



NOMURA
Residential Fund

For Translation Purposes Only

March 9, 2007

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 the Determination of the Number of
New Investment Units Issued Through the Third-Party Allotment**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) has been notified that the subscriber will subscribe all of the anticipated number of new investment units issued through the third-party allotment as mentioned below, which was resolved, along with the Public Offerings of Newly Issued Investment Units (Primary Offering) and the Secondary Offering (Over-Allotment), at the Board of Directors Meetings held on January 11, 2007 and February 5, 2007.

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| (1) Number of New Units Offered: | 2,370 Units |
| | (Anticipated Number of Units Offered: 2,370 Units) |
| (2) Total Amount of Issue Price: | ¥1,440,841,500 |
| | (¥607,950 per Unit) |
| (3) Application Period (Application Date): | March 12, 2007 (Monday) |
| (4) Payment Date: | March 13, 2007 (Tuesday) |
| (5) Subscriber: | Nomura Securities Co., Ltd. |

Note: This document is a public announcement regarding the determination of the number of new investment units issued through a third-party allotment and has not been prepared as an inducement or invitation for investment.

[Notes]

1. The new investment units issued through the Third-Party Allotment, mentioned above were resolved at the Board of Directors Meetings held on January 11, 2007 and February 5, 2007 when the Public Offerings of Newly Issued Investment Units (Primary Offering) and the Secondary Offering (Over-Allotment) were also resolved.

For further details on the said Third-Party Allotment, refer to the “Notice Concerning the Issue of New Investment Units and the Secondary Offering” released on January 11, 2007 and the “Notice Concerning Determination of the Price for the Issue of New Investment Units and the Secondary Offering” released on February 5, 2007.

2. Number of Investment Units After the Issue of New Investment Units

Total Number of Current Investment Units: 65,730 Units

Number of Increase in Investment Units: 2,370 Units

Total Number of Investment Units After the New
Issue (Third-Party Allotment) of Investment Units: 68,100 Units

3. Use of Proceeds

The anticipated amount of proceeds (¥1,440,841,500) obtained from the Third-Party Allotment will be used for the acquisition of specified assets (clarified in Article 2, Paragraph 1 of the Law Concerning Investment Trusts and Investment Corporations) that the Fund intends to acquire.