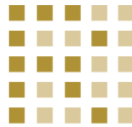




For Translation Purposes Only



NOMURA
Residential Fund

November 14, 2011

For Immediate Release

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

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**Notice Concerning Forecasts of Financial Results for the
Fiscal Periods Ending May 31, 2012 and November 30, 2012**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or “the Fund”) announced today the revision of forecasts of the financial results for the eleventh fiscal period (December 1, 2011 to May 31, 2012) and twelfth fiscal period (June 30, 2012 to November 30, 2012). The revised forecasts are summarized as follows.

	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)
Eleventh Fiscal Period (ended May 31, 2012)	5,172	2,480	1,815	1,813	12,018	—
Twelfth Fiscal Period (ended Nov. 30, 2012)	5,142	2,417	1,837	1,836	12,165	—

[Previous Years Results]

Ninth Fiscal Period (ended May 31, 2011)	4,510	2,177	1,553	1,465	11,674	—
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[Related Information]

As of May 31, 2012

Total number of investment units: 150,936 units

Net income forecast: ¥12,018

As of November 30, 2012

Total number of investment units: 150,936 units

Net income forecast: ¥12,165

Note: This document is a public announcement regarding the revision of forecasts of financial results for the fiscal periods ending May 31, 2012 and November 30, 2012 and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund's Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility.

[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 May 31, 2012 and 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. The Fund currently owns 145 properties of real estate and beneficial rights in real estate trusts and, as stated in the attached material “Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending May 31, 2012 and November 30, 2012 (Investment Portfolio)”, is scheduled to acquire 8 more properties of real estate by the end of the eleventh fiscal period (ending May 31, 2012).
4. Amounts less than the stated units are rounded down.

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[Exhibit]

Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending May 31, 2012 and November 30, 2012

Item	Assumptions
Period	<ul style="list-style-type: none"> ● Eleventh Fiscal Period: December 1, 2011 to May 31, 2012 ● Twelfth Fiscal Period: June 1, 2012 to November 30, 2012
Investment Portfolio	<ul style="list-style-type: none"> ● The Fund, in addition to the 145 properties of real estates and beneficial rights in real estate trusts (the “Acquired Portfolio”) currently owned, intends to acquire more 8 properties by the end of the eleventh fiscal period. ● The Fund assumes that it will acquire the scheduled acquisitions, PROUD FLAT Fujimidai, PROUD FLAT Tsurumi II, URBAN STAGE Machiya South Court, URBAN STAGE Kumegawa, PROUD FLAT Shin Osaka, URBAN STAGE Sapporo Riverfront, URBAN STAGE Kita Sanjo Dori, and URBAN STAGE Izumi (8 properties) in December 2011 (the “Assets of Scheduled Acquisition”). ● In forecasting the financial results, the Fund assumes that the Assets of Scheduled Acquisition will be acquired on the date mentioned above and will remain unchanged without any acquisitions or sales of the portfolio until 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 provided by the current owners of each property, 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 151 of the total 153 properties of Acquired Portfolio and the Assets of Scheduled Acquisition, of the estimated amount of annual tax, ¥240 million will be allocated as rental business expenses to be dealt with during the eleventh fiscal period. Also, of the estimated amount of annual tax for the total 153 properties, ¥287 million will be allocated as rental business expenses to be dealt with during the twelfth fiscal period. ● Expenses for maintenance and repair are based on the mid-to-long term repair plans the asset management company (Nomura Real Estate Asset Management Co., Ltd.) 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. ● The estimated amount of property management fees are allocated as expenses, taking into account the previous results. ● Rental business revenues are estimated to be ¥2,141 million for the eleventh fiscal period and ¥2,138 million for the twelfth fiscal period. Also the depreciation and amortization is estimated to be ¥963 million for the eleventh fiscal period and ¥963 million for the twelfth fiscal period.

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Non-Operating Expenses	<ul style="list-style-type: none"> ● Non-operating expenses required temporarily during the eleventh fiscal period for the public offering, determined at the Board of Directors Meeting on November 14, 2011, is estimated to be ¥27 million. Also, interest expenses for the eleventh fiscal period and twelfth fiscal period are estimated to be ¥631 million and ¥574 million, respectively.
Debt Financing	<ul style="list-style-type: none"> ● The Fund, as of today, has a total of ¥74,216 million in loan debts. ● The Fund intends to procure new loans of ¥7,372 million as a part of the fund to acquire the Assets of Scheduled Acquisitions in December 2011 and to repay ¥90 million of agreed repayments in February 2012, and assumes that at the end of the eleventh fiscal period the total of loan debts will be ¥81,498 million. ● The Fund assumes that, after the repayment of ¥90 million of agreed repayments in August 2012, the total amount of loan debts at the end of the twelfth fiscal period will be ¥81,408 million.
Investment Units	<ul style="list-style-type: none"> ● The Fund assumes that, in addition to the current 125,535 investment units issued, a total of 25,401 investment units will be issued through public offering of new investment units (23,629 units) and the third-party allotment (up to 1,772 units). ● The Fund assumes that no additional investment units will be issued until the end of the twelfth fiscal period. ● Net income per unit and cash distribution per unit are calculated on the basis of 150,936 units, the calculated number of investment units at the end of each fiscal period, including the units being issued in the current offering.
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.

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