



NOMURA
Residential Fund

For Translation Purposes Only

May 11, 2007

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Nobuyuki Hamada, Representative and Executive Director
(Securities Code: 3240)

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Tatsuo Inoue, President and Chief Executive Officer
Inquiries: Masatomi Natsume, Director
Residential Management Division
TEL: +81-3-3365-7729

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. Reasons for Debt Financing

The Fund has decided to procure a loan for the payment for the acquisition of Benefis Hakata Grand Suite and Benefis Yakuin Minami (the “Properties”) (Note).

(Note) For further details of the acquisition of the Properties, refer to “Notice Concerning Property Acquisition” released on March 30, 2007.

2. Details of Debt Financing

Long-term Loan (7-year 10-month)

- (1) Lenders : Development Bank of Japan
- (2) Amount : ¥1,300 million
- (3) Interest Rate : 2.23500% p.a.
- (4) Date of Loan : May 15, 2007
- (5) Type of Loan : Term Loan
(7-year 10-month Fixed Interest Rate, contracted on May 11, 2007)
- (6) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until the end of February 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) Terms of Repayment : Lump sum on the date of repayment.
- (8) 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).
- (9) Collateral : Unsecured, Unguaranteed

3. Use of Funds

Loan proceeds will be used for the payment for the acquisition of Benefis Hakata Grand Sweet and Benefis Yakuin Minami and a part of the related expenses.

Attachments:

Reference Material “Status of Interest Bearing Debts after Debt Financing”

[Reference Material]

Status of Interest Bearing Debts after Debt Financing

(Millions of Yen)

	Before today's Debt Financing	After today's Debt Financing	Increase/Decrease
Short-term Loan	440	440	—
Long-term Loan	26,700	28,000	+1,300
Loan Total	27,140	28,440	+1,300
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	27,140	28,440	+1,300