

NOMURA
Residential Fund

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.
Tenth Fiscal Period Financial Results
(ended November 30, 2011)



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Highlights of the Tenth Fiscal Period



Tenth Fiscal Period (ended Nov. 30, 2011) Financial Statement Overview



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Financial Statement Overview

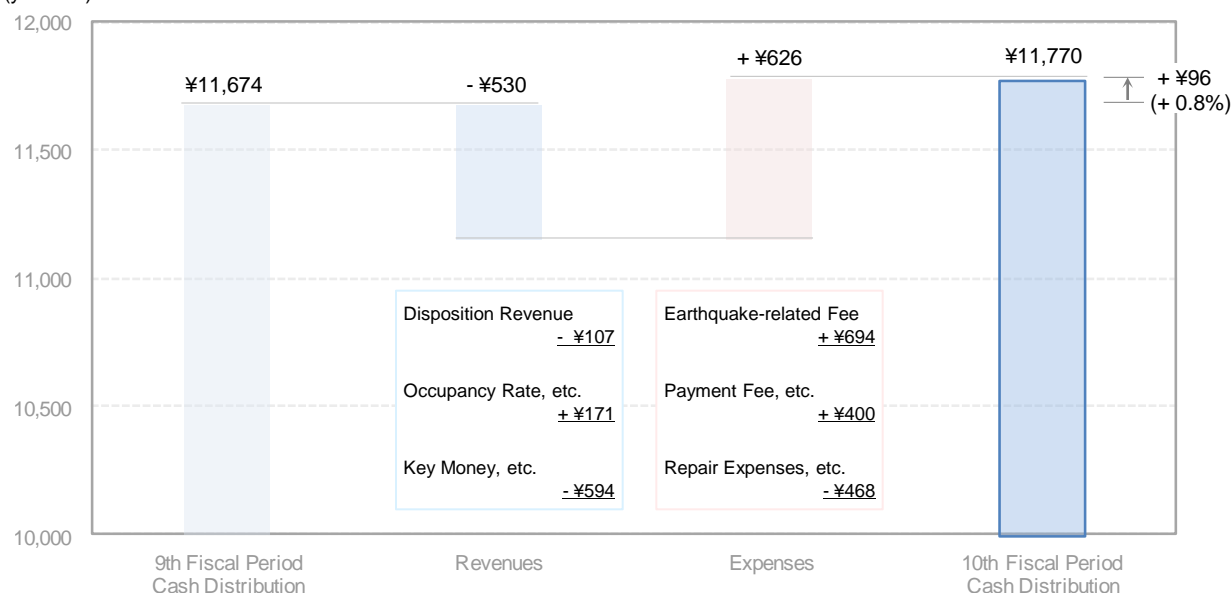
	9th Fiscal Period (ended May 31, 2011)	10th Fiscal Period (ended Nov. 30, 2011)	Difference (previous period)
Operating Revenues	¥4,510 million	¥4,445 million	- 1.5 %
Operating Income	¥2,177 million	¥2,098 million	- 3.6 %
Net Income	¥1,465 million	¥1,477 million	+ 0.8 %
Cash Distribution Per Unit	¥11,674	¥11,770	+ 0.8 %

[Forecasts]

11th FP Forecast (released Jan. 2012)	12th FP Forecast (released Nov. 2011)
¥5,186 million	¥5,142 million
¥2,488 million	¥2,417 million
¥1,814 million	¥1,836 million
¥12,018	¥12,165

Difference in Cash Distribution (9th Fiscal Period and 10th Fiscal Period)

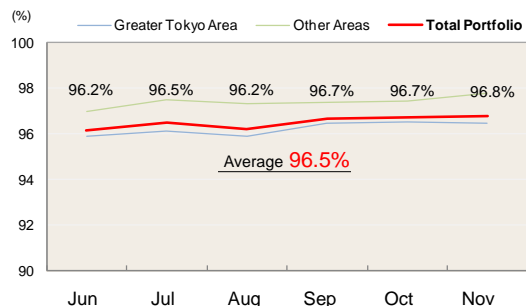
(yen/unit)



[Difference in Forecasts and Results]

10th FP Forecast (released Jul. 2011)	Difference to 10th FP Results
¥4,418 million	+ 0.6 %
¥2,122 million	- 1.2 %
¥1,477 million	- 0.0 %
¥11,770	± 0.0 %

Internal Growth



- Realizing high occupancy rates in all investment areas

- Average Occupancy Rate

(9th FP) (10th FP)

Total Portfolio 96.0% → **96.5%** (+0.5pt)

Greater Tokyo Area 95.6% → **96.2%** (+0.6pt)

Other Areas 97.2% → **97.4%** (+0.2pt)

- Enhancing Property Competitiveness

- US Sangen Jaya II:
Installed independent bathroom vanity

→ Unit rent after renovation increased **approx. 4%**

External Growth

US Kamimaezu (Nagoya-shi, Aichi)



Acquisition Price : ¥1,250 million
NOI Yield : **6.80%**
Building Age : 2.9 years
Acquisition Date : Jul. 5, 2011

US Tamatsukuri (Osaka-shi, Osaka)

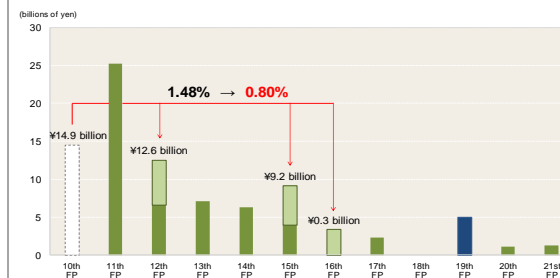


Acquisition Price : ¥906 million
NOI Yield : **6.4%**
Building Age : 2.7 years
Acquisition Date : Nov. 8, 2011

[Portfolio at 10th Fiscal Period End]

Asset Size : **¥135.04 billion**
Portfolio NOI Yield : **5.1 %**
Building Age : **9.0 years**

Financial & Capital Strategy



- Refinancing approx. ¥15 billion

- Lower interest costs
- Partial repayment from funds in hand
- Diversification of repayment date and elongation/fixation of debt financing

[Changes in Financial Performance]

[9th FP] [10th FP]

Weighted Average Interest Rate 1.61% → **1.47%** (-0.14pt)

Long-term Interest-bearing Debt Ratio 46.1% → 49.0% (+ 2.9pt)

Loan Interest Rate Fixed Ratio 74.8% → 70.3% (- 4.5pt)

LTV Level 53.1% → 53.0% (- 0.1pt)

Maintain High Occupancy + Acquire High Revenue Properties + Effective Refinancing

Stability and Growth of Cash Distribution

NRF Third Public Offering



NRF Third Public Offering [Purpose and Effectiveness] (1)



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Increase Asset Size and Enhance Quality of Portfolio

	10th FP End		New Acquisitions		After PO	Effectiveness
Number of Properties	145 properties		8 properties		153 properties	Enhancing Asset Size
Total Acquisition Price	¥135.04 billion	+	¥15.09 billion		¥150.13 billion	
Average NOI Yield	5.1 % *		6.8 %		5.3 % *	+ 0.2 pt
Building Age	9.0 years		4.2 years		8.5 years	- 0.5 years

NOMURA REAL ESTATE DEVELOPMENT [5 Properties]

PROUD FLAT Fujimidai



Acquisition Price : ¥1,370 million
NOI Yield: **6.2 %**
Location: Nerima-ku, Tokyo

PROUD FLAT Tsurumi II



Acquisition Price : ¥1,430 million
NOI Yield: **5.9 %**
Location: Yokohama-shi, Kanagawa

PROUD FLAT Shin Osaka



Acquisition Price : ¥1,430 million
NOI Yield: **6.3 %**
Location: Osaka-shi, Osaka

URBAN STAGE Machiya South Court



Acquisition Price : ¥1,740 million
NOI Yield: **6.6 %**
Location: Arakawa-ku, Tokyo

URBAN STAGE Kumegawa



Acquisition Price : ¥1,370 million
NOI Yield: **6.6 %**
Location: Higashimurayama-shi, Tokyo



Acquisition Price : ¥7,340 million

NOI Yield : **6.3 %**

Average Bldg Age : 4.5 years

External Providers [3 Properties]

URBAN STAGE Sapporo Riverfront



Acquisition Price : ¥3,500 million
NOI Yield: **7.5 %**
Location: Sapporo-shi, Hokkaido

URBAN STAGE Kita Sanjo Dori



Acquisition Price : ¥1,450 million
NOI Yield: **7.0 %**
Location: Sapporo-shi, Hokkaido

URBAN STAGE Izumi



Acquisition Price : ¥2,800 million
NOI Yield: **7.3 %**
Location: Nagoya-shi, Aichi



Acquisition Price : ¥7,750 million

NOI Yield : **7.3 %**

Average Bldg Age : 4.0 years

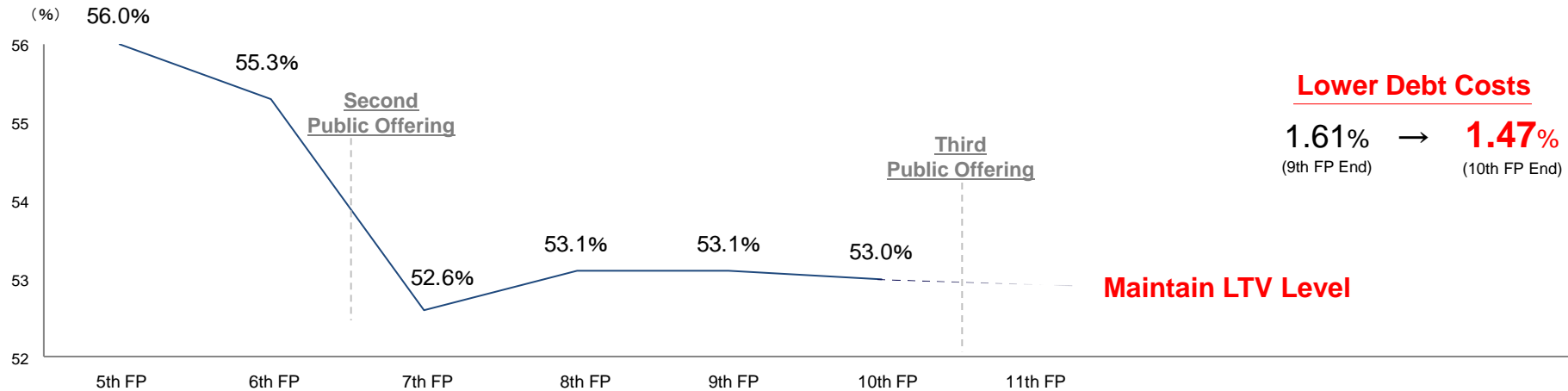
*The 10th FP End Portfolio NOI Yield is calculated by the annual basis NOI total of each property. Also, the portfolio NOI Yield After PO is calculated with the estimated NOI of the 8 new properties included in the 10th FP Portfolio NOI. Regarding other figures, refer to the November 14, 2011 press releases.

NRF Third Public Offering [Purpose and Effectiveness] (2)

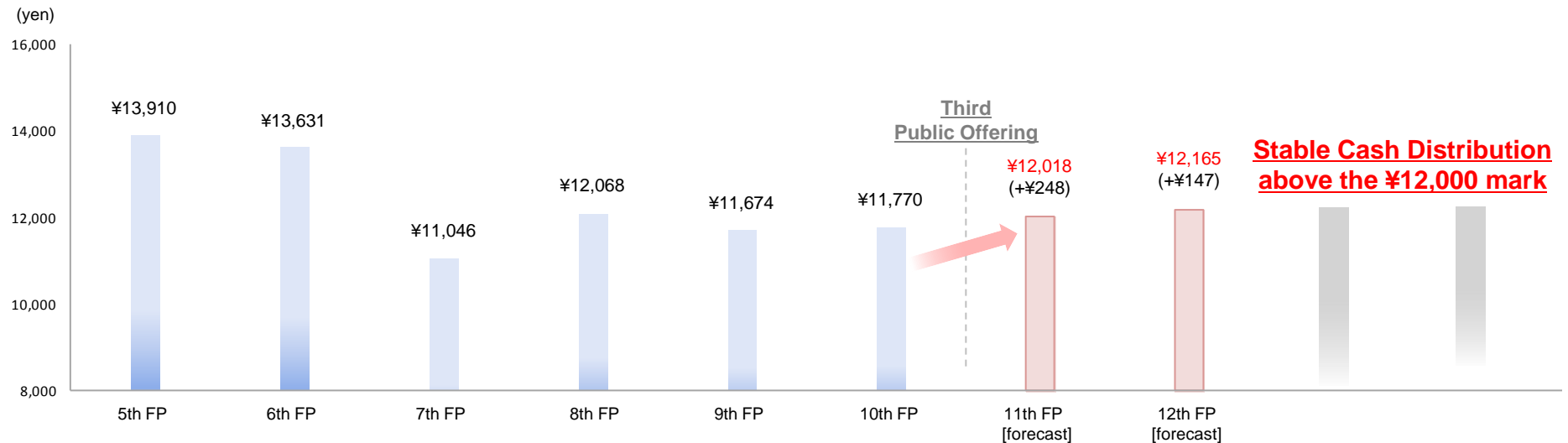


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Strengthen Financial Position



