

NOMURA REAL ESTATE RESIDENTIAL FUND 14th Fiscal Period

(Ended November 30, 2013)

Analyst Meeting Presentation Material



January 16, 2014



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January 16	2014	Fund Profile
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31~35



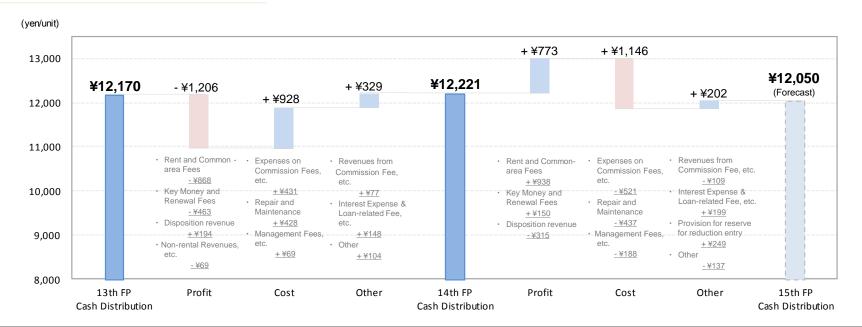
14th FP Financial Statement Overview

Financial Statement Overview

	13th Fiscal Period (ended May 31, 2013)	14th Fiscal Period (ended Nov. 30, 2013)	Difference (previous period)	15th FP Forecasts (ending May 31, 2014) Difference to 14th FP Results
Operating Revenues	¥5,257 million	¥5,406 million	+ 2.8 %	¥5,531 million + 2.3 %
Operating Profits	¥2,433 million	¥2,558 million	+ 5.1 %	¥2,462 million - 3.7 %
Net Income	¥1,876 million	¥1,965 million	+ 4.7 %	¥1,897 million - 3.4 %
Cash Distribution Per Unit	¥12,170	¥12,221	+ 0.4 %	¥12,050 - 1.4 %
		(Forecast Appounced in Aug. 20	12: ¥12 100/unit)	(Forecast Announced in Aug. 2013: ¥12 250/unit)

(Forecast Announced in Aug. 2013: ¥12,100/unit)

Difference in Cash Distribution



^{*} Cash distribution per unit for the 15th fiscal period (ending May 2014) shown in the chart is the forecast as of January 15, 2014. Actual figures may change due to the acquisition or sales of properties, changes in real estate markets, and other conditions surrounding NRF. NRF does not guarantee the cash distribution per unit predicted in this forecast.

Highlights of the 14th Fiscal Period

Acquisition

Improving portfolio quality

Public Offering

8 Properties acquisition

Acquisition Price	:	¥12.33 billion
NOI Yield	:	5.2 %
Building Age	:	6.8 years



Strategy for Replacing Properties

4 Properties disposition

Disposition Price	:	¥1.38 billion
NOI Yield	:	3.6 %
Building Age	:	22.6 years



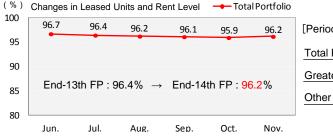
PU Kitasenzoku

[Portfolio at Nov. 30, 2013 (155 properties)]

Asset Size	:	¥161.91 billion
Portfolio NOI Yield	:	5.3 %
Building Age	:	10.0 years

Management

Maintain high occupancy rate



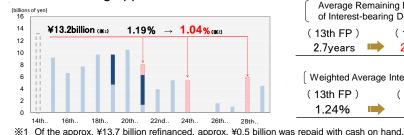
[Period average occupancy rate] Total Portfolio 96.2 % Greater Tokyo Area 95.7 % 97.4 % Other Areas

Increasing property competitiveness through renovation Renovated common areas and units

■ US Kamiuma: Rents increased approx. 9.2% after renovation

Finance

Refinancing approx. ¥13.7 billion





X2 The average interest rate of the refinanced portion is indicated.

Improving Portfolio Quality + Maintain High Occupancy Rate + Effective Refinancing

Continuing Stable Cash Distribution

For acquisitions, the NOI yield is sought by dividing the total annual NOI indicated in the real estate appraisal reports of each property at the time of their acquisition by the total acquisition price of each acquired asset. For sales, the NOI yield is sought by dividing the total rent NOI annualized based on the number of operating days by the total acquisition price of each of NRF's assets in the period in which each asset was sold *2 The building age is as of the point of acquisition or sale of each property.



4th Public Offerring

- ✓ Increase the asset size (8.2% increase)
- ✓ Increase ratio for Greater Tokyo Area (0.3 point increase)
- ✓ Improve portfolio quality (decrease average building age by 0.2 years)

	Existing Portfolio		New ly Acquired Properties	,	Total (September 3)	Effect
Number of Properties	151		7		158	Expansion of Assets
Total Acquisition Price	¥150.39 billion	*	¥12.33 billion		¥162.72 billion	Expansion of Assets
Ratio of Tokyo Metropolitan Area	81.0 %	· +	85.6 %	81.3 %	Enhancement of Tokyo Metropolitan Area Ratio	
Portfilio NOI Yield	5.36 %		5.21 %		5.35 %	Enhancement of
Building Age	10.1 years	•	6.8 years		9.9 years	Portfoilio Quality



NOI Yield



Location : Meguro-ku, Tokyo



Location : Meguro-ku, Tokyo



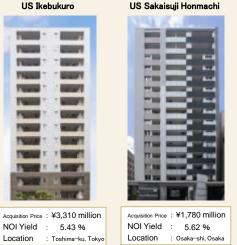


4.96 %

Location : Shinjuku-ku, Tokyo

NOI Yield





^{*1} For assets already acquired, the NOI yield is sought by dividing the total rent NOI annualized based on the number of operating days in the 13th Fiscal Period by the total acquisition price of each of NRF's assets. For newly acquired properties, the NOI yield is sought by dividing the total annual NOI indicated in the real estate appraisal reports of each property at the time of their acquisition by the total acquisition price of each acquired asset. *2 The average building age is as of September 3, 2013.

Location : Chuo-ku, Tokyo

5.10 %

: Shibuya-ku, Tokyo

Strategy for Replacing Properties

- ✓ Property replacements have been ongoing since the 8th Fiscal Period (4 properties were transferred in the 14th Fiscal Period (total of 1.38 billion ven))
- ✓ Replace with highly competitive properties considering building age, merchantability and other factors →Increase of the portfolio's quality and profitability

Disposition



Number of

Properties







US Minami Gyotoku V

10 Properties

Average NOI Yield

4.14 Billion ven Property Price

Average Building Age 19.4 Years %2

*1: The average NOI yield is the NOI in the appraisal report weighted by the acquisition price.

*2: The average building age is weighted by acquisition price.

funds from sale

Aging of buildings

 Decrease of profitability

Reinvestment with

Acquisition



Number of **Properties**

Property Price



US Koganei



7 Properties





US Yoga



Average NOI Yield

Average Building Age

4.7 Years *4

*3: The average NOI yield is weighted by acquisition price.

*4: The average building age is weighted by acquisition price.

*5 Properties acquired with the 3rd and 4th public offerings are not included as they are not part of the strategy for replacing properties.

Low building age

· High profitability



NOMURA Residential Fund

Portfolio at 14th Fiscal Period End

Number of **Properties**

155 Properties

Property Price

161.91 Billion yen

Portfolio NOI Yield

5.3

Average Building Age

10.0 Years

Increase of the portfolio's quality and profitability

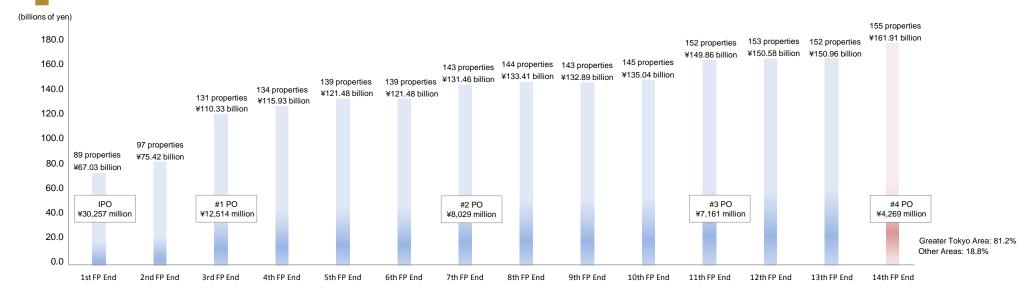
Changes in Asset Size

- ✓ Focused investment in properties targeting single and DINKs households
- ✓ The portfolio has grown steadily to approx. 2.4 times the size at the time of listing

Portfolio Overview (14th Fiscal Period End)

Acquisition Price	¥ 161,917 million	Number of Properties	155 properties
Total Leasable Floor Area	277,166.5 m [*]	Leasable Units	9,269 units
		Average Leasable	
Average Rent Per Unit	approx. ¥97 thousand	Floor Area Per Unit	approx. 29.9 sqm

Stable Growth of Portfolio

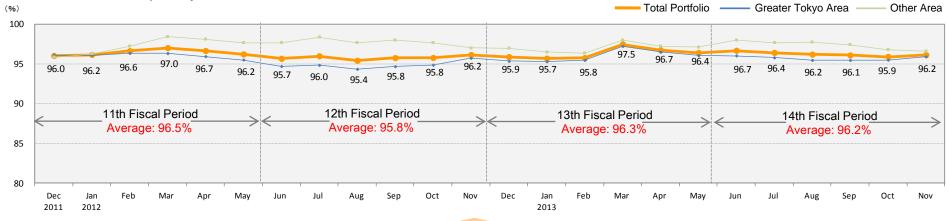


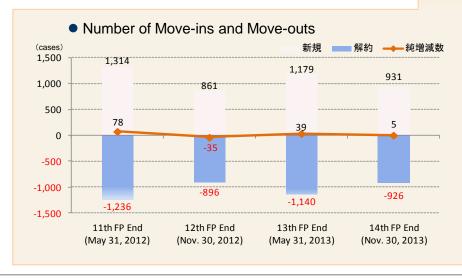
*The graph is based on the total acquisition price as of each fiscal period end (rounded down to the nearest 10 million).

