

NOMURA  
Residential Fund

NOMURA REAL ESTATE RESIDENTIAL FUND, INC.  
**Ninth** Fiscal Period Financial Results  
(ended May 31, 2011)



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# Highlights of the Ninth Fiscal Period



# Ninth Fiscal Period (ended May 31, 2011) Financial Statement Overview



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## Financial Statement Overview

	8th Fiscal Period (ended Nov. 2010)	9th Fiscal Period (ended May 2011)	Difference (previous period)
Operating Revenues	¥4,466 million	¥4,510 million	+ 1.0 %
Operating Income	¥2,150 million	¥2,177 million	+ 1.2 %
Net Income	¥1,514 million	¥1,465 million	- 3.3 %
Cash Distribution Per Unit	¥12,068	¥11,674	- 3.3 %

## [Difference in Forecasts and Results]

9th FP Forecast (released Jan. 2011)	Difference (from forecast)
¥4,479 million	+ 0.7 %
¥2,130 million	+ 2.2 %
¥1,501 million	- 2.4 %
¥11,960	- 2.4 %

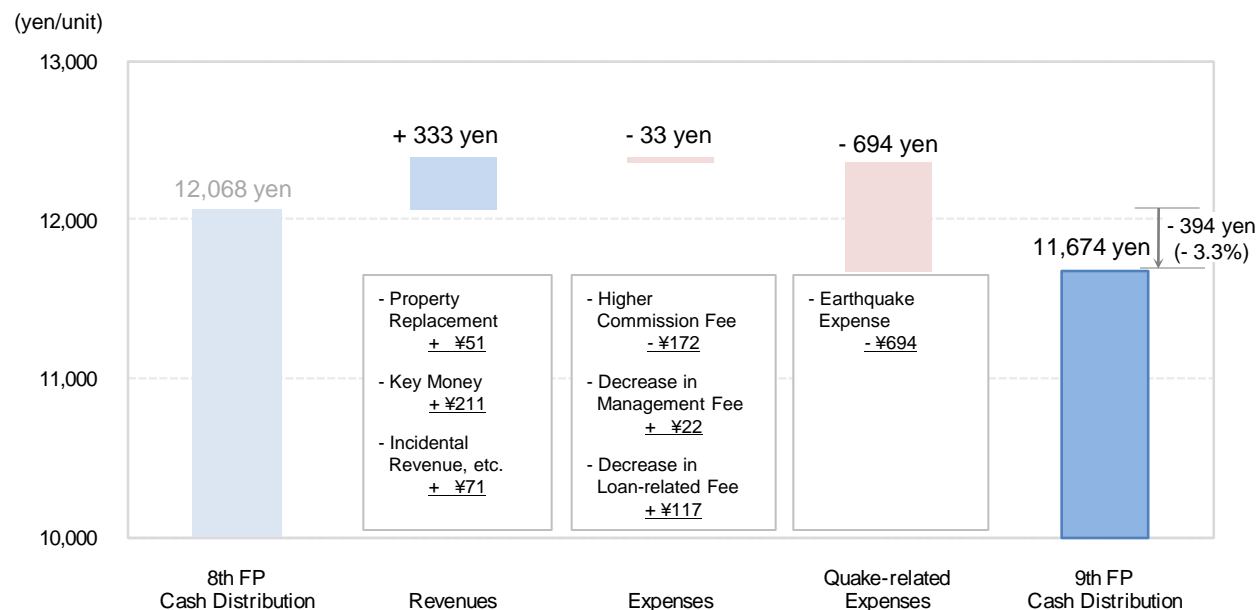
- Property Replacement Curtail Expenses + 3.4 %
- Extraordinary Losses - 5.8 %

## [10th Fiscal Period Forecast]

10th FP Forecast (released Jul. 2011)	Difference (this period)
¥4,418 million	- 2.1 %
¥2,122 million	- 2.5 %
¥1,477 million	+ 0.8 %
¥11,770	+ 0.8 %

- Lower revenue due to seasonal factors
- No extraordinary loss

## Difference in Cash Distribution (8th Fiscal Period and 9th Fiscal Period)



## Implementation of Replacement Strategy (from 9th FP)

Acquisition : High Yield  
Low Building Age

### URBAN STAGE Kamimaezu



- Acquisition Price : ¥1,250 million
- NOI Yield : 6.8% \*1
- Building Age : 2.9 years \*2
- Acquisition Date : Jul. 5, 2011

### URBAN STAGE Kasai East



- Acquisition Price : ¥940 million
- NOI Yield : 6.3% \*1
- Building Age : 4.9 years \*2
- Acquisition Date : Jan. 12, 2011

\*1 NOI Yield at time of acquisition is stated.  
\*2 Building Age at time of acquisition is stated.

Disposition : Low Yield  
High Building Age

### PRIME URBAN Ebisu Minami



- Disposition Price : ¥975 million
- Book Value : ¥934 million
- NOI Yield : 4.5% \*3
- Building Age : 9.1 years \*4
- Disposition Date : Mar. 22, 2011

### URBAN STAGE Yono Hommachi



- Disposition Price : ¥526 million
- Book Value : ¥519 million
- NOI Yield : 5.4% \*3
- Building Age : 20.6 years \*4
- Disposition Date : May 31, 2011

\*3 Yield, based on the fiscal period NOI at time of disposition, is stated.  
\*4 Building Age at time of disposition is stated.



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### PORTFOLIO

144 properties  
¥134.1 billion  
(as of Jul. 20, 2011)

## Results of Replacement Strategy

	Acquisition	Disposition	Replacement Effectiveness
No. of Properties	4 Properties	3 Properties	1 Property
Property Price	4.2 Billion Yen	1.6 Billion Yen	2.6 Billion Yen
Average NOI	6.5 %	4.8 %	Enhance NOI
Average Building Age	3.5 Years	13.8 Years	and Building Age

**External Growth  
With Improved  
Quality of Portfolio**

## Property Management

### ● Keep High Occupancy Rates After Turnover Season

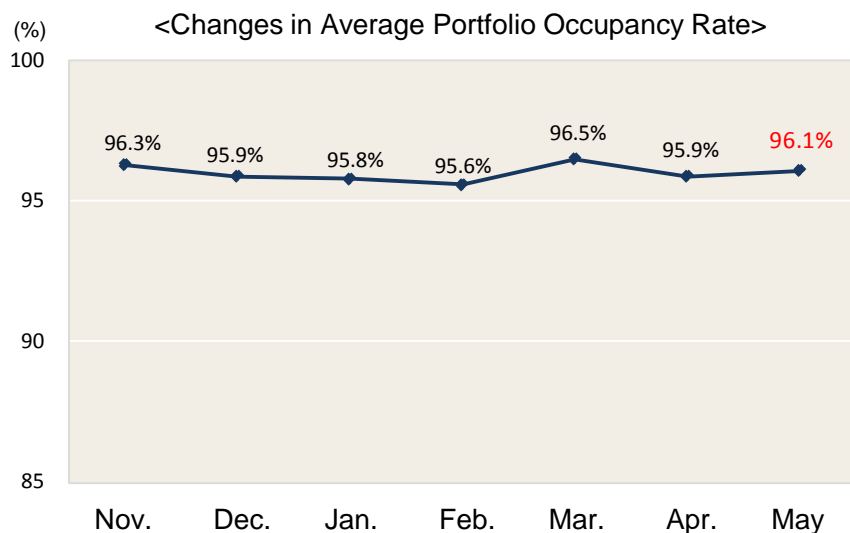
Portfolio Occupancy Rate : 96.3 % → 96.1 %  
(8th FP) (9th FP)

### ● Enhance Market Competitiveness Through Renovations

US Karasuyama : Common Area Renovation  
US Asakusa : Entrance Hall Renovation

### ● Seek Internal Growth Opportunities

Increase in Profit : Antennae Installation, etc.  
Curtail Expenses : Curtail Building Management Expenses



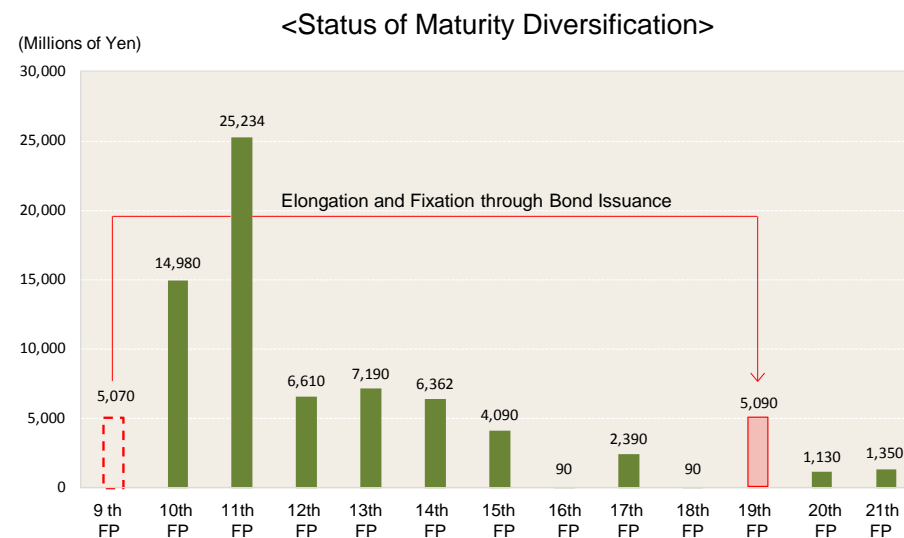
## Finance

### ● Issuance of Investment Corporation Bond

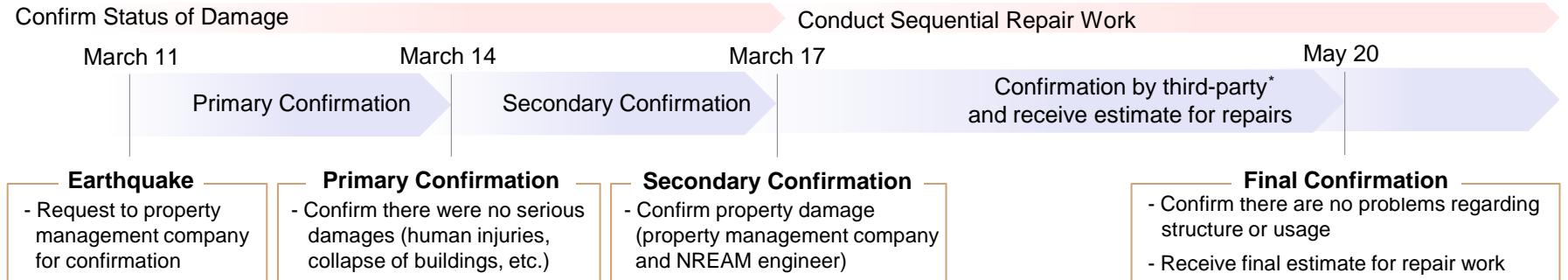
Amount : ¥5 billion  
Term : 5 years  
Interest Rate : 1.21% (L+38bps)  
Ratings : AA (JCR), A (S&P)  
Use of Proceeds : Elongation and fixation of loan terms

### ● Financial Figures at 8th Fiscal Period End

Difference from previous period  
Interest-bearing Debt Total : ¥74,606 million (- ¥70 million)  
LTV : 53.1% (± 0.0pt)  
Fixed Ratio : 74.8% (± 0.0pt)  
Long-term Debt Ratio : 46.1% (- 27.1pt)



## Response After Earthquake



\*Conducted on the 5 properties in Sendai.

## Status of Damage After Earthquake [Total: 28 properties Repair Fees ¥87 million]

### Sendai (5 properties)

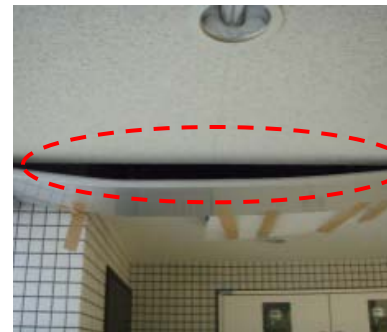


**PRIME URBAN**  
Nagamachi Icchome  
(chipped wall in common area)



**PRIME URBAN**  
Yaotome Chuo  
(exterior damage)

### Greater Tokyo Area (23 properties)



**URBAN STAGE**  
Nihonbashi Yokoyamacho  
(damage to expansion joint covers)



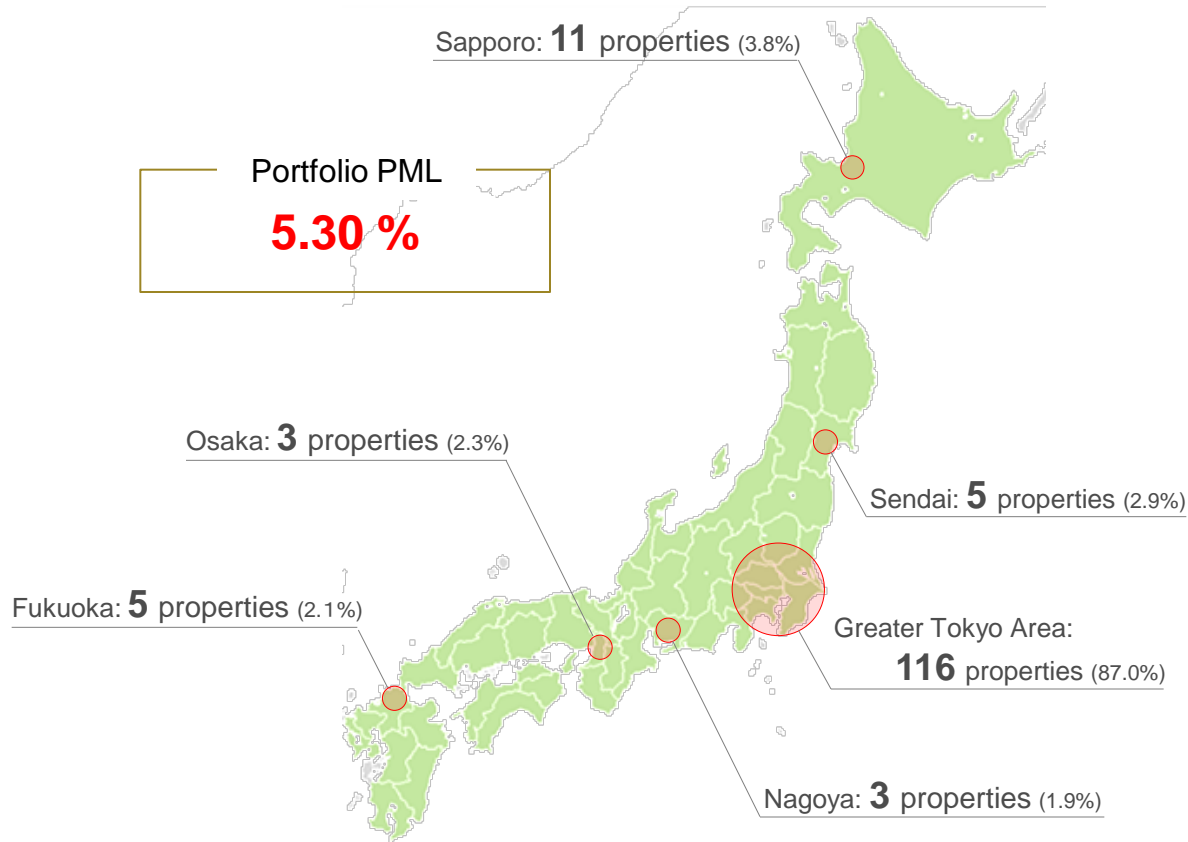
**PROUD FLAT**  
Asakusa Komagata  
(exterior tile detachment)



**Full amount will be allocated in the 9th FP → Eliminate the impact on following FP**



## NRF Portfolio Diversification



\* The ratio to total acquisition price is stated within the brackets.

