



NOMURA
Residential Fund

For Translation Purposes Only

August 23, 2012

For Immediate Release

Nomura Real Estate Residential Fund, Inc.
Masatomi Natsume, Executive Director
(Securities Code: 3240)

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Masatomi Natsume, NRF Chief Investment Officer
TEL: +81-3-3365-7729
EMAIL: nrf3240@nomura-re.co.jp

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-6-month floating rate ¥5,420 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

- | | | |
|-------------------------------|---|---|
| (1) Counterparty | : | The Bank of Tokyo-Mitsubishi UFJ, Ltd. |
| (2) Notional Principal Amount | : | ¥5,420 million |
| (3) Interest Rate | : | Fixed Payment 0.44513% p.a.
Variable Receipt 3-month yen TIBOR |
| (4) Commencement Date | : | August 27, 2012 (Same day as the “Date of Loan” of the Loan) |
| (5) Termination Date | : | February 27, 2018 (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 | : | November 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2017, and the termination date (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. |

(Note 1) Refer to Japanese Bankers Association website (<http://www.zenginkyo.or.jp/en/tibor/>) regarding the JBA Japanese Yen TIBOR.

(Note 2) Due to the swap agreement, the interest rate will be fixed at 1.12013% until the repayment of the Loan.