,551	
(a) Potential Rental Income	20,626,896	Appraisal based on the standard market rent.
(b) Vacancy Loss, etc.	1,031,345	Appraisal based on the market vacancy ratio.
Parking Lot Income	2,872,891	Appraisal based on the standard market rent.
(2) Total Expenses	4,822,396	
Maintenance Expenses	1,260,000	Appraisal based on the estimated amount.
Operation Management Fees	674,053	Appraisal based on the estimated amount.
Utility Expenses	224,684	Appraisal based on performance of other properties.
Restitution Expenses	97,978	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
Insurance Fees	207,439	Appraisal based on performance of other properties.
Tax and Public Dues	2,245,900	Appraisal based on the fixed asset value confirmation document.
Other Expenses	112,342	Appraisal based on performance of other properties.
(3) Leasing Net Operating Income (NOI=(1)-(2))	17,646,046	
(4) Annual Funding for Large Scale Repair Costs	1,231,667	Appraisal based on the Building Condition Appraisal Report by Takenaka Corporation.
(5) Standardized Net Cash Flow (NCF=(3)-(4))	16,414,379	
(6) Capitalization Rate	5.6%	Appraisal based on the regional and 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	286,000,000	
Discount Rate	5.6%	
Final Capitalization Rate	5.9%	
Cost Approach Value	284,000,000	
Land Ratio	28.2%	
Building Ratio	71.8%	

Items applied to adjustments in approaches to the value and the determination of the appraisal value	The property, in a favorable residential environment and with convenient transportation, is located in one of the most popular residential areas in Sapporo. The property is a newly built condominium soon to be completed and the property's quality is recognized as having a relative advantage in the area, and is expected to have stable occupancy rates in the future. The appraisal value was determined in light of the above factors.
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(Note) In the price survey report the real estate appraiser has assessed the survey value relying on the standard valuation method, at the survey date assuming that the completion of the building is on schedule.

(Reference Material 2)

Portfolio After Acquisition of the Properties

[Acquired Properties]

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Greater Tokyo Area	PROUD FLAT Yovogi Uehara	Shibuya-ku, Tokyo	1,151.34	44	1,100,000	1.6	1st FP
	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	934.39	41	812,000	1.2	1st FP
	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	1,209.56	55	900,000	1.3	1st FP
	PRIME URBAN Akasaka	Minato-ku, Tokyo	1,062.05	25	956,000	1.4	1st FP
	PRIME URBAN Tamachi	Minato-ku, Tokyo	1,107.36	48	941,000	1.3	1st FP
	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	881.89	21	947,000	1.3	1st FP
	PRIME URBAN Yovogi	Shibuya-ku, Tokyo	439.56	19	408,000	0.6	1st FP
	PRIME URBAN Bancho	Chivoda-ku, Tokyo	1,277.04	52	1,170,000	1.7	1st FP
	PRIME URBAN Chivoda Fujimi	Chivoda-ku, Tokyo	793.87	32	707,000	1.0	1st FP
	PRIME URBAN Iidabashi	Chivoda-ku, Tokyo	2,087.70	90	2,030,000	2.9	1st FP
	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,444.40	29	1,200,000	1.7	1st FP
	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,302.42	49	1,320,000	1.9	1st FP
	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	1,008.39	32	886,000	1.3	1st FP
	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,459.86	60	1,290,000	1.8	1st FP
	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,162.55	46	1,000,000	1.4	1st FP
	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	578.18	14	512,000	0.7	1st FP
	PRIME URBAN Sangen Java	Setagaya-ku, Tokyo	874.15	33	835,000	1.2	1st FP
	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	961.25	46	624,000	0.9	1st FP
	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	2,106.16	99	1,700,000	2.4	1st FP
	PRIME URBAN Omori	Ota-ku, Tokyo	1,190.70	54	824,000	1.2	1st FP
	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	834.90	46	576,000	0.8	1st FP
	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	543.09	24	435,000	0.6	1st FP
	PRIME URBAN Otsuka	Toshima-ku, Tokyo	944.99	46	794,000	1.1	1st FP
	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	3,127.94	117	2,200,000	3.1	1st FP
	PRIME URBAN Kameido	Koto-ku, Tokyo	1,117.34	52	705,000	1.0	1st FP
	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	813.52	40	552,000	0.8	1st FP
	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,886.50	77	1,180,000	1.7	1st FP
	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	991.62	49	668,000	0.9	1st FP
	PRIME URBAN Hirai	Edogawa-ku, Tokyo	1,095.91	53	700,000	1.0	1st FP
	PRIME URBAN Kasai	Edogawa-ku, Tokyo	905.81	45	637,000	0.9	1st FP
	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	1,437.84	68	958,000	1.4	1st FP
	PRIME URBAN Uravasu	Uravasu-shi, Chiba	1,264.84	60	840,000	1.2	1st FP
	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	1,151.36	52	635,000	0.9	1st FP
	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	1,244.00	58	741,000	1.1	1st FP
	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	778.19	37	476,000	0.7	1st FP
	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	1,237.80	60	772,000	1.1	1st FP
	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	1,222.13	40	991,000	1.4	1st FP
	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	650.60	38	452,000	0.6	1st FP
	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	996.81	16	524,000	0.7	1st FP
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	4,481.82	144	2,290,000	3.3	1st FP
	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	1,237.98	18	655,000	0.9	1st FP
	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	517.53	32	324,000	0.5	1st FP
	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	567.20	34	362,000	0.5	1st FP
	URBAN STAGE Kamiuma	Setagaya-ku, Tokyo	1,739.86	37	900,000	1.3	1st FP
	URBAN STAGE Sangen Java	Setagaya-ku, Tokyo	1,018.72	47	755,000	1.1	1st FP
	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	1,774.01	27	730,000	1.0	1st FP
	URBAN STAGE Sangen Java II	Setagaya-ku, Tokyo	810.98	17	539,000	0.8	1st FP
	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	572.41	26	396,000	0.6	1st FP
	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	507.52	28	344,000	0.5	1st FP
	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	722.70	45	530,000	0.8	1st FP
	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,719.82	92	1,100,000	1.6	1st FP
	URBAN STAGE Yukigaya	Ota-ku, Tokyo	1,536.59	94	970,000	1.4	1st FP
	URBAN STAGE Ikegami	Ota-ku, Tokyo	2,456.48	95	1,460,000	2.1	1st FP
	URBAN STAGE Nakano	Nakano-ku, Tokyo	801.30	51	472,000	0.7	1st FP
	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,746.20	107	1,080,000	1.5	1st FP
	URBAN STAGE Mukojima	Sumida-ku, Tokyo	1,108.91	55	487,000	0.7	1st FP
	URBAN STAGE Ekoda	Nerima-ku, Tokyo	872.49	35	385,000	0.5	1st FP
	URBAN STAGE Takinokawa	Kita-ku, Tokyo	554.39	29	287,000	0.4	1st FP
	URBAN STAGE Asakusa	Taito-ku, Tokyo	876.70	22	350,000	0.5	1st FP
	URBAN STAGE Machiya	Arakawa-ku, Tokyo	455.19	26	210,000	0.3	1st FP
	URBAN STAGE Koganei	Koganei-shi, Tokyo	682.43	27	229,000	0.3	1st FP
	URBAN STAGE Hino	Hino-shi, Tokyo	994.68	54	319,000	0.5	1st FP
	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	952.06	50	457,000	0.6	1st FP
	URBAN STAGE Tennocho	Yokohama-shi, Kanagawa	332.48	20	136,000	0.2	1st FP
	URBAN STAGE Uravasu	Uravasu-shi, Chiba	437.94	27	277,000	0.4	1st FP
	URBAN STAGE Minami Gyotoku I	Ichikawa-shi, Chiba	682.05	41	357,000	0.5	1st FP
	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	611.61	37	285,000	0.4	1st FP
	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	543.84	33	263,000	0.4	1st FP
	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	535.08	32	256,000	0.4	1st FP
	URBAN STAGE Minami Urawa	Saitama-shi, Saitama	694.05	32	274,000	0.4	1st FP
	URBAN STAGE Yono Hommachi	Saitama-shi, Saitama	1,372.74	70	519,000	0.7	1st FP
	Cosmo Gracia Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,759.61	51	1,700,000	2.4	1st FP
Sub Total (72 Properties)			80,955.38	3,402	54,696,000	77.6	

