



January 15, 2019

For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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Notice Concerning Property Disposition

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announced the decision made today by Nomura Real Estate Asset Management Co., Ltd. (the “Asset Management Company”), a licensed investment trust management company retained by the Fund to provide asset management services, to dispose of assets (the “Disposition”) as described below.

1. Summary of Assets to Be Disposed Of

Property Name	Use	(Scheduled) Date of Agreement	(Scheduled) Date of Disposition	Transfe ree	(Scheduled) Transfer Price (¥ million) (Note 1)	Book Value (¥ million) (Note 2)	Difference (¥ million)
PRIME URBAN Esaka I	Reside -ntial	January 23, 2019	February 8, 2019	Undisclo -sed (Note 3)	729	612	116
PRIME URBAN Esaka II					910	743	166
PRIME URBAN Esaka III					1,334	1,095	238
PRIME URBAN Tamatsukuri					1,206	955	250
PRIME URBAN Chikusa					1,168	1,167	0
Total					5,347	4,574	772 (Note 4)

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

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

(Note 3) Undisclosed, since a consent has not obtained from the transferee.

(Note 4) This is only a reference value which is the difference between the scheduled transfer price and the anticipated book value, therefore, it is different from gain or loss on sale.

(Note 5) The above assets to be disposed of are actual real estates.

The above five properties are collectively referred to hereinafter as the “Properties to Be Sold.”.



2. Reasons for Disposition of the Properties

For the purpose of improving the quality of NMF's portfolio, NMF has continuously implemented Strategic Property Replacement ("SPR"). Along with the acquisition of a residential property, *Serenite Shinsaibashi Grande*, with the acquisition price of ¥5,567 million on December 19, 2018, NMF has decided to dispose of the above listed assets by giving comprehensive consideration to such factor as the current composition of its asset portfolio and the demand-supply conditions associated with condominium properties in mainly Osaka metropolitan area as part of SPR.

3. Summary of the Properties to Be Sold

(1) PRIME URBAN Esaka I

Property Name		PRIME URBAN Esaka I				
Type of Asset		Real Estate				
Location (Note 1)	Registry	3-26-7 Tarumi-cho, Suita City, Osaka				
	Street	3-26-27 Tarumi-cho, Suita City, Osaka				
Access		9-minutes walk from Esaka Station on Osaka Metro Midosuji Line 9-minutes walk from Esaka Station on Kita-Osaka Kyuko Line				
Completion Date (Note 1)		January 31, 2007				
Use (Note 1)		Apartment				
Structure (Note 1)		RC, 9F				
Leasable Units		48 units				
Area (Note 1)	Land	417.94 m ²				
	Floor Area	1,432.75 m ²				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		80%				
Floor Area Ratio		300%				
Collateral		None				
Property Management Company		HASEKO LIVENET, Inc.				
Master Leasing Company (Note 2)		HASEKO LIVENET, Inc.				
Type of Master Leasing (Note 2)		Pass through				
Seismic Risk (PML) (Note 3)		6.04% (Based on a September 2018 Earthquake PML Appraisal Report by SOMPO RISK MANAGEMENT and HEALTH CARE Inc. (current SOMPO RISK MANAGEMENT Inc.))				
Notes		None				
Acquisition Price		¥652 million				
Scheduled Transfer Price		¥729 million				
Book Value (Note 4)		¥612 million				
Difference between Scheduled Transfer Price and Book Value		¥116 million				
Appraisal Value and Method		¥641 million (Based on the capitalization approach as of August 31, 2018) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI (Note 5)		¥31 million				
Leasing Status (As of January 15, 2019) (Note 6)						
Total Number of Tenants		1				
Total Rental Income (Annual)		¥34 million				
Security Deposits		¥2 million				
Occupancy Rate		87.4%				
Total Leased Floor Space		1,039.76 m ²				
Total Leasable Floor Space		1,189.12 m ²				
Occupancy Rates in the Past		August, 2014	August, 2015	August, 2016	August, 2017	August, 2018



	85.6%	97.9%	91.8%	93.8%	95.9%
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(Note 1) Location and other Items

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

(Note 2) Master Lease Agreement

The master lease agreement is a pass-through scheme, in which HASEKO LIVENET, Inc., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 3) PML (Probable Maximum Loss)

It shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

(Note 4) Book Value

It indicates the anticipated book value at the date of disposition.

