



MASTER
FUND

Nomura Real Estate Master Fund., Inc.

16th

Fiscal Period Ended August 31, 2023

October 18, 2023

MASTER FUND



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Three Strategies in Consideration of Market Conditions





- ① Change sector allocation according to market trends and asset management circumstance
(Reduce ratio of office sector for the time being)

- ② **Distribute the profits equivalent to the sale evenly across four fiscal periods** through replacement based on assumption of maintaining and improving cruising distribution

- ③ Pursue internal growth based on **comprehensive management capabilities of Nomura Real Estate Group** that was also verified during the COVID-19 pandemic

<Internal environment>

Continuous sponsor support

Property replacement capability due to size and scope

Property management capability due to hands-on style

<External environment>

Continue to be favorable times for property disposition

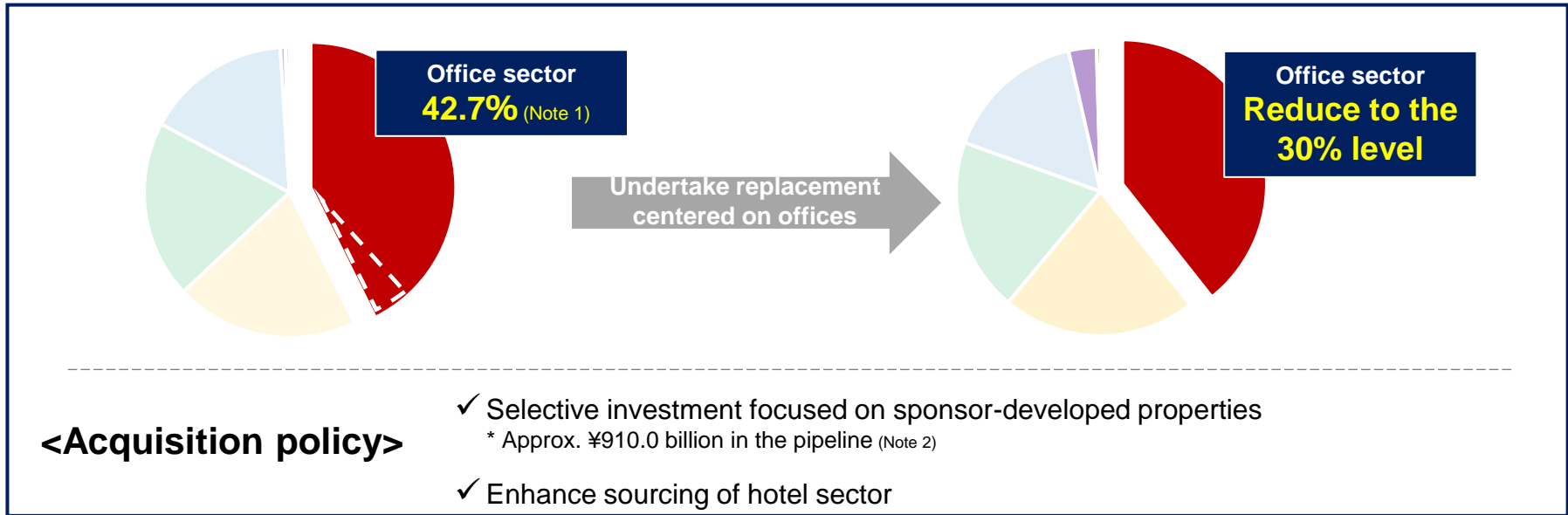
Recovery in residential, retail, and hotel sectors

Uncertain office market arising from high volume of supply

Three Strategies in Consideration of Market Conditions (1)

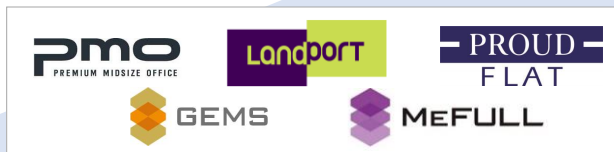


- ✓ Change **sector allocation according to market trends and portfolio management**
- ✓ **Reduce ratio of office sector** for the time being (continue to hold onto properties that can be relatively expected to grow in the future)



<Nomura Real Estate's sponsor support>

① **Pipeline supply capability**
developed based on tenant needs



② Additional acquisition of NMF investment units
(**clarification of sponsor support stance** anew)

4.5% (Note 3) → **7.0%** (Note 4)

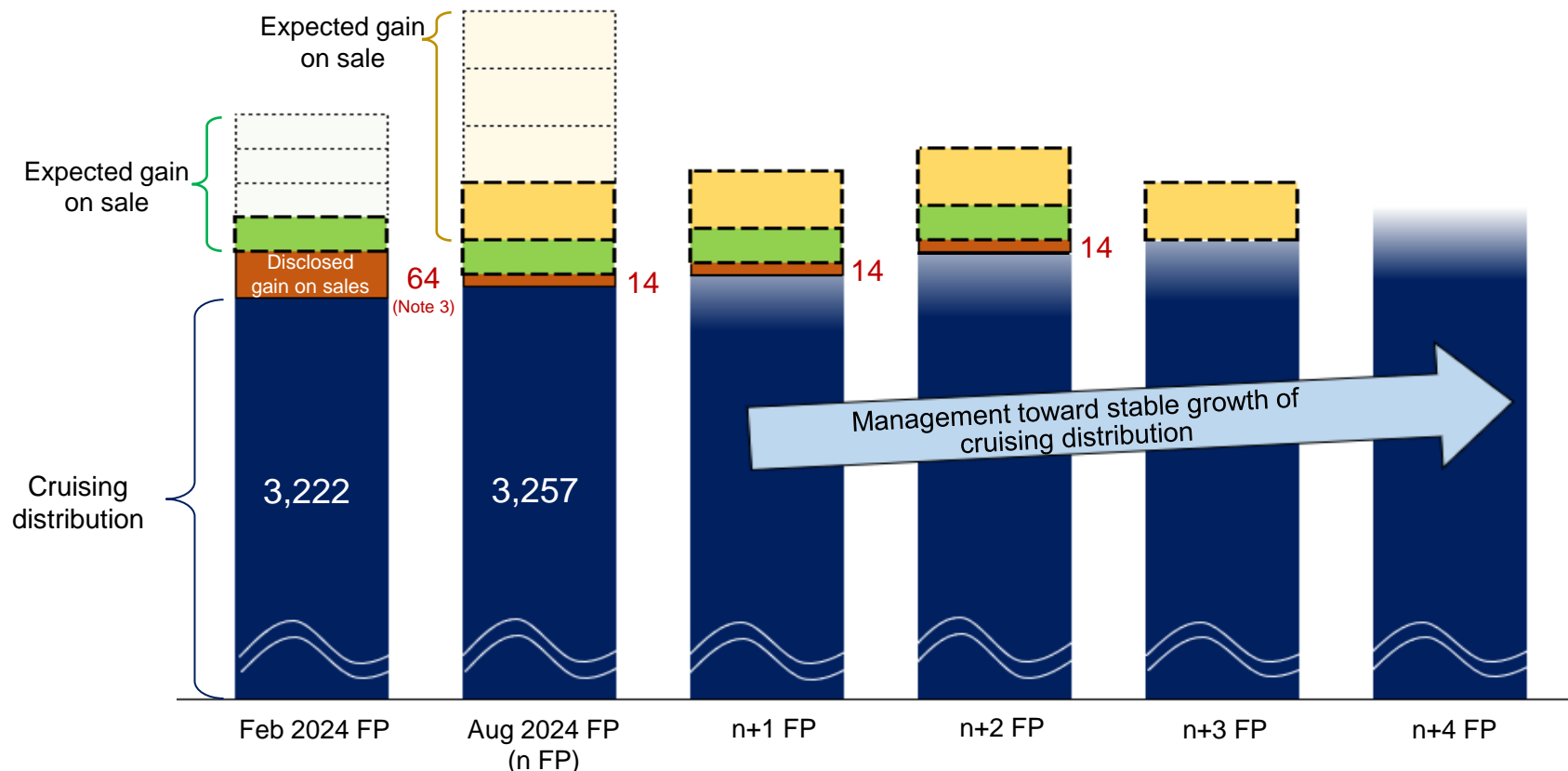
(Note 1) As of August 31, 2023 (Note 2) Figures based on the financial results of Nomura Real Estate Holdings for the first quarter of the fiscal year ending March 31, 2024 (Note 3) As of February 28, 2023 (Note 4) Acquisition expected to be completed by February 21, 2024

Three Strategies in Consideration of Market Conditions (2)



- ✓ Continue to undertake disposition based on the assumption of acquisition to maintain and improve cruising distribution
- ✓ Allocate gain on sales evenly across four fiscal periods (Note 1), and raise distribution by returning unrealized gains

< Example of distribution (Note 2) >

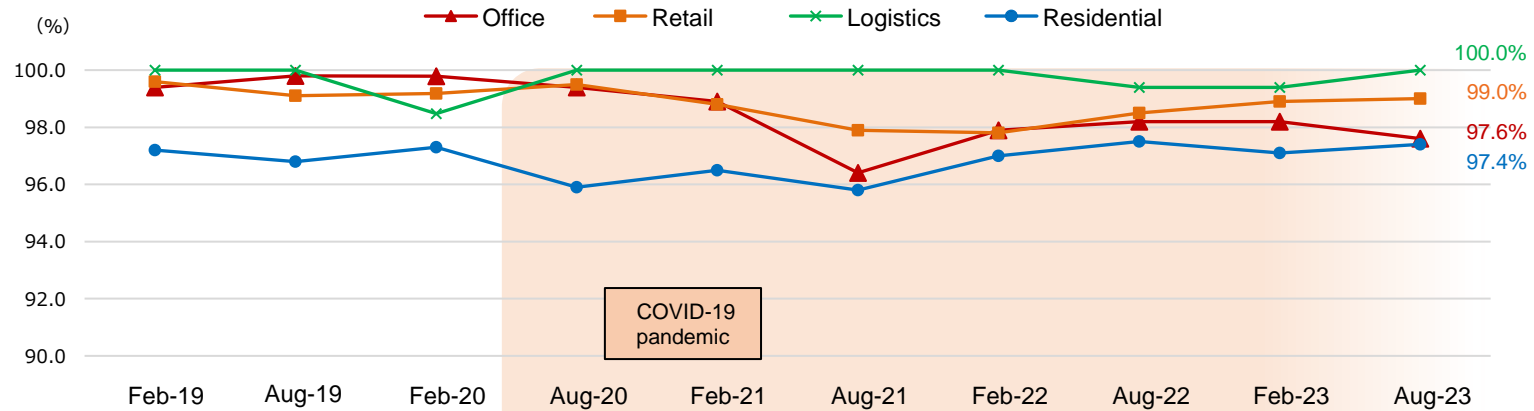


(Note 1) Keep a portion of gain on sales generated during the sale period as internal reserves, and use this amount to carry out distribution in excess of the net income for the subsequent three fiscal periods (approximately one-third for each period). In principle, distribution will be carried out evenly across four fiscal periods, but even distribution may not be possible as there is a certain limit to the amount that can be kept as internal reserves while avoiding taxes during the sale period. (Note 2) This is an example of split distribution when gain on property sale is generated in different accounting periods, and is different from the actual split distribution of gain on sales. (Note 3) As announced on 9/12/23, this is the amount of split distribution in four fiscal periods using the method in Note 1 for gain on sales from disposition of PU Kanayama, PU Kamimaezu, and PU Chihaya.

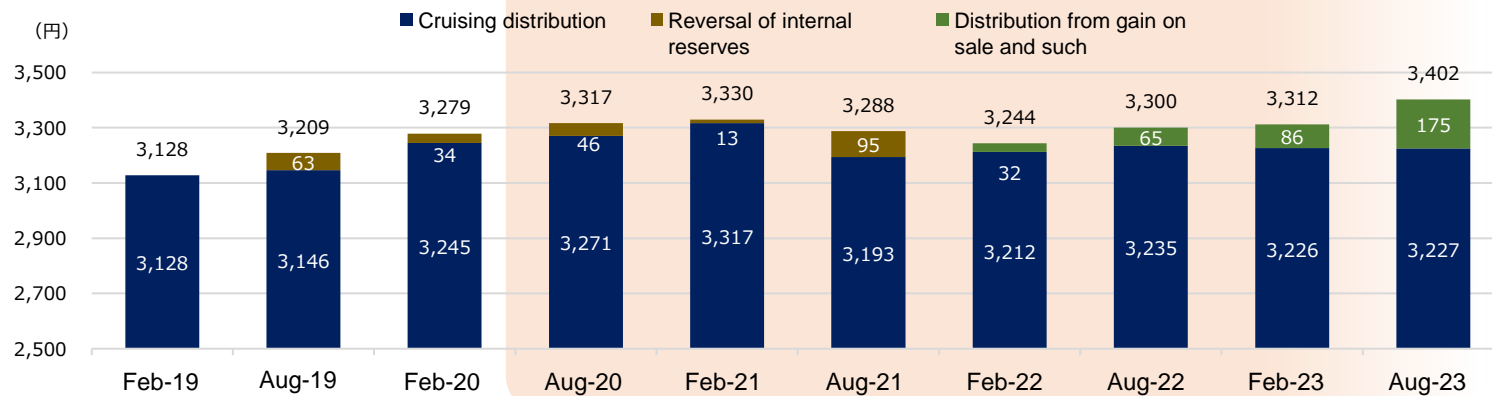


Maintained high occupancy rate and distribution during the COVID-19 pandemic

Occupancy rates



Changes in distribution



(Note) Regarding the changes in distribution, retained earnings were used to compensate for temporary rent reductions and shortfalls in earnings forecasts.



High management capability consolidating the experience and knowledge of the Nomura Real Estate Group

▶ Management capability accumulated by Nomura Real Estate Asset Management

- ✓ Regular rotations with Nomura Real Estate, we have human resources with high management capabilities and know-how that we have gained through the corabolation of our diverse fund management
- ✓ Pipeline supply capability developed based on tenant needs + enhancement of brand value through management as a united Group

▶ Pipeline supply capability + enhancement of brand value through management

Product lineup meeting a wide range of tenant needs through offering brands with long histories



Cumulative 55 buildings
Approx. 300 tenants



Cumulative 100 buildings
Approx. 6,700 units

<Offices>

- ✓ Leasing capability of Nomura Real Estate (ratio of directly operated PMO assets: approx. 43%) (Note 1)
- ✓ Fast understanding of and response to tenant needs (move-in ready, division, etc.)
- ✓ Provision of advanced soft services (WORK-LIFE PLUS) (Note 2)

<Residential facilities>

- ✓ High frequency of market-oriented leasing meetings with PMs
- ✓ High-quality management and operation starting from PROUD
- ✓ Provision of Nomura Real Estate Group Customer Club services (Note 2)

Leasing capability by specialized team with deep knowledge of the industry and tenants



Ratio of directly operated assets
Approx. 81% (Note 1)



Ratio of directly operated assets
Approx. 83% (Note 1)

<Logistics facilities>

- ✓ Regular sales activities with potential customers at more than 800 locations
- ✓ Building of relationship with new tenants through monthly meetings led to early understanding of needs
- ✓ Provision of services to solve issues through coexistence with tenants (Techrum) (Note 2)

<Retail facilities>

- ✓ PM specializing in retail facilities with a long history and track record Partnership with Nomura Real Estate Retail Properties (former Geo-Akamatsu)
- ✓ Property management firmly rooted in the GEMS concept

(Note 1) Ratio of contracts signed for PMO series, GEMS series, and Landport series by Nomura Real Estate and Nomura Real Estate Retail Properties during the period from October 2021 to September 2023 without the use of brokerage and such. (Note 2) Refer to Appendix P.40 for details.



Financial Highlights

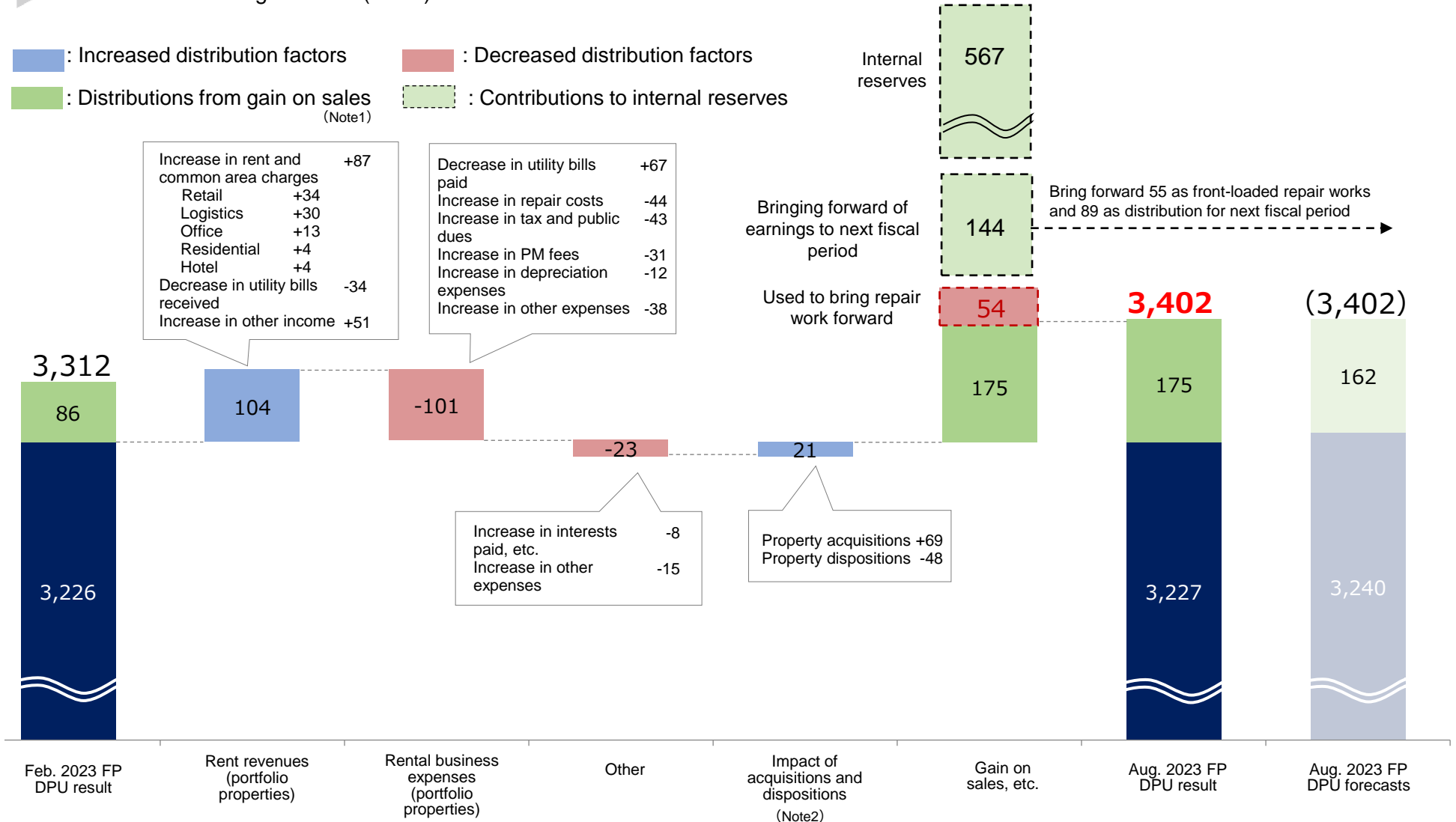


Financial Highlights for Aug. 2023 (16th) FP



Return gain on sales across four fiscal periods and top up distribution while maintaining and improving cruising distribution

► Main factors in change of DPU (¥/unit)



(Note 1) Excludes the impact of the increase in asset management fees II for the gain on sales. (Note 2) Includes the impact of property acquisitions and sales during Feb. 2023

Financial Highlights for Aug. 2023 (16th) FP



	(¥mln)				
	Ended Feb.28,2023 (15th FP)	Ended Aug.31,2023 (16th FP)	Differences	Ended Aug.31,2023 (16th FP)	Differences
	Result (A)	Result (B)	(B)-(A)	Forecasts (C)	(B)-(C)
Operating Revenue	39,986	43,645	3,659	44,042	-396
Rental revenues	35,273	35,801	527	35,834	-33
Other rental revenues	3,074	3,137	63	3,518	-380
Gain on sales of real estate	1,638	4,706	3,067	4,689	16
Operating Expense	23,872	24,714	841	25,015	-301
Rental Business Expenses	17,069	17,622	552	17,900	-278
Repair Expenses	1,434	1,699	265	1,750	-50
Tax and Public Dues	3,285	3,467	181	3,339	128
Depreciation and Amortization	5,673	5,780	106	5,774	5
Others	6,676	6,674	-1	7,036	-361
Asset management fees	3,473	3,658	185	3,663	-4
Amortization of goodwill	2,622	2,622	-	2,622	-
Other operating expenses	706	810	104	828	-17
Operating profit	16,113	18,931	2,817	19,027	-95
Non-operating revenues	5	5	0	-	5
Non-operating expenses	2,169	2,207	38	2,214	-7
Interest Expenses and other financial costs	2,158	2,196	37	2,204	-7
Other non-operating expenses	10	10	0	10	-0
Ordinary income	13,950	16,729	2,778	16,812	-83
Extraordinary gain and loss	-	17	17	17	-
Net income	13,948	16,746	2,798	16,829	-82
(Net income excluding realized gain)	(12,310)	(12,040)	(-269)	(12,139)	(-99)
Distribution of Earnings (a)	13,947	16,041	2,093	16,041	0
Distribution in excess of net earnings (b)	1,669	0	-1,669	0	0
Total distributions (a)+(b)	15,616	16,041	424	16,041	-
Internal reserves	954	3,356	2,402	3,407	-50
(Total Internal reserves)	(3,906)	(7,263)	(3,356)	(7,314)	(-50)
DPU(¥)	3,312	3,402	90	3,402	-
Distributions of earnings per unit (¥)	2,958	3,402	444	3,402	-
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences](¥)	330	-	-330	-	-
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings](¥)	24	-	-24	-	-
Total assets	1,185,099	1,192,127	7,027	1,190,943	1,183
Interest-bearing debt	517,420	521,377	3,957	521,377	-
LTV	43.7%	43.7%	0.1%	43.8%	-0.0%
Market Capitalization	711,995	806,770	94,775	-	-
NOI	26,951	27,097	145	27,226	-129
FFO	20,614	20,434	-180	20,527	-93

Main factors accounting for differences in results between the Aug 2023 FP and the Feb 2023 FP (¥mln)

Operating revenue	3,659
Increase in rental business income	527
Increase in rent and common area charges for existing properties	411
Impact of property acquisition/sale	116
Increase in other rental business income	63
Increase in utility bills received	-173
Decrease in other income	236
Increase in gain on sales of real estate, etc.	3,067
Operating expenses	841
Increase in rental business expenses	552
Increase in repair costs (including difference of 74 front-loaded repair work from previous period using gains on sales)	265
Increase in tax and public dues	181
Increase in utility bills paid	-340
Increase in PM compensation	149
Increase in depreciation expenses	106
Increase in other expenses	191
Increase in asset management fees and other operating expenses	289
Non-operating profit and loss	-38
Decrease in interest expenses and other loan-related expenses	37
Extraordinary profit/loss	17
Reversal of allowance for disasters	17
Net income	2,798

Distribution from a portion of the gain on sale of the current fiscal period **828**



Acquisition and Disposition of Assets








~Continuation of Asset Replacement and Exchange Transactions (Aug. 2023 FP)~



Improved portfolio quality through acquisition and disposition of prime assets centered on sponsor-developed properties

Acquisition of 9 properties: **¥23.9 billion** (average age: **4 years**, average NOI yield: **4.7%**) (Note 1) (Note 2)

Logistics	Retail	Residential		
				
Landport Shinonome / Yasuda Soko	MEFULL Chayamachi	PROUD FLAT Kikukawa	PROUD FLAT Asakusa	PROUD FLAT Kinshicho II

Sponsor-developed properties





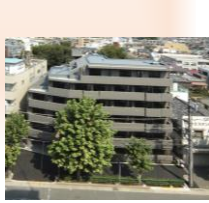
Residential (including healthcare facilities)	
	
SOMPO CARE La vie Re Residence Yoga	GrapesTsujiido Nishi-Kaigan
	
SOMPO CARE Somo no ie Omori-Nishi	SOMPO CARE La vie Re Residence Shonan Tsujido

Asset replacement

Mar & Apr 2023



Disposition of 12 properties: **¥16.7 billion** (average age: **20 years**, average NOI yield: **3.8%**) (Note 1) (Note 3)
 Expected net gain on sales: **¥ 4.7 billion**

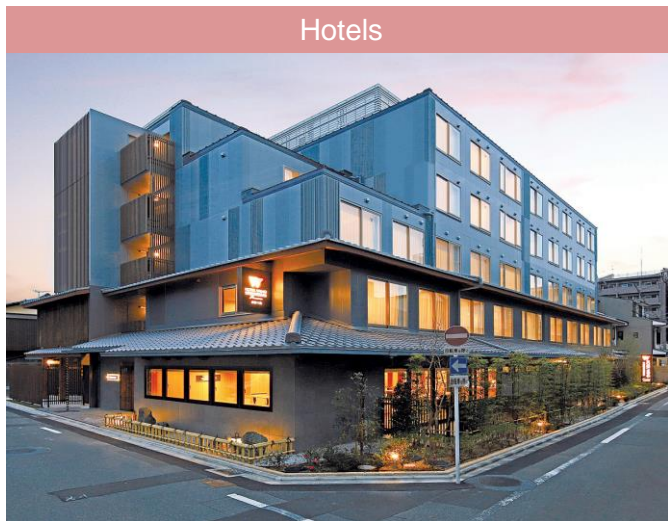
Office		Residential							Office	Residential	
											
NRE Higashi nihonbashi Building (50%)	NMF Nagoya Yanagibashi Building	PRIME URBAN Yoyogi and 7 other properties							NMF Tenjin Minami Building	PRIME URBAN Otsuka	

(Note 1) The age of acquired properties is as of the date of acquisition, and the age of sold properties is as of the date of sale.
 (Note 2) Stated figures are calculated by dividing the NOI based on the direct capitalization approach recorded in the Appraisal Valuation by the scheduled acquisition price.
 (Note 3) Stated figures are calculated by dividing the total NOI for the Aug 2022 FP and Feb 2023 FP by the disposition price.

~ Continuation of Asset Replacement and Exchange Transactions (Feb. 2024 FP) ~



Acquired recently built hotels located in the central part of Kyoto, a tourist location with high inbound demand, through external exchange transactions



Hotels

Hotel Wing International Premium Kyoto-Sanjo

Acquisition price	¥3,200 mln
Rent	Fixed rents + rents linked to sales
NOI yield (Note 1)	4.7%
Completion	December 2020
Guestroom type	All rooms can accommodate 2 to 3 persons



Popular tourist spot Kamogawa



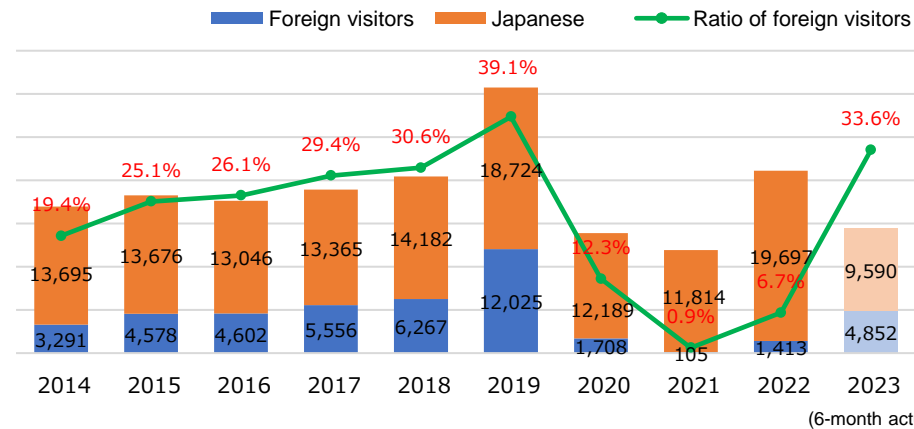
Total of 88 rooms, 18 to 30m³



Breakfast lounge with more than 60 seats



Changes in total number of overnight stays for Kyoto Prefecture (thousand) (Note 3)



Residential



PU Kanayama (Nagoya) PU Kamimaezu (Nagoya) PU Chihaya (Fukuoka)

Total acquisition price	¥2,924 mln
Gain on sale	¥542 mln
NOI yield (Note 2)	4.8%

(Note 1) Calculated by dividing the appraised NOI by the acquisition price. (Note 2) Stated figures are calculated by dividing the total NOI for the Feb 2023 FP and Aug 2023 FP by the disposition price. (Note 3) Source: Produced by Nomura Real Estate Asset Management based on "Overnight Travel Statistics Survey" by Japan Tourism Agency.



