

**For Immediate Release**

To Whom It May Concern

**Nomura Real Estate Master Fund, Inc.**

Securities Code: 3462

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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 a property (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) (Note 1)
Kojimachi Millennium Garden (additional acquisition)	Residential (Note2)	April 26, 2024	April 26, 2024	Individual (Note3)	Yes (Note4)	260

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

(Note2) The use of the portion of the property to be acquired at this time is residential, but the property as a whole is used for both offices and residences.

(Note3) Please refer to “4. Profile of Seller of the Asset to be Acquired” below.

(Note4) The brokerage involved in the acquisition is not considered a related party under the Investment Trust Act.

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.

Kojimachi Millenium Garden is a flagship property and has the third largest scale in the NMF portfolio (on an acquisition price basis), and with the additional acquisition of a residential portion of the property, NMF’s sectional ownership interest will increase from 59.25% at present to 59.83% (voting rights percentage basis).



### 3. Summary of Asset to Be Acquired

#### Kojimachi Millennium Garden

##### <Reasons for the Acquisition>

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

- The Asset boasts excellent transportation convenience to Tokyo's terminal stations and major downtown business and commercial districts, as it is located within a four-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line and a six-minute walk from Yotsuya Station on the JR Chuo Line and Sobu Line and the Tokyo Metro Marunouchi Line and Namboku Line.
- The Asset is located in Tokyo's Bancho area, which is known as one of Japan's leading luxury residential districts and boasts long-standing popularity, particularly among high-income earners. The residences subject to the additional acquisition at this time are two- and three-bedroom units suitable for families and are located on an upper floor, and as a result, stable operation can be expected over the medium to long term.

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

Property Name		Kojimachi Millennium Garden
Type of Asset		Real estate
Location (Note 1)	Registry	7-21 (and 17 other parcel of land) Nibancho, Chiyoda Ward, Tokyo
	Street	7-21 Nibancho, Chiyoda Ward, Tokyo (Note 2)
Access		4-minute walk from Kojimachi Station on the Tokyo Metro Yurakucho Line 6-minute walk from Yotsuya Station on the JR Chuo Line, Sobu Line, the Tokyo Metro Marunouchi Line and Namboku Line
Completion Date (Note 1)		May 29, 2000
Use (Note 1)		Office, Apartment
Structure (Note 1)		Twenty one-floor steel, reinforced concrete and steel reinforced concrete structure with flat roof and 4 basement floor
Leasing Units		2
Architect		KAJIMA CORPORATION
Builder		KAJIMA CORPORATION and five other companies
Building Inspection Agency		Tokyo Metropolitan
Area (Note 1)	Land	(a)202.80 m <sup>2</sup> , (b)95.83 m <sup>2</sup> , (c)6,067.17 m <sup>2</sup> (Note 3)
	Building	Area of the entire building 55,353.00 m <sup>2</sup> Exclusively owned area held by the Fund 179.11 m <sup>2</sup>
Type of Ownership	Land	Co-ownership (Note 3)
	Building	Compartmentalized ownership (Residence section) (Acquisition : part of 15F)
Building Coverage Ratio		79.32%(Note 4)
Floor Area Ratio		761.45%(Note 5)
Collateral		None
Property Management Company (Note 6)		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 7)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 7)		Pass through
Seismic Risk (PML) (Note 8)		4.6% (Based on the Earthquake PML Appraisal Report as of March 2024 by Sompo Risk Management Inc.)
Notes		<ul style="list-style-type: none"> <li>• Nomura Real Estate Partners Co., Ltd., the property management company, is considered a related party under the Investment Trust Act.</li> <li>• The management rules of the Property include regulations on transfer such as confirming other compartmental owners' wish for acquisition in case one of compartmental owners intends to transfer part of/whole exclusive ownership interest that the owner owns.</li> </ul>



Anticipated Acquisition Price	¥260 million				
Appraisal Value and Method	¥264 million (Based on the capitalization approach as of April 1, 2024) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI <sup>(Note 9)</sup>	¥9 million				
Leasing Status (as of Scheduled Date of Acquisition) <sup>(Note 10)</sup>					
Total Number of Tenants	1 (Leasing Units 1)				
Total Rental Income (Annual)	Undisclosed				
Security Deposits	Undisclosed				
Occupancy Rate	48.3%				
Total Leased Floor Space	90.24 m <sup>2</sup>				
Total Leasable Floor Space	186.99 m <sup>2</sup>				
Historical Occupancy Rates <small>(Note 11)</small>	March 2020	March 2021	March 2022	March 2023	March 2024
	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) Street Address

