



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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**Notice Concerning Revised Forecasts of Financial Result
and Distribution for the Fiscal Period Ending August 31, 2024**

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announced its decision to revise forecasts of the financial result and distribution for the fiscal period ending August 31, 2024 (18th fiscal period: from March 1, 2024 to August 31, 2024) announced on April 17, 2024 in the “Summary of Financial Results (REIT) for the 17th Fiscal Period Ended March 31, 2024”, as described below.

1. Revised forecasts of the financial result for the fiscal period ending August 31, 2024 (18th fiscal period: from March 1, 2024 to August 31, 2024)

	Operating Revenues (Millions of Yen)	Operating Profit (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Distribution Per Unit (Excluding Distribution in Excess of Net Income) (Yen)	Distribution in Excess of Net Income Per Unit (Yen)	Total Distribution Per Unit (Including Distribution in Excess of Net Income) (Yen)
Previous forecast (A)	40,541	15,513	13,273	13,272	2,810	492	3,302
Revised Forecast (B)	45,153	19,809	17,569	17,568	3,391	0	3,391
Change (B-A)	4,611	4,296	4,296	4,296	581	△492	89
Rate of change ((B-A)/A)	11.4 %	27.7 %	32.4 %	32.4 %	20.7 %	△100.0 %	2.7 %

(Reference)

Anticipated total number of investment units outstanding as of August 31, 2024: 4,715,200 units

Anticipated net income per unit as of August 31, 2024: 3,726 yen



(Note 1)The forecasts presented in this document are calculated as of today, based on the assumptions set forth in the attached “Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending August 31, 2024 (18th fiscal period: from March 1, 2024 to August 31, 2024)” as the Exhibit. The actual operating revenues, operating profit, ordinary income, net income, distribution per unit (excluding distribution in excess of net income) and distribution in excess of net income per unit may differ due to future acquisition or disposition of properties, changes in the real estate market and other factors affecting NMF. NMF does not guarantee the amount of cash distribution nor distribution in excess of net income stated above.

(Note 2)The forecasts may be revised if a certain variance from the forecasts mentioned above is expected.

(Note 3)Amounts less than the stated units are rounded down. The figures displayed as ratio are rounded to the first decimal place. The same shall apply hereinafter.

2. Reasons for revision

Following the decisions of the disposition of the assets announced on “Notice Concerning Acquisition of Domestic Real Estate and Disposition of Trust Beneficial Interest in Domestic Real Estate” dated today, which generates ¥4,682 million of gain on sale, NMF has revised its forecasts due to the changes in the assumption for forecasts of the financial result and distribution for the fiscal period ending August 31, 2024 (18th fiscal period: from March 1, 2024 to August 31, 2024) announced in the “Summary of Financial Results (REIT) for the 17th Fiscal Period Ended February 29, 2024” dated April 17, 2024.

The forecasts do not include the impact of the purchase and retirement of own investment units announced on “Notice Concerning Determination of Matters Relating to Purchase and Retirement of Own Investment Units” dated today.

There will be no revision in earnings and distribution forecasts for the fiscal period ending February 28, 2025 (19th fiscal period: from September 1, 2024 to February 28, 2025) released in the “Summary of Financial Results (REIT) for the 17th Fiscal Period Ended February 29, 2024” dated April 17, 2024 on this announcement due to no major material impact.

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



[Exhibit]

**Assumptions for Forecasts of the Financial Results for
the Fiscal Periods Ending August 31, 2024 (18th fiscal period: from March 1, 2024 to August 31, 2024)**

