



NOMURA
Residential Fund

For Translation Purposes Only

June 18, 2014

For Immediate Release

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

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**Notice Concerning Amendment of the Articles of Incorporation
and Election of Directors**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced its resolution, to propose the following amendment of its Articles of Incorporation and election of directors at the Fifth General Unitholders Meeting (the “Meeting”) scheduled to be held on July 31, 2014, at the Board of Directors Meeting held today.

The amendments and elections will become effective from the approval by the Meeting.

1. Summary and Reasons for the Amendment of the Articles of Incorporation

(1) Articles 5, 9 and 15; Article 17, Paragraph 2; and Article 41

With a law on revision of the Law Concerning Investment Trusts and Investment Corporations (the “Investment Trust Law”) being passed by approval in the Diet, effective June 12, 2013, the Fund will newly establish and change provisions as follows:

a) Purchase of own investment units (change of the heading of Article 5 and new establishment of Article 5, Paragraph 2)

The Fund will newly establish provisions to allow the Fund to purchase its own investment units with compensation by agreement with unitholders.

b) Procedures for convocation of general unitholders meetings (amendment of Article 9, Paragraphs 1 through 3)

In order to allow omission of the public notice in the procedures for convocation of general unitholders meetings, the Fund will newly establish provisions to the effect that a general unitholders meeting shall be convened on July 5, 2016 or after that date without delay and a general unitholders meeting shall be convened every two years thereafter on July 5 or after that date without delay. In addition, in correlation, the Fund will newly establish provisions to the effect that a general

unitholders meeting shall be convened as needed when necessary in cases other than the above.

c) Record date (amendment of Article 15, Paragraphs 1 through 3)

The Fund will newly establish provisions for the record date specifying the unitholders or registered pledgees of investment units entitled to exercise voting rights at a general unitholders meeting convened pursuant to the provisions of b) above. In addition, the Fund will organize clauses, alter wording, etc. as necessary.

d) Term of office of executive directors and supervisory directors (amendment of Article 17, Paragraph 2)

In light of Article 99, Paragraph 2 being newly established, Article 101, Paragraph 2 being revised, etc. in the revised Investment Trust Law, the Fund will newly establish provisions allowing the term of office of executive directors and supervisory directors to be extended or shortened to the extent prescribed by laws and regulations by resolution of a general unitholders meeting.

e) Supplementary provisions (new establishment of Article 41)

The Fund will newly establish supplementary provisions to the effect that the new establishment and change of provisions in a) through c) above shall become effective on the date on which the related revision of the Investment Trust Law comes into effect.

(2) Article 17, Paragraph 3

The Fund will newly establish in the Articles of Incorporation provisions otherwise providing that the period that a resolution pertaining to the election of substitute executive directors and substitute supervisory directors remains in force shall, in principle, be the same as the term of office of the executive directors and supervisory directors being substituted.

(3) Article 21, Paragraphs 2 and 3

In order to facilitate swift holding of meetings of the Board of Directors, the Fund will alter the deadline for dispatch of the notice of convocation of meetings of the Board of Directors to allow the period to be shortened without the consent of all executive directors and supervisory directors when there is an urgent necessity.

(4) Article 27; Article 28, Paragraph 1; and Article 29, Paragraph 1

With revision of the Ordinance for Enforcement of the Law Concerning Investment Trusts and Investment Corporations, the Fund will provide to the effect that its purpose shall be to manage assets mainly as investment in real estate, etc. assets specified in the Ordinance for Enforcement of the Law Concerning Investment Trusts and Investment Corporations. In addition, in correlation, the Fund will alter wording, etc. related to the above.

(5) Article 34, Paragraph 1, Item 10

With The Investment Trusts Association, Japan making the transition to a general incorporated association, effective January 4, 2013, the Fund will alter wording, etc. as necessary.

(6) Article 36, Paragraphs 1 and 2

Regarding the cash distribution policy, the Fund will make required changes from the perspective of clarification of content and response to and ensuring compliance with cases where laws and regulations and the rules of The Investment Trusts Association, Japan are revised, etc.

(7) Article 38

Regarding the standards for asset management fees payable to the asset management company, the Fund will make required changes from the perspective of standardization of expressions and clarification of content.

(8) In addition to the above, the Fund will organize clauses, alter wording, etc. as necessary.

2. Election of Directors

As the terms of Executive Director Masatomi Natsume, Supervisory Director Eitoku Aikawa, and Supervisory Director Motoharu Yokose will expire on August 3, 2014, the Fund will elect one Executive Director (Masatomi Natsume) and two Supervisory Directors (Eitoku Aikawa and Motoharu Yokose).

Also, in preparation for any unanticipated lack of an Executive Director and Supervisory Directors or insufficiency in the number of Directors legally required, the Fund will elect one Substitute Executive Director (Shozo Matsumura) and one substitute Supervisory Director (Saneaki Ichijo).

