



For Immediate Release
To Whom It May Concern

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Notice Concerning the Issuance of New Investment Units and Secondary Offering of Investment Units

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or “NMF” or the “Fund”) today announced that, at the Board of Directors meeting held on February 1, 2018, it has resolved to issue new investment units and conduct a secondary offering of investment units as follows.

1. Issuance of New Investment Units through Public Offering (Primary Offering)

- (1) Total number of units to be offered 132,000 units
- (2) Amount to be paid (issue value) To be determined
The price shall be determined at the Board of Directors meeting to be held between February 13, 2018 (Tuesday) and February 16, 2018 (Friday) (the “Pricing Date”), in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association
- (3) Total amount to be paid (total issue value) To be determined
- (4) Issue price (offer price) The price shall provisionally be calculated by deducting the anticipated distribution of ¥3,020 per unit from the closing price of the investment units of Nomura Master Fund (the “Investment Units” or the “Units”) in a regular trading session at the Tokyo Stock Exchange, Inc. (the “TSE”) on the Pricing Date (if the closing price is not available on such date, the closing price on the immediately preceding date) and then by multiplying a factor of 0.90 to 1.00 (amounts less than one yen to be rounded down) , considering the demand for new investment units and other related factors, in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting, Etc. of Securities adopted by the Japan

Note: This press release is a public announcement concerning the Fund’s issuance of new investment units and has not been prepared for the purpose of solicitation of investment. We caution readers to refer to the Fund’s Offering Circular for the Issuance of New Investment Units and Secondary Offering and the Notices of Amendments thereto (if any) and to undertake investment decisions at their own judgement and responsibility. In addition, this press release does not constitute an offer of securities in the United States of America. The securities referred to above have not been, and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”). The securities may not be offered or sold in the United States absent registration or an exemption from registration under the Securities Act. The securities referred to above will not be publicly offered or sold in the United States.



- Securities Dealers Association.
- (5) Total issue price (total offer price) To be determined
- (6) Offering method The offering of the Investment Units shall be through a public offering, and underwritten in full by a group of underwriters (collectively, the “Underwriters”)
- (7) Underwriting Agreement The Underwriters shall pay the total amount to be paid (total issue value) in the public offering to Nomura Master Fund on the payment date stated in (10) below. The difference between the total issue price (total offer price) and the total amount to be paid (total issue value) shall be proceeds of the Underwriters. Nomura Master Fund will pay no underwriting fee to the Underwriters.
- (8) Minimum number of units for application One unit or more in multiples of one unit
- (9) Application period From the business day immediately following the Pricing Date to the day two business days after the Pricing Date
- (10) Payment date March 1, 2018 (Thursday)
- (11) Delivery date March 2, 2018 (Friday)
- (12) Amount to be paid (issue value), Issue price (offer price) and other items required for the issuance of the new investment units shall be determined at a future Board of Directors meeting.
- (13) The aforementioned items shall be subject to the effectiveness of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

2. Secondary Offering of Investment Units (Over-Allotment) (Please refer to <Reference Information>1. Below.)

- (1) The number of investment units to be offered 6,670 units
The above number of units is the maximum number of investment units to be offered through the secondary offering (over-allotment) to be conducted by the lead managing underwriter for the primary offering, after taking into account factors such as status of demand at the time of the primary offering. The number may decrease, or the secondary offering (over-allotment) itself may be cancelled, depending on the status of demand for the primary offering and other factors. The number of investment units to be offered shall be determined at the Board of Directors meeting to be held on the Pricing Date, taking into account the status of demand for the primary offering and other factors.
- (2) Offer price To be determined
The offer price shall be determined on the Pricing Date, and shall be the same as the issue price (offer price) for the primary offering.
- (3) Total offer price To be determined
- (4) Offering method The lead managing underwriter for the primary offering, may borrow up to 6,670 Investment Units from a unitholder of the Fund and sell those units in consideration of the demand and other factors of the primary offering.
- (5) Minimum number of units for application One unit or more in multiples of one unit
- (6) Application period Same as the application period for the primary offering
- (7) Delivery date March 2, 2018 (Friday)
- (8) The offer price and other items required for the secondary offering shall be determined at a future Board of Directors meeting.

