

**For Immediate Release**  
To Whom It May Concern

**Nomura Real Estate Master Fund, Inc.**  
Securities Code: 3462  
Shuhei Yoshida, Executive Director  
Asset Management Company: Nomura Real Estate Asset Management Co., Ltd.  
Koki Miura, President & Chief Executive Officer  
Inquiries: Hiroyuki Masuko  
Executive Officer  
Head of NMF Investment Management Group  
TEL +81-3-3365-8767 nmf3462@nomura-re.co.jp

### Notice Concerning Acquisition of Property in Japan

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces the decision made today by Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, to acquire properties (the “Acquisition”), as described below.

#### 1. Summary of Asset to Be Acquired

Property Name	Use	Scheduled Date of Purchase and Sales Agreement	Scheduled Date of Acquisition	Seller	Presence of Intermediary	Anticipated Acquisition Price (¥ million) (Note1)
Hotel Wing International Premium Kanazawa Ekimae	Hotels	February 29, 2024	March 1, 2024	Hyakumangoku Property Godo Kaisha	No	2,161

(Note1) The amounts stated exclude acquisition-related costs, property tax, city planning tax, consumption tax and local consumption tax.

(Note2) As of the date of this document, the seller holds the Asset to be Acquired as a beneficial interest in trust of real property, however, through consultation with the seller, the seller will cancel the trust agreement on the same date of the scheduled date of acquisition and transfer the asset to be Acquired of as an actual real property. The same shall be applied throughout this document.

The above property to be acquired is referred to hereinafter as the “Asset to be Acquired.”

#### 2. Reasons for the Acquisition

The Fund determined that the Transaction would help secure stable income and steady growth of the Fund’s portfolio over the medium to long term, in line with the asset management objectives and policies specified in the Fund’s Articles of Incorporation.

The business condition of the Asset to be Acquired is on an upward trend as demand for accommodation in Japan is recovering due to lifting of the border measures including entry restrictions for foreign nationals in April 2023. In November 2023, the total number of overnight guests, including international visitors, marked an increase of +6.6% against pre-COVID figures in 2019 (Note 1). Moreover, against a backdrop of resuming Chinese group tours in August 2023, the total number of overnight stays for international visitors for November 2023 was up 31.1% compared with the figures from 2019 (Note 1), and further tailwind is expected in the future.

Kanazawa City, where the hotel to be acquired this time is located in, is the capital of Ishikawa Prefecture and the business center of the Hokuriku region, and there are many tourist spots, such as Kenroku-en Garden, Omicho Market, 21st Century Museum of Contemporary Art, Kanazawa, Kanazawa Castle Park and Higashi Chaya District in Kanazawa City. Further, since the new section of the Hokuriku Shinkansen (between Kanazawa and Tsuruga) is scheduled to open by March, 2024 and access to the Kansai region and Nagoya Metropolitan Area will improve, demand for accommodations by domestic and overseas visitors can be expected to grow further in the future.



Please refer to 3. Summary of Asset to Be Acquired of below for details of the reasons for acquisition of Asset to be Acquired.

(Note1) Source: Overnight Travel Statistics Survey announced on January 31, 2024, Japan Tourism Agency



### 3. Summary of Asset to Be Acquired

#### Hotel Wing International Premium Kanazawa Ekimae

##### <Reasons for the Acquisition>

The main strengths of the Asset to be Acquired are as follows.

- The Asset is excellent for convenient transportation since it is located at 5-minute walk from the Kenrokuen Exit (east exit) of the JR Kanazawa Station, which is a stop on the Hokuriku Shinkansen. Therefore, the Asset can capture the accommodation needs of business passengers in the Hokuriku region and also attract domestic and overseas leisure passengers since they are able to use bus routes from the bus terminal in front of the station, which serves as a foot for tourism in the city to enjoy the famous tourist spots representing Kanazawa.
- The guest rooms of the Asset range from about 15 to 20 m<sup>2</sup> with just over 40% of the 121 rooms being twin rooms, and they cater to a wide range of accommodation needs, including not only business guests but also leisure guests. In addition, the front desk and restaurant are located on the top floor to provide added value, including the view from the observation deck.
- minacia co., ltd, the hotel operator, is a hotel management company that operates hotels nationwide, such as “Hotel Wing International”, a lodging-specific hotel brand. It operates 41 hotels and 5,480 guest rooms (as of August 10, 2023, information from the company's press release). Accordingly, it can be expected to operate stably with operational know-how that leverages its nationwide chain merits.

