



For Immediate Release

To Whom It May Concern

Nomura Real Estate Master Fund, Inc.

Securities Code: 3462

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Notice Concerning Disposition of Property in Japan

Nomura Real Estate Master Fund, Inc. (“NMF” or the “Fund”) announces that Nomura Real Estate Asset Management Co., Ltd., a licensed asset management company retained by the Fund to provide asset management services, decided to dispose of properties (the “Dispositions”) as described below.

1. Summary of Assets to Be Disposed of

Property Name	Use	Date of Purchase and Sales Agreement	Scheduled Date of Disposition	Transferee	Intermediary	Scheduled Transfer Price (¥ million) (Note 1)	Book Value (¥ million) (Note 2)	Difference (¥ million) (Note 3)
PRIME URBAN Senzoku	Residential	March 14, 2025	March 28, 2025	Undisclosed (Note 4)	Yes (Note 5)	10,800 (Note 6)	438	2,796 (Note 6)
PRIME URBAN Gyotoku I							583	
PRIME URBAN Gyotoku II							679	
PRIME URBAN Gyotoku Ekimae II							435	
PRIME URBAN Gyotoku III							696	
PRIME URBAN Meguro Mita							1,096	
PRIME URBAN Nagamachi Icchome							940	
PRIME URBAN Izumi							3,131	
Total						10,800	8,003	2,796

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



- (Note 2) Anticipated book value at the date of disposition.
- (Note 3) This is only a reference value which is the difference between the scheduled transfer price and the anticipated book value, therefore, it is different from gain or loss on sale.
- (Note 4) The transferee is a domestic limited liability company and undisclosed because consent to the disclosure has not been obtained from the transferee. The transferee and the substantial investor are not considered a related party under the Act on Investment Trusts and Investment Corporations (“Investment Trust Act”).
- (Note 5) Nomura Real Estate Solutions Co., Ltd., the intermediary for the transfer of the residential properties PRIME URBAN Senszoku, PRIME URBAN Gyotoku I, PRIME URBAN Gyotoku II, PRIME URBAN Gyotoku Ekimae II, PRIME URBAN Gyotoku III, PRIME URBAN Meguro Mita, PRIME URBAN Nagamachi Ichhome, and PRIME URBAN Izumi (hereinafter collectively referred to as the “8 Residential Properties”), falls under category of interested parties, etc., as defined in the Act on Investment Trusts and Investment Corporations (hereinafter referred to as the “Investment Trust Act”).
- (Note 6) Of the dispositions of 8 Residential Properties are based on a single sale agreement with the same transferee. The planned transfer prices of individual properties are undisclosed, as consent has not been obtained from the transferee. Accordingly, the differences between the planned transfer prices and the book values of individual properties are also undisclosed. The planned transfer prices of the individual properties exceed both the anticipated book values at the date of disposition and the appraisal values at the end of the most recent period (August 31, 2024).

2. Reasons for the Disposition

The Fund has continuously replaced assets as an external growth strategy mainly by acquiring sponsor developed properties and selling properties where there are concerns about their future competitive advantage.

On March 4, 2025, the Fund announced its plan to acquire PROUD FLAT Nippori and PROUD FLAT Asakusa Tresage from the sponsor. The Fund decided to implement the Disposition, together with the acquisition of these properties as part of such asset replacement, pursuant to comprehensive consideration of rising repair costs as the buildings age, the possibility of a future decline in competitiveness in light of the anticipated supply situation, and other relevant factors.

3. Summary of the Asset to be Disposed of

Property Name		PRIME URBAN Senszoku
Type of Asset		Real estate
Location (Note 1)	Registry	2-1468-16 Senszoku, Meguro Ward, Tokyo
	Street	2-20-8 Senszoku, Meguro Ward, Tokyo
Access		2 minute-walk from Senszoku Station on the Tokyu Meguro Line
Completion Date (Note 1)		November 9, 2006
Use (Note 1)		Apartment
Structure (Note 1)		Four-floor steel-reinforced concrete structure with a flat roof
Leasing Units		22
Area (Note 1)	Land	283.23 m ²
	Floor Area	732.23 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		90% (Note 2)
Floor Area Ratio		270% (Note 3)
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 4)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 4)		Pass through
Seismic Risk (PML) (Note 5)		5.2% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sampo Risk Management Inc.)
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.
Acquisition Price		¥474 million
Scheduled Transfer Price		Undisclosed (Note 6)
Book Value (Note 7)		¥438 million
Difference		Undisclosed (Note 6)



Appraisal Value and Method	¥542 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Daiwa Real Estate Appraisal Co., Ltd.)				
Appraisal NOI ^(Note 8)	¥21 million				
Leasing Status (As of January 31, 2025) ^(Note 9)					
Total Number of Tenants	1 (Leasing Units 22)				
Total Rental Income(Annual)	¥31 million (including common area charges)				
Security Deposits	¥2 million				
Occupancy Rate	100.0%				
Total Leased Floor Space	655.27 m ²				
Total Leasable Floor Space	655.27 m ²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	96.8%	90.4%	81.2%	93.7%	100.0%

(Note 1) Location and Other Items

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

(Note 2) Building Coverage Ratio

The building coverage ratio is 80% in principle. However, as fireproof buildings in quasi-fire prevention zones are subject to relaxation measures, the applied coverage ratio is 90%.

