



NOMURA
MASTER
FUND

[For Translation Purposes Only]

March 29 2016

For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

Satoshi Yanagita, Executive Director

Asset Management Company:

Nomura Real Estate Asset Management Co., Ltd.

Norio Ambe, President & Chief Executive Officer

Inquiries:

Motomi Uki

Director and Managing Executive Officer

TEL. +81-3-3365-8767 nmf3462@nomura-re.co.jp

Notice Concerning Property Acquisition and Disposition

Nomura Real Estate Master Fund, Inc. (“Nomura Master Fund” or the “Fund”) announced the decision made today by Nomura Real Estate Asset management Co., Ltd., a licensed investment trust management company retained by the Fund to provide asset management services, that it will acquire and dispose assets (the “Acquisition” and the “Disposition,” respectively; the Acquisition and the Disposition collectively referred to as the “Transaction”), as described below.

1. Summary of Assets to be Acquired/Disposed

1) Summary of Assets to be Acquired

No	Property name	Use	Date of agreement	(Scheduled) Date of acquisition	Seller	Acquisition price (¥million)(Note1)
1	Hirakata Kuzuha Logistics Center (Note4)	Logistics	March 30, 2016	April 27, 2016	Godo Kaisha Osaka Hirakata Project	3,460
2	PRIME URBAN Meguro Mita (Note5)	Residential	March 31, 2016	April 25, 2016	Undisclosed	1,058
3	PRIME URBAN Chikusa (Note6)	Residential	March 30, 2016	April 5, 2016	Undisclosed	1,110
Total						5,628

(Note 1) The amount excluding acquisition related costs, property tax, city planning tax, consumption tax and local consumption tax is stated.

(Note 2) Of the assets to be acquired, Hirakata Kuzuha Logistics Center is for its beneficial interest in real estate trust, PRIME URBAN Meguro Mita and PRIME URBAN Chikusa are real estate.

(Note 3) Above three properties are scheduled to acquire using cash on hand including transfer payment of the properties schedule to be disposed.

(Note 4) Although the current property name is “Hirakata Logistics Center,” the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

(Note 5) Although the current property name is “Sunny Hill Meguro Mita,” the Fund plans to change the name to the one stated above

at the earliest opportunity, after the acquisition.

(Note 6) Although the current property name is “Roijent Aoi,” the Fund plans to change the name to the one stated above at the earliest opportunity, after the acquisition.

(Note 7) Undisclosed, since consent have not obtained from the seller.

The above three properties will be collectively referred to as the “Three Properties,” hereinafter.

2) Summary of Assets to be Disposed

No	Property name	Use	Date of agreement	(Scheduled) Date of disposition	Transferee	Transfer Price (¥million)	Book Value (¥million) (Note 1)	Difference (¥million)
1	Central Shintomicho Building	Office	March 30, 2016	April 12, 2016	Undisclosed (Note2)	Undisclosed (Note3)	1,330	Undisclosed (Note3)
2	Toho Edogawabashi Building	Office					1,140	
3	Toshin Meguro Building	Office					858	
4	PRIME URBAN Ochiai	Residential					338	
5	PRIME URBAN Nakano	Residential					489	
6	PRIME URBAN Ekoda	Residential					409	
7	PRIME URBAN Urayasu II	Residential					227	
8	PRIME URBAN Yamahana	Residential					273	
Total						5,350	5,064	286

(Note 1) Book Value as of October 1, 2015, is calculated based on “Notice of the Appraisal Value” dated December 16, 2015. The figures indicated are unaudited figures.

(Note 2) As the Fund has not obtained an agreement with the Buyer, this information is not disclosed.

(Note 3) This assignment is an assignment to a single assignee under a single purchase agreement. The purchase price of each property is not disclosed as the assignee’s consent to the disclosure thereof has not been obtained. In addition to the foregoing, the difference between the purchase price and the book value of each property is also not disclosed.

(Note 4) Of the assets to be disposed, Central Shintomicho Building and Toshin Meguro Building is for its beneficial interest in real estate trust, others are real estate.

The above eight properties will be collectively referred to as the “Eight Properties.”

2. Reason for the Acquisition and the Disposition of Properties

Nomura Master Fund” formulated the “Medium to Long Term Management Strategy” in November 2015 in order to realize stable management over the medium to long term through the sound growth of the portfolio size and the establishment of the fund brand. One of the main strategies of the Medium to Long Term Management Strategy is to conduct the Strategic Property Replacement (SPR) for the purpose of qualitatively improving the portfolio, taking advantage of the benefits arising from the fact that Nomura Master Fund became one of the largest diversified type REITs within Japan.

Nomura Master Fund has determined, at this time, to acquire three (3) properties and assign eight (8) properties as the first step of the SPR. This transaction is a crossover deal that crosses over sectors, taking advantage of the strengths of a diversified type REIT and aims to qualitatively improve the portfolio through selling small-scale properties with older buildings and acquiring properties with newer buildings.

Nomura Master Fund will conduct the SPR on an ongoing basis in the future and aims to establish a sustainable portfolio with stable high-quality performance, which is realized through the property replacement cycle.

3. Property Summary

1) Property Summary of Assets to be Acquired

① Hirakata Kuzuha Logistics Center

(a) Location

- Hirakata City, where the Property stands, is located between Osaka City and Kyoto City and thus has the two largest markets in the Kansai area within its reach. The Property is located close to National Route 1 and 4.3km from Hirakata-Higashi IC of Daini Keihan Road, enjoying access to a broad area and high convenience.
- The Property is located in an industrial park in an exclusive industrial area, and there is little concern for issues such as noise pollution and mechanical vibrations due to the location's long history of being a place where industrial facilities such as factories and logistics warehouses, etc. have been concentrated, allowing for 24-hour operations. In addition, it is a location appropriate for logistics facility management as it can expect to secure sufficient employment as residential districts spread outside the industrial area.

(b) Property features

- The Property allows for an efficient loading/unloading, transfer of cargo within the facility and storage due to the two-story structure (three-story when including the office, etc.) of storage area and the installment of vertical conveyance equipment (2 elevators and 3 vertical conveyor machines), in addition to its high-functioning logistics warehouse specifications such as 7.0-7.5m effective height under a lower beam, 1.5t/m² floor load and 1.0m raised floor.
- The Property has a facility specification that takes the employees' working environment into consideration such as onsite parking space, office space, dining room and changing room, etc.

Property Name		Hirakata Kuzuha Logistics Center
Type of Asset		Trust beneficial interest
Trustee		Mizuho Trust & Banking Co., Ltd.
Trust term		From March 31, 2015 to April 26, 2026
Location (Note 1)	Registry	1-7 Shodai-Tachika, Hirakata City, Osaka
	Street	1-7 Shodai-Tachika, Hirakata City, Osaka
Access		4.3km from Hirakata-Higashi IC and on the Daini Keihan Road
Completion Date (Note 1)		April 2003
Use (Note 1)		Storage, office
Structure (Note 1)		S 3F
Seismic Risk (PML) (Note 2)		4.72% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of February, 2016)
Architect		Daiken Sekkei, Inc.
Structural Strength Calculator		Daiken Sekkei, Inc.
Constructor		Kajima Corporation, Kansai Branch
Building Inspection Agency		K.K. Japan Kakunin Kensa Center
Area (Note 1)	Land	14,315.70 m ²
	Floor Area	19,628.03 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		70% (Note 3)

Floor Area Ratio	200%				
Collateral	None				
Property Management Company (Note 4)	Nomura Real Estate Development Co., Ltd., Nomura Real Estate Partners Co., Ltd.				
Notes	<ul style="list-style-type: none">• The property management company, Nomura Real Estate Development Co., Ltd., Nomura Real Estate Partners Co., Ltd. are considered Related Party under the Law Concerning Investment Trust and Investment Corporation (“Investment Trust Law”).• From the amendment agreement of the lease agreement between Trustee and the tenant, notice to and agreement by the tenant is needed when transferring the Property or the Trust beneficiary Interest, or having a collateral on the Asset (However, if the tenant does not appeals the reasonal grounds not agreeing the said transfer or the collateral, it is able to have the transfer or the collateral).• However, after Nomura Master Fund acquired Trust Beneficiaty Interest, tenant agreement will be needed when the Fund transfers the Trust Beneficiaty Interest to the third party, and transfers the Property after cancelling the trust agreement then receiving the Property and transfers to the third party.				
Scheduled Acquisition Price	¥3,460 million				
Appraisal Value and Method	¥3,690 million (Based on the capitalization approach as of February 29, 2016) (Appraiser: Daiwa Real Estate Appraisal Corporation)				
Appraisal NOI (Note 5)	¥187 million				
Leasing Status (As of March 29, 2016) (Note6)					
Total Number of Tenants	1				
Tenant Name	Itochu Logistics Corp.				
Total Rental Income	Undisclosed				
Security Deposits	Undisclosed				
Occupancy Rate	100.0%				
Total Leased Floor Space	19,807.18 m ²				
Total Leasable Floor Space	19,807.18 m ²				
Occupancy Rates in the Past(Note 7)	February 2012	February 2013	February 2014	February 2015	February 2016
	100.0%	100.0%	100.0%	100.0%	100.0%

(Note 1) Location and other Items

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

(Note 2) PML 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 3) The Property is located in an exclusive industrial district where the building coverage ratio is 60% in principle. As the building is on a corner lot, however, an increased ratio of 70% applies.

