

For Translation Purposes Only

Fourteenth Fiscal Period (June 1, 2013 to November 30, 2013) Financial Results

January 15, 2014

**For Immediate Release**

Name: Nomura Real Estate Residential Fund, Inc.

Listed Stock Exchange: Tokyo Stock Exchange

Securities Code: 3240

Representative: Masatomi Natsume, Executive Director

URL: <http://www.nre-rf.co.jp/english/>

Asset Management Company: Nomura Real Estate Asset Management Co., Ltd.

Representative: Yasuaki Fukui, President and Chief Executive Officer

Inquiries: Masatomi Natsume, NRF Chief Investment Officer

TEL: +81-3-3365-7729

Scheduled Issue Date of Securities Report: February 27, 2014

Scheduled Commencement Date of Cash Distribution: February 14, 2014

(Figures below one million yen are omitted)

1. Status of Management and Assets during the Fourteenth Fiscal Period (ended November 30, 2013)

(1) Status of Management

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

Fiscal Period ended	Operating Revenue		Operating Profits		Ordinary Income		Net Income	
	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)	Millions of Yen	(%)
<b>Nov. 30, 2013</b>	<b>5,406</b>	<b>( 2.8)</b>	<b>2,558</b>	<b>( 5.1)</b>	<b>1,966</b>	<b>( 4.7)</b>	<b>1,965</b>	<b>( 4.7)</b>
May 31, 2013	5,257	( 1.6)	2,433	(-0.8)	1,878	( 0.1)	1,876	( 0.1)

Fiscal Period ended	Net Income Per Unit	ROE (Return on Equity)	ROA (Return on Assets)	Ordinary Income to Operating Revenues Ratio
	Yen	%	%	%
<b>Nov. 30, 2013</b>	<b>12,591</b>	<b>2.7</b>	<b>1.2</b>	<b>36.4</b>
May 31, 2013	12,434	2.6	1.2	35.7

(2) Status of Distribution

Fiscal Period ended	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	%	%
<b>Nov. 30, 2013</b>	<b>12,221</b>	<b>1,965</b>	<b>0</b>	<b>0</b>	<b>100.0</b>	<b>2.6</b>
May 31, 2013	12,170	1,836	0	0	97.8	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):

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

(Note2) Cash Distributions per Unit for the period ended May 31, 2013 is calculated by dividing the amount after adding the provision of reserve for reduction entry (¥40 million) to unappropriated retained earnings by the number of investment units issued and outstanding.

(3) Financial Position

Fiscal Period ended	Total Assets	Net Assets	Capital Adequacy Ratio	Net Assets Per Unit
	Millions of Yen	Millions of Yen	%	Yen
<b>Nov. 30, 2013</b>	<b>168,019</b>	<b>75,236</b>	<b>44.8</b>	<b>467,887</b>
May 31, 2013	156,576	70,838	45.2	469,326

#### (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, 2013</b>	<b>4,478</b>	<b>-12,887</b>	<b>9,245</b>	<b>7,594</b>
May 31, 2013	3,677	-1,515	-1,967	6,757

#### 2. Forecast of Financial Results for the Fifteenth Fiscal Period (ending May 31, 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
May 31, 2014	5,531	( 2.3)	2,462	(-3.7)	1,898	(-3.4)	1,897	(-3.4)	12,050	0

(Reference) Forecast for Net Income Per Unit (Fifteenth Fiscal Period): 11,801 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, 2013: 160,800 units

As of May 31, 2013: 150,936 units

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

As of November 30, 2013: 0 units

As of May 31, 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 \(Fourteenth Fiscal Period\)](#)