

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)
PRIME URBAN Nishi Nippori (Note2)	Residential	June 27, 2024	June 27, 2024	DEAR LIFE CO.,LTD.	None	981

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

(Note2) The current property name is “DeLCCS NISHINIPPORI,” but it will be changed to the above name promptly upon NMF’s acquisition.

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.



3. Summary of Asset to Be Acquired

PRIME URBAN Nishi Nippori

<Reasons for the Acquisition of the Asset>

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

- The Asset is 7-minute walk from the Tokyo Metro Chiyoda Line Nishi-Nippori Station, and 8-minute walk from the JR Nishi-Nippori Station. Travel time is 9 minutes to Otemachi Station, 13 minutes to Tokyo Station, and 20 minutes to Shinjuku Station. Accordingly, the Asset has good access to terminal stations and major business and commercial areas, making it excellent in terms of convenient transportation.
- The Asset boasts high convenience for daily living as there are financial institutions, supermarkets, convenience stores, and restaurants in the area surrounding Nishi-Nippori Station, which is the nearest station. Solid demand can also be expected for the Asset as all of its units are family-oriented two-bedroom units with an area of approximately 65 m².
- The Asset had been designated as specified good rental housing until March 2024, and its rent has a large gap with market rent. Therefore, by executing construction works for enhancing the value of common spaces and exclusive use spaces, medium- to long-term upside can be expected.

<Summary of the Asset to be Acquired>

Property Name		PRIME URBAN Nishi Nippori
Type of Asset		Real estate
Location (Note 1)	Registry	1-355 and 371 (one-fifth of the combined parcels of land) Nishi-Nippori, Arakawa Ward, Tokyo
	Street	1-49-10 Nishi-Nippori, Arakawa Ward, Tokyo
Access		8-minute walk from Nishi-Nippori Station on the JR Line 7-minute walk from Nishi-Nippori Station on the Nippori Toneri Liner and the Tokyo Metro Chiyoda Line 5-minute walk from Shin-Mikawajima Station on the Keisei Honsen Line 8-minute walk from Mikawajima Station on the JR Joban Line
Completion Date (Note 1)		February 25, 2004
Use (Note 1)		Residential , Office
Structure (Note 1)		10-floor steel-reinforced concrete structure with a flat roof
Leasing Units		19
Architect		Powers Project Management First-Class Registered Architectural Office Co., Ltd.
Builder		Powers Project Management Co., Ltd.
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)(Note 2)	Land	416.52 m ²
	Building	1,438.52 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100%(Note 3)
Floor Area Ratio		500%
Collateral		None
Property Management Company (Note 4)		Tokyu Housing Lease Corporation
Master Leasing Company		Tokyu Housing Lease Corporation
Type of Master Leasing (Note 5)		Pass through
Seismic Risk (PML) (Note 6)		5.6% (Based on the Earthquake PML Appraisal Report as of April 2024 by Sompo Risk Management Inc.)



Notes	To conform with urban planning, a road is to be constructed on the Property's north side. The timing of this construction has yet to be determined. When the plan is executed, the Property's boundary will move back approximately 6.2 m from the current boundary line of the road on its north side, and the property's land area will decrease by approximately 93 m ² .				
Anticipated Acquisition Price	¥981 million				
Appraisal Value and Method	¥1,140 million (Based on the capitalization approach as of May 1, 2024) (Appraiser: Japan Valuers Co., Ltd.)				
Appraisal NOI ^(Note 7)	¥45 million				
Leasing Status (As of April 30, 2024) ^(Note 8)					
Total Number of Tenants	19				
Total Rental Income (Annual)	¥28 million				
Security Deposits	¥6 million				
Occupancy Rate	100%				
Total Leased Floor Space	1,297.63 m ²				
Total Leasable Floor Space	1,297.63 m ²				
Historical Occupancy Rates ^(Note 9)	April 2020	April 2021	April 2022	April 2023	April 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) Land Area

Under Article 42, Paragraph 2 of the Building Standards Act, the land includes the area of about 20.84 m² (a private road), which is regarded as a road.

(Note 3) Building Coverage Ratio

As the location of the Asset is within a commercial zone, a building coverage ratio of 80% is normally applied; however, the applied ratio has been increased to 100% because the Asset is a certified fireproof building in a fire prevention zone.

(Note 4) Property Management Company

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

(Note 5) 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 6) 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 7) 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 8) Leasing Status

"Total Rental Income" is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements with the end tenants actually leasing space in the building of the Asset as of April 30, 2024 (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

"Security Deposits" indicates the amount of security and other deposits specified in the aforementioned lease agreements (rounded down to the nearest million yen).

"Occupancy Rate" is calculated by dividing Total Leased Floor Space as of April 30, 2024 by Total Leasable Floor Space.

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of April 30, 2024.

"Total Leasable Floor Space" is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset that can be leased as of April 30, 2024 (if any common area, etc. is leased, the floor space thereof is included).

(Note 9) Historical Occupancy Rates

The historical occupancy rates are based on the information from the seller. Note that the occupancy rates from the end of April 2020 to the end of April 2023 are those for the residential area only because as for the office area, which accounts for 125.20 m² of the Asset, the occupancy rates after the current lessee moved in are unknown.