(Note 5) Appraisal NOI

It indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with August 31, 2018 as the appraisal date.

(Note 6) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased en bloc, and then the lessee under such lease agreement (the master lease agreement) sub-leases each of the rooms to the end tenants. “Total Rental Income” indicates the amount calculated by the “monthly rent + monthly common area management fee” under the lease agreements with the end tenants to whom the Property is actually leased as of today multiplied by 12 (truncated at the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with said lease agreements, such as parking fees, signboard fees and warehouse fees.

“Security Deposits” indicates the amount of security and other deposits specified in the aforementioned lease agreements (truncated at the nearest million yen).

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

“Total Leasable Floor Space” indicates the total of leasable floor space and includes common space subject to leasing, if any. In addition, “Total Leasable Floor Space” is not based on the information in the real estate registry, but is calculated using floor space presented in the lease contract, plans of the completed building and other documents. Accordingly, the figure may not necessarily match up with Floor Area based on the information in the real estate registry and, in some cases, may be in excess of the figure presented as Floor Area.

(2) PRIME URBAN Esaka II

Property Name		PRIME URBAN Esaka II
Type of Asset		Real Estate
Location (Note 1)	Registry	3-31-5 Tarumi-cho, Suita City, Osaka
	Street	3-31-31 Tarumi-cho, Suita City, Osaka
Access		8-minutes walk from Esaka Station on Osaka Metro Midosuji Line 8-minutes walk from Esaka Station on Kita-Osaka Kyuko Line
Completion Date (Note 1)		February 15, 2007
Use (Note 1)		Apartment
Structure (Note 1)		RC, 11F
Leasable Units		57 units
Area (Note 1)	Land	441.77 m ²
	Floor Area	1,589.90 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		360% (Note 3)
Collateral		None
Property Management Company		HASEKO LIVENET, Inc.
Master Leasing Company (Note 4)		HASEKO LIVENET, Inc.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML) (Note 5)		5.95% (Based on a September 2018 Earthquake PML Appraisal Report by SOMPO RISK MANAGEMENT and HEALTH CARE Inc. (current SOMPO RISK MANAGEMENT Inc.))
Notes		None
Acquisition Price		¥794 million
Scheduled Transfer Price		¥910 million



Book Value (Note 6)	¥743 million				
Difference between Scheduled Transfer Price and Book Value	¥166 million				
Appraisal Value and Method	¥828 million (Based on the capitalization approach as of August 31, 2018) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI (Note 7)	¥40 million				
Leasing Status (As of January 15, 2019) (Note 8)					
Total Number of Tenants	1				
Total Rental Income (Annual)	¥49 million				
Security Deposits	¥4 million				
Occupancy Rate	98.3%				
Total Leased Floor Space	1,368.00 m ²				
Total Leasable Floor Space	1,392.00 m ²				
Occupancy Rates in the Past	August, 2014	August, 2015	August, 2016	August, 2017	August, 2018
	94.8%	96.6%	100.0%	98.3%	98.3%

(Note 1) Location and other Items

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

(Note 2) Building Coverage Ratio

As the property is located within a commercial district, the Building Coverage is originally supposed to be 80%; however, the Building Coverage has been increased to 100%, as the property is in a fire prevention zone and certified fireproof.

(Note 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 400%, but the frontal road regulation (6.00 meters×60%) is prioritized.

(Note 4) Master Lease Agreement

The master lease agreement is a pass-through scheme, in which HASEKO LIVENET, Inc., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 5) PML (Probable Maximum Loss)

It shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

(Note 6) Book Value

It indicates the anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

It indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with August 31, 2018 as the appraisal date.

(Note 8) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased en bloc, and then the lessee under such lease agreement (the master lease agreement) sub-leases each of the rooms to the end tenants.

"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Property is actually leased as of today multiplied by 12 (truncated at the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with said lease agreements, such as parking fees, signboard fees and warehouse fees.

"Security Deposits" indicates the amount of security and other deposits specified in the aforementioned lease agreements (truncated at the nearest million yen).

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of the date of this publication.

"Total Leasable Floor Space" indicates the total of leasable floor space and includes common space subject to leasing, if any. In addition, "Total Leasable Floor Space" is not based on the information in the real estate registry, but is calculated using floor space presented in the lease contract, plans of the completed building and other documents. Accordingly, the figure may not necessarily match up with Floor Area based on the information in the real estate registry and, in some cases, may be in excess of the figure presented as Floor Area.

