



For Immediate Release

To Whom It May Concern

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Notice Concerning Property Acquisition and Disposition

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 or dispose of a property (the “Acquisition” or the “Disposition” or collectively the “Transaction”), as described below.

1. Summary of Assets to Be Acquired/Disposed of

(1) Summary of Asset to Be Acquired

Property Name	Use	Date of Purchase and Sale Agreement	Scheduled Date of Acquisition	Seller	Anticipated Acquisition Price (million) (Note 1)
PROUD FLAT Nezu Yanaka	Residential	October 18, 2022	January 6, 2023	Nomura Real Estate Development, Co., Ltd.	1,400

(Note 1)The amounts stated exclude acquisition-related costs, property tax, city planning tax, consumption tax and local consumption tax.
(Note 2)There is no brokerage involved in the acquisition of the asset to be Acquired.

The above property is referred to hereinafter as the “Assets to be Acquired.”

(2) Summary of Asset to Be Disposed of

Property Name	Use	Scheduled Date of Agreement	Scheduled Date of Disposition	Transferee	Scheduled Transfer Price (¥ million) (Note 1)	Book Value (¥ million) (Note 2)	Difference (¥ million) (Note 3)
PRIME URBAN Takaido (Note 5)	Residential	October 18, 2022	October 31, 2022	Undisclosed (Note 4)	1,310	1,033	276
PRIME URBAN Mukojima (Note 5)					636	512	124
PRIME URBAN Nishi Funabashi					967	645	321



(Note 5)							
PRIME URBAN Aoi (Note 5)	Residential	October 18, 2022	October 31, 2022	Undisclosed (Note 4)	763	639	123
PRIME URBAN Tsurumai (Note 5)					1,281	846	434
PRIME URBAN Chiji Kokan (Note 6)		October 18, 2022	October 31, 2022	Undisclosed (Note 4)	300	205	95
PRIME URBAN Maruyama (Note 6)					257	194	62
PRIME URBAN Kita Nijuyo Jo (Note 6)					459	361	97
Total					5,974	4,439	1,535

(Note 1) The amounts stated exclude adjustment amounts of both property taxes and city planning taxes, as well as consumption taxes and local consumption tax, etc.

(Note 2) Anticipated book value at the date of disposition.

(Note 3) This is only a reference value which is the difference between the scheduled transfer price and the anticipated book value, therefore, it is different from gain or loss on sale.

(Note 4) Undisclosed, since a consent has not obtained from the transferee.

(Note 5) As of the date of this document, the asset to be Disposed of is an actual real estate, however, through consultation with the transferee, NMF will conclude the trust agreement on the same date of the scheduled date of Disposition and transfer the asset to be Disposed of as a trust beneficiary right. The same shall be applied throughout this document.

(Note 6) The asset to be disposed of is actual real estates.

(Note 7) The brokerage involved in the disposition of the asset to be Disposed of is not considered a related party under the Act on Investment Trusts and Investment Corporations ("Investment Trust Act").

The above property is referred to hereinafter as the "Assets to be Disposed of." The Assets to be Acquired and Assets to be Disposed of may be separately referred to as the "Asset."

2. Reasons for the Transaction

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. As an external growth strategy, the Fund will mainly acquire sponsor developed properties and will sell properties where there are concerns about their future competitive advantage. In this Transaction, the Fund will acquire a residential facility, which was recently built and developed by the sponsor, Nomura Real Estate Development Co., Ltd., in the good location of the greater Tokyo area, and will dispose eight residential facilities with future profitability concerns due to being old and locally located. Through the asset replacement of the Transaction, including the Acquisition, which utilizes such sponsor support, the Fund will improve the quality of the portfolio as follows. In addition, the profits on sale will be directed to internal reserves with the intention of raising the distribution level or stabilizing future distributions, while considering the future management status of the existing portfolio and others.

Please refer to 3. Summary of Assets to Be Acquired/Disposed of below for details of the reasons for Assets to be Acquired and the reasons for Assets to be Disposed of.

Reference: The portfolio indicators of the properties

PROUD FLAT Nezu Yanaka

Asset to be Disposed of



	(Asset to be Acquired)	(Average of 8 facilities)
NOI yield	4.2% ^(Note 1)	4.8% ^(Note 2)
NOI yield after depreciation	3.5% ^(Note 3)	3.2% ^(Note 4)
Asset age ^(Note 5)	2.4 years	21.5 years

(Note 1) The value entered is calculated by dividing the NOI based on the direct capitalization approach recorded in the appraisal summary by the anticipated acquisition price. The value is rounded to the first decimal place.

(Note 2) The value entered is calculated by dividing the total NOI, for the 13th fiscal period ended February 28, 2022 and 14th fiscal period ended August 31, 2022, by the Anticipated Disposition Price. The value is rounded to the first decimal place.

(Note 3) The value entered is calculated by deducting the estimated depreciation value, calculated by the asset management company, from the NOI based on the direct capitalization approach recorded in the appraisal summary, and then dividing by the Anticipated Acquisition Price. The value is rounded to the first decimal place.

(Note 4) The value entered is calculated by dividing the total NOI after depreciation, for the 13th fiscal period ended February 28, 2022 and 14th fiscal period ended August 31, 2022, by the Anticipated Disposition Price. The value is rounded to the first decimal place. The value is rounded to the first decimal place.

(Note 5) The asset age entered is as of the scheduled date of Acquisition for the Asset to be Acquired and as of the scheduled transfer date for the Asset to be Disposed of.

	March 8, 2022 After asset replacement already announced	After asset replacement announced this time
Greater Tokyo Area (Residential only)	84.3%	85.3%

3. Summary of Assets to Be Acquired/Disposed of

(1) Summary of Asset to Be Acquired

PROUD FLAT Nezu Yanaka

< Reasons for the Acquisition >

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

- The Asset is a six-minute walk from Nezu Station on the Tokyo Metro Chiyoda Line, and five minutes to Otemachi Station and fifteen minutes to Tokyo Station by the metro. Accordingly, the Asset is excellent for convenient transportation with good access to the terminal station and major business and commercial districts.
- The Asset is highly convenient for daily living because there are convenience stores, restaurants and drug stores in the surrounding area of the nearest Nezu Station.
- The Asset is excellent in competitiveness not only because about 50% of the Asset is composed of compact and family-type units, but also because it is located very close to cultural facilities and natural environment in the whole Ueno Imperial Gift Park area.

