[For Translation Purposes Only]

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For Immediate Release
To Whom It May Concern

Nomura Real Estate Master Fund, Inc.
Securities Code: 3462
Satoshi Yanagita, Executive Director

Asset Management Company:
Nomura Real Estate Asset Management Co., Ltd.
Norio Ambe, President & Chief Executive Officer

Inquiries:
Kenichi Okada
Head of NMF Investment Management Group
TEL. +81-3-3365-8767 nmf3462@nomura-re.co.jp

Notice Concerning Revision to Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 (First Fiscal Period)

Nomura Real Estate Master Fund, Inc. (the "Corporation"), announced today the revision to forecasts of the financial results for the fiscal period ending February 29, 2016 (October 1, 2015 to February 29, 2016) of the Corporation that was announced by the Corporation in the press release "Notice Concerning Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016" dated October 2, 2015, as follows.

1. Revised Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016

	Operating Revenues (Millions of Yen)	Operating Income (Millions of Yen)	Ordinary Income (Millions of Yen)	Net Income (Millions of Yen)	Cash Distribution Per Unit (Excluding Distribution in Excess of Net Income) (Yen)	Distribution in Excess of Net Income Per Unit (Yen)	Cash Distribution Per Unit (Including Distribution in Excess of Net Income) (Yen)
Previous Forecast (A)	24,288	6,273	3,636	3,635	976	1,124	2,100
Revised Forecast (B)	24,313	6,483	4,050	4,048	317	1,902	2,219
Amount of Increase/ Decrease (B-A)	25	210	414	413	▲659	778	119
Ratio of Increase/ Decrease	0.1%	3.3%	11.4%	11.4%	▲67.5%	69.2%	5.7%

[Notes]

1. The fiscal period ending February 29, 2016 (the first fiscal period) of the Corporation will be from October 1, 2015 to February 29, 2016.
2. Forecast of the financial results for the fiscal period ending February 2016 (the first fiscal period) is based on a calculation period of 5 months (152 days), and the amount of cash distribution per unit (including distribution in excess of net income) for the 6-month equivalent based on the revised forecast would be 2,662 yen.
3. Total number of investment units as of the end of the fiscal periods was 3,722,010 units.
4. The forecasts presented in this document are calculated as of today, based on the assumptions set forth in the attached "Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending February 29, 2016 (First Fiscal Period)" as Exhibit. The actual operating revenues, operating income, ordinary income, net income and cash distribution per unit may differ. We do not guarantee the amount of cash distribution stated above.
5. In these forecasts, the goodwill from the consolidation-type merger (he "Merger") between former Nomura Real Master Fund, Inc., Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc. , through which the Corporation is established, is provisionally estimated to be "77,875 million yen" and the goodwill is scheduled to be accounted as assets and amortized using the straight-line method over 20 years on a regular basis, premised on the adoption of the Accounting Standard for Business Combinations, as amended on September 13, 2013. The actual amount of the goodwill may differ from the amount stated above. Please refer to "Amortization Expenses for Goodwill" in the attached "Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending February 29, 2016 (First Fiscal Period)" as Exhibit for details.
6. Distribution in excess of net income per unit consists of distribution of the reserve for temporary difference adjustments and distribution other than that (the "Distribution Reducing Unitholders' Capital for Tax Purpose"). For the revised forecast, of the 1,902 yen of distribution in excess of net income per unit for the first fiscal period, the reserve for temporary difference adjustments is expected to be 1,649 yen and the Distribution Reducing Unitholders' Capital for Tax Purpose is expected to be 253 yen. For your reference, the reserve for temporary difference adjustments is treated as dividends for tax purposes and is subject to withholding. In addition, the Distribution Reducing Unitholders' Capital for Tax Purpose falls under a return of capital for tax purpose, and in principle, the large part of such amount is treated as the amount of income generate from transfer of investment units (some part may be treated as deemed dividend).
7. The forecasts may be revised if a certain variance from the forecasts mentioned above is expected.
8. Amounts less than the stated units are rounded down.

