

NOMURA
Residential Fund

NOMURA RESIDENTIAL FUND

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.

Third Fiscal Period Financial Results
(ended May 2008)



Nomura Real Estate Residential Fund, Inc. (the “Fund”) will adhere to the following basic principles in order to execute fund management in accordance with solid investment policies for investment in residential properties:

Strategy	The Fund will aim to secure stable mid-to-long-term earnings through the strategic selection of properties and expert asset management based on sufficient understanding of “tenant demands” reflecting the characteristics of residential rental property investments and market trends.
Acquisition	The Fund will create a stable portfolio with consideration to rent levels, geographic area, building age, property type, etc., through the continuous acquisition of “PROUD FLAT” properties from the Nomura Real Estate Group and “PRIME URBAN” and “URBAN STAGE” properties from other sources utilizing our sourcing expertise.
Asset Management	To maximize the long-term profitability and asset value of the properties under management, the Fund will select the “optimal property management company corresponding to the characteristics of the property,” and, at the same time, implement flexible and organized leasing and renewal strategies corresponding to tenant trends, aging of the portfolio and increase of the number of properties under management.
Finance	The Fund will establish a strong financial base such as “conservative LTV ratio,” “appropriate control of interest fluctuation risk through the lengthening of loan periods and fixing of interest rates,” and “diversification of lenders,” in order to manage the Fund in a stable manner with minimum impact from financial market conditions.
Compliance	The Fund will implement fair and transparent fund management through prevention of conflict of interests and enforcement of compliance to maintain our position as a “REIT committed to meeting the trust and expectations of the investors.”

Highlights of the Third Fiscal Period (ended May 31, 2008)

- Highlights of the Third Fiscal Period 2

Fund Management Summary

- Investment Strategy - Seek Stable Revenues
 - (1) Target Tenants, Property Selection Standards 4
 - (2) High Level of Portfolio Diversification 5
- Investment Performance
 - (1) Acquisitions After Listing 6
 - (2) Growth of Asset Size 7
 - (3) Utilization of the Sourcing Capability of Nomura Real Estate (PROUD FLAT) 8
 - (4) Securement of Stable Revenue from the Time of Acquisition 9
- Management Strategy 10
- TOPICS: Modification in Asset Management Fee 11

Overview of the Financial Results

- Income Statement 13
- Balance Sheet 14
- Forecasts for the Fourth Fiscal Period 15

Fund Management Results

- Results of Investment
 - (1) Agreements Concluded in the Third Fiscal Period 17
 - (2) Acquisitions from Nomura Real Estate Development 18
 - (3) Acquisitions from External Providers 19~24
 - (4) Acquisitions During the Third Fiscal Period 25
- Portfolio Map 26~27
- Portfolio Status 28
- Results of Management
 - (1) Portfolio Occupancy Rate 29
 - (2) Market Penetration of Property Brands 30
- Financial Performance 31
- Status of Financing 32

APPENDIX

- Portfolio 34~37
- Scheduled Acquisitions After the 3rd Fiscal Period 38
- Interest-bearing Debts 39
- Unitholders 40
- Organization of the Asset Management Company 41



NOMURA
Residential Fund

Highlights of the Third Fiscal Period



Notable Activities

Property Acquisitions	Asset Management	Finance
<ul style="list-style-type: none"> Concluded Agreements: 14 Properties/¥19,022 million ⇒ Portfolio including scheduled acquisitions 137 Properties/¥119,303 million Concluded Acquisitions: 34 Properties/¥34,910 million (includes scheduled acquisitions from 2nd FP) ⇒ Portfolio of acquired properties 131 Properties/¥110,330 million 	<ul style="list-style-type: none"> Establish the "Securement of Tenants for Portfolio Property" as the maximum priority and strengthen leasing Operating Properties: Realize smooth tenant turnovers by comprehending tenant move-outs beforehand Newly Built Properties: Attain a high level occupancy rate early on through aggressive advertising etc. Portfolio Occupancy Rate at 3rd FP end: 93.9% 	<ul style="list-style-type: none"> Secure conservative financials and acquisition capacity through capital increase Establish an optimum interest-bearing debt portfolio Property Acquisition: Fully utilize the highly flexible Credit Loan Program Refinancing: Enhance financial conservativeness through "Long-term (5 years/3 years)" "Fixed Interest Rate" Term Loans (Approx. ¥10.5 billion)

Financial Overview

	Third Fiscal Period (ended May 2008)	Comparison with Forecasts (released January 21, 2008)		Fourth Fiscal Period Forecast (ended November 2008)
Number of Business Days	183 days	—	—	183 days
Operating Revenues	¥3,261 million	+ ¥35 million	+ 1.1 %	¥3,806 million
Current Profits	¥1,174 million	+ ¥104 million	+ 9.8 %	¥1,348 million
Net Income	¥1,173 million	+ ¥104 million	+ 9.8 %	¥1,347 million
Cash Distribution Per Unit	¥12,127	+ ¥1,084	+ 9.8 %	¥13,920



NOMURA
Residential Fund

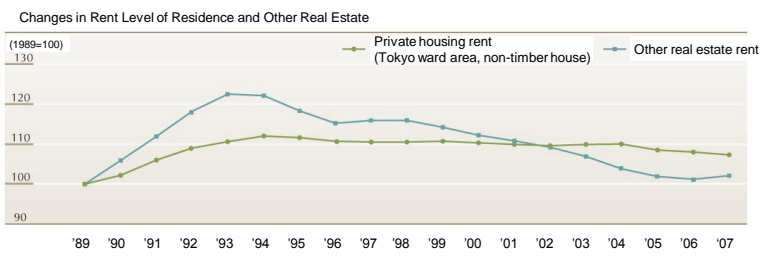
Fund Management Summary



Characteristics of Residential Rental Property Investments (In comparison to other asset categories)

Rent Stability

As expense applied for living headquarters, influence from economic fluctuations is limited and has been historically stable



Source: Ministry of Internal Affairs and Communications "Report on the Consumer Price Index"
Bank of Japan "Corporate Service Price Index"



NOMURA
Residential Fund

Selection of tenants and properties with high stability, even within the, on average, stable rent levels of residential rental properties.

(Average rent/unit: Approx. ¥90,000*)

*Based on 131 properties owned at Third Fiscal Period end.

Targeting of Tenant Classes with Higher Potential for Stable Rent

	Target Tenant Classes of the Fund		Other Tenant Classes
Target	Middle class tenants, mainly corporate employees in their 20s and 30s and students.	Upper middle class tenants, such as foreign company employees.	Upper class tenants, such as companies with employee rent support programs, business owners, management class employees of foreign companies.
Features	Priority on certain level of convenience for commuting and rent. Annual income (disposable) is stable. Less likely to be affected by economic trends.	Priority on location, floor plan and specifications/equipments. Annual income (disposable) is relatively stable. Relatively less likely to be affected by economic trends.	Priority on prime metropolitan location, property grade, value-added services, etc. Annual income (disposable) is likely to be affected by economic trends.
Rent	less than ¥100,000/month (generally)	¥100,000-¥150,000/month (generally)	over ¥150,000/month (generally)

Property Selection Based on Strong Tenant Demand

Rent Level

Appropriate rent level for target tenants



Access

Railway lines that are well-known, Railway lines directly connected to large hub station



Commuting Time

Target tenant's commuting time to their work/school place

Property Size

Number of units where leasing-up within a short time-frame is possible (generally up to approx. 100 units* for new unoccupied buildings)

*Excluding sub-lease properties, etc.

Investment Strategy (2) Seek Stable Revenues (High Level of Portfolio Diversification)



NOMURA
Residential Fund

Characteristics of Residential Rental Property Investments (In comparison to other asset categories)

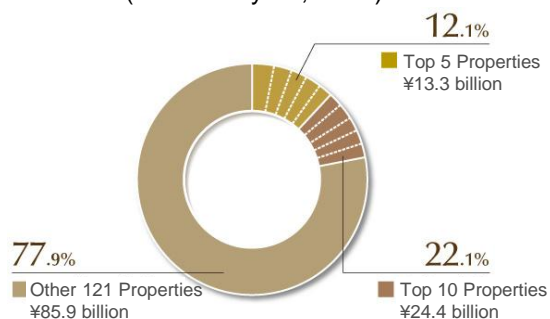
Diversification

Easily able to diversify risk as the investment scale per property is small with larger number of tenants



- Seek a high level of portfolio diversification
- Further promotion of diversification through additional acquisition of prime properties

Third Fiscal Period
(ended May 31, 2008)



*Based on 131 properties owned at Third Fiscal Period end.

Utilizing Various Sourcing Routes

Advantage of having the
Nomura Real Estate Group
as a sponsor

Strength of having approximately 7 years
of management experiences including
private funds



	PROUD FLAT	PRIME URBAN	URBAN STAGE
Brand	 Properties planned/developed by Nomura Real Estate Development <Age of Building: Approx. 1 year or less>	 Properties planned/developed by companies other than Nomura Real Estate Development <Age of Building: Approx. 1 year or less>	 Properties planned/developed by companies other than Nomura Real Estate Development <Age of Building: Approx. 1 year or more>
Acquisition Strategy	Strategic Cooperation with Nomura Real Estate Development The strategic cooperation with Nomura Real Estate Development enables the Fund to undertake the development and acquisition of PROUD FLAT, a residential property brand, which utilizes residential property related know-how for land acquisition, product planning, management, etc. This plays the pivotal role of the Fund's growth strategy and the Fund will utilize it to the full extent.	Utilization of Networks with Providers Utilization of Nomura Real Estate Group Information Networks Proactively utilizing the network with providers built through the management of private funds which extends over 5 years and the Fund's management which extends over 1 year. By utilizing the expansive brokerage network held by Nomura Real Estate Group, pursuit of collecting adequate information on properties for selling will be fulfilled.	



By utilizing the advantage of having various sourcing routes, and balancing the brands of the properties, prime properties have been additionally acquired

Stable Acquisition Performance through diverse sourcing routes

(millions of yen)

	PROUD FLAT		PRIME URBAN		URBAN STAGE		Others	
	Property Name	Price	Property Name	Price	Property Name	Price	Property Name	Price
1st Fiscal Period (After Listing) 13 Properties ¥9,334 million	PROUD FLAT Yokohama	2,340	PRIME URBAN Miyanosawa	576			Benefis Hakata Grand Sweet	830
			PRIME URBAN Maruyama	283			Benefis Yakuin Minami	351
			PRIME URBAN Kanayama	632				
			PRIME URBAN Senzoku	536				
			PRIME URBAN Kita Jyuichi Jo	600				
			PRIME URBAN Odori Higashi	424				
			PRIME URBAN Chiji Kokan	337				
			PRIME URBAN Kita Nijuyo Jo	503				
			PRIME URBAN Sapporo Idaimae	731				
			PRIME URBAN Tsurumai *	1,189				
	1 Property	2,340	10 Properties	5,813	–	–	2 Properties	1,181
2nd Fiscal Period 21 Properties ¥21,366 million	PROUD FLAT Shibuya Sakuragaoka	800	PRIME URBAN Denenchofu Minami	900	URBAN STAGE Musashi Kosugi comodo	2,150	Benefis Kashii Verbena	396
	PROUD FLAT Shinjuku Kawadacho	1,010	PRIME URBAN Meguro Ohashi Hills	3,580	URBAN STAGE Gyotoku Ekimae	561	Benefis Hakata Higashi Grand Sweet	693
	PROUD FLAT Shinotsuka	695	PRIME URBAN Meguro Riverside	464	URBAN STAGE Minami Gyotoku V	293	Benefis Chihaya Grand Sweet	545
	PROUD FLAT Monzen Nakacho II	650	PRIME URBAN Nishi Waseda	503	URBAN STAGE Gyotoku	948		
	PROUD FLAT Shirogane Takanawa *	3,510	PRIME URBAN Nakano Kamitakada	640				
	PROUD FLAT Monzen Nakacho I *	1,130	PRIME URBAN Minami Karasuyama	840				
			PRIME URBAN Karasuyama Galleria	645				
			PRIME URBAN Karasuyama Court	413				
	6 Properties	7,795	8 Properties	7,985	4 Properties	3,952	3 Properties	1,634
3rd Fiscal Period 14 Properties ¥19,022 million	PROUD FLAT Kamioooka	2,770	PRIME URBAN Nagamachi Ichhome	1,110	URBAN STAGE Hongo Ikizaka	647	Koganei Habitation	2,390
	PROUD FLAT Kawaramachi *	724	PRIME URBAN Yaotome Chuo	428	URBAN STAGE Shinjuku Ochiai	635	Musashino Green Hills	1,590
			PRIME URBAN Kawaguchi	2,170	URBAN STAGE Kamikitazawa	738		
			PRIME URBAN Chitose Funabashi *	885	URBAN STAGE Shinkawa	2,250		
			PRIME URBAN Esaka III *	1,535	URBAN STAGE Kawasaki	1,150		
	2 Properties	3,494	5 Properties	6,128	5 Properties	5,420	2 Properties	3,980
4th Fiscal Period (as of July 17, 2008) 2 Properties ¥2,179 million			PRIME URBAN Shinyurigaoka *	1,210	URBAN STAGE Tsutsumidori Amamiya	969		
	–	–	1 Property	1,210	1 Property	969	–	–
Total 50 Properties ¥51,901 million	9 Properties	13,629	24 Properties	21,136	10 Properties	10,341	7 Properties	6,795