(Note 4) Property Management Company

Refers to the Property Management Company that is scheduled to be appointed. Same for 3 properties to be acquired

(Note 5) Appraisal NOI

“Appraisal NOI” indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with February 29, 2016 as the appraisal date.

(Note 6) Leasing Status

“Total Rental Income” and “Security Deposits” are undisclosed, as consent has not been obtained from the tenant.

(Note 7) Occupancy Rates in the Past

Based on the information from the seller.

②PRIME URBAN Meguro Mita

(a) Location

- Since a total of 5 lines area are available at Ebisu Station and Meguro Station allowing easy access to major areas (2 minutes to Shibuya Station, 6 minutes to Roppongi Station, 16 minutes to Otemachi Station and 11 minutes to Tameike-Sanno Station), the property has a strong appeal to tenants who seek transport convenience.

- Living convenience is also excellent as the concentrated commercial districts centering on large facilities such as Yebisu Garden Place and atré Meguro are dotted in

the surrounding area.

(b) Property features

- As the property encapsulates many residential plans having a total of 8 types of rooms from 1Rs to maisonette-type 2LDKs, it is able to meet the needs of tenants of various lifestyles.
- Because of the above, the fund expects steady demand mainly from single adults and DINKs who commute to central Tokyo.

Property Name		PRIME URBAN Meguro Mita
Type of Asset		Real Estate
Location (Note 1)	Registry	2-178-1 Mita, Meguro Ward, Tokyo, Others
	Street	2-7-9 Mita, Meguro Ward, Tokyo
Access		10-minute walk from Meguro Station on The JR Yamanote Line. 10-minute walk from Meguro Station on The Tokyo Metro Nanboku Line. 10-minute walk from Meguro Station on The Toei Subway Mita Line. 10-minute walk from Meguro Station on The Tokyu Meguro Line. 10-minute walk from Ebisu Station on The JR Yamanote Line. 12-minute walk from Ebisu Station on The Tokyo Metro Hibiya Line.
Completion Date(Note 1)		July 29,2008
Use(Note 1)		Apartment
Structure(Note 1)		RC, B1/4F
Leasable Units		28 units
Seismic Risk (PML)(Note 2)		8.06% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of March 2016)
Architect		ZERO-ONE OFFICE Architect Co., Ltd.
Structural Strength Calculator		Kozo Live Co., Ltd.
Constructor		SHINNIHON CORPORATION
Building Inspection Agency		The Building Center Of Japan
Area(Note 1)	Land	515.34 m ²
	Floor Area	1,101.06 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%
Floor Area Ratio		160% (Note 3)
Collateral		None
Property Management Company (Note 4)		Nomura Real Estate Partners Co., Ltd.
Master leasing company (Note 5)		Nomura Real Estate Partners Co., Ltd.
Type of master leasing (Note 5)		Pass through
Notes		The property management and master leasing company, Nomura Real Estate Partners Co., Ltd., is considered a Related Party under the Law Concerning Investment Trust and Investment Corporation ("Investment Trust Law").
Acquisition Price		¥1,058 million
Appraisal Value and Method		¥1,080 million (Based on the capitalization approach as of February 29, 2016) (Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 6)		¥47million
Leasing Status (As of March 29, 2016) (Note 7)		
Total Number of Tenants		1
Total Rental Income		¥50million
Security Deposits		¥5million
Occupancy Rate		91.7%
Total Leased Floor Space		1,014.96 m ²

Total Leasable Floor Space	1,106.71 m ²				
Occupancy Rates in the Past (Note 8)	February 2012	February 2013	February 2014	February 2015	February 2016
	-%	-%	-%	-%	89.4%

(Note 1) Location and other Items

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

(Note 2) PML 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 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 300%, but the frontal road regulation (4.0 meters×40%) is prioritized.

(Note 4) Property Management Company

Refers to the Property Management Company that is scheduled to be appointed.

(Note 5) Leasing Status

The Fund, simultaneously with the acquisition of the Property, a master lease agreement, under which the building of the Property will be collectively leased for the purpose of subleasing, with Nomura Real Estate Development Co., Ltd. The master lease agreement is "pass-through scheme" where Nomura Real Estate Development Co., Ltd., the master lease company, pays the same amount as the total sum of the rent based on the lease agreement which the master lease company has concluded with each end tenant to the Fund. The items in the above chart are indicated based on the following assumptions.

"Total Number of Tenants" is the total number of master lease tenants as of today.

(Note 6) Appraisal NOI

"Appraisal NOI" indicates the annual NOI (operating income-operating expenses) described in the real estate appraisal report with February 29, 2016 as the appraisal date.

(Note 7) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

(Note 8) Occupancy Rates in the Past

Regarding the occupancy rates before the end of February 2015, the figures are not stated, as the information has not been received from the seller.

③PRIME URBAN Chikusa

(a) Location

- The property is a one-minute walk from Kurumamichi Station on the Municipal Subway Sakura-dori Subway Line and a four-minute walk from Chikusa Station on the Municipal Subway Higashiyama Line. It stands in a location where major business areas (Nagoya Station and Fushimi Station), the district concentrated with public offices (Marunouchi Station) and major commercial district (Sakae Station) are accessible within 10 minutes of direct ride using three lines available at the aforementioned two stations.

- In addition, living convenience in the surrounding area is excellent as convenient facilities such as a supermarket, convenience store, dry cleaner are located all within 5-minute walk.

(b) Property features

- The units consist of four variations of 1K units. Also, due to the design of the entrance and rooms and quality internal features, it adequately fulfills the living requirements of tenants in the area.

- Because of the above, the Fund expects steady demand mainly from single adults who commute to major business areas along the Municipal Subway Sakura-dori/Higashiyama Subway Lines and JR Chuo Main line.

Property Name		PRIME URBAN Chikusa				
Type of Asset		Real Estate				
Location (Note 1)	Registry	905, 906 Aoi, Higashi Ward, Nagoya City, Aichi				
	Street	3-9-8, Aoi, Higashi Ward, Nagoya City, Aichi				
Access		1-minute walk from Kurumamichi Station on The Nagoya City Subway Sakurado-ri Line. 5-minutes walk from Chikusa Station on The Nagoya City Subway Higashiyama Line.				
Completion Date(Note 1)		August 12, 2008				
Use(Note 1)		Apartment, retail				
Structure(Note 1)		RC, 13F				
Leasable Units		61 units				
Seismic Risk (PML)(Note 2)		6.66% (Sompo Japan Nipponkoa Risk Management Inc.'s Earthquake PML Appraisal Report as of February 2016)				
Architect		Daiwa House Industry Co., Ltd.				
Structural Strength Calculator		FURUI STRUCTURAL DESIGN OFFICE				
Constructor		Daiwa House Industry Co., Ltd.				
Building Inspection Agency		JAPAN ERI CO.,LTD.				
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 3)				
Floor Area Ratio		600%				
Collateral		None				
Property Management Company (Note 4)		HASEKO LIVENET, Inc.				
Master leasing company (Note 5)		HASEKO LIVENET, Inc.				
Type of master leasing (Note 5)		Pass through				
Notes		None				
Acquisition Price		¥1,110 million				
Appraisal Value and Method		¥1,130 million (Based on the capitalization approach as of February 29, 2016) (Appraiser: Japan Valuers Co., Ltd.)				
Appraisal NOI		¥56million				
Leasing Status (As of March 29, 2016)		(Note 6)				
Total Number of Tenants		1				
Total Rental Income		¥66million				
Security Deposits		¥7million				
Occupancy Rate		86.7%				
Total Leased Floor Space		1,982.72 m ²				
Total Leasable Floor Space		2,287.07 m ²				
Occupancy Rates in the Past (Note7)		February 2012	February 2013	February 2014	February 2015	February 2016
		-%	-%	-%	-%	91.7%

(Note 1) Location and other Items

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

(Note 2) PML 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 3) Building Coverage

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 4) Leasing Status

The Fund, simultaneously with the acquisition of the Property, a master lease agreement, under which the building of the Property will be collectively leased for the purpose of subleasing, with Haseko Livenet, Inc. The master lease agreement is “pass-through scheme” where Haseko Livenet, Inc., the master lease company, pays the same amount as the total sum of the rent based on the lease agreement which the master lease company has concluded with each end tenant to the Fund. The items in the above chart are indicated based on the following assumptions.
 “Total Number of Tenants” is the total number of master lease tenants as of today.

