



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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Notice Concerning Property Acquisition

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 properties (the “Acquisitions”), as described below.

1. Summary of the Acquisitions

Property Name	Use	Date of Purchase and Sale Agreement	Scheduled Date of Acquisition	Seller	Anticipated Acquisition Price (million) (Note 1)
Landport Shinonome / Yasuda Soko (Quasi co-ownership of 51%)	Logistics	February 28, 2023	April 3, 2023 (Note 2)	Nomura Real Estate Development, Co., Ltd.	5,750
PROUD FLAT Kikukawa	Residential				2,720
PROUD FLAT Asakusa					2,410
PROUD FLAT Kinshicho II					2,030
MEFULL Chayamachi	Retail				3,735
Total					16,645

(Note 1) The amounts stated exclude acquisition-related costs, property tax, city planning tax, consumption tax and local consumption tax.

(Note 2) The scheduled date of acquisition may be changed to such other day as is agreed between the seller and the buyer (or month/year, but the scheduled date of acquisition is limited to any day until March 24, 2023).

(Note 3) There is no brokerage involved in the acquisition of the asset to be Acquired.

(Note 4) The assets to be acquired are a trust beneficial interest in trust of real estate as for Landport Shinonome / Yasuda Soko, and real estate properties as for the other assets to be acquired.

The above properties are individually or collectively referred to hereinafter as the “Assets to be Acquired.”



2. Reasons for the Acquisitions

The Fund determined that acquiring the Assets to be Acquired would help secure stable income and steady growth of the Fund's portfolio over the medium to long term, in line with the asset management objectives and policies specified in the Fund's Articles of Incorporation.

3. Summary of Assets to Be Acquired

(1) Landport Shinonome / Yasuda Soko

<Reasons for the Acquisition>

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

- The Asset is located about 2.3 km from the Ariake Interchange of Metropolitan Expressway Wangan Route. It is well located with good access to the metropolitan area including Tokyo (the largest consumption area in Japan), Kanagawa, Chiba, and Saitama Prefectures.
- In addition, the Asset is a five-minute walk from Shinonome Station on the Rinkai Line and is excellent in terms of securing of labor force because it enables commuting by foot from the nearby station.
- The Asset is "Landport Series" for logistics facilities developed by Nomura Real Estate Development Co., Ltd. Medium- and long-term stable management as high-function logistics facilities is expected.

<Summary of the Asset to be Acquired>

Property Name		Landport Shinonome / Yasuda Soko
Type of Asset		Trust beneficiary right (51% quasi co-ownership interest)
Location (Note 1)	Registry	2-19-3 Shinonome, Koto Ward, Tokyo
	Street	2-13-35 Shinonome, Koto Ward, Tokyo
Access		About 2.3 km from the "Ariake" Interchange of Metropolitan Expressway Wangan Route 5-minute walk from Shinonome Station on the Rinkai Line
Completion Date (Note 1)		May 8, 2020
Use (Note 1)		Warehouse
Structure (Note 1)		Four-floor steel-reinforced alloy-plated steel sheet structure
Architect		Class-1 Architects & Associates, Penta-Ocean Construction Co., Ltd.
Builder		Penta-Ocean Construction Co., Ltd.
Building Inspection Agency		Japan ERI Co., Ltd.
Area (Note 1)	Land	10,863.95 m ²
	Floor Area	22,088.79 m ²
Type of Ownership	Land	Ownership (51%)
	Building	Ownership (51%)
Building Coverage Ratio		60%
Floor Area Ratio		200%
Collateral		None
Property Management Company (Note 2)		Nomura Real Estate Development Co., Ltd. Nomura Real Estate Partners Co., Ltd.
Master Leasing Company		—
Type of Master Leasing		—
Seismic Risk (PML)(Note 3)		6.8% (Based on the Earthquake PML Appraisal Report as of December 2022 by Sompo Risk Management Inc.)
Notes		When one of the quasi co-owners intends to sell its portion of the real estate trust beneficiary right related to the Asset to the third party, the other quasi co-owners shall be given preferential negotiating rights concerning acquisition of the Asset for a certain period.



Anticipated Acquisition Price	¥5,750 million				
Appraisal Value and Method	¥6,080 million (Based on the capitalization approach as of January 1, 2023) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI ^(Note 4)	¥230 million				
Leasing Status (As of February 28, 2023) ^(Note 5)					
Total Number of Tenants	1				
Name of Tenants	Not disclosed				
Total Rental Income (Annual)	Not disclosed				
Security Deposits	Not disclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	22,064.88 m ²				
Total Leasable Floor Space	22,064.88m ²				
Historical Occupancy Rates ^(Note 6)	February 2019	February 2020	February 2021	February 2022	February 2023
	—	—	100.0%	100.0%	100.0%

(Note 1) Location and Other Items

Location (registry), Completion Date, Use, Structure and Area are based on the information in the real estate registry.

(Note 2) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(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) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with January 1, 2023 as the appraisal date.

(Note 5) Leasing Status

“Total Number of Tenants” is the total number of end tenant actually leasing space in the building of the Asset to be Acquired as of today.

“Name of Tenants”, “Total Rental Income (annual)” and “Security Deposits” are not disclosed because consent of the end tenant to such disclosure has not been obtained.

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of today by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of today.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset to be Acquired that can be leased as of today (If the common area, etc. is leased, the floor space thereof is included).

