

NOMURA
Residential Fund

For Translation Purposes Only

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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.
Atsushi Ogata, President and Chief Executive Officer
Inquiries: Masatomi Natsume, Director
Residential Management Division
TEL: +81-3-3365-7729
EMAIL: nrf3240@nomura-re.co.jp

**Notice Concerning Changes Due to Merger in the Asset Management Company's
Articles of Incorporation, Organization, Important Employees, and
Scheduled Changes in Director and Auditor**

Nomura Real Estate Residential Fund, Inc. ("Nomura Residential Fund" or the "Fund") announced today that Nomura Real Estate Asset Management Co., Ltd. ("NREAM"), a licensed investment trust management company retained by the Fund to provide asset management services, has approved, at the Extraordinary General Meeting of Shareholders held today, to merge with Nomura Real Estate Investment Management Co., Ltd. ("NREIM") and Nomura Real Estate Capital Management ("NRECM"), as announced in the "Notice Concerning the Asset Management Company's Merger and Change of Business Name," released on July 6, 2011, and also resolved to change the Articles of Incorporation.

NREAM's Board of Directors meeting, held prior to the said Extraordinary General Meeting of Shareholders, has resolved the organization change and change of important employees due to the merger, as well as determined to propose the election of directors and auditors ("Officers") at NREAM's Extraordinary General Meeting of Shareholders scheduled to be held on October 1, 2011, as stated below. In accordance with the resignation of Atsushi Ogata, current President and CEO, on September 30, 2011, Yoji Kurihara, current Director, is scheduled to be proposed as a candidate for President and CEO at the Board of Directors meeting scheduled to be held on October 1, 2011.

The changes in the Articles of Incorporation and election of officers, changes in organization, and changes in Important Employees, as mentioned above, are all to be enforced on October 1, 2011, the day of the merger. Also, refer to the press release from July 6, 2011 for more information regarding the purpose and details of the said merger.

1. Decided Matters

The matters stated below have been decided on at NREAM's Extraordinary General Meeting of Shareholders held today.

(1) Approval of merger

(2) Change in Articles of Incorporation

Change in business name, establishment of board of statutory auditors, addition in business operations, etc.

2. Changes in Officers

The proposal of a new director and two new auditors at NREAM's Extraordinary General Meeting of Shareholders, scheduled to be held on October 1, 2011, was decided on at the Board of Directors meeting held today, as stated below.

(1) Officers scheduled to assume office (as of October 1, 2011)

Makoto Haga, Senior Managing Director

Takahiko Nagaki, Statutory Auditor

Shigeaki Yoshioka, Statutory Auditor (part-time)

(2) Officers scheduled to resign (as of September 30, 2011)

Masatomi Natsume, Director

3. New Structure (as of October 1, 2011)

The Officers and their respective titles after the merger are stated below.

Title	Name
President & CEO	Yoji Kurihara
Executive Vice President & COO	Eiji Enomoto
Executive Managing Director & CFO	Hiroyuki Kimura
Senior Managing Director, Legal & Compliance, Internal Audit	Nobuyuki Hamada
Senior Managing Director, Head of Fund Management Division	Atsushi Ogata
Senior Managing Director, Head of Investment Management Division	Makoto Haga
Senior Managing Director, Chief Investment Officer, Private Funds III & IV	Akira Morinaga
Statutory Auditor	Takahiko Nagaki
Statutory Auditor (part-time)	Shigeaki Yoshioka
Statutory Auditor (part-time)	Mitsuharu Sato

4. Change in Organization

(1) Reason for Change

Through the merger, NREAM is able to 1) accurately understand investor needs and promote development of new real estate financial instruments, 2) swiftly respond to changes in the real estate and financial market 3) enhance professional knowledge and experience needed for real estate investment, and 4) operating as one of the largest

domestic real estate asset management companies.

On the other hand, through the merger, further consideration for prevention of conflict of interest will be needed as NREAM will also be managing other real estate funds in addition to currently operating REITs. Therefore, in order to maximize the advantage of the merger while providing a system for the prevention of conflict of interests, changes in the organization, as stated below, will be made as of the date of merger.

(2) Details of Change

In order to build an organization structure that fully benefits from the synergy of NREAM's merger, changes will be made from the former structure where a management division was established for each operating REIT. The new structure will include a fund management division where each operating REIT and private fund, grouped together by investment type or merchantability, will have a chief investment officer placed in charge, who will oversee the strategy formulation and operational control, whereas regarding other affairs such as fiscal year project planning and investor relations, gathering new property information and drawing up property budgets, property management, and funding, they will not be divided by operating REITs or private funds but by each function.