(Note 5) Leasing Status

“Total Rent Income” is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

“Security Deposits” indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

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

(Note 6) Occupancy Rates in the Past

Regarding the occupancy rates before the end of February 2015, the figures are not stated, as the information has not been received from the seller.

2) Property Summary of Assets to be Disposed

① Central Shintomicho Building

Property Name		Central Shintomicho Building
Type of Asset		Trust beneficial interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust term		From September 15, 2005 to June 30, 2018
Location (Note 1)	Registry	3-8-5 Minato, Chuo Ward, Tokyo, Others
	Street	3-5-10 Minato, Chuo Ward, Tokyo
Access		Shintomicho Station (Tokyo Metro Yurakucho Line) Tsukiji Station (Tokyo Metro Hibiya Line)
Area	Type of Ownership	Ownership
	Land(Note 1)	566.40 m ²
	Building Coverage Ratio	100% (Note2)
	Floor Area Ratio	500%
Building	Type of Ownership	Ownership
	Use(Note 1)	Office, Retail
	Completion Date(Note 1)	March 31 ,1990 (new built) July 24,1992 (expansion)
	Floor Area(Note 1)	2,777.61 m ²
	Structure(Note 1)	S, 8F
Acquisition Price(Note4)		¥1,330 million
Transfer Price		Undisclosed(Note3)
Book Value(Note3)		¥1,330 million
Difference		Undisclosed(Note3)
Appraisal Value	Appraiser	Japan Real Estate Institute
	Appraisal Value	¥1,330 million
	Appraisal Date	April 30,2015
Leasing Status (As of March 29, 2016) (Note 5)		
Total Number of Tenants		6
Total Rental Income		¥98million
Security Deposits		¥72 million
Occupancy Rate		100.0%
Total Leased Floor Space		2,465.86 m ²

Total Leasable Floor Space	2,465.86 m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	100.0%	100.0%	100.0%	79.9%	100.0%

(Note 1) Location and other Items

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

(Note 2) Building Coverage

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) The acquisition price as of October 1, 2015, is calculated based on “Notice of the Appraisal Value” dated December 16, 2015. The figures indicated are unaudited figures.

(Note 4) Leasing Status

“Total Rent Income” is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

“Security Deposits” indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

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

②Toho Edogawabashi Building

Property Name		Toho Edogawabashi Building
Type of Asset		Real Estate
Location (Note 1)	Registry	1-240-1 Sekiguchi, Bunkyo Ward, Tokyo, Others
	Street	1-24-8 Sekiguchi, Bunkyo Ward, Tokyo
Access		Edogawabashi Station (Tokyo Metro Yurakucho Line)
Area	Type of Ownership	Ownership
	Land(Note 1)	710.40 m ²
	Building Coverage Ratio	100%(Note2)
	Floor Area Ratio	500%
Building	Type of Ownership	Ownership
	Use(Note 1)	Office
	Completion Date(Note 1)	March 16, 1993
	Floor Area(Note 1)	3,405.76 m ²
	Structure(Note 1)	SRC, B1/9F
Acquisition price(Note3)		¥1,140million
Transfer Price		Undisclosed
Book Value(Note3)		¥1,140million
Difference		Undisclosed
Appraisal Value	Appraiser	Japan Real Estate Institute
	Appraisal Value	¥1,140million
	Appraisal Date	April 30, 2015
Leasing Status (As of March 29, 2016) (Note 4)		
Total Number of Tenants	9	
Total Rental Income	¥91million	
Security Deposits	¥66million	
Occupancy Rate	100.0%	
Total Leased Floor Space	2,058.95m ²	

Total Leasable Floor Space	2,058.95m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	100.0%	65.7%	77.1%	94.5%	100.0%

(Note 1) Location and other Items

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

(Note 2) Building Coverage

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) The acquisition price as of October 1, 2015, is calculated based on “Notice of the Appraisal Value” dated December 16, 2015. The figures indicated are unaudited figures.

(Note 4) Leasing Status

“Total Rent Income” is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

“Security Deposits” indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

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

③Toshin Meguro Building

Property Name		Toshin Meguro Building
Type of Asset		Trust beneficial interest
Trustee		Sumitomo Mitsui Trust Bank, Limited
Trust term		From May 27, 2005 to June 30, 2018
Location (Note 1)	Registry	2-392-10 Shimo Meguro, Meguro Ward, Tokyo, Others
	Street	2-20-28 Shimo Meguro, Meguro Ward, Tokyo
Access		Meguro Station (JR Line, Tokyo Metro Namboku Line, Toei Mita Line, and Tokyu Meguro Line)
Area	Type of Ownership	Ownership
	Land(Note 1)	284.51 m ²
	Building Coverage Ratio	100%(Note2)
	Floor Area Ratio	500%
Building	Type of Ownership	Ownership
	Use(Note 1)	Office
	Completion Date(Note 1)	September 30, 1989
	Floor Area(Note 1)	1,595.27 m ²
	Structure(Note 3)	SRC/S, 9F
Acquisition price(Note4)		¥858million
Transfer Price		Undisclosed
Book Value(Note 4)		¥858million
Difference		Undisclosed
Appraisal Value	Appraiser	Japan Real Estate Institute
	Appraisal Value	¥858million
	Appraisal Date	April 30, 2015
Leasing Status (As of March 29, 2016) (Note 5)		
Total Number of Tenants		7
Total Rental Income		¥62million
Security Deposits		¥60million

Occupancy Rate	100.0%				
Total Leased Floor Space	1,341.17m ²				
Total Leasable Floor Space	1,341.17m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	100.0%	100.0%	27.2%	27.2%	100.0%

(Note 1) Location and other Items

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

(Note 2) Building Coverage

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) Structure

According to confirmed notification based on the Building Standards Code, the structure is SRC, B2/9F with 3F penthouse.

(Note 4) The acquisition price as of October 1, 2015, is calculated based on "Notice of the Appraisal Value" dated December 16, 2015. The figures indicated are unaudited figures.

(Note 5) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

④PRIME URBAN Ochiai

Property Name		PRIME URBAN Ochiai
Type of Asset		Real Estate
Location (Note 1)	Registry	2-2096-3 Nakai, Shinjuku Ward, Tokyo, Others
	Street	2-17-9 Nakai, Shinjuku Ward, Tokyo
Access		Nakai Station on the Toei Subway Oedo Line and Seibu Shinjuku Line.
Area	Type of Ownership	Ownership
	Land(Note 1)	284.67 m ²
	Building Coverage Ratio	70%(Note 2)
	Floor Area Ratio	200%
Building	Type of Ownership	Ownership
	Use(Note 1)	Residential
	Completion Date(Note 1)	March 28, 1986
	Floor Area(Note 1)	553.75 m ²
	Structure(Note 1)	RC, 4F
	Units	32
Acquisition price(Note 3)		¥338million
Transfer Price		Undisclosed
Book Value(Note 3)		¥338million
Difference		Undisclosed
Appraisal Value	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Appraisal Value	¥338million
	Appraisal Date	May 31, 2015
Leasing Status (As of March 29, 2016) (Note 4)		
Total Number of Tenants	1	

Total Rental Income	¥22million				
Security Deposits	¥2million				
Occupancy Rate	93.6%				
Total Leased Floor Space	484.56 m ²				
Total Leasable Floor Space	517.53 m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	97.0%	100.0%	90.9%	97.2%	96.6%

(Note 1) Location and other Items

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

(Note 2) Building Coverage

As the property is located in category 1 residential district, the Building Coverage would originally be 60%, however, the Building Coverage has been increased to 70%, as the Property is on a corner.

(Note 3) The acquisition price as of October 1, 2015, is calculated based on “Notice of the Appraisal Value” dated December 16, 2015. The figures indicated are unaudited figures.

