



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 Property Acquisition
(Kawasaki More's: Additional Acquisition of Compartmentalized Ownership)**

Nomura Real Estate Master Fund, Inc. ("Nomura Master Fund" or the "Fund") announced today that it has determined the acquisition of the asset, as stated below.

1. Summary of the Asset to be Acquired

- (1) Type of asset: Beneficial Interest in Real Estate Trust
- (2) Property name: Kawasaki More's
- (3) Acquisition price (Scheduled): ¥2,080 million (Note)
- (4) Scheduled date of agreement: December 19, 2014 (date of agreement on purchase and sale of beneficial interest in real estate trust)
- (5) Scheduled date of acquisition: December 19, 2014 (date of delivery of beneficial interest in real estate trust)
- (6) Seller: Refer to "4. Seller Profile" below
- (7) Financing: Fund on hand and borrowings
- (8) Others: Compartmentalized ownership (total exclusive floor space: 4,278.05m²) and beneficial interest in trust with its land as asset in trust of the above property are the assets to be acquired. Nomura Master Fund currently holds compartmentalized ownership of the property (total exclusive area: 14,446.48m²) and the beneficial interest in trust with its land as asset in trust. With this additional acquisition (the "Additional Acquisition"), Nomura Master Fund will hold approximately 86.9% of compartmentalized ownership of the property (total exclusive floor space: 21,537.59m²). For an overview of the property, please see Exhibit 4 "Property Conceptual Diagram."

(Note) Excluding property taxes, urban planning taxes, consumption taxes and local consumption taxes

The compartmentalized ownership as assets in trust of the above assets to be acquired, the above building including the land and the land in its entirety shall be referred to as the "Property" hereinafter.

2. Grounds

Nomura Master Fund will acquire the asset to be acquired in accordance with the Fund's policies as stipulated in its Articles of Incorporation. The Fund values the following factors.

(1) Location

- JR Tokaido Line, JR Keihin Tohoku Line and JR Nambu Line are available at the nearest station, Kawasaki Station. The number of its daily train passengers combined with that of Keikyu Kawasaki Station on the Keikyu Line is approximately 510,000, making it the second largest terminal station in Kanagawa Prefecture after Yokohama Station.
- In addition to the working population in the surrounding offices, the population within a 1 km trading zone from the Property is large at 52,000. A high concentration of commercial activity can be found around the station, such as atré Kawasaki (JR Kawasaki Station building) and Kawasaki Le FRONT (Marui, Yodobashi Camera) at the East Gate, and LAZONA Kawasaki Plaza, etc. at the West Gate.

(2) Property Features

- The Property, which faces the East Gate of Kawasaki Station and thus offers a stunning view, also guarantees excellent access to the terminal station via either an above-ground route through the convenient station-front rotary or a route below ground connecting the second basement floor to the station's underground shopping mall.
- The Property building also has an entrance on the side facing the shopping street which boasts a large number of pedestrians. It houses about 50 tenants providing items that can expect to consistently be in demand, including food stores, a men's clothing store, an amusement facility, novelty goods shops and restaurants, and is operated as a community-based retail facility.

(3) Enhancement of the Asset Value due to the Additional Acquisition

- Nomura Master Fund already holds the beneficial interest in trust with part of the compartmentalized ownership and such of the Property as asset in trust (the "Property already held"). (Trustee of beneficial trust: Mitsubishi UFJ Trust and Banking Corporation. The ownership ratios of the entire Property are 59.4% for the land and 67.1% for the building.)
- After the Additional Acquisition, Nomura Master Fund will hold, combined with the Property already held, the beneficial interest in trust with 76.6% of the land and 86.9% of the building (the respective ownership ratios of the land and building of the entire Property) of the Property as asset in trust. Thus the Additional Acquisition will contribute to the enhancement of asset value, operational efficiency and liquidity.

