



**NOMURA**  
Residential Fund

For Translation Purposes Only

August 23, 2012

**For Immediate Release**

Nomura Real Estate Residential Fund, Inc.  
Masatomi Natsume, 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 (2-year) Loan

- |                           |   |
|---------------------------|---|
| (1) Lenders               | : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Ltd. The Chiba Bank, Ltd.,   |
| (2) Amount                | : ¥3,170 million  |
| (3) Interest Rate         | : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR) +0.500% p.a.   |
| (4) Date of Loan          | : August 27, 2012   |
| (5) Type of Loan          | : Term Loan<br>(2-year Floating Interest Rate, contracted on August 23, 2012)   |
| (6) Date of Repayment     | : August 27, 2014 (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 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until May 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 Loan (5-year)

- (1) Lenders : Daido Life Insurance Company, Mitsui Sumitomo Life Insurance Company, Ltd. Shinkin Central Bank
- (2) Amount : ¥3,920 million
- (3) Interest Rate : 1.08500% p.a.
- (4) Date of Loan : August 27, 2012
- (5) Type of Loan : Term Loan  
(5-year Fixed Interest Rate, contracted on August 23, 2012)
- (6) Date of Repayment : August 27, 2017 (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 27, 2013 for the first payment, every 27th of February and August thereafter until February 27, 2017, 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 (5-year 6-month) Loan

- (1) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Ltd. Aozora Bank, Ltd.
- (2) Amount : ¥5,420 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR) +0.675% p.a.
- (4) Date of Loan : August 27, 2012
- (5) Type of Loan : Term Loan  
(5-year 6-month Floating Interest Rate, contracted on August 23, 2012)
- (6) Date of Repayment : August 27, 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 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2017, 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/>)

### 3. Use of Funds

- Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥12,510 million (the difference repaid through fund in hand), scheduled on August 27, 2012, according to the term loan agreement.

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

(Millions of Yen)

	Before	After(Note 1)	Increase/Decrease
Short-term Loan	800	800	—
Long-term Loan Due Within One Year (Note 2)	19,790	7,190	—12,600
Short-term Loan Total	20,590	7,990	—12,600
Long-term Loan (Note 2)	53,392	65,902	+12,510
Investment Corporation Bonds	10,000	10,000	—
Long-term Loan Total	63,392	75,902	+12,510
Interest Bearing Debt Total	83,982	83,892	—90

(Note 1) The stated amount includes the ¥12,510 million mentioned in “3. Use of Funds,” and the ¥90 million scheduled to be repaid on August 27, 2012.

(Note 2) Based on the end of the 11th Fiscal Period (ended May 31, 2012).

5. Other

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