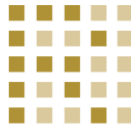




For Translation Purposes Only



NOMURA
Residential Fund

December 5, 2011

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Yoshinori Hirohata, 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 pay for the acquisition of assets.

2. Details of Debt Financing

- | | |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (1) Lenders | : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation |
| (2) Amount | : ¥9,600 million |
| (3) Interest Rate | : 1.11679% p.a.
(Applicable Interest Rate Term: December 5, 2011 to February 27, 2012) |
| (4) Date of Loan | : December 5, 2011 |
| (5) Type of Loan | : Loan based on the uncommitted line of credit loan agreement, contracted on February 25, 2011. |
| (6) Interest Payment Date | : Same as the date of repayment. |
| (7) Terms of Repayment | : Lump sum on the date of repayment. |
| (8) 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). |
| (9) Collateral | : Unsecured, Unguaranteed |

3. Use of Funds

- (1) Specifics : Loan proceeds will be used in order to pay for the acquisition of PROUD FLAT Fujimidai, PROUD FLAT Tsurumi II, URBAN STAGE Machiya South Court, URBAN STAGE Kumegawa, PROUD FLAT Shin Osaka, URBAN STAGE Sapporo Riverfront, URBAN STAGE Kita 3 Jo Dori, and URBAN STAGE Izumi and a part of the related expenses.

(Note) For a profile of the properties, refer to the “Notice Concerning Property Acquisition,” released on November 14, 2011.

- (2) Scheduled Date of Use : December 2011

4. 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	—	9,600	+9,600
Long-term Loan Due Within One Year (Note)	25,234	25,234	—
Long-term Loan	43,982	43,982	—
Loan Total	69,216	78,816	+9,600
Investment Corporation Bonds	5,000	5,000	—
Interest Bearing Debt Total	74,216	83,816	+9,600

(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 Registration Statement, filed on November 14, 2011, regarding the risks of the said loan repayment.