



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 Interest Rate Swap Agreement

Nomura Real Estate Residential Fund, Inc. (“Nomura Residential Fund” or the “Fund”) announced today the signing of an interest rate swap agreement regarding the 5-year floating rate ¥5,472 million term loan (the “Loan”), as mentioned below.

1. Reasons for Signing the Interest Rate Swap Agreement

By fixing the interest rate of the Loan until the date of repayment, the Fund will hedge risks arising from fluctuations in interest rates.

2. Details of Interest Rate Swap Agreement

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|-------------------------------|---|---|
| (1) Counterparty | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Notional Principal Amount | : | ¥5,472 million |
| (3) Interest Rate | : | Fixed Payment 1.31250% p.a. Variable Receipt 6-month yen TIBOR |
| (4) Commencement Date | : | September 29, 2008 |
| (5) Termination Date | : | September 29, 2013 (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) (the same date as the “Date of Repayment” of the Loan). |
| (6) Interest Payment Date | : | February 28, 2009 for the first payment, every August 29 and February 28 (excluding February 2012, which will be on the 29th) thereafter until September 29, 2013, and September 29, 2013 (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) for both the fixed payment and variable receipt. |

*Due to the swap agreement, the interest rate will be fixed at 1.74250% until the repayment of the Loan.