PROUD
FLAT

(PROUD FLAT Series)

- “PROUD FLAT” Series is the core brand of residential facilities developed for rental by the sponsor, Nomura Real Estate Development Co., Ltd. Utilizing the information network and know-how of the Nomura Real Estate Group’s housing development and sales business, this rental housing series was developed to provide location choices suited to urban rental housing.
- In addition to simple yet beautiful and refined designs, these buildings combine solid quality control with appropriate operation and management, with attention to detail in all aspects of construction, facilities, disaster preparedness and security based on the extensive know-how of the Nomura Real Estate Group.



<Summary of the Asset to be Acquired>

Property Name		PROUD FLAT Nezu Yanaka			
Type of Asset		Real estate			
Location (Note 1)	Registry	1-5-2 (and two other parcels of land) Yanaka, Taito Ward, Tokyo			
	Street	1-1-26 Yanaka, Taito Ward, Tokyo			
Access		6-minute walk from Nezu Station on the Tokyo Metro Chiyoda Line			
Completion Date (Note 1)		July 15, 2020			
Use (Note 1)		Apartment			
Structure (Note 1)		Eight-floor steel reinforced concrete structure with flat roof			
Architect		YANAGI GAKU ARCHITECTS			
Builder		Mabuchi Construction Co., Ltd.			
Building Inspection Agency		Japan Constructive Inspect Association			
Area (Note 1)	Land	391.63 m ²			
	Floor Area	1,671.64 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		76.33% (Note 2)			
Floor Area Ratio		381.68% (Note 3)			
Collateral		None			
Property Management Company (Note 4)		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing (Note 5)		Pass through			
Seismic Risk (PML)(Note 6)		7.8% (Based on the Earthquake PML Appraisal Report as of October 2022 by Sompo Risk Management Inc.)			
Notes		• Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.			
Anticipated Acquisition Price		¥1,400 million			
Appraisal Value and Method		¥1,660 million (Based on the capitalization approach as of September 1, 2022) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)			
Appraisal NOI (Note 7)		¥58 million			
Leasing Status (As of August 31, 2022) (Note 8)					
Total Number of Tenants		1			
Total Rental Income(Annual)		¥74 million			
Security Deposits		¥6 million			
Occupancy Rate		98.2%			
Total Leased Floor Space		1,401.11 m ²			
Total Leasable Floor Space		1,426.44 m ²			
Historical Occupancy Rates (Note 9)	August 2018	August 2019	August 2020	August 2021	August 2022
	—	—	10.1%	94.1%	98.2%

(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) Building Coverage Ratio

For the building coverage ratio, the weighted average figure is applied according to the area ratio, because the ratio of the neighboring commercial zone (80%) is applied to the 319.89 m² of the property's land and the ratio of category I residential zone (60%) is applied to the 71.74 m².

(Note 3) Floor Area Ratio

The weighted average figure is applied according to the area ratio, because the property's land is located in both the neighboring commercial zone (400%) and a category I residential zone (300%).

(Note 4) Property Management Company

Refers to the property management company 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 September 1, 2022 as the appraisal date.
- (Note 8) Leasing Status
“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of August 31, 2022, actually leasing space in the building of the Asset (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 August 31, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of August 31, 2022 “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 August 31, 2022 (if the common area, etc. is leased, the floor space thereof is included).
- (Note 9) Historical Occupancy Rates
There are no applicable matters before August 31, 2019 as the building was not completed yet. The historical occupancy rates are based on the information obtained from the seller.

(2) Summary of Asset to Be Disposed of

< Reasons for the Disposition >

The Fund selected properties based on the comprehensive consideration of factors such as decreasing competitiveness and increasing expense due to an increase in the building age, changes in the market environment and the portfolio balance, and decided on the dispositions because it can secure profits on sale while realizing improvement in the portfolio quality.

< Summary of the Asset to be Disposed of >

Property Name		PRIME URBAN Takaido
Type of Asset		Real estate
Location (Note 1)	Registry	4-1060-16 Takaido-Higashi, Suginami Ward, Tokyo
	Street	4-10-12 Takaido-Higashi, Suginami Ward, Tokyo
Access		9-minute walk from Takaido Station on the Keio Inokashira Line
Completion Date (Note 1)		January 10, 1987
Use (Note 1)		Apartment
Structure (Note 1)		Five-floor steel reinforced concrete structure with flat roof
Area (Note 1)	Land	990.38 m ²
	Floor Area	2,247.35 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%
Floor Area Ratio		200% and 300% (Note 2)
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 3)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		5.00% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)



Notes	· Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.				
Acquisition Price	¥1,060 million				
Scheduled Transfer Price	¥1,310 million				
Book Value ^(Note 5)	¥1,033 million				
Difference	¥276 million				
Appraisal Value and Method	¥873 million (Based on the capitalization approach as of August 31, 2022) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI ^(Note 6)	¥56 million				
Leasing Status (As of September 30, 2022) ^(Note 7)					
Total Number of Tenants	1				
Total Rental Income(Annual)	¥76 million				
Security Deposits	¥6 million				
Occupancy Rate	96.3%				
Total Leased Floor Space	1,682.01 m ²				
Total Leasable Floor Space	1,746.20 m ²				
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	97.2%	96.2%	99.1%	86.7%	97.2%

(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) Floor Area

The property's land is located in a semi-industrial zone. The floor area ratio is 300% for the area within 30 m from the Ring Road No. 8 and 200% for the area over 30 m away from the road, and therefore, the weighted average figure is applied according to the area ratio.

(Note 3) Master Lease

The master lease agreement to be concluded is a "pass-through type" lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 4) 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 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

"Appraisal NOI" is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 7) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. "Total Rental Income" is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. "Total Leased Floor Space" indicates the total floor space leased to end tenants as of September 30, 2022 "Total Leasable Floor Space" is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Mukojima
Type of Asset		Real estate
Location (Note 1)	Registry	5-239-6 (and one other parcel of land) Higashi-Mukojima, Sumida Ward, Tokyo
	Street	5-19-14 Higashi-Mukojima, Sumida Ward, Tokyo
Access		3-minute walk from Higashi Mukojima Station on the Tobu Skytree Line
Completion Date ^(Note 1)		September 5, 1989



Use (Note 1)	Apartment				
Structure (Note 1)	Twelve-floor steel framed steel reinforced concrete structure with flat roof				
Area (Note 1)	Land	281.64 m ² (Note 2)			
	Floor Area	1,350.89 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio	100% (Note 3)				
Floor Area Ratio	500%				
Collateral	None				
Property Management Company	Nomura Real Estate Partners Co., Ltd.				
Master Leasing Company (Note 4)	Nomura Real Estate Partners Co., Ltd.				
Type of Master Leasing (Note 4)	Pass through				
Seismic Risk (PML) (Note 5)	5.90% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)				
Notes	· Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.				
Acquisition Price	¥528 million				
Scheduled Transfer Price	¥636 million				
Book Value (Note 6)	¥512 million				
Difference	¥124 million				
Appraisal Value and Method	¥501 million (Based on the capitalization approach as of August 31, 2022) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI (Note 7)	¥29 million				
Leasing Status (As of September 30, 2022) (Note 8)					
Total Number of Tenants	1				
Total Rental Income (Annual)	¥42 million				
Security Deposits	¥3 million				
Occupancy Rate	96.4%				
Total Leased Floor Space	1,069.23 m ²				
Total Leasable Floor Space	1,108.91 m ²				
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	98.2%	96.4%	96.3%	90.8%	91.0%

(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 the Building Standards Act Article 42 Paragraph 2, the land includes the area of about 1.66 m², which is regarded as a road.

