



NOMURA
Residential Fund

For Translation Purposes Only

December 3, 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 specified assets.

2. Details of Debt Financing

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|---------------------------|--|
| (1) Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation |
| (2) Amount | : ¥1,600 million |
| (3) Interest Rate | : 1.13167% p.a.
(Applicable Interest Rate Term: December 3, 2008 to December 3, 2009) |
| (4) Date of Loan | : December 3, 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 3, 2009 (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 PRIME URBAN Esaka III and a part of the related expenses.

(2) Scheduled Date of Use : December 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	15,144	16,744	+1,600
Long-term Loan	52,092	52,092	—
Loan Total	67,236	68,836	+1,600
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	67,236	68,836	+1,600