



For Translation Purposes Only

September 30, 2014

For Immediate Release

Nomura Real Estate Master Fund, Inc.
Takashi Kataoka, Executive Director
(Securities Code: 3285)

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Yasuaki Fukui, President and Chief Executive Officer
Inquiries: Takashi Kataoka, NMF Chief Investment Officer
TEL: +81-3-3365-8767
EMAIL: nmf3285@nomura-re.co.jp

Notice Concerning Completion of Property Acquisition

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced the completion of acquisition of the following asset stated in the “Notice Concerning Property Acquisition,” released on August 5, 2014. In addition, Nomura Master Fund announced today the details of the Property which were undisclosed in “Notice Concerning Property Acquisition and Lease Contract with New Tenant” dated August 5, 2014.

1. Summary of the Property

Property name	Location	Type of asset	Acquisition price (¥million) (Note)
Universal CityWalk Osaka	Osaka-shi, Osaka	Beneficial Interest in Real Estate Trust	15,500

(Note) Excluding costs required to acquire the property, property taxes, urban planning taxes, consumption taxes and local consumption taxes

With the acquisition of the Property mentioned above, the Fund’s portfolio now consists of 56 properties and the acquisition price is a total of ¥253.5 billion. For further details concerning the portfolio after this acquisition, refer to the attached reference material “Exhibit 2 Portfolio after Acquisition of the Property”.

2. Grounds

Nomura Master Fund acquired the Property in accordance with the Fund's policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

(1) Location

- The Property has location characteristics featuring high scarcity value with a wide trading zone, as its surrounding area constitutes a major urban resort which, centering on Universal Studios Japan, a theme park representing Japan, integrates the Property (an adjacent retail facility) and four buildings of the Park's official hotels.
- To date, Universal Studios Japan has commanded a high capacity to attract guests, with the number of visitors exceeding 100 million on a cumulative basis in 2012 and surpassed 10 million yen in the single year of fiscal 2013. On top of this, the Park opened 'The Wizarding World of Harry Potter' in July this year, investing approximately 45 billion yen – the largest amount of investment since it started operations. This development is expected to further reinforce the topicality and attractiveness of the Park as well as enhance its capacity to attract guests.
- The Property is very conveniently located as its nearest station, Universal City Station on the JR Yumesaki Line, is an approximately 11 minute train ride from Osaka Station on JR lines. In addition, the Property is situated almost in the center of the Osaka Bay area, within about 8km from Osaka Station on JR lines, about 15km from Osaka International Airport, about 20km from Kobe Airport and about 30km from Kansai International Airport, enjoying good accessibility not only from the Kansai area but also from around Japan.

(2) Property Features

- The Property is one of the largest multi-use retail facilities in the Osaka Bay area, boasting over 5 million customers annually and housing an array of restaurants and shops with individuality in a colorful townscape presenting a taste of Hollywood. This, combined with the synergistic effects with the adjacent Universal Studios Japan, is expected to lead to realize a high capacity to attract guests.
- The Property has a wide variety of tenants centering on restaurants with high entertainment quality, including such American restaurants as Hard Rock Café and Bubba Gump Shrimp as well as a food theme park for takoyaki (Japanese octopus dumpling balls), providing topicality and strong appeal to the users of the facility.
- In addition to the customers coming to the area to visit Universal Studios Japan, concentration of the population is taking place around the Property due to construction of condominiums. There are also manufacturing plants, laboratories and other business corporations. As such, the Property should be able to expect more stable demand by attracting these residents and workers in the neighborhood as weekday customers.

