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**For Immediate Release**

To Whom It May Concern

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**Notice Concerning Submission of Amendment to the Shelf Registration Statement for  
Green Bond Issuance**

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces that it has submitted today an amendment to the shelf registration initially submitted on September 19, 2017, relating to issuance of green bonds (unsecured investment corporation bonds) (the “Green Bonds”).

**1. Overview of the Amendment to Shelf Registration Statement**

On August 7, 2019, NMF filed an amendment to the Shelf Registration Statement of investment corporation bonds, which contain information concerning the Green Bonds, with the Director General of the Kanto Local Finance Bureau. Although the time of issuance, amount and other terms regarding the Green Bonds are yet to be decided, NMF plans to appoint Nomura Securities Co., Ltd., SMBC Nikko Securities Inc., Mizuho Securities Co., Ltd. and Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. as lead managing securities companies and consider terms of issuance for the Green Bonds through marketing activities.

In addition, NMF plans to allocate the proceeds procured from the issuance of the Green Bonds to all or part of the funds for refinancing of borrowings used to acquire PMO Tamachi Higashi, which is an eligible green project (meaning existing or new specified assets that fulfill criteria indicated under 3. Outline of Green Finance Framework (2) Eligible Criteria mentioned below; the same shall apply hereinafter).

**2. Purpose and Background of Issuing Green Bond**

Based on the recognition that realizing a sustainable society is essential for NMF’s sustainable growth, NMF also believes that its contribution to realizing a sustainable society by solving social issues through its business is in line with its fundamental philosophy of “securing stable profit over the medium to long term” and “steadily achieving growth in assets under management.” Consequently, NMF believes that such would contribute to improve unitholder value. Under such policy, NMF practices investment management taking into consideration Environment, Society and Governance (“ESG”), together with Nomura Real Estate Asset Management Co., Ltd., a licensed investment trust management company retained by NMF to provide asset management services.

As part of such initiatives, NMF strives to obtain green certifications including the DBJ Green Building Certification, a certification system of the Development Bank of Japan (DBJ) to support real estate properties with environmental and social awareness, BELS, a system to evaluate and indicate the energy conservation performance of a structure based on the evaluation standards provided by the Ministry of Land, Infrastructure, Transport and Tourism, and CASBEE Certification for Real Estate, a certification system of Institute for Building Environment and Energy Conservation (IBEC) and private institutions approved by IBEC to evaluate and rate the environmental performance of buildings and the built environment. As of today, 85 of NMF’s properties <sup>(Note 1)</sup> have received green certifications and the proportion to the total floor area of the entire portfolio is as much as 67.3% <sup>(Note 2)</sup>. These initiatives by NMF are highly evaluated even by third parties and under the 2018 Global Real Estate Sustainability Benchmark (“GRESB”) program, NMF was awarded the title Sector Leader, which is given to real estate companies and funds that have achieved the highest overall GRESB score globally, in the listed diversified sector.



Furthermore, in order to advance these initiatives more aggressively and meticulously, NMF has identified ESG materiality issues in consideration of expectations and interests from our stakeholders as well as the impact on our business and performance. Especially in the environmental aspect, NMF has set the targets of “Raising the proportion of “green” properties in our investment portfolio” and “Countering climate change” in order to contribute to the realization of a low-carbon society through minimizing environmental burdens attributable to the portfolio. The issuance of Green Bonds is intended to further advance NMF’s investment in properties that obtained green certifications by broadening the investor base as well as securing stable fund procurement methods, and NMF believes that it will contribute to the realization of materiality targets and its own sustainable growth.

(Note 1) Indicates total number of properties certified with any of DBJ Green Building Certification, BELS and CASBEE for Real Estate.

(Note 2) The figure is calculated based on the floor area of properties owned by NMF excluding land.

<NMF’s Acquisition Status of Environmental Certifications>

[https://www.nre-mf.co.jp/en/esg/esg\\_initiative.html](https://www.nre-mf.co.jp/en/esg/esg_initiative.html)

<ESG Materiality Issues Identified by NMF>

[https://www.nre-mf.co.jp/en/esg/esg\\_materiality.html](https://www.nre-mf.co.jp/en/esg/esg_materiality.html)

### 3. Outline of Green Finance Framework

#### (1) Use of Proceeds from Green Finance

NMF will allocate all procured proceeds from green finance for payment on the acquisition of eligible green projects (meaning existing or new specified assets that fulfill the criteria indicated under (2) Eligible Criteria mentioned below; the same shall apply hereinafter), funds for refinancing of borrowings used to acquire eligible green projects, or redemption of outstanding investment corporation bonds issued to acquire eligible green projects.