(Note 4) Leasing Status

“Total Rent Income” is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

“Security Deposits” indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

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

⑤PRIME URBAN Nakano

Property Name		PRIME URBAN Nakano
Type of Asset		Real Estate
Location (Note 1)	Registry	2-17-1 Kami Takada, Nakano Ward, Tokyo
	Street	2-17-1 Kami Takada, Nakano Ward, Tokyo
Access		Araiakushimae Station on the Seibu Shinjuku Line.
Area	Type of Ownership	Ownership
	Land(Note 1)	563.59 m ² (Note 2)
	Building Coverage Ratio	60%
	Floor Area Ratio	160%(Note 3)
Building	Type of Ownership	Ownership
	Use(Note 1)	Residential
	Completion Date(Note 1)	February15, 1985
	Floor Area(Note 1)	917.91 m ²
	Structure(Note 1)	RC, 4F
	Units	51
Acquisition price(Note4)		¥489million
Transfer Price		Undisclosed
Book Value(Note 4)		¥489million
Difference		Undisclosed
Appraisal Value	Appraiser	Daiwa Real Estate Appraisal Co., Ltd.
	Appraisal Value	¥489million
	Appraisal Date	May 31,2015
Leasing Status (As of March 29, 2016) (Note 5)		
Total Number of Tenants		1

Total Rental Income	¥35million				
Security Deposits	¥1million				
Occupancy Rate	92.9%				
Total Leased Floor Space	744.70 m ²				
Total Leasable Floor Space	801.30 m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	98.2%	91.1%	94.5%	100.0%	92.9%

(Note 1) Location and other Items

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

(Note 2) Regarding Area

Regarding Area, approx. 7.47 sq. meters is considered to be part of the road according to Article 42, Paragraph 2 of the Building Standard Law

(Note 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.0 meters×40%) is prioritized.

(Note 4) The acquisition price as of October 1, 2015, is calculated based on "Notice of the Appraisal Value" dated December 16, 2015. The figures indicated are unaudited figures.

(Note 5) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

⑥PRIME URBAN Ekoda

Property Name		PRIME URBAN Ekoda
Type of Asset		Real Estate
Location (Note 1)	Registry	1-10-9 Asahigaoka, Nerima Ward, Tokyo
	Street	1-10-5 Asahigaoka, Nerima Ward, Tokyo
Access		Ekoda Station on the Seibu Ikebukuro Line and Toei Oedo Line
Area	Type of Ownership	Ownership
	Land(Note 1)	535.45 m ²
	Building Coverage Ratio	60%
	Floor Area Ratio	181.6% (Note2)
Building	Type of Ownership	Ownership
	Use(Note 1)	Residential
	Completion Date(Note 1)	July 1,1989
	Floor Area(Note 1)	951.84 m ²
	Structure(Note 1)	RC, 4F
	Units	35
Acquisition price(Note3)		¥409million
Transfer Price		Undisclosed
Book Value(Note 3)		¥409million
Difference		Undisclosed
Appraisal Value	Appraiser	Chuo Real Estate Appraisal Co.,Ltd.
	Appraisal Value	¥409million
	Appraisal Date	May 31,2015
Leasing Status (As of March 29, 2016) (Note 4)		

Total Number of Tenants	1				
Total Rental Income	¥29million				
Security Deposits	¥3million				
Occupancy Rate	100.0%				
Total Leased Floor Space	872.49m ²				
Total Leasable Floor Space	872.49m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	94.8%	97.4%	97.5%	100.0%	94.8%

(Note 1) Location and other Items

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

(Note 2) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.54 meters×40%) is prioritized.

(Note 3) The acquisition price as of October 1, 2015, is calculated based on "Notice of the Appraisal Value" dated December 16, 2015. The figures indicated are unaudited figures.

(Note 4) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

⑦PRIME URBAN Urayasu II

Property Name		PRIME URBAN Urayasu II
Type of Asset		Real Estate
Location (Note 1)	Registry	2-394-3 Todaijima, Urayasu City, Chiba
	Street	2-11-5 Todaijima, Urayasu City, Chiba
Access		Urayasu Station on the Tokyo Metro Tozai Line.
Area	Type of Ownership	Ownership
	Land(Note 1)	288.33 m ²
	Building Coverage Ratio	60%
	Floor Area Ratio	186.4%(Note 2)
Building	Type of Ownership	Ownership
	Use(Note 1)	Residential
	Completion Date(Note 1)	April 12,1993
	Floor Area(Note 1)	590.60 m ²
	Structure(Note 1)	RC, 4F
	Units	27
Acquisition price(Note3)		¥227million
Transfer Price		Undisclosed
Book Value(Note 3)		¥227million
Difference		Undisclosed
Appraisal Value	Appraiser	Japan Real Estate Institute
	Appraisal Value	¥227million
	Appraisal Date	May 31,2015
Leasing Status (As of March 29, 2016) (Note 4)		

Total Number of Tenants	1				
Total Rental Income	¥17million				
Security Deposits	¥1million				
Occupancy Rate	100.0%				
Total Leased Floor Space	437.94 m ²				
Total Leasable Floor Space	437.94 m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	88.9%	100.0%	96.3%	100.0%	92.6%

(Note 1) Location and other Items

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

(Note 2) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 200%, but the frontal road regulation (4.66 meters×40%) is prioritized.

(Note 3) The acquisition price as of October 1, 2015, is calculated based on "Notice of the Appraisal Value" dated December 16, 2015. The figures indicated are unaudited figures.

(Note 4) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

⑧PRIME URBAN Yamahana

Property Name		PRIME URBAN Yamahana
Type of Asset		Real Estate
Location (Note 1)	Registry	1539-1 Minami 17-Jo Nishi 14-Chome, Chuo Ward, Sapporo City, Hokkaido
	Street	1-27 Minami 17-Jo Nishi 14-Chome, Chuo Ward, Sapporo City, Hokkaido
Access		Nishisen Jyuroku Jo Station on the Sapporo City Street Car Line
Area	Type of Ownership	Ownership
	Land(Note 1)	1,108.69 m ²
	Building Coverage Ratio	80%・60%(Note 2)
	Floor Area Ratio	300%・200%(Note 3)
Building	Type of Ownership	Ownership
	Use(Note 1)	Residential
	Completion Date(Note 1)	February 25, 2005
	Floor Area(Note 1)	1,868.69 m ²
	Structure(Note 1)	RC, 4F
	Units	33
Acquisition price(Note 3)		¥273million
Transfer Price		Undisclosed
Book Value(Note 3)		¥273million
Difference		Undisclosed
Appraisal Value	Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
	Appraisal Value	¥273million
	Appraisal Date	May 31, 2015
Leasing Status (As of March 29, 2016) (Note 5)		

Total Number of Tenants	1				
Total Rental Income	¥23million				
Security Deposits	¥1million				
Occupancy Rate	97.7%				
Total Leased Floor Space	1,483.48m ²				
Total Leasable Floor Space	1,518.58m ²				
Occupancy Rates in the Past	February 2012	February 2013	February 2014	February 2015	February 2016
	93.4%	92.5%	90.1%	96.4%	97.7%

(Note 1) Location and other Items

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

(Note 2) Building Coverage

For the land of the Property, the building coverage ratio is 80% for the area within 50 meters from the boundary line of the road on the western side, which belongs to the neighborhood commercial district, and 60% for the area farther than 50 meters from the boundary line of the road on the western side, which belongs to the category I residential district. For the whole area, the weighted-average percentage is applied in accordance with the space of the respective areas.

(Note 3) Floor Area Ratio

The property's land is a Commercial district of 300% and a Category 2 residential district of 200%, and the weighted average figures are applied according to the area ratio

(Note 4) The acquisition price as of October 1, 2015, is calculated based on "Notice of the Appraisal Value" dated December 16, 2015. The figures indicated are unaudited figures.

(Note 5) Leasing Status

"Total Rent Income" is the amount obtained by multiplying the monthly rent stated the lease agreement with end tenants actually leasing the building of the Property as of today by 12 (rounded down to the nearest million yen).

"Security Deposits" indicates the amount of security deposits, etc. stated in the aforementioned lease agreement (rounded down the nearest million yen).

"Total Leased Floor Space" indicates the floor space that is being leased to end tenants as of today.

