



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

Shuhei Yoshida, Executive Director

Asset Management Company:

Nomura Real Estate Asset Management Co., Ltd.

Masaomi Katayama, President & Chief Executive Officer

Inquiries: Hiroyuki Masuko

Executive Officer

Head of NMF Investment Management Group

TEL +81-3-6271-9627 nmf3462@nomura-re.co.jp

Notice Concerning Disposition of Trust Beneficial Interest in Domestic Real Estate
(NRE Hiroshima Building)

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces that Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, decided to dispose of property (the “Disposition”) as described below.

1. Summary of Asset to Be Disposed of

Property Name	Use	Scheduled Date of Purchase and Sales Agreement	Scheduled Date of Disposition	Transferee	Intermediary	Scheduled Transfer Price (¥ million) (Note 1)	Book Value (¥ million) (Note 2)	Difference (¥ million) (Note 3)
NRE Hiroshima Building	Office	March 19, 2026	March 26, 2026	Undisclosed	Yes (Note 4)	4,800	2,589	2,210

(Note 1) The amounts stated exclude adjustment amounts of both property taxes and city planning taxes, as well as consumption taxes and local consumption tax, etc.

(Note 2) Anticipated book value at the date of disposition.

(Note 3) This is only a reference value which is the difference between the scheduled transfer price and the anticipated book value, therefore, it is different from gain or loss on sale.

(Note 4) The brokerage involved in the disposition of the asset to be Disposed of is not considered a related party under the Act on Investment Trusts and Investment Corporations.

(Note 5) The asset to be disposed of is a trust beneficial interest in trust of real estate.

The above asset to be disposed of is referred to as the "Asset"

2. Reasons for the Disposition

The Fund determined that the Disposition would help secure stable income and steady growth of the Fund's portfolio over the medium to long term in line with the asset management objectives and policies specified in the Fund's Articles of Incorporation.

As the Asset was built 49 years ago, its repair costs are expected to increase over the medium to long term. In addition, since the moving out of a major tenant in the autumn of 2025, its occupancy rate has also remained low at around 60%, and securing re-tenancy is expected to require a certain amount of time and expense. After comprehensively considering these factors, the Fund decided to proceed with the Disposition.

As announced in the “Notice Concerning Acquisition of Property in Japan” dated March 3, 2026, the Fund has already acquired two recently-built properties in Tokyo (the “Acquisition”). The Disposition is being conducted as part of the property replacement process related to the Acquisition.



3. Summary of the Asset to be Disposed of

Property Name		NRE Hiroshima Building			
Type of Asset		Trust beneficial interest in real estate			
Trustee		Sumitomo Mitsui Trust Bank, Limited			
Term of Trust Agreement		From December 5, 2003 to December 31, 2033			
Location (Note 1)	Registry	2-11 (and five other parcels of land) Tatemachi, Naka Ward, Hiroshima City, Hiroshima			
	Street	2-23, Tatemachi, Naka Ward, Hiroshima City, Hiroshima			
Access		Two-minute walk from Tatemachi Station on the Hiroshima Electric Railway			
Completion Date (Note 1)		July 31, 1976			
Use (Note 1)		Office, retail, garage, warehouse, and machine room			
Structure (Note 1)		Nine-floor steel-framed steel-reinforced concrete structure with a flat roof and two basement floors			
Area (Note 1)	Land	1,319.15 m ²			
	Floor Area	11,950.37 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio (Note 2)		100%			
Floor Area Ratio		1,000%			
Collateral		None			
Property Management Company		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company		-			
Type of Master Leasing		-			
Seismic Risk (PML) (Note 3)		2.0% (Based on the Earthquake PML Appraisal Report as of September 2025 by Sampo Risk Management Inc.)			
Notes		-			
Acquisition Price		¥2,280 million			
Scheduled Transfer Price		¥4,800 million			
Book Value (Note 4)		¥2,589 million			
Difference		¥2,210 million			
Appraisal Value and Method		¥2,820 million (Based on the capitalization approach as of August 31, 2025) (Appraiser: The Tanizawa Sogo Appraisal Co., Ltd.)			
Appraisal NOI (Note 5)		¥170 million			
Leasing Status (As of March 17, 2026) (Note 6)					
Total Number of Tenants	26				
Total Rental Income (Annual)	¥182 million (including common area)				
Security Deposits	¥153 million				
Occupancy Rate	63.8%				
Total Leased Floor Space	5,001.00 m ²				
Total Leasable Floor Space	7,835.48 m ²				
Historical Occupancy Rates	February 2021	February 2022	February 2023	February 2024	February 2025
	96.5%	98.2%	100.0%	94.0%	97.9%

(Note 1) Location and Other Items

Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Building Coverage Ratio

The designated building coverage ratio for the location of the Asset is 80%. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio has been increased to 100%.

(Note 3) PML(Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to occur once every 475 years, or once every 50 years with a 10% probability, during the anticipated period of use (i.e., 50 years as the useful life of a standard building) as a ratio (percentage) of the expected



recovery cost to the replacement cost.

(Note 4) Book Value

Anticipated book value at the date of disposition.

(Note 5) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with August 31, 2025 as the appraisal date.

(Note 6) Leasing Status

“Total Number of Tenants” is the total number of end tenants actually leasing space in the building of the Asset as of today.

