

5th Fiscal Period Semi-Annual Report

March 1, 2015 to August 31, 2015

NOMURA REAL ESTATE MASTER FUND, INC.
8-5-1, Nishi-Shinjuku, Shinjuku Ward, Tokyo

Executing Our Strategy

“We at Nomura Real Estate Asset Management Co., Ltd. (NREAM) have remained committed to executing the strategy of Nomura Real Estate Master Fund, Inc. (NMF) during its five fiscal periods. This Semi-Annual Report reports on the Fifth Fiscal Period.

It is the last report for NMF as a REIT specializing in retail and logistics real estate. However, NMF is the successor entity of the October 1, 2015 merger between Nomura Real Estate Office Fund, Inc. (NOF), Nomura Real Estate Residential Fund, Inc. (NRF) and NMF. This Report will discuss primarily the Fifth Fiscal Period of NMF but it also covers and explains the strategy of the merger. We ask our investors to understand that we remain dedicated to creating a robust diversified REIT that is proven through execution and reinforced by the Nomura Value Chain.”



Masato Yamauchi

Director and Managing Executive Officer
Head of Finance Division
Nomura Real Estate Asset Management Co., Ltd.

Motomi Uki

Director and Managing Executive Officer
Head of NMF Investment Management Division
Nomura Real Estate Asset Management Co., Ltd.

Noriaki Ido

Executive Officer
Head of Acquisitions Division
Nomura Real Estate Asset Management Co., Ltd.

Note: Motomi Uki assumed office as Head of NMF Investment Management Group, General Manager, Fund Management Department, NMF Investment Management Group on October 1, 2015.

Disclaimer

This document has been prepared for the purpose of provision of information only, and should not be construed as an offer, solicitation or commercial conduct of any nature associated with any specific products. Investors wishing to purchase the investment units of Nomura Real Estate Master Fund, Inc. (NMF) should contact their own securities brokers or dealers. A fee may be charged by your financial instruments business operator in relation to the sale or purchase of investment units.

For management fees that NMF pays to Nomura Real Estate Asset Management Co., Ltd., please refer to the terms and conditions of NMF, asset management reports, etc.

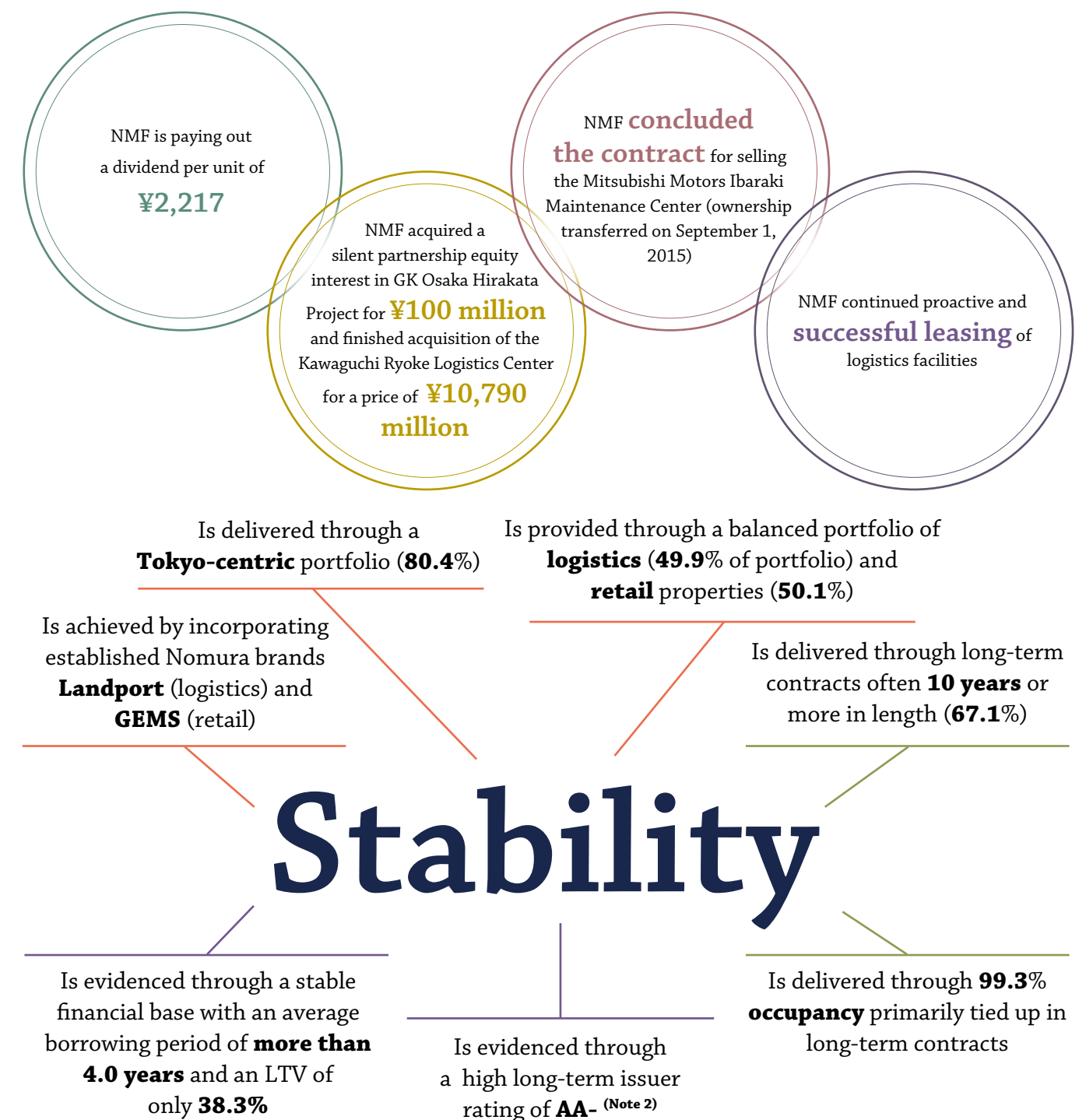
The forward-looking statements with respect to the future financial results contained in this document are based on the current facts about the investment policy of NMF, applicable laws and regulations, the market environment, business practice, etc., as of the preparation date of this document and do not reflect or consider any changes in the circumstances after the preparation date. These forward-looking statements inherently reflect uncertainty about known risks as well as unknown risks and other factors and may deviate from the actual operating and management results, financial conditions, etc., of NMF.

Investment in real estate investment securities may result in a loss due to a decline in the transaction price caused by, for example, changes in the price or the revenue-generating capability of the underlying properties or deterioration of the financial conditions of the issuer.

Although the information contained in this document is intended to be complete and thorough, there is no assurance of its accuracy and reliability. Please note that the contents of this document are subject to change or deletion without prior notice.

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Highlights of the Fifth Fiscal Period



Note 1: The above figures are based on data as of August 31, 2015.

Note 2: Although the designation to credit monitor (outlook: positive) was announced in a press release dated May 27, 2015, it was announced that “AA (stable)” has been assigned for the long-term issuer rating of the new NMF after the merger as of October 1, 2015.

Contents

Top Message: Success through Execution	
Our Long-Term Message	2
Going Forward: Delivering Results While Adapting to the Times	3
Overview of Merger	4-5
Sponsor Support: Essential Element of Success for New NMF	6
Evidence of Concrete Sponsor Support	7
Portfolio Management: Internal Growth	8-9
Finance Strategy	10-11
Portfolio Management: External Growth	12-13
Portfolio Gallery	14-17
Structure and Organization	18
Financial Section	19-33
Independent Auditor’s Report	34
Investor Information	35

Success through Execution Our Long-Term Message



Yanagita was born on October 20, 1957 and joined Nomura Real Estate Development Co., Ltd. in April 1981. Between April 2001 and March 2011, he served as general manager consecutively for the Planning Section of the Residential Company, General Affairs Department and concurrently for the General Affairs Department and General Affairs Trial Department. He became Executive Officer of Nomura Living Support Co., Ltd. in April 2011 and also served as Director from April 2012. He currently serves as an Audit & Supervisory Board Member of Nomura Real Estate Partners Co., Ltd. and assumed the post of Executive Director of Nomura Real Estate Master Fund, Inc. as of December 1, 2014.

On behalf of NMF and as its Executive Director, I would like to extend our gratitude to you, our unitholders, for your steady and robust support.

I would like to use this space to report on the results of the Fifth Fiscal Period. I am pleased to report operating profits of 4,328 million yen, net income of 3,692 million yen and dividend per unit of 2,217 yen.

NMF delivered these results through proactive portfolio management in a competitive market. Sales-linked rents at Universal CityWalk Osaka™ exceeded forecasts made in the Summary of Financial Results for the Fourth Fiscal Period announced on April 14 by 46 million yen and the early leasing up of Landport Hachioji had a positive impact of 22 million yen. Net income was positively impacted by a reduction of interest expenses and loan arrangement fees that totaled 19 million yen. Forecasts were not met due to an additional booking of merger related expenses of 602 million yen (total merger-related expenses were 659 million yen).

NMF also acquired the Kawaguchi Ryoke Logistics Center and a silent partnership equity interest in Godo Kaisha Osaka Hirakata Project along with selling the Mitsubishi Motors Ibaraki Maintenance Center at a healthy profit. The Fifth Fiscal Period also saw unrealized gain rise to 31.6 billion yen. These numbers prove that proactive portfolio management and utilization of the Nomura Value Chain deliver strong results.

With the merger of the three J-REITs managed by NREAM on October 1, 2015, not much will change, that is, NMF, as the successor REIT, will continue to execute its strategy of building a robust portfolio but now over a broad diversified portfolio. Moreover, NMF will continue to prove that the Nomura Value Chain is valuable for our investors and key to our demonstration that proactive management with the Nomura Real Estate Group sets us apart from the competition.

Thank you again for your support.

Nomura Value Chain

First Look Support of the Robust Pipeline

Nomura Real Estate Development, one of the leading developers in Japan and NMF's sponsor, develops a wide variety of real estate from residential and office to logistics, retail and others. NREAM, the asset manager of NMF, enjoys the robust support of its sponsor through an information provision agreement that, in essence, provides the asset manager with first looks when Nomura Real Estate Development is selling any property that generally meets the asset manager's property selection criteria. Property acquisitions that form the nucleus of this pipeline will be the core assets of NMF's future growth, enabling it to execute its strategy and deliver steady asset growth and stable income over the medium to long term.



Diversified Management Support from the Nomura Real Estate Group

As a member of the Nomura Real Estate Group, a diversified real estate group, NMF possesses the inherent advantage of being able to utilize the Group's extensive capabilities in leasing, administration and property management. By applying this expertise, NMF ensures it will be able to continuously improve tenant satisfaction by maintaining and increasing the value of the assets it manages, and in turn deliver this stability and quality to its investors.

Nomura Real Estate Development has assumed responsibility for executing the planning, development and leasing of logistics and retail facilities in NMF's portfolio.



Delivering Results

While Adapting to the Times



Joined Nomura Real Estate Development Co., Ltd. in 1991. Involved in the asset management business from 2006. After working in real estate investment, project planning, fund management, client relations and marketing, he was appointed Director and Managing Executive Officer at NREAM. Presently serves as Director, Executive Officer and Head of the NMF Investment Management Division at NREAM.

Q1 Are you satisfied with the results of the Fifth Fiscal Period?

Yes and no. Yes, we continued to demonstrate the positive impact of proactive portfolio management in leasing performance, external growth and prudent financial management. However, external growth was at a slower than preferred pace and even though LTV was carefully managed it trickled upwards.

Q2 What lies behind the shift in the policy of NMF after the merger of the three REITs to one diversified REIT?

There are probably three developments that particularly weighed on our decision. First, the competition to acquire properties has become very intense. Yes, we have grown, but it has been a challenge. Prices often times defy rationality in our mind and prevent us from obtaining key properties. Second, there is a clear polarization between large REITs and small and medium-sized REITs with the top ten J-REITs owning more than 40% of all assets. Third, tax reform in 2015 enables the inclusion in expenses of the distribution in excess of net income equivalent to the amortization costs of goodwill.

Q3 What operational strategies does the merger have?

The strategic shift from a specialized REIT to a diversified REIT enables NMF to secure steady earnings. This conversion to a diversified REIT gains the following features for the New NMF that allow it to pursue sustainable growth.

We will be able to pursue both stable income and growth through diversification of asset types. New NMF will achieve the middle risk, middle return characteristic of J-REITs by combining assets that can deliver stable income and assets that possess inherent opportunities for an upside.