(3) PRIME URBAN Esaka III

Property Name		PRIME URBAN Esaka III
Type of Asset		Real Estate
Location (Note 1)	Registry	10-21 Hiroshiba-cho, Suita City, Osaka
	Street	10-19 Hiroshiba-cho, Suita City, Osaka
Access		3-minutes walk from Esaka Station on Osaka Metro Midosuji Line 3-minutes walk from Esaka Station on Kita-Osaka Kyuko Line
Completion Date (Note 1)		August 5, 2008



Use (Note 1)		Apartment, store				
Structure (Note 1)		RC, B1F/15F				
Leasable Units		79 units				
Area (Note 1)	Land	384.47 m ²				
	Floor Area	2,956.41 m ²				
Type of Ownership	Land	Ownership				
	Building	Ownership				
Building Coverage Ratio		100% (Note 2)				
Floor Area Ratio		600%				
Collateral		None				
Property Management Company		HASEKO LIVENET, Inc.				
Master Leasing Company (Note 3)		HASEKO LIVENET, Inc.				
Type of Master Leasing (Note 3)		Pass through				
Seismic Risk (PML) (Note 4)		7.51% (Based on a September 2018 Earthquake PML Appraisal Report by SOMPO RISK MANAGEMENT and HEALTH CARE Inc. (current SOMPO RISK MANAGEMENT Inc.))				
Notes		None				
Acquisition Price		¥1,190 million				
Scheduled Transfer Price		¥1,334 million				
Book Value (Note 5)		¥1,095 million				
Difference between Scheduled Transfer Price and Book Value		¥238 million				
Appraisal Value and Method		¥1,150 million (Based on the capitalization approach as of August 31, 2018) (Appraiser: Japan Valuers Co., Ltd.)				
Appraisal NOI (Note 6)		¥59 million				
Leasing Status (As of January 15, 2019) (Note 7)						
Total Number of Tenants		1				
Total Rental Income (Annual)		¥68 million				
Security Deposits		¥6 million				
Occupancy Rate		94.1%				
Total Leased Floor Space		2,024.04 m ²				
Total Leasable Floor Space		2,151.67 m ²				
Occupancy Rates in the Past		August, 2014	August, 2015	August, 2016	August, 2017	August, 2018
		93.0%	89.0%	96.4%	94.2%	98.8%

(Note 1) Location and other Items

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

(Note 2) Building Coverage Ratio

As the property is located within a commercial district, the Building Coverage is originally supposed to be 80%; however, the Building Coverage has been increased to 100%, as the property is in a fire prevention zone and certified fireproof.

(Note 3) Master Lease Agreement

The master lease agreement is a pass-through scheme, in which HASEKO LIVENET, Inc., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 4) PML (Probable Maximum Loss)

It shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

(Note 5) Book Value

It indicates the anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

It indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with August 31, 2018 as the appraisal date.

(Note 7) Leasing Status

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



then the lessee under such lease agreement (the master lease agreement) sub-leases each of the rooms to the end tenants.
 “Total Rental Income” indicates the amount calculated by the “monthly rent + monthly common area management fee” under the lease agreements with the end tenants to whom the Property is actually leased as of today multiplied by 12 (truncated at the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with said lease agreements, such as parking fees, signboard fees and warehouse fees.

“Security Deposits” indicates the amount of security and other deposits specified in the aforementioned lease agreements (truncated at the nearest million yen).

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

“Total Leasable Floor Space” indicates the total of leasable floor space and includes common space subject to leasing, if any. In addition, “Total Leasable Floor Space” is not based on the information in the real estate registry, but is calculated using floor space presented in the lease contract, plans of the completed building and other documents. Accordingly, the figure may not necessarily match up with Floor Area based on the information in the real estate registry and, in some cases, may be in excess of the figure presented as Floor Area.

