



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 4-year 4-month floating rate ¥3,500 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 Sumitomo Trust and Banking Co., Ltd. |
| (2) Notional Principal Amount | : ¥3,500 million |
| (3) Interest Rate | : Fixed Payment 1.47464% p.a. Variable Receipt 6-month yen TIBOR |
| (4) Commencement Date | : May 31, 2007 |
| (5) Termination Date | : September 30, 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 | : August 27, 2007 for the first payment, and every February 27 and August 27 thereafter until the end of February 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 1.84464% until the repayment of the Loan.