



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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Notice Concerning Acquisition of Property in Japan

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces the decision made today by Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, to acquire a property (the “Acquisition”), as described below.

1. Summary of Asset to Be Acquired

Property Name	Use	Scheduled Date of Purchase and Sales Agreement	Scheduled Date of Acquisition	Seller	Presence of Intermediary	Anticipated Acquisition Price (¥ million) (Note)
H'O Nihonbashi Kobunacho	Office	March 26, 2025	March 26, 2025	Nomura Real Estate Development, Co., Ltd.	None	4,000

(Note) The amounts stated exclude acquisition-related costs, property tax, city planning tax, consumption tax and local consumption tax.

The above property to be acquired is referred to hereinafter as the “Asset to be Acquired.”

2. Reasons for the Acquisition

The Fund determined that the Acquisition 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. The Fund has implemented an external growth strategy of selecting and acquiring highly competitive properties, mainly including sponsor-developed properties, while selling properties where there are concerns about their future competitive advantage.

The Fund previously announced the disposition of nine residential facilities (Notes 1 and 2) and the acquisition of two recently built residential facilities in a favorable location (Note 2) developed by the sponsor, Nomura Real Estate Development Co., Ltd. This time, we announce the acquisition of an office property developed by Nomura Real Estate Development Co., Ltd.

These are crossover deals straddling sectors that can be made possible only by a diversified REIT. For details, please refer to Supplement Documentation for Press Release “Notice Concerning Disposition of Property in Japan” dated today.

(Note1) Please refer to the “Notice Concerning Acquisition of Property in Japan and Disposition of Property in Japan” published on March 4, 2025.

(Note2) Please refer to the “Notice Concerning Disposition of Property in Japan” published on March 11, 2025.



3. Summary of Asset to Be Acquired

H¹O Nihonbashi Kobunacho

<Reasons for the Acquisition of the Asset>

The main strengths of the Asset to be Acquired are as follows.

- The Asset is conveniently accessible from several stations, including Ningyocho Station on the Tokyo Metro Hibiya Line and Toei Asakusa Line, Mitsukoshimae Station on the Tokyo Metro Ginza Line and Hanzomon Line, Shin-Nihombashi Station on the JR Sobu Line(Rapid), and Nihombashi Station on the Tokyo Metro Tozai Line, Ginza Line, and Toei Asakusa Line. From Mitsukoshimae Station, it is one stop (2 minutes) to Kanda Station on the Tokyo Metro Ginza Line, three stops (4 minutes) to Ginza Station, and one stop (2 minutes) to Otemachi Station on the Tokyo Metro Hanzomon Line, offering excellent transportation convenience.
- The area surrounding this property features a concentration of financial institutions, particularly regional banks, due to the presence of the Bank of Japan. Historically, this area was designated for pharmaceutical merchants during the Edo period, leading to the establishment of the Yakuso Shrine, and it continues to host numerous pharmaceutical companies today. Additionally, its proximity to Tokyo Station, a major terminal, makes it a notable hub for regional headquarters of companies establishing their Tokyo offices.
- In the nearby Nihonbashi area, several developments are planned, including the 'Nomura Real Estate Nihonbashi Honcho Building Reconstruction Project' (developer: Nomura Real Estate Development Co., Ltd., total floor area: approximately 10,000 tsubo, scheduled for completion in 2028). However, the Asset is a serviced office and does not directly compete with the aforementioned large office buildings. Given its location and specifications, it boasts high competitiveness as a serviced office, and stable rental demand is expected to continue.

(H¹O Series)



- The H¹O (HUMAN FIRST OFFICE) series is an office brand developed by Nomura Real Estate Development Co., Ltd., the sponsor. By sharing essential business functions such as reception services, meeting rooms, reception areas, and refreshment spaces among tenants, it achieves efficient use of private office spaces."
- Environments that make employees happy in their own way maximize individual potential and improve overall team performance. To achieve physically and mentally healthy (well-being-promoting) ways of working for each employee, H¹O prioritizes four "values for humans": engagement, creativity, comfort, and wellness.