(Note 3) Building Coverage Ratio

The Asset is located in a commercial zone where the building coverage ratio is 80% in principle. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 100%.

(Note 4) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 5) 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 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 8) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block ,



and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022. “Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Nishi Funabashi			
Type of Asset		Real estate			
Location (Note 1)	Registry	437-1 (and one other parcel of land) Hongocho, Funabashi City, Chiba			
	Street	437-1, 437-2 Hongocho, Funabashi City, Chiba ^(Note 2)			
Access		6-minute walk from Nishi-Funabashi Station on the JR Sobu Line			
Completion Date ^(Note 1)		February 28, 2006			
Use ^(Note 1)		Apartment			
Structure ^(Note 1)		Eleven-floor steel reinforced concrete structure with flat roof			
Area ^(Note 1)	Land	323.60 m ²			
	Floor Area	1,319.34 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		80%			
Floor Area Ratio		400%			
Collateral		None			
Property Management Company		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company ^(Note 3)		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing ^(Note 3)		Pass through			
Seismic Risk (PML) ^(Note 4)		7.40% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)			
Notes		· Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.			
Acquisition Price		¥761 million			
Scheduled Transfer Price		¥967 million			
Book Value ^(Note 5)		¥645 million			
Difference		¥321 million			
Appraisal Value and Method		¥958 million (Based on the capitalization approach as of August 31, 2022) (Appraiser: Japan Real Estate Institute)			
Appraisal NOI ^(Note 6)		¥44 million			
Leasing Status (As of September 30, 2022) ^(Note 7)					
Total Number of Tenants		1			
Total Rental Income(Annual)		¥53 million			
Security Deposits		¥4 million			
Occupancy Rate		95.0%			
Total Leased Floor Space		1,175.91 m ²			
Total Leasable Floor Space		1,237.80 m ²			
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	100.0%	100.0%	96.7%	96.7%	93.3%

(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) Street Address



- As the Street Address is not indicated officially, the building location in the real estate registry is noted.
- (Note 3) Master Lease
The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.
- (Note 4) 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 5) Book Value
Anticipated book value at the date of disposition.
- (Note 6) Appraisal NOI
“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.
- (Note 7) Leasing Status
“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022. “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 September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Aoi
Type of Asset		Real estate
Location (Note 1)	Registry	1-1312 (and one other parcel of land) Aoi, Higashi Ward, Nagoya City, Aichi
	Street	1-13-24 Aoi, Higashi Ward, Nagoya City, Aichi
Access		4-minute walk from Shin-Sakaemachi Station on the Nagoya Municipal Subway Higashiyama Line
Completion Date (Note 1)		August 9, 2006
Use (Note 1)		Apartment
Structure (Note 1)		Nine-floor steel reinforced concrete structure with flat roof
Area (Note 1)	Land	710.49 m ²
	Floor Area	1,686.33 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		80%
Floor Area Ratio		240% (Note 2)
Collateral		None
Property Management Company		HASEKO LIVENET, Inc.
Master Leasing Company (Note 3)		HASEKO LIVENET, Inc.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		4.30% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)
Notes		There are no applicable matters.
Acquisition Price		¥712 million
Scheduled Transfer Price		¥763 million
Book Value (Note 5)		¥639 million
Difference		¥123 million
Appraisal Value and Method		¥679 million (Based on the capitalization approach as of August 31, 2022) (Appraisal agency: Chuo Real Estate Appraisal Co., Ltd.)
Appraisal NOI (Note 6)		¥34 million
Leasing Status (As of September 30, 2022) (Note 7)		



Total Number of Tenants	1				
Total Rental Income(Annual)	¥44 million				
Security Deposits	¥3 million				
Occupancy Rate	98.1%				
Total Leased Floor Space	1,540.92 m ²				
Total Leasable Floor Space	1,571.04 m ²				
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	96.2%	94.2%	88.4%	94.2%	98.1%

(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) Floor Area

While the maximum floor area ratio for the property is designated as 400% in principle, the regulation on the width of the front road (4.00 m X 60%) is prioritized.

(Note 3) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 4) 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 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022. “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 September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Tsurumai
Type of Asset		Real estate
Location (Note 1)	Registry	5-819 (and one other parcel of land) Chiyoda, Naka Ward, Nagoya City, Aichi
	Street	5-8-29 Chiyoda, Naka Ward, Nagoya City, Aichi
Access		5-minute walk from Tsurumai Station on the JR Chuo Main Line
Completion Date (Note 1)		June 26, 2008
Use (Note 1)		Apartment
Structure (Note 1)		Fourteen-floor steel reinforced concrete structure with flat roof
Area (Note 1)	Land	553.10 m ²
	Floor Area	2,893.35 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		80%
Floor Area Ratio		500%
Collateral		None
Property Management Company		HASEKO LIVENET, Inc.
Master Leasing Company (Note 2)		HASEKO LIVENET, Inc.



Type of Master Leasing ^(Note 2)	Pass through				
Seismic Risk (PML) ^(Note 3)	2.20% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)				
Notes	There are no applicable matters.				
Acquisition Price	¥1,020 million				
Scheduled Transfer Price	¥1,281 million				
Book Value ^(Note 4)	¥846 million				
Difference	¥434 million				
Appraisal Value and Method	¥1,020 million (Based on the capitalization approach as of August 31, 2022) (Appraisal agency: Japan Valuers Co., Ltd.)				
Appraisal NOI ^(Note 5)	¥55 million				
Leasing Status (As of September 30, 2022) ^(Note 6)					
Total Number of Tenants	1				
Total Rental Income(Annual)	¥76 million				
Security Deposits	¥5 million				
Occupancy Rate	95.2%				
Total Leased Floor Space	2,381.80 m ²				
Total Leasable Floor Space	2,502.11 m ²				
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	94.2%	92.3%	98.1%	99.0%	96.1%

(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) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 3) 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 4) Book Value

Anticipated book value at the date of disposition.