3. Property Summary

Property Name		Kawasaki More's
Type of Asset		Beneficial Interest in Real Estate Trust
Trustee of Beneficial Trust		Mitsubishi UFJ Trust and Banking Corporation
Beneficial Trust Contract Period		December 1, 2004 – December 1, 2019
Location (Note 1)	Registry	6-1, Ekimae-Honcho, Kawasaki-ku, Kawasaki-shi, Kanagawa, others
	Street	7-1, Ekimae-Honcho, Kawasaki-ku, Kawasaki-shi, Kanagawa
Access		1 minute walk from Kawasaki Station on the JR Line and 2-minute walk from Keikyu Kawasaki Station on the Keihin Kyuko Line
Completion Date (Note 1)		August, 1980
Use (Note 1)		Retail
Structure (Note 1)		SRC, B2/11F
Seismic Risk (PML) (Note 2)		7.39% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of November 2014)
Architect		Yamashita Sekkei, Inc.
Structural Strength Calculator		Yamashita Sekkei, Inc.
Constructor		Takei Construction Corporation (Kajima Corporation for construction of underground structure)
Building Inspection Agency		Kawasaki-shi
Area (Note 1)	Land	2,719.72 m ² (822.71 tsubo)
	Building	22,235.96 m ² (6,726.37 tsubo)
Type of Ownership	Land	Ownership
	Building	Compartmentalized Ownership
Building Coverage Ratio (Note 3)		100%
Floor Area Ratio		800%
Collateral		None
Property Management Company (Note 4)		Nomura Real Estate Partners Co., Ltd.
Master Lessee (Note 5)		Yokohama Okadaya Co., Ltd.
Type of Master Lease (Note 6)		Guaranteed rental scheme
Notes		<ul style="list-style-type: none"> The property management company, Nomura Real Estate Partners Co., Ltd., is considered a Related Party under the Law Concerning Investment Trust and Investment Corporation ("Investment Trust Law"). The site of the entire building including the building of the Property is owned by the holders of compartmentalized ownership for their respective portions, and constitutes what is called a mutually leased land where it is mutually leased among the holders of the compartmentalized ownership. The land area the Fund will be leasing from other holders of compartmentalized ownership will be 605.18m². The management regulations among the holders of compartmentalized ownership for the Property state that, when any of the holders of compartmentalized ownership wishes to transfer the whole or part of its compartmentalized ownership, the party shall notify it to other holders of compartmentalized ownership in writing and grant them a preferential negotiation right for a certain period of time. The master lessee of the Property has removed the physical partitions between some part of the building of the Property and the adjacent exclusive areas of other holders of compartmentalized ownership in order to utilize the space in an integrated manner with the adjacent exclusive areas leased from other holders of compartmentalized ownership.
Acquisition Price (Scheduled)		¥2,080 million

Appraisal Value and Method	¥2,670 million (Based on the capitalization approach as of October 31, 2014) (Appraiser: The Tanizawa Sogo Appraisal Co., Ltd.)				
Appraisal NOI (Note 7)	¥132 million				
Leasing Status (As of December 16, 2014)					
Total Number of Tenants	1				
Total Rental Income	Undisclosed (Note 8)				
Security Deposits	Undisclosed (Note 8)				
Occupancy Rate (Note 9)	100.0%				
Total Leased Floor Space (Note 10)	4,363.83 m ² (1,320.06 tsubo)				
Total Leasable Floor Space (Note 11)	4,363.83 m ² (1,320.06 tsubo)				
Occupancy Rates in the Past (Note 12)	August 31, 2010	August 31, 2011	August 31, 2012	August 31, 2013	August 31, 2014
	100.0%	100.0%	100.0%	100.0%	100.0%

(Notes)

- Location (registry) and Several Other Items
“Location (registry)”, “Completion Date”, “Structure” and “Area” are based on the information in the real estate registry. Use is based on the main use of the type of building indicated in the real estate registry.
- PML (Probable Maximum Loss)
PML shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.
- Building Coverage Ratio
The Property is located in a commercial district where the building coverage ratio is 80% in principle. As the building is fire-resistant in a fire zone, however, an increased ratio of 100% applies.
- Property Management Company
Refers to the Property Management Company that is scheduled to be appointed after the acquisition.
- Master Lessee
Indicates the master leasing company concluded the master leasing agreement or scheduled to enter into a master leasing agreement after the completion of the acquisition.
- Type of Master Lease
Indicates “pass-through scheme” for the form of the executed master lease agreement called pass-through type in which a Master Lessee would pay the Fund the same amount as the rents from end tenants based on the lease agreements with them, and “guaranteed rental scheme” for the form of the executed master lease in which a Master Lessee would pay fixed rents to the Fund.
- Appraisal NOI
NOI means the net operating income that is the gross income from the leasing operation less the total operation costs and expenses.
“Appraisal NOI” indicates the annual NOI described in the real estate appraisal report with October 31, 2014 as the appraisal date.
- Total Rental Income and Security Deposits Leasing Status
Undisclosed as consent has not been obtained from the master lease company.
- Occupancy Rate
Indicates the ratio of the Total Leased Floor to the Total Leasable Floor Space in each property (rounded to the first decimal place).
- Total Leased Floor Space
Indicates the floor space that is being leased to master lease company as of today.
- Total Leasable Floor Space
Indicates the total area of leasable spaces of retail property (including the area of common-use spaces, etc. if they are leased). The Total Leasable Floor Space is not an indication on the registry but shows the area indicated in the lease agreements or the calculated areas based on the building completion drawings and other documents. As such, the Total Leasable Floor Space is not necessarily equal to the Total Floor