Maintain and Enhance Cash Distribution



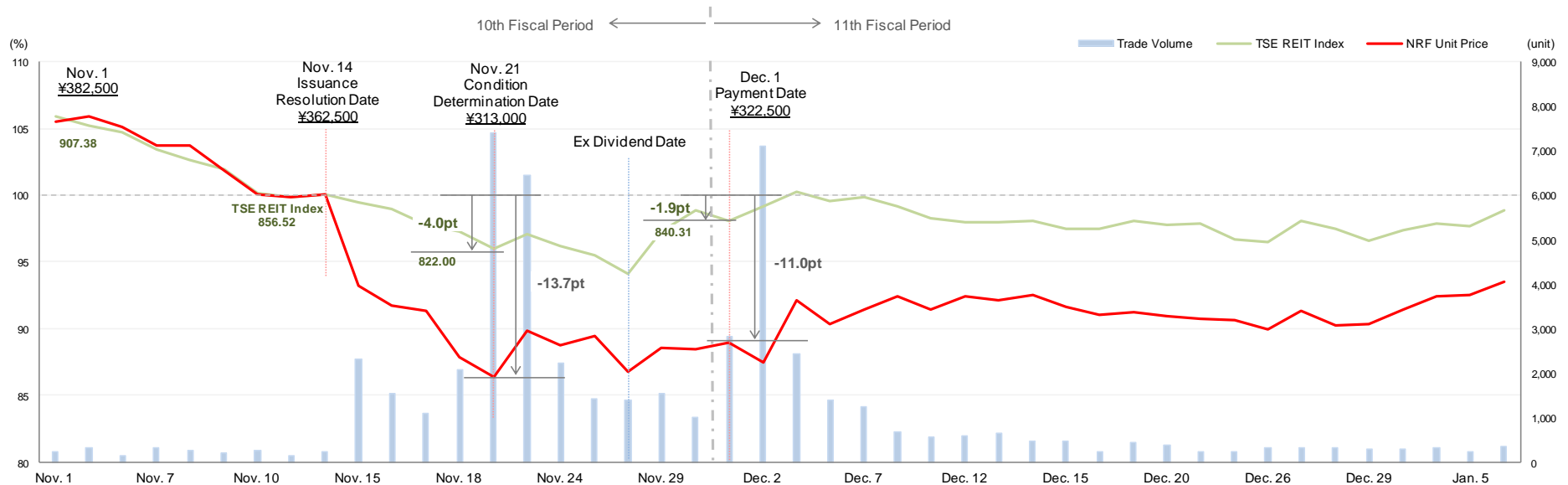
Overview of Third Public Offering

Number of Units Issued (before PO)	: 125,535 units
Number of Newly Issued Units	: 25,401 units (20.2% of total issued units before PO)
Public Offering	: 23,629 units
Over Allotment	: 1,772 units
Constant Value	: ¥301,230 (Closing price on Nov. 21: ¥313,000 (- ¥11,770))
Offer Price	: ¥292,193 (discount of 3.0%)
Issue Price	: ¥281,951
Proceeds (including OA)	: ¥7,161 million

Schedule

Issuance Resolution Date	: Nov. 14 (Mon)
Condition Determination Date	: Nov. 21 (Mon)
Payment Date (Public Offering)	: Dec. 1 (Thu)
Delivery/Settlement Date (Public Offering)	: Dec. 2 (Fri)
Payment Date (Third-party Allotment)	: Dec. 20 (Tue)

Changes in Unit Price and Trade Value





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Fund Management Summary

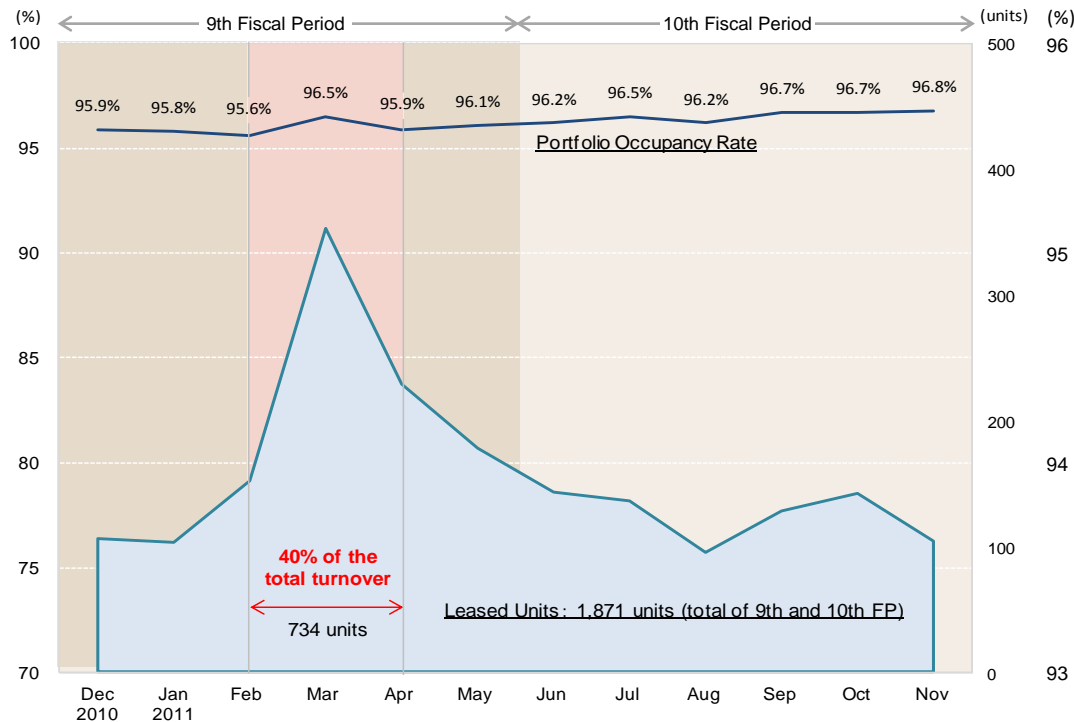


Eleventh Fiscal Period Management Policy

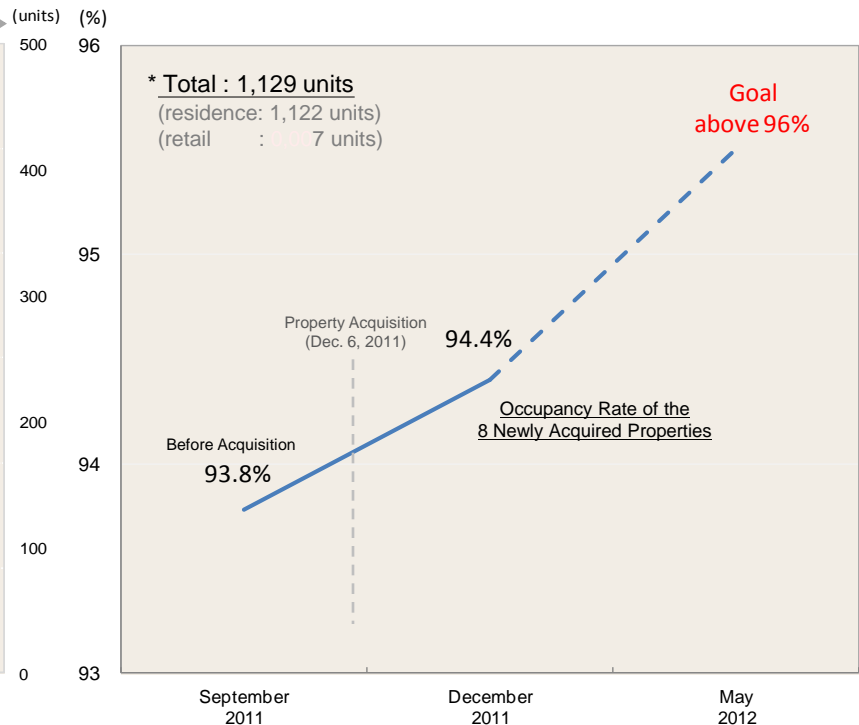
- Smooth Leasing During the Tenant Turnover Season
 - Shorten vacancy period
 - Raise rent backed by high occupancy rates
 - Bring in corporate leases
- Stable Management of Newly Acquired Properties
 - Maintain and enhance high occupancy rates

(Occupancy rate as of Dec 31, 2011: 94.4%
→ aim for 96% at FP end)

Changes in Occupancy Rate and Leased Units



Changes in Occupancy Rate of the Newly Acquired Properties

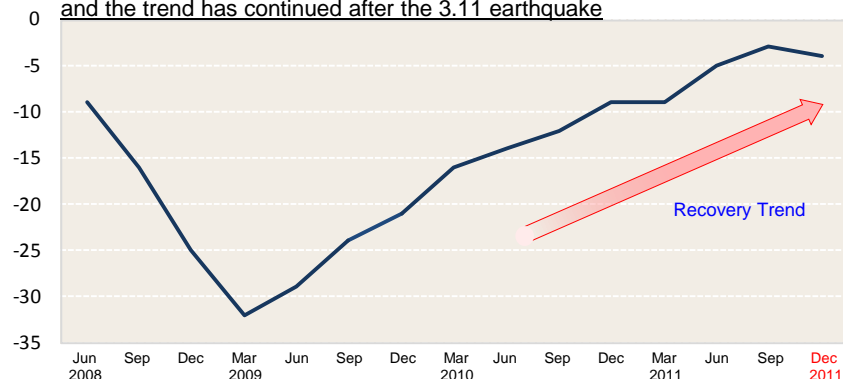


Eleventh Fiscal Period Acquisition Policy

- Continue with Replacement Strategies
 - Enhance quality of portfolio
- Selective Investment of High Yield Properties
 - Discover prime properties, assessing location and merchantability

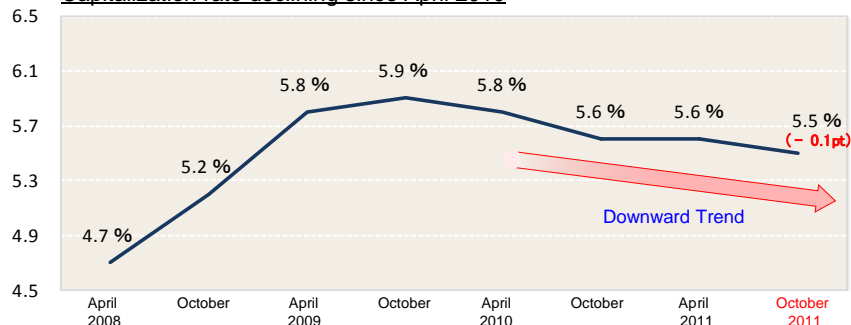
Lending Attitude of Financial Institutions (Diffusion Index of Real Estate/All Enterprises)

Lending attitude of financial institutions have eased since March 2009, and the trend has continued after the 3.11 earthquake



Changes in Capitalization Rate

(%) Capitalization rate declining since April 2010



Results of NRF

Number of Property Information

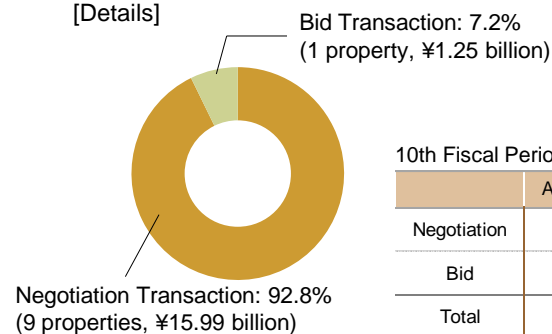
Number of potential properties fall but the number of properties actually acquired are on the rise.

	9th FP	10th FP	Difference
Number of Information	256	190	-66
Potential Properties (ratio of potential properties)	58 (22.7%)	53 (27.9%)	-5 (+ 5.2pt)
Acquired Properties	1	10	+ 9

10th FP Transaction Results (10 properties)

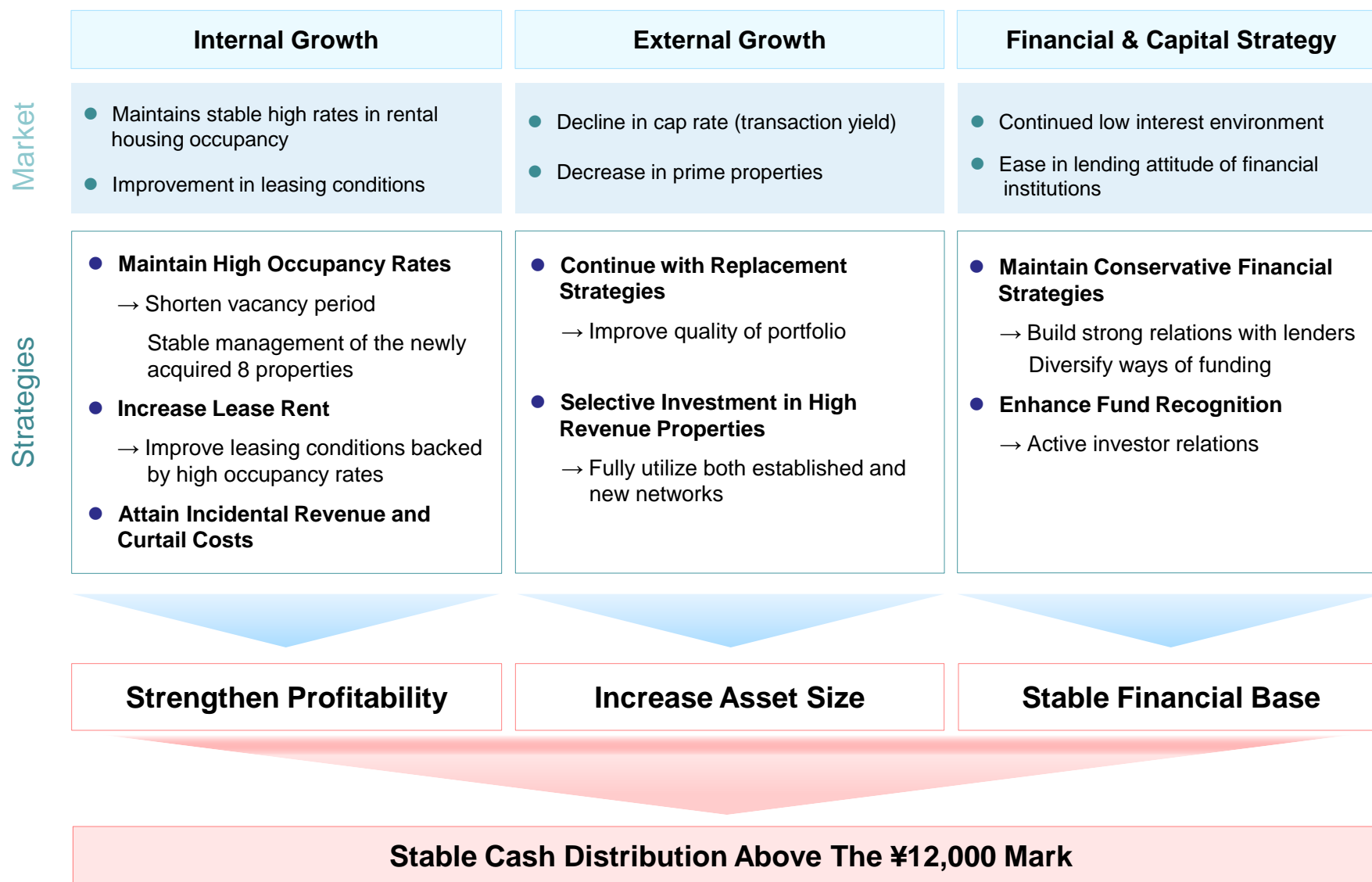
While the cap rate is in decline, acquired high revenue properties through bid and negotiation.