Asset Management Status

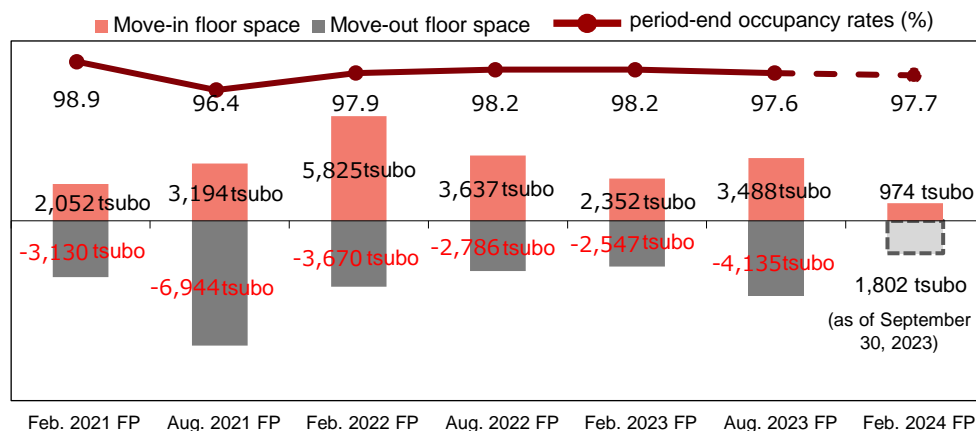




Office

Sought rent increase for certain regional properties while maintain high occupancy rates

► Changes in move-in and move-out floor space and period-end occupancy rate

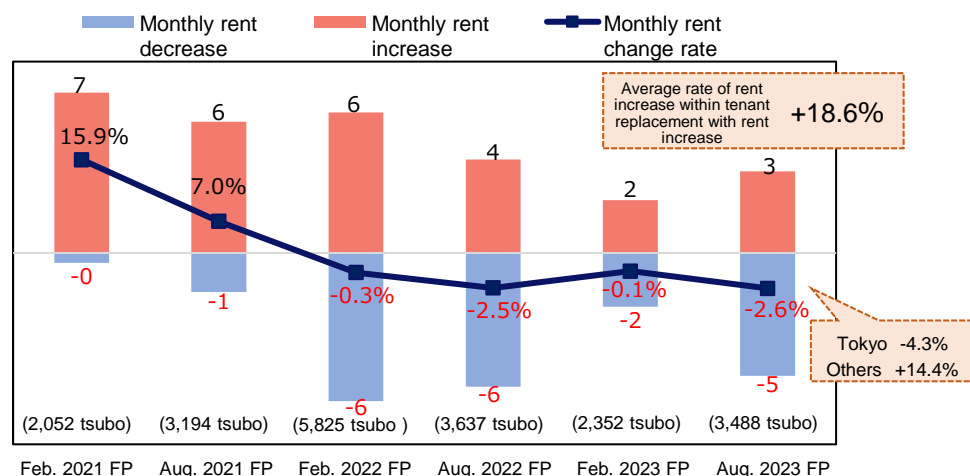


► Rent gap (as of August 31, 2023) ^(Note 1)

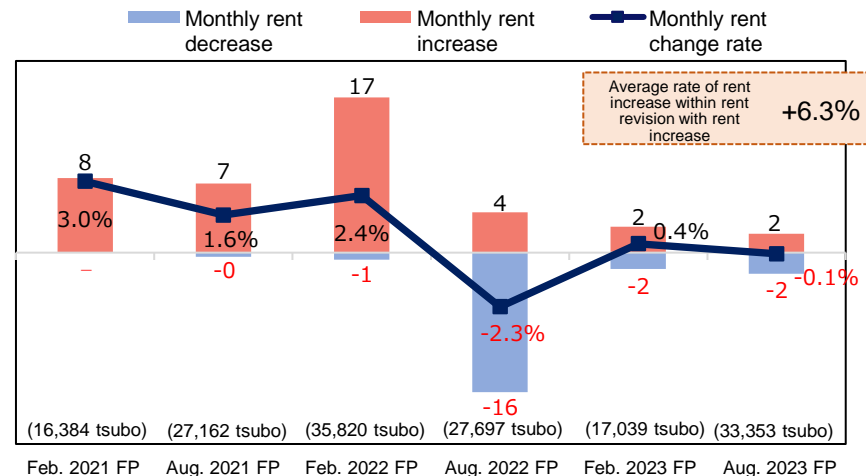
: **2.7%** (Market rent > current rent)

	Aug 2023 FP	Feb 2023 FP	Variance
Whole sector	2.7%	2.9%	-0.2%
Tokyo	1.1%	1.1%	±0.0%
Others	10.1%	10.9%	-0.8%

► Amount of change in monthly rent and rate of change in monthly rent upon tenant replacement (Note 2) (¥mIn)



► Amount of change in monthly rent and rate of change in monthly rent upon rent revision (Note 2) (¥mIn)



(Note 1) Calculated from owned properties, excluding properties when leased as a whole building.

(Note 2) Figures in brackets at the bottom of the charts represent floor areas of rent revisions or tenant replacements. The rates of change in monthly rents are calculated as weighted averages of all relevant sections.

This is the same for other sectors explained later.



Office

Smooth progress, with more than half of planned move-outs having found new tenants; expected to succeed in replacements with significant rent increases in regional areas

<February 2024 FP> Progress of leasing

Overall portfolio

Cancellations: **1,802 tsubo**

(as of September 30, 2023)

Move-in: **974 tsubo**

(as of September 30, 2023)

(Breakdown) Contracted: 457 tsubo
Applied: 516 tsubo

Change in rent due to replacement

+1.6%

(Tokyo +1.3%)
(Others +1.8%)

PMO

Cancellations: **273 tsubo**

(as of September 30, 2023)

Move-in: **62 tsubo**

(as of September 30, 2023)

(Breakdown) Contracted: 0 tsubo
Applied: 62 tsubo

Change in rent due to replacement

-6.9%

Leasing example from February 2024 FP

① Acquired applications with good conditions, seeing Sapporo as a good market



Sapporo North Plaza



Rare direct underground approach in Sapporo, which has a lot of snow

2 sections, total 109 tsubo

Promptly received applications from two new tenants, both with rent increases

Change in rent due to replacement

+37%

② Succeeded in early re-tenancy with good conditions in large sections



NRE Yotsubashi Building

Turn consecutive floors into divided sections to incorporate needs for combinations of different floor spaces

3 floors, total 723 tsubo

Signed contract with two new tenants (343 tsubo and 139 tsubo) and received application from one tenant (241 tsubo), all with rent increases

Change in rent due to replacement

+40%



Logistics

Simultaneously achieved significant rent increase and early lease-up for a section of planned cancellation by a large-scale tenant

Kawaguchi Ryoke Logistics Center (12,637 tsubo)

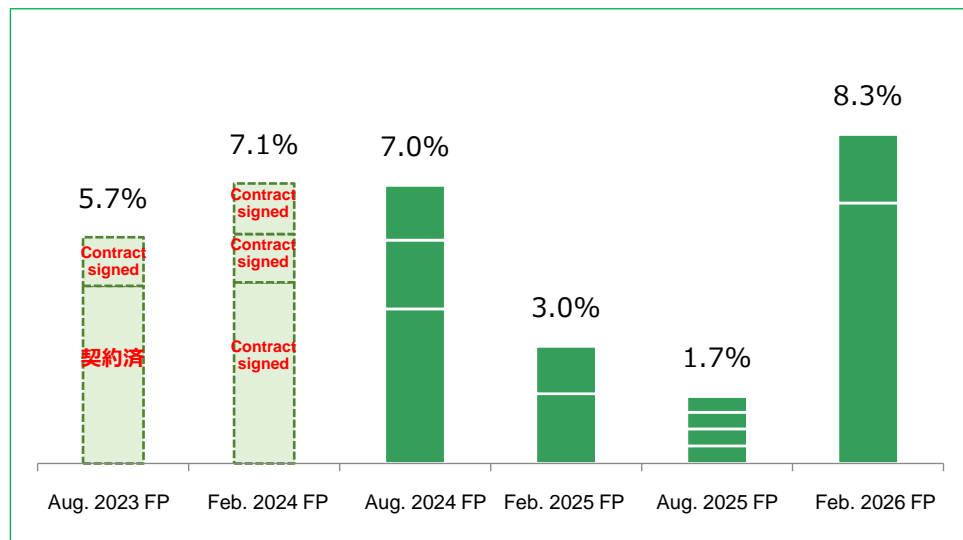
Early lease-up & signed long-term contract of 10 years

Rent increase rate approx. 22.5%

Including CPI-linked rent revision clause (during next revision)



Breakdown of tenants with expired leases (rent basis)



Examples of revision/renewal

<February 2024 FP contract renewals>

- ① Landport Iwatsuki: approx. 3,580 tsubo
⇒ 3-year contract renewal, although tenant wanted cancellation at first **(-2.2% monthly rent change)**
- ② Atsugi Minami Logistics Center (A Tower) : approx. 2,972 tsubo
⇒ 10-year contract renewal **(+1.0% monthly rent change)**



Landport Iwatsuki



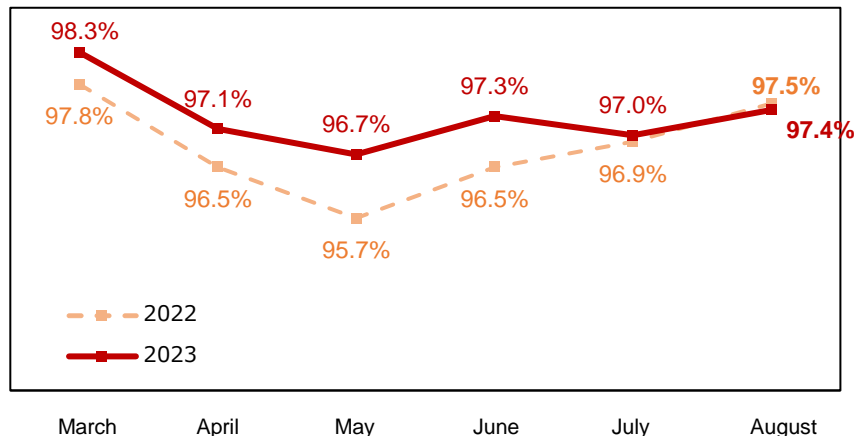
Atsugi Minami Logistics Center (A Tower)



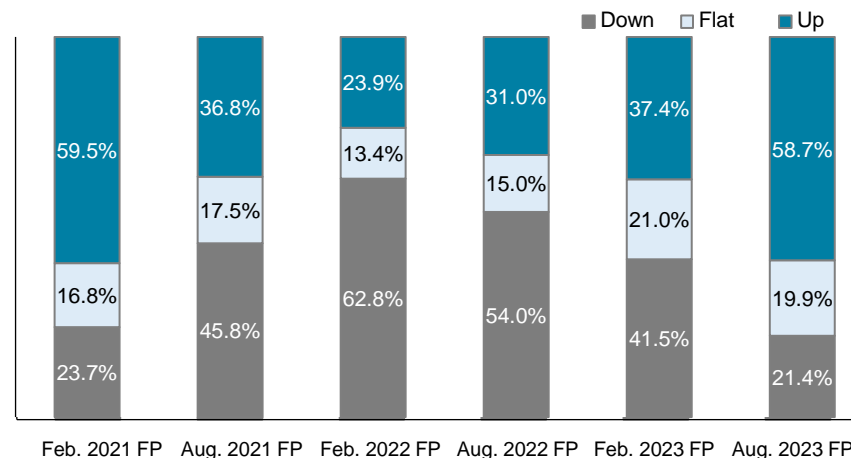
Residential

Achieved both high occupancy rates and rent increase, boosted by the tailwind of market recovery

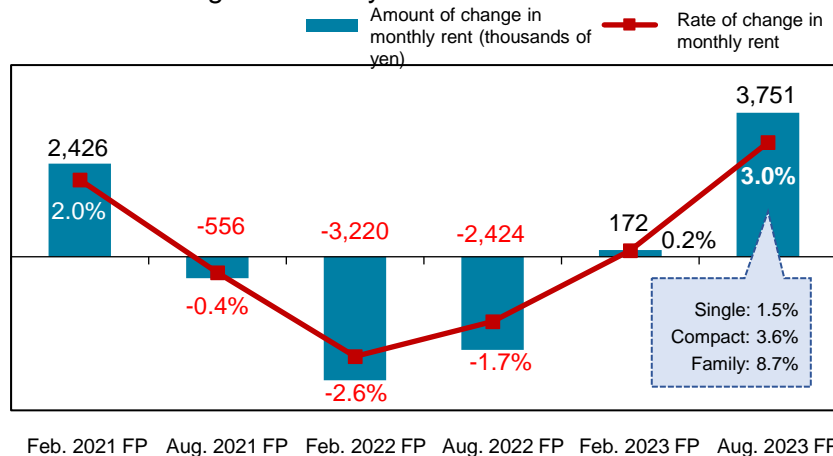
Changes in occupancy rates



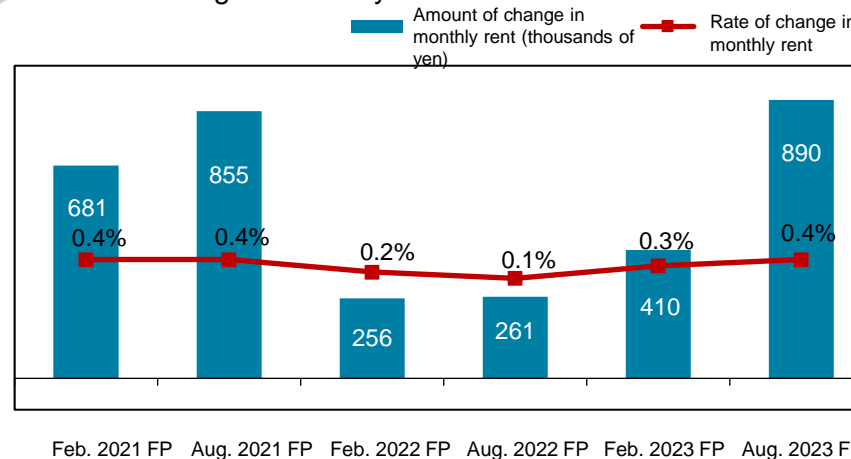
Rent change at move-ins and move-outs (Note)



Amount of change in monthly rent at move-ins and move outs (Note)



Rate of change in monthly rent at renewals (Note)



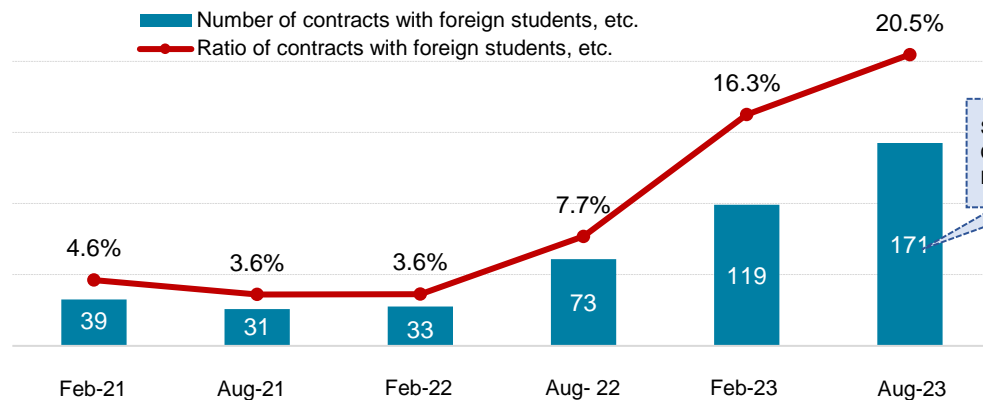
(Note) The figures in "Amount of change in monthly rent at move ins and move outs," "Rate of change in monthly rent at move ins and move outs," and "Rate of change in monthly rent at renewals" include results of move-ins and move-outs and renewals for Kojimachi Millennium Garden (Residential Building)



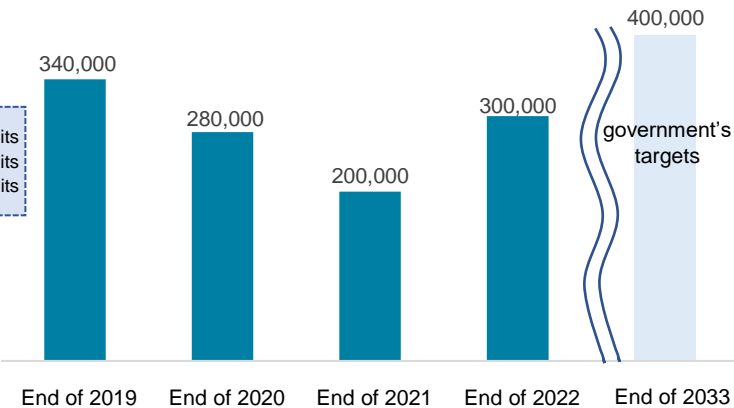
Residential

Incorporating new targets with a view of the changes in demand and continuation of measures to increase rents

▶ Developed new referral routes and increased number of foreign student tenants



▶ Changes in number of foreign students in Japan (nationwide) and government's targets

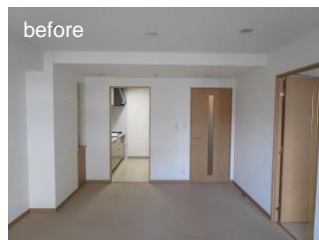


Single 142 units
Compact 27 units
Family 2 units

Source: Produced by NREAM based on the Immigration Services Agency's materials distributed for the Council for the Creation of Future Education

▶ Promoted renovation that balances enhancement of competitiveness and cost control

Example of family and compact types



Replaced all flooring (surface), overlaid sheets on certain fixtures and window frames, and exchanged water taps



Renovations in Greater Tokyo Area (Note 1)

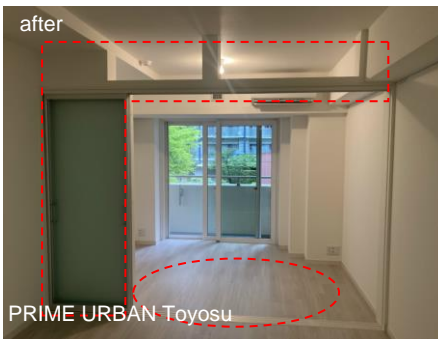
Number of units renovated	Cost of renovation (per unit)	Change in rent at move-in and move-out	Change in rent, excluding renovated units
8 units	¥2,176,000	+28.5%	+5.8%

Kojimachi Millennium Garden (Residential Building)

Example of single type



Installed partitioning doors and replaced all flooring



Renovations in Greater Tokyo Area (Note 1)

Number of units renovated	Cost of renovation (per unit)	Change in rent at move-in and move-out	Change in rent, excluding renovated units
25 units	¥194,000	+5.9%	+1.6%

PRIME URBAN Toyosu

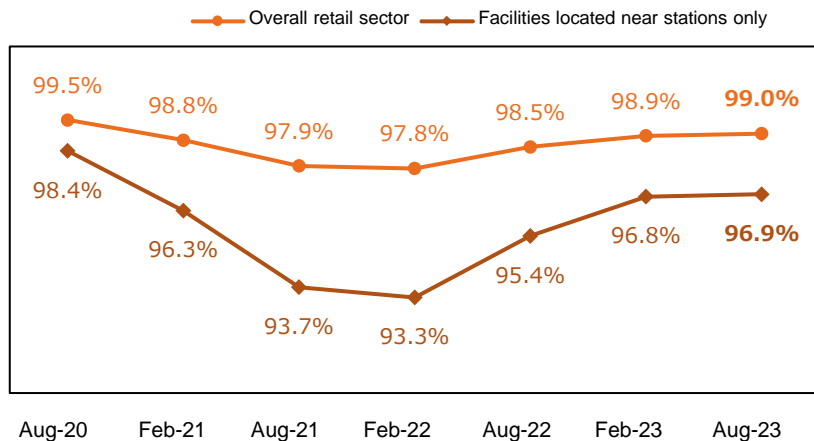
(Note 1) Only those units that were renovated and which had been leased by August 31, 2023 have been counted.



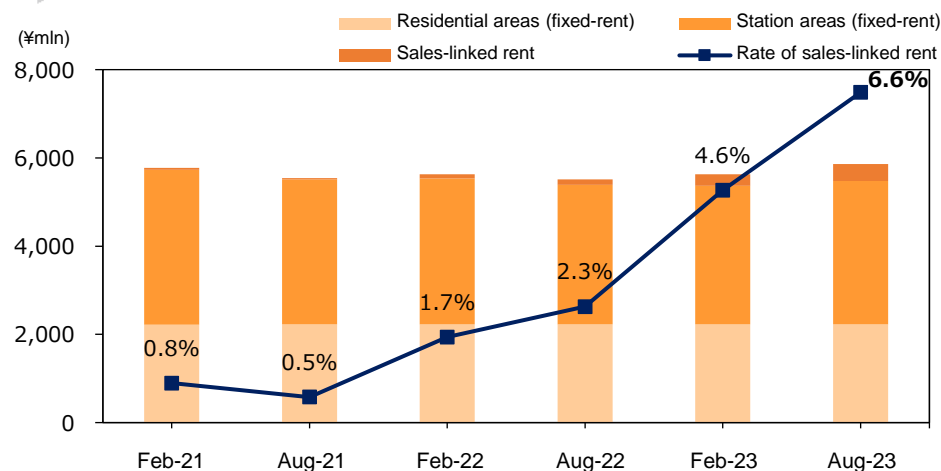
Retail

Continued to maintain high occupancy rates, and sales-linked rents continue to rise due to recovery in sales

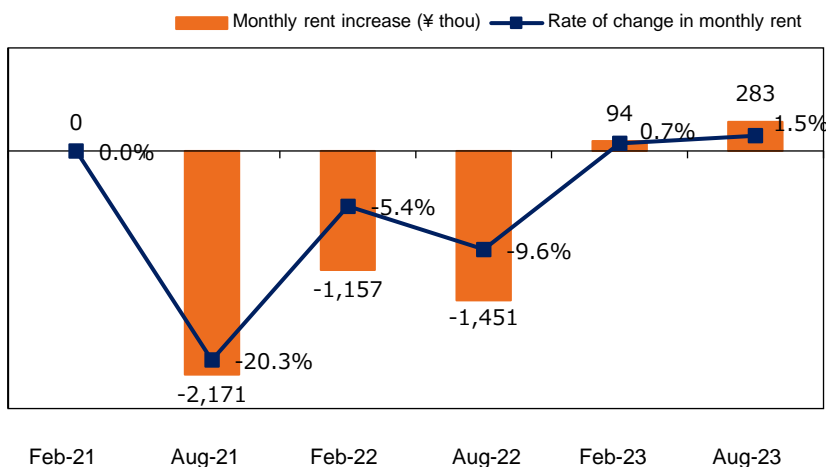
Changes in period-end occupancy rates



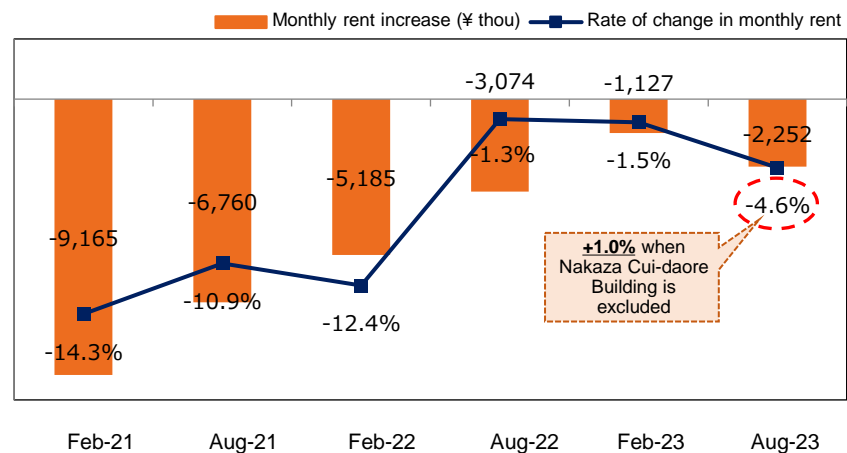
Rent revenue breakdown (overall retail sector)



Amount of change in monthly rent and rate of change in monthly rent upon tenant replacement (retail properties in station areas)



Amount of change in monthly rent and rate of change in monthly rent upon rent revision (retail properties in station areas)

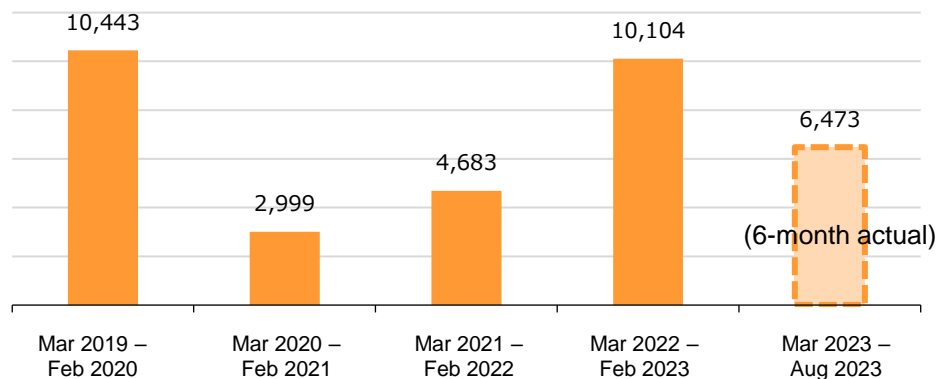




Retail

Pursuing upside by promoting various measures at retail facilities located near stations

Changes in sales of Universal CityWalk Osaka (¥mln)



Increase in sales-linked rent through sales promotion from collaborations with USJ



Tie-up with "The Super Mario Bros. Movie"



"Minions" event

Conduct of events that gather people



Universal Style Store



Popular Chinese Tavern Hao

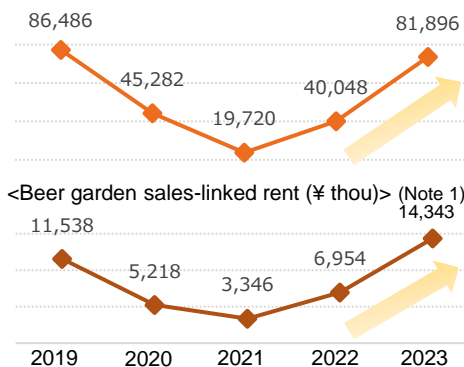
Higher sales-linked rents due to increase in sales

Sales-linked rent at nORBESA



Rooftop beer garden

<Ferris wheel revenue (¥ thou)> (Note 1)



<Beer garden sales-linked rent (¥ thou)> (Note 1)

- ✓ Ferris wheel: Recovery in revenue partly due to effect from raising fares in Nov 2022
- ✓ Beer garden: Increase in demand from local groups and conduct of collaboration events with Ferris wheel

(Note 1) Ferris wheel revenues from September 2018 to August 2019 are shown as 2019 and are divided by the same period thereafter. As the beer garden is limited to the summer season, the graph shows figures from June to August of each year.

Reconsideration of renovating Nakaza Cui-daore Building (Note 2)



before



After (planned)

Schedule (planned)

2023		2024				2025
Autumn	Winter	Spring	Summer	Autumn	Winter	Spring
Payment decision		Leasing				
Design		Start of renovation				Completion of renovation

* Opening of Expo 2025 Osaka (April)

As the beer garden is limited to the summer season, the graph shows figures from June to August of each year.



5

Appraisal Valuation



Status of Appraisal Valuation



Appraisal values increased for approximately 60% of properties, and unrealized gains grew to 243.8 billion yen (+¥12.0 billion period-to-period)

Appraisal valuation by sector

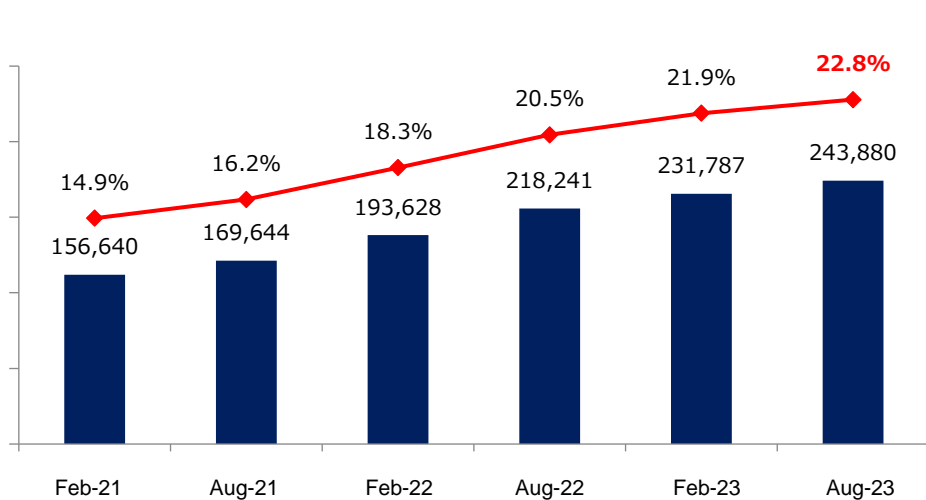
	Feb.2023 Fiscal Period End			Aug.2023 Fiscal Period End		
	Number of Properties	Appraisal Value (¥ mln)	Unrealized Gain(loss) (¥ mln)	Number of Properties	Appraisal Value (¥ mln)	Unrealized Gain(loss) (¥ mln)
Office	68	557,005	78,689	65	547,200	75,506
Retail	49	196,014	24,739	50	200,000	25,277
Logistics	23	281,970	79,243	24	296,420	88,869
Residential	150	244,099	48,833	148	258,708	53,777
Hotels	2	6,260	-81	2	6,380	46
Other	1	5,500	363	1	5,540	403
Total	293	1,290,848	231,787	290	1,314,248	243,880

Period to period analysis (Note 1)

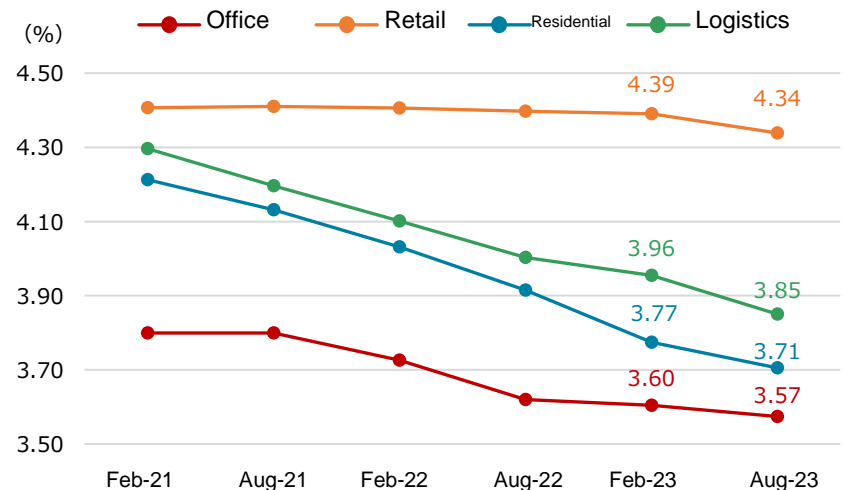
CAP	Feb. 2023	Aug. 2023
Decrease	174	145
Flat	116	134
Increase	2	2

Appraisal Value	Feb. 2023	Aug. 2023
Increase	189	162
Flat	65	62
Decrease	28	57

Unrealized gain (loss) of entire portfolio (¥mln)



Change in weighted average cap rates by sector (Note 2)



(Note 1) Excluding acquisitions and dispositions during the period (Note 2) The figures are weighted averaged a direct capitalization rate of each property (excluding properties for which direct capitalization rate is not calculated, such as land) by capitalization approach



Finance





Suppressed the impact of increase in interest rates by using variable-rate borrowing and adjusting borrowing periods

▶ Refinancing during Aug 2023 FP

Repayment Overview (Note 1)	
Total amount of repayment	¥30,800 mln
Average interest rate	0.99%
Average remaining duration	8.0 years



Refinancing Overview (Note 2)	
Total amount of refinancing	¥30,800 mln
Average interest rate	0.96%
Average remaining duration	7.4 years

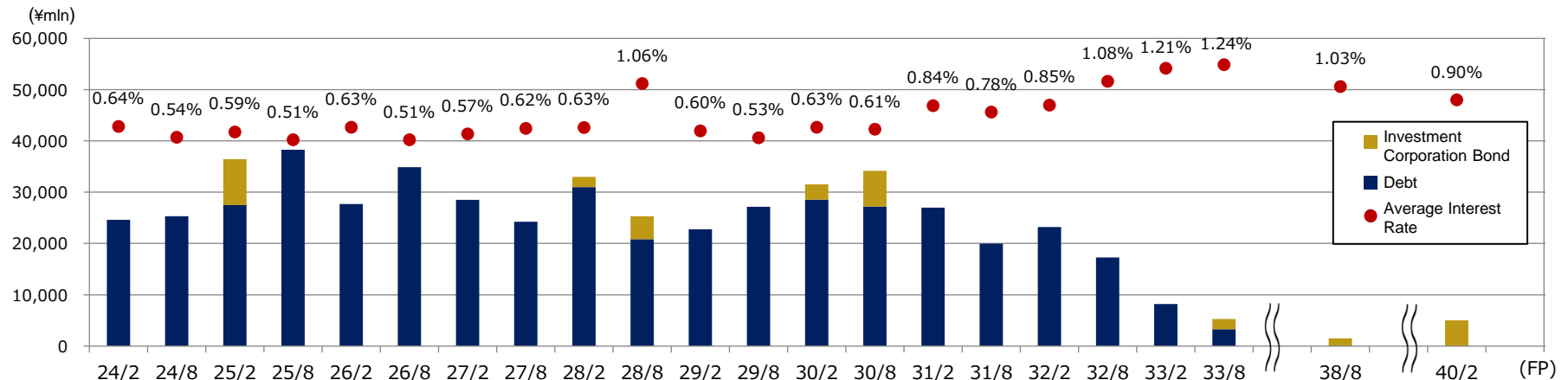
▶ Details of investment corporation bond issuance

Seventh Series of Unsecured Investment Corporation Bonds	
Total amount	¥2,000 mln
Interest rate	0.95%
Issuance date	July 10, 2023
Redemption date	July 8, 2033

▶ Interest-bearing debt at the end of Aug 2023 FP

	Feb.2021 (11th FP)	Aug.2021 (12th FP)	Feb.2022 (13th FP)	Aug.2022 (14th FP)	Feb.2023 (15th FP)	Aug.2023 (16th FP)
Total Interest-bearing debt	¥517,841 million	¥517,798 million	¥517,756 million	¥517,463 million	¥517,420 million	¥521,377 million
Average remaining duration	4.97 years	4.92 years	4.88 years	4.74 years	4.70 years	4.65 years
Average interest rate	0.74 %	0.71 %	0.68 %	0.67 %	0.68 %	0.68 %
Ratio of long-term debt	88.7 %	89.4 %	88.7 %	87.5 %	89.3 %	90.4 %
Ratio of fixed-rate debt	95.7 %	95.7 %	95.7 %	95.7 %	94.6 %	92.9 %
LTV	43.3 %	43.4 %	43.6 %	43.6 %	43.7 %	43.7 %

▶ Diversified maturity of repayment at the end of Aug 2023 FP



(Note 1) Average remaining duration is it at the time of borrowing and average interest rate is weighted average interest rate at the time of repayment. Excluding ¥42.8 million in contractual repayment.