All Properties  
**New Earthquake  
Resistance Standard**

(Reference) New Earthquake Resistance Standard

Type	Shindo	Earthquake Resistance Standard
Large-scale Earthquake (very rare)	7	Buildings will not collapse or endanger lives
	Strong 6	
Mid-scale Earthquake	Weak 6	Buildings remain functional
	Strong 5	
	Weak 5	
Small-scale Earthquake	4	Buildings have nearly no damages
	3	
Nano-scale Earthquake	2	
	1	

## \*Earthquake Insurance Coverage Basis

Taking into consideration the effects implicated to the total portfolio in case of an earthquake, when the portfolio PML is over 15%, all properties with PML over 15% will be covered with earthquake insurance.





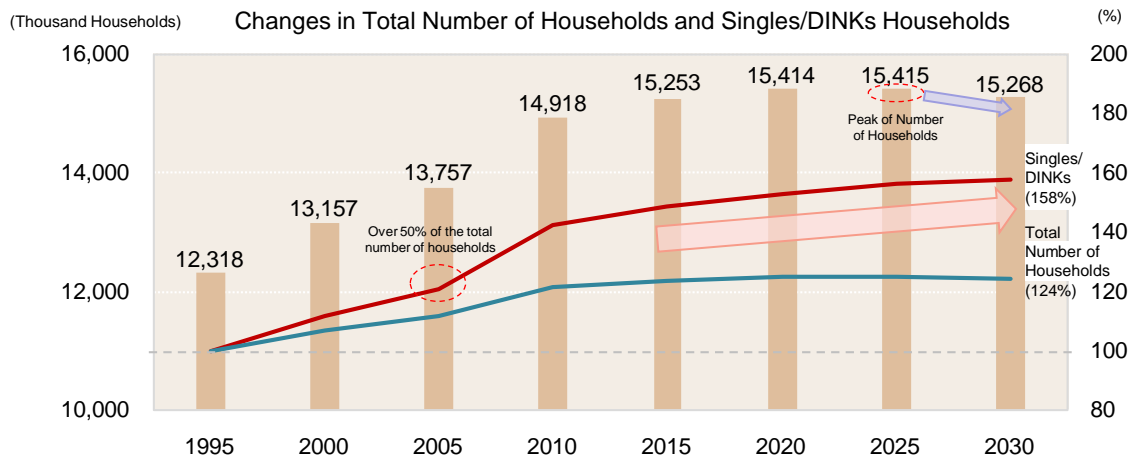
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# Fund Management Summary



# Current Status and Outlook of Rental Housing Market

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

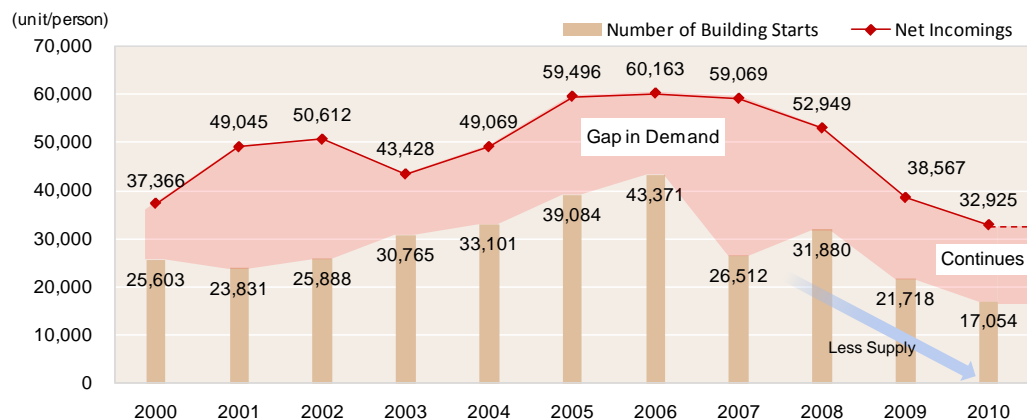


Source: National Institute of Population and Social Security Research

- 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.

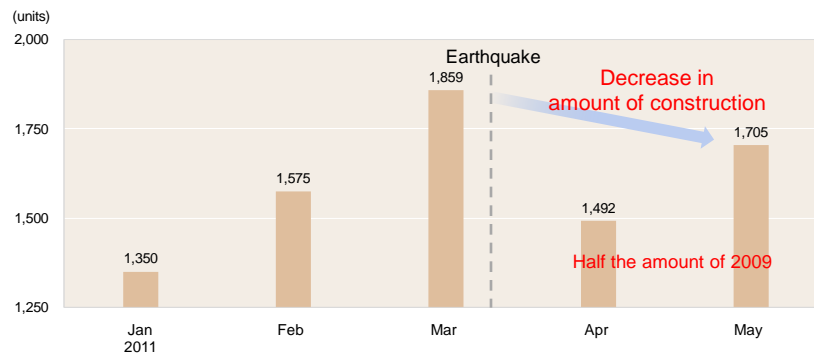
## Changes in Number of Net Inflow and Rental Housing Under Construction [23 Wards of Tokyo]



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

### Number of rental housing under construction from Jan-May 2011

- Continuous gap between potential demand and supply

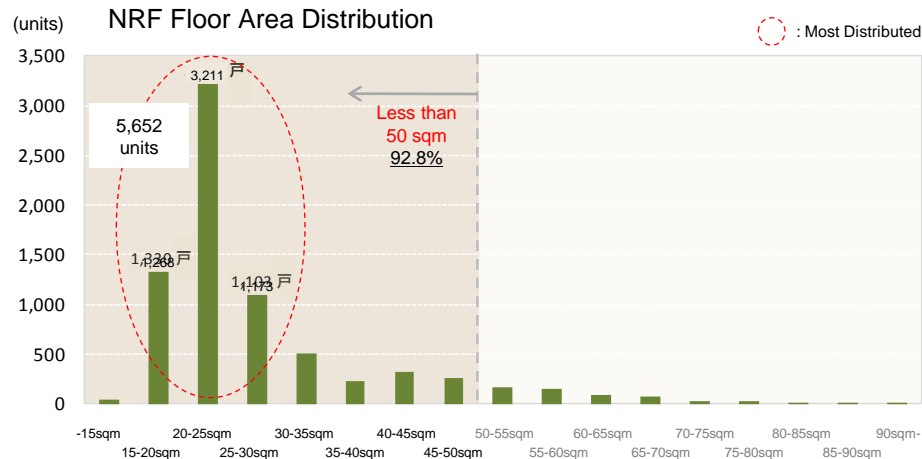
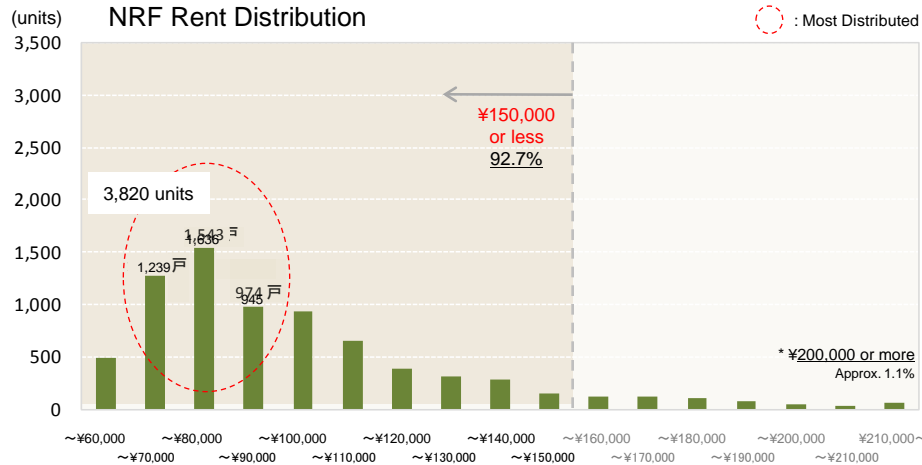


# NRF Portfolio: Selective Investment of “Core Units”



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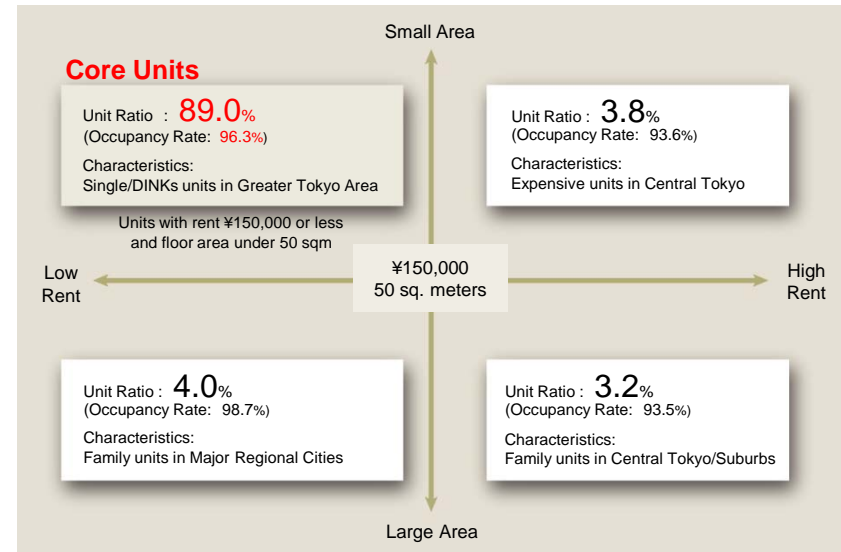
## Target Tenant Class with Strong Demands and Stable Rent Potential



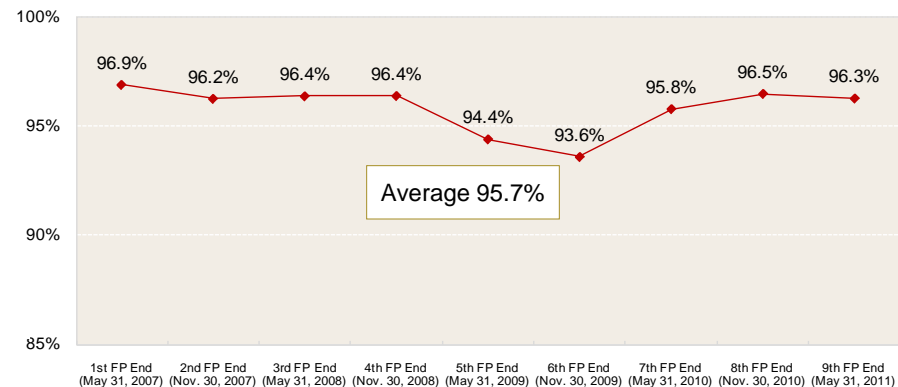
\*Units : 7,563 units (only residential units) (as of 9th FP End)

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

At 9th Fiscal Period End



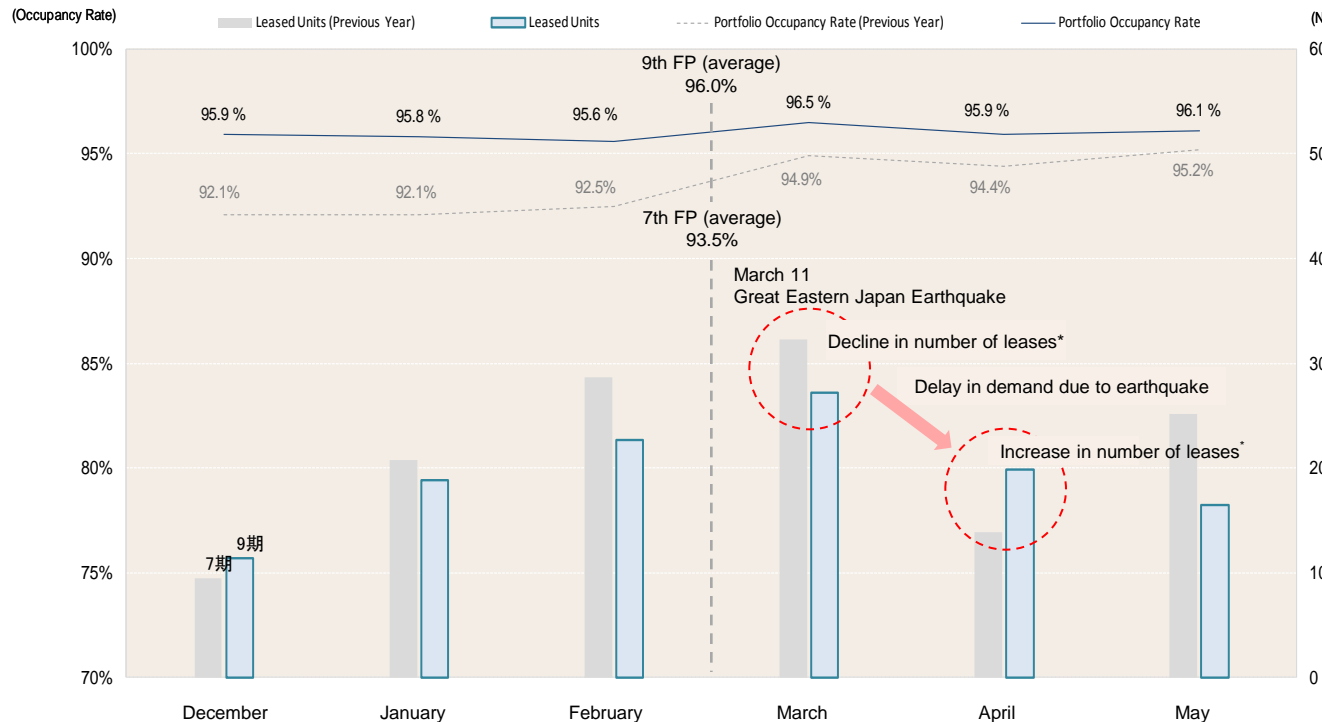
## (%) Changes in Occupancy Rate of Core Units



## Tenth Fiscal Period Management Policy

- **Maintain the High Occupancy Rate**
  - Implement effective renovations
- **Improve Leasing Conditions**
  - Aiming for increase of rent

## Leased Units/Occupancy Rate Comparison to Previous Year



\* Comparison to Previous Year

(Number of Units)

- Demand in turnover in late March was delayed to early May.
- As the occupancy rate was higher compared to the previous year, the total number of leased units has decreased.