(Note 3) Floor Area Ratio

The Property's Floor Area Ratio limit was originally set at 300%, but the frontal road regulation (4.5 meters×60%) is prioritized.

(Note 4) Master Lease

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

(Note 5) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 6) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 7) Book Value

Anticipated book value at the date of disposition.

(Note 8) Appraisal NOI

"Appraisal NOI" is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 9) Leasing Status

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

"Total Rental Income" is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

"Occupancy Rate" is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

"Total Leased Floor Space" indicates the total floor space leased to end tenants as of January 31, 2025.

"Total Leasable Floor Space" is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).



Property Name		PRIME URBAN Gyotoku I			
Type of Asset		Real estate			
Location (Note 1)	Registry	2-4-4 Fukuei, Ichikawa City, Chiba			
	Street	2-4-10 Fukuei, Ichikawa City, Chiba			
Access		Ten-minute walk from Gyotoku Station on the Tokyo Metro Tozai Line.			
Completion Date (Note 1)		December 10, 2001			
Use (Note 1)		Apartment			
Structure (Note 1)		Five-floor steel-reinforced concrete structure with a flat roof			
Leasing Units		52			
Area (Note 1)	Land	598.00 m ²			
	Floor Area	1,283.01 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		70% (Note 2)			
Floor Area Ratio		200%			
Collateral		None			
Property Management Company		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company (Note 3)		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing (Note 3)		Pass through			
Seismic Risk (PML) (Note 4)		6.5% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)			
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.			
Acquisition Price		¥633 million			
Scheduled Transfer Price		Undisclosed (Note 5)			
Book Value (Note 6)		¥583 million			
Difference		Undisclosed (Note 5)			
Appraisal Value and Method		¥717 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Real Estate Institute)			
Appraisal NOI (Note 7)		¥36 million			
Leasing Status (As of January 31, 2025) (Note 8)					
Total Number of Tenants		1 (Leasing Units 36)			
Total Rental Income (Annual)		¥47 million (including common area charges)			
Security Deposits		¥3 million			
Occupancy Rate		100.0%			
Total Leased Floor Space		1,151.36 m ²			
Total Leasable Floor Space		1,151.36 m ²			
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	98.1%	88.5%	88.5%	96.1%	98.1%

(Note 1) Location and Other Items

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

(Note 2) Building Coverage Ratio

The Asset is located in a category II residential zone where the building coverage ratio is 60% in principle. However, as the Asset qualifies as a corner lot designated by the designated administrative agency, it benefits from a corner lot relaxation, resulting in an applied coverage ratio of 70%.

(Note 3) Master Lease

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

(Note 4) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the



expected recovery cost to the replacement cost.

(Note 5) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 8) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Gyotoku II
Type of Asset		Real estate
Location (Note 1)	Registry	1-11-2 Suehiro, Ichikawa City, Chiba
	Street	1-11-5 Suehiro, Ichikawa City, Chiba
Access		Ten-minute walk from Gyotoku Station on the Tokyo Metro Tozai Line.
Completion Date (Note 1)		May 24, 2002
Use (Note 1)		Apartment
Structure (Note 1)		Five-floor steel-reinforced concrete structure with a flat roof
Leasing Units		58
Area (Note 1)	Land	640.00 m ²
	Floor Area	1,445.59 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		70%(Note 2)
Floor Area Ratio		200%
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 3)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		6.2% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sampo Risk Management Inc.)
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.
Acquisition Price		¥730 million
Scheduled Transfer Price		Undisclosed (Note 5)
Book Value (Note 6)		¥679million
Difference		Undisclosed (Note 5)



Appraisal Value and Method	¥783 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Real Estate Institute)				
Appraisal NOI (Note 7)	¥40 million				
Leasing Status (As of January 31, 2025) (Note 8)					
Total Number of Tenants	1(Leasing Units 22)				
Total Rental Income(Annual)	¥52 million (including common area charges)				
Security Deposits	¥4 million				
Occupancy Rate	98.3%				
Total Leased Floor Space	1,222.44 m ²				
Total Leasable Floor Space	1,244.00 m ²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	100.0%	91.4%	91.5%	89.7%	88.0%

(Note 1) Location and Other Items

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

(Note 2) Building Coverage Ratio

The Asset is located in a category II residential zone where the building coverage ratio is 60% in principle. However, as the Asset qualifies as a corner lot designated by the designated administrative agency, it benefits from a corner lot relaxation, resulting in an applied coverage ratio of 70%.

(Note 3) Master Lease

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

(Note 4) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 5) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 8) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).



