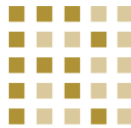




For Translation Purposes Only



NOMURA
Residential Fund

February 23, 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 the loan in order to repay current outstanding loans.

2. Details of Debt Financing

Long-term (3-year) Loan

- | | |
|---------------------------|---|
| (1) Lenders | : The Nomura Trust and Banking Co., Ltd., The Iyo Bank, Ltd., Resona Bank, Ltd., Mizuho Trust & Banking Co., Ltd., The Tokyo Tomin Bank, Ltd. |
| (2) Amount | : ¥5,400 million |
| (3) Interest Rate | : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR*) +0.570% p.a. |
| (4) Date of Loan | : February 27, 2012 |
| (5) Type of Loan | : Term Loan
(3-year Floating Interest Rate, contracted on February 23, 2012) |
| (6) Date of Repayment | : February 27, 2015 (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 | : May 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2014, 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 |

Long-term (3-year 6-month) Loan

- (1) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd.
- (2) Amount : ¥9,700 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR*) +0.595% p.a.
- (4) Date of Loan : February 27, 2012
- (5) Type of Loan : Term Loan
(3-year 6-month Floating Interest Rate, contracted on February 23, 2012)
- (6) Date of Repayment : August 27, 2015 (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 : May 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until May 27, 2015, 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

- Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥20,600 million (the difference repaid through fund in hand), scheduled on February 27, 2012, according to the term loan agreement.

4. Status of Interest Bearing Debts after Debt Financing, Issuance of Investment Corporation Bonds, stated in the “Notice Concerning Issuance of Investment Corporation Bonds” released on February 24, 2012, and Repayment

(Millions of Yen)

	Before	After	Increase/Decrease
Short-term Loan	9,600	—	—9,600
Long-term Loan Due Within One Year (Note 1) (Note 2)	23,690	12,600	—11,090
Short-term Loan Total	33,290	12,600	—20,690
Long-term Loan	45,482	60,582	+15,100
Investment Corporation Bonds	5,000	10,000	+5,000
Long-term Loan Total	50,482	70,582	+20,100
Interest Bearing Debt Total	83,772	83,182	—590

(Note 1) The stated amount includes the ¥20,600 million mentioned in “3. Use of Funds,” and the ¥90 million scheduled to be repaid on February 27, 2012.

(Note 2) 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 Registration Statement, filed on November 14, 2011, regarding the risks of the said loan repayment.