



NOMURA
Residential Fund

For Translation Purposes Only

September 26, 2013

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Masatomi Natsume, Executive Director
(Securities Code: 3240)

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Masatomi Natsume, NRF Chief Investment Officer
TEL: +81-3-3365-7729
EMAIL: nrf3240@nomura-re.co.jp

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 the loan in order to repay current outstanding loans.

2. Details of Debt Financing

Long-term (4-year 11-month) Loan

- | | |
|---------------------------|---|
| (1) Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation |
| (2) Amount | : ¥5,400 million |
| (3) Interest Rate | : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR) +0.54% p.a |
| (4) Date of Loan | : September 30, 2013 |
| (5) Type of Loan | : Term Loan
(4-year 11-month floating interest rate, contracted on September 26, 2013) |
| (6) Date of Repayment | : August 26, 2018 (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) |
| (7) Interest Payment Date | : November 26, 2013 for the first payment, every 26th of February, May and August thereafter until May 26, 2018, and the date of repayment (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) |
| (8) Terms of Repayment | : Lump sum on the date of repayment |
| (9) Collateral | : Unsecured, Unguaranteed |

Basic Interest Rate, which applies to the calculation period of the interest rate to be paid on the Interest Payment Date, will be determined two business days before the previous Interest payment Date (the first interest rate calculation period being the Date of Loan). Refer to Japanese Bankers Association website regarding the JBA Japanese Yen TIBOR. (<http://www.zenginkyo.or.jp/en/tibor/>)

Long-term (6-year 11-month) Loan

- (1) Lenders : The Dai-ichi Life Insurance Company, Limited
 (2) Amount : ¥800 million
 (3) Interest Rate : 1.28277% p.a.
 (4) Date of Loan : September 30, 2013
 (5) Type of Loan : Term Loan
 (6-year 11-month fixed interest rate, contracted on September 26, 2013)
 (6) Date of Repayment : August 26, 2020 (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)
 (7) Interest Payment Date : February 26, 2013 for the first payment, every 26th of February and August thereafter until February 26, 2020, and the date of repayment (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)
 (8) Terms of Repayment : Lump sum on the date of repayment
 (9) Collateral : Unsecured, Unguaranteed

3. Use of Funds

- Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥6,272 million (the difference repaid through fund in hand), scheduled on September 29, 2013 and September 30, 2013 according to the term loan agreement.

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

(Millions of Yen)

	Before	After	Increase/Decrease
Short-term Loan	7,500	7,500	—
Long-term Loan Due Within One Year (Note)	15,562	9,290	-6,272
Short-term Loan Total	23,062	16,790	-6,272
Long-term Loan (Note)	57,350	63,550	+6,200
Investment Corporation Bonds	10,000	10,000	—
Long-term Loan Total	67,350	73,550	+6,200
Interest Bearing Debt Total	90,412	90,340	-72

(Note) Based on the end of the 13th Fiscal Period (ended May 31, 2012).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on August 30, 2013, regarding the risks of the said loan repayment.