##### <Summary of the Assets to be Acquired>

Property Name		Hotel Wing International Premium Kanazawa Ekimae
Type of Asset		Real estate
Location (Note 1)	Registry	75 Horikawashinmachi, Kanazawa City, Ishikawa
	Street	8-13 Horikawashinmachi, Kanazawa City, Ishikawa
Access		5-minute walk from Kanazawa Station on the JR Hokuriku Line 4-minute walk from Hokutetsu-Kanazawa Station on the Hokutetsu-Asanogawa Line
Completion Date (Note 1)		February 10, 2018
Use (Note 1)		Hotel
Structure (Note 1)		Thirteen-floor steel-framed reinforced structure with a flat roof
Architect		Nikki Sekkei Co., Ltd.
Builder		Kumagai Gumi Co., Ltd.
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	498.06 m <sup>2</sup>
	Floor Area	3,099.88 m <sup>2</sup>
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		600%
Collateral		None
Property Management Company (Note 3)		THE DAI-ICHI BUILDING CO., LTD.
Master Leasing Company		—
Type of Master Leasing		—
Seismic Risk (PML) (Note 4)		1.1%(Based on the Earthquake PML Appraisal Report as of January 2024 by Sompo Risk Management Inc.)
Notes		Not applicable.
Anticipated Acquisition Price		¥2,161 million



Appraisal Value and Method	¥2,270 million (Based on the capitalization approach as of December 1, 2023) (Appraiser: JLL Morii Valuation & Advisory K.K.)				
Appraisal NOI <sup>(Note 5)</sup>	¥105 million				
Leasing Status (As of December 31, 2023) (as of Scheduled Date of Acquisition) <sup>(Note 6)</sup>					
Total Number of Tenants	1				
Name of Tenant	minacia co., ltd				
Hotel Operator	minacia co., ltd				
Total Rental Income (Annual)	Undisclosed (fixed rent)				
Security Deposits	Undisclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	3,335.79 m <sup>2</sup>				
Total Leasable Floor Space	3,335.79 m <sup>2</sup>				
Historical Occupancy Rates <sup>(Note 7)</sup>	December 2019	December 2020	December 2021	December 2022	December 2023
	100.0%	100.0%	100.0%	100.0%	100.0%

(Note 1) Location and Other Items

Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Building Coverage Ratio

The Asset to be Acquired is located in a commercial zone where the building coverage ratio is 80% in principle. However, because the Asset to be Acquired is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 100%.

(Note 3) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 4) PML (Probable Maximum Loss)

PML shows the probable losses which would be caused by a maximum size earthquake (a great earthquake which is expected to occur once every 475 years, or with 10% probability of once every 50 years) during the anticipated period of use (i.e., 50 years as expected life time of a standard building), as a percentage of the expected recovery cost to the replacement cost.

(Note 5) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with December 1, 2023 as the appraisal date.

(Note 6) Leasing Status

“Total Number of Tenants” is based on the fixed-term lease agreement that is expected to go into effect on the date of acquisition.

“Name of Tenant” is based on the fixed-term lease agreement that is expected to go into effect on the date of acquisition.

“Total Rental Income” and “Security Deposits” are both undisclosed as the consent from the tenant has not been obtained.

“Total Leased Floor Space” indicates the total floor space presented based on fixed-term lease agreement that is expected to go into effect on the date of acquisition.

(Note 7) Historical Occupancy Rates

The historical occupancy rates are based on the information from the seller.

#### 4. Profile of Seller of the Asset to be Acquired

Company Name	Hyakumangoku Property Godo Kaisha
Head Office	Nihonbashi 1-chome Building, 1-4-1 Nihonbashi, Chuo-ku, Tokyo,
Representative	MJIA ISH, Managing Partner
Principal Business	1. Acquisition, sale and management of beneficial interests in trust in which real estate is entrusted; 2. Acquisition, sale, leasing and management of real estate; and 3. Any other businesses incidental to any of the preceding items.
Capital	100,000 yen
Established	July 10, 2017
Net Assets	Not disclosed since the seller’s consent for disclosure has not been obtained
Total Assets	Not disclosed since the seller’s consent for disclosure has not been obtained
Major Shareholder (Shareholding Ratio)	Not disclosed since the seller’s consent for disclosure has not been obtained
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Neither the Fund nor the Asset Management Company has any capital relationship with the said company. In addition, any persons or companies associated with the Fund or the



	Asset Management Company have no notable capital relationship with those associated with the relevant company.
Personal	Neither the Fund nor the Asset Management Company has any personal relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable personal relationship with those associated with the relevant company.
Transactions	Neither the Fund nor the Asset Management Company has any notable transactions with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable transactions with those associated with the relevant company.
Related Party Status	The said company does not fall under the definition of a related party of the Fund or the Asset Management Company for the accounting purpose. In addition, any persons or companies associated with the said company does not fall under the definition of a related party of the Fund or the Asset Management Company for the accounting purpose.

5. Status of Owner of the Asset to be Acquired

The Asset to be Acquired is not acquired from parties who have special interests in the Fund or the Asset Management Company.

6. Transactions with Related Parties

There is no transaction with related parties.

