



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

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### **Notice Concerning Change of Hotel Operator and Name Change of Property under Management**

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or “NMF” or the “Fund”) announced today that it has changed hotel operator and name of the property under management (the “Property”)(the “Rebranding”) regarding Watermark Hotel Sapporo announced in the press release “Notice Concerning Property Acquisition and Commencement of Asset Management in New Sector” dated December 19, 2017, as described below.

#### 1. Overview of change

	Before Change	After Change
Date of Change	June 1, 2018	
Property Name	Watermark Hotel Sapporo	Hotel Vista Sapporo Odori
Hotel Operator	Watermark Hotel Japan Co., Ltd.	Vista Hotel Management Co., Ltd.

#### 2. Purposes for change of the hotel operator and the rebranding

Vista Hotel Management Co., Ltd. currently operates 11 hotels across Japan under the Vista brand and possesses a wealth of expertise in hotel operations. Particularly in the Sapporo area, the company boasts thorough knowledge of the hotel market through the operation of its HOTEL VISTA SAPPORO NAKAJIMA KOHEN, and the Fund expects operational synergies from sales, employee rotation and other cost-saving measures to be conducted jointly with said hotel.

The Fund believes that Vista Hotel Management’s abundant management expertise and brand will enable it to make maximum use of the unique characteristics of the Property that set it apart in Sapporo, where demand from both domestic and international tourists is expected to grow. These include its location, on Tanukikoji Shopping Arcade and the sense of top-class elegance and functionality that it gains from the separate installation of baths, toilets and vanities in guest rooms. Thus, the Fund expects that these changes will help it capture upside and potential in terms of revenue by increasing the GOP<sup>(Note1)</sup>-linked portion of the Property’s rent<sup>(Note2)</sup>.

Furthermore, leveraging the Property’s excellent location on Tanukikoji Shopping Arcade, the Fund has attracted a new tenant for the restaurant space on the Property’s first floor (restaurant name: *Wa Oyobare*). Featuring the liberal use of ingredients produced in Hokkaido, the restaurant will offer superior quality dining helping to further improve the hotel’s level of service and maximize revenue.

(Note 1) GOP is the sum of revenues from hotel operations (revenues from guest room operation and other departments) less cost items, which consist of the cost of sales (accommodation and other costs), personnel expenses (associated with guest room staff and part-time employees), operational expenses (operational fees and commissions, outsourcing expenses associated with facility cleaning and other tasks, and the cost of linens and expendables used by guests) and other expenses (expenses associated with advertising and utilities in addition to facility management, repair and maintenance expenses borne by the tenant).

(Note 2) The lease terms and conditions between Vista Hotel Management Co., Ltd. and the Fund has remained the same since the acquisition of the Property. Regarding the lease terms and conditions, please refer to the press release “Notice Concerning Property Acquisition and Commencement of Asset Management in New Sector” dated December 19, 2017.



### 3.Forecasts of financial results

There is no revision to Nomura Master Fund's forecasts of financial results for the fiscal period ending August 31, 2018 (March 1, 2018 to August 31, 2018) and February 28, 2019 (September 1, 2018 to February 28, 2019) by the change of hotel operator and property name as it has only small impact to the forecast of financial results.

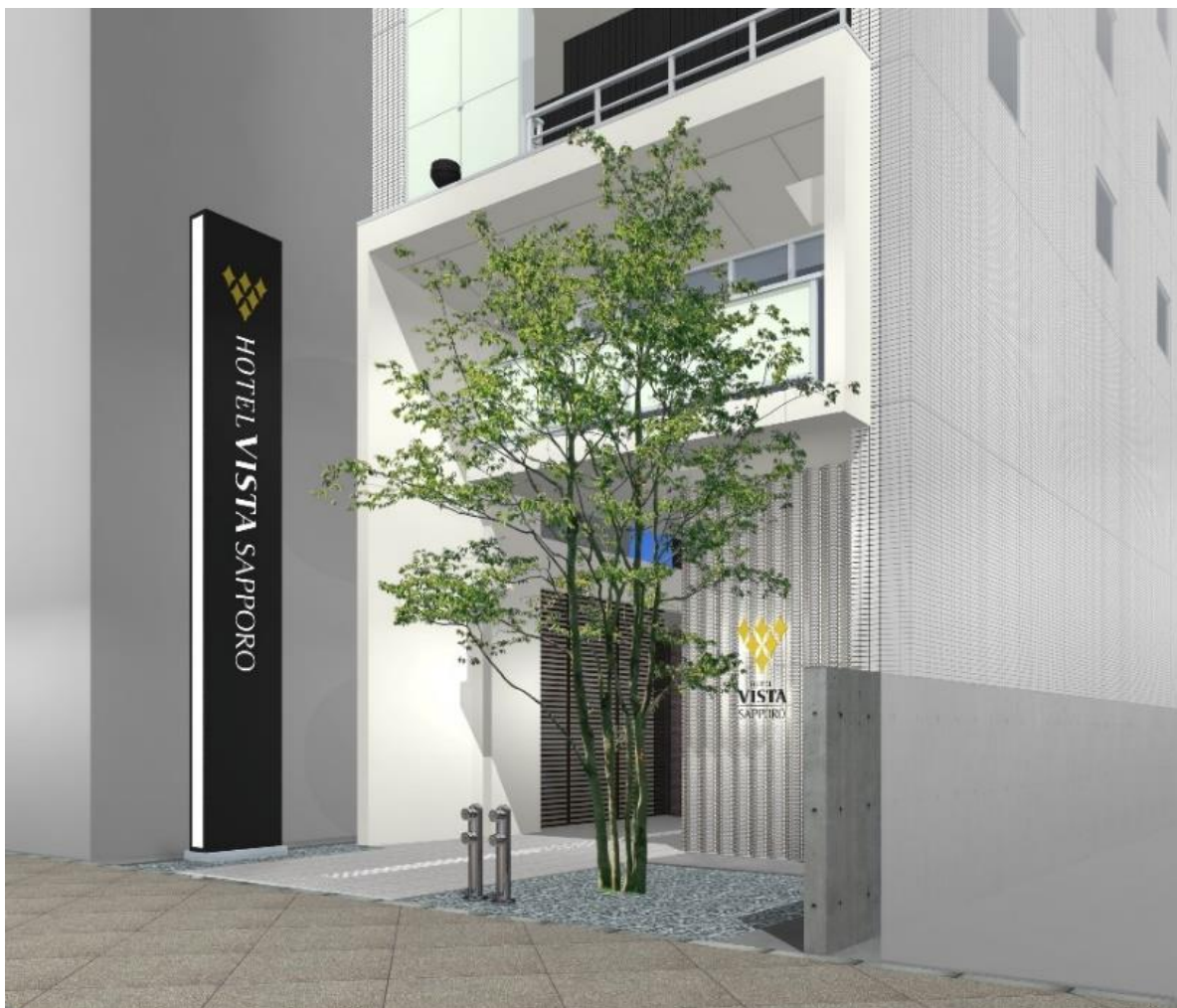
#### 【Exhibits】

Exhibit : Images and Photos of the Property after Rebranding

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



Images and Photos of the Property after Rebranding



Hotel Entrance



*Wa Oyobare* - Japanese cuisine restaurant facing Tanukikoji Shopping Arcade



Breakfast (example) at *Wa Oyobare*

