



NOMURA
Residential Fund

For Translation Purposes Only

December 11, 2007

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Nobuyuki Hamada, Representative and Executive Director
(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 URBAN STAGE Hongo Ikizaka, URBAN STAGE Shinjuku Ochiai, URBAN STAGE Kamikitazawa and Koganei Habitation (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

Short-term Loan (3-month)

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|---------------------------|---|---|
| (1) Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation |
| (2) Amount | : | ¥4,700 million |
| (3) Interest Rate | : | 1.07250% p.a. (Applicable Interest Rate Term: December 11, 2007 to February 19, 2008) |
| (4) Date of Loan | : | December 11, 2007 |
| (5) Type of Loan | : | Loan based on the uncommitted line of credit loan agreement, contracted on February 23, 2007. |
| (6) Interest Payment Date | : | Same as the date of repayment. |
| (7) Terms of Repayment | : | Lump sum on the date of repayment. |
| (8) Date of Repayment | : | February 19, 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). |
| (9) Collateral | : | Unsecured, Unguaranteed |

3. Use of Funds

Loan proceeds will be used in order to pay for the acquisition of URBAN STAGE Hongo Ikizaka, URBAN STAGE Shinjuku Ochiai, URBAN STAGE Kamikitazawa, and Koganei Habitation 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	5,260	9,960	+4,700
Long-term Loan	32,740	32,740	—
Loan Total	38,000	42,700	+4,700
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	38,000	42,700	+4,700