Property Name		PRIME URBAN Gyotoku Ekimae II			
Type of Asset		Real estate			
Location (Note 1)	Registry	4-6-5 Gyotoku Ekimae, Ichikawa City, Chiba			
	Street	4-6-14 Gyotoku Ekimae, Ichikawa City, Chiba			
Access		Seven-minute walk from Gyotoku Station on the Tokyo Metro Tozai Line.			
Completion Date (Note 1)		March 1, 2001			
Use (Note 1)		Apartment			
Structure (Note 1)		Five-floor steel-reinforced concrete structure with a flat roof			
Leasing Units		46			
Area (Note 1)	Land	505 m ²			
	Floor Area	1,106.51 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		60%			
Floor Area Ratio		200%			
Collateral		None			
Property Management Company		Nomura Real Estate Partners Co., Ltd.			
Master Leasing Company (Note 2)		Nomura Real Estate Partners Co., Ltd.			
Type of Master Leasing (Note 2)		Pass through			
Seismic Risk (PML) (Note 3)		5.8% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)			
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.			
Acquisition Price		¥469 million			
Scheduled Transfer Price		Undisclosed (Note 4)			
Book Value (Note 5)		¥435 million			
Difference		Undisclosed (Note 4)			
Appraisal Value and Method		¥668 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Real Estate Institute)			
Appraisal NOI (Note 6)		¥31 million			
Leasing Status (As of January 31, 2025) (Note 7)					
Total Number of Tenants		1 (Leasing Units 22)			
Total Rental Income (Annual)		¥41 million (including common area charges)			
Security Deposits		¥3 million			
Occupancy Rate		97.8%			
Total Leased Floor Space		907.17 m ²			
Total Leasable Floor Space		927.33 m ²			
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	97.8%	91.3%	67.4%	80.4%	89.1%

(Note 1) Location and Other Items

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

(Note 2) Master Lease

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

(Note 3) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 4) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of



disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 7) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Gyotoku III
Type of Asset		Real estate
Location (Note 1)	Registry	1-2-3,-16 Fukuei, Ichikawa City, Chiba
	Street	1-2-8 Fukuei, Ichikawa City, Chiba
Access		Ten-minute walk from Gyotoku Station on the Tokyo Metro Tozai Line.
Completion Date (Note 1)		Jun 30, 2001
Use (Note 1)		Apartment
Structure (Note 1)		Six-floor steel-reinforced concrete structure with a flat roof
Leasing Units		77
Area (Note 1)	Land	923.90 m ²
	Floor Area	1,925.16 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		60%
Floor Area Ratio		200%
Collateral		None
Property Management Company		Nomura Real Estate Partners Co., Ltd.
Master Leasing Company (Note 2)		Nomura Real Estate Partners Co., Ltd.
Type of Master Leasing (Note 2)		Pass through
Seismic Risk (PML) (Note 3)		6.5% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.
Acquisition Price		¥747 million
Scheduled Transfer Price		Undisclosed (Note 4)
Book Value (Note 5)		¥696 million
Difference		Undisclosed (Note 4)
Appraisal Value and Method		¥1,070 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Real Estate Institute)
Appraisal NOI (Note 6)		¥51 million
Leasing Status (As of January 31, 2025) (Note 7)		
Total Number of Tenants	1 (Leasing Units 43)	



Total Rental Income(Annual)	¥68 million (including common area charges)				
Security Deposits	¥5 million				
Occupancy Rate	97.4%				
Total Leased Floor Space	1,720.55 m ²				
Total Leasable Floor Space	1,766.47 m ²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	87.0%	93.5%	89.6%	88.3%	93.5%

(Note 1) Location and Other Items

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

(Note 2) Master Lease

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

(Note 3) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 4) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 5) Book Value

Anticipated book value at the date of disposition.

(Note 6) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 7) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Meguro Mita
Type of Asset		Real estate
Location (Note 1)	Registry	2-178-1 Mita, Meguro Ward, Tokyo
	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)		Four-floor steel-reinforced concrete structure with a flat roof and 1 basement floor



Leasing Units		28			
Area (Note 1)	Land	515.34 m ² (Note 2)			
	Floor Area	1,101.06 m ²			
Type of Ownership	Land	Ownership			
	Building	Ownership			
Building Coverage Ratio		70%(Note 3)			
Floor Area Ratio		160%(Note 4)			
Collateral		None			
Property Management Company		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			
Seismic Risk (PML) ^(Note 6)		4.6% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)			
Notes		Nomura Real Estate Partners Co. Ltd., the property management company, is considered a related party under the Investment Trust Act.			
Acquisition Price		¥1,058 million			
Scheduled Transfer Price		Undisclosed ^(Note 7)			
Book Value ^(Note 8)		¥1,096 million			
Difference		Undisclosed ^(Note 7)			
Appraisal Value and Method		¥1,190 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: : Japan Valuers Co., Ltd.)			
Appraisal NOI (Note 9)		¥44 million			
Leasing Status (As of January 31, 2025) ^(Note 10)					
Total Number of Tenants		1(Leasing Units 25)			
Total Rental Income(Annual)		¥52 million(including common area charges)			
Security Deposits		¥3 million			
Occupancy Rate		90.1%			
Total Leased Floor Space		994.99 m ²			
Total Leasable Floor Space		1,104.76 m ²			
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	94.1%	96.2%	100.0%	87.0%	100.0%

(Note 1) Location and Other Items

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

(Note 2) Land Area

Includes an area of approximately 5.8 m² which is regarded as a road under Article 42, paragraph (2) of the Building Standards Act.

(Note 3) Building Coverage Ratio

The building coverage ratio is 60% in principle. However, as fireproof buildings in quasi-fire prevention zones are subject to relaxation measures, the applied coverage ratio is 70%.

(Note 4) Floor Area Ratio

While the maximum floor area ratio for the Asset is designated as 300% in principle, the regulation on the width of the front road (4.0 m x 40%) is prioritized.

(Note 5) Master Lease

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

(Note 6) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 7) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).



(Note 8) Book Value

Anticipated book value at the date of disposition.

