



NOMURA
Residential Fund

For Translation Purposes Only

August 19, 2010

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Yoshinori Hirohata, 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 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 | : ¥1,120 million |
| (3) Interest Rate | : 1.10923% p.a.
(Applicable Interest Rate Term: August 19, 2010 to September 7, 2010) |
| (4) Date of Loan | : August 19, 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 Yoga* 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 : August 2010

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

(Millions of Yen)

	Before today's Debt Financing	After today's Debt Financing	Increase/Decrease
Short-term Loan	600	1,720	+1,120
Long-term Loan Due Within One Year (Note)	5,160	5,160	—
Long-term Loan	67,886	67,886	—
Loan Total	73,646	74,766	+1,120
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	73,646	74,766	+1,120

(Note) Based on the end of the 7th Fiscal Period (May 31, 2010).

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.