2. Reason for Revision

Upon reviewing financial results for the first fiscal period ended February 29, 2016 (October 1, 2015 to February 29, 2016) in the accounting procedures, the financial results during said fiscal period became generally known, Nomura Master Fund expects variance of 5 percent in the distributions per unit from the forecast announced as of October 2, 2015, therefore the Fund has revised its forecast of the financial result including distributions per unit for such period. The main reason for this revision is the reduction of leasing expenses, including utilities expenses, and financing costs.

With respect to the forecast for the second fiscal period ending August 31, 2016, currently, there is no major change from the figures released in "Notice Concerning Revision to Forecasts of Financial Results for the Fiscal Period Ending February 29, 2016 and the Fiscal Period Ending August 31, 2016" dated October 2, 2015. The details are scheduled to be disclosed in the summary of financial report to be released on April 14, 2016.

Cash Distribution Per Unit (Excluding Distribution in Excess of Net Income)

Pursuant to the Accounting Standard for Business Combination and the Accounting Standard for Financial Instruments, the Fund changed its hedge accounting method related to derivative transactions (interest rate swap) conducted by Nomura Real Estate Office Fund, Inc. and Nomura Real Estate Residential Fund, Inc., which are the corporations acquired for accounting purpose in the Merger, from the special accounting method to the principle accounting method (i.e., the method that records deferred gain/loss on hedge as valuation, translation adjustments, etc. in the net assets). Furthermore, pursuant to the amendment to the Ordinance on Accountings of Investment Corporations in 2016, it was clarified that a distribution equivalent to deferred loss on hedge, which is a net asset deduction item, shall be treated as a distribution in excess of net income. As a result, deferred loss on hedge is deducted from distributable amount, and the cash distribution per unit excluding distribution in excess of net income decreased 67.5% from the previous forecast; however, since such amount equivalent to the deducted amount will be distributed as distribution in excess of net income (distribution of the reserve for temporary difference adjustments), the above stated change in accounting method will have no effect on the total cash distributions.

*Nomura Real Estate Master Fund, Inc. URL: http://www.nre-mf.co.jp/english/

[Exhibit]

Assumptions for Forecasts of the Financial Results for the Fiscal Periods Ending February 29, 2016 (First Fiscal Period)

Item	Assumptions
Period	● First Fiscal Period: October 1, 2015 to February 29, 2016
Investment Portfolio	● It is assumed that the in addition to the properties owned by the Corporation (257 properties) as of October 1, 2015, the Corporation acquired 4 properties (NRE Kichijoji Building, GEMS Ichigaya, PROUD FLAT Hatchobori and PROUD FLAT Itabashi Honcho) on October 30, 2015. ● In forecasting the financial results, it is assumed that the Corporation will have acquired the Assets to Be Acquired on each scheduled acquisition date, and assumes that there will be no changes in assets under management (new property acquisitions or sales of portfolio properties) until August 30, 2016. ● The forecasts may be subject to changes, due to the shifting of the portfolio.
Operating Expenses (excluding Amortization Expenses for Goodwill)	● The tax amount is estimated to be ¥2,114 million. ● The outsourcing fee is estimated to be ¥2,032 million. ● Depreciation and amortization are estimated to be ¥3,471 million. ● Leasing expenses are estimated to be ¥11,546 million. ● Out of Scheduled Disposition Properties in period ending August 31, 2016, Toho Edogawabashi Building, Prime Urban Nakano, and Prime Urban Urayasu II (Three properties) are expected to book 79 million Yen of write off loss, due to writing down the book value to expected redemption value. Due to this, loss on the sales of the Three Properties is not expected to be recorded for the fiscal period ending August 31, 2016 (the second fiscal period). ● The amount to be recorded as the merger related expenses is estimated to be ¥2,590 million. ● Other operating expenses (fees payable to the asset management company, the custodian of assets and the general administrators) are estimated to be ¥1,992 million.
Amortization Expenses for Goodwill	● Goodwill is expected to accrue upon the Merger and will be accounted as assets and amortized using the straight-line method over 20 years on a regular basis pursuant to the Accounting Standards for Business Combinations (Statement No. 21), as amended on September 13, 2013. Currently, the amount of goodwill is provisionally estimated to be ¥77,875 million. The goodwill amortization is provisionally estimated to be ¥1,622 million. However, the amount of goodwill is not fixed and may be subject to changes. ● The goodwill amortization is the item that will cause the difference between accounting and tax treatment and may result in the imposition of corporation tax or other tax. Following the tax reform in tax year 2015, the New Investment Corporation intends to make cash distributions in excess of its profits for the purpose of tax relief during the goodwill amortization period, and it is expected that the New Investment Corporation will be able to avoid such taxation.
Non-Operating Expenses	● Listing and other related expenses are estimated to be ¥436 million as temporary expenses for the fiscal period ending February 29, 2016 (the first fiscal period). ● Interest expenses and borrowing related expenses are estimated to be ¥2,000 million.
Interest-Bearing Debts	● As of the today, the outstanding interest-bearing debts of the Corporation is ¥403,164 million in total, consisting of borrowings (¥370,664 million) and investment corporation bonds (¥32,500 million).
Investment Units	● The number of investment units outstanding was 3,722,010 units at the end of fiscal period ending February 29, 2016.

