



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Masatomi Natsume, NRF Chief Investment Officer
TEL: +81-3-3365-7729
EMAIL: nrf3240@nomura-re.co.jp

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 Minami Gyotoku V
Disposition Price	¥322,000 thousand (excluding fixed asset taxes, urban planning taxes, consumption taxes and local consumption taxes)
Book Value	¥295,827 thousand (as of May 31, 2013)
Difference (Disposition Price - Book Value)	¥26,172 thousand
Date of Agreement	October 8, 2013 (date of agreement on purchase and sale of the real estate)
Scheduled Date of Disposition	November 27, 2013 (date of delivery of the real estate)
Buyer	Refer to “4. Buyer Profile” below
Form of Payment	Full payment 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 Minami Gyotoku V
Type of Asset		Real Estate
Location (Note 1)	Registry	2-10-2 Minami Gyotoku, Ichikawa-shi, Chiba
	Street Address	2-12-3 Minami Gyotoku, Ichikawa-shi, Chiba
Access		8-minute walk to Minami Gyotoku Station on the Tokyo Metro Tozai Line.
Land	Ownership	Ownership
	Area (Note 1)	433.02 sq. meters
	Building Coverage	60%
	Floor Area Ratio	200%
Building	Ownership	Ownership
	Use (Note 1)	Apartment building
	Completion Date (Note 1)	March 31, 1992
	Total Floor Area (Note 1)	919.37 sq. meters
	Structure (Note 1)	RC, 5F
	Leasable Units (Note 2)	38 units (under 30 sq. meters: 37 units, 30-50 sq. meters: 1 unit)
Acquisition Price		¥293,000 thousand
Disposition Price		¥322,000 thousand
Book Value		¥295,827 thousand
Difference (Disposition Price-Book Value)		¥26,172 thousand
Survey	Survey Method	Appraisal by Japan Real Estate Institution.
	Survey Value	¥269,000 thousand
	Survey Date	May 31, 2013
Leasing Status (as of October 8, 2013)		
Total Number of Tenants		1
Total Rental Income (Note 3)		¥25,140 thousand
Security Deposits		¥3,584 thousand
Occupancy Rate		89.9%
Total Leased Floor Area (Note 4)		595.46 sq. meters
Total Leasable Floor Area (Note 2)		662.68 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) 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 be always equal, and at times may be higher than, the floor area written in the real estate registry).

(Note 3) 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 and other terms 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 4) 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 Fund has not obtained an agreement with the Buyer, a Japanese General Operating Company, this information is not disclosed.

There is no capital, personnel, and transaction relationship between the buyer and the Fund and/or the Asset Management Company. Also, the buyer is not considered a directly associating party of the Fund and/or the Asset Management Company.

5. Broker Profile

Company Name	Nomura Real Estate Urban Net Co., Ltd.
Head Office	1-26-2, Nishishinjuku, Shinjuku-ku, Tokyo
Representative	Seishi Miyajima, President
Principal Business	Real Estate Business
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 is no personnel involvement between the said company and the Fund or asset management company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Transaction	There is no transaction between the said company and the Fund or asset management company. There is also no transaction 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. However, as stated above, the said company is a Related Party of the Asset Management Company as it is a fellow subsidiary.
Commission	¥9,720 thousand yen (excluding consumption taxes and local consumption taxes)

6. Transaction with Related Parties

The brokerage of the transaction is a Related Party under the Investment Trust Act. Therefore, the Asset Management Company determined the transfer and the terms and conditions of the transaction, including the commission and the other conditions to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Act and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee of the Asset Management Company.

7. Forecasts

Changes in financial results, due to the disposition of the property, are slight and the forecasts of financial results for the fourteenth fiscal period (June 1, 2013 to November 30, 2013) and the fifteenth fiscal period (December 1, 2013 to May 31, 2014) have not been changed.

Attachments: Reference Material "Portfolio After Disposition of the Property"

