



NOMURA
Residential Fund

For Translation Purposes Only

June 5, 2012

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Yoshinori Hirohata, 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 loan in order to pay for the acquisition of an asset.

2. Details of Debt Financing

- | | |
|---------------------------|---|
| (1) Lenders | : Resona Bank, Ltd., |
| (2) Amount | : ¥800 million |
| (3) Interest Rate | : Basic Interest Rate (JBA 1-month Japanese Yen TIBOR*) +0.20% p.a. |
| (4) Date of Loan | : June 7, 2012 |
| (5) Type of Loan | : Term Loan (6- month Floating Interest Rate, contracted on June 5, 2012) |
| (6) Date of Repayment | : December 3, 2012 (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 | : June 27, 2012 for the first payment, every 27th of each month thereafter until November 27, 2012, 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 (<http://www.zenginkyo.or.jp/en/tibor/>) regarding the JBA Japanese Yen TIBOR.

3. Use of Funds

- (1) Specifics : Loan proceeds will be used in order to pay for the acquisition of URBAN STAGE Koganei Honcho* and the related expenses.
 (*) Refer to the “Notice Concerning Property Acquisition,” released today, for the property profile.
- (2) Scheduled Date of Use : June 2012

4. 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 | — | 800 | +800 |
| Long-term Loan Due Within One Year (Note) | 12,600 | 12,600 | — |
| Short-term Loan Total | 12,600 | 13,400 | +800 |
| Long-term Loan(Note) | 60,582 | 60,582 | — |
| Investment Corporation Bonds | 10,000 | 10,000 | — |
| Long-term Loan Total | 70,582 | 70,582 | — |
| Interest Bearing Debt Total | 83,182 | 83,982 | +800 |

(Note) Based on the end of the 10th Fiscal Period (ended November 30, 2011).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on February 28, 2012, regarding the risks of the said loan repayment.