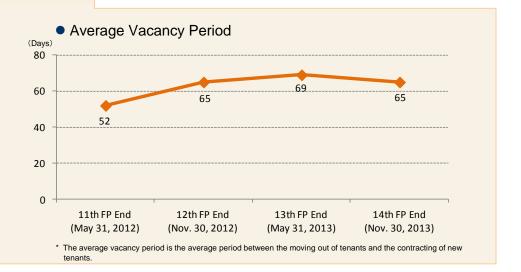
Portfolio Occupancy Rate

- ✓ Maintained high occupancy rate (average occupancy rate in the 14th fiscal period: 96.2%)
- ✓ Stability of the occupancy rate is backed by our leasing abilities (average vacancy period in the 14th Fiscal Period: 65 days)

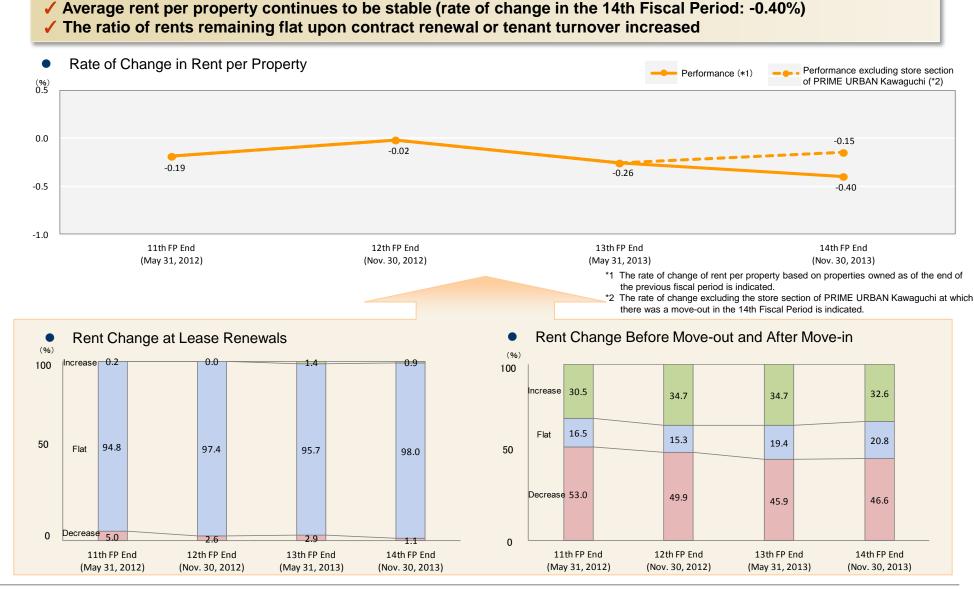
Portfolio Occupancy Rate







Changes in Leased Units and Rent Level



Renovating for Increasing Property Competitiveness

Renovation of Common Areas

URBAN STAGE Ekoda

Improved the image of the property such as by renovating the entrance and changing the floor tiles of common area hallways



Before



After



Before



After

Renovation of Unit Space

URBAN STAGE Kamiuma

Increased profitability by redoing the walls and renovating kitchens, bathrooms and such

Rent Before renovation

:¥119,000 per month After renovation :¥130,000 per month (+9.2%)







After







After

Financial Status

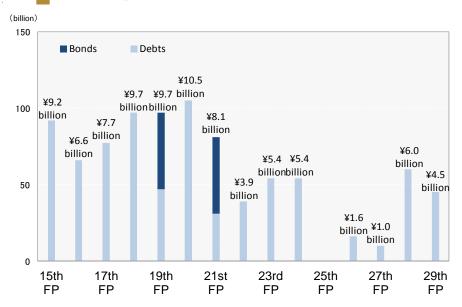
Interest-bearing Debt

Interest-bearing Debt Total	¥89,840 million
Average Remaining Duration of Interest-bearing Debt	2.9 years
Weighted Average Interest Rate	1.17 %
Long-term Interest-bearing Debt Ratio	82.2 %
Fixed-rate Interest-bearing Debt Ratio	90.7 %
LTV Level	53.5 %

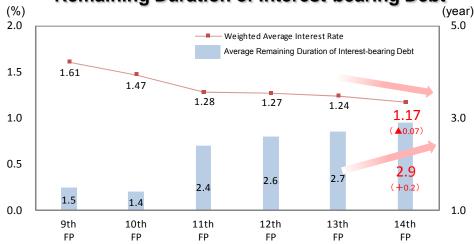
Credit Rating

Agency	Rating		Outlook
JCR	Long-term issuer rating:	AA	Stable
000	Long-Term Corporate Credit Ratings:	А	Stable
S&P	Short-Term Corporate Credit Ratings:	A-1	

Maturity Diversification



Weighted Average Interest Rate and Average Remaining Duration of Interest-bearing Debt



^{*}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%.

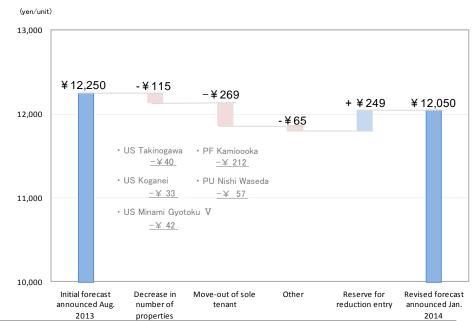
^{*&}quot;Loan Interest Rate Fixed Ratio" includes floating rate loans which have been fixed through interest rate swaps.

Forecasts for the 15th Fiscal Period

Initial Forecast	Revised Forecast
(announced Aug. 2013)	(announced Jan. 2014)

	14th Result From Jun. 1, 2013 To Nov. 30, 2013	15th FP Forecast From Dec. 1, 2013	15th FP Forecast	
		From Dec. 1, 2013		
	To Nov 30, 2013		From Dec. 1, 2013	Difference
	101101.00, 2010	To May 31, 2014	To May 31, 2014	
la contraction de la contracti	Amount	Amount	Amount	Amount
	(millions of yen)	(millions of yen)	(millions of yen)	(millions of yen)
Operating Revenue	5,406	5,571	5,531	-40
Real Estate Rental Business Reve	5,356	5,571	5,531	-40
Real Estate Disposition Revenue	50	0	0	0
Operating Expense	2,848	3,010	3,068	58
Real Estate Rental Business Expe	ı 2,250	2,366	2,434	68
Repair Expenses	225	267	282	15
Tax and Public Dues	260	263	264	1
Depreciation and Amortization	1,012	1,058	1,059	1
Asset Management Fees	383	405	400	-5
Other Operating Expenses	215	238	234	-4
Operating Profits	2,558	2,561	2,462	-99
Non-Operating Profit and Loss	592	590	564	-26
Interest Expenses	521	544	525	-19
Ordinary Income	1,966	1,971	1,898	-73
Net Income	1,965	1,969	1,897	-72
Number of Investment Units Issue (units)	160,800	160,800	160,800	0
Cash Distribution Per Unit (yen)	12,221	12,250	12,050	-200
Number of Properties operties	155	158	155	-3
Leasable Floor Area (sqm)	277,166	279,057	277,166	-1,891
Average Occupancy Rate (%)	96.2	95.8	96.2	0.4

15th FP Forecast (announced Jan. 2014) Assumptions [Number of properties and total acquisition price] Number of properties: 155 properties Total acquisition price: ¥161,917 million [Repair work] ¥320 million for the 14th period (of this, ¥94 million capital expenditure) Ex.) US Ekoda (large-scale renovation) : ¥17 million ¥414 million for the 15th period (of this, ¥132 million capital expenditure) Ex.) US Musashi Koganei (large-scale renovation) : ¥27 million US Kachidoki (update of water supply pipes : ¥21 million [Loans] Total interest-bearing debt (as of the date of this document) : ¥89,840 million Interest-bearing debt repayment due during 15th FP (after the date of this document) Refinancing (Feb. 2014) : ¥9,200million Repayment (Feb. 2014) : ¥90 million



^{*} Cash distribution per unit for the 15th fiscal period (ending May 2014) shown in the chart is the forecast as of January 15, 2014. Actual figures may change due to the acquisition or sales of properties, changes in real estate markets, and other conditions surrounding NRF. NRF does not guarantee the cash distribution per unit predicted in this forecast.

