



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 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 3-year floating rate ¥5,048 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              | : Mitsubishi UFJ Trust and Banking Corporation   |
| (2) Notional Principal Amount | : ¥5,048 million   |
| (3) Interest Rate             | : Fixed Payment 0.78250% p.a.<br>Variable Receipt 6-month yen TIBOR  |
| (4) Commencement Date         | : December 26, 2008  |
| (5) Termination Date          | : December 26, 2011 (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 26, 2009 for the first payment, every August 26 and February 26 thereafter until December 26, 2011, and December 26, 2011 (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 1.43250% until the repayment of the Loan.