



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Residential Fund, Inc.
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(Securities Code: 3240)

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Notice Concerning Debt Financing and Repayment

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the closing of debt financing and the signing of an uncommitted line of credit loan agreement. The Fund also announced today the repayment of loans, as mentioned below.

I. Debt Financing

1. Reason for Debt Financing

The Fund has decided to procure loans in order to repay current outstanding loans of ¥29,300 million, scheduled on February 27, 2007, according to the loan agreement.

2. Details of Debt Financing

(1) Long-term Loan (3 years / Floating Interest Rate)

- (a) 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., The Nomura Trust and Banking Co., Ltd., The Chiba Bank, Ltd.
- (b) Amount : ¥5,000 million
- (c) Interest Rate : 0.99455% p.a.
(Applicable Interest Rate Term: February 27, 2007 to August 27, 2007)
- (d) Date of Loan : February 27, 2007
- (e) Type of Loan : Term Loan
(3-year Floating Interest Rate, contracted on February 23, 2007)
- (f) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until February 2010 (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).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 27, 2010 (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).
- (i) Collateral : Unsecured, Unguaranteed

(2) Long-term Loan (5 years / Floating Interest Rate)

- (a) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd., The Nomura Trust and Banking Co., Ltd., The Iyo Bank, Ltd.
- (b) Amount : ¥11,000 million
- (c) Interest Rate : 1.09455% p.a.
(Applicable Interest Rate Term: February 27, 2007 to August 27, 2007)
- (d) Date of Loan : February 27, 2007
- (e) Type of Loan : Term Loan
(5-year Floating Interest Rate, contracted on February 23, 2007)
- (f) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until February 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).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 27, 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).
- (i) Collateral : Unsecured, Unguaranteed

(3) Long-term Loan (7 years / Floating Interest Rate)

- (a) Lenders : Mitsubishi UFJ Trust and Banking Corporation, The Nomura Trust and Banking Co., Ltd.
- (b) Amount : ¥2,000 million
- (c) Interest Rate : 1.24455% p.a.
(Applicable Interest Rate Term: February 27, 2007 to August 27, 2007)
- (d) Date of Loan : February 27, 2007
- (e) Type of Loan : Term Loan
(7-year Floating Interest Rate, contracted on February 23, 2007)
- (f) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until February 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).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 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).
- (i) Collateral : Unsecured, Unguaranteed

(4) Long-term Loan (7 years / Fixed Interest Rate)

- (a) Lenders : Taiyo Life Insurance Company
- (b) Amount : ¥2,000 million
- (c) Interest Rate : 2.13625% p.a.
- (d) Date of Loan : February 27, 2007
- (e) Type of Loan : Term Loan
(7-year Fixed Interest Rate, contracted on February 23, 2007)
- (f) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until February 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).
- (g) Terms of Repayment : Lump sum on the date of repayment.
- (h) Date of Repayment : February 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).
- (i) Collateral : Unsecured, Unguaranteed

3. Use of Funds

Loan proceeds will be used in repaying currently existing loans.

II. Repayment of Loans

1. Reasons for Repayment

In accordance with the Fund's financial strategy, with the intent to prolong the loan term, diversify the dates of repayment, and procure unsecured unguaranteed funds, part of the proceeds acquired through the Primary Offering of New Investment Units (Note) and the loans acquired today will be used to repay a total of ¥29,300 million in loans.

(Note) For a summary of the Primary Offering of New Investment Units, refer to the "Notice Concerning Determination of the Price for the Issue of New Investment Units and the Secondary Offering" released on February 5, 2007.

2. Details of Repayment

The Fund will be repaying the following short-term loan prior to maturity by a lump sum payment. There will be no prepayment penalty for repaying prior to maturity.

- | | | |
|-----------------------|---|--|
| (1) Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation |
| (2) Amount | : | ¥29,300 million |
| (3) Type of Loan | : | Loan Agreement (Note) executed on September 25, 2006 |
| (4) Date of Repayment | : | February 27, 2007 |

(Note) The details of the Loan Agreement are as follows.

| | | | |
|--------------------|---|---|-----------------|
| Amount | : | (1) Provision on September 27, 2006 | ¥2,700 million |
| | | (2) Provision on September 28, 2006 | ¥25,800 million |
| | | (3) Provision on October 31, 2006 | ¥800 million |
| | | Total Amount | ¥29,300 million |
| Interest Rate | : | (1) September 27, 2006 | 0.88727% p.a. |
| | | (2) September 28, 2006 | 0.88727% p.a. |
| | | (3) October 31, 2006 | 0.88000% p.a. |
| Terms of Repayment | : | Lump sum on the date of repayment | |
| Date of Repayment | : | March 27, 2007 (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) | |
| Collateral | : | Secured | |

III. Line of Credit Loan Agreement (Uncommitted)

Aside from the loans mentioned above, in order to appropriate funds to the purchase of new assets in the future and the expenses needed regarding the said purchase, the Fund has signed an Uncommitted Line of Credit Loan Agreement with The Bank of Tokyo-Mitsubishi UFJ, Ltd. and Sumitomo Mitsui Banking Corporation.

Attachments:

Reference Material "Status of Interest Bearing Debts after Debt Financing and Repayment"

[Reference Material]

Status of Interest Bearing Debts after Debt Financing and Repayment

(Billions of Yen)

| | Before today's Debt Financing and Repayment | After today's Debt Financing and Repayment | Increase/Decrease |
|------------------------------|---|--|-------------------|
| Short-term Loan | 29.3 | — | −29.3 |
| Long-term Loan | — | 20.0 | +20.0 |
| Loan Total | 29.3 | 20.0 | −9.3 |
| Investment Corporation Bonds | — | — | — |
| Interest Bearing Debt Total | 29.3 | 20.0 | −9.3 |