(Note 6) Historical Occupancy Rates

There are no applicable occupancy rates for the end of February 2020 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

(2) PROUD FLAT Kikukawa

< Reasons for the Acquisition >

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

- The Asset is a five-minute walk from Kikukawa Station on Shinjuku Line of the Toei Metropolitan Subway. It takes 10 minutes to Jinbo-cho Station, 14 minutes to Ichigaya Station, and 19 minutes to Shinjuku Station from the Asset by Shinjuku Line of the Toei Metropolitan Subway. Accordingly, the Asset has good access to terminal stations and major business areas, making it excellent in terms of convenient transportation.
- The Asset is highly convenient for daily living, with convenience stores, restaurants, and drug stores in the surrounding area of the nearest Kikukawa Station.



<Summary of the Asset to be Acquired>

Property Name		PROUD FLAT Kikukawa			
Type of Asset		Real estate			
Location (Note 1)	Registry	4-10-6 Tatekawa, Sumida Ward, Tokyo			
	Street	4-5-10 Tatekawa, Sumida Ward, Tokyo			
Access		5-minute walk from Kikukawa Station on Shinjuku Line of the Toei Metropolitan Subway			
Completion Date (Note 1)		October 22, 2020			
Use (Note 1)		Apartment			
Structure (Note 1)		Seven-floor steel reinforced concrete structure with flat roof			
Leasing Units		86			
Architect		Form Architect Planning Co., Ltd.			
Builder		Mabuchi Construction Co., Ltd.			
Building Inspection Agency		Ippan Zaidan Hojin Jutaku Kinyu Fukyu Kyokai			
Area (Note 1)	Land	894.38 m ²			
	Floor Area	3,047.97 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		60% (Note 2)			
Floor Area Ratio		300%			
Collateral		None			
Property Management Company (Note 3)		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing (Note 4)		Pass through			
Seismic Risk (PML)(Note 5)		8.6% (Based on the Earthquake PML Appraisal Report as of January 2023 by Sompo Risk Management Inc.)			
Notes		The property management companies, Nomura Real Estate Partners, Co., Ltd., is considered a related party under Investment Trust Act.			
Anticipated Acquisition Price		¥2,720 million			
Appraisal Value and Method		¥2,880 million (Based on the capitalization approach as of January 1, 2023) (Appraiser: The Tanizawa Sogo Appraisal Co., Ltd.)			
Appraisal NOI (Note 6)		¥109 million			
Leasing Status (As of January 31, 2023) (Note 7)					
Total Number of Tenants		1			
Total Rental Income (Annual)		¥129 million (Including common area management fee)			
Security Deposits		¥11 million			
Occupancy Rate		94.4%			
Total Leased Floor Space		2,443.45m ²			
Total Leasable Floor Space		2,589.48 m ²			
Historical Occupancy Rates (Note 8)	January 2019	January 2020	January 2021	January 2022	January 2023
	—	—	6.6%	52.0%	94.4%

(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 Asset is located in a quasi-industrial zone where the building coverage ratio is 50% in principle. However, because the Asset is a certified fireproof building in a fire prevention zone, the applied coverage ratio is 60%.

(Note 3) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 4) 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 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) Appraisal NOI
“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with January 1, 2023 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 January 31, 2023, 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 January 31, 2023, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2023 “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 January 31, 2023 (if the common area, etc. is leased, the floor space thereof is included).
- (Note 8) Historical Occupancy Rates
There are no applicable occupancy rates for the end of January 2020 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

(3) PROUD FLAT Asakusa

<Reasons for the Acquisition>

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

- The Asset is a ten-minute walk from Asakusa Station on the Tokyo Metro Ginza Line. It takes five minutes to Ueno Station, 14 minutes to Nihombashi Station, and 19 minutes to Shimbashi Station from the Asset by the Tokyo Metro Ginza Line. Accordingly, the Asset has a good access to terminal stations and major business and commercial areas, making it excellent in terms of convenient transportation.
- There are many restaurants and goods retailers in the surrounding area of the nearest Asakusa Station and also convenient facilities for daily living such as supermarkets, convenience stores, and restaurants on Umamichi Dori and Kototoi Dori near to the Asset.

<Summary of the Asset to be Acquired>

Property Name		PROUD FLAT Asakusa
Type of Asset		Real estate
Location (Note 1)	Registry	6-305-1 Asakusa, Taito Ward, Tokyo
	Street	6-18-9 Asakusa, Taito Ward, Tokyo
Access		ten-minute walk from Asakusa Station on the Tokyo Metro Ginza Line nine-minute walk from Asakusa Station on the Tobu Sky Tree Line
Completion Date (Note 1)		July 21, 2020
Use (Note 1)		Apartment, bicycle parking area, car parking area
Structure (Note 1)		Nine-floor steel reinforced concrete structure with flat roof
Leasing Units		72
Architect		Class-1 Architects & Associates, Goda Koumuten Co., Ltd
Builder		Tokyo head office, Goda Koumuten Co., Ltd
Building Inspection Agency		Ippan Zaidan Hojin Jutaku Kinyu Fukyu Kyokai
Area (Note 1)	Land	574.97 m ² (Note 2)
	Floor Area	2,926.70 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		90% (Note 3)
Floor Area Ratio		400%



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)	6.2% (Based on the Earthquake PML Appraisal Report as of January 2023 by Sompo Risk Management Inc.)				
Notes	• The property management companies, Nomura Real Estate Partners, Co., Ltd., is considered a related party under Investment Trust Act.				
Anticipated Acquisition Price	¥2,410 million				
Appraisal Value and Method	¥2,830 million (Based on the capitalization approach as of January 1, 2023) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI (Note 7)	¥95 million				
Leasing Status (As of January 31, 2023) (Note 8)					
Total Number of Tenants	1				
Total Rental Income (Annual)	¥117 million (Including common area management fee)				
Security Deposits	¥9 million				
Occupancy Rate	98.2%				
Total Leased Floor Space	2,209.59 m ²				
Total Leasable Floor Space	2,249.76 m ²				
Historical Occupancy Rates (Note 9)	January 2019	January 2020	January 2021	January 2022	January 2023
	—	—	35.3%	77.0%	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) Land Area

Under Article 42, Paragraph 2 of the Building Standards Act, the land includes the area of about 34.6 m² (a private road), which is regarded as a road.

