



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Residential Fund, Inc.
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(Securities Code: 3240)

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**Notice Concerning Revision of Forecasts of
Financial Results for the Fiscal Period Ending November 30, 2008**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or “the Fund”) announced today the revision of forecasts of the financial results for the fourth fiscal period (June 1, 2008 to November 30, 2008) released on January 21, 2008. The revised forecasts are summarized as follows.

1. Reasons for Revision

Nomura Residential Fund has come to an agreement with Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), which provides asset management services to the Fund, to modify provisions concerning Management Fee III (“Incentive Fee”), which is part of the fee (“Asset Management Fee”) that is paid by the Fund to NREAM for the asset management services according to the asset management commission agreement.

This matter of modification becomes effective on the condition that the amendment of the Fund’s Articles of Incorporation is approved of at the Fund’s general unitholders meeting scheduled to be held on July 31, 2008, and upon its effectiveness, as the said Asset Management Fee will not be paid for the period ending November 30, 2008, in accordance with the portfolio and change in debt financing, etc., the Fund has revised the forecasts of financial results.

(Note) Refer to the “Notice Concerning Partial Change in Asset Management Commission Agreement” regarding the modification of the asset management commission agreement and the “Notice Concerning Amendment of Articles of Incorporation and Election of Directors” regarding the summary of the amendments of Articles of Incorporation, both released today.

2. Summary of Revision

	Operating Revenues (Millions of Yen)	Current Profits (Millions of Yen)	Net Income (Millions of Yen)	Cash Distribution Per Unit (Yen)	Distribution in Excess of Net Income Per Unit (Yen)
Previous Forecasts (A)	3,693	1,276	1,275	13,180	—
Revised Forecasts (B)	3,769	1,340	1,339	13,840	—
Amount of Increase/Decrease (B) – (A)	76	63	63	660	—
Percentage of Increase/Decrease	2.1%	5.0%	5.0%	5.0%	—

[Related Information]

Total number of investment units as of November 30, 2008: 96,765 units

[Notes]

1. The forecasts presented in this document are calculated as of today based on the assumptions as set forth in the attached material “Assumptions for Forecasts of the Financial Results for the Fiscal Period Ending November 30, 2008”. The actual operating revenues, net income and cash distribution per unit may vary due to the acquisition and sale of properties, if any, changes in the real estate market and other factors affecting the Fund. Nomura Residential Fund also does not guarantee the cash distribution amount identified above.
2. Nomura Residential Fund may revise the forecasts if the Fund expects a large variance from the forecasts mentioned above.
3. Amounts less than the stated units are rounded down, the percentage is rounded up to the nearest tenth.

[Exhibit]

**Assumptions for Forecasts of the
Financial Results for the Fiscal Periods Ending November 30, 2008**

Item	Assumptions
Period	<ul style="list-style-type: none"> ● Fourth Fiscal Period: June 1, 2008 to November 30, 2008
Investment Portfolio	<ul style="list-style-type: none"> ● The Fund, in addition to the 131 properties of real estate and beneficial rights to real estate trusts currently owned, assumes that no changes (new property acquisitions and selling of currently owned property) will be made by November 30, 2008, besides the acquisition of PROUD FLAT Monzen Nakacho I (tentative name) on August 5, 2008 and PROUD FLAT Shirogane Takanawa (tentative name) on September 5, 2008. ● The forecast may be subject to potential change, due to the shifting of the investment portfolio.
Operating Revenues	<ul style="list-style-type: none"> ● Rental income is estimated based on the tenant trends, the information concerning the existence of competitive properties located in adjoining areas, and the real estate market conditions, etc., and that there are no rental income arrears and nonpayment cases.
Operating Expenses	<ul style="list-style-type: none"> ● In general, the fixed asset taxes and urban planning taxes of the properties are divided between the seller and the purchaser on a daily pro-rata basis. Although it is settled at the time of acquisition, such taxes are deemed as the acquisition costs and not included in the expenses. Therefore, as to the portfolio acquired (105 properties) during 2007, the fixed asset taxes and urban planning taxes will be recognized as expenses from 2008. As to the portfolio acquired and scheduled to be acquired during 2008, the fixed asset taxes and urban planning taxes will be recognized as expenses from 2009. ● Expenses for maintenance and repair are based on the mid-to-long term repair plans the asset management company has established, and the estimated amount required is included. However, it is possible that the actual expenses for maintenance and repair for the fiscal periods may differ significantly from the estimates due to unforeseeable events that may cause serious damage to a building and require expenses for urgent repair or because of expenses for certain types of repair not required annually, causing the estimate to vary. ● Rental business revenues are estimated to be ¥1,450 million and the depreciation and amortization is estimated to be ¥689 million. Also, regarding the Incentive Fee, a part of the Asset Management Fees paid to the asset management company, it is estimated based on the assumption that the Fund's Articles of Incorporation is approved of at the Fund's general unitholders meeting scheduled to be held on July 31, 2008, and the fourth fiscal period (ending November 30, 2008) Incentive Fee will not be paid, due to its effectiveness.
Non-Operating Expenses	<ul style="list-style-type: none"> ● As Non-operating expenses, interest expenses are estimated to be ¥497 million.
Debt Financing	<ul style="list-style-type: none"> ● The Fund, which currently has a total of ¥61,724 million in loan debts, assumes that, other than the new loans of ¥4,848 scheduled for the acquisition of new properties, etc., there are no changes in the amount of loan debts until the end of the fourth fiscal period (November 30, 2008).
Investment Units	<ul style="list-style-type: none"> ● The Fund, currently with a total of 96,765 investment units, assumes that no new investment units will be issued until the end of the fourth fiscal period (November 30, 2008).

Cash Distribution per Unit	<ul style="list-style-type: none"> ● Cash distributions per unit are calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. ● Cash distributions per unit may vary due to various factors, including changes of portfolio, changes in rent income caused by replacement of tenants, and unforeseen repairs.
Distribution in Excess of Net Income per Unit	<ul style="list-style-type: none"> ● The Fund does not currently plan on any distributions in excess of net income per unit.
Others	<ul style="list-style-type: none"> ● The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and the Investment Trusts Association regulations, which affect the above forecasts. ● The Fund assumes that there will be no material changes in general economic conditions and real estate markets.