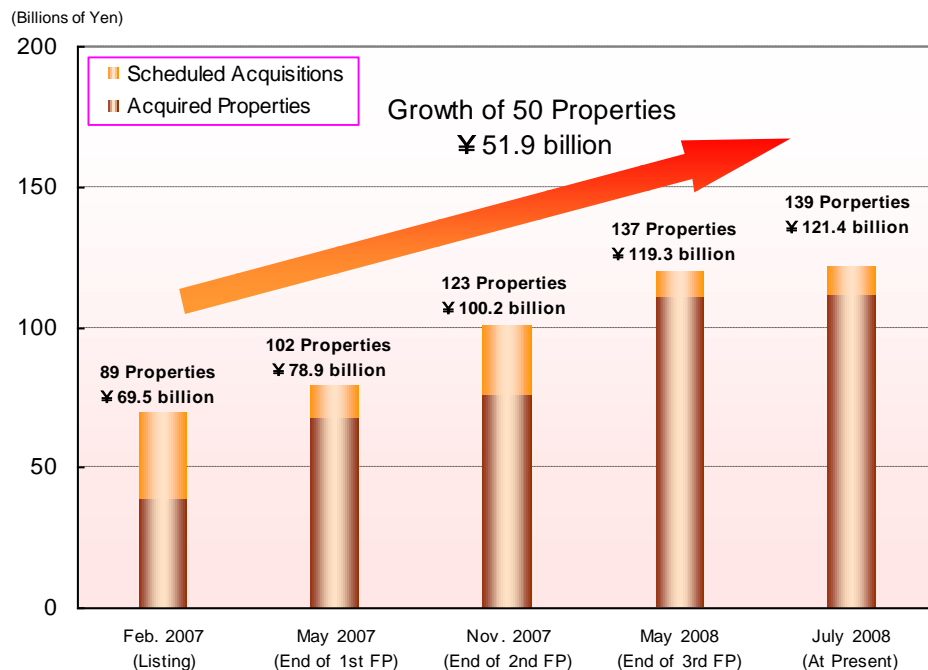
(Note) The properties mentioned above are the Fund's portfolio from the day of listing to July 17, 2008. The price refers to the acquisition price, which are rounded down to the nearest million.

(Note) The building names with a (*) mark are tentative names.



- Achieved stable property acquisition in all property brands
- Strengthened sourcing routes through the acquisition performance from the external providers

Stable Growth of Portfolio after Listing

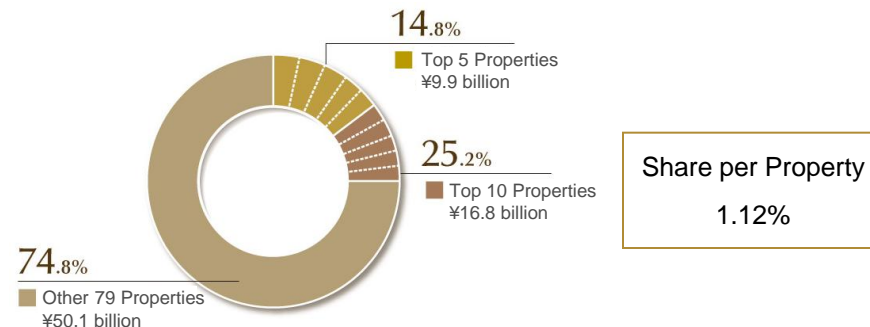


Mid-term Asset Target: Total Asset ¥300 billion

⇒ Realize a considerable stable portfolio

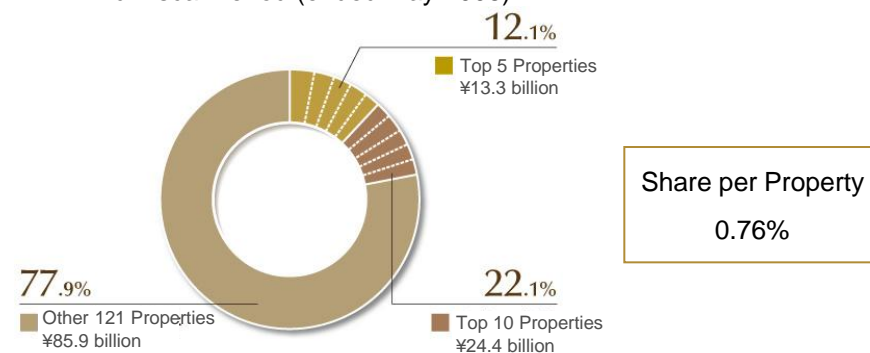
Promotion of Portfolio Diversification

First Fiscal Period (ended May 2007)



Promotion of portfolio diversification
through the growth of portfolio

Third Fiscal Period (ended May 2008)



Aim to realize for the mid-term target through continuous growth,
fully utilizing the sponsor's resources (warehousing, etc.)

Investment Performance (3)

Utilization of the Sourcing Capability of Nomura Real Estate (PROUD FLAT)

Multi Condominium Project by the Sponsor Plus Stable Revenues by the Long-term Lease

PROUD FLAT Kamioooka



- Cooperative development with several other condominiums (PROUD)
⇒ Benefits higher potential from the improvements of the surrounding area
- Long-term lease with major car manufacturer as a dormitory
⇒ In addition to the high quality merchantability mentioned above, stable revenues for the mid to long term is secured

Sourcing in Major Cities

PROUD FLAT Kawaramachi (tentative name)



- Utilizing the headquarters of the sponsor in 3 major metropolitan areas etc.
(Ref.) Nomura Real Estate Development's allotment sale areas excluding the Tokyo Area
→ Kansai Area, Nagoya Area, Sendai Area



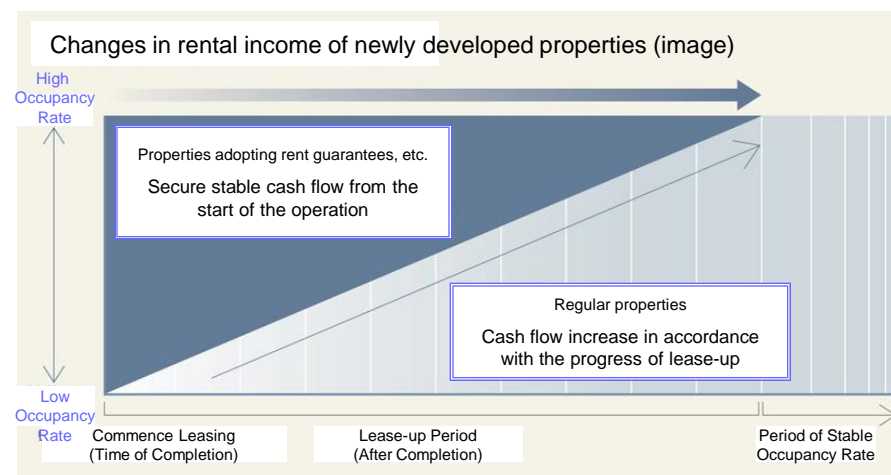
Advantage of having Nomura Real Estate, a developer of condominiums, as a “strong sourcing route”

Investment Performance (4)

Securement of Stable Revenue from the Time of Acquisition

Adopting Rent Guarantees by Property Management Companies

Property Name	Location	Leasable Units	(Scheduled) Completion Date	(Scheduled) Acquisition Period
PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	44 units	Mar. 2008	3rd FP
PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	98 units	Feb. 2008	3rd FP
PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	58 units	Feb. 2008	3rd FP
PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	60 units	Jan. 2008	3rd FP
PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	43 units	Jan. 2008	3rd FP
Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	39 units	Feb. 2008	3rd FP
Benefis Hakata Higashi Grand Sweet	Fukuoka-shi, Fukuoka	65 units	Mar. 2008	3rd FP
Benefis Chihaya Grand Sweet	Fukuoka-shi, Fukuoka	48 units	Mar. 2008	3rd FP
PRIME URBAN Shinyurigaoka (tentative name)	Kawasaki-shi, Kanagawa	64 units	Feb. 2009	5th FP
PRIME URBAN Tsurumai (tentative name)	Nagoya-shi, Aichi	104 units	Jul. 2008	5th FP



Conclusion of Long Term Lease Agreement

Property Name	Location	Leasable Units	Completion Date	Acquisition Date
PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	200 units	Mar. 2008	3rd FP



Adopting the best method, taking into account the area's market size, time of completion, etc.

Management Strategy

Maintaining and Enhancement of the Property's Market Competitiveness



NOMURA
Residential Fund

Major Large-scale Repair/Renovations (scheduled) After the Third Fiscal Period

URBAN STAGE Oimachi II



- Large-scale repairs due to the aging (19 years)
(Main Content)
 - Entrance Renovations (refinishing)
 - Retiling of exterior wall (partially excluded)
 - Waterproofing the balcony
- ⇒ Maintain and Enhance Competitiveness

PRIME URBAN Iidabashi



- Install internet service in all units (unlimited internet access)
 - ⇒ Differentiation through improvement of merchantability
 - ⇒ Lengthening of tenant's residing period (shortening downtime in occupancy)

Musashino Green Hills



- Divided former owner's unit (Approx. 200 sq. meters) into 3 separate sections to use as family units
- ⇒ Renovate into a product suitable for the market

[Reference]

Examples of similar subdivision construction work (management know-how)

URBAN STAGE Komagome
(Approx. 200 sq. meters ⇒ Approx. 50 sq. meters × 4 separate units)



Drawing out the full potential of properties and maximizing the cash flow through the utilization of the rich management experience and various know-how of residential facilities

Summary of Asset Management Fee

Management Fee I

Total asset related fee

Management Fee II

Current cash flow* related fee

*Current profits of management fee II & III before deduction + depreciation

< Modified Section >

Management Fee III

Incentive fee

Calculation Method:
Increased amount of FFO per investment unit
× Number of issued investment units × 30%

⇒ Details of Modification (special case)

For the period when the total asset for the previous fiscal period end is less than ¥300 billion, the management fee III for the current period will not be accrued

Acquisition Fee

Asset acquisition fee

Purpose of Incentive Fee

If there is an increase in FFO per unit as a result of the asset management company's performance



By applying part of the increased amount as a benefit to the asset management company, it conveys an incentive for improvement in performance

Contents and Reasons of Modification

During the process of expanding the size of portfolio, the FFO per unit can significantly change through factors unrelated to the asset management company's management efforts (additional issue of investment units, acquisition of newly built properties with gradual increase in cash flow, etc.)



Providing the incentive fee through the changes mentioned above is not always in accordance with the fundamental purpose of the fee (incentive for improvement in performance).



【Modification】

The incentive fee will not be accrued until the portfolio expands and the changes mentioned above are determined that they are not against the fundamental purpose of the fee.

(Based on "Total asset of ¥300 billion", a portfolio with an adequate level of stability)



Expectations towards a more reasonable incentive and certain amount of commitment to the expansion of the portfolio.

(Note) The calculation method stated above is a general outline. For further details, please refer to the Securities Report, etc.