(Note 2) Average interest rate and average remaining duration are those at the time of refinancing.



Earnings Forecast

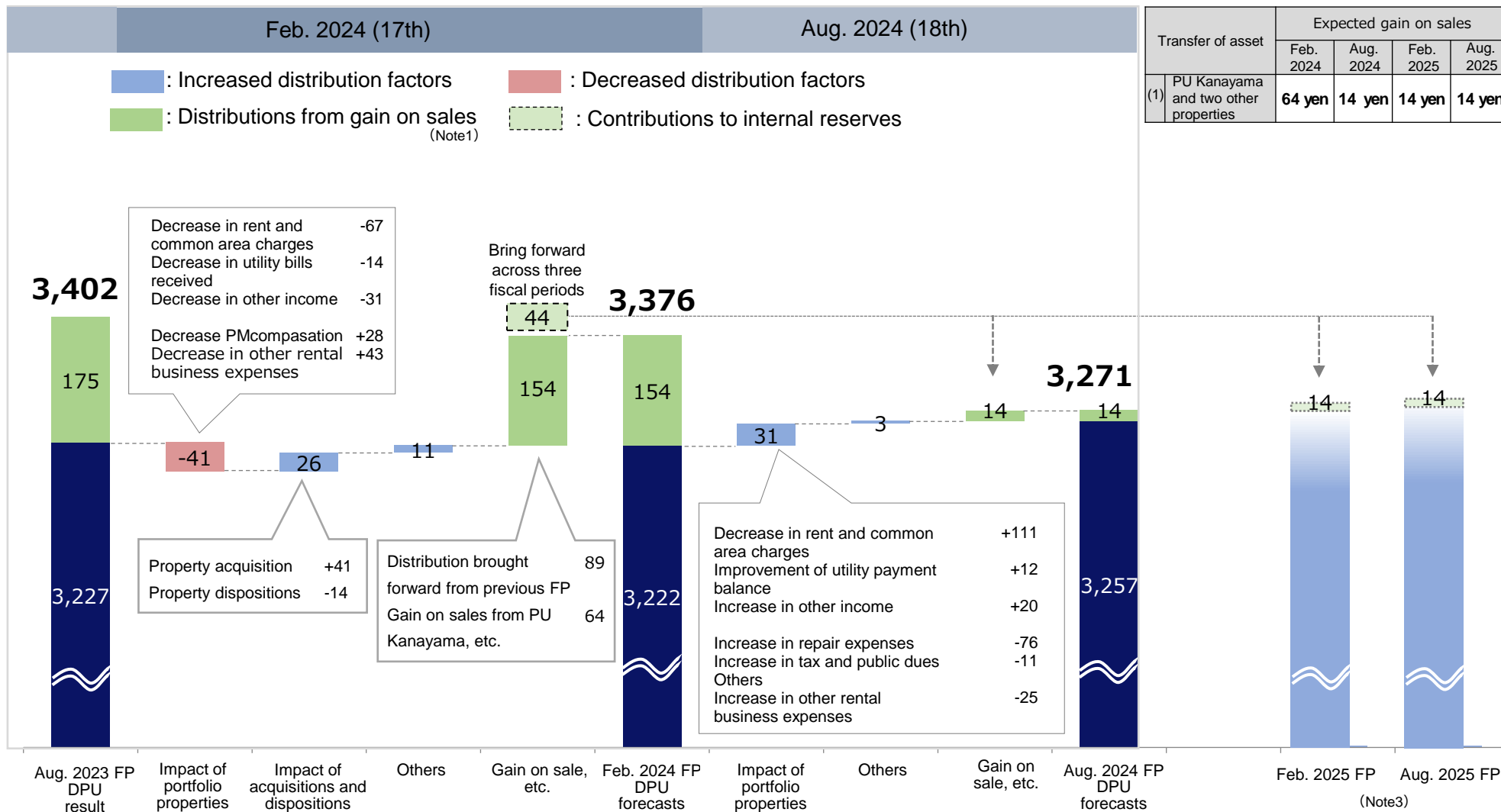


Assumptions for Earning Forecasts for Feb. 2024 (17th) FP / Aug. 2024 (18th) FP



Maintain and improve cruising distribution, and at the same time, start to split gain on sales evenly across four fiscal periods

▶ Main factors in change of DPU (¥/unit)



(Note 1) Excludes the impact of the increase in asset management fees II for the gain on sales. (Note 2) Includes the impact of property acquisitions and sales during the last fiscal period. (Note 3) The bar graphs for distribution in February 2025 FP and August 2025 FP are conceptual and not intended as the actual forecast.

Earnings Forecasts for Feb 2024 FP (17th) / Aug 2024 FP (18th)



(Unit: ¥ mln)

	Ended Aug.31,2023 (16th FP)	Ended Feb.28,2024 (17th FP)	Differences	Ended Aug.31,2024 (18th FP)	Differences
	Result (A)	Forecasts (B)	(B)-(A)	Forecasts (C)	(C)-(B)
Operating Revenue	43,645	39,314	-4,330	39,384	70
Rental revenues	35,801	35,583	-218	36,106	523
Other rental revenues	3,137	3,188	50	3,278	89
Gain on sales of real estate	4,706	542	-4,163	-	-542
Operating Expense	24,714	24,313	-400	24,458	145
Rental Business Expenses	17,622	17,524	-97	17,735	210
Repair Expenses	1,699	1,623	-75	1,725	101
Tax and Public Dues	3,467	3,423	-43	3,483	59
Depreciation and Amortization	5,780	5,754	-25	5,708	-45
Others	6,674	6,722	47	6,818	96
Asset management fees	3,658	3,435	-223	3,426	-9
Amortization of goodwill	2,622	2,622	-	2,622	-
Other operating expenses	810	730	-79	673	-56
Operating profit	18,931	15,001	-3,930	14,926	-74
Non-operating revenues	5	5	-0	-	-5
Non-operating expenses	2,207	2,224	16	2,237	13
Interest Expenses and other financial costs	2,196	2,212	15	2,226	13
Other non-operating expenses	10	11	1	11	-0
Ordinary income	16,729	12,782	-3,947	12,688	-93
Extraordinary gain and loss	17	-	-17	-	-
Net income	16,746	12,781	-3,965	12,687	-93
(Net income excluding realized gain)	(12,040)	(12,238)	(197)	(12,687)	(449)
Distribution of Earnings (a)	16,041	13,367	-2,673	12,683	-683
Distribution in excess of net earnings (b)	0	2,550	2,550	2,739	188
Total distributions (a)+(b)	16,041	15,918	-122	15,423	-495
Internal reserves	3,356	(note) -474	-3,831	-69	404
(Total Internal reserves)	(7,263)	(6,788)	(-474)	(6,718)	(-69)
DPU(¥)	3,402	3,376	-26	3,271	-105
Distributions of earnings per unit (¥)	3,402	2,835	-567	2,690	-145
Distributions in excess of retained earnings per unit [allowance for adjustment of temporary differences] (¥)	-	529	529	434	-95
Distributions in excess of retained earnings per unit [other distributions in excess of net earnings] (¥)	-	12	12	147	135
Total assets	1,192,127	1,188,402	-3,724	1,186,070	-2,332
Interest-bearing debt	521,377	521,334	-42	521,292	-42
LTV	43.7%	43.9%	0.1%	44.0%	0.1%
Market Capitalization	806,770	-	-	-	-
NOI	27,097	27,001	-95	27,357	356
FFO	20,434	20,625	191	21,028	403

(Note) In Aug 2023 FP, we will withdraw the carryover profit (684 million yen) from a portion of the gain on sale, and we plan to retain a portion of the gain on sale in the Feb 2024 FP (209 million yen, to be divided into three fiscal periods from the following fiscal periods onward).

Main factors accounting for differences between the Feb 2024 FP forecasts and the Aug 2023 FP results (¥mln)

Operating revenue	-4,330
Decrease in rental business income	-218
Decrease in rent and common area charges for existing properties	-320
Impact of property acquisition/sale	102
Increase in other rental business income	50
Increase in utility bills received	208
Decrease in cancellation penalty	-157
Decrease in gain on sales of real estate, etc.	-4,163
Operating expenses	-400
Decrease in rental business expenses	-97
Increase in utility bills	280
Decrease in PM compensation	-140
Decrease in repair expenses	-75
Decrease in tax and public dues	-43
Decrease in depreciation expenses	-25
Decrease in other expenses	-93
Decrease in asset management fees and other operating expenses	-303
Non-operating profit and loss	-16
Increase in interest expenses and other loan-related expenses	15
Extraordinary profit/loss	-17
Net income	-3,965
Distribution of gain on sales brought forward from previous fiscal period (after excluding front-loaded repair works)	423
Distribution from a portion of gain on sales in this fiscal period (first fiscal period out of four intended periods)	303

Main factors accounting for differences between Aug 2024 FP forecasts and Feb 2024 FP forecasts (¥mln)

Operating revenue	70
Increase in rental income	523
Increase in other rental business income	89
Separation of gain on sale of real estate, etc.	-542
Operating expenses	145
Increase in rental business expenses	210
Non-Operating Profit/Loss	-18
Increase in interest expenses and other loan-related expenses	13
Net income	-93
Distribution from gain on sales in previous fiscal period (second fiscal period out of four intended periods)	69



ESG Measures





New greenhouse gas (GHG) reduction target and application for SBT (Note 1) certification

Upward revision of GHG reduction target for FY2030 and application for SBT certification with a level that is significantly above the standard

New GHG reduction target (KPI)

Target FY	Total GHG emissions
FY2030	80% reduction (compared to FY2019)
FY2050	Net zero

100% adoption* of electricity from renewable energy by 2030

* For properties where NMF has management rights

Scope of FY2030 target

GHG emission source		Scope 1 (gas, etc.)	Scope 2 (electricity, etc.)	Scope 3
Electricity contract under owner (multi-tenant properties)	Common areas	Applicable	Applicable	-
	Exclusive areas (excluding residences)	-	-	Applicable
Electricity contract under tenant* (properties leased as a whole building, etc.)		-	-	Applicable

Expansion of scope

* Exclusive areas of residences are outside the scope as emission data has not been collected; data collection and emissions reduction will be considered toward net zero emissions by FY2050

SBT application for small and medium-sized enterprises

Submitted application with a level that is significantly above the certification standard of 46% reduction by FY2030 (compared to FY2019)

Policy of net zero emissions by 2050 for asset management company

Nomura Real Estate Asset Management joined as a signatory of the international **Net Zero Asset Managers (NZAM)** initiative (Note 2)
(For the company as a whole, actively promote initiatives toward realizing a decarbonized society)

(Note 1) Science Based Targets; certification shows that the greenhouse gas emissions reduction targets set by a company are in line with the level required by the Paris Agreement.

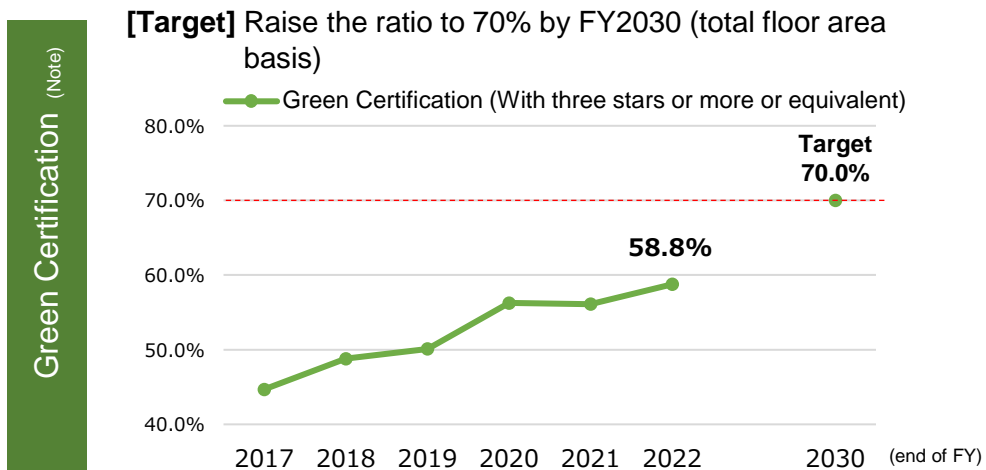
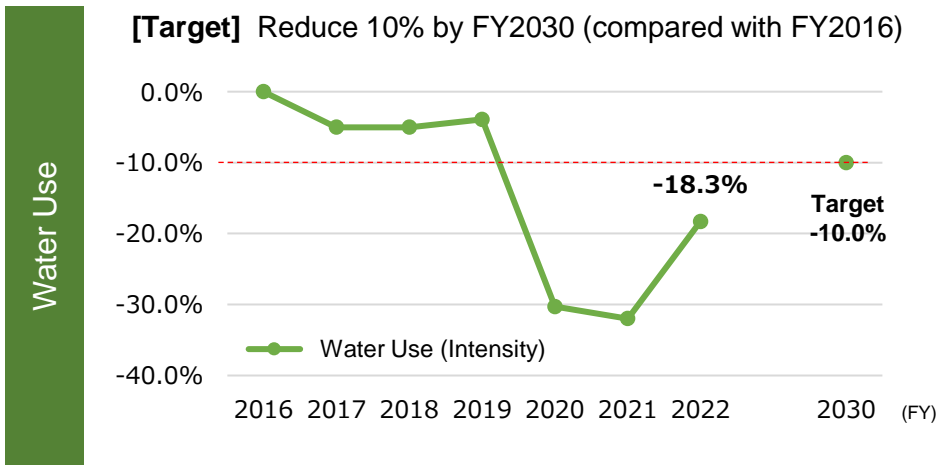
(Note 2) This is an international initiative by asset managers seeking net zero greenhouse gas emissions from managed assets by 2050, in line with the goals of the Paris Agreement (limit global warming to 1.5°C above pre-industrial levels).



For each materiality, progress is being made toward achieving the KPIs and energy-saving works continue to be promoted

▶ Progress of other materialities (KPIs)

▶ Specific initiatives for reducing greenhouse gas emissions



Continue to carry out various types of capital investments in owned properties (cases completed in this FP)

① Promote energy savings through switch to LED

<Work in current period: Reduction in energy consumption>
Reduction of 563 MWh/year (-59.3%)

- NRE Hiroshima Building
- NMF Shinjuku EAST Building
- Kawaguchi Ryoke Logistics Center
- Summit Store Mukodaicho
- Yokosuka More's City etc.



Kawaguchi Ryoke Logistics Center

② Promote energy savings through upgrade of air conditioning systems

<Work in current period: Reduction in energy consumption>
Reduction of 230 MWh/year (-17.9%)

- Sapporo North Plaza
- Landport Urayasu
- EQUINIA Aobadori etc.

③ Acquisition of ZEB certification (ZEB Ready)



Landport Higashi-Narashino



Landport Shinonome / Yasuda Soko



(Note) "Green Certification" refers to either DBJ Green Building Certification, BELS Certification or CASBEE for Real Estate. Estate. "Green Certification (With three stars or more or equivalent)" refers to three stars or more for DBJ Green Building Certification, three stars or more for BELS Certification, or B+ or higher for CASBEE for Real Estate.



Cooperation with tenants to contribute toward regional development through food and pursue comfort and convenience for working people

Initiatives for regional development contribution and improving tenant satisfaction

➤ GEMS: Regional Development Contribution x Brand Value Improvement

Continue to conduct food fairs for regional invigoration

- Promote local ingredients
- Rich customer experience
- Support for producers
- Support for restaurants

<Feedback from tenants>

- ✓ There were repeat visitors from the Nagasaki and Yamagata fairs. We are glad to have customers who came for the fair's products.
- ✓ The quality of the food is extremely good. The chefs always look forward to the fairs and they enhance our menu.

Enhancement of GEMS brand value
Strengthening of tenant relations

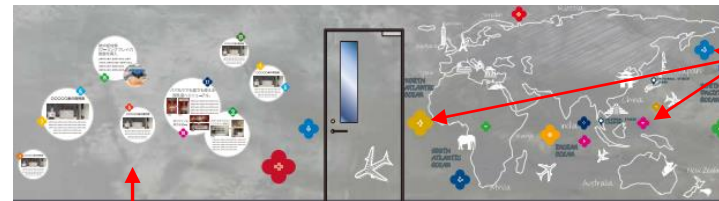
➤ Universal CityWalk Osaka: Measures to improve employee satisfaction



Distribution of discarded umbrellas



Distribution of drinks (measure against heat stroke)



Various types of ESG measures implemented

Renovation of backyard corridor wall

Flower panel using recycled acrylic boards

Initiatives for employees of asset management company

Active promotion of diversity and inclusion (D&I) by the Nomura Real Estate Group

<FY2030 KPIs>

- ✓ Achieve 20% for female manager ratio (Note 1)
- ✓ Achieve 100% for ratio of male and female employees who take childcare leave etc.

<Nomura Real Estate Group's paternity leave system>

Salary payout mandated by the government (Note 2) **67%** of salary before leave

Voluntarily added 33% → **100%**

(Note 1) Calculated by (number of female managers + number of female manager candidates) ÷ (total number of managers + total number of manager candidates) (Note 2) This refers to the paternity leave system established after the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members was revised on October 1, 2022, allowing up to four weeks of leave to be taken within eight weeks of the birth of a child.



APPENDIX



Changes in Various Indicators



		7th FP	8th FP	9th FP	10th FP	11th FP	12th FP	13th FP	14th FP	15th FP	16th FP
Operating revenue	million yen	35,428	36,617	36,927	37,577	38,064	37,519	37,520	39,022	39,986	43,645
Gain on sales of real estate	million yen	685	6	-	-	-	-	162	757	1,638	4,706
Leasing NOI	million yen	24,677	25,859	26,357	27,268	27,573	27,008	26,995	27,350	26,951	27,097
NOI yield (acquisition price basis)	%	5.1	5.1	5.2	5.2	5.2	5.1	5.0	5.0	5.0	5.0
NOI yield after depreciation (acquisition price basis)	%	4.1	4.1	4.2	4.2	4.2	4.0	4.0	4.0	3.9	3.9
Implied cap rate	%	4.4	3.9	4.2	4.8	4.4	4.2	4.5	4.2	4.4	4.1
Operating profit	million yen	14,056	14,265	14,673	15,212	15,370	14,741	14,593	15,584	16,113	18,931
Net income	million yen	11,560	11,690	12,188	12,799	13,016	12,434	12,377	13,499	13,948	16,746
Total distributions	million yen	13,518	14,592	15,461	15,640	15,701	15,503	15,296	15,560	15,616	16,041
Distributions per unit	yen/unit	3,128	3,209	3,279	3,317	3,330	3,288	3,244	3,300	3,312	3,402
Distributions of earnings	yen/unit	2,623	2,571	2,585	2,714	2,761	2,637	2,625	2,863	2,958	3,402
Allowance for adjustment of temporary differences	yen/unit	361	342	368	377	374	387	444	403	330	-
Other distributions in excess of net earnings	yen/unit	144	296	326	226	195	264	175	34	24	-
FFO	million yen	18,392	19,447	19,953	20,798	21,167	20,651	20,755	21,001	20,614	20,434
FFO per unit	yen/unit	4,255	4,276	4,231	4,410	4,489	4,379	4,401	4,453	4,371	4,333
FFO Dividend payout ratio	%	73.5	75.0	77.5	75.2	74.2	75.1	73.7	74.1	75.8	78.5
CAPEX	million yen	2,358	2,535	2,781	3,261	3,528	3,105	2,654	2,609	2,341	3,154
AFFO	million yen	16,034	16,912	17,171	17,536	17,639	17,546	18,100	18,391	18,272	17,279
AFFO per unit	yen/unit	3,710	3,719	3,641	3,719	3,740	3,721	3,838	3,900	3,875	3,664
AFFO Dividend payout ratio	%	84.3	86.3	90.0	89.2	89.0	88.4	84.5	84.6	85.5	92.8
E B I T D A	million yen	21,111	21,549	21,979	22,773	23,049	22,504	22,376	23,512	23,956	26,904
Total assets	million yen	1,117,851	1,164,767	1,193,471	1,197,766	1,196,357	1,192,507	1,187,420	1,187,581	1,185,099	1,192,127
Interest-bearing debt	million yen	497,112	510,770	510,727	517,884	517,841	517,798	517,756	517,463	517,420	521,377
Net assets	million yen	569,843	600,910	627,868	625,505	623,014	619,901	616,878	615,128	613,540	614,690
LTV	%	44.5	43.9	42.8	43.2	43.3	43.4	43.6	43.6	43.7	43.7
Net assets per unit (after deducting distributions)	yen/unit	128,725	128,937	129,879	129,340	128,799	128,180	127,583	127,156	126,807	126,961
NAV per unit (after deducting distributions)	yen/unit	153,512	156,215	159,827	161,096	162,019	164,159	168,648	173,441	175,965	178,683
ROA	%	2.1	2.0	2.1	2.1	2.2	2.1	2.1	2.2	2.4	2.8
ROE	%	4.1	4.0	4.0	4.1	4.2	4.0	4.0	4.3	4.6	5.4
Number of properties	properties	278	289	294	298	299	299	298	300	293	290
Total acquisition price	million yen	960,345	1,011,279	1,031,039	1,051,686	1,066,269	1,068,409	1,081,389	1,091,759	1,086,378	1,098,534
Book Value Total	million yen	949,867	999,049	1,017,019	1,035,946	1,048,917	1,048,702	1,059,049	1,067,176	1,059,060	1,070,367
Appraisal Value Total	million yen	1,056,994	1,123,089	1,158,232	1,185,682	1,205,558	1,218,347	1,252,678	1,285,418	1,290,848	1,314,248
Unrealized gain/loss	million yen	107,126	124,039	141,212	149,735	156,640	169,644	193,628	218,241	231,787	243,880

NOI yield = Annualized leasing NOI of properties owned at the end of the fiscal period (excluding properties sold during the period) / Acquisition price at the end of the period

Implied cap rate= NOI / (Market capitalization at the end of a given period + Interest-bearing debt - Cash and Bank deposits + Security deposits) *Annualized

To annualize leasing NOI, the leasing NOI recorded for a given period for the properties owned at the beginning of the fiscal period is doubled while that recorded for each property acquired during that period is divided by the number of days said property has been owned and the result multiplied to approximate one year's NOI.

FFO = Net income + Depreciation and amortization + Amortization of investment corporation bond issuing expenses + Amortization of goodwill + Impairment loss ± Gain(Loss) on sales of real estate ± Extraordinary gain(loss)+Merger expenses

AFFO = FFO - Capital expenditures

FFO Dividend payout ratio = Total distributions/FFO

AFFO Dividend payout ratio = Total distributions /AFFO

EBITDA = Income before income taxes + (Interest expense + Investment corporation bonds interest) + Depreciation and amortization + Amortization of investment corporation bond issuing expenses + Amortization of goodwill ± Extraordinary gain(loss) + Impairment loss +Merger expenses

Net assets per unit (after deducting distributions) = (Total net assets - Total distributions)/Total investment units issued

NAV per unit (after deducting distributions) = {Net assets (after deducting distributions) + (Total appraisal value - Total book value)} / Total investment units issued

ROA = Ordinary income / {(Total assets at beginning of period + Total assets at end of period) / 2} × 100 *Annualized

ROE = Net income / {(Total assets at beginning of period + Total assets at end of period) / 2} × 100 *Annualized

To annualize ROA and ROE, the values are divided by the number of days in the period and the results multiplied to approximate the values for one year.

NOI Analysis by Sector



Office

	Feb-23	Aug-23
Number of Property	68	65
Acquisition Price (mln)	474,980	468,685

	Ended Feb.28,2023(15th FP)	Ended Aug.31,2023(16th FP)	Differences
	From Sep.1, 2022 To Feb.28, 2023	From Mar.1, 2023 To Aug.31, 2023	
	Amount (¥ mln)	Amount (¥ mln)	(¥ mln)
Property related revenues	17,534	17,398	-136
Rental revenues	16,044	15,921	-123
Other rental revenues	1,489	1,476	-12
property related expenses	8,182	8,111	-71
Property management costs	1,112	1,093	-18
Property management fees	343	364	20
Property and other taxes	1,786	1,877	91
Utility expenses	1,479	1,252	-226
Casualty insurance	30	30	0
Repairs and maintenance	512	559	47
Land rents	113	121	8
Depreciation	2,198	2,222	23
Other rental expenses	607	588	-18
Real estate rental profits	9,351	9,286	-64
NOI	11,550	11,509	-41

Retail

	Feb-23	Aug-23
Number of Property	49	50
Acquisition Price (mln)	174,044	177,779

	Ended Feb.28,2023(15th FP)	Ended Aug.31,2023(16th FP)	Differences
	From Sep.1, 2022 To Feb.28, 2023	From Mar.1, 2023 To Aug.31, 2023	
	Amount (¥ mln)	Amount (¥ mln)	(¥ mln)
Property related revenues	6,461	6,785	324
Rental revenues	5,627	5,860	232
Other rental revenues	833	924	91
property related expenses	2,842	3,063	221
Property management costs	275	281	5
Property management fees	135	153	17
Property and other taxes	490	507	17
Utility expenses	541	500	-41
Casualty insurance	7	8	0
Repairs and maintenance	191	252	60
Land rents	76	76	0
Depreciation	777	792	15
Other rental expenses	345	490	145
Real estate rental profits	3,618	3,722	103
NOI	4,396	4,514	118

Logistics

	Feb-23	Aug-23
Number of Property	23	24
Acquisition Price (mln)	218,182	223,932

	Ended Feb.28,2023(15th FP)	Ended Aug.31,2023(16th FP)	Differences
	From Sep.1, 2022 To Feb.28, 2023	From Mar.1, 2023 To Aug.31, 2023	
	Amount (¥ mln)	Amount (¥ mln)	(¥ mln)
Property related revenues	7,142	7,310	167
Rental revenues	6,846	7,097	251
Other rental revenues	296	212	-83
property related expenses	2,870	2,956	86
Property management costs	289	288	-0
Property management fees	125	185	60
Property and other taxes	633	700	67
Utility expenses	207	156	-51
Casualty insurance	13	13	0
Repairs and maintenance	162	168	5
Land rents	-	-	-
Depreciation	1,387	1,386	-0
Other rental expenses	51	57	6
Real estate rental profits	4,272	4,353	81
NOI	5,659	5,740	80

Residential

	Feb-23	Aug-23
Number of Property	150	148
Acquisition Price (mln)	208,021	216,987

	Ended Feb.28,2023(15th FP)	Ended Aug.31,2023(16th FP)	Differences
	From Sep.1, 2022 To Feb.28, 2023	From Mar.1, 2023 To Aug.31, 2023	
	Amount (¥ mln)	Amount (¥ mln)	(¥ mln)
Property related revenues	7,011	7,227	216
Rental revenues	6,556	6,703	147
Other rental revenues	455	523	68
property related expenses	3,107	3,435	328
Property management costs	230	225	-4
Property management fees	352	403	51
Property and other taxes	359	364	5
Utility expenses	105	84	-20
Casualty insurance	10	10	0
Repairs and maintenance	553	718	165
Land rents	-	33	33
Depreciation	1,278	1,345	66
Other rental expenses	218	249	31
Real estate rental profits	3,903	3,791	-112
NOI	5,182	5,137	-45

(Note) The real estate rental revenues of Kojimachi Millennium Garden (Residential Building) are included in the results of the office sector.