Management Strategies

Acquisition

Real Estate Investment Market

Increasing property transactions

Downward trend of yields

Improving Portfolio Quality

- ✓ Promoting property replacement continuously
 - Selling properties that are aged, or whose profitability is lowered
- Looking for properties using a variety of routes

Management

Rental Market

Continuation of tight supply-demand environment

Enhancing Portfolio Profitability

- ✓ Maintain high occupancy
- Early leasing up of property vacated by sole
- ✓ Improving lease conditions
- Increasing new asking rent in period with frequent turnover
- Increasing property competitiveness through renovations

Finance

Financial Market

Promote the continuation of monetary easing policy

Risk of rising interest rates

Improving Borrowing Conditions

- ✓ Refinancing approx. 9.2 billion yen in the 15th FP
 - Longer duration
 - Control interest costs

Maintaining a Stable Level of Cash Distribution





Income statement

			13th Fiscal Period	14th Fiscal Period	Dillerer	nce from
			From Dec. 1, 2012	From Jun. 1, 2013	Previous	s Period
			To May 31, 2013	To Nov. 30, 2013	(14th FP	- 13th FP)
			Amount (¥000)	Amount (¥000)	Difference (¥000)	Difference (%)
Operati	ing Revenue		5,257,115	5,406,759	149,643	2.8
Rea	al Estate Rental Business Revenues	*1	5,238,904	5,356,185	117,280	2.2
	Rental Business Revenues		4,836,942	5,013,520	176,577	3.7
	Other Rental Business Revenues		401,962	342,665	-59,296	-14.8
	Parking Lot Revenue		132,230	134,455	2,225	1.7
	Incidental Revenue	*2	201,809	140,643	-61,166	-30.3
	Other Real Estate Rental Revenues	*3	67,921	67,566	-355	-0.5
Rea	al Estate Disposition Revenue		18,210	50,573	32,363	177.7
Operati	ing Expense		2,823,675	2,848,657	24,982	0.9
Rea	al Estate Rental Business Expenses	*1	2,252,269	2,250,171	-2,098	-0.1
	Repair Expenses	*4	251,156	225,277	-25,878	-10.3
	Tax and Public Dues	*5	259,940	260,682	741	0.3
	Depreciation and Amortization		967,193	1,012,451	45,257	4.7
	Other Rental Business Expenses		773,978	751,760	-22,218	-2.9
Ass	set Management Fees		375,947	383,288	7,340	2.0
Oth	ner Operating Expenses	*6	195,458	215,198	19,740	10.1
	Operating Profits		2,433,439	2,558,101	124,661	5.1
Non-Op	perating Revenues		3,602	4,052	450	12.5
lon-Op	perating Expenses		558,985	596,069	37,083	6.6
Inte	erest Expenses		465,391	465,349	-42	0.0
lnv€	estment Corporation Bond Interest		56,248	55,751	-497	-0.9
Oth	ner Non-Operating Expenses	*7	37,345	74,968	37,622	100.7
	Ordinary Income		1,878,056	1,966,085	88,028	4.7
	Net Income Before Tax		1,878,056	1,966,085	88,028	4.7
Corpora	ate Income Tax, etc.		1,216	951	-265	-21.8
	Net Income		1,876,840	1,965,133	88,293	4.7
Retaine	ed Earnings Brought Forward		118	67	-50	-42.9
Retaine	ed Earnings at Fiscal Period End		1,876,958	1,965,201	88,242	4.7
Fotal C	ash Distribution		1,836,891	1,965,136	128,245	7.0

(Note) The amount of total cash distributions in the 13th Fiscal Period is the amount where the provision of reserve for reduction entry (¥40 million) is deducted from unappropriated retained earnings.

*Reference [14th Fiscal Period]

1. Real Estate Rental Business Revenues : ¥3.106.014 thousand

> (from previous FP: ¥119,378 thousand)

2. Incidental Revenues

Key Money ¥60,770 thousand ¥62,781 thousand Renewal Fee

3. Other Real Estate Rental Revenues

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

4. Renovation Expenses

Repair Expenses ¥225,277 thousand Capital Expenditure ¥94,760 thousand Total ¥320,038 thousand

5. Tax and Public Dues (152 properties at FP End)

Subject Property 147 properties **Excluded Property** 8 properties Total 155 properties

6. Other Operating Expenses

Duty Entrustment Fee ¥38.462 thousand Directors Fee, etc. ¥4,800 thousand

7. Other Non-Operating Expenses

Loan Related Expense, etc. ¥40,356 thousand

(Figures are rounded down to the nearest thousand)

Balance Sheet

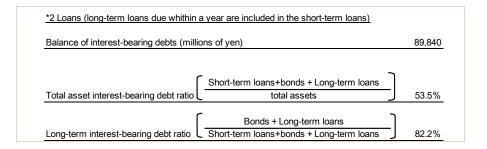


			13th Fiscal Pe		14th Fiscal Pe as of Nov. 30,	
			Amount	Ratio	Amount	Ratio
			(¥000)	(%)	(¥000)	(%)
Cur	rent As	sets	6,857,193	4.4	7,711,933	4.6
	Cash a	and Cash Equivalents	5,945,171	3.8	6,791,327	4.0
	Cash a	and Cash Equivalent in Trust	811,980	0.5	802,795	0.5
	Other	Current Assets	100,041	0.1	117,810	0.1
Fixe	ed Asse	ets	149,671,583	95.6	160,267,808	95.4
	Tangib	le Fixed Assets *1	149,656,963	95.6	160,228,831	95.4
		Real Estate	115,078,206	73.5	126,536,617	75.3
		Building	54,509,622	34.8	59,364,412	35.3
		Land	60,568,584	38.7	67,172,205	40.0
		Real Estate in Trust	34,572,444	22.1	33,683,356	20.0
		Building in Trust	11,105,042	7.1	10,762,391	6.4
		Land in Trust	23,467,401	15.0	22,920,964	13.6
		Construction in Progress	6,312	0.0	8,857	0.0
	Intangi	ible Fixed Assets	2,579	0.0	2,058	0.0
		Other Intangible Fixed Assets	2,579	0.0	2,058	0.0
	Invest	ment and Other Assets	12,040	0.0	36,918	0.0
		Security Deposits	10,879	0.0	10,819	0.0
		Long-term Repaid Expenses	1,161	0.0	26,098	0.0
Def	erred A	ssets	47,243	0.0	39,972	0.0
	Invest	ment Corporation Bond Issuing Expenses	47,243	0.0	39,972	0.0
		Total Assets	156,576,020	100.0	168,019,715	100.0

*1 Tangible Fixed Asset (unit: million of yen) Accumulated (Depreciation for Book value Depreciation current FP) at FP end Real Estate, etc. 10,407 160,228 170,636 (1,012)Building 67,247 7,883 (834)59,364 Land 67,172 67,172 13,286 2,524 (177)10,762 **Building in Trust** 22,920 22,920 Land in Trust Construction in Progress

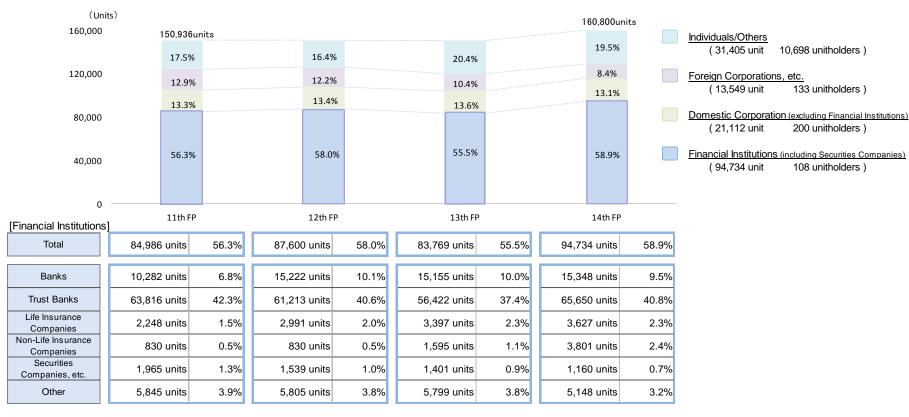
Liabilities and Net Assets

		13th Fiscal F as of May 31		14th Fiscal F as of Nov. 30	
		Amount	Ratio	Amount	Ratio
		(¥000)	(%)	(¥000)	(%)
Current Liabilities		16,979,054	10.8	17,410,010	10.4
Trade Accounts Payable		218,477	0.1	259,584	0.2
Long-term Loan Due Within One Year	*2	15,652,000	10.0	15,950,000	9.5
Other Accounts Payable		292,165	0.2	342,714	0.2
Taxes Payable		15,782	0.0	753	0.0
Accrued Expenses		137,301	0.1	129,601	0.1
Rent Received in Advance		660,263	0.4	722,407	0.4
Deposits Payable		3,063	0.0	4,949	0.0
Fixed Liabilities		68,758,683	43.9	75,373,449	44.9
Investment Corporation Bonds	*2	10,000,000	6.4	10,000,000	6.0
Long-term Loans	*2	57,350,000	36.6	63,890,000	38.0
Security Deposits		1,018,403	0.7	1,101,348	0.7
Security Deposits in Trust		390,280	0.2	382,100	0.2
Total Liabilities		85,737,738	54.8	92,783,459	55.2
Unitholders Equity		70,838,281	45.2	75,236,255	44.8
Unitholders Capital		68,961,322	44.0	73,231,053	43.6
Retained Earnings		1,876,958	1.2	2,005,201	1.2
Total Net Assets		70,838,281	45.2	75,236,255	44.8
Total Liabilities and Net Assets		156,576,020	100.0	168,019,715	100.0