Cash Distributions per Unit	● Cash distributions per unit is calculated according to the Corporation's distribution policy outlined in its Articles of Incorporation. ● Deferred loss/gain on hedge of the interest rate swap of 2,867 million yen is expected to be recorded as the valuation and conversion adjustments, etc., for the fiscal period ending February 29, 2016 (the first fiscal period), and the cash distribution per unit is calculated by deducting said amount from the distributable amount. After the fiscal period ending August 2016 (the second fiscal period), and thereafter, the valuation and conversion adjustments, etc., will be calculated based on the amount of deferred loss/gain on hedge recorded in the prior periods.
Distribution in Excess of Net Income per Unit	● The amount of distribution in excess of net income is estimated on the assumption that, for the purpose of tax relief, the Corporation will distribute the amount equivalent to the total amount of the goodwill amortization, etc. that will cause the difference between accounting and tax treatment, and may result in the imposition of corporation tax or other tax. In order to alleviate the impact of the goodwill amortization and other merger related expenses (the "Merger Expenses, etc.") on cash distribution, the above estimate is based on the assumption that, if the total amount of the difference between accounting and tax treatment for each fiscal period is less than the Merger Expenses, etc., the Corporation will make distribution in excess of net income by adding such amount up to the amount of Merger Expenses, within the limit as prescribed by the regulations of the Investment Trusts Association, Japan (meaning the entire amount equivalent to the increase in the reserve for temporary difference adjustments plus the amount equivalent to 60/100 of the difference between the cumulative amount of depreciation and amortization recorded as of the end of the relevant calculation period and that of the end of the prior calculation period with respect to the Distribution Reducing Unitholders' Capital for Tax Purpose (ordinary distribution in excess of net income)). ● For the fiscal period ended February 29, 2016 (the first fiscal period), distribution in excess of net income of 7,080 million yen is expected, which is the total of the amortization expenses for goodwill of 1,622 million yen, asset management fee of 2,590 million yen in relation to the Merger, and deferred loss/gain on hedge of 2,867 million yen. Of this amount, 6,137 million yen, the amount remaining after deducting the discrepancy in accounting and tax treatment, etc., due to depreciation and amortization, etc of 942 million yen, will be distributed as the reserve for temporary difference adjustments, and the distribution amount as the reserve for temporary difference adjustments per unit is expected to be 1,649 yen. Other distribution in excess of net income is expected to be 941 million yen, and other distribution in excess of net income per unit is expected to be 253 yen.
Others	● It is assumed that there will be no amendments in legislation, taxation, accounting principles, listing requirements and the Investment Trusts Association, Japan regulations, which affect the above forecasts. ● It is assumed that there will be no material changes in general economic conditions and real estate markets.