



For Translation Purposes Only

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For Immediate Release

Nomura Real Estate Master Fund, Inc.
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(Securities Code: 3285)

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Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending August 31, 2013 and Fiscal Period Ending February 28, 2014

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced today the forecasts of the financial results for the first fiscal period (January 31, 2013 to August 31, 2013) and second fiscal period (September 1, 2013 to February 28, 2014). The forecasts are summarized as follows.

| | Operating Revenues (Millions of Yen) | Operating Profits (Millions of Yen) | Ordinary Income (Millions of Yen) | Net Income (Millions of Yen) | Cash Distribution Per Unit (Yen) | Distribution in Excess of Net Income Per Unit (Yen) |
|--|---|--|--------------------------------------|---------------------------------|-------------------------------------|--|
| Fiscal Period Ending Aug. 31, 2013 (First Fiscal Period) | 3,598 | 2,027 | 1,041 | 1,040 | 593 | – |
| Fiscal Period Ending Feb. 28, 2014 (Second Fiscal Period) | 8,883 | 5,126 | 4,641 | 4,640 | 2,647 | – |

[Related Information]

Fiscal period ending August 31, 2013: Expected number of investment units outstanding: 1,752,800 units; Expected net income per unit: 593 yen

Fiscal period ending February 28, 2014: Expected number of investment units outstanding: 1,752,800 units; Expected net income per unit: 2,647 yen

[Notes]

1. The calculation of forecast figures above is based on the assumption that issue price of new investment units is set at 100,000 yen per unit.
2. The forecast figures for the first fiscal period and the second fiscal period presented in this document are calculated as of today, based on the assumptions as set forth in the attached exhibit “Assumptions for Forecasts of the Financial Results for the Fiscal Period Ending August 31, 2013 and Fiscal Period Ending February 28, 2014.” The actual operating revenues, operating profits, net income and cash distribution per unit may vary due to the acquisition and disposition of properties, if any, changes in the real estate market and other factors affecting the Fund. Nomura Master Fund also does not guarantee the cash distribution amount identified above.
3. Nomura Master Fund may revise the forecasts if the Fund expects a large variance from the forecasts mentioned above.
4. The first fiscal period (ending August 31, 2013) for Nomura Master Fund shall be from January 31, 2013 to August 31, 2013. Furthermore, fiscal periods from second fiscal period (ending February 28, 2014) and after shall be from every September 1 to the end of February the following year and every March 1 to the end of August.
5. The investment units of Nomura Master Fund are scheduled to be listed on the Real Estate Investment Trust Section of the Tokyo Stock Exchange on June 12, 2013.
6. Amounts less than the stated units are rounded down.

Note: This press release is a public announcement regarding the forecasts of financial results for the fiscal periods ending August 31, 2013 and February 28, 2014, and has not been prepared as an inducement or invitation for investment. We caution readers to refer to the Fund’s Offering Circular for the Issue of New Investment Units and Secondary Offering and the Notices of Amendments thereto and to undertake investment decisions at their own examination and responsibility. In addition, this press release does not constitute an offer of securities for sale in the U.S. Securities may not be offered or sold in the U.S. without registration of the securities or gaining an exemption from registration of securities under the U.S. Securities Act of 1933. Any public offering of securities to be conducted in the U.S. will be made by means of an English prospectus prepared in accordance with the U.S. Securities Act of 1933 that may be obtained from the issuer of the securities or holder of the securities. The prospectus will contain detailed information about the issuer and its management, as well as its financial statements. Furthermore, issuance of new investment units and secondary offering of investment units as announced in “Notice Concerning the Issue of New Investment Units and the Secondary Offering,” released today, will not be offered in the U.S.

[Exhibit]

**Assumptions for Forecasts of the Financial Results for the Fiscal Period Ending August 31, 2013 and
Fiscal Period Ending February 28, 2014**

