



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

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

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Notice Concerning Issuance of Investment Corporation Bonds

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today that the issuance of investment corporation bonds has been determined, based on the comprehensive resolution regarding the issuance of investment corporation bonds, at the Board of Directors meeting held on November 21, 2011.

1. Outline of the Investment Corporation Bond

- (1) Name
NRF Second Series of Unsecured Investment Corporation Bonds
(with pari passu clause among specified investment corporation bonds) (the “Bond”)
- (2) Total Amount
¥5 billion
- (3) Form of Bond Certificates
Under the applicable Act of Book Entry Transfer of Company Bonds, Shares, etc., no bond certificates will be issued.
- (4) Payment Price
¥100 per par value of ¥100
- (5) Redemption Price
¥100 per par value of ¥100

- (6) Interest Rate
1.03% per annum
- (7) Amount of Each Bond
¥100 million
- (8) Offering Method
Public Offering
- (9) Date of Application
February 8, 2012 (Wednesday)
- (10) Date of Payment
February 24, 2012 (Friday)
- (11) Secured/Guaranteed
The Bond is unsecured and unguaranteed. There are also no specific assets reserved for the Bond.
- (12) Maturity and Method of Redemption
The total amount of the Bond will be redeemed on February 24, 2017 (5-year bond).
The Fund may, at any time after the Date of Payment, purchase and cancel the Bond, except when otherwise stated by the custody of transfer agency, Japan Securities Depository Center, Inc.
- (13) Interest Payment Date
February 24 and August 24 of every year.
- (14) Financial Covenants
Negative pledge clause is attached.
- (15) Ratings
AA (Japan Credit Rating Agency, Ltd.)
A (Standard & Poor's Ratings Japan K.K.)
- (16) Agent for Finance, Issue, and Payment
Sumitomo Mitsui Banking Corporation
- (17) Underwriters
Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

2. Purpose for the Issue

The Bond was issued in order to enhance financial strength through the elongation of loan terms and diversification of funding abilities.

3. Amount, Use, and Scheduled Expenditure Date of Proceeds

(1) Amount (Estimated Net Proceeds)

¥4,962 million

(2) Detailed Use and Scheduled Expenditure Date of Proceeds

The proceeds will be used as part of the repayment of loans based on the uncommitted line of credit loan agreement (total ¥9,600 million) due on February 27, 2012 (the difference is scheduled to be repaid through fund in hand and loans).

4. Status of Interest-bearing Debts after the Issuance and Repayment

(Millions of Yen)

	Before today's Issuance and Repayment	After today's Issuance and Repayment	Increase/Decrease
Short-term Loan	9,600	4,600	-5,000
Long-term Loan Due Within One Year (Note)	23,690	23,690	-
Short-term Interest Bearing Debt Total	33,290	28,290	-5,000
Long-term Loan	45,482	45,482	-
Investment Corporation Bonds	5,000	10,000	+5,000
Long-term Interest Bearing Debt Total	50,482	55,482	+5,000
Interest Bearing Debt Total	83,772	83,772	-

(Note) Based on the end of the 10th Fiscal Period (ended November 30, 2011).

5. Other Matters Required for Investors to Accurately Understand and Evaluate the Information

There are no significant changes in the "Investment Risk" stated in the Securities Registration Statement, filed on November 14, 2011, regarding the risks of the said Bond.

[Reference]

Outline of the Shelf Registration Statement filed on November 29, 2010 and the Comprehensive Resolution of the Board of Directors Regarding the Issuance of Investment Corporation Bonds on November 21, 2011.

1. Shelf Registration Statement

- (1) Scheduled Amount to be Issued : ¥100 billion
- (2) Subject of Shelf Registration : Investment Corporation Bonds
- (3) Filing Date of Shelf Registration Statement : November 29, 2010
- (4) Scheduled Period of Issuance : December 7, 2010 to December 6, 2012
- (5) Use of Proceeds : Proceeds will be used as funds to acquire specific assets, repay loans, redeem Investment Corporation Bonds, return security deposits/guarantee money, payment of renovation fees, and running costs, etc.

2. Comprehensive Resolution of the Board of Directors

- (1) Type of Investment Corporation Bond : Unsecured domestic investment corporation bond
- (2) Aggregate Amount of Issuance : Within the amount of ¥100 billion
(However, the issuance may be split into several parts)
- (3) Time of Issuance : December 1, 2011 to November 30, 2012
- (4) Use of Proceeds : Used as funds to acquire specific assets, repay loans, redeem Investment Corporation Bonds, return security deposits/guarantee money, payment of renovation fees, and running costs, etc.
- (5) Collateral : No security or guarantee, and also no assets to be reserved.