(Note 3) Building Coverage Ratio

The Asset is located in a quasi-industrial zone where the building coverage ratio is 80% in principle. However, because the Asset is at a corner which is designated by a specified administrative agency, the applied coverage ratio is 90%

(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 January 1, 2023 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 January 31, 2023, 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 January 31, 2023, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2023 “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 January 31, 2023 (if the common area, etc. is leased, the floor space thereof is included).

(Note 9) Historical Occupancy Rates



There are no applicable occupancy rates for the end of January 2020 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

(4) PROUD FLAT Kinshicho II

<Reasons for the Acquisition>

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

- The Asset is a nine-minute walk from Kinshicho Station on the JR Chuo and Sobu Lines and the Tokyo Metro Hanzomon Line. From Kinshicho Station, it takes six minutes to get to Akihabara Station and eight minutes to Tokyo Station by the JR Chuo and Sobu Lines, and 12 minutes to Otemachi Station by the Tokyo Metro Hanzomon Line. Accordingly, the Asset has a good access to terminal stations and major business and commercial areas, making it excellent in terms of convenient transportation.
- The Asset is highly convenient for daily living, with large-scale retail facilities, supermarkets, convenience stores, and restaurants in the surrounding area of the nearest Kinshicho Station.

<Summary of the Asset to be Acquired>

Property Name		PROUD FLAT Kinshicho II
Type of Asset		Real estate
Location (Note 1)	Registry	4-6-5 Midori, Sumida Ward, Tokyo
	Street	4-10-11 Midori, Sumida Ward, Tokyo
Access		9-minute walk from Kinshicho Station on the JR Chuo and Sobu Lines and the Tokyo Metro Hanzomon Line
Completion Date (Note 1)		January 9, 2020
Use (Note 1)		Apartment, bicycle parking area, car parking area
Structure (Note 1)		Nine-floor steel reinforced concrete structure with flat roof
Leasing Units		62
Architect		Kepler architect & associate
Builder		Raito Kogyo Co., Ltd.
Building Inspection Agency		Urban Housing Evaluation Center
Area (Note 1)	Land	484.05 m ²
	Floor Area	2,334.95 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		400%
Collateral		None
Property Management Company (Note 3)		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML)(Note 5)		7.5% (Based on the Earthquake PML Appraisal Report as of January 2023 by Sompo Risk Management Inc.)
Notes		The property management companies, Nomura Real Estate Partners, Co., Ltd., is considered a related party under Investment Trust Act.
Anticipated Acquisition Price		¥2,030 million
Appraisal Value and Method		¥2,250 million (Based on the capitalization approach as of January 1, 2023) (Appraiser: Japan Real Estate Institute)
Appraisal NOI (Note 6)		¥78 million
Leasing Status (As of January 31, 2023) (Note 7)		
Total Number of Tenants		1



Total Rental Income (Annual)	¥92 million (Including common area management fee)				
Security Deposits	¥7 million				
Occupancy Rate	89.7%				
Total Leased Floor Space	1,684.54 m ²				
Total Leasable Floor Space	1,877.90 m ²				
Historical Occupancy Rates (Note 8)	January 2019	January 2020	January 2021	January 2022	January 2023
	—	4.3%	96.5%	86.6%	89.7%

(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 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 3) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 4) 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 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) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with January 1, 2023 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 January 31, 2023, 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 January 31, 2023, by Total Leasable Floor Space. “Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2023 “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 January 31, 2023 (if the common area, etc. is leased, the floor space thereof is included).

(Note 8) Historical Occupancy Rates

There are no applicable occupancy rates for the end of January 2019 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.

(5) MEFULL Chayamachi

< Reasons for the Acquisition >

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

- The Asset is a three-minute walk from Osaka Umeda Station on Kobe Line, Kyoto Line, and Takarazuka Line of the Hankyu Railway, a six-minute walk from Umeda Station on the Osaka Metro Midousuji Line, and an eight-minute walk from Osaka Station on the JR Lines. Accordingly, the Asset is well located and provides excellent transportation.
- The Umeda area where the Asset is located is a huge commercial district formed by station buildings, department stores, and shopping arcades around Osaka and Umeda Terminal Stations. Accordingly, the Asset is expected to have a high demand from passengers and workers in offices near the stations.
- The Asset is well located because there are retail facilities for young people, colleges, and beauty schools, and there are high needs from tenants comprising fashion and service businesses, especially beauty-related businesses, in the Chayamachi area of the Umeda district.





(MEFULL Series)

MEFULL Series is retail facilities specializing in services with the following concepts developed by the sponsor, Nomura Real Estate Development, Co., Ltd.

Retail facilities specializing in services that improve customer satisfaction of “Health, Learning, and Life”

“It makes **me full** of happiness!”