4. Seller Profile

1) Hirakata Kuzuha Logistics Center

Company Name	Godo Kaisha Osaka Hirakata Project
Head Office	3-2-5 Kasumigaseki, Chiyoda-ku, Tokyo
Principal Business	1. Acquisition, holding, sale of real estate 2. Leasing and management of real estate 3. Acquisition, holding and sale of real estate trust beneficiary rights 4. All operations pertaining to or associated with each of business listed above
Representative	General Incorporated Associations Osaka Hirakata Project, Managing Partner Takehisa Tei, Functional Manager
Capital	¥100,000
Established	February 20, 2015
Relationship with the Fund and/or NREAM	
Capital	There is no capital involvement between the said company and the Fund or asset management company. Nomura Master Fund holds silent partnership equity interest investment of ¥ 91 million of Godo Kaisha Osaka Hirakata Project..
Personnel	There is no personnel involvement between the said company and the Fund or asset management company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	There is no transaction between the said company and the Fund or asset management company. There is also no transaction between related parties of the said company and related parties of the Fund or asset management company.
Status of Related Parties	The said company is not considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trusts Act.

(Note) Godo Kaisha Osaka Hirakata Project is the operator of the silent partnership in which Nomura Master Fund has invested 91 million yen

(approximately 9.6% of the initial silent partnership equity interest) and Nomura Master Fund exercised, for the acquisition of this property, the preferential negotiation right that was granted to the former Nomura Real Estate Master Fund, Inc. prior to the merger upon the acquisition of the silent partnership equity interest and to which Nomura Master Fund succeeded upon the merger. For the details of the Silent Partnership Equity Interest and the Preferential Negotiation Right granted, please refer to the “Notice Concerning Acquisition of Investment Assets (Equity Interest in Silent Partnership)” that was released by the former Nomura Real Estate Master Fund, Inc. dated March 24, 2015.

2) Prime Urban Meguro Mita

As the Fund has not obtained an agreement with the Seller, who is Japanese Individual, this information is not disclosed. There is no capital involvement, personnel involvement or transaction involvement between the Seller and the Fund or asset management company as of today. The Seller is not Related Parties under the Investment Trust Law of the asset management company.

3) Prime Urban Chikusa

As the Fund has not obtained an agreement with the Seller, who are Japanese General Operating Companies, this information is not disclosed. There is no capital involvement, personnel involvement or transaction involvement between the Seller and the Fund or asset management company as of today. The Seller is not Related Parties under the Investment Trust Law of the asset management company.

5. Buyer Profile

As the Fund has not obtained an agreement with the transferee, who are Japanese specific purpose Companies, this information is not disclosed. The transferee is not related parties under the Law Concerning Investment Trusts and Investment Corporations (Investment Trust Law) of the asset management company.

6. Transaction with Related Parties

None. The current owner of three properties are a Japanese company and Japanese individual, and there is no special relation between the said company and the Fund or asset management company.

7. Transaction with Related Parties

1) Three Properties

① Hirakata Kuzuha Logistics Center

The property management companies of the Hirakata Kuzuha Logistics Center, Nomura Real Estate Development Co., Ltd. and Nomura Real Estate Partners Co., Ltd. are Related Parties under the Investment Trust Law as stated above. The Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee in the Asset Management Company.

② PRIME URBAN Meguro Mita

The property management companies of the PRIME URBAN Meguro Mita, Nomura Real Estate Partners Co., Ltd. are Related Parties under the Investment Trust Law as stated above. The Asset Management Company determined the consignment and the terms and conditions of the transaction, including the fees, pursuant to the restrictions and formalities concerning the transactions with related parties as set forth in the Investment Trust Law and the Asset Management Company's bylaws and duly authorized by the Compliance Committee and Investment Committee in the Asset Management Company.

③ PRIME URBAN Chikusa

There is no special relation between the said company and the Fund or asset management company for this transaction.

2) Eight Properties.

There is no special relation between the said company and the Fund or asset management company for this transaction.

8. Brokerage Profile

1) Three Properties,

① Hirakata Kuzuha Logistics center

There is no brokerage involved for this property.

② Prime Urban Meguro Mita

As the Fund has not obtained consent to disclosure from the broker, this information is not disclosed.

There are no capital, personnel and transaction relationships between the broker and the Fund and/or the asset management company as of today. Also, the broker is not considered a directly associating party of the Fund and/or the asset management company.

③ Prime Urban Chikusa

As the Fund has not obtained consent to disclosure from the broker, this information is not disclosed.

There are no capital, personnel and transaction relationships between the broker and the Fund and/or the asset management company as of today. Also, the broker is not considered a directly associating party of the Fund and/or the asset management company.

2) Eight Properties

Company Name	Sumitomo Mitsui Trust Bank, Limited
Head Office	1-4-1 Marunouchi Chiyoda-word,Tokyo
Representative	President: Kunitaro Kitamura Chairman: Hitoshi Tsunekage
Principal Business	Loan trust, Banking
Registration Number of Securities Dealer	¥ 342,000,000,000-
Capital	July 28,1925
Relationship with the Fund and/or NREAM	
Capital	There is no capital involvement between the said company and the Fund or asset management company. There is also no capital involvement between related parties of the said company and related parties of the Fund or asset management company.
Personnel	There is no personnel involvement between the said company and the Fund or asset management company. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Transactions	Acts as NMF's asset custodian, lender, trustee of properties NMF holds. There is also no personnel involvement between related parties of the said company and related parties of the Fund or asset management company.
Status of Related Parties	Acts as NMF's asset custodian. The said company is considered a directly associating party of the Fund. Also, the said company is not considered a Related Party, etc., of the asset management company under the Investment Trusts Act.
Brokerage Fee	The brokerage fee is not disclosed due to the fact that the broker's consent to disclosure has not been obtained.

9. Form of Payment, etc.

1) Transactions regarding the acquisition of three (3) properties subject to the acquisition

With respect to the purchase price of PRIME URBAN Chikusa, Nomura Master Fund plans to make a package payment to the Seller of the purchase price through funds on hand on the scheduled date of the acquisition. With respect to the purchase price of Hirakata Kuzuha Logistics Center and PRIME URBAN Meguro Mita, Nomura Master Fund plans to provide a package payment to the Seller of the purchase price on the scheduled date of each acquisition through funds on hand that are to be obtained from the assignment of eight (8) properties that are subject to the assignment.

2) Transactions regarding the assignment of eight (8) properties subject to the assignment

On the scheduled date of the assignment, Nomura Master Fund plans to receive a package payment of the whole purchase price of the eight (8) properties subject to the assignment.

10. Schedule for Acquisition and Disposition

March 30, 2016	Conclusion of agreement on purchase and sale of real estate for the acquisition of Hirakata Kuzuha Logistics Center and PRIME URBAN Chikusa; and conclusion of agreement on purchase and sale for the disposition of the Eight Properties
March 31, 2016	Conclusion of agreement on purchase and sale for the acquisition of PRIME URBAN Meguro Mita
April 5, 2016	Delivery of trust beneficiary rights of PRIME URBAN Chikusa
April 12, 2016	Delivery of real estate and trust beneficiary rights of the Eight Properties
April 25, 2016	Delivery of real estate of PRIME URBAN Meguro Mita
April 27, 2016	Delivery of trust beneficiary rights of Hirakata Kuzuha Logistics Center

11. Forecasts of Financial Results

There is no impact to Nomura Master Fund's forecasts of financial results for the fiscal period ending February 29, 2016 (November 1, 2015 to February 29, 2016) and the fiscal period ending August 31, 2016 (March 1, 2016 to August 31, 2016), there is no revision to the forecast of financial results.

12. Appraisal Summary

1) Acquisition 3 properties

Property Name		Hirakata Kuzuha Logistics center	
Appraisal Value		¥3,690,000,000	
Appraiser		Daiwa real estate appraisal co., Ltd.	
Appraisal Date		Feb. 29, 2016	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		3,690,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		3,700,000,000	Calculated by capitalization rate based on a normalized net cash flow (NCF)
(1) Operating income (a)-(b)		-	(Note)
(a) Gross rental income		-	
(b) Losses due to vacancies, etc.		-	
(2) Operating expenses		-	
Maintenance		-	
Utilities costs		-	
Repair costs		-	
Property management fees		-	
Advertisement for leasing, etc.		-	
Taxes		-	
Insurance premium		-	
Other expenses		-	
(3) Net operating income from leasing business (NOI=(1)-(2))		187,709,280	(Note)
(4) Profit through management of temporary deposits, etc.		-	
(5) Capital Expenditure Reserve		-	
(6) Net Cash Flow (NCF = (3)+(4)-(5))		192,202,080	
(7) Capitalization rate		5.2%	Assumed based mainly on the yield on investment of similar retail facilities while taking into consideration the area characteristics and specific individual characteristics of the Property
Price calculated by the Discounted Cash Flow Approach		3,680,000,000	
Discount rate		4.8%	Assumed by taking into consideration the individual risks, etc. of the Property
Terminal capitalization rate		5.2%	Assumed based on the capitalization rate as well as future forecast uncertainty
Cost Approach Price		3,070,000,000	
Ratio of land		58.8%	
Ratio of building		41.2%	
Matters noted in reconciliation of indicated value and determination of appraisal value	It has been determined that the same supply/demand zone for the subject property is throughout the industrial area around the main arterial highways within the Kinki region. Taking into consideration the level of competitiveness in the rental market and trading market, it has been determined that the most effective use would be to continue the current use as logistic facilities.		

