

For Translation Purposes Only

Fifteenth Fiscal Period (December 1, 2013 to May 31, 2014) Financial Results

July 15, 2014

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: August 28, 2014

Scheduled Commencement Date of Cash Distribution: August 15, 2014

(Figures below one million yen are omitted)

1. Status of Management and Assets during the Fifteenth Fiscal Period (ended May 31, 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 May 31, 2014	5,594	(3.5)	2,513	(-1.7)	1,956	(-0.5)	1,955	(-0.5)
Nov. 30, 2013	5,406	(2.8)	2,558	(5.1)	1,966	(4.7)	1,965	(4.7)

	Net Income Per Unit	ROE (Return on Equity)	ROA (Return on Assets)	Ordinary Income to Operating Revenues Ratio
	Yen	%	%	%
Fiscal Period ended May 31, 2014	12,161	2.6	1.2	35.0
Nov. 30, 2013	12,591	2.7	1.2	36.4

(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 May 31, 2014	12,161	1,955	0	0	99.9	2.6
Nov. 30, 2013	12,221	1,965	0	0	100.0	2.6

(Note 1) Payout ratio is calculated as follows since new investment units were issued through public offering and the number of investment units issued and outstanding was changed during the 14th fiscal period (rounded off to the first decimal place):

$$\text{Payout ratio} = \text{Total Cash Distributions (excluding distribution in excess of earnings)} \div \text{Net income} \times 100$$

(3) Financial Position

	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets Per Unit
	Millions of Yen	Millions of Yen	%	Yen
Fiscal Period ended May 31, 2014	167,940	75,226	44.8	467,827
Nov. 30, 2013	168,019	75,236	44.8	467,887

(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
May 31, 2014	4,708	-283	-2,054	9,965
Nov. 30, 2013	4,478	-12,887	9,245	7,594

2. Forecast of Financial Results for the Sixteenth Fiscal Period (ending November 30, 2014)

(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
Nov. 30, 2014	5,406	(-3.3)	2,382	(-5.2)	1,826	(-6.6)	1,825	(-6.7)	11,600	0

(Reference) Forecast for Net Income Per Unit (Sixteenth Fiscal Period): 11,351 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 May 31, 2014: 160,800 units

As of November 30, 2013: 160,800 units

b. The Number of treasury investment units

As of May 31, 2014: 0 units

As of November 30, 2013: 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 \(Fifteenth Fiscal Period\)](#)