- “Consumption of services rather than goods”: Most tenants comprise service businesses capturing the needs of the present age clearly
- As the way people use time is changing with workstyle reforms, etc., this series will attract service businesses meeting diverse needs
- It will achieve differentiation from neighboring old various facilities by building and managing “Safe/Trusted/Clean” facilities

<Summary of the Asset to be Acquired>

Property Name		MEFULL Chayamachi
Type of Asset		Real estate
Location (Note 1)	Registry	32-4 Chayamachi, Kita Ward, Osaka
	Street	5-8 Chayamachi, Kita Ward, Osaka
Access		3-minute walk from Osaka Umeda Station on Kobe Line, Kyoto Line, and Takarazuka Line of the Hankyu Railway 6-minute walk from Umeda Station on the Osaka Metro Midosuji Line 8-minute walk from Osaka Station on the JR Line
Completion Date (Note 1)		March 16, 2020
Use (Note 1)		Shop
Structure (Note 1)		Eight-floor steel reinforced concrete structure with flat roof
Architect		Kansai Class-1 Architects & Associates, Kumagai Gumi Co., Ltd.
Builder		Kansai Branch, Kumagai Gumi Co., Ltd.
Building Inspection Agency		Kenchikukensakikou K.K.
Area (Note 1)	Land	330.61 m ²
	Floor Area	1,569.73 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		400%
Collateral		None
Property Management Company (Note 3)		Nomura Real Estate Retail Properties Co., Ltd.
Master Leasing Company		Nomura Real Estate Retail Properties Co., Ltd.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML)(Note 5)		6.0% (Based on the Earthquake PML Appraisal Report as of January 2023 by Sompo Risk Management Inc.)
Notes		Nomura Real Estate Retail Properties Co., Ltd., the property management company, is considered a related party under the Investment Trust Act.
Anticipated Acquisition Price		¥3,735 million



Appraisal Value and Method	¥4,120 million (Based on the capitalization approach as of January 1, 2023) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI ^(Note 6)	¥137 million				
Leasing Status (As of February 28, 2023) ^(Note 7)					
Total Number of Tenants	7				
Total Rental Income (Annual)	¥170 million (Including common area management fee)				
Security Deposits	¥136 million				
Occupancy Rate	100.0%				
Total Leased Floor Space	1,206.78 m ²				
Total Leasable Floor Space	1,206.78 m ²				
Historical Occupancy Rates ^(Note 8)	February 2019	February 2020	February 2021	February 2022	February 2023
	—	—	100.0%	84.8%	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) 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 located at a corner and is a certified fireproof building in a quasi-fire prevention zone, the applied coverage ratio is 100%.

(Note 3) Property Management Company

Refers to the property management company that is scheduled to be appointed after acquisition.

(Note 4) 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 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) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income - operating expenses) described in the real estate appraisal report with January 1, 2023 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is the total number of end tenants actually leasing space in the building of the Asset to be Acquired as of today.

“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 today 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 today by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of today.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset to be Acquired that can be leased as of today (If the common area, etc. is leased, the floor space thereof is included).

(Note 8) Historical Occupancy Rates

There are no applicable occupancy rates for the end of February 2020 and before because the building was not yet completed. The historical occupancy rates are based on the information from the seller.



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 April 1, 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%)
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. 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.



6. 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) The property management of Landport Shinonome / Yasuda Soko

The property management companies of Landport Shinonome / Yasuda Soko, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd., are each considered to fall under a related party under the Investment Trust Act as stated above. Accordingly, the fees and other terms of the consignment of property management related to Landport Shinonome / Yasuda Soko 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.

(3) The property management and master lease transactions of PROUD FLAT Kikukawa, PROUD FLAT Asakusa and PROUD FLAT Kinshicho II

The property management company and master leasing company of PROUD FLAT Kikukawa, PROUD FLAT Asakusa and PROUD FLAT Kinshicho II, 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 Kikukawa, PROUD FLAT Asakusa and PROUD FLAT Kinshicho II have been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to relevant internal rules and guidelines.

(4) The property management and master lease transactions of MEFULL Chayamachi

The property management company and master leasing company of MEFULL Chayamachi, Nomura Real Estate Retail Properties 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 MEFULL Chayamachi 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) through (4) 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.

7. Form of Payment, etc.

(1) Form of Payment

Regarding the acquisitions, 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 through the issuance of new investment units by the acquisition date is set forth as a condition precedent for the obligation of the buyer.
- ii. Where there is material breach of terms of the Sale Agreement by the seller or buyer (hereinafter such seller or buyer shall be referred to as the “violating party”), the other party may cancel the Sale Agreement 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 impossible to remedy. If the Sale Agreement 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. Regarding Landport Shinonome / Yasuda Soko and MEFULL Chayamachi, in the event of damage exceeding an amount equivalent to 20% of the acquisition price, the above provision does not preclude a claim for damages of such amount exceeding 20%. Regarding PROUD FLAT Kikukawa, PROUD FLAT Asakusa and PROUD FLAT Kinshicho II, the penalty charge is the liquidated damages amount, and neither party may request an increase or decrease in the penalty charge irrespective of whether the monetary damage actually suffered by the canceling party exceeds or falls below an amount that is equivalent to 20% of the acquisition price.
- iii. 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 Sale Agreement without any indemnification or compensation, if the parties have failed to agree on the acquisition price by the scheduled date of acquisition.

8. Schedule for the Acquisitions

February 28, 2023	Conclusion of purchase agreements for the acquisitions of the Assets
April 3, 2023	Acquisitions of the Assets to be Acquired

9. Outlook

There is currently no revision to the forecast for the fiscal period ending August 31, 2023 (March 1, 2023 to August 31, 2023) because the impact of the Acquisitions on operation of the entire portfolio is minimal.