Unitholders

Changes in Ratio of Units Held by Unitholders



Top 10 Unitholders

#	Unitholders	Units	Ratio (%)
1	Japan Trustee Services Bank, Ltd.	39,231	24.40
2	Nomura Real Estate Development Co., Ltd.	15,240	9.48
3	The Nomura Trust and Banking Co., Ltd.	8,807	5.48
4	The Master Trust Bank of Japan, Ltd.	7,168	4.46
5	Trust & Custody Services Bank, Ltd.	5,693	3.54

#	Unitholders	Units	Ratio (%)
6	Trust & Custody Services Bank, Ltd.	3,030	1.88
7	The Joyo Bank, Ltd.	2,502	1.56
8	The Fuji Fire and Marine Insurance Co., Ltd.	2,206	1.37
9	The Chase Manhattan Bank, N. A. London Secs Lending Omnibus Account	2,043	1.27
10	Nomura Bank (Luxembourg) S.A.	2,031	1.26
	Total	87,951	54.70

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

10,698 unitholders)

133 unitholders)

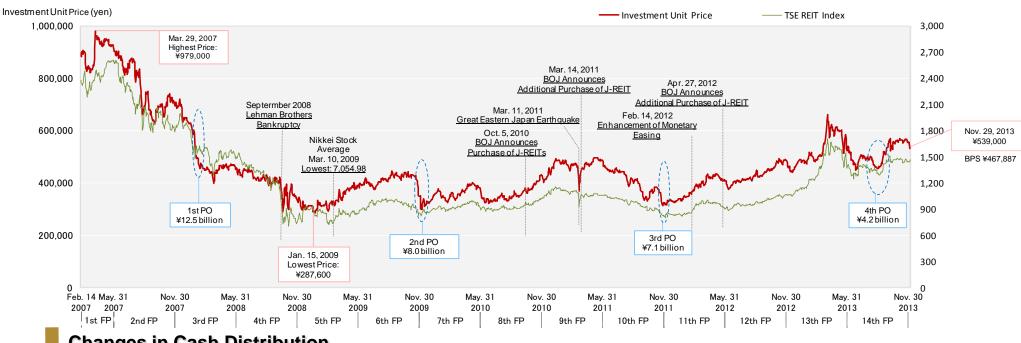
200 unitholders)

108 unitholders)

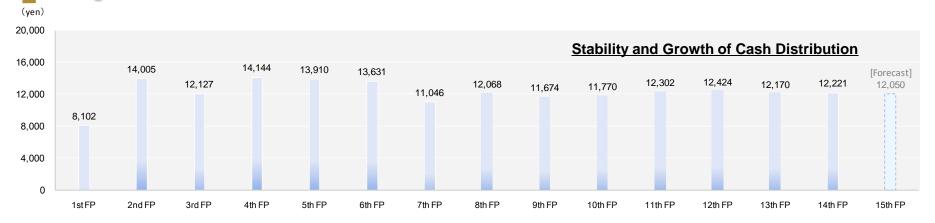


Changes in Investment Unit Price and Cash Distribution

Changes in Investment Unit Price



Changes in Cash Distribution



Overview of 4th Public Offerring

Overview of Third Public Offering

Number of Units Issued (before PO) : 150,936 units

Number of Newly Issued Units : 9,864 units (6.5% of total issued units before PO)

Public Offering : 9,306 units

Over Allotment : 558 units

Constant Value : ¥460,000

Offer Price : ¥448,500 (discount of 2.5%)

Issue Price : ¥432,860

Proceeds (including OA) : ¥4,269 million

Schedule

Issuance Resolution Date : Aug. 9 (Fri)

Condition Determination Date : Aug. 19 (Mon)

Payment Date (Public Offering) : Aug. 26 (Mon)

Delivery/Settlement Date (Public Offering) : Aug. 27 (Tue)

Payment Date (Third-party Allotment) : Sep. 25(Wed)

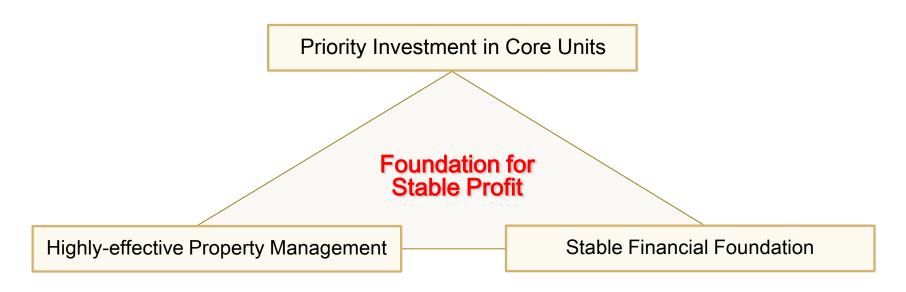
Changes in Unit Price and Trade Value





Characteristics of NRF

Structure for Generating Stable Profit





- Priority Investment in Core Units
- : Units with rents ¥150,000 or less, and areas under 50sqm
- Highly-effective Property Management
- Taking measures for increasing property competitiveness and occupancy rate

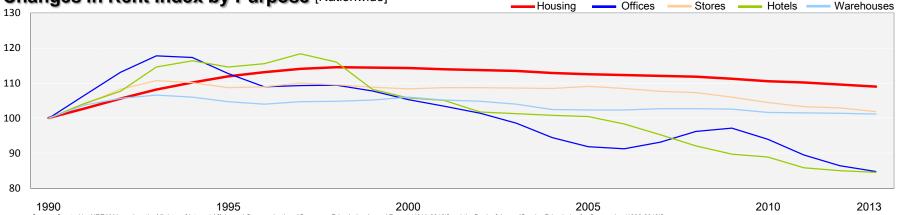
Stable Financial Foundation

: Maintaining conservative financial policy

Rental Housing Investment Characteristics

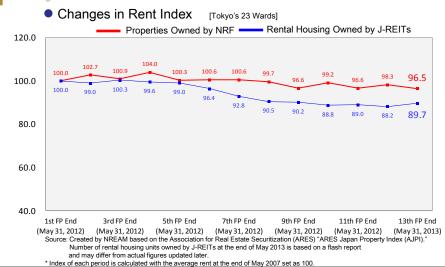
- ✓ Rent index for rental housing is relatively stable compared to other sectors
- ✓ Rent index and occupancy rate of NRF's properties are stable compared to J-REIT-owned rental housing properties

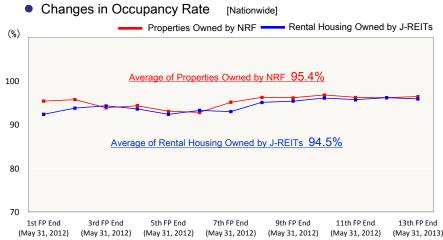
Changes in Rent Index by Purpose [Nationwide]



Source: Created by NREAM based on the Ministry of Internal Affairs and Communications "Consumer Price Index Annual Report (1990-2013)" and the Bank of Japan "Service Price Index for Companies (1990-2013)" *The line graph shows the index of each year with 1990 set as 100.

Projections on Number of Households → Ongoing demand expected from small households



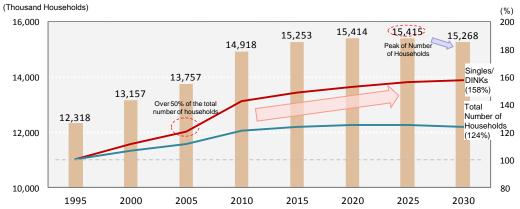


Source: Created by NREAM based on statistical data provided by ARES.

Priority Investment in Key Segments

Investment in the segments with high demand for rental properties

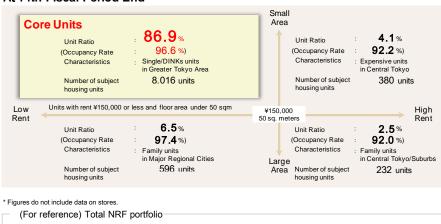
• Changes in Number of Households ("Total ""Singles""DINKs") [Greater Tokyo Area]



Source: Created by NREAM based on the National Institute of Population and Social Security Research (IPSS) "Number of Households by Family Type, Age (five-year groups), and Sex group."

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

At 14th Fiscal Period End

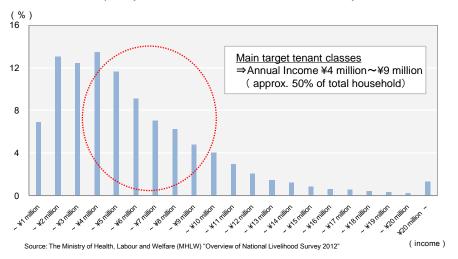


· Leasable Units

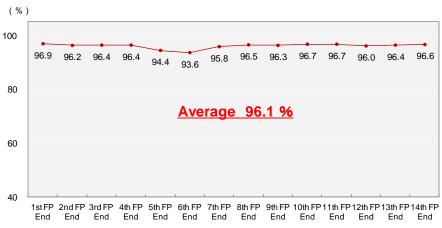
9.269 units

approx. ¥97 thousand

Relative Frequency Distribution of Number of Households by Income



Changes in Occupancy Rate of Core Units



· Average Leasable Floor Area Per Unit approx. 29 sgm

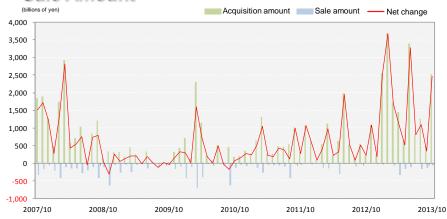
Average Rent Per Unit

^{*} The line graph shows changes in number of single or couple-only households and total number of households with 1995 set as 100.