(Note) The Property is occupied only by a tenant who is a third party not having a special interest relationship with Nomura Master Fund or the Asset Management Company. Thus information on these items have not been disclosed since the lease conditions may be assumed by such and negatively affect the Godo Kaisha's competitiveness and possibly undermining the interests of Nomura Master Fund and unitholders. Furthermore, the information is not disclosed as consent has not been obtained from the tenant.

Property Name	Prime Urban Meguro Mita
Appraisal Value	¥1,080,000,000
Appraiser	Japan Valuers Co.,Ltd.
Appraisal Date	Feb. 29, 2016

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	1,080,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	1,100,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	59,141,971	
(a) Gross rental income	61,605,399	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	2,463,428	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	11,861,776	
Maintenance	1,920,000	Assumed based on the estimated amount.
Utilities costs	842,932	Assumed based on the estimated performance, etc.
Repair costs	801,012	Assumed based on the Engineering.
Property management fees	1,698,454	Assumed based on the estimated amount.
Advertisement for leasing, etc.	3,219,530	Assumed based on the estimated amount
Taxes	3,069,232	Assumed based on the actual amount imposed in 2015 tax year for the land, the estimated amount for the building.
Insurance premium	142,030	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	168,586	None
(3) Net operating income from leasing business (NOI=(1)-(2))	47,280,195	
(4) Profit through management of temporary deposits, etc.	93,659	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	1,340,000	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	46,033,854	
(7) Capitalization rate	4.2%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	1,050,000,000	
Discount rate	4.0%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	4.4%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	792,000,000	
Ratio of land	83.0%	
Ratio of building	17.0%	
Matters noted in reconciliation of indicated value and determination of appraisal value	<p>The nearest train stations to the subject property are “Meguro” station and “Ebisu” station on the JR Yamanote Line; the subject property is located in a transportation convenient area. The rental demand is steady in the area surrounding “Ebisu” station based on the fact that it ranks high among the best places to live in Tokyo and it has substantial facilities, etc. for convenience of life. In addition, the dwelling units of the building are mainly duplex apartments with highly sophisticated design. This property is highly competitive even among other properties within the area; and it is a rental condominium for which stable occupancy is expected into the future.</p> <p>In view of the matters stated above, the appraisal value was determined with an emphasis on the capitalization approach price in which the investment profitability value was appropriately reflected.</p>	

Property Name	Prime Urban Chikusa
Appraisal Value	¥1,130,000,000
Appraiser	Japan Valuers Co.,Ltd.
Appraisal Date	Feb. 29, 2016

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	1,130,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	1,140,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	73,383,483	
(a) Gross rental income	77,245,771	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	3,862,288	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	16,804,737	
Maintenance	1,764,000	Assumed based on the estimated amount.
Utilities costs	913,216	Assumed based on the estimated performance, etc.
Repair costs	1,861,742	Assumed based on the Engineering.
Property management fees	1,791,528	Assumed based on the estimated amount.
Advertisement for leasing, etc.	2,591,423	Assumed based on the estimated amount
Taxes	4,734,200	Assumed based on the actual amount imposed in 2015 tax year for the land, the estimated amount for the building.
Insurance premium	96,737	Assumed based on the insurance premium and the estimated amount, etc., of a similar building
Other expenses	3,051,891	None
(3) Net operating income from leasing business (NOI=(1)-(2))	56,578,746	
(4) Profit through management of temporary deposits, etc.	186,624	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	1,855,875	Assumed based on the Engineering.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	54,909,495	
(7) Capitalization rate	4.8%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	1,120,000,000	
Discount rate	4.6%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.0%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	611,000,000	
Ratio of land	62.0%	
Ratio of building	38.0%	
Matters noted in reconciliation of indicated value and determination of appraisal value	<p>Multiple lines/stations are within walking distance; for example, exit 3 of “Kurumamichi” station on the Nagoya Municipal Subway Sakura-dori Line is close to the subject property, and “Chikusa” station on the Nagoya Municipal Subway Higashiyama Line and the JR line is approximately four hundred (400) meters south of the subject property. It takes approximately nine (9) minutes from “Kurumamichi” station on the Nagoya Municipal Subway Sakura-dori Line, the nearest station, to “Nagoya” station, a terminal station, and approximately four (4) minutes from “Chikusa” station on the Nagoya Municipal Subway Higashiyama Line, which is within walking distance, to “Sakae” station around which there are many department stores or luxury-brand shops in close proximity; thus, the accessibility to the city center is excellent. In addition, the building has standard-grade facilities; the subject property is a rental condominium for which stable occupancy is expected into the future.</p> <p>In view of the matters stated above, the appraisal value was determined with an emphasis on the capitalization approach price in which the investment profitability value was appropriately reflected.</p>	

2) Disposition 8 properties

Property Name	Central Shintomicho Building
Appraisal Value	¥1,330,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	April 30, 2015

(Yen)

Item	Amount or percentage	Grounds
Capitalization approach price	1,330,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	1,340,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	107,680,000	
(a) Gross rental income	114,558,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	6,878,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	33,443,000	
Maintenance	8,643,000	Assumed based on the estimated amount and of a similar building.
Utilities costs	10,000,000	Assumed based on past actual expences taking into account the occupancy rate
Repair costs	3,973,000	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees	1,938,000	Assumed based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.	605,000	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Taxes	8,119,000	Assumed based on mid to long term perspective of the tax base of year 2015.
Insurance premium	165,000	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses	0	None
(3) Net operating income from leasing business (NOI=(1)-(2))	74,237,000	
(4) Profit through management of temporary deposits, etc.	1,279,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	9,740,000	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))	65,776,000	
(7) Capitalization rate	4.9%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	1,310,000,000	
Discount rate	4.7%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.1%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	1,240,000,000	
Ratio of land	75.7%	
Ratio of building	24.3%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—	

