



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 Debt Financing

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the closing of debt financing as mentioned below.

1. Reasons for Debt Financing

The Fund has decided to procure loans in order to pay for the acquisition of PRIME URBAN Meguro Riverside and PRIME URBAN Nishi Waseda (the “Properties”) (Note) and to repay current outstanding loans of ¥440 million, scheduled on September 28, 2007, according to the loan agreement.

(Note) For further details on the acquisition of the Properties, refer to “Notice Concerning Property Acquisition” released on September 14, 2007.

2. Details of Debt Financing

(1) Short-term Loan (5-month)

- (a) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation
- (b) Amount : ¥1,000 million
- (c) Interest Rate : 1.08500% p.a. (Applicable Interest Rate Term: September 26, 2007 to February 26, 2008)
- (d) Date of Loan : September 26, 2007
- (e) Type of Loan : Loan based on the uncommitted line of credit loan agreement, contracted on February 23, 2007.
- (f) Interest Payment Date : Same as the date of repayment.
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 26, 2008 (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month).
- (i) Collateral : Unsecured, Unguaranteed

(2) Long-term Loan (2-year 5-month)

- (a) Lenders : Aozora Bank, Ltd.
- (b) Amount : ¥4,400 million
- (c) Interest Rate : 1.14667% p.a. (Applicable Interest Rate Term: September 28, 2007 to February 27, 2008)
- (d) Date of Loan : September 28, 2007
- (e) Type of Loan : Term Loan (2-year 5-month Floating Interest Rate, contracted on September 26, 2007)
- (f) Interest Payment Date : February 27, 2008 for the first payment, and every February 27 and August 27 thereafter until the end of February 2010 (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 27, 2010 (or the following business day if the said date is a non-business day, or the prior business day if the following business day is in the next month).
- (i) Collateral : Unsecured, Unguaranteed

3. Use of Funds

Loan proceeds from the above “2. (1)” will be used in order to pay for the acquisition of properties and a part of the related expenses, and the proceeds from the above “2. (2)” will be used in order to repay current outstanding loans.

Attachments:

Reference Material “Status of Interest Bearing Debts after Debt Financing”

[Reference Material]

Status of Interest Bearing Debts after Debt Financing

(Millions of Yen)

	Before today's Debt Financing	After today's Debt Financing	Increase/Decrease
Short-term Loan	440	1,000	+560
Long-term Loan	31,500	31,940	+440
Loan Total	31,940	32,940	+1,000
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	31,940	32,940	+1,000