(Note 9) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 10) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the Asset that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Nagamachi Icchome
Type of Asset		Real estate
Location (Note 1)	Registry	1-127-6 Nagamachi Icchome, Taihaku Ward, Sendai City, Miyagi
	Street	1-2-30 Nagamachi Icchome, Taihaku Ward, Sendai City, Miyagi
Access		3-minute walk to Nagamachi Icchome Station on the Sendai Municipal Subway Namboku Line.
Completion Date (Note 1)		January 15, 2008
Use (Note 1)		Apartment
Structure (Note 1)		Thirteen -floor steel reinforced concrete structure with flat roof
Leasing Units		60
Area (Note 1)	Land	1,075.14 m ² (Note 2)
	Floor Area	3,821.89 m ²
Type of Ownership	Land	Ownership
	Building	Ownership
Building Coverage Ratio		80%
Floor Area Ratio		400%
Collateral		None
Property Management Company		REI Co., Ltd.
Master Leasing Company (Note 3)		REI Co., Ltd.
Type of Master Leasing (Note 3)		Pass through
Seismic Risk (PML) (Note 4)		0.7% (Based on the Earthquake PML Appraisal Report as of September 2024 by Sompo Risk Management Inc.)
Notes		—
Acquisition Price		¥1,140 million
Scheduled Transfer Price		Undisclosed (Note 5)
Book Value (Note 6)		¥940 million
Difference		Undisclosed (Note 5)
Appraisal Value and Method		¥992 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Valuers Co., Ltd.)
Appraisal NOI (Note 7)		¥60 million
Leasing Status (As of January 31, 2025) (Note 8)		
Total Number of Tenants		1 (Leasing Units 52)
Total Rental Income (Annual)		¥75 million (including common area charges)
Security Deposits		¥11 million



Occupancy Rate	92.9%				
Total Leased Floor Space	3,168.01 m ²				
Total Leasable Floor Space	3,411.24 m ²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	92.3%	98.5%	100.0%	98.4%	88.6%

(Note 1) Location and Other Items

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

(Note 2) Land Area

The front road on the northeastern side of the Asset has been designated as a city planning road (designated as “3.2.51 Mototera Koji Koriyama Line,” with a width of 36 m and the planning decision made on November 11, 1946). The construction of buildings is not permitted within the area of this city planning road. The portion of the site that falls within the area of this city planning road is 162.06 m².

(Note 3) Master Lease

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

(Note 4) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 5) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with August 31, 2024 as the appraisal date.

(Note 8) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

Property Name		PRIME URBAN Izumi
Type of Asset		Real estate
Location (Note 1)	Registry	1-2023 Izumi, Higashi Ward, Nagoya City, Aichi
	Street	1-20-28 Izumi, Higashi Ward, Nagoya City, Aichi
Access		Three-minute walk from Takaoka Station on the Nagoya Municipal Subway Sakuradori Line
Completion Date (Note 1)		January 28, 2008
Use (Note 1)		Apartment, Retail, Parking
Structure (Note 1)		Fifteen-floor steel reinforced concrete structure with flat roof
Leasing Units		250
Area (Note 1)	Land	1,145.32 m ²
	Floor Area	9,636.50 m ²
Type of	Land	Ownership



Ownership	Building	Ownership			
Building Coverage Ratio		80%			
Floor Area Ratio		683%(Note 2)			
Collateral		None			
Property Management Company		Haseko Livenet, Inc.			
Master Leasing Company ^(Note 3)		Haseko Livenet, Inc.			
Type of Master Leasing ^(Note 3)		Pass through			
Seismic Risk (PML) ^(Note 4)		1.6% (Based on the Earthquake PML Appraisal Report as of September 2024 by Somp Risk Management Inc.)			
Notes		—			
Acquisition Price		¥3,770 million			
Scheduled Transfer Price		Undisclosed ^(Note 5)			
Book Value ^(Note 6)		¥3,131 million			
Difference		Undisclosed ^(Note 5)			
Appraisal Value and Method		¥3,760 million (Based on the capitalization approach as of August 31, 2024) (Appraiser: Japan Valuers Co., Ltd.)			
Appraisal NOI ^(Note 7)		¥169 million			
Leasing Status (As of January 31, 2025) ^(Note 8)					
Total Number of Tenants	1(Leasing Units 218)				
Total Rental Income(Annual)	¥228 million (including common area charges)				
Security Deposits	¥20 million				
Occupancy Rate	95.1%				
Total Leased Floor Space	7,173.82 m ²				
Total Leasable Floor Space	7,543.10 m ²				
Historical Occupancy Rates	January 2020	January 2021	January 2022	January 2023	January 2024
	96.3%	93.2%	96.3%	93.5%	95.7%

(Note 1) Location and Other Items

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

(Note 2) Floor Area Ratio

The land of the Asset is located in a commercial zone, where the floor area ratio is 500% for the portion within 30 m from the northern road boundary and 800% for the portion beyond 30 m. The designated floor area ratio is determined as a weighted average based on the proportion of each area, but is restricted by the width of the front road (10 m). Furthermore, with the addition of the width of the front road based on the distance to a specified road (pursuant to Article 52, Paragraph 9 of the Building Standards Act), the floor area ratio is 683%.