[Details]



10th Fiscal Period Acquisitions

	Acquisition Price	NOI Yield
Negotiation	¥ 15.99 billion	6.8 %
Bid	¥ 1.25 billion	6.8 %
Total	¥ 17.24 billion	6.8 %





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Overview of the Financial Results



Income Statement



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		9th Fiscal Period From Dec. 1, 2010 To May 31, 2011	10th Fiscal Period From Jun. 1, 2011 To Nov. 30, 2011	Difference from Previous Period (10th FP - 9th FP)	
		Amount (¥000)	Amount (¥000)	Difference (¥000)	Difference Ratio
Operating Revenue		4,510,792	4,445,212	-65,580	-1.5%
Real Estate Rental Business Revenues	*1	4,497,365	4,445,212	-52,153	-1.2%
Rental Business Revenues		4,171,787	4,189,274	17,487	0.4%
Other Rental Business Revenues		325,578	255,937	-69,640	-21.4%
Parking Lot Revenue		107,075	111,037	3,961	3.7%
Incidental Revenue	*2	177,684	97,010	-80,673	-45.4%
Other Real Estate Rental Revenue	*3	40,818	47,889	7,071	17.3%
Real Estate Disposition Revenue		13,427	—	-13,427	-100.0%
Operating Expense		2,333,363	2,346,902	13,539	0.6%
Real Estate Rental Business Expenses	*1	1,838,031	1,824,880	-13,150	-0.7%
Repair Expenses	*4	153,601	194,865	41,264	26.9%
Tax and Public Dues	*5	215,350	216,085	734	0.3%
Depreciation and Amortization		793,296	803,845	10,549	1.3%
Other Rental Business Expenses		675,782	610,084	-65,698	-9.7%
Real Estate Disposition Profit and Loss		2,516	—	-2,516	-100.0%
Asset Management Fees		319,655	322,965	3,309	1.0%
Other Operating Expenses	*6	173,160	199,056	25,896	15.0%
Operating Income		2,177,429	2,098,309	-79,119	-3.6%
Non-Operating Revenues		2,548	1,520	-1,028	-40.3%
Non-Operating Expenses		626,301	620,690	-5,611	-0.9%
Interest Expenses		586,338	546,469	-39,868	-6.8%
Investment Corporation Bond Interest		15,877	30,319	14,442	91.0%
Other Non-Operating Expenses	*7	24,085	43,900	19,814	82.3%
Current Profits		1,553,676	1,479,139	-74,536	-4.8%
Extraordinary Losses		87,117	—	-87,117	-100.0%
Net Income Before Tax		1,466,558	1,479,139	12,581	0.9%
Corporate Income Tax, etc.		1,029	1,605	575	55.9%
Net Income		1,465,529	1,477,534	12,005	0.8%
Retained Earnings Brought Forward		29	63	33	112.7%
Retained Earnings at Fiscal Period End		1,465,558	1,477,597	12,038	0.8%

*Reference (10th Fiscal Period)

1. Real Estate Rental Business Revenue : ¥2,620,331 thousand
(from previous FP: -¥39,002 thousand)

2. Incidental Revenue

Key Money : ¥42,011 thousand
Renewal Fee : ¥42,371 thousand

3. Other Real Estate Rental Revenue

Revenue from reversal of provision for loss on disaster, cellphone antennae, vending machines, etc.

4. Renovation Expenses

Repair Expenses : ¥194,865 thousand
Capital Expenditure : ¥45,598 thousand
Total : ¥240,464 thousand

5. Tax and Public Dues (145 properties at FP End)

Subject Property : 142 properties
Excluded Property : 3 properties *
Total : 145 properties
(estimate: ¥18,298 thousand)

6. Other Operating Expenses

Duty Entrustment Fee : ¥34,891 thousand
Directors Fee, etc. : ¥7,200 thousand

7. Other Non-Operating Expenses

Loan Related Expense, etc. : ¥37,733 thousand

(Figures are rounded down to the nearest thousand)

Balance Sheet



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Assets

	9th Fiscal Period as of May 31, 2011		10th Fiscal Period as of Nov. 30, 2011	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Assets	6,917,539	4.9	4,891,853	3.5
Cash and Cash Equivalents	5,637,715	4.0	3,702,311	2.6
Cash and Cash Equivalent in Trust	1,189,218	0.8	1,084,101	0.8
Other Current Assets	90,604	0.1	105,440	0.1
Fixed Assets	133,582,467	95.1	135,229,846	96.5
Tangible Fixed Assets *1	133,564,976	95.0	135,213,149	96.5
Real Estate	83,435,078	59.4	88,387,204	63.1
Building	39,290,202	28.0	41,096,244	29.3
Land	44,144,875	31.4	47,290,959	33.7
Real Estate in Trust	50,129,898	35.7	46,809,572	33.4
Building in Trust	16,058,868	11.4	15,130,784	10.8
Land in Trust	34,071,029	24.2	31,678,787	22.6
	—	—	16,372	0.0
Intangible Fixed Assets	4,919	0.0	4,259	0.0
Other Intangible Fixed Assets	4,919	0.0	4,259	0.0
Investment and Other Assets	12,571	0.0	12,438	0.0
Security Deposits	10,879	0.0	10,879	0.0
Long-term Repaid Expenses	1,692	0.0	1,559	0.0
Deferred Assets	34,603	0.0	30,961	0.0
Investment Corporation Bond Issuing Expenses	34,603	0.0	30,961	0.0
Total Assets	140,534,610	100.0	140,152,661	100.0

*1 Tangible Fixed Assets

(unit: millions of yen)

	Acquisition Price	Accumulated depreciation	(Depreciation for current FP)	Book value at FP end
Real Estate, etc.	141,869	6,656	(803)	135,213
Building	45,265	4,168	(570)	41,096
Land	47,290	—	—	47,290
Building in trust	17,618	2,487	(233)	15,130
Land in trust	31,678	—	—	31,678
Construction in progress	16	—	—	16

Liabilities and Net Assets

	9th Fiscal Period as of May 31, 2011		10th Fiscal Period as of Nov. 30, 2011	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Liabilities	41,607,789	29.6	39,221,497	28.0
Trade Accounts Payable	165,188	0.1	248,277	0.2
Long-term Loan Due Within One Year	40,214,000	28.6	37,834,000	27.0
Other Accounts Payable	217,403	0.2	268,405	0.2
Taxes Payable	24,956	0.0	1,566	0.0
Accrued Expenses	303,374	0.2	250,701	0.2
Rent Received in Advance	598,796	0.4	605,751	0.4
Deposits Payable	3,705	0.0	4,294	0.0
Provision for Loss on Disaster	80,363	0.1	8,500	0.0
Fixed Liabilities	35,661,777	25.4	37,654,081	26.9
Investment Corporation Bonds	5,000,000	3.6	5,000,000	3.6
Long-term Loans	29,392,000	20.9	31,382,000	22.4
Security Deposits	708,551	0.5	742,784	0.5
Security Deposits in Trust	561,226	0.4	529,296	0.4
Total Liabilities	77,269,566	55.0	76,875,578	54.9
Unitholders Equity	63,265,043	45.0	63,277,082	45.1
Unitholders Capital	61,799,485	44.0	61,799,485	44.1
Retained Earnings	1,465,558	1.0	1,477,597	1.1
Total Net Assets	63,265,043	45.0	63,277,082	45.1
Total Liabilities and Net Assets	140,534,610	100.0	140,152,661	100.0

*2 Loans (long-term loans due within a year are included in the short-term loans)

Balance of interest-bearing debts (millions of yen) 74,216

Total asset interest-bearing debt ratio $\left[\frac{\text{short-term} + \text{long-term loans}}{\text{total assets}} \right]$ 53.0%

Long-term interest-bearing debt ratio $\left[\frac{\text{long-term loans}}{\text{short-term} + \text{long-term loans}} \right]$ 49.0%

Forecasts for the Eleventh and Twelfth Fiscal Period



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Reference
[released Nov. 14, 2011]

	10th FP Results From Jun. 1, 2011 To Nov. 30, 2011	11th FP Forecast From Dec. 1, 2011 To May 31, 2012	12th FP Forecast From Jun. 1, 2012 To Nov. 30, 2012
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
Operating Revenue	4,445	5,186	5,142
Real Estate Rental Business Revenues	4,445	5,186	5,142
Operating Expense	2,346	2,697	2,724
Real Estate Rental Business Expenses	1,824	2,140	2,138
Repair Expenses	194	165	185
Tax and Public Dues	216	240	287
Depreciation and Amortization	803	963	963
Asset Management Fees	322	362	375
Other Operating Expenses	199	195	211
Operating Income	2,098	2,488	2,417
Non-Operating Profit and Loss	-619	-673	-580
Interest Expenses	-614	-640	-574
Current Profits	1,479	1,815	1,837
Net Income	1,477	1,814	1,836

Number of Investment Units Issued (units)	125,535	150,936	150,936
Cash Distribution Per Unit (yen)	11,770	12,018	12,165

Number of Properties (properties)	145	153	153
Leasable Floor Area (sqm)	220,129	262,410	262,410
Occupancy Rate Assumption (%)	96.8	96.1	-

Assumptions

[Properties]

Number of Properties : 153 properties
Total Amount of Acquisition Price : ¥150,136 million

[Repair Expenses]

¥240 million for 10th Fiscal Period
(¥45 million of which is capital expenditure)

Example)

US Sangen Jaya (large-scale renovation) : ¥20 million
US Tsurumi Teraya (large-scale renovation) : ¥19 million

¥196 million for 11th Fiscal Period
(¥30 million of which is capital expenditure)

Example)

US Hatagaya (large-scale renovation) : ¥14 million
US Ikegami (plumbing system renewal) : ¥12 million

[Loans]

Total Interest-bearing Debt (as of Jan. 17, 2012) ¥83,772 million

Interest-bearing Debt Repayment Due During 11th FP (after Jan. 17)

Repayment through loans (Feb 2012) ¥20,600 million
Agreed repayment (Feb 2012) ¥90 million



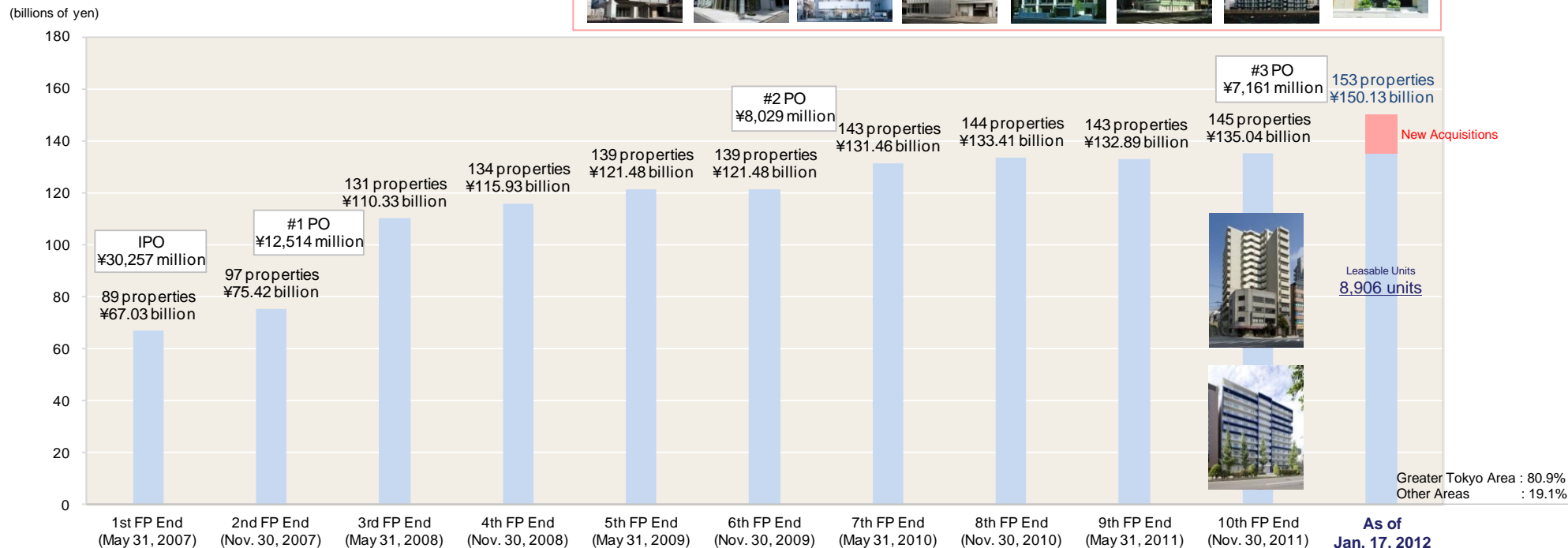
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Fund Management Results



Stable Growth of Portfolio

New Acquisitions: 8 properties ¥15.09 billion



*The graph is based on the total acquisition price as of each fiscal period end (rounded down to the nearest 10 million).

