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For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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**Notice Concerning Revision to Forecasts of Financial Results
for the Fiscal Period Ending August 31, 2016 (Second Fiscal Period)**

As described in “Notice Concerning Execution of Merger Agreement by and between Nomura Real Estate Master Fund, Inc. and Top REIT, Inc.” announced on May 26, 2016, Nomura Real Estate Master Fund, Inc. (“NMF”) plans to implement an absorption-type merger, with NMF as the surviving corporation and Top REIT, Inc. (“TOP”) as the absorbed corporation (the “Merger”) with the effective date being September 1, 2016. Accordingly, NMF announced its decision to revise the forecasts of the financial results and distributions for the fiscal period ending August 31, 2016 (March 1, 2016 to August 31, 2016), which was announced in “Summary of Financial Results (REIT) for the 1st Fiscal Period Ended February 29, 2016” dated April 14, 2016. The details are as follows.

1. Revised Forecasts of Financial Results for the Fiscal Period Ending August 31, 2016

	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 Distributions Per Unit (Including Distribution in Excess of Net Income) (Yen)
Previous Forecast (A)	30,062	10,715	8,330	8,329	2,237	523	2,760
Revised Forecast (B)	30,624	11,249	8,913	8,912	2,394	523	2,917
Amount of Increase/Decrease (B－A)	562	534	583	583	157	—	157
Ratio of Increase/Decrease	1.9%	5.0%	7.0%	7.0%	7.0%	—	5.7%

(Reference)

Anticipated total number of investment units as of the end of the fiscal period: 3,722,010 units

Anticipated net income per unit: 2,394 yen

[Notes]

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 Period Ending August 31, 2016 (Second Fiscal Period)” as an exhibit. The actual operating revenues, operating profit, ordinary income, net income, distributions per unit or other items may differ due to future acquisition or disposition of properties, changes in the real estate market, progress of procedures of the Merger and other factors affecting NMF. NMF does not guarantee the amount of cash distribution stated above.
2. The distributions for the fiscal period ending August 31, 2016 (March 1, 2016 to August 31, 2016) is scheduled to be paid out to the unitholders or registered pledgees listed or recorded as such on the final unitholders’ register as of August 31, 2016. However, the actual payment is expected to be made on or after the effective date of the Merger.
3. Distribution in excess of net income per unit consists of distribution of the reserve for temporary difference adjustments and distribution other than that (the “Other Distribution in Excess of Net Income”). In the forecasts, the entire amount of 523 yen of distribution in excess of net income per unit for the fiscal period ending August 31, 2016 (Second Fiscal Period) is the Other Distribution in Excess of Net Income, and distribution of the reserve for temporary difference adjustments is not expected. For your reference, the reserve for temporary difference adjustments is treated as dividends for tax purposes and is subject to withholding. In addition, the Other Distribution in Excess of Net Income falls under a return of capital for tax purpose, and in principle, the large part of such amount is treated as the amount of income generated from transfer of investment units (some part may be treated as deemed dividend).
4. The forecasts may be revised if a certain variance from the forecasts mentioned above is expected.
5. Amounts less than the stated units are rounded down.

2. Reason for Revision

In line with the resolutions made for approval of both the consolidation-type merger agreement and the termination of the asset management agreement at the general meeting of unitholders of TOP held today, NMF reflected on the cost of the Merger estimated at this stage, together with affect of asset acquisition and disposition (changes in real estate rental profits and gains and losses from property disposition) stated in the press release “Notice Concerning Property Acquisition and Disposition” announced on May 9, 2016, and revised financial results for the fiscal period ending August 31, 2016 (March 1, 2016 to August 31, 2016), thus is revising the forecasts.

As for the forecasts of the financial results and cash distribution per unit for the fiscal period ending February 2017 after the Merger, there is no change from “Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending February 28, 2017 following the Merger between Nomura Real Estate Master Fund, Inc., and Top REIT, Inc.” announced on May 26, 2016.

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

**Assumptions for Forecasts of the Financial Results for the Fiscal Period
Ending August 31, 2016 (Second Fiscal Period)**