10. Appraisal Summary

Property Name	Landport Shinonome / Yasuda Soko
Appraisal Value	¥6,080,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	January 1, 2023

(Yen)

Item	Amount or Percentage	Grounds	
Capitalization Approach Price	6,080,000,000	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	6,180,000,000	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)	Undisclosed	(Note)	
(a) Gross Rental Income	Undisclosed		
(b) Losses due to Vacancies, etc.	Undisclosed		
(2) Operating Expenses	Undisclosed		
Maintenance Costs	Undisclosed		
Utilities Costs	Undisclosed		
Repair Costs	Undisclosed		
Property Management Fees	Undisclosed		
Advertisement for Leasing Costs, etc.	Undisclosed		
Taxes	Undisclosed		
Insurance Premium	Undisclosed		
Other Expenses	Undisclosed		
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	230,025,067		
(4) Profit through Management of Temporary Deposits, etc.	Undisclosed		(Note)
(5) Capital Expenditure Reserve	Undisclosed		
(6) Net Cash Flow (NCF = (3)+(4)-(5))	228,754,577		
(7) Capitalization Rate	3.7%	For this Property, this is calculated based on the yields on investment in properties for a similar usage located in lowest-risk areas while adjusting spreads according to the Property's locational conditions and the building conditions such as grade, age, and facility level, and other conditions such as the expected new rent levels to market levels, the ownership and interests concerned, and contract conditions, as well as the capitalization rates in the appraisals of the J-REIT properties and other properties in the market area.	
Price Calculated by the Discounted Cash Flow Approach	6,030,000,000		
Discount Rate	3.4%	Calculated by comparing to similar properties' sales evidence and considering the yield on the financial asset with the property's characteristics taken into account, and also referring to investors' opinions.	



	Terminal Capitalization Rate	3.8%	Calculated based on the capitalization rate, with a comprehensive consideration given to the possibility of an increase in the capital expenditure due to the building's aged deterioration, etc., the uncertainty of the real estate market trends, and such uncertain factors as the effects of the passage of time on liquidity.
	Cost Approach Price	6,020,000,000	
	Ratio of Land	80.2%	
	Ratio of Building	19.8%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>As the Property is an approximately five-minute walk to the nearest station, Shinonome Station on the Rinkai Line (Tokyo Waterfront Area Rapid Transit), the transportation/access conditions are excellent. In addition, with National Route 357 approximately 350 m to the north, approximately 350 m (linear distance) to the Metropolitan Expressway Coast Line, and approximately 350 m to Shinonome Station, the Property is extremely well-situated in relation to transportation facilities such as highways and railroads. The Property is a regular four-floor box-type warehouse with a total floor space of approximately 23,000 m², which is versatile.</p> <p>Therefore, since relatively stable cash flow by appropriate management can be expected, the Property is judged to be highly competitive in the real estate market.</p>		

(Note) These items contain information for which the Fund owes a duty of confidentiality to the lessees or information that could be used to calculate such information. The disclosure of these items could result in a breach of said duty of confidentiality, which could negatively impact the Fund and thus the interests of its unitholders. Accordingly, these items are undisclosed.

Property Name	PROUD FLAT Kikukawa
Appraisal Value	¥2,880,000,000
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	January 1, 2023

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,880,000,000	Calculated based on the evaluation according to the direct capitalization approach using the price calculated by the discounted cash flow approach as the baseline
Price Calculated by the Direct Capitalization Approach	2,930,000,000	Calculated by reducing the standardized net cash flow (NCF)
(1) Operating Income (a)-(b)	138,771,173	
(a) Gross Rental Income	145,858,040	Calculated based in part on market rent levels
(b) Losses due to Vacancies, etc.	7,086,867	Calculated based on the medium-to long term leveled vacancy rate
(2) Operating Expenses	29,076,279	
Maintenance Costs	5,282,539	Calculated based on the PM/BM work term sheet
Utilities Costs	1,087,582	Calculated based on the income and expenditure results and other factors
Repair Costs	2,598,294	Calculated based on the restoration costs, the Engineering Report, the building's age, amounts recorded at similar properties and other factors
Property Management Fees	4,044,439	Calculated based on the PM/BM work term sheet
Advertisement for Leasing Costs, etc.	3,946,052	Calculated based on the PM/BM work term sheet
Taxes	8,361,900	Calculated based on the information for fiscal year 2022 and other data
Insurance Premium	147,423	Calculated based on the estimated insurance premium
Other Expenses	3,608,050	Calculated based on the income and expenditure results and other factors
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	109,694,894	



	(4) Profit through Management of Temporary Deposits, etc.	99,701	Investment profit calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	1,280,000	Calculated based on the Engineering Report, the building's age, amounts recorded at similar properties and other factors.
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	108,514,595	
	(7) Capitalization Rate	3.7%	Calculated based mainly on the yield of similar rental condominium transactions, with reference to the characteristics of the area surrounding the Asset, the Asset's particular characteristics and other factors
	Price Calculated by the Discounted Cash Flow Approach	2,860,000,000	
	Discount Rate	3.8%	Calculated taking into consideration the individual risks for the Asset and other factors
	Terminal Capitalization Rate	3.9%	Calculated based on the capitalization rate, with consideration given to levels of future forecast uncertainty
	Cost Approach Price	3,060,000,000	
	Ratio of Land	79.4%	
	Ratio of Building	20.6%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value		<p>The Asset consists of a medium-to-high-rise rental condominium and its site located approximately five minutes from Kikukawa Station on the Toei Shinjuku Line. The condominium is relatively new and is of a grade required for rental condominiums, satisfying the high standards required for rental-condominium facilities. In addition, the transportation convenience is excellent with approximately 15 minutes from Kikukawa Station, the nearest station, to Tokyo Station and the area surrounding the station has an abundance of grocery stores and restaurants, which provide convenience for everyday life. Therefore, we decided that the Asset has reasonable competitiveness, appealing mainly to single persons and DINK households that are oriented toward proximity to the city center and convenience.</p> <p>In view of the above factors, we determined the appraisal value.</p>	

