



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Residential Fund, Inc.
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(Securities Code: 3240)

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Notice Concerning the Filing of Notification for Subsidiary Business

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 resolved, at the Board of Directors Meeting held today, to file a notification regarding subsidiary businesses with the Financial Services Agency, pursuant to the Financial Instruments and Exchange Law (“FIEL”), as mentioned below.

1. Date of Filing

October 2011

2. Details of Notification

The Fund will notify the start of businesses, based on Article 35 Paragraph 3 of the FIEL, among the businesses set forth in the same Article Paragraph 2, as stated below.

- (1) Business pertaining to money lending or other money loan, or intermediary service of lending and borrowing of money. (FIEL Article 35 Paragraph 2 Item 3)
- (2) Business pertaining to building lots and building transaction business or lease of building lots or buildings. (FIEL Article 35 Paragraph 2 Article 4)
- (3) Business of conducting investment of investment property as an investment in assets other than securities or rights arising from derivative transactions. (FIEL Article 35 Paragraph 2 Item 6)

- (4) Real estate management business (FIEL Article 35 Paragraph 2 Item 7, Cabinet Office Ordinance regarding FIEL Article 68 Paragraph 14)
- (5) Business of conducting real estate investment advisory. (FIEL Article 35 Paragraph 2 Item 7, Cabinet Office Ordinance regarding FIEL Article 68 Paragraph 15)
- (6) Business of conducting business regarding the management of retained investment corporations or TMK. (FIEL Article 35 Paragraph 2 Item 7, Cabinet Office Ordinance regarding FIEL Article 68 Paragraph 18)
- (7) Business of conducting investment of money or other estates for others in assets other than securities or rights arising from derivative transactions. (FIEL Article 35 Paragraph 2 Item 7, Cabinet Office Ordinance regarding FIEL Article 68 Paragraph 19)
- (8) Business of conducting conciliation or referrals of other businesses to customers. (FIEL Article 35 Paragraph 2 Item 7, Cabinet Office Ordinance regarding FIEL Article 68 Paragraph 21)

With the filing of notification for subsidiary business mentioned above, NREAM will also file a notification of change regarding the registration for financial instruments business according to Article 31 Paragraph 1 of FIEL. In addition, according to Article 31 Paragraph 3 of FIEL, NREAM will file a notification of change regarding the Statement of Operating Procedures.

3. Reason for Notification

As announced in the “Notice Concerning the Asset Management Company’s Merger and Change of Business Name,” released on July 6, 2011, and the “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,” released on August 25, 2011, NREAM will be merging with Nomura Real Estate Investment Management Co., Ltd. (“NREIM”) and Nomura Real Estate Capital Management Co., Ltd. (“NRECM”) as of October 1, 2011 and is scheduled to make necessary revisions such as organization changes.

The notification will be filed so that the asset management company will be able to continue the subsidiary business previously operated by NREIM and NRECM before the scheduled merger.

4. Date of Business Commencement

October 1, 2011 (scheduled)

5. Forecasts

Changes in financial results, due to this matter, are slight and the forecasts of financial results for the tenth fiscal period (June 1, 2011 to November 30, 2011) have not been changed.