



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 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**

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) is to implement a consolidation-type merger (the “Merger”), whereby each of the Fund, Nomura Real Estate Office Fund, Inc. (“NOF”) and Nomura Real Estate Residential Fund, Inc. (“NRF”) is set as a corporation consolidated through the consolidation-type merger and October 1, 2015 is set as the date of incorporation of investment corporation incorporated through the consolidation-type merger (the “New Investment Corporation”) as stated in “Notice Concerning Execution of Merger Agreement by and among Nomura Real Estate Master Fund, Inc., Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.” announced on May 27, 2015. The Fund announces that it has determined to revise its forecasts of financial results and cash distribution for the fiscal period ending August 31, 2015 (March 1, 2015 to August 31, 2015), which were announced in “Summary of Financial Results for the 4th Fiscal Period Ended February 28, 2015” as of April 14, 2015, as summarized below.

In “Summary of Financial Results for the 4th Fiscal Period Ended February 28, 2015” as mentioned above, forecasts of financial results and cash distribution for the period ending February 29, 2016 (September 1, 2015 to February 29, 2016) were also stated. As the Fund is to be dissolved through the Merger with its final fiscal period ending September 30, 2015 (September 1, 2015 to September 30, 2015) and cash distribution on merger will be made instead of cash distributions for the period, the Fund also announces forecasts of financial results for the final fiscal period and cash distribution on merger.

1. Revised Forecasts of Financial Results and Cash Distribution for the Fiscal Period Ending August 31, 2015

	Operating Revenues (Millions of Yen)	Operating Profits (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Cash Distributions per Unit (Excluding in Excess of Net Income per Unit) (Yen)	Distributions in Excess of Net Income per Unit (Yen)
Previous Forecast (A)	10,308	4,787	4,130	4,129	2,480	—
Revised Forecast (B)	10,369	4,189	3,548	3,547	2,130	—
Amount of Increase/Decrease (B-A)	60	△597	△582	△582	△350	—
Ratio of Increase/Decrease	0.6%	△12.5%	△14.1%	△14.1%	△14.1%	—

[Related Information]

Expected total number of investment units outstanding as of August 31, 2015: 1,665,260 units

Expected net income per unit for the fiscal period ending August 31, 2015: 2,130 yen

[Notes]

1. The forecasts presented above are calculated as of today based on the assumptions as set forth in the Exhibit. The actual operating revenues, operating profits, ordinary income, net income and cash distributions per unit may vary due to the acquisition and sale of properties, if any, changes in the real estate market, progress of the procedures for the Merger and other factors affecting the Fund. Nomura Master Fund does not guarantee the amount of the cash distributions identified above.
2. Concerning the distribution for the fiscal period ending on August 31, 2015 (the period from March 1, 2015 to August 31, 2015), the distribution is scheduled to be made to the investors and the registered pledgees of investment units listed or recorded on the final unitholders register of the Fund as of August 31, 2015, after the approval on the statements for cash distribution for the fiscal period ending August 31, 2015 that is scheduled to be obtained at the Fund by the date of incorporation of the New Investment Corporation. The payment of such distribution will be made after the incorporation of the New Investment Corporation through the Merger.
3. Nomura Master Fund may revise the forecasts if the Fund expects a large variance from the above forecasts.
4. Amounts less than units are rounded off.

2. Forecasts of Financial Results and Cash Distribution on Merger for the Fiscal Period Ending September 30, 2015 (Final Fiscal Period)

Operating Revenues (Millions of Yen)	Operating Profits (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Cash Distribution on Merger per Unit (Yen)
2,000	951	833	832	500

[Related Information]

Expected total number of investment units outstanding as of September 30, 2015: 1,665,260 units

Expected net income per unit for the final fiscal period: 500 yen

[Notes]