NOMURA
Residential Fund

Overview of the Financial Results



Income Statement



NOMURA
Residential Fund

	Second Fiscal Period From June 1, 2007 To November 30, 2007		Third Fiscal Period From December 1, 2007 To May 31, 2008	
	Amount (¥000)	Ratio (%)	Amount (¥000)	Ratio (%)
Real Estate Rental Business Revenues	2,484,628	100.0	3,261,814	100.0
Rental Business Revenues	2,372,329	95.5	2,963,252	90.8
Other Rental Business Revenues	112,298	4.5	298,562	9.2
Real Estate Rental Business Expenses	896,964	36.1	1,267,232	38.9
Real Estate Rental Business Expenses	446,059	18.0	623,543	19.1
Tax and Public Dues	53,299	2.1	68,554	2.1
Depreciation and Amortization	397,604	16.0	575,134	17.6
Real Estate Rental Business Profits and Losses	1,587,663	63.9	1,994,582	61.1
Asset Management Fees	182,851	7.4	224,231	6.9
Other Operating Expenses	140,999	5.7	146,873	4.5
Operating Income	1,263,812	50.9	1,623,477	49.8
Non-Operating Revenues	6,265	0.3	21,843	0.7
Non-Operating Expenses	315,335	12.7	470,854	14.4
Current Profits	954,743	38.4	1,174,466	36.0
Net Income Before Tax	954,743	38.4	1,174,466	36.0
Corporate Income Tax, etc.	999	0.0	997	0.0
Net Income	953,743	38.4	1,173,469	36.0
Retained Earnings Brought Forward	29	0.0	32	0.0
Retained Earnings at the end of the Fiscal Period	953,773	38.4	1,173,501	36.0

*1 [Real Estate Rental Business Revenues]

As of the end of the Third Fiscal Period, the portfolio consists of 131 properties/¥110.3 billion (total acquisition price). The occupancy rate for the portfolio at the end of the Third Fiscal Period was 93.9%.

*2 [Repair Expenses]

Repair expenses reported as expenses in the Third Fiscal Period is ¥78,389,000. In combination with ¥98,325,000 of capital expenditures, a total of ¥176,714,000 in construction was carried out.

*3 [Tax and Public Dues]

During the Third Fiscal Period, 74 properties (out of 131 properties) have reported fixed asset taxes and urban planning taxes in the year 2007/2008 as expenses. Fixed asset taxes and urban planning taxes adjusted with the seller have been included in the acquisition price at the time of acquisition (¥24,398,000).

(Ref.) Changes in Number of Property during the Third Fiscal Period

	Dec. 1, 2007 (Start of FP)	Dec. 31, 2007	Jan. 31, 2008	Feb. 29, 2008	Mar. 31, 2008	Apr. 30, 2008	May 31, 2008 (End of FP)
No. of Properties	97	105	105	117	125	130	131
Changes		+8		+12	+8	+5	+1

Balance Sheet



NOMURA
Residential Fund

Assets

Items	Second Fiscal Period as of Nov. 30, 2007		Third Fiscal Period as of May 31, 2008	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current assets	3,974,905	4.9	5,202,778	4.4
Cash and cash equivalents	2,062,189	2.5	3,466,086	2.9
Cash and cash equivalent in trust	1,820,953	2.3	1,603,667	1.4
Other current assets	91,762	0.1	133,024	0.1
Fixed Assets	76,915,836	95.1	113,544,689	95.6
Tangible fixed assets	76,902,158	95.1	113,530,072	95.6
Real estate	18,435,659	22.8	53,026,572	44.7
Building	7,332,739	9.1	25,077,509	21.1
Land	11,102,920	13.7	27,949,063	23.5
Real estate in trust	58,401,685	72.2	60,488,896	50.9
Building in trust	20,384,968	25.2	21,017,908	17.7
Land in trust	38,016,717	47.0	39,470,987	33.2
Construction in progress	64,812	0.1	14,602	0.0
Intangible fixed assets	1,635	0.0	1,496	0.0
Other intangible fixed assets	1,635	0.0	1,496	0.0
Investment and other assets	12,043	0.0	13,120	0.0
Deposits received	10,421	0.0	10,632	0.0
Long-term repaid expenses	1,622	0.0	2,487	0.0
Total Assets	80,890,742	100.0	118,747,467	100.0

*1 Tangible fixed assets

(unit: millions of yen)

	Acquisition Price	Accumulated depreciation	(Depreciation for current FP)	Book value at end of FP
Real Estate	114,886	1,370	(575)	113,515
Building	25,414	337	(241)	25,077
Land	27,949	—	—	27,949
Building in trust	22,051	1,033	(333)	21,017
Land in trust	39,470	—	—	39,470

Liabilities and Net Assets

	Second Fiscal Period as of Nov. 30, 2007		Third Fiscal Period as of May 31, 2008	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Liabilities	5,098,162	6.3	19,446,731	16.4
Trade accounts payable	109,759	0.1	131,343	0.1
Short-term loans	4,360,000	5.4	18,504,000	15.6
Other accounts payable	157,649	0.2	177,109	0.1
Taxes payable	653	0.0	654	0.0
Accrued expenses	153,568	0.2	208,707	0.2
Rent received in advance	314,883	0.4	420,126	0.4
Deposits payable	1,647	0.0	4,789	0.0
Fixed Liabilities	33,583,135	41.5	44,357,369	37.4
Long-term loans	32,740,000	40.5	43,220,000	36.4
Security deposits	153,032	0.2	395,271	0.3
Security deposits in trust	690,102	0.9	742,098	0.6
Total Liabilities	38,681,297	47.8	63,804,100	53.7
Unitholders Equity	42,209,444	52.2	54,943,366	46.3
Unitholders capital	41,255,671	51.0	53,769,864	45.3
Retained earnings	953,773	1.2	1,173,501	1.0
Total New Assets	42,209,444	52.2	54,943,366	46.3
Total Liabilities and Net Assets	80,890,742	100.0	118,747,467	100.0

*2 Loans

Balance of interest-bearing debts (millions of yen)	61,724
Total asset interest-bearing debt ratio	$\left[\frac{\text{short-term} + \text{long-term loans}}{\text{total assets}} \right]$ 52.0%
Long-term interest-bearing debt ratio	$\left[\frac{\text{long-term loans}}{\text{short-term} + \text{long-term loans}} \right]$ 70.0%

Forecasts for the Fourth Fiscal Period

Fourth Fiscal Period Forecasts (June 1, 2008 – November 30, 2008)	
Rental Business Revenues	¥3,806 million
Rental Business Expenses	¥1,466 million
Asset Management Fees	¥283 million
Other Operating Expenses	¥173 million
Operating Income	¥1,884 million
Non-Operating Profit/Loss	¥535 million
Current Profits	¥1,348 million
Net Income	¥1,347 million
Total Investment Units at end of Fiscal Period	96,765 units
Cash Distribution per Unit	¥13,920

Assumptions
<p>[Assets Under Management] The calculation is based on 134 properties, adding 2 properties (scheduled to be acquired by November 30, 2008) to the 132 properties held as of July 17, 2008.</p>
<p>[Depreciation] ¥700 million is expected.</p>
<p>[Loans] The Fund has a total of ¥62,644 million in loans as of July 17, 2008. Assumes that loans as of November 30, 2008 (end of Fourth Fiscal Period) will be a total of ¥67,492 million, with loans for the acquisition of new properties scheduled.</p>
<p>[Investment Units] Assumes that the total number of investment units issued (96,765 units) will remain the same until the end of the Fourth Fiscal Period.</p>



NOMURA
Residential Fund

Fund Management Results



Results of Investment (1) Agreements Concluded in the Third Fiscal Period

List of the Properties Acquired in the Third Fiscal Period

Brand	Property Name	Location	Leasable Space (m ²)	Leasable Units (Units)	Acquisition Price (millions of yen)
PROUD FLAT	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	4,872.17	200	2,770
	PROUD FLAT Kawaramachi (tentative name)	Sendai-shi, Miyagi	1,967.54	64	724
	Sub Total		6,839.71	264	3,494
PRIME URBAN	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,477.11	98	2,170
	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	3,411.24	60	1,110
	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	1,380.21	43	428
	PRIME URBAN Chitose Funabashi (tentative name)	Setagaya-ku, Tokyo	1,027.44	38	885
	PRIME URBAN Esaka III (tentative name)	Suita-shi, Osaka	2,151.67	79	1,535
	Sub Total		10,447.67	318	6,128
URBAN STAGE	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	3,600.61	46	2,250
	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	662.58	27	647
	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	1,053.39	28	635
	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	1,384.45	29	738
	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,706.46	80	1,150
	Sub Total		8,407.49	210	5,420
Others	Koganei Habitation	Koganei-shi, Tokyo	5,999.80	98	2,390
	Musashino Green Hills	Koganei-shi, Tokyo	2,970.50	78	1,590
	Sub Total		8,970.30	176	3,980
	Total		34,665.17	968	19,022

Results of Investment (2) Acquisitions from Nomura Real Estate Development

PROUD FLAT Kamioooka



Main Railway Access:	9 minute walk to Kamioooka Station on the Keikyu Main Line and Yokohama Municipal Subway Blue Line
Leasable Units:	200
Acquisition Price:	¥2,770 million
Acquisition Date:	March 19, 2008 (3rd Fiscal Period)
Acquisition Route:	Nomura Real Estate Development Co., Ltd., etc.

Rent Level	In ¥70,000s for 1K units
Access	Keikyu Main Line and Yokohama Municipal Subway Blue Line
Commuting Time	Approximately 20 minutes to the Yokohama area Approximately 35 minutes to the Shinagawa area

PROUD FLAT Kawaramachi (tentative name)



Main Railway Access:	6 minute walk to Kawaramachi Station on the Sendai Municipal Subway Namboku Line
Leasable Units:	64
Scheduled Acquisition Price:	¥724 million
Scheduled Acquisition Date:	December 19, 2008 (5th Fiscal Period)
Acquisition Route:	Nomura Real Estate Development Co., Ltd.

Rent Level	In ¥60,000s for 1K units In ¥80,000s for 1LDK units
Access	Sendai Municipal Subway Namboku Line
Commuting Time	Approximately 10 minutes to the Sendai area Approximately 15 minutes to the Kotodai Koen area

Results of Investment (3) Acquisitions from External Providers



NOMURA
Residential Fund

PRIME URBAN Nagamachi Icchome



Main Railway Access:	3 minute walk to Nagamachi Icchome Station on the Sendai Municipal Namboku Line
Leasable Units:	60
Acquisition Price:	¥1,110 million
Acquisition Date:	February 1, 2008 (3rd Fiscal Period)
Acquisition Route:	New Provider

Rent Level	In ¥100,000s for 2LDK units In ¥120,000s for 3LDK units
Access	Sendai Municipal Subway Namboku Line
Commuting Time	Approximately 10 minutes to the Sendai area Approximately 15 minutes to the Kotodai Koen area

PRIME URBAN Yaotome Chuo



Main Railway Access:	4 minute walk to Yaotome Station on the Sendai Municipal Subway Namboku Line
Leasable Units:	43
Acquisition Price:	¥428 million
Acquisition Date:	February 1, 2008 (3rd Fiscal Period)
Acquisition Route:	New Provider

Rent Level	In ¥60,000s for 1K units
Access	Sendai Municipal Subway Namboku Line
Commuting Time	Approximately 15 minutes to the Kotodai Koen area Approximately 20 minutes to the Sendai area

Results of Investment (3) Acquisitions from External Providers



NOMURA
Residential Fund

PRIME URBAN Kawaguchi



Main Railway Access:	3 minute walk to Kawaguchi Station on the JR Keihin Tohoku Line
Leasable Units:	98
Acquisition Price:	¥2,170 million
Acquisition Date:	April 1, 2008 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥70,000s for 1K units
Access	JR Keihin Tohoku Line
Commuting Time	Approximately 30 minutes to Tokyo/Shinjuku areas Approximately 25 minutes to the Ikebukuro area

PRIME URBAN Chitose Funabashi (tentative name)



Main Railway Access:	7 minute walk to Chitose Funabashi Station on the Odakyu Odawara Line
Leasable Units:	38
Scheduled Acquisition Price:	¥885 million
Scheduled Acquisition Date:	February 28, 2009 (5th Fiscal Period)
Acquisition Route:	New Provider

Rent Level	In ¥110,000s for 1K units
Access	Odakyu Odawara Line
Commuting Time	Approximately 25 minutes to the Shinjuku area Approximately 40 minutes to Otemachi/Akasaka areas

Results of Investment (3) Acquisitions from External Providers



NOMURA
Residential Fund

PRIME URBAN Esaka III (tentative name)



Main Railway Access: 3 minute walk to Esaka Station on the Osaka Municipal Subway Midosuji Line and Kita Osaka Kyuko Dentetsu