Balance Sheet



Assets

	15th Fiscal Period as of Feb. 28, 2023	16th Fiscal Period as of Aug. 31, 2023
	Amount (¥ mln)	Amount (¥ mln)
Current Assets	55,286	53,445
Cash and Cash Equivalents	40,445	37,831
Cash and Cash Equivalent in Trust	12,648	13,203
Other Current Assets	2,192	2,410
Fixed Assets	1,129,687	1,138,541
Tangible Fixed Assets	1,045,833	1,053,529
Real Estate	450,017	456,849
Building	132,836	133,661
Land	317,181	323,187
Real Estate in Trust	595,760	596,548
Building in Trust	165,955	165,383
Land in Trust	429,802	431,159
Leased assets	1	6
Construction in progress	55	131
Intangible Fixed Assets	80,496	81,488
Goodwill	67,231	64,609
Leasehold rights	5,602	8,392
Leasehold rights in trust	7,624	8,445
Other	38	42
Investment and Other Assets	3,356	3,522
Long-term Repaid Expenses	2,111	2,097
Long-term deposits	369	377
Security Deposits	875	1,048
Deferred Assets	125	140
Investment Corporation Bond Issuing Expenses	125	140
Total Assets	1,185,099	1,192,127

Liabilities and Net Assets

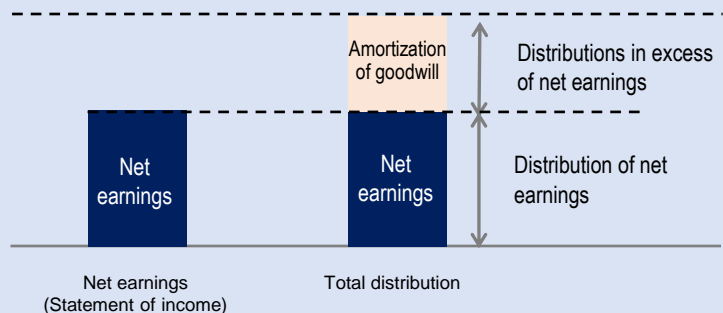
	15th Fiscal Period as of Feb. 28, 2023	16th Fiscal Period as of Aug. 31, 2023
	Amount (¥ mln)	Amount (¥ mln)
Current liabilities	67,010	62,889
Trade Accounts Payable	1,964	3,113
Short-term debt	-	2,000
Current portion of long-term debt	55,435	47,935
Lease obligations in trust	0	3
Other accounts payable	2,730	3,237
Accrued expenses	335	363
Accrued income taxes	1	0
Accrued consumption taxes	888	567
Rent Received in Advance	5,583	5,634
Unearned revenue	7	2
Provision for loss on disaster	20	-
Derivatives liabilities	25	4
Other current liabilities	15	26
Fixed Liabilities	504,547	514,546
Investment Corporation Bonds	32,000	34,000
Long-term Loans	429,984	437,442
Lease obligations in trust	1	3
Security deposits from tenants	14,261	14,651
Security deposits from tenants in trust	28,300	28,067
Asset retirement obligation	-	382
Total liabilities	571,558	577,436
Total unitholder's equity	613,564	614,694
Unitholders' capital	245,043	245,067
Surplus	368,520	369,626
Capital surplus	394,012	394,012
Allowance for temporary difference adjustments	-22,140	-23,672
Other deduction from capital surplus	-17,349	-17,486
Total deduction from capital surplus	-39,489	-41,158
Retained earnings	13,997	16,772
Valuation and translation adjustments	-23	-4
Deferred gains or losses on hedges	-23	-4
Total net assets	613,540	614,690
Total liabilities and net assets	1,185,099	1,192,127

Basic Distribution Policy and Gain on Sales in August 2023 FP

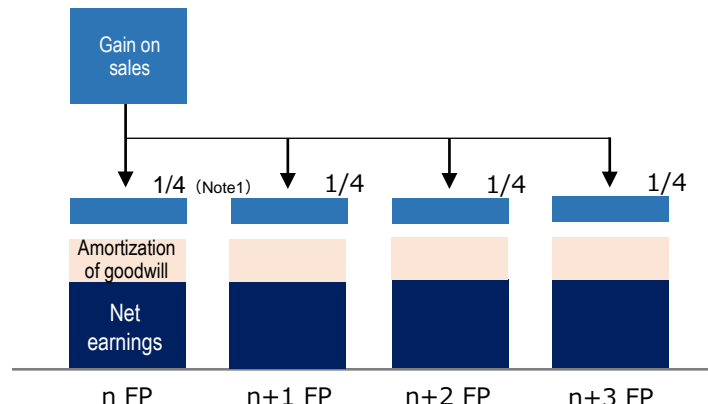


Basic distribution policy

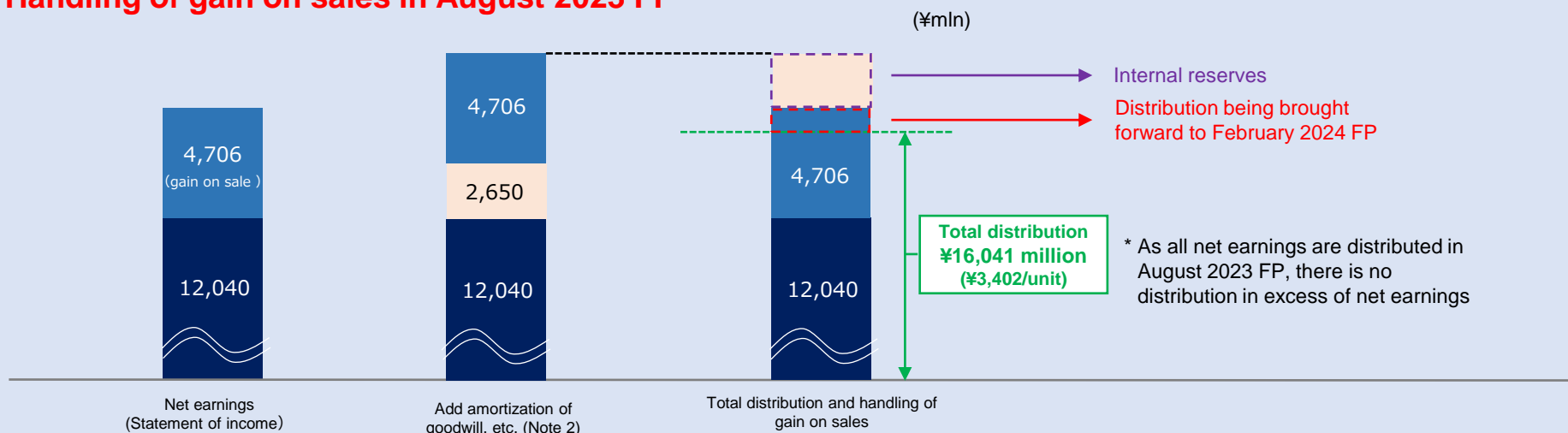
Distribute net earnings + amortization of goodwill



* Handling of gain of sales for the time being from February 2024 FP



Handling of gain on sales in August 2023 FP



(Note 1) A portion of gain on sales generated during the sale period will be kept as internal reserves, and this amount will be used to carry out distribution in excess of the net income for the subsequent three fiscal periods (approximately one-third for each period). In principle, distribution will be carried out evenly across four fiscal periods, but even distribution may not be possible as there is a certain limit to the amount that can be kept as internal reserves while avoiding taxes during the sale period. (Note 2) Discrepancy between tax and accounting income (amortization of goodwill + amortization of fixed-period leasehold interests in land + amortization incurred for asset retirement obligations of properties with fixed-period leasehold interests in land)



Sponsor pipeline amounting to about 910 billion yen in total for properties completed and under development, and additional investment amounts (Note)



PMO is a new category of office building that is mid-sized yet offers the functionality and quality of a large-sized building to meet the needs of increasingly diverse businesses.



PMO Akihabara-kita

- ① Office buildings where people will be proud to work, strengthening hiring and retention
- ② Offices that enhance corporate image and reputation, helping to attract customers
- ③ Building with one tenant per floor to ensure efficiency, independence and safety
- ④ Places that stimulate employee motivation and communication, fostering enhanced productivity



Landport offers advanced functionality to meet the needs of the changing logistics environment and diverse tenants. Designed for optimized, efficient logistics to enhance tenant satisfaction.



Landport Higashi-narashino



Two commercial facility series that accurately identify the needs of the times which shift from the consumption of goods toward the consumption of services and developed mainly in urban areas.

- ① GEMS series composed mainly of a variety of specialty restaurants.
- ② MEFULL series with the service industry as the main tenant.



MEFULL Chayamachi



PROUD FLAT is developed on locations optimally suited for urban rental housing selected by leveraging the Nomura Real Estate Group's information network and know-how related to housing development and sales. Quality control and proper operations and management are ensured utilizing Nomura Real Estate Group's proprietary rental housing complex design standards and quality control inspection guidelines.



PROUD FLAT Shibuya-tomigaya



<Offices>



This is a service platform for tenants of office buildings managed by Nomura Real Estate Development. It supports work-life balance of working people through free satellite office (H1T) usage slots and an abundant range of other services.

<Flexible work>



Provision of free satellite office (H1T) usage slots

<Wellness>



Up to two free uses of fitness gyms (MEGALOS) per month

<Skilling>



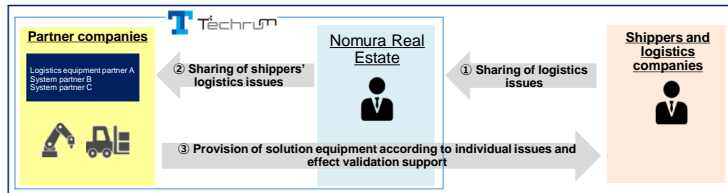
Conduct of business seminars, sessions for interaction between tenants, sessions for exchange between entrepreneurs, etc.

<Logistics>



Through combining "solving issues of shippers and logistics companies" with "solving issues of equipment partners" and "open mechanisms and locations," this is a mechanism for creating new value that was difficult to realize in the past.

<Techrum's concept of solving issues through co-creation>



Validation close to the actual environment can be conducted at Narashino PoC Hub, the effect validation site within Landport Narashino. In addition, the objective is to solve logistics issues, characterized by a broad participation standard that is not limited to tenants.

<Examples of envisioned value provision>

- ✓ Realization of logistics that use automation
 - ✓ Reduction of automation investment risk
 - ✓ Provision of automation technology rental
- * Participation of approximately 65 partner companies as of October 2023

<Residential>

Nomura Real Estate Group Customer Club

This is a membership organization for customers who have engaged with any of the three companies in the Nomura Real Estate Group, such as residents of properties managed by Nomura Real Estate Partners. It delivers various services and contents that make life more fun and convenient to members only.

<Various life-related services>



<WONDER STYLE>

Original services such as delivery storage service and advice for organization and storage

<Event invitations>



Such as Japanese sake sampling, farming experiences, and closed-door sales of famous furniture brands

<Privileges>



More than 100 types of privileges and services

Track Record of Growth since Incorporation

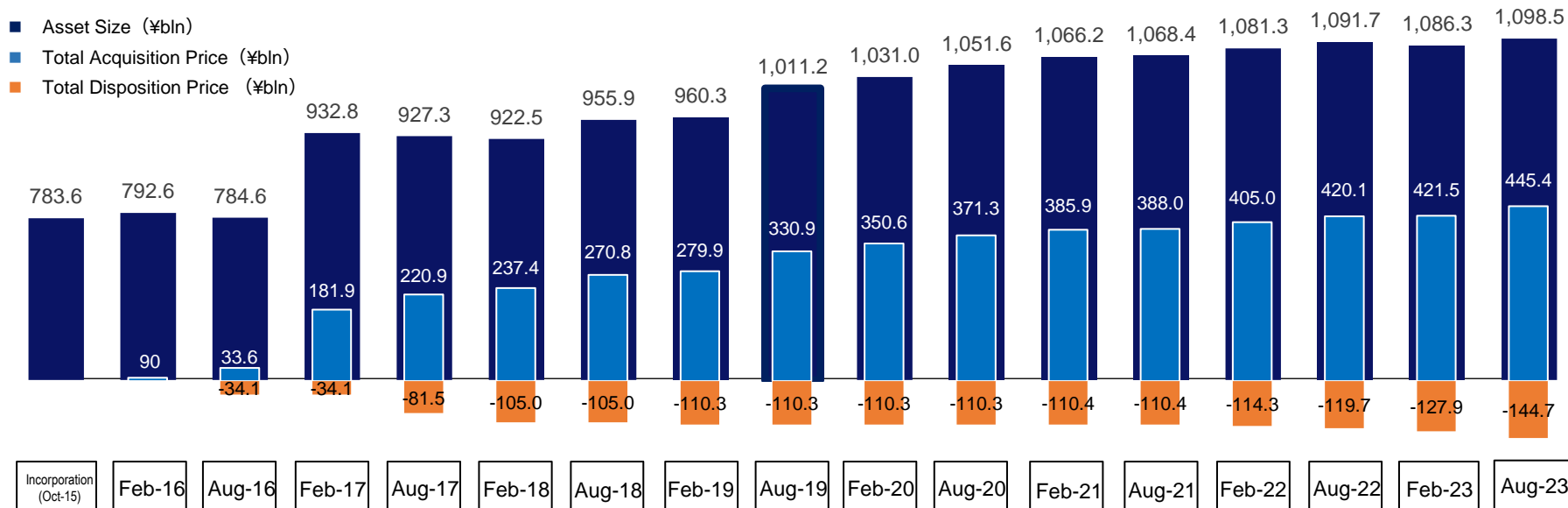


▶ August 2023 FP and February 2024 FP: Acquisition and disposition (planned) properties

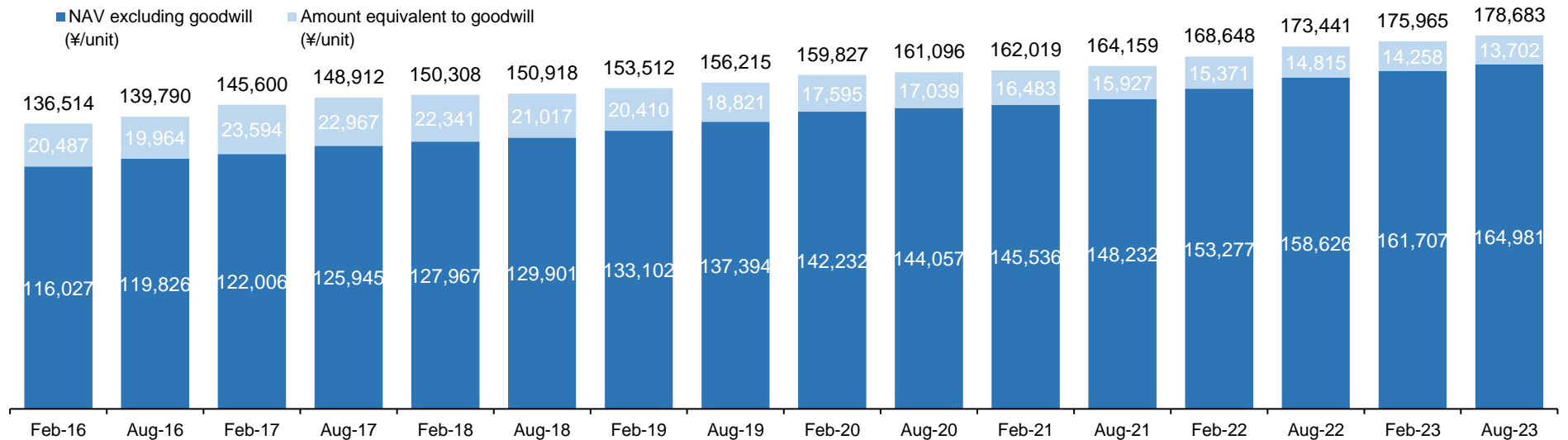
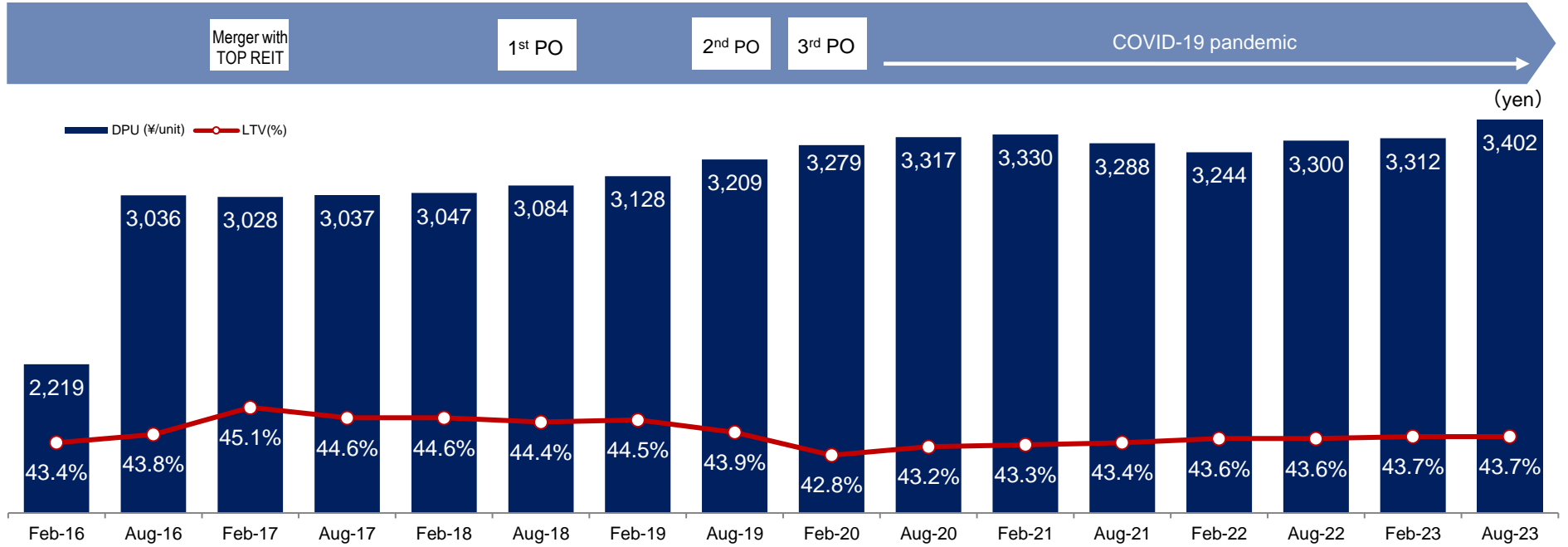
Acquisition Property	Acquisition Price (mln)	Scheduled Date of Acquisition	Target period
Landport Shinonome / Yasuda Soko	5,750	Mar 23	Aug 23
MEFULL Chayamachi	3,735	Apr 23	
PROUD FLAT Kikukawa	2,720		
PROUD FLAT Asakusa	2,410		
PROUD FLAT Kinshicho II	2,030		
SOMPO CARE La vie ReResidence Yoga	2,850		
Grapes Tsujido Nishi-Kaigan	1,820	May 23	
SOMPO CARE Sompno no ie Omori-Nishi	1,462		
SOMPO CARE La vie Re Residence Shonan Tsujido	1,150		
Hotel Wing International Premium Kyoto-Sanjo	3,200	Sep 23	

Transfer property	Transfer Price (mln)	Scheduled Date of Disposition	Target period	
NRE Higashinohonbashi Building(50%)	2,260	Mar 23	Aug 23	
PRIME URBAN Yoyogi	6,283			
PRIME URBAN Nishi Shinjuku II				
PRIME URBAN Sangen Jaya III				
PRIME URBAN Shinagawa Nishi				
PRIME URBAN Komagome				
PRIME URBAN Kasai II				
PRIME URBAN Asakusa	4,410			Apr 23
PRIME URBAN Gyotoku Ekimae				
NMF Nagoya Yanagibashi Building	3,040			May 23
NMF Tenjin-Minami Building	772			
PRIME URBAN Otsuka	610	Sep 23	Feb 24	
PRIME URBAN Kanayama	1,754			
PRIME URBAN Kamimaezu	560			
PRIME URBAN Chihaya				

▶ Changes in asset scale and total value of acquisitions and dispositions since establishment



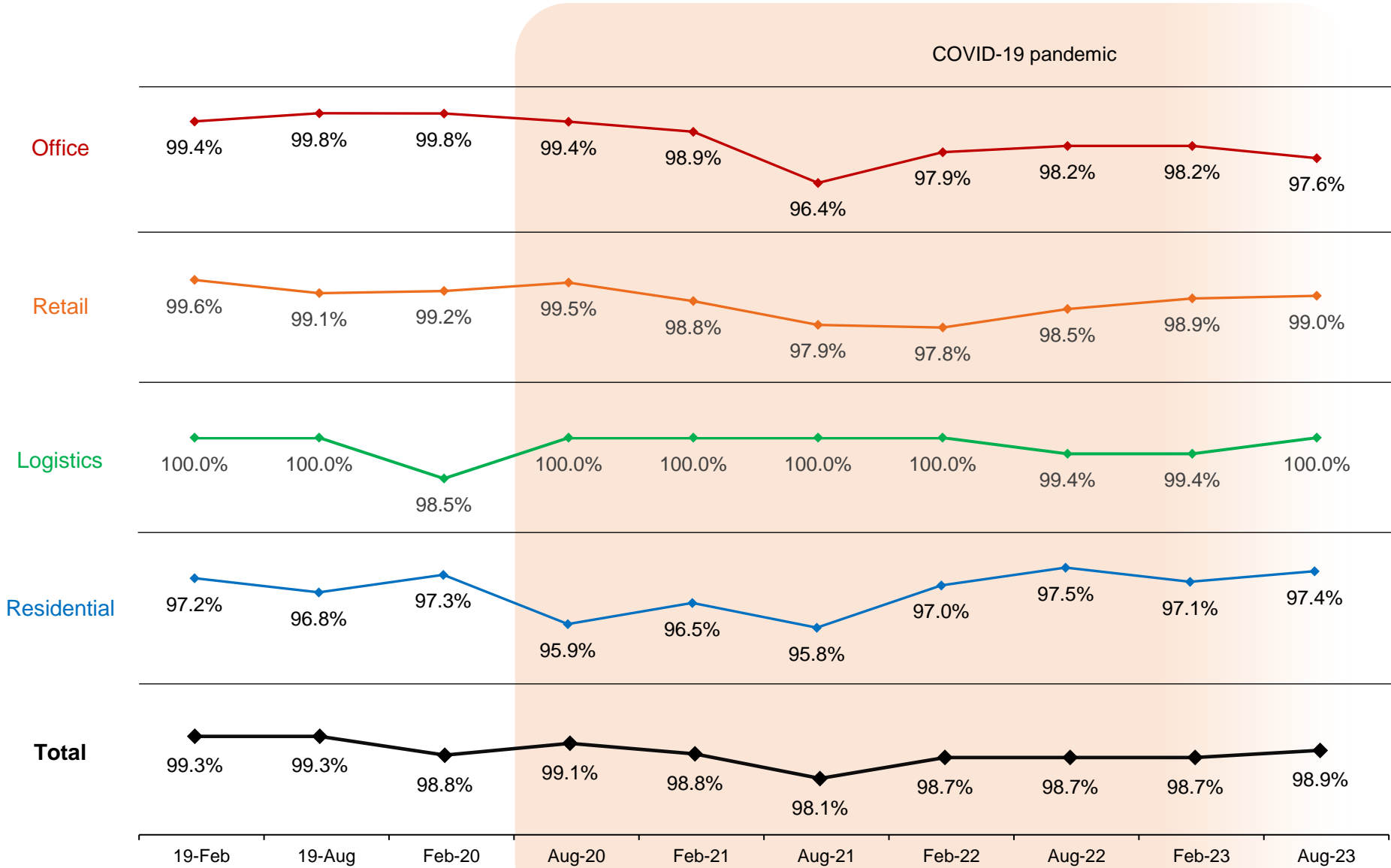
Change in DPU · LTV · NAV



Occupancy Rate by Sector as of August 31, 2023

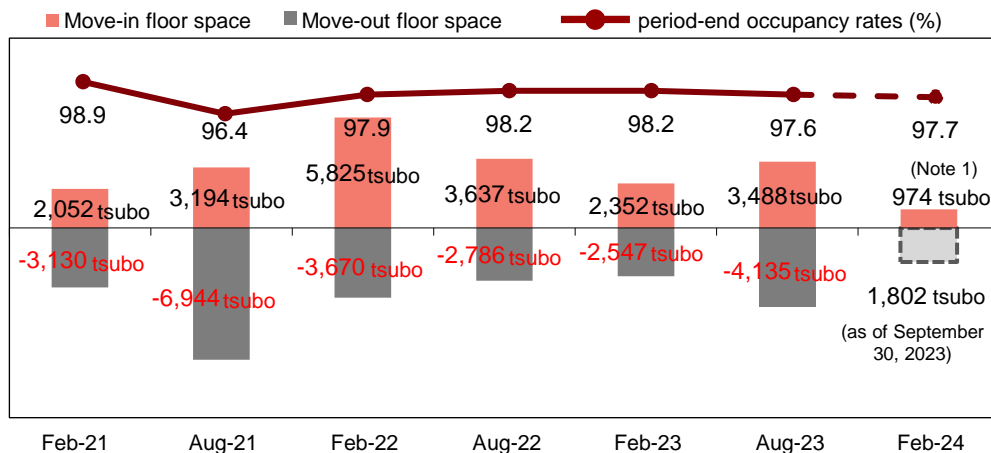


Maintained stable high occupancy rates in each sector

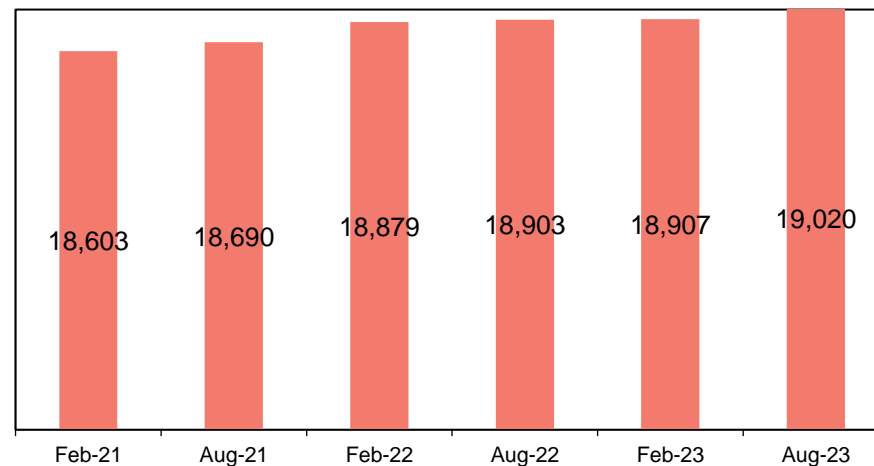




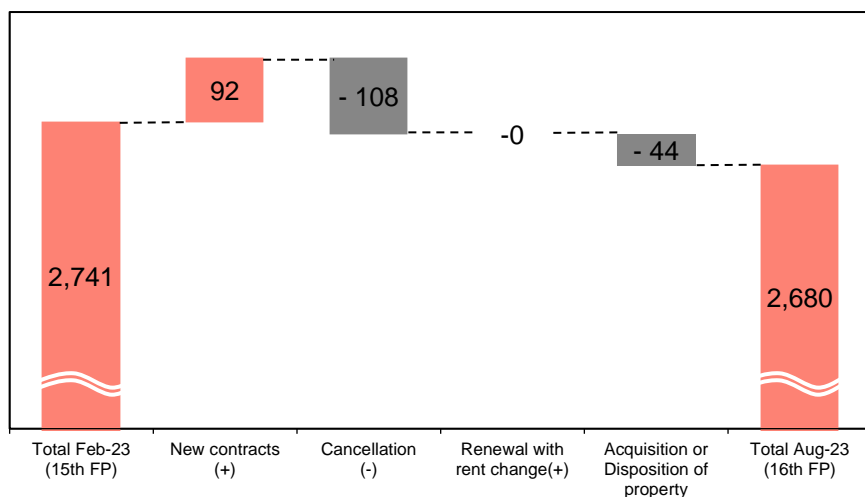
Change in floor area from move-ins & move-outs



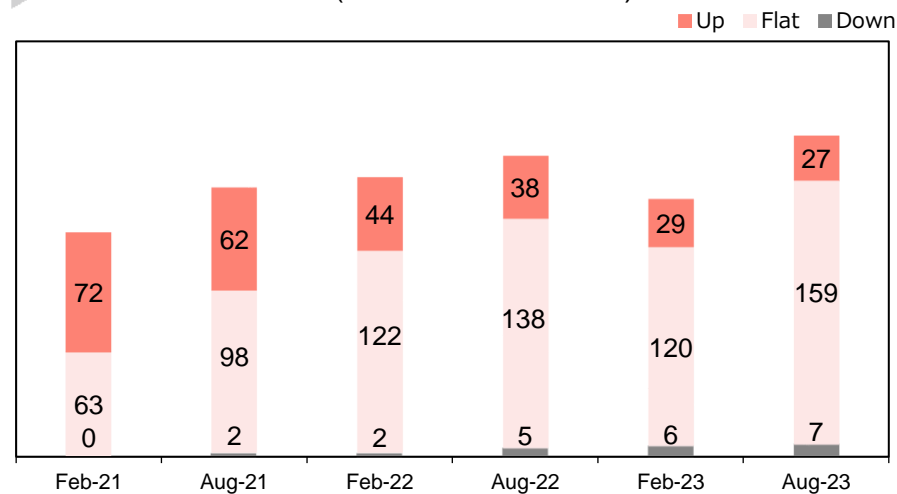
Average Rent (¥/Tsubo)



Increase/decrease in monthly contract rent (¥mln) (Note 2)



Contract renewals (number of renewals) (Note 3)



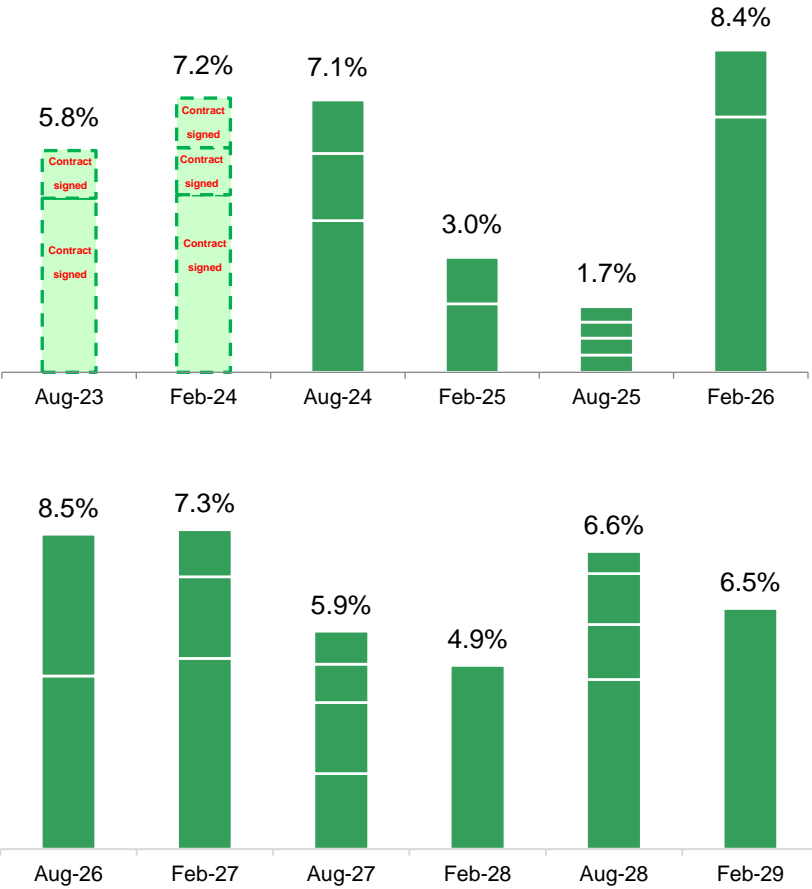
(Note 1) These figures show contracted sections and sections for which NMF received applications for occupancy as of the end of September 2023.

