



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 Minami Karasuyama, PRIME URBAN Karasuyama Galleria, PRIME URBAN Karasuyama Court and URBAN STAGE Musashi Kosugi comodo (the “Properties”) (Note).

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

2. Details of Debt Financing

(1) Short-term Loan (1-year)

- (a) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation
- (b) Amount : ¥3,360 million
- (c) Interest Rate : 1.13667% p.a.
(Applicable Interest Rate Term: September 27, 2007 to February 27, 2008)
- (d) Date of Loan : September 27, 2007
- (e) Type of Loan : Term Loan
(1-year Floating Interest Rate, contracted on September 25, 2007)
- (f) Interest Payment Date : February 27, 2008, August 27, 2008 and September 29, 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).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : September 29, 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 (6-year)

- (a) Lenders : The Dai-ichi Mutual Life Insurance Company
- (b) Amount : ¥800 million
- (c) Interest Rate : 1.99875% p.a.
- (d) Date of Loan : September 27, 2007
- (e) Type of Loan : Term Loan
(6-year Fixed Interest Rate, contracted on September 25, 2007)
- (f) Interest Payment Date : February 27, 2008 for the first payment, and every February 27 and August 27 thereafter until the end of September 2013 (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 : September 30, 2013 (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 will be used in order to pay for the acquisition of PRIME URBAN Minami Karasuyama, PRIME URBAN Karasuyama Galleria, PRIME URBAN Karasuyama Court and URBAN STAGE Musashi Kosugi comodo and a part of the related expenses.

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	1,000	4,360	+3,360
Long-term Loan	31,940	32,740	+800
Loan Total	32,940	37,100	+4,160
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	32,940	37,100	+4,160