3. Property Summary

Property Name		Universal CityWalk Osaka
Type of Asset		Beneficial Interest in Real Estate Trust
Trustee of Beneficial Trust		Sumitomo Mitsui Trust Bank, Ltd.
Beneficial Trust Contract Period		December 28, 2012 - December 31, 2020
Location (Note 1)	Registry	6-429, Shimaya, Konohana-ku, Osaka-shi, Osaka, and 4 others
	Street	6-2-61, Shimaya, Konohana-ku, Osaka-shi, Osaka
Access		1 minute walk from Universal-city Station on the JR Yumesaki Line
Completion Date (Note 1)		June, 2001
Use (Note 1)		Retail, office, and machinery room (Retail Property)
Structure (Note 1)		S/SRC, 5F
Seismic Risk (PML) (Note 2)		11.12% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of July 2014)
Architect		Nikken Sekkei Ltd., Obayashi Corporation
Structural Strength Calculator		Nikken Sekkei Ltd., Obayashi Corporation
Constructor		Construction Joint Venture (Representative Obayashi Corporation)
Building Inspection Agency		The Building Center of Japan
Area (Note 1)	Land	1) 8,785.43 m ² (2,657.59 tsubo), 2) 8,788.67 m ² (2,658.57 tsubo)
	Building	Total floor space of the whole building 86,888.64 m ² (26,283.81 tsubo)
		Exclusive elements that NMF acquired 17,769.42 m ² (5,375.24 tsubo)
Type of Ownership (Note 3)	Land	1) Ownership (co-ownership) 2) Leasehold interest of the land (quasi co-ownership)
	Building	Compartmentalized ownership
Building Coverage Ratio (Note 4)		90%
Floor Area Ratio (Note 5)		600%
Collateral		None
Property Management Company		Geo-Akamatsu Co., Ltd.
Master Lessee		Geo-Akamatsu Co., Ltd.
Type of Master Lease (Note 6)		Pass-through scheme

Notes	<ol style="list-style-type: none"> 1. The property management company and the master lessee company, Geo-Akamatsu Co., Ltd., is considered a Related Party under the Law Concerning Investment Trust and Investment Corporation (“Investment Trust Law”). 2. In the case of transfer, etc. of the land, leasehold and the building of the Property to any third party, the following requirements shall be fulfilled: 1) acquisition of consent from other business owners based on the agreement among business owners regarding development of the new station bloc in the Konohana western coastal area (October 1999) and succession of the said agreement to the third party; 2) discussion with and acquisition of consent from the Osaka city government based on the basic agreement regarding the development project for the new station bloc in the Konohana western coastal area between business owners and the Osaka city government (November 1999), and succession of the basic agreement to the third party; 3) (with regard to the leasehold interest of the Property) acquisition of prior written consent from the Osaka city government based on the land lease agreement between the business owners and the Osaka city government (July 2001) (20 years lease term of land lease right for business use); and 4) (with regard to the building of the Property) prior written notification on the transfer of the exclusive portions to the manager based on the supplementary provisions of the management bylaws (June 2001) (part of the building of the Property (the heating supply subplant) is leased to a domestic operation company (subleased through a master lease agreement) and, in case the lessor transfers the building of the Property to any third party, it is required to acquire prior written consent of the said domestic operating company, which is the lessee, and succeed the status of the lessee under the relevant building lease agreement to the third party). In addition, in the case of transfer of the beneficiary interest in trust of the Property to any third party, the following requirements shall be fulfilled, among other things: 5) acquisition of prior written consent from the Osaka city government and succession of this obligation to the third party; and 6) acquisition of prior written consent from some of the other business owners and succession of this obligation to the third party. 3. Furthermore, the trustee of the beneficiary interest in trust for the asset shares the liability for implementing the obligations under the leasehold agreement in 2. 3) above as quasi co-owner of the leasehold interest of the land. In particular, it is liable for purchasing the leased land at a price equivalent to the market price as a vacant lot, in accordance with its equity interest. 4. Pursuant to the sublicense agreement with the sublicensor regarding the name of the Property’s building and other trademarks, etc., there are cases in which leasing may not be allowed to tenants or that discussions with and approval by the sublicensor are required with regard to leasing to tenants as well as the fixtures, equipment and maintenance of the facilities. 5. The management association of the Property’s building has received a request from the operators and the Osaka city government, which are developing a building on the land adjacent to the Property, to connect the said building under development and the Property’s building by a sky corridor. Discussions are underway with the management association.
Acquisition Price	¥15,500 million
Appraisal Value and Method	¥16,500 million (Based on the capitalization approach as of June 30, 2014) (Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 7)	¥914 million
Leasing Status (As of August 31, 2014) (Note 8)	
Total Number of Tenants (Note 9)	48