(Note 3) Master Lease

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

(Note 4) PML (Probable Maximum Loss)

PML shows the probable maximum amount of loss that can be expected to incur once every 475 years or once every 50 years with 10% probability during the anticipated period of use (i.e., 50 years as the expected lifetime of a standard building) as a ratio (percentage) of the expected recovery cost to the replacement cost.

(Note 5) Scheduled Transfer Price

Undisclosed because consent has not been obtained from the transferee. Accordingly, the difference between the scheduled transfer price and the book value is also undisclosed. The planned transfer price of the Asset exceeds both the anticipated book value at the date of disposition and the appraisal value at the end of the most recent period (August 31, 2024).

(Note 6) Book Value

Anticipated book value at the date of disposition.

(Note 7) Appraisal NOI

“Appraisal NOI” is the annual NOI (operating income operating expenses) described in the real estate appraisal report with February 28, 2023 as the appraisal date.

(Note 8) Leasing Status

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

“Total Rental Income” is the amount obtained by multiplying by 12 the monthly rent and common area charges stated in the lease agreements



by the total number of end tenants as of January 31, 2025, actually leasing space in the building of the Asset as of today (rounded down to the nearest million yen). The figure does not include any other incidental rent that may be agreed upon in connection with the said lease agreements, such as parking fees, signboard fees and warehouse fees.

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

“Occupancy Rate” is calculated by dividing Total Leased Floor Space as of January 31, 2025, by Total Leasable Floor Space.

“Total Leased Floor Space” indicates the total floor space leased to end tenants as of January 31, 2025.

“Total Leasable Floor Space” is the total floor space of offices, retail facilities, logistics facilities, residential facilities, hotels, etc. within the As set that can be leased as of January 31, 2025 (if the common area, etc. is leased, the floor space thereof is included).

4. Summary of Transferees of the Assets to Be Disposed of

Detailed information other than that the transferees are domestic limited liability companies are not disclosed because consent to the disclosure of detailed information has not been obtained from the transferees.

As of today, there are no capital relationships, personal relationships, or transactional relationships to be disclosed between this investment corporation/asset management company and the transferee/substantial investor, and they are not related parties of this investment corporation or the asset management company.

5. Summary of Brokerage

8 Residential Facility Properties

Company Name	Nomura Real Estate Solutions Co., Ltd.
Head Office	1-26-2 Nishi-Shinjuku, Shinjuku Ward, Tokyo
Representative	Kenichi Maeda, President
Principal Business	Brokerage of residential real estate, brokerage of commercial real estate, consignment sales business, insurance agency business, bank agency business, and operation of information website on real estate
Capital	¥1,000 million (as of April 1, 2024)
Established	November 6, 2000
Relationships with the Fund and/or the Asset Management Company and the Seller	
Capital	As a wholly owned subsidiary of Nomura Real Estate Holdings, Inc., which also holds 100% interests of the shares of the Asset Management Company, Nomura Real Estate Solutions Co., Ltd. is a related party of the Asset Management Company as defined in the Investment Trust Act.
Personal	Neither the Fund nor the Asset Management Company has any notable personal relationship with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable personal relationship with those associated with the relevant company.
Transactions	Neither the Fund nor the Asset Management Company has any notable transactions with the said company. In addition, any persons or companies associated with the Fund or the Asset Management Company have no notable transactions with those associated with the relevant company.
Related Party Status	Nomura Real Estate Solutions Co., Ltd. does not fall under the definition of a related party of the Fund for the accounting purpose. However, the said company is a related party of the Asset Management Company as it is a subsidiary of a common parent company, as stated above.
Brokerage fee	324,060 thousand yen (excluding consumption tax and local consumption tax.)



6. Transactions with Related Parties

Nomura Real Estate Solutions Co., Ltd., the intermediary for the transfer of the 8 Residential Properties, falls under the category of interested parties, etc., as defined in the Investment Trust Act, as stated above. Accordingly, the delegation of intermediary services, fees, and other relevant terms have been duly examined and authorized by the Asset Management Company's compliance committee and investment committee pursuant to its investment committee rules, rules of compliance, compliance manual, rules concerning transactions with related parties, and other relevant internal rules and guidelines.

7. Form of Payment, etc.

Regarding the disposition, on the scheduled sale date, the Fund will receive from the seller the entire purchase price of the 8 Residential Property to Be Sold in a lump sum. The Fund plans to use the cash obtained through the sale of the Property for portfolio management, including the repayment of borrowings and the acquisition of properties.

8. Schedule for the Transactions

March 14, 2025	Conclusion of sale agreements for the dispositions of the 8 Residential Facility Properties
March 28, 2025	Dispositions of the 8 Residential Facility Properties

9. Outlook

Since the Acquisition will be made after the end of the fiscal period ending February 2025 (September 1, 2024 to February 28, 2025), there will be no impact on the operating status for the fiscal period ending February 2025. Also, the use of the amount equivalent to the capital gain is currently under examination, taking financial status into consideration.

Accordingly, the performance forecast for the fiscal period ending August 2025 (March 1, 2025 to August 31, 2025), including the impact of the amount equivalent to the capital gain from this transfer, will be announced in the brief report of financial results for the fiscal period ending February 2025 scheduled for April 17, 2025.



