



**NOMURA**  
Residential Fund

For Translation Purposes Only

May 18, 2011

### For Immediate Release

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

Asset Management Company:  
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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	Real Estate
Property Name	URBAN STAGE Yono Hommachi
Disposition Price	¥526,100 thousand (excluding fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Book Value	¥513,895 thousand (as of November 30, 2010)
Difference (Disposition Price - Book Value)	¥12,204 thousand
Date of Agreement	May 18, 2011 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Disposition	May 31, 2011 (date of delivery of the real estate)
Buyer	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		URBAN STAGE Yono Hommachi
Type of Asset		Real Estate
Location (Note 1)	Registry	6-733-2 Shimo Ochiai, Chuo-ku, Saitama-shi, Saitama
	Street Address	6-2-1 Shimo Ochiai, Chuo-ku, Saitama-shi, Saitama
Access		8-minute walk to Yono Hommachi Station on the JR Saikyo Line.
Land	Ownership	Ownership
	Area (Note 1)	1,060 sq. meters
	Building Coverage	70% (Note 2)
	Floor Area Ratio	200%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	November 16, 1990
	Total Floor Area (Note 1)	1,978.93 sq. meters
	Structure (Note 1)	RC, 4F
	Leasable Units (Note 3)	70 units (under 30 sq. meters: 70 units)
Acquisition Price		¥519,000 thousand
Disposition Price		¥526,100 thousand
Book Value		¥513,895 thousand
Difference (Disposition Price-Book Value)		¥12,204 thousand
Survey	Survey Method	Price Survey by Japan Real Estate Institute
	Survey Value	¥459,000 thousand
	Survey Date	November 30, 2010
Leasing Status (as of May 18, 2011)		
Total Number of Tenants		1
Total Rental Income (Note 4)		¥51,294 thousand
Security Deposits		¥7,302 thousand
Occupancy Rate		95.7%
Total Leased Floor Area (Note 5)		1,314.06 sq. meters
Total Leasable Floor Area (Note 3)		1,372.74 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, the Building Coverage would originally be 60%, however, the Building Coverage has been increased to 70%, as the property is a corner lot.

(Note 3) 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 4) 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 5) 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

Due to the confidentiality obligation stipulated in the purchase and sales agreement regarding the buyer of the property, the profile is not disclosed.

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	Tokyu Livable, Inc.
Head Office	1-9-5 Dogenzaka, Shibuya-ku, Tokyo
Representative	Yasuo Sodeyama, President
Principal Business	Real Estate
Capital	¥1,396,300 thousand
Established	March 10, 1972
Relationship with the Fund and/or asset management company	
Capital	There are no capital 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.
Personnel	There are no personnel involvement between the said company and the Fund or asset management company. There are also no personnel 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 transactions 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	Due to the confidentiality obligation stipulated in the brokerage contract, this information is not disclosed.

#### 6. 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.