



**For Immediate Release**

To Whom It May Concern

**Nomura Real Estate Master Fund, Inc.**  
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**Notice Concerning Revised Forecasts of Financial Result  
for the Fiscal Periods Ending August 31, 2023**

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, 2023 (16th fiscal period: from March 1, 2023 to August 31, 2023) announced on October 18, 2022 in the “Summary of Financial Results (REIT) for the 14th Fiscal Period Ended August 31, 2022”, as described below.

1. Revised forecasts of the financial result for the fiscal period ending August 31, 2023 (16th fiscal period: from March 1, 2023 to August 31, 2023)

	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)	38,923	14,968	12,757	12,756	2,704	557	3,261
Revised Forecast (B)	43,882	18,881	16,667	16,683	3,402	-	3,402
Change (B-A)	4,958	3,913	3,909	3,927	698	△557	141
Rate of change ((B-A)/A)	12.7 %	26.1 %	30.6 %	30.8 %	25.8 %	△100.0 %	4.3 %

(Reference)

Anticipated total number of investment units outstanding as of August 31, 2023: 4,715,200 units

Anticipated net income per unit as of August 31, 2023: 3,538 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, 2023 (16th fiscal period: from March 1, 2023 to August 31, 2023)” 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 and Disposition of Domestic Real Estate and Trust Beneficial Interests in Domestic Real estate” dated March 14, 2023 and “Notice Concerning Disposition of Domestic Real Estate and Trust Beneficial Interests in Domestic Real estate” dated today, which generates ¥4,339 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 periods ending August 31, 2023 (16th fiscal period: from March 1, 2023 to August 31, 2023) announced in the “Summary of Financial Results (REIT) for the 14th Fiscal Period Ended August 31, 2022” dated October 18, 2022. There will be no revision in earnings and distribution forecasts for the 15th fiscal period ended February 28, 2023 released in the “Summary of Financial Results (REIT) for the 14th Fiscal Period Ended August 31, 2022” dated October 18, 2022 on this announcement. Further, NMF is scheduled to announce financial results for the 15th fiscal period ended February 28, 2023 on April 18, 2023.

\*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, 2023 (16<sup>th</sup> fiscal period: from March 1, 2023 to August 31, 2023)**

Item	Assumptions
Period	<ul style="list-style-type: none"> <li>16th Fiscal Period: March 1, 2023 to August 31, 2023</li> </ul>
Assets under Management	<ul style="list-style-type: none"> <li>In addition to properties held by the Fund as of the date hereof (292 properties) (the “Acquired Assets”), it is assumed that the Fund will acquire 9 properties and dispose of 11 properties by the end of the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</li> <li>Of the 5 properties to be acquired as announced in the “Notice Concerning Property Acquisition” dated February 28, 2023, it is assumed that (i) Landport Shinonome / Yasuda Soko will be acquired on March 24, 2023; and (ii) PROUD FLAT Kikukawa, PROUD FLAT Asakusa, PROUD FLAT Kinshicho II, and MEFULL Chayamachi will be acquired on April 3, 2023. It is also assumed that (iii) SOMPO CARE La vie Re Residence Yoga, Grapes Tsujido Nishi-Kaigan, SOMPO CARE Sompno ie Omori-Nishi, and SOMPO CARE La vie Re Residence Shonan Tsujido which are the 4 properties to be acquired as announced in the “Notice Concerning Acquisition and Disposition of Domestic Real Estate and Trust Beneficial Interests in Domestic Real estate” dated March 14, 2023, will be acquired on May 31, 2023 (those 9 properties are hereinafter collectively referred to as the “Assets to be Acquired”).</li> <li>Of the 9 properties to be disposed of as announced in the “Notice Concerning Disposition of Domestic Real Estate and Trust Beneficial Interests in Domestic Real estate” dated today, it is assumed that (i) PRIME URBAN Yoyogi, PRIME URBAN Nishi Shinjuku II, PRIME URBAN Sangen Jaya III, PRIME URBAN Shinagawa Nishi, PRIME URBAN Komagome, PRIME URBAN Kasai II, PRIME URBAN Asakusa, and PRIME URBAN Gyotoku Ekimae will be disposed of on March 31, 2023; and (ii) NMF Nagoya Yanagibashi Building will be disposed of on April 7, 2023. It is also assumed that (iii) NMF Tenjin-Minami Building and PRIME URBAN Otsuka, which are the 2 properties to be disposed of announced in the “Notice Concerning Acquisition and Disposition of Domestic Real Estate” dated March 14, 2023, will be disposed of on May 31, 2023 (those 11 properties are hereinafter collectively referred to as the “Assets to be Disposed of”).</li> <li>The forecasts are based on the assumption that (a) the Assets to be Acquired are respectively acquired on the above-mentioned dates, (b) the Assets to be Disposed of are respectively disposed of on the above-mentioned dates, and that (c) 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, 2023 (16th Fiscal Period).</li> <li>The forecasts may be affected due to actual changes in the portfolio or other reasons.</li> </ul>
Operating Revenues	<ul style="list-style-type: none"> <li>The rental revenues are estimated based on the tenant trends, competitive properties located in adjacent areas, and the real estate market conditions, among other factors, and it is assumed that there are no arrears and non-payment by tenants.</li> </ul>
Operating Expenses (excluding Amortization of Goodwill)	<ul style="list-style-type: none"> <li>Real estate rental expenses are estimated to be ¥17,893 million for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</li> <li>Regarding property and other taxes, it is estimated that ¥3,339 million for the Fiscal Period Ending August 31, 2023 (16th 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</li> </ul>



