



NOMURA  
Residential Fund

For Translation Purposes Only

September 2, 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               | : | Mizuho Corporate Bank, Ltd., The Sumitomo Trust and Banking Co., Ltd., Mitsui Sumitomo Insurance Company, Ltd.  |
| (2) Amount                | : | ¥3,400 million  |
| (3) Interest Rate         | : | 1.51625% p.a.   |
| (4) Date of Loan          | : | September 4, 2008   |
| (5) Type of Loan          | : | Term Loan<br>(3-year Fixed Interest Rate, contracted on September 2, 2008)  |
| (6) Interest Payment Date | : | February 27, 2009 for the first payment, every February 27 and August 27 thereafter until September 4, 2011 and September 4, 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). |
| (7) Terms of Repayment    | : | Lump sum on the date of repayment.  |
| (8) Date of Repayment     | : | September 4, 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).   |
| (9) Collateral            | : | Unsecured, Unguaranteed   |

### 3. Use of Funds

(1) Specifics : Loan proceeds will be used in order to pay for the acquisition of PROUD FLAT Shirokane Takawawa and a part of the related expenses.

(2) Scheduled Date of Use : September 2008

### 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	20,616	20,616	—
Long-term Loan	43,220	46,620	+3,400
Loan Total	63,836	67,236	+3,400
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	63,836	67,236	+3,400