<Summary of the Asset to be Acquired>

Property Name		H ¹ O Nihonbashi Kobunacho
Type of Asset		Real estate
Location (Note 1)	Registry	1-8 Nihonbashi Kobunacho, Chuo Ward, Tokyo
	Street	8-6 Nihonbashi Kobunacho, Chuo Ward, Tokyo
Access		6-minutes walk from Mitsukoshimae Station on the Ginza Line and Hanzomon Line 6-minutes walk from Ningyocho Station on the Hibiya Line and Asakusa Line 7-minutes walk from Shin-Nihonbashi on the JR Sobu Line (Rapid)
Completion Date (Note 1)		March 31, 2020
Use (Note 1)		Office
Structure (Note 1)		Eight-floor steel-framed structure with flat roof
Architect		Nomura Real Estate Development Co., Ltd., First-Class Architect Office
Builder		NOMURA CONSTRUCTION INDUSTRIAL CO., LTD.
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	482.04 m ²



	Floor Area	2,528.08 m ²			
Type of Ownership	Land	Ownership			
	Building				
Building Coverage Ratio		100% (Note 2)			
Floor Area Ratio		480% (Note 3)			
Collateral		None			
Property Management Company (Note 4)		Nomura Real Estate Development Co., Ltd.			
Master Leasing Company (Note 5)		Nomura Real Estate Development Co., Ltd.			
Type of Master Leasing (Note 5)		Pass through			
Seismic Risk (PML)(Note 6)		7.4% (Based on the Earthquake PML Appraisal Report as of February 2025 by Sompo Risk Management Inc.)			
Notes		The property management company and master leasing company, Nomura Real Estate Development Co., Ltd., is considered a related party under the Investment Trust Act.			
Green certification status		BELS Certification: ★★★			
Anticipated Acquisition Price		¥4,000 million			
Appraisal Value and Method		¥4,460 million (Based on the capitalization approach as of February 1, 2025) (Appraiser: Japan Real Estate Institute)			
Appraisal NOI (Note 7)		¥159 million			
Leasing Status (As of January 31, 2025) (Note 8)					
Total Number of Tenants		54			
Total Rental Income(Annual)		¥245 million			
Security Deposits		¥620 thousand			
Occupancy Rate		98.3%			
Total Leased Floor Space		1,366.11 m ²			
Total Leasable Floor Space		1,389.86 m ²			
Historical Occupancy Rates (Note 9)	January 2020	January 2021	January 2022	January 2023	January 2024
	—	57.0%	91.0%	86.3%	96.6%

(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 Asset is located in a commercial zone where the building coverage ratio is 80% in principle. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 100%.

(Note 3) The Floor Area Ratio

The maximum floor area ratio for this property is originally designated at 600%, but due to restrictions based on the width of the front road, the applicable FAR is 480%.

(Note 4) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 5) Master Lease

Upon the acquisition of the Asset to be Acquired, the Fund plans to enter into a master lease agreement with Nomura Real Estate Development Co., Ltd., under which the entire building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Development Co., Ltd. At the same timing, Nomura Real Estate Development Co., Ltd. plans to enter into a master lease agreement with Nomura Real Estate Partners Co., Ltd., under which the entire building of the Asset to be Acquired will be collectively leased to Nomura Real Estate Partners Co., Ltd. for the purpose of subleasing and granting the right to use a serviced office to each end-tenant. These master lease agreements adopt a “pass-through type” scheme, in which the same amount as the total sum of the rents and serviced office usage fees based on the lease agreements concluded with each end-tenant will be paid to the Fund through each master lease company.

(Note 6) PML (Probable Maximum Loss)

PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e. 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with February 1, 2025 as the appraisal date.

(Note 8) Leasing Status

“Total Number of Tenants” is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as January 31, 2025.



