



NOMURA
Residential Fund

For Translation Purposes Only

February 25, 2009

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Nobuyuki Hamada, Representative and Executive Director
(Securities Code: 3240)

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**Notice Concerning Interest Rate of Debt Financing
and the Line of Credit Loan Agreement**

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the determination of the interest rate concerning the debt financing closed on April 27, 2007 and September 28, 2007, as mentioned below.

The Fund also announced today the execution of the Line of Credit Loan Agreement, as mentioned below.

1. Details of Debt Financing

(1) Long-term Loan Due Within One Year (2 year 4 month period)

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|-----------------------|--|
| (a) Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd. |
| (b) Amount | : ¥4,500 million |
| (c) Date of Loan | : April 27, 2007 |
| (d) Date of Repayment | : August 27, 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). |
| (e) Interest Rate | : 1.05667% p.a. (February 28, 2009 – August 27, 2009) |

(2) Long-term Loan (2 year 5 month period)

- (a) Lenders : Aozora Bank, Ltd.
- (b) Amount : ¥440 million
- (c) Date of Loan : September 28, 2007
- (d) Date of Repayment : February 27, 2010 (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).
- (e) Interest Rate : 1.03667% p.a. (February 28, 2009 – August 27, 2009)

The interest rate following August 28, 2009 will be announced when determined.

2. 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.