



NOMURA
Residential Fund

For Translation Purposes Only

January 27, 2011

For Immediate Release

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

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Notice Concerning Property Disposition

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

1. Summary of Asset Scheduled to be Disposed

Type of Asset	Beneficial Interest in Real Estate Trust
Property Name	PRIME URBAN Ebisu Minami
Disposition Price	¥975,000 thousand (excluding fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Book Value	¥936,278 thousand (as of November 30, 2010)
Difference (Disposition Price - Book Value)	¥38,721 thousand
Date of Agreement	January 27, 2011 (date of agreement on purchase and sale of the real estate trust)
Scheduled Date of Disposition	March 22, 2011 (date of delivery of the real estate trust)
Buyer	A domestic business corporation (refer to “4. Buyer Profile” below)
Form of Payment	Deposit paid at time of agreement, remaining amount paid at time of disposition.

2. Reasons for Disposition

The Fund decided to dispose of the property, taking into account the entire portfolio’s asset composition, profitability in the future, etc.

3. Property Summary

Property Name		PRIME URBAN Ebisu Minami
Type of Asset		Beneficial Interest in Real Estate Trust
Location (Note 1)	Registry	1-16-7 Ebisu Minami, Shibuya-ku, Tokyo
	Street Address	1-16-4 Ebisu Minami, Shibuya-ku, Tokyo
Access		4-minute walk to Ebisu Station on the JR Yamanote and Saikyo Lines.
Land	Ownership	Ownership
	Area (Note 1)	270.34 sq. meters
	Building Coverage	70% (Note 2)
	Floor Area Ratio	300%, 400% (Note 3)
Building	Ownership	Ownership
	Use (Note 1)	Apartment building, retail
	Completion Date (Note 1)	February 21, 2002
	Total Floor Area (Note 1)	942.83 sq. meters
	Structure (Note 1)	RC, 8F
	Leasable Units (Note 4)	21 units (under 30 sq. meters: 8 units, 30-50 sq. meters: 8 units, 50-70 sq. meters: 4 units, retail/office: 1 unit)
Acquisition Price		¥947,000 thousand
Disposition Price		¥975,000 thousand
Book Value		¥936,278 thousand
Difference (Disposition Price-Book Value)		¥38,721 thousand
Survey	Survey Method	Price Survey by Chuo Real Estate Appraisal Co., Ltd.
	Survey Value	¥866,000 thousand
	Survey Date	November 30, 2010
Leasing Status (as of January 27, 2011)		
Total Number of Tenants		1
Total Rental Income (Note 5)		¥51,600 thousand
Security Deposits		¥15,194 thousand
Occupancy Rate		100.0%
Total Leased Floor Area (Note 6)		881.89 sq. meters
Total Leasable Floor Area (Note 4)		881.89 sq. meters

(Note 1) Location and Other Items
Location (registry), Area, Completion Date, Total Floor Area and Structure are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry is stated.

(Note 2) Building Coverage
As the Property is located within a Category 1 residential district and Category 2 residential district, the Building Coverage would originally be 60%; however, the Building Coverage has been increased to 70%, as the Property is a fireproof building in a Fire Prevention District.

(Note 3) Floor Area Ratio
Of the property's land, the area from the road boundary on the southeast side to within 20 meters is a Category 2 residential district of 400%, the area over 20 meters is a Category 1 residential district of 300%, and the weighted average figures are applied according to the area ratio.

(Note 4) Leasable Units and Total Leasable Floor Area
Leasable Units indicates the number of leasable units as of today (which includes the number of stores, if any). Also, Total Leasable Floor Area indicates the total floor area of the leasable residences as of today (in the case where the common area, etc. is leased, the said area is also included. The Total

Leasable Floor Area is not based on the real estate registry, but the floor area indicated in the lease agreement or the floor area calculated from the building as-built drawing, etc., and will not always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 5) Total Rental Income
Total Rental Income indicates the total monthly rent (Total of the rent and common area expense of the resident etc. However, when parking lot fees are included in the rent under the lease agreement, this includes the parking lot fees. Also, when the master lease company is applying the rent guaranteed master lease on all or any of the units, the said units are based on the rent, etc., stated on the lease agreement with the master lease company.) that is stated on the lease agreement and is actually executed with the end-tenant, multiplied by twelve (amounts under a thousand yen are rounded down.), regarding the property, as of today. Also, regarding the tenants who receive a certain period of free rent due to the agreement, the said period is not included.

(Note 6) Total Leased Floor Area
Total Leased Floor Area indicates the floor area (based on the floor area in the lease agreement. However, it is limited to the floor area of residences and retail stores, etc. (when all units are leased in bulk, the floor area of the entire premises) and it excludes the leased area of parking lots) that is actually leased and a lease agreement is executed with the end-tenant, as of today.

4. Buyer Profile

As the buyer of the property (a domestic business corporation) has not given consent to disclose this information, the profile is not stated.

There are no capital, personnel, and transaction relationship between the buyer and the Fund and/or asset management company. Also, the buyer is not considered a directly associating party of the Fund and/or asset management company.

5. Broker Profile

Company Name	Nomura Real Estate Urban Net Co., Ltd.
Head Office	1-26-2 Nishi Shinjuku, Shinjuku-ku, Tokyo
Representative	Nagayoshi Kanehata, President
Principal Business	Real Estate
Capital	¥1,000,000 thousand
Established	November 6, 2000
Relationship with the Fund and/or asset management company	
Capital	Nomura Real Estate Urban Net Co., Ltd. is an affiliated company of Nomura Real Estate Holdings, Inc., which has 100% ownership of Nomura Real Estate Asset Management Co., Ltd., the Fund's asset management company, and therefore, is a Related Party under the Investment Trust Law.
Personnel	There are no personnel involvement between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	There are no transactions between the said company and the Fund or asset management company. There are also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trust Law.
Commission	¥29,310 thousand (excluding consumption taxes and local consumption taxes)

6. Transactions with Related Parties

The property's broker, Nomura Real Estate Urban Net Co., Ltd., is considered a Related Party under the Investment Trust Law. Therefore, the asset management company's Compliance Committee and Residence Management Division Investment Committee have deliberated and given its approval on the disposition brokerage service, commission and other conditions of the Property according to the Residence Management Division Investment Committee Policy, the Compliance Policy, the Compliance Manual, etc.

7. Forecasts

Changes in financial results, due to the disposition of the property, are slight and the forecasts of financial results for the ninth fiscal period (December 1, 2010 to May 31, 2011) have not been changed.