Rental Housing Investment Characteristics

- ✓ Real estate acquisition and sale amounts increased in 2013 and expected yields have decreased
- ✓ The supply of new properties continues to be at a low level and demand from single and DINKs households is expected to be stable

Change in J-REIT Real Estate Acquisition and Sale Amount

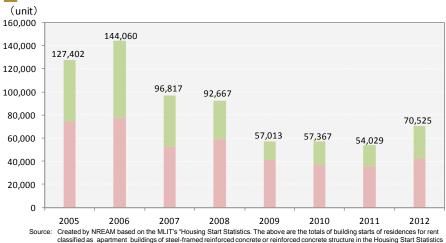


Source: Created by NREAM based on the Investment Trust Association, Japan's Statistics on Real Estate Investment Corporations and public

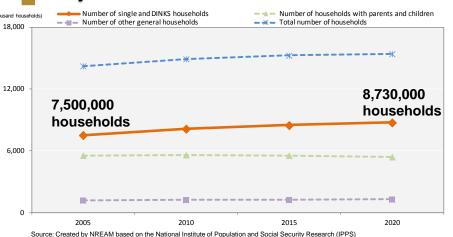
Change in Expected Yield



Supply of New Properties (Number of Building Starts)



Projections on Number of Households

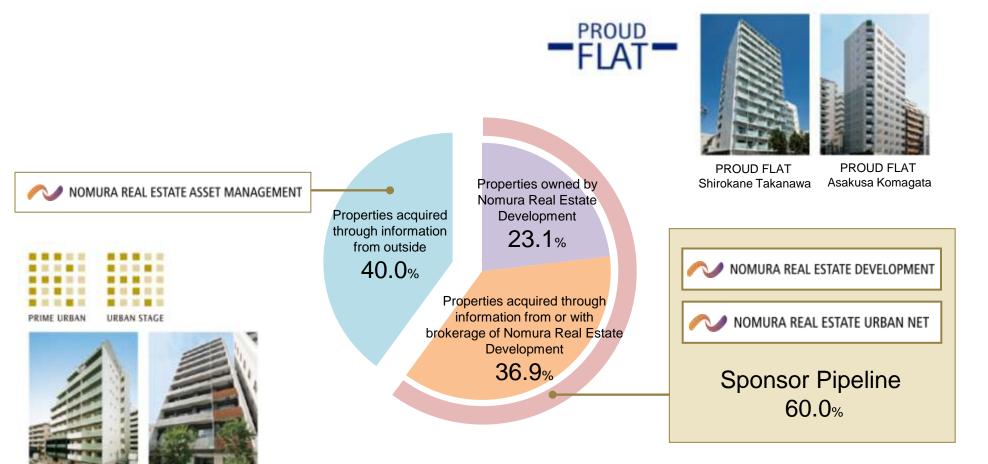


Source: Created by NREAM based on the National Institute of Population and Social Security Research (IPP: "Household Projections for Japan (by Prefecture)" (projections as of December 2009).

from January to December of each year.

Utilization of Diverse Sourcing Routes

Breakdown of Acquired Properties by Sourcing Route



URBAN STAGE

Shibaura LOFT

PRIME URBAN

Meguro Ohashi Hills

Portfolio Status

Diversification Within Assets

Improve portfolio stability through promotion of diversification

⇒Top 10 Properties 19.2%

Investment Area

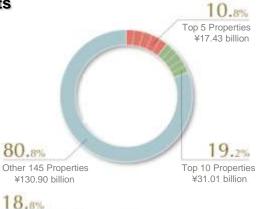
Greater Tokyo Area 70% or more Other Areas 30% or less

⇒Greater Tokyo Area 81.2%

Nearest Station on Foot

Selection focusing on accessibility to the nearest railway stations

⇒Within 10 min. 93.8 %



Other Areas

12.2%

Other Areas

Chiba, Saitama)

Tokyo (excluding the 23 wards)

(Kanagawa,

3.9%

6.2%

35.1%

Building Age

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

⇒Average Building Age

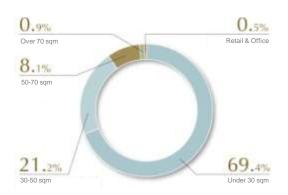
10.0 Years

70.0% 5-10 years

Floor Area Per Unit

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

⇒Under 50 sqm 90.6%

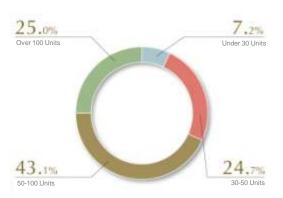


Units Per Property

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

⇒Average Unit Per Property

59 Units



*In the above graphs, "floor area per unit" as of the end of November 2013 is based on the number units while other figures are based on acquisition price.

65.1%

Tokyo (23 wards)

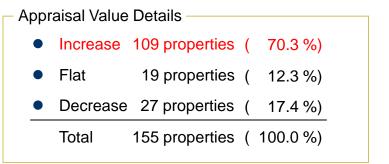
58.7%

Within 5 min

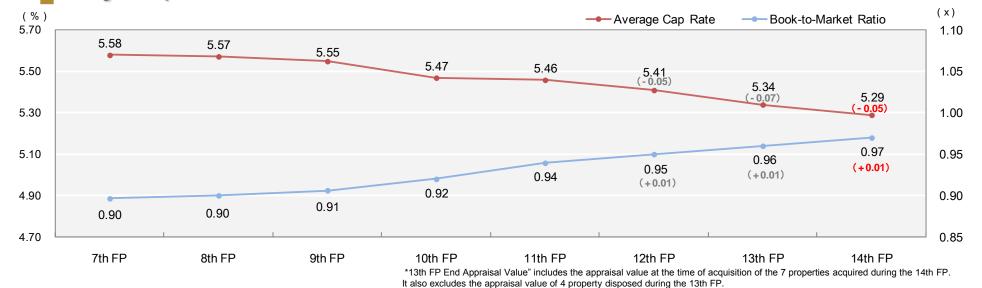
Appraisal Value Status

Appraisal Value

13th FP End Appraisal Value (A)*	¥154,483 million			
14th FP End Appraisal Value (B)	¥155,472 million			
Difference (B)-(A)	+ ¥989 million			
Difference (B)-(A) [Reference]	+ ¥989 million			
. , , ,	+ ¥989 million : ¥467,887			



Range of Cap Rate and Book-to-Market Ratio



Changes in Revenue

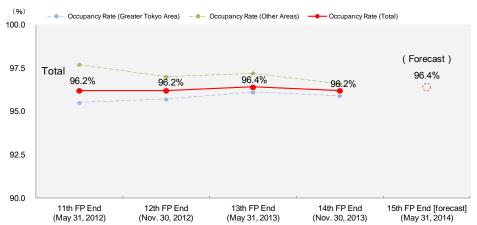
Changes in Rent per Tsubo and Occupancy Rate (11th FP End-15th FP End (forecast))

[Rent per Tsubo]



		11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End (Nov. 30, 2013)	15th FP End [forecast] (May 31, 2014)
Rent per Tsubo	Total	¥10,662	¥10,653	¥10,644	¥10,737	¥10,704
Dotails	Greater Tokyo	¥12,325	¥12,280	¥12,264	¥12,349	_
Details	Other Areas	¥7,302	¥7,306	¥7,302	¥7,360	_

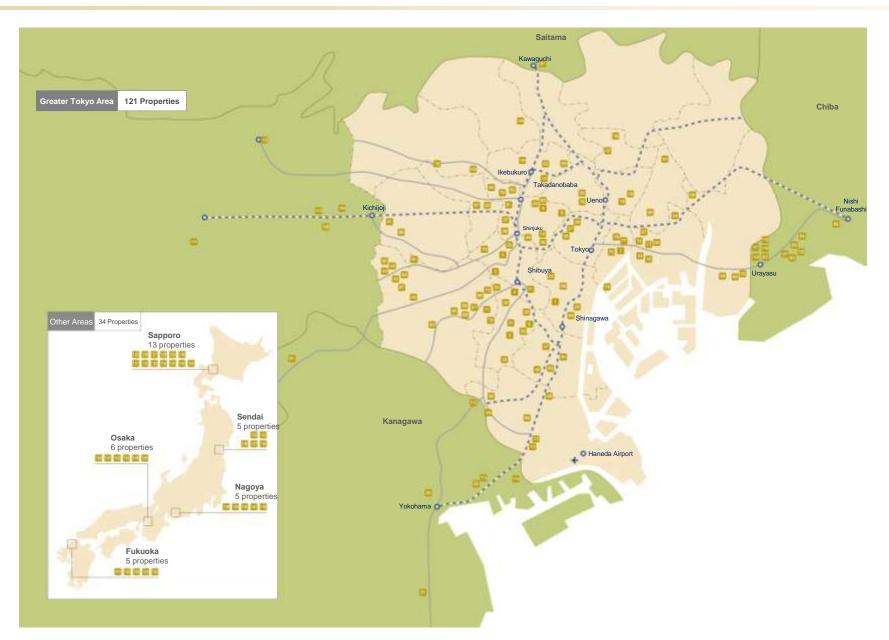
[Occupancy Rate]