Property Name	PROUD FLAT Asakusa
Appraisal Value	¥2,830,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	January 1, 2023

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,830,000,000	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	2,860,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	121,253,000	
(a) Gross Rental Income	126,610,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	5,357,000	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	25,911,000	
Maintenance Costs	5,800,000	Calculated based on the anticipated maintenance work cost, cost levels at similar properties and other factors
Utilities Costs	1,500,000	Calculated with reference to the actual amounts in past fiscal years and cost levels for comparable properties
Repair Costs	1,382,000	Calculated in consideration of the cost levels at similar properties, annual average amount of repair and renewal costs given in the Engineering Report and other factors



	Property Management Fees	3,537,000	Calculated based on the anticipated compensation fee rate, compensation fee rates adopted to similar properties, and other factors
	Advertisement for Leasing Costs, etc.	5,705,000	Recorded the annual average calculated based on the expected turnover period of tenants
	Taxes	7,169,000	Calculated based on the tax base amounts in the fiscal year 2022 and other factors
	Insurance Premium	127,000	Calculated based on insurance quotes, the premium rates at similar properties and other factors
	Other Expenses	691,000	Recorded internet expenses and other costs
	(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	95,342,000	
	(4) Profit through Management of Temporary Deposits, etc.	87,000	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	1,060,000	Calculated in consideration of the capital expenditure levels at similar properties, the building's age, and the annual average repair and renewal costs given in the Engineering Report, based on the assumption of leveled accumulation in each period
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	94,369,000	
	(7) Capitalization Rate	3.3%	Calculated based on such factors as the yield that provides reference to each district, while adjusting spreads according to the Asset's locational conditions, building conditions, and other conditions, as well as future uncertainties.
	Price Calculated by the Discounted Cash Flow Approach	2,800,000,000	
	Discount Rate	3.1%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
	Terminal Capitalization Rate	3.4%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
	Cost Approach Price	2,440,000,000	
	Ratio of Land	74.7%	
	Ratio of Building	25.3%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The Asakusa area, where the subject property is located, is a popular tourist destination with many historical sights, and with its good traffic access to central Tokyo, stable demand from tenants can be expected. The building is designed as a rental condominium for single or small households who prioritize traffic convenience to central Tokyo. Since it was built in 2020, its facilities and specifications are also of a high standard.</p> <p>In view of the above factors, the appraisal value was determined.</p>		



Property Name	PROUD FLAT Kinshicho II
Appraisal Value	¥2,250,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	January 1, 2023

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	2,250,000,000	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	2,270,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	100,129,000	
(a) Gross Rental Income	106,005,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	5,876,000	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	21,755,000	
Maintenance Costs	5,053,000	Calculated based on the anticipated maintenance work cost, cost levels at similar properties and other factors
Utilities Costs	1,300,000	Calculated with reference to the actual amounts in past fiscal years and cost levels for comparable properties
Repair Costs	1,346,000	Calculated in consideration of the cost levels at similar properties, annual average amount of repair and renewal costs given in the Engineering Report and other factors
Property Management Fees	2,867,000	Calculated based on the anticipated compensation fee rate, compensation fee rates adopted to similar properties, and other factors
Advertisement for Leasing Costs, etc.	4,071,000	Recorded the annual average calculated based on the expected turnover period of tenants
Taxes	6,414,000	Calculated based on the tax base amounts in the fiscal year 2022 and other factors
Insurance Premium	109,000	Calculated based on insurance quotes, the premium rates at similar properties and other factors
Other Expenses	595,000	Recorded internet expenses and other costs
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	78,374,000	
(4) Profit through Management of Temporary Deposits, etc.	73,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	1,187,000	Calculated in consideration of the capital expenditure levels at similar properties, the building's age, and the annual average repair and renewal costs given in the Engineering Report, based on the assumption of leveled accumulation in each period
(6) Net Cash Flow (NCF = (3)+(4)-(5))	77,260,000	
(7) Capitalization Rate	3.4%	
Price Calculated by the Discounted Cash Flow Approach	2,230,000,000	
Discount Rate	3.2%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.



	Terminal Capitalization Rate	3.5%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price		2,200,000,000	
	Ratio of Land	75.8%	
	Ratio of Building	24.2%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value		<p>The Asset is located in the Kinshicho area, where there are abundant retail facilities and urban functions are concentrated, and with its good traffic access to central Tokyo, stable demand from tenants can be expected. The building is designed as a rental condominium for single or small households who prioritize traffic convenience to central Tokyo. Since it was built in 2020, its facilities and specifications are also of a high standard.</p> <p>In view of the above factors, the appraisal value was determined.</p>	

Property Name	MEFULL Chayamachi
Appraisal Value	¥4,120,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	January 1, 2023

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	4,120,000,000	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	4,150,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	171,546,000	
(a) Gross Rental Income	178,559,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	7,013,000	Calculated on the assumption of a stable occupancy rate over the medium- to long-term
(2) Operating Expenses	34,489,000	
Maintenance Costs	8,500,000	Calculated based on the anticipated maintenance work cost, cost levels at similar properties and other factors
Utilities Costs	9,300,000	Calculated in consideration of the occupancy rate of rooms and other factors based on the actual amounts at similar properties
Repair Costs	514,000	Calculated in consideration of the cost levels at similar properties, annual average amount of repair and renewal costs given in the Engineering Report and other factors
Property Management Fees	3,992,000	Calculated based on the anticipated compensation fee rate, compensation fee rates adopted to similar properties, and other factors
Advertisement for Leasing Costs, etc.	2,495,000	The annual average calculated based on the anticipated turnover period of tenants is recorded
Taxes	8,660,000	Calculated based on the tax base amounts in the fiscal year 2022 and other factors
Insurance Premium	78,000	Calculated based on insurance quotes, the premium rates at similar properties and other factors
Other Expenses	950,000	Costs such as AED installation fee, communication costs, and digital signage related costs are recorded
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	137,057,000	



