

October 15, 2015



For Immediate Release
To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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Notice Concerning Handling of Fractional Investment Units as Consideration of Merger

In connection with the consolidation-type merger (the “Merger”) that came into effect on October 1, 2015, implemented by former Nomura Real Estate Master Fund, Inc. (“Former NMF”), Nomura Real Estate Office Fund, Inc. (“NOF”) and Nomura Real Estate Residential Fund, Inc. (“NRF”; and Former NMF, NOF and NRF are hereinafter individually referred to as the “Consolidated Investment Corporation”), the unitholders listed or recorded on the final unitholders register of each of the Consolidated Investment Corporations as of September 30, 2015 (the “Allotted Unitholders”) were allotted investment units of Nomura Real Estate Master Fund, Inc. (“NMF”), a corporation incorporated through the Merger, and accordingly, some fractions less than one investment unit (“Fractional Investment Units”) attributable to certain Allotted Unitholders of NOF and NRF have been arisen. No Fractional Investment Units have arisen in connection with the Allotted Unitholders of Former NMF.

Pursuant to the relevant laws, we will dispose of the Fractional Investment Units through market transactions and distribute the proceeds thereof to the Allotted Unitholders to whom such Fractional Investment Units are attributable in proportion to the total number of fraction of investment units of each Allotted Unitholder.

We will notify the Allotted Unitholders concerned of information concerning amount to be distributed, distribution method and other related matters by mail and commence payment of the proceeds around the middle of December 2015.

1. Allotment of Investment Units

The unitholders listed or recorded on the final unitholders register of each of the Consolidated Investment Corporations as of Wednesday, September 30, 2015, a record date for the allotment of NMF investment units (that is, unitholders who held investment units of each of the Consolidated Investment Corporations on September 25, 2015, the last date of cum-rights trading), are entitled to receive the allotment of NMF investment units.

	NMF	Former NMF	NOF	NRF
Ratio of Allotment under the Merger	1	1	3.60	4.45

(Note) Number of investment units of NMF issued as a result of the Merger: 3,722,010 units

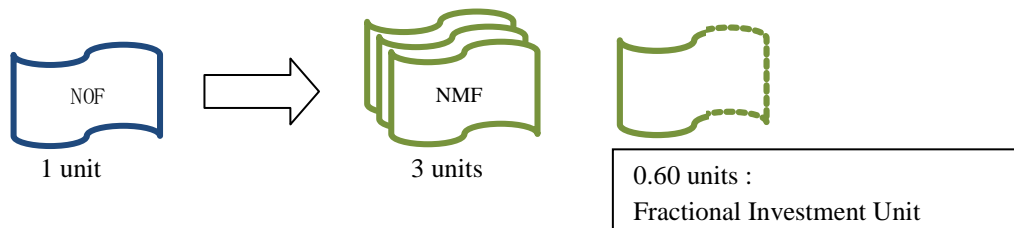
2. Calculation Method of Allotted Investment Units

(1) NOF Allotted Unitholders

Formula : $\text{NOF investment units held} \times 3.60 = \text{number of allotted investment units of NMF}$

- (i) Allotted Unitholder who held 1 NOF investment unit as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholder is 3.60 units.

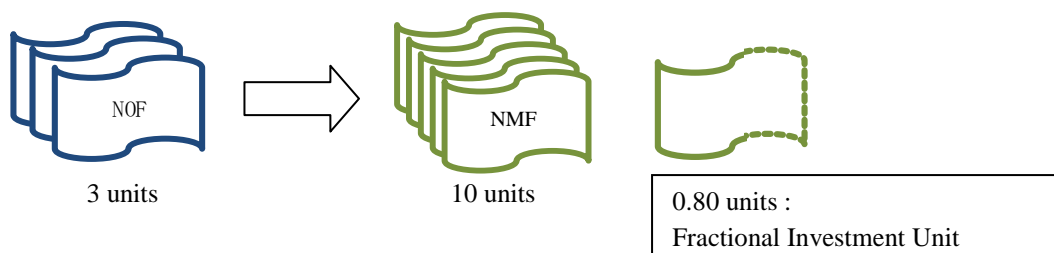
(For your reference: explanatory diagram)



→ The amount equivalent to 0.60 unit, which is less than 1 investment unit, shall be paid from the sales proceeds to such Allotted Unitholder.