(Note 5) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 6) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022 “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 September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Chiji Kokan
Type of Asset		Real estate
Location (Note 1)	Registry	17-1-12 Kita 4-jo Nishi, Chuo Ward, Sapporo City, Hokkaido
	Street	17-1-12 Kita 4-jo Nishi, Chuo Ward, Sapporo City, Hokkaido ^(Note 2)
Access		9-minute walk from Nishi 18-chome Station on the Sapporo Municipal Subway Tozai Line
Completion Date ^(Note 1)		January 17, 2008
Use ^(Note 1)		Apartment



Structure ^(Note 1)		Eight-floor steel reinforced concrete structure with flat roof			
Area ^(Note 1)	Land	269.14 m ²			
	Floor Area	1,363.61 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		90% ^(Note 3)			
Floor Area Ratio		400%			
Collateral		None			
Property Management Company		Takara Co., Ltd.			
Master Leasing Company ^(Note 4)		Takara Co., Ltd.			
Type of Master Leasing ^(Note 4)		Pass through			
Seismic Risk (PML) ^(Note 5)		1.20% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)			
Notes		There are no applicable matters.			
Acquisition Price		¥249 million			
Scheduled Transfer Price		¥300 million			
Book Value ^(Note 6)		¥205 million			
Difference		¥95 million			
Appraisal Value and Method		¥252 million (Based on the capitalization approach as of August 31, 2022) (Appraisal agency: Japan Valuers Co., Ltd.)			
Appraisal NOI ^(Note 7)		¥16 million			
Leasing Status (As of September 30, 2022) ^(Note 8)					
Total Number of Tenants		1			
Total Rental Income(Annual)		¥24 million			
Security Deposits		¥1 million			
Occupancy Rate		100.0%			
Total Leased Floor Space		1,007.30 m ²			
Total Leasable Floor Space		1,007.30 m ²			
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	97.6%	100.0%	92.8%	97.7%	95.3%

(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) Street Address

As the Street Address is not indicated officially, the building location in the real estate registry is noted.

(Note 3) Building Coverage Ratio

The property is located in a commercial zone where the building coverage ratio is 80% in principle, however, the applied ratio is 90% because of its location at a corner.

(Note 4) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 5) 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 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 8) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022 “Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Maruyama			
Type of Asset		Real estate			
Location (Note 1)	Registry	22-8-1 Kita 4-jo Nishi, Chuo Ward, Sapporo City, Hokkaido			
	Street	22-1-1 Kita 4-jo Nishi, Chuo Ward, Sapporo City, Hokkaido			
Access		10-minute walk from Nishi 28-chome Station on the Sapporo Municipal Subway Tozai Line			
Completion Date (Note 1)		January 22, 2008			
Use (Note 1)		Apartment			
Structure (Note 1)		Ten-floor steel reinforced concrete structure with flat roof			
Area (Note 1)	Land	481.41 m ²			
	Floor Area	1,085.98 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		60%			
Floor Area Ratio		200%			
Collateral		None			
Property Management Company		Takara Co., Ltd.			
Master Leasing Company (Note 2)		Takara Co., Ltd.			
Type of Master Leasing (Note 2)		Pass through			
Seismic Risk (PML) (Note 3)		1.20% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)			
Notes		There are no applicable matters.			
Acquisition Price		¥229 million			
Scheduled Transfer Price		¥257 million			
Book Value (Note 4)		¥194 million			
Difference		¥62 million			
Appraisal Value and Method		¥215 million (Based on the capitalization approach as of August 31, 2022) (Appraisal agency: Japan Valuers Co., Ltd.)			
Appraisal NOI (Note 5)		¥13 million			
Leasing Status (As of September 30, 2022) (Note 6)					
Total Number of Tenants		1			
Total Rental Income (Annual)		¥19 million			
Security Deposits		¥1 million			
Occupancy Rate		100.0%			
Total Leased Floor Space		911.07 m ²			
Total Leasable Floor Space		911.07 m ²			
Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	96.3%	96.3%	92.5%	96.3%	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) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 3) 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 4) Book Value

Anticipated book value at the date of disposition.

(Note 5) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 6) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022. “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 September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Kita Nijuyo Jo
Type of Asset		Real estate
Location (Note 1)	Registry	1-304-60 Kita 23-jo Higashi, Higashi Ward, Sapporo City, Hokkaido
	Street	1-2-1 Kita 23-jo Higashi, Higashi Ward, Sapporo City, Hokkaido
Access		6-minute walk from Kita 24-jo Station on the Sapporo Municipal Subway Namboku Line
Completion Date (Note 1)		January 18, 2008
Use (Note 1)		Apartment
Structure (Note 1)		Ten-floor steel reinforced concrete structure with flat roof
Area (Note 1)	Land	928.54 m ²
	Floor Area	2,228.22 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		70%(Note 2)
Floor Area Ratio		200%
Collateral		None
Property Management Company		Takara Co., Ltd.
Master Leasing Company (Note 3)		Takara Co., Ltd.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		2.50% (Based on the Earthquake PML Appraisal Report as of September 2022 by Sompo Risk Management Inc.)
Notes		There are no applicable matters.
Acquisition Price		¥437 million
Scheduled Transfer Price		¥459 million
Book Value (Note 5)		¥361 million
Difference		¥97 million
Appraisal Value and Method		¥456 million (Based on the capitalization approach as of August 31, 2022) (Appraisal agency: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 6)		¥26 million
Leasing Status (As of September 30, 2022) (Note 7)		
Total Number of Tenants	1	
Total Rental Income (Annual)	¥36 million	
Security Deposits	¥2 million	
Occupancy Rate	100.0%	
Total Leased Floor Space	1,773.90 m ²	
Total Leasable Floor Space	1,773.90 m ²	



Historical Occupancy Rates	August 2018	August 2019	August 2020	August 2021	August 2022
	100.0%	94.4%	97.2%	100.0%	97.2%

(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) Building Coverage Ratio

The property is located in a semi-industrial zone where the building coverage ratio is 60% in principle, however, the applied ratio is 70% because of its location at a corner.

(Note 3) Master Lease

The master lease agreement to be concluded is a “pass-through type” lease, which takes a form such that a master lease company pays the Fund the same amount as the total rent based on lease agreements between the master lease company and end-tenants.

(Note 4) 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 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2022 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased as a block, and then the lessee under such lease agreement (the master lease agreement) sub leases each of the rooms to the end tenants. “Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of September 30, 2022, actually leasing space in the building of the Asset (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 September 30, 2022, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of September 30, 2022. “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 September 30, 2022 (if the common area, etc. is leased, the floor space thereof is included).