1. The forecasts of financial results are for the one month period from September 1, 2015 to September 30, 2015.
2. The forecasts presented above are calculated as of today based on the assumptions as set forth in the Exhibit. The actual operating revenues, operating profits, ordinary income, net income and cash distribution on merger per unit may vary due to the acquisition and sale of properties, if any, changes in the real estate market, progress of the procedures for the Merger and other factors affecting the Fund. Nomura Master Fund does not guarantee the amount of the cash distribution on merger identified above. Please refer to Note 3 for more detailed information regarding cash distribution on merger.
3. Instead of cash distributions for the Fund's final fiscal period, the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of the Fund as of the day immediately prior to the date of incorporation of the New Investment Corporation (excluding each corporation consolidated through the consolidation-type merger and the dissenting unitholders of the Fund who demand for repurchase of investment units pursuant to Article 149-13 of the Act on Investment Trusts and Investment Corporations (Act No. 198 of 1951, as amended)) (the "Allotted Investors"), in an amount equivalent to the cash distributions for the final fiscal period based on the Fund's distributable profit (the payment on merger will be (i) the amount of distributable profit of the Fund as of the day immediately prior to the date of incorporation of the New Investment Corporation divided by (ii) the number of investment units that is obtained by deducting (a) the number of investment units held by the unitholders other than the Allotted Investors from (b) the number of investment units issued and outstanding of the Fund, as of the day immediately prior to the date of incorporation of the New Investment Corporation (amounts less than one yen are rounded down)). Therefore, the amount of the cash distribution on merger will vary in accordance with the status of exercise of the right to demand for repurchase of investment units. The amount set forth in the table above is based on the assumption that any of the right is not exercised, since the status of exercise of the right is yet to be determined at this stage.
4. Nomura Master Fund may revise the forecasts if the Fund expects a large variance from the above forecasts.
5. Amounts less than units are rounded off.

3. Reason for Announcement

(i) The resolutions of approval of the consolidation-type merger agreement and (ii) the resolutions of approval of the termination of the asset management agreement (for NOF and NRF only), by the general meeting of unitholders of the Fund and NOF held on July 30, 2015, and NRF held on July 31, 2015 have been obtained as stated in “Notice Concerning Approval of the Consolidation-Type Merger Agreement at the General Meetings of Unitholders” announced on July 31, 2015. Following that, Nomura Master Fund reflects on the cost of the Merger estimated at this stage and revises financial results, as well as announces its forecasts of financial results for the final fiscal period and cash distribution on merger at this stage.

Please refer to the press release “Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016 following the Merger between Nomura Real Estate Master Fund, Inc., Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.” announced on May 27, 2015 for the forecasts of the financial results and cash distribution per unit of the New Investment Corporation.

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

[Exhibit]

Assumptions Underlying Earnings Forecasts for the Fiscal Period Ending August 31, 2015 (5th period) and September 30, 2015 (final fiscal period)

Item	Assumption
Calculation period	<ul style="list-style-type: none"> • 5th fiscal period: from March 1, 2015 to August 31, 2015 • 6th fiscal period (final fiscal period): from September 1, 2015 to September 30, 2015
Assets under management	<ul style="list-style-type: none"> • 5th fiscal period (ending August 31, 2015): The Fund assumes that the investment portfolio consisting of 56 properties owned by the Fund as at the end of the 4th fiscal period (ending February 28, 2015) (the “Acquired Properties as of the end of the 4th fiscal period”), Ryoke Capital Godo Kaisha Silent Partnership Equity Interest (together with the Acquired Properties as of the end of the 4th fiscal period, “Acquired Assets as of the 4th fiscal period”), Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest acquired on March 30, 2015, and Kawaguchi Ryoke Logiscites Center acquired on July 1, 2015 (together with the Godo Kaisha Osaka Hirakata Project Silent Partnership Equity Interest, “Acquired Assets during the 5th fiscal period”) (In line with the acquisition of the asset, Ryoke Capital Godo Kaisha is planned to be dissolved. The Fund is to receive settlement money in accordance with the silent partnership equity interest.) will remain unchanged (with no assets acquired or disposed of) thereafter until the end of the 5th fiscal period (August 31, 2015). • 6th fiscal period (final fiscal period) (ending September 30, 2015): The Fund assumes that the investment portfolio consisting of Acquired Properties as of the end of the 4th fiscal period, Acquired Assets during the 5th fiscal period, other than transfer of Mitsubishi Motors Ibaraki Maintenance Center to be transferred on September 1, 2015 (“Assets to be Transferred during the 6th fiscal period (final fiscal period)”), will remain unchanged (with no assets acquired or disposed of) thereafter until the end of the 6th fiscal period (final fiscal period) (September 30, 2015). • In practice, the investment portfolio is subject to potential change.
Operating revenue	<ul style="list-style-type: none"> • For the 5th fiscal period, the forecast of operating revenues is based upon the operating revenues from Acquired Assets as of the end of the 4th fiscal period and Acquired Assets during the 5th fiscal period. For the 6th fiscal period (final fiscal period), the forecast of operating revenues is based upon the operating revenues from the assets stated above from deducting operating revenues of Assets to be Transferred during the 6th fiscal period (final fiscal period). • The forecast of the level of the rent and vacancy rates are based on the trend of tenants, competing buildings in the neighborhood, and the recent real estate market trend, etc. • Assumed that there is no rent in arrears and nonpayment of the rent. • Assumed 243 million yen of profit from transfer of the Assets to be Transferred during the 6th fiscal period (final fiscal period).