### ● Total Number of Leased Units

9th Fiscal Period : 1,165 units

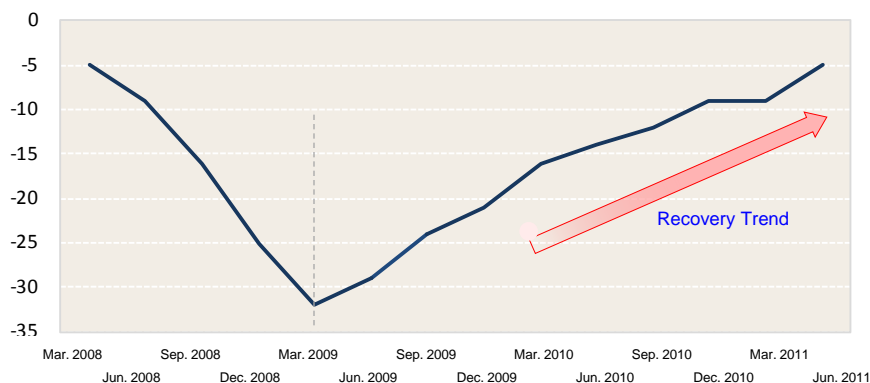
7th Fiscal Period : 1,302 units  
(same period previous year)

## Tenth Fiscal Period Acquisition Policy

- Utilizing Various Pipelines
  - Maximize networking ability
- Selective Investment of High Yield Properties
  - Discover prime properties, assess location and merchantability

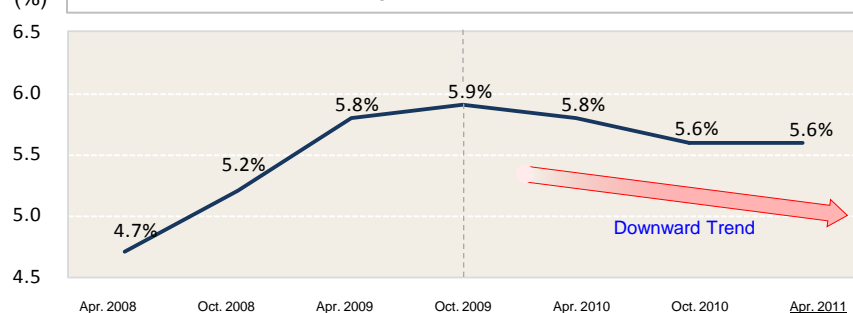
## Lending Attitude of Financial Institution (Diffusion Index of Real Estate/All Enterprises)

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



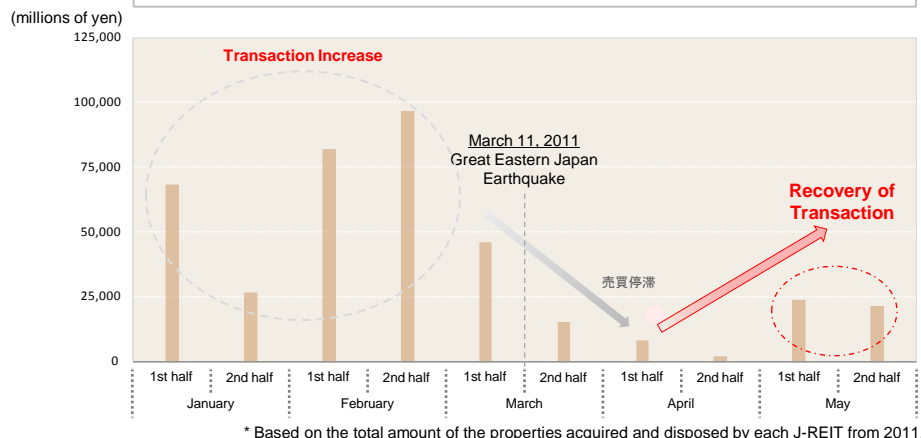
## Changes in Capitalization Rate

Capitalization Rate declining since April 2010.



## J-REIT Asset Transaction Trend

Recovering after stagnant period directly after the earthquake.



## Results of NRF

Number of information on properties fall but the number of potential properties on the rise.

	8th FP	9th FP	Difference
Number of Information	340	222	- 118
Potential Properties	54	62	+ 8

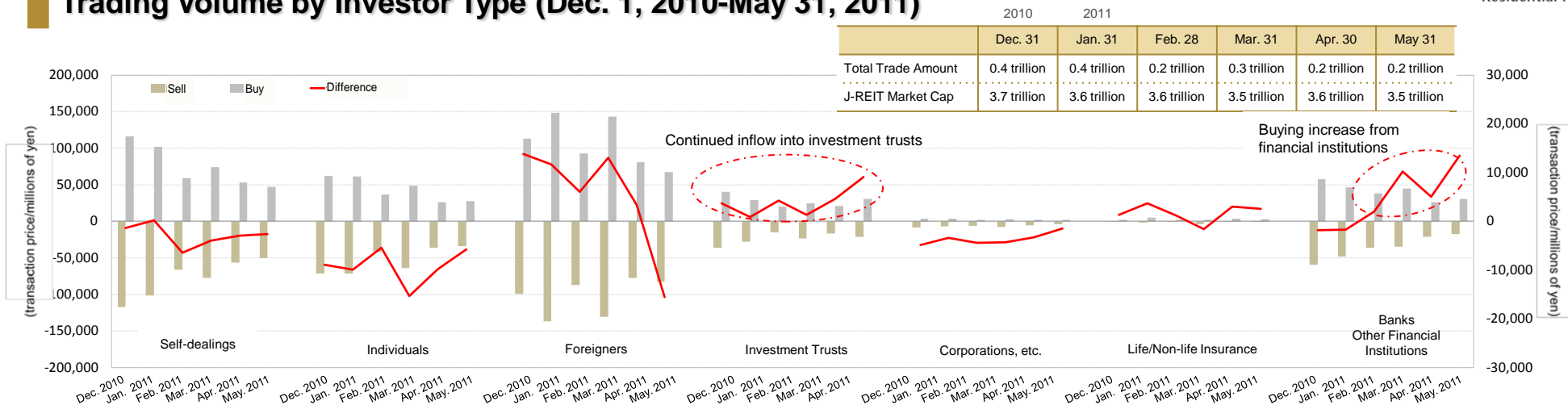
Source: (Upper Left) Based on the data disclosed on listed REIT's website  
(Lower Left) Japan Real Estate Institute, Research and Study Department

# Current J-REIT Market

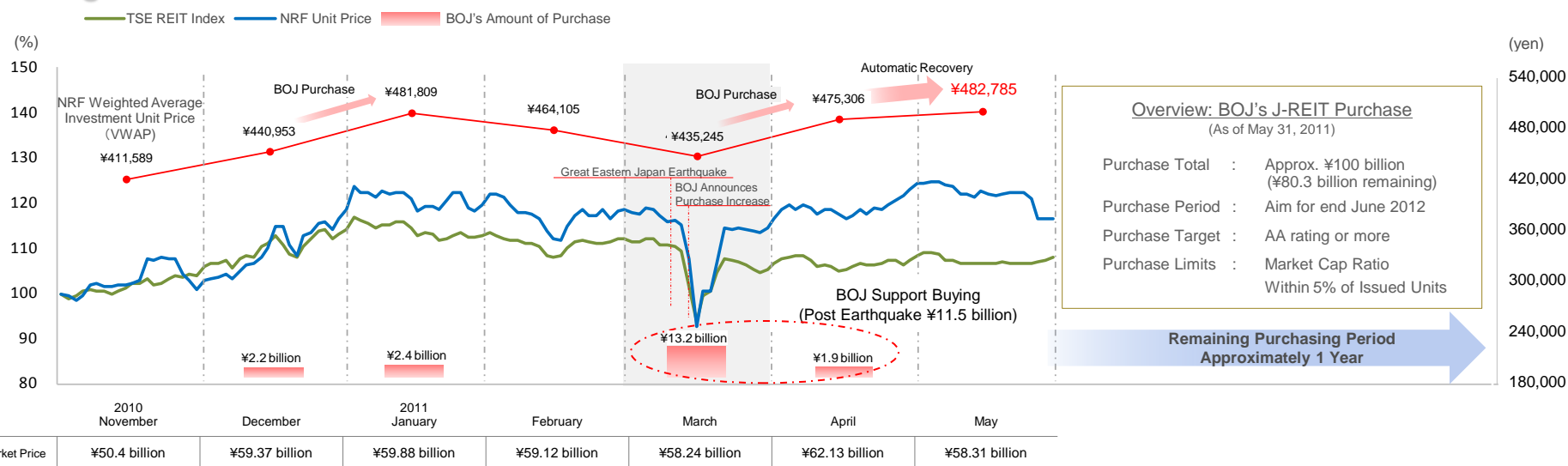


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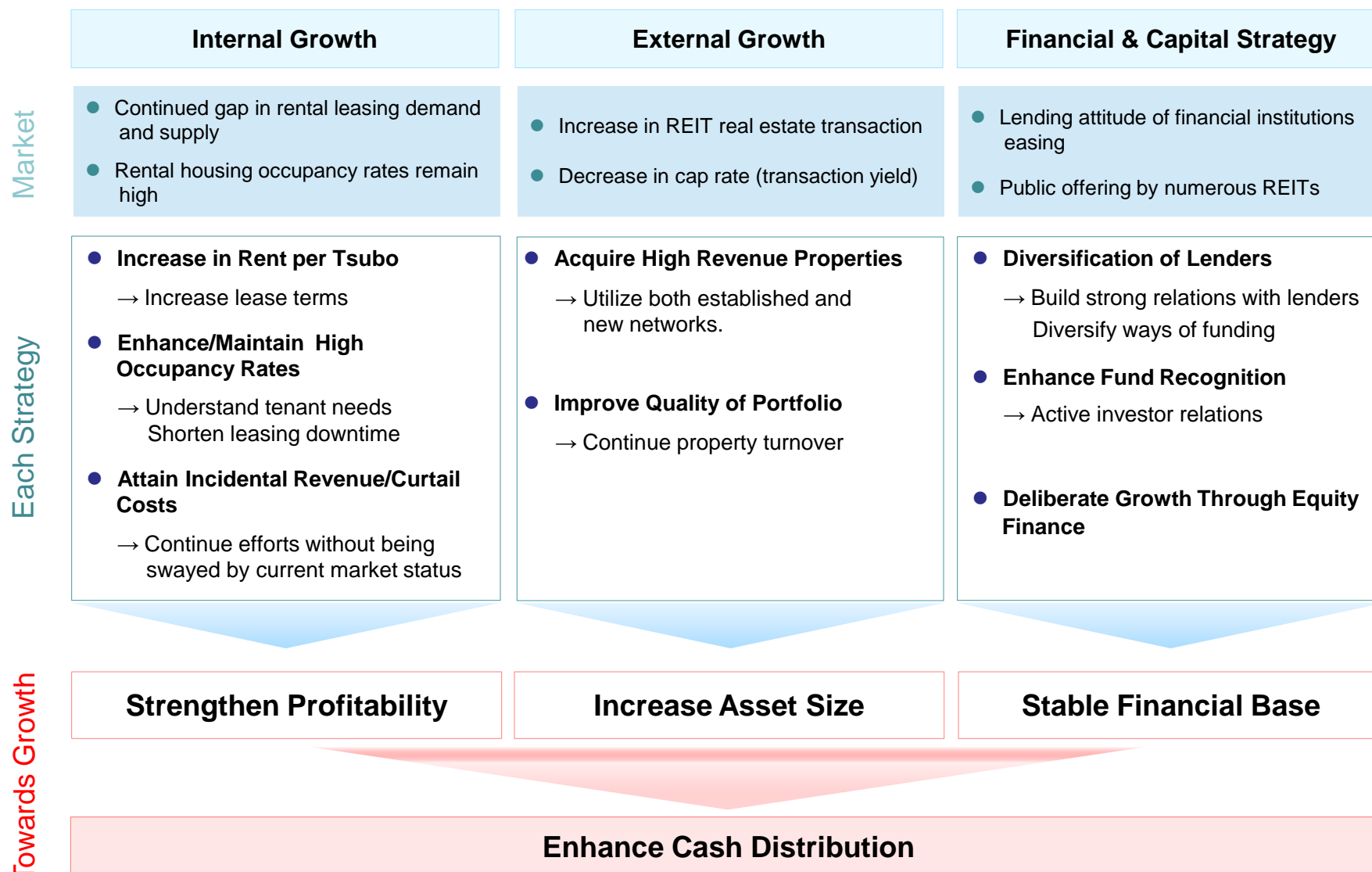
## Trading Volume by Investor Type (Dec. 1, 2010-May 31, 2011)



## Changes in NRF Investment Unit Price



\* NRF unit price and TSE REIT Index as of Nov. 1, 2010 are stated as 100.





# NRF Growth and Forecasts



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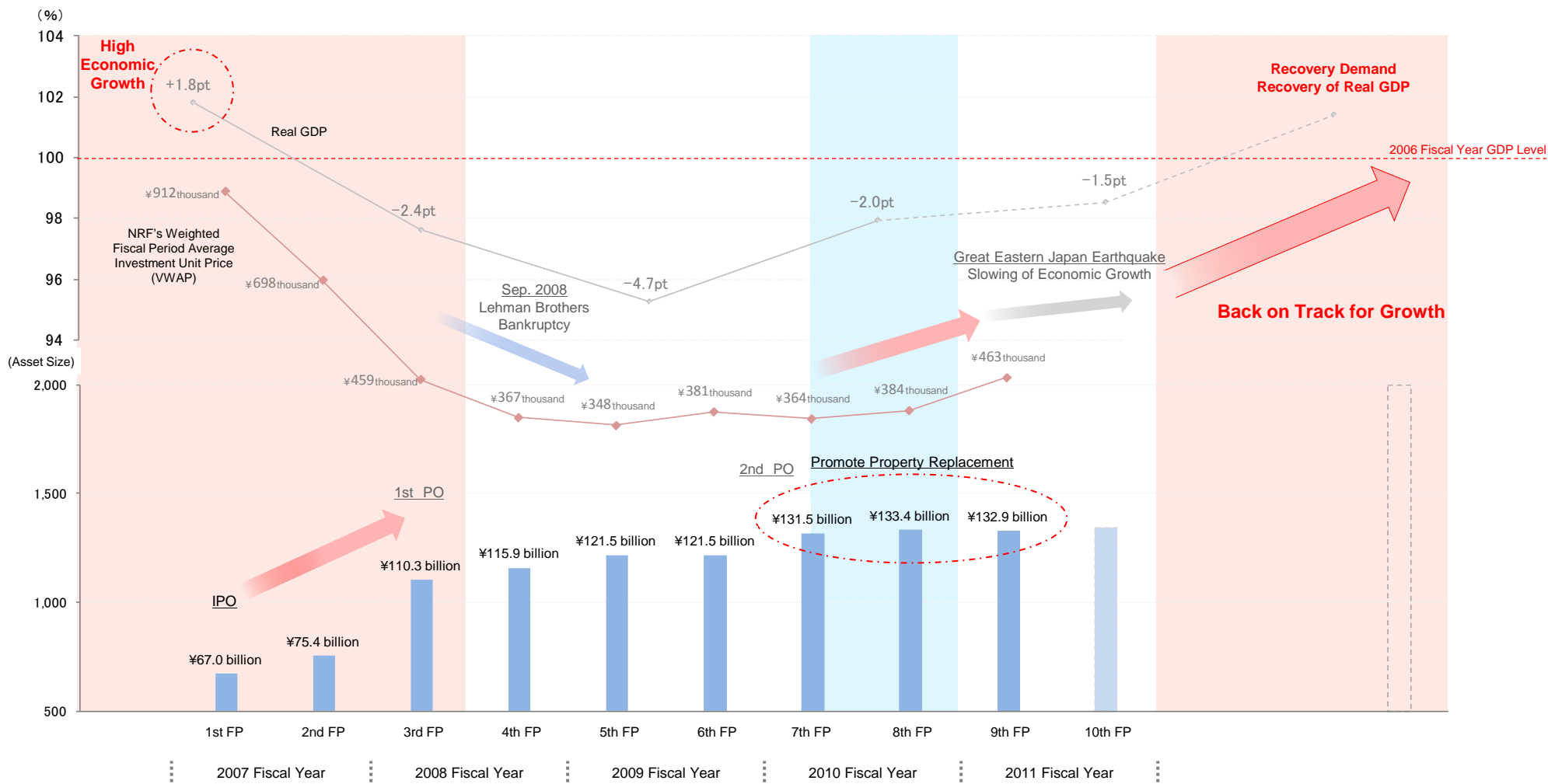
Growth of Asset Size

Respond to Financial Crisis

Internal  
Growth

Address  
Earthquake

External Growth



\*Graph of real GDP of each year with 2006 fiscal year real GDP (approx. ¥552 trillion) stated as 100.