- (ii) Allotted Unitholder who held 3 NOF investment units as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholders is 10.80 units.

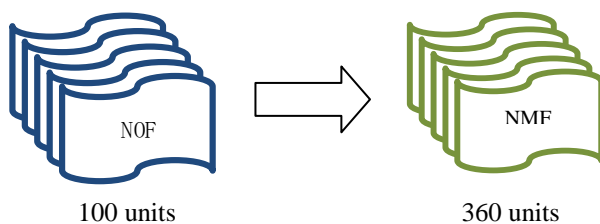
(For your reference: explanatory diagram)



→ The amount equivalent to 0.80 unit, which is less than 1 investment unit, shall be paid from the sales proceeds to such Allotted Unitholder.

- (iii) Allotted Unitholder who held 100 NOF investment units as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholder is 360 units.

(For your reference: explanatory diagram)



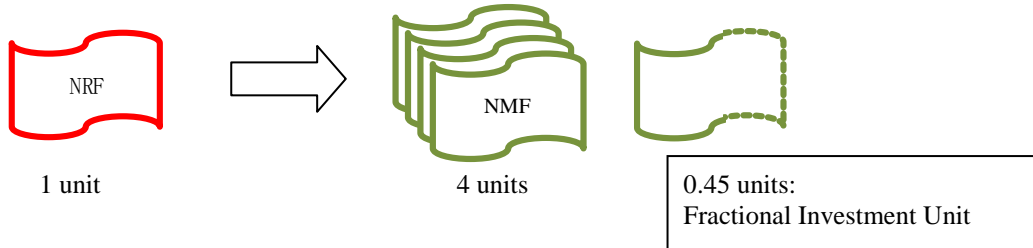
→ As there is no Fractional Investment Unit, no cash payment shall be made from sales proceeds of the fractions.

(2) NRF Allotted Unitholders

Formula : $\text{NRF investment units held} \times 4.45 = \text{number of allotted investment units of NMF}$

- (i) Allotted Unitholder who held 1 NRF investment unit as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholder is 4.45 units.

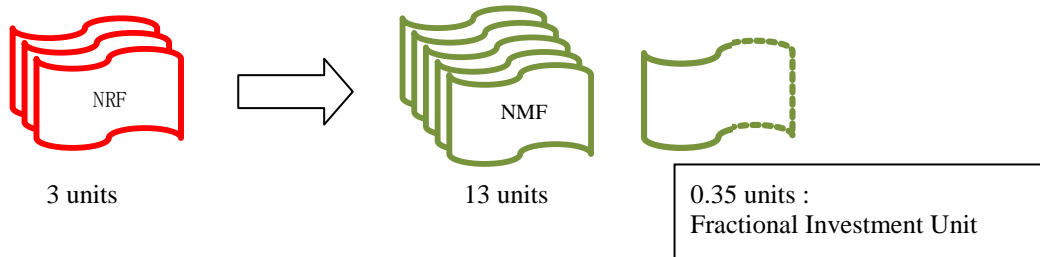
(For your reference: explanatory diagram)



→ The amount equivalent to 0.45 unit, which is less than 1 investment unit, shall be paid from the sales proceeds to such Allotted Unitholder.

- (ii) Allotted Unitholder who held 3 NRF investment units as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholder is 13.35 units.

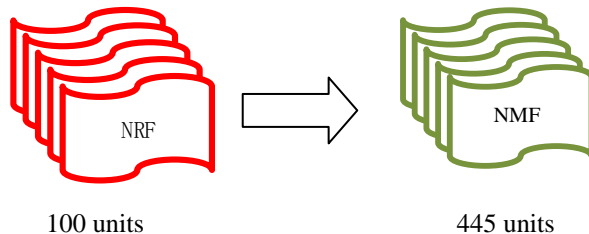
(For your reference: explanatory diagram)



→ The amount equivalent to 0.35 unit, which is less than 1 investment unit, shall be paid to such Allotted Unitholder.