As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Land Area and Type of Ownership

(a) is the land area which is co-owned with other compartmental owners of the Property building (The Fund's co-ownership ratio to be acquired is 17911-64621th), (b) is the land area of part of/all other compartmental owners of the Property building (The Fund's co-ownership ratio to be acquired is one-36th), (c) is the land area which is already owned by the Fund and owned by other compartmental owners of the Property building (Not subject to the Fund's acquisition). The total land area of the building is 6,269.97m<sup>2</sup> which is the total of (a) and (c) (This includes the area of 31.61m<sup>2</sup> which is considered as road as stipulated in Paragraph 2 of Article 42 of the Building Standard Law). (b) is a private road (which is considered as road as stipulated in Paragraph 2 of Article 42 of the Building Standard Law) not included in the total land area. Out of there, the Fund will acquire (a) and (b) only. Although the building of the Property meets requirement of the law concerning the compartmentalized ownership, etc. The right of site registry is not completed.

(Note 4) Building Coverage Ratio

The building coverage ratio of the portion of the Asset located within 30 m from the boundary with the fronting road on the south side (Shinjuku-dori Street) and the commercial portion located more than 30 m from the boundary is 80% and the ratio for the portion located in a Category 2 residential district is 60%. However, since the Asset is a certified fireproof building in a fire prevention zone, the applicable ratios have been increased to 100% and 70%, respectively. The weighted average calculated based on the ratios of the areas has been used as the applicable building coverage ratio.

(Note 5) Floor Area Ratio

The floor area ratios of the portion of the Asset located within 30 m from the boundary with the fronting road on the south side (Shinjuku-dori Street) is 800% and for the commercial portion located more than 30 m from the boundary is 400%. The applicable ratio has been increased to 761.45% pursuant to Article 59-2 of the Building Standards Act from the weighted average calculated based on the ratios of the areas.

(Note 6) Property Management Company

Property Management Company refers to the one that is scheduled to be appointed after acquisition.

(Note 7) Master Lease

The master lease scheme that is scheduled to apply after the Acquisition is stated. Note that the "pass-through type" is a scheme where a master lease company pays the same amounts as the rents stipulated in lease agreements with end-tenants.

(Note 8) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 9) Appraisal NOI

"Appraisal NOI" is the annual NOI (operating income operating expenses) described in the real estate appraisal report with April 1, 2024 as the appraisal date.

(Note 10) Leasing Status

The "total number of tenants" is stated as "1" since all of the rental units are to be leased as a block for the purpose of subleasing pursuant to a lease agreement that is scheduled to take effect on the scheduled acquisition date of the additional portion of the Asset and the lessee under the lease agreement (the master lease agreement) plans to sublease the rental units to end tenants. It should be noted that as of the date of this release, the seller occupies one of the two rental units and plans to vacate on the scheduled acquisition date.

"Total rental income" and "security deposits" are not disclosed as the seller currently occupies one of the two rental units and consent has



not been obtained from the tenant of the other rental unit.

“Total leased floor space” is the contracted floor space stated in the lease contract that is scheduled to take effect on the scheduled acquisition date (after the seller vacates the self-use section) for the additionally acquired portion of the asset.

(Note 11) Historical Occupancy Rates

The historical occupancy rates are based on the information from the seller except for seller occupied section.

4. Profile of Seller of the Asset to be Acquired

As the consent from the seller of Kojimachi Millennium Garden, who is an individual, has not been obtained for disclosure, this information is not disclosed. Neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationship with the seller and those including the close family members of the seller, corporations and their subsidiaries whose the majority shares are held by the seller or the close family members.

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

The property management company and master leasing company of Kojimachi Millennium Garden, Nomura Real Estate Partners Co., Ltd., is considered a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management, as well as the lease period, rental rate, and other leasing terms, related to Kojimachi Millennium Garden have been duly examined and authorized by the Asset Management Company’s compliance committee and investment committee pursuant to relevant internal rules and guidelines.

