

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”) 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 to repay the existing borrowing.

2. Details of Debt Financing

Loan Type : Term Loan (Scheduled contract date: June 23, 2016)

Lenders	Amount (millions of yen)	Interest Rate	Drawdown Date	Term	Repayment Date (Note 1)	Terms of Repayment	Collateral
Sumitomo Mitsui Banking Corporation	4,700	Basic Interest Rate +0.09% (Note 2) (Note3) (Note4)	June 27, 2016	6 months	December 27, 2016	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	2,700	Fixed (To be determined) (Note5) (Note6)	June 27, 2016	7 years and 11 months	May 26, 2024	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Development Bank of Japan Inc.	2,250	Fixed (To be determined) (Note5) (Note6)	June 27, 2016	8 years and 5 months	November 26, 2024	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Mitsubishi UFJ Trust and Banking Corporation	2,000	Fixed (To be determined) (Note5) (Note6)	June 27, 2016	9 years and 5 months	November 26, 2025	Lump-sum repayment on the repayment date	Unsecured, unguaranteed
Development Bank of Japan Inc.	2,500	Fixed (To be determined) (Note5) (Note6)	June 27, 2016	9 years and 11 months	May 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) 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) July 31, 2016, the first interest payment date, and end of the every month 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 5) 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 6) The interest rate will be determined on or before the anticipated borrowing date based on the contract scheduled on June 23, 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 ¥16 billion which will mature on June 27, 2015. (The remaining to be repaid with cash on hand procured by the sale of assets.^(Note 2))
- (2) Scheduled Date of Use : June 27, 2016

(Note 1) For details of the term loan agreement maturing on June 25 and June 26, 2016 please refer to the press releases “Notice Concerning Debt Financing” announced by Nomura Real Estate Office Fund on June 22, 2009 and “Notice Concerning Debt Financing” announced by Nomura Real Estate Residential Fund on December 21, 2011.

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

II. Status of Interest Bearing Debts after Debt Financing and Repayment

		(millions of yen)		
		Before drawdown and the repayment	After drawdown and the repayment	Increased/Decreased Amount
	Short-term Borrowings	—	4,700	+ 4,700
	Current portion of Long-term borrowings ^(Note 1)	42,494	26,344	— 16,150
	Long-term borrowings ^(Note 2)	326,049	335,499	+ 9,450
	Total Borrowings	368,543	366,543	— 2,000
	Current portion of Investment Corporation Bonds ^(Note 1)	5,000	5,000	—
	Investment Corporation Bonds ^(Note 3)	27,500	27,500	—
	Total Investment Corporation Bonds	32,500	32,500	—
Total Interest-Bearing Debts		401,043	399,043	— 2,000

(Note 1) Nature of term is as of the end of the 1st fiscal period (February 29, 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 August 31, 2016 (March 1, 2016 to August 31, 2016), 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 Security Registration Statement (in Japanese) filed on May 25, 2016, regarding the risk involved in the debt financing.

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