New NMF will realize continuous and stable growth through selective investment in prime properties from a wide range of asset types. Diversified portfolios enable a REIT to capture optimal growth opportunities of assets that differ by time.

Diversification of asset types also expands acquisition opportunities in response to diversification of asset types which REITs invest in, such as complex facilities, hotels, factories and health care facilities.

Additionally, a larger portfolio – in fact, the largest diversified REIT – enables us to diversify our properties and tenants and promote replacing old properties with new more efficient properties. Finally, the strength of our sponsor support enables us to make focused investments into highly competitive brand platforms developed by the Nomura Real Estate Group.

Q4 In closing, what are your new goals?

With the merger, our medium-term goal for assets under management has grown to 1 trillion yen or more. By March 2016, the portfolio will increase by 23.1 billion yen as we plan to acquire four properties in the First Fiscal Period and three properties in the Second Fiscal Period. We will continue to march toward our goal by acquiring properties developed by Nomura Real Estate Development such as PMO, PROUD FLAT, GEMS and Landport. We will also invest in other sectors and acquire properties from companies outside of the Nomura Real Estate Group.

We would also like to begin delivering a dividend per unit of at least 2,700 yen from the Second Fiscal Period. It is our intent to deliver operating income of 6,273 million yen, net income of 3,635 million yen and a dividend per unit of 2,100 yen in the First Fiscal Period, a shortened five month period. In the Second Fiscal Period, we see operating income increasing to 10,801 million yen, net profit to 8,177 million and the dividend per unit to 2,710 yen.

Thank you for your support to date and we humbly ask for your continued support going forward.

Overview of Merger

Simple Overview of REIT Merger:

Why Merge the Three Nomura REITs?

The reasons for the merger from our position can be summarized into three reasons.

1

Proactive growth path for the medium to long term
 The merger enabled proactive growth to 784,988 million yen while keeping to Nomura standards

2

Present issues we face
Risk tolerance: Risk of large tenants moving out and need for a larger portfolio to improve risk tolerance
External growth: Limited opportunity to acquire blue chip properties due to an overheated real estate acquisition market
Internal growth: Limited properties where rent growth can be expected means limited dividend upside from internal growth

3

External environment surrounding J-REITs

- Intensified acquisition competition in real estate market
- Polarization of J-REIT market into large and small-to-medium REITs
- Diversification of asset types in which J-REITs can invest
- Tax reform in 2015 enables inclusion in expenses of the distribution in excess of net income equivalent to the amortization costs of goodwill








Significance of the Merger:

A Strategic Shift to Building a Large Diversified REIT



The Merger in Numbers

The successor to the merger of the three Nomura REITs on October 1, 2015 is the New NMF (Securities Code: 3462; New used to differentiate from former NMF). The new diversified REIT has 257 properties, which is the most assets under management of any J-REIT^(Note 1), and a total value of 784,988 million yen^(Note 2).

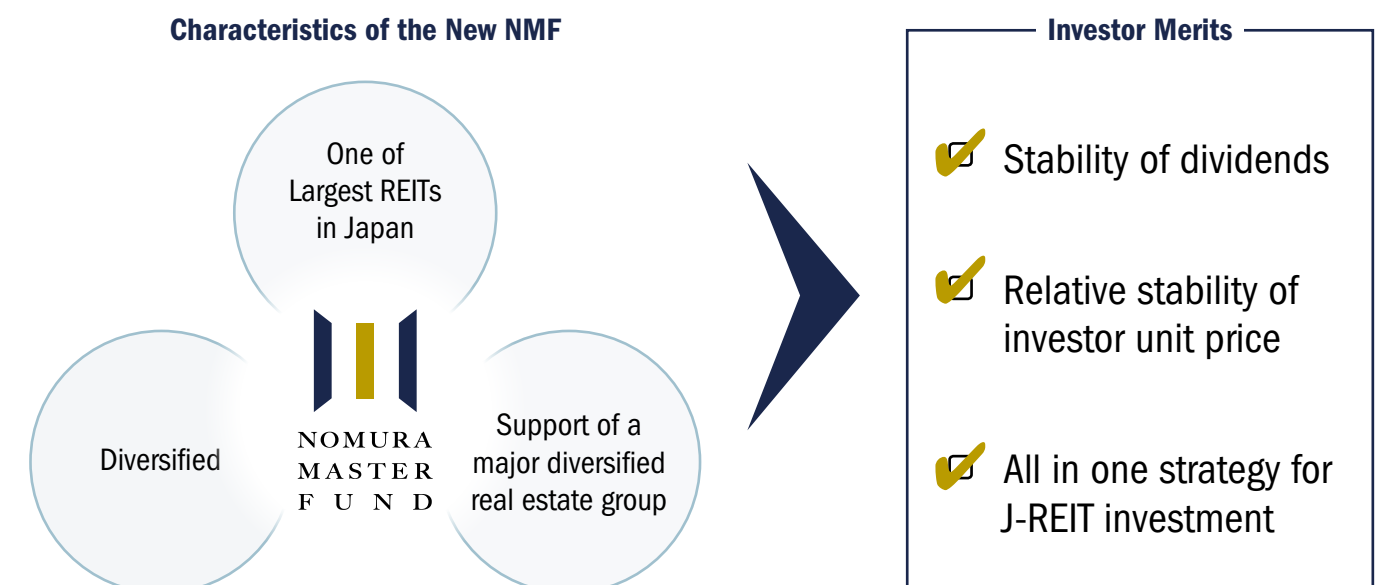
Office REIT	NOF	Logistics and Retail REIT	Former NMF
 NOMURA Office Fund	 PMO Nihonbashi Kayabacho	 NOMURA MASTER FUND	 Landport Kawagoe
Office properties: 55		Logistic properties: 19	
Total acquisition price: (million yen) ^(Note 2) 356,868		Total acquisition price: (million yen) ^(Note 2) 132,810	
Residential REIT	NRF		
 NOMURA Residential Fund	 PROUD FLAT Kamioooka	 Universal CityWalk Osaka™	
Residential properties: 146		Retail properties: 37	
Total acquisition price: (million yen) ^(Note 2) 162,547		Total acquisition price: (million yen) ^(Note 2) 132,763	

Note 1: Rank as of October 31, 2015 with scheduled acquisitions not included.

Note 2: Acquisition price uses acquisition price for NMF and the appraisal values for the most recent fiscal period for NOF and NRF. No future acquisitions are included.

Creation of a “Master” REIT

These combined merits give the investor an opportunity to invest in stability, a “property advantage”



Value chain of the Nomura Real Estate Group

The New NMF will establish the Leasing Business Value Chain and strive to improve the brand recognition and improve the asset value of properties developed by the Nomura Real Estate Group.



Core Brands bearing Leasing Value Chain

NMF will focus investment on four brands developed by the Group and create a very competitive portfolio.

pmo
PREMIUM MIDSIZE OFFICE

Office buildings

PMO (Premium Midsize Office) are a new category of office buildings that accommodate businesses styles that are diversifying with time, as well as featuring the same functions and design standards as large-scale buildings despite being medium-scaled.

PMO Nihonbashi Honcho

PROUD FLAT

Residential facilities

PROUD FLAT are rental apartments that stand on location selected utilizing the information network/ know-how of the development and sales business of Nomura Real Estate Group to suit urban rental apartments, and are controlled excellently and operated/managed appropriately through Nomura Real Estate's unique "design standard for housing complexes (rental apartments)," "outline for quality control inspection," etc.

PROUD FLAT Shirokane Takanawa

Landport

Logistics facilities

Landport are logistic facilities with advanced high functions realized through designs for optimization and efficiency, responding to recent changes in the logistics environment and various tenant needs.

Landport Kawagoe
Landport Urayasu

GEMS

Retail facilities

GEMS are commercial facilities developed centering on urban areas. They are mainly comprised of various restaurants with original tastes that brighten and enrich the lives of office workers and residents in the area as well as presenting them with ideas for new lifestyles.

GEMS Shibuya

Evidence of Concrete Sponsor Support

The New NMF has successfully contracted to acquire 7 properties developed recently by Nomura Real Estate Development, showing the proof is in the pudding. All of the properties are competitive and on premium sites less than five minutes from stations in Tokyo. The acquisitions on a combined basis total 23,110 million yen will raise dividends by about 50 yen.

Property Overview

Name	NRE Kichijoji Building	GEMS Ichigaya	PROUD FLAT Hatchobori	PROUD FLAT Itabashi Honcho
Use	Retail		Residential	
Photo				
Age (Note 1) (completion date)	1.3 years (July 2014)	1.1 years (October 2014)	1.5 years (May 2014)	1.3 years (July 2014)
Appraised NOI	4.4%	4.2%	4.6%	4.9%
Acquisition Date	October 30, 2015	October 30, 2015	October 30, 2015	October 30, 2015
Acquisition Price	5.31 billion yen (quasi co-ownership 51%)(Note 3)	2.08 billion yen	920 million yen	720 million yen

Name	PMO Tamachi	PMO Ginza Hatchome	PMO Shibakoen
Use	Office		
Photo			
Age (Note 1) (completion date)	1.7 years (February 2014)	1.6 years (April 2014)	1.3 years (July 2014)
Appraised NOI (Note 2)	4.1%	4.0%	4.2%
Acquisition Date (scheduled)	March 1, 2016	March 1, 2016	March 1, 2016
Acquisition Price	6.21 billion yen	3.97 billion yen	3.90 billion yen

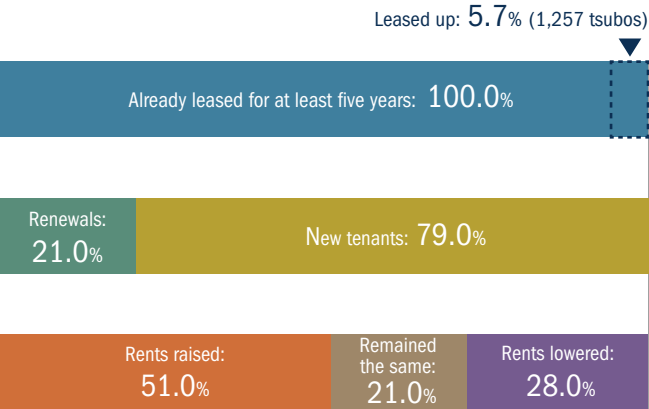
Expect to push up the DPU by approx. 50 yen (Note 4)

Note 1: Age are calculated by setting October 30, 2015, when the first acquisition among the properties mentioned above will be made, as the basis date.
Note 2: Appraisal NOI are based on the annual NOI described in the real estate appraisal report with May 1, 2015 as the appraisal date.
Note 3: Nomura Real Estate Development Co., Ltd. will quasi co-own the trust beneficiary interest for the remaining 49.0%.
Note 4: This is only the estimated amount and there is no guarantee to achieve such effects.

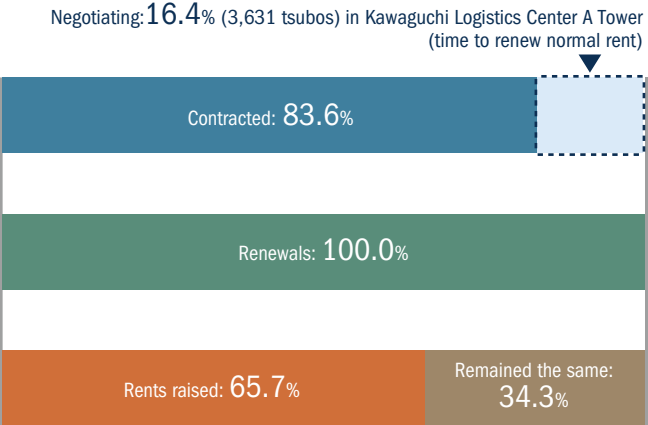
Successful internal growth of a REIT is dependent on its leasing team attracting new tenants and securing renewals with existing tenants. An open unrented space is lost income. Therefore, NREAM is quick to initiate leasing activities and this has borne fruit as shown in the figures below. The leasing team successfully leased up the 5.7% of space that had been opening up in the Fifth Fiscal Period. Furthermore, leasing up has been completed for 83% of spaces that are scheduled for contract renewal in the next year.

Logistics Report

Leasing of Areas Maturing in the Fifth Fiscal Period



Leasing of Areas Maturing between September 2015 and August 2016



Specific Cases for Logistics Properties



Funabashi Logistics Center

Finished leasing with continuance of existing tenant.



