



**For Immediate Release**  
To Whom It May Concern

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## **Notice Concerning Issuance of Investment Corporation Bonds (Green Bonds) and Early Repayment of Borrowings**

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announced today that it has decided to issue investment corporation bonds (green bonds) (the “Bonds”) based on the comprehensive resolution on issuance of the investment corporation bonds at the Board of Directors meeting held on September 20, 2019 and also make an early repayment of borrowings (the “Early Repayment”. It is collectively referred to as the “Financing” together with the issuance of the Bonds) as described below.

### **I. Issuance of the Investment Corporation Bonds**

#### **1. Outline of the Investment Corporation Bonds to Be Issued**

|  |  |
|--|--|
| (1) Name                                     | Nomura Real Estate Master Fund, Inc. Sixth Series of Unsecured Investment Corporation Bonds (Special pari passu conditions among specified investment corporation bonds)(Green Bonds)  |
| (2) Total amount of Issuance                 | 7 billion yen  |
| (3) Form of Bond Certificates                | Subject to the provisions of the Act on Book-Entry Transfer of Company Bonds, Shares, etc., in principle, NMF shall not issue investment corporation bond certificates for the Bonds.  |
| (4) Issue Price                              | 100 yen per value of 100 yen of each bond  |
| (5) Redemption Price                         | 100 yen per value of 100 yen of each bond  |
| (6) Interest Rate                            | 0.540 % per annum  |
| (7) Amount of Each Bond                      | 100 million yen  |
| (8) Offering Method                          | Public offering  |
| (9) Date of Application                      | August 7, 2020 (Friday)  |
| (10) Date of Payment                         | August 14, 2020 (Friday)   |
| (11) Collateral / Guarantee                  | Neither collateral nor guarantee is provided for the Bonds, and no asset is particularly secured for the Bonds.  |
| (12) Redemption Method and Date              | The total amount of the Bonds will be redeemed on August 14, 2030(10-year bond). Redemption by purchase is permitted any time on and after the following day of the payment date except for the case separately determined by the depository, Japan Securities Depository Center, Inc. |
| (13) Interest Payment Date                   | February 14 and August 14 every year (The first interest payment date will be on February 14, 2021.)   |
| (14) Financial Covenant                      | Negative pledge clause is attached.  |
| (15) Credit Ratings                          | AA (Japan Credit Rating Agency, Ltd.)  |
| (16) Agent for Finance, Issuance and Payment | MUFG Bank, Ltd.  |
| (17) Underwriters                            | Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.  |



## 2. Reason for Issuance

NMF believes that the issuance of the Bonds would contribute to further promotion of asset management with due consideration given to ESG as well as further reinforcement of its fund procurement base by reaching out to bond investors who are interested in ESG investment to expand its investor base. Therefore, NMF decided to issue the Bonds to allocate the funds for repayment of the outstanding short-term borrowings in order to extend borrowing periods and fix the interest rate.

## 3. Amount of Funds to be Raised, Use of Proceeds and Scheduled Timing of Expenditure

(1) Amount of Funds to be Raised (estimated net proceeds): 6,947 million yen

(2) Specific Use of Proceeds and Scheduled Timing of Expenditure:

On August 25, 2020, NMF will allocate the proceeds from the issuance of the Bonds to repay the funds for the early repayment of the borrowing maturing on February 26, 2021 based on the Commitment Line Agreement, which were borrowed for allocating partial funds for redemption of the investment corporation bonds issued for acquiring an eligible green project <sup>(Note)</sup>, NRE Tennozu Building, as described in II. 2. (1) below, and also repay the funds for the early repayment of the borrowing maturing on February 26, 2021 based on the Commitment Line Agreement, which were borrowed for acquiring an eligible green project, PMO Hamamatsucho, as described in II. 2. (2) below.

(Note) The term “eligible green projects” means existing or new specified assets that fulfill the eligible criteria. The same applies hereinafter. For more details on the eligible criteria, please see the press release “Notice Concerning Submission of Amendment to the Shelf Registration Statement for Green Bond Issuance” dated August 7, 2019. Furthermore, in August 2019, NMF acquired “Green1(F)”, the highest rating in JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. (JCR) for its eligibility of green finance framework. NMF confirmed this evaluation also applies on the Bonds. For details of JCR Green Finance Framework Evaluation, please refer to JCR website (JCR Green Finance Evaluation: <https://www.jcr.co.jp/en/greenfinance/green/>).

## 4. Investors Who Declared Investment in the Bonds

Listed below in alphabetical order are investors to date who declared their intention of investment in the Bonds.

- Daitokyo Shinkumi Credit Cooperative
- Danyo Shinkumi Bank
- GUNMAMIRAI Shinkumi Bank
- Kiryu Shinkin Bank
- Mitsubishi UFJ Trust and Banking Corporation
- Nagano Shinkin Bank
- Niigata credit union
- NISHIHYOGO SHINKIN BANK
- North Pacific Bank, Ltd.
- SHIZUOKA YAIZU SHINKIN BANK
- SUWA SHINKIN BANK
- TETSUDOKOSAIKAI FOUNDATION
- THE AWAJI SHINKIN BANK
- The Hanno-Shinkin Bank
- The Kita Osaka Shinkin Bank
- The SAGAMI Shinkin Bank
- TOKUSHIMA SHINKIN BANK



## II. Purpose and Outline of the Early Repayment

### 1. Purpose of the Early Repayment

For the purpose of extending the borrowing period, fixing interest rates, NMF will make the early repayment of the existing borrowings of ¥2,500 million and ¥4,500 million with the proceeds from the issuance of the Bonds and cash on hand.

