



NOMURA
Residential Fund

For Translation Purposes Only

July 7, 2010

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. Reason for Debt Financing

The Fund has decided to procure loans in order to pay for the acquisition of an asset.

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 | : ¥600 million |
| (3) Interest Rate | : 1.19077% p.a.
(Applicable Interest Rate Term: July 7, 2010 to September 7, 2010) |
| (4) Date of Loan | : July 7, 2010 |
| (5) Type of Loan | : Loan based on the uncommitted line of credit loan agreement, contracted on February 24, 2010. |
| (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 | : September 7, 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). |
| (9) Collateral | : Unsecured, Unguaranteed |

3. Use of Funds

(1) Specifics : Loan proceeds will be used in order to pay for the acquisition of URBAN STAGE Itabashi Kuyakushomae* and a part of the related expenses.

(*) Refer to the “Notice Concerning Property Acquisition,” released today, for the property profile.

(2) Scheduled Date of Use : July 2010

4. Status of Interest Bearing Debts after Debt Financing and Repayment

(Millions of Yen)

	Before today's Debt Financing and Repayment	After today's Debt Financing and Repayment	Increase/Decrease
Short-term Loan	—	600	+600
Long-term Loan Due Within One Year (Note)	40	40	—
Long-term Loan	73,006	73,006	—
Loan Total	73,046	73,646	+600
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	73,046	73,646	+600

(Note) Based on the end of the 6th Fiscal Period (November 30, 2009).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on February 23, 2010, regarding the risks of the said loan repayment.