Hanyu Logistics Center

Existing tenant only renewed for a short-term contract but rents were raised.



Chiyodamachi Logistics Center

Successful renewal of normal rent with same terms and length.



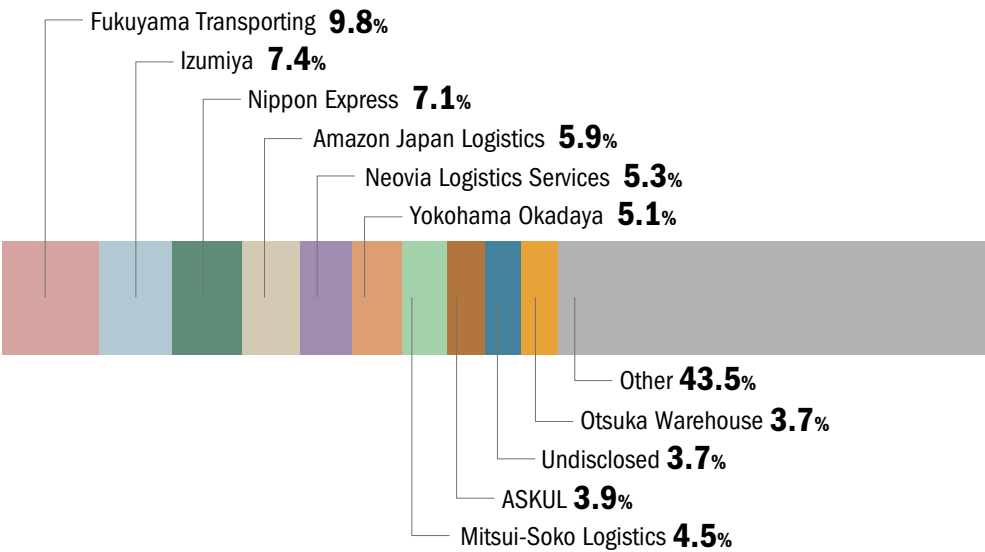
Landport Hachioji

Finished leasing due to lease spaces that satisfied needs of the surrounding area.

Tenant Diversification

Our diverse tenant base and lease terms insulate us from individual market upheavals and strengthen our portfolio.

Total leased floor space
947,538.68m²
Total number of tenants
296



Retail Report

Internally and externally there were significant developments at Universal CityWalk Osaka™.

First, externally a new hotel opened on August 1, 2015 – The Park Front Hotel at Universal Studios Japan® - and the new hotel connected to Universal CityWalk Osaka™ by pedestrian deck. This has created even greater energy in the area by further integrating the area together.

Leasing progress was also gained internally when five new restaurants opened during July and August in correlation with the opening of the new hotel. This has contributed to raising the occupancy of Universal CityWalk Osaka™ to over 90% and raised profitability of the facility.



Before



After



RED LOBSTER opened on July 18



551 HORAI opened on July 17



PIZZA NAPOLETANO opened on July 27



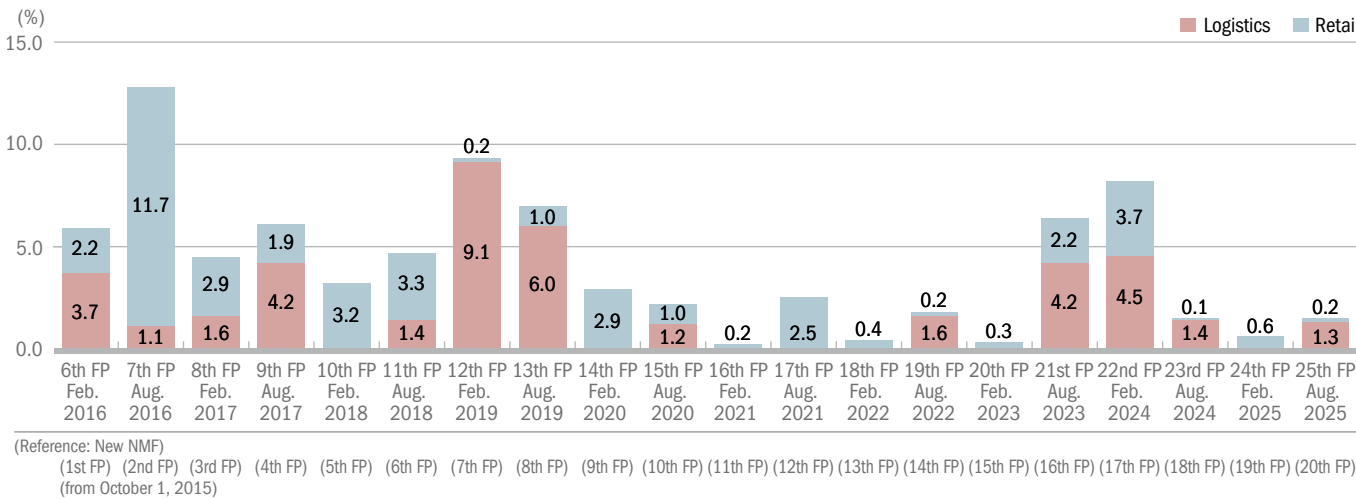
nolboo opened on July 17



Gottie's BEEF opened on August 13

™ & © Universal Studios. All rights reserved. © Universal Studios. CR15-3770

Diversification of Lease Maturities (based on rent)



Note: The above figures are based on data as of August 31, 2015.

Prudence Delivering Stability

NMF followed a prudent LTV strategy during the Fifth Fiscal Period that served as the foundation of stability.

The average remaining years to maturity of loans remained long at 4.0 years. LTV was also kept in the thirties at 38.3%, with the average interest rate lowered to an outstanding 0.95%.

NMF remains committed to a prudent financial strategy following the merger of the three REITs as it has proven that prudence can deliver growth.

Key Debt Markers

These key markers prove a prudent, well-executed strategy.

Total amount of interest-bearing debt

*Has increased in line with growth in portfolio

110.3 billion yen

0.95%

Average interest rate

*Now below 1%

92.6%

Long-term debt ratio

*Continues to hold strong above 90%

Ratio of fixed interest rate

*Remains strong

87.2%

Average remaining years to maturity

*A long period that enables careful strategy construction

4.0 years

38.3%

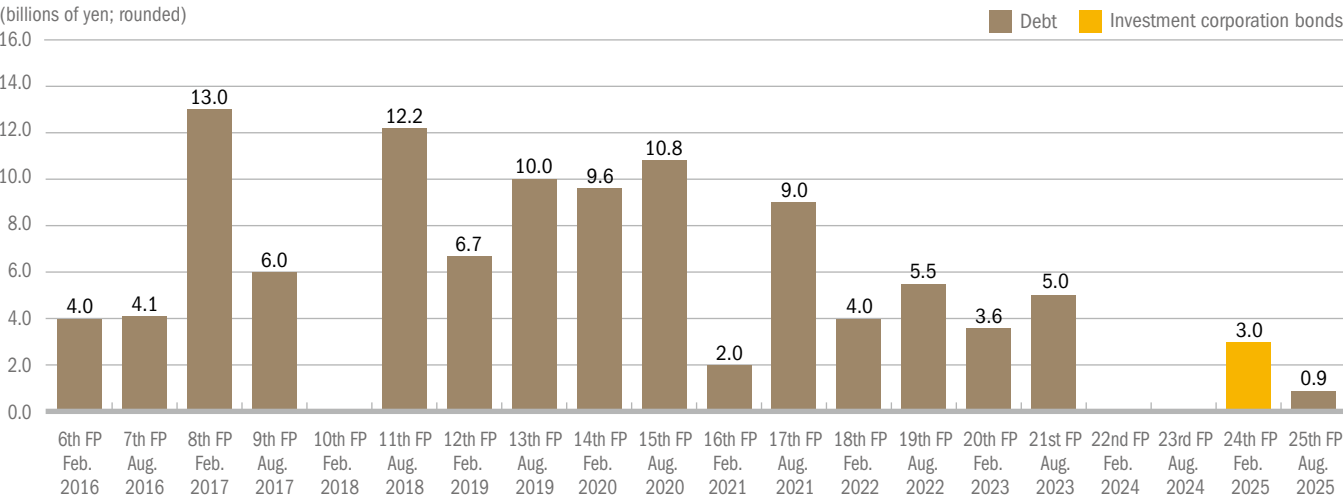
LTV (ratio of interest-bearing liabilities to total assets)

*Continues to hold steady at sub-40%

Note: The figures are based on data as of August 31, 2015.

Diversification of Maturities

NMF has clearly spread out maturities enabling refinancing even in potentially serious conditions.



Bank Formation

NMF boasts an excellent bank formation of Japanese financing leaders and an amazing average interest rate of less than 1.0%.

Financial Institution	(billions of yen)
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	20.5
Sumitomo Mitsui Banking Corporation	20.5
Mizuho Bank, Ltd.	14.4
Mitsubishi UFJ Trust and Banking Corporation	9.1
Sumitomo Mitsui Trust Bank, Ltd.	9.1
The Norinchukin Bank	9.1
Development Bank of Japan Inc.	8.8
Mizuho Trust & Banking Co., Ltd.	8.0
Resona Bank, Ltd.	2.6
Nippon Life Insurance Company	2.5
The Bank of Fukuoka	2.5
Total	107.3

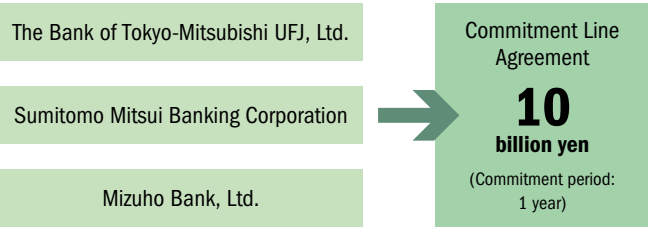
Note 1: The figures are based on data as of August 31, 2015.
Note 2: The total may differ from the sum of the figures due to rounding.
Note 3: Although the designation to credit monitor (outlook: positive) was announced in a press release dated May 27, 2015, it was announced that "AA (stable)" has been assigned for the long-term issuer rating of the new NMF after the merger as of October 1, 2015.

Credit Ratings

The credit rating is at a level that allows the Bank of Japan to invest in NMF's investment units.

Credit Rating Agency	Japan Credit Rating Agency, Ltd. (JCR)
Long-Term Issuer Rating	AA-
Outlook	(Note 3)

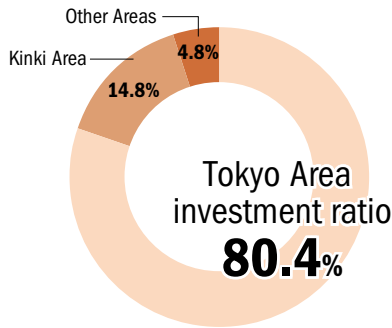
Commitment Line



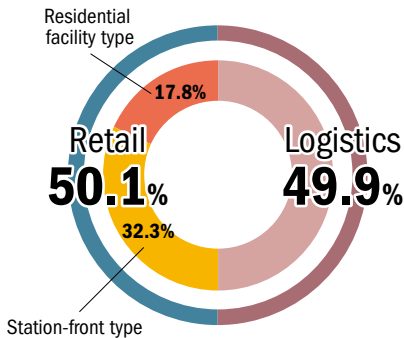
Portfolio Distribution

The distribution of the portfolio demonstrates NREAM knows the mission of NMF and executes it.

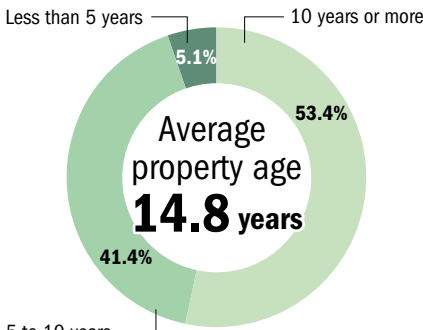
Geographical Diversification



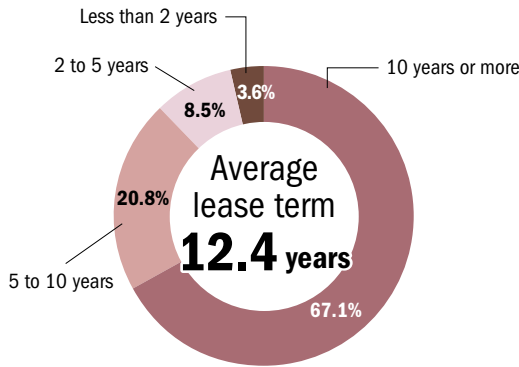
Portfolio Composition by Property Type



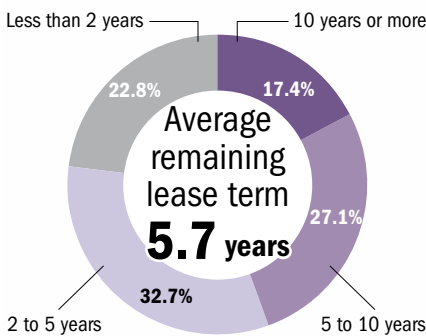
Distribution of Portfolio Age



Lease Term (by leased area)



Remaining Lease Term (by leased area)



Note: The above figures are based on data as of August 31, 2015.