Leasable Units: 79

Scheduled Acquisition Price: ¥1,535 million

Scheduled Acquisition Date: December 4, 2008 (5th Fiscal Period)

Acquisition Route: New Provider

Rent Level	In ¥90,000s for 1K units
Access	Osaka Municipal Subway Midosuji Line
Commuting Time	Approximately 10 minutes to the Shin Osaka area Approximately 20 minutes to Umeda/Hommachi area

URBAN STAGE Shinkawa



Main Railway Access: 7 minute walk to Kayabacho Station on the Tokyo Metro Tozai Line
7 minute walk to Hacchobori Station on the Tokyo Metro Hibiya Line

Leasable Units: 46

Acquisition Price: ¥2,250 million

Acquisition Date: December 14, 2007 (3rd Fiscal Period)

Acquisition Route: Existing Provider

Rent Level	In ¥180,000s for 2LDK units
Access	Tokyo Metro Tozai and Hibiya Lines
Commuting Time	Approximately 10 minutes to the Otemachi area Approximately 15 minutes to the Hibiya area

URBAN STAGE Hongo Ikizaka



Main Railway Access:	6 minute walk to Hongo Sanchoe Station on the Tokyo Metro Marunouchi Line 8 minute walk to Suidobashi Station on the JR Chuo and Sobu Lines
Leasable Units:	27
Acquisition Price:	¥647 million
Acquisition Date:	December 12, 2007 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥120,000s for 1K units
Access	Tokyo Metro Marunouchi Line, JR Chuo and Sobu Lines, Toei Subway Mita and Oedo Lines
Commuting Time	Approximately 15 minutes to the Otemachi area Approximately 15 minutes to the Tokyo area

URBAN STAGE Shinjuku Ochiai



Main Railway Access:	10 minute walk to Ochiai Station on the Tokyo Metro Tozai Line 9 minute walk to Higashi Nakano Station on the JR Chuo and Sobu Lines
Leasable Units:	28
Acquisition Price:	¥635 million
Acquisition Date:	December 12, 2007 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥90,000s for 1K units In ¥130,000s for 2DK units
Access	Tokyo Metro Tozai Line, JR Chuo and Sobu Lines, Toei Subway Oedo Line
Commuting Time	Approximately 15 minutes to the Shinjuku area Approximately 30 minutes to the Otemachi area

Results of Investment (3) Acquisitions from External Providers



NOMURA
Residential Fund

URBAN STAGE Kamikitazawa



Main Railway Access:	9 minute walk to Kamikitazawa Station on the Keio Line 8 minute walk to Hachimanyama Station on the Keio Line
Leasable Units:	29
Acquisition Price:	¥738 million
Acquisition Date:	December 12, 2007 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥140,000s for 2LDK units
Access	Keio Line (extends on to Toei Subway Shinjuku Line)
Commuting Time	Approximately 30 minutes to Shinjuku/Shibuya areas

URBAN STAGE Kawasaki



Main Railway Access:	10 minute walk to Kawasaki Station on the JR Tokaido Line, Keihin Tohoku Line, etc. 7 minute walk to Keikyu Kawasaki Station on the Keikyu Main Line
Leasable Units:	80
Acquisition Price:	¥1,150 million
Acquisition Date:	February 26, 2008 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥70,000s for 1K units
Access	JR Tokaido Line and Keihin Tohoku Line
Commuting Time	Approximately 20 minutes to Shinagawa/Yokohama areas Approximately 30 minutes to the Tokyo area

Results of Investment (3) Acquisitions from External Providers



NOMURA
Residential Fund

Koganei Habitation



Main Railway Access:	16 minute walk to Musashi Koganei Station on the JR Chuo Line 17 minute walk to Higashi Koganei Station on the JR Chuo Line
Leasable Units:	98
Acquisition Price:	¥2,390 million
Acquisition Date:	December 12, 2007 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥110,000s for 3DK units
Access	JR Chuo Line
Commuting Time	Approximately 40 minutes to the Shinjuku area

Musashino Green Hills



Main Railway Access:	13 minute walk to Higashi Koganei Station on the JR Chuo Line 18 minute walk to Musashi Sakai Station on the JR Chuo Line
Leasable Units:	78 (Bldg. A: 40, Bldg. B: 38)
Acquisition Price:	¥1,590 million
Acquisition Date:	December 14, 2007 (3rd Fiscal Period)
Acquisition Route:	Existing Provider

Rent Level	In ¥60,000s for 1R units In ¥130,000s for 2LDK units
Access	JR Chuo Line
Commuting Time	Approximately 35 minutes to the Shinjuku area

Results of Investment (4) Acquisitions During the Third Fiscal Period

List of the Properties Acquired in the Third Fiscal Period

(millions of yen)

PROUD FLAT		PRIME URBAN		URBAN STAGE		Others	
Property Name	Price	Property Name	Price	Property Name	Price	Property Name	Price
PROUD FLAT Shibuya Sakuragaoka	800	PRIME URBAN Meguro Ohashi Hills	3,580	URBAN STAGE Shinkawa	2,250	Koganei Habitation	2,390
PROUD FLAT Shinjuku Kawadacho	1,010	PRIME URBAN Hakusan	893	URBAN STAGE Hongo Ikizaka	647	Musashino Green Hills	1,590
PROUD FLAT Shinotsuka	695	PRIME URBAN Denenchofu Minami	900	URBAN STAGE Shinjuku Ochiai	635	Benefis Kashii Verbena	396
PROUD FLAT Monzen Nakacho II	650	PRIME URBAN Nakano Kamitakada	640	URBAN STAGE Kamikitazawa	738	Benefis Hakata Higashi Grand Sweet	693
PROUD FLAT Yokohama	2,340	PRIME URBAN Kawaguchi	2,170	URBAN STAGE Kawasaki	1,150	Benefis Chihaya Grand Sweet	545
PROUD FLAT Kamioooka	2,770	PRIME URBAN Kita Juichi Jo	600	URBAN STAGE Gyotoku Ekimae	561		
		PRIME URBAN Miyanosawa	576	URBAN STAGE Minami Gyotoku V	293		
		PRIME URBAN Odori Higashi	424	URBAN STAGE Gyotoku	948		
		PRIME URBAN Chiji Kokan	337				
		PRIME URBAN Maruyama	283				
		PRIME URBAN Kita Nijuyo Jo	503				
		PRIME URBAN Sapporo Idaimae	731				
		PRIME URBAN Nagamachi Icchome	1,110				
		PRIME URBAN Yaotome Chuo	428				
		PRIME URBAN Kanayama	632				
6 Properties	8,265	15 Properties	13,809	8 Properties	7,222	5 Properties	5,614



- 34 properties/¥34,910 million has been additionally handed over in the Third Fiscal Period
- Portfolio at the end of the Third Fiscal Period: 131 properties/¥110,330 million

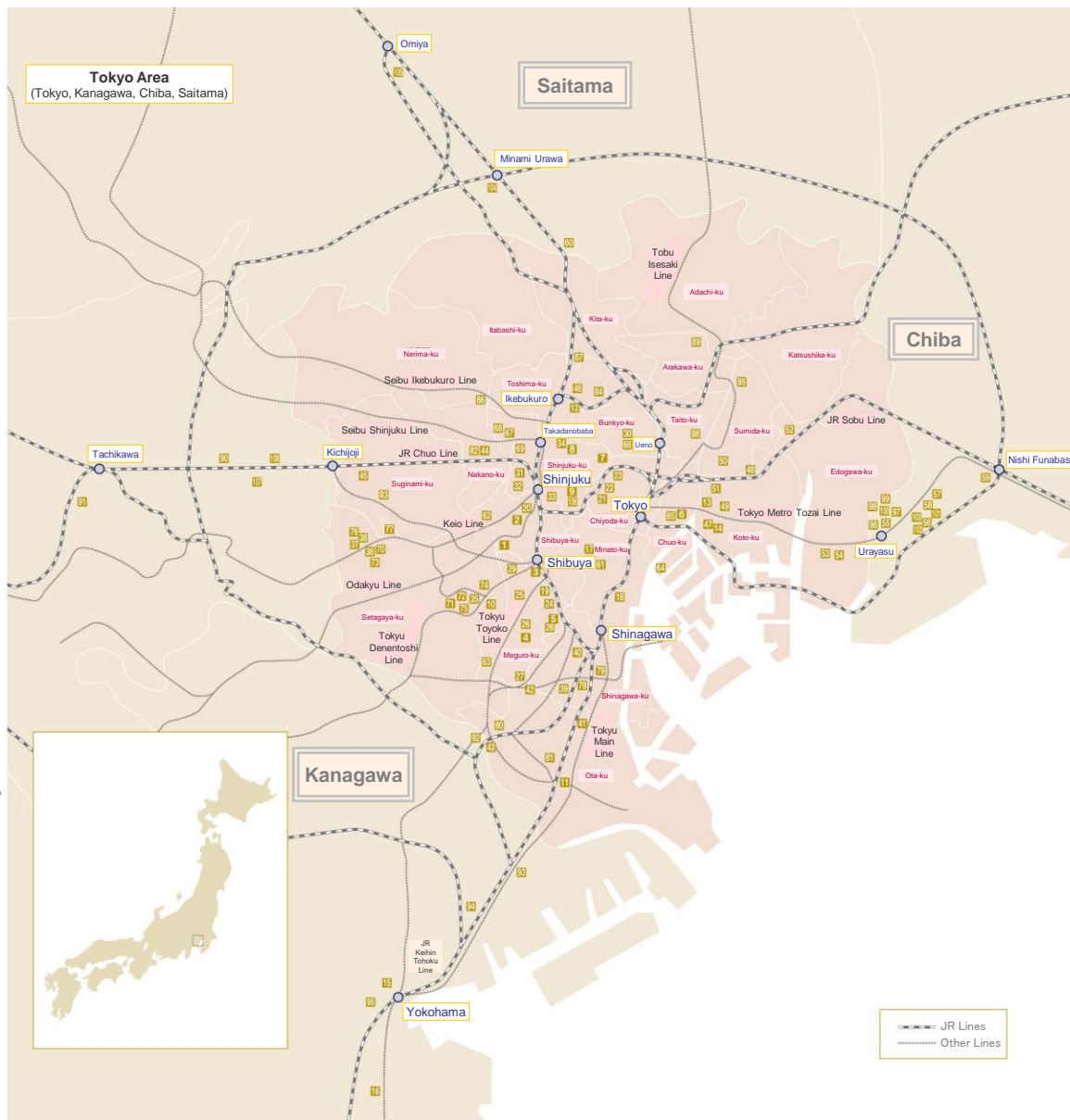
Portfolio Map (131 Properties in the Portfolio at the end of the 3rd FP)