\*The real GDP after 2010 fiscal year is the forecast figures based on the BOJ's Outlook for Economic Activity and Prices data.



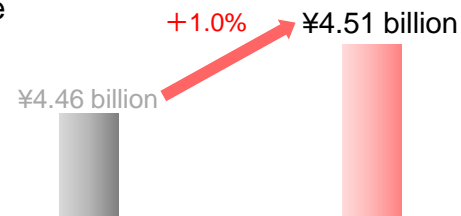
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# Overview of the Financial Results



# Ninth Fiscal Period Performance Overview

- Operating Revenue



- Increase in key money and renewal fees
- Allocation of real estate disposition revenues

- Operating Income



- Increase in brokerage fees and property management fees
- Decrease in asset management fees and trust fees

- Current Profits



- Allocation of earthquake expense

- LTV



- Financial efficiency through property replacement

# Income Statement



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	8th Fiscal period From Jun. 1, 2010 To Nov. 30, 2010		9th Fiscal period From Dec. 1, 2010 To May 31, 2011	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Operating Revenue	4,466,436	100.0	4,510,792	100.0
Real Estate Rental Business Revenues *1	4,461,932	99.9	4,497,365	99.7
Rental Business Revenues	4,170,077	93.4	4,171,787	92.5
Other Rental Business Revenues	291,854	6.5	325,578	7.2
Parking Lot Revenue	106,649	2.4	107,075	2.4
Incidental Revenue *2	129,638	2.9	177,684	3.9
Other Real Estate Rental Revenue *3	55,566	1.2	40,818	0.9
Real Estate Disposition Revenue	4,503	0.1	13,427	0.3
Operating Expense	2,315,653	51.8	2,333,363	51.7
Real Estate Rental Business Expenses	1,797,822	40.3	1,838,031	40.7
Repair Expenses *4	149,965	3.4	153,601	3.4
Tax and Public Dues *5	212,919	4.8	215,350	4.8
Depreciation and Amortization	794,984	17.8	793,296	17.6
Other Rental Business Expenses	639,952	14.3	675,782	15.0
Real Estate Disposition Profit and Loss	—	—	2,516	0.1
Asset Management Fees	322,444	7.2	319,655	7.1
Other Operating Expenses *6	195,386	4.4	173,160	3.8
Operating Income	2,150,783	48.2	2,177,429	48.3
Non-Operating Revenues	3,605	0.1	2,548	0.1
Non-Operating Expenses	638,470	14.3	626,301	13.9
Interest Expenses	601,223	13.5	586,338	13.0
Investment Corporation Bond Interest	—	—	15,877	0.4
Other Non-Operating Expenses *7	37,247	0.8	24,085	0.5
Current Profits	1,515,918	33.9	1,553,676	34.4
Extraordinary Losses	—	—	87,117	1.9
Net Income Before Tax	1,515,918	33.9	1,466,558	32.5
Corporate Income Tax, etc.	983	0.0	1,029	0.0
Net Income	1,514,935	33.9	1,465,529	32.5
Retained Earnings Brought Forward	50	0.0	29	0.0
Retained Earnings at Fiscal Period End	1,514,986	33.9	1,465,558	32.5

- Maintain high occupancy rates
- Implement property replacement strategy
  - Disposition PU Ebisu Minami, US Yono Hommachi
  - Acquisition US Kasai East

## \* Reference (9th Fiscal Period)

- Real Estate Rental Business Profit and Loss : ¥2,659,334 thousand  
(Previous FP Comparison: - ¥4,776 thousand)
- Incidental Revenue
  - Key Money : ¥68,406 thousand
  - Renewal Fee : ¥97,569 thousand others
- Other Real Estate Rental Revenue
  - Revenue from cell phone antennae, vending machines, etc.
- Renovation Expenses
  - Repair Expenses : ¥153,601 thousand
  - Capital Expenditure : ¥49,543 thousand
  - (¥203,145 thousand)
- Tax and Public Dues (145 properties at FP end)
  - Subject Property : 142 properties
  - Excluded Property : 3 properties (Estimate ¥6,423 thousand)
- Other Operating Expenses
  - Duty Entrustment Fee : ¥35,598 thousand
  - Directors Fee : ¥7,200 thousand others
- Other Non-Operating Expenses
  - Loan Related Expense : ¥19,063 thousand

\*Figures are rounded down to the nearest thousand.

# Balance Sheet



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## Assets

	Eighth Fiscal Period as of Nov. 30, 2010		Ninth Fiscal Period as of May 31, 2011	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Assets	5,894,983	4.2	6,917,539	4.9
Cash and Cash Equivalents	4,593,251	3.3	5,637,715	4.0
Cash and Cash Equivalent in Trust	1,199,500	0.9	1,189,218	0.8
Other Current Assets	102,231	0.1	90,604	0.1
Fixed Assets	134,719,570	95.8	133,582,467	95.1
Tangible Fixed Assets	134,701,287	95.8	133,564,976	95.0 *1
Real Estate	82,898,026	59.0	83,435,078	59.4
Building	38,984,343	27.7	39,290,202	28.0
Land	43,913,682	31.2	44,144,875	31.4
Real Estate in Trust	51,803,260	36.8	50,129,898	35.7
Building in Trust	16,840,225	12.0	16,058,868	11.4
Land in Trust	34,963,035	24.9	34,071,029	24.2
Intangible Fixed Assets	5,579	0.0	4,919	0.0
Other Intangible Fixed Assets	5,579	0.0	4,919	0.0
Investment and Other Assets	12,703	0.0	12,571	0.0
Security Deposits	10,879	0.0	10,879	0.0
Long-term Repaid Expenses	1,824	0.0	1,692	0.0
Deferred Assets	—	—	34,603	0.0
Investment Corporation Bond Issuing Expenses	—	—	34,603	0.0
Total Assets	140,614,554	100.0	140,534,610	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	139,417	5,852	(793)	133,564
Building	42,769	3,479	(547)	39,290
Land	44,144	—	—	44,144
Building in trust	18,432	2,373	(245)	16,058
Land in trust	34,071	—	—	34,071

## Liabilities and Net Assets

	Eighth Fiscal Period as of Nov. 30, 2010		Ninth Fiscal Period as of May 31, 2011	
	Amount (¥ 000)	Ratio (%)	Amount (¥ 000)	Ratio (%)
Current Liabilities	21,372,432	15.2	41,607,789	29.6
Trade Accounts Payable	165,462	0.1	165,188	0.1
Long-term Loan Due Within One Year	20,050,000	14.3	40,214,000	28.6 *2
Other Accounts Payable	237,549	0.2	217,403	0.2
Taxes Payable	9,481	0.0	24,956	0.0
Accrued Expenses	315,189	0.2	303,374	0.2
Rent Received in Advance	590,360	0.4	598,796	0.4
Deposits Payable	4,389	0.0	3,705	0.0
Provision for Loss on Disaster	—	—	80,363	0.1
Fixed Liabilities	55,927,650	39.8	35,661,777	25.4
Investment Corporation Bonds	—	—	5,000,000	3.6 *2
Long-term Loans	54,626,000	38.8	29,392,000	20.9 *2
Security Deposits	703,645	0.5	708,551	0.5
Security Deposits in Trust	598,004	0.4	561,226	0.4
Total Liabilities	77,300,082	55.0	77,269,566	55.0
Unitholders Equity	63,314,471	45.0	63,265,043	45.0
Unitholders Capital	61,799,485	43.9	61,799,485	44.0
Retained Earnings	1,514,986	1.1	1,465,558	1.0
Total Net Assets	63,314,471	45.0	63,265,043	45.0
Total Liabilities and Net Assets	140,614,554	100.0	140,534,610	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)	74,606
Total asset interest-bearing debt ratio	$\left[ \frac{\text{short-term} + \text{long-term loans}}{\text{total assets}} \right] 53.1\%$
Long-term interest-bearing debt ratio	$\left[ \frac{\text{long-term loans}}{\text{short-term} + \text{long-term loans}} \right] 46.1\%$

# Forecasts for the Tenth Fiscal Period



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	9th FP Forecast From Dec. 1, 2010 To May 31, 2011	10th FP Forecast From Jun. 1, 2011 To Nov. 30, 2011	Difference
	Amount (millions of yen)	Amount (millions of yen)	Amount (millions of yen)
Operating Revenue	4,510	4,418	-92
Real Estate Rental Business Revenues	4,497	4,418	-79
Real Estate Disposition Revenue	13	—	-13
Operating Expense	2,333	2,295	-38
Real Estate Rental Business Expenses	1,838	1,778	-59
Repair Expenses	153	163	10
Tax and Public Dues	215	222	7
Depreciation and Amortization	793	804	11
Real Estate Disposition Expenses	2	—	-2
Asset Management Fees	319	322	2
Other Operating Expenses	173	194	21
Operating Income	2,177	2,122	-54
Non-Operating Profit and Loss	-623	-644	-20
Interest Expenses	-602	-598	3
Current Profits	1,553	1,478	-74
Extraordinary Losses	87	—	-87
Net Income	1,465	1,477	12

Number of Investment Units Issued (units)	125,535	125,535	—
Cash Distribution Per Unit (yen)	11,674	11,770	96

Number of Properties (properties)	143	144	1
Leasable Floor Area (sqm)	214,215	217,757	3,542
Occupancy Rate Assumption (%)	96.1	95.8	-0.3

## Assumptions

### [Number of Properties]

Number of Properties : 144 properties  
Total Amount of Acquisition Price : ¥134,140 million

### [Repair Expenses]

¥203 million for 9th Fiscal Period  
(of which ¥49 million is capital expenditure)

#### Example)

US Asakusa (entrance renovation) : ¥2 million  
US Karasuyama (large-scale renovation) : ¥13 million

¥212 million for 10th Fiscal Period  
(of which ¥48 million is capital expenditure)

#### Example)

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

### [Loans]

Total Interest-bearing Debt (as of July 20, 2011) ¥74,606 million

Interest-bearing Debt Repayment Due During 10th FP

Repayment through loans (Aug-Sep 2011) ¥14,590 million  
Agreed repayment (Aug-Sep 2011) ¥390 million  
¥14,980 million

### Difference in Forecasts

	Announced June 1, 2011	Announced July 15, 2011	Difference
Operating Revenue	¥4,375 million	¥4,418 million	+ ¥ 43 million
Operating Income	¥2,103 million	¥2,122 million	+ ¥ 19 million
Net Income	¥1,463 million	¥1,477 million	+ ¥ 14 million
Cash Distribution per Unit	¥11,660	¥11,770	+ ¥ 110



