



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

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 (7-year) Loan

- (1) Lenders : Taiyo Life Insurance Company
- (2) Amount : ¥1,000 million
- (3) Interest Rate : 1.48625% p.a.
- (4) Date of Loan : May 23, 2013
- (5) Type of Loan : Term Loan
(7-year fixed interest rate, contracted on May 21, 2013)
- (6) Date of Repayment : May 27, 2020 (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 : August 27, 2013 for the first payment, every 27th of February and August thereafter until February 27, 2020, 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 (8-year) Loan

- (1) Lenders : Mizuho Corporate Bank, Ltd.
- (2) Amount : ¥1,000 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR) +0.74% p.a.
- (4) Date of Loan : May 23, 2013
- (5) Type of Loan : Term Loan
(8-year floating interest rate, contracted on May 21, 2013)
- (6) Date of Repayment : May 27, 2021 (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 : August 27, 2013 for the first payment, every 27th of February, May, August, and November thereafter until February 27, 2021, 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/>)

Long-term (8-year) Loan

- (1) Lenders : Development Bank of Japan, Inc.
- (2) Amount : ¥3,500 million
- (3) Interest Rate : 1.62500% p.a.
- (4) Date of Loan : May 23, 2013
- (5) Type of Loan : Term Loan
(8-year fixed interest rate, contracted on May 21, 2013)
- (6) Date of Repayment : May 27, 2021 (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 : August 27, 2013 for the first payment, every 27th of February and August thereafter until February 27, 2021, 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

3. Use of Funds

- Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥5,500 million, scheduled on May 23, 2013, according to the term loan agreement.

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

(Millions of Yen)

	Before	After	Increase/Decrease
Short-term Loan	—	—	—
Long-term Loan Due Within One Year (Note)	11,862	6,362	-5,500
Short-term Loan Total	11,862	6,362	-5,500
Long-term Loan (Note)	61,140	66,640	+5,500
Investment Corporation Bonds	10,000	10,000	—
Long-term Loan Total	71,140	76,640	+5,500
Interest Bearing Debt Total	83,002	83,002	—

(Note) Based on the end of the 12th Fiscal Period (ended November 30, 2012).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on February 27, 2013, regarding the risks of the said loan repayment.