



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 interest rate swap agreements regarding the 6-years floating rate ¥3,600 million term loan (the “6-years Loan”) and the 8-years floating rate ¥6,100 million term loan (the “8-years Loan”), as mentioned below.

1. Reasons for Signing the Interest Rate Swap Agreement

By fixing the interest rate of these 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) Agreement for Interest on Debt Financing of ¥3,600 million (the “6-years Loan”)

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|------------------------------|--|
| 1. Counterparty              | : Sumitomo Mitsui Trust Bank, Ltd.   |
| 2. Notional Principal Amount | : ¥3,600 million   |
| 3. Interest Rate             | : Fixed Payment 0.31585% p.a.<br>Variable Receipt JBA 3-months Japanese Yen TIBOR*   |
| 4. Commencement Date         | : August 27, 2015 (Same day as the “Date of Loan” of the Loan)   |
| 5. Termination Date          | : August 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     | : November 26, 2015 for the first payment, every 26th of February, May, August, and November thereafter until May 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 0.81585% until the repayment of the Loan.

(2) Agreement for Interest on Debt Financing of ¥6,100 million (the “8-years Loan”)

1. Counterparty : Sumitomo Mitsui Trust Bank, Ltd.
2. Notional Principal Amount : ¥6,100 million
3. Interest Rate : Fixed Payment 0.45510% p.a.  
Variable Receipt JBA 3-months Japanese Yen TIBOR\*
4. Commencement Date : August 27, 2015 (Same day as the “Date of Loan” of the Loan)
5. Termination Date : August 26, 2023 (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, 2015 for the first payment, every 26th of February, May, August, and November thereafter until May 2023, 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 1.08510% 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/>)