7. Form of Payment, etc.

Regarding the acquisition, 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

April 26, 2024

Conclusion of a purchase agreement for the acquisition of the Asset  
Acquisition of the Asset to be Acquired

9. Outlook

There is currently no revision to the forecast for the fiscal period ending August 31, 2024 (March 1, 2024 to August 31, 2024) and the fiscal period ending February 28, 2025 (September 1, 2024 to February 28, 2025) because the impact of the Acquisition on operation of the entire portfolio is minimal.

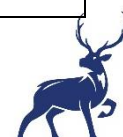


10. Appraisal Summary

Property Name	Kojimachi Millennium Garden (additional acquisition)
Appraisal Value	¥264,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	April 1, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	264,000,000	Estimated by relating the value of revenue using the direct capitalization method and the discounted cash flow method equally.
Price Calculated by the Direct Capitalization Approach	264,000,000	Calculated by capitalizing stable medium- to long-term net income based on the return rate
(1) Operating Income (a)-(b)	14,066,000	
(a) Gross Rental Income	14,806,000	Calculated based on appropriate rental levels deemed to be stable over the medium to long term
(b) Losses due to Vacancies, etc.	740,000	Assessed assuming stable occupancy rate levels over the medium to long term
(2) Operating Expenses	4,300,000	
Maintenance Costs	770,000	Calculated by making reference to planned management association fees, expense levels for comparable properties, and other factors
Utilities Costs	400,000	Calculated by making reference to results in prior years, expense levels for comparable properties, and other factors
Repair Costs	306,000	Calculated by making reference to expense levels for comparable properties, average annual amounts of repair expenses stated in the Engineering Report, and other factors
Property Management Fees	415,000	Calculated by making reference to the planned compensation rate, compensation rates for comparable properties, and other factors
Advertisement for Leasing Costs, etc.	451,000	Average annual amount calculated based on the expected tenant replacement rate
Taxes	1,907,000	Calculated based on tax basis amount for the 2024 fiscal year and other factors
Insurance Premium	50,000	Calculated by making reference to insurance premiums for comparable properties and other factors
Other Expenses	1,000	Neighborhood association fees calculated
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	9,766,000	
(4) Profit through Management of Temporary Deposits, etc.	12,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	540,000	Calculated by taking into consideration capital expenditure levels of comparable properties, building age, and average annual amount of repair expenses stated in the Engineering Report, assuming accumulation of average reserves in each fiscal year
(6) Net Cash Flow (NCF = (3)+(4)-(5))	9,238,000	
(7) Capitalization Rate	3.5%	
Price Calculated by the Discounted Cash Flow Approach	263,000,000	
Discount Rate	3.1%	Calculated based on comprehensive consideration of the property's unique characteristics, taking into consideration the investment yields and other data from transactions involving comparable properties
Terminal Capitalization Rate	3.4%	Calculated based on comprehensive consideration of the future trends in investment yields, the risks of the property as an investment target, general forecasts of future economic growth rates, real estate price and rent trends, and other factors, taking into consideration the transaction yields and other data relating to comparable properties.



Cost Approach Price	226,000,000	
Ratio of Land	84.5%	
Ratio of Building	15.5%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The Kojimachi area, where the property is located, is a historic neighborhood located to the west of the Imperial Palace and it boasts excellent transportation access to city centers, and as a result, solid residential demand can be expected.</p> <p>The property has facilities and specifications suitable for the building age, and maintenance and management conditions are good, and consequently, the property is reasonably competitive in comparison to neighboring condominiums.</p> <p>The assessed value was determined taking the above factors into consideration.</p>	

(Note) The figures in the table above correspond to the portion to be additionally acquired.