	(4) Profit through Management of Temporary Deposits, etc.	1,277,000	Calculated based on an investment yield of 1.0%
	(5) Capital Expenditure Reserve	1,260,000	Calculated in consideration of the capital expenditure levels at similar properties, the building's age, and the annual average repair and renewal costs given in the Engineering Report, based on the assumption of leveled accumulation in each period
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	137,074,000	
	(7) Capitalization Rate	3.3%	
	Price Calculated by the Discounted Cash Flow Approach	4,090,000,000	
	Discount Rate	3.1%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
	Terminal Capitalization Rate	3.4%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
	Cost Approach Price	4,030,000,000	
	Ratio of Land	90.0%	
	Ratio of Building	10.0%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	<p>The Property is located in the Chayamachi area, a commercial area nearest Umeda Station. As this area is characterized by having a relatively high number of street-level stores compared to other commercial areas around Umeda Station, and there are also a variety of store buildings around the Property, making it a busy area that is highly crowded with pedestrians. Since a large-scale redevelopment project is planned around the Property, the area is expected to develop in the future.</p> <p>The building is a relatively recently built retail facility characterized by a tenant composition mainly consisting of the service industry. As it is located at an attractive corner and sufficient width is secured at the entrance of its first-floor store, the building is highly visible.</p> <p>In view of the above factors, the appraisal value was determined.</p>		

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

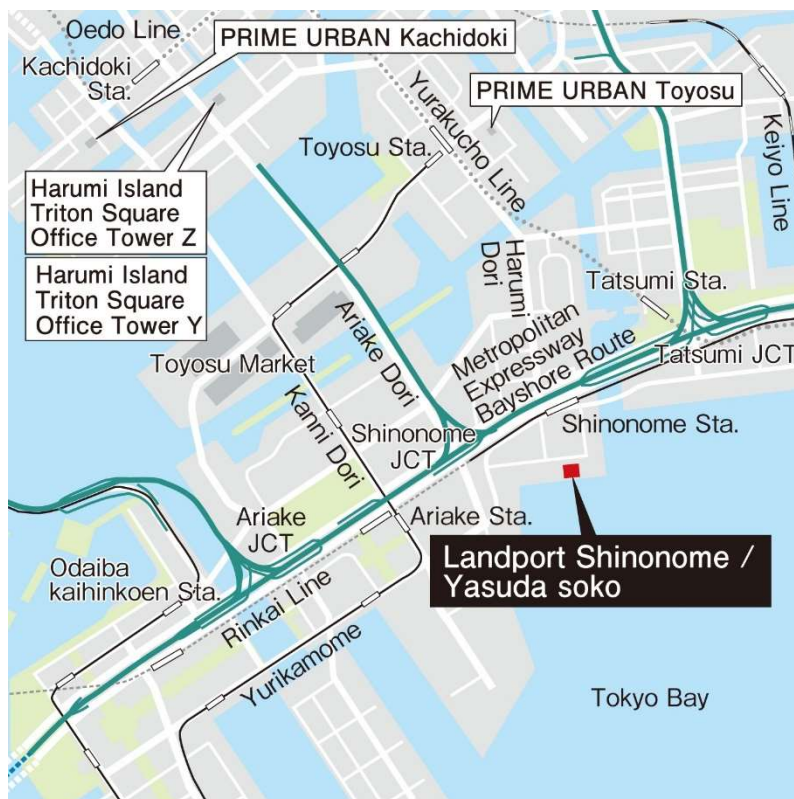
(¥ million)

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	43.0
Logistics	220,472	3,460	223,932	20.3
Residential	184,500	30,681	215,181	19.5
Retail	109,888	67,890	177,779	16.1
Hotels	—	6,250	6,250	0.6
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	923,346	177,891	1,101,238	100.0
Investment Ratio (%) ^(Note 2)	83.8	16.2	100.0	

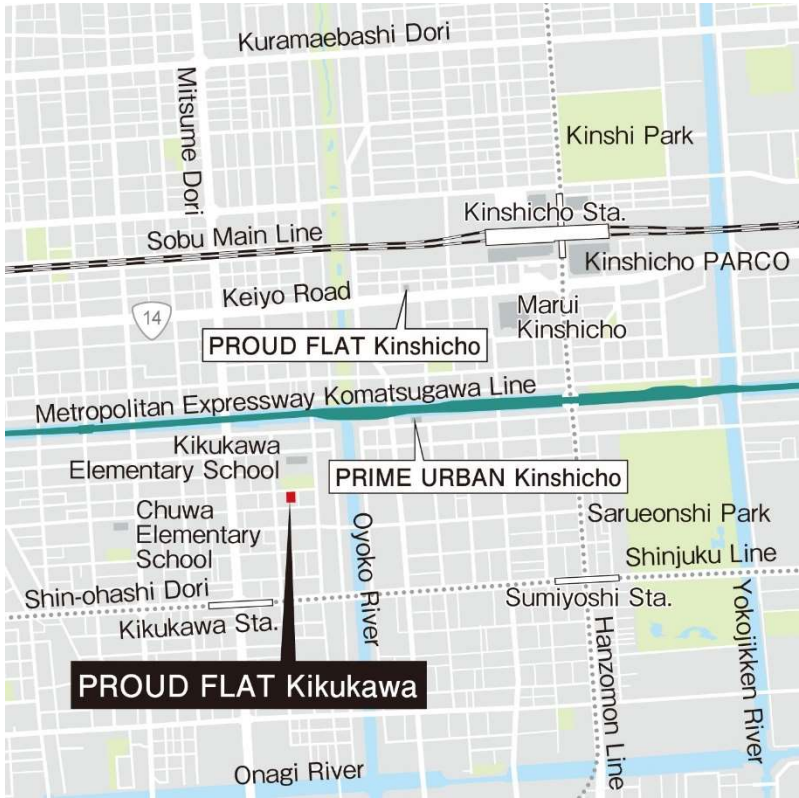
(Note 1) “Greater Tokyo Area” refers to Tokyo Prefecture, Kanagawa Prefecture, Chiba Prefecture and Saitama Prefecture. “Other Areas” refers to cabinet-order designated cities, prefectural capitals, and cities having a population of at least 100,000 and their peripheral areas, excluding those in Greater 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%.