(Note 2) Dwelling units of Kojimachi Millennium Garden are excluded. (Note 3) For tenants whose rent revision conditions have not been finalized at the end of the 16th FP, the previous conditions are shown.

Asset Management Status - Logistics -

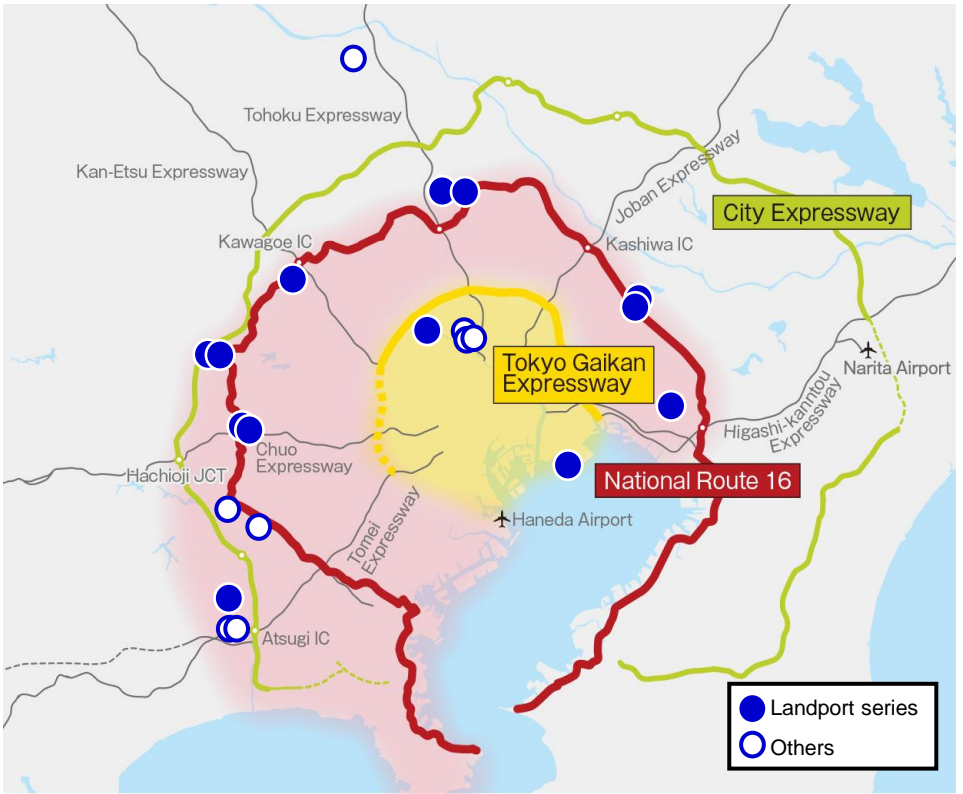


Lease maturities (rent basis)



Logistics portfolio map (Greater Tokyo area)

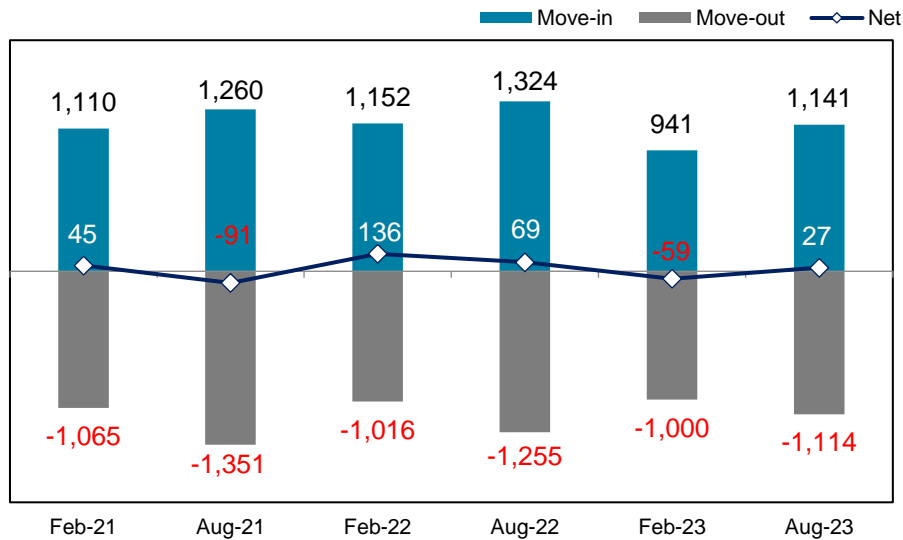
Logistics portfolio is generally distributed along National Route 16 and the Tokyo Outer Ring Road, which are areas of solid demand



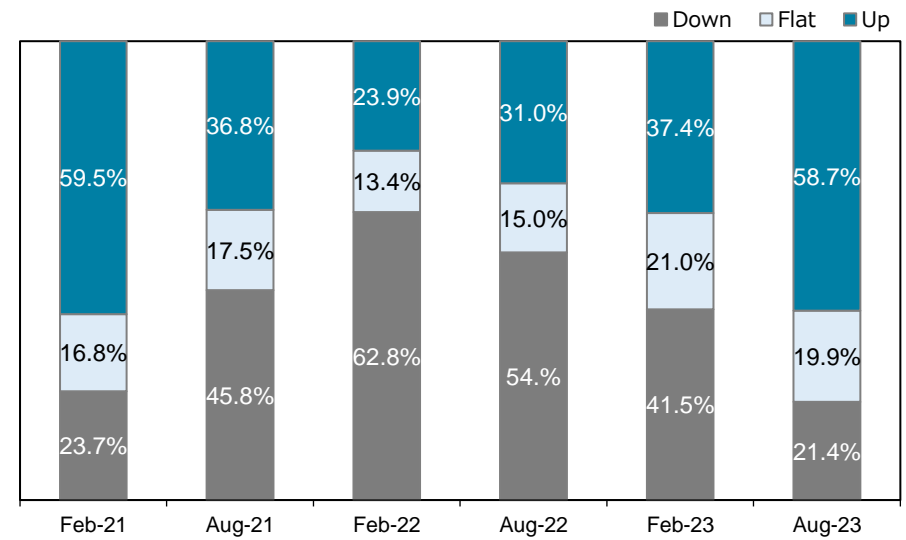
Asset Management Status - Residential -



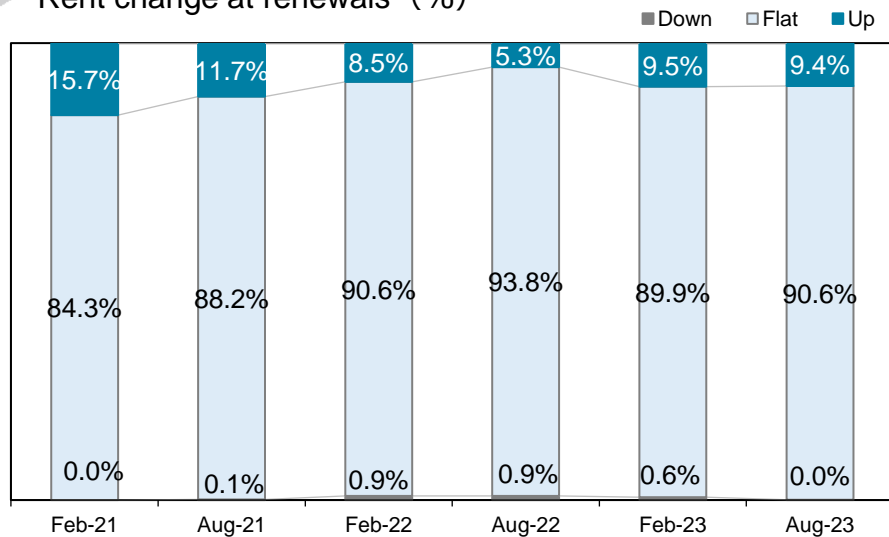
Change in move-ins and move-outs (unit)



Rent change at move-ins and move-outs



Rent change at renewals (%)



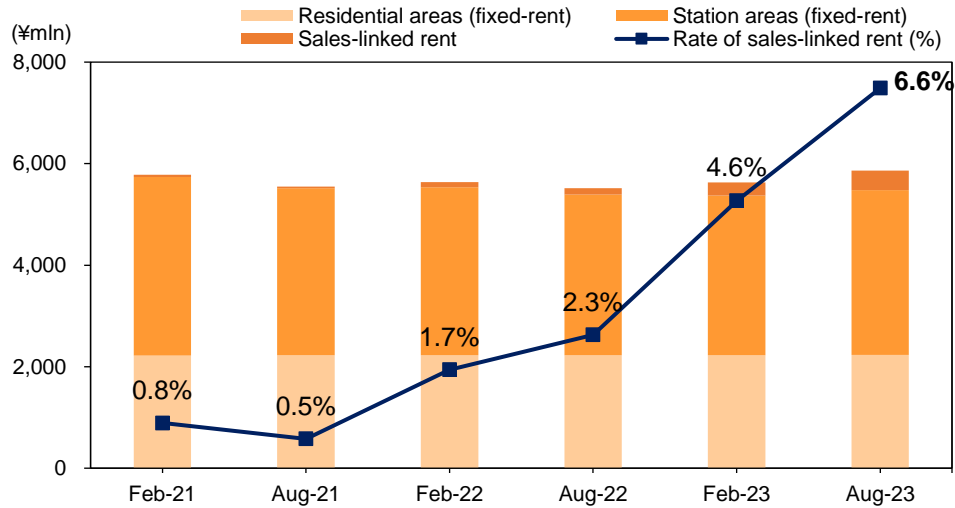
Occupancy rate by area

	Feb-21	Aug-21	Feb-22	Aug-22	Feb-23	Aug-23
Total	96.5%	95.8%	97.0%	97.5%	97.1%	97.4%
Tokyo area	97.1%	95.8%	96.8%	97.7%	97.6%	98.1%
Sapporo	95.7%	95.9%	97.7%	96.6%	97.7%	95.0%
Sendai	98.1%	98.4%	99.4%	97.4%	97.5%	97.1%
Nagoya	92.3%	96.5%	97.4%	97.3%	93.0%	93.2%
Osaka	90.9%	92.5%	95.3%	97.8%	91.1%	94.6%
Fukuoka	99.3%	96.6%	97.4%	97.9%	96.0%	97.1%

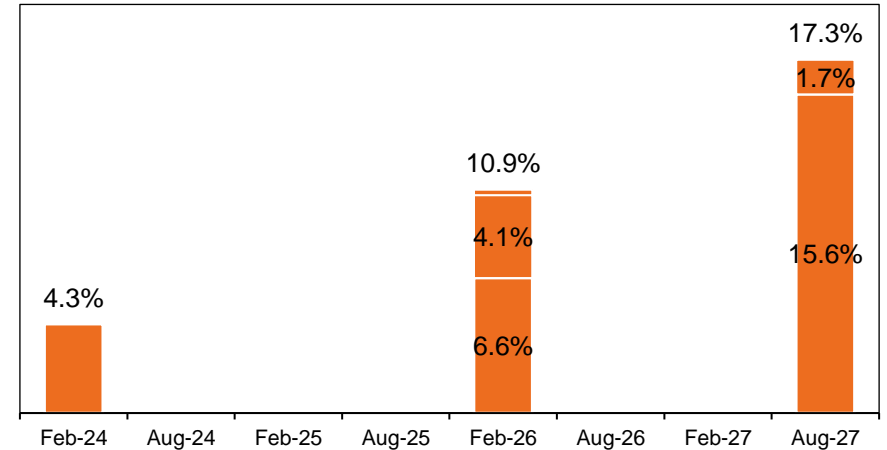
Asset Management Status - Retail -



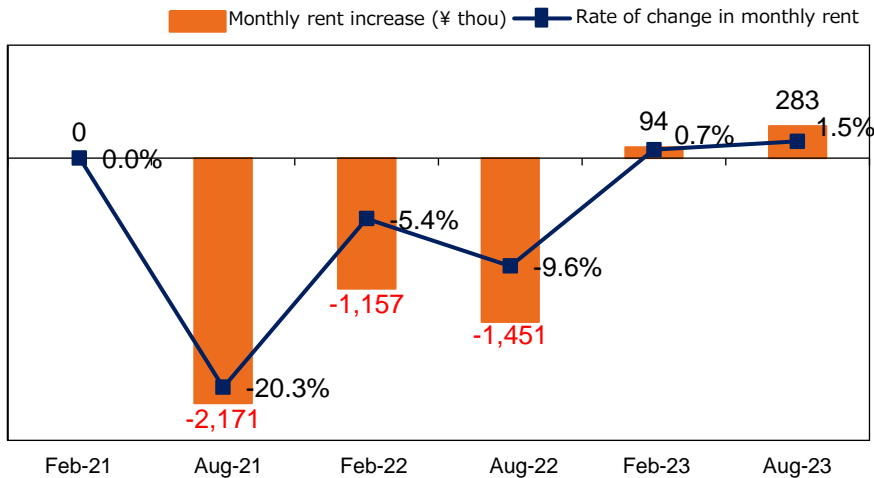
Rent revenue breakdown (overall retail)



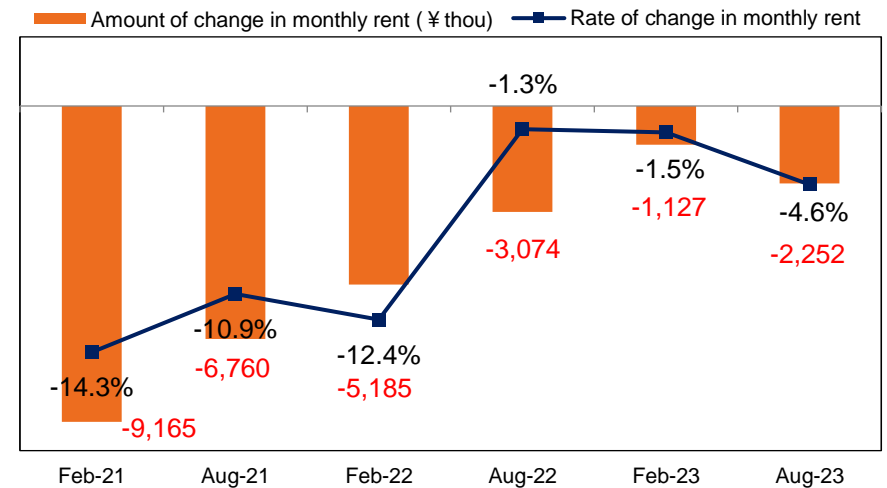
Retail properties located in residential areas : Lease team diversification (rent basis)



Amount of change in monthly rent and rate of change in monthly rent upon tenant replacement (retail properties in station areas)



Amount of change in monthly rent and rate of change in monthly rent upon rent revision (retail properties in station area)



Top 5 Tenants by Leased Space



Office

No	Tenant	Property Name	Leased space (㎡)	Weight in portfolio (%)
1	OMRON Corporation	Omron Kyoto Center Building	34,616.84	1.6
2	NEC Corporation	NEC Head Office Building Shinjuku Nomura Building	34,556.76	1.6
3	Japan Airlines Co., Ltd.	NRE Tennozu Building	14,507.40	0.7
4	Orient Corporation	Kojimachi Millennium Garden	11,678.05	0.5
5	(Not disclosed)	NRE Tennozu Building	10,334.55	0.5
Top 5 tenants total			105,693.60	4.9

Retail

No	Tenant	Property Name	Leased space (㎡)	Weight in portfolio (%)
1	H2O Shopping Center Development Co., Ltd.	Izumiya SC Yao	70,311.49	3.3
		Izumiya SC Senrioka		
		Izumiya SC Obayashi		
2	Ito-Yokado Co., Ltd.	Sagamihara Shopping Center	60,991.12	2.8
3	YOKOHAMA OKADAYA Co., Ltd.	Yokosuka More's City	48,193.96	2.2
		Kawasaki More's		
4	(Not disclosed)	Mitsubishi Motors Meguro(Land) 12 other properties	29,627.97	1.4
5	(Not disclosed)	Nitori Makuhari	19,653.37	0.9
		Musashiurawa Shopping Square		
Top 5 tenants total			228,777.91	10.6

Logistics

No	Tenant	Property Name	Leased space (㎡)	Weight in portfolio (%)
1	(Not disclosed)	Landport Kawagoe	139,996.82	6.5
		Landport Ome III		
2	Konoike Transport Co.,Ltd.	Landport Ome II	88,637.52	4.1
		Hanyu Logistics Center		
3	JP Rakuten Logistics, Inc.	Landport Higashi-Narashino	61,088.01	2.8
4	(Not disclosed)	Landport Ome I	57,751.27	2.7
5	Fukuyama Transporting Co., Ltd.	Sagamihara Onodai Logistics Center	57,448.03	2.7
Top 5 tenants total			404,921.65	18.7

(Note) Pass-through type master lease contracts are excluded from the calculation

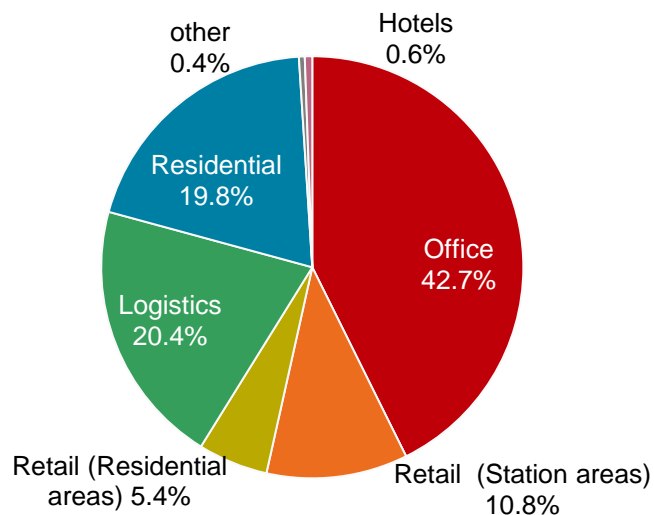
Portfolio Summary as of August 31, 2023



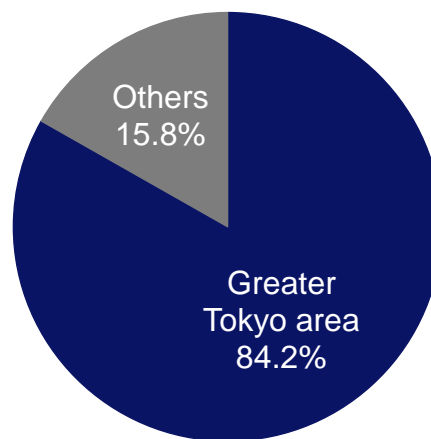
Portfolio Summary

	Number of properties	Acquisition price (¥ mln)	Appraisal value (¥ mln)	Building age (years)	Floor area (㎡)	Leased area (㎡)
Office	65	468,685	547,200	27.7	790,858.29	465,938.02
Retail	50	177,779	200,000	20.7	382,530.19	361,586.60
Retail(Station areas)	23	118,930	127,520	20.0	160,396.68	115,603.66
Retail(Residential areas)	27	58,848	72,480	22.5	222,133.51	245,982.94
Logistics	24	223,932	296,420	11.9	996,200.12	979,919.38
Residential	148	216,987	258,708	15.7	397,387.99	330,563.49
Hotels	2	6,250	6,380	15.3	7,699.09	7,776.22
Other	1	4,900	5,540	-	-	14,431.35
Total	290	1,098,534	1,314,248	20.9	2,574,675.68	2,160,215.06

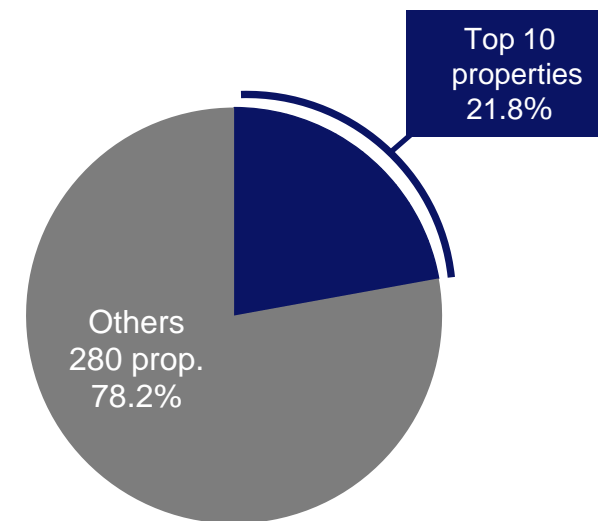
Portfolio Data



Balanced portfolio mix



Concentration in Greater Tokyo area



Advanced property diversification

Portfolio List



	Area	Use	Property name	Acquisition price (million yen)	Feb. 2023				Aug. 2023				Comparison b/w Feb.2023 and Aug.2023		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Of-T-001	Tokyo	Office	Shinjuku Nomura Building	43,900	46,768	51,600	3.4	4,831	46,692	51,600	3.3	4,907	0	0.0	-0.1
Of-T-002	Tokyo	Office	NRE Tennozu Building	20,500	20,562	21,700	3.9	1,137	20,504	21,700	3.9	1,195	0	0.0	0.0
Of-T-003	Tokyo	Office	Kojimachi Millennium Garden	26,700	26,381	30,700	3.4	4,318	26,334	30,800	3.4	4,465	100	0.3	0.0
Of-T-006	Tokyo	Office	NMF Shinjuku Minamiguchi Building	10,000	10,115	13,400	3.2	3,284	10,118	13,400	3.2	3,281	0	0.0	0.0
Of-T-007	Tokyo	Office	NMF Shibuya Koen-dori Building	10,400	10,502	10,500	3.5	-2	10,490	10,300	3.5	-190	-200	-1.9	0.0
Of-T-008	Tokyo	Office	Secom Medical Building	11,100	10,543	12,600	3.6	2,056	10,519	12,400	3.5	1,880	-200	-1.6	-0.1
Of-T-009	Tokyo	Office	NMF Shiba Building	7,040	7,095	7,400	4.0	304	7,086	7,400	4.0	313	0	0.0	0.0
Of-T-010	Tokyo	Office	Nishi Shinjuku Showa Building	8,140	8,177	8,030	4.1	-147	8,171	8,080	3.9	-91	50	0.6	-0.2
Of-T-011	Tokyo	Office	NRE Shibuya Dogenzaka Building	5,310	5,360	5,950	3.5	589	5,354	5,930	3.5	575	-20	-0.3	0.0
Of-T-013	Tokyo	Office	Iwamoto-cho Toyo Building	4,050	4,090	4,990	3.4	899	4,095	4,820	3.4	724	-170	-3.4	0.0
Of-T-015	Tokyo	Office	NMF Surugadai Building	4,690	4,670	5,250	3.6	579	4,668	5,210	3.6	541	-40	-0.8	0.0
Of-T-016	Tokyo	Office	PMO Nihonbashi Honcho	4,320	4,025	4,980	3.2	954	4,030	4,970	3.2	939	-10	-0.2	0.0
Of-T-017	Tokyo	Office	PMO Nihonbashi Kayabacho	5,010	4,695	6,690	3.2	1,994	4,703	6,620	3.2	1,916	-70	-1.0	0.0
Of-T-018	Tokyo	Office	NMF Gotanda Ekimae Building	4,430	4,551	5,390	4.2	838	4,529	5,250	4.2	720	-140	-2.6	0.0
Of-T-020	Tokyo	Office	PMO Akihabara	4,240	3,975	5,670	3.4	1,694	3,966	5,640	3.4	1,673	-30	-0.5	0.0
Of-T-021	Tokyo	Office	Hatchobori NF Building	2,480	2,431	2,610	3.6	178	2,436	2,540	3.6	103	-70	-2.7	0.0
Of-T-022	Tokyo	Office	NMF Kanda Iwamotocho Building	4,160	4,182	4,620	3.6	437	4,166	4,590	3.6	423	-30	-0.6	0.0
Of-T-023	Tokyo	Office	NMF Takanawa Building	2,830	2,862	3,540	3.7	677	2,851	3,540	3.7	688	0	0.0	0.0
Of-T-024	Tokyo	Office	PMO Hatchobori	2,880	2,649	3,530	3.4	880	2,645	3,500	3.4	854	-30	-0.8	0.0
Of-T-026	Tokyo	Office	PMO Nihonbashi Odenmachi	2,210	2,056	3,110	3.6	1,053	2,052	3,080	3.6	1,027	-30	-1.0	0.0
Of-T-028	Tokyo	Office	PMO Higashi-nihonbashi	1,690	1,521	2,010	3.7	488	1,536	2,030	3.7	493	20	1.0	0.0
Of-T-029	Tokyo	Office	NRE Ueno Building	6,470	6,578	7,070	3.4	491	6,570	6,900	3.4	329	-170	-2.4	0.0
Of-T-031	Tokyo	Office	NF Hongo Building	4,890	4,888	5,230	4.3	341	4,971	5,110	4.3	138	-120	-2.3	0.0
Of-T-034	Tokyo	Office	Crystal Park Building	3,390	3,296	3,330	4.5	33	3,288	3,410	4.4	121	80	2.4	-0.1
Of-T-035	Tokyo	Office	NMF Kichijoji Honcho Building	1,780	1,847	2,240	4.1	392	1,837	2,220	4.1	382	-20	-0.9	0.0
Of-T-036	Tokyo	Office	Faret Tachikawa Center Square	3,850	3,815	4,520	4.1	704	3,799	4,520	4.1	720	0	0.0	0.0
Of-T-037	Tokyo	Office	NMF Kawasaki Higashiguchi Building	7,830	7,972	9,430	4.4	1,457	8,051	9,410	4.4	1,358	-20	-0.2	0.0
Of-T-038	Tokyo	Office	NMF Yokohama Nishiguchi Building	5,460	5,548	8,730	3.6	3,181	5,521	8,730	3.6	3,208	0	0.0	0.0
Of-T-039	Tokyo	Office	NMF Shin-Yokohama Building	2,620	2,737	2,950	4.5	212	2,715	2,940	4.5	224	-10	-0.3	0.0
Of-T-041	Tokyo	Office	PMO Tamachi	6,210	6,043	8,880	3.0	2,836	6,041	8,760	3.0	2,718	-120	-1.4	0.0
Of-T-042	Tokyo	Office	PMO Ginza Hatchome	3,970	3,877	5,450	2.9	1,572	3,872	5,370	2.9	1,497	-80	-1.5	0.0
Of-T-043	Tokyo	Office	PMO Shibakoen	3,900	3,779	5,550	3.1	1,770	3,779	5,490	3.1	1,710	-60	-1.1	0.0
Of-T-044	Tokyo	Office	NEC Head Office Building	44,100	44,468	49,000	3.6	4,531	44,592	48,900	3.6	4,307	-100	-0.2	0.0
Of-T-045	Tokyo	Office	Harumi Island Triton Square Office Tower Y	18,200	17,841	17,500	3.7	-341	17,888	17,500	3.7	-388	0	0.0	0.0
Of-T-046	Tokyo	Office	NMF Aoyama 1-chome Building	10,400	10,565	13,900	2.9	3,334	10,566	13,500	2.9	2,933	-400	-2.9	0.0
Of-T-047	Tokyo	Office	NMF Takebashi Building	8,330	8,524	9,050	3.6	525	8,490	9,030	3.6	539	-20	-0.2	0.0
Of-T-048	Tokyo	Office	Harumi Island Triton Square Office Tower Z	8,180	8,024	8,440	3.7	415	8,003	8,390	3.7	386	-50	-0.6	0.0
Of-T-049	Tokyo	Office	NMF Kayabacho Building	6,070	6,017	8,370	3.6	2,352	5,995	8,380	3.6	2,384	10	0.1	0.0
Of-T-050	Tokyo	Office	NMF Shinjuku EAST Building	5,710	5,779	6,550	3.7	770	5,778	6,400	3.8	621	-150	-2.3	0.1
Of-T-051	Tokyo	Office	NMF Shiba-Koen Building	3,620	3,740	4,730	3.4	989	3,737	4,670	3.4	932	-60	-1.3	0.0
Of-T-052	Tokyo	Office	NMF Ginza 4-chome Building	1,850	1,974	2,260	3.4	285	1,971	2,250	3.4	278	-10	-0.4	0.0
Of-T-053	Tokyo	Office	Faret East Building	1,850	1,806	2,150	4.1	343	1,795	2,150	4.1	354	0	0.0	0.0
Of-T-054	Tokyo	Office	PMO Shinnihonbashi	4,440	4,328	5,610	3.2	1,281	4,329	5,620	3.2	1,290	10	0.2	0.0
Of-T-055	Tokyo	Office	PMO Hirakawacho	3,410	3,354	4,360	3.0	1,005	3,339	4,360	3.0	1,020	0	0.0	0.0