- (iii) Allotted Unitholder who held 100 NRF investment units as of the record date
Number of investment units of NMF allotted upon the Merger to such Allotted Unitholder is 445 units.

(For your reference: explanatory diagram)



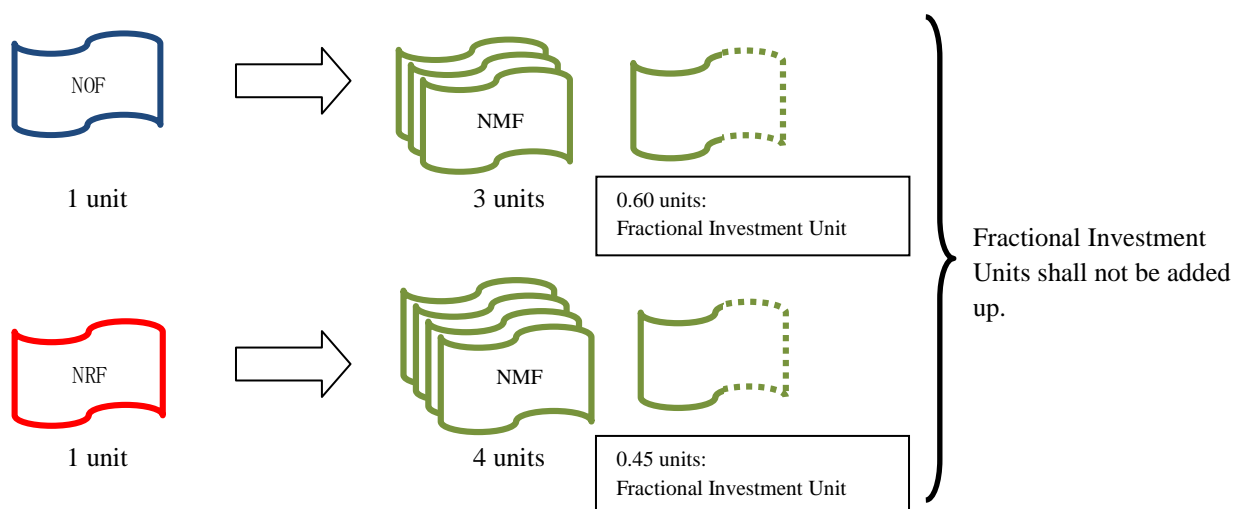
→ As there is no Fractional Investment Unit, no cash payment shall be made from sales proceeds of the fractions.

(3) Unitholders who are both the Allotted Unitholders of NOF and NRF

In the case where a unitholder held both of NOF investment units and NRF investment units as of the record date, the Fractional Investment Units of NOF and the Fractional Investment Units of NRF shall not be added up, and each Consolidated Investment Corporation's investment units shall separately be treated as described in "2. Calculation Method of Allotted Investment Units / (1) NOF Allotted Unitholders" or "2. Calculation Method of Allotted Investment Units / (2) NRF Allotted Unitholders."

(For your reference: explanatory diagram)

(Example) In the case where a unitholder held 1 NOF investment unit and 1 NRF investment unit as of the record date



