



NOMURA
Residential Fund

For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Nobuyuki Hamada, Representative and 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. Reasons for Debt Financing

The Fund has decided to procure loans for the payment for the acquisition of PROUD FLAT Hatsudai, PROUD FLAT Meguro Gyoinzaka, PROUD FLAT Kagurazawa, PROUD FLAT Sangen Jaya, PROUD FLAT Kamata and PROUD FLAT Itsutsubashi (the “Properties”) (Note).

(Note) For further details on the acquisition of the Properties, refer to the Prospectus for the Issue of New Investment Units and Secondary Offering (January 2007).

2. Details of Debt Financing

(1) Long-term Loan (2 years 4 months)

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|-------------------|---|--|
| (1) Lenders | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Corporate Bank, Ltd., Mitsubishi UFJ Trust and Banking Corporation, The Sumitomo Trust and Banking Co., Ltd. |
| (2) Amount | : | ¥4,500 million |
| (3) Interest Rate | : | 0.94917% p.a.
(Applicable Interest Rate Term: April 27, 2007 to August 27, 2007) |
| (4) Date of Loan | : | April 27, 2007 |
| (5) Type of Loan | : | Term Loan (2-year 4-month Floating Interest Rate, contracted on April 25, 2007) |

- (6) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until the end of August 2009 (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 : August 27, 2009 (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
- (2) Short-term Loan (5 years 4 months)
- (1) Lenders : Daido Life Insurance Company,
Mitsui Sumitomo Life Insurance Company, Ltd.
 - (2) Amount : ¥2,200 million
 - (3) Interest Rate : 1.81375% p.a.
 - (4) Date of Loan : April 27, 2007
 - (5) Type of Loan : Term Loan
(5-year 4-month Fixed Interest Rate, contracted on April 25, 2007)
 - (6) Interest Payment Date : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until the end of August 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).
 - (7) Terms of Repayment : Lump sum on the date of repayment.
 - (8) Date of Repayment : August 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

Loan proceeds will be used for the payment for the acquisition of the Properties 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	20,000	26,700	+6,700
Loan Total	20,440	27,140	+6,700
Investment Corporation Bonds	—	—	—
Interest Bearing Debt Total	20,440	27,140	+6,700