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For Immediate Release

To Whom It May Concern

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Notice Concerning Partial Revision of the Asset Management Guidelines
(Addition of Provisions on Purchase and Retirement of Own Investment Units)

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announces that Nomura Real Estate Asset Management Co., Ltd. (“NREAM”), a licensed investment trust management company retained by the Fund to provide asset management services, decided today to revise the Asset Management Guidelines (the “Management Guidelines”) pertaining to the management of the Fund’s assets partially to establish provisions concerning purchase and retirement of own investment units. Details are as follows.

1. Summary of and Reasons for the Revision

The Fund has worked to improve unitholder value by securing stable income over the medium to long term and achieving steady growth of assets under management through the combination of strong property provision and an operation support system based on the “diversified type strategy” under which investments are made in office, retail, logistics, residential and a variety of other facilities to enable sustainable growth; the features of a “large-scale REIT,” which allow for more stable management due to the effect of diversification of the portfolio; a “portfolio centering on the Greater Tokyo area,” which can expect upside while seeking stability of cash flows brought by diversification of areas; and a “leasing value chain” with the Nomura Real Estate Group that includes Nomura Real Estate Development Co., Ltd., the sponsor.

Based on the above policy, the Fund believes that, while continuing with asset management that pursues the improvement of unitholder value, conducting purchase and retirement of own investment units as part of financial and capital policies with an aim to improve capital efficiency and profit return for unitholders of the Fund, when such is appropriate taking into account factors such as the market environment and the trends of the investment unit price, will contribute to the improvement of unitholder value in the medium and long term. (Note)

Accordingly, in order to further clarify the policy on purchase and retirement of own investment units based on Article 5, Paragraph 2 of the Articles of Incorporation of the Fund, it has decided to add provisions concerning purchase and retirement of own investment units in the Management Guidelines of NREAM.

The above is a decision on the revision of the financial policy in the Management Guidelines of NREAM, and not a decision on purchase and retirement of own investment units by the Fund. Purchase and retirement of own investment units will be decided based on the policies set forth in the Management Guidelines, taking into account the market environment and the trend of the investment unit price at the relevant time. Therefore, this revision does not guarantee execution of purchase and retirement of own investment units in the future.

(Note) When purchase and retirement of own investment units are conducted, distribution per unit will increase (compared to when purchase and retirement of own investment units are not conducted) due to a decrease in the number of investment units issued.

2. Date of the Revision

April 14, 2020



3. Content of the Revision

The revised passages of the Management Guidelines are shown below. The excerpts of both the existing and revised Management Guidelines presented here are mainly the passages that have been revised (with changes underlined); other sections of the guidelines are omitted.

Prior to the Revision	Following the Revision
<p>III Financial Policy</p> <p>1. Basic policy (Omitted)</p> <p>2. Equity finance New issuance of investment units shall be determined comprehensively taking into account the timing of new acquisition of Real-Estate Related Assets, ratio of interest-bearing liabilities to total assets (LTV: loan to value), repayment date and remaining period of interest-bearing liabilities, economic conditions and other factors, while considering dilution of existing unitholders' rights, the accompanying decrease in the transaction price of the investment unit, etc.</p>	<p>III Financial Policy</p> <p>1. Basic policy (No change)</p> <p>2. Equity finance <u>(1) Additional issuance of new investment units</u> New issuance of investment units shall be determined comprehensively taking into account the timing of new acquisition of Real-Estate Related Assets, ratio of interest-bearing liabilities to total assets (LTV: loan to value), repayment date and remaining period of interest-bearing liabilities, economic conditions and other factors, while considering dilution of existing unitholders' rights, the accompanying decrease in the transaction price of the investment unit, etc.</p> <p><u>(2) Purchase and retirement of own investment units</u> <u>Execution of purchase and retirement of own investment units as part of financial and capital policies with an aim to improve capital efficiency and profit return for unitholders shall be considered. In doing so, improvement of unitholder value over the medium to long term shall be the most important aspect, and the execution shall be decided after comprehensively taking into account the level of the investment unit price, status of cash on hand, financial status, market environment, etc.</u></p>

4. Future Outlook

The above partial revision of the Management Guidelines has no impact on the performance of the Fund.

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