Portfolio Table (as of the end of the 5th Fiscal Period)

NMF constructed and delivered a balanced portfolio. The Mitsubishi Motors Ibaraki Maintenance Center was sold on September 1, 2015 for 1,133 million yen, more than 300 million yen above the book value.

Use	Area	No.	Name	Location	Acquisition Price (millions of yen)	Investment Ratio (%)	Appraisal Value (millions of yen)	Leasable Floor Space (m ²)	PML (%)
Logistics	Tokyo	1	Landport Urayasu	Urayasu City, Chiba	17,400	6.5	19,800	70,045.85	4.16
		2	Landport Itabashi	Itabashi Ward, Tokyo	15,710	5.9	17,800	52,794.55	6.42
		3	Landport Kawagoe	Kawagoe City, Saitama	13,700	5.1	15,500	71,569.89	3.73
		4	Landport Atsugi	Atsugi City, Kanagawa	11,410	4.3	12,100	47,995.23	6.15
		5	Kawaguchi Ryoke Logistics Center	Kawaguchi City, Saitama	10,790	4.1	11,600	42,840.91	3.91
		6	Sagamihara Tana Logistics Center	Sagamihara City, Kanagawa	10,600	4.0	11,700	50,450.00	4.32
		7	Sagamihara Onodai Logistics Center	Sagamihara City, Kanagawa	8,700	3.3	9,930	57,448.03	7.30
		8	Landport Hachioji	Hachioji City, Tokyo	8,250	3.1	9,150	34,837.65	5.79
		9	Landport Kasukabe	Kasukabe City, Saitama	7,340	2.8	8,370	29,630.48	5.90
		10	Funabashi Logistics Center	Funabashi City, Chiba	4,660	1.7	5,320	30,641.98	3.40
		11	Atsugi Minami Logistics Center B Tower	Atsugi City, Kanagawa	4,590	1.7	5,130	24,931.11	6.15
		12	Hanyu Logistics Center	Hanyu City, Saitama	3,810	1.4	4,310	24,850.80	2.72
		13	Kawaguchi Logistics Center B Tower	Kawaguchi City, Saitama	3,750	1.4	4,320	13,648.70	2.92
		14	Kawaguchi Logistics Center A Tower	Kawaguchi City, Saitama	2,830	1.1	3,270	12,003.57	2.92
		15	Atsugi Minami Logistics Center A Tower	Atsugi City, Kanagawa	2,690	1.0	3,160	9,825.52	5.36
	Other	16	Ota Nitta Logistics Center	Ota City, Gunma	3,430	1.3	3,760	42,328.00	1.40
		17	Ota Higashishinmachi Logistics Center	Ota City, Gunma	2,170	0.8	2,420	23,584.72	1.35
		18	Ota Kiyohara Logistics Center	Ota City, Gunma	650	0.2	715	9,397.38	1.03
		19	Chiyodamachi Logistics Center	Oura-Gun, Gunma	330	0.1	361	4,592.00	3.76
Retail Properties	Tokyo	1	Morisia Tsudanuma	Narashino City, Chiba	16,600	6.2	17,400	39,736.87	4.70
		2	Yokosuka More's City	Yokosuka City, Kanagawa	13,640	5.1	15,100	29,383.65	6.89
		3	Recipe SHIMOKITA	Setagaya Ward, Tokyo	10,407	3.9	10,700	6,295.22	4.38
		4	Kawasaki More's	Kawasaki City, Kanagawa	6,080	2.3	7,240	18,810.31	7.39
		5	EQUINIA Shinjuku	Shinjuku Ward, Tokyo	4,260	1.6	4,560	3,611.59	5.81
		6	EQUINIA Ikebukuro	Toshima Ward, Tokyo	3,990	1.5	4,320	2,693.93	8.36
		7	covirna machida	Machida City, Tokyo	3,440	1.3	4,250	2,891.32	10.85
		8	Nitori Makuhari	Chiba City, Chiba	3,080	1.2	3,490	14,367.98	3.90
		9	Konami Sports Club Fuchu	Fuchu City, Tokyo	2,730	1.0	3,230	12,385.18	2.76
		10	FESTA SQUARE	Saitama City, Saitama	2,600	1.0	2,960	7,480.63	5.40
		11	GEMS Shibuya	Shibuya Ward, Tokyo	2,490	0.9	2,640	1,791.34	4.18
		12	Sundai Azamino	Yokohama City, Kanagawa	1,700	0.6	1,920	2,286.47	4.89
		13	EQUINIA Aobadai	Yokohama City, Kanagawa	1,560	0.6	1,810	2,457.36	9.33
		14	Megalos Kanagawa	Yokohama City, Kanagawa	1,000	0.4	1,320	6,217.85	9.06
	Kinki	15	Universal CityWalk Osaka™	Osaka City, Osaka	15,500	5.8	16,600	9,733.28	4.42
		16	Izumiya Senrioka	Suita City, Osaka	8,930	3.4	10,500	24,399.12	5.43
	Other	17	Merard Owada	Osaka City, Osaka	6,640	2.5	7,280	(Retail) 5,856.50 (Logistics)	3.33
		18	Izumiya Yao	Yao City, Osaka	4,406	1.7	5,010	34,198.01	3.97
		19	Izumiya Obayashi	Takarazuka City, Hyogo	3,020	1.1	3,590	11,714.36	3.89
		20	Ichibancho stear	Sendai City, Miyagi	4,700	1.8	5,450	4,611.68	2.42
		21	EQUINIA Aobadori	Sendai City, Miyagi	1,640	0.6	1,860	4,030.37	1.57
Retail (land only)	Tokyo	1	Mitsubishi Motors Meguro	Meguro Ward, Tokyo	2,740	1.0	2,880	3,381.19	—
		2	Mitsubishi Motors Chofu	Chofu City, Tokyo	1,760	0.7	1,840	4,183.63	—
		3	Mitsubishi Motors Shibuya	Shibuya Ward, Tokyo	1,570	0.6	1,740	1,421.31	—
		4	Mitsubishi Motors Nerima	Nerima Ward, Tokyo	1,240	0.5	1,310	1,725.61	—
		5	Mitsubishi Motors Kawasaki	Kawasaki City, Kanagawa	950	0.4	1,040	3,057.02	—
		6	Mitsubishi Motors Takaido	Suginami Ward, Tokyo	850	0.3	898	1,923.64	—
		7	Mitsubishi Motors Katsushika	Katsushika Ward, Tokyo	800	0.3	837	1,930.05	—
		8	Mitsubishi Motors Higashikurume	Higashikurume City, Tokyo	800	0.3	828	4,105.00	—
		9	Mitsubishi Motors Setagaya	Setagaya Ward, Tokyo	770	0.3	810	1,305.78	—
		10	Mitsubishi Motors Suginami	Suginami Ward, Tokyo	740	0.3	827	1,831.00	—
		11	Mitsubishi Motors Sekimachi	Nerima Ward, Tokyo	600	0.2	627	989.77	—
		12	Mitsubishi Motors Higashiyamato	Higashiyamato City, Tokyo	450	0.2	496	2,783.79	—
		13	Mitsubishi Motors Motosumiyoshi	Kawasaki City, Kanagawa	370	0.1	377	1,646.97	—
		14	Mitsubishi Motors Kawagoe	Kawagoe City, Saitama	350	0.1	369	2,462.40	—
		15	Mitsubishi Motors Edogawa	Edogawa Ward, Tokyo	200	0.1	211	892.56	—
		16	Mitsubishi Motors Sayama	Sayama City, Saitama	160	0.1	169	1,793.00	—
	Other	17	Mitsubishi Motors Ibaraki Maintenance Center	Ibaraki City, Osaka	820	0.3	908	5,704.24	—
Total					266,393	100.0	296,113	954,447.89	2.56
Investment Securities									
	Kinki	1	Godō Kaisha Osaka Hirakata Project Silent Partnership Equity Interest	Hirakata City, Osaka	100	—	—	—	—
Total					100	—	—	—	—



Landport Kawagoe



Landport Kasukabe



Landport Itabashi



Atsugi Minami Logistics Center A Tower



Funabashi Logistics Center



Kawaguchi Logistics Center A Tower



Landport Hachioji



Sagamihara Onodai Logistics Center



Sagamihara Tana Logistics Center



Landport Urayasu



Landport Atsugi



Kawaguchi Ryoke Logistics Center



Ota Kiyohara Logistics Center



Kawaguchi Logistics Center B Tower



Hanyu Logistics Center



Atsugi Minami Logistics Center B Tower



Chiyodamachi Logistics Center



Ota Higashishinmachi Logistics Center



Ota Nitta Logistics Center



Retail/Tokyo

- Station-front type
- Residential facility type



Recipe SHIMOKITA



GEMS Shibuya



Morisia Tsudanuma



Konami Sports Club Fuchu



Sundai Azamino



Kawasaki More's



EQUINIA Ikebukuro



EQUINIA Shinjuku



Nitori Makuhari



EQUINIA Aobadai



covirna machida



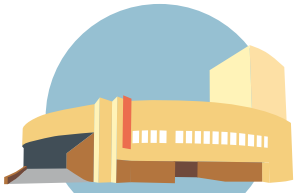
Megalos Kanagawa



FESTA SQUARE



Yokosuka More's City



Retail/Kinki

- Station-front type
- Residential facility type



Izumiya Senrioka



Izumiya Yao



Retail/Other

- Station-front type
- Residential facility type

Retail (land only)/Tokyo

- Mitsubishi Motors Meguro
- Mitsubishi Motors Chofu
- Mitsubishi Motors Shibuya
- Mitsubishi Motors Nerima
- Mitsubishi Motors Kawasaki
- Mitsubishi Motors Takaido
- Mitsubishi Motors Katsushika
- Mitsubishi Motors Higashikurume