Item	Assumption
Calculation period	<ul style="list-style-type: none"> Second Fiscal Period: March 1, 2016 to August 31, 2016
Assets under management	<ul style="list-style-type: none"> With respect to 252 properties held by NMF as of today, it is assumed that there will be no changes in assets under management (new property acquisitions or sales of portfolio properties) through August 31, 2016. The forecasts may be revised due to actual changes in the portfolio or other reasons.
Operating revenues	<ul style="list-style-type: none"> 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 assume that there are no arrears and nonpayment cases. ¥1,128 million is estimated for gain on sales of real estate (after deducting expenses related to disposition).
Operating expenses (excluding amortization of goodwill)	<ul style="list-style-type: none"> In general, the fixed asset taxes and urban planning taxes of the Asset to be Acquired are 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. The tax amount is estimated to be ¥2,272 million for the second fiscal period (ending August 31, 2016). These amounts are included in the leasing expenses. Outsourcing expenses are estimated to be ¥2,873 million. Expenses for repairs and maintenance required for each fiscal period are calculated as expenses, based on the mid-to-long term repair plans the Asset Management Company has established. However, the actual expenses for repairs and maintenance for each fiscal period may differ significantly from the estimates due to expenses for urgent repair on damages to a building caused by events difficult to foresee, and the tendency for significant fluctuation in amounts year by year or expenses for certain types of repair not required periodically. Depreciation and amortization are estimated to be ¥4,194 million. Leasing expenses are estimated to be ¥13,794 million Other operating expenses (including asset management fees, asset custody fees, general administration fees and professional fees) are estimated at ¥3,633 million.
Amortization of goodwill	<ul style="list-style-type: none"> Goodwill is accounted as assets and amortized using the straight-line method over 20 years on a regular basis pursuant to the Accounting Standard for Business Combinations (Corporate Account Standards Statement No. 21, as amended on September 13, 2013.) The amount of goodwill recorded as of the end of the fiscal period ended February 29, 2016 (First Fiscal Period) is ¥76,252 million. The goodwill amortization is estimated to be ¥1,946million for the fiscal period ending August 31, 2016 (Second Fiscal Period). Amortization of goodwill is an item that causes a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. NMF 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 NMF will be able to avoid such taxation.
Non-operating expenses	<ul style="list-style-type: none"> Interest expenses and other borrowing related expenses are estimated to be ¥2,327 million.
Interest-bearing liabilities	<ul style="list-style-type: none"> As of today, the outstanding interest-bearing liabilities of NMF are ¥399,043 million, consisting of the amount of ¥366,543 million of outstanding borrowings and the amount of ¥32,500 million of investment corporation bonds. Of the portions of the borrowings (¥6,151 million) that will become due and payable by the end of the fiscal period ending August 31, 2016 (Second Fiscal

Item	Assumption
	<p>Period), it is assumed that NMF will repay ¥71 million by using cash on hand, and refinance the entire remaining amount through borrowings. No investment corporation bonds will reach maturity by the end of the fiscal period ending August 31, 2016 (Second Fiscal Period).</p> <ul style="list-style-type: none"> • The Fund assumes that there will be no changes in the amount of the outstanding borrowings and investment corporation bonds (including the short term investment corporation bonds) other than the change in the amount stated above
Investment units	<ul style="list-style-type: none"> • The Fund assumes that there will be no changes in the number of investment units issued and outstanding as of the date of this report of 3,722,010 units and there will be no additional issuance of new investment units by the end of the fiscal period ending August 31, 2016 (Second Fiscal Period).
Distributions per unit	<ul style="list-style-type: none"> • Distribution per unit is calculated according to the NMF's distribution policy outlined in its Articles of Incorporation • NMF expects that it will record the deferred loss on hedge of the interest rate swap in respect of its transactions in the amount of ¥2,867 million as the valuation and conversion adjustments, etc., for the fiscal period ending August 31 2016 (Second Fiscal Period), the same amount as the first fiscal period. It is calculated assuming there is no impact of fluctuation in fair value of interest rate swap on distribution per unit. • 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"> • The amount of distribution in excess of net income is estimated on the assumption that, for the purpose of tax relief, NMF will distribute the amount equivalent to the total amount available for distribution that will cause a difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. In order to alleviate the impact of expenses related to the merger for newly establishing NMF, such as the goodwill amortization, and valuation and conversion adjustments, etc. deducted from the distributable amount (the "New Establishment Merger Expenses, etc.") on cash distribution, the above estimate is based on the assumption that, if the total amount of the difference between accounting and tax treatment for each fiscal period is less than the New Establishment Merger Expenses, etc., NMF will make distribution in excess of net income by adding such amount up to the amount of New Establishment Merger Expenses, within the limit as prescribed by the regulations of the Investment Trusts Association, Japan (meaning the entire amount equivalent to the increase in the reserve for temporary difference adjustments plus the amount equivalent to 60/100 of the difference between the cumulative amount of depreciation and amortization recorded as of the end of the relevant calculation period and that of the end of the prior calculation period with respect to the Other Distribution in Excess of Net Income (ordinary distribution in excess of net income)). • In the current forecasts, the entire amount of ¥523 yen of distribution in excess of net income per unit is the other distribution in excess of net income, and distribution of the reserve for temporary difference adjustments is not expected.
Others	<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 material changes in general economic conditions and real estate markets.