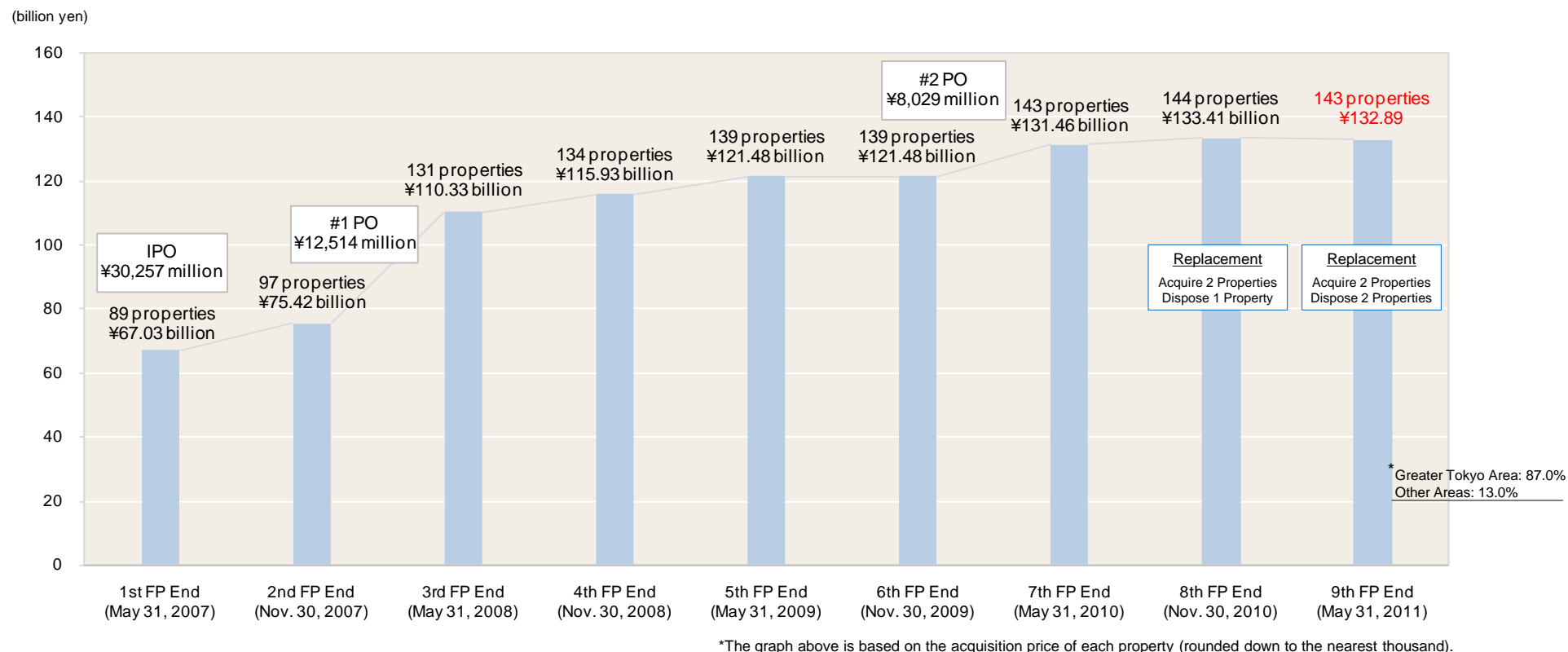
NOMURA  
Residential Fund

# Fund Management Results





## Stable Growth of Portfolio



## Portfolio Overview (Ninth Fiscal Period End)

Acquisition Price **¥132,890 million**

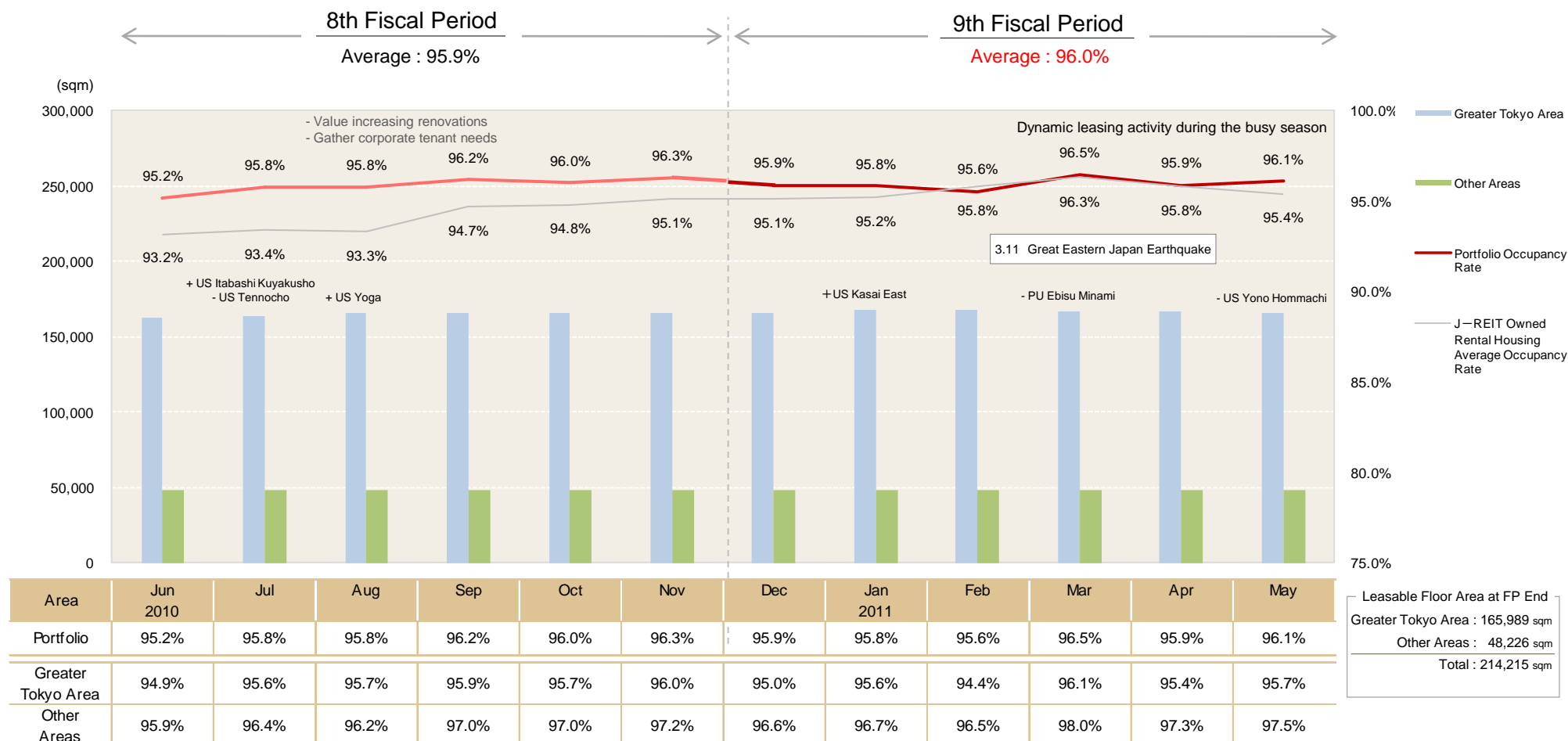
Average Rent Per Unit **approx. ¥95 thousand**

Leasable Units **7,596 units**

Average Leasable Floor Area Per Unit **approx. 28 sqm**

# Portfolio Occupancy Rate

## Portfolio Occupancy Rate



\* "J-REIT Owned Rental Housing Average Occupancy Rate" is based on data from The Investment Trusts Association, Japan.



Maintaining high occupancy rates from the end of last period

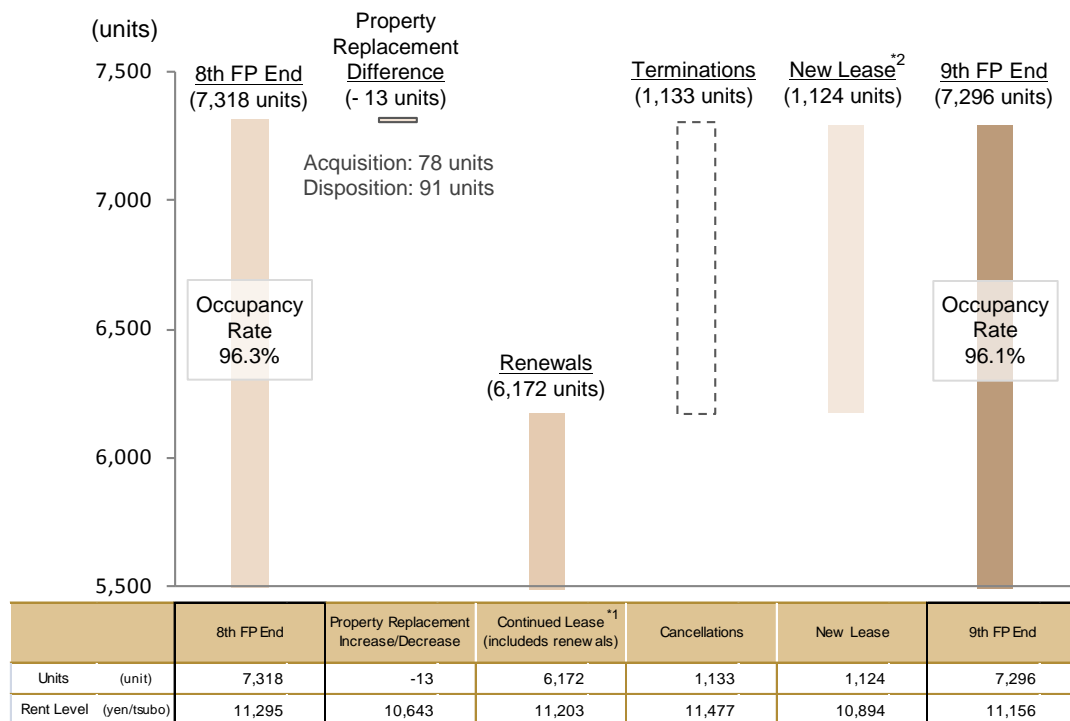
(8th FP End Occupancy Rate: 96.3% → 9th FP End Occupancy Rate: 96.1%)

# Changes in Revenue (1)



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## Changes in Leasable Units and Rent Per Unit



<sup>\*</sup>As the property acquired due to property replacement is also renting out its common area, rent per tsubo calculation is reduced.

- Occupancy Rate ( 96.3% → 96.1% )

Maintained high occupancy rates in both  
Greater Tokyo Area and Other Areas

Greater Tokyo Area [ 96.0% → 95.7% ]

Other Areas [ 97.2% → 97.5% ]

- Rent per Tsubo (11,295 yen → 11,156 yen -1.2%)

Properties	Difference	Notes
Portfolio at 8th FP End	- 89 yen	142 properties (- 0.8%)
9th FP Property Replacement	- 50 yen	Acquire 1 property Dispose 2 properties (- 0.4%)
Portfolio at 9th FP End	-139 yen	¥11,295 → ¥11,156 (- 1.2%)

### (1) Details of Lease Renewals

	8th FP End	9th FP End	Difference
Continued Lease	860 units	1,448 units	+588 units
Renewal Rate <sup>*</sup>	85.3 %	80.0 %	- 5.3 pt
Increase	0.0 %	1.0 %	+ 1.0 pt
Flat	90.0 %	96.3 %	+ 6.3 pt
Decrease	10.0 %	2.6 %	- 7.4 pt

<sup>\*</sup>Renewal Rate = Number of renewed units / Number of units that have reached time of renewal

### (2) Details of New Lease

	8th FP End	9th FP End	Difference
New Lease	798 units	1,124 units	+ 326 units
Turnover Rate <sup>*</sup>	10.5 %	14.8 %	+ 4.3 pt
Increase	11.0 %	18.6 %	+ 7.6 pt
Flat	9.4 %	10.6 %	+ 1.2 pt
Decrease	79.6 %	70.8 %	- 8.8 pt

<sup>\*</sup> Turnover Rate = Newly leased units / Total Number of leasable units  
(Based on regularly occupied properties)

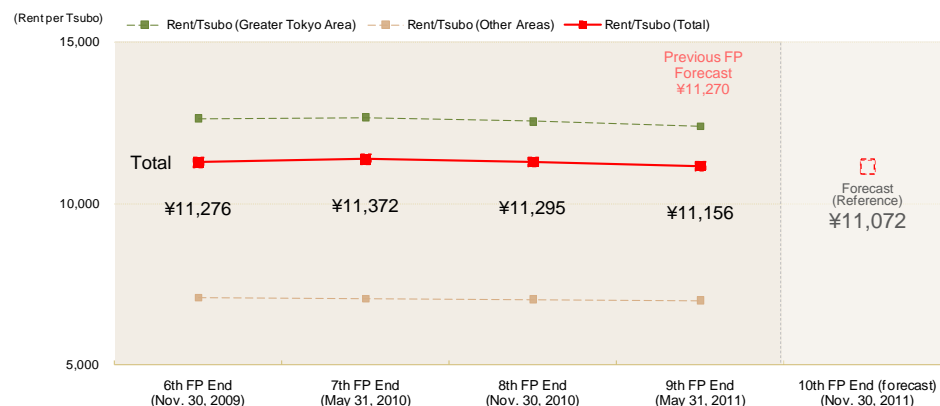
# Changes in Revenue (2)



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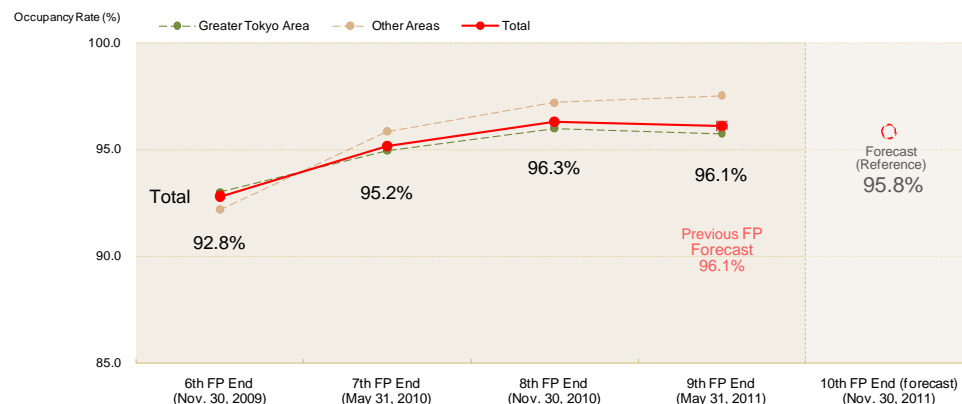
## Changes in Rent per Tsubo and Occupancy Rate (6th FP End-10th FP End (forecast))

### [Rent per Tsubo]



		6th FP End (Nov. 30, 2009)	7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	(Reference) 10th FP End (Forecast) (Nov. 30, 2011)
Rent per Tsubo	Total	11,276	11,372	11,295	11,156	¥11,072
	Details					
	Greater Tokyo	12,626	12,663	12,551	12,388	—
	Other Areas	7,090	7,055	7,026	6,996	—

### [Occupancy Rate]



		6th FP End (Nov. 30, 2009)	7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	(Reference) 10th FP End (Forecast) (Nov. 30, 2011)
Occupancy Rate	Total	92.8%	95.2%	96.3%	96.1%	95.8%
	Details					
	Greater Tokyo	93.0%	94.9%	96.0%	95.7%	—
	Other Areas	92.2%	95.8%	97.2%	97.5%	—

		6th FP End (Nov. 30, 2009)	7th FP End (May 31, 2010)	8th FP End (Nov. 30, 2010)	9th FP End (May 31, 2011)	(Reference) 10th FP End (Forecast) (Nov. 30, 2011)
Turnover Ratio	(Total)	8.4%	15.4%	10.5%	14.8%	8.4%

## Measures Taken to Enhance Occupancy Rate

### Lease Cancellation

### Shorten Vacant Period

### New Lease Agreement

Enhance competitiveness of property through specifics and furnishing renovations



- Change floor surface (Carpet to Flooring)
- Change air conditioner and wallpaper



US Toritsu Daigaku

Use model apartments for units for rent

#### Utilize vacant unit



- Develop a lived-in feel as model apartments
- Encourage lease to other apartments

Shorten Vacant Period



PU Chitose Funabashi (model apartment)

## Addressing Energy Saving

- Power conservation [incandescent light bulb → LED light bulb]

- Change common area lighting to LED lights



LED Light Bulb

\*Power consumption: Approx. 1/5

PF Waseda



Entrance



- Other

- Thin out common area lights and turn off certain lights at night
- Notify tenants to cooperate in conserving energy
- Turn off display lights of vending machines

\* Change from 25w incandescent light bulb to 4.5w LED light bulb:  $4.5/25 \approx 1/5$

# Management Results

## Keep/Enhance Market Competitiveness and Seek Internal Growth Opportunities

### Renovations During the Ninth Fiscal Period

#### URBAN STAGE Karasuyama



- Renovate common area to enhance market appeal

- Better image of common area through lighting modifications
- Also renovate entrance hall

May 31, 2011  
Occupancy Rate  
**100.0 %**

#### URBAN STAGE Asakusa



- Enhance market competitiveness through building entrance renovation

- Change wall design and floor surface to enhance quality

May 31, 2011  
Occupancy Rate  
**94.7 %**

### Seek Internal Growth Opportunities

- Procurement of incidental revenues (Continue to install cell phone antennas and vending machines)
- Curtail building management expenses (Curtail building management fees)
- Curtail other expenses (Integrate various commission companies)



Approx. ¥13 million

Improvement of profit  
(per annum)

# Financial Status (Ninth Fiscal Period End)



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## Interest-bearing Debt

Interest-bearing Debt Total **¥74,606 million**

Average Remaining Duration of Long-term Loans **2.8 years**

Weighted Average Interest Rate **1.61 %**

Long-term Interest-bearing Debt Ratio **46.1 %**

Loan Interest Rate Fixed Ratio **74.8 %**

LTV Level **53.1 %**

\*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%.

