

Nomura Real Estate Master Fund, Inc.
Securities Code: 3462
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Notice Concerning Debt Financing and Repayment of Debt Financing (“Financing”)

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced the decision made today that it will procure debt financing (“Debt Financing”) to refinance, to acquire new asset, and to conduct early repayment (the “Early Repayment”), as described below.

I. Debt Financing

1. Debt financing for refinance

(1) Purpose

The Fund has decided to procure the loan in order to repay current outstanding loans which mature on August 26, 2016.

(2) Details

① Loan Type : Term Loan (Scheduled contract date: August 24, 2016)

Lenders	Amount (millions of yen)	Interest Rate (Note1)	Drawdown Date	Term	Repayment Date ^(Note2)	Terms of Repayment	Collateral
The Chugoku Bank, Ltd.	1,000	0.41%	August 26, 2016	7 years	August 26, 2023	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Resona Bank, Ltd.	1,000	Fixed (To be determined) (Note3)	August 26, 2016	8 years and 6 months	February 26, 2025	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Ltd	3,000	Fixed (To be determined) (Note3)	August 26, 2016	9 years	August 26, 2025	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

(Note 1) February 26, 2017, the first interest payment date, and 26th of every February and August thereafter until the Repayment Date. (or the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month)

(Note 2) Repayment Date is the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month.

(Note 3) The interest rate will be determined on or before the anticipated borrowing date based on the contract scheduled on August 24, 2016 concerning this borrowing. We will make an announcement about the interest when it is determined.

(3) Use of Funds

- ① Specifics : To be used for repayment of the existing borrowings based on the term loan^(Note) agreement totaling ¥5 billion which will mature on August 26, 2016.
- ② Scheduled Date of Use : August 26, 2016

(Note) For details of the term loan agreement, please refer to the press releases “Notice Concerning Debt Financing” announced by Nomura Real Estate Office Fund on August 24, 2011 and on September 21, 2012.

2. Debt financing for refinance and for acquiring new asset

(1) Purpose

The Fund has decided to procure the loan in order to repay current outstanding loans which mature on August 29, 2016, and to acquire new asset.

(2) Details

Loan Type : Term Loan (Scheduled contract date: August 29, 2016)

Lenders	Amount (millions of yen)	Interest Rate (Note1)	Drawdown Date	Term	Repayment Date ^(Note2)	Terms of Repayment	Collateral
Development Bank of Japan, Inc.	2,430	Fixed (To be determined) (Note3)	August 31, 2016	8 years	August 26, 2024	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

(Note 1) February 26, 2017, the first interest payment date, and 26th of every February and August thereafter until the Repayment Date. (or the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month)

(Note 2) Repayment Date is the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month.

(Note 3) The interest rate will be determined on or before the anticipated borrowing date based on the contract scheduled on August 29, 2016 concerning this borrowing. We will make an announcement about the interest when it is determined.

(3) Use of Funds

- ① Specifics : (i) Out of the loan amount, ¥1.08 billion to be used for repayment of the existing borrowings based on the term loan agreement totaling ¥1.08 billion which will mature on August 26, 2016^{(Note1) (Note2)}, (ii) ¥1.35 billion proceeds will be used in order to pay for a part of the acquisition of an asset (Landport Kashiwa Shonan II)^(Note3) and the related expenses together with the loan stated 3 below, scheduled on September 1, 2016.
- ② Scheduled Date of Use : (i) August 31, 2016
(ii) September 1, 2016

(Note 1) For details of the term loan agreement, please refer to the press releases “Notice Concerning Debt Financing” announced by Nomura Real Estate Residential Fund on August 25, 2009.

(Note 2) The Fund will repay the debt on August 29, 2016 using cash on hand, the above mentioned loan will be executed in order to cover the decrease amount in cash on hand due to the concerned utilization on August 31, 2016. The above mentioned loan is, in effect, to be applied for the refinancing.

(Note 3) For a profile of the property, refer to the “Notice Concerning Property Acquisition and Disposition”, released on May 9, 2016.

3. Debt financing for acquiring new asset

(1) Purpose

The Fund has decided to procure the debt financing in order to pay for the acquisition of an asset.

(2) Details

Loan Type : Term Loan (Scheduled contract date: August 29, 2016)

Lenders	Amount (millions of yen)	Interest Rate	Drawdown Date	Term	Repayment Date ^(Note1)	Terms of Repayment	Collateral
Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Ltd.	4,050	Fixed (To be determined) (Note2) (Note4)	August 31, 2016	9 years	August 26, 2025	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

Lenders	Amount (millions of yen)	Interest Rate	Drawdown Date	Term	Repayment Date ^(Note1)	Terms of Repayment	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2,700	Fixed (To be determined) (Note3) (Note4)	August 31, 2016	10 years	August 26, 2026	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Sumitomo Mitsui Banking Corporation	2,700	Fixed (To be determined) (Note2) (Note4)	August 31, 2016	10 years	August 26, 2026	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

(Note 1) Repayment Date is the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month.