Also, regarding the prevention of conflict of interest for property acquisition, as announced in the July 6, 2011 press release, NREAM will prevent the arbitrary allocation of the property information by revising the current "rotation rule."

(3) New Organization

Regarding the organization chart before (current status) and after the changes, refer to the attachment.

5. Changes in Important Employees

Due to the changes stated in "4. Changes in Organization," changes in important employees have been determined at NREAM's Board of Directors meeting held today, as mentioned below.

Title	Name
Head of Fund Management Division	Atsushi Ogata
Head of Client Relations & Marketing Division	Eiji Enomoto
Head of Investment Management Division	Makoto Haga
Head of Finance & Accounting Division	Hiroyuki Kimura
Chief Investment Officer, NOF *1	Kenji Tsuga
Chief Investment Officer, NRF *2	Masatomi Natsume
Chief Investment Officer, NPR *3	Seishi Nakamura
Chief Investment Officer, Private Funds I	Kenichi Okuda
Chief Investment Officer, Private Funds II	Tatsuo Isshiki
Chief Investment Officer, Private Funds III & IV	Akira Morinaga
Head of Fund Management Department	Takashi Kataoka
Head of Client Relations & Marketing Department	Motomi Uki

Head of Acquisitions Department	Joji Yamada
Head of Asset Management Department	Takeshi Kirihara
Head of Finance Department	Masato Yamauchi
Head of Accounting Department	Akira Ochi
Head of Legal & Compliance Department	Nobuaki Kawanishi

*1 “NOF” refers to Nomura Real Estate Office Fund, Inc.

*2 “NRF” refers to Nomura Real Estate Residential Fund, Inc.

*3 “NPR” refers to Nomura Real Estate Private REIT, Inc.

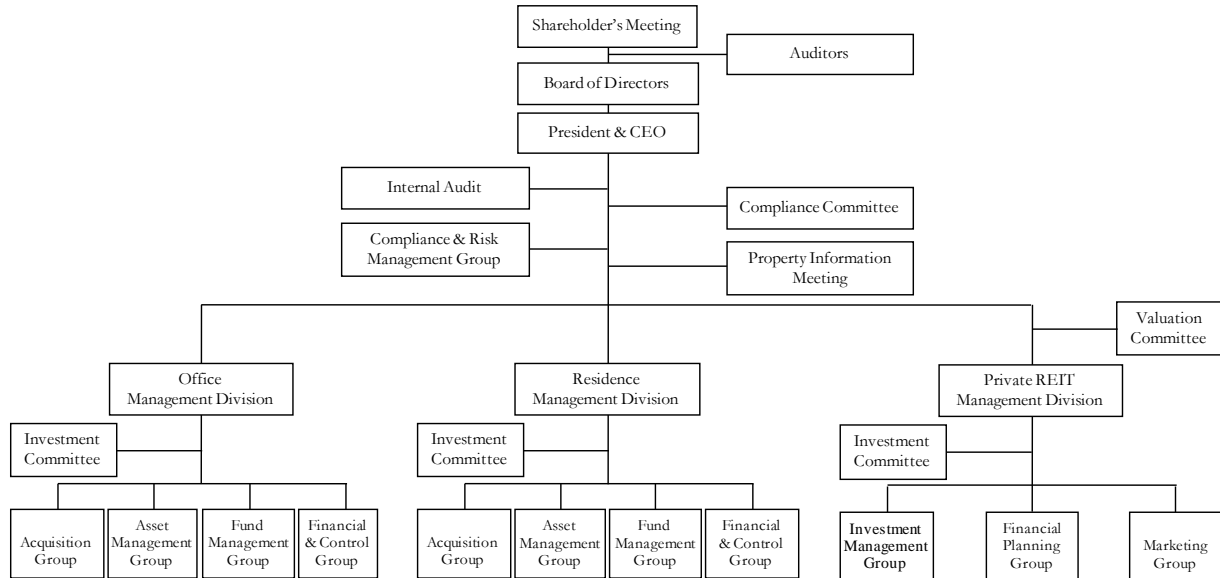
The Fund will report these changes pursuant to the Financial Instruments and Exchange Law, Building Lots and Buildings Transaction Business Law, and other applied laws and regulations.

[Note] The biographical outlines of the officers has been omitted

(Reference)

Organization chart before change (current structure) and after change

[Before Change (current structure)]



[After Change]