Space based on the indications in the registry and may occasionally surpass the Total Floor Space.

12. Occupancy Rates in the Past
Based on the information from the seller.

4. Seller Profile

As the Fund has not obtained an agreement with the Seller, who is a Japanese Limited Company, this information is not disclosed. The transferee is not a Related Party under the Investment Trust Law of the asset management company.

5. Status of Owners

This transaction is not with a Seller that not is a specific Related Party of the Fund and the Asset Management Company.

6. Transaction with Related Parties

Transaction concerning Property Management Services for the Property

The property management company of the asset to be acquired, Nomura Real Estate Partners Co., Ltd. is a Related Party under the Investment Trust Law. Nomura Master Fund and the Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, etc., pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee in the Asset Management Company.

7. Brokerage Profile

No brokers were involved in the transaction of the asset to be acquired.

8. Forecasts of Financial Results

As the impact of the acquisition of the asset to be acquired on Nomura Master Fund's forecasts of financial results for the fiscal period ending February 28, 2014 (September 1, 2013 to February 28, 2014) and the fiscal period ending August 31, 2014 (March 1, 2014 to August 31, 2014) will be minimal, there is no revision to the forecast of financial results.

9. Forecasts of Financial Results

Property Name	Kawasaki More's (Additional Acquisition)
Appraisal Value	¥2,670,000,000
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	October 31, 2014

(Yen)		
Item	Amount or percentage	Grounds
Capitalization approach price	2,670,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	2,690,000,000	Calculated by capitalization rate based on a normalized net cash flow (NCF)
(1) Operating income (a)-(b)	-	(Note)
(a) Gross rental income	-	
(b) Losses due to vacancies, etc.	-	
(2) Operating expenses	-	
Maintenance	-	
Utilities costs	-	
Repair costs	-	
Property management fees	-	
Advertisement for leasing, etc.	-	
Taxes	-	
Insurance premium	-	
Other expenses	-	
(3) Net operating income from leasing business (NOI=(1)-(2))	132,697,723	
(4) Profit through management of temporary deposits, etc.	-	(Note)
(5) Capital Expenditure Reserve	-	
(6) Net Cash Flow (NCF = (3)+(4)-(5))	134,540,262	
(7) Capitalization rate	5.0%	Assumed based mainly on the yield on investment of similar retail facilities while taking into consideration the area characteristics and specific individual characteristics of the Property
Price calculated by the Discounted Cash Flow Approach	2,660,000,000	
Discount rate	5.0%	Assumed by taking into consideration the individual risks, etc. of the Property
Terminal capitalization rate	5.2%	Assumed based on the capitalization rate as well as future forecast uncertainty
Cost Approach Price	1,320,000,000	
Ratio of land	83.3%	
Ratio of building	16.7%	

Matters noted in reconciliation of indicated value and determination of appraisal value	The Property is located at the East Gate of JR Kawasaki Station and, together with the building held in compartmentalized ownership beyond the scope of this appraisal, is operated as a large station-front retail facility ("Kawasaki More's"). As for its location, etc., it has excellent proximity to a station and to central Tokyo while also boasting superiority in scale and other factors when compared with the competitors in the surrounding area. Thus it is a property that can continue to generate stable profit going forward and we took into consideration that it is judged to hold mid-level or higher competitiveness in the same supply-demand zone.
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(Note) The Property is under a master lease agreement with a guaranteed rental scheme concluded with a master lease company who is a third party not having a special interest relationship with Nomura Master Fund or the Asset Management Company. Thus disclosing information on these items may negatively affect Nomura Master Fund's competitiveness, possibly undermining unitholder interests. Furthermore, the items are not disclosed since consent regarding the disclosure of the information has not been obtained from the master lease company.