Property Name		Toho Edogawabashi Building	
Appraisal Value		¥1,140,000,000	
Appraiser		Japan Real Estate Institute	
Appraisal Date		April 30, 2015	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		1,140,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		1,150,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		106,303,000	
(a) Gross rental income		110,736,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		4,433,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		41,677,000	
Maintenance		10,600,000	Assumed based on the estimated amount and of a similar building.
Utilities costs		11,500,000	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		4,263,000	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees		2,126,000	Assumed based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.		600,000	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Taxes		12,117,000	Assumed based on mid to long term perspective of the tax base of year 2015.
Insurance premium		183,000	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses		288,000	Assumed CATV fees as Other Expenses.
(3) Net operating income from leasing business (NOI=(1)-(2))		64,626,000	
(4) Profit through management of temporary deposits, etc.		1,157,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		10,450,000	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		55,333,000	
(7) Capitalization rate		4.8%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		1,130,000,000	
Discount rate		4.6%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.0%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		1,220,000,000	
Ratio of land		69.1%	
Ratio of building		30.9%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name		Toshin Meguro Building	
Appraisal Value		¥858,000,000	
Appraiser		Japan Real Estate Institute	
Appraisal Date		April 30, 2015	
		(Yen)	
Item		Amount or percentage	Grounds
Capitalization approach price		858,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		874,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		68,803,000	
(a) Gross rental income		72,576,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		3,773,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		20,460,000	
Maintenance		5,230,000	Assumed based on the estimated amount and of a similar building.
Utilities costs		6,100,000	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		2,716,000	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees		1,262,000	Assumed based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.		488,000	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Taxes		4,554,000	Assumed based on mid to long term perspective of the tax base of year 2015.
Insurance premium		110,000	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses		0	None
(3) Net operating income from leasing business (NOI=(1)-(2))		48,343,000	
(4) Profit through management of temporary deposits, etc.		1,148,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		6,660,000	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		42,831,000	
(7) Capitalization rate		4.9%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		841,000,000	
Discount rate		4.7%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.1%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		824,000,000	
Ratio of land		69.6%	
Ratio of building		30.4%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name		PRIME URBAN Ochiai	
Appraisal Value		¥338,000,000	
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date		May 31, 2015	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		338,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		342,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		25,480,501	
(a) Gross rental income		26,945,622	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		1,465,121	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		6,177,965	
Maintenance		1,428,000	Assumed based on the estimated amount and of a similar building.
Utilities costs		507,157	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		1,453,872	Assumed based on the estimated amount and of a similar building.
Property management fees		750,621	Assumed based on past actual expences takinginto account the occupancy rate
Advertisement for leasing, etc.		1,103,537	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Taxes		714,391	Assumed based on agreement conditions, general standard, etc.
Insurance premium		32,587	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Other expenses		187,800	Assumed discretionary reserve
(3) Net operating income from leasing business (NOI=(1)-(2))		19,302,536	
(4) Profit through management of temporary deposits, etc.		36,785	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		2,601,500	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		16,737,821	
(7) Capitalization rate		4.9%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		336,000,000	
Discount rate		4.7%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.1%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		209,000,000	
Ratio of land		81.0%	
Ratio of building		19.0%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name		PRIME URBAN Nakano	
Appraisal Value		¥489,000,000	
Appraiser		Daiwa Real Estate Appraisal Co., Ltd.	
Appraisal Date		May 31, 2015	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		489,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		495,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		35,680,407	
(a) Gross rental income		37,539,074	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		1,858,667	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		9,708,215	
Maintenance		1,938,600	Assumed based on the estimated amount and of a similar building.
Utilities costs		436,176	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		3,129,480	Assumed based on the estimated amount and of a similar building.
Property management fees		1,062,333	Assumed based on past actual expences takinginto account the occupancy rate
Advertisement for leasing, etc.		1,615,826	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Taxes		1,219,600	Assumed based on agreement conditions, general standard, etc.
Insurance premium		56,200	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Other expenses		250,000	Assumed discretionary reserve
(3) Net operating income from leasing business (NOI=(1)-(2))		25,972,192	
(4) Profit through management of temporary deposits, etc.		53,861	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		782,250	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		25,243,803	
(7) Capitalization rate		5.1%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		487,000,000	
Discount rate		4.9%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.3%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		375,000,000	
Ratio of land		82.3%	
Ratio of building		17.7%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name		PRIME URBAN Ekoda	
Appraisal Value		¥409,000,000	
Appraiser		Chuo Real Estate Appraisal Co., Ltd.	
Appraisal Date		May 31, 2015	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		409,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		397,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		30,600,000	
(a) Gross rental income		32,160,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		1,560,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		7,757,000	
Maintenance		1,256,000	Assumed based on the estimated amount and of a similar building.
Utilities costs		398,000	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		2,603,000	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees		1,350,000	Assumed based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.		920,000	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Taxes		1,182,000	Assumed based on mid to long term perspective of the tax base of year 2015.
Insurance premium		48,000	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses		0	None
(3) Net operating income from leasing business (NOI=(1)-(2))		22,843,000	
(4) Profit through management of temporary deposits, etc.		92,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		1,888,000	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		21,047,000	
(7) Capitalization rate		5.3%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		409,000,000	
Discount rate		5.1%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.5%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		292,000,000	
Ratio of land		77.4%	
Ratio of building		22.6%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name		PRIME URBAN Urayasu II	
Appraisal Value		¥227,000,000	
Appraiser		Japan Real Estate Institute	
Appraisal Date		May 31, 2015	
(Yen)			
Item		Amount or percentage	Grounds
Capitalization approach price		227,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach		230,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)		18,719,000	
(a) Gross rental income		20,212,000	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.		1,493,000	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses		4,202,000	
Maintenance		996,000	Assumed based on the estimated amount and of a similar building.
Utilities costs		350,000	Assumed based on past actual expences takinginto account the occupancy rate
Repair costs		956,000	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees		542,000	Assumed based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.		583,000	Assumed based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit.
Taxes		746,000	Assumed based on mid to long term perspective of the tax base of year 2015.
Insurance premium		29,000	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses		0	None
(3) Net operating income from leasing business (NOI=(1)-(2))		14,517,000	
(4) Profit through management of temporary deposits, etc.		54,000	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve		1,450,000	Assumed in consideration of building age, as well as average maintenance and lease renewal fees based on the engineering report.
(6) Net Cash Flow (NCF = (3)+(4)-(5))		13,121,000	
(7) Capitalization rate		5.7%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach		223,000,000	
Discount rate		5.5%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate		5.9%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price		199,000,000	
Ratio of land		62.7%	
Ratio of building		37.3%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—		

Property Name	PRIME URBAN Yamahana
Appraisal Value	¥273,000,000
Appraiser	The Tanizawa Sogo Appraisal Co., Ltd.
Appraisal Date	May 31, 2015

(Amount : ¥)

Item	Amount or percentage	Grounds
Capitalization approach price	273,000,000	In calculating, both the discounted cash flow approach and the direct capitalization approach are taken into account
Price calculated by the direct capitalization approach	271,000,000	Calculated by capitalization rate based on a net revenue of the stable mid-to-long term
(1) Operating income (a)-(b)	25,181,837	
(a) Gross rental income	26,657,640	Assumed based on the expected mid- to long-term stable rent.
(b) Losses due to vacancies, etc.	1,475,803	Assumed based on the expected mid- to long-term stable occupancy rate.
(2) Operating expenses	6,898,882	
Maintenance	0	Decided the allocation is unnecessary, based on Property Management Agreement
Utilities costs	0	Decided the allocation is unnecessary, based on Property Management Agreement
Repair costs	1,237,600	Allocation of appraised restoration expenses and repair expenses based on the Engineering Report.
Property management fees	2,100,576	Appraisal based on agreement conditions, general standard, etc.
Advertisement for leasing, etc.	462,028	Appraisal based on the agreement conditions, taking into account the standard tenant recruit expenses of similar buildings, and applying the estimated turnover ratio of unit and parking lot lease.
Taxes	2,297,100	Appraisal based on mid to long term perspective of the tax base of year 2015.
Insurance premium	46,123	Allocation, taking into account the actual amount, insurance premium rates of similar buildings, etc.
Other expenses	755,455	Appraised in consideration of consumer goods fees, etc. as Other Expenses.
(3) Net operating income from leasing business (NOI=(1)-(2))	18,282,955	
(4) Profit through management of temporary deposits, etc.	35,114	Assumed interest rates of 2.0%.
(5) Capital Expenditure Reserve	2,873,000	
(6) Net Cash Flow (NCF = (3)+(4)-(5))	15,445,069	
(7) Capitalization rate	5.7%	Assumed based on conditions of the location, the building, and the contract of the Property.
Price calculated by the Discounted Cash Flow Approach	274,000,000	
Discount rate	5.6%	Assumed based on the yield on investment of similar buildings and the characteristics of the Property
Terminal capitalization rate	5.9%	Assumed based on the yield on investment of similar buildings, the future movement of the yield on investment, risks of the Property as a preferred investment, general forecasts of economic growth rate, and price trends of real estate and rents
Cost Approach Price	295,000,000	
Ratio of land	47.6%	
Ratio of building	52.4%	
Matters noted in reconciliation of indicated value and determination of appraisal value	—	

【Exhibits】

Exhibit 1	Portfolio Over View after Acquisition of three Properties
Exhibit 2	Photos of three Properties
Exhibit 3	Maps of three Properties

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

Portfolio Overview after Acquisition of three Properties

Asset Type	Area (Note 1)	Acquisition Price (mln)(Note 2)	Percentage to total(%) (Note 3)
Office	Tokyo Area	291,190	36.1
	Other Area	75,200	9.3
	Total	366,390	45.4
Retail	Tokyo Area	95,317	11.8
	Other Area	44,836	5.6
	Total	140,153	17.4
Logistics	Tokyo Area	126,230	15.6
	Other Area	10,040	1.2
	Total	136,270	16.9
Residential	Tokyo Area	131,962	16.3
	Other Area	32,527	4.0
	Total	164,489	20.4
Grand Total	-	807,302	100.0

(Note 1) “Greater Tokyo” 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) “Total Acquisition Price” is calculated based on “Notice of the Appraisal Value” dated December 16, 2015. The figures indicated are unaudited figures.

(Note 3) “Percentage to Total” indicates the ratio of the total acquisition price of properties for respective uses and in respective areas to the total acquisition price of the entire portfolio (264 properties in total) based on acquisition prices explained in (Note 2). The calculation of percentage to total excludes silent partnership equity interests. Furthermore, as the figures were rounded to the first decimal place, the total may not necessarily be 100%.

