



NOMURA
Residential Fund

For Translation Purposes Only

January 21, 2008

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. Reason for Debt Financing

The Fund has decided to procure the loan in order to pay for the acquisition of PRIME URBAN Nagamachi Icchome (tentative name) and PRIME URBAN Yaotome Chuo (tentative name) (the “Properties”) (Note).

(Note) For further details on the acquisition of the Properties, refer to “Notice Concerning Property Acquisition” released on December 12, 2007.

2. Details of Debt Financing

Short-term Loan (1 month)

- | | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
Sumitomo Mitsui Banking Corporation |
| (2) Amount | : ¥1,600 million |
| (3) Interest Rate | : To be determined |
| (4) Date of Loan | : January 31, 2008 |
| (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 |

Note: This document is a public announcement regarding debt financing and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund's Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility.

3. Use of Funds

Loan proceeds will be used in order to pay for the acquisition of PRIME URBAN Nagamachi Icchome (tentative name) and PRIME URBAN Yaotome Chuo (tentative name) and a part of the related expenses.

Attachments:

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

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[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	13,960	15,560	+1,600
Long-term Loan	32,740	32,740	—
Loan Total	46,700	48,300	+1,600
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	46,700	48,300	+1,600

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