MASTER FUND

Nomura Real Estate Master Fund., Inc.

Supplement Documentation for “Notice Concerning Acquisition and Disposition of Trust Beneficial Interest in Domestic Real Estate,” etc. dated today

July 9, 2024

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Measures and Their Effects

Portfolio reinforcement

(1) Continuous replacement with high quality asset

- ✓ Acquire a good logistics facility and dispose of an office facility

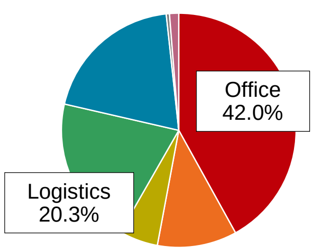
[Acquisition] Landport Tama (Logistics)

Construction completed in Jun. 2022
Scheduled acquisition price: 17.5 billion yen

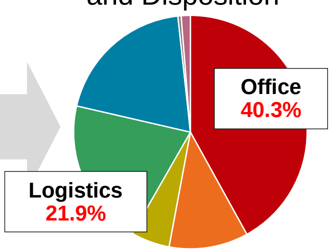
[Disposition] Harumi Y

Construction completed in Dec. 2001
Scheduled disposition price: 22.8 billion yen

As of Apr. 30, 2024



After the Acquisition and Disposition



Reduction in the office share **from 42.0% to 40.3%**

Unitholder return measures

(2) Acquisition of own investment units

- ✓ Address the weak investment unit prices

Amount equivalent to the gain on sales (4.2 billion yen) (Note1)

Funds on hand (3.5 billion yen)

Even distribution across four fiscal periods (0.7 billion yen)

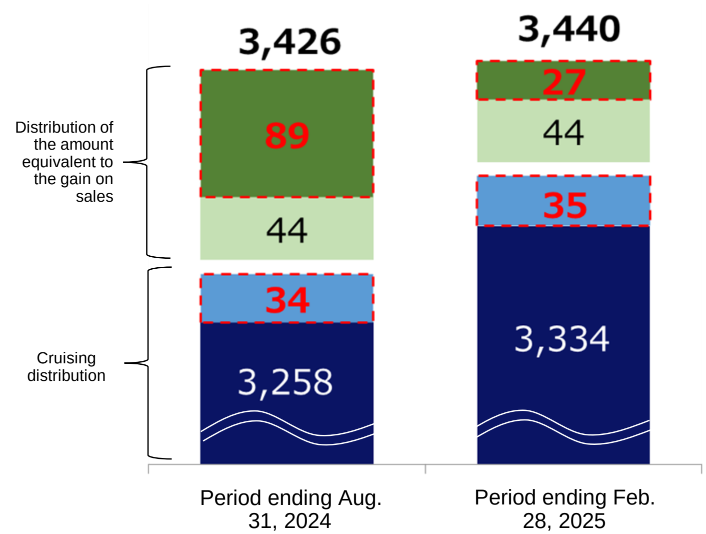
Acquisition of own investment units (7 billion yen)

Total value of acquisition	7 billion yen (at maximum)
Total number of investment units acquired	60,000 units (at maximum)
Acquisition period	Jul. 10, 2024 to Aug. 15, 2024
Acquisition ratio	1.27%

(3) Increase in distribution

- ✓ Boost distribution by acquiring own investment units
- ✓ Carry out even distribution across four fiscal periods (Note 2) based on the basic strategies

< Example of distribution > (Note 3)



- Cruising distribution (Note 4)
- Distribution of the amount equivalent to the gain on sales (Note 5)
- Distribution of the amount equivalent to the gain on sales of Harumi Island Triton Square Office Tower Y
- Cruising distribution effects of the boost in the acquisition of own investment units

(Note 1) The effects of increases in asset management fees II etc. are added to the gain on sale. The same applies below.
(Note 2) A portion of gain on sales generated during the sale period will be kept as internal reserves, and this amount will be used to carry out distributions in excess of net earnings across the subsequent three fiscal periods (approximately one third for each period).
(Note 3) The example of distribution is an estimated value calculated based on the assumption that the Fund acquires 49,434 units at the closing price of July 5, 2024 (141,600 yen) against the total value of the acquisition, and Even distribution across four fiscal periods and expected impacts of the boost in the acquisition of own investment units were reflected in the financial performance forecast for the period ending Aug. 31, 2024 announced today and in the financial performance forecast for the period ending Feb. 28, 2025 announced on Apr. 17, thus differing from the actual distribution.
(Note 4) Cruising distribution = Distribution - (Distribution from the amount equivalent to the gain on sales (*including even distribution and excluding impacts of the increase in asset management fees II in the period when sale is recorded) + Use of internal reserves)
(Note 5) This refers to the amount equivalent to the gain on sales acquired from the dispositions that have been already announced ((1) PU Kanayama, PU Kamimaezu, and PU Chihaya, (2) Nomura Real Estate Ueno Building, and (3) PU Iidabashi)