Universal CityWalk Osaka™



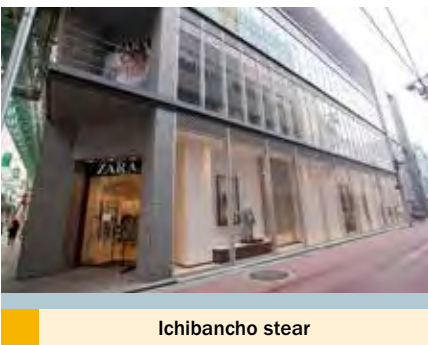
Merad Owada



Izumiya Obayashi



EQUINIA Aobadori



Ichibancho stear

Retail (land only)/Kinki

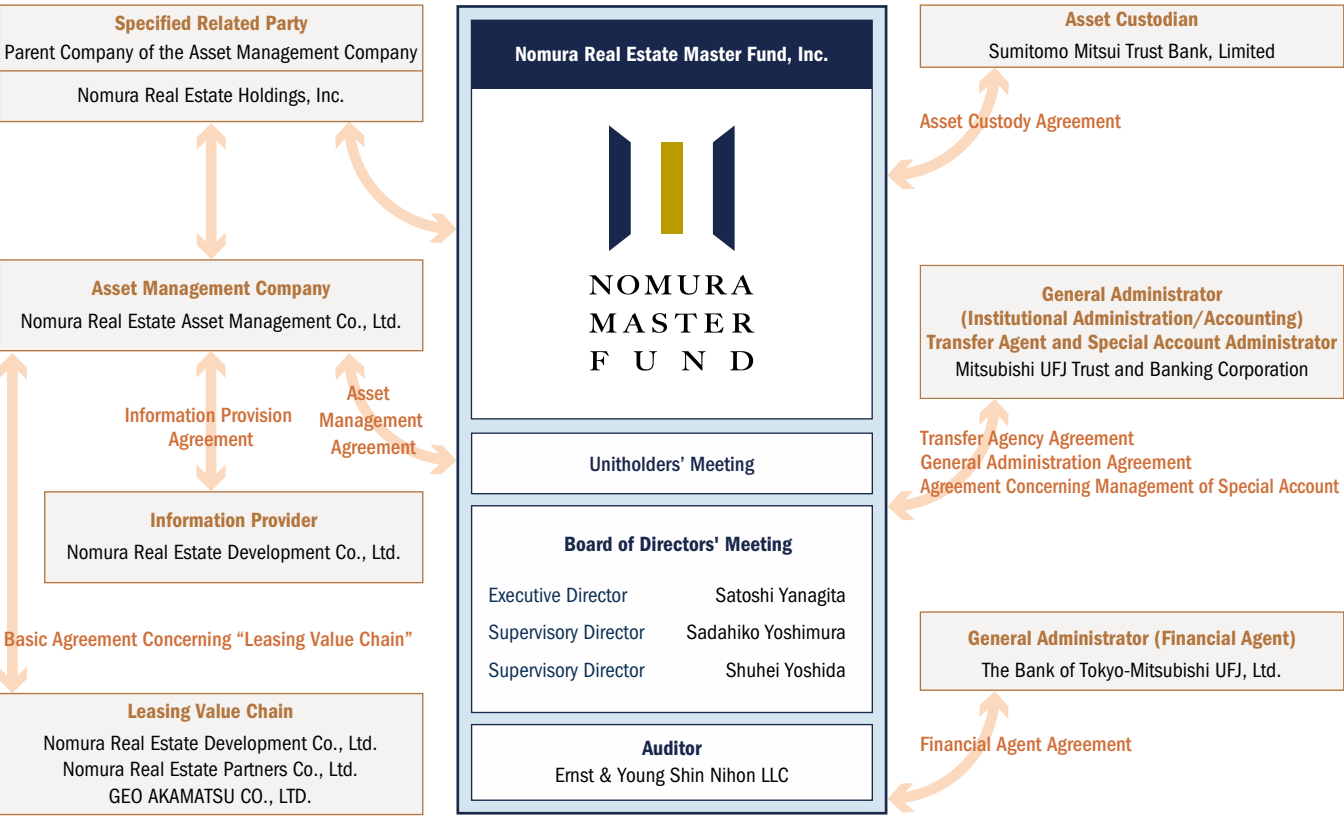
- Mitsubishi Motors Ibaraki Maintenance Center

Note: The Mitsubishi Motors Ibaraki Maintenance Center was sold on September 1, 2015 for 1,133 million yen.

Structure and Organization

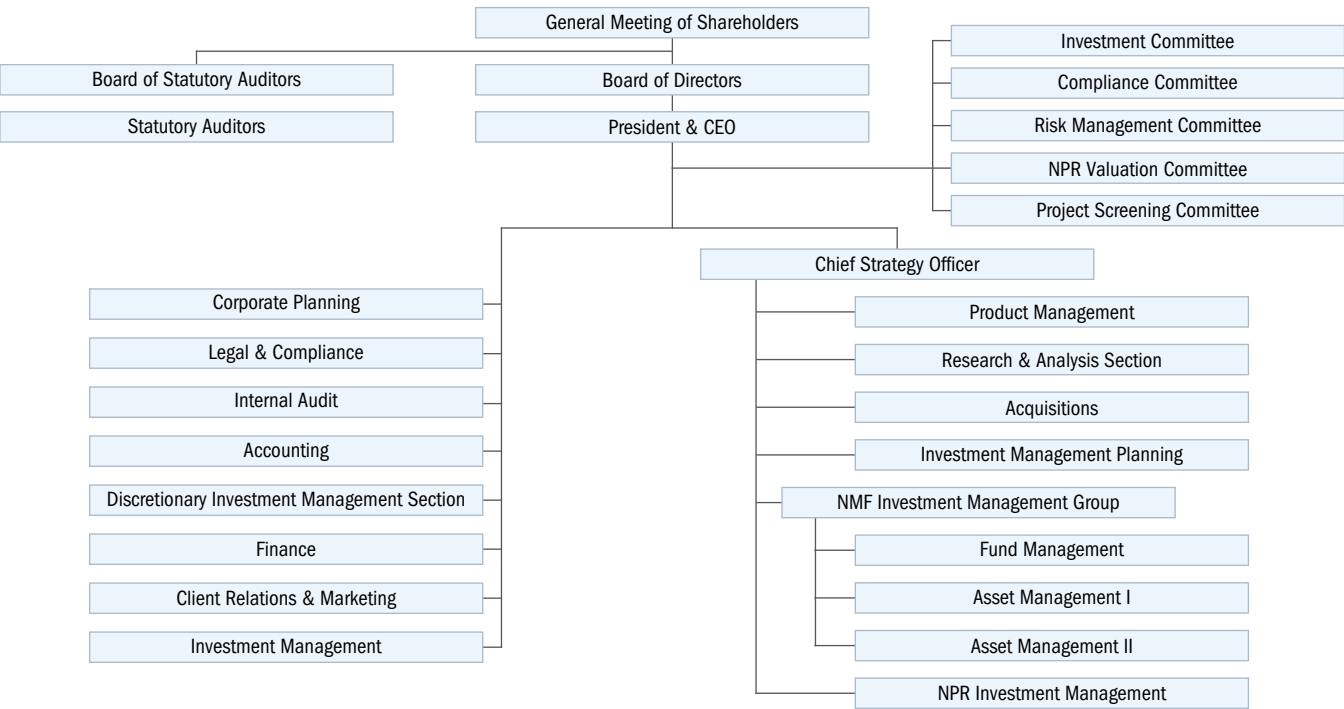
Structure of the New REIT

The New REIT has adopted the following structure with regards to legal entities it has concluded agreements with for various services, and its asset management company.



Internal Organization of the Asset Management Company

NREAM, the asset management company for New NMF has adopted the following internal organization to service the new diversified REIT.



Financial Section

Contents	
Balance Sheet	20
Statement of Income and Retained Earnings	22
Statement of Changes in Net Assets	23
Statement of Cash Flows	24
Notes to Financial Statements	25
Independent Auditor's Report	34

Balance Sheet

	Thousands of Yen	
	As of August 31, 2015	As of February 28, 2015
ASSETS		
Current Assets:		
Cash and bank deposits	¥21,120,799	¥18,820,188
Rental receivables	291,505	206,479
Income taxes receivable	7,615	3,610
Consumption taxes receivable	–	571,566
Other current assets	453,347	373,425
Total current assets	21,873,266	19,975,268
Property and Equipment, at Cost:		
Land	154,850,954	148,064,486
Buildings and structures	112,934,879	108,354,443
Tools, furniture and fixtures	55,194	20,397
Construction in progress	19,714	4,318
Subtotal	267,860,741	256,443,644
Less accumulated depreciation	(7,174,302)	(5,436,452)
Net property and equipment	260,686,439	251,007,192
Investments and Other Assets:		
Leasehold rights	3,827,941	3,828,327
Intangible assets	15,924	15,559
Investment securities	99,667	463,151
Long-term prepaid expenses	532,582	588,613
Long-term deposits	89,206	89,206
Security deposits	546,095	546,095
Deferred investment corporation bond issuance costs	25,155	26,527
Total investments and other assets	5,136,570	5,557,478
Total Assets	¥287,696,275	¥276,539,938

The accompanying notes to financial statements are an integral part of these statements.

	Thousands of Yen	
	As of August 31, 2015	As of February 28, 2015
LIABILITIES		
Current Liabilities:		
Trade accounts payable	¥439,286	¥493,922
Short-term debt	8,100,000	4,000,000
Current portion of long-term debt	85,600	85,600
Other accounts payable	333,449	235,326
Accrued expenses	37,291	26,211
Accrued income taxes	751	549
Accrued consumption taxes	103,578	–
Rent received in advance	1,582,911	1,509,801
Other current liabilities	115,299	956
Total current liabilities	10,798,165	6,352,365
Long-term Liabilities:		
Investment corporation bonds	3,000,000	3,000,000
Long-term debt	99,121,800	92,064,600
Security deposits from tenants	9,963,248	9,855,829
Total long-term liabilities	112,085,048	104,920,429
Total Liabilities	122,883,213	111,272,794
NET ASSETS		
Unitholders' Equity:		
Unitholders' capital	161,120,405	161,120,405
Surplus		
Retained earnings	3,692,657	4,146,739
Total surplus	3,692,657	4,146,739
Total unitholders' equity	164,813,062	165,267,144
Total Net Assets	164,813,062	165,267,144
Total Liabilities and Net Assets	¥287,696,275	¥276,539,938

The accompanying notes to financial statements are an integral part of these statements.

Statement of Income and Retained Earnings

	Thousands of Yen	
	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Operating Revenues and Expenses		
Operating Revenues:		
Real estate rental revenues	¥10,379,978	¥10,049,350
Gain on investments in silent partnership	26,816	16,745
	10,406,794	10,066,095
Operating Expenses:		
Real estate rental expenses	4,421,693	4,358,151
Asset management fees	836,590	787,714
Asset custody fees	15,571	14,509
Administrative service fees	61,894	63,681
Merger expenses	659,324	–
Other operating expenses	83,485	91,488
	6,078,557	5,315,543
Operating Profit	4,328,237	4,750,552
Non-Operating Revenues and Expenses		
Non-Operating Revenues:		
Interest income	1,888	1,790
Interest on refund	2,237	–
Other non-operating revenues	52	36
	4,177	1,826
Non-Operating Expenses:		
Interest expense	498,180	474,075
Interest expenses on investment corporation bonds	13,074	8,700
Amortization of investment corporation bond issuance costs	1,372	1,143
Loan arrangement fees	125,500	121,433
Other non-operating expenses	522	501
	638,648	605,852
Ordinary Income	3,693,766	4,146,526
Income before Income Taxes	3,693,766	4,146,526
Income Taxes:		
Current	1,384	722
Deferred	(34)	24
Net Income	3,692,416	4,145,780
Retained earnings brought forward	241	959
Retained Earnings at End of Period	¥3,692,657	¥4,146,739

The accompanying notes to financial statements are an integral part of these statements.

Statement of Changes in Net Assets

For the period from March 1, 2015 to August 31, 2015

	Thousands of Yen					
	Unitholders' Equity					
	Units	Unitholders' Capital	Surplus		Total Unitholders' Equity	Total Net Assets
			Retained Earnings	Total Surplus		
Balance as of March 1, 2015	1,665,260	¥ 161,120,405	¥4,146,739	¥4,146,739	¥165,267,144	¥165,267,144
Cash distribution paid	–	–	(4,146,497)	(4,146,497)	(4,146,497)	(4,146,497)
Net income	–	–	3,692,416	3,692,416	3,692,416	3,692,416
Balance as of August 31, 2015	1,665,260	¥161,120,405	¥3,692,657	¥3,692,657	¥164,813,062	¥164,813,062

For the period from September 1, 2014 to February 28, 2015

	Thousands of Yen					
	Unitholders' Equity					
	Units	Unitholders' Capital	Surplus		Total Unitholders' Equity	Total Net Assets
			Retained Earnings	Total Surplus		
Balance as of September 1, 2014	1,665,260	¥161,120,405	¥4,080,847	¥4,080,847	¥165,201,252	¥165,201,252
Cash distribution paid	–	–	(4,079,888)	(4,079,888)	(4,079,888)	(4,079,888)
Net income	–	–	4,145,780	4,145,780	4,145,780	4,145,780
Balance as of February 28, 2015	1,665,260	¥161,120,405	¥4,146,739	¥4,146,739	¥165,267,144	¥165,267,144

The accompanying notes to financial statements are an integral part of these statements.

