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IMMEDIATE RELEASE

Secured Capital Japan Co., Ltd.
Katsuya Takanashi
Representative Director, President and CEO
(Code: 2392; TSE 1st Section)

Inquiries:
Takeshi Sugai
Director, CFO and CAO
(TEL: +81-3-5776-1300)

Completion of the First Closing of SCJ Residential Fund II

We are pleased to announce that the initial closing for SCJ Residential Fund II, a private investment fund to invest in residential properties, has been successfully completed raising ¥12.7billion in aggregate equity commitments from domestic and overseas investors. We intend to continue additional fund raising until the final closing which is expected to occur not later than 6 months after the initial closing date to target maximum equity commitments for the fund of ¥30billion, which will equate to aggregate buying power of approximately ¥90billion.

This represents a successor fund of Secured Capital Japan Residential Fund I, which we have been managing since October, 2004. The fund intends to employ in Core-Plus investment strategy to invest in good quality stabilized assets for stable cash flow and in less stabilized properties for more growth potential through our diligent asset management.

We will co-invest in the fund for alignment of interest purposes for at least 5% of the aggregate equity commitments. Our investment in the fund will be subordinated to those of other investors to the extent not exceeding 5% of the aggregate funded commitments until distributions have been made to other investors up to certain predetermined rate of return has been achieved.

While certain transactions which we expected to close in the current fiscal year will now be delayed into the next fiscal year, resulting in delayed recognition of certain fee revenues until the new fiscal year. We believe an influence caused by this delay will be limited. We will intend to make announcement immediately should it become necessary due to any further material change in our forecast.