NOMURA
Residential Fund

Tokyo Area

- | | |
|------------------------------------|--|
| 1 PROUD FLAT Yoyogi Uehara | 55 PRIME URBAN Urayasu |
| 2 PROUD FLAT Hatsudai | 56 PRIME URBAN Gyotoku I |
| 3 PROUD FLAT Shibuya Sakuragaoka | 57 PRIME URBAN Gyotoku II |
| 4 PROUD FLAT Gakugei Daigaku | 58 PRIME URBAN Gyotoku Ekimae |
| 5 PROUD FLAT Meguro Gyoninzaka | 59 PRIME URBAN Nishi Funabashi |
| 6 PROUD FLAT Sumida Riverside | 60 PRIME URBAN Kawaguchi |
| 7 PROUD FLAT Kagurazaka | 61 URBAN STAGE Azabu Juban |
| 8 PROUD FLAT Waseda | 62 URBAN STAGE Hatagaya |
| 9 PROUD FLAT Shinjuku Kawadacho | 63 URBAN STAGE Toritsu Daigaku |
| 10 PROUD FLAT Sangen Jaya | 64 URBAN STAGE Kachidoki |
| 11 PROUD FLAT Kamata | 65 URBAN STAGE Shinkawa |
| 12 PROUD FLAT Shinotsuka | 66 URBAN STAGE Hongo Ikizaka |
| 13 PROUD FLAT Kiyosumi Shirakawa | 67 URBAN STAGE Naka Ochiai |
| 14 PROUD FLAT Monzen Nakacho II | 68 URBAN STAGE Ochiai |
| 15 PROUD FLAT Yokohama | 69 URBAN STAGE Shinjuku Ochiai |
| 16 PROUD FLAT Kamiooka | 70 URBAN STAGE Roka Koen |
| 17 PRIME URBAN Akasaka | 71 URBAN STAGE Kamiuma |
| 18 PRIME URBAN Tamachi | 72 URBAN STAGE Sangen Jaya |
| 19 PRIME URBAN Ebisu Minami | 73 URBAN STAGE Chitose Karasuyama |
| 20 PRIME URBAN Yoyogi | 74 URBAN STAGE Sangen Jaya II |
| 21 PRIME URBAN Bancho | 75 URBAN STAGE Komazawa |
| 22 PRIME URBAN Chiyoda Fujimi | 76 URBAN STAGE Karasuyama |
| 23 PRIME URBAN Iidabashi | 77 URBAN STAGE Kamikitazawa |
| 24 PRIME URBAN Ebisu | 78 URBAN STAGE Oimachi |
| 25 PRIME URBAN Naka Meguro | 79 URBAN STAGE Oimachi II |
| 26 PRIME URBAN Gakugei Daigaku | 80 URBAN STAGE Yukigaya |
| 27 PRIME URBAN Senzoku | 81 URBAN STAGE Ikegami |
| 28 PRIME URBAN Meguro Riverside | 82 URBAN STAGE Nakano |
| 29 PRIME URBAN Meguro Ohashi Hills | 83 URBAN STAGE Takaide |
| 30 PRIME URBAN Hakusan | 84 URBAN STAGE Komagome |
| 31 PRIME URBAN Nishi Shinjuku I | 85 URBAN STAGE Mukojima |
| 32 PRIME URBAN Nishi Shinjuku II | 86 URBAN STAGE Ekoda |
| 33 PRIME URBAN Shinjuku Naitomachi | 87 URBAN STAGE Takinokawa |
| 34 PRIME URBAN Nishi Waseda | 88 URBAN STAGE Asakusa |
| 35 PRIME URBAN Sangen Jaya | 89 URBAN STAGE Machiya |
| 36 PRIME URBAN Minami Karasuyama | 90 URBAN STAGE Koganei |
| 37 PRIME URBAN Karasuyama Galleria | 91 URBAN STAGE Hino |
| 38 PRIME URBAN Karasuyama Court | 92 URBAN STAGE Musashi Kosugi comode |
| 39 PRIME URBAN Shinagawa Nishi | 93 URBAN STAGE Kawasaki |
| 40 PRIME URBAN Osaki | 94 URBAN STAGE Tsurumi Teraya |
| 41 PRIME URBAN Omori | 95 URBAN STAGE Tennocho |
| 42 PRIME URBAN Kita Senzoku | 96 URBAN STAGE Urayasu |
| 43 PRIME URBAN Denenchofu Minami | 97 URBAN STAGE Minami Gyotoku I |
| 44 PRIME URBAN Nakano Kamitakada | 98 URBAN STAGE Minami Gyotoku II |
| 45 PRIME URBAN Nishi Ogikubo | 99 URBAN STAGE Minami Gyotoku III |
| 46 PRIME URBAN Otsuka | 100 URBAN STAGE Minami Gyotoku IV |
| 47 PRIME URBAN Monzen Nakacho | 101 URBAN STAGE Gyotoku Ekimae |
| 48 PRIME URBAN Kameido | 102 URBAN STAGE Minami Gyotoku V |
| 49 PRIME URBAN Sumiyoshi | 103 URBAN STAGE Gyotoku |
| 50 PRIME URBAN Kinshi Koen | 104 URBAN STAGE Minami Urawa |
| 51 PRIME URBAN Kinshicho | 105 URBAN STAGE Yono Hommachi |
| 52 PRIME URBAN Hirai | 106 Cosmo Gracia Yotsuya Gaien Higashi |
| 53 PRIME URBAN Kasai | 107 Koganei Habitation |
| 54 PRIME URBAN Kasai II | 108 Musashino Green Hills |



Portfolio Map (131 Properties in the Portfolio at the end of the 3rd FP)



NOMURA
Residential Fund

Sapporo

- 110 PRIME URBAN Yamahana
- 111 PRIME URBAN Kita Juyo Jo
- 112 PRIME URBAN Odori Koen I
- 113 PRIME URBAN Odori Koen II
- 114 PRIME URBAN Kita Juichi Jo
- 115 PRIME URBAN Miyanosawa
- 116 PRIME URBAN Odori Higashi
- 117 PRIME URBAN Chiji Kokan
- 118 PRIME URBAN Maruyama
- 119 PRIME URBAN Kita Nijuyo Jo
- 120 PRIME URBAN Sapporo Idaimae

Sendai

- 109 PROUD FLAT Itsutsubashi
- 121 PRIME URBAN Nagamachi Icchome
- 122 PRIME URBAN Yaotome Chuo

Nagoya

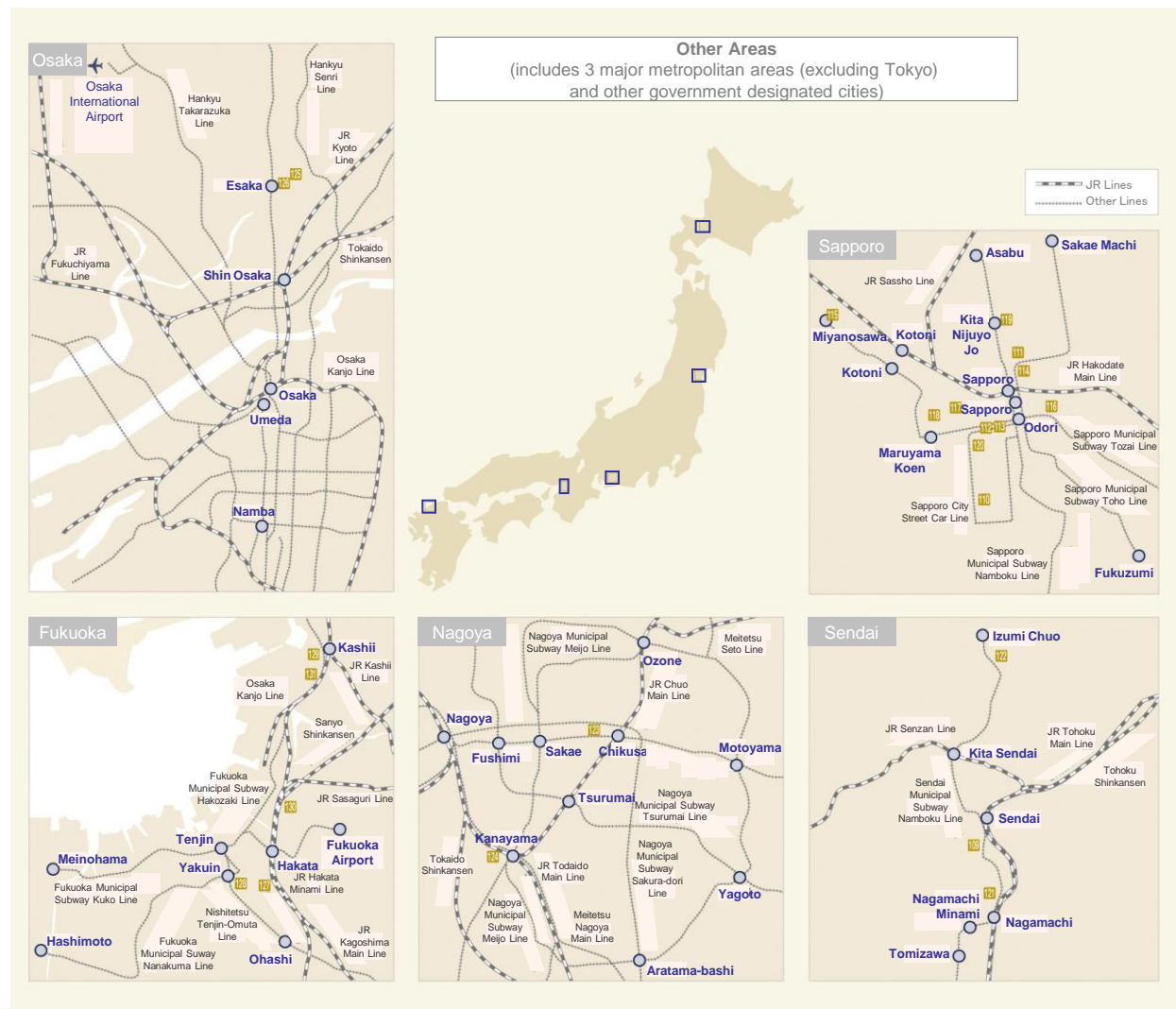
- 123 PRIME URBAN Aoi
- 124 PRIME URBAN Kanayama

Osaka

- 125 PRIME URBAN Esaka I
- 126 PRIME URBAN Esaka II

Fukuoka

- 127 Benefis Hakata Grand Sweet
- 128 Benefis Yakuin Minami
- 129 Benefis Kashii Verbena
- 130 Benefis Hakata Higashi Grand Sweet
- 131 Benefis Chihaya Grand Sweet



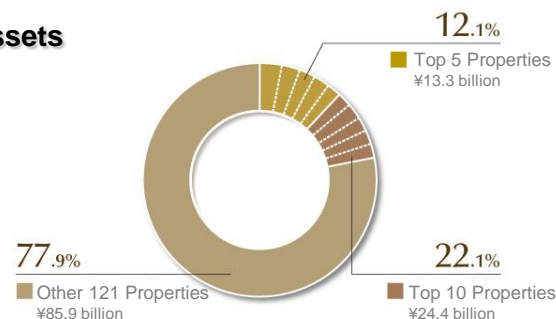
Portfolio Status (131 Properties at the end of 3rd Fiscal Period)



NOMURA
Residential Fund

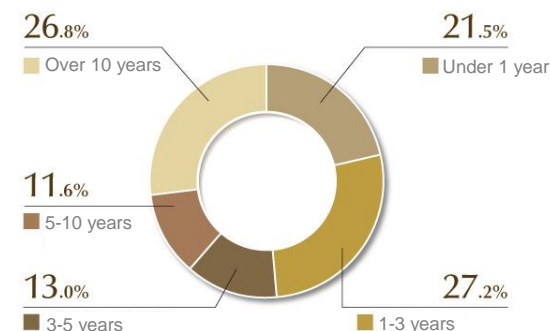
Diversification Within Assets

Improvement of the portfolio stability through promotion of diversification



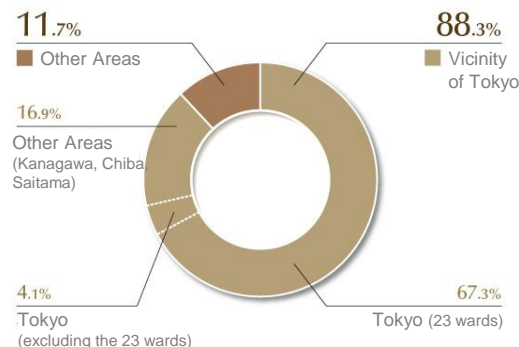
Building Age

Considering the combination of various building age to avoid the bias of large-scale repair expenses in the future



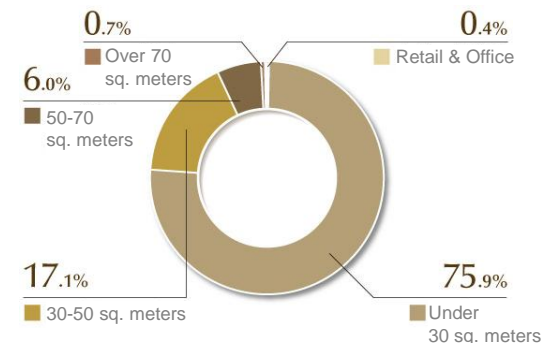
Investment Area

Vicinity of Tokyo
70% or more
Other Areas
30% or less



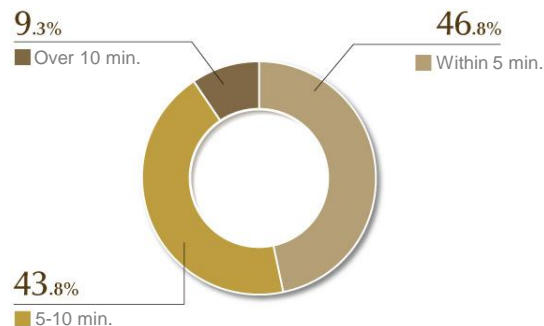
Floor Area per Unit

Investment in properties targeting single/DINKS/young family households for the foreseeable future



Nearest Station on Foot

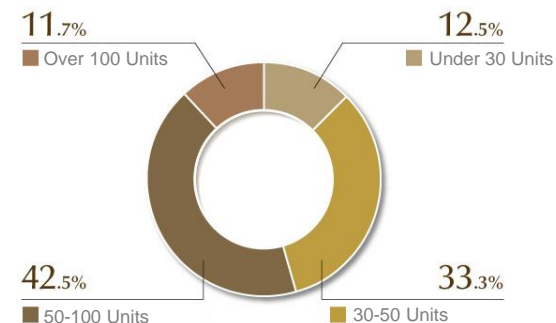
Selection focusing on accessibility to the nearest railway station



Units per Property

Investment in properties with strong possibility of lease-up within a short period of time (Generally aiming 100 units for a newly built property*)

* excludes sub-lease properties, etc.