10. Appraisal Summary

Property Name	PRIME URBAN Senzoku
Appraisal Value	¥ 542,000,000
Appraiser	Daiva Real Estate Appraisal Co., Ltd.
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	542,000,000	Calculated taking into account the capitalization approach price determined using both the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	554,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	28,586,732	
(a) Gross Rental Income	30,061,415	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	1,474,683	Calculated on the assumption of a stable occupancy rate over the medium to long term
(2) Operating Expenses	7,169,346	
Maintenance Costs	660,000	Calculated based on actual costs in past years, cost levels for similar properties and other factors
Utilities Costs	142,711	Calculated with reference to the actual amounts in past fiscal years and levels for comparable properties
Repair Costs	2,318,277	Repair cost: Calculated based on the annual average amount of repair cost given in the engineering report Tenant replacement cost: Calculated in consideration of the replacement and vacancy rates
Property Management Fees	852,937	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	1,333,161	Calculated with reference to the actual amounts in past fiscal years and levels for comparable properties
Taxes	1,346,700	Calculated based on actual amounts recorded in fiscal 2024
Insurance Premium	59,280	Recorded based on the assessment that the actual amount is reasonable, with reference to the levels of similar properties
Other Expenses	456,280	Recorded based on actual amounts
(3) Net Operating Income from Leasing Business (NOI = (1) - (2))	21,417,386	
(4) Profit through Management of Temporary Deposits, etc.	22,219	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	2,617,050	Assessment of the annual average amount in the engineering report, taking into account the CM fee
(6) Net Cash Flow (NCF = (3) + (4) - (5))	18,822,555	
(7) Capitalization Rate	3.4%	Calculated by standardizing the method of comparison with similar property transactions and considering various factors, including geographical conditions, building specifications, contract terms, and rights relationships, while also referring to investors' opinions
Price calculated by the discounted cash flow approach	537,000,000	
Discount Rate	3.2%	Calculated based on such factors as comparison with discount rates on transactions of similar properties and yields on other financial instruments
Terminal Capitalization Rate	3.6%	Calculated with consideration of the capitalization rate and other factors such as the marketability of the property as of the expiry of holding period
Cost Approach Price	413,000,000	
Ratio of Land	70.6%	
Ratio of Building	29.4%	



<p>Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value</p>	<p>We determined that the Property is located in the same supply and demand zone as the residential area and the residential and mixed (residential and commercial) areas extending around the section centered on Ōokayama Station to Musashi-Koyama Station on the Tokyu Meguro Line.</p> <p>Considering the property's competitiveness in the rental housing market and the real estate market, we determined that the best use would be maintaining the property as a mid-rise residential complex.</p> <p>While demanders in the real estate market, in which the property is involved, are assumed to be mainly investors, the demanders show a strong tendency to make transactions with a focus on the property's profitability and investment profitability.</p> <p>Therefore, we decided that the capitalization approach price would relatively be more convincing than the cumulative price in the Transaction.</p>
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Property Name	PRIME URBAN Gytoku I
Appraisal Value	¥ 717,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	717,000,000	Determined by referring equally to the price calculated with the direct capitalization approach and the price calculated with the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	722,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	49,487,000	
(a) Gross Rental Income	51,868,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	2,381,000	Calculated based on a stable occupancy rate (vacancy rate) over the medium to long term, taking into consideration the occupancy results of the property and similar properties as well as the future market outlook and other factors
(2) Operating Expenses	12,984,000	
Maintenance Costs	2,260,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	940,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	4,314,000	Recorded with consideration of the actual amounts in past fiscal years, the cost levels of similar properties, the annual average amount of repair and renewal costs given in the Engineering Report, restoration costs, and other factors
Property Management Fees	1,422,000	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	1,884,000	Recorded the total amount of rental fees, advertising costs, and renewal fees
Taxes	2,045,000	Calculated based on relevant materials related to taxes and public dues
Insurance Premium	86,000	Calculated with reference to the premium based on the current insurance contract, the premium rates at similar properties and other factors
Other Expenses	33,000	Recorded community association fees and other expenses
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	36,503,000	
(4) Profit through Management of Temporary Deposits, etc.	33,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	8,360,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age, the annual average maintenance and renewal fees given in the engineering report and other factors
(6) Net Cash Flow (NCF = (3) + (4) - (5))	28,176,000	
(7) Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of the property's conditions of location, building and others
Price calculated by the discounted cash flow approach	712,000,000	
Discount Rate	3.7%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	4.0%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	527,000,000	
Ratio of Land	72.8%	
Ratio of Building	27.2%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	



