



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 the “Fund”) today announced that, at the Board of Directors meeting held on February 7, 2019, 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

- (1) Total number of units to be offered 214,760 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 on a date between February 18, 2019 (Monday) and February 20, 2019 (Wednesday) (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) To be determined

The price shall provisionally be calculated by deducting the forecasted distribution per unit of ¥ 3,111 for the fiscal period ending February 28, 2019 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 and other related factors, in accordance with the method stated in Article 25 of the Regulations

Disclaimer: This press release is a document for making a public announcement concerning issuance of new investment units and secondary offering of investment units of Nomura Master Fund, and has not been prepared for the purpose of solicitation for investment. Investors are asked to ensure that they read the offering circular for the issuance of new investment units, as well as the amendments thereto (if compiled), prepared by Nomura Master Fund before they invest and that they make decisions on investment at their own discretion.

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.



- Concerning Underwriting, Etc. of Securities adopted by the Japan Securities Dealers Association.
- (5) Total issue price (total offer price) To be determined
- (6) Offering method
- The offering will be concurrently conducted in Japan and overseas.
- (i) Public offering in Japan
The offering in Japan (the “Domestic Public Offering”) shall be made to the public and the Investment Units subject to the Domestic Public Offering shall be purchased and underwritten by domestic underwriters (the “Domestic Underwriters”).
- (ii) International offering
The international offering (the “International Offering”) shall be made in the overseas markets mainly in the United States, Europe, and Asia (provided, however, that in the United States, the offering shall be limited to sales to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act of 1933, as amended) and the Investment Units subject to the International Offering shall be purchased and underwritten severally and not jointly in the total amount by international underwriters (hereinafter collectively referred to as the “Underwriters” together with the Domestic Underwriters).
With regard to the number of the Investment Units subject to each offering set forth in (i) and (ii) above, the number of Investment Units to be issued is scheduled to be 147,110 units in the Domestic Public Offering and 67,650 units in the International Offering. The final allocations will be determined on the Pricing Date after taking into consideration the demand and other related factors.
The Domestic Public Offering, the International Offering, and the secondary offering through over-allotment as described in 2. below (the “Secondary Offering through Over-allotment”) shall be conducted by the global coordinator (the “Global Coordinator”).
- (7) Underwriting Agreement
The Underwriters shall pay the total amount to be paid (total issue value) in the Domestic Public Offering and the International 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 (Domestic Public Offering) From the business day immediately following the Pricing Date to the day two business days after the Pricing Date
- (10) Payment date March 1, 2019 (Friday)
- (11) Delivery date March 4, 2019 (Monday)
- (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 pertaining to the Domestic Public Offering shall be subject to the effectiveness of the securities registration statement filed in accordance with the Financial Instruments and Exchange Act of Japan.

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

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| (1) The number of investment units to be offered | 10,740 units
The above number of units is the maximum number of investment units to be offered through the Secondary Offering through Over-allotment to be conducted by the lead managing underwriter for the Domestic Public Offering, after taking into account factors such as the demand for the Domestic Public Offering and other factors. The number may decrease, or the Secondary Offering through Over-allotment itself may not take place at all, depending on the demand for the Domestic Public 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 demand for the Domestic Public 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 Domestic Public Offering. |
| (3) Total offer price | To be determined |
| (4) Offering method | The lead managing underwriter for the Domestic Public Offering may borrow up to 10,740 Investment Units from a unitholder of the Fund and sell those units in Japan taking into account the demand for the Domestic Public Offering and other factors. |
| (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 Domestic Public Offering |
| (7) Delivery date | March 4, 2019 (Monday) |
| (8) The offer price and other items | required for the Secondary Offering through Over-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. |

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

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| (1) The number of investment units to be offered | 10,740 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 Domestic Public 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 25, 2019 (Monday) |
| (6) Payment date | March 26, 2019 (Tuesday) |

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- (7) Issuance of new investment units with no application for subscription on or before the application period (application date) described 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 Domestic Public Offering may conduct a secondary offering (over-allotment) in Japan of a maximum of 10,740 units, borrowed by the lead managing underwriter from a unitholder of the Fund after taking into account the demand for the Domestic Public Offering and other factors. The number of the Units to be offered in the Secondary Offering through Over-allotment is scheduled to be 10,740 units. However, the number may decrease or the Secondary Offering through Over-allotment itself may not take place at all depending on the demand for the Domestic Public Offering and other factors.