#### (2) Eligible Criteria

Projects must acquire any of the valid certifications or be recertified in a. through c. below within 36 months after the date of receiving proceeds from green finance, or must be scheduled to acquire such (re)certification in the future.

- a. 3, 4, or 5 Stars under DBJ Green Building Certification,
- b. 3, 4, or 5 Stars under BELS Certification, or
- c. B+, A or S rank under CASBEE Certification for Real Estate.

#### (3) Project Evaluation and Selection Process

Eligible criteria are established by the Sustainability Promotion Committee (committee chaired by the Head of the NMF Investment Management Group) of Nomura Real Estate Asset Management Co., Ltd., the asset management company of NMF, and determined by the Investment Committee.

Eligible green projects in which proceeds from green finance will be invested are evaluated and chosen by the NMF Investment Management Group and Finance & Accounting Department based on eligible criteria, and the selection is made upon approval by the Investment Committee or the Head of the NMF Investment Management Group based on decision-making authority rules of the asset manager.

#### (4) Management of Funds Procured

NMF shall set the debt amount calculated by multiplying the total book value of eligible green projects owned by NMF by total assets LTV (loan to value ratio) as of the most recent fiscal period end calculable as of the date of obtaining proceeds (the “Eligible Green Debt Amount”) as the upper limit of the balance of green finance. NMF manages to ensure that the balance of green finance will not exceed the Eligible Green Debt Amount.

Furthermore, as long as the balance of green finance exists, NMF will internally track and manage the allocated funds on a portfolio basis.

NMF shall immediately or promptly use all the proceeds procured from green finance for payment on the acquisition of eligible green projects, funds for refinancing of borrowings used to acquire eligible green projects, or redemption of outstanding investment corporation bonds issued to acquire eligible green projects. In the case the entire amount of proceeds is not promptly allocated or is paused from being allocated to eligible green projects, NMF shall identify the unallocated amount and manage the equivalent amount as cash and cash equivalents until the amount is allocated to eligible green projects.

In addition, the Eligible Green Debt Amount as of the end of February 2019 is 163.6 billion yen (total book value of eligible green projects being 367.7 billion yen multiplied by LTV of total assets as of the end of February 2019 (44.5%)).

#### (5) Reporting

In the case the entire amount of proceeds procured from green finance is not promptly allocated or is paused from being allocated to eligible green projects, NMF shall post a report indicating status of allocation of the



proceeds on its website until the entire amount is allocated.

Furthermore, as long as the balance of green finance remains, NMF shall post the following indices as of the end of February each year on its website.

- Total book value of eligible green projects
- The Eligible Green Debt Amount
- Balance of green finance
- Number of projects in eligible green projects
- Level of each green certification acquired
- Greenhouse gas (GHG) emissions, energy consumption and water consumption at eligible green projects (however, the target is limited to properties or parts of buildings where NMF possesses control authority.)

#### 4. Evaluation by External Organization

NMF has acquired “Green1(F)”, the highest rating in JCR Green Finance Framework Evaluation by Japan Credit Rating Agency, Ltd. (JCR) for its eligibility of green finance framework <sup>(Note 1)</sup>. For details, please refer to the JCR website.

JCR Green Finance Evaluation: <https://www.jcr.co.jp/en/greenfinance/green/>

Furthermore, in acquiring third-party evaluation for the issuance of the Green Bonds, Japan Credit Rating Agency, Ltd. (JCR), an issuance supporter, received a notice of determination of provision of subsidies from the Green Finance Organisation concerning the issuance of Green Bonds being subject to subsidy under FY 2018 Financial Support Programme for Green Bond Issuance <sup>(Note 2)</sup> of the Ministry of the Environment.

(Note 1) Being eligible for green finance framework means complying with the four requirements set by the Green Bond Principles 2018: use of proceeds, project evaluation and selection process, management of proceeds and reporting.

(Note 2) For details of the Financial Support Programme for Green Bond Issuance, please refer to the following website.

The Green Bond Issuance Promotion Platform of the Ministry of the Environment website:  
<http://greenbondplatform.env.go.jp/en/support/subsidy.html>

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

