



NOMURA
Residential Fund

For Translation Purposes Only

November 29, 2012

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

- (1) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation
- (2) Amount : ¥1,600 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-month Japanese Yen TIBOR) +0.720% p.a.
- (4) Date of Loan : December 3, 2012
- (5) Type of Loan : Term Loan
(7-year Floating Interest Rate, contracted on November 29, 2012)
- (6) Date of Repayment : November 26, 2019 (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 : February 27, 2013 for the first payment, every 27th of February, May, August, and November thereafter until August 27, 2019, 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/>)

3. Use of Funds

Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥1,600 million, scheduled on December 3, 2012, 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)	7,190	5,590	-1,600
Short-term Loan Total	7,190	5,590	-1,600
Long-term Loan (Note)	65,902	67,502	+1,600
Investment Corporation Bonds	10,000	10,000	—
Long-term Loan Total	75,902	77,502	+1,600
Interest Bearing Debt Total	83,092	83,092	—

(Note) Based on the end of the 11th Fiscal Period (ended May 31, 2012).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on August 30, 2012, regarding the risks of the said loan repayment.