3. Schedule of General Unitholders Meeting, etc.

June 18, 2014	Resolution of the Board of Directors Meeting to hold the Fifth General Unitholders Meeting
July 11, 2014	Dispatch notice of the Fifth General Unitholders Meeting (scheduled)
July 31, 2014	Fifth General Unitholders Meeting (scheduled)

(Reference Material)

Notice of the Fifth General Unitholders Meeting

[Note]

Translation of the notice, excluding the biographical outlines of the candidate directors, has been omitted.

[Biographical outlines of the candidate directors]

Candidate for Executive Director

Name (Date of Birth)	Brief Employment History	Number of NRF investment units held	
Masatomi Natsume (October 7, 1963)	April 1986	Entered Nomura Real Estate Development Co., Ltd. (“NRED”)	0
	December 1996	Building Sales Division, NRED	
	April 2001	Commercial Property Development & Management Department, NRED	
	January 2003	Asset Management Division, NRED	
	April 2003	External Assignment to Nomura Real Estate Asset Management Co., Ltd. (“NREAM”)	
	October 2005	Director, NREAM	
	April 2006	General Manager of Residence Management Division, NREAM	
	October 2011	NRF Chief Investment Officer, NREAM (current position)	
	August 2012	Executive Director, Nomura Real Estate Residential Fund, Inc. (current position)	

Candidate for Substitute Executive Director

Name (Date of Birth)	Brief Employment History	Number of NRF investment units held
Shozo Matsumura (May 23, 1957)	April 1980 Entered Nomura Real Estate Development Co., Ltd. (“NRED”)	0
	April 1999 Office Building Management Department, NRED	
	July 2003 Director of Promotion Department, Building Management & Strategy Inc.	
	July 2005 Internal Audit Department, Nomura Real Estate Holdings, Inc. (“NREHD”)	
	April 2007 Director of Internal Audit Department, NREHD	
	April 2012 Auditor, Nomura Building Management Co., Ltd.	
	April 2012 Auditor, Nomura Amenityservice Co., Ltd. (current position)	
	April 2014 Auditor, Nomura Real Estate Partners Co., Ltd. (current position)	

Candidate for Supervisory Directors

No.	Name (Date of Birth)	Brief Employment History	Number of NRF investment units held
1	Eitoku Aikawa (August 23, 1945)	<p>April 1968 Entered Odakyu Real Estate Co., Ltd.</p> <p>March 1974 Registered as a Real Estate Appraiser</p> <p>August 2001 Retired from Odakyu Real Estate Co., Ltd.</p> <p>August 2002 Establish Fair Appraisers, K.K. Director, Fair Appraisers, K.K.</p> <p>August 2003 Advisor, Fair Appraisers, K.K.</p> <p>August 2005 Supervisory Director, Nomura Real Estate Office Fund, Inc.</p> <p>November 2006 Fair Appraisers, K.K., Director</p> <p>August 2008 Supervisory Director, Nomura Real Estate Residential Fund, Inc. (current position)</p> <p>November 2010 Advisor, Fair Appraisers, K.K.</p>	0
2	Motoharu Yokose (January 31, 1948)	<p>November 1970 Entered PricewaterhouseCoopers</p> <p>January 1972 Entered Asahi Accounting Company (currently KPMG AZSA LLC.)</p> <p>October 1975 Registered as a Certified Public Accountant</p> <p>August 1995 Representative Partner, KPMG AZSA LLC.</p> <p>May 2001 Managing Director, KPMG AZSA LLC.</p> <p>June 2006 Retired from KPMG AZSA LLC.</p> <p>July 2006 Advisor, Asahi Tax Corporation (current position)</p> <p>August 2007 Supervisory Director, Nomura Real Estate Office Fund, Inc.</p> <p>June 2009 Auditor, YAMATO HOLDINGS CO., LTD (current position)</p> <p>August 2012 Supervisory Director, Nomura Real Estate Residential Fund, Inc. (current position)</p>	0

Candidate for Substitute Supervisory Director

Name (Date of Birth)	Brief Employment History	Number of NRF investment units held
Saneaki Ichijo (August 6, 1945)	<p>April 1973 Admitted to practice law (Dai-ichi Tokyo Bar Association)</p> <p>April 1973 Joined Anderson Mori & Rabinowitz (currently Anderson Mori & Tomotsune)</p> <p>February 1980 Placed in Whitman & Ransom, U.S.A (currently Winston & Strawn LLP)</p> <p>November 1980 Returned to Anderson Mori & Rabinowitz (currently Anderson Mori & Tomotsune)</p> <p>January 1982 Partner, Anderson Mori & Tomotsune (current position)</p> <p>April 2002 Member, the Civil Conciliating Committee of the Tokyo Summary Court (current position)</p> <p>August 2007 Supervisory Director, Nomura Real Estate Office Fund, Inc. (current position)</p>	0