### 2. Outline of the Early Repayment

(1) The early repayment of the following term loan based on the Commitment Line Agreement contracted on June 10, 2019. (Note 1)

| Lenders  | Borrowing Amount before Early Repayment (Millions of Yen) | Early Repayment Amount (Millions of Yen) | Borrowing Amount after Early Repayment (Millions of Yen) | Interest Rate  | Drawdown Date  | Term   | Repayment Date    | Scheduled Early Repayment Date | Collateral              |
|--|---|--|--|--|----------------|--------|-------------------|--------------------------------|-------------------------|
| MUFG Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Mizuho Bank, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited | 2,500   | 2,500                                    | -  | Basic Interest rate<br>+0.49%<br>(Note2)<br>(Note3)<br>(Note4) | March 11, 2020 | 1 year | February 26, 2021 | August 25, 2020                | Unsecured, unguaranteed |

(Note 1) From the Early Repayment, break funding cost will occur, calculated by the actual days from the following date of Repayment Date to the following Interest Payment Date.

(Note 2) Base interest rate, which applies to the calculation period of the interest rate to be paid on the interest payment date, will be Japanese Bankers Association ("JBA") 1-month JPY TIBOR("Tokyo Interbank Offered Rate") as of two business days before the previous interest payment date of the respective interest payment dates (however, the Drawdown Date for the first interest rate calculation period) announced by the JBA TIBOR Administration("JBATA").

(Note 3) Base interest rate indicated in (Note 2) is reviewed on each interest payment date. However, in the case the rate that applies to the calculation period of the interest rate does not exist, what is calculated based on the method stated in the contract will be the base interest rate that applies to the concerned period. For JBA Japanese yen TIBOR, please refer to JBATA website. (<http://www.jbatibor.or.jp/english/rate/>)

(Note 4) The interest payment dates are the 26th of every month beginning March 26, 2020 until the Repayment Date, as well as the Repayment Date. If any of these days is a non-business day, the interest repayment date will be the following business day, or the prior business day if the following business day is in the next month.

(2) The early repayment of the following term loan based on the Commitment Line Agreement contracted on June 10, 2019. (Note 1)

| Lenders  | Borrowing Amount before Early Repayment (Millions of Yen) | Early Repayment Amount (Millions of Yen) | Borrowing Amount after Early Repayment (Millions of Yen) | Interest Rate  | Drawdown Date  | Term   | Repayment Date    | Scheduled Early Repayment Date | Collateral              |
|--|---|--|--|--|----------------|--------|-------------------|--------------------------------|-------------------------|
| MUFG Bank, Ltd.<br>Sumitomo Mitsui Banking Corporation<br>Mizuho Bank, Ltd.<br>Sumitomo Mitsui Trust Bank, Limited | 4,500   | 4,500                                    | -  | Basic Interest rate<br>+0.39%<br>(Note2)<br>(Note3)<br>(Note4) | March 25, 2020 | 1 year | February 26, 2021 | August 25, 2020                | Unsecured, unguaranteed |

(Note 1) From the Early Repayment, break funding cost will occur, calculated by the actual days from the following date of Repayment Date to the following Interest Payment Date.

(Note 2) Base interest rate, which applies to the calculation period of the interest rate to be paid on the interest payment date, will be Japanese Bankers Association ("JBA") 1-month JPY TIBOR("Tokyo Interbank Offered Rate") as of two business days before the previous interest payment date of the respective interest payment dates (however, the Drawdown Date for the first interest rate calculation period) announced by the JBA TIBOR Administration("JBATA").

(Note 3) Base interest rate indicated in (Note 2) is reviewed on each interest payment date. However, in the case the rate that applies to the calculation period of the interest rate does not exist, what is calculated based on the method stated in the contract will be the base interest rate that applies to the concerned period. For JBA Japanese yen TIBOR, please refer to JBATA website. (<http://www.jbatibor.or.jp/english/rate/>)

(Note 4) The interest payment dates are the 26th of every month beginning April 26, 2020 until the Repayment Date, as well as the Repayment Date. If any of these days is a non-business day, the interest repayment date will be the following business day, or the prior business day if the following business day is in the next month.



### III. Outstanding Debt Balance after the Financing

(Millions of Yen)

|   | Before the Financing | After the Financing | Change  |
|---|----------------------|---------------------|---------|
| Short-term Borrowings                                     | 7,000                | —                   | — 7,000 |
| Long-term Borrowings Due within One Year (Note 1)         | 45,064               | 45,064              | —       |
| Long-term Borrowings (Note 2)                             | 440,841              | 440,841             | —       |
| Total Borrowings  | 492,905              | 485,905             | — 7,000 |
| Investment Corporation Bonds Due within One Year (Note 1) | —                    | —                   | —       |
| Investment Corporation Bonds (Note 3)                     | 25,000               | 32,000              | + 7,000 |
| Total Investment Corporation Bonds                        | 25,000               | 32,000              | + 7,000 |
| Total Interest-Bearing Debts                              | 517,905              | 517,905             | —       |

(Note 1) Nature of term is as at the end of the 9th fiscal period (February 29, 2020).

(Note 2) Excludes Long-term Borrowings due within one year.

(Note 3) Excludes Investment Corporation Bond due within one year.

### IV. Forecasts of Financial Results

There is no revision to NMF's forecasts of financial results for the fiscal period ending August 31, 2020 (March 1, 2020 to August 31, 2020) and the fiscal period ending February 28, 2021 (September 1, 2020 to February 28, 2021) by the Financing as it has only small impact to the forecast of financial results.

### V. Others

No change has been made to the content of "Section 1 Fund Information / 1 Status of Fund / 3 Investment Risks" of the Securities Report (in Japanese) filed on May 28, 2020 regarding the risk involved in the Financing.

\*<Nomura Real Estate Master Fund, Inc.> URL: <https://www.nre-mf.co.jp/en/index.html>