| Item | Assumptions |
|------------------------|--|
| Period | <ul style="list-style-type: none"> • First fiscal period: January 31, 2013 to August 31, 2013 • Second fiscal period: September 1, 2013 to February 28, 2014 |
| Investment Portfolio | <ul style="list-style-type: none"> • The Fund is scheduled to acquire 54 properties of real estate and beneficial rights in real estate trust (the “Assets to be Acquired”) by the end of first fiscal period (ending August 31, 2013) through funds procured from issuance of new investment units through public offering and secondary offering resolved at the Board of Directors meeting held today and funds procured from borrowings. • Of the 54 properties of the Assets to be Acquired, 51 properties, excluding Sagamihara Tana Logistics Center, Landport Kawagoe and GEMS SHIBUYA, are assumed to be acquired in June 2013, and the three concerned properties are assumed to be acquired in July 2013. • The forecasts are based on the assumption that the Assets to be Acquired are acquired and the investment portfolio will remain unchanged thereafter up to the end of the second fiscal period (ending February 28, 2014). • In practice, the investment portfolio is subject to potential change. |
| Operating Revenues | <ul style="list-style-type: none"> • The rental revenues are based on the information provided from the sellers of the Assets to be Acquired, the trend of tenants, competing buildings in the neighborhood, and the market trend, etc. and assumed that there is no rent in arrears and nonpayment of the rent. |
| Operating Expenses | <ul style="list-style-type: none"> • Among rental expenses, the major operating expenses, expenses other than the depreciation costs are based on the information provided from the sellers of each property and the historical performance, adjusted to reflect factors causing changes in expenses. • In general, the fixed asset taxes and urban planning taxes imposed on the properties in the tax year including the date of transaction are distributed to the seller and the purchaser on a daily pro-rata basis and settled at the time of acquisition, and such taxes are deemed as the acquisition costs not expenses. In addition, as to the Assets to be Acquired, fixed asset taxes, urban planning taxes and depreciable assets taxes, which are included in the acquisition price, are estimated to total 779 million yen. As for the Assets to be Acquired, the fixed asset taxes, urban planning taxes and depreciable assets taxes for fiscal 2014 will be posted as expenses from the third fiscal period (ending August 31, 2014). • Outsourcing expenses are estimated at 198 million yen for the first fiscal period (ending August 31, 2013), and 503 million yen for the second fiscal period (ending February 28, 2014). • As for the repair and maintenance, the required amounts for the respective properties for each of the fiscal periods are estimated based on the medium- and long-term repair plans established by the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.). However, it is possible that the actual repair expenses for the fiscal periods may differ significantly from the estimates since (i) an unforeseeable event might cause serious damage to a building requiring emergent repair expenditure, (ii) amounts might vary year by year, and (iii) certain types of repair expenses are not required every year. • Depreciation costs are estimated at 684 million yen for the first fiscal period (ending August 31, 2013), and 1,457 million yen for the second fiscal period (ending February 28, 2014). |
| Non-Operating Expenses | <ul style="list-style-type: none"> • The Fund expects 549 million yen in expenses related to the listing of the Fund and solicitation as temporary expenses for the first fiscal period (ending August 31, 2013). • Interest payable and other borrowing related expenses are estimated at 308 million yen for the first fiscal period (ending August 31, 2013) and 483 million yen for the second fiscal period (ending February 28, 2014). |
| Interest-Bearing Debts | <ul style="list-style-type: none"> • The Fund assumes to obtain loans of 56,000 million yen in June 2013 and loans of 14,000 million yen in July 2013 from the qualified institutional investors defined in Article 2, Paragraph 3, Item 1 of Financial Instruments and Exchange Law. |

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| Item | Assumptions |
|---|---|
| Investment Units | <ul style="list-style-type: none"> • The Fund assumes that, in addition to the current 2,000 investment units issued, a total of 1,750,800 investment units will be issued through offering of new investment units (1,663,260 units) and the third-party allotment (up to 87,540 units) as resolved at the Board of Directors meeting held today. • The Fund assumes that no additional investment units will be issued until the end of the second fiscal period (ending February 28, 2014). • Net income per unit and cash distribution per unit are calculated on the basis of 1,752,800 units assumed to be issued at the end of each fiscal period, including the investment units to be issued in the current offering. |
| Cash Distribution per Unit | <ul style="list-style-type: none"> • Cash distribution per unit is calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. • Cash distribution per unit may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs. |
| Distribution in Excess of Net Income per Unit | <ul style="list-style-type: none"> • The Fund does not currently plan any distributions in excess of net income per unit. |
| Others | <ul style="list-style-type: none"> • The Fund assumes that there will be no amendments in legislation, taxation, Japanese GAAP, listing requirements and Investment Trusts Association regulations, which affect the above forecasts. • The Fund assumes that there will be no material changes in general economic conditions and real estate markets. |

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

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