Portfolio Overview (Tenth Fiscal Period End)

Acquisition Price

¥135,046 million

Average Rent Per Unit

approx. ¥94 thousand

Leasable Units

7,777 units

Average Leasable Floor Area Per Unit

approx. 28 sqm

Portfolio Occupancy Rate

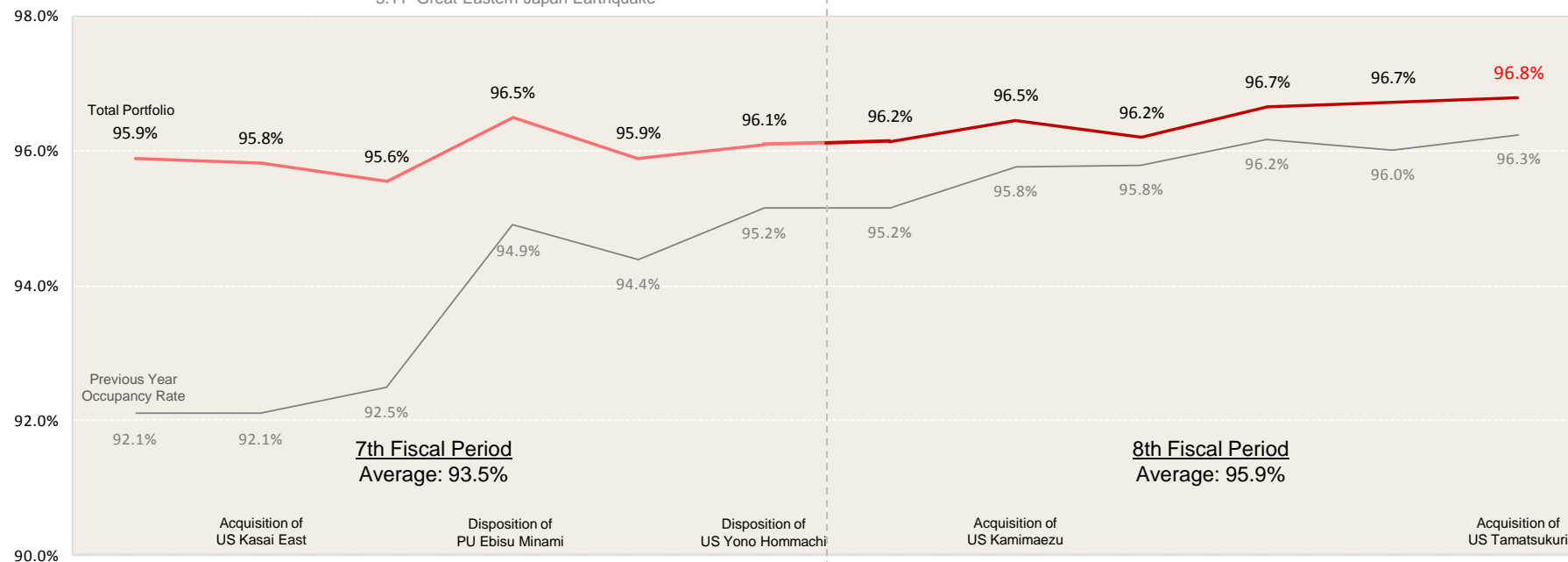


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Changes in Portfolio Occupancy Rate

← 9th Fiscal Period Average: 96.0% 10th Fiscal Period Average: 96.5% →

3.11 Great Eastern Japan Earthquake



Area	Dec 2010	Jan 2011	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Portfolio	95.9%	95.8%	95.6%	96.5%	95.9%	96.1%	96.2%	96.5%	96.2%	96.7%	96.7%	96.8%
GreaterTokyo Area	95.6%	95.6%	95.2%	96.1%	95.4%	95.7%	95.9%	96.1%	95.9%	96.4%	96.5%	96.4%
OtherAreas	97.1%	96.7%	96.7%	98.0%	97.3%	97.5%	97.0%	97.5%	97.3%	97.4%	97.4%	97.8%

Leasable Floor Area	64,779 tsubo	65,482 tsubo	65,482 tsubo	65,216 tsubo	65,216 tsubo	64,800 tsubo	64,800 tsubo	65,871 tsubo	65,871 tsubo	65,871 tsubo	65,871 tsubo	66,589 tsubo
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Maintaining high occupancy rates

(9th FP End Occupancy Rate: 96.1% → 10th FP End Occupancy Rate: **96.8%**)

Changes in Revenue (1)

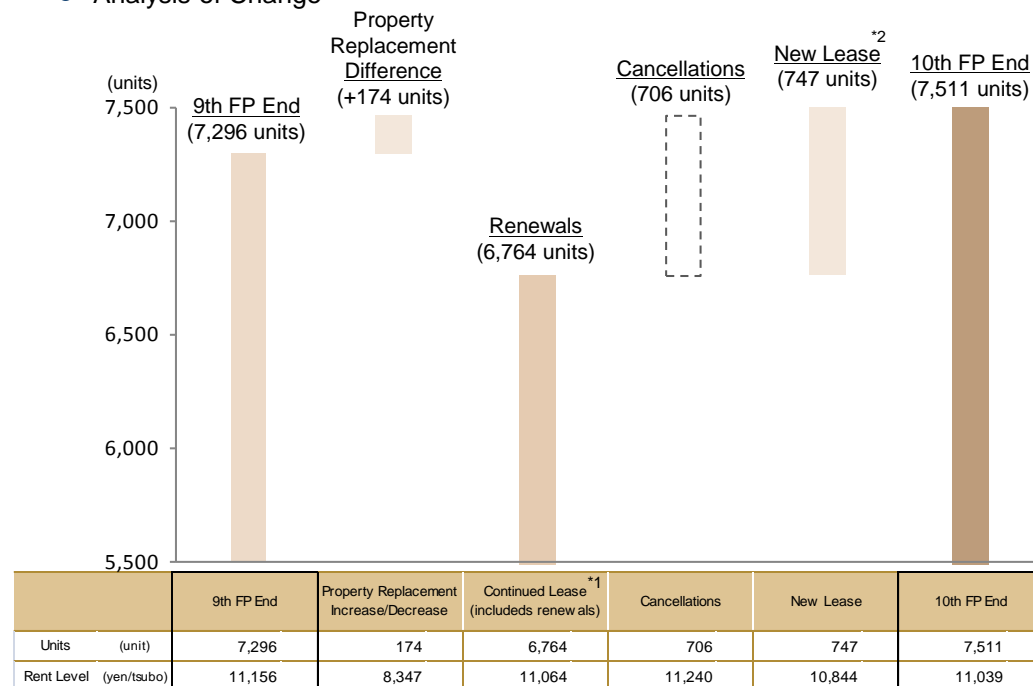
Changes in Leased Units and Rent Per Tsubo

- Rent per tsubo (11,156 yen → 11,039 yen -1.0%)

	Volatility	Note
Total Portfolio	— 1.0%	11,156yen → 11,039yen
[Details]		
Tenant Turnover	— 0.4% *	New 747 units
Continued Lease	— 0.1% *	Renewal 546 units
New Properties	— 0.5%	US Kamimaezu and US Tamatsukuri

*Volatility: [Previous FP] -0.8% → [This FP] **-0.5%**

- Analysis of Change



*1 Details of Lease Renewals

	9th FP	10th FP	Difference
Continued Lease	1,448 unit	546 unit	- 902 unit
Renewal Rate*	80.0 %	78.1 %	- 1.9 pt
Increase	1.0 %	0.0 %	- 1.0 pt
Flat	96.3 %	96.7 %	+ 0.4 pt
Decrease	2.6 %	3.3 %	+ 0.7 pt

*Renewal Rate=Number of renewed units / Number of units which have reached time of renewal

*2 Details of New Lease

	9th FP	10th FP	Difference
New Lease	1,124 units	747 units	- 377 units
Turnover Rate*	14.8 %	9.6 %	- 5.2 pt
Increase	18.6 %	24.1 %	+ 5.5 pt
Flat	10.6 %	11.1 %	+ 0.5 pt
Decrease	70.8 %	64.8 %	- 6.0 pt

*Turnover Rate=Newly leased units / Total number of leasable units
(Based on regularly occupied properties)

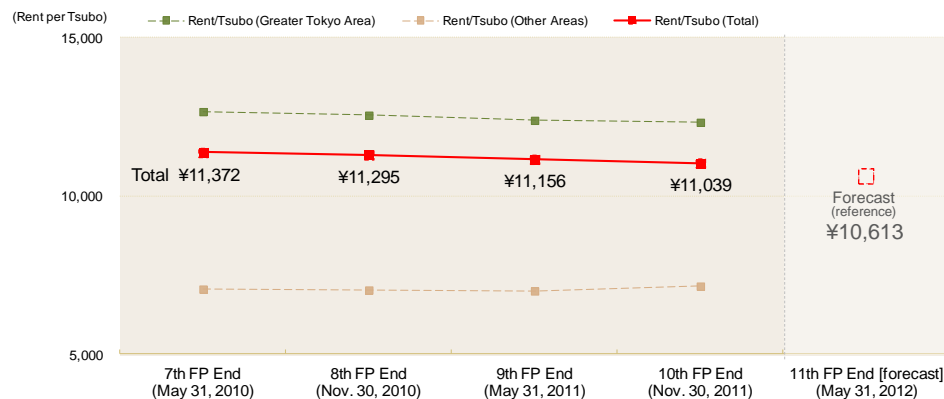
Changes in Revenue (2)



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Changes in Rent per Tsubo and Occupancy Rate (7th FP End-11th FP End (forecast))

[Rent per Tsubo]

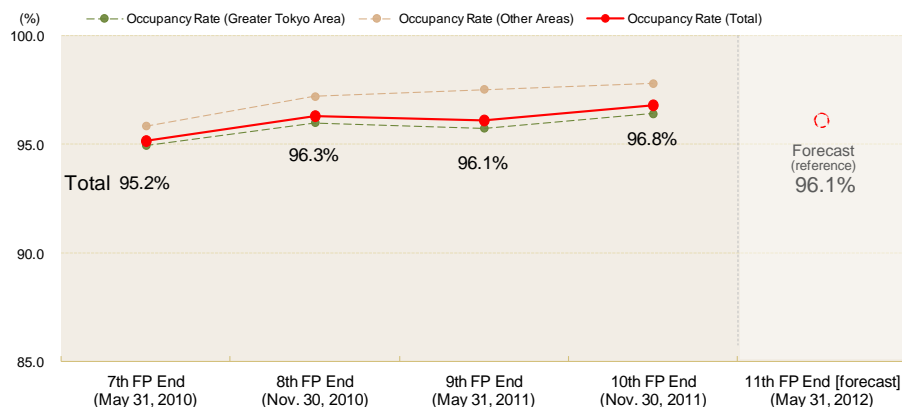


		7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	10th FP End (Nov. 30, 2011)
Rent per Tsubo	Total	¥11,372	¥11,295	¥11,156	¥11,039
	Greater Tokyo	¥12,663	¥12,551	¥12,388	¥12,326
Details	Other Areas	¥7,055	¥7,026	¥6,996	¥7,149

[Reference]

11th FP End [Forecast] (May 31, 2012)
¥10,624
—
—

[Occupancy Rate]



		7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	10th FP End (Nov. 30, 2011)
Occupancy Rate	Total	95.2%	96.3%	96.1%	96.8%
	Greater Tokyo	94.9%	96.0%	95.7%	96.4%
Details	Other Areas	95.8%	97.2%	97.5%	97.8%

[Reference]

11th FP End [Forecast] (May 31, 2012)
96.1%
—
—

(Reference)

		7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	10th FP End (Nov. 30, 2011)
Turnover Ratio	Total	15.4%	10.5%	14.8%	9.6%

[Reference]

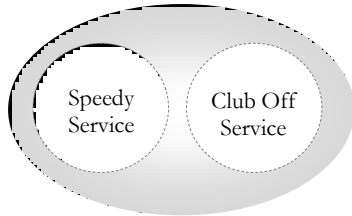
11th FP End [Forecast] (May 31, 2012)
14.8%

Enhancing Customer Satisfaction



NOMURA LIVING SUPPORT

Property management company for all PROUD FLAT properties in the Greater Tokyo Area



● Introducing LivingQCall for Rent

Speedy Service: 24-hour emergency call service

- Emergency Service: 24-hour service for water/window related trouble
- Repair Service: Handle repair for electric/gas utilities

Club Off Service: benefits at a special member price

- Travel: Domestic resort hotels, ryokan, etc.
- Dining: Restaurants, delivery service, etc.