Flexible Changes to the Announced Management Strategy

With the background of the weak investment unit prices, diversifying unitholder returns

Announcement and promotion of the strategy

Recognition of an appropriate environment

Diversification of unitholder returns considering the environment

Basic strategy

Fully utilize the amount equivalent to the gain on sales generated for even distribution across four fiscal periods.

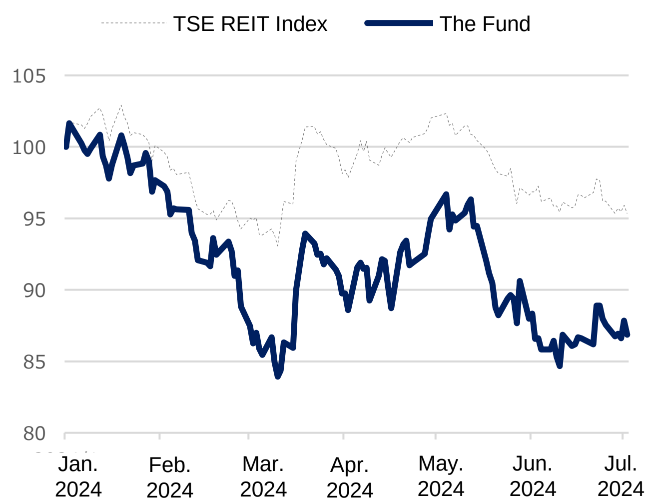
(conceptual)

Amount equivalent to the gain on sales (Approx. 4.2 billion yen)

↓

Even distribution across four fiscal periods (4.2 billion yen in total)

Weak investment unit price shift against solid operating conditions



Taking advantage of the features of NMF, Return to unitholder through Acquisition of own investment units and Even distribution across four fiscal periods

Amount equivalent to the gain on sales (Approx. 4.2 billion yen)

Funds on hand (3.5 billion yen)

0.7 billion yen

3.5 billion yen

3.5 billion yen

Even distribution across four fiscal periods (0.7 billion yen)

Acquisition of own investment units (7 billion yen)

