



NOMURA  
Residential Fund

For Translation Purposes Only

December 1, 2010

**For Immediate Release**

Nomura Real Estate Residential Fund, Inc.  
Yoshinori Hirohata, Representative and 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

**Notice Concerning Forecast of Financial Results for the  
Fiscal Period Ending May 31, 2011**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the forecast of the financial results for the ninth fiscal period (December 1, 2010 to May 31, 2011). The forecast is summarized as follows.

1. Forecast

	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
Ninth Fiscal Period (Ending May 31, 2011)	4,451	2,117	1,488	1,487	11,850	—

**[Related Information]**

Total number of investment units as of May 31, 2011: 125,535 units

**[Notes]**

1. The forecasts for the ninth fiscal period presented in this document are calculated as of today, based on the assumptions as set forth in the attached material. The actual operating revenues, operating income, net income and cash distribution per unit may vary due to the acquisition and disposition 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.

2. Reasons for Forecasts

The Fund announced the forecast of financial results, as it has been consecutively provided at the start of every fiscal period, regarding the operating period which started today and ends May 31, 2011. The forecast mentioned above will be announced again at the time of the financial results announcement regarding the eighth fiscal period (June 1, 2010 to November 30, 2010) scheduled on January 14, 2011, after appropriately revising the assumptions for forecasts.

[Exhibit]

**Assumptions for Forecasts of the Financial Results for the  
Fiscal Period Ending May 31, 2011**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>● Ninth Fiscal Period: December 1, 2010 to May 31, 2011</li> </ul>
Investment Portfolio	<ul style="list-style-type: none"> <li>● The Fund, in regard to the 144 properties of real estate and beneficial rights to real estate trust currently owned, assumes that no changes (new property acquisitions and selling of currently owned property) will be made by May 31, 2011.</li> <li>● The forecast may be subject to potential change, due to the shifting of the investment portfolio.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>● Rental income is estimated based on the tenant trends, the information concerning the existence of competitive properties located in adjacent areas, and the real estate market conditions, etc., and that there are no rental income arrears and nonpayment cases.</li> </ul>
Operating Expenses	<ul style="list-style-type: none"> <li>● 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 142 out of the 144 properties currently owned, of the estimated amount of annual tax, ¥213 million will be allocated as rental business expenses to be dealt with during the ninth fiscal period.</li> <li>● Expenses for maintenance and repair are based on the mid-to-long term repair plans the asset management company has established, and the estimated amounts required are 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.</li> <li>● Rental business expenses are estimated to be ¥1,828 million and the depreciation and amortizations are estimated to be ¥785 million.</li> </ul>
Non-Operating Expenses	<ul style="list-style-type: none"> <li>● Interest expenses, etc. are estimated to be ¥625 million.</li> </ul>
Interest-bearing Debts	<ul style="list-style-type: none"> <li>● The Fund currently has a total of ¥74,676 million in loan debts.</li> <li>● The Fund assumes that, of the ¥5,070 million in loans scheduled for repayment by the end of the ninth fiscal period (ending May 31, 2011), other than the agreed repayment of ¥90 million, the remaining ¥4,980 million will be repaid through refinancing.</li> <li>● The Fund assumes that there are no changes in the amount of loan debts other than the amount stated above.</li> </ul>
Investment Units	<ul style="list-style-type: none"> <li>● The Fund, currently with a total of 125,535 investment units, assumes that no new investment units will be issued until the end of the ninth fiscal period (ending May 31, 2011).</li> </ul>
Cash Distribution per Unit	<ul style="list-style-type: none"> <li>● Cash distributions per unit are calculated according to the Fund's distribution policy outlined in its Articles of Incorporation.</li> <li>● 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.</li> </ul>
Distribution in Excess of Net Income per Unit	<ul style="list-style-type: none"> <li>● The Fund does not currently plan on any distributions in excess of net income per unit.</li> </ul>
Others	<ul style="list-style-type: none"> <li>● 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.</li> <li>● The Fund assumes that there will be no material changes in general economic conditions and real estate markets.</li> </ul>