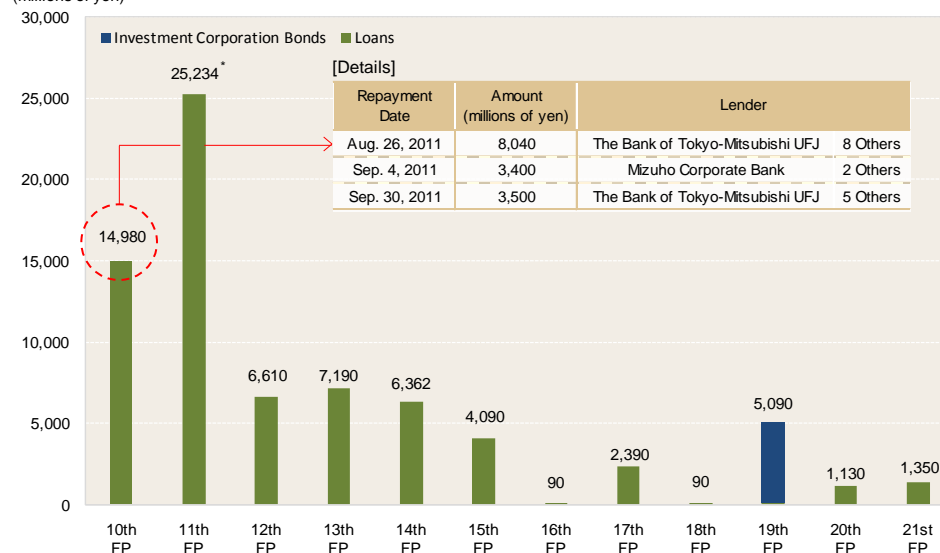
\*\*\*Loan Interest Rate Fixed Ratio" includes floating rate loans which have been fixed through interest rate swaps.

## 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	

## Maturity Diversification

(millions of yen)



\*Date of Repayment: Dec. 2011 (¥14,144 million), Feb. 2012 (¥11,000 million/installment repayment ¥90 million)

## Lender Diversification (16 Lenders)

(millions of yen)			
Major Banks (3)		Trust Banks (3)	
The Bank of Tokyo-Mitsubishi UFJ	11,372	Mitsubishi UFJ Trust and Banking	11,372
Sumitomo Mitsui Banking	11,372	The Sumitomo Trust and Banking	4,920
Mizuho Corporate Bank	6,920	The Nomura Trust and Banking	3,500
Regional Banks (3)		Insurance Companies (4)	
The Ito Bank	1,000	Taiyo Life Insurance	3,000
The Bank of Fukuoka	1,000	Mitsui Sumitomo Insurance	2,100
The Chiba Bank	750	Daido Life Insurance	1,100
Others (3)		The Dai-ichi Life Insurance	
Development Bank of Japan	8,180		800
Aozora Bank	500		
Shinkin Central Bank	1,720		



# Appraisal Value Status (Ninth Fiscal Period End)



NOMURA  
Residential Fund

## Appraisal Value

8th FP End Appraisal Value (A)\* **¥120,904 million**

9th FP End Appraisal Value (B) **¥121,042 million**

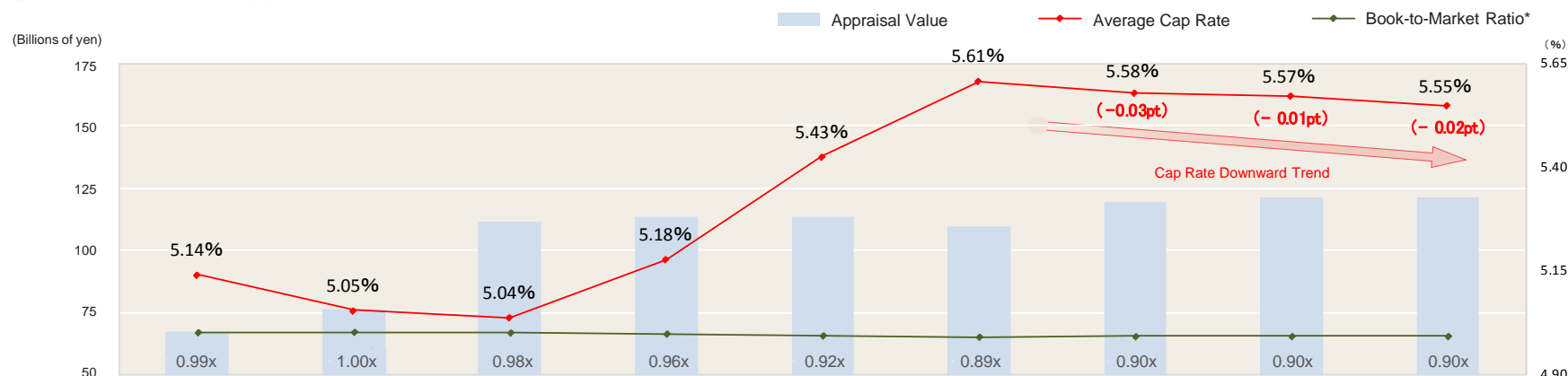
**Difference (A)-(B) + ¥138 million**

\*"8th FP End Appraisal Value" includes the appraisal value at the time of acquisition of the 1 property acquired during the 9th FP. It also excludes the appraisal value of 2 properties disposed during the 9th FP.

## Appraisal Value Details

- Increase 57 properties ( 39.8 %)
- Flat 38 properties ( 26.6 %)
- Decrease 48 properties ( 33.6 %)
- Total 143 properties ( 100.0 %)

## Range of Cap Rate, Appraisal Value, and Book-to-Market Ratio

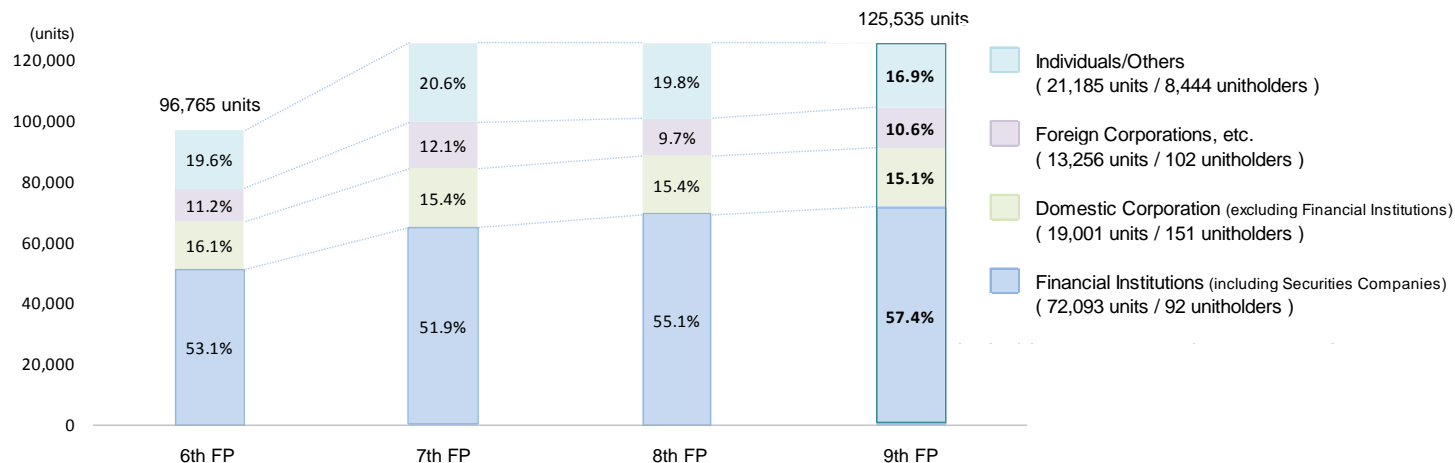


	1st FP	2nd FP	3rd FP	4th FP	5th FP	6th FP	7th FP	8th FP	9th FP
Average Cap Rate	5.14 %	5.05 %	5.04 %	5.18 %	5.43 %	5.61 %	5.58 %	5.57 %	5.55 %
Appraisal Value	¥67.57 billion	¥76.66 billion	¥111.47 billion	¥113.55 billion	¥113.57 billion	¥109.34 billion	¥119.47 billion	¥121.23 billion	¥121.04 billion
Total Book Value	¥68.32 billion	¥76.83 billion	¥113.51 billion	¥118.81 billion	¥124.09 billion	¥123.54 billion	¥133.27 billion	¥134.70 billion	¥133.56 billion
Book-to-Market Ratio*	0.99 x	1.00 x	0.98 x	0.96 x	0.92 x	0.89 x	0.90 x	0.90 x	0.90 x

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

## Changes in Number of Units Held by Unitholders and the Ratio

- \* Increase in mutual funds  
Investing resumes for regional financial institutions



(Financial Institutions)		6th FP		7th FP		8th FP		9th FP	
Total		51,380 units	53.1%	65,108 units	51.9%	69,161 units	55.1%	72,093 units	57.4%
Banks		6,466 units	6.7%	6,436 units	5.1%	6,043 units	4.8%	6,131 units	4.9%
Trust banks		32,544 units	33.6%	44,642 units	35.6%	47,733 units	38.0%	53,258 units	42.4%
Life Insurance		1,309 units	1.4%	3,311 units	2.6%	3,505 units	2.8%	3,435 units	2.7%
Non-life Insurance		5,165 units	5.3%	3,191 units	2.5%	2,210 units	1.8%	1,665 units	1.3%
Securities Companies, etc.		337 units	0.3%	1,087 units	0.9%	3,233 units	2.6%	2,127 units	1.7%
Other		5,559 units	5.7%	6,441 units	5.1%	6,437 units	5.1%	5,477 units	4.4%

Increase in Mutual Funds

## Top 10 Unitholders

#	Unitholders	Units	Ratio (%)	#	Unitholders	Units	Ratio (%)
1	Japan Trustee Services Bank, Ltd.	27,643	22.02	6	Nomura Bank (Luxembourg) S.A.	3,383	2.69
2	Nomura Real Estate Development Co., Ltd.	15,240	12.14	7	AIG Edison Life Insurance Company GA Equity PIMU	2,394	1.91
3	The Nomura Trust and Banking Co., Ltd.	10,891	8.68	8	National Mutual Insurance Federation of Agriculture Cooperatives	1,460	1.16
4	Trust and Custody Services Bank, Ltd.	6,245	4.97	9	The Senshu Ikeda Bank, Ltd.	1,161	0.92
5	The Master Trust Bank of Japan, Ltd.	5,922	4.72	10	Mizuho Trust & Banking Co., Ltd.	1,072	0.85
Total		75,411	60.07				

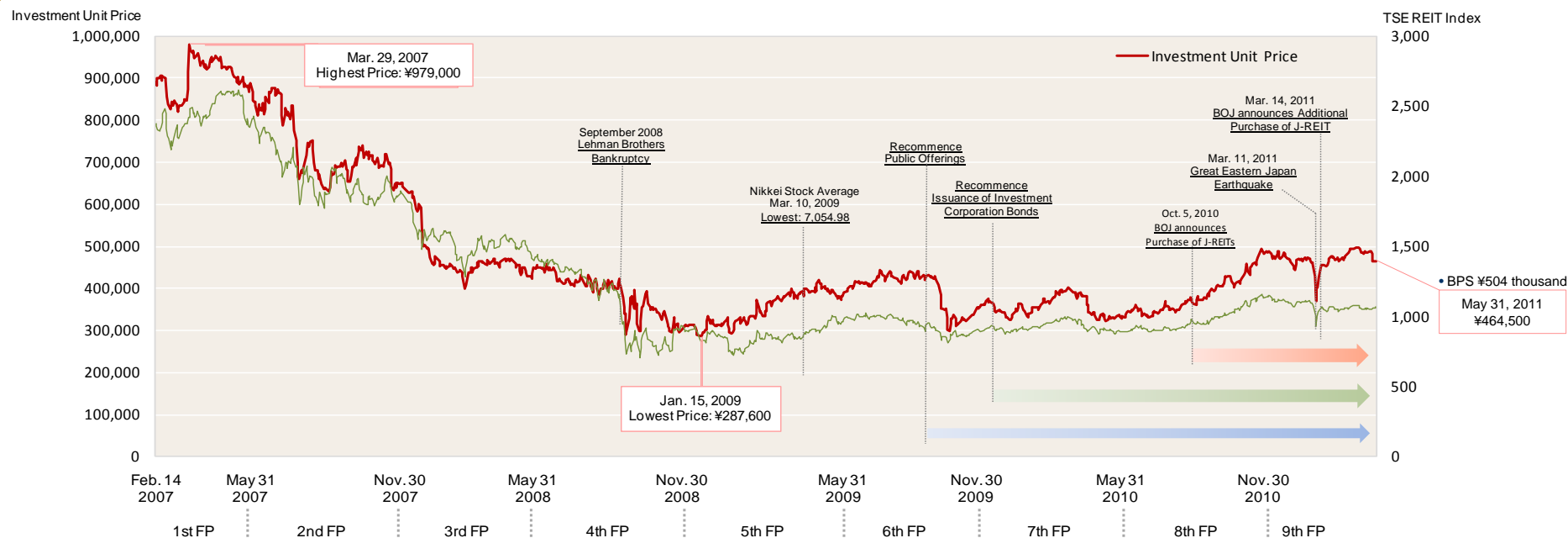
(Note) The Ratio is calculated as the percentage of Total Number of Owned Investment Units divided by Total Number of Issued Investment Units.

# Changes in Investment Unit Price and Cash Distribution

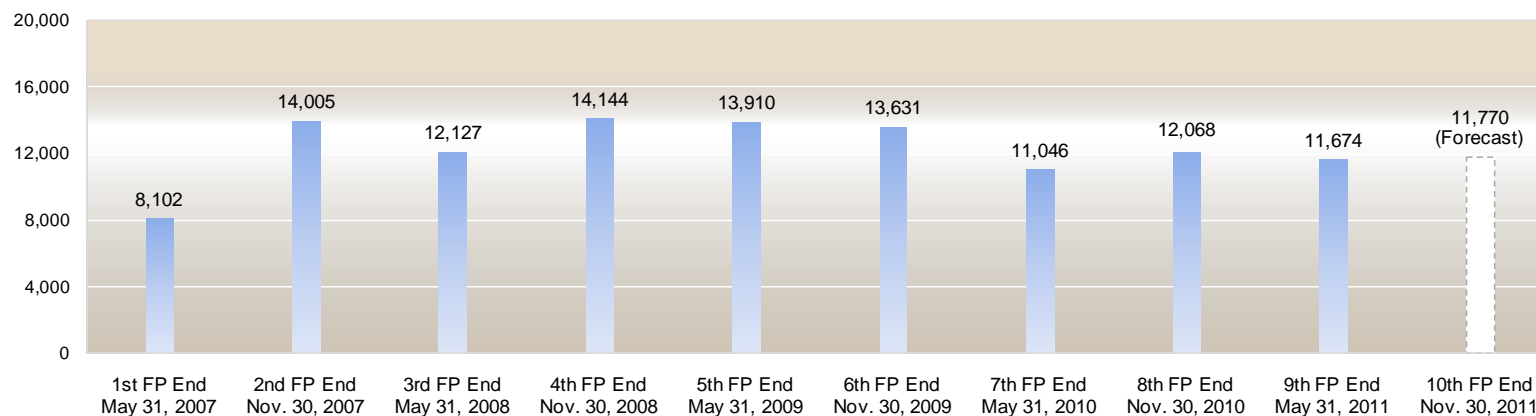


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## Changes in Investment Unit Price



