



NOMURA
Residential Fund

For Translation Purposes Only

June 1, 2012

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Yoshinori Hirohata, Executive Director
(Securities Code: 3240)

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Masatomi Natsume, NRF Chief Investment Officer
TEL: +81-3-3365-7729
EMAIL: nrf3240@nomura-re.co.jp

**Notice Concerning Revised Forecasts of Financial Results
for the Fiscal Periods Ending November 30, 2012**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or “the Fund”) announced today that it has revised its forecasts of the financial results for the twelfth fiscal period (June 1, 2012 to November 30, 2012), which was released on November 14, 2011. The revised forecasts are summarized as follows.

1. Reasons for the Following Revision

According to the change of the number of properties and forecasted management situation of 152 properties currently owned, the Fund revised the forecasts of the financial results for the fiscal period ending November 30, 2012. At the beginning of the period, for the purpose of continuous disclosure of the forecasts, the Fund announced the revised forecasts compared with the forecasts previously announced on November 14, 2011 in “Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending May 31, 2012 and November 30, 2012”.

The forecast mentioned above will be announced again at the time of the financial results announcement regarding the eleventh fiscal period (December 1, 2011 to May 31, 2012) scheduled on July 13, 2012, after appropriately revising the assumptions for forecasts.

2. Revised Forecasts of Financial Results for the Twelfth Fiscal Period Ending November 30, 2012

	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)
Previous Forecasts (A)	5,142	2,417	1,837	1,836	12,165	—
Revised Forecasts (B)	5,155	2,425	1,841	1,840	12,195	
Amount of Increase/Decrease (B-A)	13	7	4	4	30	
Ratio of Increase/Decrease	0.3%	0.3%	0.2%	0.2%	0.2%	—

[Related Information]

As of November 30, 2012

Total number of investment units: 150,936 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 Periods Ending November 30, 2012". 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.

[Exhibit]

**Assumptions for Forecasts of the Financial Results for the
Fiscal Periods Ending November 30, 2012**

Item	Assumptions
Period	<ul style="list-style-type: none"> ● Twelfth Fiscal Period: June 1, 2012 to November 30, 2012
Investment Portfolio	<ul style="list-style-type: none"> ● The Fund, in regard to the 152 properties of real estate and beneficial rights to real estate trust currently owned, assumes that no changes (new property acquisition and selling of currently owned property) will be made by November 30, 2012. ● 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 information concerning the existence of competitive properties located in adjoining areas, and the real estate market conditions, etc., and assumes 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. However, as to the 152 properties currently owned, of the estimated amount of annual tax, ¥297 million will be allocated as rental business expenses. ● Required expenses for maintenance and repair are calculated based on the mid-to-long term repair plans the asset management company has established. 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 due to expenses for certain types of repair not required annually, causing the estimate to vary. ● The estimated amount of property management fees are allocated as expenses, taking into account the previous results. ● Rental business expenses are estimated to be ¥2,131 million and the depreciation and amortizations are estimated to be ¥961 million.
Non-Operating Expenses	<ul style="list-style-type: none"> ● Interest expenses, etc. are estimated to be ¥574 million.
Debt Financing	<ul style="list-style-type: none"> ● The Fund currently has a total of ¥83,182 million in loan debts. ● The Fund assumes that, of the ¥12,600 million in loans scheduled for repayment by the end of the twelfth fiscal period (ending November 31, 2012), other than the agreed repayment of ¥90 million, the remaining ¥12,510 million will be repaid through refinancing. ● The Fund assumes that there are no changes in the amount of loan debts other than the amount stated above.
Investment Units	<ul style="list-style-type: none"> ● The Fund, currently with a total of 150,936 investment units, assumes that no new investment units will be issued until the end of the twelfth fiscal period (ending Nov. 30, 2012).
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.
--------	--