(4) PRIME URBAN Tamatsukuri

Property Name		PRIME URBAN Tamatsukuri
Type of Asset		Real Estate
Location (Note 1)	Registry	2-16-16 Tamatsukuri, Chuo-ku, Osaka City, Osaka
	Street	2-16-11 Tamatsukuri, Chuo-ku, Osaka City, Osaka
Access		1 minutes walk from Tamatsukuri Station on Osaka Metro Nagahori-Tsurumi-Ryokuchi Line
		6 minutes walk from Tamatsukuri Station on JR Osaka Loop Line
Completion Date (Note 1)		February 20, 2009
Use (Note 1)		Apartment
Structure (Note 1)		RC, 14F
Leasable Units		80 units
Area (Note 1)	Land	436.60 m ²
	Floor Area	2,618.13 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		300%, 600% (Note 3)
Collateral		None
Property Management Company		HASEKO LIVENET, Inc.
Master Leasing Company (Note 4)		HASEKO LIVENET, Inc.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML) (Note 5)		11.40% (Based on a September 2018 Earthquake PML Appraisal Report by SOMPO RISK MANAGEMENT and HEALTH CARE Inc. (current SOMPO RISK MANAGEMENT Inc.))
Notes		None
Acquisition Price		¥1,020 million
Scheduled Transfer Price		¥1,206 million
Book Value (Note 6)		¥955 million
Difference between Scheduled Transfer Price and Book Value		¥250 million
Appraisal Value and Method		¥1,050 million (Based on the capitalization approach as of August 31, 2018) (Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 7)		¥53 million
Leasing Status (As of January 15, 2019) (Note 8)		
Total Number of Tenants		1
Total Rental Income (Annual)		¥68 million
Security Deposits		¥2 million
Occupancy Rate		96.1%
Total Leased Floor Space		2,279.91 m ²



Total Leasable Floor Space	2,373.10 m ²				
Occupancy Rates in the Past	August, 2014	August, 2015	August, 2016	August, 2017	August, 2018
	95.2%	92.9%	91.2%	98.9%	92.9%

(Note 1) Location and other Items

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

(Note 2) Building Coverage Ratio

As the property is located within a commercial district, the Building Coverage is originally supposed to be 80%; however, the Building Coverage has been increased to 100%, as the property is in a fire prevention zone and certified fireproof.

(Note 3) Floor Area Ratio

The property's land is a Commercial district of 600% and a Category 2 residential district of 300%, and the weighted average figures are applied according to the area ratio

(Note 4) Master Lease Agreement

The master lease agreement is a pass-through scheme, in which HASEKO LIVENET, Inc., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 5) PML (Probable Maximum Loss)

It shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

(Note 6) Book Value

It indicates the anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

It indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with August 31, 2018 as the appraisal date.

(Note 8) Leasing Status

"Total Number of Tenants" is stated as "1" because, for the purpose of subleasing, all of the rooms are leased en bloc, and then the lessee under such lease agreement (the master lease agreement) sub-leases each of the rooms to the end tenants.

"Total Rental Income" indicates the amount calculated by the "monthly rent + monthly common area management fee" under the lease agreements with the end tenants to whom the Property is actually leased as of today multiplied by 12 (truncated at the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with said lease agreements, such as parking fees, signboard fees and warehouse fees.

"Security Deposits" indicates the amount of security and other deposits specified in the aforementioned lease agreements (truncated at the nearest million yen).

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of the date of this publication.

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(5) PRIME URBAN Chikusa

Property Name		PRIME URBAN Chikusa
Type of Asset		Real Estate
Location (Note 1)	Registry	3-905, 906 Aoi, Higashi-ku, Nagoya City, Aichi
	Street	3-9-8 Aoi, Higashi-ku, Nagoya City, Aichi
Access		1-minute walk from Kurumamichi Station on Nagoya Municipal Subway Sakura-dori Line 4-minute walk from Chikusa Station on Nagoya Municipal Subway Higashiyama Line
Completion Date (Note 1)		August 12, 2008
Use (Note 1)		Apartment, store
Structure (Note 1)		RC, 13F
Leasable Units		61 units
Area (Note 1)	Land	400.53 m ²
	Floor Area	2,393.47 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		100% (Note 2)
Floor Area Ratio		600%
Collateral		None
Property Management Company		HASEKO LIVENET, Inc.