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	Area	Use	Property name	Acquisition price (million yen)	Aug. 2022				Feb. 2023				Comparison b/w Aug.2022 and Feb.2023		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Of-T-056	Tokyo	Office	PMO Nihonbashi Mitsukoshi-mae	4,310	4,277	5,910	2.7	1,632	4,287	5,930	2.7	1,642	20	0.3	0.0
Of-T-057	Tokyo	Office	PMO Shibadaimon	2,130	2,117	2,610	3.1	492	2,114	2,660	3.1	545	50	1.9	0.0
Of-T-058	Tokyo	Office	PMO Tamachi II	10,900	10,812	13,100	3.0	2,287	10,795	13,200	3.0	2,404	100	0.8	0.0
Of-T-059	Tokyo	Office	PMO Hatchobori Shinkawa	3,805	3,758	4,380	3.3	621	3,745	4,380	3.3	634	0	0.0	0.0
Of-T-060	Tokyo	Office	PMO Hatchobori III	2,880	2,861	3,330	3.2	468	2,853	3,340	3.2	486	10	0.3	0.0
Of-T-061	Tokyo	Office	PMO Ochanomizu	3,890	3,855	4,700	3.1	844	3,842	4,700	3.1	857	0	0.0	0.0
Of-T-062	Tokyo	Office	PMO Akihabara Kita	8,450	8,362	9,780	3.2	1,417	8,328	9,790	3.2	1,461	10	0.1	0.0
Of-T-063	Tokyo	Office	PMO Higashi-Shinbashi	4,730	4,722	5,640	3.1	917	4,730	5,580	3.1	849	-60	-1.1	0.0
Of-T-064	Tokyo	Office	PMO Hamamatsucho	4,380	4,365	5,280	3.0	914	4,350	5,320	3.0	969	40	0.8	0.0
Of-T-065	Tokyo	Office	PMO Hamamatsucho II	5,500	5,524	6,100	3.2	575	5,513	6,100	3.2	586	0	0.0	0.0
Of-S-001	Other	Office	Sapporo North Plaza	6,250	6,775	9,400	4.0	2,624	6,787	9,030	3.9	2,242	-370	-3.9	-0.1
Of-S-002	Other	Office	NRE Sapporo Building	4,140	3,644	5,440	4.1	1,795	3,630	5,340	4.0	1,709	-100	-1.8	-0.1
Of-S-004	Other	Office	NMF Sendai Aoba-dori Building	2,030	2,166	2,420	5.4	253	2,209	2,220	5.3	10	-200	-8.3	-0.1
Of-S-006	Other	Office	NMF Nagoya Fushimi Building	2,240	1,948	2,650	4.0	701	1,932	2,650	3.9	717	0	0.0	-0.1
Of-S-008	Other	Office	Omron Kyoto Center Building	18,300	18,188	20,500	4.2	2,311	18,179	20,700	4.1	2,520	200	1.0	-0.1
Of-S-009	Other	Office	SORA Shin-Osaka 21	12,100	12,039	12,800	4.0	760	12,031	12,800	4.0	768	0	0.0	0.0
Of-S-010	Other	Office	NRE Osaka Building	6,100	7,651	7,990	4.4	38	7,577	7,710	4.4	132	20	0.3	0.0
Of-S-011	Other	Office	NRE Nishi-Umeda Building	3,450	3,656	3,830	4.2	173	3,680	3,840	4.2	159	10	0.3	0.0
Of-S-012	Other	Office	NRE Yotsubashi Building	4,000	4,449	5,210	4.2	760	4,536	5,340	4.2	803	130	2.5	0.0
Of-S-013	Other	Office	NRE Hiroshima Building	2,280	2,453	2,920	5.4	466	2,469	2,940	5.4	470	20	0.7	0.0
Of-S-014	Other	Office	NMF Hakata Ekimae Building	4,210	4,221	6,280	4.1	2,058	4,202	6,220	4.0	2,017	-60	-1.0	-0.1
				468,685	471,886	549,540	-	77,653	471,693	547,200	-	75,506	-2340	-0.4	-
Rt-T-002	Tokyo	Retail	Yokosuka More's City	13,640	13,704	15,300	4.8	1,595	13,679	14,600	4.8	920	-700	-4.6	0.0
Rt-T-003	Tokyo	Retail	Recipe SHIMOKITA	10,407	10,127	10,900	3.8	772	10,086	10,800	3.8	713	-100	-0.9	0.0
Rt-T-004	Tokyo	Retail	Kawasaki More's	6,080	6,536	8,500	4.1	1,963	6,500	8,390	4.1	1,889	-110	-1.3	0.0
Rt-T-005	Tokyo	Retail	EQUINIA Shinjuku	4,260	4,301	5,200	3.7	898	4,300	5,200	3.7	899	0	0.0	0.0
Rt-T-006	Tokyo	Retail	EQUINIA Ikebukuro	3,990	3,993	4,550	4.1	556	3,984	4,550	4.1	565	0	0.0	0.0
Rt-T-007	Tokyo	Retail	covirna machida	3,440	3,817	3,960	4.0	142	3,838	4,010	3.9	171	50	1.3	-0.1
Rt-T-008	Tokyo	Retail	Nitori Makuhari	3,080	2,591	3,970	4.6	1,378	2,564	4,040	4.5	1,475	70	1.8	-0.1
Rt-T-009	Tokyo	Retail	Konami Sports Club Fuchu	2,730	2,512	3,390	5.0	877	2,504	3,380	5.0	875	-10	-0.3	0.0
Rt-T-010	Tokyo	Retail	FESTA SQUARE	2,600	2,157	3,660	4.7	1,502	2,138	3,740	4.6	1,601	80	2.2	-0.1
Rt-T-011	Tokyo	Retail	GEMS Shibuya	2,490	2,328	2,790	4.4	461	2,321	2,820	4.3	498	30	1.1	-0.1
Rt-T-013	Tokyo	Retail	EQUINIA Aobadai	1,560	1,551	2,840	4.4	1,288	1,541	2,890	4.3	1,348	50	1.8	-0.1
Rt-T-014	Tokyo	Retail	Megalos Kanagawa	1,000	940	1,550	5.2	609	936	1,560	5.1	623	10	0.6	-0.1
Rt-T-015	Tokyo	Retail	Mitsubishi Motors Meguro (Land) (※1)	2,740	2,764	3,490	5.0	725	2,764	3,590	4.9	825	100	2.9	-0.1
Rt-T-016	Tokyo	Retail	Mitsubishi Motors Chofu (Land) (※1)	1,760	1,776	1,730	5.1	-46	1,776	1,720	5.1	-56	-10	-0.6	0.0
Rt-T-018	Tokyo	Retail	Mitsubishi Motors Nerima (Land) (※1)	1,240	1,251	1,520	5.0	268	1,251	1,540	4.9	288	20	1.3	-0.1
Rt-T-019	Tokyo	Retail	Mitsubishi Motors Kawasaki (Land) (※1)	950	959	1,300	6.1	340	959	1,300	6.1	340	0	0.0	0.0
Rt-T-020	Tokyo	Retail	Mitsubishi Motors Takaido (Land) (※1)	850	859	856	5.0	-3	859	853	5.0	-6	-3	-0.4	0.0
Rt-T-021	Tokyo	Retail	Mitsubishi Motors Katsushika (Land) (※1)	762	770	882	5.1	111	770	885	5.0	114	3	0.3	-0.1
Rt-T-022	Tokyo	Retail	Mitsubishi Motors Higashikurume (Land) (※1)	800	808	921	5.9	112	808	927	5.8	118	6	0.7	-0.1
Rt-T-023	Tokyo	Retail	Mitsubishi Motors Setagaya (Land) (※1)	770	779	1,210	4.8	430	779	1,230	4.7	450	20	1.7	-0.1
Rt-T-025	Tokyo	Retail	Mitsubishi Motors Sekimachi (Land) (※1)	600	606	752	5.2	145	606	765	5.1	158	13	1.7	-0.1
Rt-T-026	Tokyo	Retail	Mitsubishi Motors Higashiyamato (Land) (※1)	450	455	537	7.6	81	455	538	7.6	82	1	0.2	0.0

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					Book value (million yen)	Appraisal value (million yen)	Cap rate (%)	Gain or Loss (million yen)	Book value (million yen)	Appraisal value (million yen)	Cap rate (%)	Gain or Loss (million yen)	Appraisal value		Cap rate
													(million yen)	change(%)	change(%)
Rt-T-027	Tokyo	Retail	Mitsubishi Motors Motsumiyoshi (Land) (※1)	370	375	431	5.7	55	375	440	5.6	64	9	2.1	-0.1
Rt-T-028	Tokyo	Retail	Welcia Kawagoesinmeicho (Land) (※1)	350	355	438	5.0	82	355	438	5.0	82	0	0.0	0.0
Rt-T-029	Tokyo	Retail	Mitsubishi Motors Edogawa (Land) (※1)	200	204	178	5.4	-26	204	177	5.4	-27	-1	-0.6	0.0
Rt-T-030	Tokyo	Retail	Mitsubishi Motors Sayama (Land) (※1)	160	163	188	7.9	24	163	189	7.9	25	1	0.5	0.0
Rt-T-031	Tokyo	Retail	NRE Kichijoji Building	10,410	10,069	11,400	3.8	1,330	10,037	11,400	3.8	1,362	0	0.0	0.0
Rt-T-032	Tokyo	Retail	GEMS Shinjyogama	2,080	2,010	2,120	3.8	109	2,006	2,130	3.7	123	10	0.5	-0.1
Rt-T-033	Tokyo	Retail	Sagamihara Shopping Center	6,840	6,716	7,560	5.8	843	6,697	7,540	5.8	842	-20	-0.3	0.0
Rt-T-034	Tokyo	Retail	Musashirawa Shopping Square	2,720	2,519	2,820	6.8	300	2,499	2,830	6.8	330	10	0.4	0.0
Rt-T-036	Tokyo	Retail	Summit Store Naritahigashi (Land) (※1)	700	747	801	3.6	53	747	838	3.9	90	37	4.6 (※2)	0.3
Rt-T-037	Tokyo	Retail	GEMS Daimon	2,060	1,989	2,000	3.8	10	1,984	2,040	3.7	55	40	2.0	-0.1
Rt-T-038	Tokyo	Retail	GEMS Shin-Nihonbashi	1,500	1,455	1,500	3.9	44	1,451	1,500	3.8	48	0	0.0	-0.1
Rt-T-039	Tokyo	Retail	Summit Store Mukodaicho	5,100	5,023	5,330	4.3	306	5,013	5,300	4.3	286	-30	-0.6	0.0
Rt-T-040	Tokyo	Retail	GEMS Shinbashi	2,810	2,793	2,690	3.8	-103	2,785	2,750	3.7	-35	60	2.2	-0.1
Rt-T-041	Tokyo	Retail	GEMS Kayabacho	2,594	2,537	2,600	4.1	62	2,527	2,620	4.0	92	20	0.8	-0.1
Rt-T-042	Tokyo	Retail	Summit Store Honamanuma	2,160	2,149	2,960	4.4	810	2,144	3,020	4.3	875	60	2.0	-0.1
Rt-T-043	Tokyo	Retail	GEMS Shin-Yokohama	1,820	1,753	1,840	5.1	86	1,742	1,850	5.0	107	10	0.5	-0.1
Rt-T-044	Tokyo	Retail	GEMS Sangenjaya	1,815	1,803	1,790	3.9	-13	1,797	1,810	3.9	12	20	1.1	0.0
Rt-S-001	Other	Retail	Universal CityWalk Osaka	17,639	16,932	18,400	4.3	1,467	16,854	18,400	4.3	1,545	0	0.0	0.0
Rt-S-002	Other	Retail	Izumiyu SC Senrioka	8,930	8,450	12,400	4.7	3,949	8,428	12,400	4.7	3,971	0	0.0	0.0
Rt-S-004	Other	Retail	Izumiyu SC Yao	4,406	3,969	5,710	5.1	1,740	3,951	5,710	5.1	1,758	0	0.0	0.0
Rt-S-005	Other	Retail	Izumiyu SC Obayashi	3,020	3,106	3,850	5.1	743	3,098	3,850	5.1	751	0	0.0	0.0
Rt-S-007	Other	Retail	EQUINIA Aobadori	1,640	1,267	1,820	4.8	552	1,307	1,830	4.8	522	10	0.5	0.0
Rt-S-008	Other	Retail	MEL Building	1,060	1,053	1,210	5.1	156	1,072	1,210	5.0	137	0	0.0	-0.1
Rt-S-009	Other	Retail	nORBESA	8,500	8,747	8,440	4.5	-307	8,807	8,440	4.4	-367	0	0.0	-0.1
Rt-S-010	Other	Retail	Nakaza Cui-daore Building	11,600	12,143	9,750	3.4	-2,393	12,138	9,760	3.4	-2,378	10	0.1	0.0
Rt-S-011	Other	Retail	NMF Kobe Myodani Building	3,560	3,574	3,680	4.4	105	3,569	3,680	4.4	110	0	0.0	0.0
Rt-S-012	Other	Retail	GEMS Namba	3,800	3,764	4,300	3.8	535	3,756	4,330	3.8	573	30	0.7	0.0
Rt-S-013	Other	Retail	MEFULL Chayamachi	3,735	-	-	-	-	3,773	4,190	3.2	416	-	-	-
				177,779	171,274	196,014	-	24,739	174,722	200,000	-	25,277	-204	-0.1	-
Lg-T-001	Tokyo	Logistics	Landport Urayasu	17,400	15,683	24,600	3.4	8,916	15,628	25,200	3.3	9,571	600	2.4	-0.1
Lg-T-002	Tokyo	Logistics	Landport Itabashi	15,710	14,311	22,200	3.6	7,888	14,241	22,600	3.5	8,358	400	1.8	-0.1
Lg-T-003	Tokyo	Logistics	Landport Kawagoe	13,700	11,390	19,800	4.1	8,409	11,280	20,300	4.0	9,019	500	2.5	-0.1
Lg-T-004	Tokyo	Logistics	Landport Atsugi	11,410	9,718	13,500	3.7	3,781	9,663	13,900	3.6	4,236	400	3.0	-0.1
Lg-T-005	Tokyo	Logistics	Sagamihara Tana Logistics Center	10,600	9,409	14,200	4.0	4,790	9,332	14,600	3.9	5,267	400	2.8	-0.1
Lg-T-006	Tokyo	Logistics	Sagamihara Onodai Logistics Center	8,700	8,001	12,600	4.1	4,598	8,057	12,800	4.0	4,742	200	1.6	-0.1
Lg-T-007	Tokyo	Logistics	Landport Hachioji	8,250	6,990	11,200	4.1	4,209	6,932	11,300	4.0	4,367	100	0.9	-0.1
Lg-T-008	Tokyo	Logistics	Landport Kasukabe	7,340	5,983	9,640	4.1	3,656	5,920	9,870	4.0	3,949	230	2.4	-0.1
Lg-T-010	Tokyo	Logistics	Atsugi Minami Logistics Center B Tower	4,590	4,023	6,640	3.8	2,616	4,001	6,760	3.7	2,758	120	1.8	-0.1
Lg-T-011	Tokyo	Logistics	Hanyu Logistics Center	3,810	3,153	5,110	4.4	1,956	3,118	5,170	4.3	2,051	60	1.2	-0.1
Lg-T-012	Tokyo	Logistics	Kawaguchi Logistics Center B Tower	3,750	3,497	4,990	4.0	1,492	3,480	5,070	3.9	1,589	80	1.6	-0.1
Lg-T-013	Tokyo	Logistics	Kawaguchi Logistics Center A Tower	2,830	2,711	3,940	4.2	1,228	2,700	3,980	4.1	1,279	40	1.0	-0.1
Lg-T-014	Tokyo	Logistics	Atsugi Minami Logistics Center A Tower	2,690	2,487	3,860	3.8	1,372	2,482	3,950	3.7	1,467	90	2.3	-0.1
Lg-T-015	Tokyo	Logistics	Kawaguchi Ryoke Logistics Center	10,790	10,200	14,600	3.8	4,399	10,198	16,800	3.7	6,601	2,200	15.1	-0.1
Lg-T-016	Tokyo	Logistics	Landport Kashiwa Shonan II	10,800	10,422	12,800	4.3	2,377	10,369	13,000	4.2	2,630	200	1.6	-0.1

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					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
							(※ 1)								
Lg-T-017	Tokyo	Logistics	Landport Kashiwa Shonan I	9,900	9,523	11,600	4.4	2,076	9,477	11,700	4.3	2,222	100	0.9	-0.1
Lg-T-018	Tokyo	Logistics	Landport Hachioji II	9,230	9,287	11,400	4.0	2,112	9,234	11,900	3.9	2,665	500	4.4	-0.1
Lg-T-019	Tokyo	Logistics	Landport Iwatsuki	6,090	5,974	6,860	4.2	885	5,947	6,940	4.1	992	80	1.2	-0.1
Lg-T-020	Tokyo	Logistics	Landport Orme I	13,640	13,457	15,200	4.1	1,742	13,403	15,600	4.0	2,196	400	2.6	-0.1
Lg-T-021	Tokyo	Logistics	Landport Higashi-Narashino	11,872	11,593	16,800	4.0	5,206	11,522	17,300	3.9	5,777	500	3.0	-0.1
Lg-T-022	Tokyo	Logistics	Landport Orme II	14,620	14,573	16,600	4.0	2,026	14,511	17,100	3.9	2,588	500	3.0	-0.1
Lg-T-023	Tokyo	Logistics	Landport Orme III	17,000	17,075	19,400	4.0	2,324	17,002	20,000	3.9	2,997	600	3.1	-0.1
Lg-T-024	Tokyo	Logistics	Landport Shinonome / Yasuda Soko	5,750	-	-	-	-	5,796	6,050	3.7	253	-	-	-
Lg-S-005	Other	Logistics	Hirakata Kuzuha Logistics Center	3,460	3,255	4,430	4.2	1,174	3,243	4,530	4.1	1,286	100	2.3	-0.1
				223,932	202,726	281,970	-	79,243	207,550	296,420	-	88,869	8,400	3.0	-
Rs-T-001	Tokyo	Residential	PROUD FLAT Shirokane Takanawa	3,400	3,144	3,950	3.5	805	3,125	4,060	3.4	934	110	2.8	-0.1
Rs-T-002	Tokyo	Residential	PROUD FLAT Yoyogi Uehara	989	940	1,100	3.6	159	938	1,130	3.5	191	30	2.7	-0.1
Rs-T-003	Tokyo	Residential	PROUD FLAT Hatsudai	713	672	781	3.7	108	670	801	3.6	130	20	2.6	-0.1
Rs-T-004	Tokyo	Residential	PROUD FLAT Shibuya Sakuragaoka	750	697	767	3.6	69	693	789	3.5	95	22	2.9	-0.1
Rs-T-005	Tokyo	Residential	PROUD FLAT Gakugei Daigaku	746	688	913	3.6	224	686	933	3.5	246	20	2.2	-0.1
Rs-T-006	Tokyo	Residential	PROUD FLAT Meguro Gyoninzaka	939	870	1,140	3.6	269	867	1,170	3.5	302	30	2.6	-0.1
Rs-T-007	Tokyo	Residential	PROUD FLAT Sumida Riverside	2,280	2,039	2,860	3.6	820	2,027	2,950	3.5	922	90	3.1	-0.1
Rs-T-008	Tokyo	Residential	PROUD FLAT Kagurazaka	1,590	1,435	1,780	3.6	344	1,424	1,840	3.5	415	60	3.4	-0.1
Rs-T-009	Tokyo	Residential	PROUD FLAT Waseda	1,110	995	1,290	3.6	294	995	1,330	3.5	334	40	3.1	-0.1
Rs-T-010	Tokyo	Residential	PROUD FLAT Shinjuku Kawadacho	932	846	1,110	3.6	263	839	1,150	3.5	310	40	3.6	-0.1
Rs-T-011	Tokyo	Residential	PROUD FLAT Sangen Jaya	1,190	1,073	1,350	3.7	276	1,063	1,360	3.6	296	10	0.7	-0.1
Rs-T-012	Tokyo	Residential	PROUD FLAT Kamata	1,160	1,012	1,370	3.8	357	1,003	1,400	3.7	396	30	2.2	-0.1
Rs-T-013	Tokyo	Residential	PROUD FLAT Kamata II	3,320	2,938	3,620	3.6	681	2,919	3,710	3.5	790	90	2.5	-0.1
Rs-T-014	Tokyo	Residential	PROUD FLAT Shin-Otsuka	623	549	586	3.8	36	545	599	3.7	53	13	2.2	-0.1
Rs-T-015	Tokyo	Residential	PROUD FLAT Kiyosumi Shirakawa	928	822	1,070	3.8	247	814	1,100	3.7	285	30	2.8	-0.1
Rs-T-016	Tokyo	Residential	PROUD FLAT Monzen Nakacho II	652	586	670	3.8	83	582	686	3.7	103	16	2.4	-0.1
Rs-T-017	Tokyo	Residential	PROUD FLAT Monzen Nakacho I	1,030	907	1,020	3.8	112	899	1,050	3.7	150	30	2.9	-0.1
Rs-T-018	Tokyo	Residential	PROUD FLAT Fujimidai	1,470	1,320	2,090	4.0	769	1,311	2,090	4.0	778	0	0.0	0.0
Rs-T-019	Tokyo	Residential	PROUD FLAT Asakusa Komagata	1,920	1,672	2,560	3.5	887	1,656	2,640	3.4	983	80	3.1	-0.1
Rs-T-020	Tokyo	Residential	PROUD FLAT Yokohama	2,090	1,855	2,570	4.0	714	1,840	2,630	3.9	789	60	2.3	-0.1
Rs-T-021	Tokyo	Residential	PROUD FLAT Kamioooka	2,710	2,402	3,070	4.2	667	2,380	3,110	4.1	729	40	1.3	-0.1
Rs-T-022	Tokyo	Residential	PROUD FLAT Tsurumi II	1,650	1,455	2,230	3.8	774	1,442	2,230	3.8	787	0	0.0	0.0
Rs-T-023	Tokyo	Residential	PRIME URBAN Azabu Juban	1,100	1,093	1,130	3.5	36	1,090	1,130	3.5	39	0	0.0	0.0
Rs-T-024	Tokyo	Residential	PRIME URBAN Akasaka	938	919	1,080	3.4	160	918	1,080	3.4	161	0	0.0	0.0
Rs-T-025	Tokyo	Residential	PRIME URBAN Tamachi	972	915	1,120	3.7	204	913	1,120	3.7	206	0	0.0	0.0
Rs-T-026	Tokyo	Residential	PRIME URBAN Shibaura LOFT	1,830	1,674	2,130	3.8	455	1,677	2,180	3.7	502	50	2.3	-0.1
Rs-T-029	Tokyo	Residential	PRIME URBAN Ebisu II	1,140	1,099	1,720	3.0	620	1,096	1,720	3.0	623	0	0.0	0.0
Rs-T-030	Tokyo	Residential	PRIME URBAN Bancho	1,090	1,042	1,220	3.6	177	1,040	1,220	3.6	179	0	0.0	0.0
Rs-T-031	Tokyo	Residential	PRIME URBAN Chiyoda Fujimi	679	646	716	3.6	69	646	715	3.6	68	-1	-0.1	0.0
Rs-T-032	Tokyo	Residential	PRIME URBAN Iidabashi	2,040	1,890	2,100	3.6	209	1,888	2,100	3.6	211	0	0.0	0.0
Rs-T-033	Tokyo	Residential	PRIME URBAN Ebisu	1,260	1,234	1,400	3.7	165	1,230	1,400	3.7	169	0	0.0	0.0
Rs-T-034	Tokyo	Residential	PRIME URBAN Naka Meguro	1,410	1,352	1,550	3.5	197	1,349	1,550	3.5	200	0	0.0	0.0
Rs-T-035	Tokyo	Residential	PRIME URBAN Gakugei Daigaku	775	718	905	3.6	186	713	917	3.5	203	12	1.3	-0.1
Rs-T-036	Tokyo	Residential	PRIME URBAN Senzoku	474	444	533	3.7	88	441	535	3.6	93	2	0.4	-0.1

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					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-T-037	Tokyo	Residential	PRIME URBAN Meguro Riverside	414	374	457	3.6	82	371	460	3.5	88	3	0.7	-0.1
Rs-T-038	Tokyo	Residential	PRIME URBAN Meguro Ohashi Hills	2,970	2,756	3,370	3.7	613	2,748	3,490	3.6	741	120	3.6	-0.1
Rs-T-039	Tokyo	Residential	PRIME URBAN Meguro Aobadai	1,310	1,244	1,990	3.0	745	1,241	2,180	3.0	938	190	9.5	0.0
Rs-T-040	Tokyo	Residential	PRIME URBAN Gakugei Daigaku II	1,080	1,021	1,520	3.1	498	1,022	1,520	3.1	497	0	0.0	0.0
Rs-T-041	Tokyo	Residential	PRIME URBAN Naka Meguro II	2,850	2,796	3,910	3.1	1,113	2,792	3,910	3.1	1,117	0	0.0	0.0
Rs-T-042	Tokyo	Residential	PRIME URBAN Kachidoki	2,570	2,574	2,920	3.9	345	2,565	2,920	3.9	354	0	0.0	0.0
Rs-T-043	Tokyo	Residential	PRIME URBAN Shinkawa	2,100	2,096	2,610	4.0	513	2,092	2,680	3.9	587	70	2.7	-0.1
Rs-T-044	Tokyo	Residential	PRIME URBAN Nihonbashi Yokoyamacho	4,220	3,845	5,110	3.8	1,264	3,814	5,320	3.7	1,505	210	4.1	-0.1
Rs-T-045	Tokyo	Residential	PRIME URBAN Nihonbashi Hamacho	1,550	1,446	2,250	3.3	803	1,441	2,260	3.3	818	10	0.4	0.0
Rs-T-046	Tokyo	Residential	PRIME URBAN Hongo Ikizaka	557	511	653	3.8	141	509	671	3.7	161	18	2.8	-0.1
Rs-T-047	Tokyo	Residential	PRIME URBAN Hakusan	866	757	964	3.7	206	750	992	3.6	241	28	2.9	-0.1
Rs-T-048	Tokyo	Residential	PRIME URBAN Yotsuya Gaien Higashi	1,490	1,428	1,520	3.6	91	1,425	1,530	3.6	104	10	0.7	0.0
Rs-T-050	Tokyo	Residential	PRIME URBAN Nishi Shinjuku I	1,090	1,011	1,370	3.7	358	1,015	1,340	3.6	324	-30	-2.2	-0.1
Rs-T-052	Tokyo	Residential	PRIME URBAN Shinjuku Naitomachi	430	418	498	3.6	79	422	492	3.5	69	-6	-1.2	-0.1
Rs-T-053	Tokyo	Residential	PRIME URBAN Nishi Waseda	421	377	507	3.6	129	373	517	3.5	143	10	2.0	-0.1
Rs-T-054	Tokyo	Residential	PRIME URBAN Shinjuku Ochiai	594	598	634	4.2	35	597	642	4.1	44	8	1.3	-0.1
Rs-T-055	Tokyo	Residential	PRIME URBAN Mejiro	1,430	1,352	1,910	3.4	557	1,350	1,910	3.4	559	0	0.0	0.0
Rs-T-056	Tokyo	Residential	PRIME URBAN Kagurazaka	2,900	2,652	4,040	3.2	1,387	2,635	4,060	3.2	1,424	20	0.5	0.0
Rs-T-058	Tokyo	Residential	PRIME URBAN Chitose Karasuyama	717	728	725	4.1	-3	725	742	4.0	16	17	2.3	-0.1
Rs-T-060	Tokyo	Residential	PRIME URBAN Sangen Jaya	724	670	811	3.7	140	667	776	3.6	108	-35	-4.3	-0.1
Rs-T-061	Tokyo	Residential	PRIME URBAN Minami Karasuyama	667	602	817	4.0	214	601	841	3.9	239	24	2.9	-0.1
Rs-T-062	Tokyo	Residential	PRIME URBAN Karasuyama Galleria	549	497	639	3.8	141	495	657	3.7	161	18	2.8	-0.1
Rs-T-063	Tokyo	Residential	PRIME URBAN Karasuyama Court	338	307	395	3.8	87	304	405	3.7	100	10	2.5	-0.1
Rs-T-065	Tokyo	Residential	PRIME URBAN Chitose Funabashi	746	682	762	3.9	79	683	780	3.8	96	18	2.4	-0.1
Rs-T-066	Tokyo	Residential	PRIME URBAN Yoga	1,390	1,284	1,910	3.3	625	1,275	1,910	3.3	634	0	0.0	0.0
Rs-T-068	Tokyo	Residential	PRIME URBAN Osaki	1,860	1,752	1,870	3.6	117	1,745	1,870	3.6	124	0	0.0	0.0
Rs-T-069	Tokyo	Residential	PRIME URBAN Oimachi II	1,040	1,117	1,180	4.0	62	1,113	1,400	3.9	286	220	18.6	-0.1
Rs-T-070	Tokyo	Residential	PRIME URBAN Yukigaya	951	931	775	4.1	-156	928	779	4.0	-149	4	0.5	-0.1
Rs-T-071	Tokyo	Residential	PRIME URBAN Omori	905	824	932	3.7	107	820	956	3.6	135	24	2.6	-0.1
Rs-T-072	Tokyo	Residential	PRIME URBAN Denenchofu Minami	774	691	692	4.0	0	685	702	3.9	16	10	1.4	-0.1
Rs-T-073	Tokyo	Residential	PRIME URBAN Nagahara Kamiikedai	1,720	1,624	2,180	3.3	555	1,616	2,180	3.3	563	0	0.0	0.0
Rs-T-075	Tokyo	Residential	PRIME URBAN Nakano Kamitakada	498	445	558	4.1	112	445	561	4.0	115	3	0.5	-0.1
Rs-T-077	Tokyo	Residential	PRIME URBAN Nishi Ogikubo	414	391	470	3.9	78	389	473	3.8	83	3	0.6	-0.1
Rs-T-078	Tokyo	Residential	PRIME URBAN Nishi Ogikubo II	1,790	1,710	2,250	3.2	539	1,708	2,250	3.2	541	0	0.0	0.0
Rs-T-081	Tokyo	Residential	PRIME URBAN Ikebukuro	3,800	3,489	5,350	3.3	1,860	3,468	5,380	3.3	1,911	30	0.6	0.0
Rs-T-082	Tokyo	Residential	PRIME URBAN Monzen Nakacho	2,420	2,232	2,860	3.7	627	2,229	2,710	3.7	480	-150	-5.2	0.0
Rs-T-083	Tokyo	Residential	PRIME URBAN Kameido	779	687	864	4.0	176	683	783	4.0	99	-81	-9.4	0.0
Rs-T-084	Tokyo	Residential	PRIME URBAN Sumiyoshi	632	564	592	3.9	27	560	593	3.9	32	1	0.2	0.0
Rs-T-086	Tokyo	Residential	PRIME URBAN Kinshi Koen	1,290	1,130	1,370	3.9	239	1,125	1,370	3.9	244	0	0.0	0.0
Rs-T-087	Tokyo	Residential	PRIME URBAN Kinshicho	758	684	809	4.2	124	684	814	4.2	129	5	0.6	0.0
Rs-T-088	Tokyo	Residential	PRIME URBAN Hirai	722	648	800	4.0	151	645	732	4.0	86	-68	-8.5	0.0
Rs-T-089	Tokyo	Residential	PRIME URBAN Kasai	640	570	679	4.0	108	567	679	4.0	111	0	0.0	0.0
Rs-T-091	Tokyo	Residential	PRIME URBAN Kasai East	1,140	1,001	1,380	4.0	378	999	1,410	3.9	410	30	2.2	-0.1
Rs-T-093	Tokyo	Residential	PRIME URBAN Itabashi Kuyakushomae	1,080	955	1,380	4.2	424	952	1,420	4.1	467	40	2.9	-0.1