Property Name	PRIME URBAN Gyotoku II
Appraisal Value	¥ 783,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	783,000,000	Determined by referring equally to the price calculated with the direct capitalization approach and the price calculated with the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	790,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	54,140,000	
(a) Gross Rental Income	57,138,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	2,998,000	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	13,803,000	
Maintenance Costs	2,134,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	520,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	4,891,000	Recorded based on past performance amounts, cost levels of similar properties, annual average repair and renewal costs in the engineering report, and restoration costs.
Property Management Fees	1,552,000	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	2,165,000	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	2,344,000	Assessment based on public dues and tax-related documents, etc.
Insurance Premium	97,000	Assessment based on the current insurance contract premiums and reference to the insurance rates of similar properties
Other Expenses	100,000	Recorded security-related telephone charges and other expenses
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	40,337,000	
(4) Profit through Management of Temporary Deposits, etc.	39,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	9,580,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age, the annual average maintenance and renewal fees given in the engineering report and other factors
(6) Net Cash Flow (NCF = (3) + (4) - (5))	30,796,000	
(7) Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of the property's conditions of location, building and others
Price calculated by the discounted cash flow approach	776,000,000	
Discount Rate	3.7%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	4.0%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	572,000,000	
Ratio of Land	73.0%	
Ratio of Building	27.0%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—
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Property Name	PRIME URBAN Gyotoku Ekimae II
Appraisal Value	¥ 668,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	668,000,000	Determined by referring equally to the price calculated with the direct capitalization approach and the price calculated with the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	673,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	40,576,000	
(a) Gross Rental Income	43,164,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	2,588,000	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	9,353,000	
Maintenance Costs	1,902,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	320,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	2,593,000	Recorded based on past performance amounts, cost levels of similar properties, annual average repair and renewal costs in the engineering report, and restoration costs.
Property Management Fees	1,161,000	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	1,691,000	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	1,605,000	Assessment based on public dues and tax-related documents, etc.
Insurance Premium	81,000	Assessment based on the current insurance contract premiums and reference to the insurance rates of similar properties
Other Expenses	0	There are no other expenses to be recorded
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	31,223,000	
(4) Profit through Management of Temporary Deposits, etc.	30,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	5,020,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age, the annual average maintenance and renewal fees given in the engineering report and other factors
(6) Net Cash Flow (NCF = (3) + (4) - (5))	26,233,000	
(7) Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of the property's conditions of location, building and others
Price calculated by the discounted cash flow approach	662,000,000	
Discount Rate	3.7%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	4.0%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	399,000,000	
Ratio of Land	74.5%	
Ratio of Building	25.5%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—
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Property Name	PRIME URBAN Gyotoku III
Appraisal Value	¥ 1,070,000,000
Appraiser	Japan Real Estate Institute
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,070,000,000	Determined by referring equally to the price calculated with the direct capitalization approach and the price calculated with the discounted cash flow approach
Price Calculated by the Direct Capitalization Approach	1,080,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	68,541,000	
(a) Gross Rental Income	72,118,000	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	3,577,000	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	16,726,000	
Maintenance Costs	2,795,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	900,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	5,062,000	Recorded based on past performance amounts, cost levels of similar properties, annual average repair and renewal costs in the engineering report, and restoration costs.
Property Management Fees	1,962,000	Calculated with reference to the current compensation fee rate, compensation fee rates adopted to similar properties and other factors
Advertisement for Leasing	2,833,000	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	3,014,000	Assessment based on public dues and tax-related documents, etc.
Insurance Premium	156,000	Assessment based on the current insurance contract premiums and reference to the insurance rates of similar properties
Other Expenses	4	Recorded road usage fees and other expenses
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	51,815,000	
(4) Profit through Management of Temporary Deposits, etc.	50,000	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	9,850,000	Calculated based on the assumption of average allocations each period, capital expenditure levels at similar properties, the building's age, the annual average maintenance and renewal fees given in the engineering report and other factors
(6) Net Cash Flow (NCF = (3) + (4) - (5))	42,015,000	
(7) Capitalization Rate	3.9%	Calculated based on a comprehensive consideration of the property's conditions of location, building and others
Price calculated by the discounted cash flow approach	1,060,000,000	
Discount Rate	3.7%	Calculated with a comprehensive consideration of the Property's characteristics with reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	4.0%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	780,000,000	
Ratio of Land	71.0%	
Ratio of Building	29.0%	



Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—
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Property Name	PRIME URBAN Meguro Mita
Appraisal Value	¥ 1,190,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	1,190,000,000	Calculated with an emphasis on the price calculated with the discounted cash flow approach, and also referring to the price calculated with the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	1,210,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	58,200,170	
(a) Gross Rental Income	60,624,178	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	2,424,008	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	13,407,957	
Maintenance Costs	1,992,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	481,234	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	2,403,635	The total amount of small-scale repair costs and restoration costs is recorded.
Property Management Fees	1,727,771	The total amount of property management fees and construction management fees is recorded.
Advertisement for Leasing	3,018,216	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	3,254,994	The most recent results were adopted.
Insurance Premium	81,380	The most recent results were adopted.
Other Expenses	448,727	CATV fees, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	44,792,213	
(4) Profit through Management of Temporary Deposits, etc.	41,318	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	1,317,500	To record large-scale repair costs and facility renewal costs expected to be incurred equally in each year, the annual average amount of renewal costs estimated in an Engineering Report is recorded
(6) Net Cash Flow (NCF = (3) + (4) - (5))	43,516,031	
(7) Capitalization Rate	3.6%	Calculated with consideration of the property's characteristics in terms of geographical conditions, building specifications, rights relationships, etc., referring to yields on investment for transactions of similar properties and others
Price calculated by the discounted cash flow approach	1,170,000,000	
Discount Rate	3.4%	Calculated with comprehensive consideration of the property's characteristics and reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	3.8%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	923,000,000	
Ratio of Land	90.6%	
Ratio of Building	9.4%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	