Item	Assumption
Operating expenses	<ul style="list-style-type: none"> • In general, the fixed asset taxes and city 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 rather than expenses. • Taxes and dues, relating to the Acquired Properties at the end of the 4th fiscal period are calculated as rental business expenses, estimated amount of ¥747 million for the 5th fiscal period (ending August 31, 2015), and ¥72 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015). • Outsourcing expenses are estimated at ¥690 million for the 5th fiscal period (ending August 31, 2015) and ¥137 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015). • As for the repair and maintenance, the Asset Management Company (Nomura Real Estate Asset Management Co., Ltd.) estimates the required amounts for the respective properties for each of the fiscal periods based on the medium- and long-term repair plans. 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. • Rental profits are estimated at ¥5,861 million for the 5th fiscal period (ending August 31, 2015) and ¥900 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015). • Depreciation costs are estimated at ¥1,741 million for the 5th fiscal period (ending August 31, 2015) and ¥291 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015). • The operating expenses other than the rental business expenses (including asset management fees, asset custody fees, general administration fees and professional fees) are estimated at ¥1,697 million for the 5th fiscal period (ending August 31, 2015) and ¥192 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015). Fees for services under the asset management agreement, the asset custody agreement, the general administration agreement, etc. during the fiscal period ending September 30, 2015 (6th fiscal period) (final fiscal period) to be paid after the incorporation of the New Investment Corporation are allocated as the Fund's operating expenses other than the rental business expenses for the fiscal period ending September 30, 2015 (6th fiscal period) (final fiscal period).
Non-operating expenses	<ul style="list-style-type: none"> • Interest payable and other borrowing related expenses are estimated at ¥642 million for the 5th fiscal period (ending August 31, 2015) and ¥116 million for the 6th fiscal period (final fiscal period) (ending September 30, 2015).
Interest-bearing liabilities	<ul style="list-style-type: none"> • The amount of the Fund's interest-bearing debts outstanding as of today is ¥107,328 million of loan and ¥3,000 million of investment corporation bonds. • Concerning the borrowings of ¥4,021 million, which will be due by the end of the 6th fiscal period (final fiscal period) (ending September 30, 2015), the Fund assumes that the entire amount will be refinanced excluding the scheduled repayment of ¥21 million using cash on hand. • The Fund assumes that there will be no changes in the interest-bearing debts outstanding other than the changes in amount stated above.
Investment units	<ul style="list-style-type: none"> • The Fund assumes that there will be no changes in the number of investment units issued and outstanding as of today of 1,665,260 units and there will be no additional issues of new investments units by the end of the 6th fiscal period (final fiscal period) (ending September 30, 2015).
Distribution per unit (5th fiscal period (ending August 31, 2015))	<ul style="list-style-type: none"> • Distribution per unit is calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. • 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 per unit in excess of earnings per	<ul style="list-style-type: none"> • The Fund does not currently plan for any distributions in excess of earnings per unit.

Item	Assumption
unit (5th fiscal period (ending August 31, 2015))	
Cash Distribution on Merger per Unit (6th fiscal period (final fiscal period) (ending September 30, 2015))	<ul style="list-style-type: none"> • Cash distribution on merger per unit is to be made instead of cash distributions for the fiscal period ending September 30, 2015 (6th fiscal period) (final fiscal period) and is calculated according to the Fund's distribution policy outlined in its Articles of Incorporation. • Cash distribution on merger per unit may vary due to various factors, including (i) changes in the investment portfolio, changes in rent income caused by the tenant replacements or unforeseen repairs, or (ii) the status of exercise of the right to demand for repurchase of investment units.
Other	<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 will affect the above forecasts. • The Fund assumes that there will be no material changes in general economic conditions and real estate markets.