



For Translation Purposes Only

June 17, 2013

For Immediate Release

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

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Notice Concerning Revision of Forecasts of Financial Results and Distributions 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 that it has revised its forecasts of the financial results and distributions for the first fiscal period (January 31, 2013 to August 31, 2013) and the second fiscal period (September 1, 2013 to February 28, 2014), which were announced in “Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending August 31, 2013 and Fiscal Period Ending February 28, 2014” released on June 12, 2013. The revised forecasts are summarized as follows.

1. Revised Forecasts of Financial Results and Distributions for the First Fiscal Period Ending August 31, 2013

	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)
Previous Forecasts (A)	3,598	2,027	1,041	1,040	593	–
Revised Forecasts (B)	3,598	2,027	1,041	1,040	625	–
Amount of Increase/Decrease (B-A)	–	0	0	0	32	–
Ratio of Increase/Decrease	–	0.0%	0.1%	0.1%	5.4%	–

[Related Information]

Fiscal period ending August 31, 2013:
Expected number of investment units outstanding: 1,665,260 units
Expected net income per unit: 625 yen

Note: This press release is a public announcement regarding the revision of forecasts of financial results and distributions for the fiscal periods ending August 31, 2013 and February 28, 2014, and has not been prepared as an inducement or invitation for investment. 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.

2. Revised Forecasts of Financial Results and Distributions for the Second Fiscal Period Ending February 28, 2014

	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)
Previous Forecasts (A)	8,883	5,126	4,641	4,640	2,647	—
Revised Forecasts (B)	8,883	5,126	4,598	4,597	2,760	—
Amount of Increase/Decrease (B-A)	—	—0	—43	—43	113	—
Ratio of Increase/Decrease	—	—0.0%	—0.9%	—0.9%	4.3%	—

[Related Information]

Fiscal period ending February 28, 2014:

Expected number of investment units outstanding: 1,665,260 units

Expected net income per unit: 2,760 yen

[Notes]

1. The forecasts 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 material “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.
2. Nomura Master Fund may revise the forecasts if the Fund expects a large variance from the forecasts mentioned above.
3. 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.
4. Amounts less than the stated units are rounded down.
5. Percentages are rounded off to one decimal place.

3. Reasons for Revision

Nomura Master Fund revised the forecasts of the financial results for the first fiscal period ending August 31, 2013 due to a variance of over 5% in the announced cash distribution per unit forecast for the first fiscal period, as a result of the change in the expected number of investment units outstanding in accordance with the cancellation of the issuance of new investment units through third-party allotment, as announced in “Notice Concerning the Result of Issuance of New Investment Units Through Third-Party Allotment” released today.

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

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[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 has completed the acquisition of 51 properties of real estate and beneficial rights in real estate trust as of today (the “Acquired Assets”) and has scheduled to acquire three 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). • The Fund assumes to acquire the three Assets 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 Acquired Assets and 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 Acquired Assets and 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 Acquired Assets and 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).

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Item	Assumptions
Non-Operating Expenses	<ul style="list-style-type: none"> The Fund expects 533 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 313 million yen for the first fiscal period (ending August 31, 2013) and 508 million yen for the second fiscal period (ending February 28, 2014).
Interest-Bearing Debts	<ul style="list-style-type: none"> The amount of the Fund's interest-bearing debts outstanding as of today is 52,800 million yen. The Fund assumes to obtain loans of 25,700 million yen in July 2013 from the qualified institutional investors defined in Article 2, Paragraph 3, Item 1 of Financial Instruments and Exchange Law. The Fund assumes that there will be no changes in the interest-bearing debts outstanding other than the amount stated above.
Investment Units	<ul style="list-style-type: none"> The Fund assumes that the number of investment units outstanding will be 1,665,260 units as of today. The Fund assumes that no additional investment units will be issued until the end of the second fiscal period (ending February 28, 2014).
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.

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