Property Name	PRIME URBAN Nagamachi Ichome
Appraisal Value	¥ 992,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	992,000,000	Calculated with an emphasis on the price calculated with the discounted cash flow approach, and also referring to the price calculated with the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	999,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	85,058,274	
(a) Gross Rental Income	89,819,131	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	4,760,857	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	24,732,209	
Maintenance Costs	1,405,200	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	1,179,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	8,391,074	The total amount of small-scale repair costs and restoration costs is recorded.
Property Management Fees	2,898,711	The total amount of property management fees and construction management fees is recorded.
Advertisement for Leasing	4,582,691	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	5,641,821	The most recent results were adopted.
Insurance Premium	226,510	The most recent results were adopted.
Other Expenses	407,202	Telephone charges, consumables, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	60,326,065	
(4) Profit through Management of Temporary Deposits, etc.	120,593	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	12,442,500	To record large-scale repair costs and facility renewal costs expected to be incurred equally in each year, the annual average amount of renewal costs estimated in an Engineering Report is recorded
(6) Net Cash Flow (NCF = (3) + (4) - (5))	48,004,158	
(7) Capitalization Rate	4.8%	Calculated with consideration of the property's characteristics in terms of geographical conditions, building specifications, rights relationships, etc., referring to yields on investment for transactions of similar properties and others
Price calculated by the discounted cash flow approach	984,000,000	
Discount Rate	4.6%	Calculated with comprehensive consideration of the property's characteristics and reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	5.0%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	608,000,000	
Ratio of Land	68.1%	
Ratio of Building	31.9%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	



Property Name	PRIME URBAN Izumi
Appraisal Value	¥ 3,760,000,000
Appraiser	Japan Valuers Co., Ltd.
Appraisal Date	August 31, 2024

(Yen)

Item	Amount or Percentage	Grounds
Capitalization Approach Price	3,760,000,000	Calculated with an emphasis on the price calculated with the discounted cash flow approach, and also referring to the price calculated with the direct capitalization approach
Price Calculated by the Direct Capitalization Approach	3,810,000,000	Calculated by reducing stable medium-to long-term net cash flow based on the capitalization rate
(1) Operating Income (a)-(b)	234,666,232	
(a) Gross Rental Income	249,458,245	Calculated based on appropriate rent levels recognized as stable over the medium- to long-term
(b) Losses due to Vacancies, etc.	14,792,013	The stable medium- to long-term occupancy rate (vacancy rate), etc. is calculated, taking into consideration factors such as the occupancy results of the property and similar properties and the outlook for future market developments
(2) Operating Expenses	65,234,335	
Maintenance Costs	6,600,000	Calculated based on the terms and conditions of the current building management contract, taking into consideration factors such as past results and cost levels at similar properties
Utilities Costs	3,515,000	Calculated based on past results taking into consideration cost levels at similar properties and other factors
Repair Costs	11,248,513	The total amount of small-scale repair costs and restoration costs is recorded.
Property Management Fees	4,866,621	The total amount of property management fees and construction management fees is recorded.
Advertisement for Leasing	16,203,725	The total amount of brokerage fees and other expenses, advertisement cost and renewal fees is recorded.
Taxes	15,229,567	The most recent results were adopted.
Insurance Premium	568,730	The most recent results were adopted.
Other Expenses	7,002,179	CATV fees, light bulb costs, off-site parking fees, etc.
(3) Net Operating Income from Leasing Business (NOI=(1)-(2))	169,431,897	
(4) Profit through Management of Temporary Deposits, etc.	216,420	Calculated based on an investment yield of 1.0%
(5) Capital Expenditure Reserve	5,824,167	To record large-scale repair costs and facility renewal costs expected to be incurred equally in each year, the annual average amount of renewal costs estimated in an Engineering Report is recorded
(6) Net Cash Flow (NCF = (3) + (4) - (5))	163,824,150	
(7) Capitalization Rate	4.3%	Calculated with consideration of the property's characteristics in terms of geographical conditions, building specifications, rights relationships, etc., referring to yields on investment for transactions of similar properties and others
Price calculated by the discounted cash flow approach	3,710,000,000	
Discount Rate	4.1%	Calculated with comprehensive consideration of the property's characteristics and reference to the yields on investments in similar properties and other factors.
Terminal Capitalization Rate	4.5%	Calculated based on a comprehensive consideration of such factors as the yields on investment in similar properties, future trends of investment yields, risks of the property as an investment, general forecasts of future economic growth rate, and the trends of real estate prices and rents
Cost Approach Price	2,590,000,000	
Ratio of Land	80.8%	
Ratio of Building	19.2%	
Matters Noted in Reconciliation of Indicated Value and Determination of Appraisal Value	—	



[Exhibit]

Exhibit Overview of the Portfolio after the Transaction

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



Overview of the Portfolio after the Transaction

(¥ million)

Sector \ Area	Greater Tokyo Area (Note 1)	Other Areas	(Anticipated) Total Acquisition Price (by Sector)	Investment Ratio (%) (Note 2)
Office	369,175	65,100	434,275	39.6
Retail	111,768	67,890	179,659	16.4
Logistics	237,992	3,460	241,452	22.0
Residential	190,579	22,558	213,137	19.4
Hotels	2,360	22,141	24,501	2.2
Others	4,900	—	4,900	0.4
(Anticipated) Total Acquisition Price (by Area)	916,775	181,150	1,097,925	100.0
Investment Ratio (%) (Note 2)	83.5	16.5	100.0	

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

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

(Note 3) The figure shown is for after the acquisition of PROUD FLAT Nippori and PROUD FLAT Asakusa Tresage, which are scheduled to be acquired on March 25, 2025.