## Changes in Cash Distribution





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## APPENDIX



# Changes in Financial Performance



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		4th FP	5th FP	6th FP	7th FP	8th FP	9th FP
Operating Revenues	million yen	3,809	4,025	3,959	4,323	4,466	4,510
Operating Income	million yen	1,890	1,949	1,926	2,037	2,150	2,177
Net Income	million yen	1,368	1,345	1,319	1,386	1,514	1,465
Asset Total	million yen	124,705	130,433	128,433	138,755	140,614	140,534
Interest-bearing Debt Total	million yen	67,236	72,996	70,976	73,046	74,676	74,606
Net Asset	million yen	55,138	55,115	55,088	63,186	63,314	63,265
Return on Assets (ROA)	%	2.2	2.1	2.0	2.0	2.2	2.2
Return on Equity (ROE)	%	5.0	4.9	4.8	4.4	4.8	4.6
FP End Capital Adequacy Ratio	%	44.2	42.3	42.9	45.5	45.0	45.0
LTV	%	53.9	56.0	55.3	52.6	53.1	53.1
Interest Coverage Ratio	times	3.8	3.4	3.3	3.4	3.5	3.4
Weighted Average Interest Rate	%	1.55	1.57	1.61	1.61	1.62	1.61
Long-term Debt Average Remaining Duration	years	3.5	2.8	2.8	2.4	2.1	2.8
Rent NOI	million yen	3,039	3,138	3,125	3,300	3,459	3,452
NOI Yield (acquisition price base)	%	5.24	5.17	5.15	5.02	5.19	5.20
FFO	million yen	2,064	2,089	2,055	2,174	2,305	2,251
Portfolio	properties	134	139	139	143	144	143
Acquisition Price Total	million yen	115,939	121,482	121,482	131,462	133,416	132,890
Book Value Total	million yen	118,818	124,095	123,545	133,272	134,701	133,564
Appraisal Value Total	million yen	113,555	113,576	109,349	119,471	121,231	121,042
NAV per Unit	thousand yen	515	460	422	393	397	404

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 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

# Interest-bearing Debts (Ninth Fiscal Period End)



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	Lender	Amount (Millions of Yen)	Type of Interest	Interest Rate	Date of Loan	Date of Repayment	Remaining Period	Collateral
	8 Financial Institutions	7,990	Floating Rate	1.30000%	Feb. 26, 2010	Aug. 26, 2011	0.2 years	Unsecured Unguaranteed
	3 Financial Institutions	3,400	Fixed Rate	1.51625%	Sep. 4, 2008	Sep. 4, 2011	0.3 years	
	6 Financial Institutions	3,500	Fixed Rate (*1)	1.84464%	May. 31, 2007	Sep. 30, 2011	0.3 years	
	2 Financial Institutions	5,048	Fixed Rate (*1)	1.43250%	Dec. 26, 2008	Dec. 26, 2011	0.6 years	
	2 Financial Institutions	9,096	Floating Rate	1.23000%	Jun. 28, 2010	Dec. 26, 2011	0.6 years	
	7 Financial Institutions	11,000	Fixed Rate (*1)	1.79300%	Feb. 27, 2007	Feb. 27, 2012	0.7 years	
	1 Financial Institution	80	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	—	
	1 Financial Institution	100	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	—	
Short-term Loan Sub Total	10 Financial Institutions	40,214	—	—	—	—	—	—
	2 Financial Institutions	2,200	Fixed Rate	1.81375%	Apr. 27, 2007	Aug. 27, 2012	1.2 years	Unsecured Unguaranteed
	5 Financial Institutions	2,600	Fixed Rate (*1)	1.49300%	Aug. 27, 2009	Aug. 27, 2012	1.2 years	
	1 Financial Institution	1,720	Floating Rate	1.26000%	Sep. 7, 2010	Aug. 27, 2012	1.2 years	
	4 Financial Institutions	1,600	Fixed Rate (*1)	1.51625%	Dec. 3, 2009	Dec. 3, 2012	1.5 years	
	3 Financial Institutions	5,500	Fixed Rate	1.83625%	May 23, 2008	May 23, 2013	2.0 years	
	3 Financial Institutions	5,472	Fixed Rate (*1)	1.74250%	Sep. 29, 2008	Sep. 29, 2013	2.3 years	
	1 Financial Institution	800	Fixed Rate	1.99875%	Sep. 27, 2007	Sep. 30, 2013	2.3 years	
	2 Financial Institutions	2,000	Fixed Rate (*1)	2.14360%	Feb. 27, 2007	Feb. 27, 2014	2.7 years	
	1 Financial Institution	2,000	Fixed Rate	2.13625%	Feb. 27, 2007	Feb. 27, 2014	2.7 years	
	1 Financial Institution	1,000	Fixed Rate (*1)	1.79200%	Feb. 26, 2010	Feb. 26, 2015	3.7 years	
	1 Financial Institution	1,300	Fixed Rate	2.23500%	May 15, 2007	Feb. 27, 2015	3.7 years	
	1 Financial Institution	1,400	Fixed Rate	2.10000%	Aug. 27, 2009	(Note 2)	—	
	1 Financial Institution	1,800	Fixed Rate	2.03000%	Feb. 26, 2010	(Note 3)	—	
Long-term Loan Sub Total	13 Financial Institutions	29,392	—	—	—	—	—	—
Loan Total	16 Financial Institutions	69,606	—	—	—	—	—	—
Investment Corporation Bond	—	5,000	—	1.21000%	Feb 25, 2011	Feb. 25, 2016	4.7 years	Unsecured Unguaranteed
Total	—	74,606	—	—	—	—	—	—

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

(\*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.

(\*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.

# Portfolio Status (Ninth Fiscal Period End)

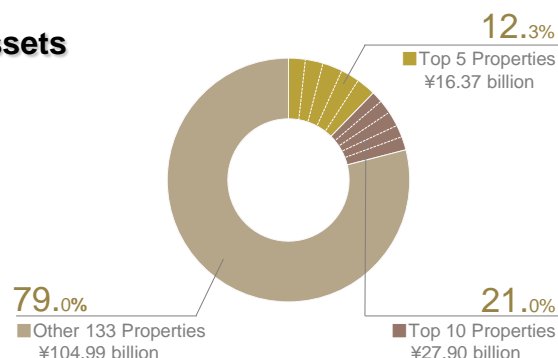


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Residential Fund

## Diversification Within Assets

Improve portfolio stability  
through promotion of  
diversification

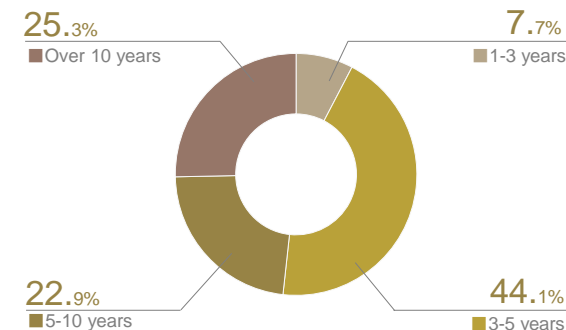
⇒ Top 10 Properties **21.0%**



## Building Age

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

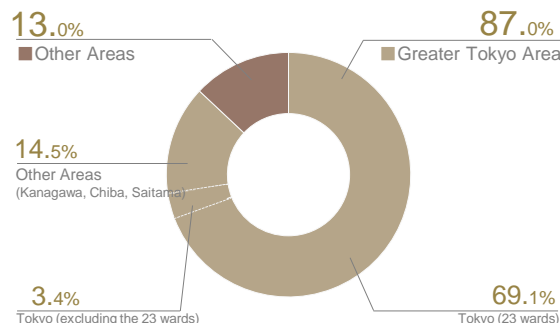
⇒ Average Building Age **8.5 Years**



## Investment Area

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

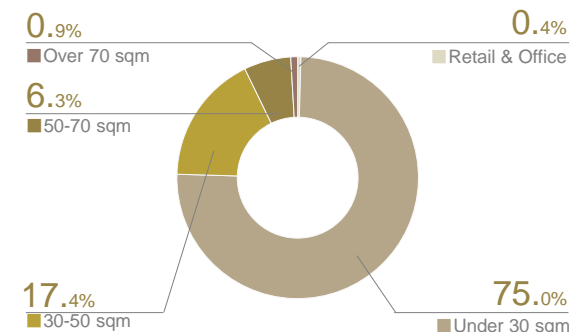
⇒ Greater Tokyo Area **87.0%**



## Floor Area Per Unit

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

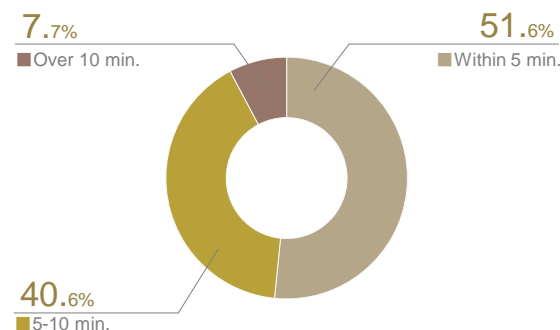
⇒ Under 50 sqm **92.4%**



## Nearest Station on Foot

Selection focusing on  
accessibility to the nearest  
railway stations

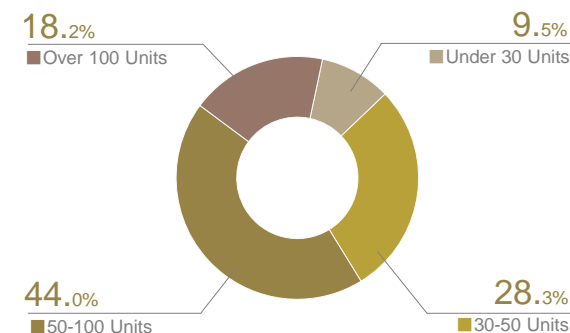
⇒ Within 10 min. **92.3%**



## 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 (143 Properties)



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Residential Fund



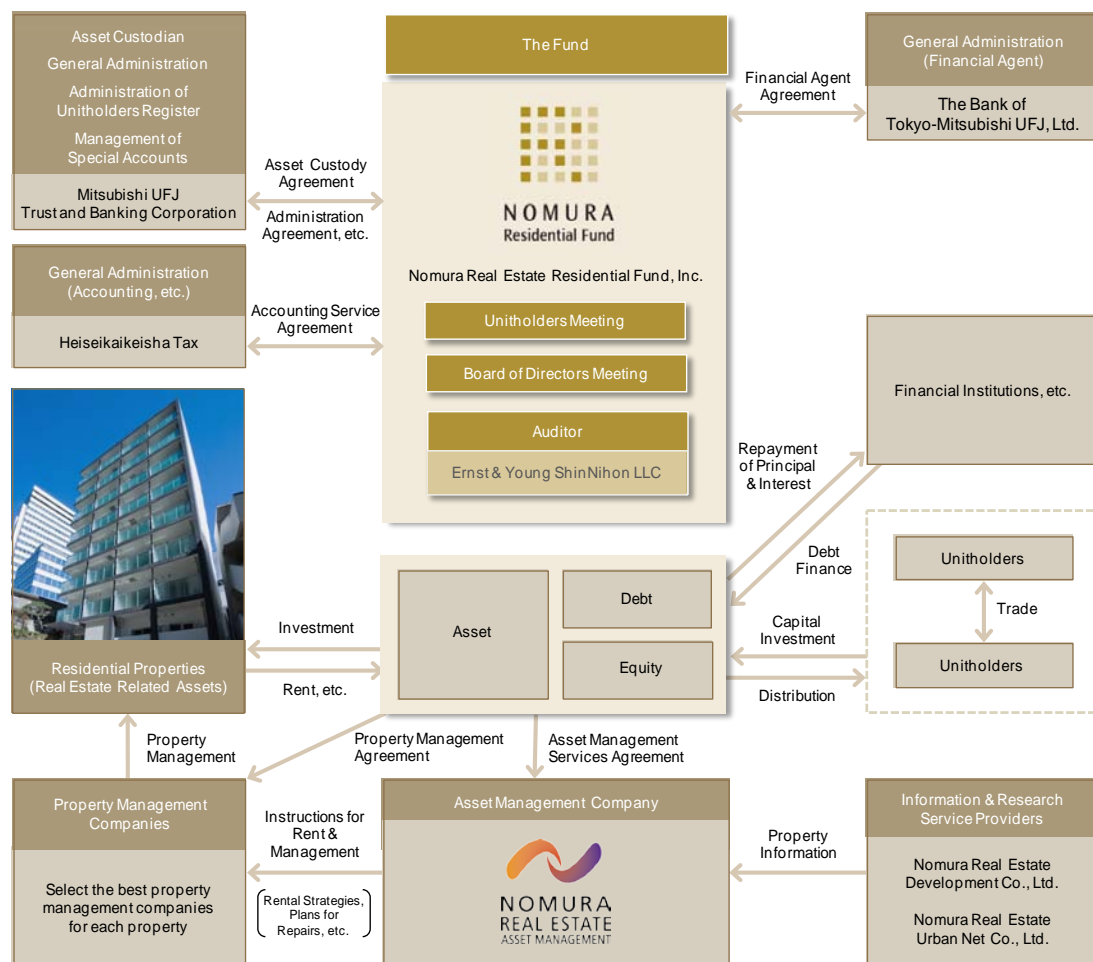
#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 9th FP)(%)
1	PROUD FLAT Shirokane Takanawa	Minato-ku, Tokyo	3,510,000	2.6	2,950.11	106	97.8
2	PROUD FLAT Yoyogi Uehara	Shibuya-ku, Tokyo	1,100,000	0.8	1,151.34	44	89.8
3	PROUD FLAT Hatsudai	Shibuya-ku, Tokyo	865,000	0.7	958.98	31	100.0
4	PROUD FLAT Shibuya Sakuragaoka	Shibuya-ku, Tokyo	800,000	0.6	638.70	30	96.7
5	PROUD FLAT Gakugei Daigaku	Meguro-ku, Tokyo	812,000	0.6	934.39	41	95.4
6	PROUD FLAT Meguro Gyoninzaka	Meguro-ku, Tokyo	882,000	0.7	855.23	40	97.5
7	PROUD FLAT Sumida Riverside	Chuo-ku, Tokyo	2,260,000	1.7	3,055.21	110	97.5
8	PROUD FLAT Kagurazaka	Shinjuku-ku, Tokyo	1,540,000	1.2	1,793.43	70	100.0
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	94.3
11	PROUD FLAT Sangen Jaya	Setagaya-ku, Tokyo	1,350,000	1.0	1,277.82	48	88.5
12	PROUD FLAT Kamata	Ota-ku, Tokyo	1,140,000	0.9	1,541.64	67	97.2
13	PROUD FLAT Kamata II	Ota-ku, Tokyo	2,980,000	2.2	4,051.72	169	97.5
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	97.4
17	PROUD FLAT Monzen Nakacho I	Koto-ku, Tokyo	1,130,000	0.9	1,191.08	55	100.0
18	PROUD FLAT Asakusa Komagata	Taito-ku, Tokyo	1,960,000	1.5	2,685.39	79	91.4
19	PROUD FLAT Yokohama	Yokohama-shi, Kanagawa	2,340,000	1.8	3,118.12	113	92.9
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	100.0
22	PRIME URBAN Tamachi	Minato-ku, Tokyo	941,000	0.7	1,107.36	48	94.0
23	PRIME URBAN Yoyogi	Shibuya-ku, Tokyo	408,000	0.3	439.56	19	94.2
24	PRIME URBAN Bancho	Chiyoda-ku, Tokyo	1,170,000	0.9	1,277.04	52	96.2
25	PRIME URBAN Chiyoda Fujimi	Chiyoda-ku, Tokyo	707,000	0.5	793.87	32	90.3
26	PRIME URBAN Iidabashi	Chiyoda-ku, Tokyo	2,030,000	1.5	2,087.70	90	98.9
27	PRIME URBAN Ebisu	Meguro-ku, Tokyo	1,200,000	0.9	1,444.40	29	96.7
28	PRIME URBAN Naka Meguro	Meguro-ku, Tokyo	1,320,000	1.0	1,302.42	49	93.9
29	PRIME URBAN Gakugei Daigaku	Meguro-ku, Tokyo	886,000	0.7	1,008.39	32	96.7
30	PRIME URBAN Senzoku	Meguro-ku, Tokyo	536,000	0.4	655.27	22	94.9
31	PRIME URBAN Meguro Riverside	Meguro-ku, Tokyo	464,000	0.3	453.77	24	96.0
32	PRIME URBAN Meguro Ohashi Hills	Meguro-ku, Tokyo	3,580,000	2.7	2,955.74	99	98.2
33	PRIME URBAN Hakusan	Bunkyo-ku, Tokyo	893,000	0.7	1,069.82	42	100.0
34	PRIME URBAN Yotsuya Gaien Higashi	Shinjuku-ku, Tokyo	1,700,000	1.3	1,759.11	51	93.9
35	PRIME URBAN Nishi Shinjuku I	Shinjuku-ku, Tokyo	1,290,000	1.0	1,459.86	60	90.3
36	PRIME URBAN Nishi Shinjuku II	Shinjuku-ku, Tokyo	1,000,000	0.8	1,162.55	46	97.9