“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 January 31, 2025, actually leasing space in the building of the Asset (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).

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as January 31, 2025 by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset to be Acquired that can be leased as January 31, 2025 (If the common area, etc. is leased, the floor space thereof is included).

(Note 9) Historical Occupancy Rates

There are no applicable occupancy rates for the end of January 2020 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

4. Profile of Seller of the Asset to be Acquired

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Daisaku Matsuo, President & CEO
Principal Business	Real Estate
Capital	¥2,000 million (as of April 1, 2024)
Established	April 15, 1957
Net Assets	¥218.5 billion (as of March 31, 2024)
Total Assets	¥1,989.5 billion (as of March 31, 2024)
Major Shareholder (Shareholding Ratio)	Nomura Real Estate Holdings, Inc. (100%)
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Nomura Real Estate Development Co., Ltd. holds 7.12% of the Fund’s investment units (as of February 28, 2025). As a wholly owned subsidiary of Nomura Real Estate Holdings, Inc., which also holds 100% interests in the shares of the Asset Management Company, Nomura Real Estate Development Co., Ltd. is a related party of the Asset Management Company as defined in the Investment Trust Act.
Personal	The Asset Management Company’s employees and officers are seconded from Nomura Real Estate Development Co., Ltd.
Transactions	Nomura Real Estate Development Co., Ltd. is a property management company of the Fund and a lessee of real estate properties owned by the Fund. Moreover, the Asset Management Company has entered into an agreement on provision of information and a basic agreement on the leasing value chain with the said company.
Related Party Status	Nomura Real Estate Development Co., Ltd. does not fall under the definition of a related party of the Fund for the accounting purpose. However, the said company is a related party of the Asset Management Company as it is a subsidiary of a common parent company, as stated above.

5. Status of Owner of the Asset to be Acquired

Status of Owner	Current Owner and/or Trustee	Previous Owner and/or Trustee
Company Name	Nomura Real Estate Development Co., Ltd.	—
Relationship with Parties with Special Interest	Please refer to “4. Summary of Seller of the Asset to be Acquired” above	—
Background/Reasons for Acquisition, etc.	For development for later sale	—
Acquisition Price (Including Other Related Expenses)	— (Note)	—
Acquisition Date	—	—



(Note) Omitted because, for the land, the current owner owned for more than one year, and, for the building, there is no previous owner.

6. Transactions with Related Parties

(1) Transactions related to the acquisition of the Assets

In these transactions, the seller, Nomura Real Estate Development Co., Ltd. falls under the category of interested parties, etc. as defined in the Investment Trust Law, as stated above. Accordingly, the acquisitions of each property, the acquisition prices, and other relevant terms have been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

(2) Transaction related to the property management and master lease

Nomura Real Estate Development Co., Ltd., Inc., the property management company and master lease company, falls under the category of interested parties, etc. as defined in the Investment Trust Law, as described above. Accordingly, outsourcing the property management services, fees and other terms for each of those properties, as well as other relevant terms and conditions for the lease such as the lease period and rent, has been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

Since none of the transactions describe in (1) and (2) above fall s under the category of transactions between the Fund and a related party of an asset management company as set forth in Article 201 2, Paragraph 1 of the Investment Trust Act, the approval of the Board of Directors of the Fund has not been obtained.

7. Form of Payment, etc.

Regarding the acquisition, The Fund will complete settlement by a lump-sum payment on the date of acquisition by paying the agreed price for the property in full to the seller using cash on hand.

8. Schedule for the Acquisition

March 26,2025	Date of purchase and sales agreement pertaining to the acquisition of the Asset to be Acquired and date of payment
March 26,2025	Acquisition of the Asset to be Acquired

9. Outlook

Since the Acquisition will be made after the end of the fiscal period ending February 2025 (September 1, 2024 to February 28, 2025), there will be no impact on the operating status for the fiscal period ending February 2025.