Area (Note 1)	Name of Property	Location	Leasable Floor Area (sqm) (Note 2)	Leasable Units (Units)	Acquisition Price (Thousands of Yen) (Note 3)	Percent of Total (%) (Note 4)	Acquired Period (Note 5)	
Greater Tokyo Area	URBAN STAGE Koganei	Koganei-shi, Tokyo	682.43	27	229,000	0.1	1st FP	
	URBAN STAGE Musashi Koganei	Koganei-shi, Tokyo	5,999.80	98	2,300,000	1.5	3rd FP	
	URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	2,961.06	80	1,590,000	1.0	3rd FP	
	URBAN STAGE Koganei Honcho	Koganei-shi, Tokyo	1,604.72	43	725,000	0.4	12th FP	
	URBAN STAGE Hino	Hino-shi, Tokyo	994.68	54	319,000	0.2	1st FP	
	URBAN STAGE Kumezawa	Higashimurayama-shi, Tokyo	2,610.05	91	1,370,000	0.8	11th FP	
	URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	3,692.44	56	2,150,000	1.3	2nd FP	
	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,706.46	80	1,150,000	0.7	3rd FP	
	URBAN STAGE Tsurumi Terava	Yokohama-shi, Kanagawa	952.06	50	457,000	0.3	1st FP	
	URBAN STAGE Uravasu	Uravasu-shi, Chiba	437.94	27	277,000	0.2	1st FP	
	URBAN STAGE Minami Gvotoku II	Ichikawa-shi, Chiba	611.61	37	285,000	0.2	1st FP	
	URBAN STAGE Minami Gvotoku III	Ichikawa-shi, Chiba	542.69	33	263,000	0.2	1st FP	
	URBAN STAGE Minami Gvotoku IV	Ichikawa-shi, Chiba	535.08	32	256,000	0.2	1st FP	
	URBAN STAGE Gvotoku Ekimae	Ichikawa-shi, Chiba	927.33	46	561,000	0.3	3rd FP	
	URBAN STAGE Gvotoku	Ichikawa-shi, Chiba	1,766.47	77	948,000	0.6	3rd FP	
	Sub Total (122 Properties)			188,714.87	6,839	131,739,000	81.2	
Other Areas	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	1,861.56	60	682,000	0.4	1st FP	
	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	1,967.54	64	724,000	0.4	5th FP	
	PROUD FLAT Shin Osaka	Osaka-shi, Osaka	2,990.68	112	1,430,000	0.9	11th FP	
	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	1,518.58	33	377,000	0.2	1st FP	
	PRIME URBAN Kita Juvo Jo	Sapporo-shi, Hokkaido	1,155.60	36	336,000	0.2	1st FP	
	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	1,850.20	53	530,000	0.3	1st FP	
	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	1,148.72	36	322,000	0.2	1st FP	
	PRIME URBAN Kita Iuichi Jo	Sapporo-shi, Hokkaido	1,851.39	60	600,000	0.4	3rd FP	
	PRIME URBAN Mivanosawa	Sapporo-shi, Hokkaido	2,114.53	54	576,200	0.4	3rd FP	
	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	1,494.36	36	424,000	0.3	3rd FP	
	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	1,007.30	42	337,900	0.2	3rd FP	
	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	911.07	27	283,200	0.2	3rd FP	
	PRIME URBAN Kita Niuvo Jo	Sapporo-shi, Hokkaido	1,773.90	36	503,700	0.3	3rd FP	
	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	2,439.90	58	731,600	0.5	3rd FP	
	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	3,411.24	60	1,110,000	0.7	3rd FP	
	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	1,380.21	43	428,000	0.3	3rd FP	
	PRIME URBAN Aoi	Nagoya-shi, Aichi	1,571.04	46	724,000	0.4	1st FP	
	PRIME URBAN Kanavama	Nagoya-shi, Aichi	1,391.02	58	632,000	0.4	3rd FP	
	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	2,502.11	104	1,189,096	0.7	5th FP	
	PRIME URBAN Esaka I	Suita-shi, Osaka	1,189.12	48	672,000	0.4	1st FP	
	PRIME URBAN Esaka II	Suita-shi, Osaka	1,392.00	57	790,000	0.5	1st FP	
	PRIME URBAN Esaka III	Suita-shi, Osaka	2,151.67	79	1,535,000	0.9	5th FP	
	URBAN STAGE Sapporo Riverfront	Sapporo-shi, Hokkaido	15,459.57	310	3,500,000	2.2	11th FP	
	URBAN STAGE Kita 3 Jo Dori	Sapporo-shi, Hokkaido	5,094.29	114	1,450,000	0.9	11th FP	
	URBAN STAGE Tsutsumidori Amamiva	Sendai-shi, Miyagi	4,251.91	65	969,000	0.6	4th FP	
	URBAN STAGE Kamimaezu	Nagoya-shi, Aichi	3,541.43	101	1,250,000	0.8	10th FP	
	URBAN STAGE Izumi	Nagoya-shi, Aichi	7,543.10	250	2,800,000	1.7	11th FP	
	URBAN STAGE Tamatsukuri	Osaka-shi, Osaka	2,373.10	80	906,000	0.6	10th FP	
	URBAN STAGE Sakaisuji Honmachi	Osaka-shi, Osaka	3,909.90	82	1,780,000	1.1	14th FP	
	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	2,176.23	67	830,000	0.5	1st FP	
	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	897.84	34	351,000	0.2	1st FP	
	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	1,222.34	39	396,000	0.2	3rd FP	
	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	1,854.13	65	693,000	0.4	3rd FP	
	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	1,740.70	48	545,000	0.3	3rd FP	
	Sub Total (34 Properties)			89,138.28	2,457	30,407,696	18.8	
	Total (156 Properties)			277,853.15	9,296	162,146,696	100.0	

(Note 1) "Greater Tokyo Area" refers to the metropolis of Tokyo and the three surrounding prefectures, Kanagawa, Chiba and Saitama.
"Other Areas" refer to the three major metropolitan areas, excluding Tokyo, and other major cities throughout Japan, including government designated cities.

(Note 2) "Leasable Floor Area" refers to the area entered in the Lease Agreement and calculated from the as-built drawings, not from the real estate registry.
As a result, the sum of Leasable Floor Area may exceed the total floor area.

(Note 3) "Acquisition Price" refers to the amount entered in the Sales Contract of Real Estate or Trust Beneficiary Rights, or the Conditional Sales Contract, and does not include the expenses in the acquisition, such as trading intermediate fees, taxes and public dues.

(Note 4) "Percentage of Total" refers to the acquisition price ratio of each property, based on the acquisition price.

(Note 5) "Acquired Period" refers to the Fund's fiscal period in which the acquisition of each property is completed.

1st FP: August 3, 2006 - May 31, 2007

2nd FP: June 1, 2007 - November 30, 2007

3rd FP: December 1, 2007 - May 31, 2008

4th FP: June 1, 2008 - November 30, 2008

5th FP: December 1, 2008 - May 31, 2009

6th FP: June 1, 2009 - November 30, 2009

7th FP: December 1, 2009 - May 31, 2010

8th FP: June 1, 2010 - November 30, 2010

9th FP: December 1, 2010 - May 31, 2011

10th FP: June 1, 2011 - November 30, 2011

11th FP: December 1, 2011 - May 31, 2012

12th FP: June 1, 2012 - November 30, 2012

13th FP: December 1, 2012 - May 31, 2013

14th FP: June 1, 2013 - November 30, 2013