Continuous implementation

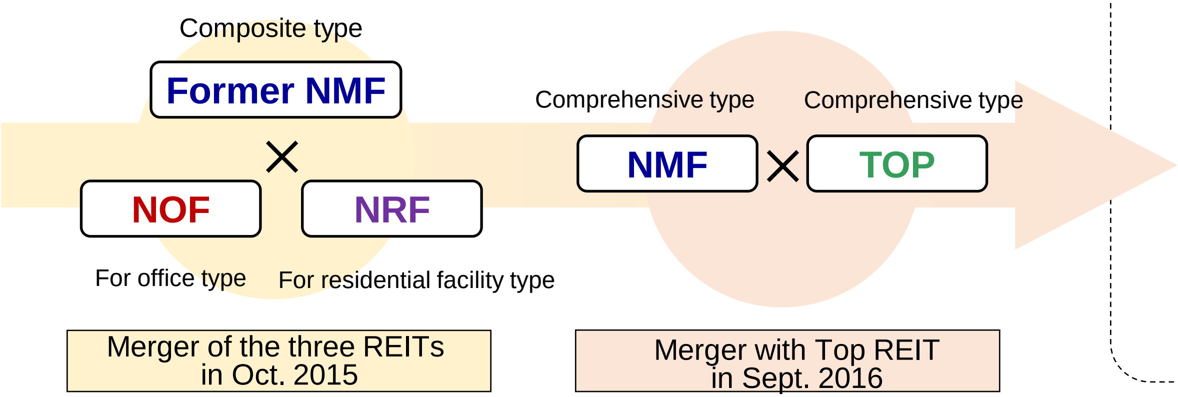
New measure

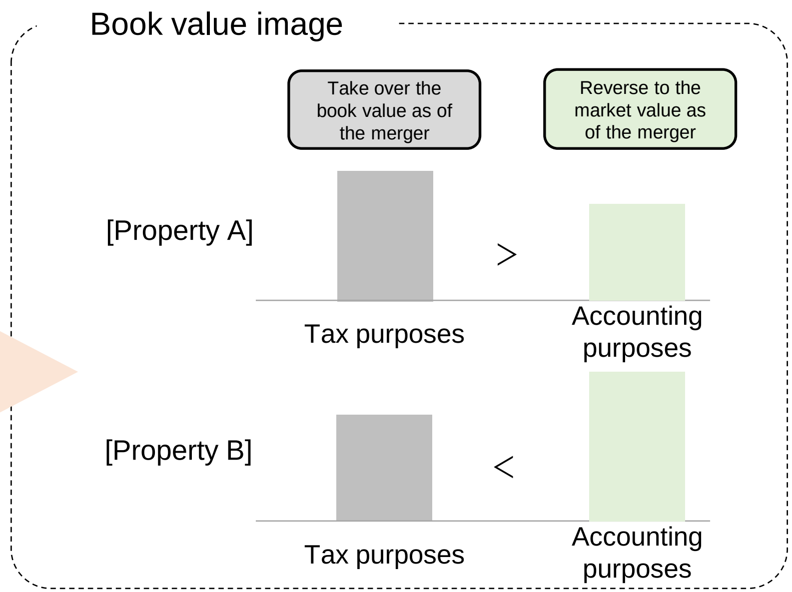
Make unrealized gains tangible to acquire own investment units

Possible to Utilize the Amount Equivalent to the Gain on Sales as Free Cash (Note1)

Differences in the book values for accounting purposes and tax purposes after two mergers

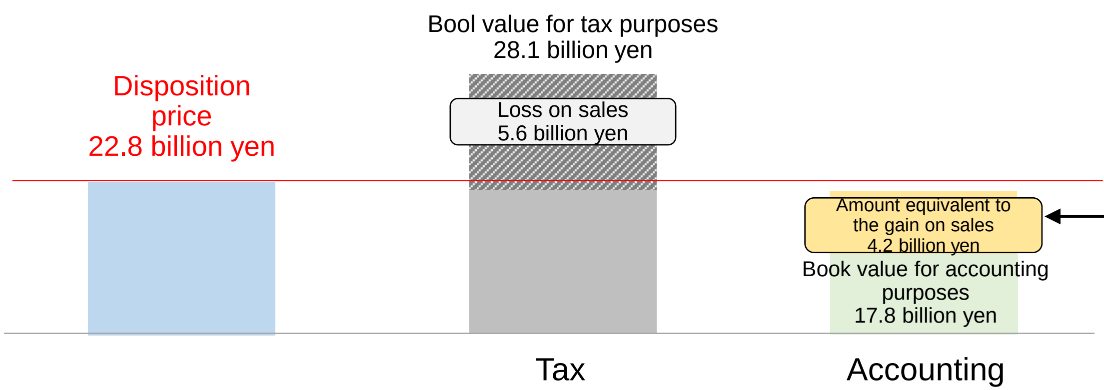
Regarding the properties owned by NOF, NRF, and TOP, which are the Consolidated Investment Corporations in each merger, the book value for accounting purposes after the merger is the market value at the time of the merger (=appraisal value), and the book value for tax purposes after the merger takes over the book value for tax purposes of the Consolidated Investment Corporations, resulting in differences in book values for accounting purposes and tax purposes.





Handling of the amount equivalent to the gain on sale acquired from the disposition of Harumi Island Triton Square Office Tower Y

The book value before the merger of Harumi Island Triton Square Office Tower Y, owned by Top REIT, was higher than the market value at the time of the merger (=appraisal value), and as its book value at NMF for tax purposes is higher than that for accounting purposes, gain and loss on sales against the disposition price differ.



Not taxable income because it is a gain on sales for accounting purposes but a loss on sales for tax purposes

⇒ Under accounting principles, the gain on sales does not necessarily have to be distributed. Internally reserving a part of the gain on sales while satisfying conduit requirements, etc. **enables us to utilize the gain as free cash** (note2).

(Note1) The principal distribution policy of the Fund is to distribute the amount of positive amortization of goodwill, etc. in excess of earnings on net income excluding the gain on sales for accounting purposes. If the gain on sales for accounting purposes is generated, the Fund can reserve free cash by not distributing a portion of the distributions in excess of earnings equivalent to the gain on sales. (Note2) There is a set upper limit for each fiscal period on the amount of reserved free cash

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