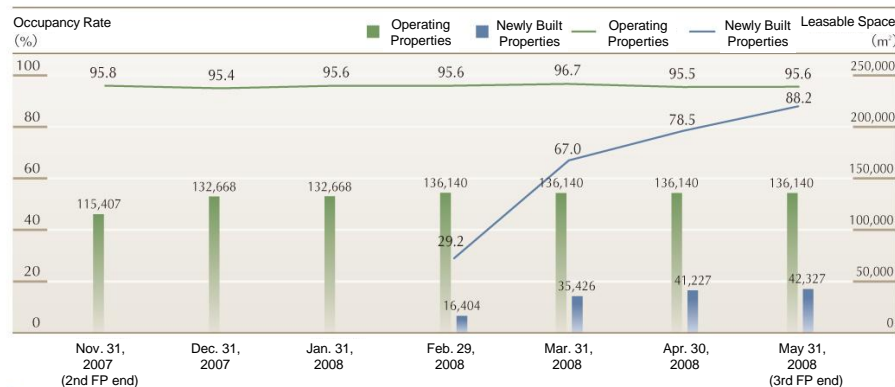
(Note) Of the graphs above, "Floor area per unit" is based on units, the others are based on acquisition price.

Results of Management (1) Portfolio Occupancy Rate

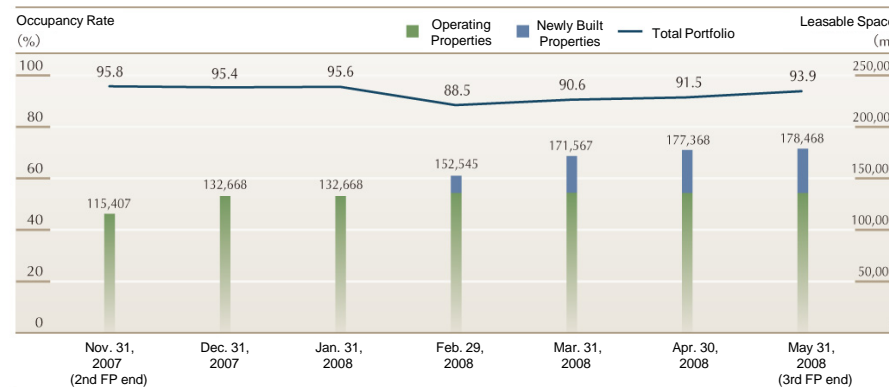


NOMURA
Residential Fund

Occupancy of Operating/Newly Built Properties



Portfolio Occupancy Rate



Operating Properties

(Properties owned before 3rd FP and 1 year or older properties at time of acquisition)

- Accurately grasping the tenant turnover tendency concentrated at the year-end
 - Develop a leasing effort that is both well-planned and flexible
- ⇒ Maintain high occupancy rate through smooth turnovers

Newly Build Properties (Properties built within a year at time of acquisition)

- Utilize effective publicity tools, strengthening the advertisement
 - Develop an active leasing effort, utilizing leasing agencies
- ⇒ Enables an upward growth in lease-ups

~Jan. Stable management of operating properties
(Maintaining high occupancy rates)



Feb. Temporary decline in occupancy rate due to acquisition of newly built properties



Mar.~ Raising occupancy rates of newly built properties
Maintaining high occupancy rates of operating properties
(Smooth turnovers)



May Third Fiscal Period end occupancy rate: 93.9%

Results of Management (2) Market Penetration of Property Brands



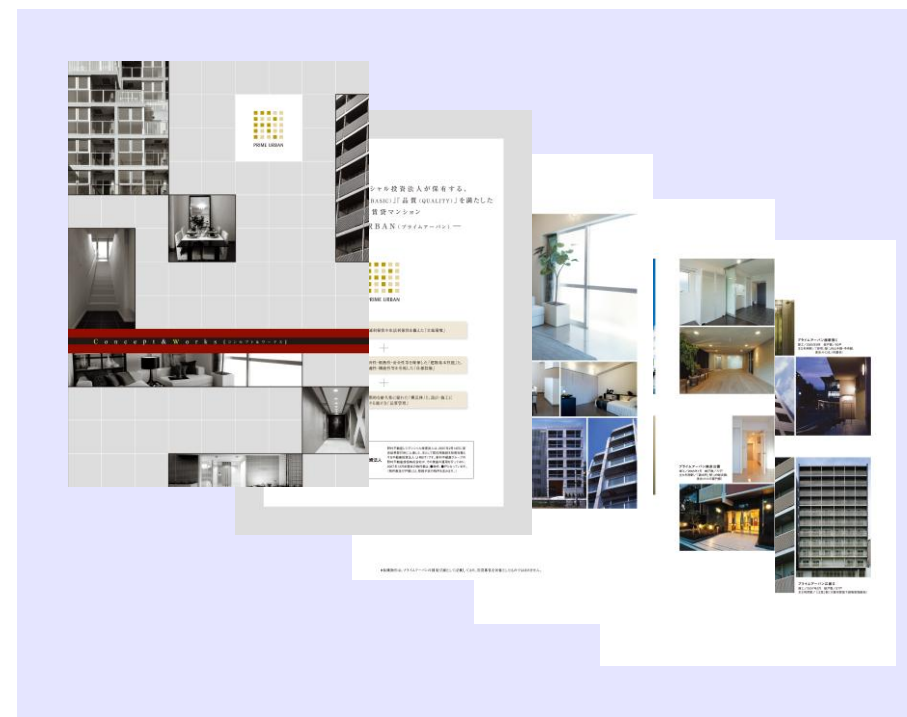
NOMURA
Residential Fund

Utilizing Brand Pamphlets for Effective Leasing

PROUD
FLAT



PRIME URBAN



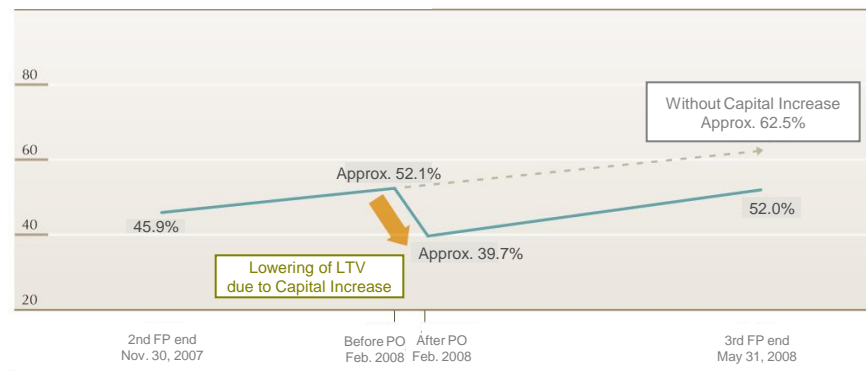
Current Leasing Promotions (Lease-up of newly built properties, smooth turnovers of operating properties)
“Increase Recognition of Property Brand” and “Upgrade Brand Image” for its effectiveness in the future

LTV Control Through Capital Increase

Details of Capital Increase

- Number of Units Issued: 27,300 units (Public Offering "PO")
1,365 units (Third-party Allotment)
- Proceeds: ¥12,514 million (Total)
- Payment Date: Feb. 13, 2008 (PO)
Mar. 11, 2008 (Third-party Allotment)
- Total Number of Investment Units After New Issue: 96,765 units (After both issues)

Changes in LTV before/after Capital Increase



(Note) The numbers before and after PO are un-audited. The numbers for "Without Capital Increase" is based on the assumption that all property acquisition will be acquired through loans after the PO.

Interest-bearing Debt Portfolio

Improvement of Flexibility in Credit Loans

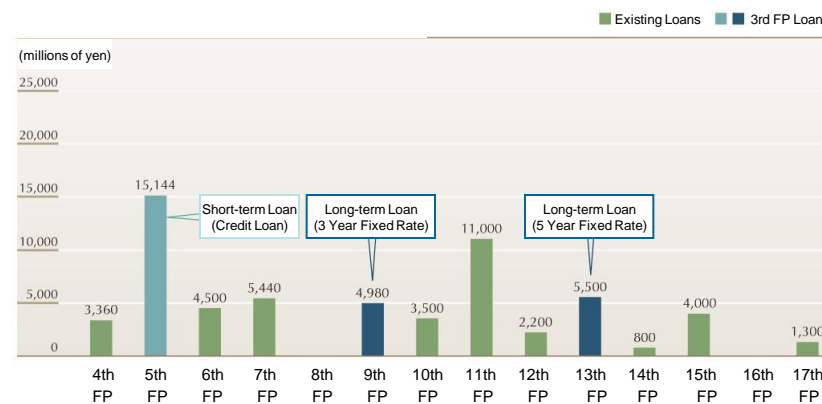
- Broadening of Credit Loan Lenders (New Lender: Mitsubishi UFJ Trust and Banking Corporation)
- Raising the Credit Limit (Change: ¥15 billion → ¥20 billion)

Selecting Optimum Means of Funding

- Acquisition: Fully utilizing flexibility enhanced 'Credit Loan'
- Refinancing: Improvement of financial strength through the long-term/fixed rate Term Loan (Approx. ¥10.5 billion*: ¥5.5 billion 5 years, ¥4.9 billion 3 years)

* Acquisition funding loans, borrowed along with refinancing loans, are included.

Promotion of Maturity Diversification



Interest-Bearing Debt

Long-term Interest Bearing Debt Ratio **70.0%**

Loan Interest Rate Fixed Ratio (Note) **62.0%**

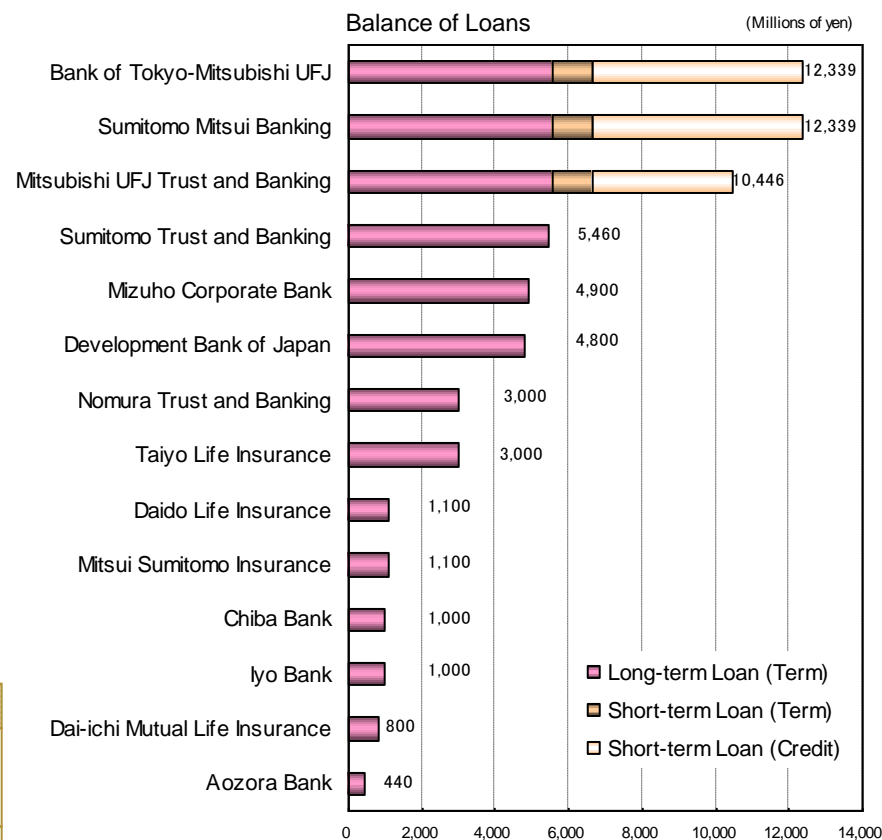
(Note) Includes floating interest rate loans which have been fixed through interest rate swaps.

