



NOMURA
Residential Fund

For Translation Purposes Only

August 25, 2009

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 3-year floating rate ¥2,600 million term loan (the “Loan”), as mentioned below.

1. Reason 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

Interest Rate Swap Agreement regarding the Interest Rate of the Loan

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|-----|---------------------------|---|---|
| (1) | Counterparty | : | Mizuho Corporate Bank, Ltd. |
| (2) | Notional Principal Amount | : | ¥2,600 million |
| (3) | Interest Rate | : | Fixed Payment 0.69300% p.a.
Variable Receipt 6-month yen TIBOR |
| (4) | Commencement Date | : | August 27, 2009 |
| (5) | Termination Date | : | 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) (the same date as the “Date of Repayment” of the Loan). |
| (6) | Interest Payment Date | : | February 27, 2010 for the first payment, and every August 27 and February 27 thereafter until 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) for both the fixed payment and variable receipt. |

Due to the swap agreement, the interest rate will be fixed at 1.49300% until the repayment of the Loan.