[Exhibit]

- Exhibit 1 Overview of the Portfolio after the Acquisition
- Exhibit 2 Photos and Map of the Asset to be acquired
- Exhibit 3 Facility conceptual diagram of Kojimachi Millennium Garden

\*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	397,375	65,100	462,475	42.0
Logistics	220,472	3,460	223,932	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)	925,728	175,996	1,101,724	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  
Kojimachi Millennium Garden



Office



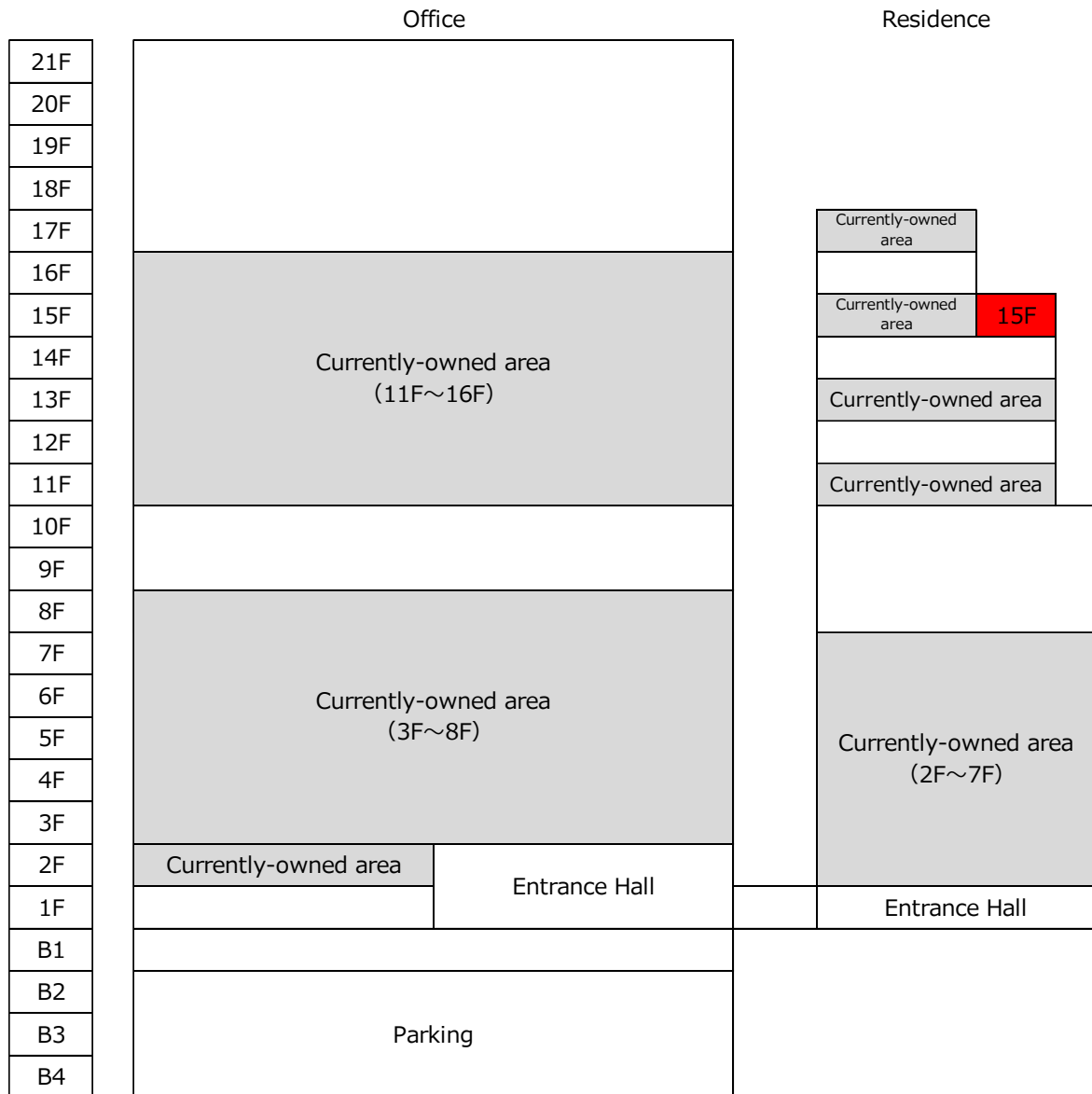
Residence (Additional acquisition target)





Facility conceptual diagram of Kojimachi Millennium Garden

Below is a representational diagram indicating the relationship of interests between the Fund and other owners of Kojimachi Millennium Garden following the acquisition by the Fund.



- : Indicates the portion to be acquired at this time.
- : Indicates areas that the Fund currently owns.
- : Indicates areas owned by other unit owners.

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