Statement of Cash Flows

	Thousands of Yen	
	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Cash Flows		
Cash Flows from Operating Activities		
Income before income taxes	¥3,693,766	¥4,146,526
Depreciation	1,740,121	1,706,848
Amortization of investment corporation bond issuance costs	1,372	1,143
Interest income	(1,888)	(1,790)
Interest expense	511,254	482,775
Decrease (Increase) in rental receivables	(85,026)	12,964
Decrease (Increase) in consumption taxes receivable	571,566	(571,566)
Decrease (Increase) in long-term prepaid expenses	56,030	25,989
Decrease (Increase) in long-term deposits	–	(50,000)
Increase (Decrease) in trade accounts payable	(54,636)	85,472
Increase (Decrease) in other accounts payable	48,067	(4,823)
Increase (Decrease) in accrued consumption taxes	103,578	(275,529)
Increase (Decrease) in rent received in advance	73,110	27,520
Other	22,555	(77,667)
Subtotal	6,679,869	5,507,862
Interest received	1,888	1,790
Interest paid	(500,174)	(481,053)
Income taxes paid	(5,188)	(3,845)
Net cash provided by (used in) operating activities	6,176,395	5,024,754
Cash Flows from Investing Activities		
Payments for purchases of property and equipment	(11,359,833)	(18,358,111)
Payments for purchases of leasehold rights and intangible assets	(2,250)	(4,489)
Purchases of investment securities	(104,838)	–
Proceeds from withdrawal of investment securities	456,448	24,322
Reimbursement of security deposits to tenants	(340,023)	(75,227)
Proceeds from security deposits from tenants	462,129	960,736
Payments for security deposits	–	(29,969)
Net cash provided by (used in) investing activities	(10,888,367)	(17,482,738)
Cash Flows from Financing Activities		
Proceeds from short-term debt	4,100,000	7,000,000
Repayment of short-term debt	–	(3,000,000)
Proceeds from long-term debt	7,100,000	11,800,000
Repayment of long-term debt	(42,800)	(42,800)
Proceeds from issuance of investment corporation bonds	–	3,000,000
Payments of investment corporation bonds issuance costs	–	(27,670)
Distributions to unitholders	(4,144,617)	(4,079,025)
Net cash provided by (used in) financing activities	7,012,583	14,650,505
Net Increase (Decrease) in Cash and Cash Equivalents	2,300,611	2,192,521
Cash and Cash Equivalents at Beginning of Period	18,820,188	16,627,667
Cash and Cash Equivalents at End of Period	¥21,120,799	¥18,820,188

The accompanying notes to financial statements are an integral part of these statements.

Notes to Financial Statements

1. ORGANIZATION

Nomura Real Estate Master Fund, Inc. (the “Company”) is a real estate investment corporation formed to own and invest primarily in logistics facilities and retail facilities. The Company is externally managed by a licensed asset management company, Nomura Real Estate Asset Management Co., Ltd. (“NREAM”). NREAM is a wholly-owned subsidiary of Nomura Real Estate Holdings, Inc.

On January 31, 2013, the Company was incorporated under the Act on Investment Trusts and Investment Corporations (the “Investment Trust Act”) of Japan. On June 12, 2013, the Company was listed on the Tokyo Stock Exchange and started operations on the following day. As of August 31, 2015, the Company owned a portfolio of 57 logistics facilities and retail facilities containing an aggregate of approximately 954,447.89 square meters of leasable area and leased space to 296 tenants.

2. BASIS OF PRESENTATION

The Company maintains its accounting records and prepares its financial statements in accordance with accounting principles generally accepted in Japan (“Japanese GAAP”), including provisions set forth in the Investment Trust Act of Japan, the Companies Act of Japan, the Financial Instruments and Exchange Act of Japan and related regulations, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards.

The accompanying financial statements are a translation of the audited financial statements of the Company, which were prepared in accordance with Japanese GAAP and were presented in the Securities Report of the Company filed with the Kanto Local Finance Bureau. In preparing the accompanying financial statements, certain reclassifications and modifications have been made to the financial statements issued domestically in order to present them in a format that is more familiar to readers outside Japan. In addition, the notes to financial statements include certain information that might not be required under Japanese GAAP but is presented herein as additional information. Amounts have been rounded to the nearest thousand yen in the accompanying financial statements and the notes thereto, whereas amounts were truncated in the Japanese financial statements prepared in accordance with Japanese GAAP.

The Company’s fiscal period is a six-month period which ends at the end of February or August. The Company does not prepare consolidated financial statements because it has no subsidiaries.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, deposits placed with banks and short-term investments that are highly liquid, readily convertible to cash, with an insignificant risk of market value fluctuation, and with a maturity of three months or less when purchased.

Property and equipment

Property and equipment are stated at cost, which includes the purchase price and related costs for acquisition, less accumulated depreciation. Depreciation is calculated by the straight-line method over the estimated useful lives of the fixed assets outlined below:

Buildings	3 - 70 years
Structures	2 - 20 years
Tools, furniture and fixtures	2 - 10 years

Intangible assets

Intangible assets are amortized by the straight-line method.

Long-term prepaid expenses

Long-term prepaid expenses are amortized by the straight-line method.

Investment securities

Non-marketable securities are stated at cost determined by the moving average method.

For the silent partnership equity interest, the method of allocating the partnership’s profit/loss is based on the Company’s proportional interest.

Impairment of fixed assets

The Company reviews fixed assets for impairment whenever events or changes in circumstances indicate that the carrying value of its fixed assets may not be recoverable. An impairment loss is recognized if the carrying value of an asset exceeds the aggregate estimated future cash flows. If a fixed asset is determined to be impaired, it is written down to its recoverable amount and the write-down is recorded as an impairment loss during the period in which it occurs. No impairment losses have been recognized to date.

Deferred investment corporation bond issuance costs

Deferred investment corporation bond issuance costs are amortized by the straight-line method over the respective terms of the bonds.

Notes to Financial Statements

Accounting treatment of beneficial interests in real estate

All assets and liabilities held in trust, for which the real estate in possession of the Company was entrusted, and all related earnings and expenses incurred are reflected in the accompanying balance sheet and statement of income and retained earnings, respectively.

Revenue recognition

Operating revenues consist of rental revenues including base rents and common area charges, and other operating revenues including utility charge reimbursements, parking space rental revenues and other income. Rental revenues are generally recognized on an accrual basis over the life of each lease. Utility charge reimbursements are recognized when earned and their amounts are reasonably estimated.

Property related taxes

Property in Japan is subject to property taxes, urban planning taxes and depreciable property taxes on a calendar year basis. The taxes related to property are generally imposed based on the value of the relevant property and incurred for fiscal period.

The seller of a property is liable for property related taxes for the period from the purchase date through the end of that calendar year because taxes are imposed on the owner registered in the record as of January 1 for the entire year based on the assessment made by the local government. The amount applicable to the buyer of a property is usually settled between each party and capitalized as part of the acquisition cost of the property. The capitalized property related taxes amounted to ¥12,000 thousand for the fiscal period ended February 28, 2015 and the capitalized property related taxes amounted to ¥40,919 thousand for the fiscal period ended August 31, 2015.

Income taxes

Deferred tax assets and liabilities are computed based on the differences between the financial statements and income tax bases of assets and liabilities using the applicable statutory tax rates.

Consumption taxes

Consumption taxes received and paid are not included in the accompanying statement of income and retained earnings.

Derivative financial instruments

The Company utilizes interest-rate swap contracts as derivative financial instruments only for the purpose of hedging its exposure to changes in interest rates. The Company defers recognition of gains or losses resulting from changes in the fair value of interest-rate swap contracts which meet the criteria for deferral hedge accounting.

Although the deferred hedge treatment is generally applied, the Company applies special treatment to those interest-rate swap contracts that meet the criteria for such special treatment. Under the special treatment, interest-rate swaps are not remeasured at fair value; instead, the net amount paid or received under the interest rate swap contract is recognized and included in interest expense or income.

4. CHANGES IN ACCOUNTING POLICY

Application of the Accounting Standard for Business Combinations

The “Accounting Standard for Business Combinations” (Accounting Standards Board of Japan (ASBJ) Statement No. 21, revised on September 13, 2013) and “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, revised on September 13, 2013) could be applied from the beginning of the accounting period after April 1, 2014. Accordingly, the Company applied these accounting standards from the accounting period ended August 31, 2015. In addition, the Company recorded acquisition-related costs as expenses in the fiscal periods in which the costs are incurred.

Regarding business combinations, from the beginning of the accounting period ended August 31, 2015, the Company changed the method to reflect changes in the allocation of the acquisition costs arising from confirmation of the provisional accounting treatment on the financial statements that includes the acquisition date.

The Company has adopted these accounting standards from the beginning of the accounting period ended August 31, 2015, following transitional treatment based on Article 58-2 (4) of “Accounting Standard for Business Combinations,” and Article 57-4 (4) of “Accounting Standard for Business Divestitures”.

As a result, Operating profit, Ordinary income and Net income decreased 659 million yen each for the Current period.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of August 31, 2015 and February 28, 2015 consist of the following:

	Thousands of Yen	
	As of August 31, 2015	As of February 28, 2015
Cash and bank deposits	¥21,120,799	¥18,820,188
Cash and cash equivalents	¥21,120,799	¥18,820,188

6. SCHEDULE OF PROPERTY AND EQUIPMENT

Property and equipment as of August 31, 2015 and February 28, 2015 consist of the following:

	Thousands of Yen			
	As of August 31, 2015		As of February 28, 2015	
	Acquisition costs	Book value	Acquisition costs	Book value
Land	¥10,923,206	¥10,923,206	¥10,923,206	¥10,923,206
Buildings and structures	3,532,464		3,531,906	
Accumulated depreciation	(229,939)	3,302,525	(168,254)	3,363,652
Land in trust	143,927,748	143,927,748	137,141,280	137,141,280
Buildings and structures in trust	109,402,415		104,822,537	
Accumulated depreciation	(6,938,158)	102,464,257	(5,264,992)	99,557,545
Tools, furniture and fixtures in trust	55,194		20,397	
Accumulated depreciation	(6,205)	48,989	(3,206)	17,191
Construction in progress	19,714	19,714	4,318	4,318
Total	¥260,686,439	¥260,686,439	¥251,007,192	¥251,007,192

7. SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT

Short-term debt and current portion of long-term debt as of August 31, 2015 and February 28, 2015 consist of the following:

	As of August 31, 2015		As of February 28, 2015	
	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)
Unsecured loans from banks due on September 26, 2015	¥4,000,000	0.23000%	¥4,000,000	0.23000%
Unsecured loans from banks due on May 26, 2016	4,100,000	0.23000%		
Unsecured loans from a bank due on May 26, 2025 ^(Note 2)	42,800	2.21812%	42,800	2.21812%
Unsecured loans from a bank due on May 26, 2025 ^(Note 2)	42,800	2.17000%	42,800	2.17000%
Total	¥8,185,600		¥4,085,600	

Note 1: The weighted-average interest rate is weighted by the balance of each borrowing at the end of the period and rounded to the nearest fifth decimal place. As for the borrowings, which were hedged by interest-rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used to calculate the weighted average of interest.

Note 2: Installments of ¥10.7 million will be made on the 26th day of every three month starting on August 26, 2013, with the remaining payment of ¥497.1 million to be repaid on May 26, 2025.

The Company entered into ¥10,000 million credit facilities in the form of commitment lines with three financial institutions for the fiscal period ended August 31, 2015. The total unused amounts of such credit facilities were ¥10,000 million as of August 31, 2015.