Number of PROUD FLAT properties commissioned: **22** properties

Seek Internal Growth Opportunities

[Details]

(As of 10th FP End)

● Cellphone Antennaes 46

● Vending Machines 145

● Effective Use of Parking Lots 136

- Sub-leasing parking lots
- Car sharing service

Details (120 lots
16 cars)



approx. ¥45 million



approx. ¥8 million



approx. ¥23 million

Total **¥76** million*

* Annual basis of the total portfolio revenue

Renovations During the Tenth Fiscal Period



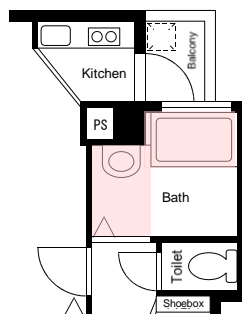
US Sengen Jaya II

Rent

¥130 thousand/month

➡ **¥135 thousand/month**
(approx. 4% increase)

Before Renewal



After Renewal



Install independent
bathroom vanity



Renovated bath
& shower room

New Tenant Leasing Strategies

- Enhance market awareness of leasable properties

Sending information of leasable properties to property management companies regularly.



- Find New Tenant Demands

Early recruitment prospect tenants such as students and new corporate employees

Interest-bearing Debt

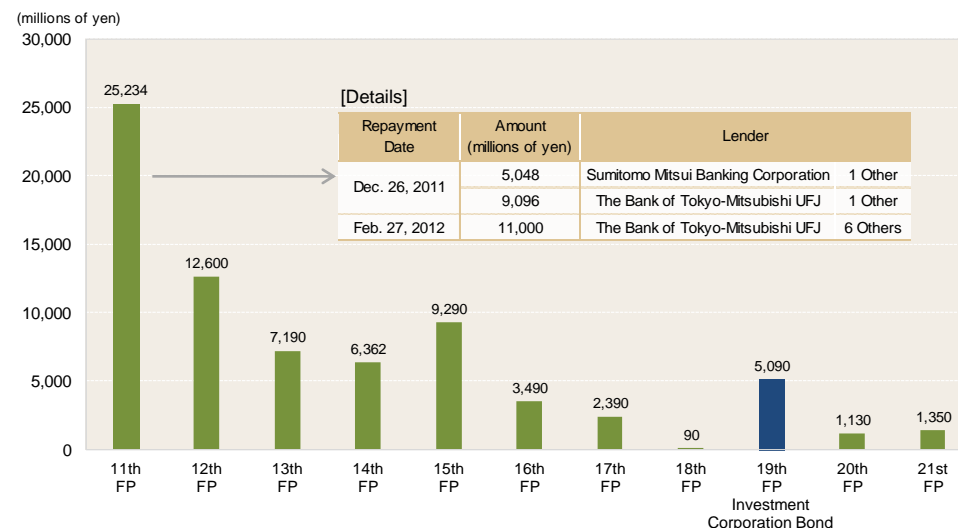
Interest-bearing Debt Total	¥74,216 million	Difference from previous FP (- ¥390 million)
Average Remaining Duration of Long-term Interest-bearing Debt	1.4 years	(- 1.4 years)
Weighted Average Interest Rate	1.47 %	(- 0.14 pt)
Long-term Interest-bearing Debt Ratio	49.0 %	(+ 2.9 pt)
Fixed-rate Interest-bearing Debt Ratio	70.3 %	(- 4.5 pt)
LTV Level	53.0 %	(- 0.1 pt)

*Investment Corporation Bonds are included in the "Interest-bearing Debt."

**Long-term Ratio, when including "long-term loans due within a year" in long-term loans, is 100.0%.

***Loan Interest Rate Fixed Ratio" includes floating rate loans which have been fixed through interest rate swaps.

Maturity Diversification



Credit Rating

Agency	Rating	Outlook
JCR	Long-term Senior Debt Rating : AA	Stable
S&P	Long-term Corporate Credit Rating : A	Stable
	Short-term Corporate Credit Rating : A-1	

Lender Diversification (16 Lenders)

(millions of yen)

Major Banks (3)		Trust Banks (3)		Regional Banks (3)	
The Bank of Tokyo-Mitsubishi UFJ	11,372	Mitsubishi UFJ Trust and Banking	11,372	The Iyo Bank	1,000
Sumitomo Mitsui Banking	11,372	The Sumitomo Trust and Banking	4,920	The Bank of Fukuoka	1,000
Mizuho Corporate Bank	6,620	The Nomura Trust and Banking	3,500	The Chiba Bank	750

Insurance Companies (4)		Others (3)	
Taiyo Life Insurance	3,000	Development Bank of Japan	8,090
Mitsui Sumitomo Insurance	2,100	Aozora Bank	500
Daido Life Insurance	1,100	Shinkin Central Bank	1,720
The Dai-ichi Life Insurance	800		

Appraisal Value Status (Tenth Fiscal Period End)

Appraisal Value

9th FP End Appraisal Value (A)* **¥123,425 million**

10th FP End Appraisal Value (B) **¥124,512 million**

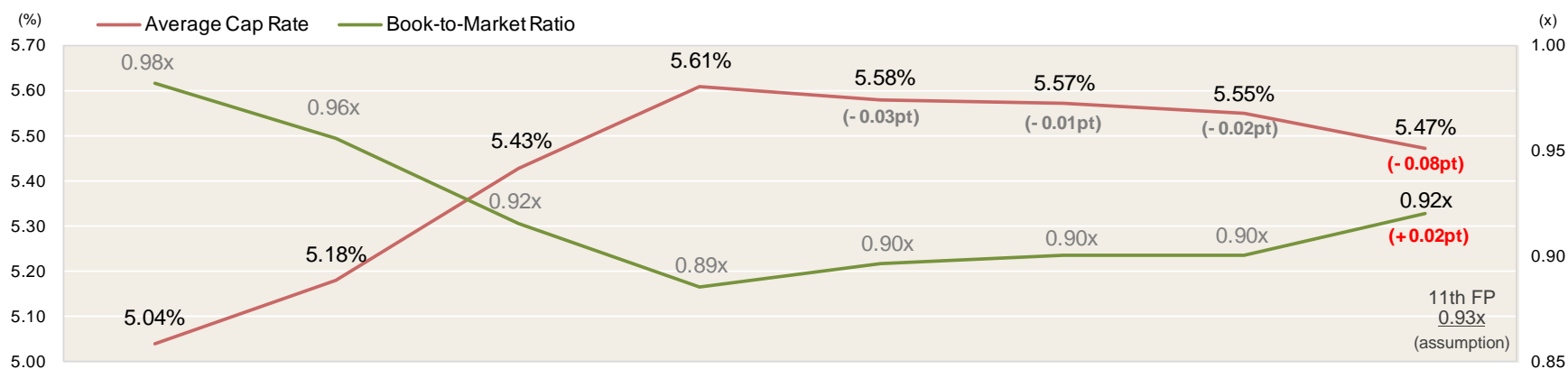
Difference (B)-(A) + ¥1,087 million

**9th FP End Appraisal Value* includes the appraisal value at the time of acquisition of the 2 properties acquired during the 10th FP.

Appraisal Value Details

- **Increase** 94 properties (64.8 %)
- **Flat** 23 properties (15.9 %)
- **Decrease** 28 properties (19.3 %)
- Total** 145 properties (100.0 %)

Range of Cap Rate and Book-to-Market Ratio



	3rd FP	4th FP	5th FP	6th FP	7th FP	8th FP	9th FP	10th FP
Average Cap Rate	5.04 %	5.18 %	5.43 %	5.61 %	5.58 %	5.57 %	5.55 %	5.47 %
Appraisal Value	¥111.5 billion	¥113.6 billion	¥113.6 billion	¥109.3 billion	¥119.5 billion	¥121.2 billion	¥121.0 billion	¥124.5 billion
Total Book Value	¥113.5 billion	¥118.8 billion	¥124.1 billion	¥123.5 billion	¥133.3 billion	¥134.7 billion	¥133.6 billion	¥135.2 billion
Book-to-Market Ratio*	0.98 x	0.96 x	0.92 x	0.89 x	0.90 x	0.90 x	0.90 x	0.92 x

*Book-to-Market Ratio=Appraisal Value/Total Book Value

Unitholders (Tenth Fiscal Period End)

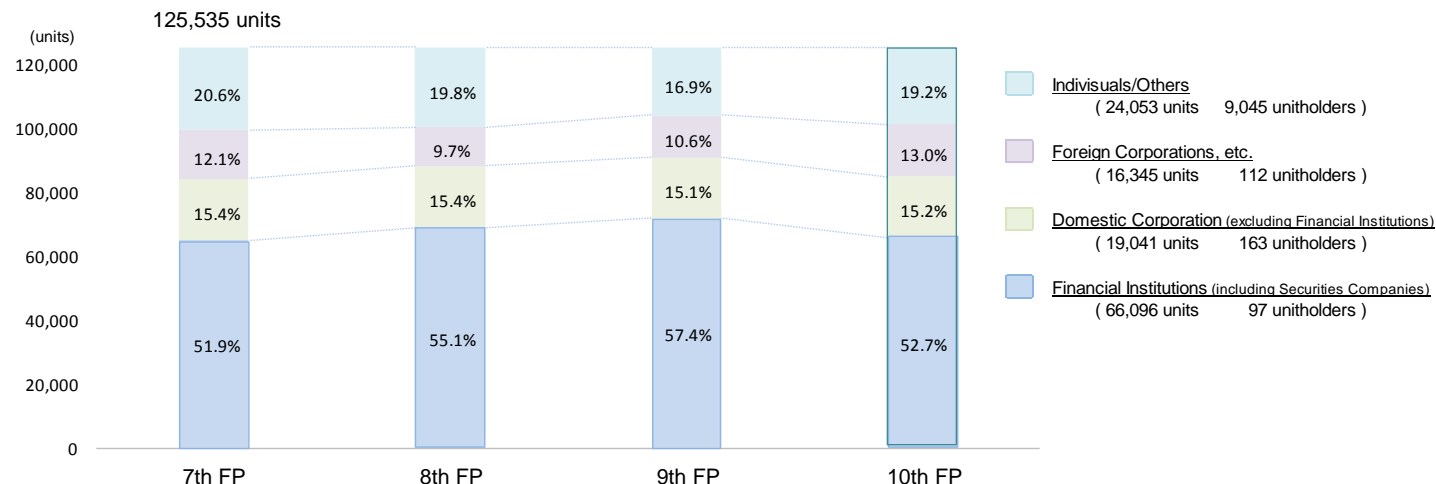


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Changes in Ratio of Units Held by Unitholders

[Note]

- Investment trusts decrease
- Regional financial institutions resume investments



[Financial Institutions]

Total	7th FP	8th FP	9th FP	10th FP
	65,108 units 51.9%	69,161 units 55.1%	72,093 units 57.4%	66,096 units 52.7%
Banks	6,436 units 5.1%	6,043 units 4.8%	6,131 units 4.9%	5,907 units 4.7%
Trust Banks	44,642 units 35.6%	47,733 units 38.0%	53,258 units 42.4%	49,472 units 39.4%
Life Insurance	3,311 units 2.6%	3,505 units 2.8%	3,435 units 2.7%	1,954 units 1.6%
Non-life Insurance	3,191 units 2.5%	2,210 units 1.8%	1,665 units 1.3%	1,665 units 1.3%
Securities Companies, etc.	1,087 units 0.9%	3,233 units 2.6%	2,127 units 1.7%	1,589 units 1.3%
Other	6,441 units 5.1%	6,437 units 5.1%	5,477 units 4.4%	5,509 units 4.4%

Top 10 Unitholders

#	Unitholders	Units	Ratio (%)	#	Unitholders	Units	Ratio (%)
1	Japan Trustee Services Bank, Ltd.	23,659	18.85	6	Nomura Bank (Luxembourg) S.A.	2,827	2.25
2	Nomura Real Estate Development Co., Ltd.	15,240	12.14	7	The Bank of New York Treaty Jasdec Account	2,738	2.18
3	The Nomura Trust and Banking Co., Ltd.	9,962	7.94	8	National Mutual Insurance Federation of Agriculture Cooperatives	1,460	1.16
4	The Master Trust Bank of Japan, Ltd.	6,904	5.50	9	Trust and Custody Services Bank, Ltd.	1,029	0.82
5	Trust and Custody Services Bank, Ltd.	5,811	4.63	10	Nippon Tosho Fukyu Co., Ltd.	991	0.79
Total						70,621	56.26

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

Changes in Investment Unit Price and Cash Distribution

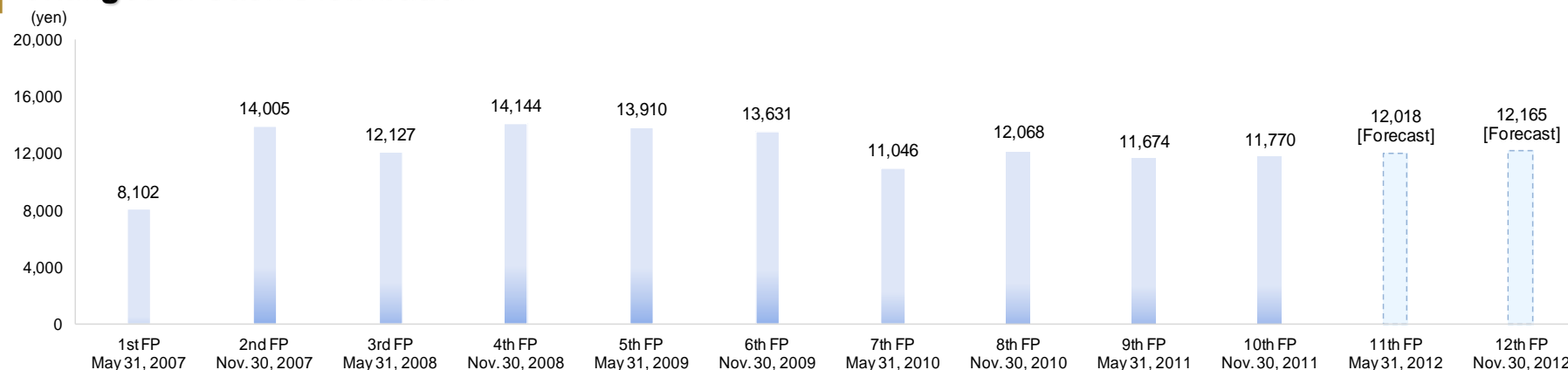


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Changes in Investment Unit Price