Total Rental Income (Note 10)	¥52million				
Security Deposits (Note 11)	¥573million				
Occupancy Rate (Note 12)	95.9%				
Total Leased Floor Space (Note 13)	9,330.61 m ² (2,822.50 tsubo)				
Total Leasable Floor Space (Note 14)	9,733.24 m ² (2,944.30 tsubo)				
Occupancy Rates in the Past (Note 15)	March 31, 2010	March 31, 2011	March 31, 2012	March 31, 2013	March 31, 2014
	94.9%	97.2%	96.0%	97.4%	97.1%

(Notes)

- Location (registry) and Several Other Items
“Location (registry)”, “Completion Date”, “Structure” and “Area” are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry.
- PML (Probable Maximum Loss)
PML shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Type of Ownership
The trust property of the beneficiary interest in trust acquired by the Fund comprises co-ownership interest of land, quasi-coownership interest of leasehold (for the land owned by the Osaka city government) and exclusive portions of the building in compartmentalized ownership, etc. The percentage of the co-ownership of the land and co-ownership of the leasehold, which are part of the trust property, is 54.11% (270,460/499,870). The building of the Property, which is an entire building of Universal CityWalk Osaka comprising two hotel buildings, a retail and cooling facility building and an office building, is under compartmentalized ownership, and the Fund acquired beneficiary interest in trust for the portion of the retail and cooling facility building (with a voting right ratio of 25.22%). Furthermore, part of the land and the leasehold of the Property have been leased or subleased to a domestic industrial corporation that is the owner of the office building. For the overview of the titles and rights regarding the Property, please see Exhibit 5 “Right-related Summary Figure”.
- Building Coverage Ratio
The building coverage ratio of the Property is essentially 80% as its location belongs to a commercial district, and an increased building coverage ratio of 90% is applied as it stands at a corner.
- Floor Area Ratio
The floor area ratio of the Property is designated to be a maximum of 400%, but an increased ratio of 600% is applied due to district planning.
- Type of Master Lease
Indicates “pass-through scheme” for the form of the executed master lease agreement called pass-through type in which a Master Lessee would pay the Fund the same amount as the rents from end tenants based on the lease agreements with them.
- Appraisal NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
“Appraisal NOI” indicates the annual NOI described in the real estate appraisal report with June 30, 2014 as the appraisal date.
- Leasing Status
Indicates the leasing status with end tenants when the Type of Master Lease is pass-through scheme.
- Total Number of Tenants
Indicates the total number of end tenants to which the Property’s building is actually being leased as of August 31, 2014.
- Total Rental Income
Refers to the sum total of monthly rent and common service fees in lease agreements actually concluded with end tenants that are valid as of August 31, 2014. (If common-use space, etc. is being leased based on the lease agreement, rents for such are included, and if rents include the amount equivalent for using parking space, such are included. Also, if the Master Lessee has a master lease for

part or all of a rental room with a guaranteed rental scheme, the amount for that section is based on the rent, etc. in the lease agreement concluded with the Master Lessee.) Furthermore, regarding tenants who have been exempt from rent payment for a certain period of time in their agreements, such exemption periods are not considered and the amount is calculated based on the monthly rent and common service fees immediately after the exemption periods end. Also, the standard levels of rents are used for tenants with rents that depend on sales.