(Note 2) February 26, 2017, the first interest payment date, and 26th of every February and August thereafter until the Repayment Date. (or the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month)

(Note 3) November 26, 2016, the first interest payment date, and 26th of every February, May, August and November thereafter until the Repayment Date. (or the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month)

(Note 4) The interest rate will be determined on or before the anticipated borrowing date based on the contract scheduled on August 29, 2016 concerning this borrowing. We will make an announcement about the interest when it is determined.

(3) Use of Funds

- ① Specifics : Loan proceeds will be used in order to pay for a part of the acquisition of an asset (Landport Kashiwa Shonan II) and the related expenses, together with the loan sated 2 above.
- ② Scheduled Date of Use : September 1, 2016

4. Debt financing to conduct early repayment

(1) Purpose

The Fund has decided to procure the loan in order to conduct early repayment stated in II below.

(2) Details

Loan Type : Term Loan (Scheduled contracted on August 29, 2016)

Lenders	Amount (millions of yen)	Interest Rate (Note1)	Drawdown Date	Term	Repayment Date ^(Note2)	Terms of Repayment	Collateral
Sumitomo Mitsui Banking Corporation	2,700	Fixed (To be determined) (Note3)	August 31, 2016	7 years and 10 months	June 26, 2024	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Sumitomo Mitsui Banking Corporation	2,000	Fixed (To be determined) (Note3)	August 31, 2016	9 years and 3 months	November 26, 2025	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

(Note 1) February 26, 2017, the first interest payment date, and 26th of every February and August thereafter until the Repayment Date. (or the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month)

(Note 2) Repayment Date is the following business day if the date is a non-business day, or the prior business day if the following business date is in the next month.

(Note 3) The interest rate will be determined on or before the anticipated borrowing date based on the contract scheduled on August 29, 2016 concerning this borrowing. We will make an announcement about the interest when it is determined.

(3) Use of Funds

- ① Specifics : To be used for early repayment of the existing borrowings based on the term loan^(Note1) agreement totaling ¥4.7 billion which will mature on December 27, 2016.
- ② Scheduled Date of Use : August 31, 2016

(Note) For the details of the term loan, please refer to "II Early Repayment (2) Details of Early Repayment of Debt Financing" below

II. Early Repayment

(1) Purpose

To contribute stable financing, condition about the prolongation of the term and the immobilization of the interest rate was set among the lender.

(2) Details of Early Repayment of Debt Financing^(Note1)
Term Loan (Floating Rate, contracted on June 23, 2016)

Lenders	Borrowing Amount before the prepayment (millions of yen)	Prepayment Amount (millions of yen)	Borrowing Amount after the prepayment (millions of yen)	Interest Rate	Drawdown Date	Term	Repayment Date	Scheduled Repayment Date	Collateral
Sumitomo Mitsui Banking Corporation	4,700	4,700	-	Basic Interest Rate +0.09% (Note2)(Note3)	June 27, 2016	6 months	December 27, 2016	August 31, 2016	Unsecured, unguaranteed

(Note 1) No penalty is required by this prepayment

(Note 2) Basic Interest Rate, which applies to the calculation period of the interest rate to be paid on the Interest Payment Date, will be JBA 1 month JPY TIBOR 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.

(Note 3) Basic Interest Rate indicated in (Note 2) will be 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 Basic Interest Rate that applies to the concerned period. Refer to the JBA TIBOR Administration website regarding the changes in the respective JBA Japanese Yen TIBOR, the base interest rate.

III. Status of Interest Bearing Debts after Financing

		(millions of yen)		
		Before Financing ^(Note 1)	After Financing ^(Note 1)	Increased/Decreased Amount
	Short-term Borrowings	4,700	—	▲4,700
	Current portion of Long-term borrowings ^(Note 2)	26,272	20,192	▲6,080
	Long-term borrowings ^(Note 3)	335,499	357,079	21,580
	Total Borrowings	366,471	377,271	10,800
	Current portion of Investment Corporation Bonds ^(Note 2)	5,000	5,000	—
	Investment Corporation Bonds ^(Note 4)	27,500	27,500	—
	Total Investment Corporation Bonds	32,500	32,500	—
Total Interest-Bearing Debts		398,971	409,771	10,800

(Note 1) Both columns indicate figures assuming that agreed repayments (¥71.4 million in total) scheduled for August 26, 2016.

(Note 2) Nature of term is as of the end of the 1st fiscal period (February 29, 2016).

(Note 3) Excludes Long-term Borrowings due within one year.

(Note 4) Excludes Investment Corporation Bond due within one year.

IV. Forecasts of Financial Results

There is only small impact to Nomura Master Fund's forecasts of financial results for the fiscal period ending August 31, 2016 (March 1, 2016 to August 31, 2016) and ending February 28, 2017 (September 1, 2016 to February 28, 2017), there is no revision to the forecast of financial results.

V. Other Matters Required for Investors to Accurately Understand and Evaluate the Information

No change has been made to the content of “Section 1 Fund Information / 1 Status of Fund / 3 Investment Risks” of the Security Report (in Japanese) filed on May 25, 2016, regarding the risk involved in the debt financing.