



NOMURA  
Residential Fund

For Translation Purposes Only

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**For Immediate Release**

Nomura Real Estate Residential Fund, Inc.  
Nobuyuki Hamada, Representative and Executive Director  
(Securities Code: 3240)

Asset Management Company:  
Nomura Real Estate Asset Management Co., Ltd.  
Tatsuo Inoue, President and Chief Executive Officer  
Inquiries: Masatomi Natsume, Director  
Residential Management Division  
TEL: +81-3-3365-7729

**Notice Concerning Forecasts of  
Financial Results for the Fiscal Period Ending May 31, 2009**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or “the Fund”) announced today the forecasts of the financial results for the fifth fiscal period (December 1, 2008 to May 31, 2009). The forecasts are summarized as follows.

1. Forecasts

	Operating Revenues (Millions of Yen)	Operating Income (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)
Fifth Fiscal Period (Ending May 31, 2009)	4,065	1,935	1,297	1,296	13,400	—

**[Related Information]**

Total number of investment units as of May 31, 2009: 96,765 units

**[Notes]**

1. The forecasts for the fifth fiscal period presented in this document are calculated as of today, based on the assumptions as set forth in the attached material. The actual operating revenues, operating profits, 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.

2. Reasons for Forecasts

The Fund announced the forecast of financial results, as it has been consecutively provided at the start of every fiscal period, regarding the operating period started December 1, 2008 to May 31, 2009. The forecast mentioned above will be announced again at the time of the financial results announcement regarding the fourth fiscal period (June 1, 2008 to November 30, 2008) scheduled on January 15, 2009, after appropriately revising the assumptions for forecasts.

[Exhibit]

**Assumptions for Forecasts of the  
Financial Results for the Fiscal Period Ending May 31, 2009**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>● Fifth Fiscal Period: December 1, 2008 to May 31, 2009</li> </ul>
Investment Portfolio	<ul style="list-style-type: none"> <li>● The Fund, in addition to the 135 properties of real estate and beneficial interest in real estate trusts currently owned, assumes that no changes (new property acquisitions and selling of currently owned property) will be made by May 31, 2009, besides the acquisition of PROUD FLAT Kawaramachi (tentative name) in December 2008, PRIME URBAN Chitose Funabashi (tentative name) in February 2009, and PRIME URBAN Tsurumai (tentative name) and PRIME URBAN Shinyurigaoka (tentative name) in May 2009.</li> <li>● The forecast may be subject to potential change, due to the shifting of the investment portfolio.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>● Rental income is estimated based on the tenant trends, the information concerning the existence of competitive properties located in adjacent areas, and the real estate market conditions, etc., and that there are no rental income arrears and nonpayment cases.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>● In general, the fixed asset taxes and urban planning taxes of the properties are distributed to 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 during 2007, the fixed asset taxes and urban planning taxes will be recognized as expenses from 2008. As for the portfolio acquired and scheduled to be acquired during 2008 and 2009, the fixed asset taxes and urban planning taxes will be recognized as expenses from 2009 and 2010, respectively.</li> <li>● 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.</li> <li>● Rental business expenses are estimated to be ¥1,671 million and the depreciation and amortization is estimated to be ¥749 million.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>● As Non-operating expenses, interest expenses are estimated to be ¥583 million.</li> </ul>
Debt Financing	<ul style="list-style-type: none"> <li>● The Fund, which currently has a total of ¥68,836 million in loan debts, assumes that, other than the new loans of ¥4,160 million scheduled for the acquisition of new properties, etc., there are no changes in the amount of loan debts until the end of the fifth fiscal period (May 31, 2009).</li> </ul>
Investment Units	<ul style="list-style-type: none"> <li>● 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 fifth fiscal period (May 31, 2009).</li> </ul>

Cash Distribution per Unit	<ul style="list-style-type: none"> <li>● Cash distributions per unit are calculated according to the Fund's distribution policy outlined in its Articles of Incorporation.</li> <li>● 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.</li> </ul>
Distribution in Excess of Net Income per Unit	<ul style="list-style-type: none"> <li>● The Fund does not currently plan on any distributions in excess of net income per unit.</li> </ul>
Others	<ul style="list-style-type: none"> <li>● 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.</li> <li>● The Fund assumes that there will be no material changes in general economic conditions and real estate markets.</li> </ul>