



**NOMURA**  
Residential Fund

For Translation Purposes Only

December 13, 2007

**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 URBAN STAGE Shinkawa and Musashino Green Hills (the “Properties”) (Note).

(Note) For further details on the acquisition of the Properties, refer to “Notice Concerning Property Acquisition” released today.

2. Details of Debt Financing

Short-term Loan (3-month)

- |                           |   |
|---------------------------|---|
| (1) Lenders               | : The Bank of Tokyo-Mitsubishi UFJ, Ltd.<br>Sumitomo Mitsui Banking Corporation   |
| (2) Amount                | : ¥4,000 million  |
| (3) Interest Rate         | : 1.07250% p.a. (Applicable Interest Rate Term: December 13, 2007 to February 19, 2008)   |
| (4) Date of Loan          | : December 13, 2007   |
| (5) Type of Loan          | : Loan based on the uncommitted line of credit loan agreement, contracted on February 23, 2007.   |
| (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     | : February 19, 2008 (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

Loan proceeds will be used in order to pay for the acquisition of URBAN STAGE Shinkawa and Musashino Green Hills and a part of the related expenses.

Attachments:

Reference Material “Status of Interest Bearing Debts after Debt Financing”

[Reference Material]

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	9,960	13,960	+4,000
Long-term Loan	32,740	32,740	—
Loan Total	42,700	46,700	+4,000
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	42,700	46,700	+4,000