Master Leasing Company (Note 3)	HASEKO LIVENET, Inc.				
Type of Master Leasing (Note 3)	Pass through				
Seismic Risk (PML) (Note 4)	6.66% (Based on a September 2018 Earthquake PML Appraisal Report by SOMPO RISK MANAGEMENT and HEALTH CARE Inc. (current SOMPO RISK MANAGEMENT Inc.))				
Notes	None				
Acquisition Price	¥1,110 million				
Scheduled Transfer Price	¥1,168 million				
Book Value (Note 5)	¥1,167 million				
Difference between Scheduled Transfer Price and Book Value	¥0 million				
Appraisal Value and Method	¥1,120 million (Based on the capitalization approach as of August 31, 2018) (Appraiser: Japan Valuers Co., Ltd.)				
Appraisal NOI (Note 6)	¥55 million				
Leasing Status (As of January 15, 2019) (Note 7)					
Total Number of Tenants	1				
Total Rental Income (Annual)	¥65 million				
Security Deposits	¥6 million				
Occupancy Rate	90.3%				
Total Leased Floor Space	2,065.94 m ²				
Total Leasable Floor Space	2,287.04 m ²				
Occupancy Rates in the Past (Note 8)	August, 2014	August, 2015	August, 2016	August, 2017	August, 2018
	-	-	79.4%	93.6%	92.2%

(Note 1) Location and other Items

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

(Note 2) Building Coverage Ratio

As the property is located within a commercial district, the Building Coverage is originally supposed to be 80%; however, the Building Coverage has been increased to 100%, as the property is in a fire prevention zone and certified fireproof.

(Note 3) Master Lease Agreement

The master lease agreement is a pass-through scheme, in which HASEKO LIVENET, Inc., the master lease company, pays to the Fund the same amount as the total sum of the rent based on the lease agreements that the master lease company concludes with end tenants.

(Note 4) PML (Probable Maximum Loss)

It shows the probable losses caused by a major earthquake, as a percentage of the expected recovery cost to the replacement cost. PML is calculated based on the statistical assumption that within next 475 years there is a 0.211% annual chance (10% probability of once every 50 years, i.e., average life time of buildings) of major earthquake occurring.

(Note 5) Book Value

It indicates the anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

It indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with August 31, 2018 as the appraisal date.

(Note 7) Leasing Status

“Total Number of Tenants” is stated as “1” because, for the purpose of subleasing, all of the rooms are leased en bloc, and then the lessee under such lease agreement (the master lease agreement) sub-leases each of the rooms to the end tenants.

“Total Rental Income” indicates the amount calculated by the “monthly rent + monthly common area management fee” under the lease agreements with the end tenants to whom the Property is actually leased as of today multiplied by 12 (truncated at the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with said lease agreements, such as parking fees, signboard fees and warehouse fees.

“Security Deposits” indicates the amount of security and other deposits specified in the aforementioned lease agreements (truncated at the nearest million yen).

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

“Total Leasable Floor Space” indicates the total of leasable floor space and includes common space subject to leasing, if any. In addition, “Total Leasable Floor Space” is not based on the information in the real estate registry, but is calculated using floor space presented in the lease contract, plans of the completed building and other documents. Accordingly, the figure may not necessarily match up with Floor Area based on the information in the real estate registry and, in some cases, may be in excess of the figure presented as Floor Area.

(Note 8) Historical Occupancy Rates

There are no applicable occupancy rates for August 31, 2015 and before as such information has not been provided from



the Seller.

4. Purchaser Profile

As the Fund has not obtained a consent from the Purchaser, who is a domestic unlisted real estate investment trust, this details are not disclosed. As of today, neither the Fund nor the Asset Management Company has any notable capital, personnel or transactional relationship with the Purchaser, and the Purchaser is not a related party of either the Fund or the Asset Management Company.

5. Transaction with Related Parties

There is no special relation between the said company and the Fund or the Asset Management Company for this transaction.

6. Broker Profile

Company Name	HASEKO LIVENET Inc.
Head Office	3-8-2 Shiba, Minato Ward, Tokyo
Representative	Shoji Nagatani, President
Principal Business	Management of real estate leasing and rental operations and related consulting services Sale, purchase, leasing and rental of real estate properties and the brokerage, agency and intermediary services associated with these transactions Provision of real estate information
Capital	¥1 billion (as of April 1, 2018)
Established	October 13, 1986
Relationships with the Fund and/or the Asset Management Company	
Capital	There is no capital involvement between the said company and the Fund or the Asset Management Company. There is also no capital involvement between related parties of the said company and related parties of the Fund or the Asset Management Company.
Personnel	There is no personnel involvement between the said company and the Fund or the Asset Management Company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or the Asset Management Company.
Transactions	Said company falls under the property management company and the master leasing company of a number of properties held by the Fund. There is no notable transactional relationship between said company and the Asset Management Company.
Related Party Status	Said company is not a related party of the Fund or the Asset Management Company. Furthermore, the related parties of said company are not related parties of the Fund or the Asset Management Company.
Brokerage Fee	The brokerage fee is not disclosed due to the fact that the broker's consent to disclosure has not been obtained.