Item	Assumptions
	<p>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 to be Acquired will not be recorded as expenses for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</p> <ul style="list-style-type: none"> <li>• Regarding property management costs (including building management fees and property management fees), it is estimated that ¥2,933 million for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period) will be recorded as real estate rental expenses.</li> <li>• 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 repair are not required periodically. The amount of repair expenses for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period) is estimated to be ¥1,750 million.</li> <li>• Regarding depreciation, it is estimated that ¥5,774 million for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period) will be recorded as real estate rental expenses.</li> <li>• 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 ¥4,485 million for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</li> </ul>
Amortization of Goodwill	<ul style="list-style-type: none"> <li>• 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, 2023 (16th Fiscal Period) is estimated to be ¥2,622 million.</li> <li>• 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.</li> </ul>
Non-operating Expenses	<ul style="list-style-type: none"> <li>• Interest expenses and other borrowing related expenses are expected to be ¥2,204 million for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</li> </ul>
Interest-bearing debt	<ul style="list-style-type: none"> <li>• As of the date hereof, the outstanding interest-bearing debt of the Fund is ¥517,420 million, consisting of the amount of ¥485,420 million of outstanding borrowings and the amount of ¥32,000 million of outstanding investment corporation bonds.</li> <li>• It is assumed that the Fund will conduct borrowings (¥4,000 million) in the Fiscal Period Ending August 31, 2023 (16th Fiscal Period), for a part of the funds for the acquisition of the Assets to be Acquired. Regarding the borrowings of ¥30,842 million that will become due and payable by the end of the Fiscal Period Ending August 31, 2023 (16th Fiscal Period), it is assumed that the Fund will repay ¥42 million each by cash on hand in the Fiscal Period Ending August 31, 2023 (16th Fiscal Period), respectively, and will refinance the remaining amount through borrowings.</li> <li>• It is assumed that there will be no changes in the amount of the outstanding interest-bearing debt, other than as stated above.</li> </ul>
Investment Units	<ul style="list-style-type: none"> <li>• 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</li> </ul>



Item	Assumptions
	additional issuance of new investment units through August 31, 2023 (the end of the 16th fiscal period).
Distribution Per Unit	<ul style="list-style-type: none"> <li>• Distribution per unit is calculated in accordance with the Fund’s distribution policy outlined in its Articles of Incorporation.</li> <li>• For the fiscal period under review, the figure arrived at by subtracting a portion of gains on sale of real estate and others from net income after amortization of goodwill is planned as the amount of distribution. It is also assumed that a portion of gains on sale will be retained as reserve for reduction entry pursuant to Article 65-7 of the Act on Special Measures Concerning Taxation “Special Provisions for Taxation in Cases of Repurchase of Specified Assets.”</li> <li>• NMF assumes that, of the allowance for temporary difference adjustments accrued up to the present, the amount eliminated in the Fiscal Period Ending August 31, 2023 (16th Fiscal Period) (¥26 million) will be reversed from retained earnings at the period end.</li> <li>• Distribution per unit is calculated assuming that the variation in the market price of interest rate swaps do not affect distribution per unit in the Fiscal Period Ending August 31, 2023 (16th Fiscal Period).</li> <li>• 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.</li> </ul>
Distribution in Excess of Net Income Per Unit	<ul style="list-style-type: none"> <li>• Distribution in excess of net income (distribution in excess of net income per unit) is not planned for the Fiscal Period Ending August 31, 2023 (16th Fiscal Period) as of today.</li> </ul>
Other	<ul style="list-style-type: none"> <li>• 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.</li> <li>• It is assumed that there will be no unexpected material changes in general economic conditions and real estate markets.</li> </ul>