7. Form of Payment, etc.

Regarding the acquisitions, The Fund will complete settlement by a lump-sum payment on the date of acquisition by paying the agreed price for the property in full to the seller using cash on hand.

8. Schedule for the Acquisition

February 29, 2024	Conclusion of a purchase agreement for the acquisition of the Asset
March 1, 2024	Acquisition of the Asset to be Acquired

9. Outlook

Since the Transaction will be implemented after the end of the fiscal period ending February 2024 (September 1, 2023 to February 29, 2024), there will be no impact on the operating status for the fiscal period ending February 2024. Also, as the effect of the disposition on the operating status of the entire portfolio for the fiscal period ending August 2024 (March 1, 2024 to August 31, 2024) is immaterial, there is currently no change in the outlook for the fiscal period ending August 2024.



10. Appraisal Summary

Property Name	Hotel Wing International Premium Kanazawa Ekimae
Appraisal Value	¥2,270,000,000
Appraiser	JLL Morii Valuation & Advisory K.K.
Appraisal Date	December 1, 2023

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,270,000,000	Determined by associating the price calculated by the direct capitalization approach with the price calculated by the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	2,310,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income	Undisclosed	(Undisclosed)
Total Potential Income, sum of (a) to (d)	Undisclosed	
(a) Rental Income including Common Service Expenses	Undisclosed	
(b) Utilities Costs Income	Undisclosed	
(c) Parking Lot Income	Undisclosed	
(d) Other Income	Undisclosed	
Losses due to Vacancies, etc.	Undisclosed	
Bad Debt Loss	Undisclosed	
(2) Operating Expenses	Undisclosed	
Maintenance Costs	Undisclosed	
Utilities Costs	Undisclosed	
Repair Costs	Undisclosed	
Property Management Fees	Undisclosed	
Advertisement for Leasing	Undisclosed	
Taxes	Undisclosed	
Insurance Premium	Undisclosed	
Other Expenses	Undisclosed	
(3) Net Operating Income from Leasing Business ((1) - (2))	105,729,000	
(4) Profit through Management of Temporary Deposits, etc.	Undisclosed	(Undisclosed)
(5) Capital Expenditure Reserve	Undisclosed	
(6) Net Cash Flow ((3) + (4) - (5))	103,970,000	
(7) Capitalization Rate	4.5%	Calculated in consideration of the property's local and specific characteristics with reference to yields on investments in similar properties
Price Calculated by the Discounted Cash Flow Approach	2,230,000,000	
Discount Rate	4.3%	Calculated in consideration of the property's local and specific characteristics with reference to yields on investments in similar properties
Terminal Capitalization Rate	4.7%	Calculated with consideration of the above capitalization rate and other factors such as the probable future movement of the yield on investment
Cost Approach Price	1,440,000,000	
Ratio of Land	61.9%	
Ratio of Building	38.1%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The Property is located within walking distance from Kanazawa Station, which is on the JR Hokuriku Main Line and the Hokuriku Shinkansen, and it is a lodging-specific hotel located in a region where the hotels concentrated therein serve as accommodation centers for businesses and tourism. With Kanazawa Station as the starting point, the Property has locational advantage given that travelling by bus provides access to an abundance of tourist resources, including Kenrokuen, and the Property, which was constructed five years ago, has competitiveness in the area in terms of the quality of the buildings and facilities.</p> <p>The hotel management status is also expected to remain stable in the future as the tourism demand in Kanazawa City rises.</p> <p>Taking the above factors into consideration, the appraisal value was determined by focusing on the income value that appropriately reflects the investment profitability value.</p>
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(Note) The information that is subject to a confidentiality obligation to the lessee and information that can be used to calculate the said information is included. Therefore, that information is not disclosed because disclosure of such information may cause a disadvantage to NMF due to a breach of confidentiality obligations, etc., and ultimately may be detrimental to the interests of unitholders.

[Exhibit]

- Exhibit 1 Overview of the Portfolio after the Acquisition
- Exhibit 2 Photos and Map of the Asset to be acquired

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



## Overview of the Portfolio after the Acquisition

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Others (Note 1)	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	397,115	65,100	462,215	42.0
Logistics	220,472	3,460	233,932	20.3
Residential (including healthcare facilities)	188,852	27,934	216,786	19.7
Retail	111,768	67,890	179,659	16.3
Hotels	2,360	11,611	13,971	1.3
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	925,468	175,996	1,101,464	100.0
Investment Ratio (%) (Note 2)	84.0	16.0	100.0	

(Note 1) “Greater Tokyo Area” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama 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 those in Greater Tokyo Area.

(Note 2) “Investment Ratio” indicates the ratio of the (anticipated) total acquisition price of properties for each use or in each area to the (anticipated) total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100%.





Photos and Map of the Asset to be Acquired