7. Form of Payment, etc.

On the scheduled date of disposition, the Fund plans to receive a package payment of the whole purchase price of the Properties to Be Sold. In addition, plans call for appropriating net proceeds from the disposition to the repayment of borrowings, the acquisition of properties and other purposes associated with portfolio management.

8. Schedule for the Disposition

January 23, 2019	Conclusion of the purchase and sale agreement for sale of the Properties to Be Sold
February 8, 2019	Disposition of PRIME URBAN Esaka, PRIME URBAN Esaka II, PRIME



9. Forecast of Financial Results

NMF intends to classify expected proceeds from the disposition as retained earnings for the purposes of ensuring stable asset management and maintaining a steady stream of distributions. In addition, the impact of the disposition on the status of asset management throughout the fiscal period ending February 28, 2019 (September 1, 2018 to February 28, 2019) is insignificant. Accordingly, NMF made no revision to its performance forecasts for this period.



10. Appraisal Summary

Property Name	PRIME URBAN Esaka I
Appraisal Vale	¥641,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	641,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	649,000,000	Calculated by reducing the expected level of net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	41,183,684	
(a) Gross Rental Income	43,817,156	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	2,633,472	Calculated expected vacancy rate and vehicle vacancy rate to be stable over the medium to long term based on the standard vacancy rates of similar properties and considering the competitiveness, etc. of the Property
(2) Operating Expenses	9,745,508	
Maintenance	1,333,608	Calculated based on a judgement the current contract amount is appropriate.
Utilities Costs	690,586	Calculated based on actual results in previous years.
Repair Costs	2,148,921	Repair costs were calculated based on the engineering report. Replacement costs for tenants in the residential section were calculated considering the replacement rate and vacancy rate.
Property Management Fees	1,171,859	Calculated based on a judgement the current contract amount is appropriate.
Advertisement for Leasing, etc.	1,761,785	Calculated based on the expenses for advertisement for leasing, etc. of similar properties.
Taxes	2,523,889	Calculated expected taxes over the medium to long term based on the tax base for 2018 tax-year, etc.
Insurance Premium	64,860	Calculated based on insurance quotes.
Other Expenses	50,000	Calculated as supply expenses and others based on actual results in previous years
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	31,438,176	
(4) Profit through Management of Temporary Deposits, etc.	29,363	Calculated profit based on a yield on investment of 1.0%.
(5) Capital Expenditure Reserve	293,447	Calculated based on the building replacement cost and considering CM fees.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	31,174,092	
(7) Capitalization Rate	4.8%	Calculated based on a comprehensive consideration of such factors as conditions of the location, the building and the contract of the Property
Price Calculated by the Discounted Cash Flow Approach	638,000,000	



	Discount Rate	4.6%	Calculated with both the method using comparisons of transaction cases of similar properties and the method in which the property's individuality is taken into consideration with the financial asset yields, and using hearings with investors and such as reference.
	Terminal Capitalization Rate	5.0%	Calculated using transaction yields in similar transaction cases as reference and comprehensively considering such factors as, the probable future movement of the yield on investment, risks of the Property as an investment, general forecasts of the economic growth rate and price trends in real estate.
Cost Approach Price		470,000,000	
	Ratio of Land	53.0%	
	Ratio of Building	47.0%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	-		

Property Name	PRIME URBAN Esaka II
Appraisal Value	¥828,000,000
Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	828,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	836,000,000	Calculated by reducing the expected level of net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	52,286,809	
(a) Gross Rental Income	55,618,919	Calculated based on the expected medium- to long-term stable rent.
(b) Losses due to Vacancies, etc.	3,332,110	Calculated expected vacancy rate and vehicle vacancy rate to be stable over the medium to long term based on the standard vacancy rates of similar properties and considering the competitiveness, etc. of the Property
(2) Operating Expenses	11,806,866	
Maintenance	1,447,200	Calculated based on a judgement the current contract amount is appropriate.
Utilities Costs	606,355	Calculated based on actual results in previous years
Repair Costs	2,841,911	Repair costs were calculated based on the engineering report. Replacement costs for tenants in the residential section were calculated considering the replacement rate and vacancy rate.
Property Management Fees	1,483,742	Calculated based on a judgement the current contract amount is appropriate.
Advertisement for Leasing, etc.	2,288,253	Calculated based on the expenses for advertisement for leasing, etc. of similar properties.
Taxes	3,017,305	Calculated expected taxes over the medium to long term based on the tax base for 2018 tax-year, etc.