11. Security Deposits
Indicates the amount of leasehold and security deposits in the lease agreements (rounded down to the nearest million yen).
12. Occupancy Rate
Indicates the ratio of the Total Leased Floor to the Total Leasable Floor Space in each property (rounded to the first decimal place).
13. Total Leased Floor Space
Indicates the floor space that is being leased to end tenants as of August 31, 2014.
14. Total Leasable Floor Space
Indicates the total area of leasable spaces of retail property as of August 31, 2014 (including the area of common-use spaces, etc. if they are leased). The Total Leasable Floor Space is not an indication on the registry but shows the area indicated in the lease agreements or the calculated areas based on the building completion drawings and other documents. As such, the Total Leasable Floor Space is not necessarily equal to the Total Floor Space based on the indications in the registry and may occasionally surpass the Total Floor Space.
15. Occupancy Rates in the Past
Based on the information from the seller.

4. Forecasts of Financial Results

Forecasts of financial results of the Fund for the fiscal period ending February 28, 2015 (September 1, 2014 to February 28, 2015) including the acquisition of the Property has been stated in “Notice Concerning Property Acquisition and Lease Contract with New Tenant” dated August 5, 2014, however, the Fund schedules to announce the forecasts anew in the financial statement for the fiscal period ended on August 31, 2014 (March 1, 2014 to August 31, 2014) after taking into account for the operational status of the entire portfolio.

【Exhibits】

Exhibit 1	Appraisal Summary
Exhibit 2	Portfolio after Acquisition of the Property
Exhibit 3	Property Photo
Exhibit 4	Property Map
Exhibit 5	Right-related Summary Figure

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

Appraisal Summary

Property Name	Universal CityWalk Osaka
Appraisal Value	¥16,500,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	June 30, 2014

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	16,500,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	17,300,000,000	Calculated by capitalization rate based on a normalized net cash flow (NCF)
(1) Operating income (a)-(b)	1,603,576,889	
(a) Gross rental income	1,646,472,284	Assumed based on both current rents and market rents
(b) Losses due to vacancies, etc.	42,895,395	Assumed based on both current occupancy rates and market vacancy rates
(2) Operating expenses	689,465,105	
Maintenance	83,188,000	Assumed based on the past performance and general level
Management association fees	50,649,000	Assumed based on the past performance and general level
Utilities costs	286,136,420	Assumed based on the past performance and general level
Repair costs	14,271,751	Assumed based on the Tokyo Marine & Nichido Risk Consulting Co., Ltd.'s Engineering Report
Property management fees	73,561,837	Assumed based on general level, and hearing survey
Advertisement for leasing, etc.	6,816,379	Assumed based on the similar properties and general level
Merchandising expenses	48,950,000	Assumed based on the past performance and general level
Taxes	50,441,844	Assumed based on the actual amount imposed in 2014 tax year and general level
Insurance premium	1,545,691	Assumed based on the estimated amount and general level
Other expenses	73,904,183	Assumed based on the past performance and general level
(3) Net operating income from leasing business (NOI=(1)-(2))	914,111,784	
(4) Profit through management of temporary deposits, etc.	16,205,233	Assumed based on yield of ordinary deposits, etc.
(5) Capital Expenditure Reserve	21,911,959	Assumed based on the Tokyo Marine & Nichido Risk Consulting Co., Ltd.'s Engineering Report
(6) Net Cash Flow (NCF = (3)+(4)-(5))	908,405,058	
(7) Capitalization rate	4.9%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Price calculated by the Discounted Cash Flow Approach	16,200,000,000	
Discount rate	4.7%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.1%	Assumed based on comparison of capitalization rate
Cost Approach Price	4,160,000,000	
Ratio of land	42.3%	
Ratio of building	57.7%	

