

For Translation Purposes Only

Sixteenth Fiscal Period (June 1, 2014 to November 30, 2014) Financial Results

January 15, 2015

**For Immediate Release**

Name: Nomura Real Estate Residential Fund, Inc.

Listed Stock Exchange: Tokyo Stock Exchange

Securities Code: 3240

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Scheduled Issue Date of Securities Report: February 26, 2015

Scheduled Commencement Date of Cash Distribution: February 16, 2015

(Figures below one million yen are omitted)

1. Status of Management and Assets during the Sixteenth Fiscal Period (ended November 30, 2014)

(1) Status of Management

(Percentage is ratio of increase/decrease from the prior period)

	Operating Revenue		Operating Profits		Ordinary Income		Net Income	
	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)
Fiscal Period ended								
<b>Nov 30, 2014</b>	<b>5,480</b>	<b>(- 2.0)</b>	<b>2,423</b>	<b>(- 3.6)</b>	<b>1,878</b>	<b>(- 4.0)</b>	<b>1,877</b>	<b>(- 4.0)</b>
May 31, 2014	5,594	( 3.5)	2,513	(- 1.7)	1,956	(- 0.5)	1,955	(- 0.5)

	Net Income Per Unit	ROE (Return on Equity)	ROA (Return on Assets)	Ordinary Income to Operating Revenues Ratio
	Yen	%	%	%
Fiscal Period ended				
<b>Nov 30, 2014</b>	<b>11,674</b>	<b>2.5</b>	<b>1.1</b>	<b>34.3</b>
May 31, 2014	12,161	2.6	1.2	35.0

(2) Status of Distribution

	Cash Distribution Per Unit	Total Cash Distribution	Distributions in Excess of Net Income Per Unit	Distributions in Excess of Net Income	Payout Ratio	Distributions to Net Asset Ratio
	Yen	Millions of Yen	Yen	Yen	%	%
Fiscal Period ended						
<b>Nov 30, 2014</b>	<b>11,600</b>	<b>1,865</b>	<b>0</b>	<b>0</b>	<b>99.3</b>	<b>2.5</b>
May 31, 2014	12,161	1,955	0	0	99.9	2.6

(Note1) Regarding the Payout Ratio, figures below the first decimal are omitted.

(Note2) Cash Distributions per Unit for the period ended Nov 30, 2014 is calculated by dividing the amount after adding the provision of reserve for reduction entry (¥12 million) to unappropriated retained earnings by the number of investment units issued and outstanding.

(3) Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets Per Unit
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Period ended				
<b>Nov 30, 2014</b>	<b>164,852</b>	<b>75,148</b>	<b>45.6</b>	<b>467,340</b>
May 31, 2014	167,940	75,226	44.8	467,827

#### (4) Status of Cash Flow

	Cash Flows from Operating Activities	Cash Flows from Investing Activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at End of Period
Fiscal Period ended	Millions of Yen	Millions of Yen	Millions of Yen	Millions of Yen
<b>Nov 30, 2014</b>	<b>3,796</b>	<b>-198</b>	<b>-4,885</b>	<b>8,678</b>
May 31, 2014	4,708	-283	-2,054	9,965

#### 2. Forecast of Financial Results for the Seventeenth Fiscal Period (ending May 31, 2015)

(Percentage is ratio of increase/decrease from the prior period)

	Operating Revenue		Operating Profits		Ordinary Income		Net Income		Cash Distributions Per Unit	Distributions in Excess of Net Income Per Unit
Fiscal Period ending	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)	Yen	Yen
May 31, 2015	5,606	(2.3)	2,429	(0.2)	1,866	(-0.6)	1,865	(-0.6)	11,600	-

(Reference) Forecast for Net Income Per Unit (Seventeenth Fiscal Period): 11,600 yen

#### 3. Other

##### (1) Changes in Accounting Policies, Accounting Estimate, and Retrospective Restatement

- Changes in accounting policies due to revisions in accounting standards: None
- Changes not mentioned in a. above: None
- Changes in accounting estimate: None
- Retrospective restatement: None

##### (2) The Number of Investment Units Issued

###### a. The Number of investment units issued (including treasury investment units)

As of November 30, 2014: 160,800 units

As of May 31, 2014: 160,800 units

###### b. The Number of treasury investment units

As of November 30, 2014: 0 units

As of May 31, 2014: 0 units

(Note) Net income per unit is calculated by dividing net income by the weighted-average number of units outstanding for the respective six-month period. Net income per unit after adjusting for diluted units is not stated because there are no diluted investment units.

The forecasts above are based on information currently available to NRF and deemed to be reasonable under certain conditions, and the actual results may vary due to many factors. Also, NRF does not guarantee the cash distribution amount stated above.

This information is an excerpt, which has been translated, from the Brief Report of Financial Results (“Kessan Tanshin”) in Japanese, released today. To confirm complete information, please refer to the original. [Japanese] [Brief Report of Financial Results \(Sixteenth Fiscal Period\)](#)