

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

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced the decision made today that it will procure debt financing (the “Loans”) and conduct early repayment using proceeds from the sales of assets (the “Early Repayment”), as described below.

I. Debt Financing

1. Purpose

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

2. Details of Debt Financing

Loan Type : Term Loan(Floating-rate, contracted on May 24, 2016)

Lenders	Amount (millions of yen)	Interest Rate (Note 1)	Drawdown Date	Term	Repayment Date (Note 2)	Terms of Repayment	Collateral
Mitsui Sumitomo Insurance Company, Limited	1,000	Fixed (To be determined) (Note 3)	May 26, 2016	7 years	May 26, 2023	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Resona Bank, Limited The Bank of Fukuoka, Ltd.	1,100	Fixed (To be determined) (Note 3)	May 26, 2016	8 years	May 26, 2024	Lump-sum repayment on the repayment date	Unsecured, unguaranteed

(Note 1) November 26, 2016, the first interest payment date, and 26th of every May 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 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 dated April 22, 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 a part of repayment of the existing borrowings based on the term loan^(Note 1) agreement totaling ¥4 billion which will mature on September 28, 2015. (The remaining to be repaid with cash on hand procured by the sale of assets.^(Note 2))
- (2) Scheduled Date of Use : May 26, 2016

(Note 1) For details of the term loan agreement maturing on May 26, 2016 please refer to the press releases “Notice Concerning Debt Financing” announced by Nomura Real Estate Office Fund on June 20, 2013 and “Notice Concerning Debt Financing” announced by the former Nomura Real Estate Master Fund on June 26, 2015.

(Note 2) For a profile of the property, refer to the “Notice Concerning Property Acquisition and Disposition”, released on May 9, 2016.

II. Details of Repayment of Debt Financing

1. Purpose

An early repayment of existing borrowings (see “2. Details of Repayment of Debt Financing” below) through effective utilization of proceeds from the sale of assets is expected to increase the effectiveness of asset management and reduce interest payments.

2. Details of Repayment of Debt Financing

① Loan Type : Term Loan(Commitment Line Agreement, contracted on June 11, 2015)

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 (Note 2)	Scheduled Repayment Date	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	5,000	5,000	-	Basic Interest Rate +0.60% (Note2)(Note3)	February 24, 2016	1 year	February 24, 2017	May 26, 2016	Unsecured, unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	1,300	1,300	-	Basic Interest Rate +0.50% (Note2)(Note3)	March 1, 2016	1 year	February 26, 2017	May 26, 2016	Unsecured, unguaranteed

② Loan Type : Term Loan(Commitment Line Agreement, contracted on March 25, 2014)

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 (Note 2)	Scheduled Repayment Date	Collateral
Mitsubishi UFJ Trust and Banking Corporation, Sumitomo Mitsui Trust Bank, Ltd.	3,000	3,000	-	Basic Interest Rate +0.37% (Note2)(Note3)	March 27, 2014	2 years and 5 months	August 26, 2016	May 26, 2016	Unsecured, unguaranteed
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	4,500	3,500	1,000	Basic Interest Rate +0.42% (Note2)(Note3)	March 27, 2014	2 years and 11 months	February 26, 2017	May 26, 2016	Unsecured, unguaranteed

③ Loan Type : Term Loan(Commitment Line Agreement, contracted on March 9, 2015)

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 (Note 2)	Scheduled Repayment Date	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd. The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.	5,000	1,000	4,000	Basic Interest rate +0.32% (Note2)(Note3)	March 11, 2015	2 years	March 11, 2017	May 26, 2016	Unsecured, unguaranteed

(Note 1) No penalty is required by this prepayment, above ① to ③.

(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 Debt Financing and Prepayment

		(millions of yen)		
		Before drawdown and the prepayment ^(Note1)	After drawdown and the prepayment ^(Note1)	Increased/Decreased Amount
	Short-term Borrowings	10,400	—	▲10,400
	Current portion of Long-term borrowings ^(Note 2)	49,994	42,494	▲7,500
	Long-term borrowings ^(Note3)	324,949	326,049	+1,100
	Total Borrowings	385,343	368,543	▲16,800
	Current portion of Investment Corporation Bonds ^(Note 2)	5,000	5,000	—
	Investment Corporation Bonds ^(Note4)	27,500	27,500	—
	Total Investment Corporation Bonds	32,500	32,500	—
Total Interest-Bearing Debts		417,843	401,043	▲16,800

(Note 1) Both columns indicate figures assuming that agreed repayments (¥21.4 million in total) scheduled for May 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 no 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), there is no revision to the forecast of financial results.

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

NMF was incorporated through the consolidation-type merger as of October 1, 2015, and has not filed

any Securities Registration Statement or Securities Report and therefore has not disclosed “Investment Risks” yet. Please refer to the content of “Investment Risks” of the Securities Reports (in Japanese) filed by Former NMF on November 27, 2015, by Nomura Real Estate Office Fund, Inc. on July 29, 2015 and by Nomura Real Estate Residential Fund, Inc. on August 26, 2015, respectively, regarding the risks involved in the repayment of the borrowings, etc., as there is no material change in such risks. NMF is to disclose its “Investment Risks” in the Securities Report of NMF (the fiscal period from October 1, 2015 to February 29, 2016) to be filed hereafter.

*Nomura Real Estate Master Fund, Inc. URL: <http://www.nre-mf.co.jp/english/>