Average Remaining Duration for Long-term Loans **3.6 years**

Credit Ratings

Rating Agency	Rating
Japan Credit Rating Agency, Ltd.	Long-term Senior Debt Rating: AA
Moody's Investors Service	Issuer Rating: A1
Standard & Poor's	Long-term Corporate Credit Rating: A+ Short-term Corporate Credit Rating: A-1

Status of Lenders



Types of Financial Institutions

City Banks	Trust Banks	Regional Banks	Insurance Companies	Other
3	3	2	4	2



NOMURA
Residential Fund

APPENDIX



Portfolio (as of the end of the 3rd Fiscal Period)



NOMURA
Residential Fund

#	Name of Property	Location	Acquisition Price (Thousands of Yen)	Percent of Total (%)	Leasable Space (㎡)	Leasable Units (Units)	Occupancy Rate (end of 3rd FP) (%)
1	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	1.0	1,151.34	44	95.8
2	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.8	958.98	31	90.7
3	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.7	638.70	30	80.0
4	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.7	934.39	41	97.4
5	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.8	855.23	40	97.5
6	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	2.0	3,055.21	110	96.9
7	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	1.4	1,793.43	70	100.0
8	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,110,000	1.0	1,450.91	60	98.5
9	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,010,000	0.9	1,102.20	41	100.0
10	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	1.2	1,277.82	48	94.3
11	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	1.0	1,541.64	67	97.1
12	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	695,000	0.6	752.09	35	4.2
13	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	900,000	0.8	1,209.56	55	100.0
14	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	650,000	0.6	830.55	35	97.4
15	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	2.1	3,118.12	113	79.3
16	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	2,770,000	2.5	4,872.17	200	100.0
17	PRIME URBAN Akasaka	Minato-ku, Tokyo	956,000	0.9	1,062.05	25	95.1
18	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.9	1,107.36	48	91.5
19	PRIME URBAN Ebisu Minami	Shibuya-ku, Tokyo	947,000	0.9	881.89	21	93.3
20	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.4	439.56	19	96.0
21	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	1.1	1,277.04	52	97.8
22	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.6	793.87	32	100.0
23	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,030,000	1.8	2,087.70	90	95.7
24	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	1.1	1,444.40	29	93.4
25	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	1.2	1,302.42	49	91.8
26	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.8	1,008.39	32	90.1
27	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.5	655.27	22	100.0
28	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.4	453.77	24	100.0
29	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	3.2	2,955.74	99	45.2
30	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.8	1,069.82	42	100.0
31	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	1.2	1,459.86	60	93.5
32	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.9	1,162.55	46	93.7
33	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.5	578.18	14	92.5
34	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	503,000	0.5	507.11	28	100.0

Portfolio (as of the end of the 3rd Fiscal Period)



NOMURA
Residential Fund

#	Name of Property	Location	Acquisition Price (Thousands of Yen)	Percent of Total (%)	Leasable Space (㎡)	Leasable Units (Units)	Occupancy Rate (end of 3rd FP) (%)
35	PRIME URBAN Sangen Jaya	Setagaya-ku, Tokyo	835,000	0.8	874.15	33	90.9
36	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	840,000	0.8	1,049.73	41	100.0
37	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.6	835.05	33	97.0
38	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	413,000	0.4	576.20	23	95.7
39	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	624,000	0.6	961.25	46	97.9
40	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,700,000	1.5	2,106.16	99	100.0
41	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.7	1,190.70	54	96.3
42	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	576,000	0.5	834.90	46	95.7
43	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.8	1100.17	44	98.1
44	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.6	818.75	33	65.5
45	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.4	543.09	24	100.0
46	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.7	944.99	46	89.4
47	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	2.0	3,127.94	117	85.5
48	PRIME URBAN Kameido	Koto-ku, Tokyo	705,000	0.6	1,117.34	52	100.0
49	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	552,000	0.5	813.52	40	100.0
50	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,180,000	1.1	1,886.50	77	97.4
51	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	668,000	0.6	991.62	49	100.0
52	PRIME URBAN Hirai	Edogawa-ku, Tokyo	700,000	0.6	1,095.91	53	94.3
53	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.6	905.81	45	100.0
54	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.9	1,437.84	68	98.5
55	PRIME URBAN Urayasu	Urayasu-shi, Chiba	840,000	0.8	1,264.84	60	100.0
56	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.6	1,151.36	52	96.2
57	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	741,000	0.7	1,244.00	58	100.0
58	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	476,000	0.4	778.19	37	97.3
59	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.7	1,237.80	60	96.7
60	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	2.0	2,477.11	98	100.0
61	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	991,000	0.9	1,222.13	40	94.8
62	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	452,000	0.4	650.60	38	97.4
63	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	524,000	0.5	996.81	16	100.0
64	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	2,290,000	2.1	4,481.82	144	94.4
65	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	2,250,000	2.0	3,600.61	46	97.8
66	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.6	662.58	27	88.9
67	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.6	1,237.98	18	94.0
68	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	324,000	0.3	517.53	32	96.5

Portfolio (as of the end of the 3rd Fiscal Period)



NOMURA
Residential Fund

#	Name of Property	Location	Acquisition Price (Thousands of Yen)	Percent of Total (%)	Leasable Space (㎡)	Leasable Units (Units)	Occupancy Rate (end of 3rd FP) (%)
69	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.6	1053.39	28	100.0
70	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	362,000	0.3	567.20	34	91.3
71	URBAN STAGE Kamiuma	Setagaya-ku, Tokyo	900,000	0.8	1,739.86	37	99.1
72	URBAN STAGE Sangen Jaya	Setagaya-ku, Tokyo	755,000	0.7	1,018.72	47	98.2
73	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.7	1,774.01	27	96.2
74	URBAN STAGE Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.5	810.98	17	94.6
75	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	396,000	0.4	572.41	26	100.0
76	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	344,000	0.3	507.52	28	96.7
77	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.7	1384.45	29	88.5
78	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	530,000	0.5	722.70	45	100.0
79	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,100,000	1.0	1,719.82	92	94.9
80	URBAN STAGE Yukigaya	Ota-ku, Tokyo	970,000	0.9	1,536.59	94	100.0
81	URBAN STAGE Ikegami	Ota-ku, Tokyo	1,460,000	1.3	2,456.48	95	100.0
82	URBAN STAGE Nakano	Nakano-ku, Tokyo	472,000	0.4	801.30	51	89.0
83	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,080,000	1.0	1,746.20	107	94.7
84	URBAN STAGE Komagome	Toshima-ku, Tokyo	412,000	0.4	990.18	19	100.0
85	URBAN STAGE Mukojima	Sumida-ku, Tokyo	487,000	0.4	1,108.91	55	100.0
86	URBAN STAGE Ekoda	Nerima-ku, Tokyo	385,000	0.3	872.49	35	97.5
87	URBAN STAGE Takinokawa	Kita-ku, Tokyo	287,000	0.3	554.39	29	100.0
88	URBAN STAGE Asakusa	Taito-ku, Tokyo	350,000	0.3	876.70	22	100.0
89	URBAN STAGE Machiya	Arakawa-ku, Tokyo	210,000	0.2	455.19	26	88.2
90	URBAN STAGE Koganei	Koganei-shi, Tokyo	229,000	0.2	682.43	27	94.5
91	URBAN STAGE Hino	Hino-shi, Tokyo	319,000	0.3	994.68	54	98.1
92	URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	2,150,000	1.9	3,690.37	56	98.0
93	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	1.0	1,706.46	80	92.5
94	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.4	952.06	50	93.9
95	URBAN STAGE Tennocho	Yokohama-shi, Kanagawa	136,000	0.1	332.48	20	95.0
96	URBAN STAGE Urayasu	Urayasu-shi, Chiba	277,000	0.3	437.94	27	100.0
97	URBAN STAGE Minami Gyotoku I	Ichikawa-shi, Chiba	357,000	0.3	682.05	41	100.0
98	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	285,000	0.3	611.61	37	97.3
99	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	263,000	0.2	543.84	33	93.9
100	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	256,000	0.2	535.08	32	100.0
101	URBAN STAGE Gyotoku Ekimae	Ichikawa-shi, Chiba	561,000	0.5	927.33	46	95.7
102	URBAN STAGE Minami Gyotoku V	Ichikawa-shi, Chiba	293,000	0.3	662.68	38	92.5

Portfolio (as of the end of the 3rd Fiscal Period)



NOMURA
Residential Fund

#	Name of Property	Location	Acquisition Price (Thousands of Yen)	Percent of Total (%)	Leasable Space (㎡)	Leasable Units (Units)	Occupancy Rate (end of 3rd FP) (%)
103	URBAN STAGE Gyotoku	Ichikawa-shi, Chiba	948,000	0.9	1766.47	77	100.0
104	URBAN STAGE Minami Urawa	Saitama-shi, Saitama	274,000	0.2	694.05	32	93.9
105	URBAN STAGE Yono Honmachi	Saitama-shi, Saitama	519,000	0.5	1,372.74	70	94.3
106	Cosmo Gracia Yotsuya Gaiken Higashi	Shinjuku-ku, Tokyo	1,700,000	1.5	1,759.11	51	89.5
107	Koganei Habitation	Koganei-shi, Tokyo	2,390,000	2.2	599.80	98	89.5
108	Musashino Green Hills	Koganei-shi, Tokyo	1,590,000	1.4	2,970.50	78	83.5
Vicinity of Tokyo (Sub Total 108 Properties)			97,456,000	88.3	141,115.47	5,391	93.7
109	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.6	1,861.56	60	93.8
110	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	377,000	0.3	1,518.58	33	96.4
111	PRIME URBAN Kita Juyo Jo	Sapporo-shi, Hokkaido	336,000	0.3	1,155.60	36	96.8
112	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	530,000	0.5	1,850.20	53	100.0
113	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	322,000	0.3	1,148.72	36	100.0
114	PRIME URBAN Kita Juichi Jo	Sapporo-shi, Hokkaido	600,000	0.5	1,851.39	60	93.3
115	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.5	2,114.53	54	86.3
116	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.4	1,494.36	36	88.9
117	PRIME URBAN Chiji Kokan	Sapporo-shi, Hokkaido	337,900	0.3	1,007.30	42	80.8
118	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.3	911.07	27	70.4
119	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.5	1,773.90	36	80.6
120	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.7	2,439.90	58	97.8
121	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	1,110,000	1.0	3,411.24	60	100.0
122	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	428,000	0.4	1,380.21	43	100.0
123	PRIME URBAN Aoi	Nagoya-shi, Aichi	724,000	0.7	1,571.04	46	100.0
124	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.6	1,391.02	58	100.0
125	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.6	1,189.12	48	95.8
126	PRIME URBAN Esaka II	Suita-shi, Osaka	790,000	0.7	1,392.00	57	95.7
127	Benefis Hakata Grand Sweet	Fukuoka-shi, Fukuoka	830,000	0.8	2,176.23	67	93.1
128	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.3	897.84	34	97.2
129	Benefis Kashii Verben	Fukuoka-shi, Fukuoka	396,000	0.4	1,222.34	39	100.0
130	Benefis Hakata Higashi Grand Sweet	Fukuoka-shi, Fukuoka	693,000	0.6	1,854.13	65	98.4
131	Benefis Chihaya Grand Sweet	Fukuoka-shi, Fukuoka	545,000	0.5	1,740.70	48	95.9
Other Areas (Sub Total 23 Properties)			12,874,600	11.7	37,352.98	1,096	94.6
Total			110,330,600	100.0	178,468.45	6,487	93.9

Scheduled Acquisitions After the 3rd Fiscal Period



NOMURA
Residential Fund

Scheduled Acquisitions Determined During the First-Third Fiscal Period

Name of Property	Location	Scheduled Acquisition Price (Thousands of Yen)	Leasable Space (㎡)	Leasable Units (Units)	Scheduled Acquisition Date
PROUD FLAT Shirogane Takanawa (tentative name)	Minato-ku, Tokyo	3,510,000	2,950.11	106	September 5, 2008
PROUD FLAT Monzen Nakacho I (tentative name)	Koto-ku, Tokyo	1,130,000	1,191.08	55	August 5, 2008
PRIME URBAN Chitose Funabashi (tentative name)	Setagaya-ku, Tokyo	885,000	1,027.44	38	February 28, 2009
Vicinity of Tokyo (Sub Total 3 Properties)		5,525,000	5,168.63	199	
PROUD FLAT Kawaramachi (tentative name)	Sendai-shi, Miyagi	724,000	1,967.54	64	December 19, 2008
PRIME URBAN Tsurumai (tentative name)	Nagoya-shi, Aichi	1,189,096	2,502.11	104	March 5, 2009
PRIME URBAN Esaka III (tentative name)	Suita-shi, Osaka	1,535,000	2,151.67	79	December 4, 2008
Other Areas (Sub Total 3 Properties)		3,448,096	6,621.32	247	
Total 6 Properties		8,973,096	11,789.95	446	

Scheduled Acquisitions Determined After the Third Fiscal Period (as of July 17, 2008)

Name of Property	Location	Scheduled Acquisition Price (Thousands of Yen)	Leasable Space (㎡)	Leasable Units (Units)	Scheduled Acquisition Date
PRIME URBAN Shinyurigaoka (tentative name)	Kawasaki-shi, Kanagawa	1,210,000	1,708.19	64	March 18, 2009
Vicinity of Tokyo (Sub Total 1 Property)		1,210,000	1,708.19	64	
URBAN STAGE Tsutsumidori Amamiya (Note)	Sendai-shi, Miyagi	969,000	4,251.91	65	July 1, 2008
Other Areas (Sub Total 1 Property)		969,000	4,251.91	65	
Total 2 Properties		2,179,000	5,960.10	129	

(Note) Acquisition has been completed on July 1, 2008.