		11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End (Nov. 30, 2013)	15th FP End [forecast] (May 31, 2014)
Occupancy Rate	Total	96.2%	96.2%	96.4%	96.2%	96.4%
Deteile	Greater Tokyo	95.5%	95.7%	96.1%	95.9%	_
Details	Other Areas	97.7%	97.0%	97.2%	96.6%	_

(Reference)	11th FP End (May 31, 2012)	12th FP End (Nov. 30, 2012)	13th FP End (May 31, 2013)	14th FP End (Nov. 30, 2013)	15th FP End [forecast] (May 31, 2014)
Turnover Total Ratio	14.8%	9.7%	13.2%	10.0%	14.6%

Portfolio Map



#	Name of Property	Location	Acquisition Price	Percentage of	Leasable Floor Area	Leasable Units	Occupancy Rate
#	Name of Property	Location	(thousands of yen)	Total (%)	(sqm)	(units)	(May 2013)(%)
1	PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	3,510,000	2.2	2,950.11	106	96.9
2	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	0.7	1,151.34	44	100.0
3	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.5	958.98	31	96.9
4	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.5	638.70	30	100.0
5	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.5	934.39	41	100.0
6	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.5	855.23	40	97.5
7	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	1.4	3,055.21	110	99.3
8	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	1.0	1,793.43	70	100.0
9	PROUD FLAT Waseda	Shinjuku-ku, Tokyo	1,110,000	0.7	1,450.91	60	98.5
10	PROUD FLAT Shinjuku Kawadacho	Shinjuku-ku, Tokyo	1,010,000	0.6	1,102.20	41	95.4
11	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	0.8	1,277.82	48	100.0
12	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	0.7	1,541.64	67	97.4
13	PROUD FLAT Kamata II	Ota-ku, Tokyo	2,980,000	1.8	4,051.72	169	96.9
14	PROUD FLAT Shinotsuka	Toshima-ku, Tokyo	695,000	0.4	752.09	35	94.4
15	PROUD FLAT Kiyosumi Shirakawa	Koto-ku, Tokyo	900,000	0.6	1,209.56	55	100.0
16	PROUD FLAT Monzen Nakacho II	Koto-ku, Tokyo	650,000	0.4	830.55	35	94.8
17	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,130,000	0.7	1,191.08	55	100.0
18	PROUD FLAT Fujimidai	Nerima-ku, Tokyo	1,370,000	0.8	2,222.05	94	100.0
19	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,960,000	1.2	2,685.39	79	97.1
20	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	1.4	3,118.12	113	97.2
21	PROUD FLAT Kamioooka	Yokohama-shi, Kanagawa	2,770,000	1.7	4,872.17	200	100.0
22	PROUD FLAT Tsurumi II	Yokohama-shi, Kanagawa	1,430,000	0.9	2,219.74	81	98.1
23	PRIME URBAN Akasaka	Minato-ku, Tokyo	956,000	0.6	1,062.05	25	100.0
24	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.6	1,107.36	48	100.0
25	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.3	439.56	19	88.6
26	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	0.7	1,277.04	52	96.1
27	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.4	793.87	32	97.2
28	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,030,000	1.3	2,087.70	90	94.7
29	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	0.7	1,444.40	29	94.0
30	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	0.8	1,302.42	49	95.9
31	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.5	1,008.39	32	100.0
32	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.3	655.27	22	84.2
33	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.3	453.77	24	100.0
34	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	2.2	2,955.74	99	100.0
35	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.6	1,069.82	42	96.4
36	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,700,000	1.0	1,759.11	51	98.0

#	Name of Property	Location	Acquisition Price	Percentage of	Leasable Floor Area	Leasable Units	Occupancy Rate
.,	Traine of Froperty	Location	(thousands of yen)	Total (%)	(sqm)	(units)	(May 2013)(%)
37	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	0.8	1,459.86	60	98.4
38	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.6	1,162.55	46	100.0
39	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.3	578.18	14	100.0
40	PRIME URBAN Nishi Waseda	Shinjuku-ku, Tokyo	503,000	0.3	507.11	28	100.0
41	PRIME URBAN Sangen Jaya	Setagay a-ku, Toky o	835,000	0.5	874.15	33	94.2
42	PRIME URBAN Minami Karasuyama	Setagaya-ku, Tokyo	840,000	0.5	1,049.73	41	87.7
43	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.4	835.05	33	93.9
44	PRIME URBAN Karasuyama Court	Setagaya-ku, Tokyo	413,000	0.3	576.20	23	100.0
45	PRIME URBAN Chitose Funabashi	Setagaya-ku, Tokyo	885,000	0.5	1,027.44	38	90.1
46	PRIME URBAN Shinagawa Nishi	Shinagawa-ku, Tokyo	624,000	0.4	961.25	46	93.8
47	PRIME URBAN Osaki	Shinagawa-ku, Tokyo	1,700,000	1.0	2,106.16	99	97.0
48	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.5	1,190.70	54	98.1
49	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.6	1,100.17	44	96.0
50	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.4	818.75	33	96.1
51	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.3	543.09	24	100.0
52	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.5	944.99	46	90.4
53	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	1.4	3,207.92	118	95.8
54	PRIME URBAN Kameido	Koto-ku, Tokyo	705,000	0.4	1,117.34	52	100.0
55	PRIME URBAN Sumiyoshi	Koto-ku, Tokyo	552,000	0.3	813.52	40	100.0
56	PRIME URBAN Kinshi Koen	Sumida-ku, Tokyo	1,180,000	0.7	1,886.50	77	97.4
57	PRIME URBAN Kinshicho	Sumida-ku, Tokyo	668,000	0.4	991.62	49	100.0
58	PRIME URBAN Hirai	Edogawa-ku, Tokyo	700,000	0.4	1,095.91	53	98.1
59	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.4	905.81	45	97.8
60	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.6	1,437.84	68	89.7
61	PRIME URBAN Shinyurigaoka	Kawasaki-shi, Kanagawa	1,210,000	0.7	1,708.19	64	100.0
62	PRIME URBAN Urayasu	Uray asu-shi, Chiba	840,000	0.5	1,264.84	60	96.7
63	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.4	1,151.36	52	94.2
64	PRIME URBAN Gyotoku II	Ichikawa-shi, Chiba	741,000	0.5	1,244.00	58	100.0
65	PRIME URBAN Gyotoku Ekimae	Ichikawa-shi, Chiba	476,000	0.3	778.19	37	91.9
66	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.5	1,237.80	60	96.7
67	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	1.3	2,477.11	98	89.3
68	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	991,000	0.6	1,222.13	40	97.5
69	URBAN STAGE Shibaura LOFT	Minato-ku, Tokyo	1,510,000	0.9	1,905.39	68	93.9
70	URBAN STAGE Hatagaya	Shibuy a-ku, Toky o	452,000	0.3	650.60	38	100.0
71	URBAN STAGE Ebisu	Shibuya-ku, Tokyo	1,030,000	0.6	1,184.98	35	94.9
72	URBAN STAGE Meguro Aobadai	Meguro-ku, Tokyo	1,190,000	0.7	1,464.14	40	85.7

73	Name of Property	Location	Acquisition Price	Percentage of	Leasable Floor Area	Leasable Units	Occupancy Rate
72			(thousands of yen)	Total (%)	(sqm)	(units)	(May 2013)(%)
	URBAN STAGE Gakugei Daigaku	Meguro-ku, Tokyo	916,000	0.6	1,109.87	41	85.9
	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	2,290,000	1.4	4,524.00	145	96.0
	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	2,250,000	1.4	3,600.61	46	89.0
76	URBAN STAGE Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	3,530,000	2.2	5,926.17	124	92.7
	URBAN STAGE Nihonbashi Hamacho	Chuo-ku, Tokyo	1,470,000	0.9	2,026.44	52	97.6
78	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.4	662.58	27	100.0
79	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.4	1,237.98	18	94.0
80	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	324,000	0.2	517.53	32	90.9
81	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.4	1,053.39	28	89.2
82	URBAN STAGE Mejiro	Shinjuku-ku, Tokyo	1,260,000	0.8	1,755.52	65	85.1
83	URBAN STAGE Kagurazaka	Shinjuku-ku, Tokyo	2,640,000	1.6	2,854.96	100	93.6
84	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	362,000	0.2	567.20	34	94.2
85	URBAN STAGE Kamiuma	Setagaya-ku, Tokyo	900,000	0.6	1,739.86	37	100.0
86	URBAN STAGE Sangen Jaya	Setagaya-ku, Tokyo	755,000	0.5	1,018.72	47	96.5
87	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.5	1,774.01	27	96.2
88	URBAN STAGE Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.3	810.98	17	100.0
89	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	396,000	0.2	572.41	26	88.8
90	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	344,000	0.2	507.52	28	92.7
91	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.5	1,384.45	29	86.2
92	URBAN STAGE Yoga	Setagay a-ku, Toky o	1,150,000	0.7	1,773.05	54	98.5
93	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	530,000	0.3	722.70	45	91.1
94	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,100,000	0.7	1,794.85	93	100.0
95	URBAN STAGE Yukigaya	Ota-ku, Tokyo	970,000	0.6	1,536.59	94	100.0
96	URBAN STAGE Ikegami	Ota-ku, Tokyo	1,460,000	0.9	2,456.48	95	95.4
97	URBAN STAGE Nakano	Nakano-ku, Tokyo	472,000	0.3	801.30	51	90.8
98	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,080,000	0.7	1,746.20	107	92.6
99	URBAN STAGE Komagome	Toshima-ku, Tokyo	412,000	0.3	991.94	22	100.0
100	URBAN STAGE Ikebukuro	Toshima-ku, Tokyo	3,310,000	2.0	4,376.95	131	93.4
101	URBAN STAGE Mukojima	Sumida-ku, Tokyo	487,000	0.3	1,108.91	55	98.1
	URBAN STAGE Kasai East	Edogawa-ku, Tokyo	940,000	0.6	1,884.62	78	100.0
103	URBAN STAGE Ekoda	Nerima-ku, Tokyo	385,000	0.2	872.49	35	100.0
104	URBAN STAGE Itabashi Kuyakushomae	Itabashi-ku, Tokyo	940,000	0.6	1,742.64	68	92.7
	URBAN STAGE Asakusa	Taito-ku, Tokyo	350,000	0.2	876.70	22	100.0
106	URBAN STAGE Machiya	Arakawa-ku, Tokyo	210,000	0.1	455.19	26	95.9
	URBAN STAGE Machiya South Court	Arakawa-ku, Tokyo	1,740,000	1.1	4,141.56	77	97.6
	URBAN STAGE Musashi Koganei	Koganei-shi, Tokyo	2,390,000	1.5	5,999.80	98	98.0

