



NOMURA
Residential Fund

For Translation Purposes Only

September 28, 2011

For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Atsushi Ogata, President and Chief Executive Officer
Inquiries: Masatomi Natsume, Director
Residential Management Division
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

- | | |
|---------------------------|--|
| (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., The Nomura Trust and Banking Co., Ltd., Mizuho Corporate Bank, Ltd., |
| (2) Amount | : ¥3,500 million |
| (3) Interest Rate | : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR*) +0.565% p.a. |
| (4) Date of Loan | : September 30, 2011 |
| (5) Type of Loan | : Term Loan
(2-year 5-month Floating Interest Rate, contracted on September 28, 2011) |
| (6) Interest Payment Date | : November 27, 2011 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2013, 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). |
| (7) Terms of Repayment | : Lump sum on the date of repayment. |
| (8) 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). |
| (9) Collateral | : Unsecured, Unguaranteed |

*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 ¥3,500 million, scheduled on September 30, 2011, according to the term loan agreement.

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

(Millions of Yen)

	Before today's Debt Financing and Repayment	After today's Debt Financing and Repayment	Increase/ Decrease
Short-term Loan	—	—	—
Long-term Loan Due Within One Year	28,734	25,234	-3,500
Long-term Loan	40,482	43,982	+3,500
Loan Total	69,216	69,216	—
Investment Corporation Bonds	5,000	5,000	—
Interest Bearing Debt Total	74,216	74,216	—

(Note) Based on the end of the 9th Fiscal Period (ended May 31, 2011).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on August 24, 2011, regarding the risks of the said loan repayment.