4. Profile of Seller of the Asset to be Acquired

Company Name	Nomura Real Estate Development Co., Ltd.
Head Office	1-26-2 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Representative	Daisaku Matsuo, President & CEO
Principal Business	Real Estate
Capital	¥2,000 million (as of March 31, 2022)
Established	April 15, 1957
Net Assets	¥91.3 billion (as of March 31, 2022)
Total Assets	¥1,527.3 billion (as of March 31, 2022)
Major Shareholder (Shareholding Ratio)	Nomura Real Estate Holdings, Inc. (100.0%)
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	Nomura Real Estate Development Co., Ltd. holds 4.47% of the Fund’s investment units (as of August 31, 2022). As a wholly owned subsidiary of Nomura Real Estate Holdings, Inc., which also holds 100% interests in the shares of the Asset Management Company, Nomura Real Estate Development Co., Ltd. is a related party of the Asset Management Company as defined in the Investment Trust Act.
Personal	The Asset Management Company’s employees and officers are seconded from Nomura Real Estate Development Co., Ltd.



Transactions	Nomura Real Estate Development Co., Ltd. is a property management company of the Fund and a lessee of real estate properties owned by the Fund. Moreover, the Asset Management Company has entered into an agreement on provision of information and a basic agreement on the leasing value chain with the said company.
Related Party Status	Nomura Real Estate Development Co., Ltd. does not fall under the definition of a related party of the Fund for the accounting purpose. However, the said company is a related party of the Asset Management Company as it is a subsidiary of a common parent company, as stated above.

5. Profile of Transferee of the Asset to be Disposed of

As the Fund has not obtained consent of the Purchaser of the Asset, which is a domestic specific purpose companies and joint - stock company, this information is not disclosed. As of today, neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationship with the Purchaser, and the Purchaser is not a related party of either the Fund or the Asset Management Company.

6. Status of Owner of the Asset to be Acquired

Status of Owner	Current Owner and/or Trustee	Previous Owner and/or Trustee
Company Name	Nomura Real Estate Development Co., Ltd.	—
Relationship with Parties with Special Interest	Please refer to “4. Profile of Seller of the Asset to be Acquired” above	—
Background/Reasons for Acquisition, etc.	For development for later sale	—
Acquisition Price (Including Other Related Expenses)	— (Note)	—
Acquisition Date	—	—

(Note) Omitted because, for the land, the current owner owned for more than one year, and, for the building, there is no previous owner.

7. Transactions with Related Parties

(1) Transactions related to the acquisition of the Asset to be Acquired

The acquisition of the Asset to be Acquired is considered to fall under transactions with a related party under the Investment Trust Act as stated above. Accordingly, the acquisitions of each property, the acquisition prices, and other relevant terms have been duly examined and authorized by the Asset Management Company’s compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

(2) Transactions related to the disposition of the Asset to be Disposed of

There is no transactions with related parties.

(3) The property management and master lease transactions of PROUD FLAT Nezu Yanaka

The property management company and master leasing company of PROUD FLAT Nezu Yanaka, Nomura Real Estate Partners Co., Ltd., is considered a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management, as well as the lease period, rental rate, and other leasing terms, related to PROUD FLAT Nezu Yanaka have been duly examined and authorized by the Asset Management Company’s compliance committee and investment committee pursuant to



relevant internal rules and guidelines.

Since none of the transactions described in (1) and(3) above falls under the category of transactions between the Fund and a related party of an asset management company as set forth in Article 201-2, Paragraph 1 of the Investment Trust Act, the approval of the Board of Directors of the Fund has not been obtained.

8. Form of Payment, etc.

(1) Form of Payment

Regarding the disposition, on the scheduled sale date, the Fund will receive from the seller the entire purchase price of the Property to Be Sold in a lump sum. The Fund plans to use the cash obtained through the sale of the Property for portfolio management, including the repayment of borrowings and the acquisition of properties.

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.

(2) Impact on the Financial Position of the Fund in Case of a Failure to Fulfill Our Forward Commitment

The sale agreement associated with the Acquisition (the “Sale Agreement”) is considered to be a forward commitment (Note) as stipulated in the Financial Services Agency’s Comprehensive Guidelines for Supervision of Financial Instruments Business Operators, etc. The Sale Agreement includes the provisions below.

(Note) Defined as purchase and sale agreements or similar contract which are signed one month or more in advance of the actual date on which the purchase price is paid and the property is transferred to the purchaser.

- i. Under the Sale Agreement, procuring funds equivalent to the acquisition price is set forth as a condition precedent for the obligation of the buyer.
- ii. Where there is material breach of terms of the contract by the seller or buyer (hereinafter such seller or buyer shall be referred to as the “violating party”), the other party may cancel the contract if such breach is not remedied after the passage of a prescribed period following the date of the non-violating party issuance of a notification requiring the violating party to perform its obligation or if such breach is objectively and reasonably deemed impossible to remedy.
- iii. If the contract is cancelled in accordance with paragraph ii) above, the non-violating party may require the violating party to pay a penalty charge that is equivalent to 20% of the acquisition price. The penalty charge is the liquidated damages amount, and neither party may request an increase or decrease of the penalty charge irrespective of whether the monetary damage actually suffered by the canceling party due to the cancellation exceeding or failing to reach an amount that is equivalent to 20% of the acquisition price.
- iv. The buyer may negotiate with the seller to change the acquisition price if the buyer has obtained an appraisal report of the Asset to be Acquired by the scheduled date of acquisition and the appraisal value shown in the appraisal report goes below the acquisition price. In such case, the buyer may cancel the contract without any indemnification or compensation, if the parties have failed to agree on the acquisition price by the scheduled date of acquisition.

9. Schedule for the Transaction

October 18, 2022	Conclusion of a purchase agreement for the acquisition of the Asset Conclusion of sale agreements for the dispositions of the Assets
October 31, 2022	Dispositions of the Assets to be Disposed of
January 6, 2023	Acquisition of the Asset to be Acquired



10. Outlook

Regarding the impact of the Transactions on the Fund's management status in the fiscal periods ending February 28, 2023 (September 1, 2023 to February 28, 2023) and August 31, 2023 (March 1, 2023 to August 31, 2023), please refer to the summary of financial statements (REIT) for the fiscal period ended August 31, 2022, which we announced as of today.