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					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-T-095	Tokyo	Residential	PRIME URBAN Machiya South Court	1,910	1,798	2,460	4.1	661	1,790	2,490	4.1	699	30	1.2	0.0
Rs-T-096	Tokyo	Residential	PRIME URBAN Musashi Koganei	1,910	1,948	1,960	4.6	11	1,953	1,970	4.5	16	10	0.5	-0.1
Rs-T-097	Tokyo	Residential	PRIME URBAN Musashino Hills	1,280	1,303	1,430	4.5	126	1,302	1,440	4.4	137	10	0.7	-0.1
Rs-T-098	Tokyo	Residential	PRIME URBAN Koganei Honcho	791	741	915	4.4	173	737	939	4.3	201	24	2.6	-0.1
Rs-T-099	Tokyo	Residential	PRIME URBAN Kumegawa	1,520	1,288	1,720	4.5	431	1,273	1,730	4.5	456	10	0.6	0.0
Rs-T-100	Tokyo	Residential	PRIME URBAN Musashi Kosugi comodo	1,940	1,918	2,570	4.3	651	1,910	2,650	4.2	739	80	3.1	-0.1
Rs-T-101	Tokyo	Residential	PRIME URBAN Kawasaki	962	948	1,080	4.3	131	948	1,080	4.2	131	0	0.0	-0.1
Rs-T-102	Tokyo	Residential	PRIME URBAN Shinyurigaoka	1,020	909	1,360	4.2	450	901	1,390	4.1	488	30	2.2	-0.1
Rs-T-103	Tokyo	Residential	PRIME URBAN Tsurumi Teraya	493	489	516	4.2	26	486	516	4.2	29	0	0.0	0.0
Rs-T-105	Tokyo	Residential	PRIME URBAN Urayasu	804	730	820	3.8	89	730	826	3.8	95	6	0.7	0.0
Rs-T-106	Tokyo	Residential	PRIME URBAN Gyotoku I	633	588	702	3.9	113	585	716	3.9	130	14	2.0	0.0
Rs-T-107	Tokyo	Residential	PRIME URBAN Gyotoku II	730	680	779	3.9	98	678	779	3.9	100	0	0.0	0.0
Rs-T-109	Tokyo	Residential	PRIME URBAN Gyotoku Ekimae II	469	443	661	3.9	217	441	668	3.9	226	7	1.1	0.0
Rs-T-110	Tokyo	Residential	PRIME URBAN Gyotoku III	747	710	1,070	3.9	359	706	1,070	3.9	363	0	0.0	0.0
Rs-T-112	Tokyo	Residential	PRIME URBAN Kawaguchi	1,580	1,447	1,810	4.6	362	1,445	1,850	4.5	404	40	2.2	-0.1
Rs-T-113	Tokyo	Residential	PROUD FLAT Hatchobori	920	901	1,290	3.2	388	899	1,290	3.2	390	0	0.0	0.0
Rs-T-114	Tokyo	Residential	PROUD FLAT Itabashi Honcho	720	682	990	3.5	307	676	991	3.5	314	1	0.1	0.0
Rs-T-115	Tokyo	Residential	PRIME URBAN Meguro Mita	1,058	1,106	1,150	3.7	43	1,103	1,180	3.6	76	30	2.6	-0.1
Rs-T-116	Tokyo	Residential	Fukasawa House Towers H&I	7,140	6,928	8,710	3.6	1,781	6,900	8,920	3.6	2,019	210	2.4	0.0
Rs-T-117	Tokyo	Residential	PRIME URBAN Toyosu	5,290	4,935	6,220	3.8	1,284	4,924	6,380	3.7	1,455	160	2.6	-0.1
Rs-T-118	Tokyo	Residential	PRIME URBAN Nhonbashi Kayabacho	2,850	2,730	3,420	3.7	689	2,723	3,420	3.7	696	0	0.0	0.0
Rs-T-119	Tokyo	Residential	PRIME URBAN Yoga II	1,320	1,238	1,470	3.5	231	1,232	1,510	3.4	277	40	2.7	-0.1
Rs-T-120	Tokyo	Residential	PRIME URBAN Musashi-Koganei II	1,310	1,209	1,580	3.8	370	1,200	1,620	3.7	419	40	2.5	-0.1
Rs-T-121	Tokyo	Residential	PRIME URBAN Gakugei Daigaku Parkfront	1,300	1,351	1,500	3.6	148	1,349	1,530	3.5	180	30	2.0	-0.1
Rs-T-122	Tokyo	Residential	PROUD FLAT Omori III	1,110	1,097	1,450	3.5	352	1,091	1,500	3.4	408	50	3.4	-0.1
Rs-T-123	Tokyo	Residential	PROUD FLAT Kinshicho	785	766	1,040	3.5	273	761	1,060	3.4	298	20	1.9	-0.1
Rs-T-124	Tokyo	Residential	PROUD FLAT Sangenjaya II	2,750	2,740	3,230	3.5	489	2,729	3,200	3.5	470	-30	-0.9	0.0
Rs-T-125	Tokyo	Residential	PROUD FLAT Soto kanda	2,280	2,279	2,850	3.4	570	2,268	2,930	3.3	661	80	2.8	-0.1
Rs-T-126	Tokyo	Residential	PROUD FLAT Noborito	1,216	1,203	1,570	4.1	366	1,195	1,570	4.0	374	0	0.0	-0.1
Rs-T-127	Tokyo	Residential	PROUD FLAT Yoyogi Hachiman	966	971	1,210	3.4	238	967	1,220	3.3	252	10	0.8	-0.1
Rs-T-128	Tokyo	Residential	PROUD FLAT Nakaochiai	844	842	1,020	3.5	177	838	1,020	3.4	181	0	0.0	-0.1
Rs-T-129	Tokyo	Residential	PROUD FLAT Shibuya Tomigaya	3,960	3,997	5,060	3.5	1,062	3,984	5,190	3.4	1,205	130	2.6	-0.1
Rs-T-130	Tokyo	Residential	PROUD FLAT Miyazakidai	1,390	1,423	1,660	4.0	236	1,415	1,700	3.9	284	40	2.4	-0.1
Rs-T-131	Tokyo	Residential	PROUD FLAT Asakusabashi III	1,230	1,256	1,370	3.7	113	1,250	1,410	3.6	159	40	2.9	-0.1
Rs-T-132	Tokyo	Residential	PROUD FLAT Togoshi-Koen	2,580	2,636	2,890	3.7	253	2,627	2,970	3.6	342	80	2.8	-0.1
Rs-T-133	Tokyo	Residential	PROUD FLAT Togoshi-Ginza	2,550	2,628	2,760	3.8	131	2,617	2,840	3.7	222	80	2.9	-0.1
Rs-T-134	Tokyo	Residential	PRIME URBAN Higashi Nakano Court	7,020	7,292	8,490	3.4	1,197	7,270	8,750	3.3	1,479	260	3.1	-0.1
Rs-T-135	Tokyo	Residential	PROUD FLAT Nezu Yanaka	1,400	1,450	1,660	3.4	209	1,455	1,710	3.3	254	50	3.0	-0.1
Rs-T-136	Tokyo	Residential	PROUD FLAT Kikukawa	2,720	-	-	-	-	2,817	2,960	3.6	142	-	-	-
Rs-T-137	Tokyo	Residential	PROUD FLAT Asakusa	2,410	-	-	-	-	2,506	2,830	3.3	323	-	-	-
Rs-T-138	Tokyo	Residential	PROUD FLAT Kinshicho II	2,030	-	-	-	-	2,110	2,250	3.4	139	-	-	-
Rs-S-001	Other	Residential	PROUD FLAT Itsutsubashi	652	537	714	4.6	176	529	716	4.5	186	2	0.3	-0.1
Rs-S-002	Other	Residential	PROUD FLAT Kawaramachi	735	600	556	4.4	-44	592	554	4.4	-38	-2	-0.4	0.0
Rs-S-003	Other	Residential	PROUD FLAT Shin Osaka	1,620	1,343	2,200	3.9	856	1,326	2,200	3.9	873	0	0.0	0.0

Portfolio List



	Area	Use	Property name	Acquisition price (million yen)	Aug. 2022				Feb. 2023				Comparison b/w Aug.2022 and Feb.2023		
					Book value	Appraisal value	Cap rate	Gain or Loss	Book value	Appraisal value	Cap rate	Gain or Loss	Appraisal value		Cap rate
					(million yen)	(million yen)	(%)	(million yen)	(million yen)	(million yen)	(%)	(million yen)	(million yen)	change(%)	change(%)
Rs-S-005	Other	Residential	PRIME URBAN Kita Juyo Jo	274	235	295	4.2	59	233	286	4.1	52	-9	-3.1	-0.1
Rs-S-006	Other	Residential	PRIME URBAN Odori Koen I	502	426	553	4.3	126	423	447	4.3	23	-106	-19.2	0.0
Rs-S-007	Other	Residential	PRIME URBAN Odori Koen II	334	289	340	4.3	50	287	262	4.3	-25	-78	-22.9	0.0
Rs-S-008	Other	Residential	PRIME URBAN Kita Juichi Jo	547	457	589	4.8	131	452	592	4.7	139	3	0.5	-0.1
Rs-S-009	Other	Residential	PRIME URBAN Miyanosawa	475	391	483	4.9	91	387	477	4.8	89	-6	-1.2	-0.1
Rs-S-010	Other	Residential	PRIME URBAN Odori Higashi	394	331	421	4.9	89	327	429	4.8	101	8	1.9	-0.1
Rs-S-014	Other	Residential	PRIME URBAN Sapporo Idaimae	616	515	635	4.8	119	509	635	4.7	125	0	0.0	-0.1
Rs-S-015	Other	Residential	PRIME URBAN Sapporo Riverfront	4,480	3,864	4,810	4.9	945	3,859	4,870	4.8	1,010	60	1.2	-0.1
Rs-S-016	Other	Residential	PRIME URBAN Kita Sanjo Dori	1,730	1,461	1,980	4.8	518	1,451	2,020	4.7	568	40	2.0	-0.1
Rs-S-017	Other	Residential	PRIME URBAN Nagamachi Ichome	1,140	978	972	4.9	-6	968	990	4.8	21	18	1.9	-0.1
Rs-S-018	Other	Residential	PRIME URBAN Yaotome Chuo	466	382	346	5.0	-36	376	353	4.9	-23	7	2.0	-0.1
Rs-S-019	Other	Residential	PRIME URBAN Tsutsumidori Amamiya	949	924	1,040	4.5	115	928	1,040	4.5	111	0	0.0	0.0
Rs-S-021	Other	Residential	PRIME URBAN Kanayama	553	468	581	4.5	112	461	579	4.4	117	-2	-0.3	-0.1
Rs-S-023	Other	Residential	PRIME URBAN Kamimaezu	1,590	1,374	1,670	4.5	295	1,361	1,670	4.4	308	0	0.0	-0.1
Rs-S-024	Other	Residential	PRIME URBAN Izumi	3,770	3,258	3,850	4.4	591	3,223	3,820	4.3	596	-30	-0.8	-0.1
Rs-S-029	Other	Residential	PRIME URBAN Sakaisuji Honmachi	1,810	1,558	2,390	3.7	831	1,544	2,390	3.7	845	0	0.0	0.0
Rs-S-030	Other	Residential	PRIME URBAN Hakata	588	506	659	4.5	152	500	671	4.4	170	12	1.8	-0.1
Rs-S-031	Other	Residential	PRIME URBAN Yakui Minami	265	225	312	4.4	86	222	316	4.3	93	4	1.3	-0.1
Rs-S-032	Other	Residential	PRIME URBAN Kashii	398	326	293	4.7	-33	322	297	4.6	-25	4	1.4	-0.1
Rs-S-033	Other	Residential	PRIME URBAN Hakata Higashi	622	521	497	4.6	-24	514	506	4.5	-8	9	1.8	-0.1
Rs-S-034	Other	Residential	PRIME URBAN Chihaya	604	523	533	4.6	9	518	541	4.5	22	8	1.5	-0.1
Rs-S-036	Other	Residential	Serenite Shinsaibashi Grande	5,567	5,566	6,410	3.6	843	5,530	6,410	3.6	879	0	0.0	0.0
Rs-T-139	Tokyo	Residential	SOMPO CARE La vie Re Residence Yoga (※1)	2,850	-	-	-	-	3,266	3,370	4.4	103	-	-	-
Rs-T-140	Tokyo	Residential	Grapes Tsujido Nishi-Kaigan (※1)	1,820	-	-	-	-	2,148	2,280	4.9	131	-	-	-
Rs-T-141	Tokyo	Residential	SOMPO CARE Sompno ie Omori-Nishi	1,462	-	-	-	-	1,557	1,840	3.6	282	-	-	-
Rs-T-142	Tokyo	Residential	SOMPO CARE La vie Re Residence Shonan Tsujido	1,150	-	-	-	-	1,261	1,590	4.3	328	-	-	-
				216,987	190,143	238,356	-	48,212	204,930	258,708	-	53,777	3,232	1.4	-
Ht-S-001	Other	Hotels	Hotel Vista Sapporo Odori	3,600	3,631	3,740	4.4	108	3,630	3,850	4.4	219	110	2.9	0.0
Ht-S-002	Other	Hotels	Comfort Inn Naha Tomari Port	2,650	2,709	2,520	4.9	-189	2,703	2,530	4.9	-173	10	0.4	0.0
				6,250	6,341	6,260	-	-81	6,333	6,380	-	46	120	1.9	-
Ot-T-001	Tokyo	Other	Ryotokuj University Shin-Urayasu Campus(Land) (※1)	4,900	5,136	5,500	3.9	363	5,136	5,540	3.9	403	40	0.7	0.0
				4,900	5,136	5,500	-	363	5,136	5,540	-	403	40	0.7	-
				1,098,534	1,047,509	1,277,640	-	230,130	1,070,367	1,314,248	-	243,880	9,248	0.7	-

(※1) For properties for which the return yield has not been calculated, the discount rate under the DCF method is described.

(※2) Due to a change in the appraisal method, the return yield has not been calculated from the appraisal at end of August 2023 FP, so this is different from the return yield calculated under the discount rate of the DCF method.



▶ Status of Interest-bearing Debt

Total Interest-bearing Debt	¥521,377 mln
Borrowings	¥487,377 mln
Investment Corporation Bonds	¥34,000 mln

▶ Ratings

Credit rating agency	Rating description
Japan Credit Rating Agency, Ltd. (JCR)	Long-term issuer rating: AA
Rating and Investment Information, Inc. (R&I)	Issuer rating: AA-

▶ Corporate Bonds

Name	Amount Issued (¥mln)	Annual Coupon (%)	Issue Date	Maturity Period
NMF Unsecured Bonds No.1	3,000	0.87	2014/10/30	2024/10/30
Former NOF Unsecured Bonds No.10	6,000	1.02	2014/11/25	2024/11/25
NMF Unsecured Bonds No.2	2,000	0.59	2017/11/16	2027/11/16
Former NOF Unsecured Bonds No.7	4,500	2.90	2007/3/19	2028/3/17
NMF Unsecured Bonds No.4 (Green Bonds)	3,000	0.53	2019/9/20	2029/9/20
NMF Unsecured Bonds No.6 (Green Bonds)	7,000	0.54	2020/8/14	2030/8/14
NMF Unsecured Bonds No.7	2,000	0.95	2023/7/10	2033/7/8
NMF Unsecured Bonds No.3	1,500	1.03	2018/5/23	2038/5/21
NMF Unsecured Bonds No.5	5,000	0.90	2019/9/20	2039/9/20



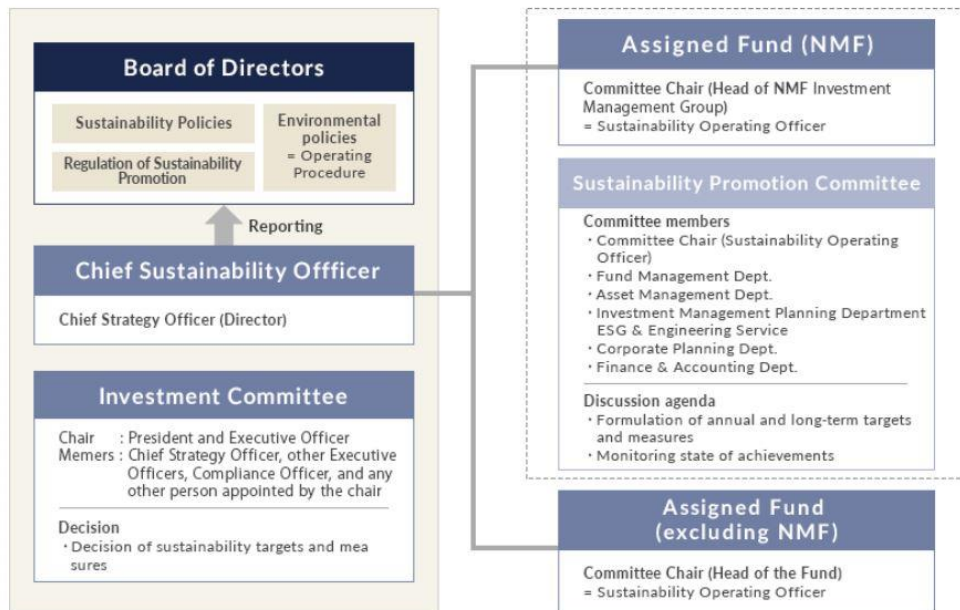
NMF's ESG materiality issues (Materiality)

Materiality, Policy and Target	
Environment	<p>Raising the proportion of "green" properties in our investment portfolio</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Raise the ratio of properties acquired green certification (with three stars or more or equivalent to) to 70% by 2030. ※Green certification (with three stars or more or equivalent to) refers to DBJ Green Building Certification (three stars or more) or BELS Certification (three stars or more), or CASBEE for Real Estate (B+ or higher) <p>KPI</p> <ul style="list-style-type: none"> Ratio of green certification (with three stars or more or equivalent to) (Ratio of green certification)
	<p>Countering climate change</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Achieve net zero greenhouse gas (GHG) emissions by 2050 Achieve 80% reduction in greenhouse gas (GHG) emissions by 2030 (compared with the 2019 level) <p>KPI</p> <ul style="list-style-type: none"> Greenhouse gas (GHG) emissions
	<p>Countering water resources</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Achieve 10% reduction in water use per floor area (intensity) in our portfolio by 2030 compared with the 2016 level. <p>KPI</p> <ul style="list-style-type: none"> Water use per floor area (intensity)
	<p>Ensuring the safety and security of tenants and improving user comfort</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Improve tenant satisfaction by conducting a regular survey of tenants' satisfaction, by carrying out property renewal and renovation aimed at accommodating diversifying social needs, by enhancing the content of tenant assistance services. <p>KPI</p> <ul style="list-style-type: none"> Customer satisfaction survey results
	<p>Creating a workplace environment in which everyone is treated fairly and empowered to find his/her job rewarding</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Enhance employee satisfaction via the creation of a sound working environment that ensures impartial evaluation, provides fair compensation, respects for fundamental rights and allows everyone to find his/her job rewarding. <p>KPI</p> <ul style="list-style-type: none"> Average number of paid holidays taken Employee satisfaction survey results
	<p>Human resource development and talent management</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Enhance employee satisfaction via the creation of a sound working environment that ensures impartial evaluation, provides fair compensation and allows everyone to find his/her job rewarding. <p>KPI</p> <ul style="list-style-type: none"> Actual attendance results of employee training (Training hours per employee) Number of employees qualified or certified

Materiality, Policy and Target	
Governance	<p>Enhancement of Governance</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Establish an effective sustainability promotion system through appropriate operation of PDCA cycle as well as a governance system which ensures impartiality and diversity of the directors. Promote investment management that prioritizes the unitholders' interest by aligning the interests of the unitholders, NMF and the Asset Management Company by introducing asset management fees linked to management performance. Aim to improve management performance through appropriate management based on the market research function of the Asset Management Company and selective investment backed by our own valuation method at the time of acquisition. <p>KPI</p> <ul style="list-style-type: none"> NMF's outside director ratio NMF's female director ratio NMF's board of directors' meeting attendance ratio External evaluation of the sustainability promotion system
	<p>Establishment of an effective internal control system</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Ensure legal compliance through raising awareness of compliance. Prevent risks to the soundness of management and business continuity through appropriate risk management such as elimination of conflicts of interest in transactions with interested parties. Ensure the effectiveness of internal control process through internal audits. <p>KPI</p> <ul style="list-style-type: none"> Compliance training attendance rate (Target : 100%) Risk assessments frequency (Target : once a year) BCP training frequency (Target : once a year) Safety drill frequency utilizing safety confirmation system (Target : 4 times a year) Internal audit frequency (Target : once a year)
	<p>Stakeholder engagement and timely and appropriate information disclosure</p> <p>Policy and Target</p> <ul style="list-style-type: none"> Build solid relationships with and win the trust of all stakeholders by engaging in the timely, appropriate and proactive disclosure of financial/non-financial information and by maintaining constructive dialogue <p>KPI</p> <ul style="list-style-type: none"> Number of IR meetings ESG rating assessment



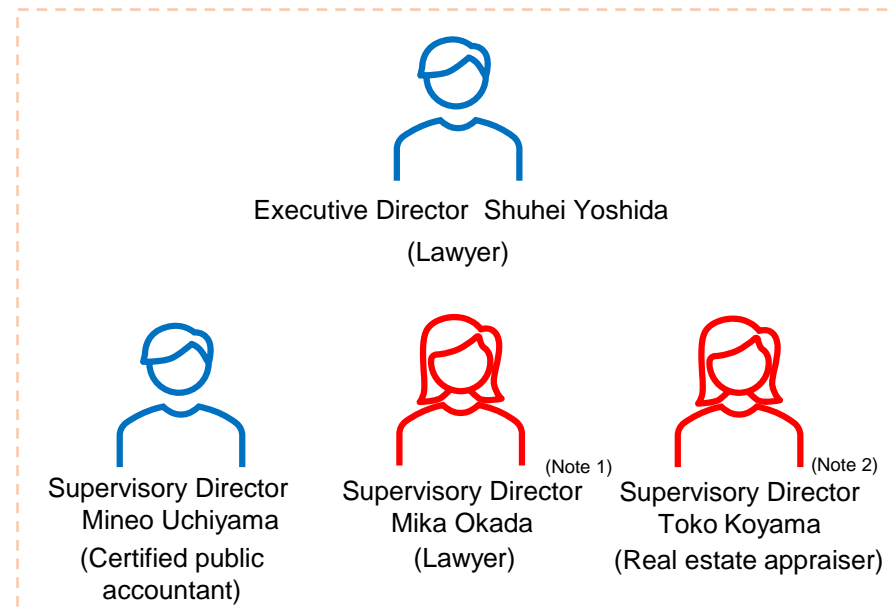
Workable sustainability promotion system



Corporate governance structure

<Structure of NMF's Board of Directors>

Comprised of independent outside experts who have no special interests in NMF



Initiatives for strengthening governance structure of asset management company

< Attendance at Board of Directors meetings >

Position	Name	FY2021	FY2022
Executive Director	Shuhei Yoshida	100%	100%
Supervisory Director	Mineo Uchiyama	100%	100%
Supervisory Director	Mika Okada	100%	100%

Environmental Management System (EMS)

Awarded Bronze at the Eco Action 21 Of The Year 2022 (Social Category)

(in recognition of being first in REIT industry to acquire Eco Action 21 certification and for industry dissemination)



[Eco Action 21 Of The Year 2022 (Social Category)]

This program publicly honors efforts leading to the resolution of social issues which are undertaken by businesses certified under the Environmental Management System Guidelines, formulated by the Ministry of the Environment. Its aim is to broadly disseminate in Japan the various efforts for realizing a decarbonized society and for achieving the SDGs, and to accelerate such efforts.

(Note 1) The name indicated above is the maiden name and professional name, but the name on the family register is Mika Furusawa.

(Note 2) Term starts on June 1, 2023



► GRESB



Real Estate Assessment
Asia and global categories (listed) Sector Leader
(highest assessment)
4 Star (highest assessment)
Green Star: Highest assessment for eighth
consecutive year



“A” rating for public disclosure, the
highest rating, for the seventh
consecutive year

► Certification and Registration for EcoAction 21 Program, Environmental Management System (EMS) in Japan

The EcoAction 21 Certification/Registration Program is the certification and registration system by a third party for business operators promoting environmental management based on "EcoAction 21 Guidelines" formulated by Japan's Ministry of the Environment as part of its Environmental Management System.



► DBJ Green Building Certification



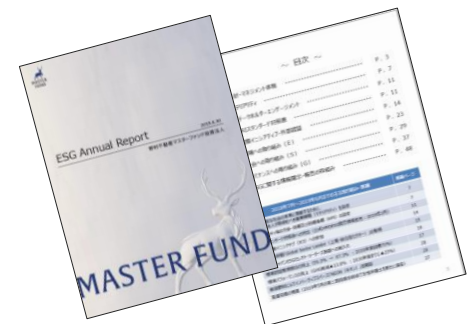
DBJ Green Building

► BELS Certification



► ESG Annual Report

NMF's ESG initiatives and activities for fiscal year as well as external environmental certifications acquired are introduced in the report.





▶ Principles for Responsible Investment(PRI)

- An international network of investors established in 2006 working to realize the Six Principles for the financial industry under the leadership of Kofi Annan who was then the UN Secretary General

Signatory of:



▶ Support for TCFD

- TCFD refers to the “Task Force on Climate-related Financial Disclosures” launched by the Financial Stability Board (“FSB”) for the purpose of discussing the disclosures of climate-related financial information and the responses by financial institutions.



▶ Principles for Financial Action for the 21st Century (PFA21)

- The principles were established in October 2011 as a guideline for financial institutions seeking to fulfil their roles and responsibilities in shaping a sustainable society, with the Ministry of Environment taking on the role of secretariat.



▶ Participation in Japan Climate Initiative (JCI)

- Japan Climate Initiative (JCI) is a network of various non-state actors such as companies, local governments, organizations and NGOs actively engaged in climate action.

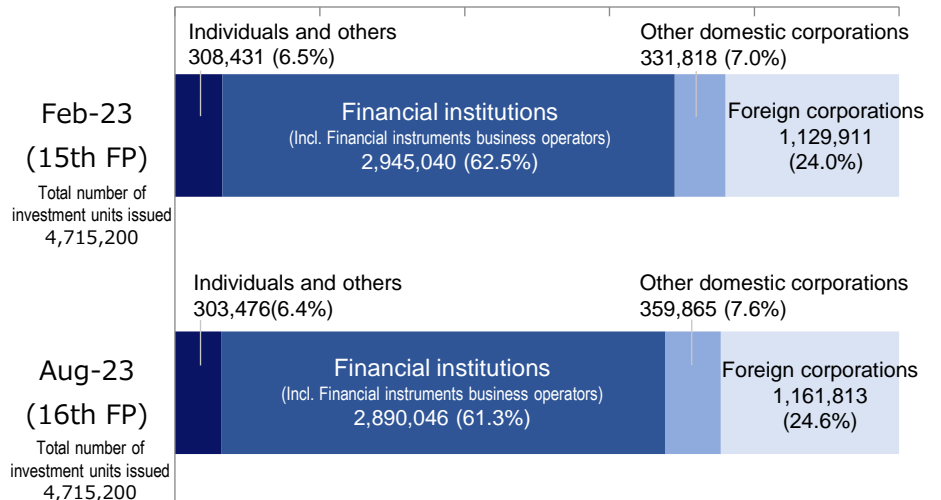


▶ Signed to the Net Zero Asset Managers initiative (NZAM)

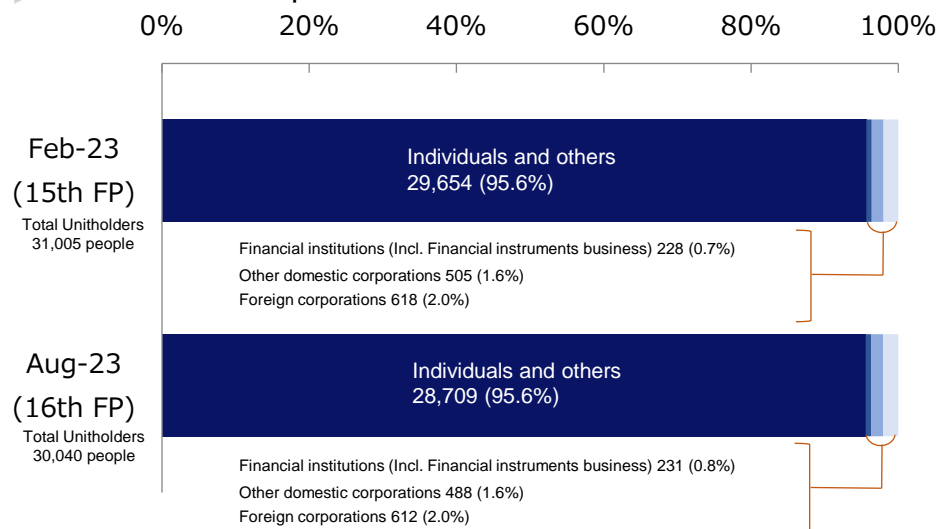
- This is an international initiative by asset managers seeking net zero greenhouse gas emissions from managed assets by 2050, in line with the goals of the Paris Agreement (limit global warming to 1.5°C above pre-industrial levels).