【Exhibits】

Exhibit 1	Portfolio after Acquisition of the Property
Exhibit 2	Property Photo
Exhibit 3	Property Map
Exhibit 4	Property Conceptual Diagram

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

Exhibit 1

Portfolio after Acquisition of the Property

Use	Area (Note 1)	Property Name	Acquisition Price (million yen) (Note 2)	Percentage to Total (%) (Note 3)	Date of Acquisition
Logistics	Greater Tokyo	Landport Urayasu	17,400	6.8	June 14, 2013
		Landport Itabashi	15,710	6.1	June 14, 2013
		Landport Kawagoe	13,700	5.4	July 31, 2013
		Landport Atsugi	11,410	4.5	June 14, 2013
		Sagamihara Tana Logistics Center	10,600	4.1	July 19, 2013
		Sagamihara Onodai Logistics Center	8,700	3.4	June 14, 2013
		Landport Hachioji	8,250	3.2	June 14, 2013
		Landport Kasukabe	7,340	2.9	June 14, 2013
		Funabashi Logistics Center	4,660	1.8	June 14, 2013
		Atsugi-Minami Logistics Center B Tower	4,590	1.8	June 14, 2013
		Hanyu Logistics Center	3,810	1.5	June 14, 2013
		Kawaguchi Logistics Center B Tower	3,750	1.5	June 14, 2013
		Kawaguchi Logistics Center A Tower	2,830	1.1	June 14, 2013
		Atsugi-Minami Logistics Center A Tower	2,690	1.1	June 14, 2013
	Other areas	Ota Nitta Logistics Center	3,430	1.3	June 14, 2013
		Ota Higashi-Shinmachi Logistics Center	2,170	0.8	June 14, 2013
Ota Kiyohara Logistics Center		650	0.3	June 14, 2013	
Chiyodamachi Logistics Center		330	0.1	June 14, 2013	
Logistics Sub-total			122,020	47.7	-
Retail	Greater Tokyo	Morisia Tsudanuma	16,600	6.5	June 14, 2013
		Yokosuka More's City	13,640	5.3	June 14, 2013
		Recipe SHIMOKITA	10,407	4.1	December 13, 2013
		EQUINIA Shinjuku	4,260	1.7	June 14, 2013
		Kawasaki More's	4,000	1.6	June 14, 2013
			2,080	0.8	December 19, 2014
		EQUINIA Ikebukuro	3,990	1.6	June 14, 2013
		covirna Machida	3,440	1.3	June 14, 2013
		Nitori Makuhari	3,080	1.2	June 13, 2013
		Konami Sports Club Fuchu	2,730	1.1	June 13, 2013
		FESTA SQUARE	2,600	1.0	June 13, 2013
		GEMS Shibuya	2,490	1.0	July 31, 2013
		Sundai Azamino	1,700	0.7	June 14, 2013
		EQUINIA Aobadai	1,560	0.6	June 14, 2013
		Megalos Kanagawa	1,000	0.4	June 13, 2013
	Kinki Area	Universal CityWalk Osaka	15,500	6.1	September 30, 2014
		Izumiya Senrioka	8,930	3.5	June 13, 2013
		Merad Owada	6,640	2.6	June 13, 2013
		Izumiya Yao	4,406	1.7	June 13, 2013
		Izumiya Obayashi	3,020	1.2	June 13, 2013
	Other areas	Ichibancho Stear	4,700	1.8	June 14, 2013
		EQUINIA Aobadori	1,640	0.6	June 14, 2013
Retail (land with leasehold interest)	Greater Tokyo	Mitsubishi Motors Meguro	2,740	1.1	June 13, 2013
		Mitsubishi Motors Chofu	1,760	0.7	June 13, 2013
		Mitsubishi Motors Shibuya	1,570	0.6	June 13, 2013
		Mitsubishi Motors Nerima	1,240	0.5	June 13, 2013
		Mitsubishi Motors Kawasaki	950	0.4	June 13, 2013
		Mitsubishi Motors Takaido	850	0.3	June 13, 2013
		Mitsubishi Motors Katsushika	800	0.3	June 13, 2013
		Mitsubishi Motors Higashi-Kurume	800	0.3	June 13, 2013
		Mitsubishi Motors Setagaya	770	0.3	June 13, 2013
		Mitsubishi Motors Suginami	740	0.3	June 13, 2013
		Mitsubishi Motors Sekimachi	600	0.2	June 13, 2013
		Mitsubishi Motors Higashi-Yamato	450	0.2	June 13, 2013
		Mitsubishi Motors Motosumiyoshi	370	0.1	June 13, 2013
		Mitsubishi Motors Kawagoe	350	0.1	June 13, 2013
		Mitsubishi Motors Edogawa	200	0.1	June 13, 2013
		Mitsubishi Motors Sayama	160	0.1	June 13, 2013
	Kinki Area	Mitsubishi Motors Ibaraki Maintenance Center	820	0.3	June 13, 2013
	Retail Sub-total			133,583	52.3
Total			255,603	100.0	-