<p>Matters noted in reconciliation of indicated value and determination of appraisal value</p>	<p>The subject property is a retail facility adjacent to Universal Studios Japan, a theme park boasting the most prominent capacity to attract guests in Western Japan. As the property is situated on the traffic line connecting Universal City Station, its nearest station, and the main gate of Universal Studios Japan, it has location characteristics featuring high scarcity value as a retail facility targeting visitors to the Park. The number of guests visiting the Park has been on an increasing trend over recent years due to the holding of highly attractive events and introduction of popular attractions. On top of this, the effect of The Wizarding World of Harry Potter that opened in July this year, is anticipated to significantly increase the number of guests going forward, which also allows for expectations of increased sales at stores housed in the subject property.</p> <p>As stated above, the subject property is recognized to have high scarcity value and competitiveness as a retail facility, and is anticipated to operate at stable occupancy for years to come. Accordingly, the appraisal value has been determined with a focus on the capitalization approach price that appropriately reflects the economic value of investments.</p>
--	---

Portfolio after Acquisition of the Property

Use	Area (Note 1)	Property Name	Acquisition Price (million yen) (Note 2)	Percentage to Total (%) (Note 3)	Date of Acquisition
Logistics	Greater Tokyo	Landport Urayasu	17,400	6.9	June 14, 2013
		Landport Itabashi	15,710	6.2	June 14, 2013
		Landport Kawagoe	13,700	5.4	July 31, 2013
		Landport Atsugi	11,410	4.5	June 14, 2013
		Sagamihara Tana Logistics Center	10,600	4.2	July 19, 2013
		Sagamihara Onodai Logistics Center	8,700	3.4	June 14, 2013
		Landport Hachioji	8,250	3.3	June 14, 2013
		Landport Kasukabe	7,340	2.9	June 14, 2013
		Funabashi Logistics Center	4,660	1.8	June 14, 2013
		Atsugi-Minami Logistics Center B Tower	4,590	1.8	June 14, 2013
		Hanyu Logistics Center	3,810	1.5	June 14, 2013
		Kawaguchi Logistics Center B Tower	3,750	1.5	June 14, 2013
		Kawaguchi Logistics Center A Tower	2,830	1.1	June 14, 2013
		Atsugi-Minami Logistics Center A Tower	2,690	1.1	June 14, 2013
	Other areas	Ota Nitta Logistics Center	3,430	1.4	June 14, 2013
		Ota Higashi-Shinmachi Logistics Center	2,170	0.9	June 14, 2013
Ota Kiyohara Logistics Center		650	0.3	June 14, 2013	
Chiyodamachi Logistics Center		330	0.1	June 14, 2013	
Logistics Sub-total			122,020	48.1	-
Retail	Greater Tokyo	Morisia Tsudanuma	16,600	6.5	June 14, 2013
		Yokosuka More's City	13,640	5.4	June 14, 2013
		Recipe SHIMOKITA	10,407	4.1	December 13, 2013
		EQUINIA Shinjuku	4,260	1.7	June 14, 2013
		Kawasaki More's	4,000	1.6	June 14, 2013
		EQUINIA Ikebukuro	3,990	1.6	June 14, 2013
		covirna Machida	3,440	1.4	June 14, 2013
		Nitori Makuhari	3,080	1.2	June 13, 2013
		Konami Sports Club Fuchu	2,730	1.1	June 13, 2013
		FESTA SQUARE	2,600	1.0	June 13, 2013
		GEMS Shibuya	2,490	1.0	July 31, 2013
		Sundai Azamino	1,700	0.7	June 14, 2013
		EQUINIA Aobadai	1,560	0.6	June 14, 2013
		Megalos Kanagawa	1,000	0.4	June 13, 2013
	Kinki Area	Universal CityWalk Osaka	15,500	6.1	September 30, 2014
		Izumiya Senrioka	8,930	3.5	June 13, 2013
		Merad Owada	6,640	2.6	June 13, 2013
		Izumiya Yao	4,406	1.7	June 13, 2013
		Izumiya Obayashi	3,020	1.2	June 13, 2013
	Other areas	Ichibancho Stear	4,700	1.9	June 14, 2013
		EQUINIA Aobadori	1,640	0.6	June 14, 2013
Retail (land with leasehold interest)		Greater Tokyo	Mitsubishi Motors Meguro	2,740	1.1
	Mitsubishi Motors Chofu		1,760	0.7	June 13, 2013
	Mitsubishi Motors Shibuya		1,570	0.6	June 13, 2013
	Mitsubishi Motors Nerima		1,240	0.5	June 13, 2013
	Mitsubishi Motors Kawasaki		950	0.4	June 13, 2013
	Mitsubishi Motors Takaido		850	0.3	June 13, 2013
	Mitsubishi Motors Katsushika		800	0.3	June 13, 2013
	Mitsubishi Motors Higashi-Kurume		800	0.3	June 13, 2013
	Mitsubishi Motors Setagaya		770	0.3	June 13, 2013
	Mitsubishi Motors Suginami		740	0.3	June 13, 2013
	Mitsubishi Motors Sekimachi		600	0.2	June 13, 2013
	Mitsubishi Motors Higashi-Yamato		450	0.2	June 13, 2013
	Mitsubishi Motors Motosumiyoshi		370	0.1	June 13, 2013
	Mitsubishi Motors Kawagoe		350	0.1	June 13, 2013
	Mitsubishi Motors Edogawa		200	0.1	June 13, 2013
	Mitsubishi Motors Sayama		160	0.1	June 13, 2013
	Kinki Area	Mitsubishi Motors Ibaraki Maintenance Center	820	0.3	June 13, 2013
	Retail Sub-total			116,003	51.9
Total			238,023	100.0	-

