

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

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund” or “NMF”) announced today that the Fund will procure debt financing as stated below.

I. Debt Financing

1. Purpose

Nomura Master Fund has decided to procure the debt financing of ¥5,000 million for the redemption of existing investment corporation bonds of Nomura Real Estate Residential Fund, Inc., which matures on February 24, 2017.

2. Details of Debt Financing

Lenders	Amount (millions of yen)	Interest Rate	Drawdown Date	Term	Loan Type	Repayment Date(Note 1)	Terms of Repayment	Collateral
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1,625	Floating-rate Basic Interest Rate +0.55% (Note 2) (Note 3) (Note 4)	February 23, 2017	1 year	Commitment Line Agreement, contracted on June 8, 2016	February 23, 2018	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Sumitomo Mitsui Banking Corporation	1,250							
Mizuho Bank, Ltd.	875							
Mitsubishi UFJ Trust and Banking Corporation	750							
Sumitomo Mitsui Trust Bank, Limited	500							

- (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) 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.
- (Note 4) March 26, 2017, the first interest payment date, and 26th of every month 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)

3. Use of Funds

- (1) Specifics : Loan proceed is to be used for the redemption of the existing investment corporation bonds.
- (2) Scheduled Date of Use : February 24, 2017

II. Status of Interest-bearing Debts after Drawdown and the redemption of the bonds

(millions of yen)				
		Before drawdown and the redemption of the bonds	After drawdown and the redemption of the bonds	Increased/Decreased Amount
	Short-term Borrowings	—	5,000	+ 5,000
	Current portion of Long-term borrowings (Note 1)	52,284	52,284	—
	Long-term borrowings (Note 2)	415,021	415,021	—
	Total Borrowings	467,305	472,305	+ 5,000
	Current portion of Investment Corporation Bonds (Note 1)	10,000	5,000	— 5,000
	Investment Corporation Bonds (Note 3)	22,500	22,500	—
	Total Investment Corporation Bonds	32,500	27,500	— 5,000
	Total Interest-Bearing Debts	499,805	499,805	—

(Note 1) Nature of term is as of the end of the 2nd fiscal period (August 31, 2016).

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

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

III. Forecasts of Financial Results

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

IV. 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 Securities Report (in Japanese) filed on November 28, 2016, regarding the risk involved in the debt financing.

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