11. Appraisal Summary

(1) Asset to Be Acquired

Property Name	PROUD FLAT Nezu Yanaka
Appraisal Value	¥1,660,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	September 1, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,660,000,000	Calculated by evaluating the capitalization approach price with the direct capitalization approach, using the capitalization approach price calculated by the discounted cash flow approach as the baseline.
Price Calculated by the Direct Capitalization Approach	1,700,000,000	Calculated by reducing the standardized net cash flow recognized as stable over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	73,001,813	
(a) Gross Rental Income	76,862,041	Calculated based on appropriate rent levels recognized as stable over the medium to long term.
(b) Losses due to Vacancies, etc.	3,860,228	Calculated on the premise of the occupancy level recognized as stable over the medium to long term.
(2) Operating Expenses	14,123,815	
Maintenance Costs	3,290,400	Recorded based on the judgment that the current BM contract is reasonable.
Utilities Costs	776,268	Calculated based on actual amounts recorded in the past fiscal years.
Repair Costs	803,445	Repair cost: The amount equivalent to 0.12% of the building replacement cost is recorded. Tenant replacement cost: Maintenance cost associated with tenants' move-out is assessed and recorded in consideration of restoration by tenants.
Property Management Fees	2,131,450	The amount equivalent to 3% of rent income and others is recorded based on the judgement that the agreed-upon contract is reasonable.
Advertisement for Leasing Costs, etc.	2,410,978	Calculated as two months' rent paid by a new tenant with reference to leasing advertisement costs for similar properties and others.
Taxes	4,005,100	Calculated based on actual amounts recorded in the fiscal year 2022.
Insurance Premium	85,160	Recorded based on the judgement that the estimated amount obtained from the requester is reasonable.
Other Expenses	621,014	Calculated and recorded with reference to actual fixed and variable expenses..
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	58,877,998	



	(4) Profit through Management of Temporary Deposits, etc.	54,449	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	1,077,480	Recorded with the assessment of the amount equivalent to 0.28% of building replacement cost after considering CM fee.
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	57,854,967	
	(7) Capitalization Rate	3.4%	Calculated in comprehensive consideration of the property's conditions of location, building and agreement.
	Price Calculated by the Discounted Cash Flow Approach	1,640,000,000	
	Discount Rate	3.2%	Calculated by comparing to similar real estate transaction cases and considering the yield of the financial asset with the property's specific characteristics taken into account.
	Terminal Capitalization Rate	3.6%	Calculated in consideration of factors such as the capitalization rate, the characteristics of net cash flow adopted, future uncertainties, liquidity and marketability.
	Cost Approach Price	1,770,000,000	
	Ratio of Land	77.7%	
	Ratio of Building	22.3%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value by the Appraisal Agency	We determined that the property is located in the same supply and demand zone as the residential and mixed (residential and commercial) areas within walking distance from railway stations in Taito Ward and the neighboring wards. Considering the property's competitiveness in the rental housing market and the real estate market, we judged that the best use would be keeping the property as a condominium for rent. While demanders in the real estate market, in which the property is involved, are assumed to be mainly investors, the demanders show a strong tendency to make transactions with a focus on the property's profitability and investment profitability. Therefore, we decided that the capitalization approach price would relatively be more convincing than the cumulative price in the Transaction.		

(2) Assets to Be Disposed of

Property Name	PRIME URBAN Takaido
Appraisal Value	¥873,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	873,000,000	Calculated by evaluating the capitalization approach price with the direct capitalization approach, using the capitalization approach price calculated by the discounted cash flow approach as the baseline.
Price Calculated by the Direct Capitalization Approach	884,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a) – (b)	75,607,551	
(a) Gross Rental Income	80,362,071	Calculated based on appropriate rent levels recognized as stable over the medium to long term.
(b) Losses due to Vacancies, etc.	4,754,520	Calculated on the assumption of a stable occupancy rate over the medium to long term
(2) Operating Expenses	19,546,508	
Maintenance Costs	3,763,800	Recorded based on the judgment that the current contract amount is reasonable



	Utilities Costs	1,077,691	Calculated based on actual amounts recorded in the past fiscal years.
	Repair Costs	5,557,699	Repair cost: Calculated based on the annual average amount given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
	Property Management Fees	2,263,094	Recorded based on the judgment that the current contract amount is reasonable
	Advertisement for Leasing	3,426,424	Calculated with reference to the levels of similar properties
	Taxes	2,816,600	Calculated based on the actual amount recorded in the fiscal year 2022
	Insurance Premium	141,200	Recorded based on the judgement that the actual amount is reasonable
	Other Expenses	500,000	Calculated based on the actual amounts
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	56,061,043	
	(4) Profit through Management of Temporary Deposits, etc.	57,107	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	18,120,875	Calculated in consideration of the annual average renewal fees given in the engineering report and CM fee
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	37,997,275	
	(7) Capitalization Rate	4.3%	
	Price Calculated by the Discounted Cash Flow Approach	868,000,000	
	Discount Rate	4.1%	Calculated with comprehensive consideration of the property's specific characteristics with reference to yields on investments in similar properties
	Terminal Capitalization Rate	4.5%	Calculated, combining comparison with the transaction cases of similar properties and a method where the yield of the financial asset is calculated with its specific characteristics taken into account, and also referring to investors' opinions
	Cost Approach Price	702,000,000	
	Ratio of Land	86.2%	
	Ratio of Building	13.8%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Mukojima
Appraisal Value	¥501,000,000
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	501,000,000	Calculated with an emphasis on the capitalization approach price calculated using the discounted cash flow approach, associating it also with the capitalization approach price calculated using the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	501,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	43,787,000	
(a) Gross Rental Income	45,983,000	Calculated based on appropriate rent levels recognized as stable over the medium to long term.