Photos of three Properties
Hirakata Kuzuha Logistics Center



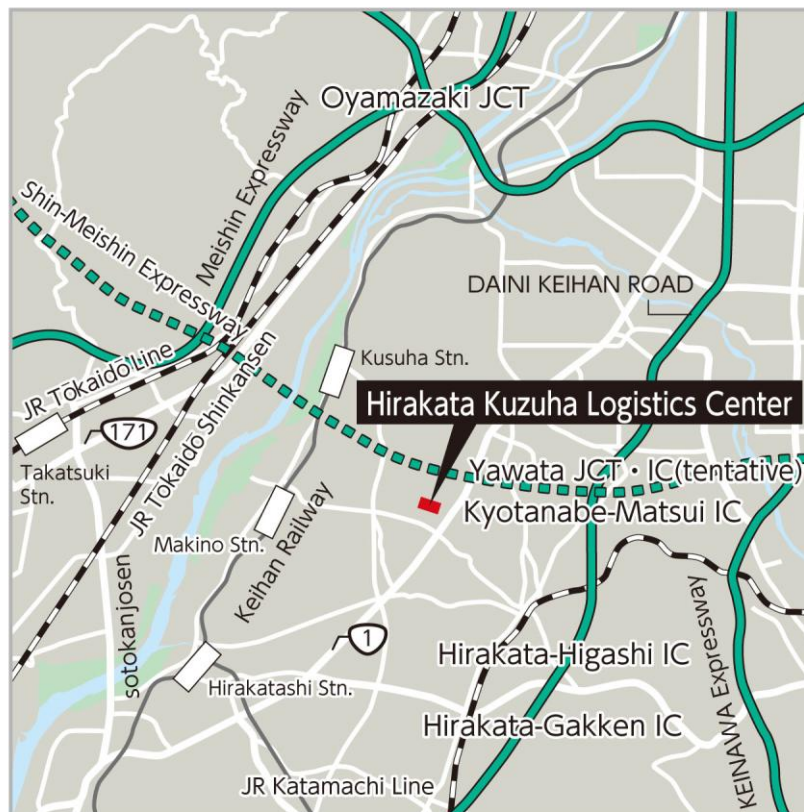
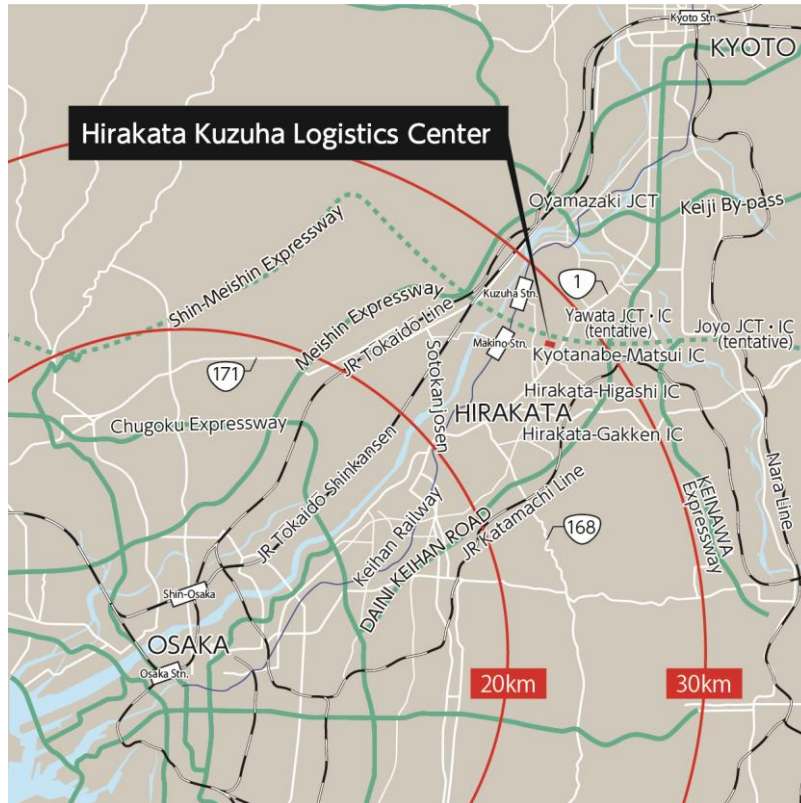
PRIME URBAN Meguro Mita



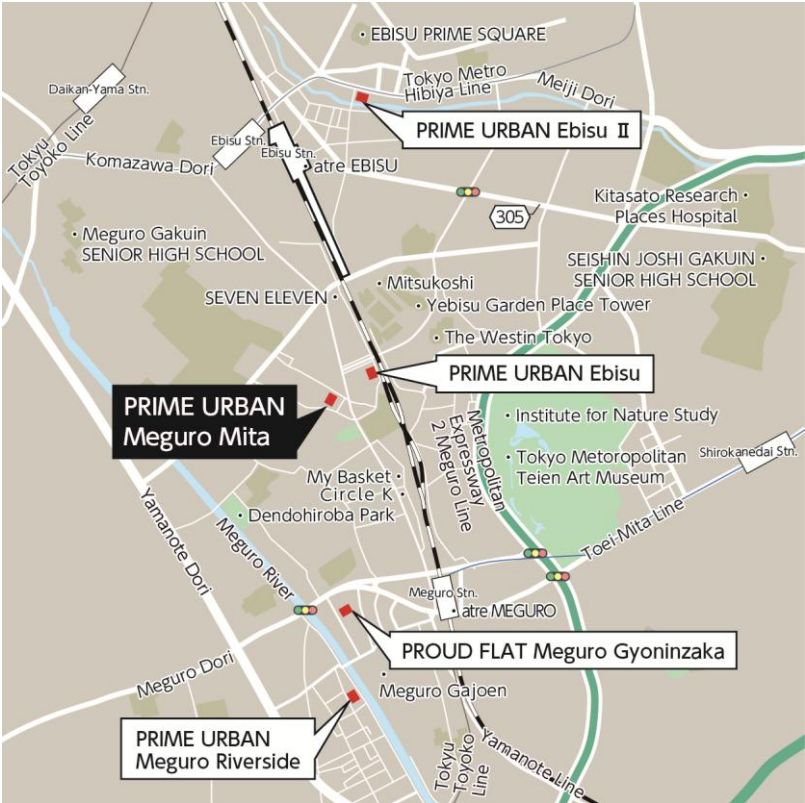
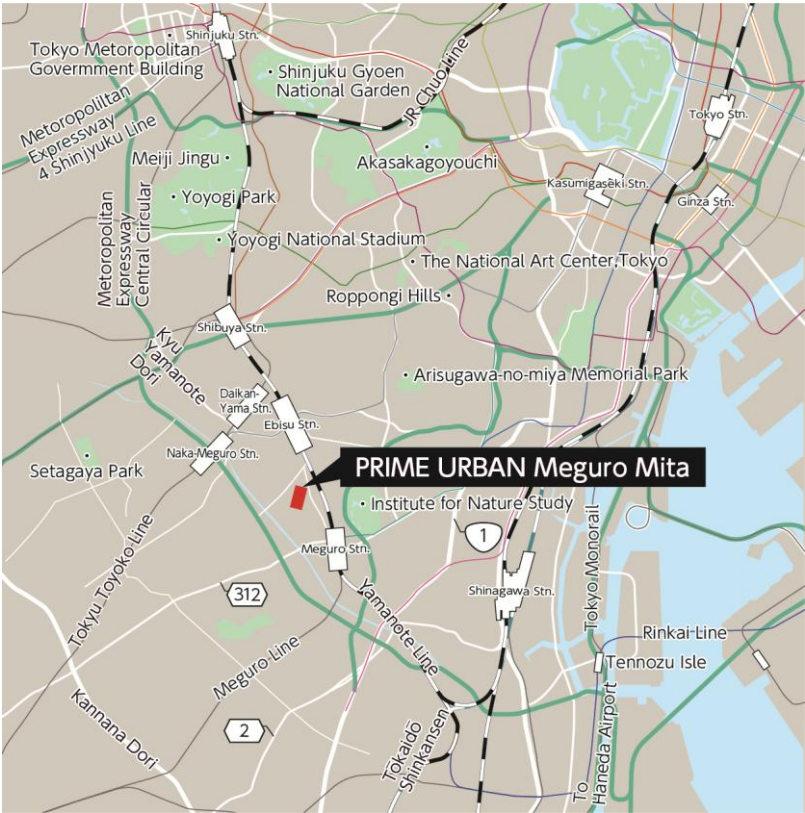
PRIME URBAN Chikusa



Maps of three Properties Hirakata Kuzuha Logistics Center



PRIME URBAN Meguro Mita



PRIME URBAN Chikusa

