



[For Translation Purposes Only]

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For Immediate Release
To Whom It May Concern

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 that the Fund will procure debt financing and make repay debt financing as stated below.

I. Debt Financing

1. Purpose

The Fund will procure debt financing to repay outstanding debt that matures on June 12, 2017.

2. Details of Debt Financing

Loan Type: Term loans (Scheduled contract date: June 8, 2017)

| Lenders | Amount (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date (Note 1) | Terms of Repayment | Collateral |
|--|-----------------------------|--|---------------|----------------------|----------------------------|--|-------------------------|
| Mizuho Bank, Ltd. | 900 | Fixed (To be determined) (Note 2) (Note 3) | June 12, 2017 | 8 years and 6 months | November 26, 2025 | Lump-sum repayment on the Repayment Date | Unsecured, unguaranteed |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 1,000 | Fixed (To be determined) (Note 2) (Note 4) | | 9 years and 3 months | August 26, 2026 | | |
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. | 2,000 | Fixed (To be determined) (Note 2) (Note 4) | | 9 years and 6 months | November 26, 2026 | | |

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

(Note 2) The interest rates will be determined on or before the Drawdown Date based on the term loan contracts, which are scheduled to be concluded on June 8, 2017. The Fund will announce the interest rates when they are determined.

- (Note 3) The interest payment dates are the 26th of every May and November, beginning November 26, 2017, 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.
- (Note 4) The interest payment dates are the 26th of every February, May, August, and November, beginning August 26, 2017, 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.

3. Use of Funds

- (1) Specifics: To be used for the repayment of existing borrowings based on a term loan agreement^(Note) of ¥3,900 million that will mature on June 12, 2017.

- (2) Scheduled Date of Use: June 12, 2017

(Note) For details of the term loan agreement, please refer to the June 8, 2011 press release “Notice Concerning Debt Financing” issued by the former Nomura Real Estate Office Fund, Inc.

II. Repayment of Debt Financing

1. Purpose

The Fund will repay existing borrowings early using cash on hand generated from the sale of assets and other funds in order to increase asset management efficiency and reduce interest expenses.

2. Details of Repayment

- (1) Early repayment of the following borrowings based on the Commitment Line Agreement concluded on June 8, 2016.^(Notes 1 and 2)

| Lenders | Borrowing Amount before the Repayment (millions of yen) | Repayment Amount (millions of yen) | Borrowing Amount after the Repayment (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date | Date of Early Repayment | Collateral |
|---|---|------------------------------------|--|---|----------------|--------|----------------|-------------------------|-------------------------|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited | 1,200 | 1,200 | — | Basic interest rate +0.45% (Note 3) (Note 4) (Note 5) | March 16, 2017 | 1 year | March 16, 2018 | June 20, 2017 | Unsecured, unguaranteed |

- (2) Early repayment of the following borrowings based on the Commitment Line Agreement concluded on June 8, 2016.^(Notes 2 and 6)

| Lenders | Borrowing Amount before the Repayment (millions of yen) | Repayment Amount (millions of yen) | Borrowing Amount after the Repayment (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date | Date of Early Repayment | Collateral |
|---|---|------------------------------------|--|---|----------------|--------|----------------|-------------------------|-------------------------|
| The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation Sumitomo Mitsui Trust Bank, Limited | 18,000 | 1,800 | 16,200 | Basic interest rate +0.45% (Note 3) (Note 4) (Note 5) | March 30, 2017 | 1 year | March 30, 2018 | June 20, 2017 | Unsecured, unguaranteed |

(Note 1) On March 16, 2017, the Fund procured ¥8,700 million in borrowings based on the Commitment Line Agreement. Ahead of schedule, the Fund repaid ¥7,500 million of this amount on May 26, 2017. The borrowings shown in the table under (1), above, represent the remaining balance of said borrowings. For details, please refer to the March 7, 2017 press release “Notice Concerning Debt Financing” and the May

- 16, 2017 press release “Notice Concerning Repayment of Debt Financing.”
- (Note 2) Because of this early repayment, the Fund will incur a break funding cost, calculated based on the actual number of days from the day following the Date of Early Repayment to the following Interest Payment Date.
- (Note 3) The basic interest rate applied to the calculation period for the interest to be paid on each interest payment date will be the JBA 1-month JPY TIBOR (Tokyo Interbank Offered Rate, published by the JBA TIBOR Administration) as of two business days before the preceding Interest Payment Date (or, for the first interest rate calculation period, two business days before the Drawdown Date).
- (Note 4) The basic interest rate indicated in (Note 3) is revised each Interest Payment Date. However, in the absence of an applicable rate for an interest rate calculation period, the basic interest rate for the concerned period is calculated based on the method stated in the contract. For information on the JBA 1-month JPY TIBOR, which serves as the basic interest rate, please refer to the JBA TIBOR Administration's website (<http://www.jbatibor.or.jp/english/rate/>)
- (Note 5) The interest payment dates are the 26th of every month, beginning April 26, 2017, 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.
- (Note 6) For details regarding the borrowings based on the Commitment Line Agreement shown in the table under (2), above, please refer to the March 21, 2017 press release “Notice Concerning Debt Financing.”

III. Status of Interest-Bearing Liabilities after Financing Procurement and Repayments

(Millions of yen)

| | Before Financing Procurement and Repayments | After Financing Procurement and Repayments | Change |
|---|---|--|--------|
| Short-term debt | 19,200 | 16,200 | -3,000 |
| Current portion of long-term debt ^(Note 1) | 64,954 | 61,054 | -3,900 |
| Long-term debt ^(Note 2) | 401,308 | 405,208 | +3,900 |
| Total debt | 485,462 | 482,462 | -3,000 |
| Current portion of investment corporation bonds ^(Note 1) | 4,000 | 4,000 | — |
| Investment corporation bonds ^(Note 3) | 18,500 | 18,500 | — |
| Total investment corporation bonds | 22,500 | 22,500 | — |
| Total interest-bearing liabilities | 507,962 | 504,962 | -3,000 |

(Note 1) As of the end of the 3rd fiscal period (February 28, 2017).

(Note 2) Excludes the current portion of long-term debt.

(Note 3) Excludes the current portion of investment corporation bonds.

IV. Forecasts of Financial Results

The financing procurement and repayments described above will have only a small impact on Nomura Master Fund's operations in the 4th fiscal period (March 1, 2017 to August 31, 2017). Accordingly, there is no revision to the forecasts of financial results.

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

The risk involved in the financing procurement and repayment described above has not caused any material change from the content of “Section 1 Fund Information / 1 Status of Fund / 3 Investment Risks” of the Securities Report (in Japanese) filed on May 29, 2017.

*Nomura Real Estate Master Fund, Inc.'s website: <http://www.nre-mf.co.jp/en/>