



For Translation Purposes Only



NOMURA  
Residential Fund

February 23, 2012

## 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 3-year floating rate ¥5,400 million term loan (the “3-year Loan”) and the 3-year 6-month floating rate ¥9,700 million term loan (the “3-year 6-month Loan”), as mentioned below.

### 1. Reasons for Signing the Interest Rate Swap Agreement

By fixing the interest rates of the 3-year Loan and the 3-year 6-month 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 Sumitomo Trust and Banking Co., Ltd.   |
| (2) Notional Principal Amount | : | ¥5,400 million   |
| (3) Interest Rate             | : | Fixed Payment                      0.39365% p.a.<br>Variable Receipt                      3-month yen TIBOR*   |
| (4) Commencement Date         | : | February 27, 2012 (Same day as the “Date of Loan” of the 3-year Loan)  |
| (5) Termination Date          | : | February 27, 2015 (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 3-year Loan).  |
| (6) Interest Payment Date     | : | May 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2014, 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 0.96365% until the repayment of the 3-year Loan.

- (1) Counterparty : The Bank of Tokyo-Mitsubishi UFJ, Ltd.
- (2) Notional Principal Amount : ¥9,700 million
- (3) Interest Rate : Fixed Payment 0.41400% p.a.  
Variable Receipt 3-month yen TIBOR\*
- (4) Commencement Date : February 27, 2012  
(Same day as the “Date of Loan” of the 3-year 6-month Loan)
- (5) Termination Date : August 27, 2015 (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 3-year 6-month Loan).
- (6) Interest Payment Date : May 27, 2012 for the first payment, every 27th of February, May, August, and November thereafter until November 27, 2014, 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 1.00900% until the repayment of the 3-year 6-month Loan.

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