	(b) Losses due to Vacancies, etc.	2,196,000	Calculated based on a stable occupancy rate (vacancy rate) over the medium to long term, taking into consideration the occupancy results of the property and similar properties as well as the future market outlook and other factors
	(2) Operating Expenses	14,004,000	
	Maintenance Costs	3,127,000	Calculated based on the current BM contract conditions in consideration of the past results, the cost levels at similar properties and other factors
	Utilities Costs	1,264,000	Calculated based on past results taking in consideration cost levels at similar properties and other factors
	Repair Costs	4,164,000	The total amount of small-scale repair costs and restoration costs is recorded.
	Property Management Fees	1,362,000	The total amount of property management fees and construction management fees is recorded.
	Advertisement for Leasing	2,286,000	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
	Taxes	1,700,000	The most recent results were adopted.
	Insurance Premium	101,000	The most recent results were adopted.
	Other Expenses	0	There are no specific expenses to record as other expenses.
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	29,783,000	
	(4) Profit through Management of Temporary Deposits, etc.	33,000	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	8,274,000	Large-scale repair costs and facility renewal costs expected to be incurred are recorded equally in each year, and the annual average amount of renewal costs estimated by ER is recorded.
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	21,542,000	
	(7) Capitalization Rate	4.3%	
	Price Calculated by the Discounted Cash Flow Approach	501,000,000	
	Discount Rate	4.1%	Calculated with comprehensive consideration of the property's specific characteristics with reference to yields on investments in similar properties
	Terminal Capitalization Rate	4.5%	Calculated based on a comprehensive consideration of factors such as the yield on similar property transactions, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents
	Cost Approach Price	271,000,000	
	Ratio of Land	66.8%	
	Ratio of Building	33.2%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Nishi Funabashi
Appraisal Value	¥958,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
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Capitalization Approach Price	958,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	964,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	55,131,000	
(a) Gross Rental Income	58,017,000	Calculated based on appropriate rent levels recognized as stable over the medium to long term.
(b) Losses due to Vacancies, etc.	2,886,000	Calculated on the assumption of a stable occupancy rate over the medium to long term
(2) Operating Expenses	11,005,000	
Maintenance Costs	1,620,000	Calculated with reference to the actual amounts in past fiscal years and cost levels for comparable properties
Utilities Costs	420,000	Calculated with reference to the actual amounts in past fiscal years and cost levels for comparable properties
Repair Costs	2,833,000	Recorded based on a consideration of restoration cost calculated, the annual average amount of repair and renewal costs given in the engineering report and other factors
Property Management Fees	1,578,000	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	1,784,000	Calculated with reference to the current contract conditions, the rental conditions at similar properties in the surrounding area and other factors
Taxes	2,421,000	Calculated based on the tax base amounts in the fiscal year 2022
Insurance Premium	79,000	Calculated with reference to the premium based on the current insurance contract, the premium rates at similar properties and other factors
Other Expenses	270,000	The residents' association membership fees, etc. are recorded as other expenses,
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	44,126,000	
(4) Profit through Management of Temporary Deposits, etc.	41,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	4,650,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age, the annual average maintenance and renewal fees given in the engineering report and other factors
(6) Net Cash Flow (NCF = (3)+(4)-(5))	39,517,000	
(7) Capitalization Rate	4.1%	Calculated based on a comprehensive consideration of the property's conditions of location, building and others
Price Calculated by the Discounted Cash Flow Approach	951,000,000	
Discount Rate	3.9%	Calculated with comprehensive consideration of the property's specific characteristics with reference to yields on investments in similar properties
Terminal Capitalization Rate	4.2%	Calculated based on a comprehensive consideration of factors such as the yield on similar property transactions, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents
Cost Approach Price	459,000,000	
Ratio of Land	54.3%	
Ratio of Building	45.7%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—
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Property Name	PRIME URBAN Aoi
Appraisal Value	¥679,000,000
Appraiser	Chuo Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	679,000,000	Calculated with an emphasis on the capitalization approach price calculated using the discounted cash flow approach, associating it also with the capitalization approach price calculated using the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	687,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	47,944,000	
(a) Gross Rental Income	50,722,000	Calculated based on appropriate rent levels recognized as stable over the medium to long term.
(b) Losses due to Vacancies, etc.	2,778,000	Calculated based on a stable occupancy rate (vacancy rate) over the medium to long term, taking into consideration the occupancy results of the property and similar properties as well as the future market outlook and other factors
(2) Operating Expenses	12,998,000	
Maintenance Costs	2,451,000	Calculated based on the current BM contract conditions in consideration of the past results, the cost levels at similar properties and other factors
Utilities Costs	719,000	Calculated based on past results taking in consideration cost levels at similar properties and other factors
Repair Costs	3,466,000	The total amount of small-scale repair costs and restoration costs is recorded.
Property Management Fees	1,477,000	The total amount of property management fees and construction management fees is recorded.
Advertisement for Leasing	1,540,000	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	2,968,000	The most recent results were adopted.
Insurance Premium	101,000	The most recent results were adopted.
Other Expenses	276,000	CATV usage fee
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	34,946,000	
(4) Profit through Management of Temporary Deposits, etc.	72,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	4,117,000	Large-scale repair costs and facility renewal costs expected to be incurred are recorded equally in each year, and the annual average amount of renewal costs estimated by ER is recorded.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	30,901,000	
(7) Capitalization Rate	4.5%	
Price Calculated by the Discounted Cash Flow Approach	676,000,000	
Discount Rate	4.3%	Calculated with comprehensive consideration of the property's specific characteristics with reference to yields on investments in similar properties



	Terminal Capitalization Rate	4.7%	Calculated based on a comprehensive consideration of factors such as the yield on similar property transactions, the probable future movement of the yield on investment, risks of the property as an investment, general forecasts of the economic growth rate and price trends in real estate and rents
	Cost Approach Price	715,000,000	
	Ratio of Land	62.8%	
	Ratio of Building	37.2%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Tsurumai
Appraisal Value	¥1,020,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,020,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	1,030,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	79,137,522	
(a) Gross Rental Income	83,440,613	Calculated based on consideration of current rents, rent levels in the market and other factors
(b) Losses due to Vacancies, etc.	4,303,091	Calculated based on consideration of the current vacancy rate, vacancy rates in the market and other factors
(2) Operating Expenses	23,444,666	
Maintenance Costs	3,546,000	Calculated with reference to the contract amount, cost levels at comparable properties and other factors
Utilities Costs	954,000	Calculated with reference to actual amounts, the general levels and other factors
Repair Costs	6,366,298	Calculated based on consideration of average annual repair and renewal costs indicated in the engineering report and other factors
Property Management Fees	2,351,556	Calculated with reference to the contract amount, general levels at comparable properties and other factors
Advertisement for Leasing	3,495,110	The average annual amount calculated based on past results, general levels and other factors is recorded
Taxes	5,582,030	Calculated based on tax base amounts for fiscal year 2022 and other factors
Insurance Premium	166,920	Recorded based on actual amounts, the general level and other factors
Other Expenses	982,752	Calculated with reference to past results, the general level and other factors (incl. CM fees)
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	55,692,856	
(4) Profit through Management of Temporary Deposits, etc.	57,757	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	8,496,833	Calculated with reference to the average annual repair and renewal costs indicated in the engineering report
(6) Net Cash Flow (NCF = (3)+(4)-(5))	47,253,780	



