NOMURA
Residential Fund

For Translation Purposes Only

September 26, 2013

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 4-year 11-month floating rate ¥5,400 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	:	Mitsubishi UFJ Trust and Banking Corporation
(2)	Notional Principal Amount	:	¥5,400 million
(3)	Interest Rate	:	Fixed Payment 0.45000 p.a. Variable Receipt 3-month Japanese Yen TIBOR
(4)	Commencement Date	:	September 30, 2013 (Same day as the "Date of Loan" of the Loan)
(5)	Termination Date	:	August 26, 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 26, 2013 for the first payment, every 26th of February, May, August, and November thereafter until May 26, 2018, 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 0.99000% until the repayment of the Loan.