



NOMURA
Residential Fund

For Translation Purposes Only

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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

Long-term (3-years 4-months) Loan

- (1) Lenders : Aozora Bank, Ltd., Shinkin Central Bank, Resona Bank, Ltd.
- (2) Amount : ¥1,800 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-months Japanese Yen TIBOR) +0.40% p.a.
- (4) Date of Loan : October 25, 2013
- (5) Type of Loan : Term Loan
(3-years 4-months floating interest rate, contracted on October 23, 2013)
- (6) Date of Repayment : February 26, 2017 (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 : November 26, 2013 for the first payment, every 26th of February, May, August and November thereafter until November 2016, 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

Long-term (6-years 10-months) Loan

- (1) Lenders : The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Ltd., Mizuho Bank, Ltd., Mizuho Trust & Banking Co., Ltd.
- (2) Amount : ¥4,700 million
- (3) Interest Rate : Basic Interest Rate (JBA 3-months Japanese Yen TIBOR) +0.65% p.a.
- (4) Date of Loan : October 25, 2013
- (5) Type of Loan : Term Loan
(6-years 10-months floating interest rate, contracted on October 23, 2013)
- (6) Date of Repayment : August 26, 2020 (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 : November 26, 2013 for the first payment, every 26th of February, May, August and November thereafter until May 2020, 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/>)

Long-term (6-years 10-months) Loan

- (1) Lenders : Nippon Life Insurance Company
- (2) Amount : ¥500 million
- (3) Interest Rate : 1.15566% p.a.
- (4) Date of Loan : October 25, 2013
- (5) Type of Loan : Term Loan
(6-years 10-months fixed interest rate, contracted on October 23, 2013)
- (6) Date of Repayment : August 26, 2020 (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 26, 2014 for the first payment, every 26th of February and August thereafter until February 2020, 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

3. Use of Funds

- Specifics : Loan proceeds will be used in order to repay current outstanding loans of ¥7,500 million (the difference repaid through fund in hand), scheduled on October 25, 2013, according to the credit loan agreement.

4. Status of Interest Bearing Debts after Debt Financing and Repayment

(Millions of Yen)

	Before	After	Increase/Decrease
Short-term Loan	7,500	—	-7,500
Long-term Loan Due Within One Year (Note)	9,290	9,290	—
Short-term Loan Total	16,790	9,290	-7,500
Long-term Loan (Note)	63,550	70,550	+7,000
Investment Corporation Bonds	10,000	10,000	—
Long-term Loan Total	73,550	80,550	+7,000
Interest Bearing Debt Total	90,340	89,840	-500

(Note) Based on the end of the 13th Fiscal Period (ended May 31, 2013).

5. Other

There are no significant changes in the “Investment Risks” stated in the Securities Report, filed on August 30, 2013, regarding the risks of the said loan repayment.