

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. Debt financing for refinance

(1) Purpose

The Fund has decided to procure the loan in order to repay current outstanding loans which matures on March 13, 2017.

(2) Details

Loan Type : Term Loan (Scheduled contract date: March 9, 2017)

| Lenders | Amount (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date(Note 1) | Terms of 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 | 4,000 | Basic Interest Rate +0.14% (Note 2) (Note3) (Note4) | March 13, 2017 | 2 years and 7 months | October 26, 2019 | Lump-sum repayment on the repayment date | Unse- red, unguara- nteed |

(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) April 26, 2017, the first interest payment date, and 26th 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)

(3) Use of Funds

① Specifics : To be used for repayment of the existing borrowings based on the term loan^(Note) agreement totaling ¥4,000 million which will mature on March 13, 2017.

② Scheduled Date of Use : March 13, 2017

(Note) For details of the term loan agreement, please refer to the press releases “Notice Concerning Debt Financing” the former Nomura Real Estate Office Fund on March 9, 2015.

2. Debt financing for redemption of the existing investment corporation bonds

(1) Purpose

The Fund has decided to procure the debt financing of ¥5,000 million for the redemption of existing investment corporation bonds of Nomura Real Estate Office Fund, Inc., which matures on March 17, 2017.

(2) Details of Debt Financing

Loan Type : Commitment Line Agreement, contracted on June 8, 2016

| Lenders | Amount (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date(Note 1) | Terms of 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 | 5,000 | Basic Interest Rate +0.55% (Note 2) (Note3) (Note4) | March 16, 2017 | 1 year | March 16, 2018 | Lump-sum repayment on the repayment date | Unsecur- ed, unguaran- teed |

(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) April 26, 2017, the first interest payment date, and 26th 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)

(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 : March 17, 2017

(Note) For details of the investment corporation bonds, please refer to the press releases “Notice Concerning Offering of the Investment Corporation Bonds” the former Nomura Real Estate Office Fund on March 2, 2007.

3. Debt financing for redemption of the existing investment corporation bonds

(1) Purpose

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

(2) Details of Debt Financing

Loan Type : Commitment Line Agreement, contracted on June 8, 2016

| Lenders | Amount (millions of yen) | Interest Rate | Drawdown Date | Term | Repayment Date(Note 1) | Terms of 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 | 8,700 | Basic Interest Rate +0.45% (Note 2) (Note3) (Note4) | March 16, 2017 | 1 year | March 16, 2018 | Lump-sum repayment on the repayment date | Unsecur- ed, unguaran- teed |

(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) April 26, 2017, the first interest payment date, and 26th 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)

(3) Use of Funds

① Specifics : Loan proceeds will be used in order to pay for the acquisition of an asset (nORBESA) ^(Note)

② Scheduled Date of Use : March 17, 2017

(Note) For a profile of the property, refer to the "Notice Concerning Property Acquisition", released on February 21, 2017.

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

| (millions of yen) | | | |
|--|---|--|-------------------------------|
| | Before Financing, the repayment and the redemption of the bonds | After Financing, the repayment and the redemption of the bonds | Increased/Decreased Amount |
| Short-term Borrowings | 5,000 | 18,700 | + 13,700 |
| Current portion of Long-term borrowings ^(Note 2) | 45,112 | 41,112 | - 4,000 |
| Long-term borrowings ^(Note 3) | 421,171 | 425,171 | + 4,000 |
| Total Borrowings | 471,284 | 484,984 | + 13,700 |
| Current portion of Investment Corporation Bonds ^(Note 2) | 5,000 | — | - 5,000 |
| Investment Corporation Bonds ^(Note 4) | 22,500 | 22,500 | — |
| Total Investment Corporation Bonds | 27,500 | 22,500 | - 5,000 |
| Total Interest-Bearing Debts | 498,784 | 507,484 | + 8,700 |

(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

The effects of the borrowings on the entire portfolio will be accounted for in the forecasts of financial results for the period ending August 31, 2017. This announcement is planned for April 14, 2017, in tandem with the disclosure of results for the period ending February 28, 2017.

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/en/>