#	Name of Property	Location	Acquisition Price	Percentage of	Leasable Floor Area	Leasable Units	Occupancy Rate
	1 7	1.1	(thousands of yen)	Total (%)	(sqm)	(units)	(May 2013)(%)
109	URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	1,590,000	1.0	2,961.06	80	91.5
110	URBAN STAGE Koganei Honcho	Koganei-shi, Tokyo	725,000	0.4	1,604.72	43	95.0
111	URBAN STAGE Hino	Hino-shi, Tokyo	319,000	0.2	994.68	54	92.6
112	URBAN STAGE Kumegawa	Higashimuray ama-shi, Tokyo	1,370,000	0.8	2,610.05	91	98.5
113	URBAN STAGE Musashi Kosugi comodo	Kawasaki-shi, Kanagawa	2,150,000	1.3	3,692.44	56	96.8
114	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	0.7	1,706.46	80	97.8
115	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.3	952.06	50	98.0
116	URBAN STAGE Uray asu	Uray asu-shi, Chiba	277,000	0.2	437.94	27	96.3
117	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	285,000	0.2	611.61	37	78.4
118	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	263,000	0.2	542.69	33	93.9
119	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	256,000	0.2	535.08	32	84.6
120	URBAN STAGE Gyotoku Ekimae	Ichikawa-shi, Chiba	561,000	0.3	927.33	46	91.3
121	URBAN STAGE Gyotoku	Ichikawa-shi, Chiba	948,000	0.6	1,766.47	77	93.5
	Greater Tokyo Area		131,510,000	81.2	188,028.26	6,812	95.9
122	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.4	1,861.56	60	100.0
123	PROUD FLAT Kawaramachi	Sendai-shi, Miyagi	724,000	0.4	1,967.54	64	100.0
124	PROUD FLAT Shin Osaka	Osaka-shi, Osaka	1,430,000	0.9	2,990.68	112	95.7
125	PRIME URBAN Yamahana	Sapporo-shi, Hokkaido	377,000	0.2	1,518.58	33	97.4
126	PRIME URBAN Kita Juyo Jo	Sapporo-shi, Hokkaido	336,000	0.2	1,155.60	36	96.8
127	PRIME URBAN Odori Koen I	Sapporo-shi, Hokkaido	530,000	0.3	1,850.20	53	100.0
128	PRIME URBAN Odori Koen II	Sapporo-shi, Hokkaido	322,000	0.2	1,148.72	36	100.0
129	PRIME URBAN Kita Juichi Jo	Sapporo-shi, Hokkaido	600,000	0.4	1,851.39	60	96.7
130	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.4	2,114.53	54	95.7
131	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.3	1,494.36	36	94.4
132	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	337,900	0.2	1,007.30	42	97.6
133	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.2	911.07	27	92.6
134	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.3	1,773.90	36	97.2
135	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.5	2,439.90	58	92.1
136	PRIME URBAN Nagamachi Icchome	Sendai-shi, Miyagi	1,110,000	0.7	3,411.24	60	100.0
137	PRIME URBAN Yaotome Chuo	Sendai-shi, Miyagi	428,000	0.3	1,380.21	43	100.0
138	PRIME URBAN Aoi	Nagoy a-shi, Aichi	724,000	0.4	1,571.04	46	100.0
139	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.4	1,391.02	58	93.1
140	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	1,189,096	0.7	2,502.11	104	90.4
141	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.4	1,189.12	48	97.9
142	PRIME URBAN Esaka II	Suita-shi, Osaka	790,000	0.5	1,392.00	57	91.4
143	PRIME URBAN Esaka III	Suita-shi, Osaka	1,535,000	0.9	2,151.67	79	93.8
144	URBAN STAGE Sapporo Riverfront	Sapporo-shi, Hokkaido	3,500,000	2.2	15,459.57	310	96.0

#	Name of Property	Location	Acquisition Price	Percentage of	Leasable Floor Area	Leasable Units	Occupancy Rate
			(thousands of yen)	Total (%)	(sqm)	(units)	(May 2013)(%)
145	URBAN STAGE Kita 3 Jo Dori	Sapporo-shi, Hokkaido	1,450,000	0.9	5,094.29	114	100.0
146	URBAN STAGE Tsutsumidori Amamiya	Sendai-shi, Miyagi	969,000	0.6	4,251.91	65	100.0
147	URBAN STAGE Kamimaezu	Nagoya-shi, Aichi	1,250,000	0.8	3,541.43	101	100.0
148	URBAN STAGE Izumi	Nagoya-shi, Aichi	2,800,000	1.7	7,543.10	250	99.2
149	URBAN STAGE Tamatsukuri	Osaka-shi, Osaka	906,000	0.6	2,373.10	80	96.2
150	URBAN STAGE Sakaisuji Honmachi	Osaka-shi, Osaka	1,780,000	1.1	3,909.90	82	88.3
151	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	830,000	0.5	2,176.23	67	96.9
152	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.2	897.84	34	94.5
153	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	396,000	0.2	1,222.34	39	89.3
154	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	693,000	0.4	1,854.13	65	98.7
155	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	545,000	0.3	1,740.70	48	93.9
	Other Areas		30,407,696	18.8	89,138.28	2,457	96.6
	Total		161,917,696	100.0	277,166.54	9,269	96.2

Changes in Financial Performance

		9th FP	10th FP	11th FP	12th FP	13th FP	14th FP
Operating Revenues	million yen	4,510	4,445	5,250	5,174	5,257	5,406
Operating Profits	million yen	2,177	2,098	2,507	2,452	2,433	2,558
Net Income	million yen	1,465	1,477	1,856	1,875	1,876	1,965
Asset Total	million yen	140,534	140,152	156,780	156,703	156,576	168,019
Interest-bearing Debt Total	million yen	74,606	74,216	83,182	83,092	83,002	89,840
Net Asset	million yen	63,265	63,277	70,818	70,836	70,838	75,236
Return on Assets (ROA)	%	2.2	2.1	2.4	2.4	2.4	2.4
Return on Equity (ROE)	%	4.6	4.7	5.2	5.3	5.3	5.4
FP End Capital Adequacy Ratio	%	45.0	45.1	45.2	45.2	45.2	44.8
LTV	%	53.1	53.0	53.1	53.0	53.0	53.5
Interest Coverage Ratio	times	3.4	3.6	4.3	4.5	4.6	4.8
Weighted Average Interest Rate	%	1.61	1.47	1.28	1.27	1.24	1.17
Long-term Debt Average Remaining	y ears	2.8	2.5	3.0	3.0	3.3	3.5
Rent NOI	million yen	3,452	3,424	4,016	4,010	3,953	4,118
NOI Yield (acquisition price base)	%	5.20	5.06	5.34	5.31	5.25	5.03
FFO	million yen	2,251	2,285	2,817	2,850	2,833	2,934
Portfolio	properties	143	145	152	153	152	155
Acquisition Price Total	million yen	132,890	135,046	149,862	150,587	150,966	163,302
Book Value Total	million yen	133,564	135,196	150,099	149,972	149,650	160,219
Appraisal Value Total	million yen	121,042	124,512	141,011	141,836	143,063	155,472
NAV per Unit	thousand yen	404	418	408	415	425	438

ROA=Current Profits/[(Total Asset Value at Start of FP+Total Asset Value at FP End);2|x100 *annual basis ROE=Net Income/[(Total Asset Value at FP Start+Total Asset Value at FP End);2|x100 *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 Coroporation 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 Ammortization-Real Estate Disposition Profit & Loss NAV per Unit=[Net Asset Total-(Income Statement Total-Appraisal Value Total)]/Total Number of Investment Units Issued