In relation to the Secondary Offering through Over-allotment, the Fund resolved at the Board of Directors meeting held on February 7, 2019 (Thursday) to issue 10,740 new Investment Units through third-party allotment (the “Third-Party Allotment”) to the lead managing underwriter, in order for the lead managing underwriter to acquire 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 is determined to be March 26, 2019 (Tuesday).

Also, the lead managing underwriter may purchase up to the maximum number of Investment Units subject to the Secondary Offering through Over-allotment at the Tokyo Stock Exchange in order to return the Borrowed Units (the “Syndicated Cover Transactions”), from the day after the end of the application period for the Domestic Public Offering and the Secondary Offering through Over-allotment to March 18, 2019 (Monday) (the “Syndicated Cover Transaction Period”). All of the Units purchased by the lead managing underwriter through the Syndicated Cover Transactions will be used to return the Borrowed Units. During the Syndicated Cover Transaction Period, the lead managing underwriter may also decide not to conduct the Syndicated Cover Transactions or purchase a certain number of the Units less than the maximum number of Investment Units subject to the Secondary Offering through Over-allotment.

Furthermore, with the Domestic Public Offering and the Secondary Offering through Over-allotment, the lead managing underwriter may engage in stabilization transactions and all or part of the Units purchased through stabilization transactions may be used to return the Borrowed Units.

The lead managing underwriter plans to apply for the Third-Party Allotment in order to acquire the same number of Investment Units to be sold through the Secondary Offering through Over-allotment, excluding the number of Units to be purchased through the Syndicated Cover Transaction and stabilization transactions to return the Borrowed Units. Therefore, the lead managing underwriter may not apply for all or part of the Units to be issued through the Third-Party Allotment, and as a result, the ultimate number of units issued through the Third-Party Allotment may decrease or no units may be issued at all to the extent the application will not be made for.

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:	4,321,800 units
Number of the Investment Units to be issued through public offering:	214,760 units
Total number of Investment Units issued and outstanding after the issuance of the new Investment Units through public offering:	4,536,560 units
Number of new Investment Units to be issued through the Third-party Allotment:	10,740 units (Note)
Total number of Investment Units issued and outstanding after the Third-party Allotment:	4,547,300 units (Note)

(Note) These are the number of investment units assuming that the over-allotment option is exercised in full.

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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)

¥ 32,460,000,000 (maximum)

(Note) The total amount of the net proceeds from the Domestic Public Offering (¥21,176,000,000), the net proceeds from the International Offering (¥9,738,000,000) and the maximum amount of the net proceeds from the Third-Party Allotment (¥1,546,000,000) is stated. Also, the stated amount is an estimated amount calculated based on the closing price of the Investment Unit on the Tokyo Stock Exchange as of January 30, 2019 (Wednesday).

(2) Use of Proceeds and Scheduled Expenditure Date

The proceeds from the issue of new investment units through the Domestic Public Offering and the International Offering are scheduled to be used as a part of the funds for the acquisition of assets (the “Assets to be Acquired”) as announced in “Notice Concerning Property Acquisition” dated today. In addition, proceeds from the issue of new investment units through the Third-Party Allotment are scheduled to be used as a part of the funds for repayment of borrowings which will be implemented for the payment of a part of the funds for the acquisition of the Assets to be Acquired.

5. Designation of distributees

Not applicable

6. Outlook

Please refer to “Notice Concerning Forecasts of Financial Results for the Fiscal Periods Ending August 31, 2019 and February 29, 2020” announced today.

7. Lock-up

(1) In connection with the Domestic Public Offering and the International Offering, Nomura Real Estate Development Co., Ltd., has entered into an agreement with the Global Coordinator, to the effect that, without a prior written consent of the Global Coordinator, no sale, etc. of the Investment Units (excluding lending of the Investment Units accompanying the Secondary Offering through Over-allotment, and certain other transactions) 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 offering.

(2) In addition, in connection with the Domestic Public Offering and the International Offering, the Fund has entered into an agreement with the Global Coordinator, to the effect that, without a prior written consent of the Global Coordinator, no issuance, etc. of the Investment Units (excluding issuance of the Investment Units accompanying Domestic Public Offering, the International Offering and the Third-Party Allotment and split of investment units, and certain other transactions) 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 offering.

The Global Coordinator has the right to cancel a part of or all of the said agreements mentioned above in (1) or (2) above during the restricted period.

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

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