8. LONG-TERM DEBT

Long-term debt as of August 31, 2015 and February 28, 2015 consist of the following:

	As of August 31, 2015		As of February 28, 2015	
	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)
Unsecured loans from banks due on November 26, 2016	¥13,000,000	0.64250%	¥13,000,000	0.64250%
Unsecured loans from banks due on March 26, 2017	1,000,000	0.31000%	1,000,000	0.31000%
Unsecured loans from banks due on August 26, 2017	5,000,000	0.31000%	5,000,000	0.31000%
Unsecured loans from banks due on May 26, 2018	12,200,000	0.86250%	12,200,000	0.86250%
Unsecured loans from banks due on November 26, 2018	4,000,000	0.72500%	4,000,000	0.72500%
Unsecured loans from banks due on November 26, 2018	1,000,000	0.48250%	1,000,000	0.48250%
Unsecured loans from banks due on November 26, 2018	1,700,000	0.50250%	1,700,000	0.50250%
Unsecured loans from banks due on May 26, 2019	9,000,000	1.11750%	9,000,000	1.11750%
Unsecured loans from a bank due on May 26, 2019	1,000,000	1.04875%	1,000,000	1.04875%
Unsecured loans from banks due on November 26, 2019	4,000,000	0.72650%	4,000,000	0.72650%

Notes to Financial Statements

	As of August 31, 2015		As of February 28, 2015	
	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)	Amount (Thousands of Yen)	Weighted-average interest rate ^(Note 1)
Unsecured loans from banks due on November 26, 2019	5,600,000	0.54065%	–	–
Unsecured loans from banks due on May 26, 2020	10,000,000	1.33750%	10,000,000	1.33750%
Unsecured loans from a bank due on May 26, 2020	800,000	1.25875%	800,000	1.25875%
Unsecured loans from banks due on February 26, 2021	2,000,000	0.80832%	2,000,000	0.80832%
Unsecured loans from banks due on May 26, 2021	8,000,000	1.56250%	8,000,000	1.56250%
Unsecured loans from a bank due on May 26, 2021	1,000,000	1.46375%	1,000,000	1.46375%
Unsecured loans from a bank due on November 26, 2021	2,000,000	1.30289%	2,000,000	1.30289%
Unsecured loans from a bank due on November 26, 2021	2,000,000	1.11662%	2,000,000	1.11662%
Unsecured loans from a bank due on May 26, 2022	5,500,000	1.25900%	5,500,000	1.25900%
Unsecured loans from banks due on November 26, 2022	2,100,000	0.92280%	2,100,000	0.92280%
Unsecured loans from banks due on November 26, 2022	1,500,000	0.98624%	–	–
Unsecured loans from a bank due on May 26, 2023	2,000,000	1.89500%	2,000,000	1.89500%
Unsecured loans from a bank due on May 26, 2023	2,000,000	1.86500%	2,000,000	1.86500%
Unsecured loans from a bank due on May 26, 2023	1,000,000	1.83875%	1,000,000	1.83875%
Unsecured loans from a bank due on May 26, 2025 ^(Note 2)	860,900	2.21812%	882,300	2.21812%
Unsecured loans from a bank due on May 26, 2025 ^(Note 2)	860,900	2.17000%	882,300	2.17000%
Total	¥99,121,800		¥92,064,600	

Note 1: The weighted-average interest rate is weighted by the balance of each borrowing at the end of the period and rounded to the nearest fifth decimal place. As for the borrowings, which were hedged by interest-rate swaps for the purpose of avoiding interest rate fluctuation risk, the swapped interest rates are used to calculate the weighted average of interest.

Note 2: Installments of ¥10.7 million will be made on the 26th day of every three months starting on August 26, 2013, with the remaining payment of ¥497.1 million to be repaid on May 26, 2025.

The scheduled repayment amounts of long-term debt for each of the five years after the balance sheet date (excluding the current portion of long-term debt) are as follows:

	Thousands of Yen			
	1-2 years	2-3 years	3-4 years	4-5 years
Long-term debt	19,085,600	12,285,600	16,785,600	20,485,600

9. INVESTMENT CORPORATION BONDS

Details of investment corporation bonds outstanding are summarized as follows:

	As of August 31, 2015		As of February 28, 2015	
	Amount (Thousands of Yen)	Weighted-average interest rate	Amount (Thousands of Yen)	Weighted-average interest rate
First series of unsecured investment corporation bonds Due on October 30, 2024	¥3,000,000	0.87000%	¥3,000,000	0.87000%
Total	¥3,000,000		¥3,000,000	

The scheduled redemption amounts of investment corporation bonds for each of the five years after the balance sheet date are as follows:

	Thousands of Yen				
	Within a year	1-2 years	2-3 years	3-4 years	4-5 years
Investment corporation bonds	–	–	–	–	–

10. UNITHOLDERS’ EQUITY

The Company issues only non-par value investment units in accordance with the Investment Trust Act. The entire amount of the issue price of new units is designated as stated capital. The Company is required to maintain net assets of at least ¥50,000 thousand as set forth in the Investment Trust Act.

11. PER UNIT INFORMATION

The net asset values per unit and the net income per unit as of August 31, 2015 and February 28, 2015 were as follows:

	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Net assets per unit	¥98,971	¥99,244
Net income per unit	¥2,217	¥2,490

The net income per unit is calculated by dividing net income by the weighted-average number of units outstanding.

Note: The basis for calculating net income per unit is as follows:

	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Net income (Thousands of Yen)	¥3,692,415	¥4,145,780
Amount not available to ordinary unitholders (Thousands of Yen)	–	–
Net income available to ordinary unitholders (Thousands of Yen)	¥3,692,415	4,145,780
Average number of units during the period	1,665,260	¥1,665,260

12. RELATED PARTY TRANSACTIONS

For the periods from March 1, 2015 to August 31, 2015 and from September 1, 2014 to February 28, 2015

Parent Company and major corporate unitholders	Not applicable	Fellow subsidiary companies	Not applicable
Subsidiaries and affiliates	Not applicable	Directors and major individual unitholders	Not applicable

13. INCOME TAXES

The Company, as an investment corporation, is subject to corporate income taxes at a statutory tax rate of approximately 34% for the fiscal period ended August 31, 2015 and February 28, 2015. However, the Company may deduct dividend distributions paid to its unitholders from its taxable income amounts, provided such distributions meet the requirements under the Act on Special Measures Concerning Taxation of Japan. Under this act, an investment corporation must meet a number of tax requirements, including a requirement to distribute in excess of 90% of its distributable income for the fiscal period, in order to deduct such amounts. If the investment corporation does not satisfy all of the requirements, the entire taxable income of the investment corporation will be subject to regular corporate income taxes.

Since the Company distributed in excess of 90% of its distributable income in the form of cash distributions totaling ¥3,691,881 thousand and ¥4,146,497 thousand for the fiscal period ended August 31, 2015 and February 28, 2015 respectively, such distributions were treated as deductible distributions for purposes of corporate income taxes. The following summarizes the significant differences between the statutory tax rate and the effective tax rate:

	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Statutory tax rate	34.15%	34.16%
Deductible cash distributions	(34.13)	(34.16)
Other	0.02	0.02
Effective tax rate	0.04%	0.02%

14. FINANCIAL INSTRUMENTS

Overview

(1) Policy for Financial Instruments

Upon acquisition of property-related assets, the Company may raise funds through certain financing methods including borrowings, issuance of investment corporation bonds and issuance of investment units. In financing through interest-bearing debt, to secure stable financing capability and reduce future risks of rising interest rates, the Company’s investment policy is to secure longer-term, fixed-rate borrowings with well-diversified maturities.

The Company enters into derivative transactions only for the purpose of reducing risk of future interest rate fluctuations and does not engage in speculative transactions.

(2) Type and Risk of Financial Instruments and Related Risk Management

Debts and investment corporation bonds are primarily used to fund the acquisition of property-related assets as well as the repayment of debts and redemption of investment corporation bonds. The Company is exposed to liquidity risk of being unable to meet its obligations on scheduled due dates. The Company controls and limits such risk by diversifying not only the financial institutions, but also the type of financing to include the effective use of surplus funds and direct financing from the capital markets such as issuance of investment units. In addition, the Company is exposed to the market risk arising from fluctuations in interest rates on its floating-rate debts. However, the effect of such risk on the operation of the Company is limited by maintaining the LTV ratio at low levels and the ratio of long-term fixed-rate debts to total debt at high levels.

Notes to Financial Statements

Furthermore, the Company may utilize derivative transactions (interest-rate swap transactions) as a hedging instrument to reduce the market risk under floating-rate debts by swapping such floating-rate interest payments for fixed-rate interest payments.

Bank deposits are held as a means of investing surplus funds, and the Company is exposed to the credit risk that financial institutions may default. However, the effect of such risk is limited by diversifying the financial institutions with which surplus funds are deposited.

(3) Supplementary Explanation on Estimated Fair Value of Financial Instruments

The fair value of financial instruments is based on the quoted market price, if applicable. When there is no quoted market price available, fair value is reasonably estimated. Certain assumptions are used for the estimation of fair value. Accordingly, the result of such estimation may change if different assumptions are used. Furthermore, the contractual amounts of derivative transactions stated in “19. Derivatives and Hedge Accounting” below do not represent the market risk involved in these derivative transactions.

Fair Value of Financial Instruments

For the period from March 1, 2015 to August 31, 2015

The following table summarizes the carrying value and the estimated fair values of financial instruments as of August 31, 2015.

Thousands of Yen			
	Carrying value ^(Note 1)	Fair value ^(Note 1)	Difference
(i) Cash and bank deposits	¥21,120,799	¥21,120,799	—
(ii) Short-term debt	(8,100,000)	(8,100,000)	—
(iii) Current portion of long-term debt	(85,600)	(86,657)	¥1,057
(iv) Investment corporation bonds	(3,000,000)	(3,029,544)	29,544
(v) Long-term debt	(99,121,800)	(101,175,313)	2,053,513
(vi) Derivative transactions	—	—	—

For the period from September 1, 2014 to February 28, 2015

The following table summarizes the carrying value and the estimated fair values of financial instruments as of February 28, 2015.

Thousands of Yen			
	Carrying value ^(Note 1)	Fair value ^(Note 1)	Difference
(i) Cash and bank deposits	¥18,820,188	¥18,820,188	—
(ii) Short-term debt	(4,000,000)	(4,000,000)	—
(iii) Current portion of long-term debt	(85,600)	(86,642)	¥1,042
(iv) Investment corporation bonds	(3,000,000)	(3,033,783)	33,783
(v) Long-term debt	(92,064,600)	(94,134,935)	2,070,335
(vi) Derivative transactions	—	—	—

Note 1: The numbers in parenthesis indicate liabilities.

Note 2: Method for determining the fair value of financial instruments and derivative transactions

- (i) Cash and bank deposits and (ii) Shot-term debt
As these items are settled within a short-term period, their fair value is nearly equal to the carrying value. Therefore, for these items, the carrying value is reported as the fair value.
- (iii) Current portion of long-term debt and (iv) Long-term debt
For floating-rate long-term debt, the carrying value is reported as it is considered to be approximately equal to the fair value because such debt reflects the market interest rates within a short-term period. (However, the fair value of certain floating-rate long-term debt that qualifies for the special treatment of interest-rate swaps (see “19. Derivatives and Hedge Accounting”) is determined by discounting the sum of its principal and interest payments net of any cash flows from the interest-rate swap at a rate reasonably estimated to be applicable to similar fixed-rate debt.) The fair value of fixed-rate long-term debt is determined by discounting the sum of its principal and interest payments at a rate reasonably estimated to be applicable to similar fixed-rate debt.
- (v) Derivative transactions
See “19. Derivatives and Hedge Accounting.”

Note 3: Financial instruments for which fair value is difficult to determine

Thousands of Yen			
Type of asset	As of August 31, 2015	As of February 28, 2015	
Investment securities	¥99,667		¥463,151

*The fair value of the investment securities is not disclosed because there is no quoted market price available for these securities and it is extremely difficult to determine the fair value.

Note 4: Redemption schedule for cash and bank deposits as of August 31, 2015

Thousands of Yen						
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Cash and bank deposits	¥21,120,799	—	—	—	—	—
Total	¥21,120,799	—	—	—	—	—

Redemption schedule for cash and bank deposits as of February 28, 2015

Thousands of Yen						
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Cash and bank deposits	¥18,820,188	—	—	—	—	—
Total	¥18,820,188	—	—	—	—	—

Note 5: Redemption schedule for debt as of August 31, 2015

Thousands of Yen						
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Short-term debt	¥8,100,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	¥3,000,000
Long-term debt	85,600	¥19,085,600	¥12,285,600	¥16,785,600	¥20,485,600	30,479,400
Total	¥8,185,600	¥19,085,600	¥12,285,600	¥16,785,600	¥20,485,600	¥33,479,400

Redemption schedule for debt as of February 28, 2015

Thousands of Yen						
	Due within one year	After one year, within two years	After two years, within three years	After three years, within four years	After four years, within five years	After five years
Short-term debt	¥4,000,000	—	—	—	—	—
Investment corporation bonds	—	—	—	—	—	¥3,000,000
Long-term debt	85,600	13,085,600	6,085,600	18,985,600	14,085,600	39,822,200
Total	¥4,085,600	¥13,085,600	¥6,085,600	¥18,985,600	¥14,085,600	¥42,822,200

15. INVESTMENT AND RENTAL PROPERTIES

The Company owns leasable logistics facilities and leasable retail facilities (including land) in Greater Tokyo area and other areas for the purpose of earning revenue from leasing. The following table summarizes the carrying value and the estimated fair value of these properties.

Thousands of Yen		
	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Carrying value		
Balance at beginning of the period	¥254,835,519	¥238,207,920
Amount of increase (decrease) during the period	9,668,407	16,627,599
Balance at end of the period	264,503,926	254,835,519
Fair value at end of the period	¥296,338,000	¥280,180,000

Note 1: The carrying value represents the acquisition cost less accumulated depreciation.