Investment Securities	Greater Tokyo	Ryoke Capital Godo Kaisha Silent Partnership Equity Interest	500	-	March 25, 2014
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- (Note 1) “Greater Tokyo” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Kinki Area” refers to Osaka Prefecture, Kyoto Prefecture, Hyogo Prefecture and Nara Prefecture. “Chukyo Area” refers to Aichi Prefecture, Gifu Prefecture and Mie Prefecture. “Other Areas” refers to cabinet-order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding Greater Tokyo, Kinki Area and Chukyo Area.
- (Note 2) The Acquisition Price is the amount (the amount of transaction payment of real estate, etc. described in the sales agreement with condition precedent and the investment amount described in the Silent Partnership Agreement) excluding costs required to acquire the properties, etc. and the Silent Partnership Equity Interest (transaction brokerage fee, taxes and public dues, etc.).
- (Note 3) “Percentage to Total” indicates the ratio of the acquisition price of respective properties to the total acquisition price of the entire portfolio (56 properties in total). The calculation of investment ratio excludes the Silent Partnership Equity Interest. Furthermore, as the figures were rounded to the first decimal place, the total may not necessarily be 100%.

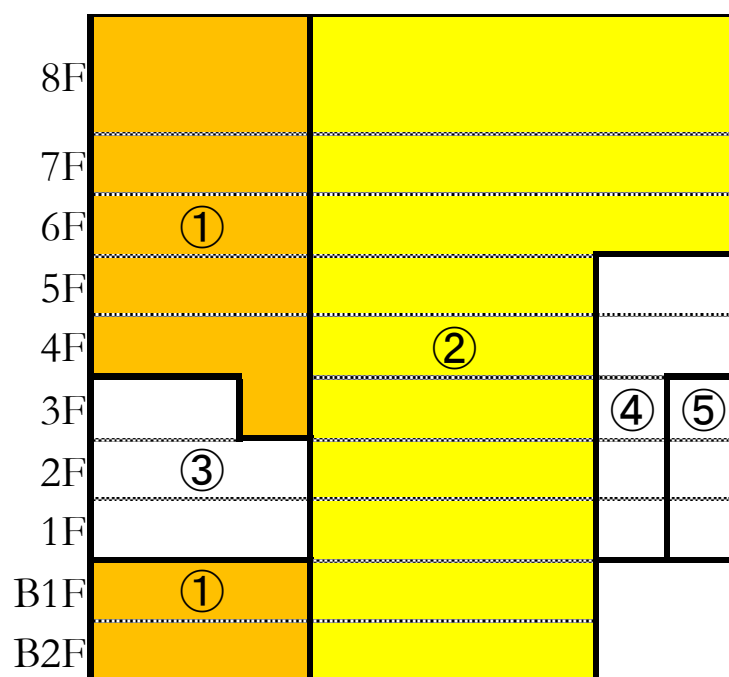
Photo of Kawasaki More's



Map of Kawasaki More's



Property Conceptual Diagram



Compartment		Owner	Exclusively held floor space (Note)	(Ratio)
①	Compartment to be acquired	Mitsubishi UFJ Trust Bank	1,294.11 tsubo	19.9%
②	Compartment already held by NMF	Mitsubishi UFJ Trust Bank	4,370.06 tsubo	67.1%
③	Other owner	Owner A	479.07 tsubo	7.4%
④		Owner B	320.22 tsubo	4.9%
⑤		Owner C	51.64 tsubo	0.8%

(Note) Figures are for exclusively held floor space stated in the management bylaws.