Total of All the Mentioned Properties

	(Scheduled) Acquisition Price (Thousands of Yen)	Leasable Space (㎡)	Leasable Units (Units)	
Total Acquired Properties/Scheduled Acquisitions (139 Properties)	121,482,696	196,218.50	7,062	

Interest-bearing Debts (at the end of the 3rd Fiscal Period)



NOMURA
Residential Fund

	Lender	Amount (Millions of Yen)	Type of Interest	Interest Rate	Date of Repayment	Collateral
Short-term Loan	3 Financial Institutions	3,360	Floating Rate	1.13583%	September 29, 2008	Unsecured Unguaranteed
	3 Financial Institutions	2,216	Floating Rate	1.12500%	December 26, 2008	
	3 Financial Institutions	1,144	Floating Rate	1.12583%	December 26, 2008	
	3 Financial Institutions	1,888	Floating Rate	1.12750%	December 26, 2008	
	3 Financial Institutions	3,800	Floating Rate	1.12750%	December 26, 2008	
	3 Financial Institutions	3,896	Floating Rate	1.12750%	December 26, 2008	
	3 Financial Institutions	1,448	Floating Rate	1.11833%	December 26, 2008	
	3 Financial Institutions	752	Floating Rate	1.11083%	December 26, 2008	
Short-term Loan Sub Total	3 Financial Institutions	18,504	—	—	—	—
Long-term Loan	5 Financial Institutions	4,500	Floating Rate	1.16583%	August 27, 2009	Unsecured Unguaranteed
	6 Financial Institutions	5,000	Fixed Rate (Note 1)	1.46045%	February 27, 2010	
	1 Financial Institution	440	Floating Rate	1.14583%	February 27, 2010	
	4 Financial Institutions	4,980	Fixed Rate (Note 2)	1.24920%	February 26, 2011	
	6 Financial Institutions	3,500	Fixed Rate (Note 3)	1.84464%	September 30, 2011	
	7 Financial Institutions	11,000	Fixed Rate (Note 1)	1.79300%	February 27, 2012	
	2 Financial Institutions	2,200	Fixed Rate	1.81375%	August 27, 2012	
	3 Financial Institutions	5,500	Fixed Rate	1.83625%	May 23, 2013	
	1 Financial Institution	800	Fixed Rate	1.99875%	September 30, 2013	
	2 Financial Institutions	2,000	Fixed Rate (Note 1)	2.14360%	February 27, 2014	
	1 Financial Institution	2,000	Fixed Rate	2.13625%	February 27, 2014	
	1 Financial Institution	1,300	Fixed Rate	2.23500%	February 27, 2015	
Long-term Loan Sub Total	14 Financial Institutions	43,220	—	—	—	—
Total	14 Financial Institutions	61,724	—	—	—	—

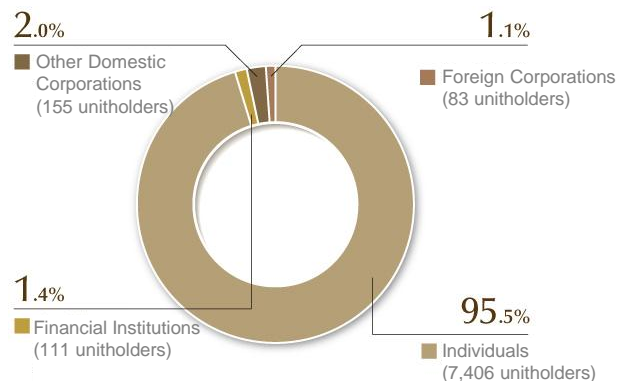
(Note 1) This loan has started the Interest Rate Swap transaction on February 27, 2007.

(Note 2) This loan has started the Interest Rate Swap transaction on February 26, 2008.

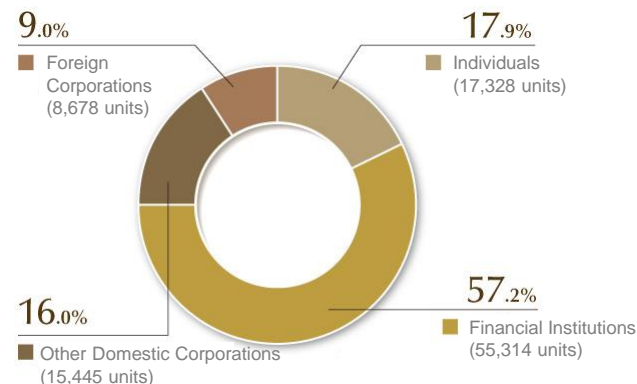
(Note 3) This loan has started the Interest Rate Swap transaction on May 31, 2007.

Unitholders (at the end of the 3rd Fiscal Period)

Number of Unitholders and Investment Units



Total Number of Unitholders : 7,755



Total Number of Investment Units : 96,765

Top 10 Unitholders

	Unitholders	Units	Ratio (Note)
1	Nomura Real Estate Development Co., Ltd.	12,500	12.92%
2	Japan Trustee Services Bank, Ltd.	9,373	9.69%
3	NikkoCiti Trust and Banking Corporation	7,069	7.31%
4	The Master Trust Bank of Japan, Ltd.	5,261	5.44%
5	Tokio Marine & Nichido Fire Insurance Co., Ltd.	5,000	5.17%
6	Trust & Custody Services Bank, Ltd.	4,983	5.15%
7	The Nomura Trust and Banking Co., Ltd.	2,533	2.62%
8	North Pacific Bank, Ltd.	2,323	2.40%
9	Asahi Fire & Marine Insurance Co., Ltd.	2,000	2.07%
10	The Bank of Ikeda, Ltd.	1,831	1.89%
	Total	52,873	54.64%

(Note) Ratio is calculated as the percentage of Total Number of Owned Investment Units divided by Total Number of Issued Investment Units

Organization of the Asset Management Company



NOMURA
Residential Fund

Corporate Data of NREAM

Name

Nomura Real Estate Asset Management Co., Ltd.

Date of Establishment

January 24, 2003

Capital

¥300,000,000

Shareholder

Nomura Real Estate Holdings, Inc. (100%)

Representative

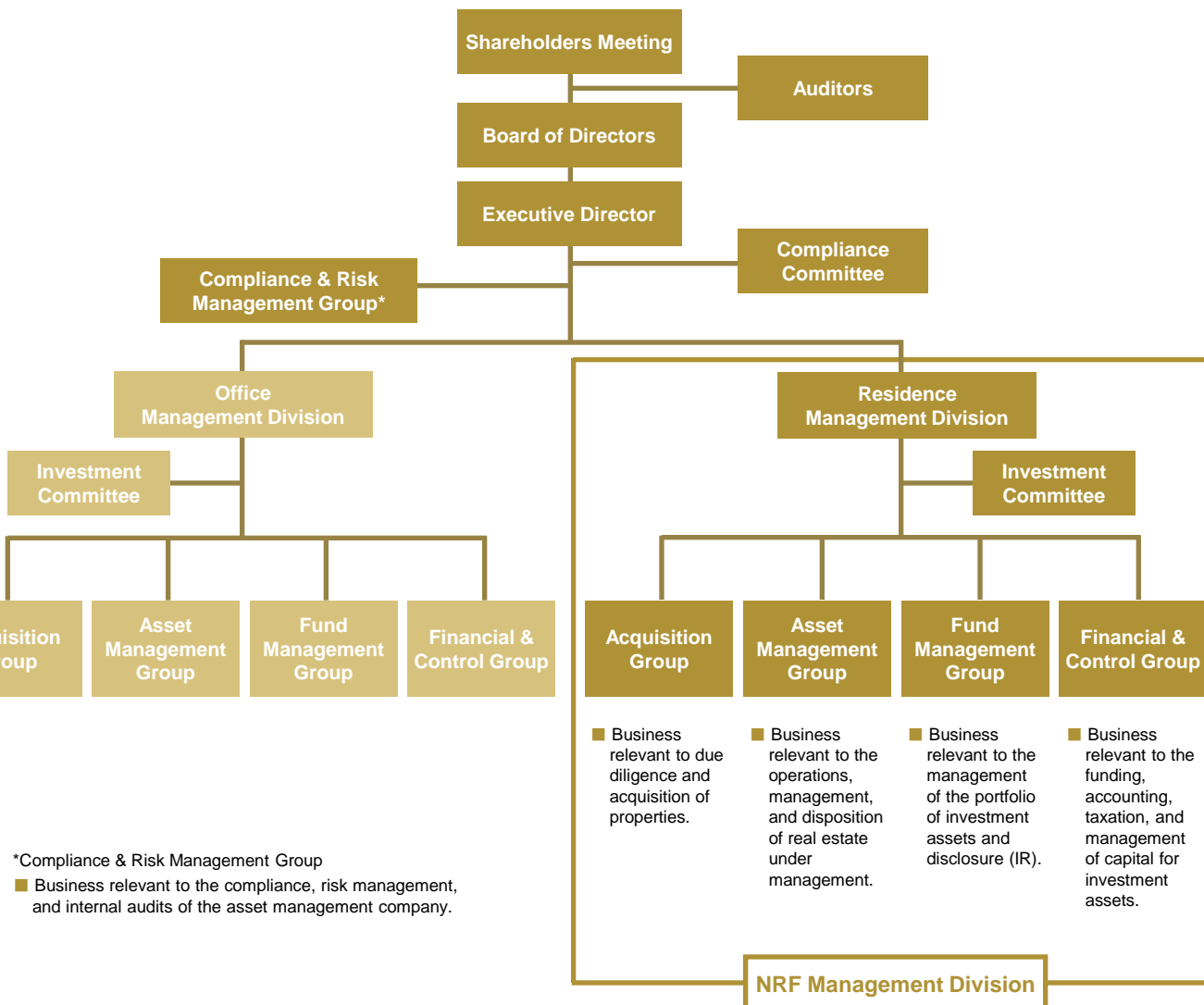
Tatsuo Inoue, President & CEO

Description of Business

Asset management business for investment corporations (J-REITs)

Registration & Licenses

- Registered for a financial instruments business:
Director of Kanto Local Finance Bureau No. 374
- Licensed for discretionary proxy in realty trading:
Minister of Land, Infrastructure and Transport No. 18
- Licensed for real estate trading:
Governor of Tokyo No. (2) 81679





This document has been prepared solely for the purpose of provision of information and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. Investors wishing to purchase the investment units of Nomura Real Estate Residential Fund, Inc. should contact their own securities brokers or dealers.

The forecast statements with respect to the future financial results contained in this document should not be construed as a guarantee of the actual performance in the future.

Although the information contained in this document is intended to be complete and thorough, there is no assurance of precision and safety. Please note that the contents of this document is subject to change or cancellation without prior notice.

It is prohibited to make duplication, reproduction, distribution or use of any part or whole of the information contained in this document without express prior written consent.