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 9th FP)(%)
37	PRIME URBAN Shinjuku Naitomachi	Shinjuku-ku, Tokyo	512,000	0.4	578.18	14	100.0
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	92.8
41	PRIME URBAN Karasuyama Galleria	Setagaya-ku, Tokyo	645,000	0.5	835.05	33	94.0
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	90.1
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	95.0
46	PRIME URBAN Omori	Ota-ku, Tokyo	824,000	0.6	1,190.70	54	94.4
47	PRIME URBAN Kita Senzoku	Ota-ku, Tokyo	576,000	0.4	834.90	46	95.7
48	PRIME URBAN Denenchofu Minami	Ota-ku, Tokyo	900,000	0.7	1,100.17	44	97.4
49	PRIME URBAN Nakano Kamitakada	Nakano-ku, Tokyo	640,000	0.5	818.75	33	100.0
50	PRIME URBAN Nishi Ogikubo	Suginami-ku, Tokyo	435,000	0.3	543.09	24	96.1
51	PRIME URBAN Otsuka	Toshima-ku, Tokyo	794,000	0.6	944.99	46	97.9
52	PRIME URBAN Monzen Nakacho	Koto-ku, Tokyo	2,200,000	1.7	3,207.92	118	98.3
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	93.5
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	98.1
58	PRIME URBAN Kasai	Edogawa-ku, Tokyo	637,000	0.5	905.81	45	100.0
59	PRIME URBAN Kasai II	Edogawa-ku, Tokyo	958,000	0.7	1,437.84	68	98.5
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	98.3
62	PRIME URBAN Gyotoku I	Ichikawa-shi, Chiba	635,000	0.5	1,151.36	52	98.1
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	94.6
65	PRIME URBAN Nishi Funabashi	Funabashi-shi, Chiba	772,000	0.6	1,237.80	60	95.0
66	PRIME URBAN Kawaguchi	Kawaguchi-shi, Saitama	2,170,000	1.6	2,477.11	98	95.1
67	URBAN STAGE Azabu Juban	Minato-ku, Tokyo	991,000	0.7	1,222.13	40	97.9
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	100.0
70	URBAN STAGE Toritsu Daigaku	Meguro-ku, Tokyo	524,000	0.4	996.81	16	87.4
71	URBAN STAGE Kachidoki	Chuo-ku, Tokyo	2,290,000	1.7	4,524.00	145	94.4
72	URBAN STAGE Shinkawa	Chuo-ku, Tokyo	2,250,000	1.7	3,600.61	46	93.1

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 9th FP)(%)
73	URBAN STAGE Nihonbashi Yokoyamacho	Chuo-ku, Tokyo	3,530,000	2.7	5,926.17	124	90.4
74	URBAN STAGE Hongo Ikizaka	Bunkyo-ku, Tokyo	647,000	0.5	662.58	27	88.9
75	URBAN STAGE Naka Ochiai	Shinjuku-ku, Tokyo	655,000	0.5	1,237.98	18	95.3
76	URBAN STAGE Ochiai	Shinjuku-ku, Tokyo	324,000	0.2	517.53	32	96.9
77	URBAN STAGE Shinjuku Ochiai	Shinjuku-ku, Tokyo	635,000	0.5	1,053.39	28	95.6
78	URBAN STAGE Roka Koen	Setagaya-ku, Tokyo	362,000	0.3	567.20	34	100.0
79	URBAN STAGE Kamiuma	Setagaya-ku, Tokyo	900,000	0.7	1,739.86	37	100.0
80	URBAN STAGE Sangen Jaya	Setagaya-ku, Tokyo	755,000	0.6	1,018.72	47	93.7
81	URBAN STAGE Chitose Karasuyama	Setagaya-ku, Tokyo	730,000	0.5	1,774.01	27	100.0
82	URBAN STAGE Sangen Jaya II	Setagaya-ku, Tokyo	539,000	0.4	810.98	17	84.1
83	URBAN STAGE Komazawa	Setagaya-ku, Tokyo	396,000	0.3	572.41	26	96.9
84	URBAN STAGE Karasuyama	Setagaya-ku, Tokyo	344,000	0.3	507.52	28	100.0
85	URBAN STAGE Kamikitazawa	Setagaya-ku, Tokyo	738,000	0.6	1,384.45	29	100.0
86	URBAN STAGE Yoga	Setagaya-ku, Tokyo	1,150,000	0.9	1,773.05	54	81.9
87	URBAN STAGE Oimachi	Shinagawa-ku, Tokyo	530,000	0.4	722.70	45	93.3
88	URBAN STAGE Oimachi II	Shinagawa-ku, Tokyo	1,100,000	0.8	1,782.26	93	96.4
89	URBAN STAGE Yukigaya	Ota-ku, Tokyo	970,000	0.7	1,536.59	94	92.5
90	URBAN STAGE Ikegami	Ota-ku, Tokyo	1,460,000	1.1	2,456.48	95	75.8
91	URBAN STAGE Nakano	Nakano-ku, Tokyo	472,000	0.4	801.30	51	84.2
92	URBAN STAGE Takaido	Suginami-ku, Tokyo	1,080,000	0.8	1,746.20	107	94.5
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	92.8
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	94.2
97	URBAN STAGE Takinokawa	Kita-ku, Tokyo	287,000	0.2	554.39	29	93.3
98	URBAN STAGE Itabashi Kuyakushomae	Itabashi-ku, Tokyo	940,000	0.7	1,742.64	68	96.4
99	URBAN STAGE Asakusa	Taito-ku, Tokyo	350,000	0.3	876.70	22	94.7
100	URBAN STAGE Machiya	Arakawa-ku, Tokyo	210,000	0.2	455.19	26	96.4
101	URBAN STAGE Koganei	Koganei-shi, Tokyo	229,000	0.2	682.43	27	93.3
102	URBAN STAGE Musashi Koganei	Koganei-shi, Tokyo	2,390,000	1.8	5,999.80	98	99.0
103	URBAN STAGE Musashino Hills	Koganei-shi, Tokyo	1,590,000	1.2	2,961.06	80	96.8
104	URBAN STAGE Hino	Hino-shi, Tokyo	319,000	0.2	994.68	54	98.1
105	URBAN STAGE Musashi Kosugi comodo	Nakahara-shi, Kanagawa	2,150,000	1.6	3,690.37	56	98.4
106	URBAN STAGE Kawasaki	Kawasaki-shi, Kanagawa	1,150,000	0.9	1,706.46	80	96.6
107	URBAN STAGE Tsurumi Teraya	Yokohama-shi, Kanagawa	457,000	0.3	952.06	50	97.6
108	URBAN STAGE Urayasu	Urayasu-shi, Chiba	277,000	0.2	437.94	27	92.6

#	Name of Property	Location	Acquisition Price (thousands of yen)	Percentage of Total (%)	Leasable Floor Area (sqm)	Leasable Units (units)	Occupancy Rate (end of 9th FP)(%)
109	URBAN STAGE Minami Gyotoku I	Ichikawa-shi, Chiba	357,000	0.3	682.05	41	97.6
110	URBAN STAGE Minami Gyotoku II	Ichikawa-shi, Chiba	285,000	0.2	611.61	37	94.6
111	URBAN STAGE Minami Gyotoku III	Ichikawa-shi, Chiba	263,000	0.2	543.84	33	100.0
112	URBAN STAGE Minami Gyotoku IV	Ichikawa-shi, Chiba	256,000	0.2	535.08	32	96.9
113	URBAN STAGE Gyotoku Ekimae	Ichikawa-shi, Chiba	561,000	0.4	927.33	46	95.7
114	URBAN STAGE Minami Gyotoku V	Ichikawa-shi, Chiba	293,000	0.2	662.68	38	100.0
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	80.8
Greater Tokyo Area			115,599,000	87.0	165,989.69	6,188	95.7
117	PROUD FLAT Itsutsubashi	Sendai-shi, Miyagi	682,000	0.5	1,861.56	60	100.0
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	94.5
120	PRIME URBAN Kita Jujo Jo	Sapporo-shi, Hokkaido	336,000	0.3	1,155.60	36	91.3
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	0.5	1,851.39	60	96.5
124	PRIME URBAN Miyanosawa	Sapporo-shi, Hokkaido	576,200	0.4	2,114.53	54	98.4
125	PRIME URBAN Odori Higashi	Sapporo-shi, Hokkaido	424,000	0.3	1,494.36	36	100.0
126	PRIME URBAN Chiji Koukan	Sapporo-shi, Hokkaido	337,900	0.3	1,007.30	42	92.9
127	PRIME URBAN Maruyama	Sapporo-shi, Hokkaido	283,200	0.2	911.07	27	96.3
128	PRIME URBAN Kita Nijuyo Jo	Sapporo-shi, Hokkaido	503,700	0.4	1,773.90	36	97.3
129	PRIME URBAN Sapporo Idaimae	Sapporo-shi, Hokkaido	731,600	0.6	2,439.90	58	95.8
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	92.3
133	PRIME URBAN Kanayama	Nagoya-shi, Aichi	632,000	0.5	1,391.02	58	96.6
134	PRIME URBAN Tsurumai	Nagoya-shi, Aichi	1,189,096	0.9	2,502.11	104	96.2
135	PRIME URBAN Esaka I	Suita-shi, Osaka	672,000	0.5	1,189.12	48	98.0
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	1.2	2,151.67	79	97.7
138	URBAN STAGE Tsutsumidori Amamiya	Sendai-shi, Miyagi	969,000	0.7	4,251.91	65	100.0
139	Benefis Hakata Grand Suite	Fukuoka-shi, Fukuoka	830,000	0.6	2,176.23	67	100.0
140	Benefis Yakuin Minami	Fukuoka-shi, Fukuoka	351,000	0.3	897.84	34	94.5
141	Benefis Kashii Verbena	Fukuoka-shi, Fukuoka	396,000	0.3	1,222.34	39	94.0
142	Benefis Hakata Higashi Grand Suite	Fukuoka-shi, Fukuoka	693,000	0.5	1,854.13	65	91.9
143	Benefis Chihaya Grand Suite	Fukuoka-shi, Fukuoka	545,000	0.4	1,740.70	48	98.0
Other Areas			17,291,696	13.0	48,226.21	1,408	97.5
Total			132,890,696	100.0	214,215.90	7,596	96.1

## 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

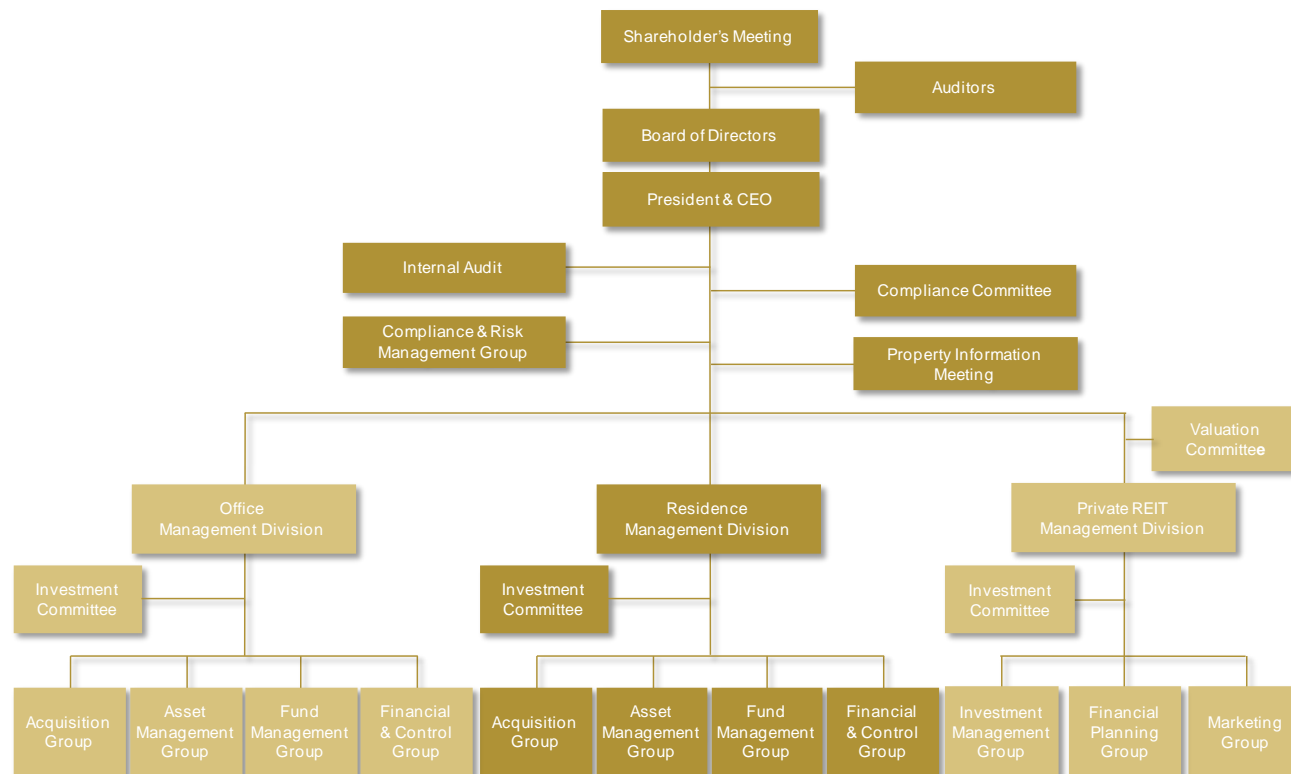
Registration approved by the Prime Minister of Japan under Article 187 of the Investment Trust Law (Registration number 56, filed with the Director of the Kanto Local Finance Bureau).

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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