		Insurance Premium	72,100	Calculated based on insurance quotes.
		Other Expenses	50,000	Calculated as supply expenses and others based on actual results in previous years
		(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	40,479,943	
		(4) Profit through Management of Temporary Deposits, etc.	38,138	Calculated profit based on a yield on investment of 1.0%.
		(5) Capital Expenditure Reserve	386,322	Calculated based on the building replacement cost and considering CM fees.
		(6) Net Cash Flow (NCF = (3)+(4)-(5))	40,131,759	
		(7) Capitalization Rate	4.8%	Calculated based on a comprehensive consideration of such factors as conditions of the location, the building and the contract of the Property
	Price Calculated by the Discounted Cash Flow Approach		824,000,000	
	Discount Rate		4.6%	Calculated with both the method using comparisons of transaction cases of similar properties and the method in which the property's individuality is taken into consideration with the financial asset yields, and using hearings with investors and such as reference.
	Terminal Capitalization Rate		5.0%	Calculated using transaction yields in similar transaction cases as reference and comprehensively considering such factors as, the probable future movement of the yield on investment, risks of the Property as an investment, general forecasts of the economic growth rate and price trends in real estate.
Cost Approach Price		519,000,000		
Ratio of Land		52.9%		
Ratio of Building		47.1%		
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value		-		

Property Name	PRIME URBAN Esaka III
Appraisal Vale	¥1,150,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,150,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	1,160,000,000	Calculated by reducing the expected level of net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	79,350,600	
(a) Gross Rental Income	83,731,737	Calculated considering current rent and market rent levels.
(b) Losses due to Vacancies, etc.	4,381,137	Calculated considering current vacancy rate and market vacancy levels



	(2) Operating Expenses	Maintenance	20,293,738	Calculated based on the contract and general level of maintenance cost.
		Utilities Costs	2,480,004	Calculated based on actual results in previous years and general level of utilities cost
		Repair Costs	1,354,000	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Bldg-Tech Center Co., Ltd.
		Property Management Fees	3,619,909	Calculated based on the property management contract and general level of property management fees.
		Advertisement for Leasing, etc.	2,237,990	Calculated based on actual results in previous years and general level of advertisement fee for leasing,etc.
		Taxes	4,666,240	Calculated based on the actual result of 2018 tax-year and general level of taxes.
		Insurance Premium	5,286,032	Calculated based on the actual result of fiscal 2018 and general level of insurance premium.
		Other Expenses	131,720	Calculated based on actual results in previous years and general level of other expenses.
		(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	517,843	
		(4) Profit through Management of Temporary Deposits, etc.	59,056,862	
	(5) Capital Expenditure Reserve	68,176	Calculated profit based on a yield on investment of 1.0%.	
	(6) Net Cash Flow (NCF = (3)+(4)-(5))	3,638,333	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Bldg-Tech Center Co., Ltd.	
	(7) Capitalization Rate	55,486,705	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.	
	Price Calculated by the Discounted Cash Flow Approach	4.8%		
	Discount Rate	1,130,000,000	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.	
	Terminal Capitalization Rate	4.6%	Calculated considering the future trend of investment yield, etc. in addition to Capitalization Rate mentioned above.	
	5.0%			
Cost Approach Price		700,000,000		
Ratio of Land		55.4%		
Ratio of Building		44.6%		
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value		-		

Property Name	PRIME URBAN Tamatsukuri
Appraisal Vale	¥1,050,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2018

(Yen)



Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,050,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	1,060,000,000	Calculated by reducing the expected level of net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	71,260,147	
(a) Gross Rental Income	75,036,628	Calculated considering current rent and market rent levels.
(b) Losses due to Vacancies, etc.	3,776,481	Calculated considering current vacancy rate and market vacancy levels
(2) Operating Expenses	17,385,606	
Maintenance	2,304,000	Calculated based on the contract and general level of maintenance cost.
Utilities Costs	1,020,000	Calculated based on actual results in previous years and general level of utilities cost
Repair Costs	2,261,595	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Bldg-Tech Center Co., Ltd.
Property Management Fees	1,759,663	Calculated based on the property management contract and general level of property management fees.
Advertisement for Leasing, etc.	4,368,230	Calculated based on actual results in previous years and general level of advertisement fee for leasing,etc.
Taxes	4,715,329	Calculated based on the actual result of 2018 tax-year and general level of taxes.
Insurance Premium	107,280	Calculated based on the actual result of 2018 tax-year and general level of insurance premium.
Other Expenses	849,509	Calculated based on actual results in previous years and general level of other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	53,874,541	
(4) Profit through Management of Temporary Deposits, etc.	29,255	Calculated profit based on a yield on investment of 1.0%.
(5) Capital Expenditure Reserve	3,099,167	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Bldg-Tech Center Co., Ltd.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	50,804,629	
(7) Capitalization Rate	4.8%	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.
Price Calculated by the Discounted Cash Flow Approach	1,040,000,000	
Discount Rate	4.6%	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.
Terminal Capitalization Rate	5.0%	Calculated considering the future trend of investment yield, etc. in addition to Capitalization Rate mentioned above.
Cost Approach Price	673,000,000	
Ratio of Land	59.1%	
Ratio of Building	40.9%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	-
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Property Name	PRIME URBAN Chikusa
Appraisal Vale	¥1,120,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2018

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,120,000,000	Calculated taking into account income-based values determined using both the direct capitalization approach and the discounted cash flow approach.
Price Calculated by the Direct Capitalization Approach	1,130,000,000	Calculated by reducing the expected level of net revenue over the medium to long term by the capitalization rate.
(1) Operating Income (a)-(b)	72,308,517	
(a) Gross Rental Income	81,434,649	Calculated considering current rent and market rent levels.
(b) Losses due to Vacancies, etc.	9,126,132	Calculated considering current vacancy rate and market vacancy levels
(2) Operating Expenses	16,458,262	
Maintenance	1,764,000	Calculated based on the contract and general level of maintenance cost.
Utilities Costs	723,000	Calculated based on actual results in previous years and general level of utilities cost
Repair Costs	1,841,909	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Marine & Nichido Consulting Co., Ltd.
Property Management Fees	1,765,494	Calculated based on the property management contract and general level of property management fees.
Advertisement for Leasing, etc.	2,525,141	Calculated based on actual results in previous years and general level of advertisement fee for leasing,etc.
Taxes	4,574,025	Calculated based on the actual result of 2018 tax-year and general level of taxes.
Insurance Premium	98,093	Calculated based on the actual result of 2018 tax-year and general level of insurance premium.
Other Expenses	3,166,600	Calculated based on actual results in previous years and general level of other expenses.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	55,850,255	
(4) Profit through Management of Temporary Deposits, etc.	66,265	Calculated profit based on a yield on investment of 1.0%.
(5) Capital Expenditure Reserve	1,855,875	Assumed with reference to the Building Condition Evaluation Report provided by Tokyo Marine & Nichido Consulting Co., Ltd.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	54,060,645	
(7) Capitalization Rate	4.8%	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.



	Price Calculated by the Discounted Cash Flow Approach	1,100,000,000	
	Discount Rate	4.6%	Calculated considering the conditions of the location and the characteristics of the Property with reference to the yield on investment of similar buildings.
	Terminal Capitalization Rate	5.0%	Calculated considering the future trend of investment yield, etc. in addition to Capitalization Rate mentioned above.
	Cost Approach Price	597,000,000	
	Ratio of Land	67.8%	
	Ratio of Building	32.2%	
	Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	-	



Exhibits

Exhibit: Overview of the Portfolio after the Disposition

*<Nomura Real Estate Master Fund, Inc.> URL: <https://www.nre-mf.co.jp/en/>



Overview of the Portfolio after the Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area ^(Note 1)	Other Areas	Total Acquisition Price (by Sector)	Percentage of Total ^(Note 2)
Office	362,620	71,930	434,550	45.2
Retail	100,427	62,916	163,343	17.0
Logistics	157,590	3,460	161,050	16.8
Residential	159,574	33,328	192,902	20.1
Hotels	0	3,600	3,600	0.4
Others	4,900	0	4,900	0.5
Total Acquisition Price (by Area)	785,111	175,234	960,345	100.0
Percentage of Total ^(Note 2)	81.8	18.2	100.0	

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

(Note 2) “Percentage of Total” indicates the ratio of the total acquisition price of properties for each use and in each area to the total acquisition price of the entire portfolio. As the figures are rounded to the first decimal place, they may not add up to exactly 100%.