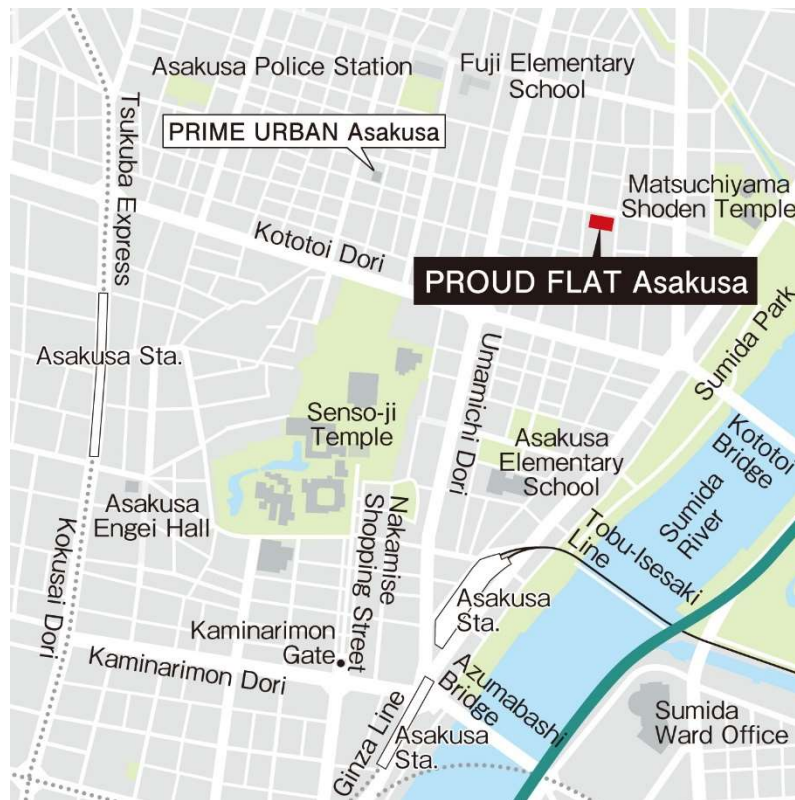
Photos and Access Map of the Asset to be Acquired
Landport Shinonome / Yasuda Soko



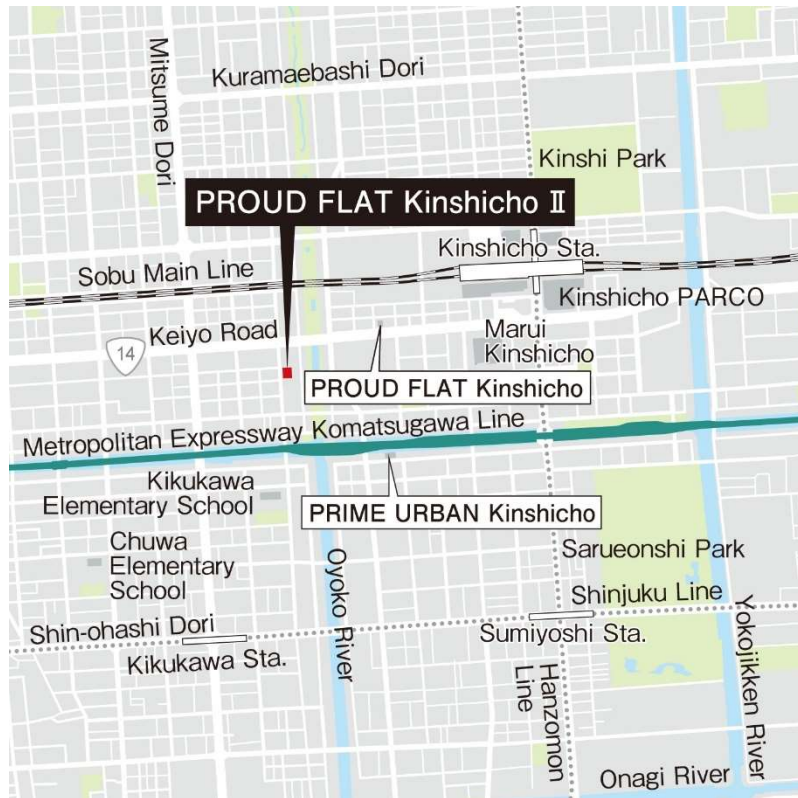
PROUD FLAT Kikukawa



PROUD FLAT Asakusa



PROUD FLAT Kinshicho II



MEFULL Chayamachi