	(7) Capitalization Rate	4.6%	Calculated in consideration of the property's locality and specific characteristics, referring to the yields of similar transactions and other factors
	Price Calculated by the Discounted Cash Flow Approach	1,010,000,000	
	Discount Rate	4.4%	Calculated in consideration of the property's locale and specific characteristics, referring to the yields of comparable transactions and other factors
	Terminal Capitalization Rate	4.8%	Calculated based on consideration of the capitalization rate stated above, the future trend of investment yields and other factors
	Cost Approach Price	522,000,000	
	Ratio of Land	60.5%	
	Ratio of Building	39.5%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Chiji Kokan
Appraisal Value	¥252,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	252,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	253,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	24,886,569	
(a) Gross Rental Income	26,750,194	Calculated based on consideration of current rents, rent levels in the market and other factors
(b) Losses due to Vacancies, etc.	1,863,625	Calculated based on consideration of the current vacancy rate, vacancy rates in the market and other factors
(2) Operating Expenses	8,884,266	
Maintenance Costs	1,237,680	Calculated with reference to the contract amount, cost levels at comparable properties and other factors
Utilities Costs	695,473	Calculated with reference to actual amounts, the general levels and other factors
Repair Costs	2,369,887	Calculated based on consideration of average annual repair and renewal costs indicated in the engineering report and other factors
Property Management Fees	746,597	Calculated with reference to the contract amount, general levels at comparable properties and other factors
Advertisement for Leasing	882,550	The average annual amount calculated based on past results, general levels and other factors is recorded
Taxes	2,472,858	Calculated based on tax base amounts for fiscal year 2022 and other factors
Insurance Premium	53,633	Recorded based on actual amounts, the general level and other factors
Other Expenses	425,588	Calculated with reference to past results, the general level and other factors (incl. CM fees)
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	16,002,303	



	(4) Profit through Management of Temporary Deposits, etc.	18,620	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	3,609,083	Calculated with reference to the average annual repair and renewal costs indicated in the engineering report
	(6) Net Cash Flow (NCF=(3)+(4)-(5))	12,411,840	
	(7) Capitalization Rate	4.9%	Calculated in consideration of the property's locality and specific characteristics, referring to the yields of similar transactions and other factors
	Price Calculated by the Discounted Cash Flow Approach	251,000,000	
	Discount Rate	4.7%	Calculated in consideration of the property's locale and specific characteristics, referring to the yields of comparable transactions and other factors
	Terminal Capitalization Rate	5.1%	Calculated based on consideration of the capitalization rate stated above, the future trend of investment yields and other factors
	Cost Approach Price	179,000,000	
	Ratio of Land	63.1%	
	Ratio of Building	36.9%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Maruyama
Appraisal Value	¥215,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	215,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	216,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	20,962,560	
(a) Gross Rental Income	22,177,560	Calculated based on consideration of current rents, rent levels in the market and other factors
(b) Losses due to Vacancies, etc.	1,215,000	Calculated based on consideration of the current vacancy rate, vacancy rates in the market and other factors
(2) Operating Expenses	7,790,449	
Maintenance Costs	820,800	Calculated with reference to the contract amount, cost levels at comparable properties and other factors
Utilities Costs	965,558	Calculated with reference to actual amounts, the general levels and other factors
Repair Costs	1,769,989	Calculated based on consideration of average annual repair and renewal costs indicated in the engineering report and other factors
Property Management Fees	628,877	Calculated with reference to the contract amount, general levels at comparable properties and other factors
Advertisement for Leasing	956,802	The average annual amount calculated based on past results, general levels and other factors is recorded
Taxes	2,121,687	Calculated based on tax base amounts for fiscal year 2022 and other factors



	Insurance Premium	40,013	Recorded based on actual amounts, the general level and other factors
	Other Expenses	486,723	Calculated with reference to past results, the general level and other factors (incl. CM fees)
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	13,172,111	
	(4) Profit through Management of Temporary Deposits, etc.	16,135	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	2,583,583	Calculated with reference to the average annual repair and renewal costs indicated in the engineering report
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	10,604,663	
	(7) Capitalization Rate	4.9%	Calculated in consideration of the property's locality and specific characteristics, referring to the yields of similar transactions and other factors
	Price Calculated by the Discounted Cash Flow Approach	214,000,000	
	Discount Rate	4.7%	Calculated in consideration of the property's locale and specific characteristics, referring to the yields of comparable transactions and other factors
	Terminal Capitalization Rate	5.1%	Calculated based on consideration of the capitalization rate stated above, the future trend of investment yields and other factors
	Cost Approach Price	167,000,000	
	Ratio of Land	72.5%	
	Ratio of Building	27.5%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Property Name	PRIME URBAN Kita Nijuyo Jo
Appraisal Value	¥456,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2022

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	456,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	458,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	38,928,338	
(a) Gross Rental Income	41,431,704	Calculated based on consideration of current rents, rent levels in the market and other factors
(b) Losses due to Vacancies, etc.	2,503,366	Calculated based on consideration of the current vacancy rate, vacancy rates in the market and other factors
(2) Operating Expenses	11,982,400	
Maintenance Costs	1,101,840	Calculated with reference to the contract amount, cost levels at comparable properties and other factors
Utilities Costs	1,477,431	Calculated with reference to actual amounts, the general levels and other factors
Repair Costs	2,780,074	Calculated based on consideration of average annual repair and renewal costs indicated in the engineering report and other factors



	Property Management Fees	1,167,850	Calculated with reference to the contract amount, general levels at comparable properties and other factors
	Advertisement for Leasing	1,091,360	The average annual amount calculated based on past results, general levels and other factors is recorded
	Taxes	3,536,175	Calculated based on tax base amounts for fiscal year 2022 and other factors
	Insurance Premium	84,130	Recorded based on actual amounts, the general level and other factors
	Other Expenses	743,540	Calculated with reference to past results, the general level and other factors (incl. CM fees)
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	26,945,938	
	(4) Profit through Management of Temporary Deposits, etc.	30,421	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	4,055,333	Calculated with reference to the average annual repair and renewal costs indicated in the engineering report
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	22,921,026	
	(7) Capitalization Rate	5.0%	Calculated in consideration of the property's locality and specific characteristics, referring to the yields of similar transactions and other factors
	Price Calculated by the Discounted Cash Flow Approach	453,000,000	
	Discount Rate	4.8%	Calculated in consideration of the property's locale and specific characteristics, referring to the yields of comparable transactions and other factors
	Terminal Capitalization Rate	5.2%	Calculated based on consideration of the capitalization rate stated above, the future trend of investment yields and other factors
	Cost Approach Price	241,000,000	
	Ratio of Land	58.5%	
	Ratio of Building	41.5%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	

Exhibits

Exhibit 1 Overview of the Portfolio after the Transaction

Exhibit 2 Photos and Maps 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 Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area ^(Note 1)	Other Areas	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) ^(Note 2)
Office	403,585	69,610	473,195	43.6
Retail	109,888	64,155	174,044	16.0
Logistics	214,722	3,460	218,182	20.1
Residential	177,340	30,681	208,021	19.2
Hotels	—	6,250	6,250	0.6
Others	4,900	—	4,900	0.5
(Anticipated) Total Acquisition Price (by Area)	910,436	174,156	1,084,593	100.0
Investment Ratio (%) ^(Note 2)	83.9	16.1	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 Access Map of the Asset to be Acquired

PROUD FLAT Nezu Yanaka