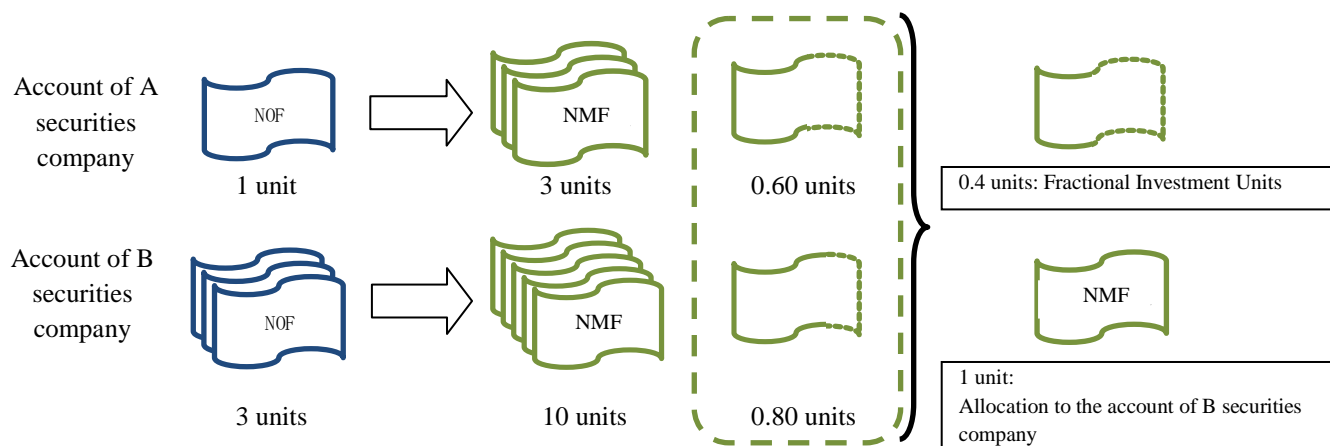
→Fractional Investment Units shall not be added up, and the unitholders shall be paid sales proceeds separately for each Consolidated Investment Corporation's Fractional Investment Units.

(4) Unitholders who held NOF investment units or NRF investment units in the accounts of multiple securities companies

If a unitholder held NOF investment units or NRF investment units in the accounts of multiple securities companies as of the record date, the Fractional Investment Units shall be processed based on the total number of units after conducting the name-based aggregation separately for each Consolidated Investment Corporation's investment units. If the number of units obtained by adding up the Fractional Investment Units held in the accounts of each securities company is 1 unit or more, such units shall be allocated by Japan Securities Depository Center, Incorporated to the account of the securities company holding the largest number of units, and the Fractional Investment Units remained after such aggregation shall be treated as described in "2. Calculation Method of Allotted Investment Units / (1) NOF Allotted Unitholders" or "2. Calculation Method of Allotted Investment Units / (2) NRF Allotted Unitholders" as a fraction less than 1 unit.

(For your reference: explanatory diagram)

(Example) In the case where a unitholder held 1 NOF investment unit in the account of A securities company and 3 NOF investment units in the account of B securities company as of the record date



→ Total number of the Fractional Investment Units in the account of securities companies is 1.40 units. 1 unit shall be allocated by Japan Securities Depository Center, Incorporated to the account of the securities company holding the largest number of units (in the case above, the account of B securities company). In addition, with respect to 0.40 unit remained after the aggregation, which is less than 1 unit, the unitholder shall be paid the amount equivalent thereof from sales proceeds as the Fractional Investment Units.

3. Schedule (Planned)

October 22, 2015	Dispatch allotment letters (Note 1)
Mid December 2015	Commencement of payment of cash distributions on merger (Note 2) and proceeds from the sales of the Fractional Investment Units

(Note 1) The letters will be dispatched to the unitholders listed or recorded on the final unitholders register of each of the Consolidated Investment Corporations as of September 30, 2015 (Wednesday) (being the record date).

(Note 2) Instead of cash distributions for each Consolidated Investment Corporation's final fiscal period ended on September 30, 2015 (in the case of Former NMF; the period from September 1, 2015 to September 30, 2015; in the case of NOF, the period from May 1, 2015 to September 30, 2015; and in the case of NRF, the period from June 1, 2015 to September 30, 2015), the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of each of the Consolidated Investment Corporations as of September 30, 2015, in an amount equivalent to the cash distributions for the final fiscal period based on each Consolidated Investment Corporation's distributable profit. For more detailed information regarding cash distributions on merger to be paid by each of the Consolidated Investment Corporations, please refer to: (i) in the case of Former NMF, "Notice Concerning Revisions of Forecasts of Financial Results and Cash Distribution for the Fiscal Period Ending August 31, 2015 and Forecasts of Financial Results for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period) and Cash Distribution on Merger" dated August 4, 2015; (ii) in the case of NOF, "Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period) and Cash Distribution on Merger" dated August 4, 2015; and (iii) in the case of NRF, "Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period) and Cash Distribution on Merger" dated August 4, 2015, respectively.

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