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of today, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

“Security Deposits” indicates the amount of security and other deposits specified in the aforementioned lease agreements (rounded down to the nearest million yen).

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of today.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset that can be leased as of today (if the common area, etc. is leased, the floor space thereof is included).

4. Profile of Transferee of the Asset to Be Disposed of

The transferee of this property is a business company in Japan. Its details are undisclosed as agreement has not been obtained from the transferee regarding the disclosure.

As of today, neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationships with the transferees, and the transferees are not related parties of either the Fund or the Asset Management Company.

5. Transactions with Related Parties

Regarding the Disposition, there are no transactions with related parties.

6. Form of Payment

Regarding the Disposition, the Fund will complete settlement by receiving the agreed price for the Asset to be Disposed of from the transferee on the disposition date. As announced in the “Notice Concerning Acquisition of Property in Japan” dated March 3, 2026, the Fund is using cash on hand for the Acquisition, and the proceeds from the Disposition will be allocated to cash on hand.

7. Schedule for the Transactions

March 19, 2026	Conclusion of a sale agreement for the disposition of NRE Hiroshima Building
March 26, 2026	Disposition of NRE Hiroshima Building



8. Outlook

Since the Disposition will be made after the end of the fiscal period ended February 2026 (September 1, 2025 to February 28, 2026), there is no impact on operating status for the fiscal period ended February 2026.

We plan to announce a performance forecast based on the impact of the Disposition for the fiscal period ending August 2026 (March 1, 2026 to August 31, 2026), including the distribution impact equivalent to the capital gain arising from the Disposition, in the financial results summary for the fiscal period ended February 2026, scheduled for April 17, 2026.



9. Appraisal Summary

Property Name	NRE Hiroshima Building
Appraisal Value	¥2,820,000,000
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	August 31, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,820,000,000	Calculated by taking the price calculated with the discounted cash flow approach as the standard and examining it with the price calculated by the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	2,810,000,000	Calculated by dividing the standardized net cash flow (NCF) by the capitalization rate
(1) Operating Income	311,190,398	
(a) Gross Rental Income	338,115,650	Calculated based in part on market rent levels
(b) Losses due to Vacancies, etc.	26,925,252	Calculated based on the leveled vacancy rate that is stable over the medium to long term
(2) Operating Expenses	140,199,838	
Maintenance Costs	44,486,492	Calculated based on the management agreement, actual income and expenditure, and other factors
Utilities Costs	28,870,826	Calculated based on actual income and expenditure and other factors
Repair Costs	8,425,000	Calculated based on building age, similar cases and other factors, with reference to the engineering report
Property Management Fees	4,979,046	Calculated based on the property management agreement
Advertisement for Leasing Costs, etc.	2,713,249	Calculated based on the property management agreement
Taxes	48,274,400	Calculated based on fiscal 2025 taxation data
Insurance Premium	894,873	Calculated based on property insurance documents and other factors
Other Expenses	1,555,952	Calculated based on actual income and expenditure and other factors
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	170,990,560	
(4) Profit through Management of Temporary Deposits, etc.	2,533,756	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	21,905,000	Calculated based on building age, similar cases and other factors, with reference to the engineering report
(6) Net Cash Flow (NCF=(3)+(4)-(5))	151,619,316	
(7) Capitalization Rate	5.4%	Calculated based mainly on the yields of similar office buildings, taking into consideration the property's local and specific characteristics and other factors
Price Calculated by the Discounted Cash Flow Approach	2,820,000,000	
Discount Rate	5.6%	Calculated taking into consideration yields on financial assets and real estate's specific characteristics
Terminal Capitalization Rate	5.6%	Calculated based on the capitalization rate, with consideration given to levels of future uncertainty and other factors
Cost Approach Price	3,080,000,000	
Ratio of Land	90.1%	
Ratio of Building	9.9%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The property was built 49 years ago, and although there are some deteriorations in its building and facilities. Nevertheless, it is still an income-producing property with a certain level of competitiveness due in part to it being located in the Aioi Avenue area, which is at the core of the office market of Hiroshima City.</p> <p>With consideration given to the above, the appraisal value was determined based on the capitalization approach price, taking into consideration factors such as the price formation process, which emphasizes the profitability of the property by market participants, and the purpose of the request.</p>	

[Exhibit]

Exhibit Overview of the Portfolio after the Disposition

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



Overview of the Portfolio after the Disposition

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Others	Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	361,365	62,820	424,185	38.6
Retail	114,818	67,890	182,709	16.6
Logistics	237,992	3,460	241,452	22.0
Residential (including healthcare facilities)	194,269	22,160	216,429	19.7
Hotels	2,360	25,941	28,301	2.6
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	915,705	182,272	1,097,977	100.0
Investment Ratio (%) (Note 2)	83.4	16.6	100.0	

(Note 1) Greater Tokyo Area” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Other Areas” refers to cabinet order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding those in Greater Tokyo Area.

(Note 2) “Investment Ratio” indicates the ratio of the (anticipated) total acquisition price of properties for each use or in each area to the (anticipated) total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100%.

(Note 3) The Disposition is reflected in the figure after the disposition of Harumi Island Triton Square Office Tower Z scheduled for March 30, 2026. For details, please see the “Notice Concerning Disposition of Trust Beneficial Interest in Domestic Real Estate(Harumi Island Triton Square Office Tower Z)” dated today.