Although the impact of the Acquisition on the overall portfolio performance for the fiscal period ending August 2025 (March 1, 2025 to August 31, 2025) is expected to be minor, we plan to announce our performance forecast, including the Acquisition, in our financial results summary for the fiscal period ending February 2025, scheduled for April 17, 2025.



10. Appraisal Summary

Property Name	H ¹ O Nihonbashi Kobunacho
Appraisal Value	¥4,460,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	February 1, 2025

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	4,460,000,000	Calculated taking into account the income price determined using both the direct capitalization method and the DCF method equally.
Price Calculated by the Direct Capitalization Approach	4,490,000,000	Calculated by reducing the stable medium- to long-term net cash flow by the capitalization rate.
(1) Operating Income (a)-(b)	230,614,000	
(a) Gross Rental Income	249,786,000	Calculated based on appropriate rent levels recognized as stable over the medium to long term.
(b) Losses due to Vacancies, etc.	19,172,000	Calculated assuming a stable medium- to long-term occupancy rate.
(2) Operating Expenses	70,970,000	
Maintenance Costs	36,400,000	Calculated based on scheduled maintenance and management costs and costs at similar properties.
Utilities Costs	9,560,000	Calculated based on past performance amounts and actual costs at similar properties, taking into account factors such as the occupancy rate of the leased portion of the property.
Repair Costs	947,000	Calculated based on costs at similar properties and the average annual maintenance and renewal fees given in the engineering report.
Property Management Fees	8,819,000	Calculated based on agreed-upon fee rates and fee rates for similar properties.
Advertisement for Leasing Costs, etc.	689,000	Calculated as an annualized amount based on assumed tenant turnover rates.
Taxes	14,363,000	Calculated based on standard taxable values in the 2024 tax year.
Insurance Premium	192,000	Calculated based on insurance quotes and the premiums of similar properties.
Other Expenses	-	There are no other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	159,644,000	
(4) Profit through Management of Temporary Deposits, etc.	-	Calculated that there will be no exchange of security deposits in the medium to long term.
(5) Capital Expenditure Reserve	2,320,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age and the average annual maintenance and renewal fees given in the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	157,324,000	
(7) Capitalization Rate	3.5%	
Price Calculated by the Discounted Cash Flow Approach	4,430,000,000	
Discount Rate	3.3%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar properties and the property's specific characteristics.



	Terminal Capitalization Rate	3.6%	Calculated based on a comprehensive consideration of such factors as the yield on investment in similar buildings, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents.
Cost Approach Price		4,210,000,000	
	Ratio of Land	84.6%	
	Ratio of Building	15.4%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The area where the subject property is located is about a 6-minutes walk from both Ningyocho Station and Mitsukoshimae Station, providing excellent access to various office areas in the city center. The subject building is part of the 'H'O' series, designed as a high-value-added service office building. In an area where there are many older, small to medium-sized traditional buildings, the subject property has high competitiveness in terms of specifications and facilities. In view of the above factors, the appraisal value was determined.		

Exhibits

Exhibit 1 Overview of the Portfolio after the Transaction

Exhibit 2 Photos and Maps of the Asset to be Acquired

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



Overview of the Portfolio after the Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Other Areas	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	373,175	65,100	438,275	39.6
Retail	111,768	67,890	179,659	16.4
Logistics	237,992	3,460	241,452	22.0
Residential	190,579	22,558	213,137	19.4
Hotels	2,360	22,141	24,501	2.2
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	920,775	181,150	1,101,925	100.0
Investment Ratio (%) (Note 2)	83.6	16.4	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 figures reflecting this acquisition are included in the numbers after the transfer of Prime Urban Senzoku and seven other properties, which are scheduled to be transferred on March 28, 2025. For more details, please refer to the “Notice Concerning Disposition of Property in Japan” published on March 11, 2025.



Photos and Access Map of the Asset to be Acquired

H'O Nihonbashi Kobunacho