Changes in Cash Distribution



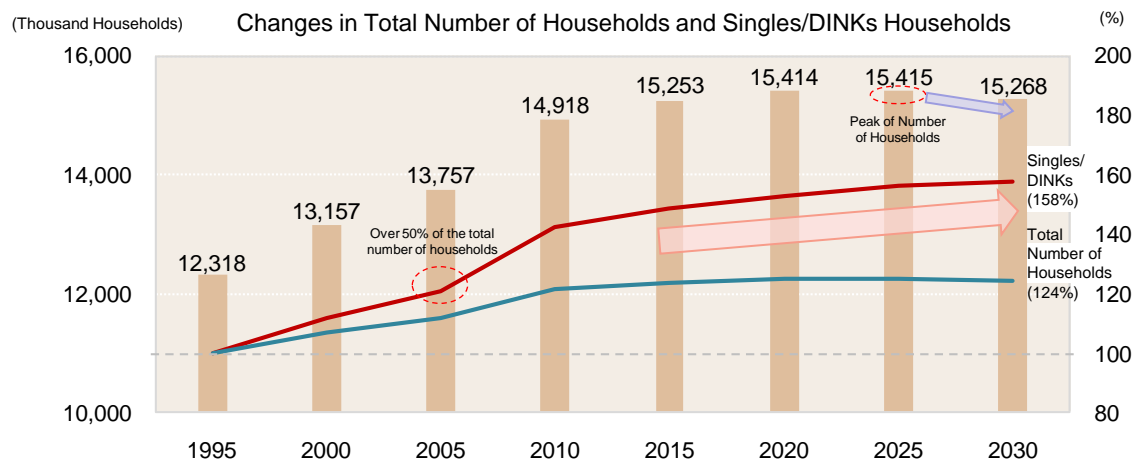


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APPENDIX



Changes in Number of Households (“Total” “Singles” “DINKs”) [Greater Tokyo Area]

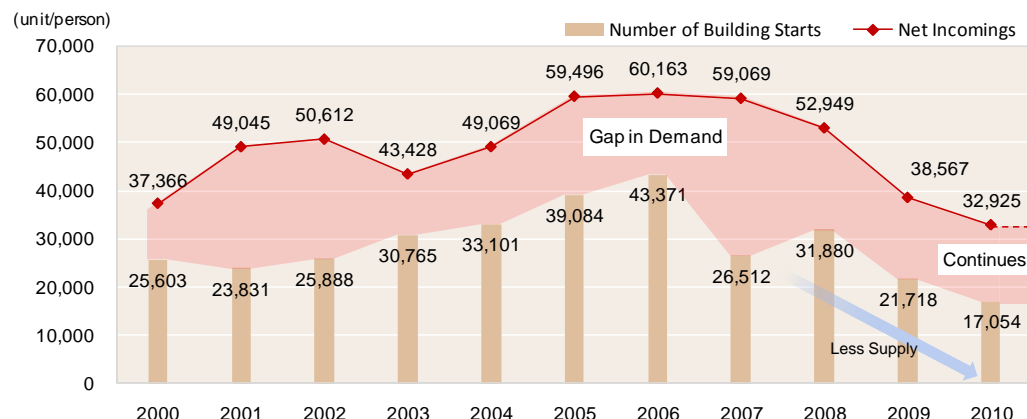


Source: National Institute of Population and Social Security Research

- Households due to start decline in 2025
- Single and DINKs households will continue to increase
- Over 50% of the household ratio after 2005 are singles and DINKs households

➡ Small households, such as singles/DINKs, will continue to steadily increase.

Changes in Number of Net Inflow and Rental Housing Under Construction [23 Wards of Tokyo]



Source: Ministry of Land, Infrastructure, Transport and Tourism, Policy Bureau, Information Security, Research and Statistics Division
Tokyo Metropolitan Government Bureau of General Affairs

- Excess population inflow will continue in Tokyo
- A demand/supply gap will potentially occur

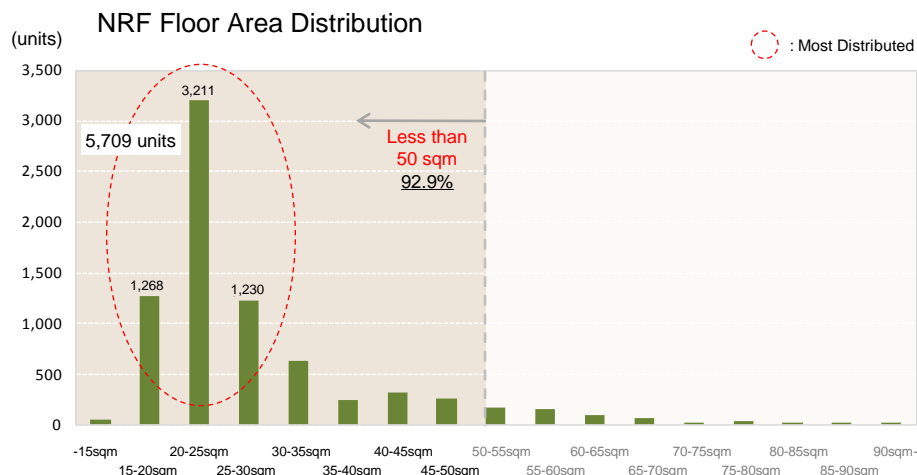
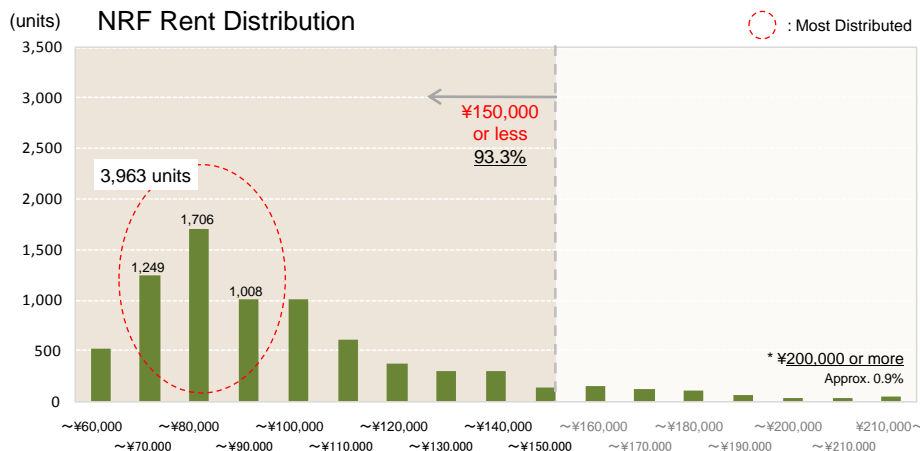
➡ Stable tenant demand

NRF Portfolio: Selective Investment of “Core Units”



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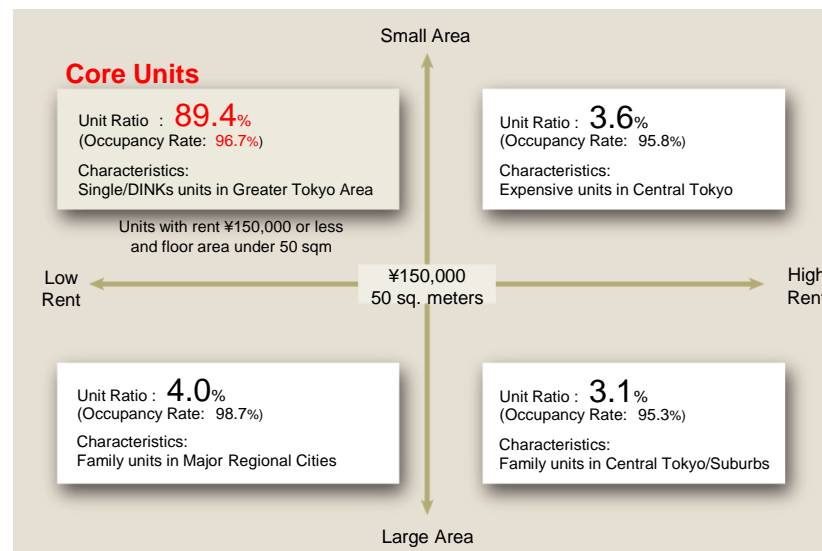
Target Tenant Class with Strong Demands and Stable Rent Potential



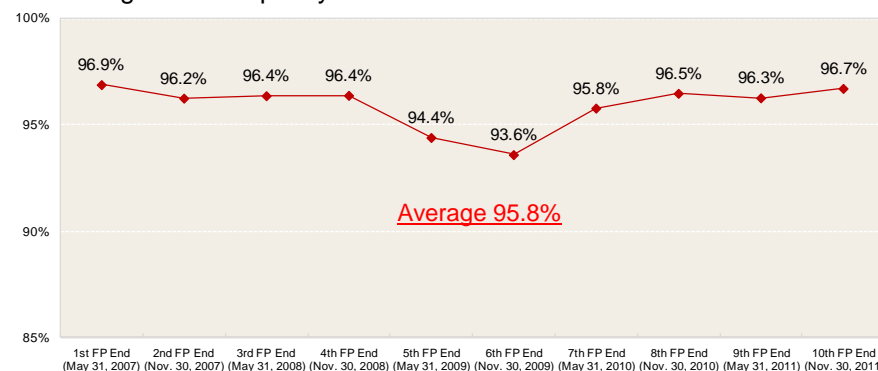
*Units : 7,743 units (only residential units) (as of 10th FP End)

Core Units (rent ¥150,000 or less, floor area under 50 sqm)

At 10th Fiscal Period End



Changes in Occupancy Rate of Core Units



Portfolio Status (Tenth Fiscal Period End)

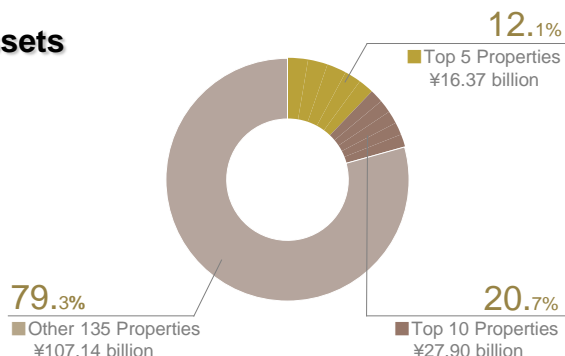


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Diversification Within Assets

Improve portfolio stability
through promotion of
diversification

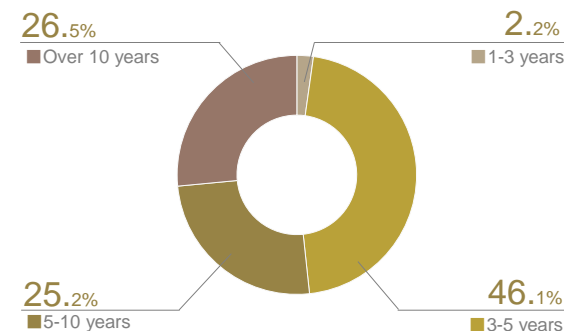
⇒Top 10 Properties **20.7%**



Building Age

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

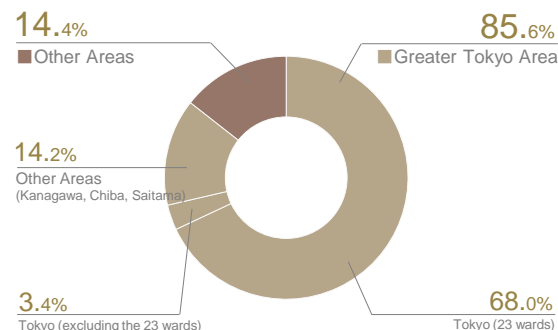
⇒Average Building Age **9.0 Years**



Investment Area

Greater Tokyo Area 70% or more
Other Areas 30% or less

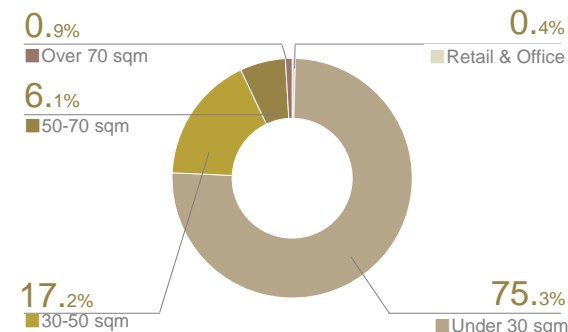
⇒Greater Tokyo Area **85.6%**



Floor Area Per Unit

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

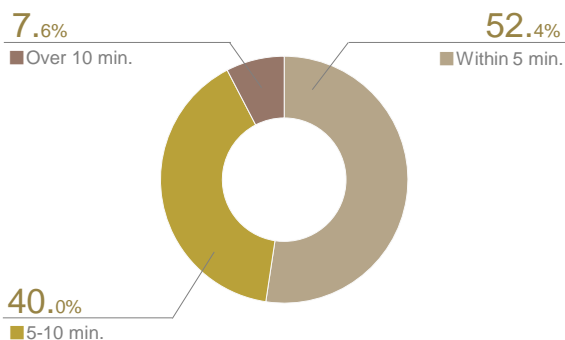
⇒Under 50 sqm **92.5%**



Nearest Station on Foot

Selection focusing on
accessibility to the nearest
railway stations

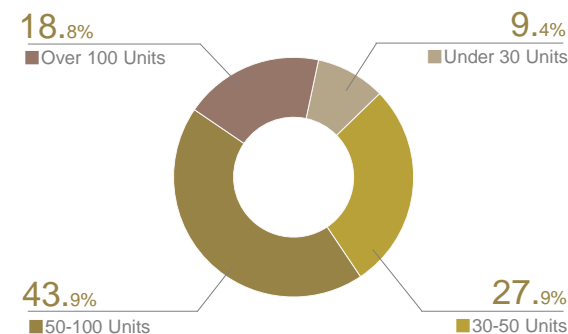
⇒Within 10 min. **92.4%**



Units Per Property

Investing in properties with
strong lease-up potential in a
short timeframe

⇒Average Unit Per Property **53 Units**



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

Portfolio Map (145 Properties)