Item	Assumptions
Calculation period	<ul style="list-style-type: none"> 18th Fiscal Period: March 1, 2024 to August 31, 2024
Assets under Management	<ul style="list-style-type: none"> In addition to properties held by the Fund as of the date hereof (293 properties) (the “Acquired Assets”), it is assumed that the Fund will acquire 1 property and dispose of 1 property by the end of the Fiscal Period Ending August 31, 2024 (18th Fiscal Period). As announced in the “Notice Concerning Acquisition of Domestic Real Estate and Disposition of Trust Beneficial Interest in Domestic Real Estate” dated today, it is assumed that (i) Harumi Island Triton Square Office Tower Y will be disposed of on July 31, 2024, (ii) Landport Tama will be acquired on August 1, 2024, and (iii) there will be no other changes in assets under management (such as new property acquisitions and sales of portfolio properties) through the end of the Fiscal Period Ending August 31, 2024 (18th Fiscal Period). The forecasts may be affected due to actual changes in the portfolio or other reasons.
Operating Revenues	<ul style="list-style-type: none"> Rental revenues are estimated based tenant trends, the presence of competing properties nearby, real estate market conditions and other factors, with the assumption that there will be no delays in payment or failure to pay on the part of tenants. NMF expects to recognize ¥5,304 million as gain on sales of properties in the August 31, 2024 (18th) fiscal period.
Operating Expenses (excluding Amortization of Goodwill)	<ul style="list-style-type: none"> Real estate rental expenses are estimated to be ¥18,189 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period). Regarding property and other taxes, it is estimated that ¥3,642 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) will be recorded as real estate rental expenses. In general, the fixed asset taxes and urban planning taxes that will be imposed, relevant to the year in which such properties will be acquired, will be divided between the seller and the purchaser on a pro-rata basis based on holding period and settled at the time of acquisition, and such taxes are deemed as acquisition costs and are not included in the expenses. Therefore, the fixed asset taxes and urban planning taxes regarding the assets acquired in 2024 will not be recorded as expenses for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period). Regarding property management costs (including building management fees and property management fees), it is estimated that ¥3,000 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) will be recorded as real estate rental expenses. Expenses for repairs and maintenance required for each fiscal period expected to be recorded as real estate rental expenses are calculated based on the mid-to-long term repair plans that the Asset Management Company of the Fund has established. However, the actual expenses for the repairs and maintenance for the relevant fiscal period may differ significantly from the estimates due to the expenses for urgent repair of damages to a building caused by events difficult to foresee and the tendency for significant fluctuation in amounts period by period or that the expenses for certain types of repairs are not required periodically. The amount of repair expenses for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) is estimated to be ¥1,753 million. Regarding depreciation, it is estimated that ¥5,765 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) will be recorded as real estate rental



Item	Assumptions
	<p>expenses.</p> <ul style="list-style-type: none"> It is estimated that other operating expenses (including fees payable to the Asset Management Company, the custodian of assets and the general administrators) will be ¥4,532 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period).
Amortization of Goodwill	<ul style="list-style-type: none"> Goodwill will be amortized using the straight-line method over 20 years on a regular basis pursuant to the Business Combination Accounting Standards, and the amount of amortization of goodwill for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) is estimated to be recorded at ¥2,622 million. Goodwill amortization cost is an item that causes difference between accounting and tax treatment and may result in the imposition of corporation tax or other taxes. The Fund intends to make distributions in excess of net income for the purpose of tax relief during the goodwill amortization period, and it is expected that the Fund will be able to avoid such taxation.
Non-operating Expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are expected to be ¥2,226 million for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period).
Interest-bearing debt	<ul style="list-style-type: none"> As of the date hereof, the outstanding interest-bearing debt of the Fund is ¥521,313 million, consisting of the amount of ¥487,313 million of outstanding borrowings and the amount of ¥34,000 million of outstanding investment corporation bonds. Regarding the borrowings of ¥12,121 million that will become due and payable by the end of the Fiscal Period Ending August 31, 2024 (18th Fiscal Period), it is assumed that the Fund will repay ¥42 million each by cash on hand in the Fiscal Period Ending August 31, 2024 (18th Fiscal Period), respectively, and will refinance the remaining amount. It is assumed that there will be no changes in the amount of the outstanding interest-bearing debt until August 31, 2024 (18th Fiscal Period), other than as stated above.
Investment Units	<ul style="list-style-type: none"> Forecasts are based on the number of investment units issued and outstanding as of this document's publication, 4,715,200 units. NMF assumes that there will be no additional issuance of new investment units through August 31, 2024 (the end of the 18th fiscal period). The impact of the purchase and retirement of own investment units announced on "Notice Concerning Determination of Matters Relating to Purchase and Retirement of Own Investment Units" dated today is not expected.
Distribution Per Unit	<ul style="list-style-type: none"> Distribution per unit is calculated in accordance with the Fund's distribution policy outlined in its Articles of Incorporation. For this forecast, NMF plans to distribute an amount obtained by adding amortization of good will, amortization of fixed-term land leasehold, and amortization associated with recognition of asset retirement obligations, as well as the portion of gains on sale of real estate deducted in the previous fiscal period to net income and deducting a portion of gains on sale of real estate for the fiscal period under review. Distribution per unit may vary due to various factors, including changes in the investment portfolio, changes in rent income caused by tenant replacements, and unforeseen repairs.
Distribution in Excess of Net Income Per Unit	<ul style="list-style-type: none"> Distribution in excess of net income (distribution in excess of net income per unit) is not planned for the Fiscal Period Ending August 31, 2024 (18th Fiscal Period) as of today.
Other	<ul style="list-style-type: none"> It is assumed that there will be no amendments in legislation, taxation, accounting principles, listing requirements, the Investment Trusts Association Japan Regulations or other laws or regulations that would affect the above forecasts. It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.

