



NOMURA
Residential Fund

For Translation Purposes Only

May 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. Reasons for Debt Financing

The Fund has decided to procure loans in order to repay current outstanding loans.

2. Details of Debt Financing

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|---------------------------|--|
| (1) Lenders | : Mizuho Corporate Bank, Ltd., Taiyo Life Insurance Company, Development Bank of Japan |
| (2) Amount | : ¥5,500 million |
| (3) Interest Rate | : 1.83625% p.a. |
| (4) Date of Loan | : May 23, 2008 |
| (5) Type of Loan | : Term Loan (5-year Fixed Interest Rate, contracted on May 21, 2008) |
| (6) Interest Payment Date | : August 27, 2008 for the first payment, every February 27 and August 27 thereafter until May 23, 2013, and May 23, 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). |
| (7) Terms of Repayment | : Lump sum on the date of repayment. |
| (8) Date of Repayment | : May 23, 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). |
| (9) Collateral | : Unsecured, Unguaranteed |

3. Use of Funds

Loan proceeds will be used in order to repay current outstanding loans of ¥56.08 billion, scheduled on May 23, 2008, according to the loan agreement.

4. 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	23,360	17,752	-5,608
Long-term Loan	37,720	43,220	+5,500
Loan Total	61,080	60,972	-108
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	61,080	60,972	-108