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- (9) The aforementioned items shall be subject to the effectiveness of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

3. Issuance of New Investment Units through Third-party Allotment (Please refer to <Reference Information >1. Below.)

- (1) The number of investment units to be offered 6,670 units
- (2) Amount to be paid (issue value) To be determined
Amount to be paid (issue value) shall be determined at the Board of Directors meeting to be held on the Pricing Date, and shall be the same as amount to be paid (issue value) for the primary offering.
- (3) Total amount to be paid (issue value) To be determined
- (4) Minimum number of units for application One unit or more in multiples of one unit
- (5) Application period (Application date) March 19, 2018 (Monday)
- (6) Payment date March 20, 2018 (Tuesday)
- (7) Issuance of new investment units with no application for subscription on or before the application period (application date) subscribed in (5) above shall be cancelled.
- (8) The amount to be paid (issue value) and other items required for the issuance of new investment units through third-party allotment shall be determined at a future Board of Directors meeting.
- (9) The aforementioned items shall be subject to the effectiveness of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

< Reference Information >

1. Secondary Offering (Over-Allotment)

The lead managing underwriter for the primary offering, may conduct a secondary offering (over-allotment), a maximum limit of 6,670 units, borrowed by the lead managing underwriter from a unitholder of the Fund, apart from the primary offering, after consideration of the demand for the new Investment Units and other factors in the primary offering. The number of Units in the secondary offering (over-allotment) is scheduled to be 6,670 units. However, such number is the maximum limit and may be reduced based on the demand or other factors, or may be cancelled.

In relation to the secondary offering (over-allotment), the Fund resolved at the Board of Directors meeting held on February 1, 2018 (Thursday) to issue 6,670 new Investment Units through third-party allotment (the “Third-Party Allotment”) to the lead managing underwriter, in order for the lead managing underwriter to obtain the Investment Units necessary to return the Investment Units borrowed from the unitholder of the Fund (the “Borrowed Units”). The payment date of the Third-Party Allotment (the “Third-Party Allotment Payment Date”) is determined to be March 20, 2018 (Tuesday).

Also, the lead managing underwriter may purchase up to the maximum number of Investment Units offered in the said secondary offering (over-allotment) at the Tokyo Stock Exchange in order to return the Borrowed Units (the “Syndicated Cover Transaction”), from the day after the end of the public offering and secondary offering (over-allotment) Application Period to March 13, 2018 (Tuesday) (the “Syndicated Cover Transaction Period”). All of the Units purchased by the lead managing underwriter through the Syndicated Cover Transaction will be used to return the Borrowed Units. The lead managing underwriter may also decide not to conduct the Syndicated Cover Transaction or purchase a certain number of Units less than the total over-allotted Units.

Furthermore, with the public offering and secondary offering (over-allotment), the lead managing underwriter may use the stabilization transaction and all or part of the Units purchased through the said stabilization transaction will be used to return the Borrowed Units.

The lead managing underwriter plans to apply for the Third-Party Allotment in order to obtain the same number of Investment Units sold through the secondary offering (over-allotment), excluding the number of Units purchased through the Syndicated Cover Transaction, to return the borrowed Units. Therefore, the lead managing underwriter may not apply for all or part of the Units issued

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by the Third-Party Allotment, and as a result, the ultimate number of units issued by the Third-Party Allotment may, due to forfeiture, decrease, depending on the applied number of units, or no units may be issued at all.