Note 2: The major increase in the carrying value during the period ended August 31, 2015 was mainly due to the acquisition of Kawaguchi Ryoke Logistics Center (10,944,386 thousand yen) and decrease in the carrying value during the period ended August 31, 2015 was mainly due to depreciation (total 1,738,235 thousand yen). The major increase in the carrying value during the period ended February 28, 2015 was mainly due to the acquisition of Universal CityWalk Osaka™ (15,961,434 thousand yen) and Kawasaki More's (2,110,212 thousand yen)and decrease in the carrying value during the period ended February 28, 2015 was mainly due to depreciation (total 1,705,224 thousand yen).

Note 3: The fair value as of August 31, 2015 and February 28, 2015 represents the sum of the appraisal values estimated by external real estate appraisers. However, the estimated transfer price is used for the fair value as of August 31, 2015 for the Mitsubishi Motors Ibaraki Maintenance Center.

The real estate rental revenues and expenses for the fiscal period ended August 31, 2015 and February 28, 2015 are presented in “17. Breakdown of Real Estate Rental Revenues and Expenses.”

16. SEGMENT INFORMATION

For the periods from March 1, 2015 to August 31, 2015 and from September 1, 2014 to February 28, 2015

Segment Information

Since the Company has been engaged in the real estate leasing business as a single segment, segment information has been omitted.

Related Information

1. Information about products and services
Since revenues from external customers of products and services within a single segment are more than 90 percent of total operating revenues, information about products and services has been omitted.
2. Information about geographical areas
(1) Revenues
Since more than 90 percent of the total operating revenues were generated from external customers in Japan, geographical breakdown of revenues has been omitted.
(2) Property and equipment
Since more than 90 percent of the total property and equipment on the balance sheet are located in Japan, geographical breakdown of property and equipment has been omitted.
3. Information about major clients
Since no single external client represents 10 percent or more of the Company’s total operating revenues, information about major clients has been omitted.

Notes to Financial Statements

17. BREAKDOWN OF REAL ESTATE RENTAL REVENUES AND EXPENSES

Real estate rental revenues and expenses for the fiscal period ended August 31, 2015 and February 28, 2015 consist of the following:

	Thousands of Yen	
	For the period from March 1, 2015 to August 31, 2015	For the period from September 1, 2014 to February 28, 2015
Real estate rental revenues	¥10,379,978	¥10,049,350
Rental revenues	9,253,044	9,068,948
Rental revenues	8,940,457	8,763,844
Common area charges	312,587	305,104
Other rental revenues	1,126,934	980,402
Parking revenues	94,517	91,017
Incidental income	889,790	801,535
Other miscellaneous revenues	142,627	87,850
Real estate rental expenses	4,421,693	4,358,151
Property management costs	404,301	391,935
Property management fees	235,392	270,561
Property and other taxes	748,165	726,772
Utility expenses	723,142	672,711
Casualty insurance	18,840	18,405
Repairs and maintenance	187,662	258,742
Land rents	101,585	96,480
Depreciation	1,738,833	1,705,559
Other rental expenses	263,773	216,986
Real estate rental profits	¥5,958,285	¥5,691,199

18. LEASES

The future minimum rental revenues from tenants under non-cancelable operating lease of properties as of August 31, 2015 and February 28, 2015 are summarized as follows:

	Thousands of Yen	
	As of August 31, 2015	As of February 28, 2015
Due within one year	¥14,251,817	¥14,445,033
Due after one year	48,290,073	44,639,620
Total	¥62,541,890	¥59,084,653

19. DERIVATIVES AND HEDGE ACCOUNTING

Derivative transactions as of August 31, 2015

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

			Thousands of Yen		
Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount	Fair value	Method used for determining fair value
			Due after one year		
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	78,003,700	77,960,900	(*)

*Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these derivatives is included in that of related long-term debt (see "14. Financial Instruments (Note 2) (iii) Current portion of long-term debt and (iv) Long-term debt").

Derivative transactions as of February 28, 2015

(1) There were no derivative financial instruments not subject to hedge accounting.

(2) Derivative financial instruments subject to hedge accounting were as follows:

			Thousands of Yen		
Hedge accounting method	Type of derivative instruments	Main hedged item	Notional amount	Fair value	Method used for determining fair value
			Due after one year		
Special treatment of interest-rate swaps	Interest-rate swaps: Received/floating and paid/fixed	Long-term debt	72,425,100	72,382,300	(*)

*Since the derivative financial instruments qualifying for the special treatment of interest-rate swaps are accounted for as one transaction together with their hedged item, long-term debt, the fair value of these derivatives is included in that of related long-term debt (see "14. Financial Instruments (Note 2) (iii) Current portion of long-term debt and (iv) Long-term debt").

20. SIGNIFICANT SUBSEQUENT EVENTS

Transfer of the asset

The Company has transferred “Mitsubishi Motors Ibaraki Maintenance Center” on September 1, 2015, after the end of 5th fiscal period (August 31, 2015).

Mitsubishi Motors Ibaraki Maintenance Center

Type of Asset	Trust beneficiary interest in mainly real estate
Date of Agreement	April 30, 2015
Transfer Date	September 1, 2015
Transfer Price	¥1,133,000 thousand
Transferee	Japanese General Operating Company
Impact on Earnings	The Company recorded ¥251 million of transfer profit (including miscellaneous expenses) as Operating Revenues on final fiscal period (from September 1, 2015 to September 30, 2015).

Merger with Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc.

The Company, NOF (Nomura Real Estate Office Fund Inc.), and NRF (Nomura Real Estate Residential Fund Inc.) respectively have determined at each of the board of directors meetings held on May 27, 2015 to implement a consolidation-type merger (the “Merger”), whereby October 1, 2015 is set as the date of incorporation of the New Investment Corporation, and that the companies have entered into a merger agreement (the “Merger Agreement”) dated May 27, 2015. A proposal of the Merger Agreement was approved at the general meeting of unitholders of the Company and NOF on July 30, 2015, and at the general meeting of unitholders of NRF on July 31, 2015. Accordingly, each Consolidated Investment Corporation were delisted from Tokyo Stock Exchange REIT market on September 28, 2015. Moreover, New Investment Corporation was approved by Tokyo Stock Exchange to be listed on September 1, 2015, and was listed on October 2, 2015.

(1) Purpose of Merger

The Company believes that the Merger will expand acquisition opportunities, stabilize the portfolio, enhance risk tolerance, increase competitive strength for asset acquisitions and stabilize the financial base by increasing the asset size and diversifying target investment sectors. In addition, the Company believes that it can achieve both growth and stable management by effectively leveraging the wide-range of know-hows and brands held by Nomura Real Estate Group, one of the major comprehensive real estate developers in Japan. As such, the Company is confident that the Merger is the best option for its unitholders and has therefore entered into the Merger Agreement.

(2) Merger Ratio

Upon the merger, 1 New Investment Corporation units was allotted for each Company unit, 3.60 New Investment Corporation units was for each NOF unit, and 4.45 New Investment Corporation units was allotted for each NRF unit.

(3) Number and Fair Value of Investment Units Issued to the Unitholders of the Consolidated Investment Corporations

Consolidated Investment Corporations	Number of Investment Units Issued	Fair Value of Investment Units
NOF	1,341,190 units	205,604 million yen
NRF	715,560 units	109,965 million yen

(4) Cash Distribution on Merger

Instead of cash distributions for the Company’s final fiscal period ending on September 30, 2015 (the period from September 1, 2015 to September 30, 2015), the New Investment Corporation will make a cash distribution on merger to the unitholders listed or recorded on the final unitholders register of the Company as of the day immediately prior to the date of incorporation of the New Investment Corporation, in an amount equivalent to the cash distributions for the final fiscal period based on the Company’s distributable profit.

(5) Overview of Preceding Periods of the Consolidated Investment Corporations (NOF (period ended September 2015) and NRF (period ended September 2015))

NOF (period ended September 2015)

Line of business: Management as investment in specific assets, mainly assets, based on the Investment Trust Act

Operating revenue	10,853 million yen
Net income	2,876 million yen
Assets	438,677 million yen
Liabilities	224,216 million yen
Net assets	214,460 million yen

NRF (period ended September 2015)

Line of business: Management as investment in specific assets, mainly assets, based on the Investment Trust Act

Operating revenue	3,714 million yen
Net income	1,216 million yen
Assets	164,977 million yen
Liabilities	90,478 million yen
Net assets	74,499 million yen



Independent Auditor's Report

The Board of Directors
Nomura Real Estate Master Fund, Inc.

We have audited the accompanying financial statements of Nomura Real Estate Master Fund, Inc., which comprise the balance sheet as at August 31, 2015, and the statements of income and retained earnings, changes in net assets, and cash flows from March 1, 2015 to August 31, 2015 and a summary of significant accounting policies and other explanatory information, all expressed in Japanese yen.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Nomura Real Estate Master Fund, Inc. as at August 31, 2015, and its financial performance and cash flows from March 1, 2015 to August 31, 2015 in conformity with accounting principles generally accepted in Japan.

Emphasis of Matter

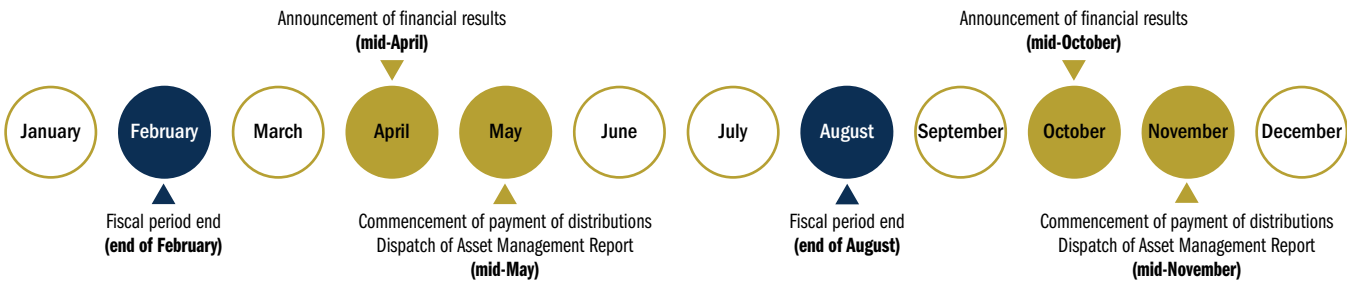
We draw attention to Note20 to the financial statements, which describes Nomura Real Estate Master Fund, Inc., Nomura Real Estate Office Fund, Inc., and Nomura Real Estate Residential Fund, Inc. entered into a consolidation-type merger agreement, whereby October 1, 2015 is set as a date of incorporation of the New Investment Corporation. Our opinion is not qualified in respect of this matter.

November 18, 2015
Tokyo, Japan

Ernst & Young Shin Nihon LLC

A member (EY) of Ernst & Young Global Limited

IR Calendar



Breakdown of Unitholders

416,162 units 25.0%	Foreign corporations and individuals	371,782 units 22.3%
144,735 units 8.7%	Other domestic corporations	141,018 units 8.5%
865,875 units 52.0%	Financial institutions (including financial instruments business operators)	953,734 units 57.3%
238,488 units 14.3%	Individuals and others	198,726 units 11.9%
4th Fiscal Period		5th Fiscal Period

Top 10 Unitholders

Unitholder	Units held	Share
1 Japan Trustee Services Bank, Ltd	393,339	23.62%
2 The Master Trust Bank of Japan, Ltd.	169,052	10.15%
3 Trust & Custody Services Bank, Ltd.	141,894	8.52%
4 Nomura Real Estate Development Co., Ltd.	87,820	5.27%
5 NOMURA BANK (LUXEMBOURG) S.A.	85,071	5.11%
6 The Nomura Trust and Banking Co., Ltd	65,621	3.94%
7 Nomura PB Nominees Limited Omnibus-Margin (Cash PB)	25,057	1.50%
8 CREDIT SUISSE SECURITIES (EUROPE) LIMITED PB OMNIBUS CLIENT ACCOUNT	20,912	1.26%
9 State Street Bank - West Pension Fund Clients - Exempt	17,836	1.07%
10 The Gibraltar Life Insurance Co., Ltd.	13,169	0.79%
Total	1,019,771	61.24%

Note: The figures are based on data as of August 31, 2015.

Information provision through the website

NMF intends to disclose information promptly and accurately by utilizing its website. The website was renewed in the latest form with full use of movies in November 2015.

Disclosure materials of the former NMF before the merger are also available at "Disclosure Materials" under "Investor Relations."

<http://www.nre-mf.co.jp/en/>

