



NOMURA
Residential Fund

For Translation Purposes Only

February 25, 2015

For Immediate Release

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

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Tetsuya Ohira, General Manager, NRF Investment Management
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 interest rate swap agreements regarding the 6-years 9-months floating rate ¥4,900 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 : ¥4,900 million
3. Interest Rate : Fixed Payment 0.35410% p.a.
Variable Receipt JBA 3-months Japanese Yen TIBOR*
4. Commencement Date : February 27, 2015 (Same day as the “Date of Loan” of the Loan)
5. Termination Date : November 26, 2021 (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 : May 26, 2015 for the first payment, every 26th of February, May, August, and November thereafter until August 2021, 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) Due to the swap agreement, the interest rate will be fixed at 0.97410% until the repayment of the Loan.

*Refer to JBA TIBOR Administration website regarding the JBA Japanese Yen TIBOR.
(<http://www.jbatibor.or.jp/english/rate/>)