2. Change in Number of Investment Units Issued and Outstanding after the Issuance of New Investment Units

Number of Investment Units issued and outstanding at present:	4,183,130 units
Number of the Investment Units to be issued through public offering:	132,000 units
Total number of Investment Units issued and outstanding after the issuance of the new Investment Units through public offering:	4,315,130 units
Number of new Investment Units to be issued through the Third-party Allotment:	6,670 units (Note)
Total number of Investment Units issued and outstanding after the Third-party Allotment:	4,321,800 units (Note)

(Note) The number assuming that the lead managing underwriter applies for all the Units to be issued by the Third-party Allotment and all such Units are issued.

3. Purpose of and Reason for the Issuance

For the purpose of securing stable income over the medium to long term and ensuring the steady growth of assets under management through the acquisition of new assets, the Fund has resolved financing through the issue of new investment units, after comprehensive consideration of the profitability of assets to be acquired, LTV level, distribution level, economic conditions and other factors.

4. Net Amount and Use of Proceeds, and Scheduled Timing of Expenditures

(1) Amount of Proceeds (Net Proceeds)

¥ 20,000,000,000 (maximum)

(Note) The total amount of the net proceeds obtained from the primary offering (¥19,038,000,000) and the maximum amount of the net proceeds obtained from Third-Party Allotment (¥962,000,000). Also, the stated amount is the expected amount calculated based on the closing price of the Investment Unit in a regular trading session at the Tokyo Stock Exchange, Inc. as of January 24, 2018 (Wednesday).

(2) Use of Proceeds and Scheduled Expenditure Date

The proceeds from the issue of new investment units through the primary offering and the Third-Party Allotment are scheduled to be used as a part of the funds for the acquisition of real estate that the Fund anticipates to acquire, which is described in “Notice Concerning Property Acquisition” dated today.

5. Designation of distributees

Not applicable

6. Outlook

Please refer to “Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending August 31, 2018 and February 28, 2019” released separately today.

7. Past Status of Operation and Equity Finance, etc.

(1) Status of Investment Unit Price

(i) Past Three Fiscal Periods

	Fiscal Period Ended August 31, 2016	Fiscal Period Ended February 28, 2017	Fiscal Period Ended August 31, 2017
Opening Price	¥152,600	¥170,300	¥168,200
Highest Price	¥176,200	¥178,500	¥173,200
Lowest Price	¥149,500	¥158,500	¥145,300
Closing Price	¥170,700	¥168,300	¥145,300

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(ii) Past Six Months

	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018
Opening Price	¥155,900	¥146,300	¥145,800	¥141,100	¥142,000	¥141,200
Highest Price	¥156,500	¥147,000	¥146,500	¥144,800	¥144,500	¥156,100
Lowest Price	¥145,300	¥141,500	¥137,800	¥136,000	¥139,300	¥139,300
Closing Price	¥145,300	¥146,300	¥142,100	¥141,700	¥139,900	¥152,000

(iii) Investment Unit Price the Day before

	January 31, 2018
Opening Price	¥149,900
Highest Price	¥153,500
Lowest Price	¥148,600
Closing Price	¥152,000

(2) Past Status of Equity Finance during the three most recent fiscal periods

None.

8. Lock-up

- (1) In connection with the Primary Offering, Nomura Real Estate Development Co., Ltd., has entered into an agreement with the lead managing underwriter, to the effect that, without a prior written consent of the lead managing underwriter, no sale, etc. of the Investment Units (excluding lending, etc. of the Investment Units accompanying the secondary offering through over-allotment) shall be conducted during the period beginning on the Pricing Date and ending on the date that is the 180th day after the Delivery Date of the concerned offering.
- (2) In addition, in connection with the Primary Offering, the Fund has entered into an agreement with the lead managing underwriter, to the effect that, without a prior written consent of the lead managing underwriter, no issuance, etc. of the Investment Units (excluding issuance, etc. of the Investment Units accompanying primary offering and, the Third-Party Allotment and split of investment units) shall be conducted during the period beginning on the Pricing Date and ending on the date that is the 90th day after the Delivery Date of the concerned offering.

Also, in the event of either (1) or (2), the lead managing underwriter, has the right to cancel a part of or all of the said agreements mentioned above in (1) and (2), during the restricted period.

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

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