Number of investment units



Unitholder composition



Breakdown of financial institutions (unit)

	Feb.2023 (15th Period)		Aug.2023 (16th Period)	
Banks	137,073	2.9%	150,193	3.2%
Trust Banks	2,244,091	47.6%	2,232,445	47.3%
Life Insurance Companies	69,402	1.5%	74,307	1.6%
Non-Life Insurance Companies	2,765	0.1%	2,765	0.1%
Other Financial Institutions, Financial Instruments Business Operators	491,709	10.4%	430,336	9.1%
Total	2,945,040	62.5%	2,890,046	61.3%

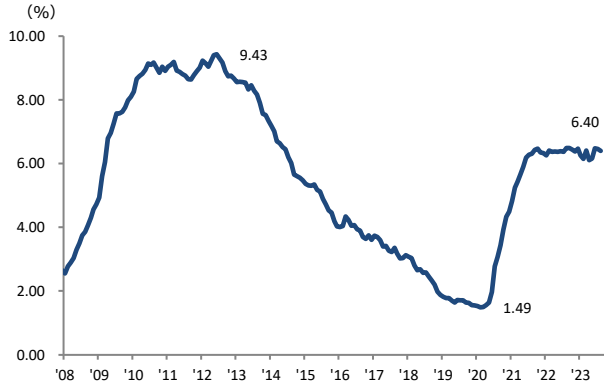
Top10 unitholders

	Unitholders	Unit	Ratio
1	Custody Bank of Japan, Ltd. (Trust Account)	1,258,738	26.7%
2	The Master Trust Bank of Japan, Ltd. (Trust Account)	707,221	15.0%
3	Nomura Real Estate Development Co., Ltd.	233,467	5.0%
4	The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	219,762	4.7%
5	SMBC Nikko Securities Inc.	115,500	2.4%
6	STATE STREET BANK WEST CLIENT — TREATY 505234	94,207	2.0%
7	JAPAN SECURITIES FINANCE CO., LTD.	79,347	1.7%
8	JP MORGAN CHASE BANK 385781	56,908	1.2%
9	JP MORGAN CHASE BANK 385771	51,503	1.1%
10	STATE STREET BANK AND TRUST COMPANY 505103	50,407	1.1%
	Total	2,867,060	60.8%

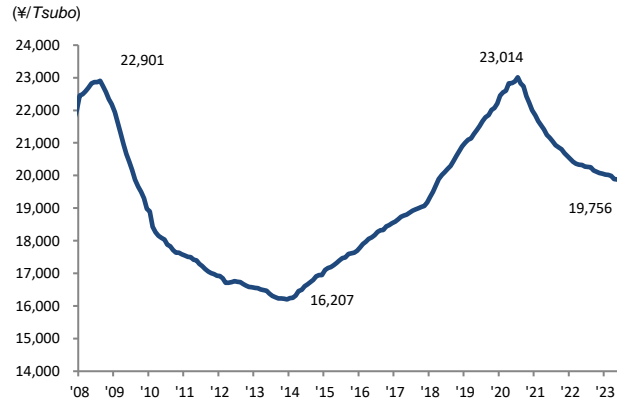


Office

Vacancy Rate Tokyo Central Five Wards

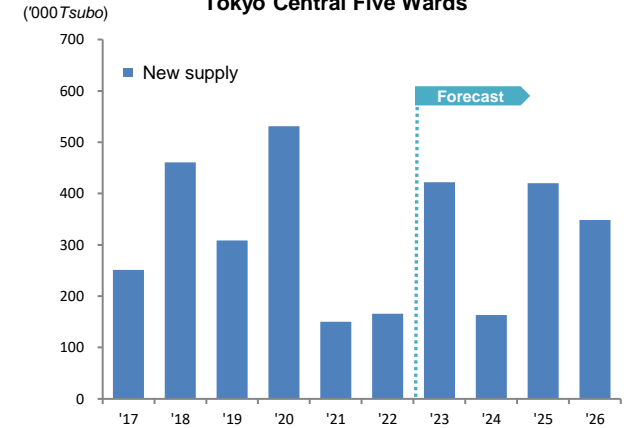


Average Monthly Rent Tokyo Central Five Wards



Source: Prepared by NREAM based on data from Miki Shoji Co., Ltd.

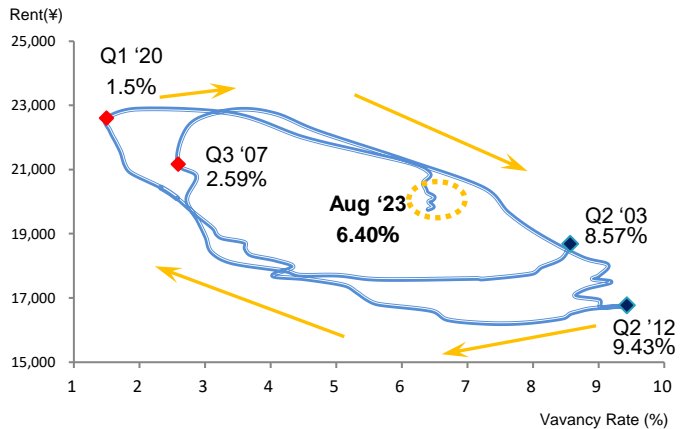
Office Building Supply Tokyo Central Five Wards



Source: Prepared by NREAM based on results of surveys by brokers, etc.

Office

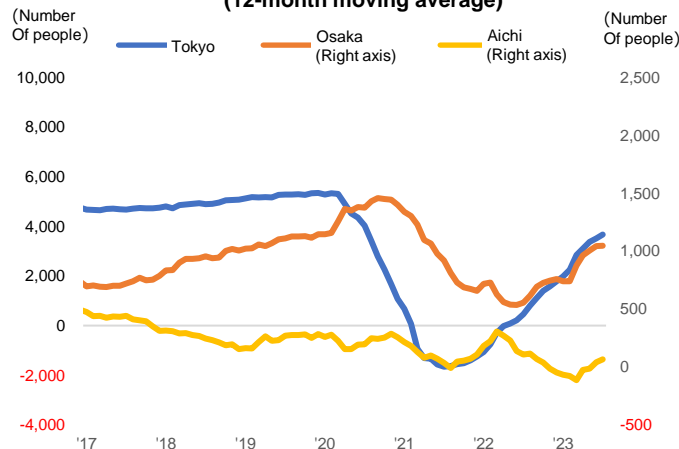
Rent and Vacancy Rate Matrix (Tokyo Central Five Wards)



Source: Prepared by NREAM based on data from Miki Shoji Co., Ltd.

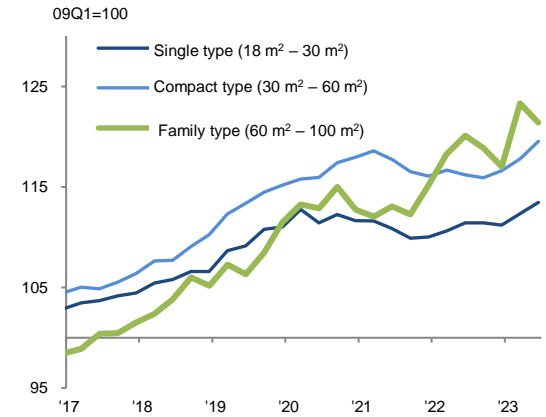
Residential

Net Population Inflow (12-month moving average)



Source: Prepared by NREAM based on data from Ministry of Internal Affairs and Communications

Rental Condominium Rent Index (Tokyo's 23 wards)

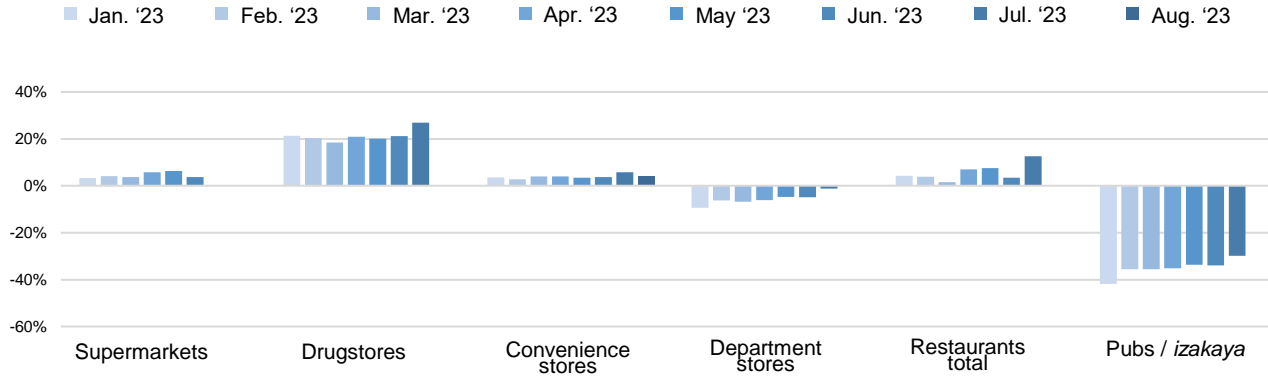


Source: Prepared by NREAM based on data from At Home Co., Ltd. and Sumitomo Mitsui Trust Research Institute Co., Ltd.



Retail

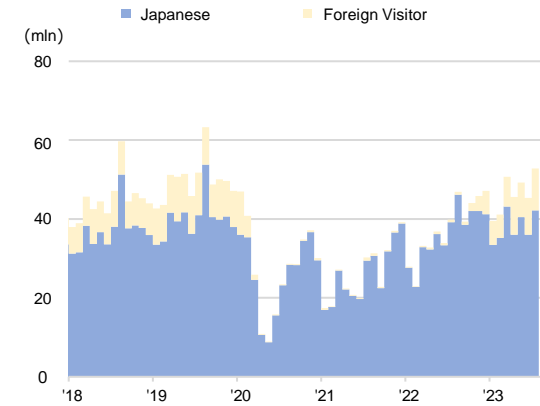
Retail and Restaurant Sales Volume by Store Type
% change compared with the same month of 2019



Source: Prepared by NREAM based on data from the Ministry of Economy, Trade and Industry and various organizations in the respective industries
Note: The figures represent a portion of % change compared with the same month of 2019 in nationwide sales, including preliminary figures. Drugstores, restaurants total, and pubs/izakaya are on an all-shops basis. All others are on an existing-shop basis.

Hotel

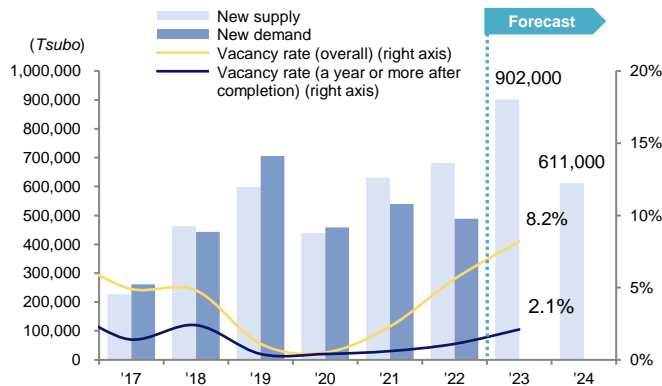
Change in Total Number of Overnight Stays Nationwide



Source: Prepared by NREAM based on data from the Japan Tourism Agency
Note: Preliminary figures are included

Logistics

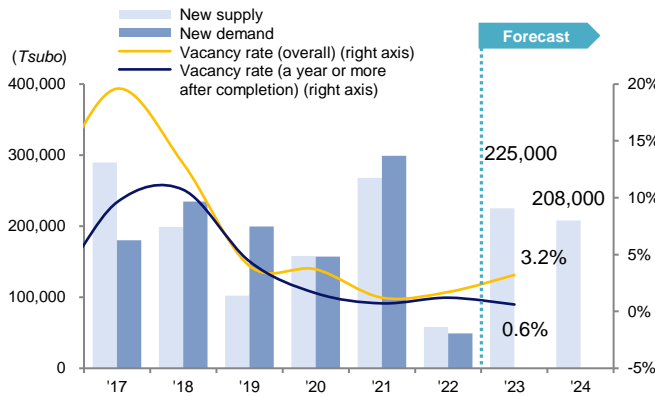
Large-Scale Rental Logistics Facility Supply and Demand in the Greater Tokyo Area as of Q1 2023



Source: Prepared by NREAM based on data from CBRE

Note: Vacancy rates as of December 31 for each year, except the most recent figure

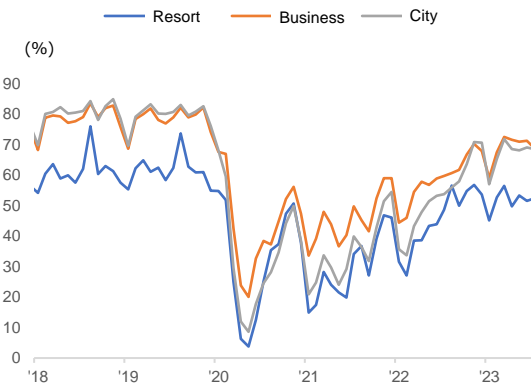
Large-Scale Rental Logistics Facility Supply and Demand in Kinki Area as of Q1 2023



Source: Prepared by NREAM based on data from CBRE

Note: Vacancy rates as of December 31 for each year, except the most recent figure

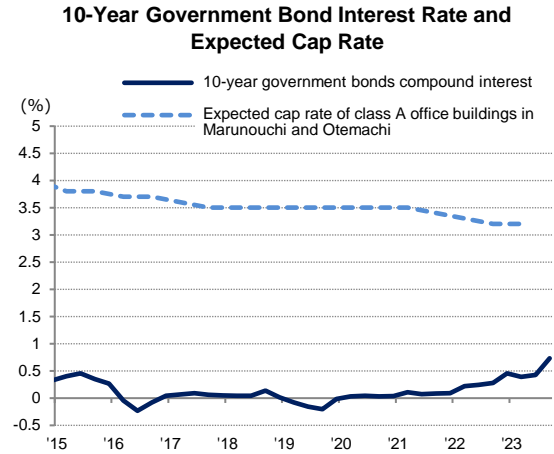
Room Occupancy Rates (nationwide, facilities with 10 or more employees)



Source: Prepared by NREAM based on data from the Japan Tourism Agency
Note: Preliminary figures are included



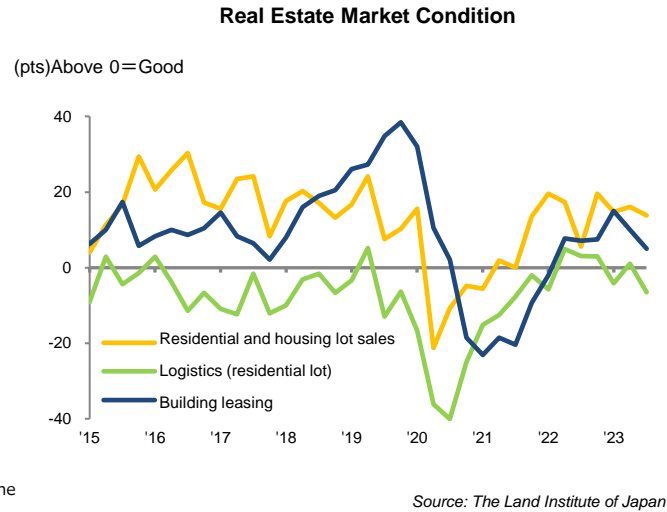
Expected Cap Rate



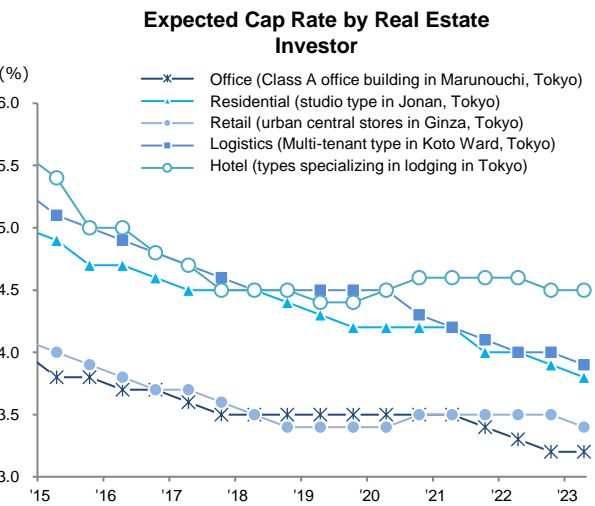
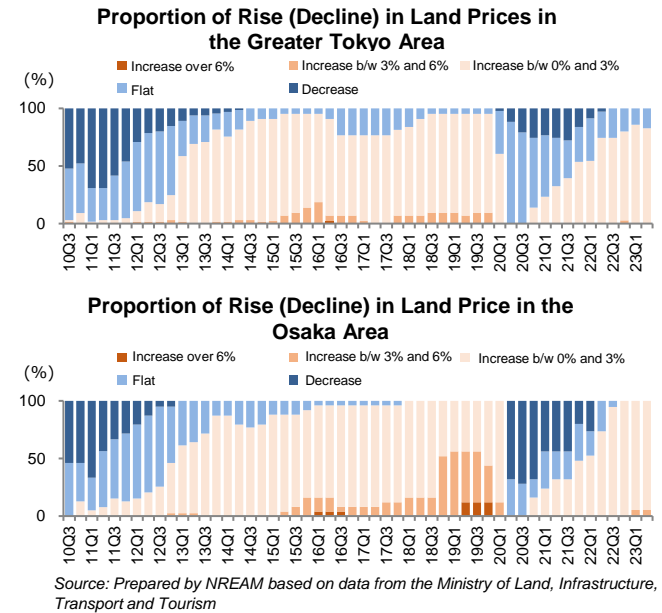
Source: Prepared by NREAM based on data from Ministry of Finance and the Japan Real Estate

Note: Figures are as of each quarter. Expected cap rate shows median figures. Most recent government bond interest rate as of September 19, 2023.

Market Condition and Transaction Volume

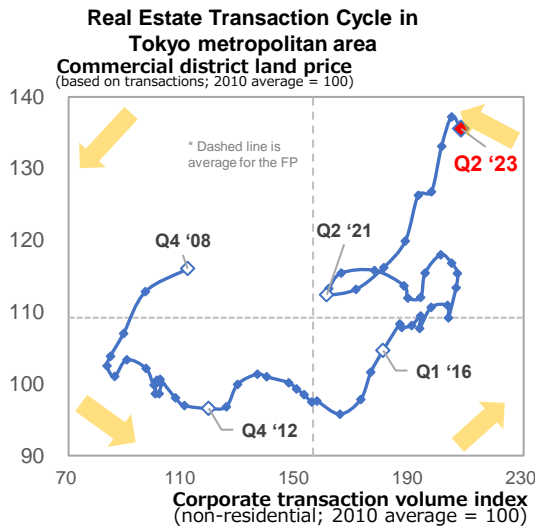


Land Price / Electricity Futures Prices

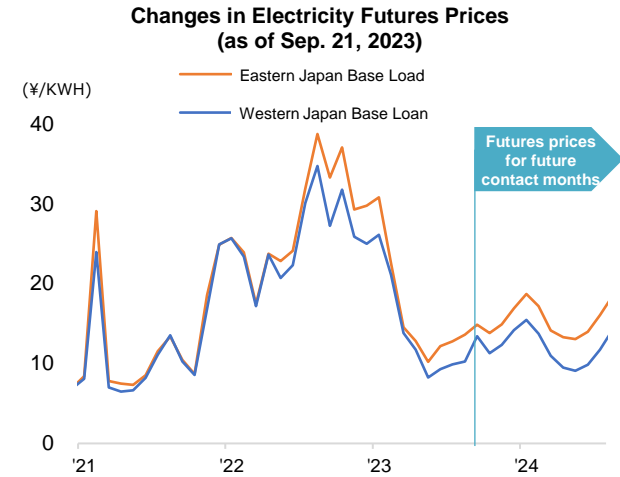


Source: Prepared by NREAM based on data from the Japan Real Estate Institute

Note: Expected cap rate shows median figures.



Note: MLIT's corporate transaction volume index (southern Kanto, non-residential) is plotted on the horizontal axis and MLIT's property price index (southern Kanto, commercial district, season-adjusted) on the vertical axis. Both sets of data were calculated based on yearly moving average.



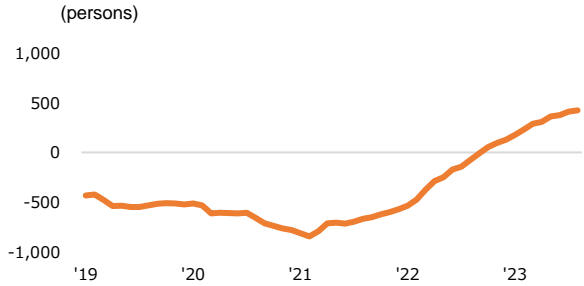
Source: Prepared by NREAM based on data from the Tokyo Commodity Exchange
 Notes: Eastern Japan is a 50 Hz area and Western Japan is a 60 Hz area. Past values are average futures prices with the following month as the contract month.

Market Review ~Foreigners with an Increasing Sense of Presence in the Rental Housing Market~



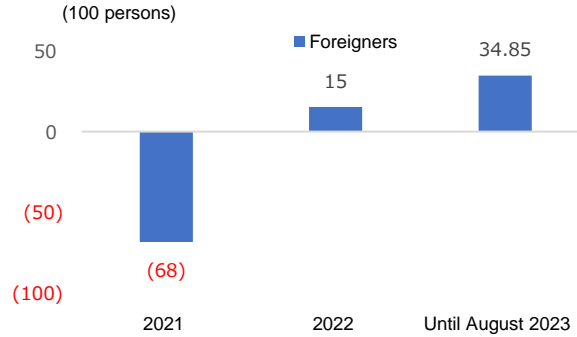
Net inflow of foreigners

Net inflow of foreigners into Tokyo's 23 wards (12-month moving average)



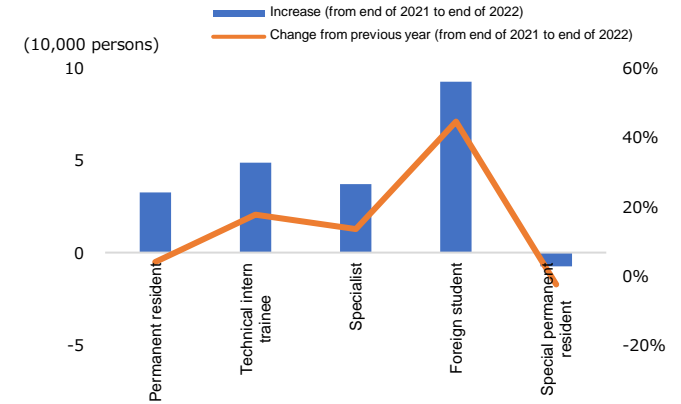
Net inflow of foreigners (per year)

Net inflow of foreigners into Tokyo's 23 wards



Breakdown of residential status for increase in foreigners

Breakdown of residential status of increase in foreigners (nationwide) for the entire year of 2022



Source: Prepared by NREAM based on "Annual report on the internal migration in Japan derived from the basic resident registers"

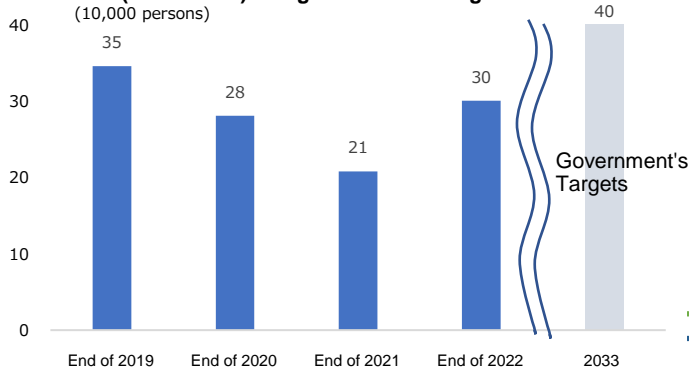
Source: Prepared by NREAM based on "Annual report on the internal migration in Japan derived from the basic resident registers"

Source: Prepared by NREAM based on data from the Immigration Services Agency

Note: Specialist = Engineer/Specialist in humanities/International services

Changes in foreign students

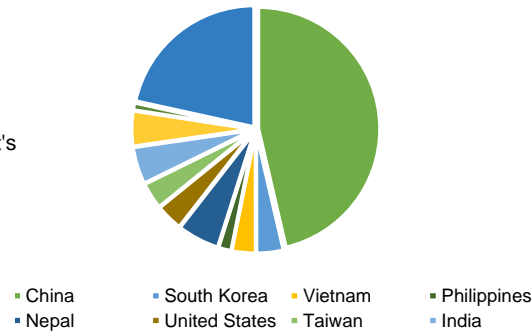
Changes in number of foreign students in Japan (nationwide) and government's targets



Source: Prepared by NREAM based on the Immigration Services Agency's materials distributed for the Council for the Creation of Future Education

Breakdown of nationality for increase in foreigners

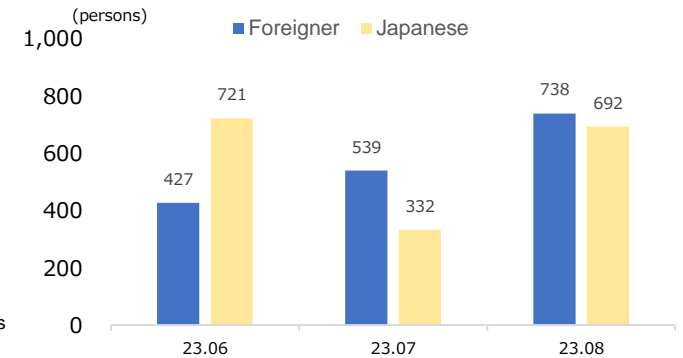
Breakdown of nationality of foreigners that have increased in Tokyo's 23 wards in 2022



Source: Prepared by NREAM based on statistics from Tokyo Metropolitan Government

Net inflow during lull periods (by month)

Net inflow into Tokyo's 23 wards by month



Source: Prepared by NREAM based on "Annual report on the internal migration in Japan derived from the basic resident registers"



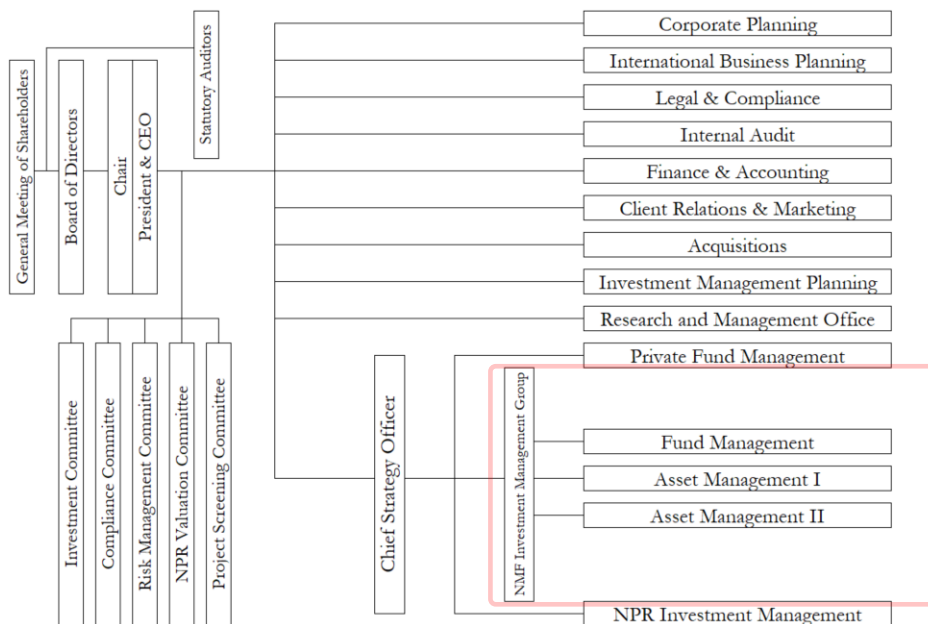
Asset Management Company

Nomura Real Estate Asset Management Co.,Ltd.

Company Overview

Established	January 2003
Office Location	8-5-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo 160-0023 Japan
Shareholder	Nomura Real Estate Holdings, Inc. (100%)
Employees and Officers	166 *As of April 1,2023
Website	https://www.nre-am.co.jp/english/

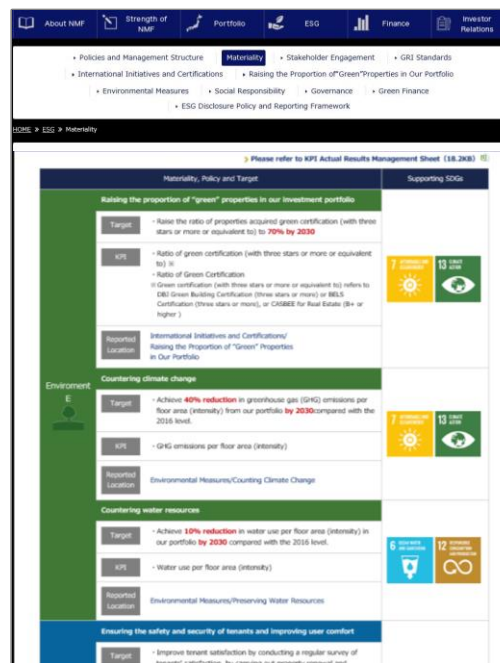
Organization Structure



Nomura Real Estate Master Fund, Inc. - IR Activities

We are committed to SDGs in addition to its operational status and strive to make disclosures easy for investors to understand.

Official Website



「ESG Annual Report」



IR Activities

- IR tour of the financial results on Feb.2023 period for domestic institutional investors (Conducted by telephone conference)
- One-on-one IR meetings with overseas investors in North America, Europe and in Asia (Conducted by telephone conference)



MASTER FUND

野村不動産マスターファンド投資法人

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