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#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 10th FP)(%)
1	PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	3,510,000	2.6	2,950.11	106	95.9
2	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	0.8	1,151.34	44	100.0
3	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.6	958.98	31	100.0
4	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.6	638.70	30	86.7
5	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.6	934.39	41	100.0
6	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.7	855.23	40	100.0
7	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	1.7	3,055.21	110	98.4
8	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	1.1	1,793.43	70	97.8
9	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,110,000	0.8	1,450.91	60	95.4
10	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,010,000	0.8	1,102.20	41	97.1
11	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	1.0	1,277.82	48	96.2
12	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	0.8	1,541.64	67	95.8
13	PROUD FLAT Kamata II	Ota-ku, Tokyo	2,980,000	2.2	4,051.72	169	99.5
14	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	695,000	0.5	752.09	35	91.6
15	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	900,000	0.7	1,209.56	55	100.0
16	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	650,000	0.5	830.55	35	97.5
17	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,130,000	0.8	1,191.08	55	96.3
18	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,960,000	1.5	2,685.39	79	99.0
19	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	1.7	3,118.12	113	99.2
20	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	2,770,000	2.1	4,872.17	200	100.0
21	PRIME URBAN Akasaka	Minato-ku, Tokyo	956,000	0.7	1,062.05	25	95.1
22	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.7	1,107.36	48	93.8
23	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.3	439.56	19	100.0
24	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	0.9	1,277.04	52	96.4
25	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.5	793.87	32	100.0
26	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,030,000	1.5	2,087.70	90	92.6
27	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	0.9	1,444.40	29	93.6
28	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	1.0	1,302.42	49	95.9
29	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.7	1,008.39	32	88.8
30	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.4	655.27	22	90.4
31	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.3	453.77	24	100.0
32	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	2.7	2,955.74	99	95.5
33	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.7	1,069.82	42	94.4
34	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,700,000	1.3	1,759.11	51	94.4
35	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	1.0	1,459.86	60	93.6
36	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.7	1,162.55	46	100.0
37	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.4	578.18	14	100.0

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 10th FP)(%)
38	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	503,000	0.4	507.11	28	100.0
39	PRIME URBAN Sangen Jaya	Setagaya-ku, Tokyo	835,000	0.6	874.15	33	100.0
40	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	840,000	0.6	1,049.73	41	97.6
41	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.5	835.05	33	100.0
42	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	413,000	0.3	576.20	23	100.0
43	PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	885,000	0.7	1,027.44	38	97.5
44	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	624,000	0.5	961.25	46	97.9
45	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,700,000	1.3	2,106.16	99	99.0
46	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.6	1,190.70	54	96.3
47	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	576,000	0.4	834.90	46	100.0
48	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.7	1,100.17	44	98.0
49	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.5	818.75	33	97.6
50	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.3	543.09	24	100.0
51	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.6	944.99	46	92.5
52	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	1.6	3,207.92	118	97.5
53	PRIME URBAN Kameido	Koto-ku, Tokyo	705,000	0.5	1,117.34	52	100.0
54	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	552,000	0.4	813.52	40	97.5
55	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,180,000	0.9	1,886.50	77	97.4
56	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	668,000	0.5	991.62	49	100.0
57	PRIME URBAN Hirai	Edogawa-ku, Tokyo	700,000	0.5	1,095.91	53	88.6
58	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.5	905.81	45	95.6
59	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.7	1,437.84	68	94.1
60	PRIME URBAN Shinyurigaoka	Kawasaki-shi, Kanagawa	1,210,000	0.9	1,708.19	64	100.0
61	PRIME URBAN Urayasu	Urayasu-shi, Chiba	840,000	0.6	1,264.84	60	95.0
62	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.5	1,151.36	52	90.4
63	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	741,000	0.6	1,244.00	58	100.0
64	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	476,000	0.4	778.19	37	89.2
65	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.6	1,237.80	60	96.7
66	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	1.6	2,477.11	98	98.4
67	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	991,000	0.7	1,222.13	40	90.0
68	URBAN STAGE Shibaura LOFT	Minato-ku, Tokyo	1,510,000	1.1	1,905.39	68	98.0
69	URBAN STAGE Hatagaya	Shibuya-ku, Tokyo	452,000	0.3	650.60	38	94.6
70	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	524,000	0.4	996.81	16	100.0
71	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	2,290,000	1.7	4,524.00	145	98.6
72	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	2,250,000	1.7	3,600.61	46	94.7
73	URBAN STAGE Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	3,530,000	2.6	5,926.17	124	95.2
74	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.5	662.58	27	96.3

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 10th FP)(%)
75	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.5	1,237.98	18	100.0
76	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	324,000	0.2	517.53	32	93.7
77	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.5	1,053.39	28	100.0
78	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	362,000	0.3	567.20	34	97.1
79	URBAN STAGE Kamiuma	Setagaya-ku, Tokyo	900,000	0.7	1,739.86	37	96.4
80	URBAN STAGE Sangen Jaya	Setagaya-ku, Tokyo	755,000	0.6	1,018.72	47	94.6
81	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.5	1,774.01	27	96.8
82	URBAN STAGE Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.4	810.98	17	86.2
83	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	396,000	0.3	572.41	26	100.0
84	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	344,000	0.3	507.52	28	92.7
85	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.5	1,384.45	29	89.9
86	URBAN STAGE Yoga	Setagaya-ku, Tokyo	1,150,000	0.9	1,773.05	54	87.0
87	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	530,000	0.4	722.70	45	91.1
88	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,100,000	0.8	1,782.26	93	97.0
89	URBAN STAGE Yukigaya	Ota-ku, Tokyo	970,000	0.7	1,536.59	94	96.8
90	URBAN STAGE Ikegami	Ota-ku, Tokyo	1,460,000	1.1	2,456.48	95	98.5
91	URBAN STAGE Nakano	Nakano-ku, Tokyo	472,000	0.4	801.30	51	92.7
92	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,080,000	0.8	1,746.20	107	91.7
93	URBAN STAGE Komagome	Toshima-ku, Tokyo	412,000	0.3	990.18	19	100.0
94	URBAN STAGE Mukojima	Sumida-ku, Tokyo	487,000	0.4	1,108.91	55	98.1
95	URBAN STAGE Kasai East	Edogawa-ku, Tokyo	940,000	0.7	2,324.99	78	100.0
96	URBAN STAGE Ekoda	Nerima-ku, Tokyo	385,000	0.3	872.49	35	94.8
97	URBAN STAGE Takinokawa	Kita-ku, Tokyo	287,000	0.2	554.39	29	97.0
98	URBAN STAGE Itabashi Kuyakushomae	Itabashi-ku, Tokyo	940,000	0.7	1,742.64	68	94.1
99	URBAN STAGE Asakusa	Taito-ku, Tokyo	350,000	0.3	876.70	22	100.0
100	URBAN STAGE Machiya	Arakawa-ku, Tokyo	210,000	0.2	455.19	26	95.9
101	URBAN STAGE Koganei	Koganei-shi, Tokyo	229,000	0.2	682.43	27	100.0
102	URBAN STAGE Musashi Koganei	Koganei-shi, Tokyo	2,390,000	1.8	5,999.80	98	97.9
103	URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	1,590,000	1.2	2,961.06	80	100.0
104	URBAN STAGE Hino	Hino-shi, Tokyo	319,000	0.2	994.68	54	96.3
105	URBAN STAGE Musashi Kosugi comodo	Nakahara-shi, Kanagawa	2,150,000	1.6	3,690.37	56	92.9
106	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	0.9	1,706.46	80	91.2
107	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.3	952.06	50	96.1
108	URBAN STAGE Urayasu	Urayasu-shi, Chiba	277,000	0.2	437.94	27	96.3
109	URBAN STAGE Minami Gyotoku I	Ichikawa-shi, Chiba	357,000	0.3	682.05	41	90.3
110	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	285,000	0.2	611.61	37	73.0
111	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	263,000	0.2	542.69	33	93.9

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 10th FP)(%)
112	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	256,000	0.2	535.08	32	93.8
113	URBAN STAGE Gyotoku Ekimae	Ichikawa-shi, Chiba	561,000	0.4	927.33	46	93.5
114	URBAN STAGE Minami Gyotoku V	Ichikawa-shi, Chiba	293,000	0.2	662.68	38	87.5
115	URBAN STAGE Gyotoku	Ichikawa-shi, Chiba	948,000	0.7	1,766.47	77	100.0
116	URBAN STAGE Minami Urawa	Saitama-shi, Saitama	274,000	0.2	694.05	32	97.0
Greater Tokyo Area			115,599,000	85.6	165,989	6,188	96.4
117	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.5	1,861.56	60	97.8
118	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	724,000	0.5	1,967.54	64	100.0
119	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	377,000	0.3	1,518.58	33	100.0
120	PRIME URBAN Kita Juyo Jo	Sapporo-shi, Hokkaido	336,000	0.2	1,155.60	36	95.3
121	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	530,000	0.4	1,850.20	53	100.0
122	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	322,000	0.2	1,148.72	36	100.0
123	PRIME URBAN Kita Juichi Jo	Sapporo-shi, Hokkaido	600,000	0.4	1,851.39	60	96.8
124	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.4	2,114.53	54	100.0
125	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.3	1,494.36	36	97.7
126	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	337,900	0.3	1,007.30	42	100.0
127	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.2	911.07	27	81.5
128	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.4	1,773.90	36	88.9
129	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.5	2,439.90	58	94.9
130	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	1,110,000	0.8	3,411.24	60	100.0
131	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	428,000	0.3	1,380.21	43	100.0
132	PRIME URBAN Aoi	Nagoya-shi, Aichi	724,000	0.5	1,571.04	46	98.1
133	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.5	1,391.02	58	100.0
134	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	1,189,096	0.9	2,502.11	104	96.1
135	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.5	1,189.12	48	97.9
136	PRIME URBAN Esaka II	Suita-shi, Osaka	790,000	0.6	1,392.00	57	100.0
137	PRIME URBAN Esaka III	Suita-shi, Osaka	1,535,000	1.1	2,151.67	79	95.2
138	URBAN STAGE Tsutsumidori Amamiya	Sendai-shi, Miyagi	969,000	0.7	4,251.91	65	100.0
139	URBAN STAGE Kamimaezu	Nagoya-shi, Aichi	1,250,000	0.9	3,541.43	101	97.2
140	URBAN STAGE Tamatsukuri	Osaka-shi, Osaka	906,000	0.7	2,373.10	80	100.0
141	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	830,000	0.6	2,176.23	67	95.0
142	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.3	897.84	34	97.2
143	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	396,000	0.3	1,222.34	39	97.7
144	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	693,000	0.5	1,854.13	65	100.0
145	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	545,000	0.4	1,740.70	48	100.0
Other Areas			19,447,696	14.4	54,140.74	1,589	97.8
Total			135,046,696	100.0	220,129.28	7,777	96.8

Changes in Financial Performance



NOMURA
Residential Fund

		5th FP	6th FP	7th FP	8th FP	9th FP	10th FP
Operating Revenues	million yen	4,025	3,959	4,323	4,466	4,510	4,445
Operating Income	million yen	1,949	1,926	2,037	2,150	2,177	2,098
Net Income	million yen	1,345	1,319	1,386	1,514	1,465	1,477
Asset Total	million yen	130,433	128,433	138,755	140,614	140,534	140,152
Interest-bearing Debt Total	million yen	72,996	70,976	73,046	74,676	74,606	74,216
Net Asset	million yen	55,115	55,088	63,186	63,314	63,265	63,277
Return on Assets (ROA)	%	2.1	2.0	2.0	2.2	2.2	2.1
Return on Equity (ROE)	%	4.9	4.8	4.4	4.8	4.6	4.7
FP End Capital Adequacy Ratio	%	42.3	42.9	45.5	45.0	45.0	45.1
LTV	%	56.0	55.3	52.6	53.1	53.1	53.0
Interest Coverage Ratio	times	3.4	3.3	3.4	3.5	3.4	3.6
Weighted Average Interest Rate	%	1.57	1.61	1.61	1.62	1.61	1.47
Long-term Debt Average Remaining Duration	years	2.8	2.8	2.4	2.1	2.8	1.4
Rent NOI	million yen	3,138	3,125	3,300	3,459	3,452	3,424
NOI Yield (acquisition price base)	%	5.17	5.15	5.02	5.19	5.20	5.06
FFO	million yen	2,089	2,055	2,174	2,305	2,251	2,285
Portfolio	properties	139	139	143	144	143	145
Acquisition Price Total	million yen	121,482	121,482	131,462	133,416	132,890	135,046
Book Value Total	million yen	124,095	123,545	133,272	134,701	133,564	135,196
Appraisal Value Total	million yen	113,576	109,349	119,471	121,231	121,042	124,512
NAV per Unit	thousand yen	460	422	393	397	404	418