Interest-bearing Debts

Maturity Diversification

FP of Repayment	Amount of Repayment	Lender	Amount	Interest Rate	Date of Loan	Date of Repayment	Category
		2 Lenders	¥2,000 million	2.14360%	Feb. 27, 2007	Feb. 27, 2014	Short-term Loan
		1 Lender	¥2,000 million	2.13625%	Feb. 27, 2007	Feb. 27, 2014	
15th Fiscal Period		3 Lenders	¥1,700 million	0.78591% (注4)	Aug. 26, 2011	Feb. 27, 2014	
(ending May 31, 2014)	¥9,290 million	6 Lenders	¥3,500 million	0.78591% (注4)	Sep. 30, 2011	Feb. 27, 2014	
		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(注2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	¥ 15,950 millio
		6 Lenders	¥3,170 million	0.72091%	Aug. 27, 2012	Aug. 27, 2014	
			·			-	
16th Fiscal Period	¥6,660 million	3 Lenders	¥3,400 million	0.94700%	Sep. 05, 2011	Sep. 05, 2014	
(ending Nov. 30, 2014)		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(注2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	
		1 Lender	¥1,000 million	1.79200%	Feb. 26, 2010	Feb. 26, 2015	
		1 Lender	¥1,300 million	2.23500%	May. 15, 2007	Feb. 27, 2015	
17th Fiscal Period (ending May 31, 2015)	¥7,790 million	5 Lenders	¥5,400 million	0.96365%	Feb. 27, 2012	Feb. 27, 2015	
(original or, 2010)		1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(注2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	
		5 Lenders	¥9,700 million	1.00900%	Feb. 27, 2012	Aug. 27, 2015	
18th Fiscal Period	¥9.790 million	1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(注2)	
(ending Nov. 30, 2015)	.,	1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	
		1 Lender	¥4,700 million	1.00000%	Dec. 26, 2011	Dec. 26, 2015	
19th Fiscal Period	V4 700 million		·			-	
(ending May 31, 2016)	¥4,790 million	1 Lender	¥40 million	2.10000%	Aug. 27, 2009	(注2)	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	
20th Fiscal Period		2 Lenders	¥9,400 million	1.11700%	Dec. 26, 2011	Jun. 26, 2016	
(ending Nov. 30, 2016)	¥10,530 million	1 Lender	¥1,080 million	2.10000%	Aug. 27, 2009	Aug. 27, 2016	
		1 Lender	¥50 million	2.03000%	Feb. 26, 2010	(注3)	Long-term Loar ¥83,890 millio
21st Fiscal Period	¥3,150 million	3 Lender	¥1,800 million	0.69000%	Oct. 25, 2013	Feb. 26, 2017	+ 05,090 1111110
(ending May 31, 2017)		1 Lender	¥1,350 million	2.03000%	Feb. 26, 2010	Feb. 26, 2017	-
22th Fiscal Period (ending Nov. 30, 2017)	¥3,920 million	3 Lender	¥3,920 million	1.08500%	Aug. 27, 2012	Aug. 27, 2017	
23th Fiscal Period (ending May 31, 2018)	¥5,420 million	6 Lender	¥5,420 million	1.12013%	Aug. 27, 2012	Feb. 27, 2018	
24th Fiscal Period (ending Nov. 30, 2018)	¥5,400 million	3 Lender	¥5,400 million	0.99000%	Sep. 30, 2013	Aug. 26, 2018	
26th Fiscal Period (ending Nov. 30, 2019)	¥1,600 million	4 Lender	¥1,600 million	1.16500%	Dec. 03, 2012	Nov. 26, 2019	
27th Fiscal Period (ending Nov. 31, 2019)	¥1,000 million	1 Lender	¥1,000 million	1.48625%	May. 23, 2013	May. 27, 2020	
28th Fiscal Period		1 Lender	¥800 million	1.28277%	Sep. 30, 2013	Aug. 26, 2020	
(ending Nov. 30, 2020)	¥6,000 million	6 Lender	¥4,700 million	1.18000%	Oct. 25, 2013	Aug. 26, 2020	
		1 Lender	¥500 million	1.15566%	Oct. 25, 2013	Aug. 26, 2020	_
29th Fiscal Period	¥4,500 million	1 Lender	¥1,000 million	1.68200%	May. 23, 2013	May. 27, 2021	
(ending May 31, 2021)		1 Lender	¥3,500 million	1.62500%	May. 23, 2013	May. 27, 2021	
	¥79,840 million	19 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	-
21st Fiscal Period (ending May 31, 2017)	¥5,000 million	Investment Corporation Bond	¥5,000 million	1.03000%	Feb. 24, 2012	Feb. 24, 2017	

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

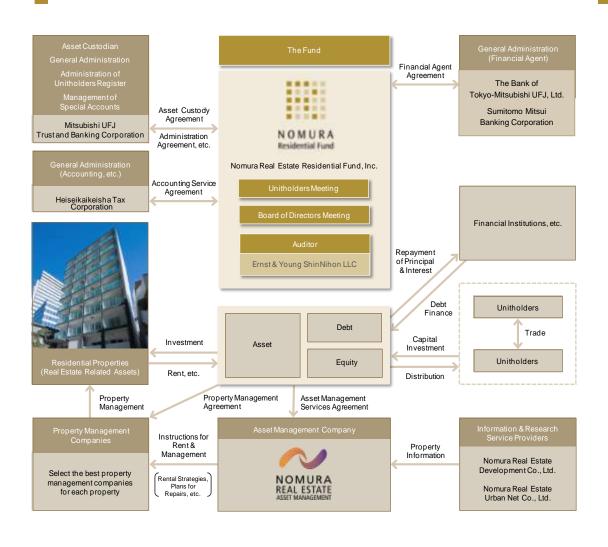
(Note 2) The amount of ¥40 million to be repayed on February 27, 2010, the first repayment date, and every August 27 and February 27 thereafter, until the last repayment of ¥1,080 million on August 27, 2016. (Note 3) The amount of ¥50 million to be repayed on August 26, 2010, the first repayment date, and every February 26 and August 26 thereafter, until the last repayment of ¥1,350 million on February 26, 2017. (Note 4) Regarding flate, the interest rate as of the end of the 11th Fiscal Period is stated.

Lender Diversification (20 Lenders)

	Lender	Amount (millions of yen)
	The Bank of Tokyo-Mitsubishi UFJ	12,500
Major Banks	Sumitomo Mitsui Banking	12,500
(4)	Mizuho Corporate Bank	12,500
	Resona Bank	1,000
	Mitsubishi UFJ Trust and Banking	7,220
Trust Banks	Sumitomo Mitsui Trust Bank	5,520
(4)	The Nomura Trust and Banking	3,700
	Mizuho Trust & Banking	500
	The Iyo Bank	2,100
Regional Banks	The Bank of Fukuoka	1,100
(4)	The Chiba Bank	7,730
	The Tokyo Tomin Bank	2,520
	Taiyo Life Insurance	1,500
Insurance	Mitsui Sumitomo Insurance	750
Companies	Daido Life Insurance	3,000
(5)	Dai-ichi Life Insurance Co., Ltd.	500
	Nippon Life Insurance Company	1,000
	Development Bank of Japan	2,400
Others (3)	Shinkin Central Bank	1,000
	Aozora Bank	800
Total (20)		79,840
	First Series Unsecured Investment Corporation Bonds	5,000
Bond	Second Series Unsecured Investment Corporation Bonds	5,000
	Total	10,000

Fund Profile

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

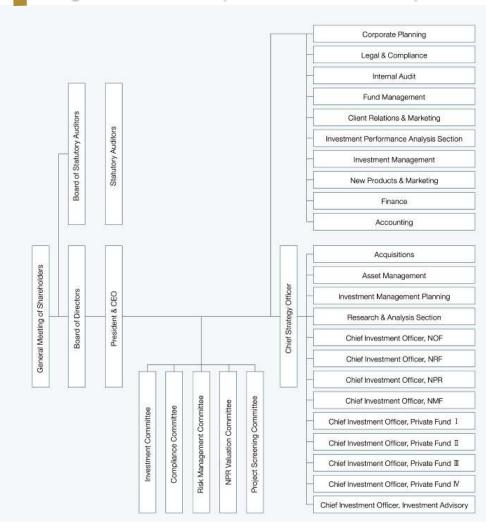
Registration approved by the Prime Minister of Japan under Article 187 of the Investment Trust Law (Registration number 56, filed with the Director of the Kanto Local Finance Bureau).

February 14, 2007

Listing on the Tokyo Stock Exchange.

Asset Management Company Overview

Organization Chart (as of November 2013)



Overview

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

Shareholder Nomura Real Estate Holdings, Inc. (100%)

Location 8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo

Contact Information +81-3-3365-7729 nrf3240@nomura-re.co.jp

Registration.
License, etc.

- Financial instruments business operator registration:
Commissioner of the Kanto Local Finance Bureau

(Financial Instruments) No. 374

<u>Licensed for discretionary proxy in realty trading:</u>
Minister of Land, Infrastructure and Transport

Permit No.18

·Licensed for real estate trading: Governor of Tokyo (3)

No. 81679

Memberships • The Investment Trusts Association, Japan; The Japan

Investment Advisers Association, The Association

for Real Estate Securitization, etc.



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For management fees that the Fund pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of the Fund, asset management reports, etc.

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