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)
Other Areas	PRIME URBAN Aoi	Nagoya-shi, Aichi	1,571.04	46	724,000	1.0	1st FP
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	1.0	1st FP
	PRIME URBAN Esaka II	Suita-shi, Osaka	1,392.00	57	790,000	1.1	1st FP
	Presence S17	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.5	1st FP
	Presence N14	Sapporo-shi, Hokkaido	1,155.60	36	336,000	0.5	1st FP
	Sub Total (5 Properties)		6,826.34	220	2,899,000	4.1	
	Total (77 Properties)		87,781.72	3,622	57,595,000	81.8	

[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 Hatsudai	Shibuya-ku, Tokyo	958.98	31	865,000	1.2	1st FP
	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	855.26	40	882,000	1.3	1st FP
	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,793.43	70	1,540,000	2.2	1st FP
	PROUD FLAT Sangen Java	Setagaya-ku, Tokyo	1,277.82	48	1,350,000	1.9	1st FP
	PROUD FLAT Kamata	Ota-ku, Tokyo	1,541.64	67	1,140,000	1.6	1st FP
	URBAN STAGE Komagome	Toshima-ku, Tokyo	990.18	16	412,000	0.6	1st FP
	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	3,055.21	110	2,260,000	3.2	2nd FP
	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,450.91	60	1,110,000	1.6	2nd FP
	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	1,069.32	42	893,000	1.3	3rd FP
	Sub Total (9 Properties)		12,992.75	484	10,452,000	14.8	
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	1.0	1st FP
	Classe Odori Koen	Sapporo-shi, Hokkaido	1,850.20	53	530,000	0.8	1st FP
	Presence S1	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.5	1st FP
	PRIME URBAN Miyanosawa (tentative name)	Sapporo-shi, Hokkaido	2,114.53	54	576,200	0.8	3rd FP
	PRIME URBAN Maruyama (tentative name)	Sapporo-shi, Hokkaido	911.07	27	283,200	0.4	3rd FP
	Sub Total (5 Properties)		7,886.08	230	2,393,400	3.4	
	Total (14 Properties)		20,878.83	714	12,845,400	18.2	

[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 (81 Properties)	93,948.13	3,886	65,148,000	92.5
Other Areas (10 Properties)	14,712.42	450	5,292,400	7.5
Total (91 Properties)	108,660.55	4,336	70,440,400	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
- (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 complete
or scheduled to be completed.

First Fiscal Period: August 3, 2006 to May 31, 2007

Second Fiscal Period: June 1, 2007 to November 30, 2007

Third Fiscal Period: December 1, 2007 to May 31, 2008

(Reference Material 3)

Property Image

1. PRIME URBAN Miyanosawa (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 Maruyama (tentative name)



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