Investment Securities	Greater Tokyo	Ryoke Capital Godo Kaisha Silent Partnership Equity Interest	500	-	March 25, 2014
-----------------------	---------------	--	-----	---	----------------

- (Note 1) “Greater Tokyo” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Kinki Area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture. “Chukyo Area” refers to Aichi Prefecture, Gifu Prefecture and Mie 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 Greater Tokyo, Kinki Area and Chukyo Area.
- (Note 2) The Acquisition Price is the amount (the amount of transaction payment of real estate, etc. described in the sales agreement with condition precedent and the investment amount described in the Silent Partnership Agreement) excluding costs required to acquire the properties, etc. and the Silent Partnership Equity Interest (transaction brokerage fee, taxes and public dues, etc.).
- (Note 3) “Percentage to Total” indicates the ratio of the acquisition price of respective properties to the total acquisition price of the entire portfolio (56 properties in total). The calculation of investment ratio excludes the Silent Partnership Equity Interest. Furthermore, as the figures were rounded to the first decimal place, the total may not necessarily be 100%.

Photo of Universal CityWalk Osaka



Map of Universal CityWalk Osaka



Right-related Summary Figure of Universal CityWalk Osaka

Building	Name	Commercial Tower, Cooling Facility	Business Tower	Hotel Kintetsu Universal City	Hotel Keihan Universal City
	Exclusive Elements (ratio of voting rights)	NMF (25.22%)	Compartmentalized Owner A (21.45%)	Compartmentalized Owner B (31.18%)	Compartmentalized Owner C (22.15%)
	Co-ownership Elements (ratio of co- ownership interest)	Co-ownership			
		NMF (25.22%)	Compartmentalized Owner A (21.45%)	Compartmentalized Owner B (31.18%)	Compartmentalized Owner C (22.15%)
Land	Land① 8,785.43㎡	Co-ownership			
		NMF (54.11%)	Compartmentalized Owner B (26.83%)	Compartmentalized Owner C (19.06%)	
	Land② 8,788.67㎡	Osaka City (Quasi co-ownership of Leasehold)			
		NMF (54.11%)	Compartmentalized Owner B (26.83%)	Compartmentalized Owner C (19.06%)	