



NOMURA
Residential Fund

For Translation Purposes Only

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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.

I. Debt Financing

1. Reasons for Debt Financing

The Fund has decided to procure loans in order to pay for the acquisition of certain assets and to repay current loans.

2. Details of Debt Financing

(1) Long-term Loan (3-year)

- (a) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd.
- (b) Amount : ¥4,980 million
- (c) Interest Rate : 1.19583% p.a.
(Applicable Interest Rate Term: February 26, 2008 to August 26, 2008)
- (d) Date of Loan : February 26, 2008
- (e) Type of Loan : Term Loan
(3-year Floating Interest Rate, contracted on February 22, 2008)
- (f) Interest Payment Date : August 26, 2008 for the first payment, and every February 26 and August 26 thereafter until the end of February 2011 (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 26, 2011 (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 certain assets and a part of the related expenses, and to repay current loans.

II. Line of Credit Loan Agreement (Uncommitted)

The Fund has executed the Line of Credit Loan Agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, and Mitsubishi UFJ Trust and Banking Corporation, which will be applied to future payment for acquisition of assets and other related expenses deemed reasonably necessary.

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 | 4,360 | 3,360 | -1,000 |
| Long-term Loan | 32,740 | 37,720 | +4,980 |
| Loan Total | 37,100 | 41,080 | +3,980 |
| Investment Corporation Bonds | — | — | — |
| Interest Bearing Debt Total | 37,100 | 41,080 | +3,980 |