



NOMURA
Residential Fund

For Translation Purposes Only

May 23, 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 pay for the acquisition of assets.

2. Details of Debt Financing

- | | | |
|---------------------------|---|---|
| (1) Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation |
| (2) Amount | : | ¥752 million |
| (3) Interest Rate | : | 1.11083% p.a.
(Applicable Interest Rate Term: May 23, 2008 to December 26, 2008) |
| (4) Date of Loan | : | May 23, 2008 |
| (5) Type of Loan | : | Loan based on the uncommitted line of credit loan agreement, contracted on February 22, 2008. |
| (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 | : | December 26, 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

(1) Specifics : Loan proceeds will be used in order to pay for the acquisition of PRIME URBAN Denenchofu Minami and a part of the related expenses.

(2) Scheduled Date of Use : May 2008

4. Status of Interest Bearing Debts after Debt Financing

(Millions of Yen)

	Before today's Debt Financing (Note)	After today's Debt Financing	Increase/Decrease
Short-term Loan	17,752	18,504	+752
Long-term Loan	43,220	43,220	—
Loan Total	60,972	61,724	+752
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	60,972	61,724	+752

(Note) "Before today's Debt Financing" refers to the numbers after both the debt financing and repayments mentioned in the "Notice Concerning Debt Financing" released May 21, 2008 have been completed.