4. Profile of Seller of the Asset to be Acquired

Company Name	DEAR LIFE CO., LTD.
Head Office	Hulic Kudan Building 2F, 1-13-5 Kudankita, Chiyoda Ward, Tokyo
Representative	Yukihiro Abe, Representative Director and President
Principal Business	Real estate development, investment, brokerage, leasing, sales, and management work Real estate appraisal, market survey, and consulting Surveying, planning, design, supervision, and execution of construction works in general, as well as contracting of such work Contracting of security and safety management operations for buildings, facilities, etc., maintenance for such operations, and work related to facilities and improvements Planning, design, operations, and management of hotels, inns, and other accommodations, restaurants, amusement places, beauty salons, and massage and other care facilities, as well as consulting on such places
Capital	¥4,125 million(As of March 31, 2024)
Established	November 1, 2004
Net Assets	¥22,501 million(As of March 31, 2024)
Total Assets	¥45,322 million(As of March 31, 2024)
Major Shareholder (Shareholding Ratio)	Dearness Co., Ltd. (35.41%) The Master Trust Bank of Japan, Ltd. (trust account) (9.26%) (As of March 31, 2024)
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Neither the Fund nor the Asset Management Company has any capital relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable capital relationship with those associated with the relevant company.
Personal	Neither the Fund nor the Asset Management Company has any personal relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable personal relationship with those associated with the relevant company.
Transactions	Neither the Fund nor the Asset Management Company has any notable transactions with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable transactions with those associated with the relevant company.
Related Party Status	The said company does not fall under the definition of a related party of the Fund or the Asset Management Company for the accounting purpose. In addition, any persons or companies associated with the said company does not fall under the definition of a related party of the Fund or the Asset Management Company for the accounting purpose.

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

There is no transaction with related parties.

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

June 25,2024	Date of decision on acquisition of the Asset to be Acquired
June 27, 2024	Date of purchase and sales agreement pertaining to the acquisition of the Asset to be Acquired and date of payment
June 27,2024	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	PRIME URBAN Nishi Nippori
Appraisal Value	¥1,140,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	May 1, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,140,000,000	Determined by associating the price calculated by the direct capitalization approach with the price calculated by the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	1,230,000,000	
(1) Operating Income	58,223,196	
Total Potential Income, sum of (a) to (d)	60,685,726	
(a) Rental Income including Common Service Expenses	58,926,972	Calculated in consideration of current rent and market rent levels, and other factors
(b) Utilities Costs Income	0	
(c) Parking Lot Income	0	Calculated in consideration of current rent and market rent levels, and other factors
(d) Other Income	1,758,754	Calculated referring to actual amounts in the past, general levels, and other factors
Losses due to Vacancies, etc.	2,462,530	Calculated in consideration of the current occupancy rate, market occupancy rate, and other factors
Bad Debt Loss	0	Determined that no losses need to be recorded in consideration of factors such as the situation of the lessee
(2) Operating Expenses	12,410,025	
Maintenance Costs	1,798,800	Calculated referring to estimated amounts, general levels, and other factors
Utilities Costs	766,066	Calculated referring to actual amounts in the past, general levels, and other factors
Repair Costs	2,215,109	Calculated referring to the engineering report
Property Management Fees	1,131,127	Calculated referring to the planned amount, general levels, and other factors
Advertisement for Leasing	2,528,699	Calculated referring to actual amounts in the past, general levels, and other factors
Taxes	2,972,263	Calculated based on the actual amount for fiscal 2024, general levels, and other factors
Insurance Premium	81,350	Calculated based on estimated amounts, general levels, and other factors
Other Expenses	916,611	Calculated referring to actual amounts in the past, general levels, and other factors
(3) Net Operating Income from Leasing Business ((1) - (2))	45,813,171	
(4) Profit through Management of Temporary Deposits, etc.	121,527	Taking into consideration rates of interest on ordinary deposits and other factors
(5) Capital Expenditure Reserve	1,242,583	Calculated referring to the engineering report
(6) Net Cash Flow ((3) + (4) - (5))	44,692,115	
(7) Capitalization Rate	3.4%	Calculated in consideration of the property's local and specific characteristics while referring to factors such as yields on transactions of surrounding properties
Price Calculated by the Discounted Cash Flow Approach	1,110,000,000	
Discount Rate	3.2%	Calculated in consideration of the property's local and specific characteristics while referring to factors such as yields on transactions of surrounding properties
Terminal Capitalization Rate	3.6%	Calculated in consideration of the above capitalization rate and other factors such as future trends in investment yields
Cost Approach Price	949,000,000	
Ratio of Land	94.2%	
Ratio of Building	5.8%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	The property is an apartment house with an office in Arakawa Ward, Tokyo. The neighborhood and surrounding area is a residential and commercial area with medium- to high-rise apartment houses, and stores, business sites, etc. targeting neighboring residents. Many facilities that are convenient for daily life are available near the closest station, and the property also boasts excellent access to various places in Tokyo as multiple train lines are available. In this area, the land is a lot of a relatively large scale, and has high utilization efficiency as an apartment house site. In addition, the building has been properly maintained and repaired, and is expected to have stable occupancy in the future. Taking the above factors into consideration, the appraisal value was determined by focusing on the income value that appropriately reflects the investment profitability value.
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[Exhibit]

Exhibit 1 Overview of the Portfolio after the Acquisition

Exhibit 2 Photos and Map of the Asset to be acquired

*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	41.9
Logistics	220,472	3,460	223,932	20.3
Residential (including healthcare facilities)	189,833	27,934	217,767	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)	926,709	175,996	1,102,705	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

PRIME URBAN Nishi Nippori

