



NOMURA
Residential Fund

For Translation Purposes Only

February 5, 2007

For Immediate Release

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

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**Notice Concerning Determination of the Price for the
Issue of New Investment Units and the Secondary Offering**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today that, in regard to the issuance of new investment units and secondary offering resolved at the Board of Directors meeting held on January 11, 2007, the offer price and related matters of newly issued or existing investment units for the primary offering, the secondary offering, and the third party allotment have been determined at the Board of Directors meeting held today.

1. Primary Offering of New Investment Units (“Investment Units” or the “Units”)

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|---|--|
| (1) Total Number of Units to be Issued: | 47,400 Units |
| (2) Offer Price: | ¥630,000 per Unit |
| (3) Total Amount of Offer Price: | ¥29,862,000,000 |
| (4) Issue Price: | ¥607,950 per Unit |
| (5) Total Amount of Issue Price: | ¥28,816,830,000 |
| (6) Application Period: | February 6, 2007 (Tue) to February 9, 2007 (Fri) |
| (7) Payment Date: | February 13, 2007 (Tue) |
| (8) Delivery Date: | February 14, 2007 (Wed) |

Note: This document is a public announcement regarding the determination of the price for the issue of new investment units and the secondary offering 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.

2. Secondary Offering (Over-Allotment)

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|---|--|
| (1) Seller and Number of Units Offered: | Nomura Securities Co., Ltd.
2,370 Units |
| (2) Offer Price: | ¥630,000 per Unit |
| (3) Total Amount of Offer Price: | ¥1,493,100,000 |
| (4) Application Period: | February 6, 2007 (Tue) to February 9, 2007 (Fri) |
| (5) Delivery and Settlement Date: | February 14, 2007 (Wed) |

3. Issue of New Investment Units (Third-Party Allotment)

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|--|--|
| (1) Total Number of Units to be Issued: | 2,370 Units |
| (2) Issue Price: | ¥607,950 per Unit |
| (3) Total Amount of Issue Price: | ¥1,440,841,500 |
| (4) Subscriber and Number of Units Allotted: | Nomura Securities Co., Ltd.
2,370 Units |
| (5) Application Period (Application Date): | March 12, 2007 (Mon) |
| (6) Payment Date: | March 13, 2007 (Tue) |

(Note) Any Units that have not been applied for by the Application Period (Application Date) mentioned in (5) will not be issued.

4. Basis for Calculation of the Issue Price and the Offer Price

In determining the offer price for the public offering, based on the offer price indicative price range (¥620,000~¥630,000), the book-building method was put into effect with a focus on institutional investors, etc.

The result of the said book-building is as follows:

- (1) The total demand for the investment units sufficiently exceeds the number of investment units in both the primary offering and the secondary offering.
- (2) A large number of orders were filed.
- (3) The distribution status of the demand by price was distributed mostly within the maximum price of the indicative price range.

As a result of the book-building mentioned above, the offer price was set at ¥630,000, taking into consideration the following: (i) at that price, the Fund can expect large orders exceeding the number of offered investment units; (ii) the Fund can also expect to secure the required number of unitholders at the time of listing; (iii) the market environment, including the real estate investment trust securities market; and (iv) the price fluctuation risks until the scheduled listing date.

The issue price (underwriting price) for the public offering was set at ¥607,950.

In addition, the offer price for the secondary offering (over-allotment) is ¥630,000, the same as the offer price of the primary offering, and the issue price for the new investment units (third-party allotment) is ¥607,950, the same as the issue price of the primary offering.

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