ROA=Current Profits/(Total Asset Value at Start of FP+Total Asset Value at FP End):2x100 *annual basis

ROE=Net Income/(Total Asset Value at FP Start+Total Asset Value at FP End):2x100 *annual basis

Capital Adequacy Ratio at FP End=Net Asset at FP End/Total Asset at FP End x 100

LTV=Total Interest-bearing Debt at FP End/Total Asset at FP End x 100

Interest Coverage Ratio=Net Income Before Interest Depreciation/(Interest Expenses+Investment Corporation Bond Interest)

Rent NOI=Real Estate Rental Business Revenues-Real Estate Rental Business Income+Current FP Depreciation and Amortization

NOI Yield (Acquisition Price Base)=Rent NOI/Total Acquisition Price x 100 *annual basis

FFO=Net Income+Current FP Depreciation and Amortization+Investment Corporation Bond Issuance Amortization-Real Estate Disposition Profit & Loss

NAV per Unit=[Net Asset Total-(Income Statement Total-Appraisal Value Total)]/Total Number of Investment Units Issued

*annual basis=each measure/operating days x 365 days

Interest-bearing Debts (Tenth Fiscal Period End)



NOMURA
Residential Fund

FP of Repayment	Amount of Repayment	Lender	Amount	Type of Interest	Interest Rate	Date of Loan	Date of Repayment	Category
11th Fiscal Period (ending May 31, 2012)	¥25,234 million	2 Lenders	¥5,048 million	Fixed Rate (Note 1)	1.43250%	Dec. 26, 2008	Dec. 26, 2011	Shot-term Loan ¥37,834 million
		2 Lenders	¥9,096 million	Floating Rate	1.14857% (Note 4)	Jun. 28, 2010	Dec. 26, 2011	
		7 Lenders	¥11,000 million	Fixed Rate (Note 1)	1.79300%	Feb. 27, 2007	Feb. 27, 2012	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
12th Fiscal Period (ending Nov. 30, 2012)	¥12,600 million	2 Lenders	¥2,200 million	Fixed Rate	1.81375%	Apr. 27, 2007	Aug. 27, 2012	
		5 Lenders	¥2,600 million	Fixed Rate (Note 1)	1.49300%	Aug. 27, 2009	Aug. 27, 2012	
		1 Lenders	¥1,720 million	Floating Rate	1.25071% (Note 4)	Sep. 7, 2010	Aug. 27, 2012	
		7 Lenders	¥5,990 million	Floating Rate	0.66792% (Note 4)	Aug. 26, 2011	Aug. 27, 2012	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
13th Fiscal Period (ending May 31, 2013)	¥7,190 million	4 Lenders	¥1,600 million	Fixed Rate (Note 1)	1.51625%	Dec. 3, 2009	Dec. 3, 2012	Long-term Loan ¥31,382 million
		3 Lenders	¥5,500 million	Fixed Rate	1.83625%	May 23, 2008	May 23, 2013	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
14th Fiscal Period (ending Nov. 30, 2013)	¥6,362 million	3 Lenders	¥5,472 million	Fixed Rate (Note 1)	1.74250%	Sep. 29, 2008	Sep. 29, 2013	
		1 Lender	¥800 million	Fixed Rate	1.99875%	Sep. 27, 2007	Sep. 30, 2013	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
15th Fiscal Period (ending May 31, 2014)	¥9,290 million	2 Lenders	¥2,000 million	Fixed Rate (Note 1)	2.14360%	Feb. 27, 2007	Feb. 27, 2014	
		1 Lender	¥2,000 million	Fixed Rate	2.13625%	Feb. 27, 2007	Feb. 27, 2014	
		3 Lenders	¥1,700 million	Floating Rate	0.89873% (Note 4)	Aug. 26, 2011	Feb. 27, 2014	
		6 Lenders	¥3,500 million	Floating Rate	0.89873% (Note 4)	Sep. 30, 2011	Feb. 27, 2014	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
16th Fiscal Period (ending Nov. 30, 2014)	¥3,490 million	3 Lenders	¥3,400 million	Fixed Rate (Note 1)	0.94700%	Sep. 5, 2011	Sep. 5, 2014	Long-term Loan ¥31,382 million
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
17th Fiscal Period (ending May 31, 2015)	¥2,390 million	1 Lender	¥1,000 million	Fixed Rate (Note 1)	1.79200%	Feb. 26, 2010	Feb. 26, 2015	
		1 Lender	¥1,300 million	Fixed Rate	2.23500%	May 15, 2007	Feb. 27, 2015	
		1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
18th Fiscal Period (ending Nov. 30, 2015)	¥90 million	1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
19th Fiscal Period (ending May 31, 2016)	¥90 million	1 Lender	¥40 million	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	Long-term Loan ¥31,382 million
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
20th Fiscal Period (ending Nov. 30, 2016)	¥1,130 million	1 Lender	¥1,080 million	Fixed Rate	2.10000%	Aug. 27, 2009	Aug. 27, 2016	
		1 Lender	¥50 million	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	
21st Fiscal Period (ending May 31, 2017)	¥1,350 million	1 Lender	¥1,350 million	Fixed Rate	2.03000%	Feb. 26, 2010	Feb. 26, 2017	
	¥69,216 million	16 Lenders	—	—	—	—	—	
19th Fiscal Period (ending May 31, 2016)	¥5,000 million	Investment Corporation Bond	¥5,000 million	—	1.21000%	Feb. 25, 2011	Feb. 25, 2016	
	¥74,216 million	—	—	—	—	—	—	

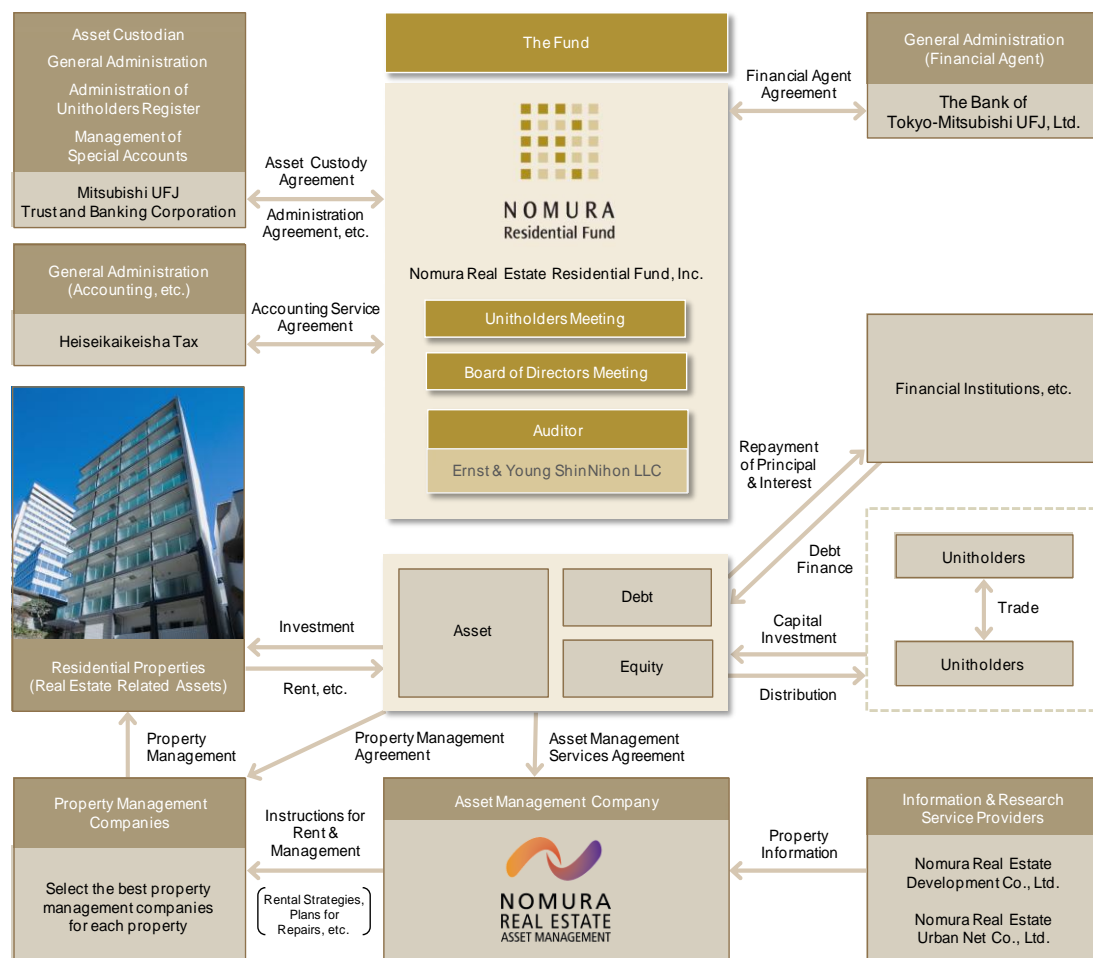
(Note 1) The interest rate stated regarding this loan takes into consideration the Interest Rate Swap transaction.

(Note 2) The amount of ¥40 million to be repaid on February 27, 2010, the first repayment date, and every August 27 and February 27 thereafter, until the last repayment of ¥1,080 million on August 27, 2016.

(Note 3) The amount of ¥50 million to be repaid on August 26, 2010, the first repayment date, and every February 26 and August 26 thereafter, until the last repayment of ¥1,350 million on February 26, 2017.

(Note 4) Regarding the Floating Rate, the interest rate as of the end of the 10th Fiscal Period is stated.

Structure



History

July 28, 2006

Notification of incorporation by the founder (Nomura Real Estate Asset Management Co., Ltd.) under Article 69 of the Investment Trust Law.

August 3, 2006

Registration of incorporation under Article 166 of the Investment Trust Law. Incorporation of the Nomura Real Estate Residential Fund, Inc.

August 4, 2006

Applied for registration under Article 188 of the Investment Trust Law.

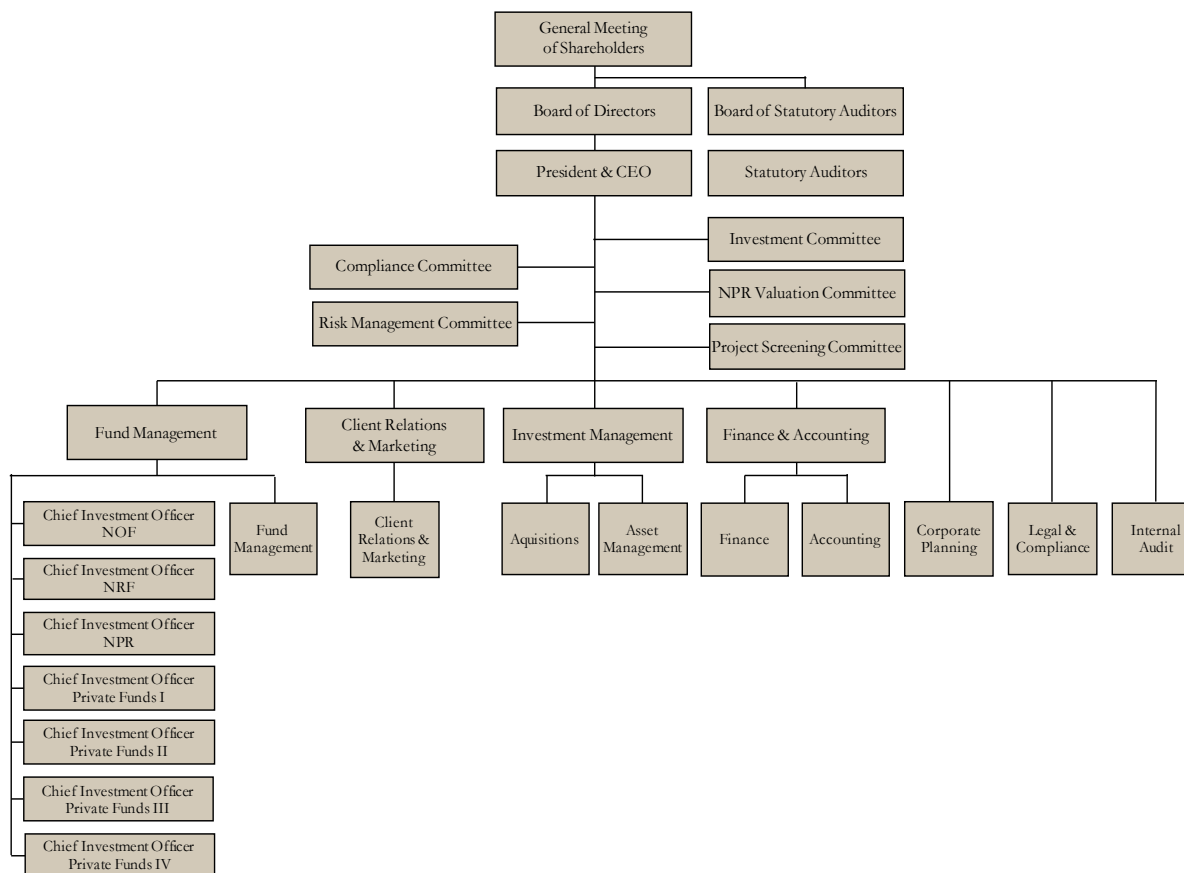
August 24, 2006

Registration approved by the Prime Minister of Japan under Article 187 of the Investment Trust Law (Registration number 56, filed with the Director of the Kanto Local Finance Bureau).

February 14, 2007

Listing on the Tokyo Stock Exchange.

Structure



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

Atsushi Ogata, President & CEO (since Apr. 2010)

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



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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.

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